



Being "successful" is also "survival"

All are experiencing financial challenges...

- Doubling of the NIH budget is over
- Reductions in state support

14

More restrictive funding in a world of higher compliance





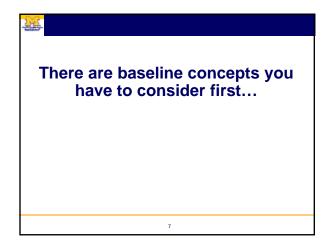
on benchmarks, you have to know...

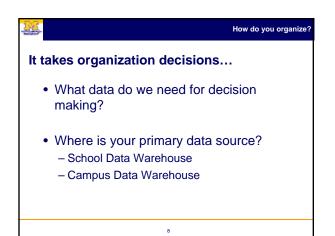
M

Why Use Metrics to Manage?

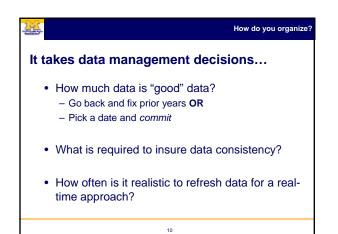
- Demonstrate value to stakeholders/constituents
- Assess progress toward goals and adherence to mission statement

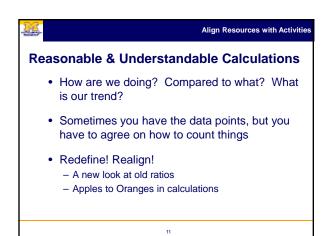
- Make decisions regarding resource allocation
- Demonstrate commitment to fairness and transparency





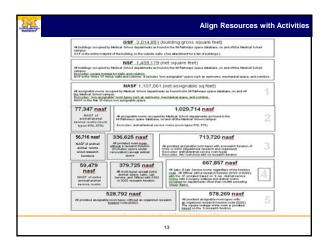
How do you organize? It takes a lot of work over time... • Thought into establishing level of detail – Unit Structure/Organization – Expenditures – Effort Categories – Data Views Level of detail going in to the system has to be equal to the data expected out of the system.



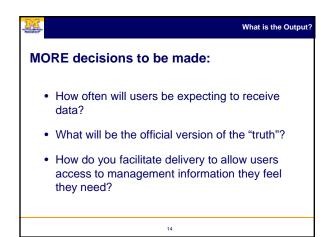


	s	299,147,768
	ides: clinical trials, training g	Expenditures, Twe to Medical School All Funds yards, on-campus organized research, anized research, etc.
\$22,634,226 Removes of campus organized research, clinical trails, etc. and any dollars for departments without space, ig PM&R	inc Gas d	\$276,513,542 Nulse only outpacted research used by class concess (5000 & 2000) in the Mpathways general ledger)
\$22,634,226 Removes of campus organized redearch, clinical thisk, etc. and any dollars for departments without space, ig PM&R	S41.746.422 Removes on-campus organized reach exp where reach is done Exclusively in hosp, VA, Subcontracts, NH Equipment or Construction grants.	\$234,767,120 Includes only on campos organized (or, defined by class codes 1000 B, 22000) generychware smarch is gedoma in Mefocial School bailongs (cruckales organized bailongs (cruckales organized bailongs) (cruckales organized bailongs) (cruckales organized bailongs) (cruckales organized bailongs) (cruckales organized bailongs) (cruckales organized bailongs)







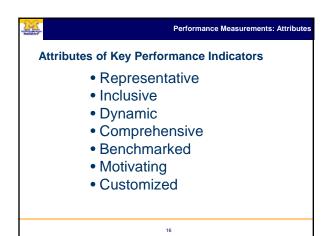


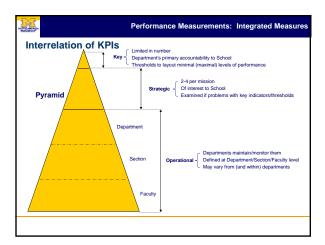
What is the Output?

In order to drive decisions with data, consider:

14

- Allowing comprehensive access to information in one interface
- Providing the real-time data to facilitate data driven decision making
- Allowing users "on demand" management information in a simple to use environment
- Providing users with the ability to perform "what if" scenarios

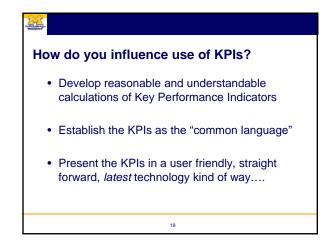




M

Goal of analyzing KPIs:

- Obtain better understanding of metrics currently in use
- Redefine culture as necessary
- Facilitate an accessible shared understanding of organizational direction
- Ensure consistency with the Strategic Vision





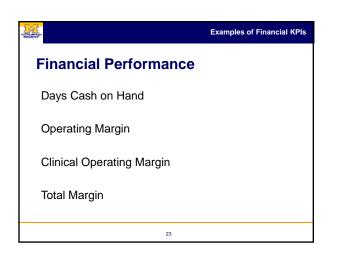
- These are the way we will benchmark
- No more long discussions on how you got to your numbers and we got to ours...

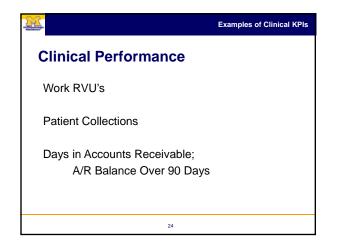
20

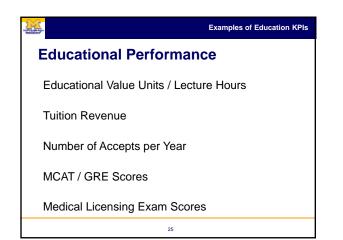
• Transparency between departments

Using Metrics to Manage – The Real-Life University of Michigan Story











14

Why KPIs?

What do metrics influence at the unit or faculty level?

- Strategic Planning & Direction
- Annual / Quarterly Reviews
- Space Allocations
- Research Incentive / Fund Allocation Models

- Hiring Decisions / Faculty size
- Salary Raises / Reductions

	Why KPIs?
Aligning Incentives with Metrics	
 Unit Level Executive Incentive Compensation Plan Fund Allocation Model Reputation Faculty Level Discretionary Funds Salary Supplements 	
– "Good Citizen" Rewards	

Caveats about Using Metrics to Manage

- Metrics should align with institutional mission and goals – Cascade Effect
- Beware the law of unintended consequences
- Keep an eye on both long-term trends and shortterm improvements/declines
- Establish expected thresholds or the metric has no context

29

Caveats about Using Metrics to Manage

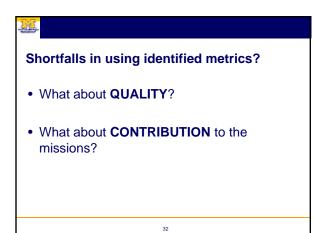
- Metrics should be appropriate to the unit of analysis
- The Devil is always in the details

M

- Transparency and broad understanding are key
- Not all metrics are applicable across all contexts

Not everything that counts can be counted, and not everything that can be counted counts.

Sign hanging in Einstein's office at Princeton

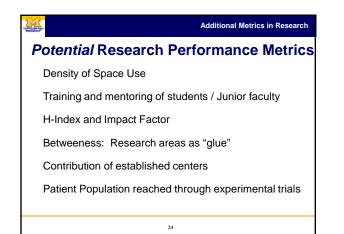


14

1947

"Quantitative information can help institutional leaders in important management decisions. However, the potential for misuse is great. The key is always to regard this information as an aid to judgment, not a substitute for it."

E.W. Holmes, et al. Measuring Contributions to the Research Mission of Medical Schools. Academic Medicine, 75(3), March 2000: 304-313.



<u>M</u>

M

Disincentives with the Metrics

- Unit Level
 - Frustration
 - Unequal treatment
- Faculty Level
 - Frustration
 - Unequal treatment

There is ALWAYS a story to tell....

• What is considered reasonable to measure?

How About You ...?

- Do you make consistent business decisions with the metrics?
- Do you establish thresholds of performance?

- Did you change culture?
- What was/is your incentive?
- Does it "work"?