Agovia

Management Concepts Series – 2010

Common-Sense Guidelines for Successful Organizations

	Management Concept #9 ***The Chart Room*** *Keeping Your Finger on the Pulse*
Active Management Pillar Applicability Identity Planning Execution Behavior Awareness	Every supervisor, manager, director, executive, etc. must have a way to maintain a bird's-eye view of their operation. If you don't have one in your possession less than seven days old, stop whatever you are doing and get one. No, really: stop. Don't go to another meeting, don't go to lunch. If you need to go to the bathroom, do it as soon as you get back. This is important! Luckily, however, as with many of the most important management practices, it's pretty easy to do. Just keep it simple. You need a high-level operations report that provides you with the key operational indicators for you organization. Focus on creating a way to gauge the effectiveness of your operation *today*. It should inform you of successful results and let you know *now* if problems are developing. It should *not* diagnose a problem or craft a solution. Don't try to assemble a ***MASTER OPERATIONS REPORT***. You simply need flags that tell you where to look. I call it a "Chart Room" after an old friend who used posters to track his important metrics. You can call it a dashboard or whatever you like. Find a limited number of key indicators that define the operational success of your organization. Some possibilities: ❖ Sales (numbers/volumes) ❖ Second Sales ❖ Returns or Service Terminations ❖ Efficiency Ratios (cost/sale, cost/transaction) ❖ Hold-over ❖ Service and Customer Satisfaction ❖ Service cycle times ❖ Expense and cost ratios ❖ Systems performance and reliability ❖ Telecom performance and reliability ❖ Call wait-time and abandoned rates ❖ Quality metrics ❖ Complaints No more than three pages. Include required performance levels and trending. ***Kudos if you have one. If not: get one today!***

The Chart Room
Keeping Your Finger on the Pulse

In the old days, I had a friend whose job it was to maintain the Chart Room at a company I worked for. The CEO had about ten key indicators to monitor the operational state of his company. Every week, my friend gathered the various statistics and updated the charts in the executive break room. Every week, the CEO wandered in shortly after the update and scanned the results. If something caught his eye, he picked up the phone and got more information.

Notice what this did:

1. It kept the executive management current on the operational state of the business
2. It allowed identification and action on items needing attention quickly – before they were entrenched and harder to fix
3. It showed the organization that the things they did were important to the executives
4. It let the operational staff know that expectations of performance were not just theoretical but that they would be called on to explain their results.
5. It encouraged awareness on the part of the line departments of the results expected of them and led them to manage to outcomes and results.

Life Amongst the Flags!

One result of this type of activity was the creation of a service committee of supervisors that met every Monday to discuss service in general and holdover in particular.
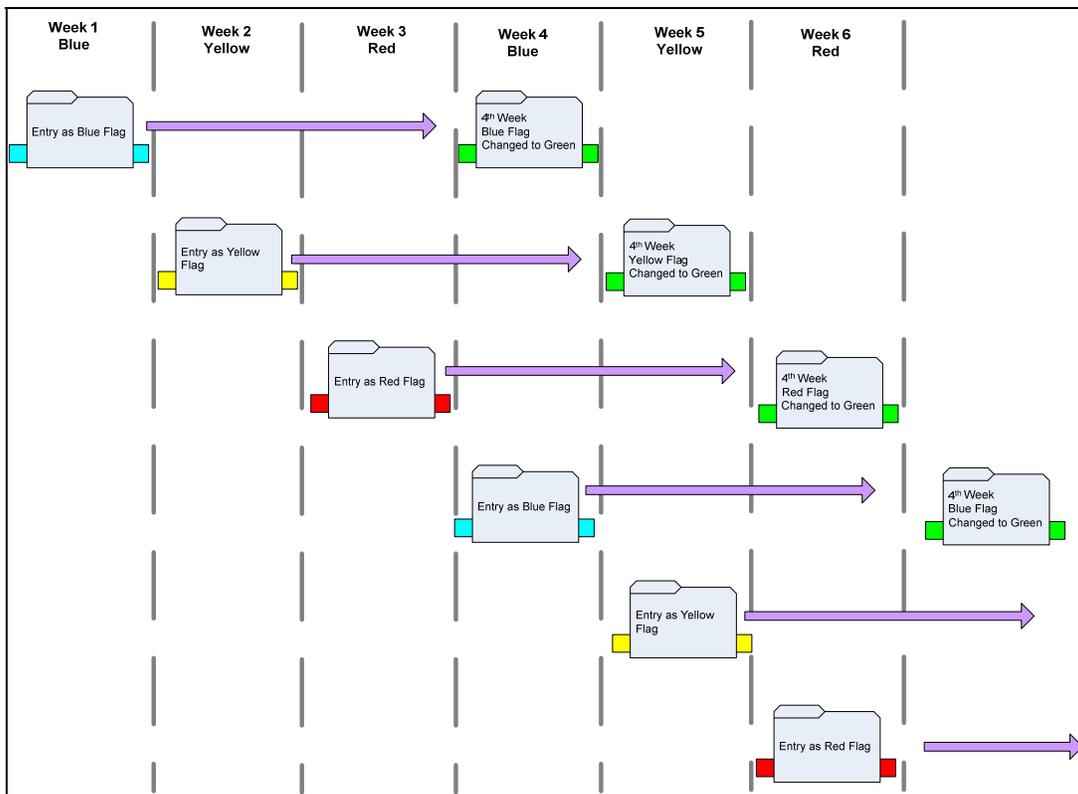

Figure 1. Service Department File Flagging System

The above graphic shows a simple file flagging system used to highlight service that was taking too long. In this service unit, all requests were flagged according to the week they were received. There were three colors: blue, yellow, and red. Each week had a flag color assigned and all files that week were coded that color. At the end of three weeks it was time to cycle back to the first color. So, on Friday afternoon, any files remaining with the color for the next week were changed to green. Green was not good! Green meant we had spent too long fulfilling a customer's request. On Tuesday morning, we had to explain each green flag during the Service Committee Meeting. You better believe we knew what each Green Flag was and what was being done about it. We also could gauge our service levels by watching the diminishing counts on the other flags. So, we had, not only a mechanism to highlight bad service, we also had a trending and management tool. The flag counts went all the way up to the VP of customer service.

You Need a Chart Room or a Dashboard!

You should have a Chart Room or a dashboard or some tool that informs you in a concise and simple way if you are succeeding operationally or not. You will find that you become much more attuned to the nuances of your organization and business if you are tracking the results on a regular basis. You will be able to begin predicting the lag-times between events that impact your organization and the operational results of that impact. You will start to see patterns and spot unintended consequences of your own actions that can generate early mitigation actions rather than after the fact. If a change in service results in terminations or reduced sales, you will know sooner rather than later. If a systems problem leads to increased service cycle time and rising hold-over, you will be in a position to notice it and jump on it right away rather than when you get so deeply in a hole you can't dig out.

You will also see a dramatic shift in the culture of accountability as each area comes to understand both the expectations and the transparency of their results.

Again: find a limited number of key indicators that define the operational success of your organization. Possibilities include:

- Sales (numbers/volumes)
- Second Sales
- Returns or Service Terminations
- Efficiency Ratios (cost/sale, cost/transaction)
- Hold-over
- Service and Customer Satisfaction
- Service cycle times
- Expense and cost ratios
- Systems performance and reliability
- Telecom performance and reliability
- Call wait-time and abandoned rates
- Quality metrics
- Complaints

It should be no more than three pages; include required performance levels and trending.

*A **final note**: As you create your "Chart Room", remember the idea is accountability, not finger-pointing. Any time you see an anomaly in a metric, remember this: there is a good chance the underlying cause or trigger of the problem is a management decision or action that changed the status quo. The Chart Room should be a tool to clarify expectations and encourage performance, not place a sword over the head of your team.*

About Agovia Consulting

Agovia is your partner in crafting common-sense plans, execution governance, and management practices that are laser-focused and, by design, create your results and your success. We help you solve your problems today and help assure your success tomorrow through management practices built on outcomes, results, and achievement.

Managing to Success

Success requires the alignment and coordination of many factors. Enterprises must be competent at, not only the elements of their core mission, they must also have the ability to create and maintain the infrastructure that surrounds and supports that mission.

What We Do

Agovia is a management consulting firm. It's what we do. Picture us a management fitness coach. Weh help you develop and strengthen the skills you need to succeed. We have provided consultation and solutions to multiple industries including: Information Technology, Insurance, Universities, and Homeless Services. We bring you the support, advice, and driving facilitation that allow you to stop "planning" and start getting results.

Services

- ❖ **Positioning for the Win**
- ❖ **Identity Development (Mission & Vision)**
- ❖ **Team Effectiveness Coaching**
- ❖ **Strategic and Tactical Planning**
- ❖ **Planning and Governance Training**
- ❖ **Organization Turn-Around**
- ❖ **Retreat Facilitation**
- ❖ **Runaway Project Services**
- ❖ **Problem Solving – A Cultural Effective Approach**
- ❖ **Conflict Mediation**
- ❖ **Team/Function Start-Up**

Trust yourself

Experience tells us that most of the time you do know what you are doing. You are the expert in your core domain area. The challenges businesses often encounter are nuts & bolts issues: organization, clear vision, discipline, management infrastructure, and communication. Sometimes you just need a catalyst.

We can help.
We listen.
We pay attention.
We work with you

Agovia