Keys to Assessment of E-indicators
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The dot coms need new indicators, but they also need more reliable information which is more specifically focused and with greater frequency and speed.

In a previous article we dealt with the peculiarities of the new economy companies with regards to the need to assess aspects critical for their success. But knowing what one wants or ought to assess is not enough; it is important to know how, where and when.

Importance should also be given to having a simple system which helps to give priority to really important matters in a dual direction: information to all the organisation and control of its evolution. A critical aspect is the appropriate assessment of the indicators, or, in other words, reliability.

The quality of the data is not always up to standard. It is not enough to say, for example, that customer satisfaction or traffic or any other aspect is being assessed; they must be assessed correctly, and this is not always the case. One initial problem resides in the definition of the indicator. Let us consider, for example, number of customers.

The indicator will differ depending on the criteria we set to consider who is a customer. A customer can purchase through different channels (shops, telephone, Internet), whilst even on the Internet he can do it at different places. It is not uncommon to find different figures in different parts of a company regarding one same indicator.

Knowing the number of customers is not a complex problem from the point of view of the definition. It requires a common language to be established. The most difficult thing is to have an adequate data collection system which allows, for example, the correct identification of one customer who accesses using different channels.

Another characteristic example of the problems for adequate assessment are the indices of customer satisfaction. When the people responding are unknown to us, we may be including data of persons who are not customers or who are customers with characteristics so different that they should not considered in the same survey.

We must, for example, distinguish between customers and users of a specific page and also ask the appropriate questions. Inappropriate data collection will render the indicators useless. A common problem in the dot coms is the lack of references, whether with regards to personal records or to references of other companies, in order to set targets for each one of the indicators.

This means that one should exercise care, especially when starting the assessment of an indicator, in the setting of the targets and their reviews and in the evaluation of the
results. Another problem resides in finding the appropriate indicators to measure certain key aspects for success.

Consider, for example, staff training, which can be carried out using different kinds of indicators, all of which are imperfect (since perfect indicators do not exist) but which complement each other.

Examples of indicators could be, amongst others, the number of hours dedicated per person to training, or an index of satisfaction with the training received. On the other hand, an obvious danger in our information society is the excess of indicators. It is highly important to select those which are truly significant. Tools which allow large amounts of data to be handled are becoming more and more widespread.

But more data does not mean more information. Reports can be unmanageable if they include excessive indicators. For this reason, we are not only trying to achieve greater reliability, but also to focus on the most important aspects. Management models such as balanced scorecard, which help to give priority to the indicators and to relate them to the strategic objects which the company wishes to obtain, can help make the system simpler and thus more manageable and useful.

It is not a question of removing indicators, rather of first accessing those key indicators which can quickly detect if the goals are being achieved in order to, secondly, access more detailed information for any aspects which may be necessary. Two other key aspects refer to the temporary nature of the indicators: the frequency of the assessment and the speed at which the information is received.

Time passes faster in the new economy companies. One calendar year is equivalent to several years in this environment, so forcing us to collect information in a shorter period of time and to ensure this information can be made available expeditiously.

Also, in highly dynamic sectors, not only the targets but also the indicators shall be modified speedy. For each indicator we must decide upon the frequency for receiving data, and we must ensure that the system allows these data to be obtained within a reasonable period of time in order for the information provided to be of use. For each indicator there must be a description or an identity card containing information on what is being assessed, how, how it is segmented, how often, how the data are obtained and, in short, all the key elements which ensure that the goal is achieved. In conclusion, the new economy has brought the appearance of new management indicators which live side by side with traditional ones. Their reliability, the focus on important aspects, their frequency, the speed in receiving information and the simplicity of the model are vital when maintaining a good information and management system

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<th>The 4 keys of assessment</th>
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<td>A good series of indicators in new economy companies should be characterised by:</td>
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<tr>
<td>Focus. On the more important things.</td>
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<td>Reliability. Well defined indicators and correct data</td>
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<td>Frequency. The suitable to each indicator and kind of business.</td>
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<td>Facility. Easy and quick data collect</td>
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