|  |  |
| --- | --- |
| Date Created | 1/10/14 |
| Revision | 1 |

**Measure Definition**

|  |  |
| --- | --- |
| **Background:**   * What is the measure name? * Who is the measure owner? | * Cost Reduction, purchase items * Business Office |
| **Alignment & Decision Making**   * What Strategy or Tactic does this measure align with? * What Cause or Effect are you trying to address? * What decisions/actions are required if the measure’s goal is not achieved? | * Reduce overall cost spent per purchase item. * Ensure best practices, vendor/cost to support increased cost savings. * Review preferred vendor list, negotiation opportunities. |
| **Type**   * Perspective (Strategic, Tactical, Operating) * Focus (Results, Activities, Resources) * View (Internal, External facing) | * Strategic * Results, Activities * Internal (HD employees), external to vendors |
| **Definition**   * Anchor * How is it defined? * What is the target? * Scope of Measure (e.g. which products/processes, geographies, population group): * Time the target is to be achieved: * Trend: * Expected accuracy of measure (+/- %): | * Cost * Item cost * To reduce purchasing costs by $4500 per quarter. * By May 1, 2014 * 90% confidence |
| **Procedure**   * Who collects the information? * When (frequency and timing)? * How collected? * How verified? | * Business Office/Purchasers/Manager * Monthly * POs, negotiations by Manager * Reviewed by supervisor, report to Mgmt. |
| **Analysis**   * Who analyzes the data? * How (steps, statistical methods applied, statistics generated)? | * Business Manager * Monthly historical comparison of costs |
| **Reporting**   * Who? * When (timing) and frequency of report? * Visual representation (e.g. graph, number) (Insert sample graph) * How transmitted (e.g. posted where, email to who, where are results stored)? | * Business Office * Monthly * Graph, numbers, time reduction      * Electronically, emailed to senior mgmt.. |

**Check Characteristics**

* Interpretable
* Relevant
* Reliable and valid
* No negative consequences
* Treated responsibly
* Accepted by decision makers
* Low waste/cost