

Performance metrics help to gauge the effectiveness of a program's strategies to achieve an agency's goals. There is not one perfect set of metrics - the "right" metrics will depend on the project's goals and may require multiple iterations to discover more about the process in question. In general, good metrics:

- Are related to the program's goals and purpose
- Provide a reliable measurement of outputs and outcomes
- Help determine gaps between goals and reality
- Guide program improvement

It is helpful to focus on a mix of metrics that measure different aspects of the service being provided - for example, use one metric that is meaningful to the customer and another that addresses the organizational goals for the leaders.

Metrics can be difficult to grasp. Trying to focus on just four metric categories to help you establish a current state and a target future state and allows metrics to drive the MEAT of your improvements.

			
<p>Money</p> <ul style="list-style-type: none"> • What is the cost of your process? • Hard Costs = cost for things • Soft Costs = cost for labor 	<p>Errors</p> <ul style="list-style-type: none"> • How much rework? • How many additional steps to fix? • How many defects? 	<p>Amounts</p> <ul style="list-style-type: none"> • How many do you produce? • How many are ordered? • How many jobs are "work in progress"? 	<p>Time</p> <ul style="list-style-type: none"> • How long does it take to produce? • Is there a wait time? • How many approvals?

As the California Lean Academy begins to document how its participants' are impacting their work processes and delivering better services to the public the following MEAT metrics are of particular interest:

	Metric	Definition
AMOUNTS	Handoffs	Number of times the service or product changes hands
	Backlog	Number of service requests or products waiting to start the process
ERRORS	Defect Rate	Percent of services or products that are "defective"
	Rework Steps/Time	Amount of steps/time to correct mistakes or get missing information
	Percent Complete & Accurate	Percent of occurrences when a step is completed without needing corrections or requesting missing information
	Rolling First-Time Yield	Percent of occurrences where the entire process is completed without rework
TIME	Lead Time	Total time from start to finish to deliver a service or product to the customer, including wait time
	Process Steps	Number of steps to complete a process
	Processing Time	Amount of time spent on process steps, not including wait time
	Response Time	Amount of time to respond to a customer request for a service or product
	% On Time Delivery	Percent of time the service or product is delivered on time

Note: not all of these metrics may apply and the "right" metrics will depend on how appropriate, applicable and useful for your improvement goals.

Once you determine the appropriate metrics to use, list your metrics in boxes P2 and P3 of the A3 template. List the MEAT for the current state in box P2, and list how your agency would ideally like those same measures to be in the future state in box P3.

An example: An agency is trying to improve their work order process. They know how many work orders are requested through their system, how long (on average) it takes to process a work order, and how many are successfully processed correctly the first time. Using this information, they can calculate how money it costs their agency to complete this process. The metrics are listed in the A3 format below:

P2 | Current State

- Money: 100 work orders/month X **10** hours/work order X \$25/hour = \$25,000 + 1,250 in rework costs (5 reworked X 10 hours X \$25) = **\$26, 250 Total**
- Errors: 5% completed incorrectly and must be reworked; average customer quality rating of 3.5/5
- Amounts: Complete 100 work orders/month
- Time: Average time to complete a work order = 10 hours

P3 | Future State

- Money: 100 work orders/month X **8.5** hours/work order X \$25/hour = \$21,250 + \$0 in rework costs = **\$21,250 Total**
- Errors: 0% completed incorrectly; average customer quality rating of 4.5/5
- Amounts: Complete 100 work orders/month
- Time: Average time to complete a work order = 8.5 hours

As you implement and monitor these metrics are entered in C6 of the A3 to show the actual results of your improvements as noted below:

C6 | Results

P2	P3	30 Days	60 Days	90 Days
<ul style="list-style-type: none"> •M = \$26,250 •E = 5% error rate •A = 100 w.o./month •T = 10 hours/w.o. 	<ul style="list-style-type: none"> •M = \$21,250 •E = 0% error rate •A = 100 w.o./month •T = 8.5 hours/w.o. 	<ul style="list-style-type: none"> •M = \$24,462 •E = 3% error rate •A = 100 W.O./month •T = 9.5 hours/w.o. 	<ul style="list-style-type: none"> •M = 22,725 •E = 1% error rate •A = 100 w.o./month •T = 9 hours/w.o. 	<ul style="list-style-type: none"> •M = \$21,875 •E = 0% error rate •A = 100 w.o./month •T = 8.75 hours/w.o.

As you track your projects' progress, please also fill out and submit the **CA LEAN RESULTS REPORT**. This will allow the CA Lean Academy to highlight statewide Lean successes!