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

**Measure Definition**

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| --- | --- |
| **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