Measurement Information Specification
Market Share

Information Need Description	
Information Need	What is the impact of our process improvement program on our market share? (for a market segment, a product line, a specific product, etc.) [for illustration, we use a single product here]
Information Category	Process Improvement Results

Measurable Concept	
Measurable Concept	Financial

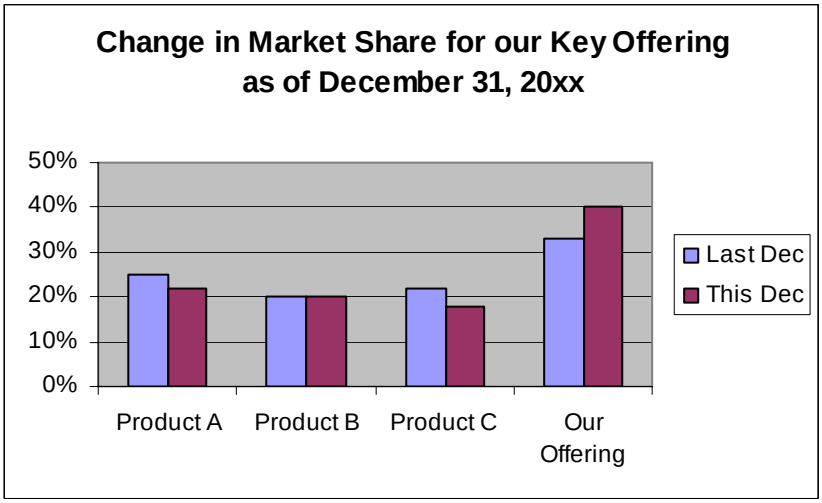
Entities and Attributes	
Relevant Entities	License (or sale of) product or service offering (or product line)
Attributes	Number of customers served with this license or sale

Base Measure Specification	
Base Measures	Customers served
Measurement Methods	Collect number of customers served for a given product/service offering
Type of Method	Objective
Scale	Count of units
Type of Scale	Ratio
Unit of Measurement	Individual product or service

Derived Measure Specification	
Derived Measure	Total number of customers served by a given product (ours or that of a competitor)
Measurement Function	Sum the number of customers served, across all current licenses (or sales) for the product of interest

Derived Measure Specification	
Derived Measure	Total market served
Measurement Function	Sum the number of customers served by our product and those of all of the competitors, to determine the total market served by all products.

Derived Measure Specification	
Derived Measure	Percent of market share for product x
Measurement Function	Divide (the total number of customers served by a given product) by (the total market served)

Indicator Specification	
Indicator Description and Sample	
Analysis Model	The improvement program may have been targeted at increasing the market share for a product or product line. Here we see an example where the market share for our product has grown, while that of two competitors has shrunk. To ensure that the growth is because of the impact of the improvement program, other measures are needed as well.
Decision Criteria	The market share goals are set by the organization, based on its expectation of the effect of certain changes. It is likely that the organization will balance the level of improvement here against the cost of gaining that improvement, with a threshold (such as a 5 or 10% improvement) required to justify the investment.
Indicator Interpretation	In this example, the results appear to have made a useful difference in market share.

Data Collection Procedure (for each Base Measure) *Complete this section for each base measure listed on the previous page.*	
Frequency of Data Collection	At the end of each reporting period (such as end of year or end of quarter)
Responsible Individual	Market Analyst
Phase or Activity in which Collected	Not applicable; collected by calendar period
Tools Used in Data Collection	Sales Reports, License counts
Verification and Validation	Accounts Receivable can validate license and sales revenue attributable to the sales or license fees
Repository for Collected Data	Organization's sales records and financial systems

Data Analysis Procedure (for each Indicator)	
Frequency of Data Reporting	Monthly or quarterly
Responsible Individual	Sales Manager, Marketing Director, and/or Chief Financial Officer
Phase or Activity in which Analyzed	Throughout the fiscal year
Source of Data for Analysis	Sales and Finance tracking systems
Tools Used in Analysis	Sales and Finance tracking system
Review, Report, or User	Process Group Management Teams Executive Leadership

Additional Information	
Additional Analysis Guidance	To ensure that the increased levels of revenue are due to the process improvement, customers may need to indicate the reason for their purchase or in some other way tie the improvements to the sales that resulted in the increased market share. Otherwise, there are likely to be confounding effects from other competing initiatives to raise the levels. Depending on the information needs, this data might be aggregated by geographic region,
Implementation Considerations	Data on the number of customers served by our product will be relatively easy to get, but that for products of other companies (especially competitors) will be difficult to access. Unless the total served market is very small or very public for some reason, conclusions about market share need to be handled carefully. Such data is likely to be an estimate done by industry analysts or from marketing data made public by the competition. Using this measure to compare market share of one's own alternative products is much more reliable, because data is more readily available. In this example, we show a percentage share of the current market served; another approach is to examine a share of the total available market (which may be much larger, but also a very subjective number).