Pin the Tail on the Metric

Steve Martin, Sr Program Manager, Methodology & Governance, Pegasystems
http://www.linkedin.com/in/stevemartinpmp
Introduction: Why are we here?
Shout it out!

No, seriously. Why are you here today?
Yes! Free lunch!

ONE WEEK OF CAFETERIA LEFTOVERS "PAW"
Workshop Objectives

1. Gain clarity on why you want to measure something in the first place
2. Be able to spot “good” metrics and “bad” metrics
3. Learn how to run the Pin the Tail on the Metric exercise to identify metrics to use
Couple housekeeping tips

- Highly interactive workshop
  - You get out what you put in.
- Our time is limited - please refrain from using technology during session
- Please feel free to ask questions
  - But, want to respect our time box together
  - May use a Parking Lot for questions
- To get electronic copy of the deck, connect via LinkedIn or leave your card
Opening Remarks & Exercise
Before I make my decision, I'd like to see those meaningless statistics again.
Metrics
Metrics ≠
Small group exercise

Introduce yourselves (if not done already)

So why do we need metrics anyway?

Time box: 4 Mins
Let’s talk metrics.
Let’s talk metrics. goals.
So what do goals have to do with metrics?

Your metrics should provide information to help you guide towards achieving your goals.
There can be goals at multiple levels for multiple purposes

Teams

Portfolios / Programs

Organization-Wide / Company Transformations
Let’s talk about Goals

- At your tables, **self organize into small groups** (about 5ish) around a topic area that you want to discuss more about over the course of this workshop.
  - Teams
  - Portfolios / Programs
  - Organization-Wide / Company (Agile) Transformations

- You may end up with more than one small group per table.

- In your small group, discuss what are the main goals/outcomes from {teams, portfolio/programs or org-wide/transformation}. **Write goals on cards/post-its on your table.**

- **Timebox: 4 mins** (to get in small groups and discuss main goals)
Start with **goals first**.

Metrics should **enable conversations about future action** with respect to your **goals**, and **not** to be used as a **status report**.
Metrics Considerations
Video

“Using Metrics”

https://www.youtube.com/watch?v=F4dCLrQpVsM

Featuring Martin Klubeck, author of "Metrics: How to Improve Key Business Results"; and Tim Chester, Chief Information Officer at the University of Georgia. Posted February 2012.
Shout it out

What makes a good metric?
Some Characteristics of “Good Metrics”

- Aligned with goals (Teams > Portfolios > Organization)
- Actionable
- Leading (can they help make decisions in the future) vs. Lagging (they “tell the news” and may make feel good/bad)
- Easy to understand
- Easy to collect data
- Recommended to have small number of good metrics
What makes a bad metric?
Be aware of “vanity metrics”

- Those that go “up and to the right”
- Non-variable
- Non-actionable:
  - # of page visits
  - # unique visitors
  - Total cumulative sales
Let’s see some examples.
Example Radar Chart (1 Team)

After 5 Sprints (1 Team)

After 10 Sprints (1 Team)

- Team Average
- Coach Rating
- Combo Coach/SM Rating
What do you think?

Give me a thumbs up, thumbs side, thumbs down on these “team” metrics:

# Hours spent in sprint planning
What do you think?

Give me a thumbs up, thumbs side, thumbs down on these “program/portfolio” metrics:

# Stories Completed
What do you think?

Give me a thumbs up, thumbs side, thumbs down on these “organization” metrics:

**Average Lead Time**
(i.e. *time to complete new requests*)
At your table, select the appropriate group of real metrics used at clients.

As a table, discuss and decide – which ones tend to be “good” metrics and which ones tend to be “bad” metrics.

<table>
<thead>
<tr>
<th>Teams</th>
<th>Portfolios/Programs</th>
<th>Transformations</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Velocity</td>
<td>• % Complete</td>
<td>• Change in Velocities per team</td>
</tr>
<tr>
<td>• # defects resolved within sprint</td>
<td>• # defects [that made it into] in QA environment [from Dev environment at end of sprint]</td>
<td>• Customer Sentiment</td>
</tr>
<tr>
<td>• # stories groomed / ready for planning</td>
<td>• # automated regression tests</td>
<td>• # of teams trained</td>
</tr>
<tr>
<td>• % code coverage for automated unit testing</td>
<td>• System performance</td>
<td>• # of sprints/iterations completed per team</td>
</tr>
<tr>
<td>• WIP (# stories)</td>
<td>• WIP (# stories)</td>
<td>• # new [paying] subscribers</td>
</tr>
</tbody>
</table>

Time box: 4 minutes
What do you think of this “Post Release Scorecard?”

<table>
<thead>
<tr>
<th>Business Expectations:</th>
<th>Quality:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• % User Story Definition Before Coding Begins (%)</td>
<td>• % Code Coverage for Unit Testing (%)</td>
</tr>
<tr>
<td>• Did Release meet release expectations (1-5, user)</td>
<td>• % Code Coverage for Functional Testing (%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Communication:</th>
<th>Planning:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• % Items in Communication Plan Completed (%)</td>
<td>• # Story Points/Day (#)</td>
</tr>
<tr>
<td>• Effectiveness of Communications (1-5, user)</td>
<td>• Velocity Variance (%)</td>
</tr>
</tbody>
</table>
Thoughts on this CIO Dashboard?

Other Characteristics of “Good Metrics”

- Use a small number of metrics
  - Keeps focus on the goals
- Revise/update metrics you use over time
  - Are your metrics still relevant?
  - Have goals shifted?
  - Are you “good enough?”
Partin' thought...

“The metrics for every project will be unique”

Pin the Tail on the Metric
Pin the tail on the metric

- An activity intended to be used with teams, managers, and executives to help identify the highest value-add, actionable metrics.
- Can be used at any level (e.g. teams, portfolios/programs, organization, transformations, etc.)
- Supplies needed:
  - Index cards or sticky notes
  - Felt-tip pens (such as sharpies)
  - Blue tape
- Total timebox for exercise: typically 60 mins.
Pin the tail on the metric

Step 1: Create list of your current metrics.

- Using your sharpies and sticky notes (or cards), write down each metric that you are currently reporting on and to whom.
- One metric per sticky note.
Step 2: Create your workspace.

- Use your blue tape. On a wall (or on a table), create the scale as indicated.
Step 3: *Silently* place metrics cards on your workspace.

- The key really is to be silent.
  Discussion will happen shortly…

- # Defects Resolved
- % Complete
- # Stories Completed
- % Unit Test Coverage
- Velocity
- Burn Down Chart

Painfully Useless

Very Useful
Pin the tail on the metric

Step 4: Review your goals together.

☐ Post your goals next to the workspace. Read goals aloud.

Goals:
1. Blah blah blah blah
2. Blah blah blah
3. Blah blah
Pin the tail on the metric

Step 5: Discuss (Majority of time spent here).
- Together, discuss metrics with respect to goals. Add/remove/modify metrics as needed.

Goals:
1. Blah blah blah blah
2. Blah blah blah
3. Blah blah
Pin the tail on the metric

Step 6: Determine reporting plan and frequency.

- Transparency is key. You’ll need to determine the (small) group of metrics that will be reported, how and when.

Goals:
1. Blah blah blah blah
2. Blah blah blah
3. Blah blah
Next Conversations
Further Conversations

- Metrics are only part of the story.
  - You must also look at your Governance process and how you make decisions.
- You must have a culture of safety and trust with metrics.
- It’s OK to experiment with metrics.
  - Did this give us the information we thought we needed?
  - Is this type of decision (by which we were gathering data for) still needed?
  - Can we retire this metric?
Q & A

- Steve Martin
- www.linkedin.com/in/stevemartinpmp
Additional Helpful References

- https://www.linkedin.com/pulse/forget-roi-use-innovation-metrics-instead-steve-glaveski
- http://scaledagileframework.com/metrics/
Pirate Metrics

**Acquisition:** Attracting new users

**Activation:** Motivating users to take action

**Retention:** Turning users into repeat visitors

**Referral:** Enticing users to refer their friends

**Revenue:** Generating ongoing revenue from each user
Innovation Metrics

- Most commonly used innovation metrics:
  1. Revenue generated by new products
  2. Number of projects in the innovation pipeline
  3. Stage-gate specific metrics, i.e. projects moving from one stage to the next
  4. P&L impact or other financial impact
  5. Number of ideas generated

- Activity metrics show you’re “busy stoking the boilers of innovation”. Examples: # employees trained in LSU, # new product ideas in research

- Impact metrics show your ship actually going somewhere. Examples: market share, cost reduction, revenue from new products/services in 1st year to market.

Innovation Metrics

Five ways most measurement efforts go wrong:

1. Alignment can take a while
2. Patience is a rarity
3. Failure isn’t fun to measure
4. Having a vision
5. Measuring too much