



Continuous Improvement Opportunities by Trending Lagging Indicators

Greg Durfee
Sandia National Laboratories
May 6, 2009

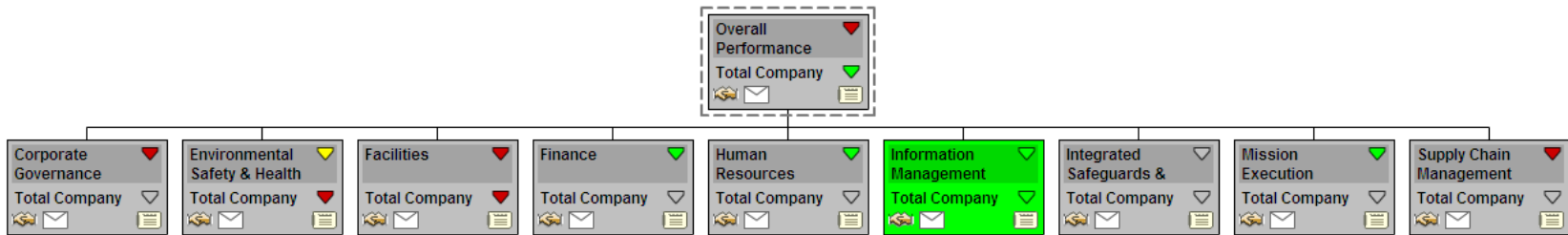


Evolution of Sandia Performance Measures

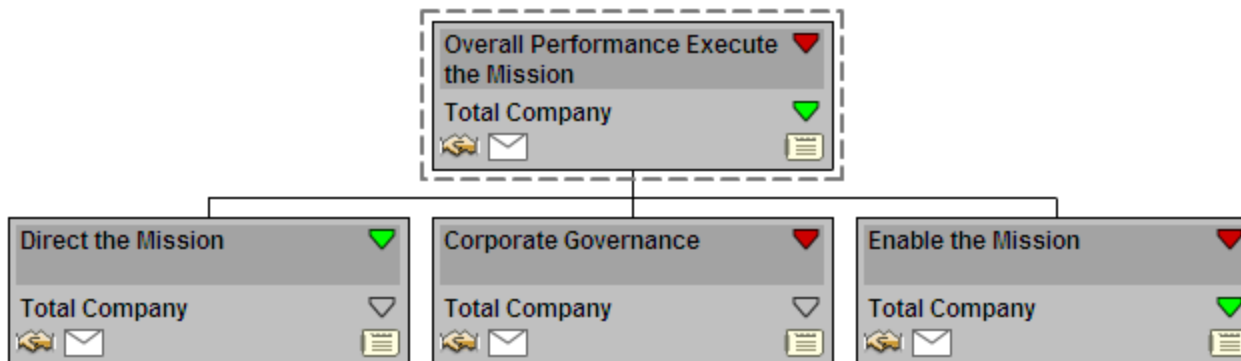
- **Initially organized by Policy Area (10/08 – 1/09)**
 - **Policy Area unique measures with linkages:**
 - **Within the Policy Area**
 - **To Divisions**
 - **To SMGs/SMUs**
 - **No Division or SMG/SMU unique measures**
- **Reorganized 2/09 to emphasize Programs/Projects alongside Policy Areas**
 - **Developed some unique SMG/SMU measures**
- **Current structure developed 4/09 to emphasize Mission measures alongside Operations measures**
 - **Still no Division unique measures**

Measure Structures

- Initial Structure



- Current Structure



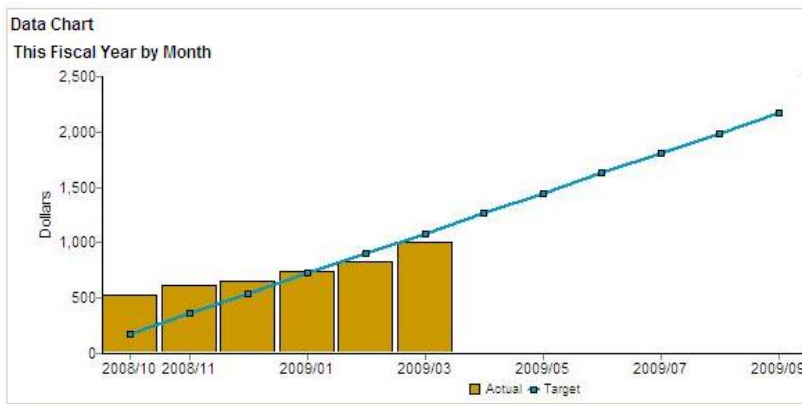


Leading Indicators

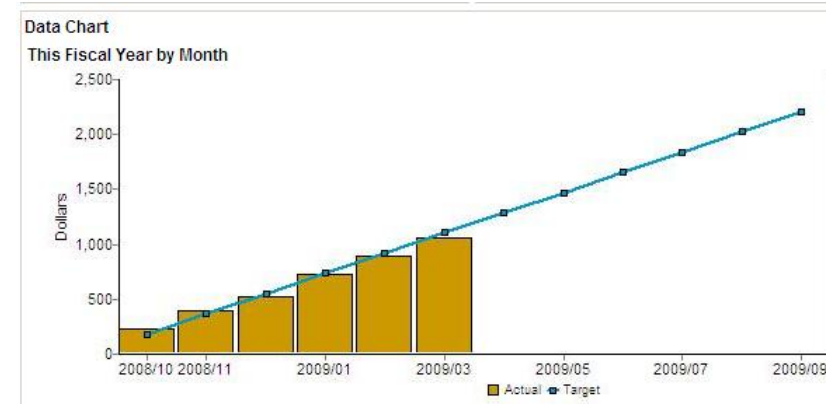
- **A classic definition**
 - A leading indicator is a statistic that predicts trends in the economy or a particular industry.
- **Another common definition**
 - Comparison of trends in related lagging indicators that support predictions
 - Example – Declining trends in human resource retention vs. increasing trends in funding may indicate future performance to contract problems

Some Related Sandia Examples

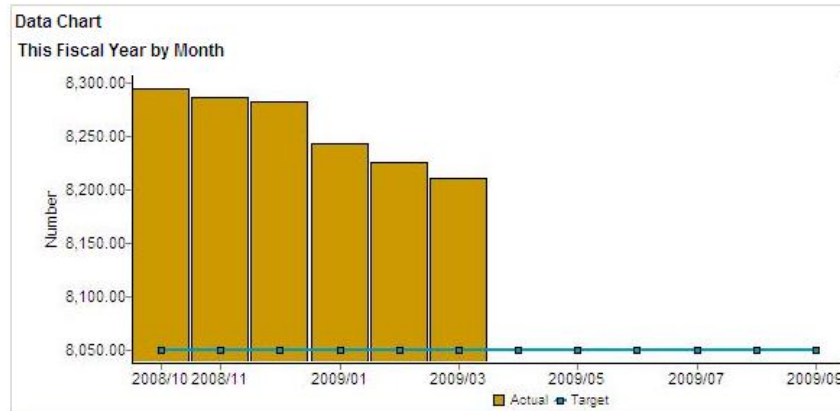
Revenue to Plan



Cost to Plan

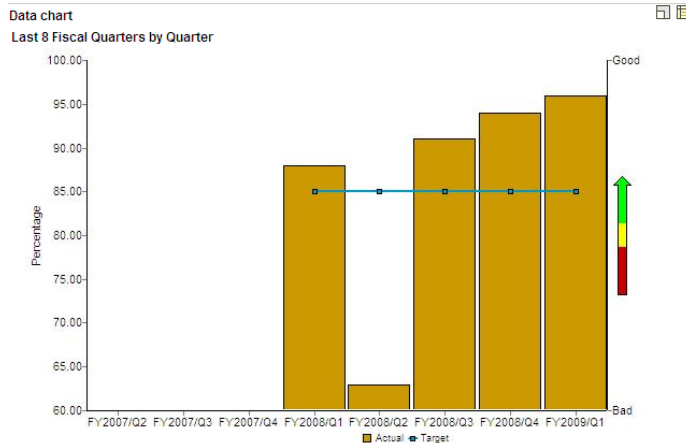
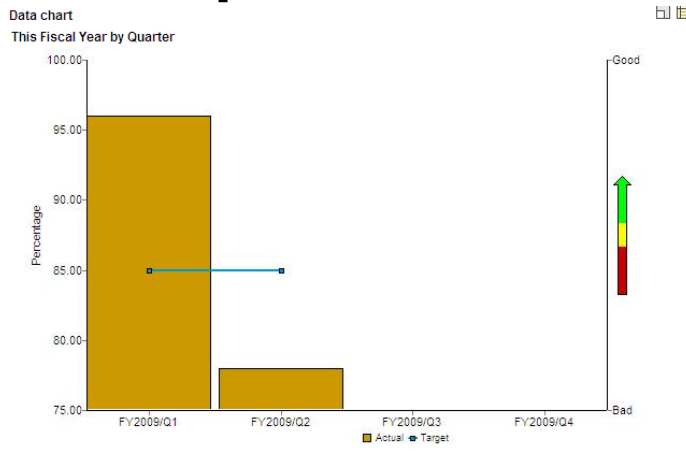


FTE to Plan

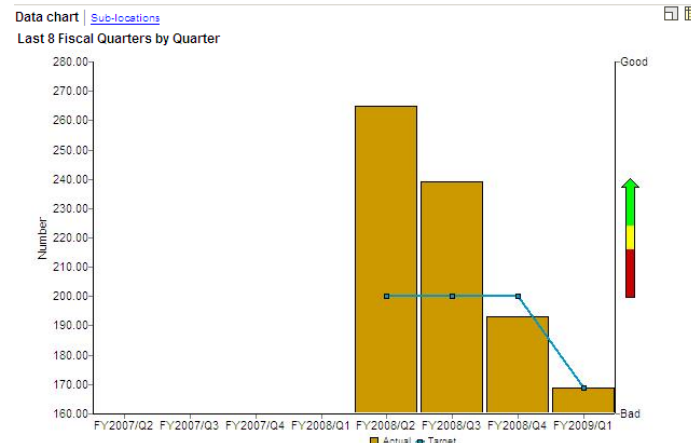
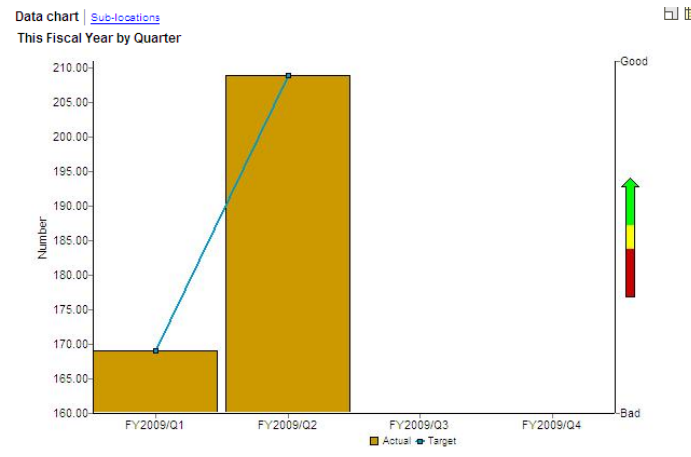


Some Unrelated Sandia Examples

% of Corrective Actions Completed on Time



of Media Interactions





Concluding Thoughts

- **Sandia's performance measurement framework is maturing**
- **Organizing related measures for concurrent management review is a challenge**
 - **There is also the challenge to understanding the temporal relationships between related measures**
- **Can trend analysis of related lagging indicators lead to individual, well designed leading indicators?**