

Management Reporting Queensland Investment Corporation

Background

The Queensland Investment Corporation (QIC) released two strategic documents in 2003: a *Statement of Corporate Intent* and the *2003-2004 Corporate Plan*. These documents were designed by Doug Mc Taggart (CEO) to reposition the organisation into a more 'commercially savvy' enterprise.

The *Statement of Corporate Intent* identified 6 Key Result Areas (KRA's) for the business in 2004 and beyond. The new KRA's created a disconnect between the existing performance reporting system and the strategic direction.

Accordingly, 451 Consulting were asked to develop a Management Reporting Blueprint and to Prototype a new Monthly Performance Report that would:

- Align the Performance Management system to the new strategy and the 6 KRA's (Investment Performance, Products, Relationships, People, Infrastructure & Process, and Financial operations); and
- Define the linkage between management reporting and other elements of the Performance Management environment of QIC.

This alignment would ensure strategic congruence and traction throughout QIC to underpin change, as each employee strives towards a set of strategic and operational outcomes.

The following model by 451 Consulting highlights the importance of Performance Measurement in the strategy into action process. It also shows the necessary feedback loop between actual performance and key performance targets, which must be realistic in order to have meaning with managers.

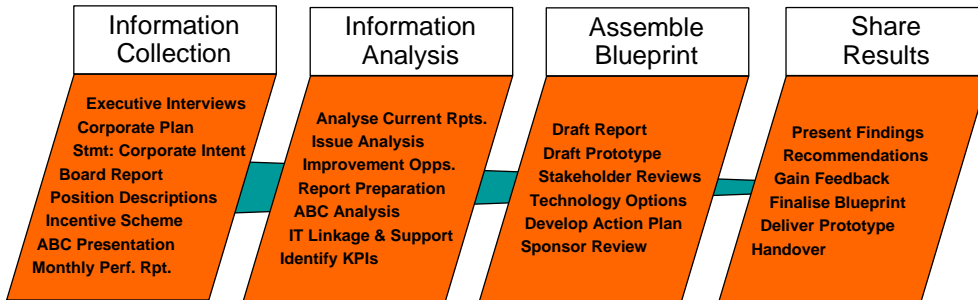


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Process

The Blueprint used a highly consultative process to understand the QIC culture and reporting requirements to create a fit-for-purpose solution. There were four stages in the methodology as shown below:

QIC Blueprint Methodology



The methodology used a process of focused consultation to obtain facts and views from stakeholders on the management reporting environment. These were analysed and combined with the consultants experience to assemble a Blueprint and Prototype that was fit-for-purpose for QIC.

Central to the methodology was to ensure high integrity between the strategic objectives and the Monthly Performance Report. This allowed the strategic themes and objectives to be translated through the reporting framework. The Blueprint explored and provided insight into the following areas:

- Alignment with Strategy;
- Identified the linkages with Incentive Scheme, Position Descriptions and Project Performance;
- Linked to ABC;
- Change Initiative Reporting;
- Management Reporting Tools, Effort and Report Presentation;
- IT Tools and Architecture Considerations; and
- Current Issues and Opportunities for Improvement.

To ensure the Blueprint was more than a conceptual document, 451 included an Action Plan describing the steps needed to create an integrated management reporting environment to track QIC's journey in converting strategy into action.

Testimonial

"451 used a consultative process to develop our Management Reporting Blueprint and prototyped a new Monthly Performance Report for QIC. They were genuinely interested in understanding our culture and objectives to ensure the new reporting environment would be fit-for-purpose and achieve traction. The 451 methodology linked our management reporting to Strategy, Performance Measures, Activity Based Costing and Projects to provide an integrated performance management framework."

Michael Cottier, GM Finance & Corporate Services, QIC