

The Secrets of SPIs

(Sustainability Performance Indicators)



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Irrespective of your industry, be it Manufacturing, Construction, Maintenance, Retail, IT development or any other, there is a good chance you will be managing your business improvement with the use of a set of appropriate KPIs.

However, has your organisation discovered the importance of SPIs?

Although KPIs are widely understood as being the important measure of performance progression, there still seems a reluctance in accepting SPIs as being equally important.

This document looks at the secret of successful monitoring of SPIs and provides a best practice guide on how to embed them as part of your wider suite of KPIs.

The Secrets.....

1. Understand that being sustainable is about profit as much as the environment.
2. Get involvement
3. Identify SPIs that are meaningful to your business
4. Use the SMART approach to SPIs and targets
5. Ensure achievable implementation
6. Be flexible
7. Ensure analysis and reporting tools are easy to use – and deliver actions



Understand that being sustainable is about profit as much as the environment

SPIs proactively monitor the impact on the “Triple Bottom Line”, People, Profit and Planet.

SPIs are therefore critical to business success.

Without proactively monitoring SPIs, businesses are vulnerable to problems that can seriously undermine both performance and profitability.

An organisation, for example, that does not regularly monitor the amount of waste it generates could discover at year end a repeated mistake that has cost the company many thousands. Regular checks will minimise the cost of errors to a business and increase the ability to take advantage of short term opportunities.

Standard business KPIs include net sales, net profit margins etc. however it is important to understand which SPIs affect these KPIs.

Such SPIs may typically include.....

1. Amount of waste generated
2. Energy usage
3. Water usage
4. Fuel costs
5. Use of local labour
6. Use of public transport etc....



Get involvement

Without the support of the board and involvement across the organisation, establishing a successful sustainability monitoring process will be virtually impossible to achieve.

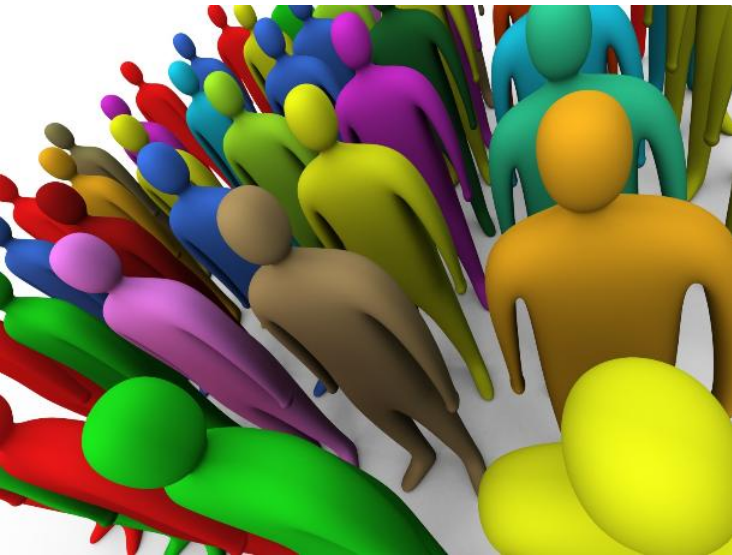
As with any major project within an organisation, sponsorship in the form of board level commitment is essential. Achieving this makes it much easier to work with colleagues towards the common goal.

Involvement can also be established across your supply chain and customers.

The sustainability monitoring process must have a dedicated owner, responsible for the project.

SPI involvement includes.....

1. Board level commitment
2. Get colleagues on-side
3. Work together
4. Talk about it to suppliers and customers
5. Appoint an SPI “champion”
6. Make sustainability and SPIs part of the culture



Identify SPIs that are meaningful to your business

A Sustainability Performance Indicator (SPI) is a quantifiable measurement of sustainability performance. They are commonly used to evaluate the impact the business has on the organisation's profit, the environment or planet and people

SPIs can differ greatly across an organisation and what is seen as successful by the design team may not be viewed as favourable by the finance department. It is therefore vital that each department outlines its own individual set of SPIs as well as the organisation having a set of business wide SPIs.

SPIs are essentially measures that allow an organisation to measure its own personal performance or impact. These measures can be used internally or as a means of externally benchmarking against similar organisations or competitors. Analysis of SPI measures will deliver clear goals for the organisations and its employees.

As with KPIs, employees can also be given SPIs to determine individual performance. Such measures as travel and fuel usage as well as waste produced can be measured at such granular levels.



Use the SMART approach to SPIs and targets

When working so close to an organisation, it is easy to miss the obvious SPIs and the levels of performance these indicator could achieve. It is a good idea to take a step back and try to view your organisation from afar. Using the “SMART” approach will often help to identify whether your SPIs and their targets are realistic and achievable.

Specific – Simply using a standard set of SPIs may be acceptable but it may not provide insight into what aspects of sustainability are really important to your organisation. SPIs must be specific and relevant to your organisation so that your individual sustainability impact and success can be measured.

Measurable – To measure the change and success in your sustainability impact, your SPIs must be quantifiable and measurable.

Achievable – The targets you set for your SPIs must be achievable. If you know from the start that a target is impossible to reach, there is no point in measuring it.

Realistic – Your SPIs must be realistic and provide an accurate picture of what you are trying to achieve.

Timely – SPIs should be regularly reviewed in an agreed timeframe. A structured timeline should be put in place to monitor and assess any changes.



Ensure achievable implementation

It is important that your SPI management process actually gets off of the ground. Too many SPIs involving too many personnel can hinder the implementation phase.

Ensure the project is not over ambitious. It can evolve and grow as its success becomes apparent to the stakeholders.

The implementation phase is quite often the most difficult phase of any project and the time at which it is most likely to fail. Human nature often causes employees to resist change and such projects as these are viewed as just another task in their hectic schedule. To ensure your SPI management project is implemented with minimal disruption, apply the following simple steps.....

1. Get buy in from all stakeholders
2. Make your processes easy to understand
3. Simplify data collection
4. All systems and software must be easy to use and intuitive where possible
5. Keep training to a minimum
6. Automate where possible
7. Ensure your processes are flexible
8. Show everyone involved the results



Be flexible

Measuring SPIs is a relatively new area of performance management. As with everything, it will evolve and change in line with legislation, technological advancements etc.

Be sure that the systems and processes you put in place are flexible and can accommodate the inevitable evolution.

Keeping track with the rapid changes within the world of sustainability is a challenge in itself. Within the last decade, measuring our sustainable impact on profit, planet and people has gone from a nice to have to now being as essential as the financial performance of an organisation. Its importance is now at the forefront of every politician and businessman's mind. It is safe to say this trend will continue for the foreseeable future.

Ensuring your systems are future proof from the start will ensure you can keep abreast of these changes.

Maintain flexibility by.....

1. Using Software which is simple and flexible to accommodate change
2. Reducing costs by managing the changes to your software yourself (consultants are not cheap)
3. Meeting and reviewing your processes and SPIs regularly
4. Accepting that change is inevitable – don't resist it!



Ensure analysis and reporting tools are easy to use – and deliver actions

The fragmented nature of where important SPI data sits within an organisation can often hinder the SPI performance analysis process.

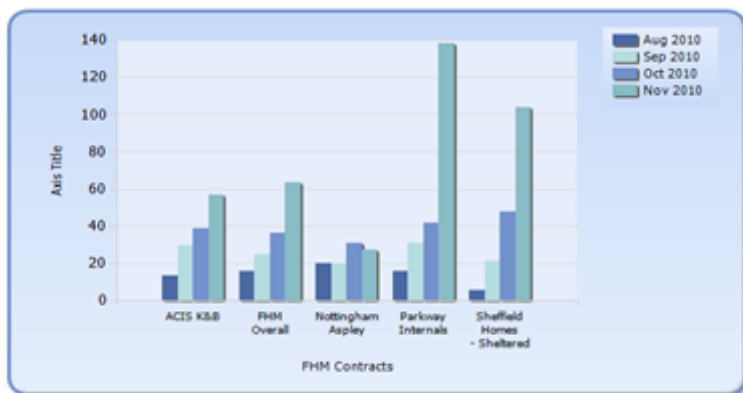
Having a common data warehouse, in which to feed your SPI data makes analysis and reporting much more accessible and easy to use.

A single system then becomes the focal point for SPI management, delivering all of the information

Panagraph Performance Management Software is the ideal single SPI measurement and management solution. Over seven years of development based solely on customer feedback, Panagraph can deliver a software solution which ...

1. Is web based minimising requirement of your IT department
2. Is highly secure
3. Simple to use
4. Requires minimal training
5. Provides simple data collection techniques using on line web forms
6. Automatically calculates SPI performance data from your organisations raw data
7. Has drill down capabilities
8. Is flexible and managed in-house (you make the changes)
9. Has an integral library for storage of your supporting documentation
10. Allows flexible analysis of your data in many formats against defined targets, benchmarks, quartiles, national statutory requirements etc.
11. Allows for fully tailored reports in your desired company format
12. Delivers Action Plans to change and improve your SPI performance

Electricity usage per employee Kw/h



"Our confidence in the data and processes associated with Panagraph have definitely contributed to our success in achieving sustainable change"

- Ian Taylor - Head of Service, Design and Project Management , Sheffield City Council

Panagraph Performance Management Solutions



Panagraph Performance Management is an award winning provider of performance management software solutions and consultancy services

Panagraph acts as a critical friend and collaborative partner to its customers, delivering, continual Improvement, measurable efficiencies and sustainable change. The company has extensive experience in the following sectors

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1. Sustainability
2. Construction and Housing
3. Facilities Management and Property Services
4. Education
5. Medical and Pharmaceutical
6. Manufacturing

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