Set metrics to measure the effectiveness of governance at your organization

Define metrics that measure the effectiveness of your governance process and policies and track them over time to identify where you should consider making improvements.

Unlike system performance metrics, the metrics to track governance don’t need to provide exact measurement nor should you need to track them in the platform. They can be simple, even anecdotal benchmarks that you track over time to track performance and identify opportunities to improve.

Check your progress:

- Have you defined a set of metrics that you can track over time to identify how well governance is working?
- Do these metrics help you identify where improvements are needed?

If you did not answer “yes” to both questions above, complete these action steps:

1. Define a simple set of three to five metrics to diagnose where governance can be improved.

   Start by considering metrics that help you measure:

   - How efficient your decision-making processes are, for example:
     - # of decisions your boards are making each quarter – Track roughly how many individual decisions are being made by each board. Tallying the number of agenda items across a quarter provides a good proxy but ideally you could count how many times your board makes a final decision on something (e.g., calls a vote, reaches consensus, etc., depending on how your boards decided to finalize decisions). As a bonus, any details on what different types of decisions are supported would be interesting to track.
     - Board member participation rates (%) – Meeting attendance is a good informal metric that can indicate the burden of governance on your board participants. Declining participation could be an indicator that governance is overly burdensome and/or that members don’t think the meetings are adding enough value to be worth the time to participate.
     - # of board meeting count per quarter – Track how often your boards meet in an average month. Compare this count to the cadence agreed on in your board charter—is it more or less? Also note trends in this count. An increasing cadence indicates an increased burden on your boards and, potentially, that governance isn’t generating efficient enough decision-making for your organization. Agendas that spill over and require additional follow-up meetings are a red flag.
     - Average board meeting duration (hours) – Increasing meeting times may indicate that governance efficiency isn’t keeping up with demand. If you see this, try to root cause what is preventing efficient decision making—is more preparation required before meetings? Are there too many participants in a given board? It’s important to limit the amount of time spent in board meetings to limit the burden placed on board members, so efficiency is key.
• How effective, comprehensive, and current your governance policies are, for example:
  o % reduction of escalations to governance boards over previous quarter – Tracking this can help you measure if the governance you’ve established is informing front-line work and decisions throughout your organization. If escalations don’t decrease, it’s possible that people in your organization aren’t aware of the policies, that they aren’t following them, or that the policies don’t provide the guidance they need. You can measure this by monitoring the agenda items addressed by your governance boards and identifying the needs that result from escalation.
  o # of defined ServiceNow governance policies – Simply tracking the number of policies you define provides a quick measure of how much control (i.e., red tape) you’ve built into your established governance. Rule of thumb: Single-digit measures are likely too low, and triple-digit measures are almost definitely too high. Ten to 25 policies can be a sweet spot, depending on how much control you need in your organization and/or industry.
  o % of policies that have been updated in 24 months – This indicator can help you track how frequently you’re revisiting and improving governance over time. Policies don’t have to change, but it’s very likely that a significant percentage of your defined policies will need to be updated within any given 24-month period.

See full ServiceNow governance success workbook