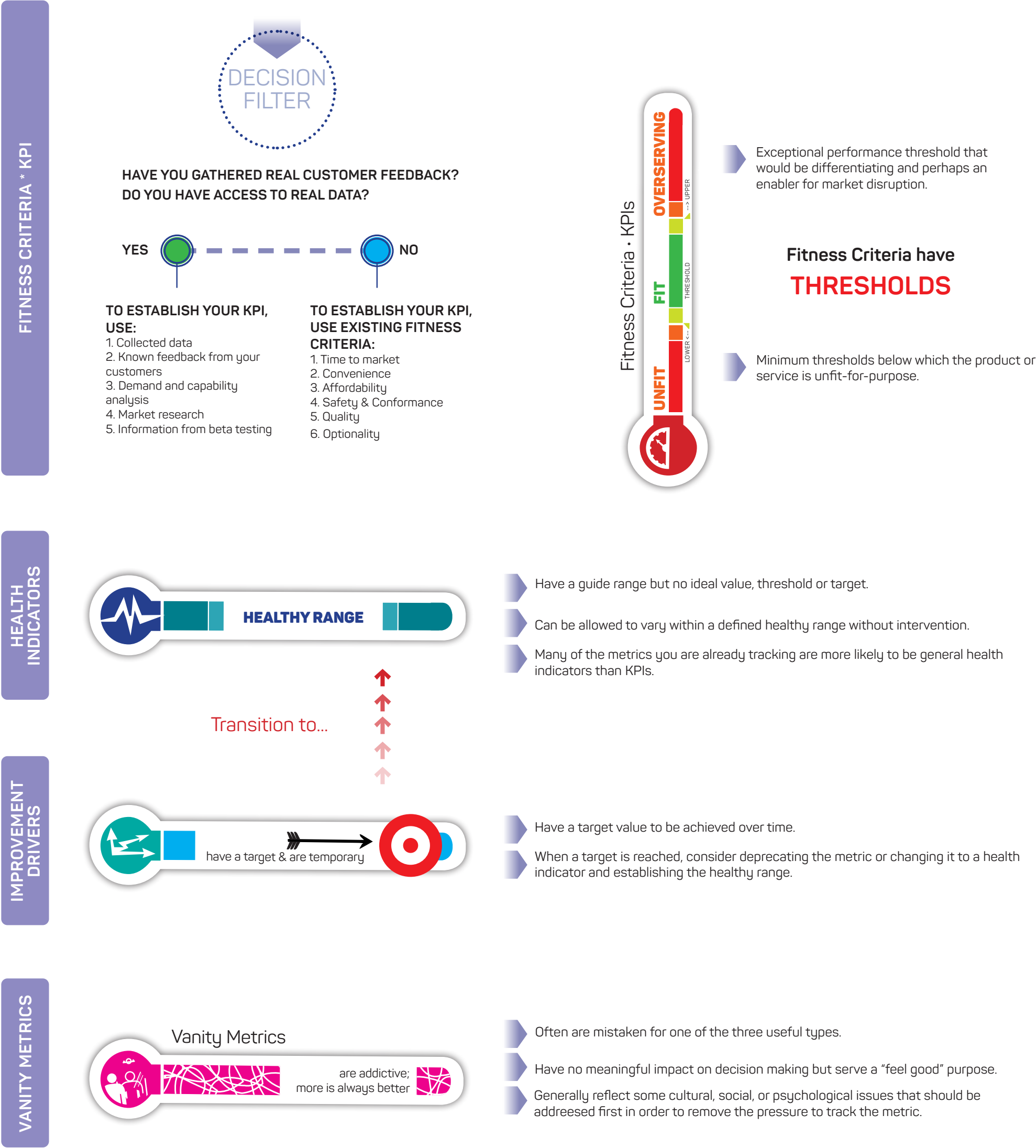


FIT FOR PURPOSE FRAMEWORK RELEASE 3

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METRICS



METRIC TYPE

LAGGING INDICATOR

- Reported after fact, e.g. Lead Time

LEADING INDICATOR

- Can be instantly measured e.g. WIP
- Predicts good or bad future outcomes, e.g. shorter or longer lead times
- It is most interesting to monitor changes (detect deltas) e.g. rising WIP
- Example: weight and blood pressure for humans; it is changes that matter most and are most indicative.

LEADING INDICATOR

- They have a relationship to a fitness criteria
- If we hit the target for the improvement driver, we expect to see an improvement in the fitness criteria

LEADING OR LAGGING INDICATOR

- They do not align to survival or success
- They are “feel good” metrics related to identity and self-esteem

OKRs

Improved Objectives & Key Results using Fit-for-Purpose metrics

- F4P helps enable better, higher maturity use of OKRs.
- The use of F4P Metrics enables the definition of “strong” key results.
- The progress towards OKRs should be tracked and reported regularly. Create feedback loops using meetings & reviews such as the Kanban Cadences of Operations Review, Strategy Review, & Service Delivery Review.
- F4P provides input on market segmentation on a strategy review, where you set top 5 OKRs.
- Fitness criteria and their thresholds, improvement drivers and their targets, health indicators and their ranges make defining good OKRs easier and more effective. They make OKRs more transparent and explicit.
- F4P Framework helps to frame OKR stretch goals in more realistic and motivational terms: exceptional performance thresholds for fitness criteria. These potentially disruptive and differentiating levels of capability may enable new market segments or redefine markets.

6 TRAPS OR MISTAKES IN WRITING OKR	HOW FIT-FOR-PURPOSE CAN HELP
Failing to differentiate between committed and aspirational OKRs	F4P Framework helps to make market segmentation and target vs non-target segments explicit.
Business-as-usual OKRs	F4P focuses everything around the customer and a market segmentation based on customers’ purposes.
Timid aspirational OKRs	F4P makes customers’ needs explicit and their acceptable and exceptional threshold limits explicit.
Sandbagging	Although F4P cannot help here, the Kanban Method can support transparency, capacity allocation and demand-capability balance.
Low value Objectives (aka “Who cares?”)	F4P makes the value of an opportunity more explicit and transparent. It also helps understand the value of an improvement.
Insufficient Key Results for committed Objectives	F4P makes explicit what the fitness criteria for each market segment are, along with thresholds levels to satisfy them.