

# Cascading Priorities Through All Levels of the Organization

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## Cascading and Driving Organizational Priorities

### Agenda

- Background-Case Study On a “Shared Services Organization SSP” Business Unit
- High Performance Model & Framework
- High Performance Results
- Questions

## Cascading and Driving Organizational Priorities

### *Background- SSP (Shared Services Provider) Business*

- Project Launched in Late 1998 to Create Shared Services Provider (SSP) Business for Transaction Processing
  - People: High Performance, Customer Focused Organization in "New Location"
  - Process: Best Practice, Standardized Processes
  - Technology: Streamlined via Automation & Integration, Leverage Web
- Implemented Business Early 2000 as New Internal SSP
- Continued External Awards and Recognition for High Performance

## Cascading and Driving Organizational Priorities

### *Scope of Services*

#### *Scope of Services Include:*

Financial Services	Employee Services	AR Remittance Processing
Accounts Payable Disbursements Fixed Assets General Ledger Project Accounting Travel & Expense	Employee Data Maintenance Payroll Time Reporting	Electronic Payments Lockbox Walk In Payments
PMO (Project Management Office)		



IT Services: Outsource Vendor Delivery & Internal Technology Group Management

## Cascading and Driving Organizational Priorities

### *Establishing Mission and Key Priorities*

- Mission and Priorities “i.e., Key Focus Areas”
- Performance Model for “Organizational Culture”
- Performance Framework for Continued Communication & Reinforcement
  - Balanced Scorecard
  - Targets
  - Accountability & Reward
  - Communication, Calibration, & Celebration

## Cascading and Driving Organizational Priorities

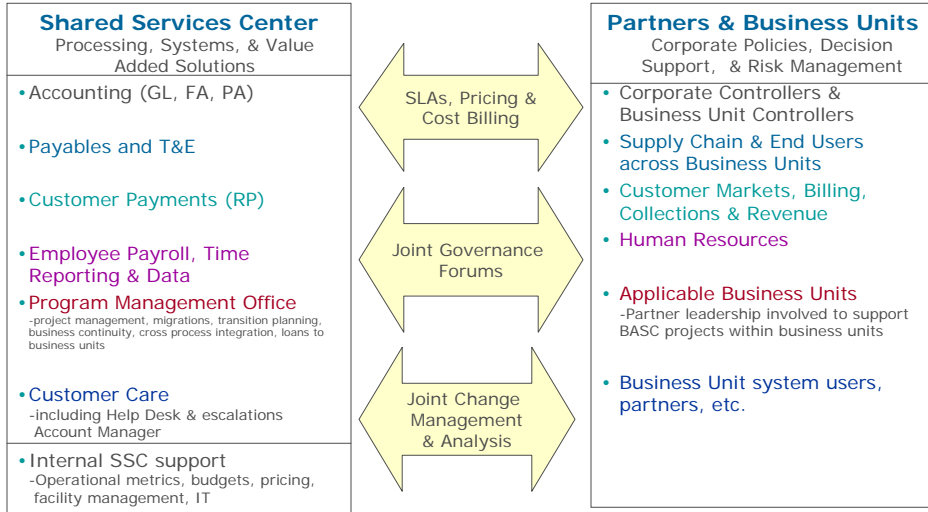
### *Mission & Key Focus Areas (SSP Example)*



## Cascading and Driving Organizational Priorities

### SSP Organizational Model & Change Management

*Techniques to Align SSP with Business Unit Partners For "Mission" Success*



## Cascading and Driving Organizational Priorities

*Model for Communicating Priorities & Creating High Performance Culture Across the SSP Divisions*



## Cascading and Driving Organizational Priorities Performance Framework – Balanced Scorecard

Areas of Focus that Balance Service, Quality, & Cost Performance

Key Focus Areas (KFA)
<b>Customer</b>
<b>Financial</b>
<b>Innovation</b>
<b>Employee Development</b>

## Cascading and Driving Organizational Priorities Performance Framework – Balanced Scorecard

Key Performance Indicators (KPI) that Measure Success in Key Focus Areas (KFA)– SSP Examples

Key Focus Areas (KFA)	Key Performance Indicators (KPI)
Customer	<ul style="list-style-type: none"> <li>•Customer satisfaction survey</li> <li>•SLA metrics</li> </ul>
Financial	<ul style="list-style-type: none"> <li>•Budget variance</li> <li>•Unit cost – benchmark &amp; trends</li> </ul>
Innovation	<ul style="list-style-type: none"> <li>•Project milestones</li> <li>•Process improvements</li> </ul>
Employee Development	<ul style="list-style-type: none"> <li>•Employee satisfaction survey</li> <li>•Employee movement &amp; education</li> </ul>

## Cascading and Driving Organizational Priorities Performance Framework – Balanced Scorecard

Key Performance Indicators (KPI) “Targets” Communicates Expectations and Drives High Performance Results– SSC Examples

KFA	KPI	KPI Targets
Customer	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>SLA metrics</li> </ul>	<ul style="list-style-type: none"> <li>Minimum of 4.0 on 5 point scale</li> <li>Meet &gt;90% (Overall Composite)</li> </ul>
Financial	<ul style="list-style-type: none"> <li>Budget variance</li> <li>Unit cost – benchmark &amp; trends</li> </ul>	<ul style="list-style-type: none"> <li>Underrun budget</li> <li>1<sup>st</sup> quartile and/or year-over-year cost declines</li> </ul>
Innovation	<ul style="list-style-type: none"> <li>Project milestones</li> <li>Process improvements</li> </ul>	<ul style="list-style-type: none"> <li>Meet all project milestones</li> <li>Quantity &amp; quality</li> </ul>
Employee Development	<ul style="list-style-type: none"> <li>Employee satisfaction survey</li> <li>Employee movement &amp; education</li> </ul>	<ul style="list-style-type: none"> <li>Results better than Corporate</li> <li>Job movement &amp; % participation in training</li> </ul>

## Cascading and Driving Organizational Priorities Performance Framework – Balanced Scorecard

KFA	KPI	KPI Targets	Individual Metrics (Examples)
Customer	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>SLA metrics</li> </ul>	<ul style="list-style-type: none"> <li>Minimum of 4.0 on 5 point scale</li> <li>Meet &gt;90% (Overall Composite)</li> </ul>	<ul style="list-style-type: none"> <li>Individual performance results on survey</li> <li>Minimum 80% of help desk calls answered on first attempt</li> </ul>
Financial	<ul style="list-style-type: none"> <li>Budget variance</li> <li>Unit cost - benchmark &amp; trends</li> </ul>	<ul style="list-style-type: none"> <li>Underrun budget</li> <li>1st quartile and/or year-over-year cost declines</li> </ul>	<ul style="list-style-type: none"> <li>Process specific</li> <li># transactions per employee (e.g. payroll data)</li> </ul>
Innovation	<ul style="list-style-type: none"> <li>Project milestones</li> <li>Process improvements</li> </ul>	<ul style="list-style-type: none"> <li>Meet all project milestones</li> <li>Quantity &amp; quality</li> </ul>	<ul style="list-style-type: none"> <li>Applies to project manager &amp; functional</li> <li>Individual submissions - per quarter</li> </ul>
Employee Development	<ul style="list-style-type: none"> <li>Employee satisfaction survey</li> <li>Employee movement &amp; education</li> </ul>	<ul style="list-style-type: none"> <li>Results better than Corporate</li> <li>Job movement &amp; % participation in training</li> </ul>	<ul style="list-style-type: none"> <li>Applies to supervisor/manager/director</li> <li>Time in position, education, certification, participation in training and mentoring offered</li> </ul>

## **Cascading and Driving Organizational Priorities** ***Performance Framework – Accountability & Reward***

### **Link “Line of Sight” Balanced Scorecard & Individual Metrics Results to Accountability and Reward**

#### Accountability

- Formal Performance Plans
  - Include KPI Targets and/or Individual Metrics
  - Behavioral Dimensions (the How vs. What)
- Periodic Performance Reviews to Measure & Rate Performance vs. Targets/Metrics
- Link Ratings to Annual Performance Pay Evaluation
  - Link Above Average Rating to Above Average Pay Increase
  - Link Below Average Rating to Formal Improvement Plan or Disciplinary Steps

## **Cascading and Driving Organizational Priorities** ***Performance Framework – Accountability & Reward***

### **Link “Line of Sight” Balanced Scorecard & Individual Metrics Results to Accountability and Reward**

#### Reward

- Annual Pay Treatment
- Special Spot Awards
- Open Recognition & “Thank You’s”
- Celebrations & Team Building
- Continued Employee Development & Growth Opportunities

## **Cascading and Driving Organizational Priorities** *Performance Framework – Communication & Calibration*

- Quarterly “State of the Union” Message for Entire Organization
  - Overall Industry Update
  - Overall Corporate Results
  - Overall SSP Organization Results & Recognition
- Small Group Cross-Process Town Hall “Talk-Ups”
- Individual Process Group Team Building
- Annual Organization Celebration
- Direct Roles in Creating New Programs (e.g. Employee Development Curriculum & Web Site, Mentoring Program)

## **Cascading and Driving Organizational Priorities** *Performance Framework – Communication & Calibration*

- Business Unit Partner/Customer Communications
  - Service Level Agreements
  - Joint Governance Boards
  - Joint Change Management for New Initiatives
  - Help Desk and/or Key Contact List
  - Escalation Process

## **Cascading and Driving Organizational Priorities** *Performance Framework – Communication & Calibration*

- Communication to Executive/Officer Leadership
  - Officer Invited to Quarterly State of the Union
  - Semi-annual Overview to Officer
    - Process/Division Scorecard & Results
    - Opportunities & Challenges
    - Future Initiatives
  - Publication of Scorecard Results on Web

## **High Performance Results (Examples)**

## Cascading and Driving Organizational Priorities SSP Performance Results

Key Focus Area (KFA)	Key Performance Indicator (KPI)	BASC Results
Customer	<ul style="list-style-type: none"> <li>Customer satisfaction &amp; service delivery</li> <li>SLA metrics</li> </ul>	<ul style="list-style-type: none"> <li>Best in class customer satisfaction scores (4.5 of 5.0)</li> <li>Exceeded SLA targets (94% vs. 90 %)</li> </ul>
Financial	<ul style="list-style-type: none"> <li>Unit cost – Benchmark &amp; trends</li> <li>Budget variance</li> <li>FTE trends</li> </ul>	<ul style="list-style-type: none"> <li>1<sup>st</sup> quartile lowest unit cost (100% Financial Services processes) &amp; double digit % decline unit cost trends</li> <li>Cost Underruns/rebates every year</li> <li>-54% FTE for Financial Services</li> </ul>

## Cascading and Driving Organizational Priorities SSP Performance Results

Key Focus Area (KFA)	Key Performance Indicator (KPI)	Results
Innovation	<ul style="list-style-type: none"> <li>Planned project success</li> <li>Quantity &amp; quality</li> </ul>	<ul style="list-style-type: none"> <li>Milestones met or exceeded</li> <li>Payback exceeded                             <ul style="list-style-type: none"> <li>AP project exceeded FTE cuts by 50 %</li> </ul> </li> </ul>
Employee Development	<ul style="list-style-type: none"> <li>Employee survey</li> <li>% job changes / development / certification / education/training</li> </ul>	<ul style="list-style-type: none"> <li>Survey results exceeded BellSouth average</li> <li>~20-30% job changes per year</li> <li>20% participation in mentoring program (mentors &amp; mentees)</li> <li>139 students attended BASC training classes (e.g. Excel)</li> </ul>

**Questions?**