

ODI High Performance Work Initiative Programme 2015/16

Case Report – Cawthron Institute Developing KPIs to support implementation of Strategic Goals

Organisation Background

Cawthron Institute (“Cawthron”) is New Zealand’s largest independently owned science organisation. Owned by a charitable trust, the Institute was founded in 1919 by the last will and testament of Nelson philanthropist Thomas Cawthron. A visionary, Thomas Cawthron believed that science could contribute to the growth of a young New Zealand. Following his death in 1915, he bequeathed the equivalent of \$127 million in today’s New Zealand dollars – to establish and maintain a technical school, institute and museum, the forerunners of today’s Cawthron Institute.

Almost 100 years on, Cawthron Institute delivers world class science that builds a better future for New Zealand. Employing nearly 200 scientists, laboratory technicians, researchers and specialist staff from over 20 different countries globally, Cawthron offers a unique mix of expertise and services to help build and sustain environmentally and economically resilient communities, businesses and industries. Cawthron scientists have unique expertise in aquaculture research, marine and fresh water resource management, food safety and quality, algal technologies, biosecurity and analytical testing.

Based in Nelson, Cawthron operates in a diverse multi-stakeholder environment, working with councils, governments, major industries, private companies and other research organisations throughout New Zealand and the world. Approximately 60% of Cawthron’s revenue is derived from the private sector with the remaining 40% sourced from government scientific consultancy work.

As Cawthron Institute continues to explore and challenge the boundaries of new science, and make ground breaking discoveries that support the sustainable advancement of key industries for New Zealand’s prosperity, creating and enabling an organisational culture of innovation is critical. As such, fostering a culture of innovation has been identified as a key strategic priority identified in Cawthron’s strategic plan and is the focus of this consultancy engagement as part of ODI’s High Performance Work Initiative programme (ODI HPWI).

Consultancy Goal

The aim of the consultancy was to assist with developing a defined approach to setting KPIs that will assist Cawthron in implementing, communicating and measuring progress on its strategic goals. Specifically, the consultancy goal was to create an outline for developing KPIs that:

- respect Cawthron’s unique history, expertise and capabilities;
- are aligned to Cawthron’s future strategy and direction; and
- foster a culture of innovation.

ODI engaged Grant Thornton Partner Barry Baker for 25 hours of consultation time, to work with Cawthron on developing the tools and framework to determine what a successful KPI looks like at one year, three year and five year intervals.

The consultancy plan was to facilitate two workshops, the first to identify KPI characteristics and the second to test and validate actual KPI’s for the five out years of the Strategic Plan. Between workshops Cawthron Institute would work in-house to craft draft KPI’s using the characteristics information.

Consultancy Action Plan and Delivery

Following initial discussions and consultation with Sarah Brown, HR Manager, it was agreed that Barry would meet with various representatives to discuss the work they had already completed and what their expectations were in regards to setting KPIs.

Following on from these discussions, Barry was to research various studies and options around approaching, defining and setting KPIs.

This research was used to create a framework for discussion during the first half day-long workshop which Barry facilitated. The workshop included discussions with department heads about the appropriate approaches in taking this knowledge and successfully integrating it into the wider team.

These discussions were followed by an interactive session in which Cawthron agreed on the KPI characteristics and the approach to adopting and applying this methodology to the strategic plan and previous action plans.

The session continued with testing the Strategic Goals to the KPI characteristics. The second half of the workshop moved away from agreeing on the characteristics of an effective KPI and related methodologies to taking some of the existing Strategic Goals and identifying any gaps.

Barry led the discussion at this point, taking more of a challenger role within the team.

Elapsed time for the consultancy work and the high workload of Cawthron Institute senior leaders has meant that the in-house work on defining the specific KPIs has not yet taken place. Consequently, the second workshop at which the draft KPIs would be tested and discussed has not yet been scheduled.

Consultancy Outputs Produced

The outputs included:

- 1) research of KPI setting theories and methodology
- 2) education and information sharing around KPIs
- 3) facilitated workshop with key internal stakeholders
- 4) re-energisation of the participants to have a path to and "own" the next stages
- 5) alignment of the attendees around the best methodology to use to set KPIs
- 6) challenging and validation of previous work
- 7) agreement that the current Strategic Goals and their descriptions may have to be individually revisited to ensure it was possible to measure the described outcomes and that they were driving the goals that were initially envisaged.

A graphic setting out the characteristics for KPI's that were agreed during the consultancy is on the next page.



Issues, Opportunities and Solutions Identified during the Consultancy

The consultancy opened up many more questions, rather than providing a fully formed set of strategy-aligned KPI's as was the initial brief.

The issues and opportunities were from the same branch – effectively a realisation and agreement that the Strategic Goals and actions needed to be revisited and aligned to the characteristics of the agreed KPI setting methodology to see if they are fit for purpose.

Enough information and facilitation was provided by Barry to allow the Institute team to take the outputs and revisit themselves within the 2017 workplan.

Should Cawthron Institute wish it there is an opportunity to have Barry revisit the updated goals and KPIs to challenge/validate them.

Assessment of Results and Outcomes Achieved

The consultancy did not provide the expected output of a set of KPI's to measure progress towards achievement of the Strategic Goals. Rather it provided a path to reenergise and revisit the initial strategic plan.

Cawthron Institute sees value in what has been achieved by the consultancy and will move to establishing KPI's linked to (potentially revised Strategic Goals) in time.

Further Steps

Once Cawthron have progressed in reworking the Strategic Plan goals, they will be able to evaluate the further organisation-wide steps required.

Meanwhile, steps are already being taken in one division to pioneer the use of the KPI characteristics in defining strategy aligned KPI's for their work. It is expected that this usage may likely cascade into other divisions over the next 180 days and beyond.

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