Keys to Meaningful Measurement Systems

The following is an excerpt from a recent address by Trina Willard, Vice President of Transformation Systems Incorporated (TSI) at the 2007 Virginia Forum for Excellence, the annual meeting of the U.S. Senate Productivity and Quality Award for Virginia.

I am very pleased to share information today that will help you take positive steps in focusing, simplifying or kick-starting measurement efforts in ways that are meaningful for your organization. Let’s begin by discussing why measurement may be valuable for your organization.

The specific nature of measurement efforts you undertake to improve your organization, of course, depends on what you need to learn. Regardless, the ultimate purpose of measurement is to present opportunities for improvement. Benefits your organization may realize from effective measurement are:
1. Improved quality and quantity of products and services
2. Enhanced efficiency and effectiveness
3. Increased employee satisfaction and retention
4. Recognition of business achievements
5. Increased revenues by recognizing potential cross-selling opportunities
6. Demonstrated impact on the community

Why Does Measurement Feel Painful?

While organizations may have an appreciation for the potential benefits of measurement, I often find they feel overwhelmed by the measurement process. Let’s review a few of the factors behind that perception that measurement is painful.

Data collected is not used. Unfortunately, this is sometimes true and may have a substantial impact on staff buy-in to the measurement process. It is important to mindful that the purpose of measurement is not to generate data needlessly, but to generate data that can actually inform future decision-making.

Fear of unfavorable results. Measurement is often perceived as an open door to unfavorable results. Organizations ask “What will we do if our results are bad?” The answer is simple: you use this information as an opportunity to improve. The larger threat is not identifying or addressing areas for potential improvements. Being in the dark makes you vulnerable to attack; measurement sheds a light.

Perception that measurement is complicated. Measurement need not be complex. Sometimes it feels complicated and overwhelming when it is “added” onto all other daily work responsibilities. The key to combating this challenge is to create systematic, repeatable and achievable measurement approaches that blend into your daily activities.

Measurement planning is neglected. In my experience, measurement is often addressed as an afterthought rather than carefully incorporated into organizational
planning. Any initiative undertaken without a thoughtful planning process ultimately faces implementation challenges: measurement is no different.

Data collection techniques are not simple. Often they are not…but they could be. If data collection is not integrated into work systems, the activity feels like a distraction from the demands of daily business. Furthermore, data collection efforts that are not consolidated across the organization often add layers of complexity that are often not necessary.

Staff has little visibility for how measures are used. Staff may not be very supportive of measurement because they don’t feel a connection to it or see how it can benefit them.

Making Measurement Happen

With these challenges and biases to overcome, good measurement efforts can sometimes feel difficult to pull off. It is important to understand that you can move your organization forward slowly. If you take one step forward in the measurement process at a time, you are making positive progress.

In our change management efforts, we routinely find that small steps attempted in a measured fashion have a better chance of “sticking” than an expansive change initiative implemented quickly. It is important to be mindful that change is hard and is extremely stressful on staff and organizations, particularly when too much change occurs at one time. In fact, when too much change is attempted, research tells us that people stop trying to adapt and shut down.

Also, by taking small steps, you diffuse the burden on employees and management who may be responsible for managing the measurement process or collecting relevant data. This allows time to make adjustments, give feedback, and become acclimated to the process.

Using the N.I.M.B.L.E. Measurement Solution

I would like to introduce to you today a model for driving measurement initiatives called N.I.M.B.L.E. The N.I.M.B.L.E. process creates an environment for new measurement ideas, priorities, and techniques within your financial organization. The model incorporates planning, execution, and analysis. While these phases are sequential, the N.I.M.B.L.E. approach is also flexible to accommodate mid-course corrections or integrated revisiting of prior steps, as needed.
We create effective measurement strategies through:

- **Navigating a plan and setting the course**: Effective measurement requires understanding of the current state, appreciation of the past and clarity for the desired state. Navigation sets a course for measurement resources, participants, actions, and milestones driven by organizational goals and strategies.

- **Including all players in the value chain**: Many well-planned and intentioned measurement efforts are defeated by neglecting one important level of the players in the value chain. We practice inclusion, for faster implementation, improved compliance, and, most important, strong buy-in across the enterprise.

- **Magnifying issues to clarify priorities**: We find that organizations tend to gravitate towards the extremes on the measurement front. We facilitate groups to identify priorities early on and ensure continuing communication throughout the process. The magnification process also sets the stage for detailed work by articulating inputs, outputs, and desired results.

- **Building tools that capture meaningful information**: Review and development of appropriate quantitative and qualitative measurement tools is critical. We adopt a "simple but meaningful" mindset and encourage creative thinking to "measure the immeasurable".

- **Learning through data collection and analyses**: The learning phase encompasses all activities where data are gathered, analyzed, portrayed. We carefully create effective data collection protocols that support employees and create positive measurement experiences.

- **Evaluating all findings to guide decision-making and future planning**: Finally, evaluation presents opportunities for interpretation, reflection, and problem-solving. Recommendations and action plans are developed to move forward on organizational priorities.
Today, I will be discussing in detail the first three phases of the N.I.M.B.L.E. approach: Navigation, Inclusion, and Magnification.

**Phase 1: Navigate**

Let’s start with Phase 1: Navigation. Planning Ahead is the single most important factor in making your organizational measurement efforts more effective and manageable. Good planning helps accomplish several things.

1. Planning helps you create a systematic approach to measurement. By systematic, we mean that measurement becomes a part of your routine operations and, ideally, your organizational culture. Creating systematic measurement takes time, but it is not possible without a planning process. A systematic process creates predictability and structure for staff and a strategy for assessing information.

2. Planning also helps facilitate effective data collection processes. Through the planning process, you begin to identify the types of data needed, the methods to be used to collect them, and the resources available to assist in the effort.

3. Planning is also critical in clarifying why measurement is important. To be successful, planning should demonstrate alignment between business questions and measurement strategies, and impact on decision-making.

In the navigation process, leadership can take on several roles. Important ones include setting the tone for the effort and clarifying accountabilities for accomplishing the process.

In accomplishing the navigation phase, several key tasks are helpful.

**Identify key business questions.** Do we know what the business questions we want to address are? What is the universe of issues as an organizational that we wish to address. This task should be approached as somewhat of a “brain dump” of questions, encouraging creative and ambitious thought.

**Establish intended uses of measurement results.** Why do we need this information? How will we make decisions with it?

**Develop a plan of action.** Create a timeline which identifies action steps, the relevant persons to involve and any resources needed, including internal and external assistance, research, equipment or materials.

**Clarify audiences.** Review the possible users of the information that may emerge, along with an understanding of how they may use the results.
**Phase 2: Include**

Measurement is often challenging because staff do not feel connected or invested in the process. Establishing awareness and understanding of the organizational rationale for the effort, as well as tasks and implications, are tantamount to successful implementation. Recommendations for creating this foundation include:

1. Introducing the measurement process in different venues, such as staff meetings, flyers in common areas, professional development events, etc.
2. Involving staff in planning the measurement effort and helping them see the bigger picture. By this, I don’t mean just telling them how to accomplish data collection, but additionally having them at the table to discuss why certain questions are important.
3. Making a commitment to discuss findings. Examples of mechanisms to communicate measurement results include brown bag lunches or one-page summaries disseminated to all staff. The effort must be relevant for everyone.
4. Ensuring that staff are aware of measurement needs and how they will impact their daily work and priorities

As I noted, it is critical that everyone in the value stream be represented as the effort is planned. Consider this list as a starting point for parties to include:

- C-level
- Upper management
- Middle management
- Data analysts
- Data collection/support staff
- Other employees
- External parties

Leadership plays several critical roles as the Inclusion phase proceeds. Certainly, staff should be kept aware of developments in the process and results. In addition, management should remain apprised of any disagreements, conflicts, or turf wars that erupt, and deal with them proactively.

**Phase 3: Magnify**

One of the key roadblocks to effective evaluation is neglecting to identify key measurement issues.

While it is important to establish a big picture viewpoint during the Navigation phase, it is impractical and ineffective to try to measure everything. Those that measure too many variables are Data Rich/Information Poor, resulting in challenges not only to collect so many data but also in sifting through the volumes to find the value. Others measure too little and struggle to address the organization’s burning questions. In both instances, organizations must identify key measurement areas to move forward.
It is always advantageous if organizational management can clarify its measurement philosophy, linking the effort to key indicators like revenues and client services. Leadership plays a critical role by clarifying the critical information needed to guide organizational decisions, as well as responding to staff questions about how measurement responsibilities should impact staff work priorities.

So, how do we determine our priority measurement initiatives? Just like everything else in life, your measurement strategy should be balanced. It is particularly important to incorporate measures that examine processes, as well as and results. In addition, take time to consider your measurement “opportunities”.

- What areas of your business are most in need of improvement?
- What questions do you continue to struggle answering?
- What areas seem to be underperforming and we can’t explain why?
- What results do we need to demonstrate?

Finally, we should also take care to collect data that is actionable. Make selective choices. How many of you have worked for organizations that ask you to collect lots of information, then you never see or hear about it again? This is a quick path to organizational measurement failure. You should be able to use the data you collect and use it in a timely manner.

Final Thoughts

These three phases create a strong conceptual foundation for successful measurement efforts. Implementation of measurement efforts, to including the development of measurement tools, data analyses and interpretation of results, rounds out the systematic process. I welcome the opportunity to discuss these aspects of N.I.M.B.L.E. to you at a later time, as our session is coming to a close.

For more information about the N.I.M.B.L.E. model and how it can improve your business, visit [http://transformationsystems.com/NIMBLE.html](http://transformationsystems.com/NIMBLE.html) or contact Trina Willard at (804) 370-4095.

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