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Measure the Process to Improve the Results; Things measured get managed-and metrics help hold people accountable.

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Most print firms today use metrics in one form or another in the quest to quantify their practices, and to improve their business operations. These metrics may range from sophisticated executive dashboards with current data across a variety of key performance areas-charted and displayed for attention and action-to some very rudimentary, generalized measures of success that help guide management's thinking on ways to improve.

It's commonly accepted that things that are measured get managed, and that metrics help managers hold people accountable for their results. First and foremost, metrics need to be easy for everyone to understand. You are trying to improve something. So measurements have to be stated in terms to which people can relate. While metrics based on financial ratios and results are useful, employees do not relate particularly well to them, or to the sophisticated relationship of variables used to create them.

Your efforts at improvement should not confuse employees with measurements they don't understand or cannot control. In the case of financial ratios, they may measure the results of complex process interactions, but not the actual process steps themselves. The metric shows either a positive or negative comparison, but does not give employees the insight into what changes to make to improve results in the future.

How can we hold employees accountable for not meeting net income numbers, revenue per employee targets, inventory turn numbers or other common measures without providing them with an understanding of the factors that drive these results? We need to tell them what they can do to control or improve them in a meaningful way.

Focus instead on process measurements that are controllable by your employees. This will lead to improved results. Avoid metrics that optimize a specific department. This tends to pit operational areas against each other, and creates conflicts. A cross-functional process focus that fosters cooperation and improvement will lead to better results.

Metrics must also be in a time-frame that employees can relate to. Instead of quarterly or annual numbers, employees

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need to be able to react and respond quickly to metric data. Weekly, even daily or hourly metrics give employees a chance to take action to impact the measured results.

Don't measure things you don't intend on changing. Choose metrics with a focus on the process steps that can meaningfully improve your business results. Metrics should have a strong relationship to the overall strategy of your firm. This will strengthen the commitment level of your workforce.

For example, say a goal is to increase customer satisfaction levels, and you've learned that decreasing the time it takes to produce their job would be of real benefit to them. Key metrics to measure would be delivery performance-actual delivery versus scheduled delivery (measured in days or hours) along with total schedule performance (number of days in your facility).

These metrics would span across your facility's functional areas and enable employees to examine how the entire process is managed for your customer. Looking at the process from the job's perspective will uncover areas of improvement to reduce total time required and increase delivery reliability. Traditional measures of individual equipment efficiency or comparisons to costing standards will leave functional areas feeling good about their own performance, but they won't address how to get work through the plant any faster, which is the real source of customer delight.

The bottom line: Keep metrics simple. Improve the process and you will improve the result. Measuring across functions helps employees to identify what needs to improve and what needs to change.

Managing with Metrics

Goal Raise Customer Satisfaction

Method Speedier Delivery

Metrics Delivery performance:

- Actual

vs.

shed-
uled de-
livery

- Total
days in
produc-
tion

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