# MODULE 2 — KPI & METRICS DEFINITION PACK

## Formal Review Using Scoring Rubric

### Overall Verdict (Up Front)

**Current Level:** Advanced–Intermediate (Very Strong)
**Overall Score: 86 / 100**
**Portfolio Readiness: Yes, with minor corrections required**

This is already *better than what many working analysts produce*, but there are **naming consistency and criterion-alignment issues** that must be corrected before we lock Module 2.

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# SCORING RUBRIC & FEEDBACK

## DIMENSION 1 — Traceability to Decision Criteria

**Score: 18 / 20**

### What You Did Well

- Every KPI maps to a business objective
- Risk, performance, and behaviour are correctly separated
- Safety KPIs precede growth KPIs (excellent ordering)

This shows you understand **governance before profit**.

### Minor Gap

- One KPI threshold conflicts with the original decision criterion (see KPI 1).

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## DIMENSION 2 — KPI Definition Quality

**Score: 17 / 20**

### Strengths

- Definitions are precise
- Calculations are explicit

- Metrics are auditable and reproducible
- Use of *theoretical loss at SL* is very professional

**Issues Identified**

- KPI naming duplication
- One KPI definition does not match its stated name

These are *structural*, not conceptual, issues.

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# DIMENSION 3 — Threshold Logic & Consistency

**Score: 14 / 20**

This is the **most important correction area**.

### KPI 1 — Single-Trade Risk Exposure

- **Decision Criterion (Module 1):** $\leq 5\%$
- **KPI Threshold (Module 2):** $\leq 3\%$

This is not wrong—but it **must be explained**.

### Guided Correction

You have two valid choices:

**Option A (Recommended):**

- Explicitly state that 3% is an *operational safety buffer* below the 5% hard ceiling

**Option B:**

- Align threshold to 5% exactly

Business analysis demands **intentional divergence**, not silent divergence.

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# DIMENSION 4 — KPI Naming & Uniqueness

**Score: 12 / 20**

This is your weakest area, and it is important.

**Issues Identified**

1. **Duplicate KPI Names**
   - "Reliability Rate (Daily)" appears twice
2. **Duplicate KPI Numbers**
   - KPI 4 is used twice
3. **Misaligned KPI Name**
   - Recovery Factor is labelled as "Reliability Rate (Daily)" (incorrect)

These issues would raise red flags in a professional review—not because the thinking is wrong, but because **precision matters**.

## Guided Correction (Very Important)

Each KPI must have:

- A unique number
- A unique name
- A definition that matches the name

I will show you how to fix this cleanly below.

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# DIMENSION 5 — Leading vs Lagging Balance

**Score: 17 / 20**

## Strengths

- Correct classification of leading vs lagging
- Behavioural metric included (rare and valuable)
- Early-warning logic is present

## Minor Improvement

The Trade Duration KPI threshold is inverted (see below).

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# DIMENSION 6 — Actionability

**Score: 18 / 20**

## Why This Is Strong

- Every KPI has a clear action
- Actions are proportional to risk
- No vague "monitor closely" language

This is **decision-grade analytics**.

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# KPI-BY-KPI GUIDED CORRECTIONS

## KPI 1 — Single-Trade Risk Exposure

✅ Conceptually excellent
⚠️ Threshold justification required

**Add one line:**

"A 3% threshold is enforced operationally to provide a buffer below the 5% maximum risk ceiling defined in the decision criteria."

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## KPI 3 — Reliability Rate (Daily)

⚠️ Definition issue

Your **definition text** discusses *session and time-of-day*, but your **calculation** is daily.

### Correction

Either:

- Rename it to **Positive Day Ratio**, or
- Add a separate **Session Reliability KPI** later

Keep one KPI = one concept.

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## KPI 4 — Recovery Factor

❌ Naming error

- KPI Name should be **Recovery Factor**
- "Reliability Rate (Daily)" must be removed here

This is a *clerical* error, not a conceptual one.

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# KPI 5 — Scalping Logic / Trade Duration Drift

⚠️ Threshold direction is incorrect

Currently:

Threshold ≥ 4 Hours

This implies **longer holding times are acceptable**, which contradicts scalping.

## Correction

Change to:

Threshold ≤ X minutes (or ≤ historical scalping average + tolerance)

This is a subtle but critical analytical point.

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1. Correct Trade Duration threshold direction

This is **not a rewrite**—it is precision polishing.

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# WHY THIS MATTERS (TEACHING MOMENT)

You are now operating in a space where:

- The *thinking* is correct
- The *presentation* must be exact

At senior levels, most feedback is about **precision, not insight**. This is a good sign.