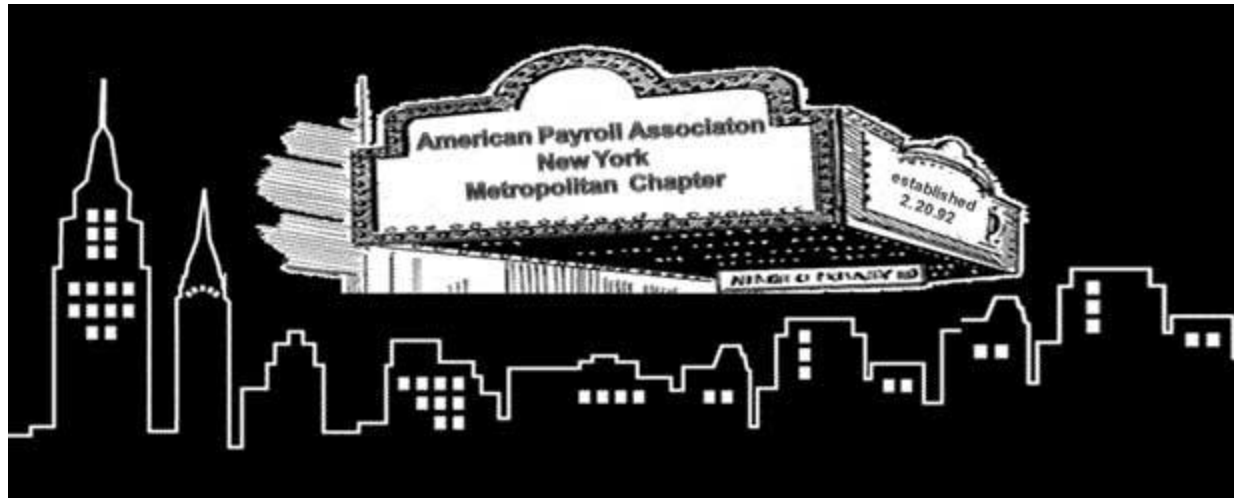


Using Metrics to Tell Your Story



NYC Metro Chapter Meeting

June 12, 2014

New York City 2012/13

- **Area:**

- **302.64 Square Miles**

- **Climate, (Average):**

- **Low of 38 (January)**
 - **High of 84 (July)**
 - **Average precipitation 49.9 inches**



New York City 2012/13

◆ Population:

- **8,336,697**
 - **21.6% under age of 18**
 - **12.1% 65 or older**
 - **52.5% Female**
 - **Median age is 35.6**
- **Median income of \$52,100**
 - **US median income is \$53,046**
- **One third have a bachelors degree**



Agenda

- ◆ **All about New York City!**
- ◆ **What are metrics?**
- ◆ **Why measure what we do?**
- ◆ **Developing metrics/KPI's**
- ◆ **Standard metrics**
- ◆ **Types of metrics**

What does this tell us about New York City?

◆ **Climate?**

◆ **Age?**

◆ **Income?**

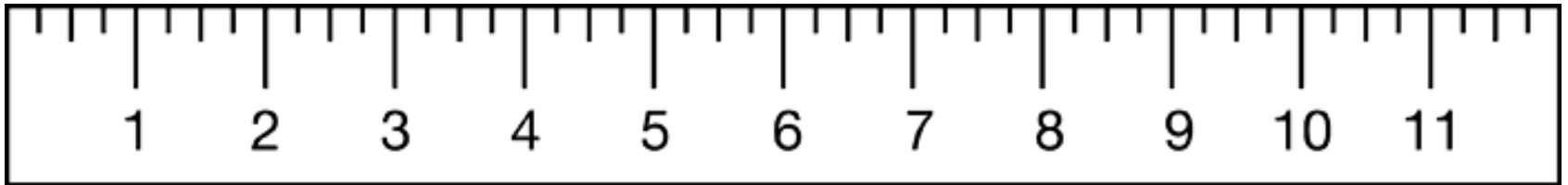
What are Metrics?

- ◆ **Figures used to measure activity, results or performance**
- ◆ **Metrics support a story**
- ◆ **Stories support metrics**

Metrics are also known as:

- ◆ **Key Performance Indicators (KPI)**
- ◆ **Critical Performance Indicators (CPI)**
- ◆ **Key Performance Measurements (KPM)**
- ◆ **Score Card**
- ◆ **Report Card**
- ◆ **Statistics**

Why Measure What We Do?



Why Measure What We Do?

- ◆ **Helps to understand where successes and failures are coming from**
- ◆ **Used as an early warning system – allows you to be proactive**
- ◆ **Helps in making decisions**
 - **No doubt about what you want done**
 - **Rewards (batch processing as a supervisor)**

Why Measure What We Do?

- ◆ **Sell your ideas and make presentations**
- ◆ **Can be used as the basis of Process Improvement Plans**
 - **You can't improve what you don't measure**
- ◆ **Benchmark either internally or externally**
 - **Compare yourself to a standard**
- ◆ **Set individual and team objectives**

Why Measure What We Do?

- ◆ **What gets measured gets attention**
- ◆ **The language of business is dollars and numbers**

"Without statistics, yours is just another opinion".

How Healthy Is Your Department?

- ◆ **How do you know what to measure?**
- ◆ **How do you get started?**
- ◆ **What do you do with them?**



Developing KPI's

1. Brainstorm with your team and ask other Payroll or AP Departments what KPI's they are reporting

◆ You don't want anyone to feel threatened or intimidated

◆ Get buy-in from Department

Developing KPI's

2. Determine which KPI's are the most basic and the most meaningful to your organization



Developing KPI's

3. Pick 6 (+/-) to report

- ◆ **Select a reasonable number of KPI's to report. Which ones are appropriate?**
- ◆ **Determine what upfront work will need to be completed (report definition, etc.)**
- ◆ **Determine who will generate the data**

Developing KPI's

4. Avoid analysis paralysis and just start issuing them!

- ◆ Focus on data collection and not the pretty presentation -- they don't have to be pretty in the beginning
- ◆ You don't have to issue them to 'everyone' in the beginning. Start by issuing them within the department

Developing KPI's

5. **Agree on targets for each KPI (don't let them be de-motivating)**

Methods for determining appropriate targets:

- ◆ **Use predetermined goals already set by your organization**
- ◆ **Reasonable and attainable for your organization**

Developing KPI's

6. Add targets to KPI's and refine format

- ◆ Make it look pretty
- ◆ Should be easy to analyze
 - They are not any good if no one looks at them
- ◆ Should not take a long time to review
- ◆ Consider your audience (executive summary?)
- ◆ Include a cover page

Developing KPI's

- 7. Get feedback from colleagues for enhancements**
- 8. Issue KPI's on regular basis**
- 9. Update and change KPI's based on your organization's needs**

Things to Consider for KPI's

- ◆ **Add a sentence to describe the significance of the KPI**
- ◆ **Show the KPI over time (multi-year trends)**
- ◆ **Include month-to-date, quarter-to-date and year-to-date**
- ◆ **Include agreed upon target data and compare to actual**
- ◆ **Include note of explanation when appropriate**

Common Payroll Department Metrics

- ◆ **Cost per payment**
- ◆ **Number of employees paid per Full Time Equivalent (FTE)**
- ◆ **% or number of off-cycle checks issued**
- ◆ **% of employees on direct deposit**
- ◆ **Total Tax Penalties**

Common Payroll Department Metrics

- ◆ **System performance**
- ◆ **Clock end time for payroll confirm**
- ◆ **Basic statistical information**
 - **Total payroll**
 - **Taxes paid**
 - **Deduction information**
- ◆ **Late paperwork and its impact**

Metrics As Controls

◆ Trend Analysis

- ☐ Gross Wages between periods
- ☐ Checks in Excess of \$X.XX
- ☐ Total Taxes Paid
- ☐ Number of employees with no check
- ☐ Hours worked in excess of....
- ☐ Account balances
- ☐ Other Key Amounts



Common AP Department Metrics

- ◆ **Cost per payment**
- ◆ **Full-time ratio to payments**
- ◆ **Total invoices processed**
- ◆ **Electronic vs. Paper invoices**
- ◆ **Total annual payments made**
- ◆ **Percent of electronic payments**

Metrics to Enforce SLA's

CALL CENTER

- ◆ **Number of Phone calls taken**
- ◆ **Abandoned calls**
- ◆ **Time Spent on call**
- ◆ **Processing time**
- ◆ **Accuracy of response**
- ◆ **Number of contacts before resolution**
- ◆ **Speed of response**



Look for Inspiration

- ◆ **APA Benchmarking Study**
- ◆ **Business Magazines**
- ◆ **Informal Benchmarking**
- ◆ **Business Books**
- ◆ **Past Performance**



How to present KPI's

- ◆ **Bar graph**
- ◆ **Pie chart**
- ◆ **Score card**
- ◆ **Plotted points on a graph**
- ◆ **Straight stats**



Poster or Post-it

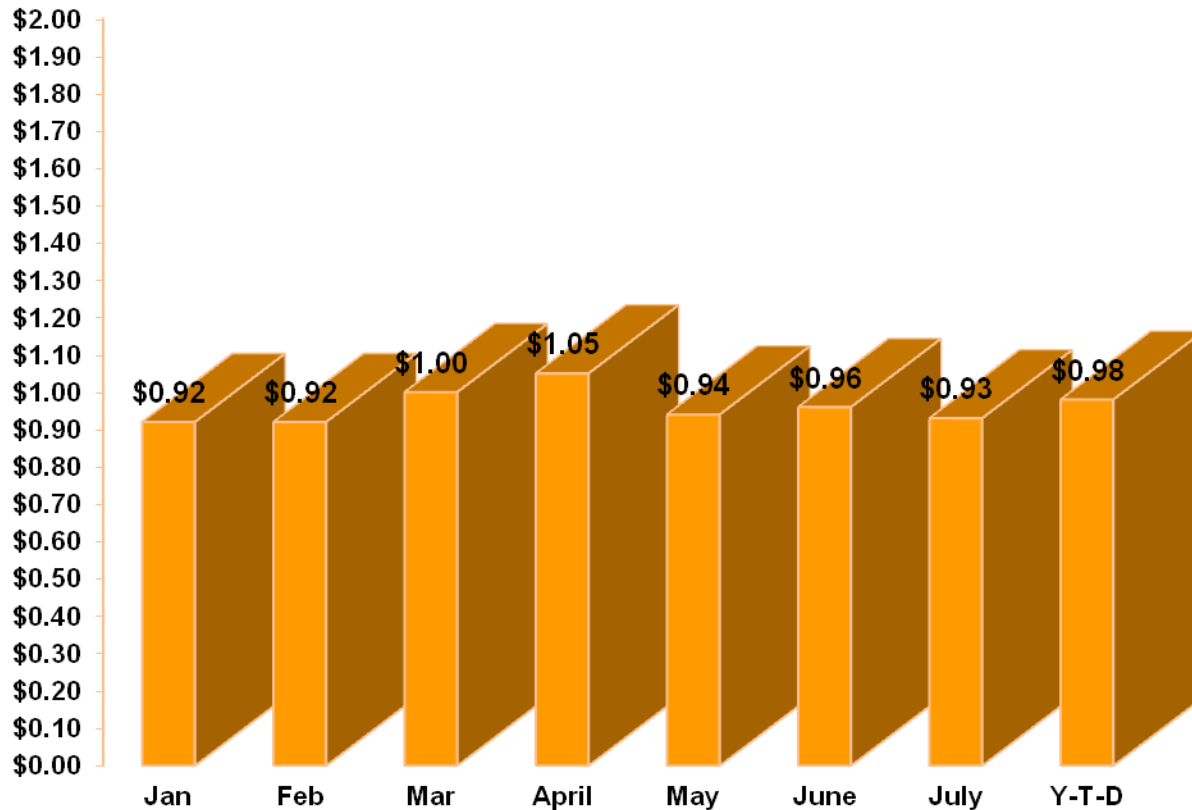


**95% DIRECT
DEPOSIT**

- ◆ **Just knowing a metric can improve it. You will be more aware of what makes the number fluctuate.**
- ◆ **When you review the metric regularly, you will start to make better decisions to influence it.**

Payroll Cost per Paycheck

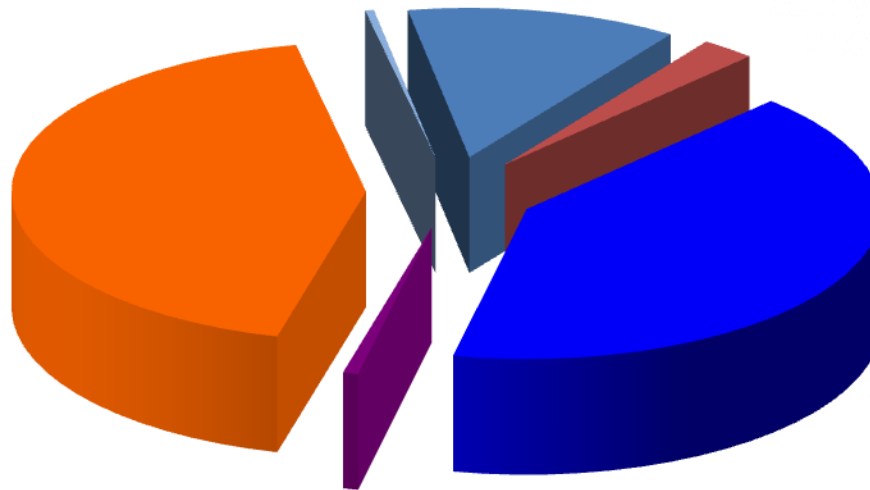
July 2013



■ Cost Per Check

Target \$1.00

Direct Deposit – July 2013

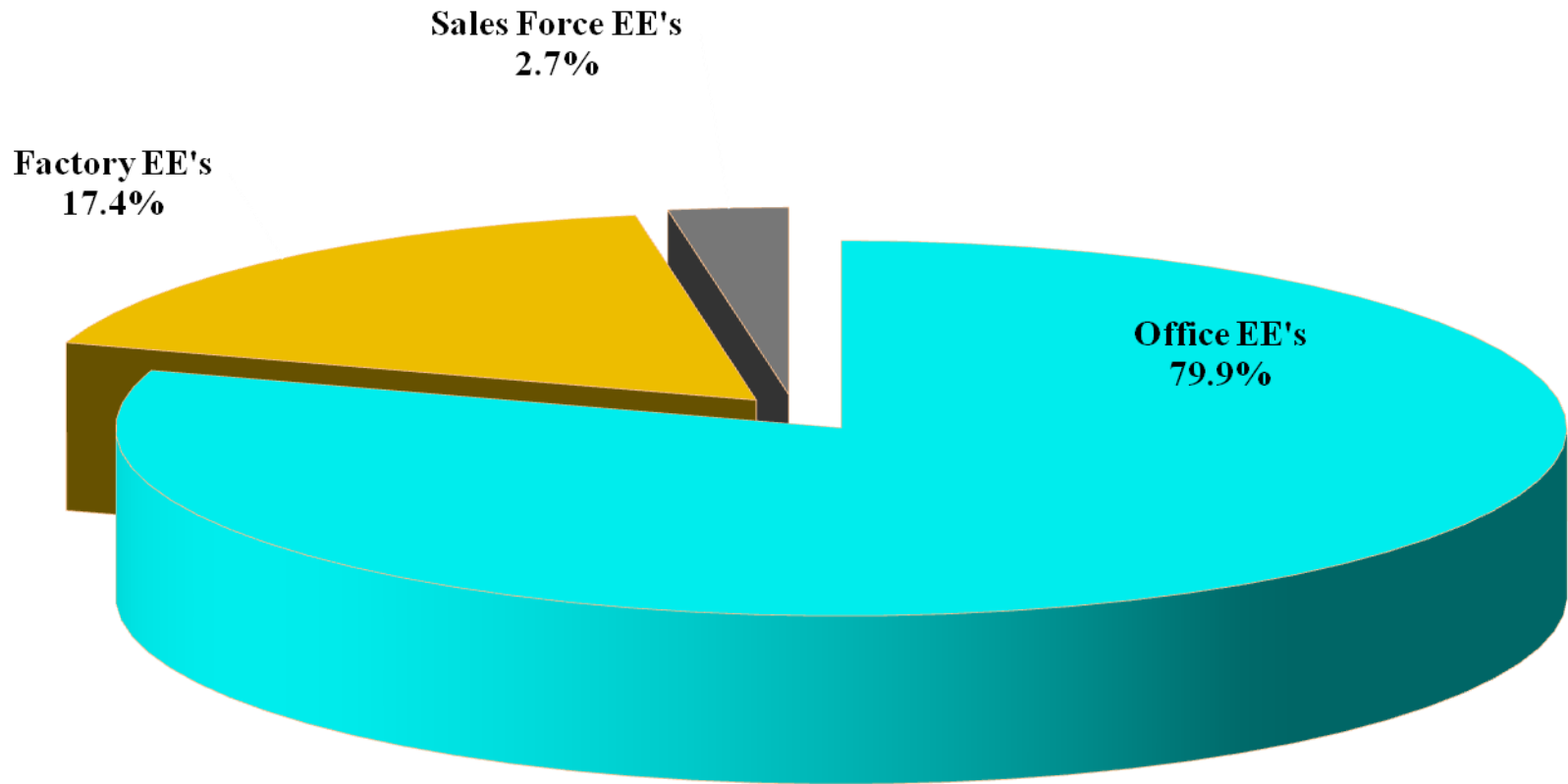


Actual 96.4%

Target 100%

Disbursement by Location

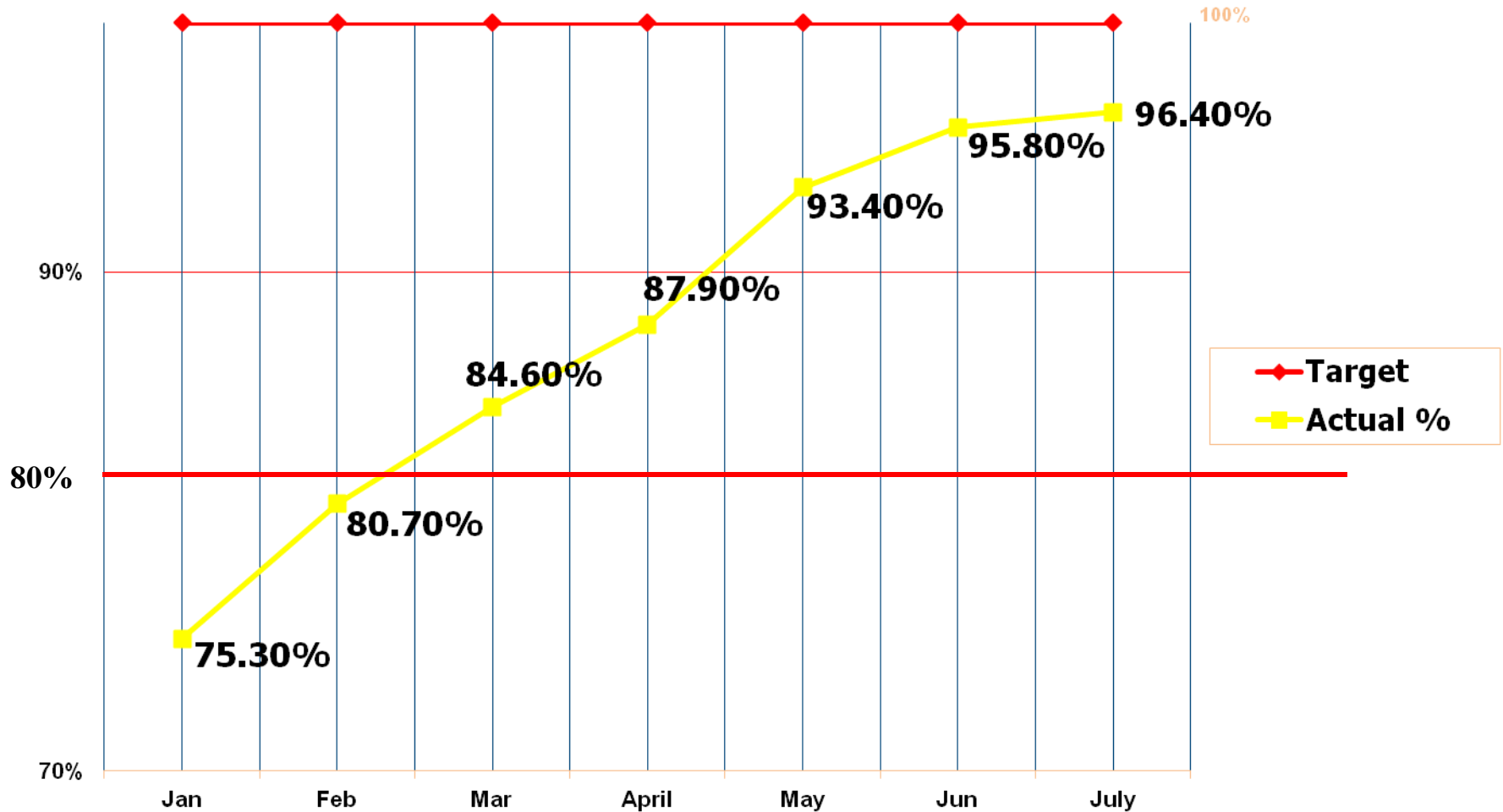
July 2013



Score Card July 2013

	Target	Actual	Score
% Of Off-Cycle Checks	0.5%	0.1%	Green
% Of Direct Deposit	100%	96.4%	Red
Late Personnel Actions	2%	1.8%	Green
% Of Under Payments	< 1%	0.5%	Green
% Of Over Payments	< 1%	0.9%	Yellow

Direct Deposit July 2013



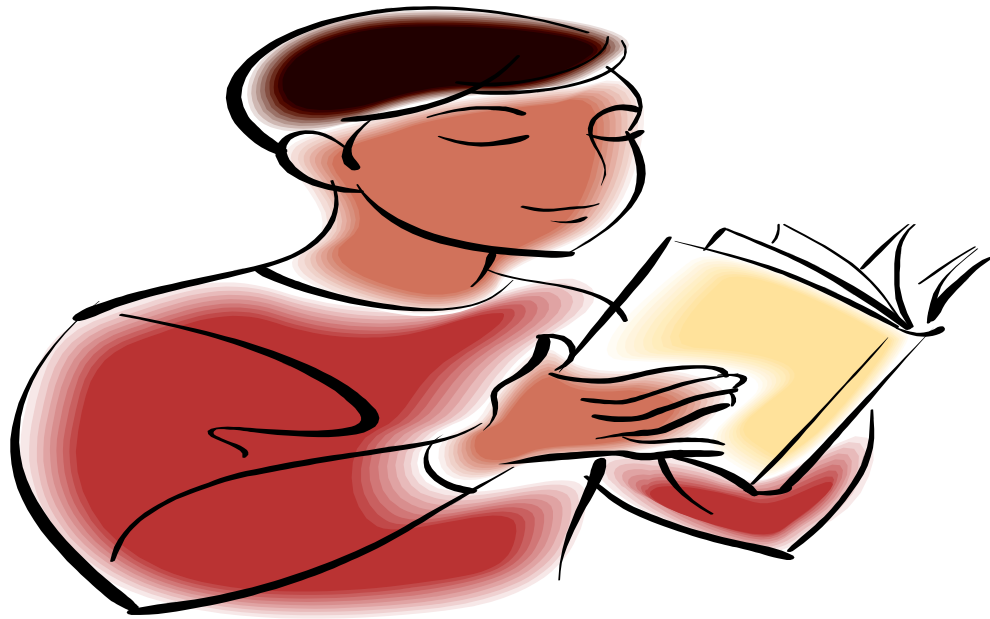
of EE's and Payments Processed July 2013

	# of Payments Issued	# of Active Employees	Frequency of Payment	# of EE's Paid per FTE	# of Paymts Paid per FTE
Location 1 Weekly	11,343	3,085	4		
Location 1 Salaried	7,161	3,906	2		
Pensioner	7,607	7,623	1		
Bonus	5,225		1		
Location 2 Weekly	11,303	2,737	4		
Location 2 Salaried	2,854	1,275	2		
Total	45,493	18,626		1,552	3,791
			Target	1,500	

What Is Your Organization's Story?

METRIC	YOUR COMPANY	PEER	BEST IN CLASS
FTE/Ratio	920/1	880/1	1200/1
Off Cycle Checks	2%	4%	1%
Cost Per Paycheck	\$2.30	\$3.40	\$1.70
Direct Deposit	94%	86%	93%

What story are you telling?



Contact Info.....



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