



Mark Fallon

PEER TO PEER

Metrics Matter

“If you don’t measure it, you can’t manage it.” — Peter Drucker

All quality improvement techniques, which include benchmarking, Total Quality Management (TQM) and Six Sigma, have at least one thing in common: accurate measurement. As Peter Drucker points out in his famous maxim, measurement is the foundation of good management.

Unfortunately, most mail operations don’t have effective measurement programs in place. Some operations are not collecting any information at all, while others are only tracking production in a few areas. Mail managers should strive to implement metrics programs wherever possible.

Today, computers make it easy to collect and store volumes of data. Devices can be attached to most machines to record the number of pieces metered, copies made or pieces processed. Software packages, like FileMaker, Access and Excel, allow anyone with minimal PC skills to manipulate and analyze data.

Collection devices and software do not make a metrics program. To develop a successful program, a manager must decide what they want to know, what to measure, how to measure, how to store the data and how to use the information.

Analysis transforms the data into information. While analysis may seem like the last step when working with metrics, it is actually the first. Before you do anything, you need to decide what you want to know. That will drive what data you collect, how you will collect the data and what programs you’ll use to conduct the queries.

Well-constructed queries can reveal a lot about your operation — comparing volumes, costs and past performance. You don’t have to be a programmer to build the queries; you can hire one. Your job is to build the questions you want answered.

When building your questions, don’t use mathematical or programming syntax. For example, don’t say, “Divide the number of pieces processed by the hours worked minus break time.” This type of instruction is telling the programmer how to do his job and can confuse the issue.

Instead, a clearer way is to state your questions as business problems:

- How many pieces per hour do the employees process?
- How many jobs do we complete each day?
- What is the average job size?
- What is our error rate?
- What is my cost per piece?

Just because you can measure everything does not mean you should. Time spent capturing irrelevant data takes time away from important tasks. Also, unneeded data causes clutter and can distort analysis.

Measurements are used to determine effectiveness and efficiency. For mail operations, this means pieces are processed quickly and delivered to the right person for the lowest possible cost. To know if your operation is efficient, you need to know the number of pieces processed, the time needed to process all of the work, the number of errors and all expenses associated with the operation.

When used properly, measurement and quality programs save money by reducing errors, retaining customers and eliminating the need to redo work. However, adding time and systems to conduct measurements usually increases the base operating costs. Selecting the best methods of capturing data will minimize the additional costs.

Use automated systems whenever possible to collect the data. Systems include barcode readers, metering machines and computer logs. With such large quantities of pieces processed by hand, use sampling and count larger units. For example, with inbound mail, determine the average number of pieces in a tub of mail, and then count the number of tubs processed. Conduct sampling on a quarterly basis to verify your estimates. The goal is to get the most accurate count in the least intrusive manner.

When numbers must be recorded by hand, transfer the information to an electronic format as soon as possible. Paper forms can be lost or damaged, and ink may get smudged. Transferring data to a computer early in the process minimizes the opportunity for error.

The data should be stored so it is both accessible and secure.

People should be able to query the data, copy the data or export data to another file. However, security should be put in place so the data is not accidentally changed or deleted. Also, the files should reside on a system that is backed up regularly.

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Whenever possible, use a database program, like FileMaker or Access, to store all of the information. You may be more comfortable working with spreadsheets, but database programs are designed to handle entering and storing production information. Also, you can set up routines in the database to import records from other systems, like mail machines and tracking systems. In other words, use the right tool for the right job.

How often you run reports from your system will depend on what information you want to see. For example, reports on piece volumes and jobs processed should be run daily. Staff and machine productivity reports should be run weekly. Budget and postage reports should be run monthly.

Use your database to compare your volumes and productivity to the same time period a year ago. Well-designed line graphs may reveal trends and allow you to forecast future growth. Also, you can use the information to conduct capacity planning and decide if you need more staff and equipment.

Establishing a system to measure production takes time and is critical to success. The metrics must be reviewed on a regular basis because data sitting in files doesn't add value. Information that's used properly will add value and will help you improve your operation.

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