



Impacts of Better Measures

We believe Mr David Parmenter (a leading expert in developing winning KPIs) put it in the best way in his book for what good measures do for a business. We would like to quote his following comments to you.

Reference

Parmenter, D., n.d. *Key Performance Indicators (KPI) Fourth Edition: Developing, Implementing, and Using Winning KPIs*. pp.24-25.

Performance measures can and should have a profound impact on performance because they:

- Tend to **make things happen**; it helps people see progress and motivates action.
- Increase visibility of a more balanced performance and **focus** attention **on what matters**.
- Increase **objectivity** – Dean Spitzer points out that staff actually like measuring and even like being measured, but they do not like being judged subjectively.
- Improve your understanding, your decision making, and execution Spitzer illustrates that you will not be able to execute well, consistently, without measurement. Measurement can improve your business intuition and **significantly increase your “decision-making** batting average.”
- **Improve consistency of performance** over the long term.
- Facilitate feedback on how things are going, thereby **providing early warning** signals to management.
- Help the organization become future-ready by encouraging timely feed-back, looking forward by measuring future events (e.g., a CEO should look weekly at the list of celebrations, or recognitions, scheduled for the next two weeks), **encouraging innovation, abandonment of the broken, and supporting winning management** habits such as recognition, training, and mentoring.

The material is from a third party's resources as referenced.