

INTRODUCTION TO PERFORMANCE PRISM: A TOOL OF PERFORMANCE MEASUREMENT SYSTEM

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Abstract

This research paper describes and illustrates the practical application of a new measurement framework- The Performance Prism- Which addresses the shortcomings of many of the traditional measurement frameworks being used by organizations today. The Performance Prism, with its comprehensive stakeholder orientation, encourages executives to consider the wants and needs of all the organization's stakeholders, rather than a subset, as well as the associated strategies, processes and capabilities. DHL's board for the UK have used this framework to re-engineer their corporate measurement and reporting system and the research paper explain DHL and other firms' experiences with the Performance Prism. [1].

An extensive literature survey on performance measurement is used to identify the main aspects of the review in such systems. Various dimensions related to the characteristics of Performance Prism are explored. All the findings are then routinely put together to develop the proposed conceptual framework. The paper presents a conceptual model to review performance measurement systems (PMS) which are designed based on Performance Prism. The presented framework categorizes review processes and tools into two main categories; Business Performance Review (BPR) and Performance Measurement System Review (PMSR). In BPR, a loop is presented in three levels with regards to the five facets of Performance Prism which indicates the performance management process. PMSR deals with reviewing the efficiency and effectiveness of the design and implementation of the PMS it. Several methods and tools have been gathered from the literature in this section to examine the relevance of measures and some have been introduced to study and challenge the validity of strategic assumptions and strategies and appropriateness of the infrastructure. Implications

of various factors such as organizational culture, change management and characteristics of the measures are highlighted. The framework provides a procedural action for reviewing both business performance and PMS performance when applying the Performance Prism in practice. It provides a foundation for further empirical research. This study adds to the body of literature, by proposing a comprehensive review framework to be used in Performance Prism.

Keywords: Business excellence, Performance measurement, Stakeholder satisfaction, Strategies, Processes, Capabilities and Stakeholder's contribution.

I. INTRODUCTION

The Performance Prism is a second generation measurement framework which is designed to assist performance measurement selection is the most important process of picking the right measures. It is a comprehensive measurement framework that addresses the key business issues to which a wide variety of organizations such as, profit organizations and not-for-profit organizations will be able to relate. It explicitly asks critical questions and gives support to managers to think through the links between measures in a way that other frameworks do not intuitively suggest. [2].

Throughout many years, different other frameworks have been created or adapted to help deal with the problem of deciding what performance measures to select for use within organizations. The balanced scorecard is undoubtedly the most popular of these. It has been used and often misused across the world, whereas many other frameworks have tended only to have regional appeal. Although the balanced scorecard was undeniably pioneering when it first

appeared nearly a decade ago, particularly because it addressed the need for a balance between financial and non-financial measures, the world has moved on and priorities are changing in the so-called 'New Economy'. There is a need for a second generation of performance measurement framework which addresses today's business issues so that long established corporations can update their scorecards and newly-formed organizations can develop scorecards that are appropriate to their business needs in today's business environment. [2].

➤ The Performance Prism framework

There are 5 interrelated facets in Performance Prism. The first facet is Stakeholder Satisfaction which asks: 'Who are the stakeholders and what do they want and need?' This facet is purposely vast than the balanced scorecard view of stakeholders, only shareholders and customers have enclosed in it. No mention is made in the balanced scorecard of employees, to the suppliers, alliance partners or intermediaries and also for regulators, the local community or pressure groups. There can be substantial impact on the performance and success of an organization of all these parties. In distinction the first facet of the Performance Prism, the stakeholder perspective, explicitly asks: who are the important stakeholders in your organization and what do they want and need? [2].

The second facet concentrates on Strategies. Traditionally it has been argued that measures should be derived from strategy. In fact this is not correct. The only reason an organization has a strategy is to deliver value to some set of stakeholders. The starting point has to be: who are the stakeholders and what do they want and need? Only when these questions have been answered is it possible to start to explore the issue of what strategies should be put in place to ensure the wants and needs of the stakeholders are satisfied. Therefore, the second facet of the Prism asks: What are the strategies we require to ensure the wants and needs of our stakeholders are satisfied? [2].

The third facet of the Performance Prism, the Processes facet asks the question: What are the processes we have to put in place in order to allow our strategies to be delivered? The vast majority of organizations support of the common generic

business processes about which we are talking here. The processes are,; develop new products and services, generate demand, fulfill demand, plan and manage the enterprise. It should be possible to identify specific measures that allow management to address particular questions associated with each of these processes. For example, it might be necessary for an operations executive to ask: 'Are the organizations fulfill demand processes working efficiently and effectively?' and 'If not, how will I know which sub-components of it are the cause of its inefficiency or ineffectiveness?' and so on through the other processes and their sub-sets.

The fourth facet of the Performance Prism, the Capabilities facet, is perhaps the least widely understood. As we have seen, capabilities are a relatively new but important management concept. Capabilities are the combination of people, practices, technology and infrastructure that together enable execution of the organization's business processes. They are the fundamental building blocks of the organization's ability to compete. It is impossible to execute or improve the processes without the right people, practices, technology and infrastructure in place. The most important question associated with this facet becomes: what are the capabilities we require to operate our processes? As soon as this question has been answered, then it becomes possible to identify measures that allow the organization to assess whether it has the required capabilities in place now or has plans to implement them, and whether they are being sufficiently nurtured and protected. [1].

The fifth and final facet of the Performance Prism is the Stakeholder Contribution facet. This facet has been included as a separate component since it recognizes the fact that not only do organizations have to deliver value to their stakeholders, but also that organizations enter into a relationship with their stakeholders which should involve the stakeholders contributing to the organization. Take employees, for example. Employees want from an organization a safe, secure place to work, a decent salary, recognition and also an opportunity to influence the organization. In return, the organization itself wants its employees to contribute to the business. Organization wishes that employees should offer

ideas and suggestions, to develop expertise, to turn up for work and to remain loyal to the business training up replacement staff costs money. This symbiotic relationship between the organization and the stakeholder is true for all classes of stakeholder, such as suppliers, customers, employees, alliances, investors, or the local community. All other measurement frameworks we have researched fail to recognize the reciprocal relationship between the stakeholder and the organization. It is a critical and unique feature of the Performance Prism. It should be noted that the Performance Prism is not a prescriptive measurement framework. Instead, the Performance Prism is a framework a tool which can be used by management teams to influence their thinking about what the key questions are that they want to address when seeking to manage their business.[1].

II. RESEARCH METHODOLOGY

A. TOPIC OF RESEARCH:

Introduction to Performance Prism: A Tool of Performance Measurement System.

B. AIM OF THE RESEARCH:

The aim of research is to study the performance prism a tool of management performance measurement system.

C. OBJECTIVES OF THE STUDY:

- 1) To study the concepts of performance prism.
- 2) To study the framework and model of performance prism.
- 3) To study the practical application of performance prism.
- 4) To find out practical approach of performance prism through DHL case and experience.

D. HYPOTHESIS:

Performance Prism plays a vital role in improvement in management performance.

E. DATA COLLECTION METHODS

1. Type of Data

Secondary data has been collected and used for the present research study.

2. Sources of Data

Secondary data was collected from internet, reference books, journals, articles, publications and various printed material.

F. LIMITATIONS OF STUDY

1. Present research paper is based on available secondary data of performance prism.

III. HISTORICAL BCKGROUND OF PERFORMANCE PRISM

Interest in performance measurement and management has rocketed during the last few years. Frameworks and methodologies such as the balanced scorecard, the business excellence model, shareholder value added and activity based costing, cost of quality and competitive benchmarking- have each generated vast interest, activity and consulting revenues, but not always success. For one might reasonably ask, how can multiple, and seemingly inconsistent, business performance frameworks and measurement methodologies exist? Each framework purports to be unique. And each appears to claim comprehensiveness. Yet each offers a different perspective on performance.

The balanced scorecard, with its four perspectives, focuses on financials (shareholders), customers, internal processes, plus innovation and learning. In doing so it downplays the importance of other stakeholders such as suppliers and employees. The business excellence model combines results, which are readily measurable, with enablers, some of which are not. Shareholder value frameworks incorporate the cost of capital into the equation, but ignore everything else. Both activities based costing and cost of quality, on the other hand, focus on the identification and control of cost drivers, which are they often embedded in the business processes. But this highly process focused view ignores any other perspectives on performance- such as the opinion of shareholders, customers and employees. Conversely, benchmarking tends to involve taking a largely external perspective, often comparing performance with that of competitors or other 'best practitioners' of business processes. However, this kind of activity is frequently pursued as a one-off exercise towards generating ideas for or gaining

commitment to short-term improvement initiatives, rather than the design of a formalized ongoing performance measurement system.

How can this be? How can multiple, seemingly conflicting, measurement frameworks and methodologies exist? In fact the answer is simple. They can exist because they all add value. They all provide unique perspectives on performance. They all furnish managers with a different set of lenses through which they can assess the performance of their organizations. In some circumstances, an explicit focus on shareholder value at the expense of everything else will be exactly the right thing for an organization to do. In other circumstances, or even in the same organization but at a different point in time, it would be suicide. Then, perhaps, the balanced scorecard or the business excellence model might be the answer. The new CEO of a company, with too overt a current focus on short-term shareholder value, may find these frameworks a useful vehicle to help switch attention more towards the interests of customers, investments in process improvement and the development of innovative products and services.

IV. THEORETICAL BACKGROUND OF PERFORMANCE PRISM

Many alternative and customized frameworks continue to be developed based on the breakthrough Balance Scorecard framework developed by Kaplan and Norton in 1992. The "Performance Prism" companies view their organizations from five perspective rather than four traditional perspectives of the Balance Scorecard.

Meaning and Definition:

Business performance is a concept that has many dimensions and driven by multiple parameters. Most of the existing frameworks do capture the components of performance measurement, but in isolation and not as one integrated unit. This is solved by the performance prism framework.

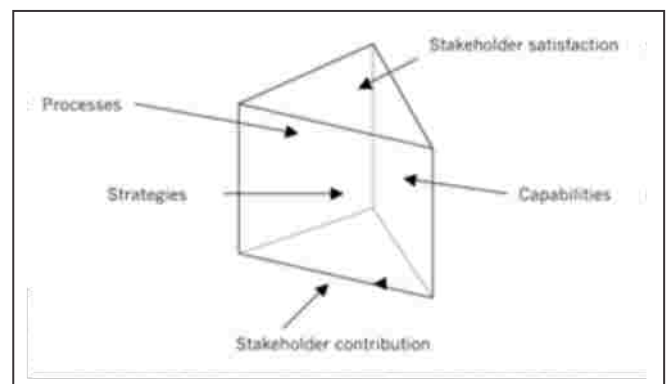
The performance prism is an innovative second generation performance measurement and management framework.

The Performance Prism is an approach to

performance management, which aims to effectively meet the needs and requirements of all stakeholders. It covers two key areas.

- 1) It takes stakeholder requirements as the start point for the development of performance measures rather than the strategy of the organization.
- 2) It recognizes the need to work with stakeholders to ensure that their needs are met.

V. FIVE PERSPECTIVES PERFORMANCE PRISM



The Prism is designed to be a flexible tool- it can be used for commercial or non-profit organizations, big and small. When light is shined into a prism, it is refracted, thus the Prism shows the hidden complexity of white light. According to Neely and Adams, the Performance Prism illustrates the true complexity of performance measurement and management.

- 1) Stakeholder's satisfaction:

Who are the key stakeholders and what do they want and need?

The first facet of the Prism focuses on who are the stakeholders and what do they want. Here, the importance of stakeholder mapping is recognized. Stakeholder mapping means identifying the key stakeholders and determining how important each of them are to the organization. This may be based in how much power they have and on whether or not they are likely to use it. If the majority of employees are members of trade union, for example, then it is likely that the trade union will hold significant influence over the organization. If organizations do

not keep the most influential stakeholder groups happy, then this will impact on financial performance in the long run. Dissatisfied employees, for example, will be less motivated or may leave the organization, causing expenses of hiring and training new employees. Organizations need to identify the most important stakeholders and what they want from the organization. They must then identify performance measures to monitor how well the organization is meeting these needs. [4].

The major stakeholders of an organization and what they might want typically are as follows:

➤ **Investors:** Both equity and debt investors typically want a return on their investment in the form of capital gains, reward for loyalty in the form of dividends or interest, accurate results and reports from the organization, and faith in the management team. [4].

➤ **Customers:** Want 'fast, right, cheap and easy. [4].

➤ **Employees:** They seek interesting work; wish to be cared for by their employer, to learn transferable skills and to receive decent level of remuneration. [4].

➤ **Suppliers and joint venture partners:** They want a relationship that allows them to be profitable and enables their business to grow. They also want to receive feedback on their performance. They want to be trusted. [4]

➤ **Regulators:** Want organizations to act legally, to act fairly, to act safely and report truly their actual activities. These are summarized as legal, fair, safe and true. [4].

Organizations exist to deliver 'value' to their key stakeholders. These stakeholders consists of investors, customers, employees, suppliers, regulators, pressure groups etc. 'Value' definition will be different for different stakeholder group. For Example-customers typically will want rapid and reliable delivery of high quality products and services that offer good value for money whereas employees will want such things as competitive compensation packages, training and development, and promotion prospects whilst shareholders will be more concerned with return on their investment and the profitable growth prospects of the organization

relative to its competitors. [2].

2) Strategies:

What strategies do we have to put in place to satisfy the wants and needs of these key stakeholders?

Many performance management frameworks start with strategy and there is a myth that having identified the strategy of an organization, selecting appropriate performance measures is easy. This is largely because many people confuse strategy and goals. In the Performance Prism, strategy means how the goal will be achieved. It is the route the organization takes to reach the goal, not the goal itself. The goals are defined in the first two facets of the Prism. [4].

In the strategies facet of the Performance Prism, therefore, we ask 'what strategies should the organization be adopting to ensure that the wants and needs of its stakeholders are satisfied, while ensuring that its own requirements are satisfied too?' [4].

Having identified the appropriate strategies, performance measures will be identified that can be used to determine whether the selected strategies are working. The purpose of performance measures relating to strategies is four fold: [4].

➤ To show how well the strategies are being implemented.

➤ To communicate the strategies within the organization.

➤ To encourage the implementation of strategies by managers.

➤ To see if the strategies themselves are still appropriate. [4].

It is firstly decided what respective stakeholders wants and needs and as per the executives must then decide whether and to what level of extension they will prioritize their satisfaction in the strategies which has developed by the organization to deliver the requisite stakeholder 'value'. Delivery of long term stakeholder value can be viewed as the 'destination' whilst strategy can be viewed as the chosen route to achieve that destination. [2]

3) Processes:

What critical processes do we require if we are to

execute these strategies?

After identifying the strategies, organizations need to find out if they have the right business processes to support the strategies. [5].

Many organizations classify four business processes as follows:

- Develop products and services
- Generate demand
- Fulfill demand
- Plan and manage the enterprises. [5].

These processes can then be sub-divided into more detailed processes. Each process and sub process will have to have a process owner who is responsible for the functioning of that process. One sub process of 'plan and manage the enterprise', for example, might be 'recruitment' and it is likely that the head of human resources would be responsible for this process. Measures will then be developed to see how well these processes are working. Management will have to identify which are the most important processes, and focus attention on these, rather than simply measuring the functioning of all processes. To identify any redundant processes business process reengineering may be used at this stage. Value chain analysis may also be employed to identify what are the key processes. Value chain analysis is discussed in more detail later in this article. [5].

The selected strategy must be supported by processes aligned and designed to facilitate its successful achievement. Processes make the organization work. They are essentially cross-functional and represent the blueprints for what work is done where and when and how it will be executed. Many organizations consider their highest level business processes in four separate categories: development of products and services, generation of demand for them and overall planning and management of the enterprise with each category underpinned by a variety of sub-processes. [2].

4) Capabilities:

What capabilities do we need to operate and enhance these processes?

Capabilities are the people, practices, technologies and infrastructure required to enable a process to

work. It is important that the right capabilities exist within an organization in order to support the processes identified in the processes facet of the Performance Prism. Neely and Adams provide the example of an order to cash fulfillment process in an electronics business. This particular process may require the following capabilities: [4].

- Customer order handling
- Planning and scheduling
- Procurement
- Manufacturing
- Distribution
- Credit management [4].

In the capabilities facet of the Performance Prism, the organization needs to identify which capabilities are required and identify performance measures to see how well these capabilities are being performed. [4].

Benchmarking is likely to be used extensively in measuring the organization's capabilities. In this respect, benchmarking is used to determine if the organization has the right skills, not just currently, but also to take the organization forward into the future. So the focus here is not in simply measuring existing performance, but that the correct skill sets exist. The McKinsey 7s model may also be used to help to ensure that all the capabilities of the organization are coordinated. The 7s model is described in more detail later in this article. [4].

Processes cannot function on their own, they require the skilled people, some policies and procedures about the way things are done, some physical infrastructure for it to happen and some technology to enable or increase it. These are capabilities which can be defined as the combination of an organization's practices, technology and infrastructure that collectively represents that organization's ability to create value for its stakeholders through its process operations. [2].

5) Stakeholder's contribution:

What contributions do we require from our stakeholders if we are to maintain and develop these capabilities?

Organizations are becoming more demanding in

what they expect from their own stakeholders. In the second facet of the Performance Prism, users need to identify exactly what it is that the organization wants from those stakeholders and then come up with ways to measure whether or not the stakeholders are providing it. [5].

A good example is customers. Many earlier performance measurement frameworks such as the balanced scorecard do ask 'what do our customers want from us?' They do not consider 'what do we want from our customers?' [5] Organizations normally want loyalty and profits from their customers and many organizations have started to perform customer profitability analysis. Some have found some surprising results, for example, customers whom they thought were their most valuable turned out to be loss making when activity-based approaches to customer profitability analysis were used. Customer profitability analysis is an example of how contribution from customers can be measured. [5].

Regarding the other major stakeholder groups, the following are examples of what organizations might want from them:

- Investors: Capital for growth, and the willingness to take on more risk.
- Employees: Flexibility, multiple skills.
- Regulators: Better understanding of the business sector and the ability to regulate across borders. Also, efficient working relationships and lack of bureaucracy. [5].

This is to be remember that for every stakeholder there is a quid pro quo: what the organization wants and needs from stakeholders and vice versa. There is a dynamic and subtle tension between the two sets of wants and needs. For example, whilst customers require ease of availability, speed of delivery, competitive price and quality, the organization would like them to be loyal and profitable. Similarly employees would like to have jobs that give them purpose, good compensation, promotion prospects and training whilst employers are looking for loyalty, flexibility, productivity and creativity. [2].

'Success Mapping' is posited as a useful technique which helps to make it easy for the alignment of strategies, processes and capabilities with the

delivery of stakeholder satisfaction and contribution. To identify the critical links between the prioritized stakeholder's and the organization's wants and needs with the strategies, processes and capabilities that must be in place in order to satisfy them is the main objective of a success map. A 'Failure Mode Map' can be used which can check whether all the critical aspects of performance measurement have been properly addressed in effect a reverse approach to success mapping by identifying particular scenarios that describe the opposite of success i.e. failure. [2].

VI. THE LINK BETWEEN STRATEGIES, PROCESSES AND CAPABILITIE

The facets of the Performance Prism are interlinked and should support each other. The required strategies are identified, then the processes required achieving these strategies, followed by identifying the capabilities required to perform the processes. This is very much a top-down process, similar in some ways to the Lynch and Cross Performance Pyramid. [5].

The most important development in the Performance Prism is the focus on identifying the needs of a wider range of stakeholders, as well as identifying what the organization wants from its stakeholders in return. [5].

Value chain analysis:

Porter's value chain model is perhaps the most well-known tools for analysis of the value chain. The value chain views the organization as a set of interlinked activities, rather than a set of separate departments. Each activity should add value to the product or service passing through it, so that ultimately value will be added to what the customer buys. [5].

By viewing the organization as a set of processes, management can plan ways to improve the processes so that further value can be added or costs can be saved. Process change can take place at different levels: [4].

Process re-engineering- This is a fundamental rethink of the business processes that the

organization carries out usually driven by changes in the external environment. [4].

Processes re-design- This focuses on an extensive improvement in current business processes, and may involve automation of certain processes and changes in job descriptions. [4].

Process improvement- This means modifying existing processes, but not replacing them. The value chain analysis can be used as a tool within the performance prism to help in the processes facet, where the management is asking 'what are the processes that we have to put in place to meet our strategies?' [4].

I) THE FRAMEWORK:

The Performance Prism poses five questions. The answers to these questions from the starting point for defining performance measures.

What do the DHL's customers want and need	<ul style="list-style-type: none"> ➤ Delivery speed ➤ Confidence in DHL ➤ Relationship ➤ Information accessibility
What strategies will DHL adapt to ensure that these wants and needs are satisfied	<ul style="list-style-type: none"> ➤ Local contact ➤ Proactive availability of information ➤ Promote superiority of core service
What processes will DHL put in place to ensure that these strategies are delivered	<ul style="list-style-type: none"> ➤ Customer service strategy ➤ Proactive traces ➤ Local sales and courier network ➤ Customer access tools
What capabilities DHL require to ensure that these processes can be operated	<ul style="list-style-type: none"> ➤ Teamwork ➤ Technology ➤ Robust network ➤ Skills
What DHL want from its stakeholders to allow the above to happen	<ul style="list-style-type: none"> ➤ Confidence in data ➤ Empowerment ➤ People based culture

II) THE DHL CASE:

At DHL International in the UK (DHL UK) one of the first applications of the Performance Prism took place. It is one of the world's most successful international express courier companies. Sales in the UK for 1999 were in excess of £300 million, during which time the business employed almost 4,000 people, across 50 locations. The board of DHL UK comprises a managing director, a finance director, a commercial director, an operations director, a business process director, an HR director and IT director and three area directors. [1]The team meets on a quarterly basis to review DHL's performance and have recently used the Performance Prism to establish what should be discussed at their quarterly performance reviews.

Previously, DHL's UK board used to meet on a monthly basis and review company performance data at a detailed level. They would look at the UK's operation in terms of its ability to achieve 'notional result', DHL's internal measure of profitability and also review operations performance. The number of definitions of operations performance is very big.[1] Operations performance can be reviewed in terms of packages shipped (volume of packages), packages delivered on time, packages on time to particular destinations, DHL's service quality indicators, etc. There was growing frustration among members of

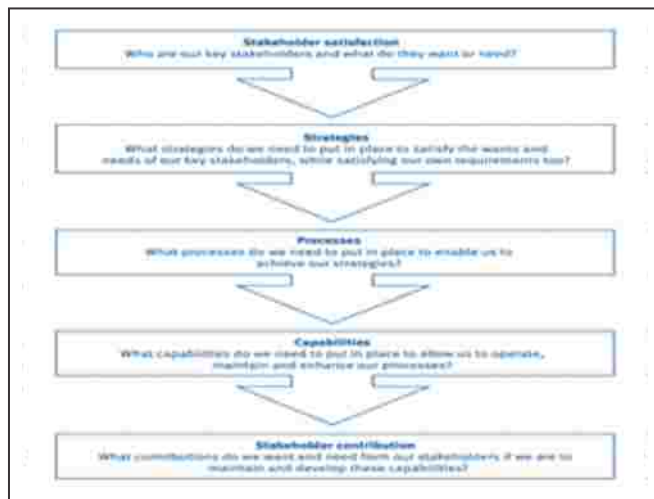


Illustration: The Performance Prism at DHL [1]
Example of application of the performance prism at DHL:

the board that on a monthly basis the group would meet and review very detailed performance data, yet rarely did the outcome of these reviews have a significant impact across the entire business. A symptom of this process was the fact that the same issues arose at each monthly performance review. [2].

The board began to go in detail the reasons for this and to make decision that one of the most fundamental issues was about the meetings structure and review process in DHL which was not right for a twenty-first century business. Members of the board were not able; with the data they were presented, to identify the basic root causes of shortfalls in terms of business performance. [2]The board decided, therefore, to take a fundamental look at what is the role of the performance review and to make it clear, what its purpose was and hence what data should be examined at it. This results in the board reorganization that they were holding their review meetings also very frequently. Instead of meeting for one day on a monthly basis the board decided that they should meet for two days on a quarterly basis but take a more fundamental look at the strategic challenges facing the company. It was at this stage that the business process director introduced the Performance Prism and suggested that the board might be able to use it as a framework to help guide their thinking. [1].

A series of workshops were held in January through to March 2000, at which the board began to examine the Performance Prism and construct a success map for DHL. The success map encapsulated those things that the business had to deliver if it was to achieve its overall financial goals. The success map reflected the strategic thrusts of the business and the specific initiatives and activities being considered within the business. There are 3 main stands in the success map for DHL UK's case. The first was related with growing revenue volumes. The second was related with quality of revenue. The third strand of the success map was concerned with cost efficiency and ensuring that the business utilized its assets as efficiently as possible. [1].

At this level, these three broad strategic strands are not different to any other organization. Almost each organization will want to increase sales, to improve the quality of these sales and to control their costs. It

is at the next level of detail that the success map becomes organization specific, for it is here that the success map starts to expose the specific wants and needs of DHL's stakeholders and the strategies that are being put in place to ensure that how these wants and needs are satisfied. For example consider revenue volume. It has been decided in DHL that one of the ways of driving revenue volume is to divide the market as per wants and needs customer. One such segment, the so-called 'advantage customers', will encompass those customers who want to build a strategic partnership with DHL. To service these customers, DHL UK will have to put in place specific business processes, for example, consignment stock management processes. In turn, these processes will have to be underpinned by specific organizational capabilities that exist within DHL UK. [1].

The start of the process of populating the Prism therefore was to hold a series of externally facilitated brainstorming sessions with DHL UK's board, during which the success map for the organization was constructed. [1].

After the construction of the success map the board began to ask themselves 'What questions should we be asking at the quarterly performance review, which will enable us to assess whether or not our plans for the business, as outlined in the success map, are being realized?'. It was through this discussion that the DHL board began to identify the critical questions that they wished to answer at their quarterly performance reviews.

In turn, these questions were used to identify what measures might be appropriate for the organization. In facilitating this discussion the theme was: 'what data do you need access to in order to answer the questions you have identified as crucial for the business?' [1].

In parallel to this, DHL analysts were trained in new measurement methodologies and techniques. These analysts, each of whom reported directly to a board member were assigned the task with the job of development answers to the key questions that the board felt they wished to discuss at their quarterly performance review. The agenda for the June 2000 quarterly performance review was structured around the key questions and the board members

were invited to present the analysis completed by their analysts in answers to the questions. By September 2000 the board had decided to invite the analysts themselves to make the presentations, partly to provide these key individuals with personal development opportunities. In the long run the aspiration is to develop a structure which involves the analysts in DHL develop a case that answers the key questions, in much the same way that a detective would develop a case to present to a judge and jury. [1].

Suddenly, DHL's performance reviews had moved from being a rather staid discussion of detailed operational and financial performance into a true debate which is related with the fundamental challenges and issues facing the business. The HR director, for example, commented that 'the June QPR was the best board meeting I have ever attended, in this or any other company'. The Business Process director said that 'We have moved from scrutinizing lots of numbers that told us very little to asking pertinent questions about how we are doing and where we are going'. While the MD felt that this approach 'encourages us to work together on the key business issues [1] rather than emphasizing individual functional responsibilities'.

The DHL Experience:

The principles of the Performance Prism have been applied beneficially in several corporations in a broad range of industries, including nonprofit organizations. However, the first and probably the most rigorous operational application so far have been at DHL, the international express courier company. [3].

DHL U.K. implemented the Performance Prism in late 1999, when sales for the division were around \$500 million and the business employed almost 4,000 people across 50 locations. At that time, DHL UK's managing director, David Coles and the company's business process director, Drew Morris, were concerned that the division's performance reviews were in danger of becoming too tactical and unfocused in orientation. The executive team considered how it should structure revised format quarterly performance reviews (QPRs) and what it should discuss there. It was at this point that the authors introduced the Performance Prism

framework to the company as a way of thinking through this issue. [3].

During the design phase, the executive team at DHL UK participated in a series of workshops. In the first round, the executive team identified the wants and needs of its stakeholders. The outputs from the first round were taken as the inputs to the second, where the executive team identified the strategies, processes and capabilities the organization would need to have in place in order to satisfy the wants and needs of each of its stakeholders. [3].

For example- customers as stakeholders, DHL recognized that the organization had several different kinds of customers. Broadly, it categorized its customers into three types- advantage, regular and ad-hoc based on customer needs. [3].

Once the separate success maps for each stakeholder had been developed and the links between them identified, it was relatively easy to integrate them into a summary success map for the business. However, given that it is impossible for an executive team to track every strand of activity in a typical success map, how can a company narrow down the strands to the most meaningful few? Our approach was to encourage the executive team to think about the questions that it wanted to be able to answer in the light of the material contained on the success map it had developed. Fundamentally, the executive team was being asked: What is it that you as an executive team needs to know in order to decide whether the business is moving in the direction you want it to? [3].

The launch point is not what should be measured, but, instead, what questions should be asked? The third set of workshops focused on getting the executive team to think about which questions it would like to be able to answer at its QPRs, given the structure of the success map it had developed. The executive team debated this issue and in doing so developed a robust framework of questions structured around the Performance Prism but derived from its success map. Once the right questions have been identified, it becomes relatively straightforward to derive what should be measured. The fourth and final set of workshops focused on what measures are required, and thus what data is needed to answer the questions identified by the

executive team. [3].

The next stage was to restructure the agenda for the business's QPRs, to ensure that future discussions could reflect the key questions that the executive team had decided it should address. The new structure was introduced during the June 2000 QPR and evolved over the next 12 months. The process for DHL did not end with the implementation of the Performance Prism and the new QPR meeting structure. DHL has continued to evolve its measurement system and review processes throughout, and will continue to do so in the future. It has since cascaded the performance review process down through the organization in a way that all operations and sales managers structure their local performance reviews in the same way. We should note, however, that some organizational factors contributed significantly to the success of this implementation. Data capture infrastructure had been already relatively sophisticated, which is not always the case. DHL involved its business performance analysts extensively in the process. It also invested substantially in education and process facilitates both internal and external. Without these essential elements, progress would have been limited. The role of the Performance Prism in this journey has been a vital one in that it has provided a logical and coherent structure for the board to shape its performance measurement and management system. As David Coles says, "We could have reached that same state of measurement maturity without the structure provided by the Performance Prism, but we would never have got there so fast or so completely". [3].

VII. RESEARCH FINDINGS SCOPE FOR RESEARCH

- 1) The relationship exists between performance prism and organizational financial performance measurement tools.
- 2) The performance prism is one of the important tools of measuring/knowing shareholder value/return.

The key is to recognize that, despite the claims of some of the proponents of these various frameworks and methodologies, there is no one 'holy grail' or

best way to view business performance. And the reason for this is that business performance is itself a multi-faceted concept.

Nevertheless, when we talk to academics, industrialists and non-profit organizations alike, there seems to be a 'pent-up demand' for a multi-faceted, yet highly adaptable, new framework which will address the needs for business performance measurement within the new competitive environment of the 21st Century. The challenge: How to satisfy that demand?

VIII. CONCLUSION

The Performance Prism is a rigorous framework for assisting companies to manage their performance. Unlike older frameworks, it requires an analysis of stakeholders and their needs before considering strategy. It also considers what processes and capabilities are required to support the strategy before are identifying appropriate performance measures. This should lead to performance at all levels of the organization that is consistent with the strategy of the organization, and help it to meet the needs of a wider group of stakeholders. [5].

The Performance Prism has now been applied in a number of real-life situations which includes the above case example organizations. It has also been used as the guiding framework for a White Paper which seeks to suggest ways to improve the success rate of mergers and acquisitions through improved measurement systems. The authors have also successfully applied it as the basis of a survey of the uses of measures in e-businesses. It has proved itself to be malleable to the various needs of a vast variety of many different organizations and measures development conditions. Its principal appeal so we are told lies in the intrinsic logical juxtaposition of the five components of the three-dimensional framework; its comprehensiveness and adaptability allows different entry points; the inbuilt ability to go in details of the surface to greater levels of detail when additional prompts are needed; plus, finally, the fact that stakeholders are addressed in a wholly original and radical way. The overwhelmingly positive feedback has been received. All organizations wishes to implement a new set of

measures or to upgrade their existing scorecard should consider applying the Performance Prism to the measures selection process. [1].

The Performance Prism is not a cure-all tool. It needs to be used intelligently to optimize its potential. However, we believe that it does provide a robust and comprehensive framework through which to view and address the real problems and practical challenges of managing organizational performance within the new spectrum of the stakeholder economy. This belief is born out of our experiences of successfully applying its principles within a variety of organizations, including DHL. [3].

Professor Jeffrey M Schwartz said “Prism Brain Mapping provides the insight for people to make better choices about what is going on in the present moment. It also helps them to reaffirm what is going on and to refocus their attention to achieve better outcomes. Prism interfaces well with mindfulness. We know that thoughtful awareness changes the brain”.

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