



KPIS AND THE PRODUCTION DIRECTOR

SELECT FEWER, MORE SIGNIFICANT KPIS AND SET GOALS FOR YOUR METRICS

by Andy Barnett



WHAT ARE YOUR CONCERNS ABOUT KPIS?

“As Production Director, I can’t possibly oversee the performance of every process, every day, across every production unit even though I am responsible for delivering cost-effective, safe, efficacious drugs according to cGMP and of course without missing any delivery dates.

The things I care about the most, and need visible indications for, are:

- > Review of historical performance
- > Indicators of future performance
- > Performance of processes, equipment, plant, utilities, staff and how they all contribute to ‘right first time’ and ‘on time in full’”

WHAT KPIS WOULD YOU RECOMMEND?

“One thing we can probably all agree on is that when it comes to metrics and KPIs none of us can agree. I did a cursory Google search and found one article that talked about the 75 essential KPIs. Another article talked about the 28 metrics that actually matter. Add in dashboards and you have literally hundreds of metrics and charts. What we end up with is tons of data but no insights. For these reasons, I think it would be a mistake to give you a list of the KPIs I would recommend. Instead, I’ll focus on how you decide what is important.”

HOW DO YOU DECIDE WHAT IS IMPORTANT?

“It’s critical to focus on the vital few. If you are buried in metrics and KPIs, the chances are none will get the attention they deserve. A major fast food chain struggled to adopt a competitor’s proven system, which had over 100 metrics. After much frustration, it abandoned the attempt and switched to FACT. Four metrics: Fast, Accurate, Clean and (right) Temperature. Of course, performance of the unit soared.

As management we play a key role in selecting the vital few. Even if you end up selecting 50 KPIs, you can cascade them down in your organization so that no department is responsible for more than three or four. Your organization simply cannot fix everything at once. Once a year, review all the metrics and prioritize. Select a subset of KPIs that need improvement. Processes that are stable may not need attention. Lower priority items can be deferred. No one can fix everything at once, so make a justifiable selection and nail them first.”



ISN'T IT COMMON, THOUGH, THAT ORGANIZATIONS CAN REACT ON A HAIR TRIGGER, CAUSING CONFUSION, INCREASING COMPLEXITY AND ACTING AS 'BUSY FOOLS'?

"To avoid this, set goals for the metrics you select. Is the target reasonable and achievable? When monitoring the performance over time, when should I take action? This is not a trivial question. One company reacts when they get two points in a row above the average. Imagine flipping a coin and getting two heads in a row. It happens all the time. We all have too many irons in the fire to worry about false alarms. As managers, we should understand that everything has variation, and the last thing we want to do is exhaust our employees by demanding investigations to explain 'common cause' variation."

1. Understand the process
2. Select the vital few
3. Set goals that are reasonable and achievable
4. Include triggers or signals for adverse trends
5. Select metrics that are actionable
6. Move from reaction to prevention

ABOUT THE AUTHOR



Andy Barnett has worked with clients in the pharmaceutical, medical device, biologic and biotechnology industries, for over 20 years, to develop quality assurance and regulatory strategies for compliance with U.S. FDA regulations. His particular expertise includes providing statistical support for process development, process characterization and optimization; assisting with remediation activities, especially corrective actions and process improvement; and providing training in root cause, corrective actions and statistical methods for process improvement.

For more information, contact pharmamail@nsf.org or visit www.nsfpharmabiotech.org

Copyright © 2017 NSF International.

This document is the property of NSF International and is for NSF International purposes only. Unless given prior approval from NSF, it shall not be reproduced, circulated or quoted, in whole or in part, outside of NSF, its committees and its members.

Cite as: NSF International. November 2017. KPIs and the Production Director. NSF: York, UK.

NSF INTERNATIONAL | PHARMA BIOTECH

The Georgian House, 22/24 West End, Kirkbymoorside, York, UK YO62 6AF

T +44 (0) 1751 432 999 | E pharmamail@nsf.org

2001 Pennsylvania Avenue NW, Suite 950, Washington, DC 20006 USA

T +1 (202) 822 1850 | E USpharma@nsf.org

www.nsf.org | www.nsfpharmabiotech.org