

**CSF** = Factors that are decisive for the success of a company's business objectives

**KPI** = Measure the CSF's

**Critical success factors & KPI's**

	Business objective	CSF	KPI
1	Improve order fulfilment	Ship to target	Percentage of systems that ship on time exactly as the customer specified
2	Increase product performance	Initial field incident rate	Frequency of problems experienced by customers
3	Enhance post-sales performance	On-time, first-time fix	Percentage of problems fixed on the first visit by a service representative who arrives at the time promised

(Bocij et al, 2006)

**Develop performance management system**  
 Study guide section 13

**3 phases**  
 according to Bourne

- 1 Design the performance measures
  - 1 Key objectives?
  - 2 Design the measures themselves

**Should be according to the strategy**
- 2 Implementation of the performance measures
  - Put systems / processes in place which can make available data regularly
- 3 Use of performance measures
  - 1 Assessing implementation of strategy
  - 2 Challenging the strategic assumptions

(1) The performance measurement system should include an effective mechanism for reviewing and revising **targets and standards** (Ghalayini and Noble, 1996).

(2) The performance measurement system should include a process for developing individual measures as **performance and circumstances change** (Maskell, 1989; Dixon et al., 1990; McMann and Nanni, 1994).

(3) The performance measurement system should include a process for periodically reviewing and revising the complete set of measures in use. This should be done to coincide with changes in either the **competitive environment or strategic direction**. (Wisner and Fawcett, 1991; Dixon et al., 1990; Lingle and Schiemann, 1996)

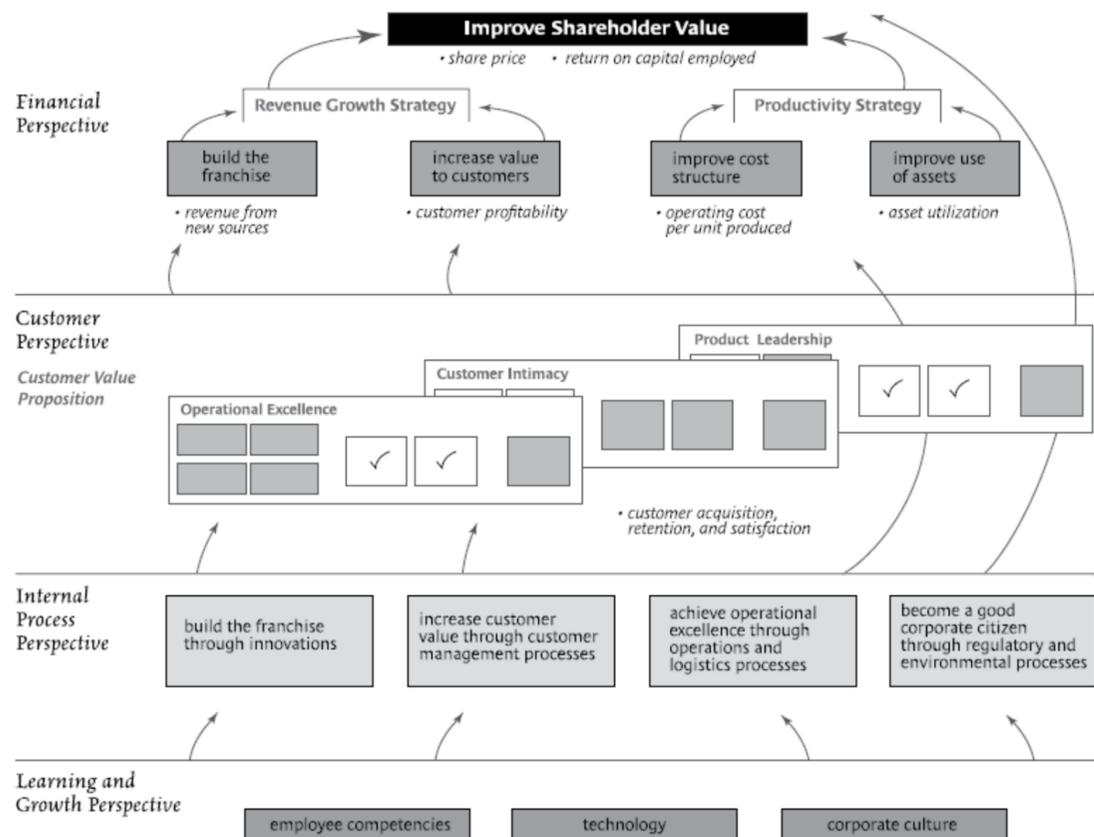
(4) The performance measurement system should be used to **challenge the strategic assumptions**

Review important

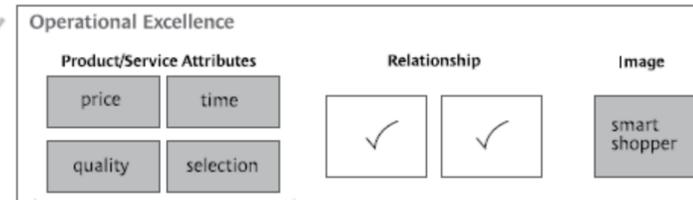
1 Clarify mission & strategic vision

2 Specify objectives in the four scorecard areas to realize your company's vision

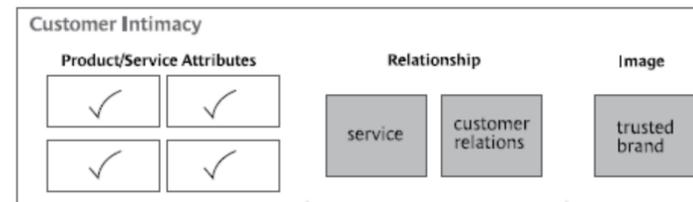
**Strategy map**  
 Kaplan & Norton



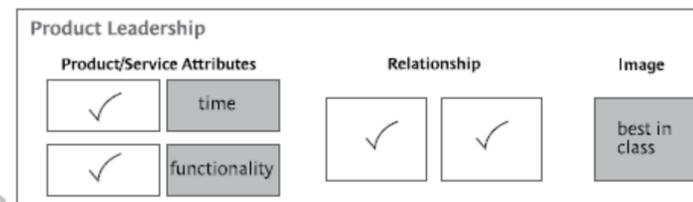
**Customer Value Proposition Strategies**



Companies excel at competitive pricing, product quality, and on-time delivery.



Companies excel at offering personalized service to customers and at building long-term relations with them.



Companies excel at creating unique products that push the envelope.