

Monitoring Performance

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Successful business management requires the ongoing monitoring of performance in order to generate data by which to judge the success or otherwise of specific strategies. Improvement in performance can only be realistically achieved when management is properly informed about current performance. To this end it is important to identify key performance indicators (KPIs) that will enable management to monitor progress.

There are three areas of activity within a professional firm that are critical to commercial and professional success and KPIs need to be established in each:

- Measures relating to financial performance and business development;
- Views of clients about the range, provision and delivery of the professional service firm's services;
- Views of personnel about all aspects of their relationship with the professional service firm.

A successful professional firm will typically start by identifying and agreeing specific KPIs and considering how best to measure them. Armed with the desired measures the next step will be to establish target performance levels for all the chosen KPIs using as guides information gained from benchmarking exercises, past performance or experience.

Measuring performance presents the next hurdle and whilst there may be a temptation to amend KPIs to simplify the data collection demands. Financial measures almost certainly present the simplest challenge as most of the related KPIs will be expressed as quantitative measures. Quality management information relevant to the KPIs will usually be available.

Measures relating to KPIs relating to both the clients' views about the firm and also those of members of the firm's staff may prove more difficult. Positive performance in these areas is just as important as in the financial area but many of the related measures are subjective and cannot easily be expressed in quantitative terms. A solution can be found in undertaking a research based approach and surveying both the firm's client population and that of its personnel.

To be of value to a firm and allow performance to inform decisions, any measurements of KPIs will need to be properly analysed and interpreted. Results need to be expressed in a straightforward and clear way, typically expressing conclusions in terms of confidence levels. If this is to be achieved then exercises such as surveys will need to be carefully structured and, to avoid covering the entire population, will normally adopt statistical sampling techniques.

Throughout the process, it is important to remember the underlying purpose of the research. Research for its own sake may prove of interest but the firm will usually only benefit if the research findings are applied in improving existing policies and procedures and shaping and refining new ones.

A positive trend in research findings is obviously a desirable goal and may be interpreted as reflecting the firm's successful provision of professional services and/or people management. Satisfactory trends in the results of such surveys may, for example, provide evidence that the pricing of services is being set with an awareness of client views and this, in turn, may provide confidence when the firm is pressing for payment by other clients.

A professional services firm is not only dependent upon its ability to attract and retain personnel but also on its ability to manage and utilise this expense resource. Commonsense argues strongly that a firm should encourage all members of personnel, principals and others, to undertake their individual responsibilities to the best of their ability. To achieve this, a firm will need to apply effective personnel management techniques with a view to motivating its people and encouraging teamwork.

The matters raised above include issues that are widely recognised as being important motivators. The views of staff on these and related issues are important if the firm is to acquire knowledge of its success or otherwise in the area of people management. As before, the firm must first seek to understand its staff's views on key issues and then take positive action to address negative opinions.

Motivated people are good for business. The relationship between strong motivation and strong performance is well recognised. Not only are well motivated people usually more productive but they also present a more positive image to outsiders (including clients).

Satisfaction levels are also influenced by both reward packages (both in terms of amount and composition) and the firm's recognition of an individual or team's achievements. This latter point not necessarily involving monetary recognition but including simple matters such as a personal comment. Commercially, the firm needs to draw a line between paying adequate rewards and being overly generous and the use of benchmarking exercises with similar firms and salary surveys can provide valuable information on these sensitive issues. Basic issues such as employee views on working conditions are important. Enquiry should encourage feedback about a full range of issues including hours of work, holidays, training opportunities as well as office accommodation and equipment.

Maintaining and developing the skills of employees is important to the commercial success of the firm. Training is essential but as this costs money and absorbs time that otherwise would be available to sell, training must be carefully targeted. To see further information please visit DJS Research by clicking here: [Market Research UK](http://MarketResearchUK.com)

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