



Establishing Weekly Health Metrics

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How to make business health metrics your weekly heartbeat.

In this guide, we will cover:

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Establishing Weekly Health Metrics

Gone are the days of annual planning and quarterly strategy reviews! It's time to shift to weekly management of KPIs that keep your finger on the pulse and set your team's priorities for the week. Imagine what your weekly team meetings would look like with results leading the conversation and action happening for the week to impact those results. Use this guide to achieve the following:

- 1. Identify 7-10 mission-critical, leading metrics.**
- 2. Put a system and process in place to gather weekly data.**
- 3. Provide visibility to your team to align around action.**

After all, a strategic plan is fundamentally a plan for growth. Developing a thoughtful growth strategy can be a difficult exercise and, as always, this guide intends to make it easier. Use the Growth Canvas as a worksheet to build yours.

The Importance of Health Metrics

Health metrics are best described as a business's vital signs, much like physical vital signs. With the accelerated pace of business today, it's imperative that leaders have a regular view of indicators that tell the health and vitality of your organization. It's particularly important in this period of uncertainty and chaos as you lead your team and set priorities.

How time and resources are used is the difference between surviving and thriving. A clear set of metrics that tell you if your business is healthy or getting sick is the only way to determine what the right priorities are and what can wait.

Is There a Difference Between Health Metrics and KPIs?

Honestly, health metrics really are key performance indicators with a twist. The twist is an important one though: Shift your focus from growth to viability. To do that, think differently in the following three aspects:

- 1. Think mission-critical drivers instead of traditional lagging metrics.** Meaning, you want to see early warning signs to allow you to take action quickly. (Example: Operational breakeven)
- 2. Jettison target setting in favor of thresholds.** Meaning, instead of putting forth an aspirational goal, you are communicating good organizational performance is staying above a threshold.
- 3. Get rid of glam metrics.** Glam metrics are those numbers that make everyone feel good, but in no way drive business performance. (Example: Facebook likes)

Criteria for Great Health Metrics & Targets

In a perfect world, health metrics meet the following criteria. Do apply these as loose guidelines instead of mandates as each business is unique and different!

- » **Critical, Not Nice to Have:** Is critical to the viability of your organization.
- » **Reportable Weekly:** Can be reported weekly. Monthly is ok, but most need to be weekly.
- » **Data Source:** The data is easily pulled and available.
- » **Controllable:** Your team can directly impact the number.
- » **Comprehensive:** The set of health metrics need to align to your strategic priorities and cover all aspects of the business.
- » **Thresholds Instead of Targets:** Based on historical performance, you know the number you must not fall below.

5 Steps to Establish Your Health Metrics & Reporting System

01

Identify Metrics

The shift here is to really look at financial metrics that indicate viability not profit creation.

02

Clarify Calculations, Past Performance, & Threshold

This is the area with the most leading metrics related to health. Steer away from glam metrics to focus on those that actually lead to new business.

03

Set Up Data Source & Data Capture

Determine who, where and how the data will be pulled every week. TIP: Don't worry about automation, go with manual for now.

04

Land a Reporting System

We strongly advocate for a management tool, such as the OnStrategy App, to collect the data and use it to deliver weekly dashboards.

05

Report & Take Action Weekly

Use the MetricMonday Guide to stand up a weekly team review and prioritization session!

Examples to Follow

As every organization is unique, it is impossible to create a list that is all encompassing. Use the following to prompt your thinking for how you might apply these examples in your business. Here are some specific tips organized by broad strategic priority areas:

Financial Viability

The shift here is to really look at financial metrics that indicate viability not profit creation.

New Customer Acquisition

This is the area with the most leading metrics related to health. Steer away from glam metrics to focus on those that actually lead to new business.

Current Customer Retention

Managing a current client base is very company specific. Work on finding metrics that you can watch weekly instead of the standard monthly metrics.

Operational Efficiency

Remembering these are intended to be health metrics not operational stats, it's important to just pull out those that are directly leading indicators of team and resource efficiency.

Team Health & Wellness

Probably the hardest of the bunch to measure, consider putting new methods in place to take a temperature check of your team's health.

STRATEGIC PRIORITIES	HEALTH METRICS
<p>FINANCIAL VIABILITY</p>	<ul style="list-style-type: none"> » Operating Surplus/Gap (Revenue - Operating Expenses) » Cash Reserves » New Sales Revenue to Goal or Previous Month (New revenue acquired in the period)
<p>NEW CUSTOMER ACQUISITION</p>	<ul style="list-style-type: none"> » Website Traffic (CAUTION: This can be a glam metric) » New Leads (Number generated by marketing activities) » SEO/ Ad /Social Campaign Conversion (Number of new leads by campaign) » Sales Growth Year-to-Date (Month-over-month change in new revenue or deals) » Qualified Leads (Number in the pipeline that meet predetermined qualifications and have a high likelihood to close) » Dollars in Pipeline (Total contract value of qualified leads) » Lead-Conversion or Close Rate (Number of leads/ number of new customers)
<p>CURRENT CUSTOMER RETENTION</p>	<ul style="list-style-type: none"> » Committed Customers (Number of active, contracted customers) » Engaged Customers (Based on purchase frequency or product use) » Retention Rate (# of customers at end of a month--# of new customers/# of customers at beginning of the month) » Backlog (Dollars contracted but not used)
<p>OPERATIONAL EFFICIENCY</p>	<ul style="list-style-type: none"> » Delivery Times (Committed time to delivered) » Sprint Commitments (% of tasks delivered to those committed) » Error Rates (% of defective product to total) » Billable Hours (% of time spent delivering work to total)
<p>TEAM HEALTH & WELLNESS</p>	<ul style="list-style-type: none"> » 1:1s Held (Number of 1:1s to number of employees) » Sentiment Check (Weekly 1-question survey) » Goals/OKRs on Track/Achieved (% of items on track or achieved across all staff)

Weekly Health Metric Canvas

Org Name:

Date:

Complete these two steps:

1. Identify 7 health metrics
2. Outline the parameters for weekly management

1

Identify Metrics

Identify 7-10 health metrics to manage weekly.

2

Outline Parameters

Outline data source, champion, threshold, and previous averages.

Identify metric. Why is it a health metric?	What is the data source?	Who is the metric owner/champion?	What is the threshold for concern?	What is the previous annual average?
1				
2				
3				
4				
5				
6				
7				



We build and review thousands of health metrics every year. We'd love to review and provide you feedback on your weekly health metrics!

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