

Performance Management - Putting the Pieces Together

Direction

Strategic Planning (Planning)

- ✓ Performs environmental scanning & raises awareness of emerging issues
- ✓ Coordinates the process that provides long term (strategic) goals and targets that are aligned with the corporate mission/vision
- ✓ Helps the organization clarify the strategy that will be employed to reach these goals.



Budgets (Finance)

- ✓ Coordinates the process that provides the near term (tactical) targets on the way to accomplishing strategic goals



Training & Employee Development (Human Resources)

- ✓ Helps align strategic and performance targets within employee goals & action plans

Execution

Business Units (Operations)

- ✓ Responsible for developing & maintaining infrastructure necessary to reach strategic goals
(capital projects, business processes, etc.)
- ✓ Owns business unit performance
- ✓ Develops goals, measures, and targets for their units subject to executive approval

Supply Chain (Cross-organization interfaces)

- ✓ Owns supply chain performance, resolving conflicts caused by sub-optimizing goals
- ✓ Develops goals, measures, and targets for Supply Chain performance subject to executive approval

Staff

- ✓ Each staff exec owns their department's performance in support of internal clients
- ✓ Develops goals, measures, and targets for their departments subject to executive approval

Scorekeeping

Controller (Finance)

- ✓ Ensures the accuracy and timeliness of transactional (detailed) data in a cost effective manner
- ✓ Ensures the accuracy of consolidated financials
- ✓ Above functions provide the foundation for the performance database
- ✓ Establishes the data infrastructure that enables business analysis from multiple perspectives
- ✓ Ensures the accuracy of the aggregated detail data used in internal, segment financial reporting as well as performance reporting
- ✓ Provides timely, accurate performance reports from the perspective of understanding current operations and how they might be further improved

Control & Improvement

Control and improvement of organizational performance is exercised under the office of the CEO by three primary areas, the first at the organizational level and two at the individual level.

Performance Management (Planning & Finance)

Planning

- ✓ Acts as an advisor to the CEO concerning the performance process and review of performance measures and targets
- ✓ Provides the high level targets and metrics associated with strategic goals

Finance

- ✓ Provides performance process guidelines across the organization consistent with strategic goals, targets, and metrics
- ✓ Designs structure, timing, content, and participation of performance review meetings

Training & Employee Development (Human Resources)

- ✓ Oversight of employee performance processes and assessment methodologies
- ✓ Assists in adopting development plans to raise internal competencies capable of moving to higher performance levels

Compensation (Human Resources)

- ✓ Establish reward processes that encourage reaching performance targets