Integrated performance management for sustained growth
This paper provides Deloitte’s insights on Integrated Performance Management (IPM).

Organisations that are considering improving reporting, planning, budgeting and forecasting processes, systems and capabilities can benefit from the insights contained in this paper.

It is particularly useful for organisations that are preparing to embark on strategic change programs such as financial transformation, IPO readiness and shared services & BPO.

The key issues contributing to successful implementations are examined, and four key questions are posed and addressed. These questions form the structure of this paper and will guide you on how to approach the deployment of IPM across finance and business change enablement initiatives.
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**Executive summary**

Many companies undertake performance management improvement programs. These programs focus on:

- Building capability to support growth
- Driving operational efficiency
- Improving decision making capability
- Drawing insights from business information and processes
- Improving capability for management to drive competitiveness.

These programs typically spark significant change in an organisation and challenge the capability to maintain business as usual whilst also transforming the way the business operates.

History has shown that these programs and projects can suffer massive failure when performance management disciplines, business processes, people and organisational constructs, enabling technology and information fail to align.

Integrated Performance Management (IPM) is an approach constructed on a set of management disciplines and principles, designed to help organisations accelerate desired business outcomes.

**Integrated Performance Management**

IPM is a framework that directs organisations to focus on and assess their current processes and capabilities. It guides the building of a sustainable way of doing the right things in the right way, driving focus and alignment across the organisation. It relies on a strong information and technology foundation and cross functional integration to accurately measure outcomes and reward success.

In essence IPM is an interrelated set of activities, connecting the metrics, processes and systems used to monitor and manage business performance.

The Deloitte IPM approach helps businesses to deliver operational results and business outcomes using an integrated methodology that is enabled by processes, people, technology and information.

**IPM helps deliver business outcomes by focussing on nine interconnected management disciplines; enabled by technology and information and driven by people and behaviours.**

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Measures, dashboards and scorecards underpin each management discipline to allow the business to manage and monitor performance. This provides focus, alignment, integration and behaviour to drive business outcomes.
Key questions to consider

Question 1: Why is IPM important?
IPM establishes a clear framework and set of connections and interdependencies across all work streams associated with business performance management. The framework identifies the pieces of work required to successfully execute the program in full alignment with the expected business outcomes.

Executing a performance management program without an IPM framework, increases the risk that while individual components may succeed, the overall program will not.

Undertaking the program with an IPM framework enables the right activities to be completed, in the right order with full focus, alignment, integration and aligned behaviour across all streams and management disciplines.

Delay in adopting an IPM approach can result in the need to correct misalignment or other issues mid flight, resulting in reduced effectiveness, project blow outs and significant additional costs with reduced benefit to the organisation.

Aligning the organisation minimises the risk of program failure and improves the quality, agility and relevance of business outcomes.

Question 2: How to implement IPM?
Aligning multiple streams within the IPM program demands correct organisational focus, alignment, integration and behaviour. Educating your leaders and successfully connecting the required streams of activities is an important initial step.

Leveraging proven IP, experience and leading practices, tailored with industry expertise and deep client relationships, tested through a maturity assessment model, will guide where to start and how to proceed. This will establish the scope, roadmap and dependencies for the performance management program.

Confirming what needs to be measured, and how that measurement occurs at different levels of the business is another important consideration, as well as building understanding of the benefits that will come from each phase of the IPM roadmap.

These programs should also integrate change and strategy leadership to align senior management and ensure talent and desired behaviours are rewarded.

Global experience in IPM projects underpins the Deloitte approach, by bringing clarity around what to do and in what order to build a robust IPM execution program.
Question 3: What are the critical success factors?
An IPM program should start by securing cross functional agreement and alignment from the top. This allows an organisation to lead with focus, achieve alignment and integrate the correct organisational behaviours and structure.

In our experience it is vital is for organisations to instil their own context into the IPM framework, including:

- Current status of IPM processes, people technology and information
- Accepting leading IPM practice insights to learn from others who have undertaken this type of activity.

Thus each program becomes a hybrid of (re)deployment of existing IPM components, and investment in new elements (technology, processes, information and behavioural constructs) for successful execution.

The leading global performers using an IPM approach;

- Share a common understanding of value creation and use clear measures
- Set performance targets and create accountability via KPI’s
- Establish joint project teams with the appropriate mix of functional, supporting and operational resources
- Acknowledge that finance owns performance management metrics
- Link target setting to key value drivers and external markets
- Use well governed technology and information platforms to drive transparency and integration
- Link individual rewards to company targets.

An IPM approach will give clarity and confidence in identification and integration of the critical success factors for performance management improvement projects.

Question 4: What next?
By identifying a number of performance management improvement initiatives, you take the first step in creating a performance management framework, supported by related processes and systems, information and people. These initiatives will improve your ability to effectively deliver on your strategy.

The key to IPM is integration
Delivering these initiatives using an IPM program will minimise risk and leverage the potential for synergetic benefits. Such benefits are only realised when organisations truly understand the interrelated performance management processes in the context of the various work streams.

In addition, a clear vision and shared understanding is vital to guide how the completion of the initiatives will enable genuine business outcomes.

This will provide insight and drive consensus around the scope, priority, dependencies, roadmap and benefit to the organisation.

Getting this right will underpin the overall success of the program and align with your organisation’s vision and the achievement of sustained and profitable growth.

Align leadership and ensure that performance management initiatives start off in the right direction, with confidence.
<table>
<thead>
<tr>
<th><strong>Recommended actions</strong></th>
<th><strong>Description</strong></th>
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<tbody>
<tr>
<td>Educate leaders</td>
<td>Your leaders need to know that IPM is an approach that will assist the delivery of business outcomes. They need to understand, sponsor and believe in it to ensure success.</td>
</tr>
<tr>
<td>Develop or confirm high level IPM vision and scope</td>
<td>Conduct workshops to achieve leadership alignment on the scope and vision.</td>
</tr>
<tr>
<td>Undertake an IPM maturity assessment</td>
<td>The output defines the guiding principles and combines quantitative and qualitative data to determine next steps.</td>
</tr>
<tr>
<td>Confirm vision, program scope and objectives</td>
<td>Combine the initial hypotheses and maturity assessment outputs to lock-in these items.</td>
</tr>
<tr>
<td>Build a prioritised and phased roadmap</td>
<td>Use results from the information gathered above to produce a phased stage roadmap.</td>
</tr>
<tr>
<td>Develop high level target architecture</td>
<td>Should support the vision, and will serve as a reference point for the duration of the program.</td>
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A rigorous IPM program will derisk execution, align the organisation and promote the success of transformation programs.

**Our industry observations**

Globally, many organisations are commencing or are part way through significant investments in finance, risk and operations related processes, data and infrastructure programs. Typical catalysts for change focus on:

- Capital and risk management
- Improved transparency
- Alignment of risk and finance information and reporting
- Reduction in reporting risk
- Elimination of manual processes and conflicting information sources
- Systems consolidation
- Flexibility and enhanced capability to support future growth
- Cost reduction
- Improvements in forecasting capability
- Faster response to competitor and market pressure.

Organisations are addressing these issues through different types and styles of transformation programs, however we are seeing some common trends and points of debate emerging:

**Common trends we observe include:**

- Increasing reliance on finance as a business partner, with finance moving closer to the business, and demands for greater insights from Corporate through better understanding of the business
- Annual planning is supported by rolling forecasting processes, with customer centric drivers being used, and a focus on the ability to develop forecasts around different scenarios and contingency plans
- Identification of key external and financial metrics that are directly related to value for use in forecasting
- Improved insight into liquidity, balance sheet analysis and risk factors driving transparency of positions across the business
- Risk information incorporated into management reporting
- Re-design of CQA and general ledger to act as point of control across reporting environments
- Central core single version of the truth
- Single Consolidation tool set supporting multiple sub consolidations — financial and management reporting
- Alignment of lowest common denominator of reference data supported by calculation engines
- Integrated Financial systems are becoming the standard with strong data quality, data management and governance functions, processes and tools
- General Ledger and Financial data warehouse are used universally to support reporting requirements across business functions.
Points of debate

• Establishing agreed upon driver frameworks, measure definitions across business functions
• Changing the communication of strategy or business outcomes to a value driver basis instead of bottom up development of financial outcomes
• What is the role of Corporate in the transformation process, and how much oversight into the business should exist – what are the roles and responsibilities of corporate and operations
• Ownership and accountability of balance sheet
• Impacts of the transformation agenda on shared services and offshoring models
• Group vs. local reporting and consolidation responsibilities, including the system (Consolidation, GL, DW) that holds the data (finance, risk, operations) and performs consolidation, elimination and reporting
• Rate of vendor solution adoption – leading edge or proven model
• Build for local flexibility or global standards and integration
• Fat vs thin ledger, and GL vs Finance Data Warehouse approaches and integrity assurance
• Data and process ownership and accountabilities
• Reporting transparency and analytic capability.
Context

Many organisations are now attempting to transform their businesses to realise their vision and outperform in the market place. These organisations typically initiate a number of transformation programs across the group to create the foundation for this vision.

Successful execution of these programs is critical for delivering the following types of specific business outcomes:

- Ensuring the right platform and capability exists to accommodate planned and expected growth
- Equipping the business to make faster, more accurate decisions in response to marketplace and regulatory changes
- Providing fit for purpose integrated systems and processes to support business outcomes
- Providing a view of business and financial performance that incorporates risk, finance, treasury and critical business information
- Achieving operational efficiencies, facilitate post-merger integration activities and drive quantifiable benefit to the organisation
- Ensuring that the people and organisational constructs are in place to adopt these changes and drive the delivery of the required business outcomes.

This Deloitte point of view highlights the key considerations for successful implementation of an Integrated Performance Management approach.

In addition, based on leading practice IPM approach to enabling change, we have noted some areas for consideration to help deliver critical business outcomes.
1 Why is IPM important?

1.1 What is Integrated Performance Management

IPM is an interrelated set of activities, related to the metrics, processes and systems used to effectively monitor and manage an organisation’s business performance.

It includes nine interconnected business disciplines that are enabled by technology and information, and driven by people and behaviours.

Figure 2: The Deloitte IPM wheel

IPM involves aligning an organisation’s approach to managing the business, its planning and reporting processes, its underlying data and systems and establishes the environment and foundation for effective and efficient performance management; and subsequent delivery on business outcomes and operational results.

We represent this using the IPM Wheel. The nine disciplines can be grouped into three performance management domains; Plan, Measure and Intervene.

The IPM process is a continuous cycle; the loop must be closed between Intervene and the next Plan stages. To achieve this, current performance reports (e.g. KPIs, financial reports, project tracking) are reviewed to capture ‘lessons learned’ for use as an input into the next cycle.
### IPM disciplines

IPM consists of nine management disciplines, grouped into three domains:

<table>
<thead>
<tr>
<th>IPM domain</th>
<th>Management discipline</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Plan</strong></td>
<td>Strategy</td>
<td>Understand performance drivers or levers, for the operational and strategic business outcomes the organisation requires and define the supporting business imperatives. Establish KPI’s.</td>
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<tr>
<td></td>
<td>Planning</td>
<td>Define, develop, prioritise and integrate initiatives that will support the business outcomes defined above.</td>
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<td></td>
<td>Budgeting</td>
<td>Create annual operating, financial and capital targets based on plans developed and the expected business environment.</td>
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<tr>
<td><strong>Measure</strong></td>
<td>Operational reporting</td>
<td>Schedule and deliver reports and performance indicators which provide business intelligence to address the needs of the organisation at all levels.</td>
</tr>
<tr>
<td></td>
<td>Management reporting</td>
<td>Once operating results are closed and reported, perform analysis and measurement against targets, including financial, risk and non-financial management information.</td>
</tr>
<tr>
<td></td>
<td>External reporting</td>
<td>External reporting of financial statements, treasury, tax and investor relations.</td>
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<tr>
<td></td>
<td>Analysis</td>
<td>Perform standard and ad-hoc analysis of business operating performance across key operating and performance measures.</td>
</tr>
<tr>
<td><strong>Intervene</strong></td>
<td>Intervention</td>
<td>Review and improve performance management based on analyses of process, technology, information and people components. Reward people when performance objectives are met.</td>
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<tr>
<td></td>
<td>Forecasting</td>
<td>Creating monthly or quarterly targets, taking into consideration operating results and business environment issues.</td>
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Underpinning the nine disciplines are four IPM enablers, which promote effective management and execution of the IPM program.

<table>
<thead>
<tr>
<th>Enabler</th>
<th>Description</th>
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<tr>
<td><strong>Process</strong></td>
<td>Well defined, understood and transparent processes provide accurate and consistent information, enables each of the IPM disciplines to complete and connect to the next discipline.</td>
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<tr>
<td></td>
<td>Effective processes will align budgets to required business outcomes, support decision making, and provide forward looking intelligence based on key drivers.</td>
</tr>
<tr>
<td><strong>People and organisation</strong></td>
<td>Establish and communicate a common understanding of value drivers in the organisation.</td>
</tr>
<tr>
<td></td>
<td>Clear ownership and responsibility for operational results and performance through clear communication and understanding of business outcomes and key drivers.</td>
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<td></td>
<td>Reward, appraisal and feedback linked to business performance and targets to drive the right behaviours.</td>
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<tr>
<td></td>
<td>Training and development on driver based performance management, and the impact this has on behaviour, and execution of the nine IPM disciplines.</td>
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<tr>
<td></td>
<td>Governance bodies to ensure the effective management and integration of the processes.</td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td>An Integrated Technology Architecture and Common Information Platform assure accurate, consistent and reliable information through a clear management information and data quality strategy.</td>
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<tr>
<td></td>
<td>Complementary, fit for purpose solutions and applications deployed to support business management and reporting activities.</td>
</tr>
<tr>
<td><strong>Information</strong></td>
<td>Robust, well governed and trusted data sources enable consolidation, integration and analysis of the required financial, management, risk and other critical information and reports.</td>
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<td></td>
<td>Common data definitions and business rules drive integrity into the reported information and metrics that support business performance management.</td>
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</table>
These four enablers drive the ability to execute the IPM management disciplines, allowing organisations to attain genuine business outcomes:

<table>
<thead>
<tr>
<th>IPM domain</th>
<th>Business outcomes</th>
</tr>
</thead>
</table>
| Plan       | • Creates a clear linkage between strategic planning, budgeting and management reporting  
               • Top-down guidance is provided throughout the organisation  
               • Finance and Risk can engage and support the business in order to plan and budget  
               • Planning and budgeting is completed using standardised and common approaches across the organisation. |
| Measure    | • Management at all levels can understand how the business is performing against plans  
               • Management reporting is created using organisation wide standard processes and helps create ‘one version of the truth’, with the required insight available  
               • Financial reporting is created utilising standard processes that are controlled  
               • Business management uses its time to focus on analysing results and not manipulating information and reports. |
| Intervene  | • Allows management the ability to take corrective action, through initiatives and projects required to achieve required business outcomes  
               • Allows management the ability to update forecasts based on market and economic conditions  
               • Information learned in these processes is used to update the strategy and next year’s plan and budget, thus enabling the continuous process. |
1.2 Why take an Integrated Performance Management approach

Taking an Integrated Performance Management approach to business change programs improves the quality, agility and relevance of business outcomes across the organisation and brings about focus, integration, alignment and behaviour.

The benefits an organisation will expect include:

• Improved organisational agility, improvements in the ability to respond to business changes, integrate acquisitions or, deal with the impact of regulatory change
• Leading practice and interconnected approaches to management disciplines like planning, budgeting, forecasting, management reporting, external reporting
• Focus on the value adding initiatives that are aligned with desired business outcomes, bringing about improved decision-making and focus on forward-looking enterprise direction through better understanding of the most relevant information
• Organisational and behavioural constructs developed with incentives, reward and learning and development linked to business outcomes and their drivers
• The right systems in place doing the appropriate job, in the best way to deliver insight, compliance, analysis and other information as required
• Technology platforms and information available and governed with consistent quality, granularity and availability to support the business, and performance management processes
• Financial performance linked to risk management and enterprise governance
• A comprehensive reporting strategy, that starts with the right KPI’s and dashboards being in place to focus on value drivers
• One trusted version of the truth across finance, risk and treasury and other business units.

1.3 What are the risks of not taking an IPM approach

Where organisations do not use an IPM approach they fail to integrate the various streams of work or to make connections across the organisation. This results in significantly higher risk of failure and, at best, delivers sub-optimal outcomes across disparate project streams, seriously limiting the overall effectiveness of the program.

Working with various large global organisations, we’ve identified a set of symptoms resulting from tackling IPM components in isolation. These symptoms will exacerbate risk of program failure:

• Poor understanding of the strategy, business outcomes, goals and performance levers across the business
• Long-range planning activity not connected to the desired business outcomes
• Organisational misalignment of objectives, initiatives, resources and individual targets
• Inefficient budgeting process
• Failure of reporting and analysis to highlight issues in a timely and accurate manner
• Behaviour not aligned and linked to organisational performance goals
• Data exists across multiple systems without a standard set of business definitions across the enterprise.

These are classic execution issues resulting from the complexity of multiple streams operating in isolation leading to siloed activity.

IPM provides organisations with the ability to address these symptoms at the root cause level, optimising project outputs and driving to the desired business outcomes.
2 How to implement IPM?

Leveraging proven IP tailored by applying established guiding principles and testing with an IPM maturity assessment model that will guide where to start and how to proceed delivering efficiencies and quality assurance.

Organisations should take the following steps to define the scope of their approach to effectively implement an Integrated Performance Management program.

2.1 Establishing guiding principles and educating your leaders

It is important to start at the top, engaging business leaders and establishing a strong foundation built on guiding principles.

This creates the right environment upon which a successful program of initiatives and activities can be developed.

While there is no master list of guiding principles that can be applied as a template across all organisations, there is commonality in the types of questions that a company should ask in order to establish its own IPM program guiding principles. Done correctly, this will shape the scope, vision and implementation approach for delivery a successful IPM program.

The questions below help build the guiding principles for each organisation’s IPM program, and the answers inform the creation of the IPM roadmap and defines the vision and scope:

<table>
<thead>
<tr>
<th>Focus</th>
<th>Alignment</th>
<th>Integration</th>
<th>Behaviour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do we have a shared understanding of what drives value creation across our organisation.</td>
<td>Are targets based on value drivers cascaded through the organisation.</td>
<td>Are finance, risk, IT, HR, and business management working together as enabling business partners, with systems and processes in place to assist planning, delivery, measurement, analysis and intervention and of business initiatives and outcomes.</td>
<td>Are reward mechanisms aligned with business value drivers and initiatives.</td>
</tr>
<tr>
<td>Have we identified and understood the value drivers of our business.</td>
<td>Are our projects and initiatives linked to value drivers and business outcomes.</td>
<td>Are the planning, measuring and intervention processes interlinked.</td>
<td>Can we deploy and develop the right talent to drive business performance across our business.</td>
</tr>
<tr>
<td>Do we measure the right KPI’s – is the data available at the right level in the organisation.</td>
<td>Do our executive, divisional and business unit leaders have clear accountability and control.</td>
<td>Are metrics available and aligned with KPI’s.</td>
<td>What will be the impact on our people of changing to a performance management culture around business outcomes.</td>
</tr>
<tr>
<td>Do we plan on a value driver basis can we measure execution against what we plan.</td>
<td>Are metrics available and aligned with KPI’s.</td>
<td>Is there an integrated technology, data and reporting strategy in place.</td>
<td>Do our people all know and understand the reason we focus on value drivers and measurement.</td>
</tr>
</tbody>
</table>
The benefits here are:

• The process of communication and joint
discovery will engage the executive, divisional
and business unit leaders creating alignment
• Building a common understanding of the
nine management disciplines accelerating
organisational engagement
• Define the scope of activities required to enable
change of this type and magnitude
• Promotes leading practice benchmarking,
which facilitates realistic prioritisation and
target setting.

2.1.1 A further input into establishing guiding
principles comes from a high level assessment of
how your organisation compares with leading
practice across the nine IPM management disciplines:

2.2 The Deloitte IPM maturity assessment tool
The next step in implementing an IPM program,
is to conduct an objective assessment of current
maturity (scored across the nine management
disciplines and four enablers) against the desired
future state, thereby defining the gap.

Deloitte’s IPM Maturity assessment tool can
assist organisations to understand their current
capabilities and create a roadmap for bridging
the gap. It does so by defining a fully integrated
process for program execution, utilising the nine
interrelated management processes.

2.2.1 What does it enable?
The maturity assessment tool and resulting
gap analysis provides the confidence and clarity
required to accelerate the IPM program.
Specific accelerators include:

• The information and buy-in required to develop
a strategy execution process – with supporting
priorities and focus areas
• A non-prescriptive, integrated framework
that achieves a balance of people, process,
technology and information changes across all
aspects of the program
• Development of a process for evaluating and
monitoring internal initiatives from both a
strategic and tactical perspective
• Education of the organisation on its current
capabilities, required new capabilities, and a
roadmap for improvement
• Promote the alignment and acceptance of
performance measures and business goals
by stating them as specific metrics that are
meaningful to employees.

<table>
<thead>
<tr>
<th>Common practice</th>
<th>Leading practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unconnected processes</td>
<td>Creating actionable insights to achieve business outcomes</td>
</tr>
<tr>
<td>delivering inaccurate and disparate information</td>
<td>Time for analysis on single source of truth</td>
</tr>
<tr>
<td>Manipulation of data and reports</td>
<td>Standardised approaches in line with strategy on a rolling basis</td>
</tr>
<tr>
<td>Disparate and inconsistent initiatives</td>
<td>Technology and behaviour aligned with business outcomes</td>
</tr>
<tr>
<td>Informal framework and uncertainty around measures and KPI's</td>
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</tbody>
</table>
2.2.2 How does the maturity assessment work?
Each of the nine IPM processes (the components of our IPM wheel) is aligned with the four enablers; Process, People, Technology and Information. Each combination (of management process and enabler) produces a number of key principles.

The key principles are distilled into five maturity stages, from which we define current and desired future states.
Outcomes of the maturity assessment provide:

• Clarity of the core enablers underlying each management process
• The scale on which the maturity of an organisation is assessed (from nonexistent to leading practice)
• The progression required towards achieving the maturity desired across each of the nine IPM management disciplines.

2.2.3 Capability Maturity Model

The output of the maturity assessment is a robust Capability Maturity Model.

The Capability Maturity Model provides an organisation with the information it needs to complete establishment of the IPM framework:

• Focus on relevant and meaningful initiatives
• A prioritised roadmap for action and gap resolution
• A finalised vision and scope for the IPM program
• A continual process improvement framework moving the organisation towards leading IPM practice over a number of years
• The input required to establish a target architecture.

In an ideal environment, organisations can resolve root-cause issues and challenges with minimal regard for resources, time, and strategic constraints.

In the real world, organisations need to balance enablement initiatives against these constraints to determine the logical sequence and dependency of initiatives.

2.3 The result

Following the approach outlined in this section leads to establishing a strong IPM framework for successful delivery of an IPM program. In our experience, organisations typically take between three and nine months to move from establishing leadership commitment, to establishing a prioritised and phased roadmap for the program and target architecture.
3 What are the critical success factors for IPM?

Adopting an IPM approach gives clarity and confidence in the identification and integration of the critical success factors into the program.

In our experience, successful IPM projects are characterised by the quality of the leadership team, an experienced execution partner and the deployment roadmap.

Commitment of the leadership team is the key to success. The leaders need the mettle to tackle a program of this type, adhering to the guiding principles and the discipline and to stay the course.

It is imperative that focus, alignment, integration and behaviour are congruent and consistent. The vision and scope of the IPM program must be communicated clearly and accepted across the organisation.

Offsite workshops have proven to be the best forum for achieving this. Questions such as those posed in section 2.1 Establish Guiding Principles can be debated and agreed with plans developed for how to best engage the organisation.

An experienced execution partner brings objectivity and insights from other organisations, together with a deep practical understanding of the IPM approach.

Partner experience is invaluable as often it is the seemingly ‘simple’ items that cost the uninitiated significant time, focus and effort to resolve. This experience helps organisations to answer questions such as: how do we define ‘active customer’? and how do we measure ‘net interest margin’?

Partner guidance is also critical in helping organisations to establish the baseline, guiding principles and approach for the program. They must be able to provide you with expert advice around the best practices of each of the nine management disciplines and how to leverage the critical enablers, (technology and information, process and people) for each of these disciplines.

Although these enablers are overarching, their specific configuration may be unique for each performance management discipline. Expert advice (via a team of dedicated performance management professionals) can provide insights on the best practices for each of these disciplines.

Finally, the output of the IPM maturity assessment enables organisations to draw up a deployment plan for moving to leading IPM practice.

This plan, accelerated by a proven toolkit, encourages cross-functional thinking and ensures an integrated architecture, avoiding point solutions, and the deployment of common tools.
The plan specifically addresses the critical success factors in providing:

• Consensus around KPI’s and metrics; essential for a smooth, successful delivery.
• Commitment and proactive communication by the senior sponsors driven through team workshops educating and aligning the leadership team on the guiding principles for the project
• A very clear understanding of the business requirements and the intent of the change program – regardless of whether or not it is implemented within the IPM framework. Qualitative and quantitative benefits can be identified and tied to specific business outcomes
• Ample quantitative and qualitative information focussing on the right value drivers, measures and dashboards to inform decisions and effectively monitor progress towards the business outcomes
• A clear view of the current organisational state including technology and information landscape, performance management stakeholders, data and technical architecture
• Recognition of the need for a deep understanding of the business requirements of the change program and the IPM approach.
4 Next steps

Doing IPM the right way forces an alignment, integration and focus across initiatives in IPM programs.

A well-executed approach will ensure you move in the right direction with confidence

4.1 Our observations
From our conversations with clients, we understand they intend to put in place processes and systems to better support growth strategies, reduce operational costs and risk, improve capital optimisation and streamline operations. A number of initiatives, or streams of work are usually created that will help with the realisation of these objectives.

We typically map our clients initiatives to each of the nine disciplines and enablers of the IPM approach. From here we can quickly see if all the relevant components are represented in our clients planned approach. Often times there is a lack of integration apparent and also key enablers missing from the program.
4.2 Where should you begin

In our experience, consecutively (or in some cases simultaneously) executing multiple interrelated performance management initiatives can provide a vast impact for an organisation and make big contributions towards achieving your desired business outcomes.

However, this also brings about complexity around managing and sequencing the various interrelated work streams. In the face of these challenges, and without a structured approach used to identify and execute the various initiatives or work streams, we see otherwise experienced organisations achieve poor outcomes at substantial cost that largely fail to deliver the business outcomes expected.

To use an example, we often see a significant number of Performance Management disciplines supported by one ‘piece’ of technology across an organisation. The solution becomes ‘stretched’, potentially constraining your ability to report internally, externally, provide business insight efficiently and integrate with budget and forecast, risk and treasury information.

In this case, it would seem logical to propose that a company focuses their early IPM program effort on resolving this issue. Instead, our experience recommends conducting a maturity assessment across all nine performance management disciplines and IPM enablers to get a quantitative understanding of your current and desired positions.

The difference between the current and desired state will highlight the priority of these issues in the context of the overall enablement program, and also assist in creation of an appropriate target architecture to support the desired state.

Further, the priority of initiatives will be confirmed, by using the IPM framework in the context of any other gaps in the discipline enablers that the maturity assessment tool provides us with insight on. We often stress the fact that the size of the gap, times importance, equals priority.

With this in mind, we believe that organisations benefit enormously from conducting the following activities at the onset of an IPM initiative:

1. Conduct workshops to establish guiding principles and educate leaders on what taking an IPM approach to the EE program means, including establishment of guiding principles and confirmation of high level scope and vision.

2. IPM Maturity Assessment to finalise vision, scope and a prioritised implementation roadmap, including target architecture for the IPM program.
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Contact us

Deloitte Consulting
Grosvenor Place,
225 George Street,
Sydney,
New South Wales,
Australia
Tel: +61 2 9322 7000
Fax: +61 2 9322 7001

www.deloitte.com/au/cpm

Paul Wensor
Deloitte Consulting
Tel: +61 3 9671 7067
Mobile: +61 432 395 733
pwensor@deloitte.com.au

Scott Taylor
Deloitte Consulting
Tel: +61 3 9671 7677
Mobile: +61 407 137 364
scotttaylor@deloitte.com.au

Tony Trewhella
Deloitte Consulting
Tel: +61 2 9322 5668
Mobile: +61 407 367 857
atrewhella@deloitte.com.au