

Data, Metrics and Meaning

Are We Measuring What Matters?

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What We Will Cover Today

1. About QMII
2. Why Are We Here?
3. Improving Objective Governance
4. Q & A

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About QMII

- QMII has provided best in industry process improvement consulting, auditing, and training since 1986
- Headquartered in Ashburn, Virginia
- ISO 9001:2015-certified
- DBE-certified
- Minority-owned business
- GSA MAS holder

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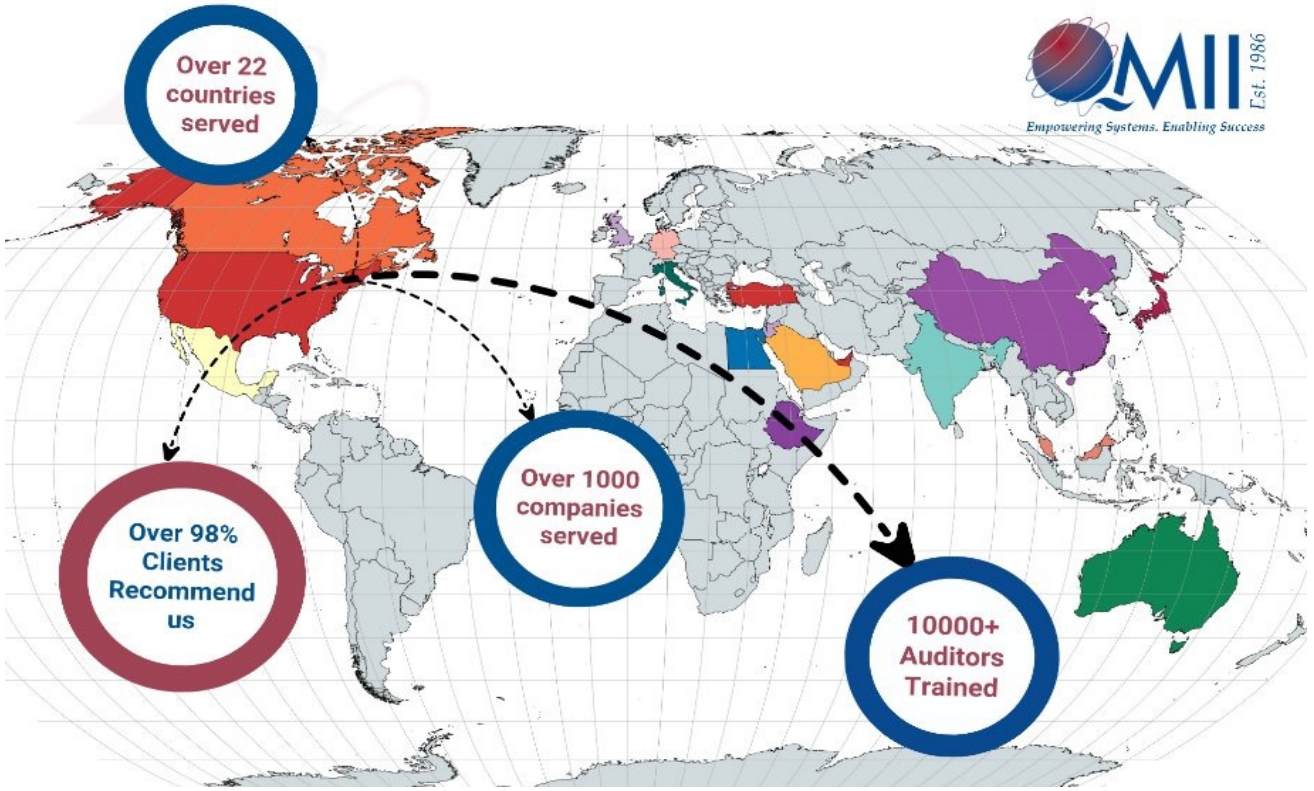

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About QMII

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Why Are We Here?



To understand why objectives fail



To distinguish outputs from outcomes



To apply systems thinking to defined KPIs that drive improvement

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Executive Reflection

- Which KPI consumes most effort?
- Which creates most value?
- Are they the same?
- What behavior does it encourage?
- What decision does it support?
- Is it based on the risks?
- Does it flow from my policy?



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The Data Explosion and Dashboard Trap

- Technology makes performance measurement easier than ever.
- Data volumes and reporting requirements continue to grow.
- Leaders face information fatigue.
- Dashboards create confidence by displaying what is measurable.
- Understanding lags data collection.

Important signals are often buried beneath reporting noise.



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The Measurement Paradox

- Organizations accumulate metrics but some do not retire them
- Every KPI consumes attention. More data ≠ more insight
- More KPIs create complexity, obscures signals
- Measurement should support decisions

What percentage of your KPIs directly influence decisions and actions?



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How Many Objectives Are Enough?

- Warning Signs You've Got Too Many
- Leadership struggles to explain the top priorities.
- Departments are pulling in different directions.
- Resources are spread thin.
- Progress feels slower than expected.
- Everyone is working hard, but results aren't moving.

"Smart working has to be added to Hardwork!"



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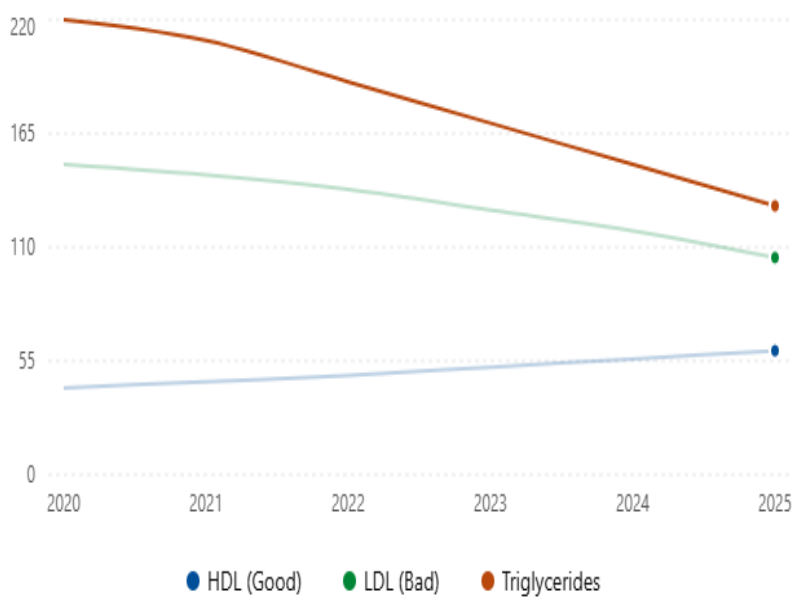
The Real Purpose of Measurement

- Improve decisions
- Improve learning
- Improve performance
- Identify opportunities
- Support improvement



Activity is visible. Improvement is harder to discern.

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Activity vs. Improvement

Activity	Improvement
CAPAs Closed	Recurrence Reduced?
Training Completed	Competence Increased?
Audits Conducted	Risk Reduced?
Meetings Held	Decisions Improved?
Reports Produced	Performance Improved?

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Why Objectives Fail

- **Poor selection** - We focus on the wrong problem.
- **Weak alignment** - Objectives drift away from strategy.
- **Activity metrics** - Activity replaces outcomes.
- **Behavioral consequences** - Metrics drive unintended behavior.
- **Lack of governance** - Nobody challenges whether objectives still matter.

"When a measure becomes a target, it ceases to be a good measure.

– Charles Goodhart"

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Examples

- CAPAs closed on within time vs. effectiveness of corrective action
- Low injury targets reduce reporting
- Leadership is worried about customer retention however objective focused on customer satisfaction
- Measuring training completion instead of competency

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Every metric sends a message

- Employees almost always pay attention to what leaders' measure.
  - Talking about safety but a focus on production/cost schedule.
- Metrics shape performance!
  - People assume it is important.
  - People focus their effort there.
  - People adapt their behavior.
  - Teams optimize what gets measured.
  - Culture begins to form around those signals.



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Leading vs. Lagging Indicators

Both matter. One helps you react. The other helps you prevent.

LEADING INDICATORS	LAGGING INDICATORS
• Signal future performance	• Measure past performance
• Help identify problems early	• Confirm on what already happened
• Support prevention and intervention	• Support trend analysis and reporting
• Focus on drivers and conditions	• Focus on outcomes and results
• Help shape the future	• Help explain the past

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Measuring Culture

Culture and Leadership cannot be measured directly. It is revealed through behavior. Signals include:

- Reporting and escalation of concerns.
- Participation in improvement activities.
- Repeat problem occurrence.
- Employee willingness to challenge issues.
- Leadership responsiveness to concerns

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Why ISO Requires Objectives

- Align resources with strategic priorities.
- Address significant risks and opportunities.
- Focus improvement efforts where they matter most.
- Create a basis for performance evaluation and learning.
- Drive continual improvement, not merely compliance.



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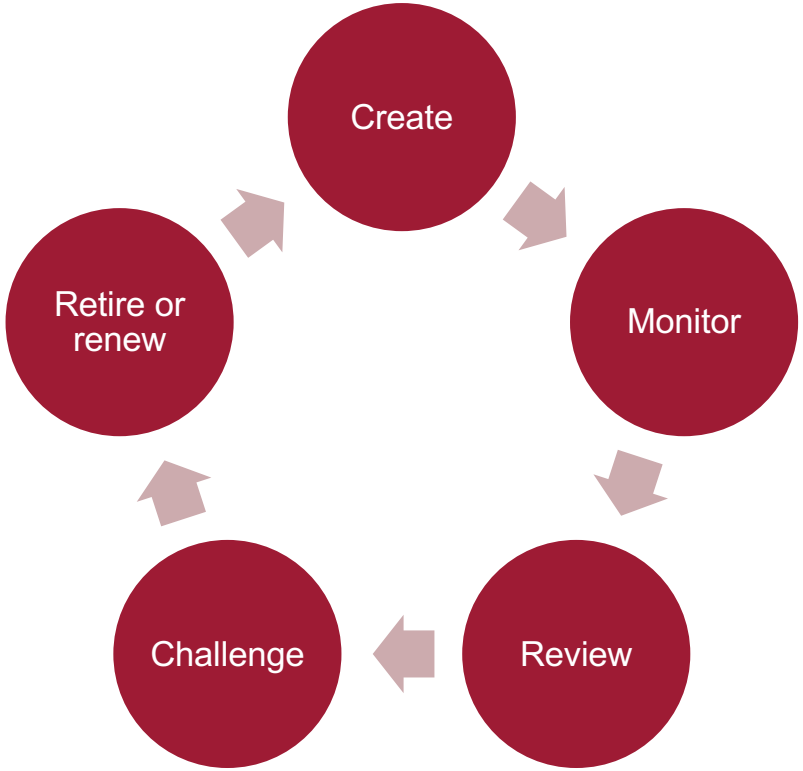
Objectives Have Lifecycles



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Leadership's Real Challenge: Choosing What Matters

Every organization has more opportunities than resources

- Potential objectives come from:
- Customer complaints
- Audit findings
- Business risks
- Improvement opportunities
- Strategic priorities

Leadership's role is deciding:

- Which few will make the biggest difference?
- Why did we choose this objective instead of the other twenty possibilities?

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Four Question KPI Test

Why measure it? - Purpose

- If we stopped measuring it tomorrow, what would we lose?

What decision? - Value

- If no decision depends on it, why collect it?

What behavior? – Unintended consequences

- Where will people focus their effort?
- What shortcuts might it create?
- What unintended consequences could emerge?

What outcome?

- What organizational objective does it support?

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Management Review Reimagined

- After the Four Questions would you keep it?
- Review relevance
- Review assumptions
- Review consequences
- Review opportunities
- Review what should stop



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Industry examples of Objectives changed.

- Weak Objective: First Pass Yield at 98%
  - Better objective: Reduce process variation and rework
- Weak Objective: Close 100% of supplier corrective actions within 30 days
  - Better Objective: Reduce recurring supplier nonconformities that create operational risk.
- Weak Objective: Reduce recordable injuries by 20%
  - Better Objective: Reduce employee exposure to significant hazards.

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In Conclusion

- Measure what matters, not simply what is easy to count.
- Every metric influences behavior, whether intended or not.
- More KPIs rarely create more insight.
- Objectives should emerge from strategy, risk, and opportunity.
- The purpose of measurement is not reporting. It is better decisions and improvement

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Thank You!!!



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