



Leveraging Leading Indicators

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Which Key Performance Indicators to Monitor?



Objective: Minimize Costs

Symptoms or Root Causes?

- MPH
- \$/Gal
- MPG



Most Objectives Are Like Onions



Most Visible Layer
of Limited Use

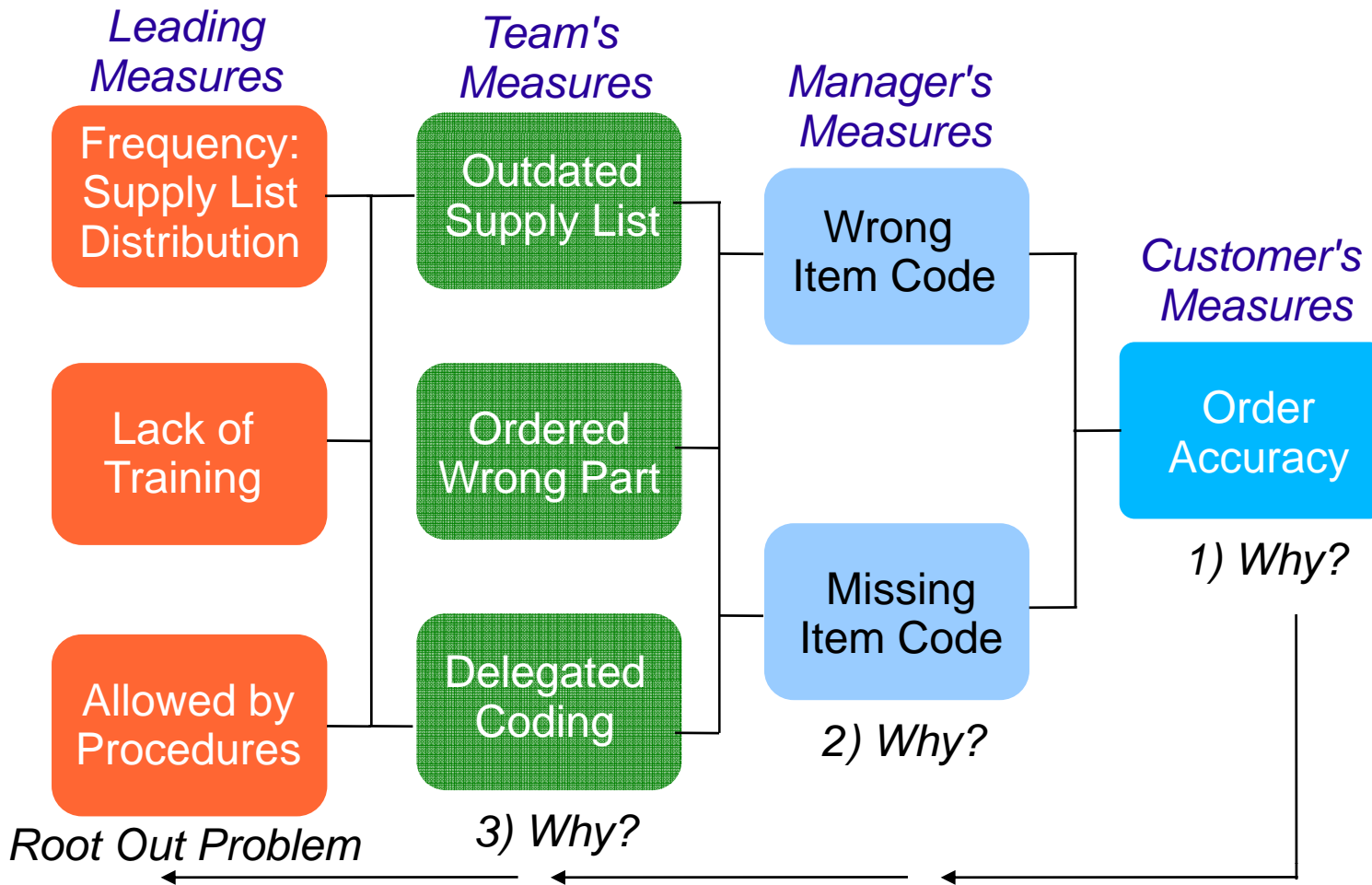


Many Layers Inside



Inner Layers = Roots
for New Growth!

Example: 'Peeling The Onion'



Root Causes of Symptoms

Machines

Management

Environment

Hybrid

MPH

Oil Change

Tire Pressure



**Symptom:
MPG**

Spark Plugs

Acceleration

Distractions

Fuel Boost

Deceleration

Materials

Methods

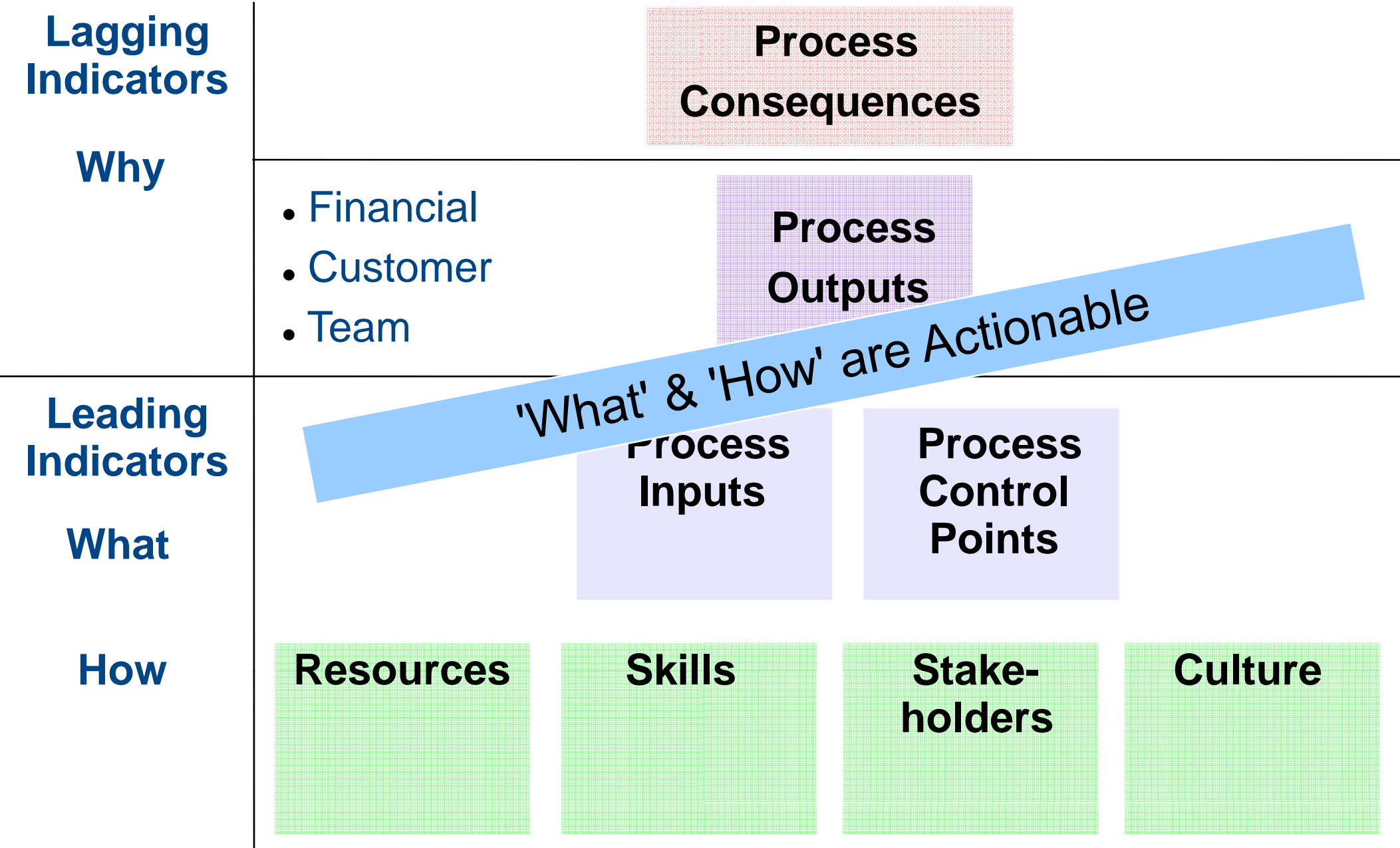
Manpower



Root Causes are Leading Indicators !!



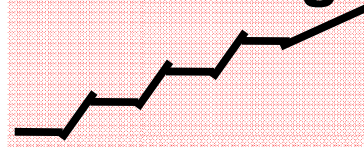
Hierarchy of Leading Indicator Dashboard



Example: Leading Indicator Dashboard

Lagging Indicators

• Gal/\$
w/MPG mgt



Why

• \$/Gal

• MPG

Leading Indicators Predict Lagging Indicators!!

Leading Indicators

• MPH



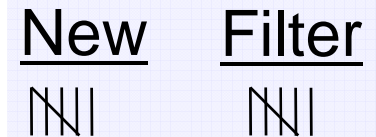
• Rates



• Tires



• Oil



What

How

Resources

Maintenance \$
Time for appts.

Skills

Do-it-yourself
Driver expertise

Stakeholders

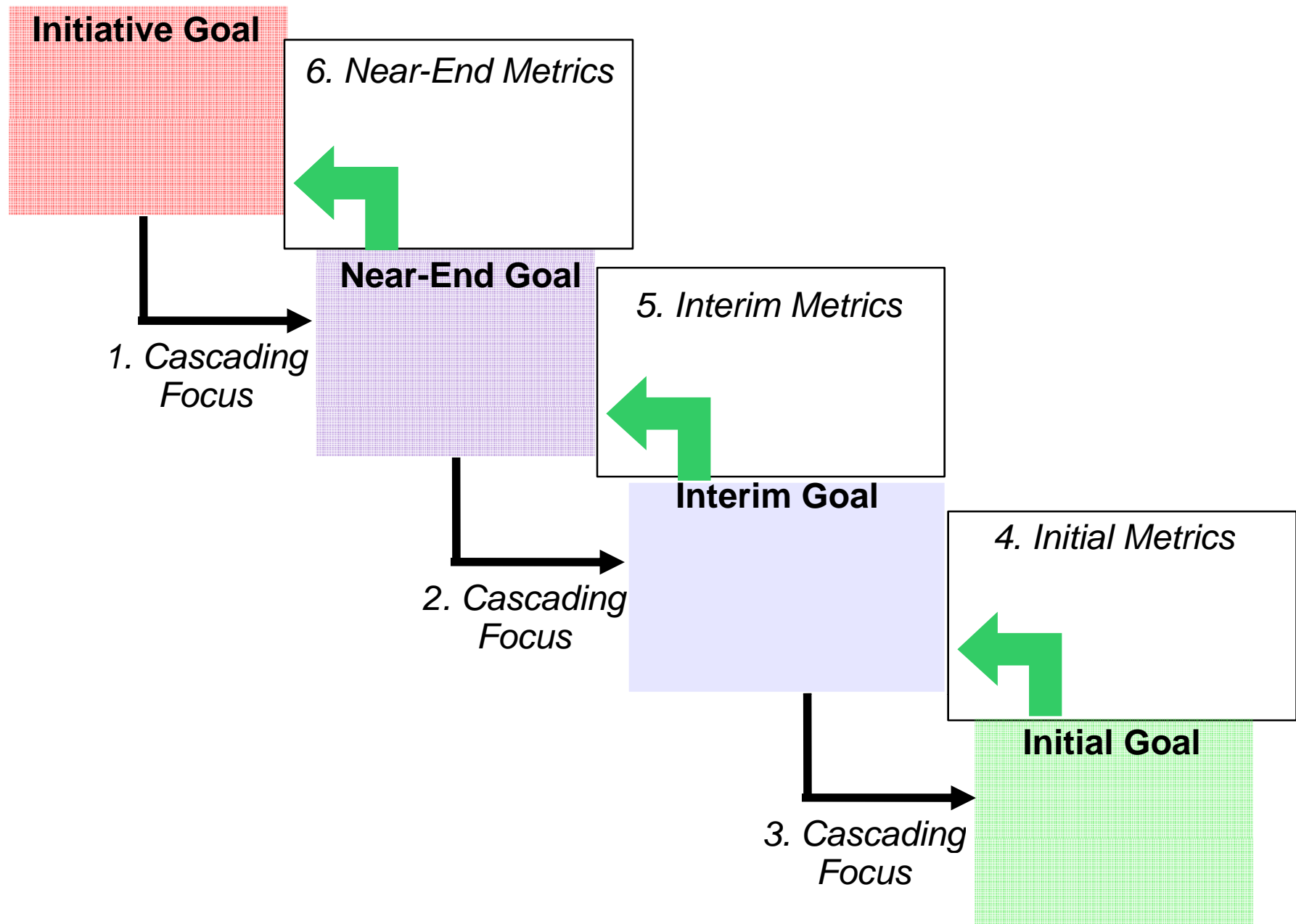
Other drivers
Passengers

Culture

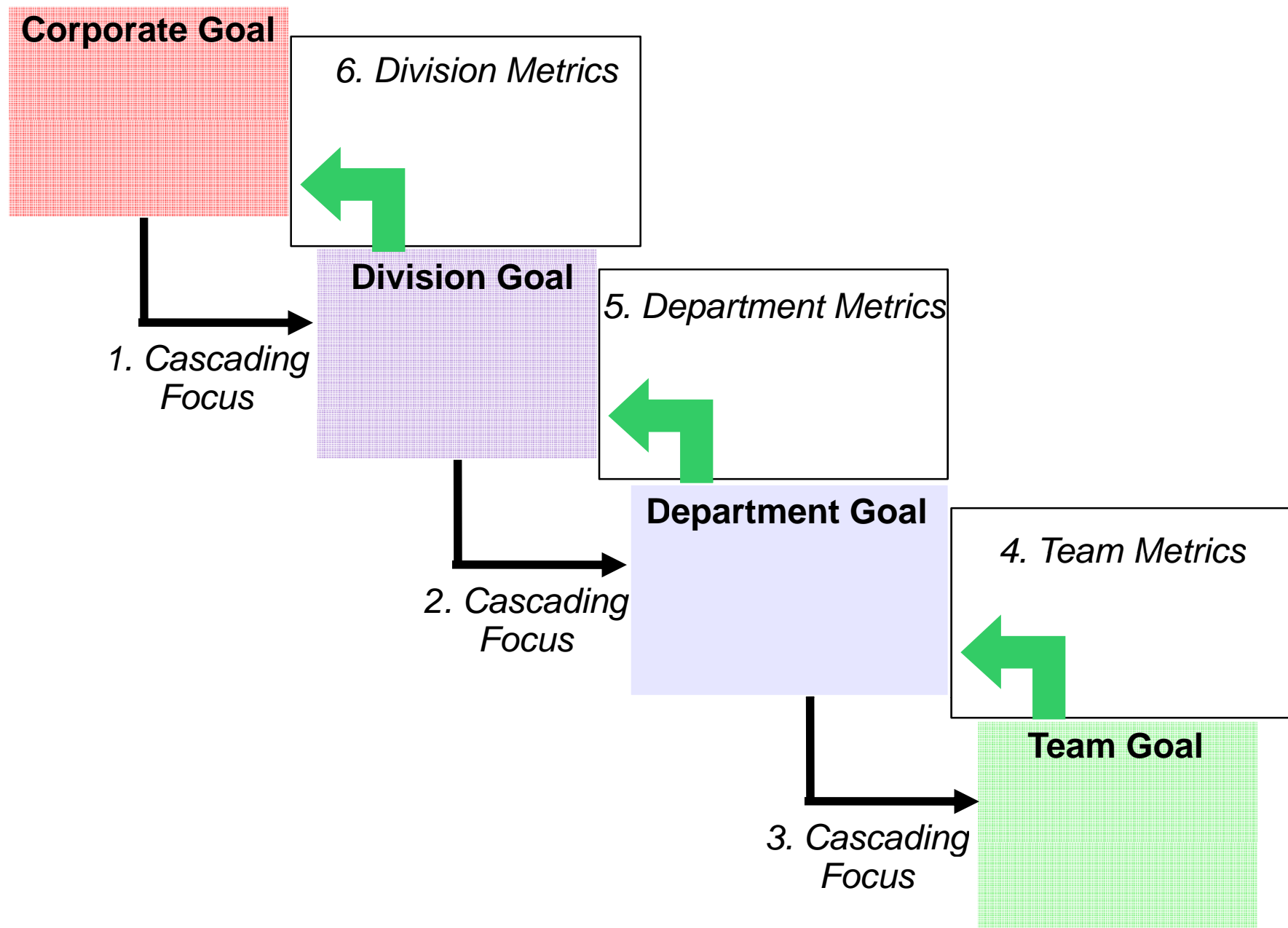
No-rush attitude
Attentiveness



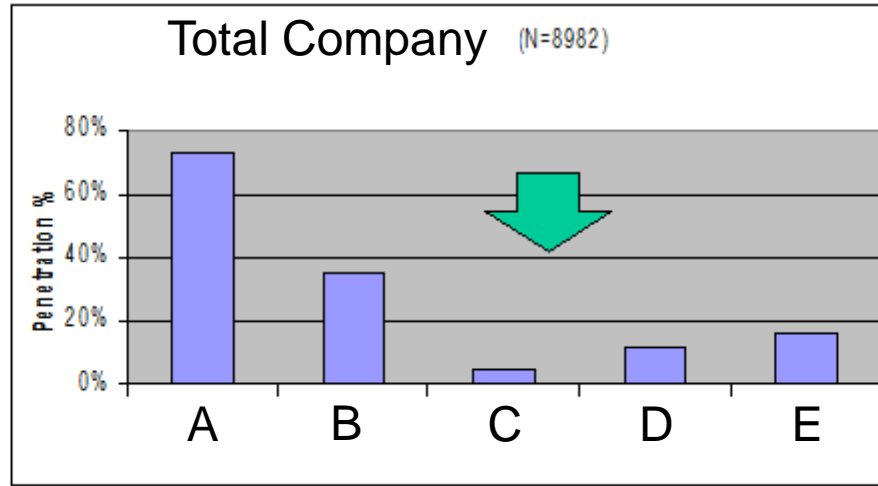
Cascading Objectives Worksheet: Initiative



Cascading Objectives Worksheet: Organization



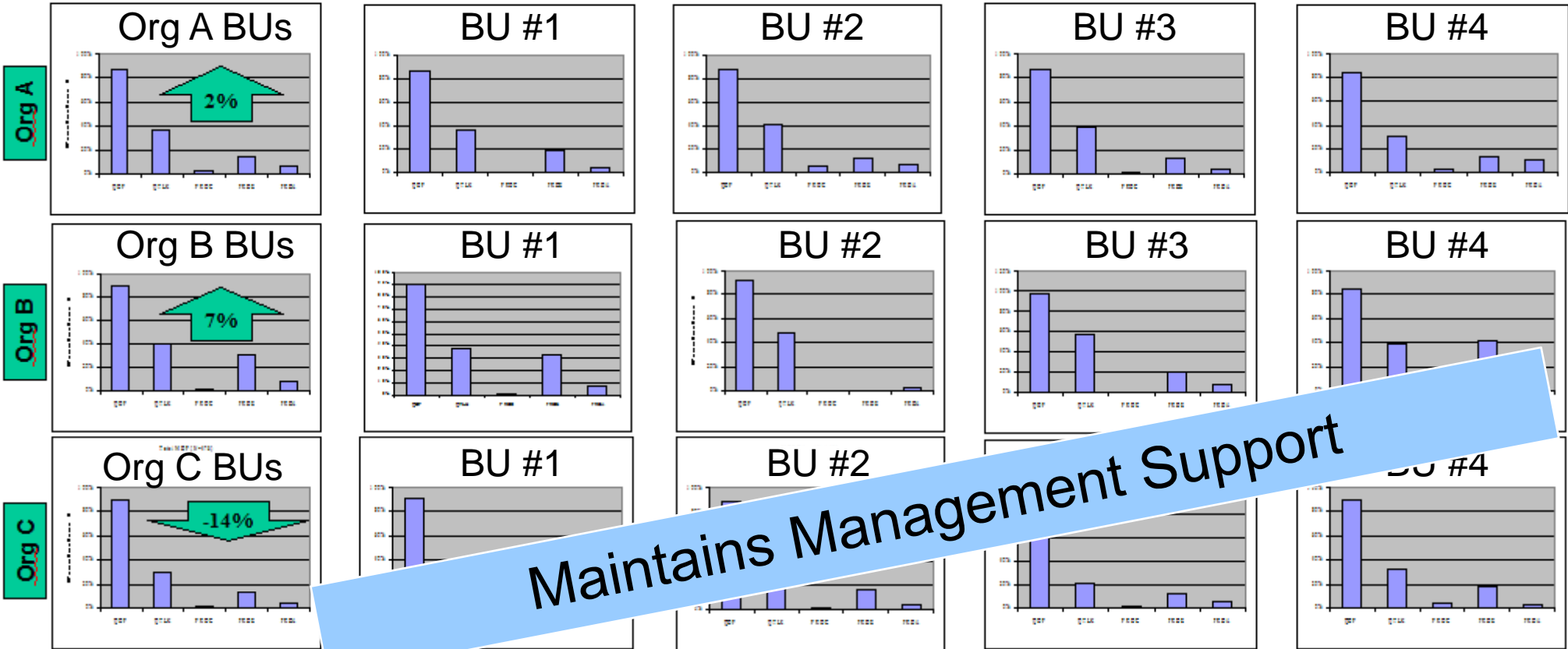
Tracking Indicators in a Large Organization



Percentages are the sum of all changes

- % penetration increase from previous quarter
- No change from previous quarter
- % penetration decrease from previous quarter

- Metric A: Definition
- Metric B: Definition
- Metric C: Definition
- Metric D: Definition
- Metric E: Definition



Typical Scorecard Metrics

Finances

- . Revenue
- . Profit
- . Gross Margin
- . EPS
- . Stock Price
- . ROI
- . Payback
- . NPV

Customer

- . Satisfaction
- . Promoters
- . Lifetime Value
- . Turnover
- . Conversions
- . Share of Wallet

People

- . Satisfaction
- . Retention
- . Turnover
- . Training
- . Succession

Operations

- . Productivity
- . Efficiency
- . Inventory
- . Delivery Time
- . Cycle Time

Competitors

- . Market Share
- . Win-Loss
- . Relative Quality
- . Relative IP

Stewardship

- . Environmental
- . Safety
- . Philanthropy
- . Association Involvement



Balanced Scorecard

Finances Customer People Operations Competitors Stewardship

External Metrics

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Process Consequences

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Process Outcomes

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Process Inputs & Control Points

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Process Levers

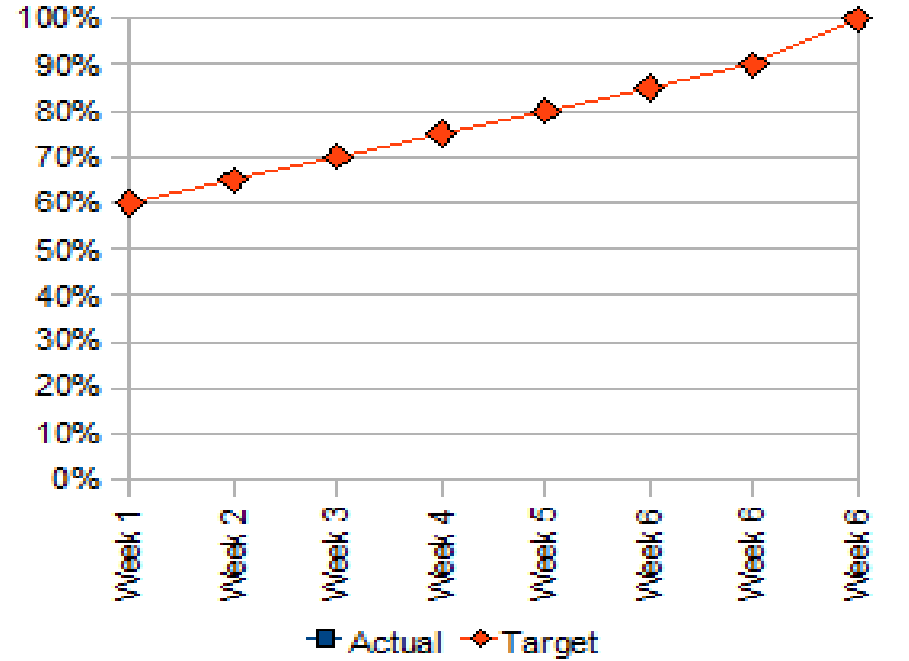
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Nurture Leading Indicators: Tashiro Chart

Customer-Focused Problem Statement:
Root Cause Statement:
Root Cause Goal:
Goal Owner:

Root Cause Metric: _____



Action Plan

Action Owner

Action Deadline

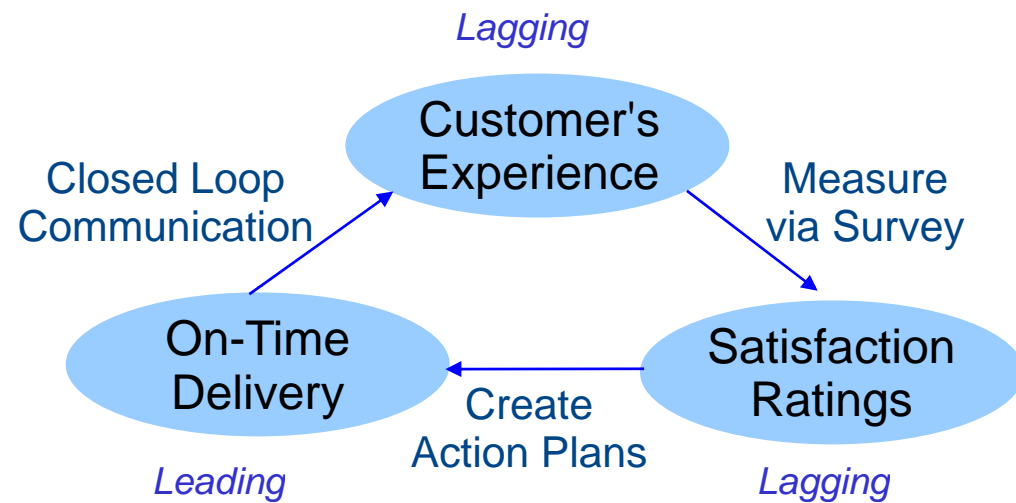
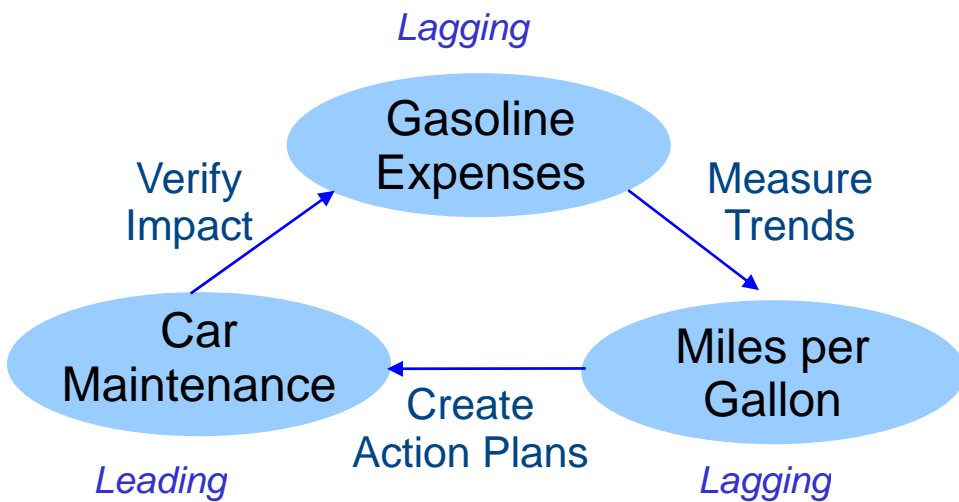
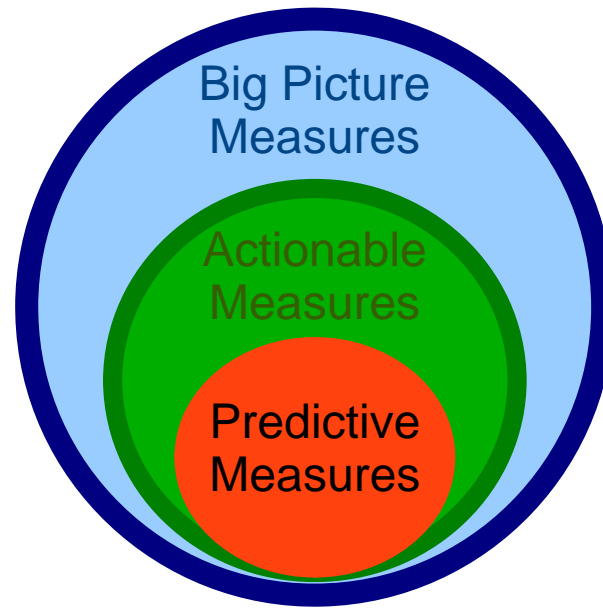
Goal Impact

- 1)
- 2)
- 3)
- 4)
- 5)

What Gets Measured Gets Managed



Summary: Connected, Actionable, Predictive



Tips for Leading Indicators

Applications:

ROI

Productivity

Quality

Customer Focus

Product

Price

Promotion

Distribution

SetUp

- Connect to big picture
- Identify root causes
- Focus on inputs & in-process

2-Way

- Levers: resources, skills, culture
- Focus management support
- Close loop to re-set perceptions

Value

- Actionable – you control it
- Predictive – early warnings
- Leverage – clout, resources



Lynn Hunsaker – Customer Experience Strategist



ClearAction Executive Mentoring:

***Clearly see what's needed
to take immediate action***

Take your customer advocacy to the next level:

- Prevent issues systemically
- Align effort with lifetime value
- Embrace negative feedback
- Innovate customers' full experience

ClearAction Change Management:

***Clear the way
for organization-wide action***

Auxiliary customer experience enablers:

- Team recognition strategies
- Leading indicator dashboards
- Marketing skills & operational efficiencies
- Interaction bridges

Significant gains in revenue & profit simultaneously



Testimonials

- “Lynn has taught us things that would not readily cross our minds
- She has increased our efficiency & accuracy in many areas
- I highly recommend her as a business consultant”



- “Lynn’s assistance was helpful
- I look forward to working together in future”



- “Lynn is a superb strategist, diagnostician, facilitator & team player
- She is the most knowledgeable professional I know in intertwining voice of the customer and marketing operations”



Tools & Guidance

On-Demand Training Podcasts
Building Customer Relationships – hear sample:
www.clearaction.biz/podcast.html

Upcoming eBook: “Experience Innovation”
Feb’09 – more information at:
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