

1-800-CONTACTS Assignment.  
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#### Part 1:

Firms can no longer make decisions based off gut feelings and accrued experience. With data-driven analysis becoming more prevalent in making strategic decisions, it is clear to see why the creation of metrics is being taken seriously. Well defined metrics are essential to firms because it illustrates the production of their employees. However, these metrics can be used even more thoroughly; 1-800-CONTACTS can utilize these metrics to create even greater production from its employees. Metrics may provide a guideline to employees to show their performance, but this could be used to incentivize employees to generate even more sales for the firm. We've identified some key metrics for the operators of 1-800-CONTACTS that we feel will accurately portray their KPI's and encourage them to grow. By providing these key metrics to 1-800-CONTACTS, we seek to provide a healthy competitive environment amongst operators that will help 1-800-CONTACTS generate more sales and grow.

Our group determined some metrics that would best fit the operators. The first metric we felt was relevant was average sales over a month. This will allow operators to see how many sales they are actually closing over a month. Second are sales per hour. Sales per hour shows how efficiently operators are selling for each hour they're on the job. This is a good metric to show short-term production from operators. Third are calls per hour. Calls per hour will help operators predict when to expect the most calls after understanding the peak volume periods. This will help them prepare for busy periods and perform better under these times. Fourth is outgoing and incoming calls. Outgoing and incoming calls will illustrate to managers what operators have been doing during their shifts. Fifth is average sale per call. Average sales per call will show operators their turnover rate and how much sales they're closing out for each call. Sixth are sales per call. Even though number of the call received was small if the numbers of the sales are higher, it is more profitable for the business. Seventh is total sales for a month, this will show how much profit operators are bringing in each month. Finally is the number of invoice. No matter how many calls operator receives it will come down to how many invoices and sales an operator made. These metrics will be utilized to create our dashboard.

Dashboards are critical to operators because it will allow them to see their performance. Our dashboard will consist of our 8 key metrics. We will have our metrics lined up by rows and have the name of the operators on the columns. We plan on creating these dashboards by month. We want the operators to see the production of themselves and their peers so we will display these dashboards in the working area. Our hope is to create a healthy competitive environment. The displaying of the dashboard will be supported by the underlying economic reward operators will get by being the greatest performer and having self-improvement. We discuss more over our compensation package in the next section.

#### Part 2:

It is important to have competition. When people are rewarded against their peers, they will strive to do their best. We have decided to give a big bonus to the top performer in each category at the end of the quarter. The people who work the hardest and perform the best will be incentivized to continue. Not everyone, especially new employees can be expected to perform at the top of the charts. So we will provide small incentives for personal improvement. People who improve will be rewarded for performing better and working harder and for performing above average. Each decile in improvement will result in a slightly higher reward.

Companies put a lot of time and money into hiring new employees. Companies then invest in training new hires. Firing people should be a last resort. Bottom 20% of performers will be notified that they are performing poorly compared to their peers. If they continue to perform poorly they will be trained up by a performance coach. If people consistently perform poorly under the same manager, the manager will also be held to the same standards.