

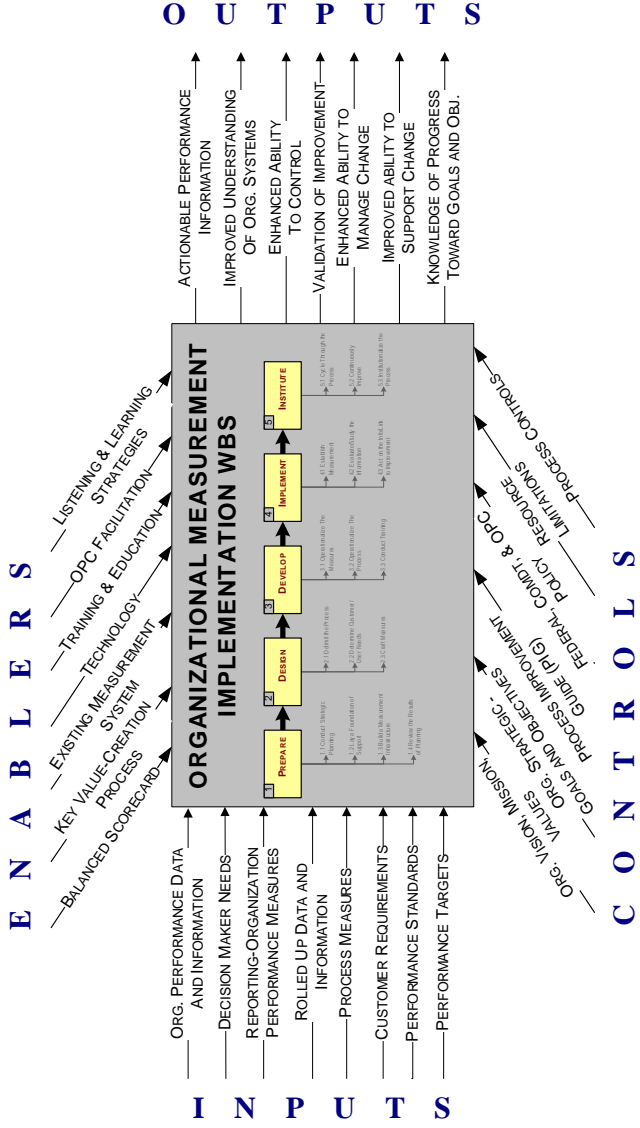
DEPARTMENT OF HOMELAND SECURITY
UNITED STATES COAST GUARD

Semper **P**aratus



**Organizational
Measurement**

ORGANIZATIONAL MEASUREMENT CONTEXT DIAGRAM



ORGANIZATIONAL MEASUREMENT CHECKLIST

1.0 PREPARE TO MEASURE

- Conduct Planning
- Lay a Foundation of Support
- Build a Measurement Infrastructure
- Review the Results of Planning

2.0 DESIGN A MEASUREMENT PROCESS

- Delimit the Process
- Determine Customer/User Needs
- Craft Measures

3.0 DEVELOP THE MEASUREMENT PROCESS

- Operationalize the Measures
- Operationalize the Process
- Conduct Training

4.0 IMPLEMENT THE MEASUREMENT PROCESS

- Establish Measurement
- Evaluate Study the Information
- Act on the Info/Link to Improvement

5.0 INSTITUTE THE MEASUREMENT PROCESS

- Cycle Through the Process
- Continuously Improve
- Institutionalize the Process

PERFORMANCE MEASUREMENT

DESCRIPTION: The process by which a management team develops a system that will tell them how the organization is performing, if it is improving, and/or if it is in control.

USE THIS TOOL: As needed, to develop an organizational-level measurement process.

DEGREE OF DIFFICULTY: *Master Level*

INTRODUCTION

Few managers would disagree that measurement is important to organizational success. Surprisingly however, it is one of management's most neglected, functions. Many organizations do not have formal measurement processes in place, others have inadequate systems, and still others are measuring the wrong things. Crafting an effective process is not difficult if managers are dedicated, persistent, and, most importantly, approach it as a process. Unfortunately, the road to success is littered with roadblocks. The work can be challenging, and at times frustrating, but the benefits make it well worth the trouble. Below is a list of the primary steps for implementing organizational measurement.

- Step 1.0** Prepare to Measure. Establishing measurement is not simple. Detailed planning is necessary, leadership support is critical, and an infrastructure absolutely essential! This step outlines what must be done; why, how, and when.
- Step 2.0** Design a Measurement Process. A measurement process must be designed with a purpose in mind and by people steeped in measurement fundamentals. This step covers delimiting the process, understanding user needs, and most importantly, crafting measures.
- Step 3.0** Develop the Measurement Process. Once designed, the next step is to develop the process, which means putting it in a useful and implementable form. This step provides guidance on these activities as well as the importance of user training.

Step 4.0 Implement the Measurement Process. This step details implementation – testing and deployment. It is during this step that the organization begins to measure.

Step 5.0 Institute the Measurement Process. The final step in the measurement process is to improve and institutionalize the process. This step emphasizes the importance of this critical activity and provides guidance on how to do it.

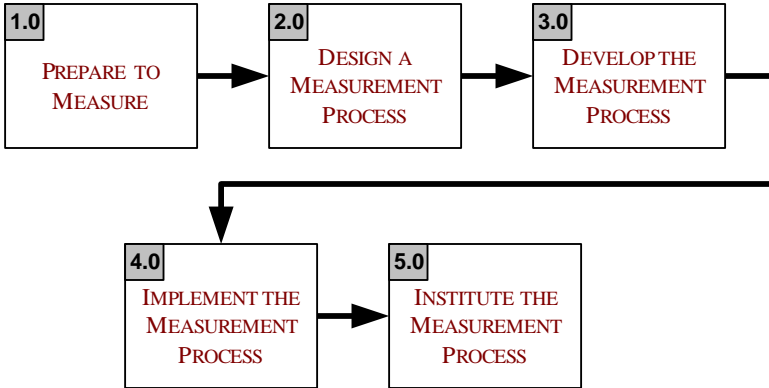
Note: although the tasks in this booklet are presented in the form of a step-by-step sequence, in reality things are not that neat. Teams/OPCs undertaking this intervention will undoubtedly find themselves doing some tasks out of order and others concurrently. Developing a measurement process is a fluid activity, and it is critical that the organization remain flexible and open to differing thoughts and scenarios. Maintaining a constancy of purpose and a commitment to the task is what will determine success or failure – not the OPC’s/measurement implementation team’s ability to follow each task in the order and manner prescribed.

CRITICAL SUCCESS FACTORS

- ① **MEASUREMENT IS A PROCESS – TREAT IT AS SUCH!** THE TEAM IS NOT JUST DEVELOPING MEASURES, THEY ARE CRAFTING A MEASUREMENT PROCESS.
- ② **ESTABLISH A PROJECT TO CRAFT THE PROCESS** THE TEAM NEEDS A PROJECT PLAN WITH A WORK BREAKDOWN STRUCTURE (WBS), AND MILESTONES.

Most managers want to treat measurement like a program. Programs can be finished, they are unique, never repeating themselves and progressively moving forward towards some final goal. In contrast, a process repeats itself over and over again, indefinitely, the final goal being one of continuous improvement. A major complaint about most measurement guides is that they tell you why and what you need to measure and provide some techniques to use, but few actually tell you how to move the organization from where it is now, to where it wants to be. You need a process to tell them how to get from the start to the end over and over again. Without a process, you are left wondering how to implement the ideas and techniques provided by the guide. You use a project to craft a process. Projects start with a work breakdown structure (WBS). One such WBS is depicted in the centerfold to this booklet.

PROCESS STEPS



Organizational Measurement Implementation WBS

1.0 PREPARE TO MEASURE

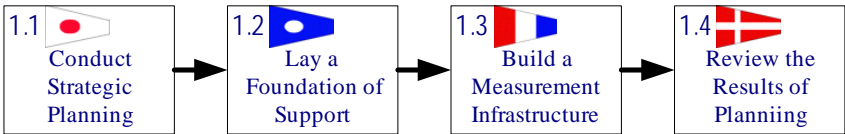
Crafting a measurement process is not something that can be accomplished overnight. Many of the tasks are complicated and can often be troublesome. Organizations opting to undertake such an evolution (or more appropriately a revolution) must be prepared to dedicate a substantial amount of time and resources to the task. Some of the more difficult tasks include: gaining senior leader's support and commitment, crafting and establishing the right measures, collecting data, portraying the information, and linking measurement to improvement.

Given that, a significant amount of planning and preparation is imperative before commencing an improvement intervention of this magnitude and complexity. And, as with all projects, it is this upfront activity that can either make or break the effort and determine success or failure. As they say, failure to plan (prepare), is often a plan to fail! OPCs, leaders, and teams undertaking organizational measurement must prepare themselves for what is to come, and that is what this step is all about – preparing to measure, and, preparing to succeed! A detailed task checklist for this step and associated tools are provided below.

WITHOUT PROPER PREPARATION:

- Support will be insufficient, possibly terminating the project before it even begins. The organization’s culture and senior leaders must fully support measurement.
- Strategic direction will be an afterthought, if a thought at all – measurement and planning must be done in unison or sequentially.
- Knowledge and expertise will be lacking, resulting in ineffective measures and an inefficient process.
- Managers will be unable to use the resulting information to make better decisions, due to a lack of understanding or *management by fact* mentality (refer to the callout on page 14).

D E T A I L E D C H E C K L I S T		T O O L S
1.1	Conduct Strategic Planning	Strategic Planning
1.2	Lay a foundation of Support <ul style="list-style-type: none"> • Identify a Champion • Build a Coalition • Gain Senior Leaders Support 	Communications
1.3	Build a Measurement Infrastructure <ul style="list-style-type: none"> • Train Measurement Masters • Form Measurement Implementation Teams 	Team Development
1.4	Review the Results of Planning	Strategic Planning



Prepare to Measure

1.1  CONDUCT STRATEGIC PLANNING

Question:
Planning or Measurement First?

Answer:
It Doesn't Matter!

Although planning and measurement can conceivably be undertaken separately, in reality this should never be done. Traditionally, planning is done as a prelude to measurement, however, some modern day methodologies call for the reverse. Truthfully, it is not really that important which is done first, or what methodology is used. What is important is that they both be done, and that they be integrated together into a cohesive system of continuous improvement.



Refer to the

**Strategic
Planning
Booklet**



Refer to the

Process
Effectiveness
Toolset (CD):
**PDSA
Instruction**

This will insure a continuity of purpose throughout the organization. Organizations must plan their strategies and improvement interventions, implement them, and then measure to gauge their progress and success. Or visa versa, determine what is important, establish measures to monitor performance, and then develop strategies and interventions to improve and achieve the goals and targets associated with them. Either method will work, given sufficient organizational commitment, resources, and constancy of purpose.

Note: in regards to this guide, it is assumed, and recommended, that planning will be done as a prelude to measurement.

1.2



LAY A FOUNDATION OF SUPPORT

Teams should go about this in an organized fashion.

- Make a list of key people.*
- Address their concerns and needs.*
- Check them off as their support is gained.*
- Ask them what they are willing to do to help.*

The next step in preparing the organization to measure is to lay a foundation of support within the organization for measurement. All processes need a foundation to support them, and this is particularly true of a measurement process. This foundation must be carefully built and sturdy and cohesive enough to withstand the forces acting against it. Sometimes, depending on the organization's culture, infrastructure, and leadership, it can be built quickly, other times it must be pieced together. The foundation must also be maintained and repaired should it begin to deteriorate. A foundation of support includes:

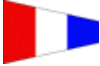
- **Senior Leader's** understanding, commitment, and direct involvement;
- **Champions** to stand up for the team's ideas and plans to senior leaders and throughout the organization;
- **A Coalition** of middle managers willing to provide the necessary encouragement, time, and resources;
- **A Critical Mass** that eventually buys-in, uses, and institutionalizes measurement

COMMUNICATIONS, MARKETING, AND SALES

A support foundation is built through communications, marketing, and sales. Someone (presumably the OPC) must

take on the job of enlightening senior leaders and selling them on the idea of measurement, building a coalition of middle manager support, and identifying a champion – an influential leader that believes in and is willing to take on the team’s cause! Leaders must believe in the value of measurement, and be willing to go the distance to achieve it!

1.3



BUILD A MEASUREMENT INFRASTRUCTURE

OPCs will need help to implement a measurement process!

After laying a solid foundation of support for measurement the OPC must build an organization-wide infrastructure to assist with design, development, and implementation. It is not possible for an OPC to implement organizational measurement on his or her own. It is too big of a change, involves too many people, and impacts too many organizational systems – processes, projects, and activities. People are needed to help, many need to be trained, and others must be kept informed. To be successful OPCs must:

- Identify and develop MEASUREMENT MASTERS (i.e., experts). These will become the team’s trainers, architects, and facilitators.
- Form and train MEASUREMENT IMPLEMENTATION TEAMS, made up of decision makers, stakeholders, and users of the system, data, and information.
- Build and begin using COMMUNICATION CHANNELS – standing memos, emails, newsletters, presentations, meetings, and forums.



Refer to the Stakeholder Alignment Toolset (CD): *Stages of Team Development Instruction*

DEVELOPING MEASUREMENT MASTERS

Finding enough people (experts or masters) within the ranks of the organization with a background in performance measurement is very unlikely. People that are steeped in the fundamentals of measurement and who possess the people and management skills necessary to support an organization-wide measurement effort are few and far between. Consequently, it will be up to the OPC to work with senior and middle management to grow their own.

OPCs will have to work with management to select individuals with the skills, experience, motivation, and time

to fill these roles. These individuals, once developed – educated and trained – will become facilitators for the organization’s measurement implementation teams.



Refer to the

Working with Teams Booklet



Refer to the Stakeholder Alignment

Toolset (CD):

Team Charter

Example,

Questionnaire, and Template

FORMING MEASUREMENT IMPLEMENTATION TEAMS

Each organizational entity – function, command, or unit, should be directed to form a measurement implementation team, lead by a mid-level manager and facilitated by a measurement master. These teams will work to develop entity-level measures that will eventually roll up to the target organization level. An organization-level team, or steering committee, should also be formed. This team will oversee the organization-wide measurement effort, as well as develop organization-level measures. The OPC leading the overall effort should become this team’s facilitator.

1.4



REVIEW THE RESULTS OF PLANNING

Now that measurement implementation teams have been formed, it is time to put them to work. Their first task is to review the results of the organization's strategic planning process. This includes reviewing the organization’s vision, mission, strengths and weaknesses, long- and short-range (action) plans, and any performance improvement interventions currently underway. This is a very important step in that it will have a major impact on the effectiveness and quality of the process and measures developed.



Refer to the CG PIG:

Facilitation

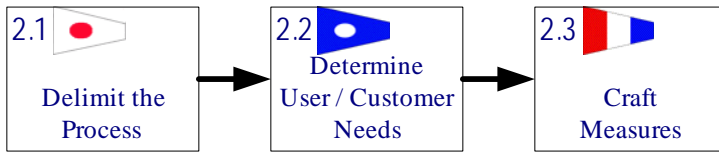
Skills

2.0

DESIGN A MEASUREMENT PROCESS

No two measurement processes are alike. Each organization has its own idea of how to achieve or what constitutes success. Each has a different internal and external environment and varying strengths and weaknesses to contend with, therefore each must craft its own unique measurement process. But even a craftsman doesn't begin his work without an idea of what she wants to create. This could be a simple drawing, a list of characteristics, or a set of plans to customize. The first step in designing a measurement process is to determine who it is being designing for and what it entails. A detailed task checklist for this step and associated tools are provided below.

DETAILED CHECKLIST		TOOLS
2.1	Delimit the Process	Flowchart, SIPOC Analysis
2.2	Determine Customer/User Needs	Structured Interview Customer Survey
2.3	Craft Measures <ul style="list-style-type: none"> • Translate Needs Into Operational Terms • Decide What to Measure • Review Selected Measures • Develop a Balanced Scorecard 	Functional Matrix Diagram



Design a Measurement Process

2.1

DELIMIT THE PROCESS

Before measurement implementation teams can develop measures they must define the scope of their measurement process. This involves answering the following questions:



Refer to the *Process Analysis Booklet*

– For additional information on setting process boundaries and on processes in general

- What is the domain of the target organizational entity (i.e., command, unit, department, division, section, or team);
- Who will use the information to make decisions – how far up or down in the organization will the data and information travel;
- Will the process be limited to certain aspects of performance (e.g., financial performance only)?

Only after the team delimits the scope of the measurement process, can they determine what decisions to support, how often to collect data, what requirements and expectations to meet, and what information needs to be reported. This is important since, among other things, it will have a direct bearing on what measures are selected, how they are constructed, and who is given access to the resulting data.



Refer to the CG FIG: *Facilitation Skills*

2.2



DETERMINE CUSTOMER/USER NEEDS

In designing a measurement process the implementation team must never forget that the primary focus of their effort is the customers and users of the process. It is their requirements that drive the process and they are the ones who will ultimately decide what the process will look like, how it will be used, and what importance is placed on the resulting data and information. Considerable care should be taken to identify these individuals and to analyze and understand their wants and needs. Customers/users of the process include:



Refer to the Assessments Toolset (CD):
Structured Interview Diagnostic Contract Sample



Refer to the **Working With Customers Booklet**

- Individuals that collect, record, and track the data;
- Analysts that portray/convey the information;
- Decision makers that use on the information;
- Managers whose performance will be measured.

Ask customers:

- How do they define success?*
- What does excellence look like to them?*
- If they could only measure one thing, what would it be?*



Refer to the **Working With Customers Booklet**

IDENTIFY AND UNDERSTAND REQUIREMENTS

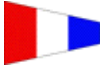
Identifying and understanding customer/user requirements is absolutely essential if the implementation team wants to create an effective and efficient measurement process that is valued and used. These requirements can take on many forms, specifically, customer/user:

- Problems, issues, concerns, challenges, and goals;
- Expectations and priorities;
- Decision support requirements;
- Data and information needs.

DEFINE PERFORMANCE

There are many different ways to define performance and every customer/user has a different opinion. Some focus solely on quantitative, financial criteria, while others use a broader definition to include qualitative criteria, such as quality of work life and customer satisfaction. It is important that the team work closely with customers/users to gain a consensus and prioritize the different aspects of performance, from *their* point of view. This will become an important input when the team decides what to measure.

2.3



CRAFT MEASURES

Developing performance measures is difficult. Considerable thought must go into determining what data is needed, how to construct the measures, and how many measures to track. Examples of ineffective processes resulting from poorly selected and designed measures are abundant. Often, organizations are inclined to let users decide what to measure. Although this is intuitively appealing, the result is usually less than desirable. Asking people inexperienced in measurement to develop measures is like asking pilots to design the instruments for their advanced aircraft. Although they have a basic idea of what they want, it takes a trained engineer to do the job right.

TRANSLATE REQUIREMENTS INTO MEASURABLE TERMS

Now that the team has thoroughly investigated customer/user needs and has a good understanding of what performance criteria they feel are important, the next step is to translate those requirements into operational terms. There are essentially two steps for accomplishing this.

1. Operationally define requirements. Most users won't not give specifics when asked to define performance. They'll provide broad concepts, such as quality. Likewise when asked for their information needs. The team must translate their ideas into operational terms.
2. Determine what data is actually needed to evaluate the selected performance criteria and satisfy the information needs of the customer/user.

Developing a Balanced Scorecard

Developing a balanced set of metrics is important to the integrity and usefulness of an organization's measurement system. Historically, most organizations focused on financial performance (and metrics), at the exclusion of other equally important aspects of performance. More recently, management gurus have begun pushing organizations to develop a balanced system of measures made up of financial, customer, internal business process, and learning and growth metrics. (Refer to the Toolset)

DECIDE WHAT TO MEASURE

Deciding what to measure is very important, however, the team needs to keep this decision in perspective. More important is that they establish a process and measure something, anything, to get them off the starting block. Measures can always be changed! It's important that the team not get bogged down in trying to identify perfect measures. Only testing and experience will determine what is optimal. The team should ask itself:

Remember:

- ☑ *Measure Something, Anything!!!*
- ☑ *Start Small and Build!*
- ☑ *The process is more important than what is measured!*

- What should the organization measure to determine if it is accomplishing its strategic agenda;
- What data is needed to meet customer/user information needs, and what measures will provide that data;
- How much time and resources does the organization have to contribute to measurement;
- How much experience does the organization have, and what is its level of measurement expertise;
- What should the organization measure to ensure system comprehensiveness and validity?

In completing this step there are three guidelines or rules, the measurement team should follow to ensure quality results (see the callout on the next page).



Refer to the **Process Measurement Booklet**

– For more guidance on measurement



Refer to the CG PIG: **Matrix Diagram**

REVIEW SELECTED MEASURES

Now that the team has decided what to measure, the next step is to audit the measures against the organization's improvement needs. This provides the opportunity to evaluate the quality of the resulting measures. OPCs must work closely with leaders at this point to ensure the measurement process and the metrics they craft are comprehensive and address all important aspects of performance. There are multiple ways to accomplish this, but the simplest is to select performance categories important to the organization and then work with teams to address measurement within each. The goal being to ensure that everything management wants to get done is being measured and that nothing is given too much attention

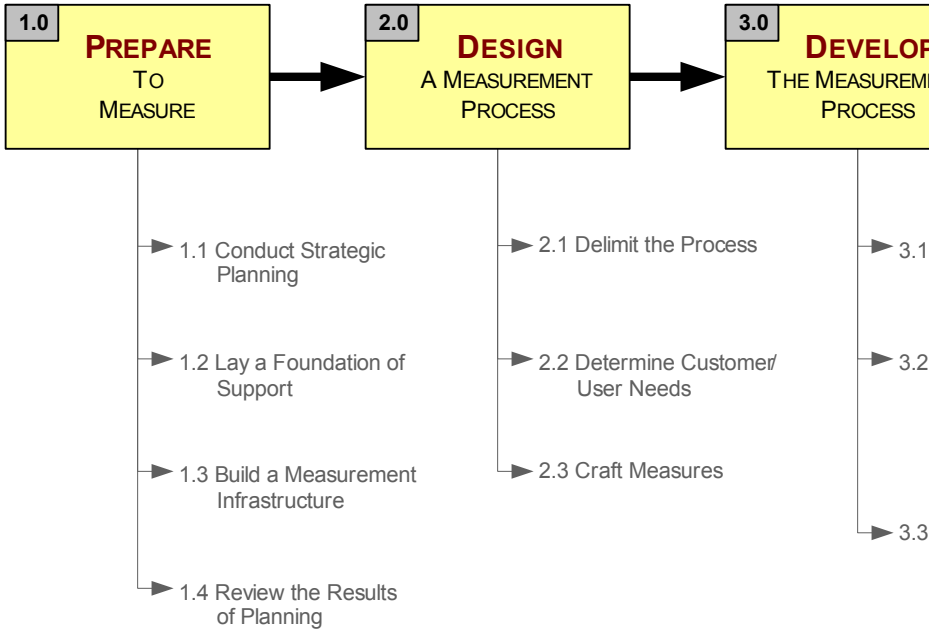
3.0 DEVELOP THE MEASUREMENT PROCESS

Developing the process is different than designing the process in that during this stage we will concentrate on the more practical aspects of measurement. This includes everything from deciding how to actually collect the data to developing a program for training workers on how to use the process. This is an area of the measurement process where many organizations run into trouble. Teams can use all the theory and concepts available and spend weeks designing the process and crafting measures, but, it will all be for naught if they are unable to develop practical methods and procedures for actually carrying it out. A detailed task checklist for this step and associated tools are provided below.

Three Measurement Rules

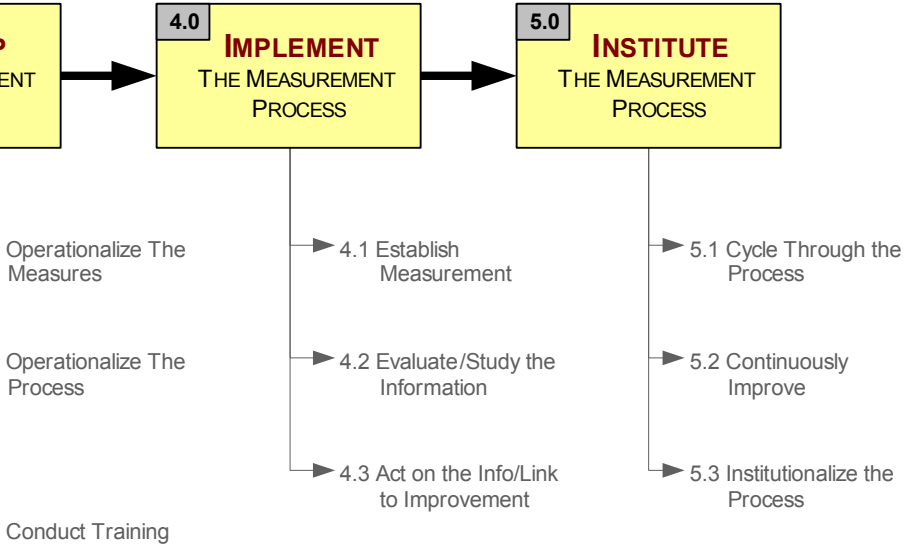
1. **Measure What's Important.** Managers need to be sure they are measuring the right things, that they are reinforcing that which the organization wishes to accomplish in terms of vision, mission, principles, and strategy. Measurement is time consuming and there is only so much time available. Priorities must be set and the number of measures minimized.
2. **Keep it Simple.** Selected measures must be specific enough to cover all aspects of performance and broad enough to ensure the overall *system* is optimized. This is not to say teams should get bogged down in trying to construct ideal measures. Complexity does not correlate to effectiveness or quality. Measures need to be kept as simple as possible and limited to only those measures necessary to get the job done.
3. **Develop a Family of Measures.** Measuring performance requires that complex phenomena be reduced to quantitative dimensions. As such, any measure is somehow less than the phenomena it aims to represent. For example, organizations desiring to measure satisfaction must translate satisfaction into a number that can be compared and tracked. This is difficult, as there are many facets of satisfaction and using only one can yield incomplete information. The answer is to develop metrics that combine different facets into a

CRAFTING A MEASUREMENT IMPLEMENTATION PROJECT - WORKFLOW

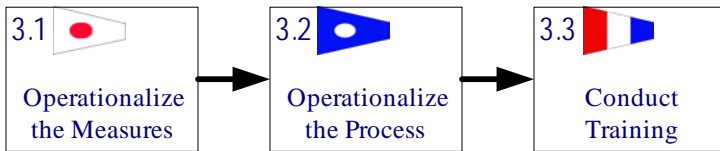


MEASUREMENT PROCESS

WORK BREAKDOWN STRUCTURE



DETAILED CHECKLIST		TOOLS
3.1	Operationalize the Measures <ul style="list-style-type: none"> • Construct the Measures, Mathematically • Decide How to Collect, Store, and Retrieve the Data • Decide How to Convert the Data into Information • Decide How to Convey and Portray the Information • Decide How the information Will be Used 	
3.2	Operationalize the Process <ul style="list-style-type: none"> • Document the Measurement Process 	
3.3	Conduct Training <ul style="list-style-type: none"> • Consider Training and Resource Requirements • Train Managers and Users 	



Develop the Measurement Process

3.1

OPERATIONALIZE THE MEASURES

Operationalizing means taking the measures and deciding how to collect, store, process, convey, and portray the data and information associated with them. Operationalizing measures is usually a much more difficult task than designing them. It is much easier to design a measure than to actually use it in an operational setting. This step requires teams to work closely with the OPC and the users of the process to ensure a quality outcome. The process must be designed to make it as easy and convenient for users as possible. Teams must:

- Define the measures;
- Construct the measures;
- Decide how to collect, store, and retrieve the data;
- Decide how to convert the data into information;
- Decide how to convey and portray the information;
- Decide how the information will be used (i.e., studied and acted upon to make better decisions).



Refer to the

Process Measurement Booklet

– For additional guidance on operationalizing measures.

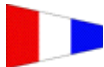
3.2



OPERATIONALIZE THE PROCESS

Operationalizing the process means making it useful in an operational setting. This includes documenting the process so that it can be followed and developing a program to train users. As mentioned earlier, failure to follow through during the final stages of development will result in an unused and unwanted process. The outcome of this step is a usable process capable of being implemented in the organization.

3.3



CONDUCT TRAINING

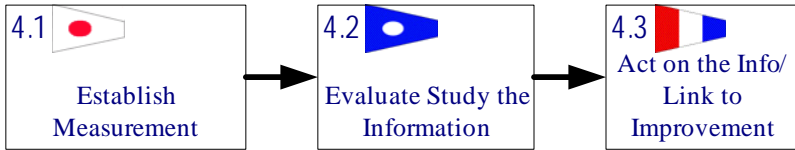
We have learned two lessons about training that we feel are essential to training effectiveness. First, if at all possible, conduct the training away from the primary work place. One thing that will undoubtedly have a negative impact on the OPC's/team's efforts to teach and their student's efforts to learn is interruptions. By conducting training off-site, students are shielded from the crisis that they respond to on a daily basis. The second lesson is, be flexible. The users of the system are busy people with other priorities besides the training session to contend with. If there is one sure way to stifle learning it is by forcing people to attend when they feel a need to be somewhere else. The key here is to set up a flexible schedule. Many smaller sessions are far better than a couple of large sessions. Work with users to facilitate their schedules. It will pay great dividends!

4.0

IMPLEMENT THE MEASUREMENT PROCESS

The organization is now ready to enter the implementation phase of the project. If the OPC/teams have followed the guidelines presented, the organization should be more than ready to accept and start using the new measurement process. This is the most satisfying stage of the process; it is when the OPC/teams actually start to see the fruits of their effort. During this stage, teams, managers, and leaders, will actually measure performance, process data, evaluate it, and make decisions based on the resulting information. A detailed task checklist for this step and associated tools are provided below.

DETAILED CHECKLIST		TOOLS
4.1	Establish Measurement <ul style="list-style-type: none"> • Collect and Log Data • Enter Data Points Onto Charts (as Applicable) • Identify Trends and Performance Shortfalls • Convey/Portray Information 	
4.2	Evaluate Study the Information	
4.3	Act on the Info/Link to Improvement	



Implement the Measurement Process

4.1

ESTABLISH MEASUREMENT



Refer to the *Action Planning Booklet*

– For guidance on project and implementation planning


Not surprisingly, the first step in implementing the newly designed and developed measurement process is to begin measuring and working through the process. As stated earlier, this is a very satisfying stage for the measurement implementation teams, however, it can also be a stage wrought with frustration. Many times it is not possible to predict every situation that may arise, how the process will actually work in practice, or how users will react to their newly assigned duties. Ideally, if the measurement implementation teams did their homework these problems will be kept to a minimum. Establishing measurement means to begin:

- Collecting and logging data;
- Entering data points onto charts (as applicable);
- Identifying trends and performance shortfalls;
- Conveying and portraying information.

4.2

EVALUATE/STUDY THE INFORMATION

Measurement implementation teams must familiarize themselves with the variety of problems associated with measurement and evaluation. They should be prepared to

 Refer to the
Process
Effectiveness
Toolset (CD):
PDSA
Instruction


respond to any questions and concerns that might arise. This is especially important for organizations starting from scratch. It is an unfortunate fact, but the truth is there will be many managers looking for opportunities to sabotage the team's efforts and cast doubts on measurement's value. Be ready to respond to them and the team's efforts will be more successful. The major issues that make evaluation difficult, and with which measurement masters and the decision makers must come to grips, include:

- Strategy evaluation rests on a type of logic that does not focus on one best way, but which must be tailored to each problem as it is faced. In other words there are no rules to follow.
- Many people, including seasoned executives, find it much easier to set and achieve goals than to evaluate them. In part, this is a consequence of training in problem structuring. People are trained to evaluate results and not the processes they use to achieve them or whether they are even attainable.
- Formal systems of strategic review, while appealing in principle, can create explosive conflict situations. There are serious questions as to who is qualified to give an objective evaluation.

4.3

ACT ON THE INFO/LINK TO IMPROVEMENT

The measurement process must correlate to actual performance improvement. Teams should keep this in mind throughout the implementation project. The output of the measurement process must become the input to the planning process. The key is to ensure managers view and understand measurement in the context of the organization's planning process. Only then will they be inclined to embrace rather than resist it. And, only then will the results lead to improvement. Measurement must guide the organization's problem solving efforts and be directly tied to the reward system. People must be able to see and experience the link between measurement, action, and planning. This can be accomplished through information sharing, visibility, and employee involvement.

 Refer to the
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5.0 INSTITUTE THE MEASUREMENT PROCESS

Because the measurement process is permanent, yet fluid, it must be open to change and modification. This is what makes it a process and not a program. For it to continue to be an integral part of the organization's landscape, it must be continuously enhanced through increased use, improvement, and adaptation. Ideally, the process of measuring to improve will become as acceptable and necessary to an organization's culture as any other norm, value, or belief. A detailed task checklist for this step and associated tools are provided below.

DETAILED CHECKLIST		TOOLS
5.1	Cycle Through the Process	
5.2	Continuously Improve the Process	
5.3	Institutionalize the Process	



Institute the Measurement Process

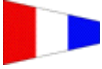
5.1 CYCLE THROUGH THE PROCESS

The organization must formally establish a practice of cycling through the process on an annual basis. This should include intermediate milestones to review progress and make minor changes to the measures and the procedures for collecting and evaluating them.

5.2 CONTINUOUSLY IMPROVE

A measurement process is no different than any other process used to add value. Its effectiveness and value-adding ability must be continuously assessed. The process can easily become obsolete and even counterproductive if it is not improved to keep pace with the organization's rapidly changing needs, expectations, and requirements.

5.3











INSTITUTIONALIZE THE PROCESS

Institutionalizing means integrating the process into the very heart of the organization. When this happens, measurement actually becomes part of the organization's culture. Institutionalizing the process means making it a habit to measure. Once measurement of carefully selected indicators becomes habit, the organization is on the path to continuous improvement (Forsha, 1991). When the organization can no longer identify the owner of the measurement process, and they measure just because it makes common sense, teams can feel certain that this phase of the process is complete.



USEFUL TOOLS

The following tools - templates, forms, worksheets, calculators, slide decks, facilitator notes, etc. are included in the following references or on the accompanying compact disc .

Tool	Reference
Facilitation Skills	CG PIG
Functional Matrix Instruction and Template	 Process Effectiveness Toolset (Also, CG PIG Matrix Diagram)
PDSA Instruction	 Process Effectiveness Toolset
Structured Interview Diagnostic Contract Sample	 Assessments Toolset
Stages of Team Development Instruction	 Stakeholder Effectiveness Toolset
Team Charter Example, Questionnaire, and Template	 Stakeholder Effectiveness Toolset
Balanced Scorecard Overview	 Organizational Assessment Toolset
Balanced Scorecard Example	 Organizational Assessment Toolset



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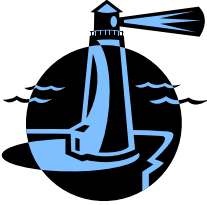
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TERMS AND DEFINITIONS



Measures not linked to strategies, are like a hammer looking for a nail to pound!

Management without data and information, is like throwing darts... in the dark!

Champion: An influential leader willing to take on, or champion, an organization's measurement effort (i.e., enlighten, market to, and sell senior leaders on the idea/need for measurement).

Chart: A visual means of portraying data and making information by way of connecting data points over time, grouping like data into categories or segments, or adding time-specific data and showing it in relation to other time-specific data.

Coalition: An alliance of like-minded individuals, formed for the purpose of achieving a goal.

Continuous Improvement: Small, steady, incremental improvement of a process or organizational attribute made over time. As opposed to step-wise or radical improvement achieved through reengineering.

Convey: To convey measurement data or information means to transmit, transfer, or in some way get it to decision makers. Data and information can be conveyed by hand via a log book, verbally via a presentation, electronically via email or a web posting, or visually by way of a poster or board.

Delimit: To place limits on or bound. In the case of delimiting a process – to place limits on the beginning or end of a process. To delimit the scope of a project means to limit what it entails, its breath or depth.

Data: Data are facts, numbers, and figures. They contain no meaning and provide no information when not compared to other data.

Evaluate: To study data or information and derive meaning from it through comparison to other data or information, or a reference point or standard.

Family of Measures: Since most organizational units or business processes are too complex to measure satisfactorily by one single measure, it is appropriate to construct a balanced family of measures containing four to six key elements of performance. These could be various representations of productivity, quality, timeliness, creativity, customer satisfaction, safety, and many others. These families can be created and used at any level of the organization.

Information: Data that is compared to other data, over time and in relation conveys meaning or information. Information can be used for decision making whereas data cannot.

Measurement implementation team: A team of individuals brought together for the purpose of implementing an organizational measurement process. Includes, a team leader, measurement experts (masters), users of the process, and a team facilitator.

Measurement Process: The process by which an organization, team, or individual measures performance. Includes initial design and development, metric creation, data collection, portrayal, conveyance, evaluation, acting on the information, and continuously improving the process.

Metric: Analogous to a measure. Term often used to articulate the distinction between a specific measure and the act of measuring.

Operationalize: Putting performance measures into a form with which you can do business. Including addressing/considering data collection, information conveyance and portrayal, and decision making.

Performance: A function of specific criteria depending on the unit of focus. In the case of an organization, performance has been defined as a function of: efficiency, effectiveness, innovation, quality, productivity, quality of work life, and profitability (for a profit center) or budgetability (for a cost center). Process performance is commonly defined as a function of: product or service quality (error rate), fitness for purpose (usability or application), cycle time (delivery or response), quantity, cost, and value of outputs. Performance improvement focuses on improving these criteria.

Performance Measure: Performance measures provide data (feedback on activities that motivate behavior leading to continuous improvement) and when compared to other data, information.

Portray: How you portray information is essential to its use in decision making and its ability to convey meaning. Like all information, it can take the form of text, visuals – bar and line charts, diagrams, etc. – or any other form of media, or even multimedia. The use of color and detail are critical, as is having sufficient data to make the information statistically significant.

Quality: Meeting or exceeding the requirements of the customer regarding a product or service; in a broader context, includes effective operation of processes required to create and deliver those products and services.

Trend: Continuously increasing, steady, or decreasing performance over a period of time.



BALDRIGE FOCUS

How do you collect and integrate data and information to track performance, including strategic and action planning progress? What are your key measures?

How do you use data and information to support decisions; keep your measurement system current; and ensure its sensitivity to change?

How do senior leaders review performance and capability? What analysis do you perform in support?

How do you use reviews to assess success, advantage, progress, and your responsiveness to changes/challenges?

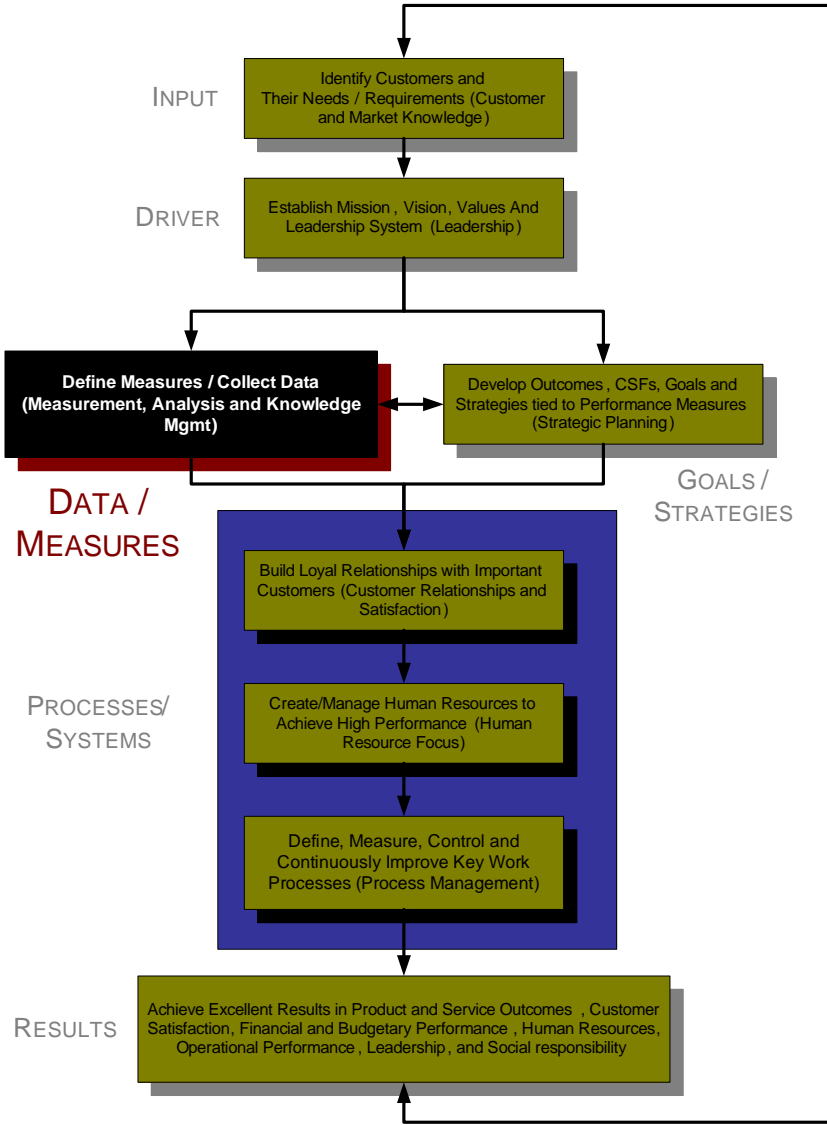
How do you translate findings into improvement priorities and innovation opportunities, and deploy them to enable effective operational decision making?

How are priorities and opportunities deployed to ensure supplier/partner alignment?

How are improvements and lessons learned shared?

The Measurement, Analysis, and Knowledge Management Category examines how your organization selects, gathers, analyzes, manages, and improves its data, information, and knowledge assets. Also examined is HOW your organization reviews its performance.

BALDRIGE LINK



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