

## **Calling all practices...Ignore KPI's at your own peril!**

The old management adage of *'You can't manage what you don't measure'* is still applicable today. Whilst there are many different techniques for measuring the performance of your organisation, the use of Key Performance Indicators (or KPI's) is the most reliable and commonly used technique. The term KPI's is synonymous with large corporations and usually employed to continually measure how well an organisation is meeting its strategic objectives. However, businesses of any size need to have KPI's that are being regularly measured and reviewed to meet strategic goals and objectives ie a KPI for assessing case-acceptance-ratio, a KPI for evaluating the effectiveness of social media marketing, a KPI to measure staff training and education.

Whether you have a private practice targeting a specific demographic sector in the local area or an NHS contract looking to secure a multi-year contract, KPI's are an effective tool to help monitor and manage practice performance according to your set goals.

The challenges practices face today with measuring practice performance includes:

- Understanding what to measure
- Selecting the right KPI's
- How a practice should respond

For NHS practices, whilst the KPI concept is relatively new, the recent introduction of the 'NHS vital signs initiative' has placed the need for measuring performance at the forefront of practice management. The five KPI's required to renew NHS contracts vary from the straightforward, demonstrating value for money using UOA values, to the more complicated, calculating ratios for case assessments versus case starts. Calculating each of these KPI's is then used to measure your overall level of quality that your practice has delivered over the term of the contract.

Whilst this is a highly-simplistic description of what is required, the data collection, analysis and KPI representation is anything but. Furthermore, practices need to consider what steps they plan to make to improve their service over a multi-year term, and this is where practices would benefit from developing a strategy that they can then link back to the KPI's to measure their overall performance.

The concept of measuring performance is no different if you have an NHS contract or are a pure private practice. Failure to do so will lead to a business stagnating, competition taking away patients, a drop in quality of service and much more.

Being able to have a strategy that is aligned to KPI's will help practices to secure a contract (new or existing) and, for practices that are private, will act as a compass to deliver on their goals and objectives.

Here are some useful tips

*Tip #1: Invest the time and effort to define the goals the practice wants to achieve. Once established you can now start developing KPI's that effectively measure your performance against these goals.*

*Tip #2: Select KPI's that are SMART<sup>1</sup>(Specific | Measurable | Attainable | Relevant | Timely). Start off with a small number of KPI's. Present the KPI's in a simple to understand format. Review on a regular basis to understand how the practice is performing.*

*Tip #3: Responding to KPI's on a regular basis will allow you to make informed decisions about your performance against set goals.*

Ask yourself these questions:

Does my practice understand the Key Performance Indicator's (KPI's) that are required to measure performance?

Does my practice understand the potential consequences with failing to do so?

Does my practice understand how to formulate and implement a 'respond strategy' that can either inform your NHS area teams on how you intend to meet the 'Excellence' rating or if in private practice a 'response strategy' that will help you achieve the objectives?

For those that cannot provide accurate answers to these questions please join us in the New Year for a live complimentary Webinar were we will be looking at these requirements and discussing options on how practices can practically measure their performance against goals. The webinar is for both private and NHS practices. Please register through the email ([info@linacraven.com](mailto:info@linacraven.com)) and confirmation and details will be sent.

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<sup>1</sup> The term SMART is commonly associated with Peter Drucker <http://www.druckerinstitute.com/>