Making Metrics Matter

By: Kevin Eikenberry

When I talk to many leaders, the term "metrics" seems to cause one of two responses: a gleam in the eye of those leaders who love the numbers...or a blank stare from the rest who know that measures and metrics are important, but will say they "aren't numbers people."

You are likely one of those two people. If you are a numbers person, you may think this article isn't for you; you'd be wrong. Regardless of our personal disposition and belief, the numbers do matter – and we have teams of people that fall into one of the two groups too.

The point here isn't to say we need metrics or not, but rather with the belief that we do need them, that we can create ways to collect and use them that are meaningful and helpful to everyone on your team – including you. Here are five tips to help you do that more effectively.

Begin with the end in mind. Start by understanding your goals and determining what you could measure to track the achievement of them. Too many people measure things they see that they could measure, rather than strategically looking for the measures that matter most. Measurement takes time, collection and display takes effort, and numbers that aren't reviewed aren't worth collecting, so make sure that you are measuring the right things for the right reasons.

Think process and results. Some measures will be easy to determine: your month-to-date revenue (or profit) for example is a results measure. But not all important things are results. You may want to measure process steps as they could be predictors of, and ways to understand the results measure. In this example, a process measure might be number of leads, month-to-date, or lead closing ratio. Both of those process measures give much more insight into the revenue number. For many groups, helping them identify process metrics can be a breakthrough for them, as they struggle with measuring results directly.

Consider trend analysis. Stock market analysts regularly look not only at the current results, but trend lines. You don't have to be a statistician to do this – a spreadsheet or a "numbers" person on your team can help. Consider simple linear projections and rolling monthly or weekly averages to give you more insight into what is really happening in your organization.

Help the team understand. This is a big one. The team is often the people collecting the data. If the team doesn't understand why they are collecting the data (or who is doing anything with it), it becomes a hollow, meaningless exercise for them. Plus, if they don't know how to interpret and use the numbers, the value of them plummets. Make sure your team understands the numbers. Trust me, just because they make sense to you doesn't mean they will to others – plus, once you truly engage them in the process, they might identify better or different things to measure that could be a breakthrough for you.

Review regularly. Data that isn't used is a waste of resources. Once the metrics have been collected, are you looking at them? Do you have a process to share critical numbers with your team or organization? If you do, and they understand the numbers, you are on the right track. If you simply post them on the bulletin board or on the intranet, the value is minimal. Are you including a review of key numbers in your

team meetings, in your conversations with teams or individuals? Are you looking at your numbers regularly?

Whether you want to create extensive and elaborate dashboards is up to you and relates to your situation and needs – but whatever you call it, you need a way to look and understand your numbers. Before you get to that exact process, I hope you will apply the five ideas above to make whatever numbers you do measure to truly help you make a difference in the results of your team and organization.