



What you measure gets done

In Harvard Business Review and a number of pharmaceutical companies, discussions around KPIs currently appear to be hot. Evidence arises that sales, market share and calls per day are measures of the past and becoming more and more obsolete.



NB: If you **measure** speed you need two **metrics**: distance and time.

William Hewlett is said to be the originator of the statement that “*You only can manage what you measure*”. The subsequent addition that “*... what you measure gets done.*” rather is common sense than a specific pearl of wisdom.

Human beings will act following measures: it will make a huge difference setting your car’s display to average speed or show fuel consumption. The way you act, your behaviour while driving will change by the measure you choose. It might be worth an individual try!

In business we are the same human beings: if you have punch clocks in your offices or factories, time in the premises will be measured. Metrics are “in/out”. Employees will be in and out as measured and required. If you measure number of calls per day in your field force, your field force will deliver calls per day.

Tragedy of outdated measures shows when you read that in Asia many calls of medical representatives merely last 20 seconds, in Europe they name it “spot-calls” and in www.cafepharma.com you can read about “drive-by calls” and “*inflated numbers*” of calls reported. It is not really surprising that the reduction in field force headcount often does not harm pharma’s top-line.

Pharma tradition calls such measures often KPIs. In many cases KPIs suffer from two things: the undefined word “performance”, standing for something different in every one’s understanding and the neglect of the original intention of Key Performance Indicators:

Everyone in the organization pulls the same rope at the same end into the same direction.

Usually there are two categories or sets of metrics: 1. Input or effort and 2. Outcome or result.

Central questions are:

1. If you measure field-force activities or results why not call the measures *activities* or *results*? The only alternative is to define, share and make sure that everyone understands identically what “performance” in your company is.
2. Whatever you measure must fully match and support the company objective. If your objective is “client satisfaction” you must measure it. Remember: *Improvement of top or bottom line is the “raison d’être” of an enterprise and hardly a meaningful measure.*
3. Any metric or measure must be manageable. Jason Jordan wrote in HBR (Jan. 2014): “*As much as sales managers talk about “managing revenue” or “managing market share,” Business Results are ultimately unmanageable.*”

Measures or KPIs must be defined in support of the company objective and strategy. Novel thoughts and managerial action might already be overdue.