

## Metrics

### Metrics Defined

It is a cliché because it is true: What gets measured gets done. The difference between a well-designed metrics system and a poor one can be a detriment to improvement efforts. So what constitutes a good metric? A metric is essentially a clear, quantitative, objective measure to assess performance in a particular area or progress towards a goal. Metrics are the pinnacle of a successful, customer-focused process management system and any program directed at continuous improvement.

### Metrics Applied

The development of an objective and quantified set of metrics hierarchically linked to strategic goals is critical to any successful performance improvement initiative. However, developing and publishing the metrics is only the beginning. Metrics must drive results and accountability.



In the development process, focus metrics according to the following:

- **Process metrics vs. project or function metrics:** Most metrics are functionally based and therefore optimize functional performance, often at the expense of total enterprise performance. Process metrics solve this problem by measuring what is most important to the enterprise. Holding managers accountable to process performance metrics is critical for breakthrough performance improvement.
- **Hierarchical metrics:** Key metrics need to be hierarchically linked from top level strategic goals to lower levels in the organization. This organization ensures alignment of both objectives and behaviors.

- **Driver metrics vs. results:** Traditional performance metrics, especially financial ones, are results metrics. In general, they cannot be improved by direct action, rather, they require an action to improve some aspect of the process that drives them. When the driver of the result is understood, it is usually possible to identify a metric that can be directly influenced by specific behaviors or process changes. We refer to metrics as drivers, because we know that when they improve, results will benefit.

The ideal goal in a performance management effort is to move the organization forward or change the corporate culture. This transformation cannot be accomplished without a metrics system that sets appropriate goals, measures progress in a meaningful and effective way, and drives accountability and results.

### Metrics at Thomas Group

Which is the most important metric? That is a bit like asking a pilot whether the key focus is on the altimeter, the heading, or the air speed. There is no single, correct metric, and focusing on one will likely yield poor results. The key is developing the critical set of metrics that guide, measure, and prioritize activity to optimize impact on strategic objectives. Thomas Group has decades of experience in looking beyond the data to find the information and using it to craft the set of metrics needed to enhance process performance. 