

# Free essay on performance measurement

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Performance measures are an important tool for organizations to assess the performance of their organization. It helps them understand their position in the market as compared to competitors. These performance measures can also be used by companies to improve in areas where they are lacking. In specific performance measures tell companies the following; how well are they doing, how effectively are they achieving their goals, customer satisfaction levels, whether processes are in statistical control, and if there are any improvements required. Companies measure performance in all business units across the entire organization. However, the specific major processes of that business unit undergo close scrutiny as they are the profit-making centers for any corporation. Employee performance, quality of the product, customer services, and transaction processing system may be some examples of areas where performance is measured to determine the success or failure of an organization (BalancedScorecard. org).

Dell Corporation is operating in a technological industry; thus, most of its performance metrics would be designed around this core concept. Any company that operates in the technological industry has to keep pace with the industry trends because technology is evolving at a fast pace. Those organizations that are unable to keep pace with the industry trends often experience slow failure and loss in market share. Furthermore, the customer is more informed today than ever. Henceforth, it is vital for organizations to take into consideration what the customer requires and create products that would cater to their needs and requirements. Consequently, Dell Corporation has to have performance metrics in place if they want to compete successfully against their competitors such as; Hewlett Packard, Sony,

Lenovo, etc.

Dell Corporation places a special emphasis upon its IT systems; therefore, it is important for them to set benchmarks against which performance is measured (Dell). Two of the most common benchmarks used by Dell are NetBench and WebBench. Both these benchmarks help Dell is assessing their customer services in comparison to their customers. The availability of new products and services are measured through this. In other words, Dell can ascertain that how well they are catering to their customer's needs.

Moreover, transaction processing benchmarks are also a form of performance metric at Dell Corporation. Through the transaction processing metric, the company can identify how many transactions can be completed within the time and compare the results to industry standards. If the company is lagging behind industry standards then, they take corrective measures.

The Return on Investment may be a useful performance metric for Dell. Through the ROI, the management of Dell would be able to determine whether the investments they are making produce fruitful results or not. Those business units that are not contributing positively towards the investments made should be either reengineered or shut down. However, the company as large as Dell often focuses over the ROI of the products that are already in the market (Eprint. RCLIS). Since, research and development are critical for technological industries the ROI of this specific department may not be very high, but in the long run it provides benefits to the company. Thus, this suggests that companies should take into consideration qualitative factors while making decisions because quantitative factors on

their own do not provide much useful information. Moreover, not all performance metrics are relevant to all organizations the nature of the company largely determines which metrics would be helpful.

## **References**

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