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Key Performance Indicators and the Laboratory Dashboard

A Best Practice for Effective Laboratory Management

Brad Meadows

Vice President, Laboratory Director

Babcock Laboratories



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Challenges in Laboratory Management

- Lots of moving parts to the business
- As organization grows, visibility can suffer
- Details can obscure the big picture
- Need a way to keep eyes on critical matters
- Solution! Steal from the QA/QC department
- Business “quality control” metrics

Key Performance Indicators



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What are KPIs?

- Metrics that communicate the “quality” of our business
- Should include items **most** impactful / critical to the organization
- Common themes for KPIs
 - Financial
 - Workflow
 - Customer satisfaction
 - Quality
- Leading indicators are best whenever possible



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What is a “Lab Dashboard”?

- Like a car, shows you how well things are running
 - Going too fast
 - Running on empty
 - Flat tire
 - Service needed!
- A quick and convenient presentation of key information
- Gives the Lab Manager a snapshot of the lab operations



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KPI Tracking

- Real-time feedback is best
- Get to know your LIMS and accounting system
- Learn to use a spreadsheet
- Period to period tracking is essential but...
- Trends can be hidden in the details
- Careful evaluation is critical



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Trailing 12 Month (Annualized) Charts

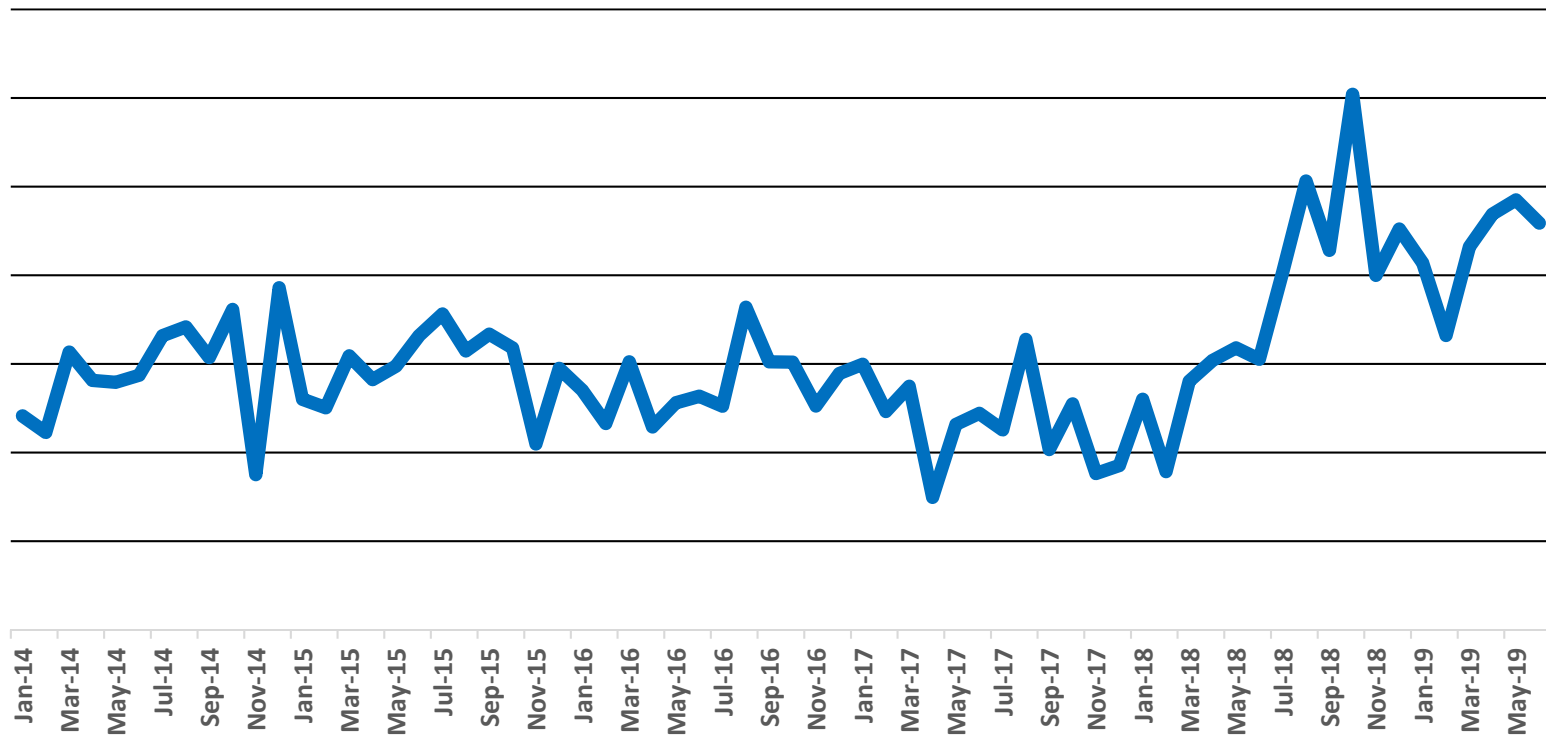
- Our business can be very cyclical
- Easy to rationalize as “seasonality”
- Trailing 12 Month charts remove business cycles
- Sum (or Average) current month plus previous eleven, plot by month
- For every new month added, one drops off
- Present a month by month trend of the business, adjusted for cycles



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Example Charts

Work Orders – Month by Month

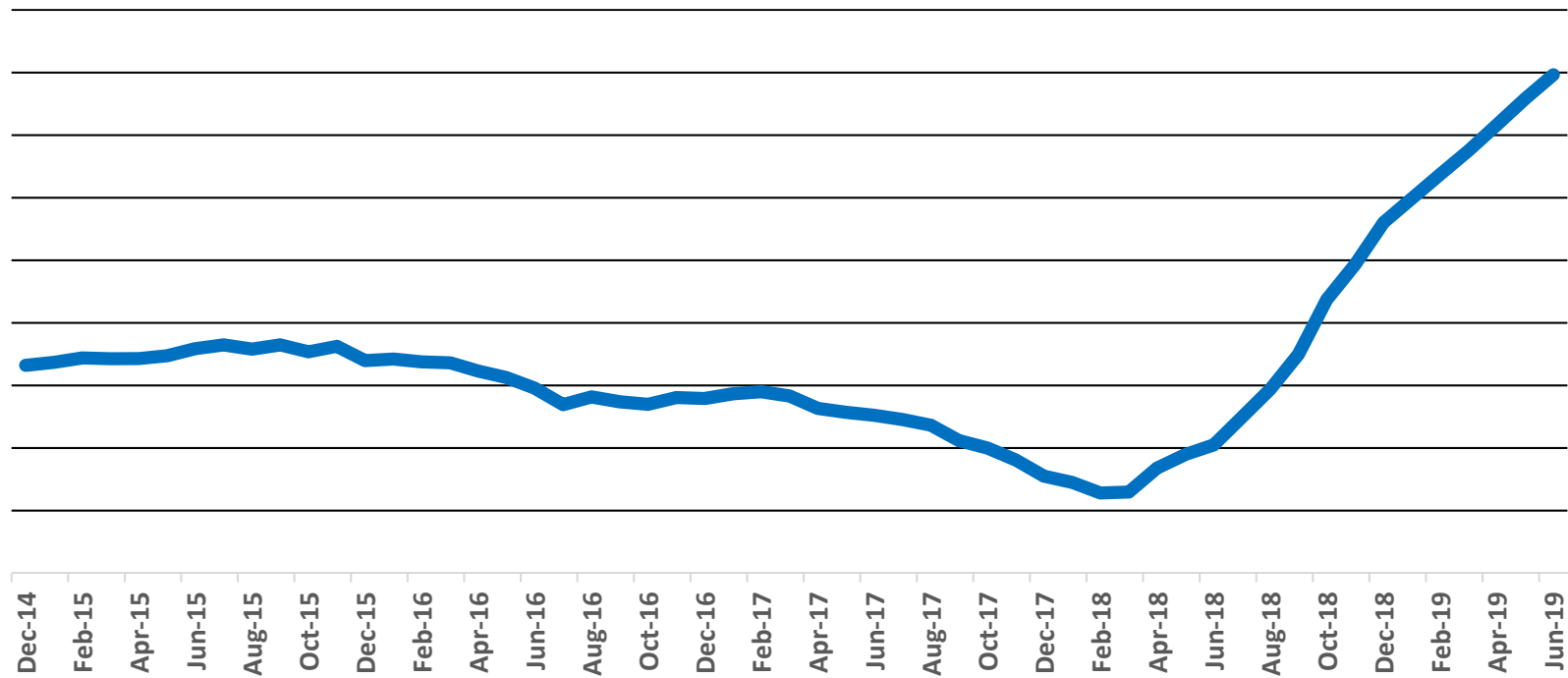




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Example Charts

Work Orders - Annualized

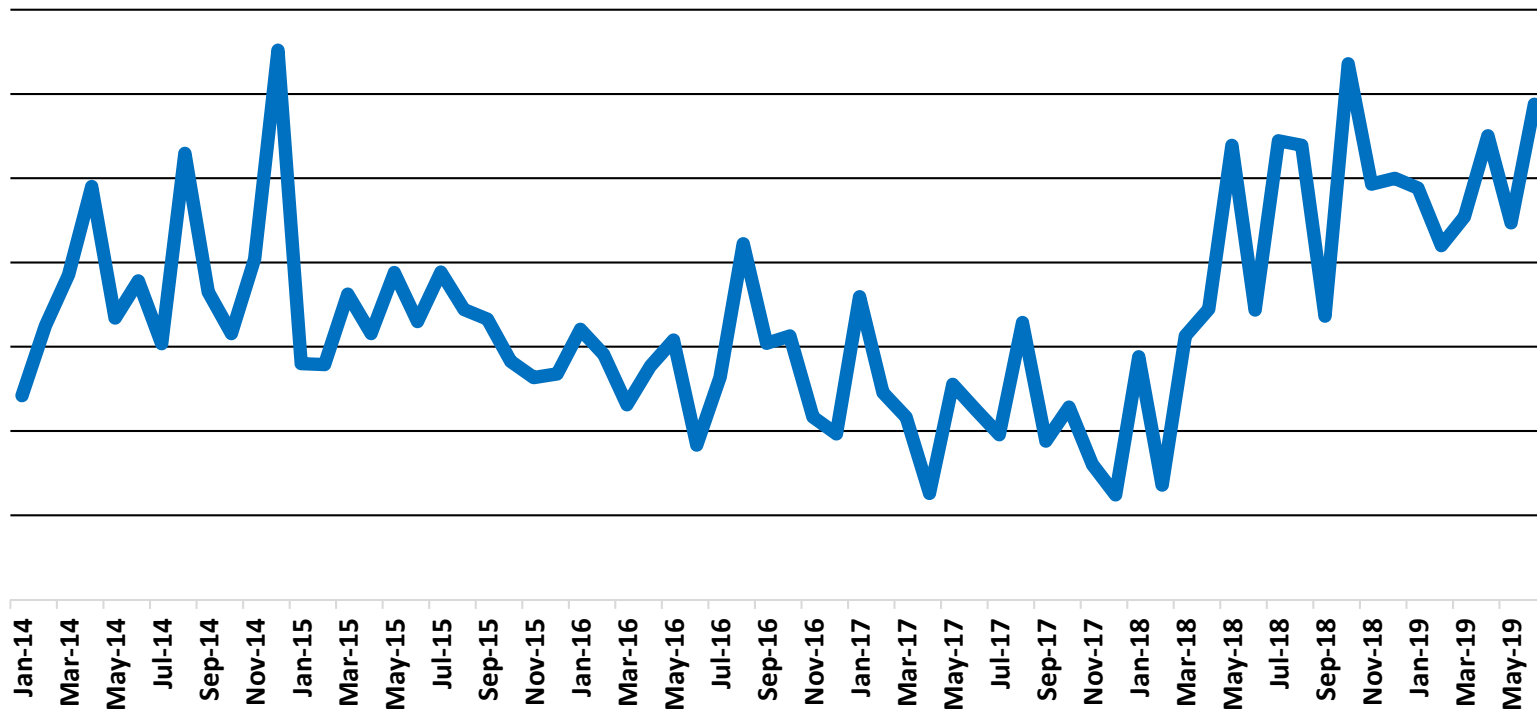




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Example Charts

Revenue – Month by Month

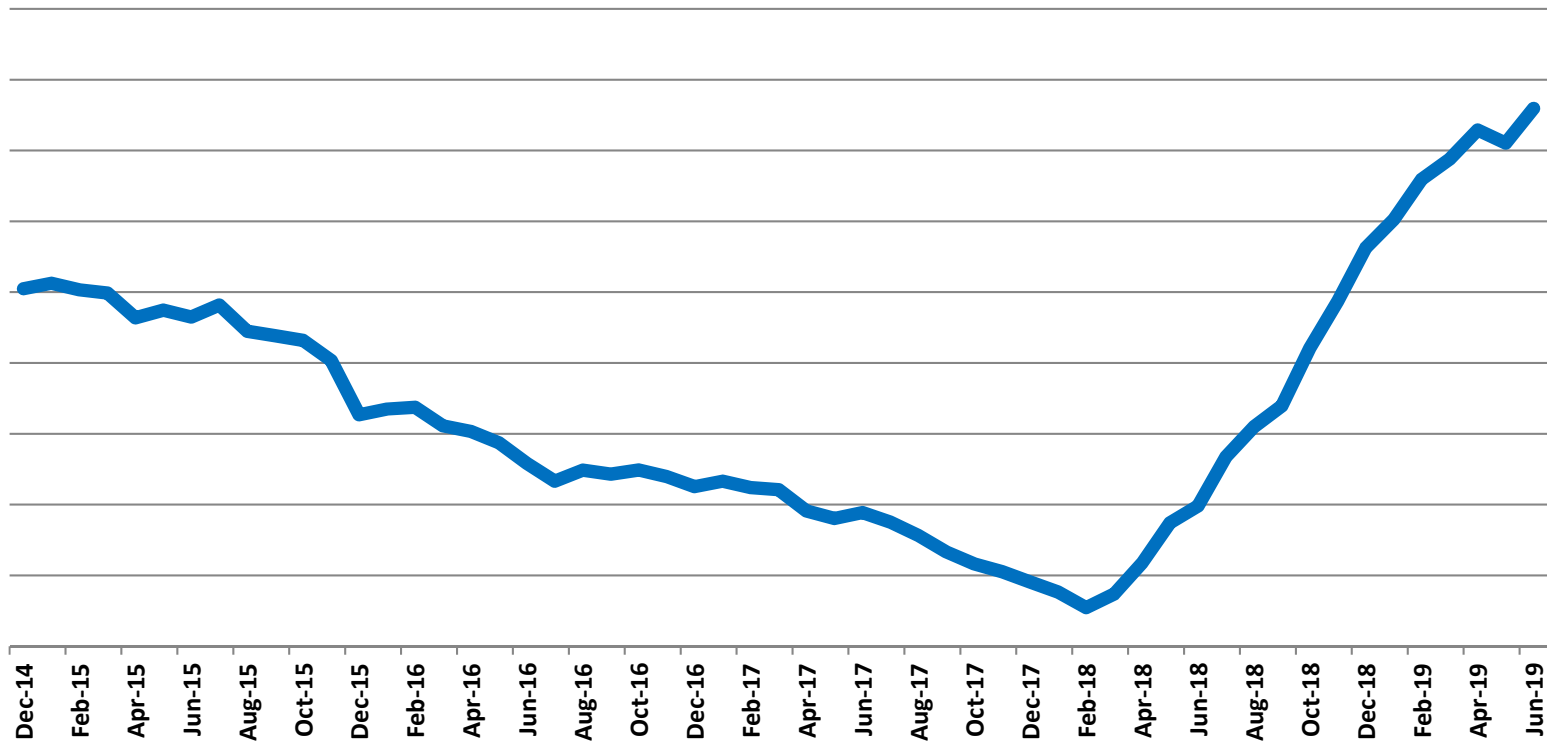




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Example Charts

Revenue - Annualized





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What do I track?

- No formula for determining what is best
- What is critical to your business?
- Consider a key metric for each area
- Common metrics
 - Revenue / Revenue per FTE
 - Work Orders (Submissions, COCs, etc.)
 - On Time Delivery
 - Supply costs
 - QC Failures
- Be creative, consider new or different things



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Using the Dashboard

- Refresh the data often
- Take action when the charts show trend
- Experiment with the data
 - Test relationships between metrics
 - Graphs can reveal interesting information
- Set benchmarks based on historical performance
- Share with laboratory staff



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Hallway Dashboard





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Questions?

Brad Meadows

bmeadows@babcocklabs.com

951-653-3351 x228