Meaningful Metrics for Your Organization

Jane Martel | March 2, 2021

What are metrics?

Metrics are quantitative measures used to track organizational performance.
What is meaningful?

- Represents the truth
- Aids decision-making
- Measures what matters

An organization’s metrics can answer the question, how are you?
A signal to investigate further

As with taking your temperature, knowing your metrics can tell you that something is wrong (you have a fever) but not necessarily what is wrong or causing it.

Personally meaningful

In chat, list a meaningful metric that you track in your personal life.
Raise your hand if you’d like to share why you track what you do.

My goals for today

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Description</th>
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<tbody>
<tr>
<td>💖</td>
<td>Inspire you to use what you learn</td>
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<tr>
<td>🧠</td>
<td>Involve you in learning so you remember</td>
</tr>
<tr>
<td>🔄</td>
<td>Equip you to select meaningful metrics for your organization</td>
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What won’t happen today

You won’t leave the webinar with *the* answer to, what metric(s) should my organization use?
You’ll recognize these metrics...

New cases of COVID-19, or cases per 100,000 residents
COVID-19 test positivity rate (a percent)
Number of hospitalized residents

Examples of metrics any organization might use...

Employee turnover rate
Supply room stock outs
Accounts needing correction
Percent increase in new customers
Percent of timesheets submitted accurately and completely
First call (or contact) resolution
Net Promoter Score (NPS)
For libraries...

Number of challenged materials ([https://www.lrs.org/public/data/challenges/](https://www.lrs.org/public/data/challenges/))
Claims returned
For benchmarking, you might use these per capita metrics from [https://www.lrs.org/public/data/trustees/](https://www.lrs.org/public/data/trustees/)
  - Expenditures
  - Library visits
  - Circulation
  - Program attendance
  - Reference transactions
Internally, you might prefer to track percent change or to compare to a target number.

More Performance Metrics Examples

Calls per hour
Average attendees per program
Average “handle” time (e.g., time per call)
Items shelved per hour; items cataloged per hour
Reference questions answered
Order entry accuracy
Acquisition cost of new patrons
Percent active patrons
The existential why

Purposes and uses of metrics
Purposes of Metrics

Track performance against strategic objectives

Monitor tactical / operational performance (quality, cost, speed)

Manage processes that create operational and strategic outcomes

Ensure needs of different stakeholders and customers are being met

Why is having the right metrics essential? Weigh in on chat.
Why the right metrics are essential

- Allow alignment of all organizational activities around what is important
- Document what works and doesn’t for improvement purposes
- Facilitate transparency
- Enable celebrating success


Selecting Meaningful Metrics
Poll: In general, right now, what do you think your organization is trying to do?

- **Grow/increase** something (e.g., number of patrons served, grant revenue)?
- **Control: Maintain** at a certain level (e.g., stay within budget)?
- **Defensive: Prevent** an occurrence of something undesirable (e.g., system downtime; permitting headcount to go above a certain level)

Which metrics will help the organization progress from where it is to where it wants to be in the future?

Focus on those metrics most important to success. Consider those that can predict results and success, that drive performance...
You need a target, and you need to know what is influencing your results.

Lead and Lag Measures

Readers Advisory: Read the book, The Four Disciplines of Execution
1. Why/purpose

2. Examples

3. Categories
   - External, internal
   - Effectiveness, efficiency
   - Leading, lagging
   - Monitoring, diagnostic
   - Strategic, operational

4. Sources

5. Hierarchies

6. Attributes of good metrics

7. What could go wrong

8. Hitting your mark

9. Resources

Categorizing Metrics

- External, internal
- Effectiveness, efficiency
- Leading, lagging
- Monitoring, diagnostic
- Strategic, operational
Poll: What are you missing?

1. Why/purpose
2. Examples
3. Categories
4. Sources
5. Hierarchies
6. Attributes of good metrics
7. What could go wrong
8. Hitting your mark
9. Resources
Where do metrics come from?

Voice of the Customer
Voice of the Process

Why care about process metrics?

Processes create your products and services. They generate your output, what you do for customers.
“The Iron Triangle” for Projects
Voice of the Customer (VoC)

Needs, expectations, satisfaction
How do they feel about your organization?
What’s important to them?
Are you meeting their requirements?

Examples of VoC

Net Promoter Score (NPS)
Survey results: importance versus satisfaction
Evaluation sheets for program or training attendees
How do you know what your customers want, need, require?

- **Break** into groups of four for five minutes
- **Select** a reporter
- **Discuss** What your organizations use
- **Share** the most interesting idea you heard

**Voice of the Process**

M: Money
E: Errors
A: Amount
T: Time

MEANINGFUL METHODS FOR YOUR ORGANIZATION, JANE MARTEL. @COMCAST.NET, 2021
Examples of Money Metrics

Expenditures per capita
Inputs ÷ outputs
Percent change in grant revenue received
Average cost to convert a new patron to an active patron
Total cost per program
Percent of project budget spent
Cost of postage
Overtime pay

Challenges of using money metrics

What counts? Cash, cost avoidance, new revenue (e.g., grants received)

Who decides what counts?

Can departments use their own savings?

Do savings decrease next year’s budget?

The Lean Prescription: Powerful Medicine for Our Ailing Healthcare System, Patricia A. Gabow and Philip L. Goodman, Taylor & Francis Group, LLC, 2015, p125
Examples of Error Metrics

Number of incomplete budgets submitted
Percent of reports turned in after due date
Number of holds not on hold shelf when patron arrives to pick them up
Number of hours understaffed
Days where materials processing targets not met (e.g., shelved w/in 36 hours)
Percent defective
Defects per million opportunities (DPMO)

Defects versus Defective

A

B

Meaningful Metrics for Your Organization,
jane.martel@comcast.net, 2021
Amount Metrics

Volume-related target

Examples of Amount Metrics

- Average number of job applications received per position posted
- Number of items circulated per year
- Number of patrons served
Time Metrics

How many per period of time

Examples of Time Metrics

Average time patrons wait before title on hold is available
Average wait time for call center to answer
Items shelved per hour
Lead time
1. Why/purpose
2. Examples
3. Categories
4. Sources
5. Hierarchies
6. Attributes of good metrics
7. What could go wrong
8. Hitting your mark
9. Resources

Metrics Hierarchies
Supporting the next level up
Why hierarchies?

Consider this definition: “A metric is a measure that provides vital information about important issues, the status of efforts, and progress (or lack of it) to a person or group who can significantly impact the measure through direct, hands-on, micro-process efforts.”


Metrics Meaningful to Individuals

**MEANINGFUL**

- Number of purchase orders processed (for an accounting clerk)
- Percent reduction in processing time (for the process team tasked with improvement)

**NOT SO MEANINGFUL**

- Overhead costs (for a library to a part-time employee at that library)
- Daily closing stock price of a corporation (for a supervisor)
Cascading metrics

Think about your organization’s **vision, mission, and values**. What do you need to measure related to them?

How about your organization’s **strategies and objectives** that support the mission, etc.?

What metrics will you use to ensure that your **processes, projects, and resources** are aligned with your strategies and objectives?
Opryland Example from “The 4 Disciplines of Execution”

- Improve Guest Satisfaction
  - From 42 to 55
- Arrival Experience
  - From 50 to 60
- Room Availability
  - 65% to 90%
- Luggage Delivery
  - From 106 min to 20 min
- Average Check-In
  - 12 min to 6 min

Example of CX Metrics Hierarchy

<table>
<thead>
<tr>
<th>Level</th>
<th>Metric</th>
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<tbody>
<tr>
<td>Organization</td>
<td>Net Promoter Score &gt;75</td>
</tr>
<tr>
<td>Library Operations</td>
<td>Fewer than 10 written or called in complaints from patrons per 1,000 served</td>
</tr>
<tr>
<td>Division</td>
<td></td>
</tr>
<tr>
<td>IT Department</td>
<td>System downtime of &lt;1% of time; download speed of [x]</td>
</tr>
<tr>
<td>Individual in IT</td>
<td>Perform weekly maintenance protocols for seven systems; perform quality checks twice daily</td>
</tr>
<tr>
<td>Library X</td>
<td>Greet 96% of patrons within two minutes of entering library; 98% of patrons who come in for an item leave with one</td>
</tr>
<tr>
<td>Supervisor in Library X</td>
<td>Schedule one “greeter” and a backup for every hour</td>
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What could go wrong?

Data unfit for use
Gaps, misalignments, conflicts
Data Quality: Dimensions, Measurement, Strategy, Management, and Governance, Dr. Rupa Mahanti, ASQ Quality Press, Milwaukee, WI, 2018, p 10

Gaps

Important areas left with no measurement

Example: No measurement for your new strategic goal of improving diversity, equity and inclusion in your organization
Misalignments

One metric drives another in the wrong direction

Example: increased focus on virtual programming...at the expense of in-person programming, or vice versa

Conflicts

If the metric is driven by other metric(s), if they all go in one direction, will the outcome be what is desired?

Example: Patron usage goes through the roof. Therefore, we need more staff to adequately meet patrons’ needs but our budget is fixed, and we have a headcount max imposed by the county. Did we put ourselves in a dilemma?
Take a few minutes

...to individually come up with one specific example of your choice of either a gap, conflict, or misalignment of metrics. Use a theoretical example or one from your experience. Share in chat.
Metrics that Hit the Mark

Are you likely to get what you are aiming for?
Will this metric work for you?

Ask Yourself

• How available is the data? Do you have it now? Might security, confidentiality or other proprietary factors impact availability?
• Is the data reliable? Was it collected accurately, processed consistently, version-controlled? Is it free from manipulation or tampering?
• Is it worth the cost to gather, process, store, analyze, report and use? Can we afford it?
• Do you have too many? Not enough? Do all levels in your organization have metrics?
• Do all employees understand them and their role with respect to them?
Final Reality Check

- Do our customers (or employees!) care about this measure?
- Is this a measure that we can influence or affect?
- Will this measure give us useful, actionable feedback?
- Will having this measure (even potentially) lead to my organization getting better?
Resources

There is so much more to learn

What are your favorite metrics-related resources?
My Favorites

https://www.lrs.org/
https://www.cosla.org/MtM
asq.org
apqc.org

Process- and quality-oriented sites

The 4 Disciplines of Execution, by Chris McChesney, Sean Covey and Jim Huling, Free Press, New York, 2012 (2nd edition coming out in April 2021)


Your Next Step

Join me in exploring the dark side of metrics: the havoc they can wreak; who to tell what about your metrics; the care and feeding of metrics to keep them alive; when it’s time to dump them; and minimizing unintended consequences
Parting Tips

“Less is more.” Focus on what matters most and what you need to know

Ensure that all employees can see themselves in the data

Hold your metrics lightly; make them work for you

Thank You