



THE BANK OF NEW YORK MELLON



Metrics Overview

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Measure the Right Things!

- **Customer Experience**
 - Performance against customer requirements
 - Customer Satisfaction
- **Performance of Internal Work Processes**
 - Cycle times
 - Product and service quality
 - Cost Performance (productivity measures, inventory, etc)
- **Financials**
 - Profitability and Market Share measurements
- **Employee**
 - Employee/associate satisfaction
- **Suppliers/Vendors**
 - Performance of suppliers/vendors to contracts and service level agreements

Identifies what
is happening
and
what caused it

Has goals and targets

Reflects the
performance of
what it measures



What is a Metric

Actionable

**Drives a Service,
Departmental Goal,
or Process**

Has established corrective actions if numbers don't meet expectations

If a Metric is not Actionable Why do you Produce it?

“Every action has an equal and opposite reaction.” – Newton’s Third Law of Motion

- **If the numbers change on a metric it should be directly tied to a change of behavior.**
- **If a metric never changes and the levels are acceptable, why keep measuring it?**
- **If a metric improves, it means what you are doing is working. If possible increase that behavior**
- **If a metrics gets worse, change your behavior. Investigate what the root cause of the poor performance is. (may mean additional metrics and reports)**
- **When you change your behavior measure it again and see if it had an impact.**
- **Repeat...**

All metric programs will have an effect it just might not be the effect you want

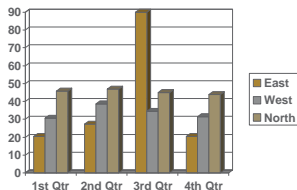
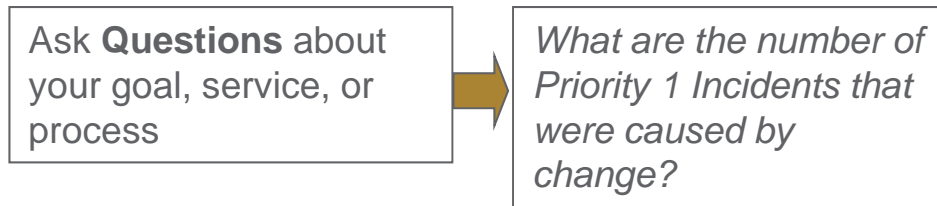
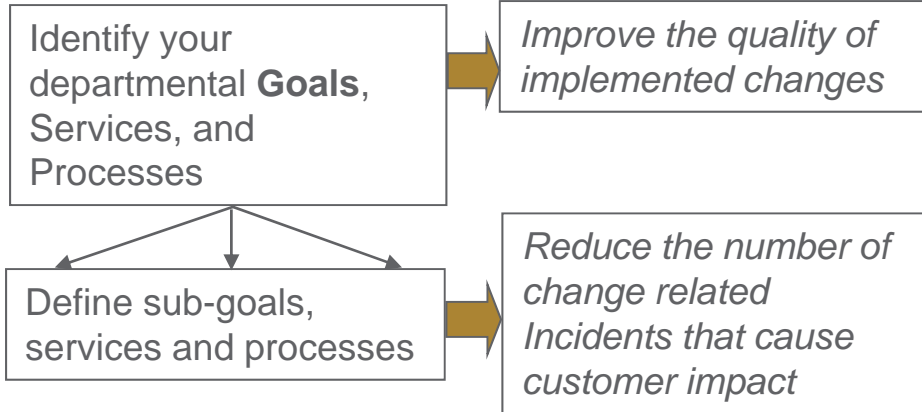
“Tell me how you measure me, and I will tell you how I will behave. If you measure me in an illogical way... do not complain about illogical behavior”– Goldratt

- **If you enforce an actionable metrics program your numbers will change, but make sure to look behind the numbers.**
- **Periodic reviews of the metrics are important to ensure you are still measuring the correct thing but it is equally important to review the results of your metrics program to ensure they are the results you expected.**
- **Example** - If you produce a metric to increase the number of closed tickets each month it could result in a lot of customer tickets being closed before they have been fully resolved.

6 Questions to ask about your current metrics

- 1. Have the numbers changed significantly in the past 6 months?**
- 2. Do I trend this data, can I compare it to past performance?**
- 3. Does it have a published target or goal?**
- 4. If the numbers change do we do anything in response to those changes?**
- 5. Can we explain the metric in 25 words or less?**

Defining New Metrics Applying the GQM (Goals, Questions, Measures) Process



T **M**
A **E**
R **T**
+ G = R
E **I**
T **C**
S **S**

The Rules of Metrics

Measurable - ALL metrics should have a target or goal

Achievable - Something unachievable will cause the process to appear to fail and call in to question the validity of the process

Challenging - A Process constantly over-achieving MAY have targets set too low and these should be reviewed

Clear - Simple to understand in what it is measuring and not open to misconceptions

Available - The metric may be perfect however if the data being measured cannot be made available the metric is a waste





















Process Based - The metric must measure the success or failure of the Process

Change Control - Clearly documented and do not change unless authorized to do so by all interested parties and for valid reasons

Reviewed - These can be ad hoc where processes are either constantly meeting metrics or missing targets set, but at least should occur periodically to ensure the above rules are still being met

Production Services

2010

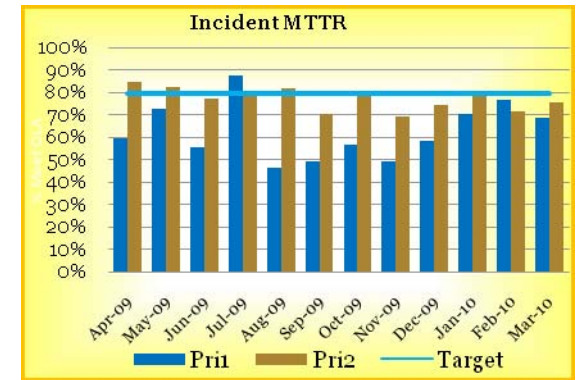
	Q2	Q3	Q4	Q1	Current Quarter Notes
Overall Performance					
Production Delivery Services					
Print and Mail Services					
Enterprise Automation					
Data Center Change And Configuration					

 No Target
  No Data
  Missed Target by small margin
  Missed Target by large margin
  Meets expectations

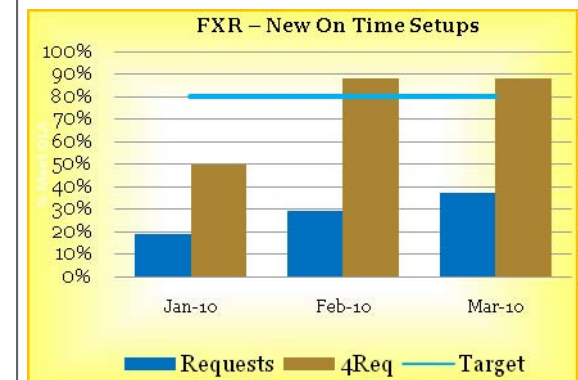
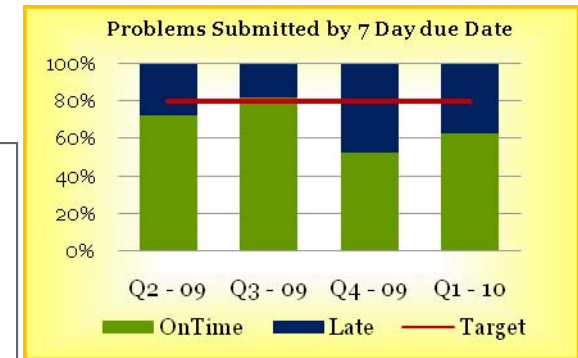
Production Services – Production Delivery Services

○ No Target
 ● No Data
 ● Missed Target Small
 ● Missed Target Large
 ● Meets Expectations

	Q2	Q3	Q4	Q1
Overall Performance				
Incident MTTR				
Ontime Problem Submission				
FXR New On Time Setup				



Goal – 80% Meeting OLA, Pr1 <= 2Hr , Pr2 <= 4Hr



Goal – 80% <= 30 Days

Details Incident MTTR:

The OLA for each “priority” are (Severe = 2 Hour, High = 4 Hour). The goal is to meet the OLA 80% of the time in each priority. The team has come under the targeted 80% in both priorities. Note: there was a 47% in the volume of PR2 incidents over the past quarter and yet we have improved slightly in overall performance. On Pri1 incidents, a number of chronic failures (CMS I&W and Lotus Notes) have impacted our overall stats.

On Time Problem Submission:

On-time Problem Submission – this chart depicts the trend for the “on-time” submission (PBI records that require an RCA submission within 7 days of the incident). The Production Delivery Services goal is to be complete a minimum of 80 percent of the time. Q1 saw a 10% improvement in on time submissions over Q4 2009. Resource availability continues to be a challenge however, the enhancements made to the Problem Management process as part of the EMEA stabilization is changing the dynamics of Root Cause Analysis procedures.

FXR - New Setups Completed On Time

The chart reflects four experiences for the time it takes the FXR team to complete new file transmission setups and 4.REC requests. The first reflects the time it takes from open to close on new transmission requests. It depicts a increase of 18% for the first quarter and it continues to track higher each month. Second reflects the time it takes to complete once the request has been assigned. There is a 5% increase from beginning to the end of the quarter and it continues to track in the positive range. Third reflects the open to close on 4.RECs. There is a 38% increase from the beginning to the end of the quarter also continue to move in the positive range. The fourth reflects assigned to close for 4.RECs. This also shows a 38% increase. We did drop from February to March because we had an increase from 26 to 216 requests. We are averaging between 150-180 new file requests submitted each month and 4.RECs requests have increased from six in January to 216 in March.

Mitigations: Incident MTTR:

We are working with various Engineering and application groups to improve triage documentation and focused training for our Command Center and Support Engineering groups. Stability in Notes and CMS have been realized.

On Time Problem Submission:

Shorter lead time for completion of problem investigations and the filtering of incidents that are being put through the RCA process will continue to enhance the overall metric. More attention is being given to the most important RCA requests. Additional Staff has been applied to the PDS Problem Management team to focus on this effort. They will begin to own this metric and be accountable to its favorable trending

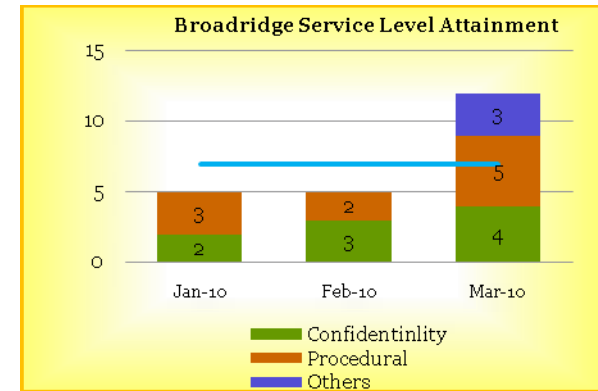
FXR - New Setups Completed On Time

Carmin Butler has joined the team as the setup manager, along with adding seven onsite contractors in Pittsburgh and 10 Cognizant contractors with two in Pittsburgh and eight offshore. A new Access database has been created to track the requests that are coming from three different request systems. These three request systems will be consolidated into one as soon as the new enhancements are ready for the target system some time in early 3rd quarter.

Production Services – Print & Mail Services

● No Target
 ● No Data
 ● Missed Target Small
 ● Missed Target Large
 ● Meets Expectations

	Q2	Q3	Q4	Q1
Overall Performance				
Broadridge Corrective Action Reports				
Outsourcing Print and Mail Tracking Spreadsheet				



Broadridge Corrective Action Report Detail:

In 2009, there were 84 Corrective Action Reports Corporate wide. This equates to a monthly average of 7 CARS.

In 2010, the 2009 average will be used as the baseline. Through the 1st quarter of 2010, there were 22 Corrective Action Reports Corporate wide.

The breakdown of the incidents is as follows: Confidentiality: 9 Procedural: 10 Other: 3

Although the first 2 months show a reduced number of CARS compared to the average, there was a significant increase in March due to the transition of new products.

Outsourcing Print and Mail Tracking Detail:

The Outsourcing Print and Mail Tracking Spreadsheet represents the Percentage completion expectations by Phases for the migration of work form hBNY, hMellon, and Pershing to the outsourcing vendor Broadridge. The BNY Mellon and Pershing Vendor Management Teams will be the exclusive liaison between the Vendor and the Bank's users and/or customers. As of 03/31/2010, 46% has been transitioned to date and the cumulative target for the end of the 1st quarter 2010 was 87%.

The reason for the lower than targeted transition percentage was delays in the transition of Shareowner Services products, resulting primarily from the items listed below.

1. MetLife Audit Requirements:

Shareowner Services largest client required an audit of the Broadridge processing facilities.

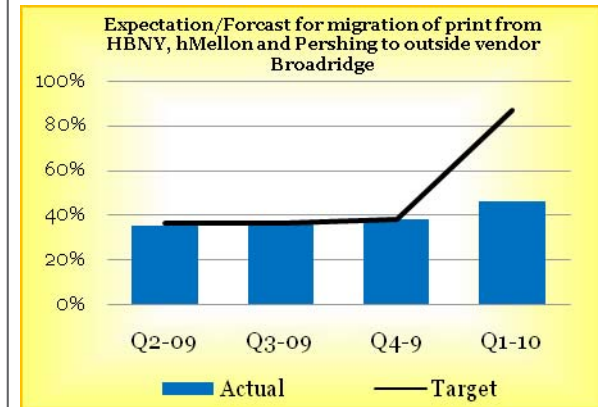
Audit findings took longer to correct than anticipated.

2. Broadridge Application & Infrastructure Development Delays:

Impact to several tracks of the Shareowner Services product base.

3. Unsuccessful User Acceptance Testing (UAT):

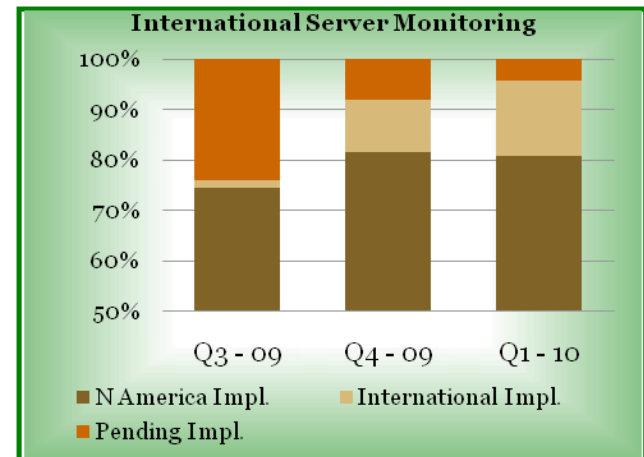
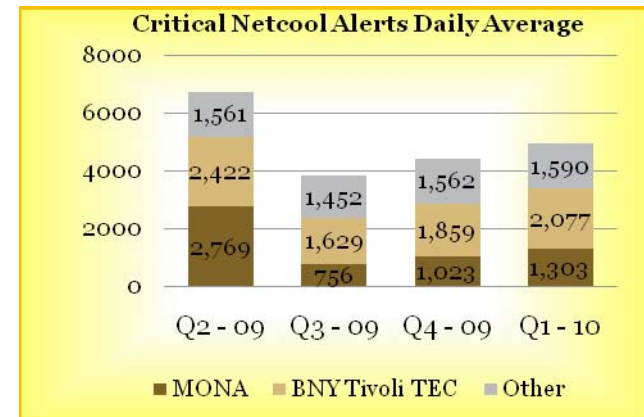
During testing, applications did not perform as expected and remediation took longer than anticipated.



Production Services – Enterprise Automation

● No Target
 ● No Data
 ● Missed Target Small
 ● Missed Target Large
 ● Meets Expectations

	Q2	Q3	Q4	Q1
Overall Performance	▲	▲	▬	▬
Critical Netcool Alerts	▲	▲	▬	▬
International Server Monitoring	●	▲	▲	▲



Goal reduction of alerts from previous Qtr

Details:-

Critical Netcool Alerts : The increase in critical alerts being captured through NetCool during the 1st quarter is a direct result of the Servers that were added to HP OPenview in the first quarter of 2010.

International Server Monitoring : The International Server monitoring HPOV implementation will be completed in 2nd quarter with base monitoring in place.

Mitigations:

Critical Netcool Alerts : The total number of servers monitored by Openview is stabilizing. We have a team looking at the daily alerts generated and removing non-actionable alerts from Netcool.

International Server Monitoring : Part of the EMEA Optimization program is to validate by application that the correct monitors are in place. Custom application monitoring is being implemented.

Production Services – Data Center Change & Release

○ No Target ● No Data ● Missed Target Small ● Missed Target Large ● Meets Expectations

	Q2	Q3	Q4	Q1
Overall Performance	● Missed Target Small	● Missed Target Large	● Missed Target Small	● Missed Target Small
On Time Change Closure	● No Data	● No Data	● No Data	● Missed Target Small
Change timing	● Missed Target Small	● Missed Target Large	● Missed Target Large	● Missed Target Large
Risk level	● Missed Target Large	● Missed Target Large	● Missed Target Small	● Meets Expectations

Details:-

Days to Change Closure from Scheduled End Date :

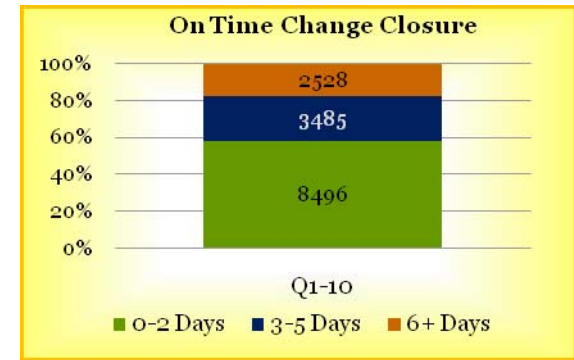
This is a new metric designed to look at the diligence of change requestors to manage their records after implementation. This information is essential for support teams to have reflected in a timely fashion for incident, problem and change management. The initial goal is set for closure to occur 2 days from the scheduled end date, allowing for weekend work to be resolved the next business day.

Change timing :

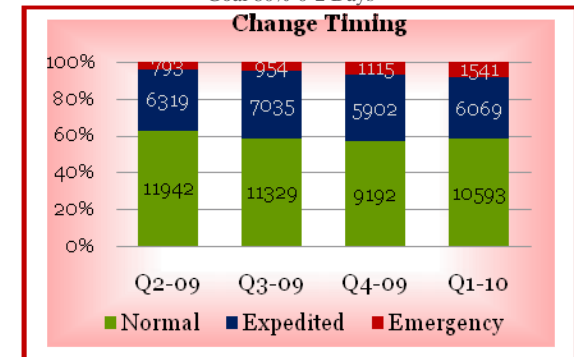
Expedited changes declined slightly to 33% of the total for the 1st quarter which continues trending toward our expectations. We saw a percentage increase over the last quarter in Emergency changes to around 8% which causes this metric to remain in the red.

Mitigations:-

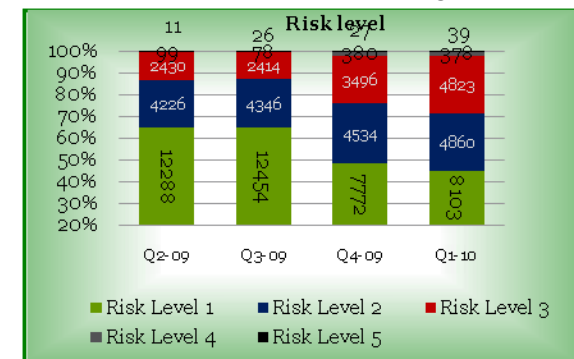
We continue to see metric improvements as a result of the process revisions implemented earlier this year. Focus is being placed on the support teams that exhibit exceptions to the process. We will be using the refresher training classes and the targeted follow-up with the teams found to be out of compliance as our method to address our issues.



Goal 80% 0-2 Days



Goal 70% - Normal Changes



Goal Risk 1&2 <= 75%



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