Benchmarking 101
An Introduction to Program Performance Management

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Shell
Agenda

- Actionable data
- The simplicity of staffing?
- SLAs and KPIs
- The relationship
- Shell case study
- Workshop, ideas and Q&A
- Next steps
Data Data Data Data...
Just how much data is there?

- Every day we create 2.5 quintillion bytes of data - so much that 90% of the data in the world today has been created in the last 2 years alone. (Source: IBM)
- Google's Eric Schmidt claims that every 2 days now we create as much information as we did from the dawn of civilisation up to 2003.
Great retrospective data...
...but is it actionable?
If only it were as simple as...

You’re Hired!
Quadrant Reporting

Trend

Distribution

Causes
1. Xx
2. Xx
3. Xx
4. xx

Actions
1. Xx aligned to causes
2. Xx
3. Xx
4. xx
Workforce Solutions Ecosystem

- Staffing: Temporary Staffing, Place & Search
- Payrolling/Compliance: PEO, Independent Contractor Compliance, Payrolling
- Process Outsourcing: HR0, BPO, MSP, RPO
- Contracting/Consulting: Directly Sourced Contingent Workers (Temps/Independent Contractors/Freelancers), SOW Consulting Services
- Other Workforce Solutions: Ancillary HR Services, HR Consulting, Outplacement, Testing, Training
- Contracting/Consulting: VMS, Online Staffing Platforms, Crowdsourcing, Online Work Services, Human Cloud

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Shell – Contracted Resources Category

- **Category scope:**
  - Technical Manpower
  - Functional Contract Labour
  - Technical Consulting

- **Global Strategy and Scope; Maturity Continuum**

- **Global Suppliers,** 50+ countries; In-Country Suppliers, 20+ countries; large deployed contractor base, Significant Annual Spend <Confidential>

- **Self Managed Program,** external VMS – Deployed in 17+ countries
Shell – Supplier Performance Management

- **Success Factors:**
  - Clear Supplier Selection and Evaluation Criteria; Robust, Fair and Transparent
  - Post Award Supplier and Contract Management
  - Data, Visibility, Analytics
  - Performance Measurement and Management

- **Building Blocks of a Scorecard:**
  - Define success; must be S.M.A.R.T
  - Continuous Improvement and Value Generation
  - Periodic Performance Reviews and Corrective Actions

- **Benchmarking of Supplier Commercials**

- **Current KPIs Under Review for Fitness of Purpose**
## Shell – Supplier Performance KPIs (example)

<table>
<thead>
<tr>
<th>Core behaviour</th>
<th>Name KPI</th>
<th>Green</th>
<th>Amber</th>
<th>Red</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Speed</td>
<td>Responsiveness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Simplicity</td>
<td>Suitability against Requirement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Delivery</td>
<td>Quality - Attrition rate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HSSE - Compliance</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Diversity &amp; Inclusiveness (D&amp;I)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Commercial Mindset</td>
<td>Maximise Local Content</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. External Focus</td>
<td>Customer &amp; Resource Satisfaction</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Shell – Supplier Performance KPIs (example)

<table>
<thead>
<tr>
<th>Evaluation Categories</th>
<th>Evaluation Goals</th>
<th>Actual Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Below Goal</td>
<td>Goal</td>
</tr>
<tr>
<td>Fill Ratio</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality Ratio</td>
<td></td>
<td></td>
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<tr>
<td>Participation Ratio</td>
<td></td>
<td></td>
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<tr>
<td>Timeliness Ratio</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Termination Ratio</td>
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</tr>
</tbody>
</table>
DMAIC

Define
Measure
Control
Improve
Analyze
I HATE exercise
<table>
<thead>
<tr>
<th>SLAs</th>
<th>KPIs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speedo</td>
<td>The speed limit</td>
</tr>
<tr>
<td>The petrol gauge</td>
<td>Empty or full!</td>
</tr>
<tr>
<td>Tire pressure</td>
<td>Flat or bursting</td>
</tr>
<tr>
<td>Cleanliness</td>
<td>Filthy or sparkling</td>
</tr>
<tr>
<td>Cost to insure</td>
<td>Affordable or not!</td>
</tr>
</tbody>
</table>
Types of SLA & KPI

- Primary
- Secondary
- Tertiary
The overall strategy of the new MSP is to embrace new supply channels to fulfill 100% of the roles within 3 months of them being issued and to make the critical decision as to whether an external worker should be engaged on a project and if so, make a decision on the best category of worker to be engaged, whilst achieving the most optimum cost, quality, efficiency and risk benefits to the business.

Sample Assignment/Table Discussion:

1. For your given country:
   - What are the primary and secondary KPI's and SLAs that you would use to measure and improve performance?
   - Why did you make these choices, making and stating any assumptions you make regarding the overall objectives of the business?
   - Provide at least 3 examples of possible KPI failures (based on your chosen KPIs) and what corrective actions/measure you would put in place to address these defects.