Transparency, measurements and benchmarks used as lean leadership instruments

…it´s all about people and
…to experiment you need to observe

Agenda

Background

– Aspect 1: motivation of people

– Aspect 2: measurement and analytics

– Synthesis: Performance Management

Implementation @ Digitec Galaxus AG

– Element 1: establishing cultural values

– Element 2: BSC and business intelligence approaches

– Element 3: employee development and performance appraisal

Background

Group dynamics
Energizing people
Balanced score card
Business intelligence and analytics

GROUP DYNAMICS

A communicated company vision

A Vision is the ultimate, possibly unattainable, state the enterprise would like to achieve

| Enterprise	Vision
EU-Rent	Be the car rental brand of choice for business users in the countries in which we operate.
Pizza Company	Be the city's favorite pizza place.
Retail Pharmacy	Be the low-cost health care provider with the best customer service.

*) Source: OMG Business Motivation Model, Version 1.3, http://www.omg.org/spec/BMM/1.3/

Two-factor theory of job satisfaction

Satisfaction factors	Dissatisfaction factors
Achievement	Company policies
Recognition	Supervision
The work itself	Relationship with supervisor and peers
Responsibility	Work conditions
Advancement	Salary
Growth	Status
	Security

*) Source: Frederick Herzberg, the two-factor motivation theory (1968!)

Why to be part of a team
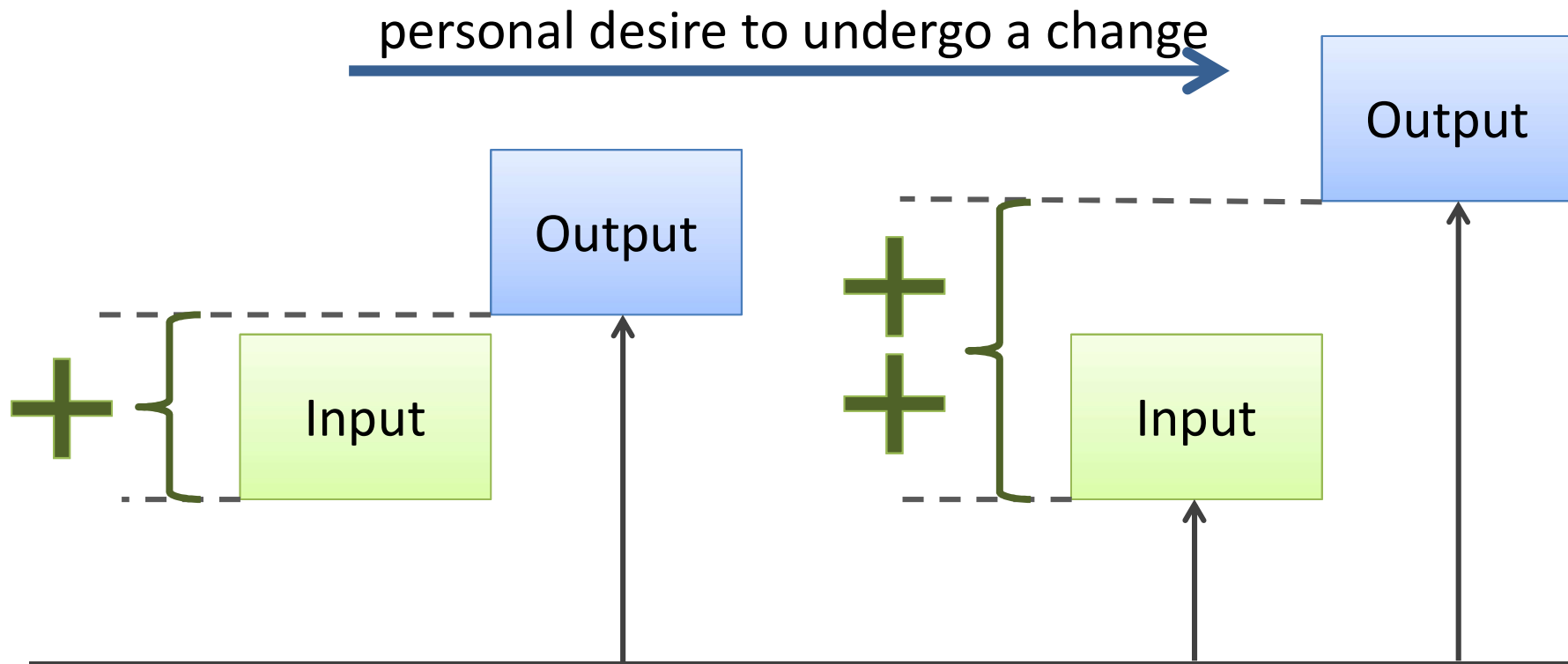
Corporate Culture

Definition

– the unspoken code of communication among members of an organization

– a set of norms and values that are widely shared and strongly held throughout the organization (social control)

Why is corporate culture relevant

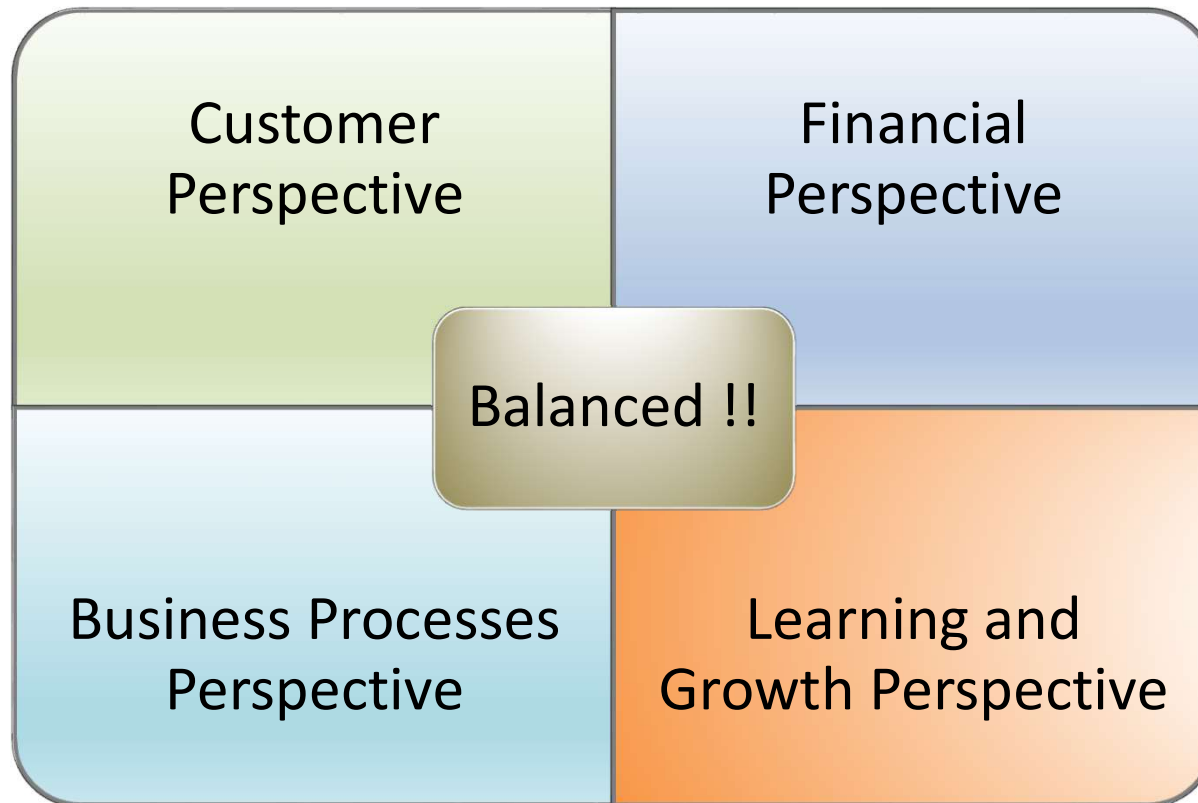– culture is considered relevant because employees will face choices that cannot be properly regulated ex ante

*) Source: Guiso, Sapienza, Zingales, The Value of Coporate Culture, 2013, NBER Working Paper No. 19557

MEASUREMENTS

(agile) Balanced Score Card

– High level KPI based company wide observation system
– Transparency of attainment towards the communicated vision

Customer Perspective	Financial Perspective
Balanced !!	
Business Processes Perspective	Learning and Growth Perspective

*) Source: Jeremy Hope, Robin Fraser, Charles T. Horngren; Beyond Budgeting; ISBN-13: 978-1578518661

Characteristic Values

– As derivation from balanced scorecard (as well balanced!)

– Observation system on personal, department and team level

– Direct feedback and analysis of executed measures and activities
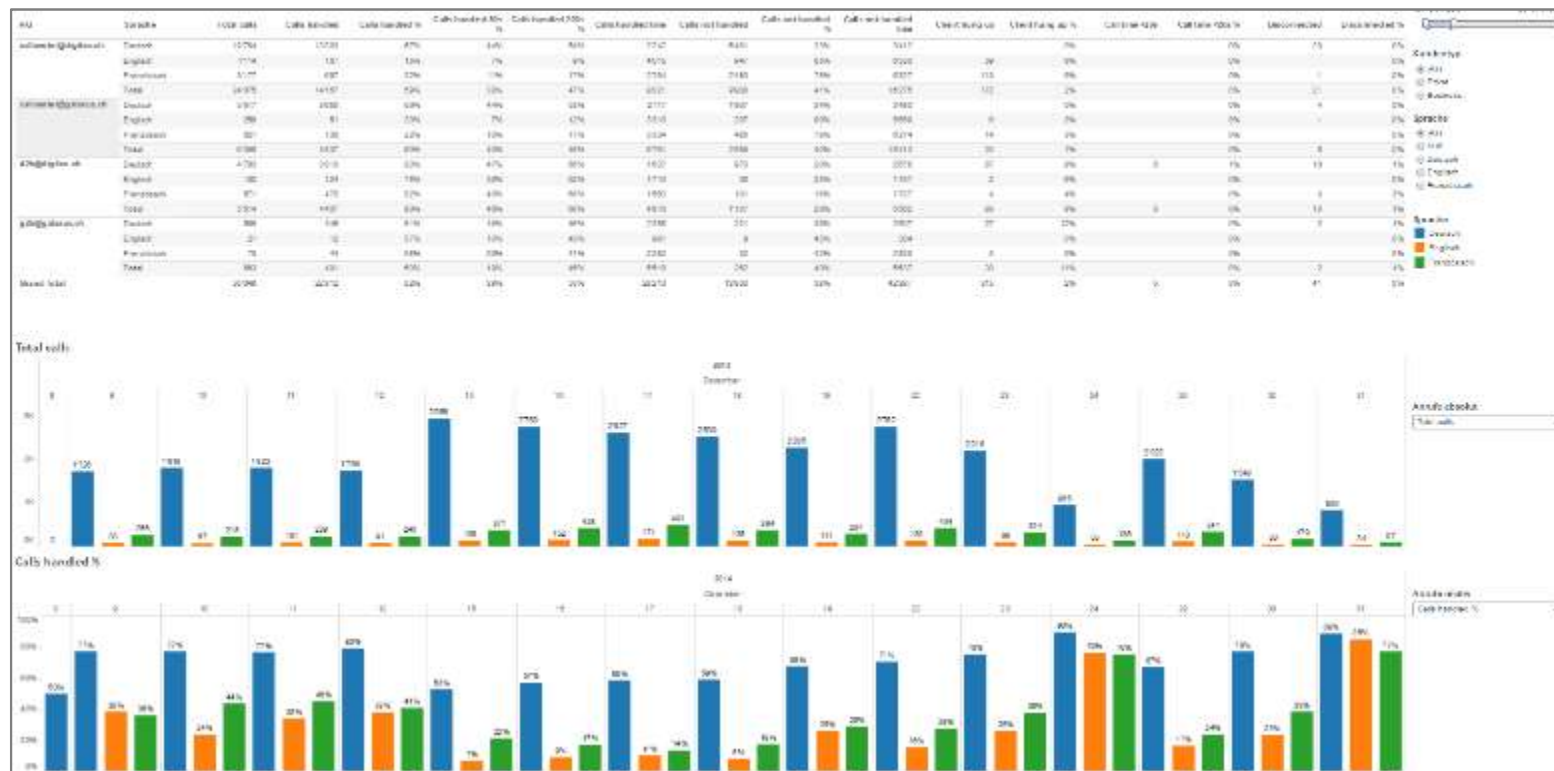
SYNTHESIS
PERFORMANCE MANAGEMENT

Stretch goals, relative improvement

Set stretch goals aimed at relative improvement

– Set stretch goals disconnected from performance evaluation and rewards

– Set goals relative to external benchmarks

Make action planning a continuous and inclusive process

– Devolve strategy to business unit teams

– Use Performance rankings

*) Source: Jeremy Hope, Robin Fraser, Charles T. Horngren; Beyond Budgeting; ISBN-13: 978-1578518661

Give people a shared goal

– A team requires a vision from their leaders

– A team requires a purpose

– A positive goal is a step towards a shared and realizable dream

– A positive goal give a team awareness of their context

– Work with organizational and team autonomous goals

– Define clear boundaries of authority

Implementation
@ Digitec Galaxus AG

Team spirit

KPI's and characteristic values

Values and goals

A genuine Digitec Galaxus character

GROUP DYNAMICS

Klare und kommunizierte Vision

Galaxus und digitec bieten Zugang zu ausserordentlich breiten, detailliert geführten und kontinuierlich gepflegten Sortimenten. Die durchwegs tiefen, ständig aktuell gehaltenen Preise sowie die schnellen und zuverlässigen Onlineshops ermöglichen ein einzigartiges und komfortables Einkaufserlebnis – ganz unabhängig von Zeit und Ort.

Im Zentrum steht dabei die konsequente Kundenorientierung: Kurze Lieferfristen, persönliche und kompetente Beratung per Telefon, Mail, Fax oder in einer der neun Filialen sowie transparente und verständliche Kommunikation.

*) Source: https://www.galaxus.ch/de/Wiki/528

(ein junges) Wertesystem

Kooperativ
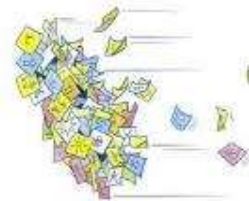
Innovativ

Piratisch

Eigenverantwortlich

Ambitioniert

*) Source: Digitec Galaxus AG – Confluence Space Allgemein

Eine transparente strategische Roadmap

Firmenkultur & Team Spirit sind «jung»
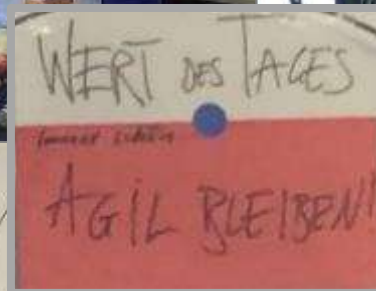
MEASUREMENTS

DG Balanced Score Card

Engineering Kennwerte (Ausschnitt)
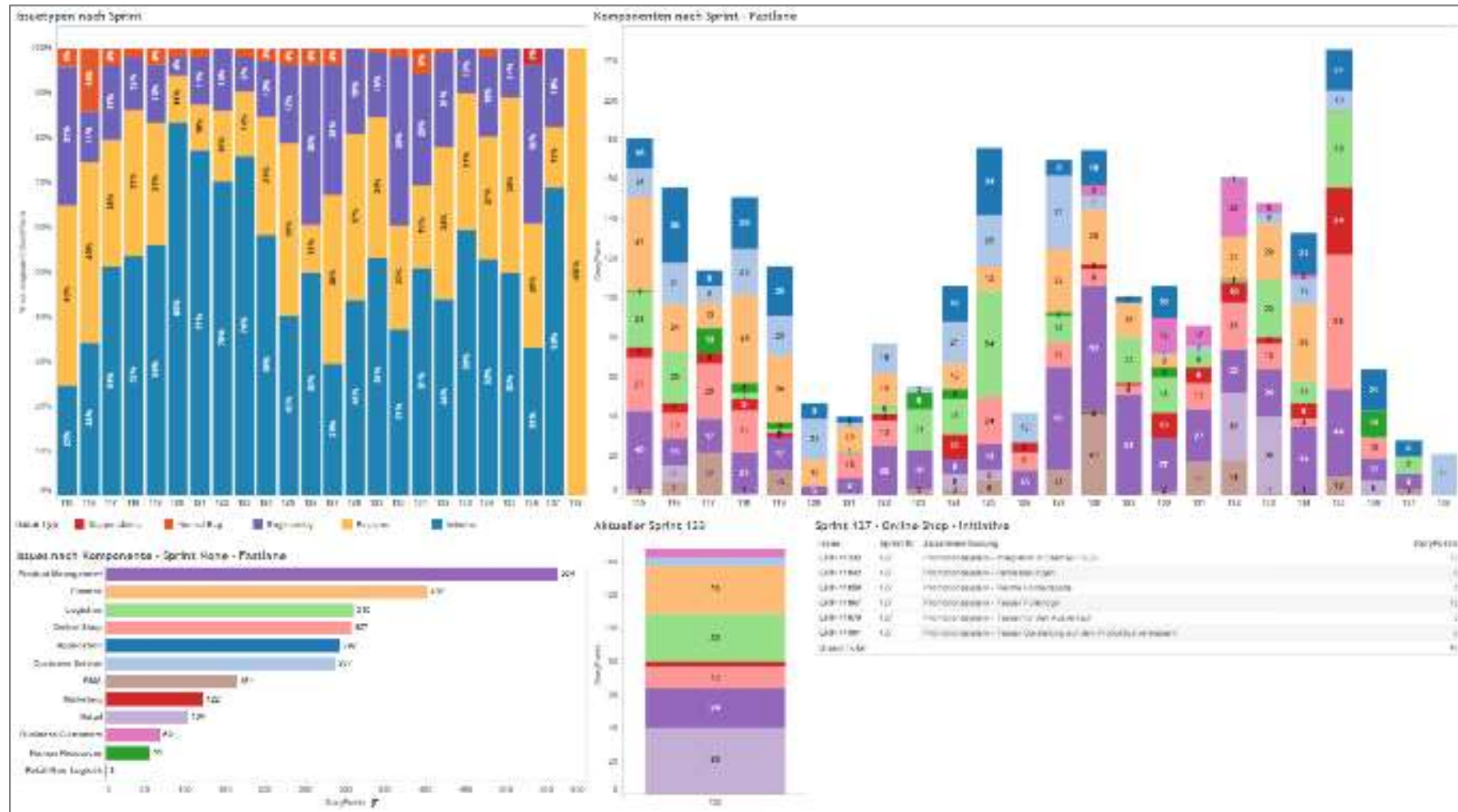
Beispielreport aus den PM Dashboards
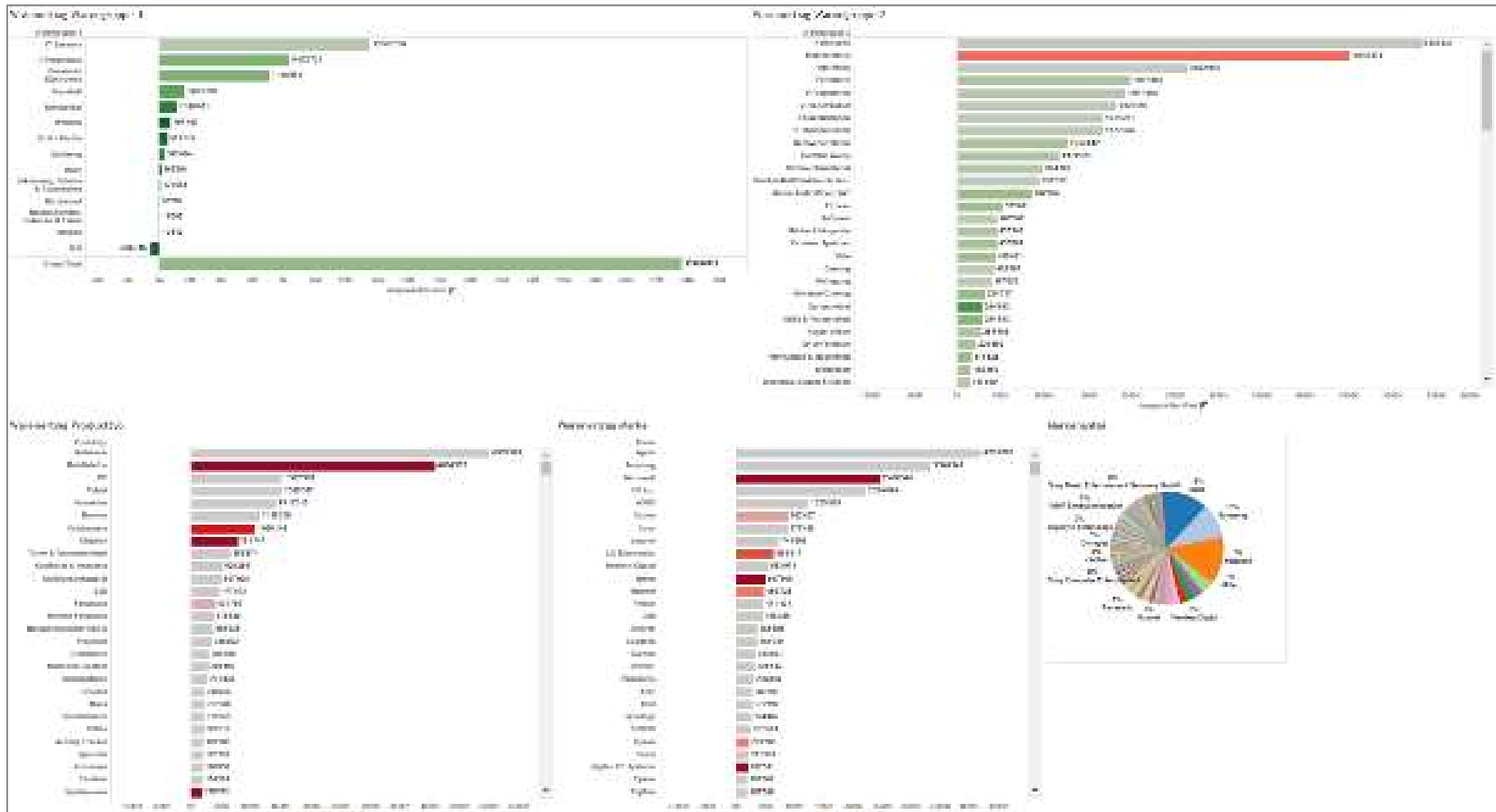
SYNTHESIS
PERFORMANCE MANAGEMENT

Konzept Mitarbeiter Bewertungssystem

Beispiele für Team Goals

– Die strategischen Ziele Kundenzufriedenheit, innovativer Online Shop und Umsatzwachstum entwickeln sich gemäss unserer strategischen Roadmap.
Diese strategischen Ziele sind unser Leitfaden für Priorisierung und Entscheidungen.

– Verbesserungen an unserem Entwicklungssystem werden proaktiv gesucht, identifiziert, vorgeschlagen und umgesetzt

– Arbeit fliesst gemäss der Prozessidee geeignet und ausschliesslich über Fastlane oder Initiativen in das Engineering, d.h. im Mittel mit einer Verteilung von: 20% Slack time Engineering; 20% Fastlane; 60% Initiativen. Siehe dazu Tableau Bericht:
http://tableau.devinite.com/#/views/EngineeringSprints/JIRAIssues?:iid=1

*) Source: Jeremy Hope, Robin Fraser, Charles T. Horngren; Beyond Budgeting; ISBN-13: 978-1578518661

Wir alle haben ein gemeinsames Ziel