White Paper

Establishing Lean Metrics:
A Quick Start to your Data Based Reporting System

Brian D. Krichbaum

November 19, 2007

Process
Coaching
Incorporated

Establishing Lean Metrics – A Quick Start to your Data Based Reporting System

Strategic Foundation

In my previous white paper, *"Establishing Lean Metrics – Using the Four Panel Approach as a Foundation for a Lean Scorecard",* I outlined the essential steps required to establish a data based reporting system. It is necessary to systematically define the categories for measurement, and then develop a vision statement, objectives, measures, and strategy for each category.

While establishing these foundational steps will dramatically increase the effectiveness of a metrics system, additional tools are needed in order to make the system functional. The system relies on charts and graphs to communicate issues. It relies on discipline from management and staff to effectively drive continuous improvement. The essentials of putting this visual reporting and management system in place are outlined in the following pages.

Metrics Reporting System

One of the outputs from the Four Panel work sessions is a list of measures. But each of the measures needs a reporting system, i.e. set of charts, that includes these four elements;

a.   Demonstrate performance changes over time and compare performance to targets *(Trend Chart)*
b.   Illustrate clearly the current issues and their relative severity *(Pareto Chart)*
c.   Show historical trends of issues and the relative severity of past issues *(Paynter Matrix)*
d.   Record actions that have been taken and report the effectiveness of those actions. *(Action Log)*

These requirements can be easily satisfied via a single, one page report. A simple Excel spreadsheet allows for tracking and charting the data with relative ease. A sample of the finished product is shown on the following page; each of the measures will require a sheet with these four charts. I have developed a template for this which you can review by visiting my website.

To make charts more powerful and easier to use, make sure to clearly label the charts and the units used, and avoid complex formulas or transformation of the data; stick with the data in the form most likely to be understood by everyone.

2