



Business Performance Model Template Description

The Business Performance Model contains the performance targets and indicators for the project. The model contains the definitions of metrics as well as the methods of measurement, presentation, and communication that monitor the performance during implementation.

Begin development of the model during the Organize IPT phase of the project. In subsequent phases, the team should build on the model. Use the model to define, link, and capture the required metrics and actions throughout the integrated delivery of the capability. Update and refine the model as the delivery effort progresses through planning and analysis, to designing, building, deployment, and eventually operation.

The sample shows one of many ways in which this deliverable may be presented. The sections below describe the basic structure that can be used for capturing the metrics at the business architecture and/or business capability levels. Adjust the formatting for the actual deliverables as necessary, through the use of tables, graphs, charts, or other formatting options.

Introduction

Describes the current performance of the business architecture or business capability. Identifies the basis of current performance and areas to improve. Identifies the overall performance objectives and describes the targets and measures in the following.

Performance Target

Documents the performance targets to be achieved. Includes tolerances for the target where possible.

Performance Indicator

Documents the performance indicators that support the performance target. The structure below should repeat for each metric defined.

Performance Metric

Details the indicator into one to many metrics that give detailed formulations on how to measure the performance target. These metrics often take the form of a formula, but that form is not required.

Metric Definition

Defines the metric and its contribution to performance.

Guidelines

The Business Performance Model should focus both on results and actions. When defining metrics for the Business Performance Model, assume an outcome-focused approach. Consider:

- What is the outcome of the business capability
- What are the necessary performance levels to ensure that this outcome is consistent?
- How can we ensure that the performance levels are consistent?
- What does the customer expect?
- What performance levels are necessary to ensure that the customer's expectations are met?
- How can we ensure that the performance is at the necessary levels to meet customer expectations?



Department of Education Student Financial Assistance

- What is expected from the supplier?
- How can we ensure that the supplier input is consistent?



Business Performance Model Template

I. IPT Name:		
II. Deliverable Name: Business Performance Model Template		Date Completed:
III. Contact Information		
	Name	Channel Unit
IPT Sponsor		
Channel Task Manager		
CIO Task Manager		
Contractor Task Manager		
IV. Task Order Number:		

Objective	Target	Baseline	Indicator	Metric	Definition	Stakeholder	Business Value Impact (from Business Case)
Improve delivery time of customer orders from 10 days to 5 days from receipt of order	Deliver 99% of orders within 5 days of order receipt. Cannot deliver beyond 7 days.	XYZ currently delivers 10 days from receipt of customer order	Percentage of orders that meet the 5 day delivery objective	(Number Orders where days < 5 / Total Orders) * 100 (Number	Defines the percentage of orders where the order was delivered in 5 days. Defines the percentage of	CEO and staff, customers	Grow revenues by \$1 million/year Lower



Objective	Target	Baseline	Indicator	Metric	Definition	Stakeholder	Business Value Impact (from Business Case)
				Orders where days > 5 and supplier problem / Total Orders) * 100	orders delivered over 5 days where there were supplier problems.		inventory costs by \$400,000/ year
Increase European Sales and Margins by 8-10% in Europe per annum	Increase European Sales and Margins by 8-10% in Europe per annum	XYZ's European sales growth is currently at 1% per year	Sales volume Margin	((Sales this year - Sales last year) / Sales last year) * 100 Gross Profit / Sales	Defines the percentage increase in sales volume Defines gross margin received	CEO and staff	Increase European profits by 12% Lower operating costs by 5%