



encompass
consulting services

Developing Metrics that Matter

At Encompass, data underpins everything we do.

Data is the key to making more informed decisions and driving better outcomes. However, government departments and corporates are often left struggling due to the sheer amount of data across different touchpoints. Knowing what information is most relevant and how to use it is critical.

One of the ways Encompass quickly establishes delivery controls within portfolios is by setting up a key set of **Metrics that Matter**. These are a combination of core,

leading and lagging metrics that are consistently used by the business to measure success and delivery of pieces of work within the portfolio. They ultimately determine if the portfolio is on track to achieve its desired targets and what programs/project may require re-pivoting during delivery to close the gap in key areas.

Our top tips for creating robust, Metrics that Matter are highlighted below.

STEPS TO DEVELOP THE CORE METRICS THAT MATTER:

1

Determine the business plan or political target(s) the newly formed portfolio is looking to support

2

For all business plan or political target(s) that are expressed as a percentage consider converting it to a more tangible metric that is potentially easier to disseminate across the business. E.g., convert a percentage to an actual dollar, volume or customer improvement metric.

3

If the business plan or political target(s) spans across multiple years (e.g., save x dollars over 3 years), establish interim monthly/annual glide paths and targets

Once the above steps have been completed, it's now time develop the remainder of your Metrics that Matter for the portfolio:

4

Map out the key processes, actions and customers that are required to deliver key business plan or political targets. This step can take time and often requires process expertise.

5

Once the process or actions have been agreed by portfolio RACI members, these will become your leading metrics which will show progress throughout the portfolio delivery period. Remember the process to determine leading metrics can often be challenging, however it allows you to measure and adjust performance before it's too late.

6

Your lagging metrics can then be defined as your key output metrics, these will likely link to your interim monthly/annual glidepath targets (from 3). Remember lagging metrics are easier to determine, however its often too late to make changes to impact achieving target(s).

The core, leading and lagging metrics become the basis of your Metrics that Matter which require the following:

8

For each Metric that Matter, determine what the baseline (current performance), forecast improvement (business expected) and the required (target improvement) is over a defined period.

10

Create a Metrics that Matter summary with definitions, data source, data refresh cadence, business owner and any associated business rules for RACI sign off.

12

Executives to be briefed on the 'so what' and impact of movement in metrics and associated programs and projects of work.

14

Quantify impact of program/ project based on the performance of the agreed and associated Metrics that Matter.

7

If the metric does not exist today you may need to create a new mechanism to source this data (e.g., system change, additional survey, data collection point).

9

Determine who within the portfolio will own each metric and drive improvements through their relevant program or project. Every metric needs an accountable business owner.

11

Create/refresh a Metrics that Matter dashboard view for inclusion in required and agreed portfolio governance forum(s).

13

Adjust program and project delivery based on performance of the agreed and associated Metrics that Matter – especially the leading metrics which are proactive and generally more regular.

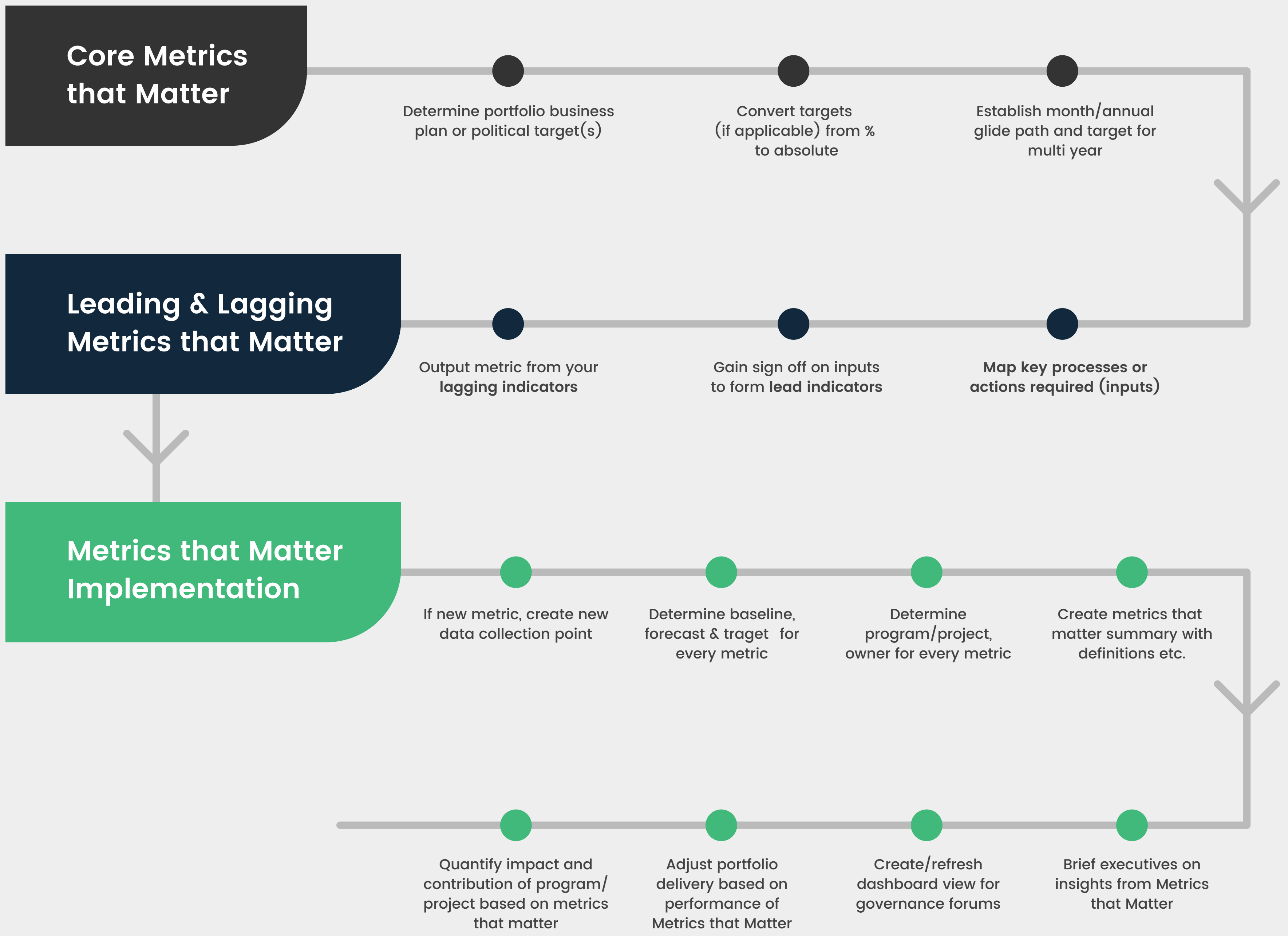


Image 1: Encompass' tips for creating robust Metrics that Matter

Are you ready for transformation?

Encompass Consulting Services partners with state government, federal government and corporates to develop tailored solutions that turn strategy into results. Driven by evidence-based decisions, data underpins everything we do.

We leverage metrics and analytics to identify gaps, inform priorities and drive delivery. Get in touch to improve your organisation's data fluency, measure performance, and shift from subjective to objective decision-making.

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