

Making Measures Count 2

Here is a worked example of a Customer Complaints KPI, something all organisations measure, or ought to measure to fill in with examples specific to your organisation. To read through some examples, please refer to the 'Making Measures Count 1' document also available to download from www.torquemangement.com.

Purpose	State the purpose of measurement clearly in plain English, in a way that that everyone will understand Example:
Context	Explain why you want to measure. This should be specific, concise and meaningful to everyone involved. Example:
Relationship to other measures	Where measures are required for different purposes it can trigger lots of unnecessary duplicate measurement activities, something you really want to avoid (it causes friction, additional work and underlying definitions may be different leading to confusion about which is the “right” measure). Identify these relationships “up front” and publish a single result that satisfies the requirements of different stakeholders. Example:

<p>Scope</p>	<p>Once again, scope needs to be stated explicitly.</p> <p>Example:</p>
<p>Definition</p>	<p>A clear definition will ensure that there is no ambiguity in what is being measured – all occurrences will be recorded and measured in the same way.</p> <p>Example:</p>
<p>Unit of Measure</p>	<p>Be very careful to state the unit of measure e.g. metric or imperial. This becomes critically important if measurement will take place across multiple locations or multiple occurrences of a process. The aim here is to ensure you are making like- for-like comparisons of when analysing results.</p> <p>Example:</p>
<p>Measurement Frequency and Reporting Frequency</p>	<p>It is important to create a regular cadence of measurement and reporting, so that emerging trends are visible as early as possible and also to ensure that measurement across multiple locations or occurrences of a process are comparable.</p> <p>Example:</p>

<p>Measurement Formula</p>	<p>The measurement formula should be explicitly stated, in numeric terms. Before you begin to develop your own measure, do check and see if there is a standard formula for your measure and your industry. Using an established industry measure is not just more efficient but also helpful in setting targets where industry benchmark data is available for the measure.</p> <p>Example:</p>
<p>Setting Target(s) and Goals</p>	<p>Do set an overall target for performance with specific goals for improvement that should be achieved within a specified period. These goals and targets should be embedded in the job objectives of the persons associated with the measure.</p> <p>Example:</p>
<p>Data Source</p>	<p>Many measurement programmes fail because of the quality and unavailability of data.</p> <ol style="list-style-type: none"> 1. Be aware that when data is collected manually it is more subject to errors and gaming. 2. If the data collection is automated – i.e. the source is a system of record, it can take time to acquire the specific data required which can lead to delays in implementation. <p>Example/Note:</p>
<p>Governance</p>	<p>Identify the owner of the measure - this is the role in your organisation that is responsible for the performance or non-performance of the activity.</p> <p>Avoid communal ownership e.g. “Quality Council” which will inevitably lead to dilution of accountability when things go wrong.</p>

Note too that there may be many sub-measures contributing to an overall KPI. Customer Complaints measure is a great example of this - there are probably several Level 2 and Level 3 measures contributing to the overall KPI as the cause of complaints could be related to many areas of the business (call centre, production, distribution etc.). In this situation, it is perfectly acceptable to have separate owners for the KPI and the sub-measures.

Once Responsibility for has been assigned for the measure, continue to assign the other RACI elements to the correct party (responsible, accountable, consulted, informed). By doing this you will discover that you have also defined the key stakeholders of the underlying process(es).

Example: