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HCO POLICY LETTER OF 9 NOVEMBER 1979R
Remimeo REVISED 27 AUGUST 1982

(Revisions in Script)

(The only revisions made are to correct the graph on Attachment 17 so as to accurately reflect Power as a trend, and to update the reference section of the issue and add to it a Policy Letter which gives additional data on the conditions of Power and Affluence.)

HOW TO CORRECTLY DETERMINE A STAT TREND

(CANCELS: HCO PL 19 Sep 73, Issue II, HOW TO MEASURE A TREND)

(Ref:

HCO PL 3 Oct 70RA Rev. 9.11.79 *Re-Rev. 27.8.82*	STAT INTERPRETATION
HCO PL 6 Nov 66R I Rev. 9.11.79	ADMIN KNOW-HOW, STATISTIC INTERPRETATIVE, STATISTIC ANALYSIS
HCO PL 5 May 71RA II Rev. 9.11.79 *Re-Rev. 27.8.82*	READING STATISTICS
HCO PL 6 Mar 66 II	STATISTIC GRAPHS, HOW TO FIGURE THE SCALE
HCO PL 27 Aug 82	*VITAL DATA: POWER AND AFFLUENCE CONDITIONS.*)

Much data exists on statistics and their importance, the reading of statistics, stat interpretation and assigning conditions by stats. However, unless one knows how to read statistics correctly and how to correctly determine a stat trend, prediction and therefore management by stats will be way out in left field.

It is a simple action to determine the condition of a stat on a one week basis by looking at the slant of the one line for that week. (Ref: HCO PL 5 May 71RA II, *Re-Rev. 27.8.82*, READING STATISTICS.)

There is a bit more tech involved in determining the condition of a stat by trend. The correct tech on trends must be understood well by any person engaged in a management activity.

FALSE DATUM

I have just found a FALSE DATUM that you run a ruler through the middle of the peaks and valleys of stats to work out the trends. That is not how one determines a trend.

HCO PL 19 Sep 73 II, HOW TO MEASURE A TREND, actually a BPL written by others, introduced a false interpretation of how one actually determines a trend by stating: "To construct a trend line, connect the mid-point of the first line of your trend period to the mid-point of your last line."

That datum is false. It is not how it is done. It is a misinterpretation of statements in actual Policy Letters on how one looks at an average of a series of weekly stats to determine the trend.

Despite the cancellation of that false issue by BPL 10 Oct 75, Issue XI, CANCELLATION OF HCO POLICY LETTERS 1973-1975, it was recently discovered that the issue was still around and being used in several areas and that the false datum it put forth was still being carried around in the heads of many of those actually working with statistics.

Therefore, HCO PL 19 Sep 73, Issue II, HOW TO MEASURE A TREND, even though previously cancelled is hereby RECANCELLED by this Policy Letter. It is not to be used. Earlier valid Policy Letters containing data on the subject have been revised to clarify and set forth in more detail exactly how one determines a trend so there is no possibility of misinterpretation. Those issues along with this Policy Letter provide the correct tech on determining the trend of a statistic.

READING STAT TRENDS - THE RIGHT WAY

By TREND is meant an inclination toward a general course or direction.

Trend lines which indicate the condition of a stat by trend are shown very clearly in HCO PL 3 Oct 70RA, *Re-Rev. 27.8.82*, STAT INTERPRETATION. One must be fully familiar with them.

Another important part of the tech is figuring the scale for a graph correctly so that trend lines actually show up on the graph when the stats are plotted on it. Too large or too small a scale will obscure the true condition of a stat trend. The data on how to figure the scale is given in HCO PL 6 Mar 66 II, STATISTIC GRAPHS, HOW TO FIGURE THE SCALE.

To determine a stat trend you need to look at several weeks worth of stats. In a management body somewhat close to the org, such as a FOLO, one would use three weeks worth of stats. Remote management areas, such as Flag, use a period of six weeks. In some cases for purposes of stat analysis a longer period would be reviewed. In any case, the procedure is the same. It's the slant or pitch of the stat over the period that one needs to be able to recognize.

To actually see the trend the stat is taking, you count back six weeks from the present stat. One doesn't count the present stat (this week's dot on the graph) as one of these six weeks. One counts six dots back from that point. This gives you six lines to work with. Each line shows the change that has taken place over a one week period. In combination and in sequence, these lines present a pattern. Whether the pattern is one of an even unbroken progression up, down or level, or a series of peaks and valleys, it will show the general direction, up, down or level, in which the stat is moving.

You can work out stat trends by averages but all you have to do is LOOK. It's done by inspection.

One looks at the picture AS A WHOLE. You have to visually average the peaks and valleys. You look at the peaks and note the trend they are taking. You look at the valleys and note the trend they are taking. You then visually average the two trends and you will SEE the general direction, the trend, the stat is taking.

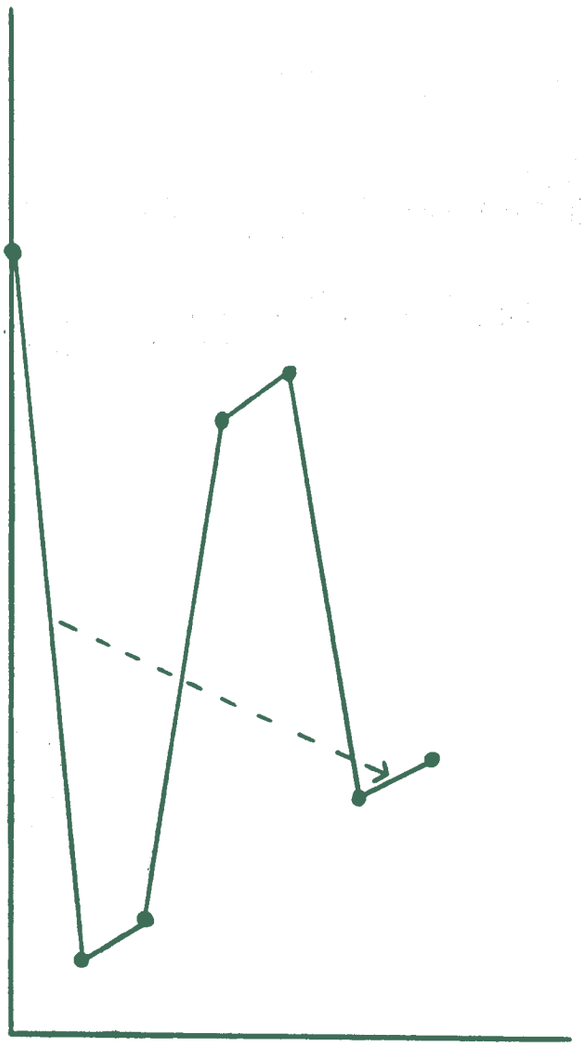
Trends are not hard to read. But it is done with the EYE. There is no internal system of lines that can be drawn to assist this.

Anyone who has been relying on a system of drawing internal lines on the graph to come up with a trend will need to eliminate that false datum and to re-educate his eye to simply spot the pitch or slant of the overall direction of the stat by LOOKING.

One sits back and looks at the picture as a whole, and there is a definite slant one can determine by this. Is it tilting slightly downward? Steeply downward? Is it level? Tilting slightly up? Simply educating one's eye to visually average the peaks and valleys and determine the overall slant or pitch the graph, or portion of the graph, is taking will give you the trend of that graph or portion of that graph for that period.

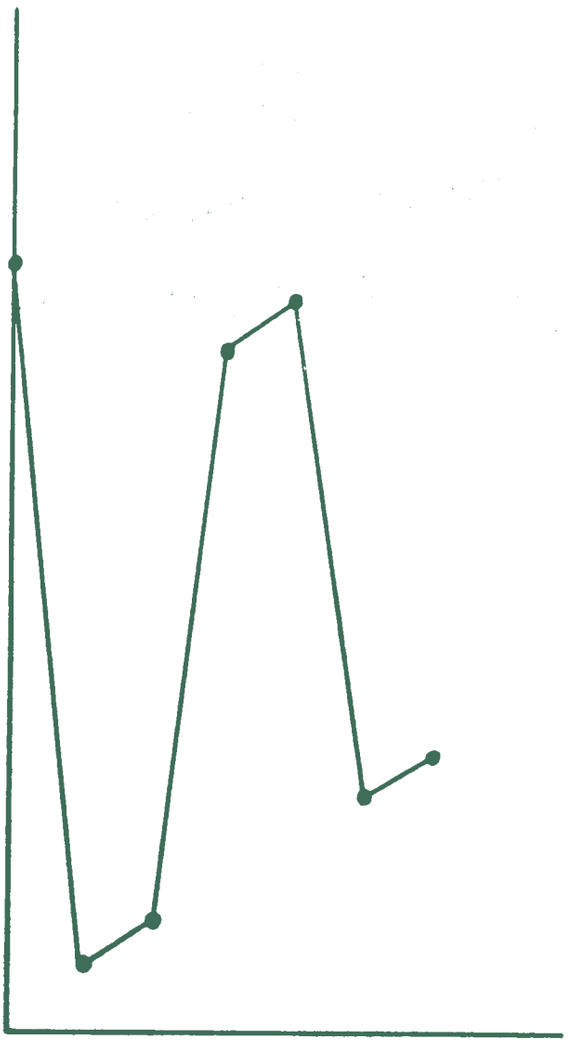
Doing it the other way is not always wrong, but it is right only about 50% of the time. That is not good enough and the system should not be used.

The following example, using six weeks of stats, shows how one would arrive at a false conclusion, an <u>incorrect condition by trend</u>, by using the faulty system of drawing a line mid-point between the first and last lines.



<u>WRONG</u>

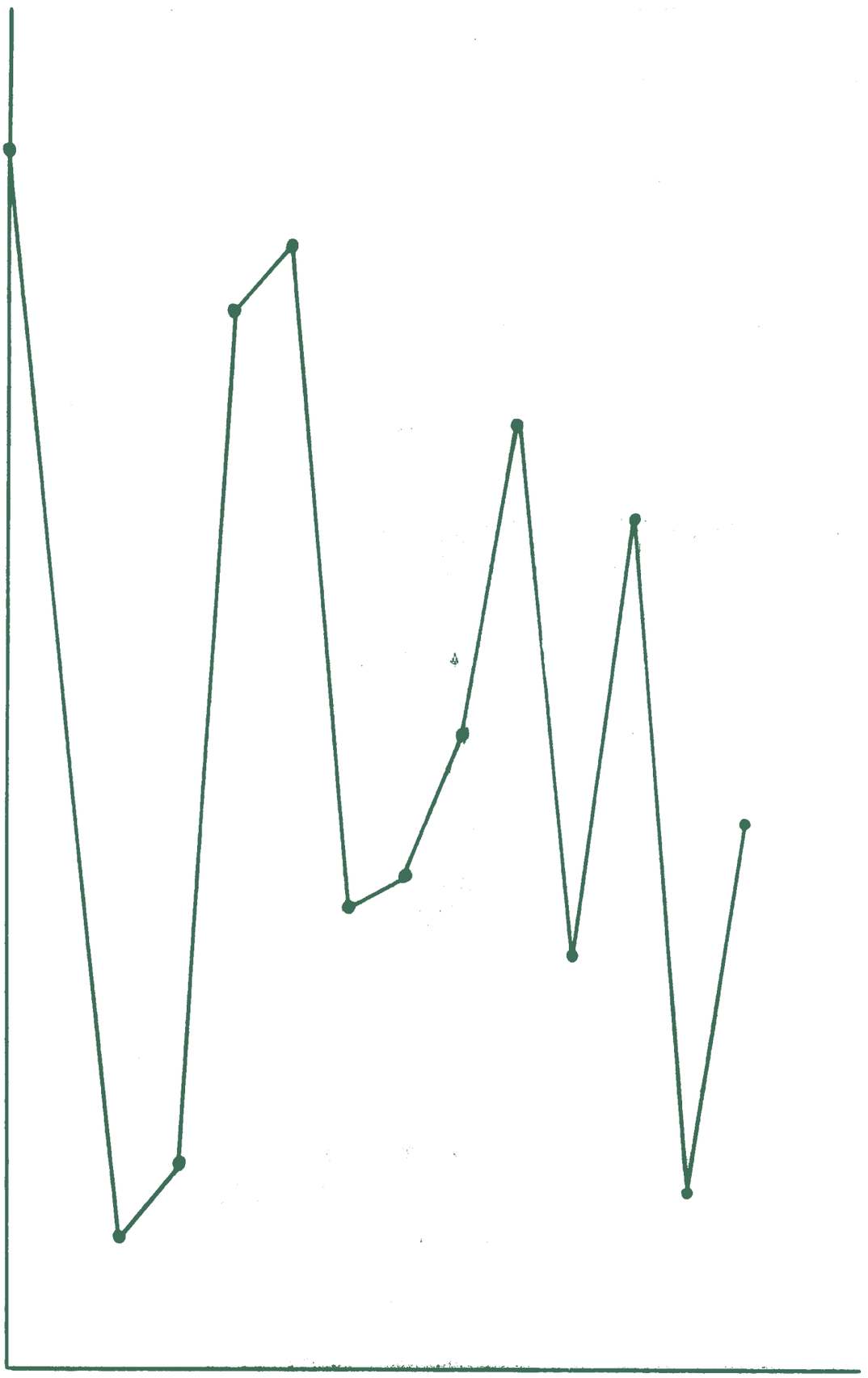
The dotted line indicates the stat is DANGER trending. This is INCORRECT and an INCORRECT METHOD of determining a trend.



<u>RIGHT</u>

Sit back and look at this graph. It will be seen that the overall slant of the graph is slightly up. The condition by six week trend is NORMAL.

The graph below shows a period of twelve weeks worth of stats.



When you look at this graph and look at those declining peaks and look at the averages of the drops, the condition is slightly below level. It shows a 12 week EMERGENCY TREND. Just sit back and look at this graph and you will see that it is tipping over.

STATISTIC TREND RECOGNITION DRILL

One can learn to recognize and read stat trends correctly and it must be done by anyone who is working with stats or stat trends in any capacity.

Attachments 1 to 17 accompanying this Policy Letter are provided for drill purposes. One uses them as flash cards to drill statistic trend recognition, over and over, until the person can swiftly and correctly recognize the trend.

Additionally, stat trends out of old stat books should be copied onto flash cards and used for drill purposes so one gets a variety of trends to work with.

It is an easy skill to develop. Don't complicate it with figure-figure or some intricate system of internal lines. Learn to simply LOOK and recognize the trend. It is done with the eye.

Skilled stat trend recognition is an essential ingredient of skilled management.

It takes only some drilling and a sound understanding of this Policy Letter and the issues it references.

So learn it well.

L. RON HUBBARD
FOUNDER

LRH:kjm