

# 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