

CASE STUDY: critical success factors and performance indicators for a services company

Financial

Success Factor	Suggested PI
Improved cash flow	%of those paying cash up front
	%of new projects where payment up front received
	Timing of billing on milestones e.g. if 5 days late result would be + 5 days etc.
	%of customer balance to fees
	No. of projects with all progress payments paid
Costs	Costs of lost bids vs. costs of won bids
Measure success of bids	%of successful bids
	%of successful bids a project group gets
	Number of customers who increase consulting by xx% per quarter
	Sales by manager
Managing the risk of customer's project as a whole	Number of regular risk management reviews prepared on time
	Bad debt % to turnover
Evaluate political risk of overseas clients/jobs	Number of overseas clients/jobs where risk review was not undertaken
Tracking of loss leaders	Number of winning contracts which have created losses
	Maximum % of overall revenue
	Actual time spent as % of budget
	\$ spent as a % of budget
Improved profitability	Profitability of service area vs. profitability of jobs
	Total hours non billable pre contract
	Evaluation performed on prospective clients
	Budgeted time against actual time on weekly basis
	%of profitability per project
	%chargeable work/non recoverable
	Collection ratio against progress payments
	%complete to % billed by job
	Value of work in progress \$
	No. of days spent as stock in hand (uncharged)
	% of projects passed post project budget audit
	No./% of projects completed on time/budget
Strategic mix of business	Minimum cash flow requirement
	Acceptable levels of risk & tracking
Recovery of chargeable hours	% of hours charged / % of recovery
	Time sheets / invoiced / received cash
Better benchmarking	Measure, report & publish
	No./% of projects with industry benchmark action plans

Customer Satisfaction

Success Factor	Suggested PI
Improved customer relationships	%of communications not returned
	Negative responses from site meetings
	Number of contacts with customer during project and post-project success
	Number of visits made
	Number of hours in contact with client
	Report on customer satisfaction of top 10 customers quarterly
	Number of customer complaints
	Number of customer referrals / new clients
	Repeat business (No or \$ within xxx timeframe)
	New business – by occurrence type e.g. referrals
Relationships with key clients	Response time to customer requests - duration between enquiry and response / resolution [hours]
	\$ revenue gained from top clients in the week
	No. of weekly proactive visits to top 10 customers
Understanding client needs	Number of variations to contract by type
Additional revenue generated by employees (measuring the business acumen of staff)	Number of referrals by employees
Getting a larger slice of business from our important customers	%of top 10 customers business
	Top 10 clients measure % of dollar value business company has - Number of projects
Bid (proposals) success	%bids accepted vs. bids submitted
Meeting client expectations	Expected milestone sign-offs versus those completed (e.g. on project 10 milestones with 4 signed off)
Client projects to budget and on time	Actual projects on time [% of total] and cost vs. budget [% of budget]
	%of projects completed vs. actual
	Project actual costs vs. budget
Customer's understanding of quality	During project survey measuring top 5 customer quality standards
	Post project survey measuring top 5 customer quality standards

Environment / Community

Success Factor	Suggested PI
Environmentally friendly culture and reputation (if known for environmental /community focus won't attract clients who could damage that reputation)	Procurement practices, % supplies eco-friendly (see guidelines)

	Environment/ community awards won [No of instances in a week/month/quarter]
	%of jobs that are environmentally friendly
	Turnaround time of resource permit applications [days elapsed]
Community interaction (offering awards)	Media coverage [No of instances in a week/month/quarter]
	Photos in paper [No of instances in a week/month/quarter]
	Students recruited [No of instances in a week/month/quarter]
Compliance with RMA and other statutes	Number of incidents where senior management needed to instigate the remedial
	Measure cost of obtaining permits
	Measure number of projects that don't need special permits (client = cost benefit)
"Bounce back" rate	Permit return rate for rework and resubmission (no's and \$s)
Recognition by industry for environmental endeavors	Number of entries to awards
Sponsorship	Number of sponsorship projects undertaken by TSE and their value
Environmental incident / complaint free	Number of complaints < cost of development
Public perception of the firm	Number of complaints received in a week
Supporting local community	Number of firms employees involved in working/up-skilling a local
	%of locals used - measured project by project
	\$/hours donated to the community

Internal Process

Success Factor	Suggested PI
Channeling innovation	Number of innovations/suggestions
Continuous improvement in key processes	Productivity% trends
Completion on time and to budget measure	Number of projects meeting milestones - time and budget
Managers coming within budget	%(chargeable) projects
Processing of time sheets	%of time sheets processed within deadline
	Publishing of names of late time sheets
	Reporting errors e.g. time charged to closed/wrong jobs
Strategic mix of business	Minimum cash flow requirement [\$]
	Acceptable levels of risk tracking [\$ or No. of instances]
Proposal success rate	%of successful / unsuccessful bids
Accurate& timely invoices	%of invoices processed within 1 week
	%billed within 2 working days of project milestone
	Number of uninvoiced progress payments due
	Number of uninvoiced completion payments due

Recovery or chargeable hours	%of hours chargeable
	%of recovery
	Time sheets/ invoices / received cash [\$ of chargeable hours in]
	\$ Earnings per employee
Conversion rate of customer base	%of business revenue tracking
	Customer success factor [No of profitable customers]
Project reporting system	Monitor report on project progress (overdue vs. on-time) [% on-time]
	Percent completed time sheets
Contract review process	Number of failed contracts not reviewed
	Number of review results not reported
	Number of completed projects reviewed
Invoicing on completion of milestone or progress	Slippage between milestone completion and invoicing

Employee Satisfaction

Success Factor	Suggested PI
Retention of senior staff	Staff turnover especially senior staff
Learning from projects	Number of post project reviews /debriefs
Increase cross skilling	NMAP
Overseas and “fun” factor	Number of days working overseas on jobs
Staff experience	Number of cumulative work experience (years) in current management team
Achieve appraisal goals	Number of goals achieved versus goals set
Flexible environment	%of staff working flexible hours
	No. of projects completed within time frames
	Measure satisfaction with work hours
	Customer satisfaction that core office hours are covered
Staff retention	%staff turnover compared to industry standards
	Employee satisfaction survey
	Mentoring- number of recognition handouts
	Training(professional development) - % of remuneration package or Capersers employee
	Skill quotient measurement
Level of staff turnover	Turnover statistics [% or No.]
Staff morale	%participation in staff functions
	Number of absenteeism and lateness
Self managing project teams	Average age
	Diversity of skills
	Post project feedback
	Number of self managing projects successfully completed
Supporting balanced working & non-working life	Survey
	Mercantile

	Community involvement
	Social club functions - attendance [No.]
	Support service
Employee recognition	Number of successful projects
	Number of employees rewarded
Age / experience staff profile	Measure profile / statistics
Staff empowerment	Training needs met
	Staff involved in suggestions of improvements
Team balance	Recruitment rating system
	Staff turnover

Learning and Growth

Success Factor	Suggested PI
Rising stars	Professional leadership initiatives to targeted rising stars
Up-skilling marketing and selling	Number of relationships producing real work
Mentoring is the key link for both young and old	%of staff in mentoring relationships
	Mentor satisfaction level - filled in weekly - % satisfied
Up-skilling (continual) of junior staff “knowledge growth”	%of rising stars with mentors
	hours in mentoring
	Number of mentoring meetings by rising star
Training(Achieving CPD hours)	%of staff meeting CPD requirements
Regular performance reviews	%of satisfactory performance reviews completed on time
	%of performance reviews completed
Continuous development plans being monitored	Number of staff who have agreed development plans
	Skills matrix gap progress
Empowerment	Number of reports/plans not rewritten or reworked
	Response in staff survey to the question “To what extent do you feel empowered?”
Training	Number of training hours - in both external/internal courses
	Number of attendance
Staff development	Number of internal promotions
Self managing teams	Completion of projects on time and budget [% or \$ of total projects]
	Participation in team meetings [% of total team]
	Follow through for meetings
Quality mix of staff	Monitoring revenue streams [\$ or % outstanding/received to date]
	Initial startup indicators for projects