



Cass Business School  
CITY UNIVERSITY LONDON

Tools for success: doing the right things and doing them right

## 8. Operations



Centre for Charity Effectiveness  
Enhancing performance, developing talent

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## About this guide

Managing your operations is important to ensure that you are carrying out the right activities, with sufficient resources and at the right time to achieve your objectives. Sound operations management provides reassurance to funders, staff, volunteers and everyone else with an interest in your organisation that you are working effectively.

This guide gives an overview of operations management and will help you:

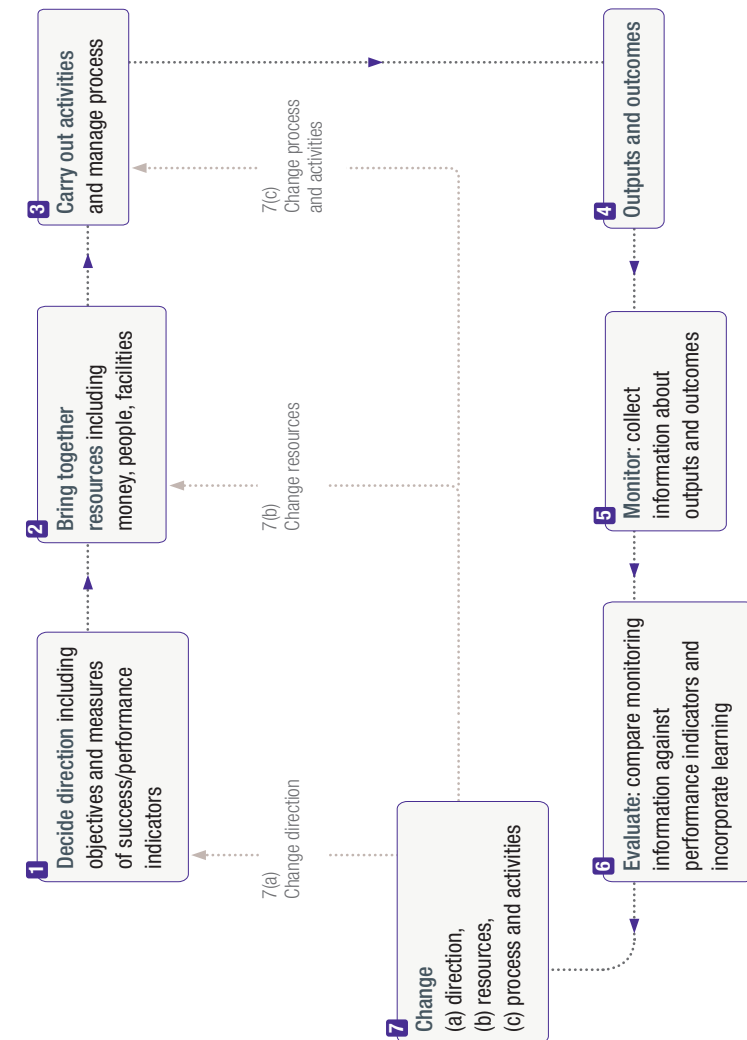
- map out the important activities which link to your objectives
- schedule your activities
- set performance indicators
- monitor and evaluate your performance.

This will help ensure that, even with a busy workload and conflicting demands, you are able to make the best use of your time.

## What is operations management?

It can be helpful to view operations management as an input/output diagram.

Operations management (adapted from Barnes, 1997)



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The starting point to managing your operations is deciding the direction and objectives of the organisation and how you will measure success. Measuring success and developing performance indicators are covered by this guide; see the [directions guide](#) for information on developing direction and measurable objectives. The next step is to bring together the necessary resources. The [people guide](#) and the [finance guide](#) offer relevant advice and frameworks in these areas.

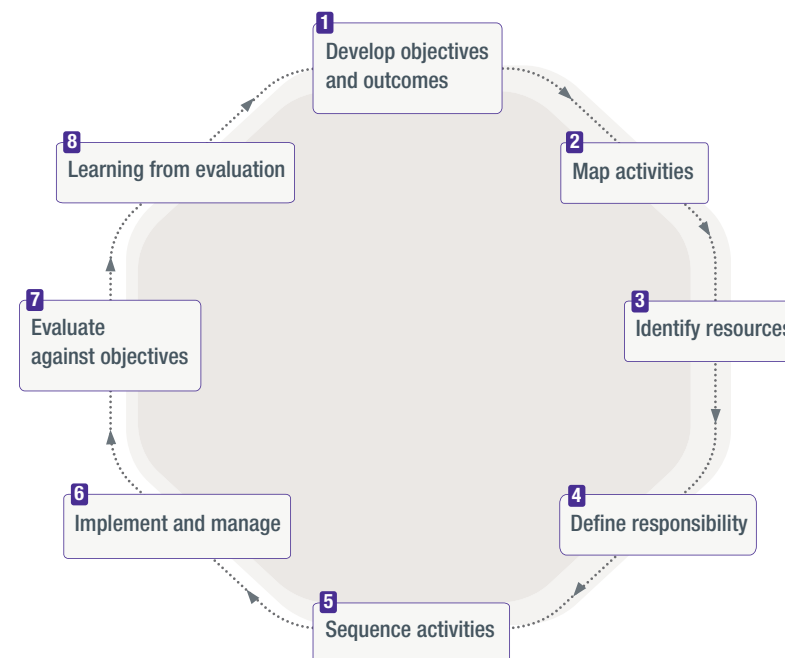
Operations management focuses on how you combine resources and activities to produce outputs and outcomes. These outputs and outcomes can then be monitored and evaluated by comparing them with the performance indicators you have set yourselves. Through making these comparisons you can see which aspects of your operations work well and which need to change. There is more about developing performance indicators later in this guide.

## Managing operations

There are eight stages to managing operations:

1. Develop clear objectives and measures of performance
2. Map the activities necessary to achieve objectives
3. Identify the resources required
4. Define responsibility for each activity
5. Sequence the activities
6. Implement and manage the overall operation
7. Evaluate progress against the objectives
8. Learning from evaluation.

### The eight stages to managing operations



### 1. Develop clear objectives and measures of performance

Setting objectives is covered in the [directions guide](#) and is a prerequisite of managing operations. As you develop the organisation's objectives, consider how you will measure your success and develop appropriate performance indicators.



## 6. Implement and manage the overall operation

Operations management requires one person to hold overall responsibility for the entire process, ensuring that activities are implemented and keeping to deadlines and that there is communication and co-ordination across them all.

## 7. Evaluate progress against the objectives

At different stages in the process and at the end you will want to check if you have achieved your objectives. There is more information about performance measurement and evaluation later in this guide.

## 8. Learning from evaluation

It is likely that your evaluation will highlight areas where improvements could be made and changes need to be implemented. Use this information to adjust your work and develop a cycle of learning.

## How to monitor and evaluate performance

At key points in your operation you will need to check that what you are doing is achieving what you intended. This will involve setting performance indicators, collecting monitoring information, comparing this information against indicators and making changes accordingly.

## Performance indicators

**Performance indicators** are the standards against which you assess your organisation's achievements.

Performance indicators can be viewed as markers along the road to achieving your objectives, telling you if you are heading in the right direction and when you have arrived. Performance indicators (PIs) can be quantitative (numerical) or qualitative (based on people's perception or experience). They are usually developed when setting objectives (see the [directions guide](#)), although you can set PIs later on if necessary.



### Setting performance indicators: what to consider

- ☐ What activities and services do you provide?
- ☐ What are you trying to achieve for each of your stakeholder groups?
- ☐ What would you expect to see at different points in the process and at the end which suggests you will achieve or have achieved your objectives?
- ☐ What standards of performance achievement do you already have, for example requirements from funders, local authorities or regulatory bodies?

Your PIs should reflect the range of your activities and the perspective of the stakeholders interested in your work. For example, an after school club might have PIs which include:

- How many children attend the club. This will be of interest to funders who want to see the number of children who benefit from their investment.
- The number of staff to children ratio. Parents in particular will want to know how many adults are keeping an eye on their children.

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- The perceptions of children who attend. This will be of interest to a number of stakeholders. In particular, parents, children, staff and volunteers will want to know if the children enjoy the experience.
- The numbers of staff and volunteers who have been checked by the Criminal Records Bureau. This again will be of interest to several stakeholders, but is above all a regulatory requirement (see the [compliance guide](#) for more information on regulatory requirements).



Remember when setting performance indicators that 'what gets measured gets done'. If you only set three performance indicators, this is what people will focus on and other areas of your operations may be neglected. Aim to set indicators which are both qualitative and quantitative and incorporate the breadth and depth of your work.

## Monitoring

**Monitoring** is the routine, systematic collection of information for the purpose of checking your project's progress against your project plans.

### Ways to collect monitoring information include

- statistics (e.g. the number of visitors to your service or financial information)
- questionnaires
- interviews
- focus groups
- observation
- comments and complaints procedures.

Whatever methods you choose, they need to suit your purposes. Avoid the temptation to collect too much information or information that is

of little if any value. Aim to ensure that your information is reliable and the method of collection does not take staff away from their core job of delivering a service. Involve service users' views in your monitoring information (see the [directions guide](#) on involving service users).

## Evaluation

**Evaluation** is using monitoring data and other information to make judgements on how your project is doing.

**Evaluating** is the act of comparing your expectations (the performance indicators) with the reality (the monitoring information).



Evaluating performance is vital to understanding how well you are meeting your objectives and how you can make improvements. It is important to remain objective when evaluating performance and to be able to be critical if necessary.



### Monitoring

As you compare your monitoring information with your performance indicators consider the following:

- ☐ Was the work worth doing?
- ☐ Have you achieved your objectives? If not, why not?
- ☐ Was the work done well?
- ☐ What could have been improved?
- ☐ What else did your organisation do?
- ☐ What still needs to be done?
- ☐ What would you do differently next time? What would you change with regard to your objectives, resources, or activities?

(adapted from Adirondack, 2006)

## Providing evidence of your achievements

Throughout all the stages of managing and evaluating operations, keep records of meetings, plans and reports. Also keep evidence of performance indicators, monitoring information, and evaluations as well as changes you have made as a result of evaluations. This will help everyone look back and understand what decisions were made and why. It will also be important if you are applying for funding, or if your organisation is looking to use PQASSO or other quality assurance systems.

## Signposts

### Publications

Adirondack S (2006) *Just about managing* (London: LVSC)

Barnes D et al (1997) *Managing resources for the market: managing operations* (Milton Keynes: Open University Business School)

Copeman C, Bruce I, Forrest A, Lesirge R, Palmer P, Patel A (2004) *Tools for tomorrow* (London: Cass Business School/NCVO)

Handy C (1980) *Understanding voluntary organisations* (London: Penguin)

Hyatt J (1995) *A rough guide to change* (London: CES)

## Websites

**Charities Evaluation Services.** You can download useful free guidance on monitoring and evaluation from the website: [www.ces-vol.org.uk](http://www.ces-vol.org.uk)

**Volresource.** This website includes free briefings, guidance and information on all aspects of charity management: [www.volresource.org.uk](http://www.volresource.org.uk)

## Courses

Directory of Social Change training courses in project management, strategy planning and change: [www.dsc.org.uk](http://www.dsc.org.uk)

The Centre for Charity Effectiveness run training in many aspects of management including project and strategic management: [www.cass.city.ac.uk/cce/courses/shortcourses](http://www.cass.city.ac.uk/cce/courses/shortcourses)

Charities Evaluation Service run training in evaluation, involving service users and PQASSO: [www.ces-vol.org.uk](http://www.ces-vol.org.uk)

## Links to PQASSO

PQASSO is the practical quality assurance system for small organisations designed by Charities Evaluation Services. Independent data suggest PQASSO is by far the most widely-used quality system in the voluntary and community sector (VCS). For more information, see [www.ces-vol.org.uk](http://www.ces-vol.org.uk)

Following this guide will take you to the first stage of PQASSO; helping you to meet several of the requirements of PQASSO area 9 (Managing activities) and area 11 (Monitoring and evaluation) in the second edition, and PQASSO areas 8 (Managing resources) and 11 (Monitoring and evaluation) in the third edition of the standard.

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Managing your operations is important to ensure that you are carrying out the right activities, with sufficient resources and at the right time to achieve your objectives.

This guide gives an overview of operations management and will help you map out the important activities which link to your objectives; schedule your activities; set performance indicators; and monitor and evaluate your performance.

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