



The guiding force

David Parmenter looks at the missing link in management theory: critical success factors. Too often managers do not put these above their team's own priorities

An organisation that does not know its critical success factors is like a football team that goes to the World Cup without a goalkeeper, or at least a competent one.

The term critical success factors (CSF) does not seem to be addressed by some of the leading writers of the past 30 years: Peter Drucker, Jim Collins, Gary Hamel, Tom Peters, Robert Kaplan and David Norton all appear to ignore their existence. Yet, to my mind, this is a



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Even though a strategy is in place, teams are often working in directions very different from the intended course. This mayhem stems from a complete lack of understanding of their CSFs.

While most organisations know their success factors, few organisations have:

- * worded their success factors appropriately
- * segregated success factors from strategic objectives
- * sifted through the success factors to find the ones critical to them
- * communicated the CSFs to staff.

If the CSFs are clarified and communicated, staff will be able to align their daily activities closer to the strategic direction of the organisation.

One successful CSF example centres around former British Airways chairman John King, who set about turning the airline around in the 1980s. King appointed some consultants to investigate and report on the key measures he should concentrate on to revive the fortunes of the ailing company. They reported back that he needed to focus on one CSF: the timely

arrival and departure of aeroplanes.

I imagine King was not impressed, as everyone in the industry knows the importance of timely planes. However, the consultants pointed out that while British Airways might know that the timely arrival and departure of planes was a success factor, it had not been separated out from all the other success factors, and so staff members were trying to juggle too many things.

With this CSF identified and isolated, it was a relatively short step to find the appropriate measure that would transform the organisation. Was it timely planes or late planes? Analysis would have pointed them quickly to selecting planes that are late over a certain time.

I believe the main purpose of performance measures is to ensure that staff spend their working hours focused primarily on the organisation's critical success factors. So unless the operational CSFs are ascertained, managers, in their own empire, won't have what is important to them embedded in the way things are done. Many counterproductive activities will occur based on the false premise: 'What is important to me is important to the organisation'.

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missing link in management theory.

CSFs are operational issues that need to be done well, day in, day out, by all staff. Many organisations fail to achieve their potential because they aren't clear about the more important things that all staff should be focusing on.

This lack of clarity means that staff will often schedule their work around their team's priorities rather than around the organisation's priorities, that performance measures are often meaningless, and that many of the reports that are prepared serve no purpose.

