

Managing by Metrics

Course Summary

Description

What cannot be measured cannot have its performance be monitored. So is the case with internal organizations which are the instruments of corporate performance.

Management by Metrics, or MbM for short, is the prescription of a managerial approach that believes the science of metrology can be applied to the practice of management. If weather around our planet can be forecast with precision or satellites can be landed with perfection on distant planets there is no reason why process performance in organizations cannot be forecast and managed for optimal performance.

Employees and managers need to understand that they come together in organizations to achieve corporate wealth as a corollary of which individual prosperity is also assured. Once this common understanding is in place in an organization, the perspective for measurement, skill or performance of each and every critical process and its result in an organization, is well set.

For most business professionals today, business intelligence, dashboards, and balanced scorecards give the insight needed for financial forecasting, decision-making, and most managing decisions.

Objectives

At the end of this course, students will be able to:

- Establish measures, metrics, and control limits for key processes
- Monitor the tolerance, trends, and lead indicators for needed corrective actions
- Base management decisions on verified data vs. generalized information
- Determine optimum timing, placement, and work-arounds for key process controls
- Report current state, delta, and adjustments to project management, program management, and senior leadership

Topics

- Introduction to Managing with Metrics
- Program Management – The Process
- Define Objectives and Goals
- Translating Outcomes to Key Performance Indicators (KPI)
- Driving Outcomes through Processes/Behaviors
- Collecting KPI Data
- Analyzing Metrics
- Taking Corrective Action

Audience

This course is designed for managers, buyers, team leaders, operations and customer focused professionals.

Prerequisites

There are no prerequisites for this course.

Duration

One Day Two Sessions, four hours each

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Course Outline

- I. Introduction to Managing with Metrics**
 - A. What is a Metric
 - B. Why Metrics are Important
 - C. Defining Quality Metrics and Key Performance Indicators
- II. Program Management – The Process**
 - A. Define Objectives and Goals
 - B. Define Key Performance Indicators (KPI) metrics to measure success
 - C. Define/implement processes/behaviors to drive outcomes
 - D. Collect data to support metrics
 - E. Analyze metrics
 - F. Take corrective action as needed and evaluate effectiveness
- III. Define Objectives and Goals**
 - A. What is important to my program or organization?
 - B. How do I define success (Critical Success Factors)?
 - C. Examples (Participant exercise)
 - D. Outcome drivers
 - E. Regulatory Requirements
 - F. Internal Policies
 - G. Organizational Goals/Strategic Plans
 - H. Audit Findings
 - I. Standards/Best Practices
 - J. Changes to Business Environment
 - K. ROI
- IV. Translating Outcomes to Key Performance Indicators (KPI)**
 - A. How do you know you're successful?
 - B. What does 'Excellent Performance' mean to you and your organization?
 - C. What does 'Excellent Customer Service' mean to you and your organization?
 - D. Tools
 - E. Graph Primary/Secondary Metric
 - F. High Level Process Map
 - G. Pareto
 - H. Balance Scorecard
 - I. Stakeholder Analysis
 - J. How do I quantify these indicators?
 - K. How do I define my targets?
- V. Driving Outcomes through Processes/Behaviors**
 - A. What do you need to do to achieve your outcomes and performance targets?
 - B. Which Key Processes within your organization have significant variability in execution and output ?
- VI. Collecting KPI Data**
 - A. What information do you need to effectively evaluate your performance?
 - B. How can I collect this information with minimal disruption to my process?
 - C. Tools and strategies
 - D. Detailed Process Map
 - E. Cause And Effect Diagram
 - F. Failure Modes and Effects Analysis (process)
 - G. Data Collection Plan
 - H. Current process capability
 - I. Current process stability
 - J. Potential causes of variation/defects
- VII. Analyzing Metrics**
 - A. How do I know if I am on target for meeting my goals?
 - B. Evaluations can be done from an Absolute or Relative perspective
 - C. Analysis of Inputs (variation)
 - D. Graphical/Statistical Analysis
 - E. The Seven Quality Tools
 - F. Process Flow Diagrams
 - G. Histograms
 - H. Cause and Effect
 - I. Check Lists
 - J. Run Charts
 - K. Control Charts
- VIII. Taking Corrective Action**
 - A. What do I do if I'm missing the mark?
 - B. Evaluate your processes and identify areas for improvement
 - C. Decision Making
 - D. Team Oriented Problem Solving
 - E. Developing a documented plan for Management Presentation
 - F. Effective data collecting plan
 - G. Tracking performance and response
 - H. Communicating Progress to Management