

THE KPI INSTITUTE

CERTIFIED

KEY PERFORMANCE INDICATORS

PROFESSIONAL

Towards the Usage of a Rigorous  
KPI Measurement Framework



# THE KPI INSTITUTE

## VISION

Empower the world  
to achieve  
performance  
excellence

## MISSION

Provide integrated  
performance solutions  
through rigorous research,  
educational programs and  
advisory services

## VALUES



Added value

Offering more  
through  
innovation and  
value for money



Best know-how

Through the  
integration of  
multidisciplinary  
global expertise



Common sense

Fairness,  
modesty and  
friendship



Data and facts

Expertise and  
opinions based  
on specific  
data



Efficiency

Key principle for  
prioritization and  
getting things  
done



## THE KPI INSTITUTE

“Empower the world to achieve performance excellence”

**2004** Year of establishment

**+ 20,000** Participants trained

**59** Countries where we delivered educational programs

**40** Global partner organizations

**19** Years spent on researching KPI best practice

**250+** Research reports published to date

**4 OFFICES**  
Australia  
Europe  
Middle East  
South-East Asia

**6 CONTINENTS**

On which we delivered training programs

**200+** Staff members

# KEY RESOURCES



21,300+ KPIs - 16 functional areas, 25 industries



250+ Performance Management related publications: KPI Dictionary Series, Top 25 KPIs, primary research studies, ready-to-use Performance Management Toolkits



One place to access your course materials and the Certification Exam



2,500+ articles and 20+ subject matter interviews



800+ products, ranging from publications to scheduled training courses, eLearning, webinars, free reports and KPI related posters.

# PUBLICATIONS

## TOP KPIs REPORTS

Fuel your professional growth with the best-of-breed collection of knowledge resources and stay abreast of the latest trends.

- »» **Integration**  
a collection of the most popular KPIs
- »» **Rigorous standards**  
thorough analysis of each KPI according to smartKPIs.com documentation form and standards
- »» **Support**  
a valuable baseline resource for informing and addressing performance management and measurement challenges

Discover the Top 25 KPIs Report Series [here](#).



# PUBLICATIONS

## RESEARCH STUDIES

Primary and secondary research studies revealing trends and practices in strategy and performance management.



Discover the research publications [here](#).

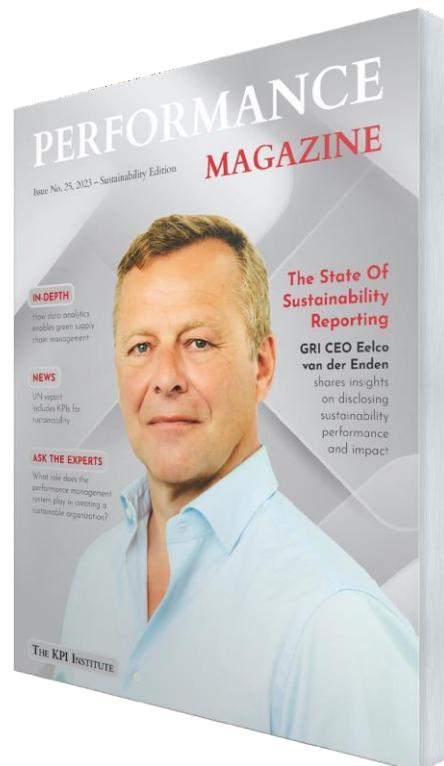
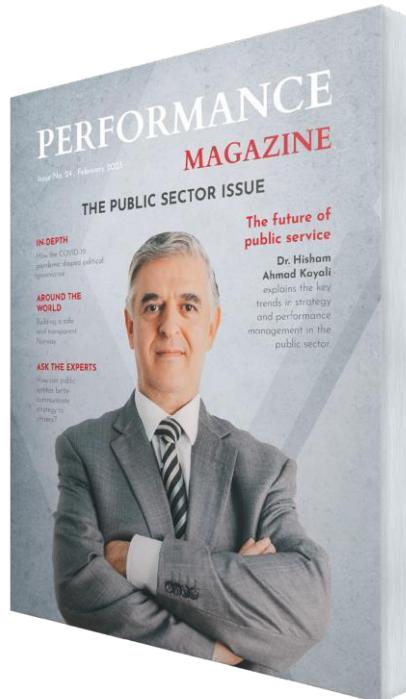
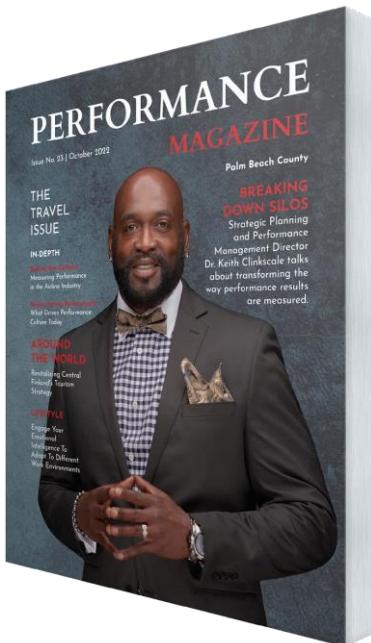


Discover the index data [here](#).

## PUBLICATIONS

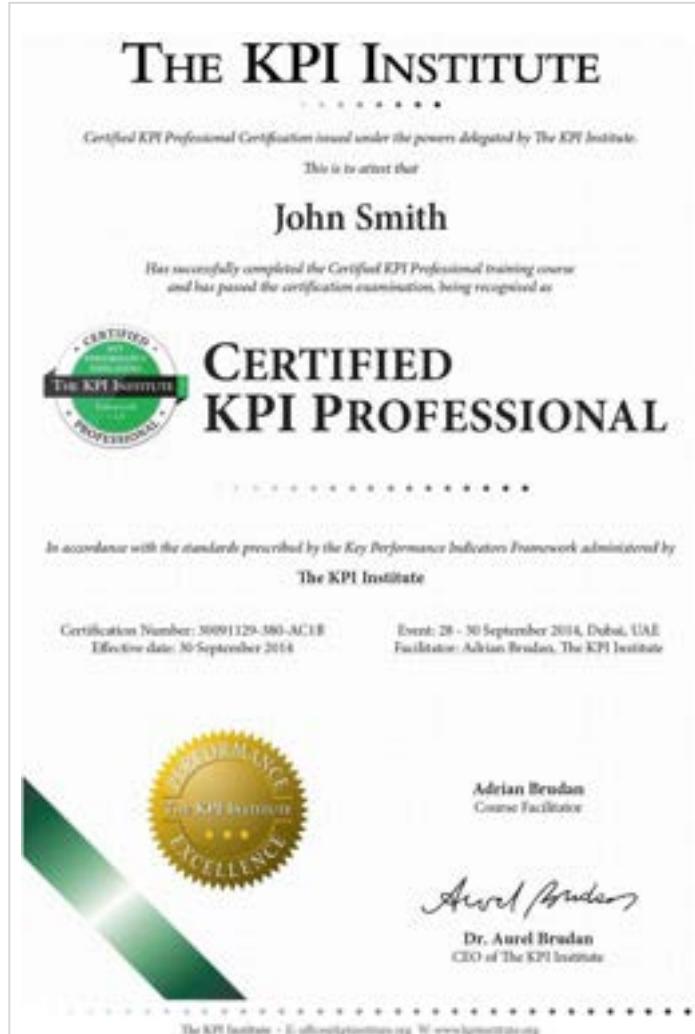
### MAGAZINES

Best insights from articles and interviews with practitioners, industry news and much more can be found in our quarterly editions of Performance Magazine.



Discover the latest magazine editions [here](#).

# ADVANCE YOUR CAREER WITH OUR CERTIFICATIONS



- Certified Strategy and Business Planning Professional
- Certified Agile Strategy Execution Professional
- Certified KPI Professional
- Certified Performance Management Professional
- Certified Employee Performance Professional
- Certified Performance Management Systems Audit Professional
- Certified Balanced Scorecard Management System Professional
- Certified OKR Professional
- Certified Data Analysis Professional
- Certified Data Visualization Professional
- Certified Benchmarking Professional
- Certified Innovation Professional

Access the 2023 Training Calendar [here](#).

# EXECUTIVE PROGRAM IN STRATEGY & PERFORMANCE

## 1. Postgraduate Diploma in Strategy & Performance

3 semesters (18 months) to cover 8 specialized courses and develop a final practitioner portfolio (36 assignments).

- Certified Strategy and Business Planning Professional
- Certified KPI Professional
- Certified Performance Management Professional
- Certified Employee Performance Management Professional
- Certified Agile Strategy Execution Professional
- Certified Performance Management System Audit Professional
- +2 Elective Courses



Access the course presentation [here](#).

# EXECUTIVE PROGRAM IN STRATEGY & PERFORMANCE

## 2. Graduate Certificate in Strategy and Performance

2 semesters (12 months) to complete 4 specialized courses and develop a final practitioner portfolio (20 assignments).



- Certified Strategy and Business Planning Professional
- Certified KPI Professional
- Certified Performance Management Professional
- Certified Agile Strategy Execution Professional

Access the course presentation [here](#).

# COURSE AGENDA

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1 | THE WORLD OF KPIS



2 | UNDERSTANDING KPIS



3 | KPI TYPOLOGY



4 | KPI TAXONOMY



5 | KPI SELECTION



6 | KPIs IN CONTEXT



7 | KPI DOCUMENTATION



8 | WORKING WITH TARGETS



9 | DATA GATHERING



10 | DATA VISUALIZATION

# LEARNING OBJECTIVES

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Differentiate between objectives,  
KPIs and initiatives

Optimize the KPI activation  
and the data gathering  
process

Understand KPI  
selection in different  
contexts

Improve target-  
setting practices

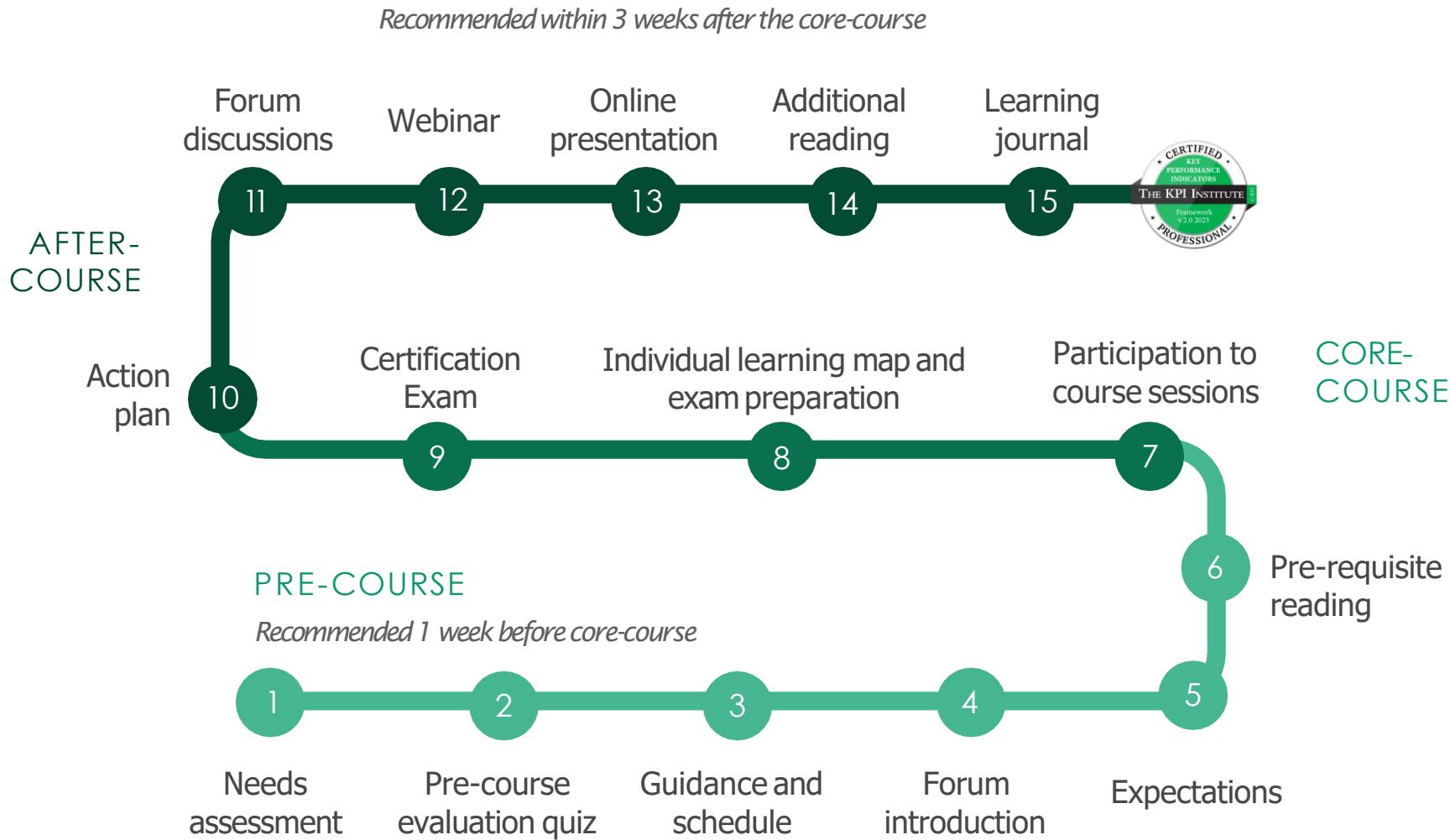
Apply best practice  
techniques to KPI selection

Document KPIs in a  
standardized template



# LEARNING ROADMAP

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# LEARNING ROADMAP DETAILED

## 1. PRE-COURSE STAGE ACTIVITIES 4 hours (estimation)

Activities	Details	Duration (hours)
Needs assessment	Complete a survey to identify the general interests of the participants' group and their experience using performance measurement tools in their organizations.	0.5
Pre-course evaluation quiz	Take a quiz to evaluate your knowledge level before the training.	0.5
Forum introduction	Introduce yourself on the online forum and interact with the rest of the participants from the course.	0.5
Expectations	Share your expectations regarding the training course on the forum prior to joining on the first day.	0.5
Pre-requisite reading	Go through a series of resources to better understand training content	2

# LEARNING ROADMAP DETAILED

## 2. CORE-COURSE STAGE ACTIVITIES 24/28 hours (estimation)

Activities	Details	Duration (hours)
Participation to the training course	Attend and engage in the training activities.	20/24*
Individual learning map and exam preparation	After each course session, 0.5 hours should be allocated to review the materials to consolidate learning. Prior to the exam, it is recommended to make one final course review.	2.5
Certification exam	Take and pass the exam which contains 75 multi-choice questions. The minimum score to pass the exam is 50 points out of 75.	1**

\* The course delivery can take 20 days for online classrooms (5 days of 4-hour sessions) or it can last for 3 days (8 hours per day) in the case of a face-to-face class.

\*\* The exam can be taken online or paper-based in the case of face-to-face deliveries.

# LEARNING ROADMAP DETAILED

## 3. AFTER-COURSE STAGE ACTIVITIES 12 hours (estimation)

Activities	Details	Duration (hours)
Action plan	Create a plan for the improvement initiatives you would propose to the performance management system in your organization.	1
Forum discussions	Initiate at least one discussion and contribute to another discussion in the online forum.	0.5
Webinar	Watch the Performance Improvement Essentials webinar and share: <ul style="list-style-type: none"><li>• 3 key learning points</li><li>• 1 action to improve your current practices</li></ul>	1.5
Online presentation	Submit a short PowerPoint presentation to showcase the most important takeaways from the training course (~30 slides). Use the presentation to share knowledge in your organization.	4
Additional reading	Read supplementary resources for learning reinforcement.	2
Learning journal	Reflect on each stage of the learning experience and capture the reflections in the journal template provided.	3

## Module 1

# THE WORLD OF KPIS

### Agenda:

- ① Challenges in performance measurement
- ② The value added by KPIs
- ③ Organizational levels
- ④ KPI concept map
- ⑤ Governance

## Module 1

# THE WORLD OF KPIS

### Key learning points:

- Identify main challenges in performance measurement;
- Understand the role of business performance measurement systems;
- Acknowledge 6 arguments to get buy-in for a KPI implementation project.

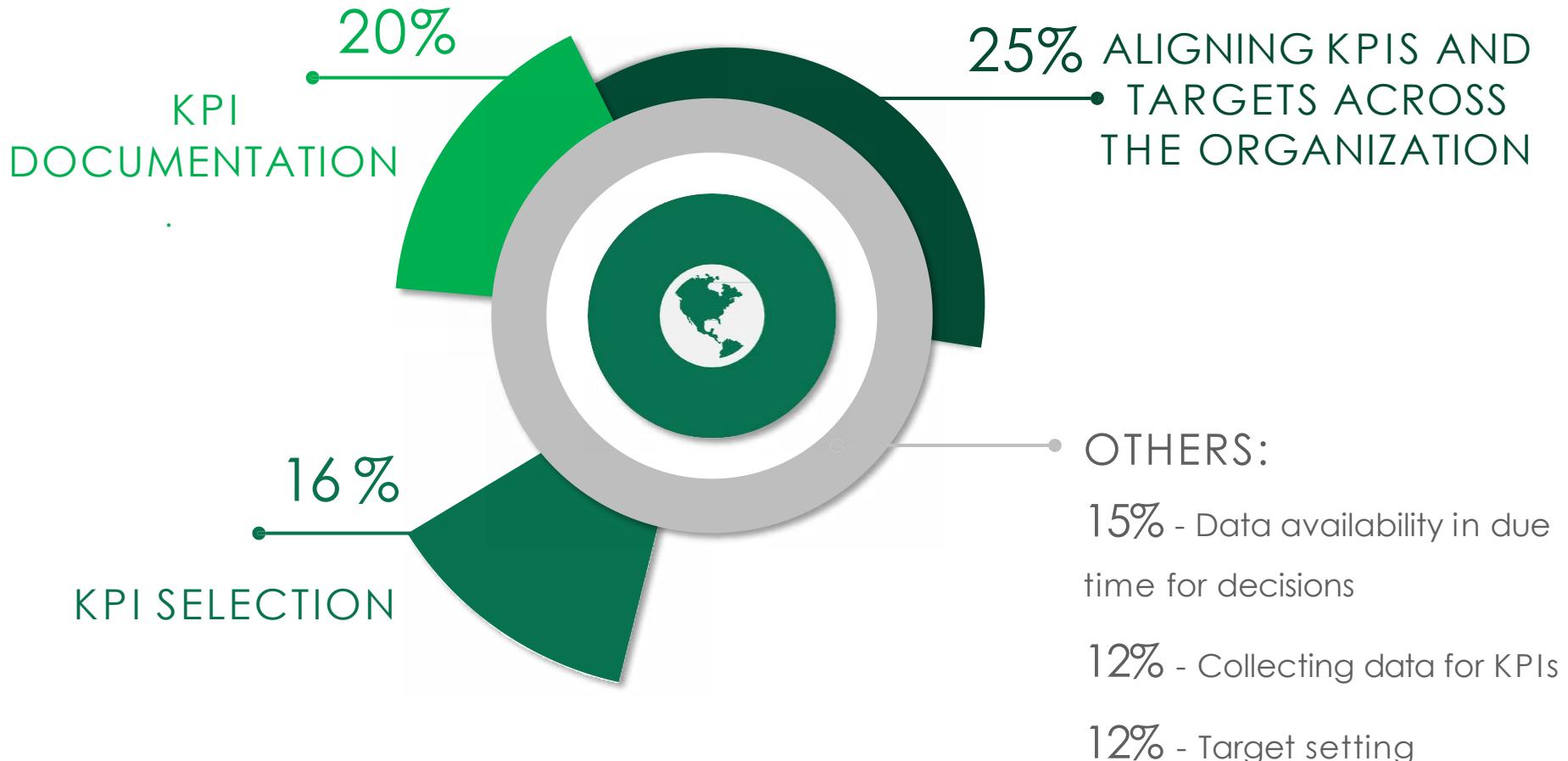
## SHARE YOUR THOUGHTS

CHALLENGES IN PERFORMANCE MEASUREMENT:  
Which is the most challenging aspect of working with KPIs in  
your organization?



# TOP 3 CHALLENGES IN PERFORMANCE MEASUREMENT

State of Strategy Management Practices Report – 2022, The KPI Institute



Source: The KPI Institute (2022), State of Strategy Management Practice Report

# PERFORMANCE MEASUREMENT VS. PERFORMANCE MANAGEMENT

Performance management is the overarching human activity that is concerned with achieving desired results, thus demonstrating and achieving performance. It reflects the approach one entity has towards performance and it integrates both upstream and downstream with other domains of administrative science or managerial disciplines.

*Aurel Brudan, 2017*

## Performance Measurement

vs

## Performance Management

Identifying and selecting measurable expressions for the purpose of evaluating results and achievements.

Evaluating performance through:

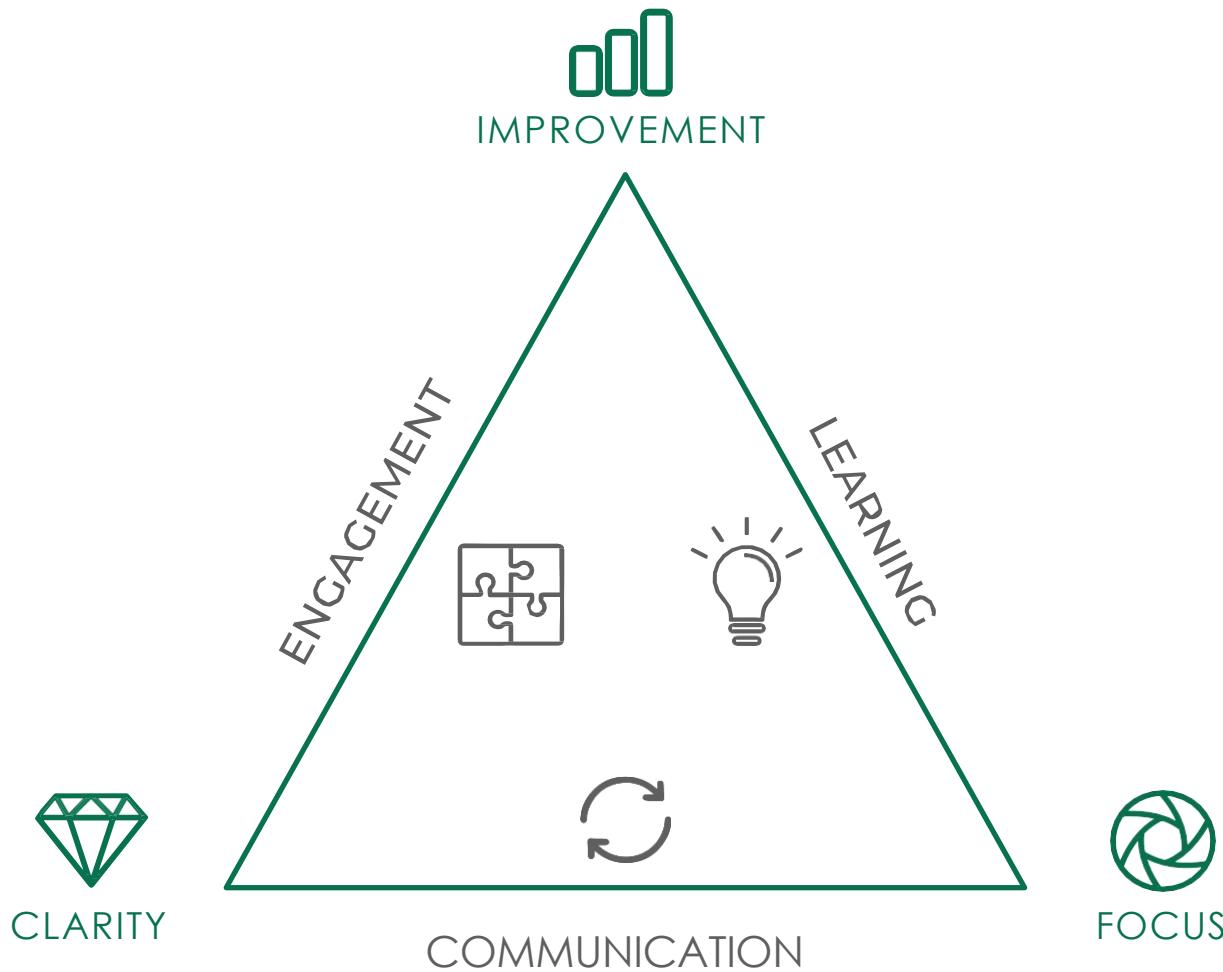
- Objectives
- Performance measures/ metrics/ KPIs
- Targets

Taking actions based on the evaluation's results to ensure targets are achieved.

The overarching discipline that deals with performance. Includes sub-processes such as:

- The formulation of a plan
- Actively monitoring the implementation
- Readjusting the plan
- Performance measurement
- Capability development

# THE VALUE ADDED BY KPIs



# THE VALUE ADDED BY KPIs



CLARITY

**Provide** a detailed numerical view of which are the desired results aimed to be achieved.

**Facilitate** line of sight by mapping contribution to success across organizational levels.



FOCUS

**Articulate** what matters.

**Convey** what requires attention.



IMPROVEMENT

**Objectively evaluate** the level of achievement of desired results.

**Readily available data** which accelerates corrective action initiation.

# THE VALUE ADDED BY KPIs



## ENGAGEMENT

**Lead** to a sense of ownership through responsibility and accountability.

**Motivate** in achieving better results.

**Contribute** to building a performance culture.



## COMMUNICATION

**Provide** a common understanding of the numbers that matter.

**Enable** precise stakeholder communication.

**Demonstrate** interest and ability to use state-of-the-art management concepts.



## LEARNING

**Enable** comparison of results in time, to reflect trends.

**Identify** opportunities by comparing to others/ benchmarking.

**Support** a better understanding of the business.

# TERMS & TOOLS LINKED TO “PERFORMANCE”

A better structure, alignment, integration, and use of what is already in place is the answer to improving performance management practices.

- Stakeholders
- Discussions
- Forums
- Training
- Rewards

- Goals
- Objectives
- KPIs
- Targets
- Technology
- Meetings
- Performance reviews



- Plans
- Budgets
- Projects
- Scorecards
- Dashboards
- Reports

# INTEGRATION OF TOOLS IN A PERFORMANCE MANAGEMENT SYSTEM

## Organizational and Departmental Level

- Perf. Manag. System Map
- Desired State of Evolution
- Strategy Map
- Performance Scorecard
- Dashboard
- Organizational KPI Catalogue
- Portfolio of Initiatives
- Performance review meetings

## Individual Level

- Individual performance plans
- Performance evaluations
- Performance conversations

## Personal Level

- Personal life plans
- Metrics
- Performance reviews



# SYSTEM INTEGRATION

ORGANIZATIONAL  
STRATEGY

INTEGRATED  
PERFORMANCE  
MANAGEMENT  
SYSTEM

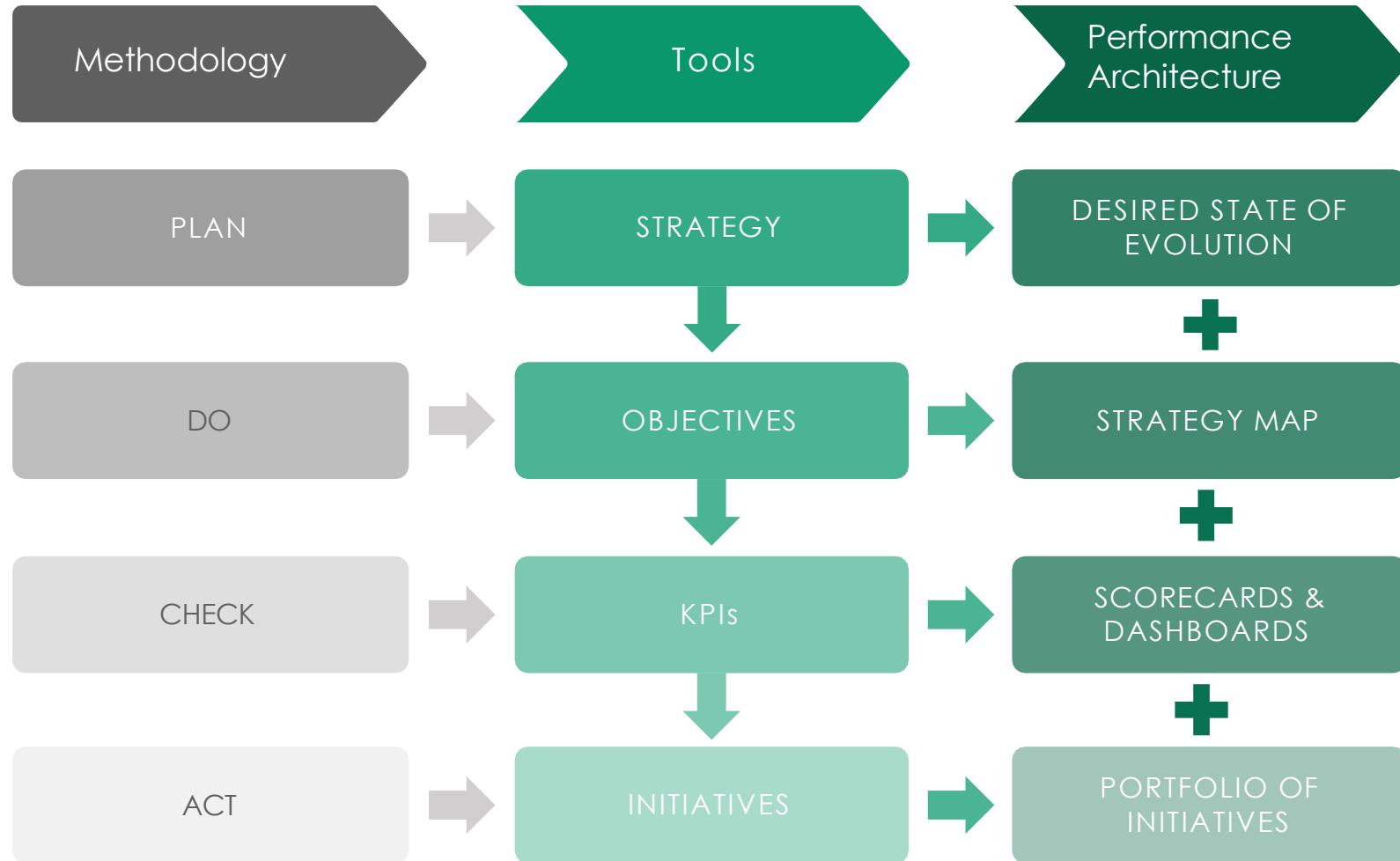


# EXERCISE

## Identify Performance Management Concepts

Match here	Examples	No.	Concepts
	80%	1	Mission Statement
	#Employees	2	Vision Statement
	%Customer satisfaction	3	Corporate Value
	Staff Skills Academy	4	Value Driver
	Complete 50% of the training courses by 30 June	5	Goal
	Identify key competencies to improve for Customer Service Specialists	6	Objective
	Integrity	7	KPI
	Improve the customer experience	8	Target
	Growth for the business	9	Metric
	Quality	10	Program
	To be the world's leading company and transform the traveling experience!	11	Initiative
	Customer Service Training	12	Milestone
	We offer high-quality transportation services through our customized travel experiences. We are committed to minimizing our environmental footprint and contributing to the development of the communities around us.	13	Task

# PERFORMANCE TOOLS OVERVIEW



# ORGANIZATIONAL LEVELS



# ORGANIZATIONAL LEVELS

## Strategic Level

- Performance management implemented
- Cascading objectives, KPIs, and targets
- Executive engagement and buy-in



## Operational Level

- Performance management implemented
- Aligning to objectives, KPIs, and targets
- Constant feedback to higher and lower levels



## Individual Level

- Performance management implemented
- Understanding the impact of individual work upon the organizational strategy

# ORGANIZATIONAL LEVELS

72%

of organizations are using KPIs preponderantly for monitoring performance at the **corporate, operational, and individual** levels.



Other functional areas that rely significantly on KPIs are:

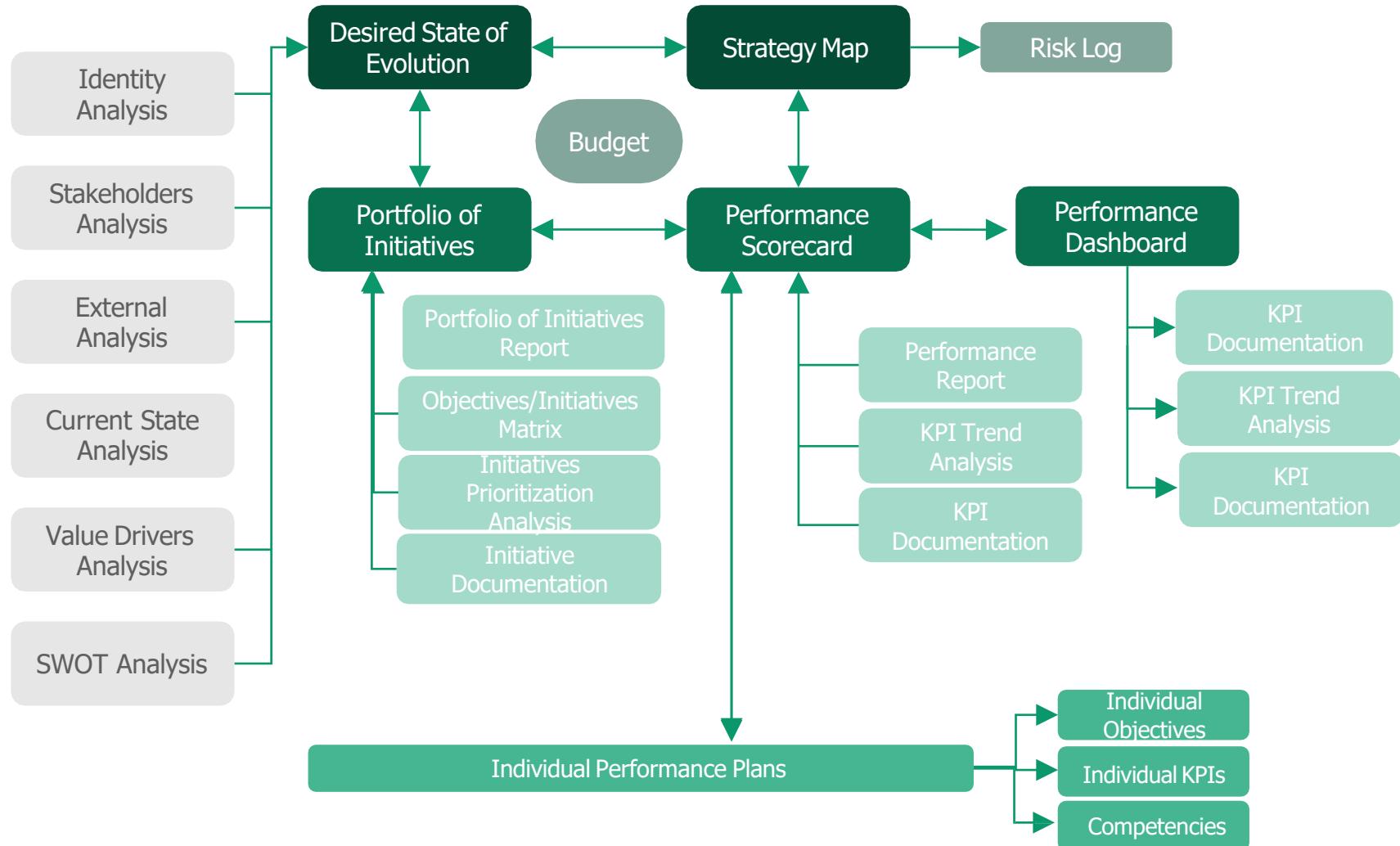
- Project management
- Process management
- Quality management

Among the performance management frameworks preferred, the rank is:

- 1 Balanced Scorecard Methodology
- 2 Objectives and Key Results System
- 3 No specific methodology, customized practices for the organization

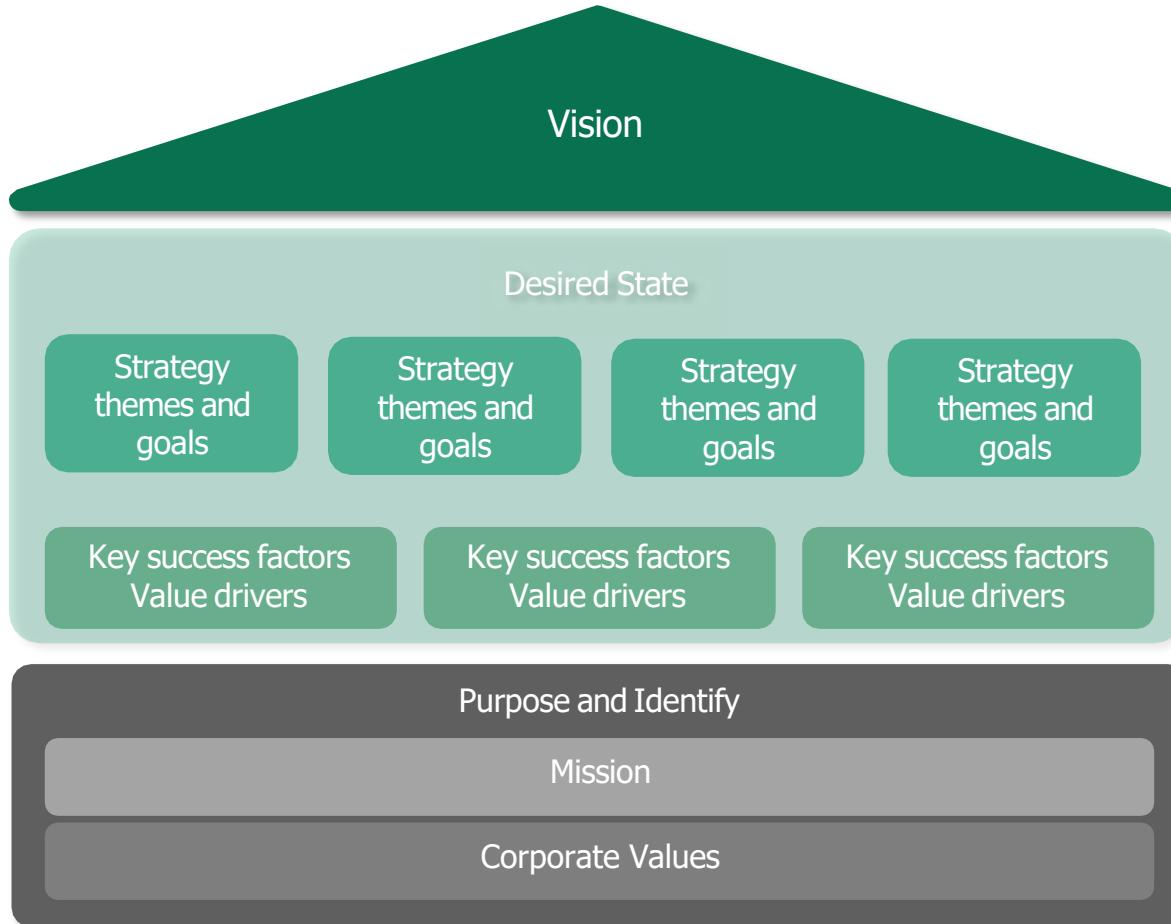
Source: The KPI Institute (2022), State of Strategy Management Practice Report

# 1. PERFORMANCE MANAGEMENT SYSTEM MAP



## 2. DESIRED STATE OF EVOLUTION

Recommended structure:



## VISION

To become the first choice for medical services for all residence in our country

## DESIRED STATE

Targets achievement

\$43,000 revenue per patient

90% patients satisfaction rate

0 hospital acquired infections

Projection into external environment

Optimize technology advancement to deliver better service for our patients

Hire experienced doctors and other medical workers to serve with highest standard

Build our reputation as a medical facility that puts patients needs at the core of all services

Key success factors/value drivers/internal capabilities

### Our Customer

**Responsive to our patients needs** - We acknowledge what is the best for our patients  
**Competitive services** - Our solution will serve our patients with superior value for money

### Our People

**Individual and team capabilities** - We hire the best healthcare workers to assure that our services always at the highest level  
**Organizational culture** - Our culture is always patient-oriented

### Our Services

**Effectivity of process** - Our process always make sure that our solution is the best option for our patients  
**Process efficiency** - We work on a certain mapped guidelines to makes sure our services are delivered efficiently

### Our Shareholders

**Value generation** - We demonstrate fiduciary responsibility, income generation by creating values to our patients  
**Sustainable development** - Our strategic objectives accommodate changes from environment and what the future needs

## IDENTIFY AND PURPOSE

**Mission:** Providing high quality, most accessible healthcare solution for the community

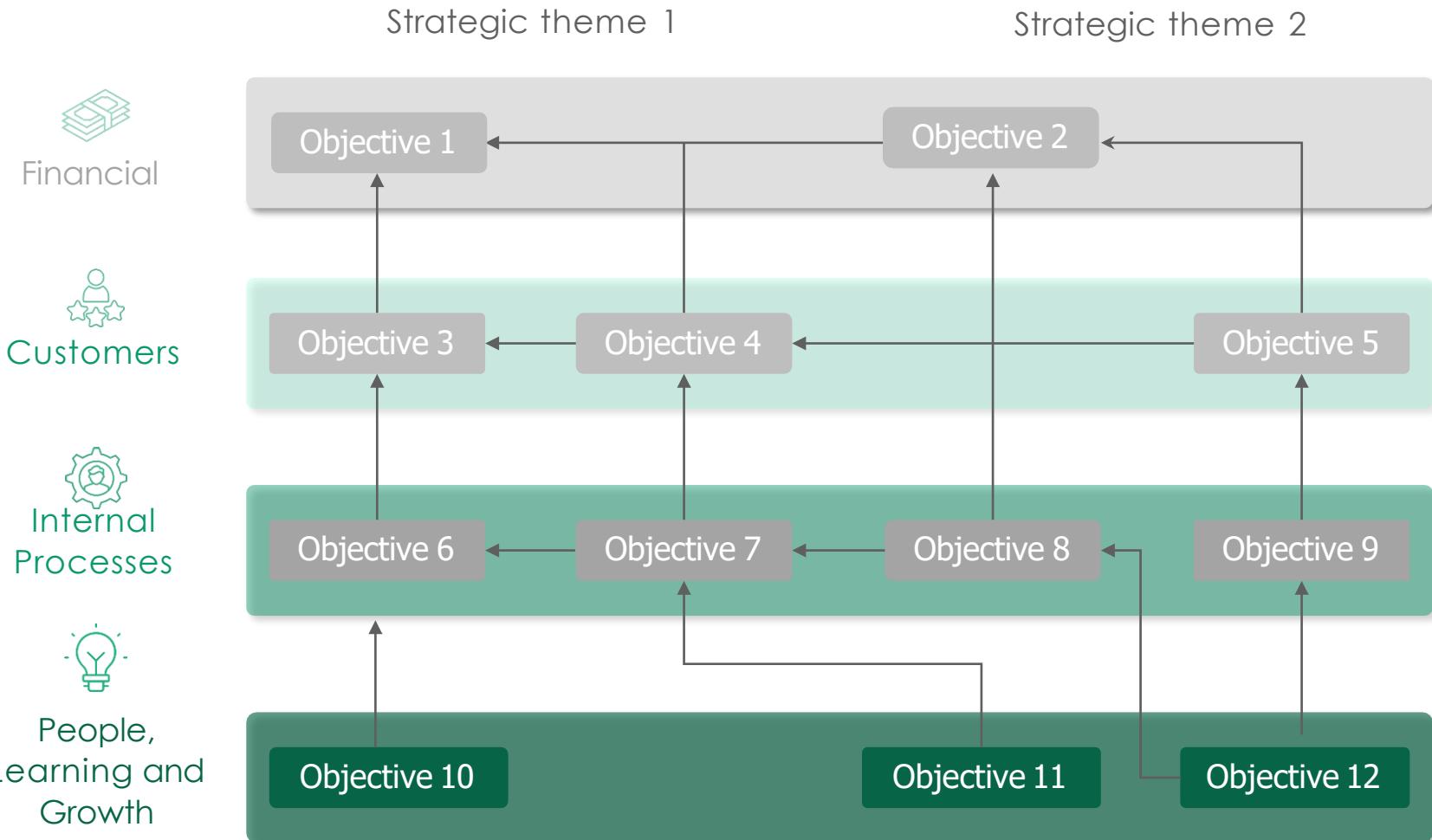
**Values:** **Consent** - We always make sure our service is based on our patients' consent; **Caring** - We understand our patients' needs and we deliver; **Respect** - We value our patients' confidentiality and personal safety; **Integrity** - What we do is always at the highest standard and follow certain guidelines

# 1. DESIRED STATE OF EVOLUTION

*Private Hospital Example*

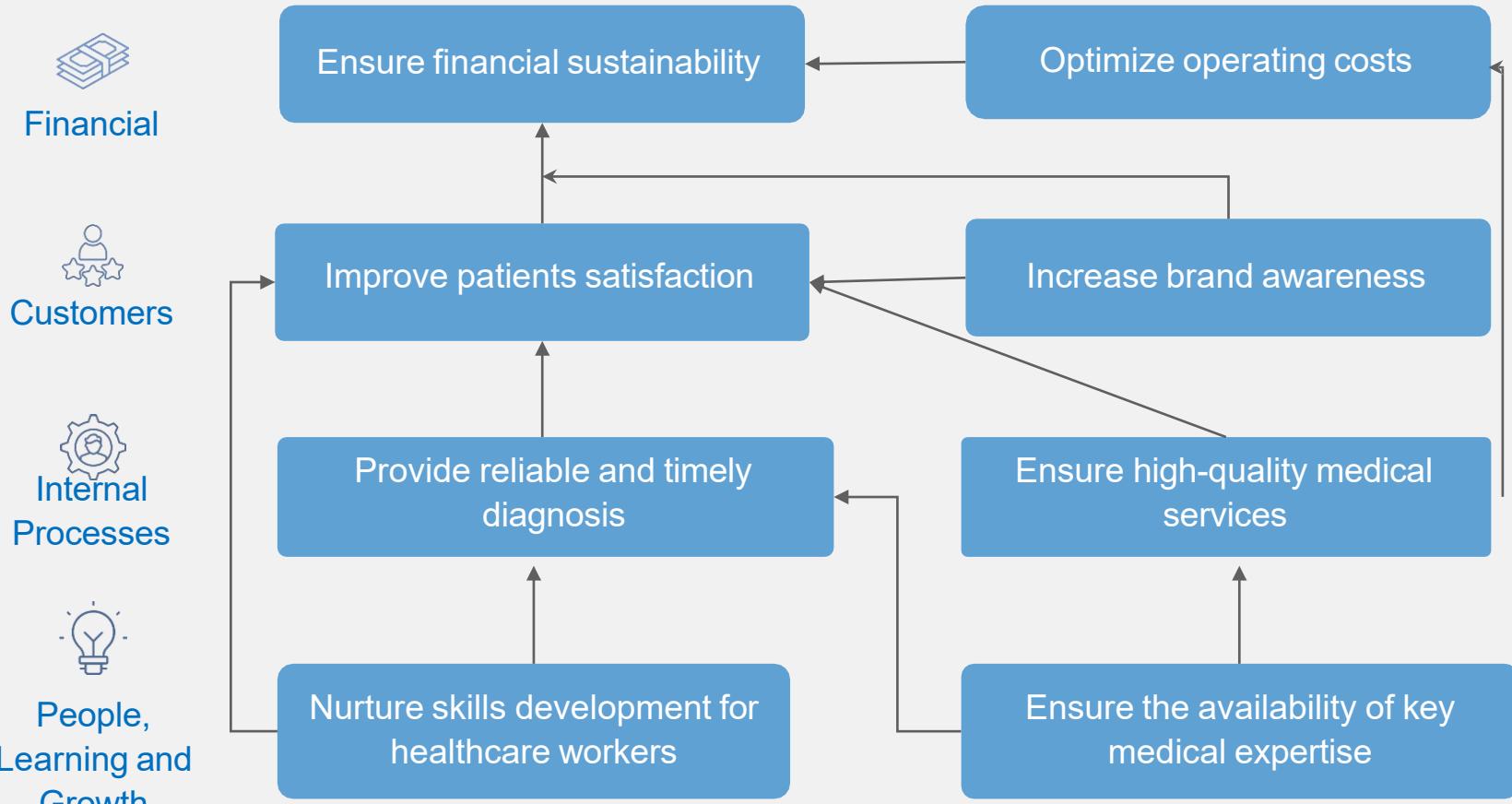
### 3. STRATEGY MAP

Recommended structure:



### 3. STRATEGY MAP

Private Hospital Example



Source: The KPI Institute (2023)

## 4. PERFORMANCE SCORECARD

Recommended structure:

Perspectives/ Strategic themes/ Goals	Objectives & KPIs	ID code	Rep. Freq.	Previous results	Actual Results	Target	Status/ Variance	KPI owner	Comments
Financial	Objective 1								
	KPI 1.1								
	KPI 1.2								
Customers	Objective 2								
	KPI 2.1								
	KPI 2.2								
Internal Processes	Objective 3								
	KPI 3.1								
	KPI 3.2								
People, Learning & Growth	Objective 4								
	KPI 4.1								
	KPI 4.2								

# 4. PERFORMANCE SCORECARD

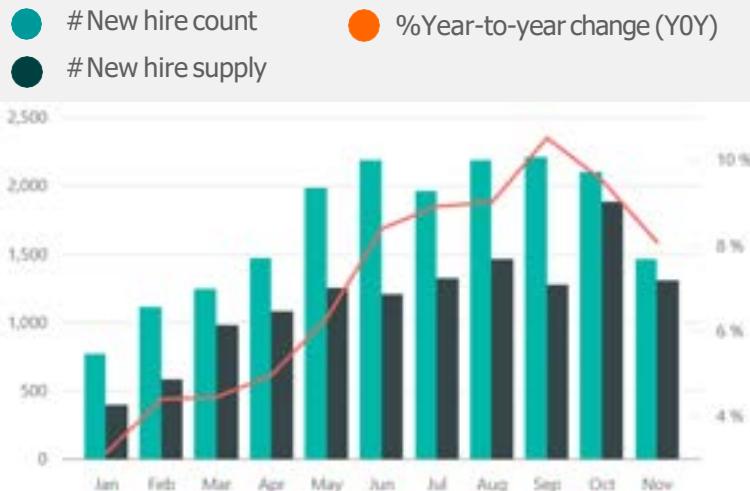
Private Hospital Example

Perspective/Objective	ID	SRF	Previous results	Current results	Target	Target achievement	KPI Owner
<b>Financial</b>							
<b>Ensure financial sustainability</b>							
\$ Revenue per patient	PP1	M	\$34,000	\$37,000	\$43,000	80%	CEO
% Profit margin	PP2	Q	9%	14%	30%	47%	CEO
<b>Optimize operating cost</b>							
% Operating budget variance	PP3	M	4%	5%	3%	60%	CEO
\$ Cost per discharge	PP4	M	\$12,000	\$11,800	\$11,000	-7%	CEO
<b>Customer</b>							
<b>Improve patients satisfaction</b>							
# Patient complaints	PP5	Q	1	5	0	0%	Marketing Manager
% Patients satisfaction	PP6	Q	78%	78%	90%	87%	Marketing Manager
<b>Increase brand awareness</b>							
# Brand awareness index	PP7	Y	78%	86%	92%	93%	Marketing Manager
# Media coverage	PP8	Q	5	8	13	62%	Marketing Manager
<b>Internal Process</b>							
<b>Provide reliable and timely diagnosis</b>							
# Laboratory turn-around time	PP9	M	3.5	4	3	133%	Laboratory Head
% Diagnosis accuracy rate	PP10	M	95%	94%	95%	99%	Laboratory Head
<b>Ensure high quality medical services</b>							
% Patients readmission rate	PP11	M	9%	13%	20%	135%	COO
# Hospital acquired infections	PP12	M	0	2	0	0%	COO
<b>People, Learning &amp; Growth</b>							
<b>Nurture skills development for healthcare workers</b>							
# Training hours per FTE	PP13	Y	26	28	45	59%	HR Manager
% Certified nurses	PP14	Y	75%	83%	87%	96%	HR Manager
<b>Ensure the availability of key medical expertise</b>							
% Doctors retention rate	PP17	Q	56%	64%	85%	76%	HR Manager
# Time to hire a new doctor	PP18	Y	35	38	34	90%	HR Manager

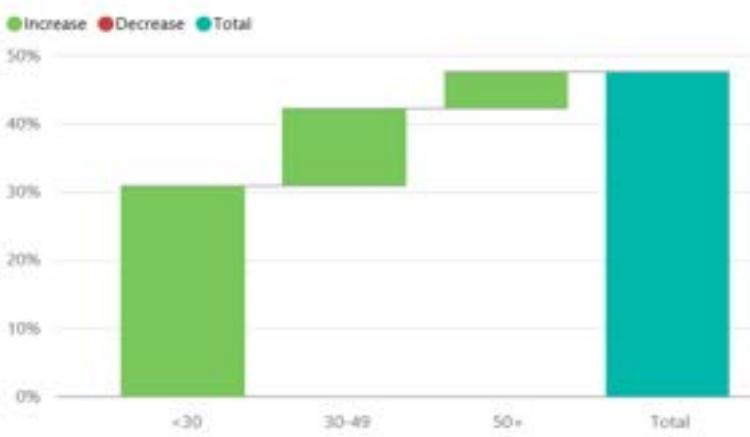
Source: The KPI Institute (2023)

# 5. PERFORMANCE DASHBOARD

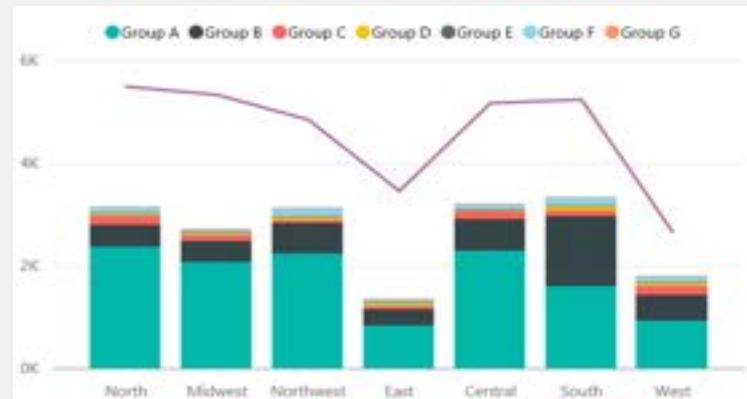
## Human Resources – Recruitment Example



#Bad hires



# Headcount per ethnicity



%Headcount per ethnicity

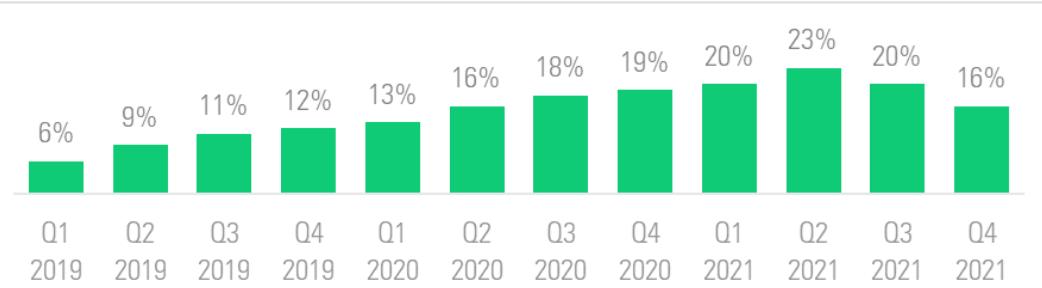


# 6. KPI DOCUMENTATION FORM

Identification						
KPI name	# Employee satisfaction index					
ID code	sk5912					
Description						
Definition	Measures the employees' satisfaction and motivation level with aspects regarding the job and working environment: job responsibilities, team and management, workplace and professional development.					
Functional area	Human Resource Department	Strategic perspective	People / Learning & Growth			
Calculation						
Subordinate measures used for calculation	A = Index calculated based on responses to structured questioning to assess employee satisfaction and dissatisfaction reasons and whether they find their work motivating.					
Calculation formula	A, based on survey	Desired trend for results	Increasing			
Focus						
Purpose	To indicate the level of satisfaction and motivation of employees, as high levels of satisfaction lower turnover rates, leading to higher performance and superior customer service.					
Strategic objective	PLG01					
Data profile						
Data capture period	Spot	Standard reporting frequency	Q			
Limitations	The accuracy of data can be limited by respondents' subjectivity, as the data is based on survey results.					
Targets						
Target	>90	Green threshold	85-100			
Benchmarking data	Not available	Yellow threshold	75-85			
Other intermediate targets	Not applicable	Red threshold	< 75			
Administration						
KPI owner (title)	HR Manager	Data custodian (title)	HR Analyst			
KPI owner (name)	John McKinney	Data custodian (name)	George Douglas			
KPI current status	Active	Last update of documentation	12.10.2021			
Data gathering						
Lead time	14 days					
Data source (DB name, System...)	Survey report					
Who maintains DS	HR Department	When is data produced	End of quarter			
Comments						
Studies suggest a direct correlation between employee satisfaction and increased performance on customer satisfaction, even on financial results.						

# 7. KPI REPORT FORM

KPI ANALYSIS REPORT			
ID code	sK1		
KPI	% Employee turnover		
Definition	Measures the rate at which employees leave the organization in a given time period (e.g. month, quarter, year).		
Calculation formula	{A /[(B+C)/2 ]}*100		
Comments		Decisions	
Q4 2020	This quarter indicates a 1% increase compared with the previous quarter.	Q4 2020	No action taken.
Q1 2021	This quarter indicates a 1% increase compared with the previous quarter.	Q1 2021	No action taken.
Q2 2021	The quarter shows a pick value (23%) caused by the fact that the employees did not receive their bonuses	Q2 2021	Develop mentorship programs to support the long-term career growth within the company, by providing both the expertise and opportunity to assume higher positions (functional role, process owner, team lead, manager, etc.) within the company.
Q3 2021	This quarter indicates a 3% decrease compared with the previous period.	Q3 2021	No action taken.
Q4 2021	This quarter indicates a 4% decrease compared with the previous period.	Q4 2021	No action taken.

A bar chart illustrating the percentage of employee turnover over time. The x-axis represents quarters from Q1 2019 to Q4 2021. The y-axis represents the percentage of turnover. The data shows a general upward trend with some fluctuations:

Quarter	Turnover (%)
Q1 2019	6%
Q2 2019	9%
Q3 2019	11%
Q4 2019	12%
Q1 2020	13%
Q2 2020	16%
Q3 2020	18%
Q4 2020	19%
Q1 2021	20%
Q2 2021	23%
Q3 2021	20%
Q4 2021	16%

Source: The KPI Institute (2023)

# 8. PORTFOLIO OF INITIATIVES

## Private Hospital Example

Perspective / Objective / Initiative	ID code	Initiative owner	Initiative coordinator	Priority	Budget	Start Date	End date	Status	Outstanding milestones
<b>Financial</b>									
<b>Ensure financial sustainability</b>									
Premium healthcare services pricing structure	IN1	CEO	Helen Otry	Medium	N/A	9/1/2022	11/30/2022	In Progress	* Approval from Board * Pricing implementation
<b>Customer</b>									
<b>Improve patients satisfaction</b>									
Post-service contact program	IN2	Marketing Manager	Mariah Figh	Medium	5,000	9/1/2022	9/30/2022	Implemented	n/a * Software testing
Automated customer feedback collection	IN3	Marketing Manager	Jayanta Vaishnavi	High	8,000	8/1/2022	10/30/2022	In Progress	* Launch
<b>Increase brand awareness</b>									
Brand awareness campaign	IN4	Marketing Manager	Helen Otry	Medium	12,000	4/1/2022	4/1/2022	Implemented	n/a
<b>Internal Processes</b>									
<b>Provide reliable and timely diagnosis</b>									
Diagnosis waiting time reduction program	IN5	Operational Manager	Mariah Figh	High	4,500	10/1/2022	10/31/2022	In Progress	* Initiatives 3.2 and 3.3 * Purchase of tablets
Automated system for tracking drugs administration	IN6	Operational Manager	Jayanta Vaishnavi	Low	12,000	9/1/2022	11/30/2022	In Progress	* Software configuration on new devices * Internal training for users
<b>Ensure high quality medical services</b>									
Hygiene Standards Policy implementation	IN7	Operational Manager	Mariah Figh	High	8,000	10/1/2022	11/30/2022	In Progress	* Policy final review * Approval * Internal communication
<b>People, Learning &amp; Growth</b>									
<b>Nurture skills development for healthcare workers</b>									
Professional development program for nurses	IN8	Human Resources Man:	Mark Spencer	Medium	22,000	1/20/2022	11/30/2022	In Progress	* Training deliveries: DMS 1, DMD 2 * Post-course feedback collection
Professional development program for doctors	IN9	Human Resources Man:	Mark Spencer	Medium	30,000	4/1/2022	8/9/2022	Implemented	n/a
<b>Ensure the availability of key medical expertise</b>									
Employer Branding	IN11	Human Resources Man:	Mark Spencer	High	4,000	3/1/2022	8/31/2022	Implemented	n/a

# 9. INITIATIVE DESCRIPTION FORM

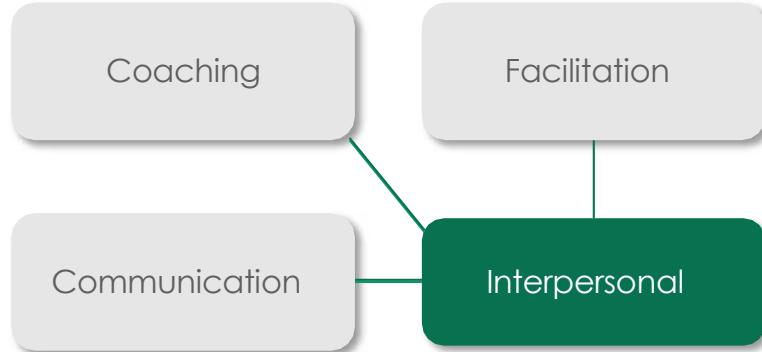
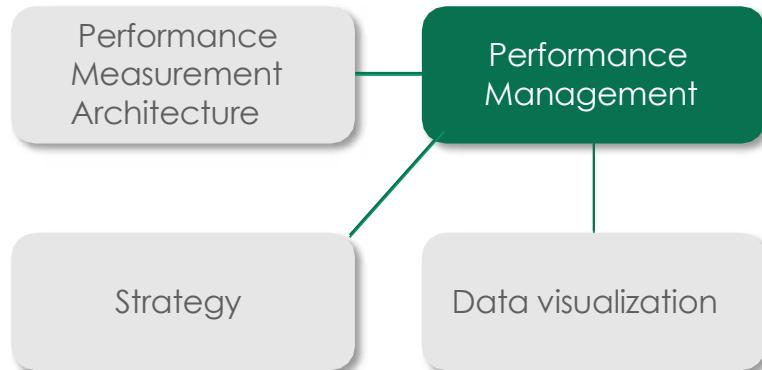
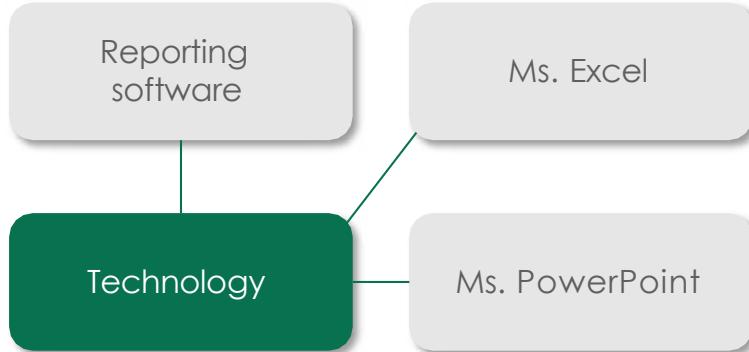
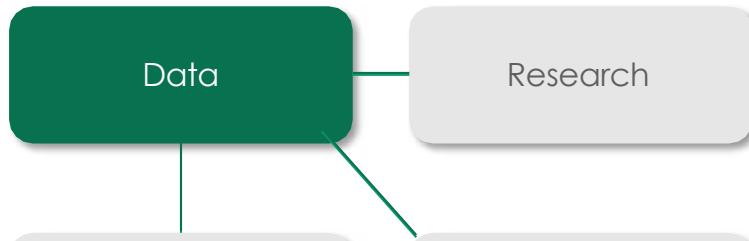
Unique identification			
Initiative name	Review the supplier base regularly		
Organizational initiative no.	IN1	Departmental initiative no.	321
Description			
Organizational area	Supply chain	Balanced Scorecard perspective	Financial
Scope			
Strategic objective	To reduce the number of suppliers the organization work with and synchronize the supply chain systems.		
Current state	Implemented		
Desired state	Implemented		
Expected outputs	To reduce overall costs, by saving money in warehousing, transportation, logistics, and inventory management.		
Measurement			
KPIs	% Spending on local suppliers		
Current result	40-50%	Target result	>50%
Initiative administration			
Initiative owner (title)	Procurement Manager	Initiative coordinator (title)	Chief Procurement Officer
Initiative owner	Harald Thompson	Initiative coordinator	Patrick Lane
Budget	6,500	Budget source	Surplus budget (Savings)
Priority	High	Status	
Implementation details			
Start date	1/1/2023	End date	1/2/2023
Major activities	Research, benchmarking, business meetings		
Risk profile	An incomplete, inaccurate or otherwise unreliable database of suppliers represents a threat for entity's capacity of sales.		
Interdependencies	A strong cooperation and communication between the organization and its		
Comments			
Purchasing products from local suppliers enjoys benefits for local economy and environment.			

Source: The KPI Institute (2023)

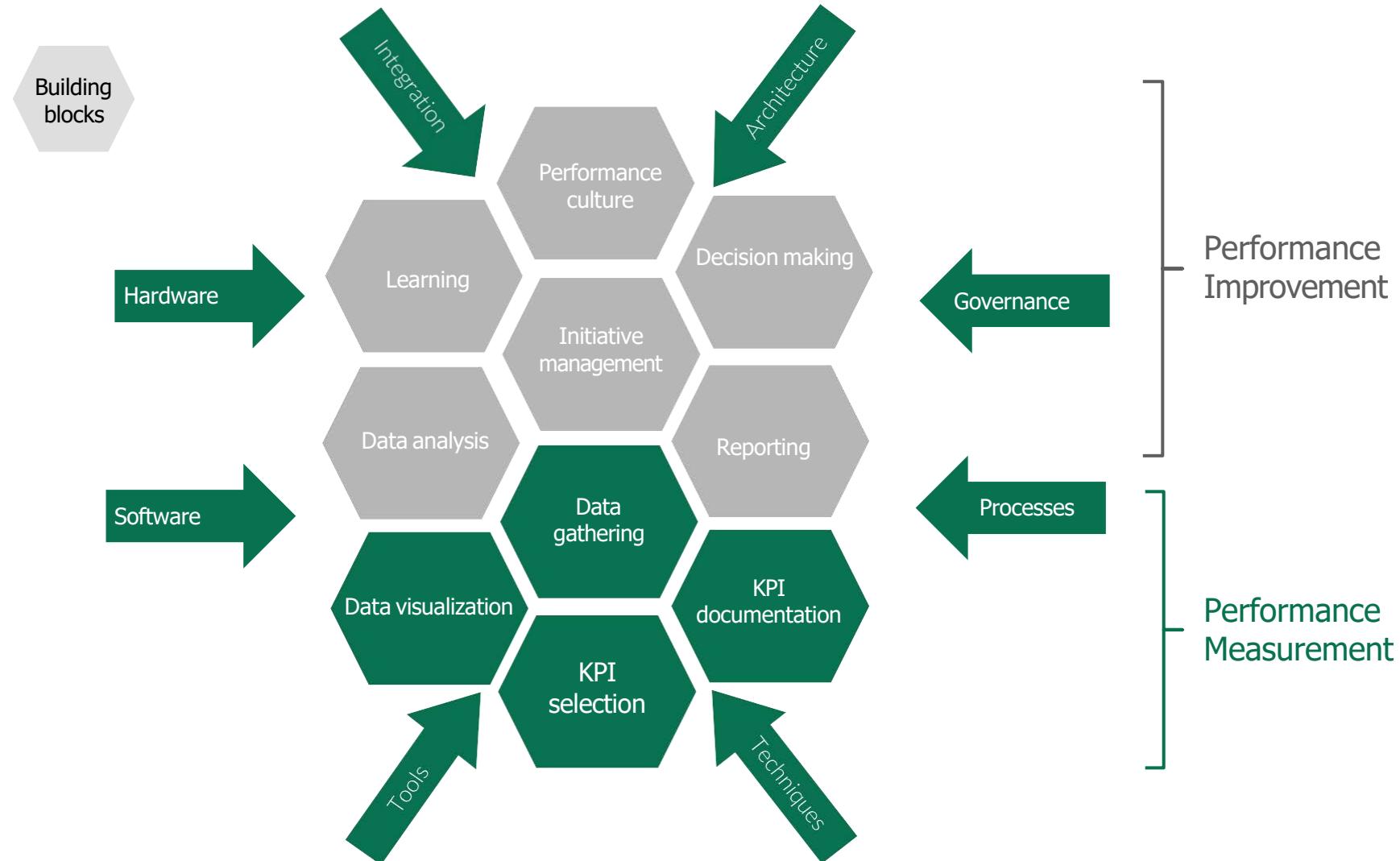
# KPI MEASUREMENT FRAMEWORK GOVERNANCE



# KPI MANAGEMENT SKILLS



# KPI MANAGEMENT FRAMEWORK CONCEPT MAP



Source: The KPI Institute (2023)

# SESSION REVIEW

## The World of KPIs

- Most common challenge: **KPI selection**
- Why use KPIs?
  - Clarity
  - Focus
  - Improvement
  - Engagement
  - Communication
  - Learning

# REFERENCES

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- The KPI Institute (2023), Performance Management Toolkits, Available at:  
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<https://smartkpis.kpiinstitute.org/kpi-101/metrics-kpis-kris-and-analytics>
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<https://smartkpis.kpiinstitute.org/kpi-101/performance-management-and-measurement>

## Module 2

# UNDERSTANDING KPIs

### Agenda:

- ① KPI related terminology
- ② SMART objectives decomposed
- ③ KPI lifecycle

## Module 1

### UNDERSTANDING KPIs

#### Key learning points:

- Define objectives, KPIs and initiatives according to terminology standards;
- Develop SMART objectives;
- Identify the stages of the KPI lifecycle.

# KPI RELATED TERMINOLOGY

Metrics, indicators, and performance indicators – regardless of the terminology used, performance data has been reported in organizations for decades now. As the complexity of the businesses has evolved, so have the measurement systems and the usage of KPIs spread across all functional areas of an organization.



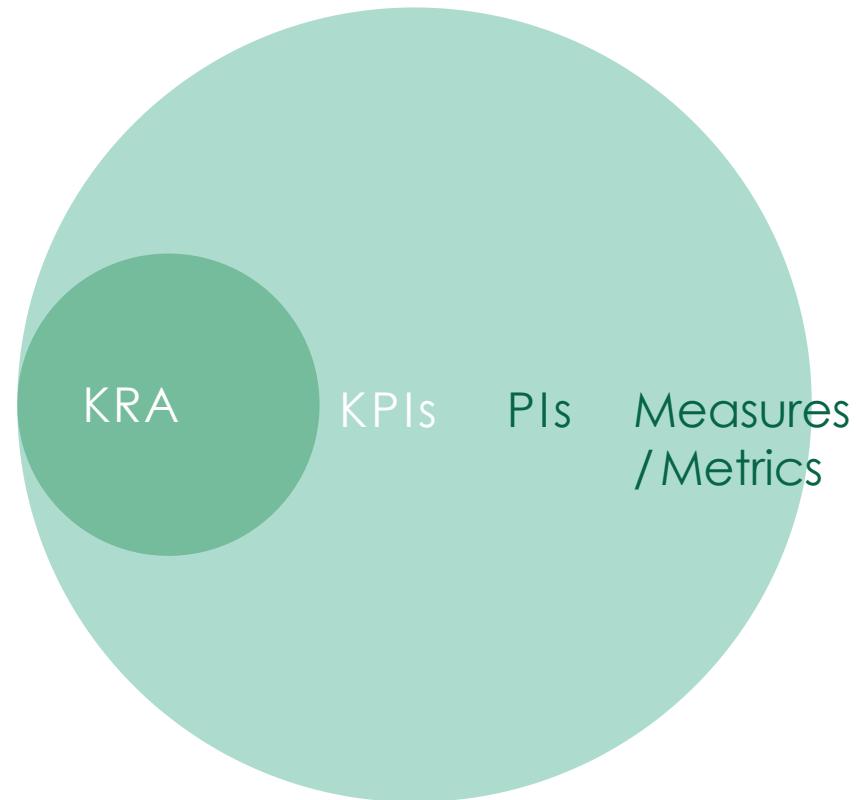
# KPI RELATED TERMINOLOGY

- Key Result Areas (KRAs);
- Key Performance Indicators (KPIs);
- Performance Indicators (PIs);
- Measures;
- Metrics;
- Key Result Indicators (KRIs);
- Analytics;
- Evaluation criteria.

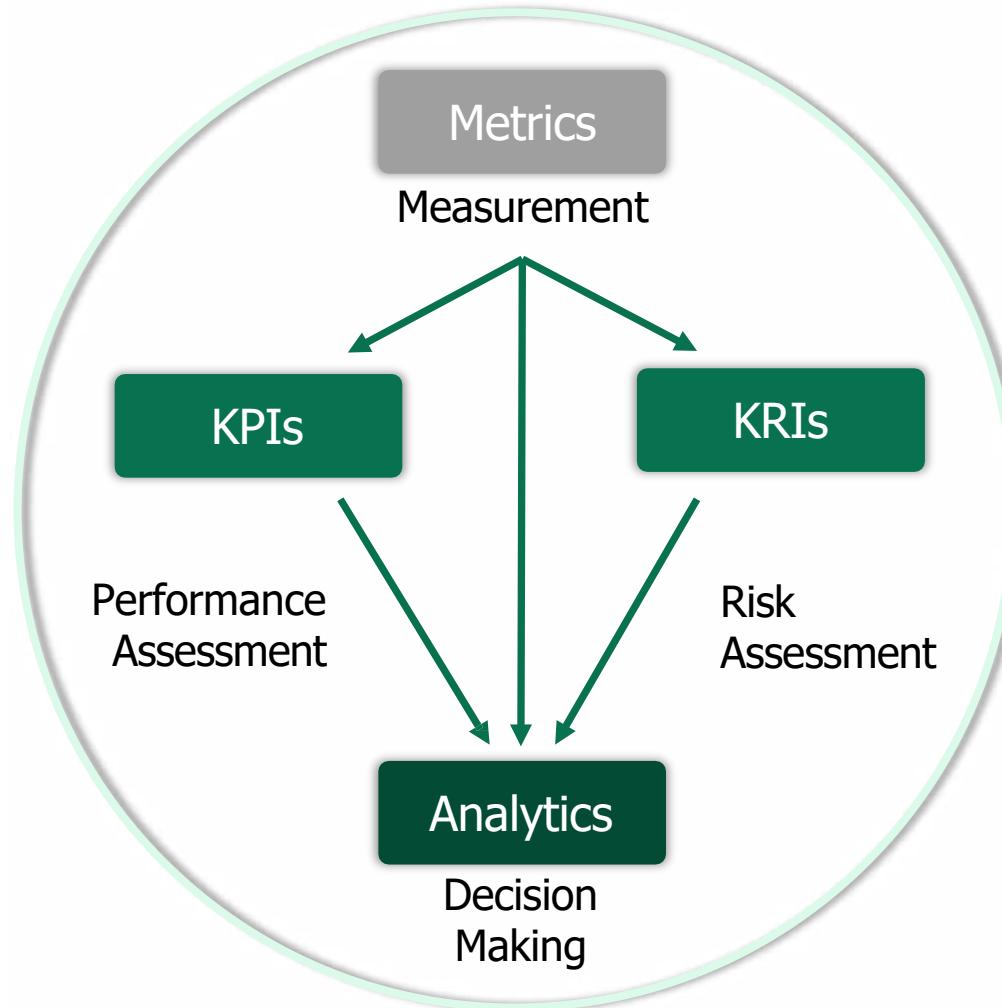
OPTION 1

KPIs – to evaluate performance  
Metrics – to inform decisions

OPTION 2



# METRICS – KPIs - KRIs - ANALYTICS



# METRICS

#Air temperature

#Air humidity

# Air purity

#Square meters per room

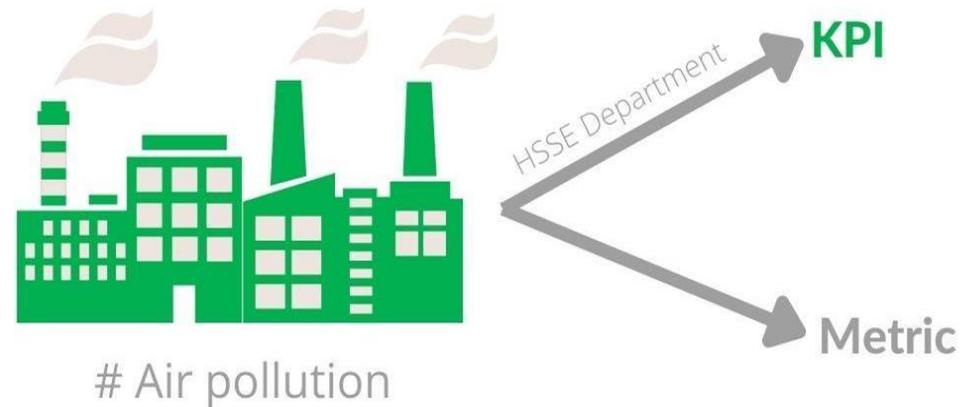
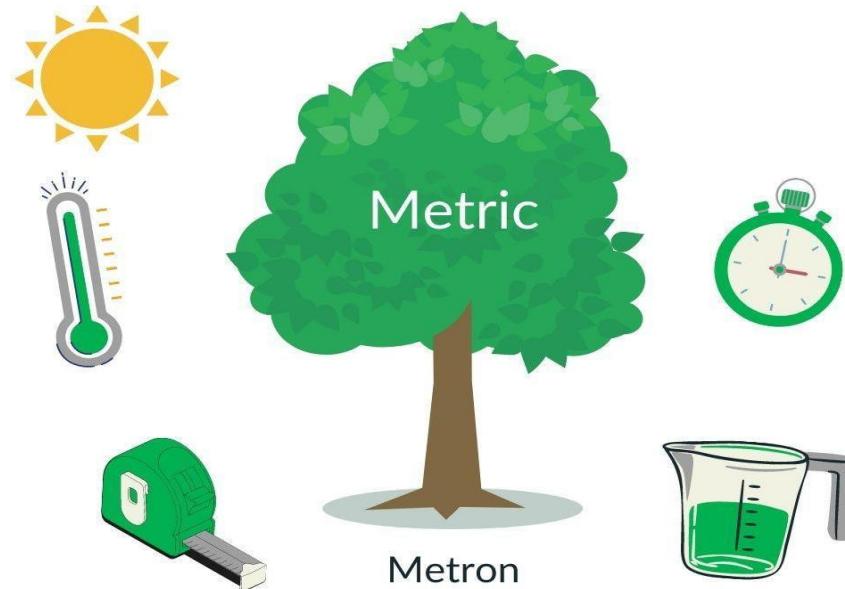
#Employees

#Highway kilometers

#Employee age

#Working hours per year

\$ Budget



# KEY PERFORMANCE INDICATORS

%Net promoter score

%Budget variance

%Hotel occupancy rate

\$ Revenues

\$ Operating costs

#Time to process requests

#Orders delivered per vehicle

**KPI 25 % Hotel occupancy**

Functional Area:	104	Indicator:	Reputation & Business
Sub-indicator:		Sub-indicator Type:	Hotel / Accommodation, Tourism hotel, occupancy, business
KPI Level:	40/25		

**Description**

**Definition:** Measures the average rate at which hotel rooms in a specific area are occupied within a given time period.

**Variations:** % Hotel occupancy level.

**Related KPIs:** % Days in which hotels have 100% or above occupancy rate.  
# Available customer nights.  
# Hotel industry point index (HPI).

**Calculation**

**Sub-indicator metrics:** A = # Occupied hotel rooms  
B = # Hotel rooms

**Calculation formula:**  $(A/B) \cdot 100$

**Trend in general:** Increasing

**Focus**

**Purpose:** To monitor the level of business attracted by a hotel in a specific market.

**BIG priority:** Internal Processes

**Objective statement:** Maximize occupancy rate.

**Data Profile**

**Custom period:** Month

**Standard reporting frequency:** Monthly

**Data collection method:** Guest Registration Record, Hotel Management System (DMS)

**Limitations:** Accurate reporting requires integration between the hotel booking systems and the performance reporting system.

**Targets**

**Threshold summary:**



Red: -30%   Yellow: 0%   Green: +30%

**Target setting notes:** Results are influenced by many factors such as seasonality, economic conditions, events. Targets should be set accordingly.

**Analysis and Resources**

**Overall notes:** This KPI is relevant as it provides insights into the revenue generation capabilities of hotels and the region. It also impacts the economic activity such as local transportation of the visitors to tourist sites, tourism employment, and services.

**Additional resources:**

- <https://www.smartkpis.com/kpi-analysis/101/>

**Notes:** Due to varying seasons and demand, with recessions and varying time periods within the year, Hotels are expected to review their key performance indicator such as % Hotel occupancy before managers and their teams are expected to prepare the low occupancy periods. Reviewing and analyzing the hotel's annual financial reports will determine the times when occupancy might be steadily declining or consistently low. Keeping notes of the seasons, months, or weeks of such performance is imperative. Hotels are expected to respond with effective strategies such as offering special packages and deals to bring added value to the customers.

Several other recommendations to increase the hotel occupancy rates are as follows:

- Identify unique marketing opportunities such as upcoming events in the surrounding areas.
- Optimize advanced technology through mobile phone or online bookings.
- Assume strategic pricing that adheres to the characteristics of the target market.
- Increase staff training to offer value-added customer services.
- Create positive branding through positive reviews online and offline.
- Utilize customer awareness of the hotel through social media.

Source: smartKPIs.com (2022)

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# KEY PERFORMANCE INDICATORS

%Employee turnover

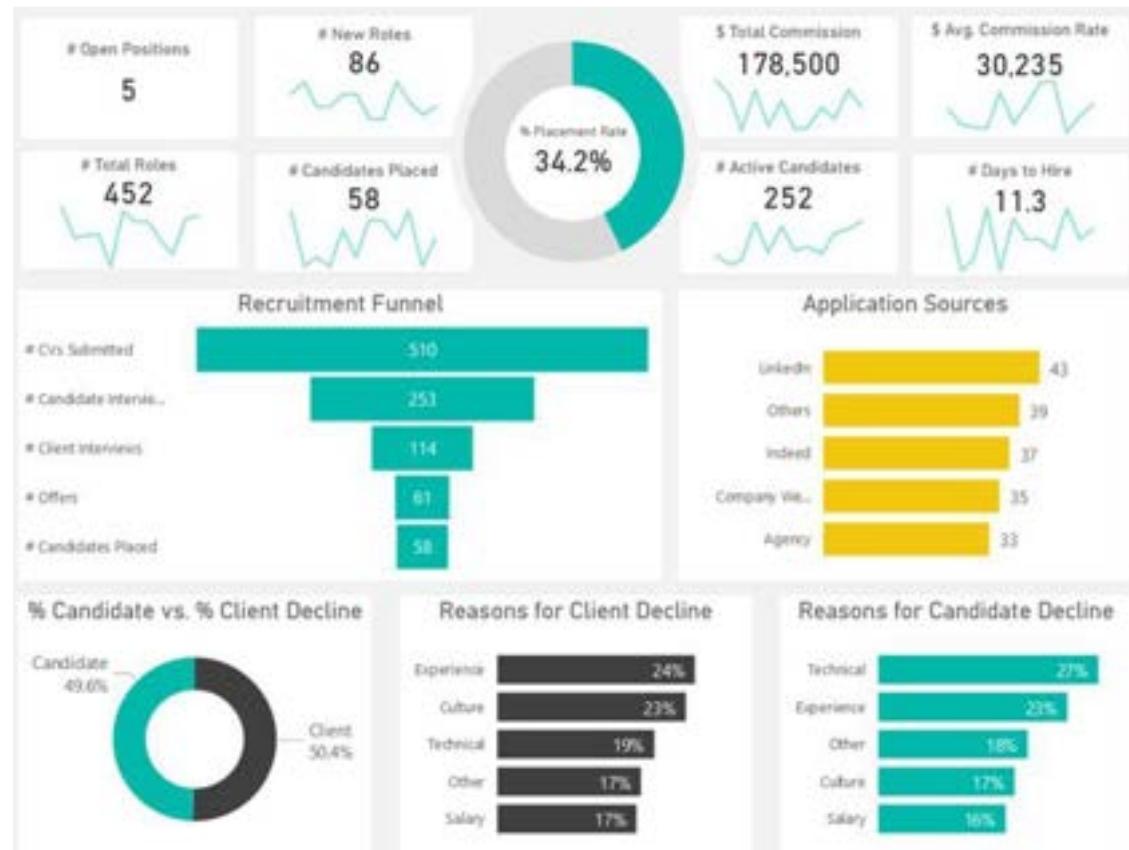
%Budget variance

%Resource utilization rate

\$ Cost savings

#Time to deliver outputs

#Stakeholder satisfaction index



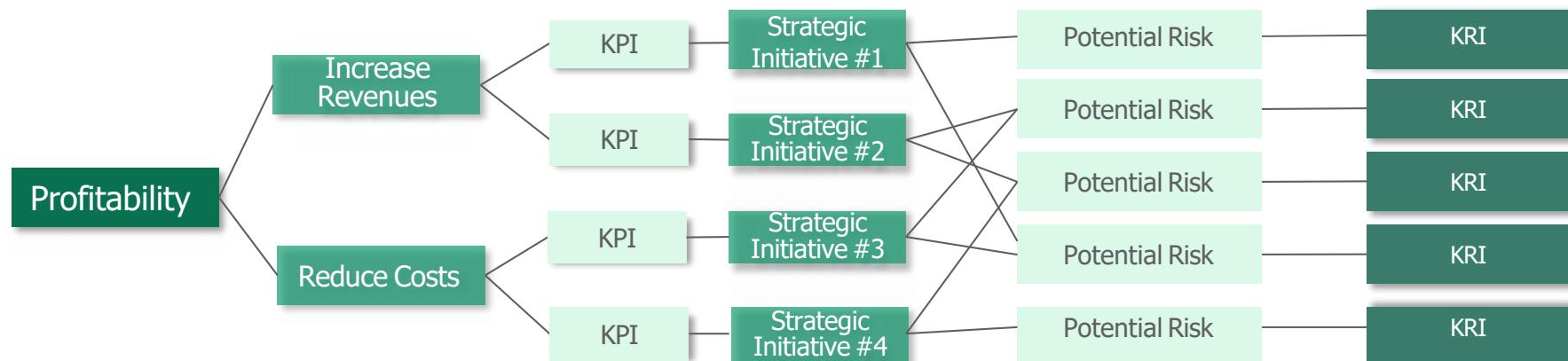
# KEY RISK INDICATORS

Key risk indicators are metrics used by organizations to provide an early signal of increasing risk exposures in various areas of the enterprise.

Objective: Manage the collection of accounts receivable to reduce loss due to write-offs

Key Performance Indicator (KPI)	Key Risk Indicator (KRI)
Data about write-offs of accounts in most recent month, quarter, year.	Analysis of reported financial results for the company's 25 largest customers or general collection challenges throughout the industry that highlight trends signaling future collection concerns.
\$ Write-offs of accounts	%Large customers in financial difficulty

Linking Objectives to Strategies to Risks to KRI's



# ANALYTICS



1

PREDICT FUTURE  
TRENDS

2

IDENTIFY  
PATTERNS

3

SUPPORT DECISION  
MAKING

# EXERCISE

## Identify The KPIs

- %Employee satisfaction
- \$ Operating expenses
- Finalise project by 31 December
- #Clients from referrals
- #Employees
- %Projects delivered on time and on budget
- Quality
- %Defect rate
- \$ Budget
- Increase Employee Engagement to 85%

# KPI DEFINITION

A KPI is “a **measurable expression** for the achievement of a **desired level of results**, in an area relevant to the evaluated entity’s activity.”

# SMART OBJECTIVES DECOMPOSED

Option 1: *Increase employee engagement to 75% by the end of the financial year Human Resources Director coordination.*

Option 2:

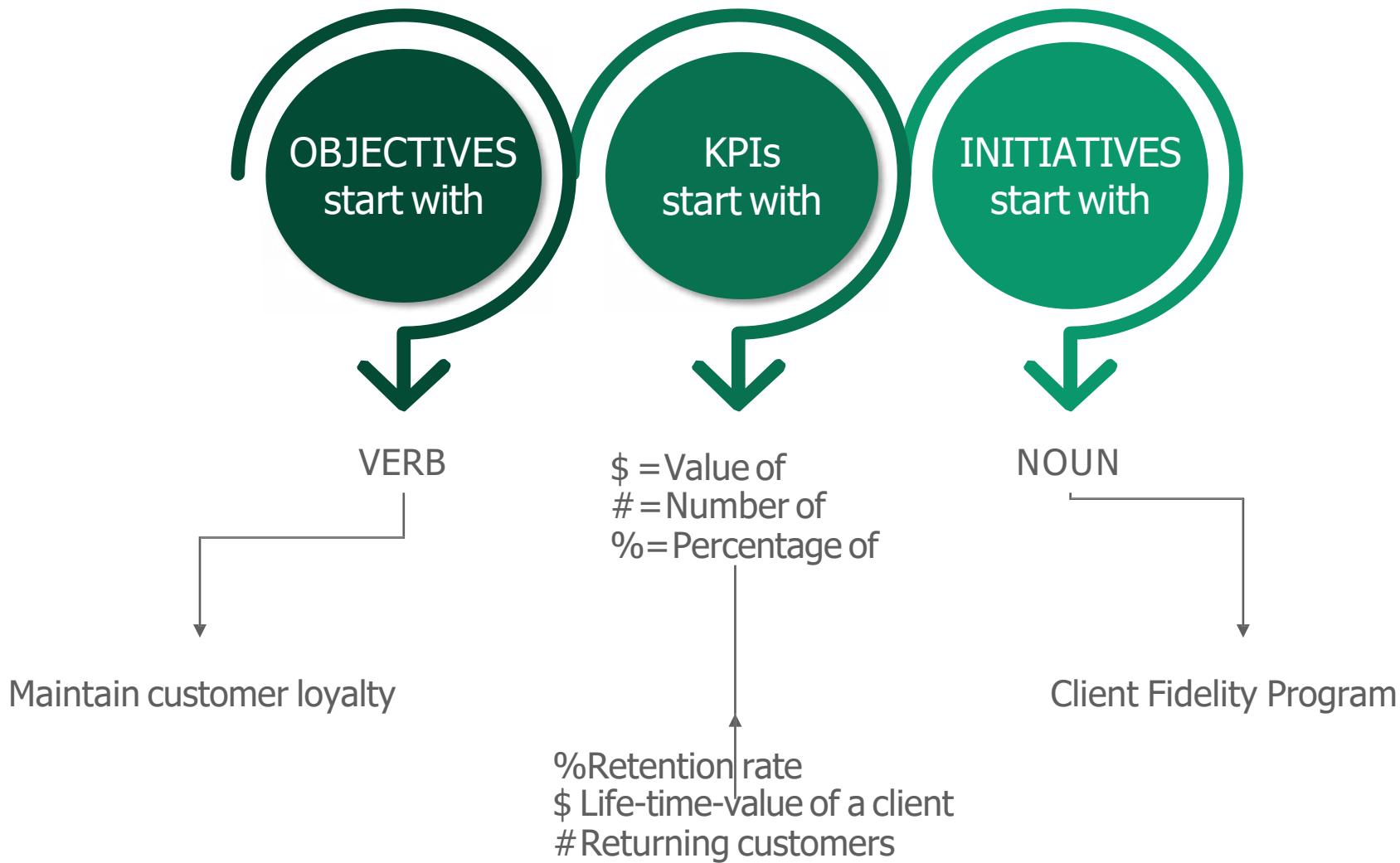


# EXERCISE

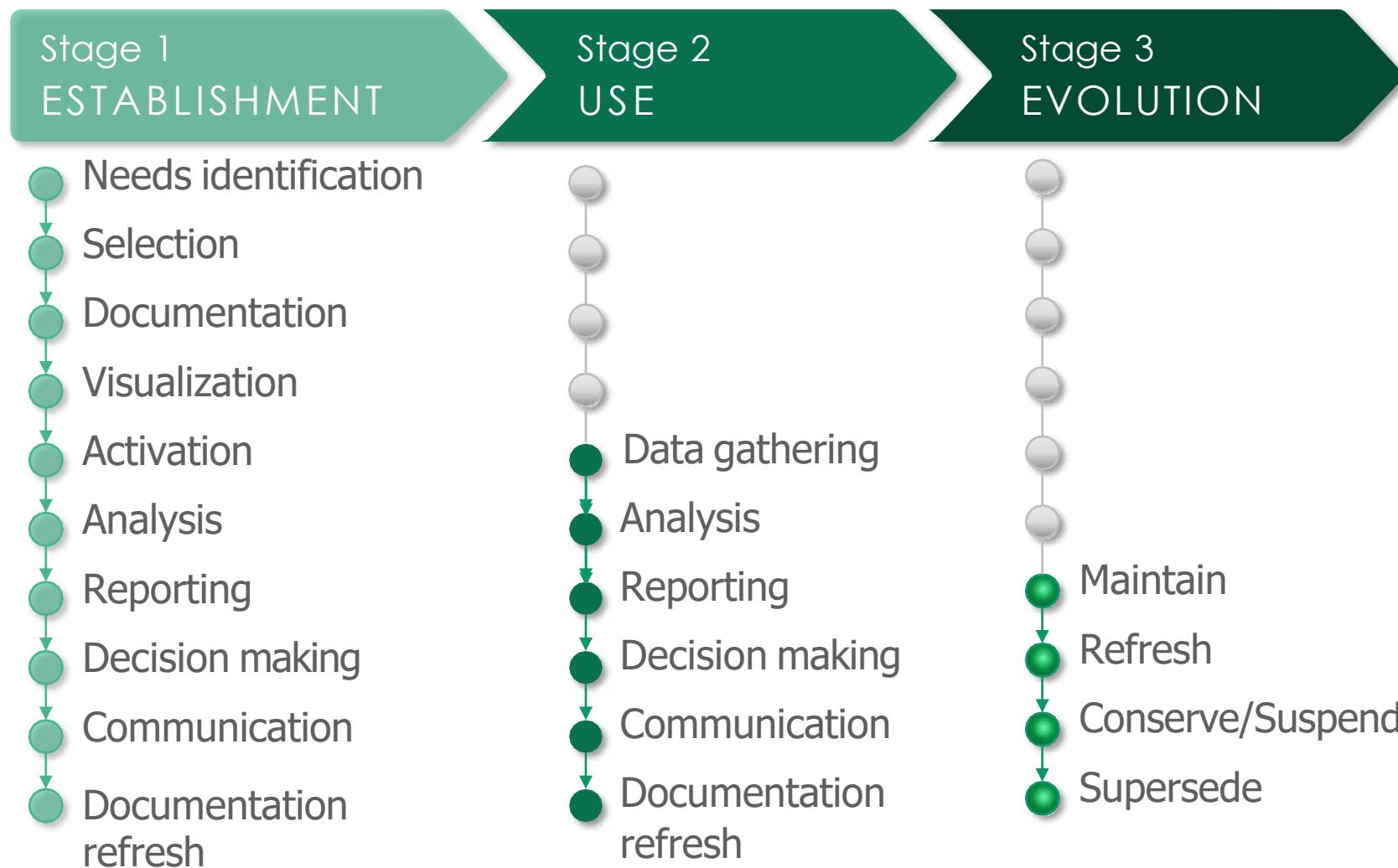
## Analyze the 2020 corporate goals of Phillips

-  Goal 1 To maintain carbon neutrality and use 75% renewable energy in operations by 2025.
-  Goal 2 To generate 25% of the revenue from circular products, services and solutions, offer a trade-in on all professional medical equipment, and take care of responsible repurposing, by 2025.
-  Goal 3 To embed circular practices on-site and put zero waste in landfills by 2025.
-  Goal 4 To improve the health and well-being of 2 billion people per year by 2025, including 300 million people in underserved communities
-  Goal 5 To be the best place to work, providing opportunities for learning and development, embracing diversity and inclusion, and assuring a safe and healthy work environment.
-  Goal 6 To contribute to the Philips Foundation, an independent foundation that aims to provide access to quality healthcare for disadvantaged communities.
-  Goal 7 To deliver the highest quality products, services, and solutions compliant with all applicable laws and standards

# TERMINOLOGY STANDARDS



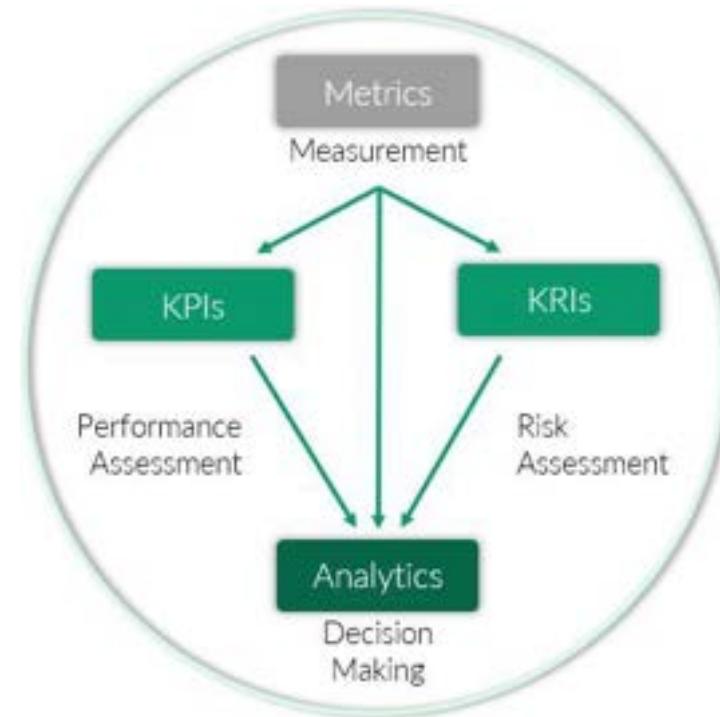
# KPI LIFECYCLE



# SESSION REVIEW

## Understanding KPIs

- KPI definition: a measurable expression for the achievement of the desired level of results in an area relevant to the evaluated entity's activity.
- Terminology standards:
  - Objectives - Verb
  - KPIs - Symbols (#, %, \$)
  - Initiatives - Noun
- KPI lifecycle:
  - Establishment
  - Use
  - Evolution



# REFERENCES

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- SmartKPIs (2022), KPI of the Month, Available at: <https://marketplace.kpiinstitute.org/pick-to-ship-cycle-time-for-customer-orders.html>

## Module 3

# KPI TYPOLOGY

### Agenda:

- ① Leading vs lagging KPIs
- ② Qualitative vs quantitative KPIs
- ③ Efficiency vs effectiveness KPIs

## Module 3

### KPI TYPOLOGY

#### Key learning points:

- Differentiate leading and lagging KPIs in different contexts;
- Define efficiency and effectiveness KPIs;
- Use a variety of KPI typologies to enhance the KPI selection process.

# LEADING VS LAGGING KPIs

Look back at past performance

Measure things that address what can create future value

## Lagging indicators

"Measures events/incidents and consequences, retrospective, are affected by what you do and influence leading indicators"

Easy to identify and measure/collect results.

Indicates past performance, does not reflect current activities.

## Leading indicators

"Outcomes, forward-looking indicators, are in your control and can lead to success"

Being predictive allows the organization to take better decisions to address future events.

May be difficult to identify and capture results



# EXERCISE

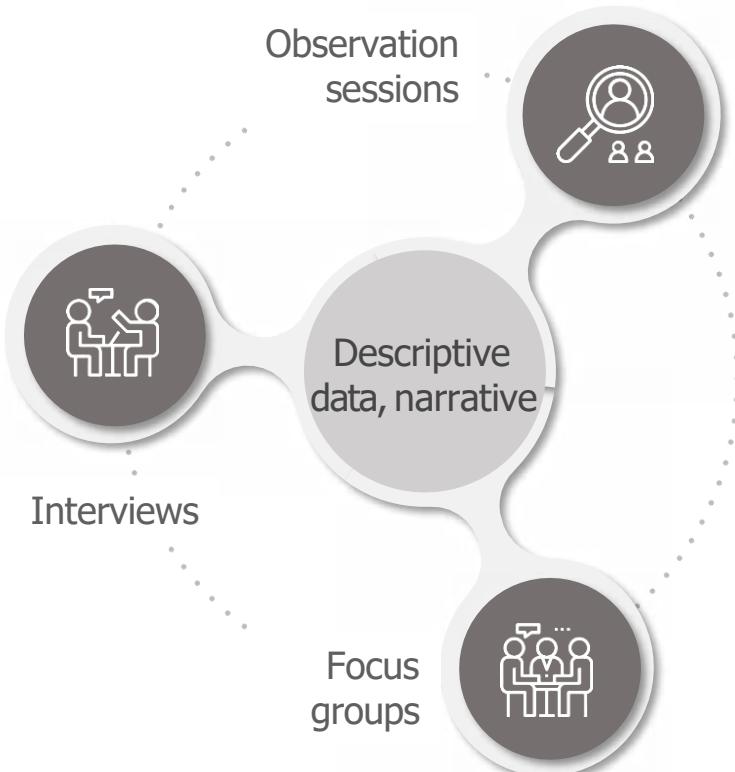
## Leading vs Lagging KPIs

Cluster the following examples into leading and lagging KPIs.

No.	KPI examples	Leading or lagging?
1	% Employee engagement	
2	% Customers from referrals	
3	% Customer satisfaction	
4	% Market share	
5	\$ Revenues	
6	% Returning customers	
7	# Service lead time	
8	% Staff with competencies at desired level	

# QUALITATIVE VS QUANTITATIVE KPIs

## QUALITATIVE DATA



## QUANTITATIVE DATA



QUALITATIVE DATA ≠ QUALITATIVE KPIs

# QUALITATIVE VS QUANTITATIVE KPIs



## QUANTITATIVE

Everything we can measure and reflect in a number is a quantitative metric. All performance measurements are standardized to a measurement unit to enable accurate comparison.



## QUALITATIVE

Some metrics can be used to synthesize and standardize qualitative data like people's perceptions and opinions. Descriptive data is standardized and codified into numbers/scores to ease data processing and interpretation (e.g. information collected through surveys).

ALL METRICS/KPIS ARE QUANTITATIVE, BUT THEY CAN MEASURE DIFFERENT ASPECTS, SUCH AS:



## VOLUME

#Products sold



## QUALITY

%Customer satisfaction with products bought



## MONETARY VALUES

\$ Sales

# EXERCISE

Identify the KPIs reflecting quality

No.	KPI examples	Does the KPI indicate a quality measurement?
1	\$ Turnover	
2	# Production cycle time	
3	# Brand image index	
4	# Net promoter score	
5	% Project completed on-time	
6	% Error rates	
7	% Employee satisfaction	
8	\$ Operating costs	
9	% Market share	
10	# Service quality rating	

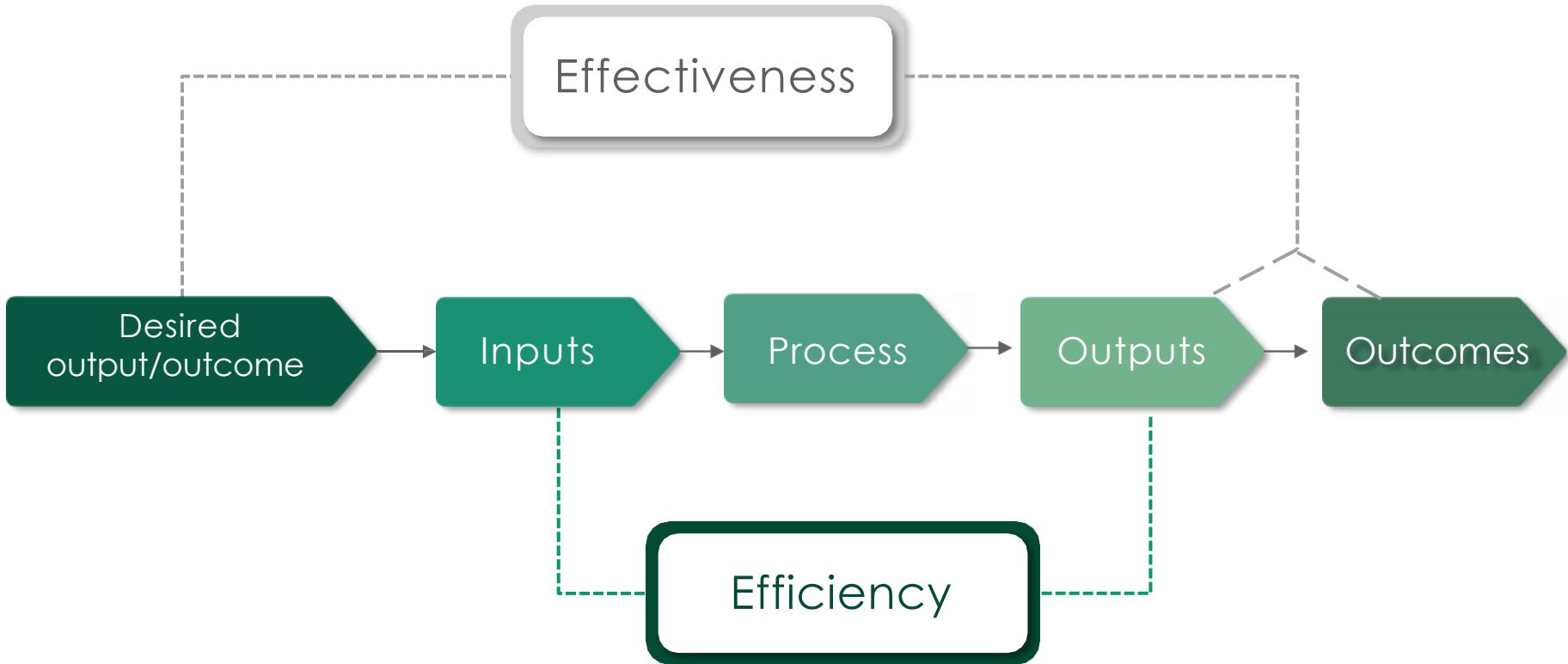
# EXAMPLES OF KPIS THAT MEASURE QUALITY

Some organizations introduce the concept of qualitative KPIs to indicate their intention to encourage the measurement of performance from various perspectives. However, The KPI Institute does not recommend such a label for metrics since it can lead to subjectivity and confusion.

The following examples, can be considered measurements of quality:

- %Product return rate
- # Machinery break-downs
- %First-call resolution rate
- #Customer satisfaction index
- %Recurrent customers
- #Employee engagement index
- %Advice provided by Experts Commission that is implemented

# EFFICIENCY VS EFFECTIVENESS KPI'S



# EFFICIENCY VS EFFECTIVENESS KPIS



Being effective  
WHAT WE DID

No.	Performance measure	Target	Results
1	# Assurance reports presented to the Parliament	2	2
2	# Assurance audit reports by arrangement.	45	45
3	# Performance audit reports presented to the Parliament	42	42
4	# Appearances and submissions to Parliamentary committees	20	45
5	% Private briefings undertaken by request of parliamentarians	100%	100%



Being efficient  
HOW WELL WE DID IT

No.	Performance measure	Target	Results
1	% Auditor's reports issued within three months of the financial year end reporting date	85%	77.4%
2	% Average cost increase per audit	0%	6.1%
3	# Average elapsed time (months) for performance audits	10	10.5
4	% Average cost increase per performance audit	0%	6.1%

Note: KPI names were standardized as per TKI's methodology in the tables above.

# EFFECTIVENESS VS EFFICIENCY



EFFECTIVENESS

DO THE RIGHT THINGS!

The extent to which a desired output or outcome is achieved.

\$ Sales

# Customer satisfaction index

%Compliance with quality standards



EFFICIENCY

DO THINGS RIGHT!

The extent to which time, effort or cost are well used for the desired results.

\$ Cost per call

# Average time spent on call

% Equipment utilization rate



# ANALYZE WESTERN AUSTRALIA POLICE KPIs



## KEY EFFECTIVENESS INDICATORS

KPIs	Target 2020	Result 2020
<b>Outcome 1: Contribute to community safety and security</b>		
% Offences against the person per 100,000 people (excluding family violence-related offences)	810	804.8
% Sworn police officer hours available for frontline policing duties	75%	73.3%
% Community members who 'agreed' or 'strongly agreed' that they have confidence in the Police	85%	83.1%
<b>Outcome 2: Improve coordination and community awareness of road safety</b>		
% Road safety awareness campaigns effectiveness rate	70%	82%

Note: KPI names were standardized as per TKI's methodology in the table above.

# ANALYZE WESTERN AUSTRALIA POLICE KPIs



## KEY EFFICIENCY INDICATORS

KPIs	Target 2020	Result 2020
<b>Outcome 1: Contribute to community safety and security</b>		
\$ Average cost of metropolitan policing services per person in the Perth metropolitan area	\$268	\$271
\$ Average cost of regional and remote policing services per person in regional WA	\$765	\$808
\$ Average cost of specialist policing services per person in WA	\$197	\$200
<b>Outcome 2: Improve coordination and community awareness of road safety</b>		
% Road Safety Commission projects completed on time	90%	71%
% Road Safety Commission projects completed within budget	95%	100%

Note: KPI names were standardized as per TKI's methodology in the table above.

Source: Western Australia Police (2020)

# SESSION REVIEW

## KPI Typology

- Leading or lagging KPIs?
  - depends on the context, the same KPI can be “leading” in one scenario and “lagging” in another one.
- Qualitative or quantitative KPIs?
  - all metrics/KPIs are quantitative, some of them are expressions of quality measurement.
- Efficiency – do the things right!
- Effectiveness – do the right thing!
- The KPIs monitored by organizations should be diverse and consider all typologies discussed in this session.

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## Module 4

# KPI TAXONOMY

### Agenda:

- ① Interdisciplinary systemic worldview
- ② KPI use case scenarios
- ③ KPI DNA Map

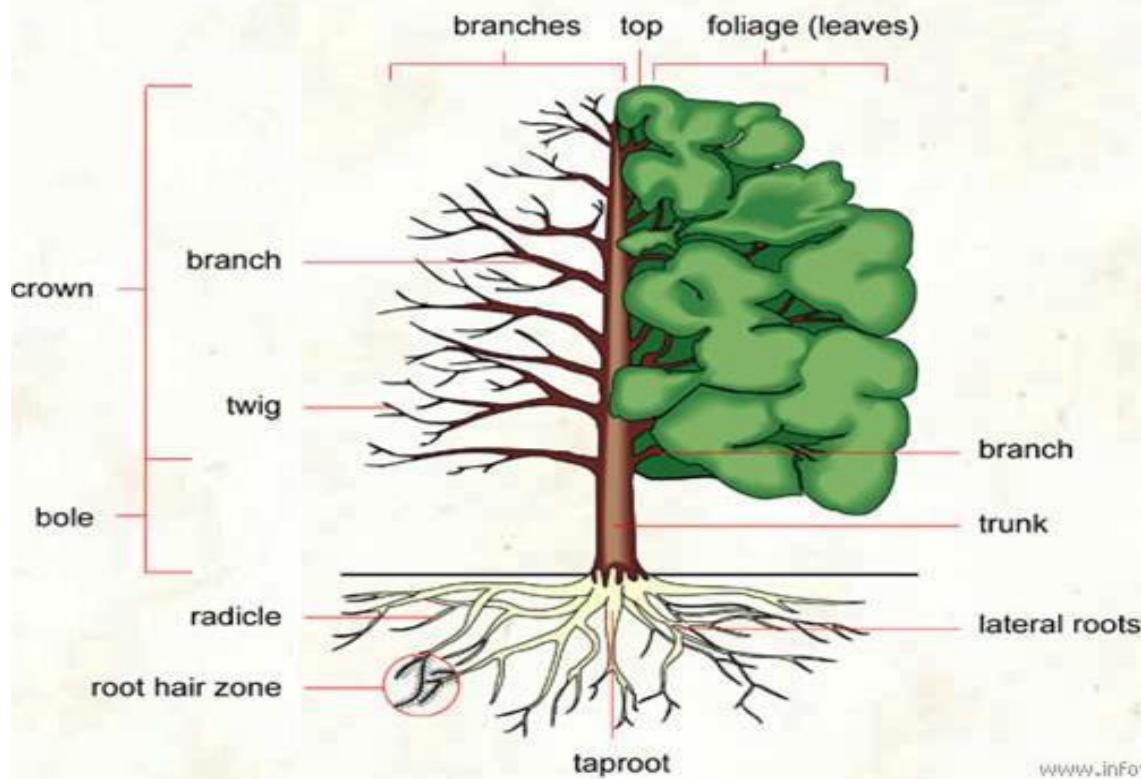
## Module 4

### KPI TAXONOMY

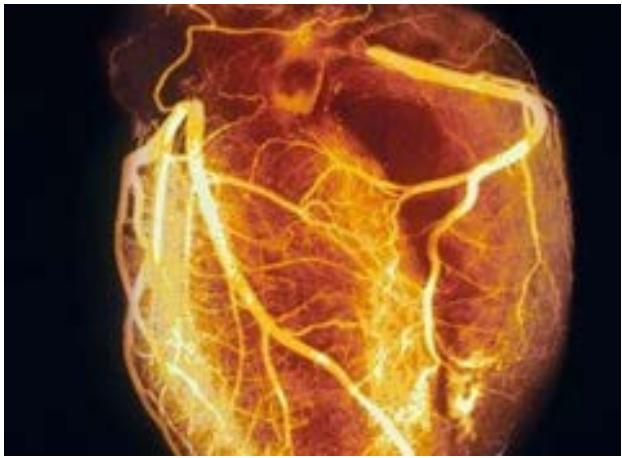
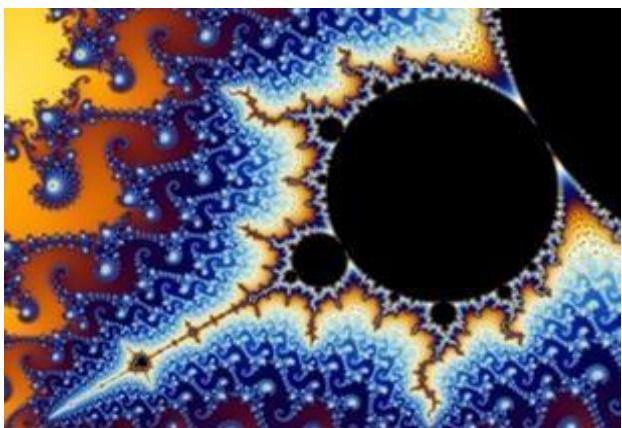
#### Key learning points:

- Integrate KPIs into the bigger picture of the organization;
- Identify at least 5 different contexts in which KPIs can be used;
- Understand the multiple facets of measurement.

## INTERDISCIPLINARY SYSTEMIC WORLDVIEW



[www.infovisual.info](http://www.infovisual.info)



# KPI USE CASE SCENARIOS

## Strategy Management

1. Organizational strategy
2. Corporate overview on key operations
3. Operational planning
4. Operations tracking

## Interlink Level

5. Alliances / Joint ventures relationship scorecard
6. Portfolio management
7. Project management

## Operations Management

8. Quality / process management
9. Service level agreements
10. Supplier performance management

## Personal Performance

11. Health tracking
12. Personal performance management

## Evaluation

13. Benefits realization management
14. Sustainability performance reporting
16. Audit
17. Compliance reporting (micro and macroeconomic level)

# 1. ORGANIZATIONAL STRATEGY

The organizational strategy is captured in strategy plan, preferably also in a strategy map, and progress in achieving the goals and objectives is monitored using a CORPORATE PERFORMANCE SCORECARD.

	Objective	KPIs		Frequency	Unit	GOALS 2021 Company	Results 2020	Results 2019	Results 2018
FINANCIAL	F1 Maximize the Company's value	F1.3	\$ Economic Value Added	Annual	US\$ MM	≥ 13.74	-41.00	143.94	125.79
	F2 Increase Profit	F2.1	\$ Net Operating Profit (EBIT)	Quarterly	US\$/bbl	≥ 7.55	3.47	15.59	N/A
	F4 Optimize Capex & Opex	F4.1	\$ Unit Operation Cost	Monthly	US\$/bbl	≤ 11.73	9.66	11.89	10.70
		F4.3	\$ Finding Cost	Annual	US\$/bbl	≤ 8.14	0.98	0.83	1.11
		F4.2-1	\$ Development Capex Execution	Monthly	US\$ MM	≤ 94.5	54.31	152.49	126.56
		F4.2-2	\$ Exploration Capex Execution	Monthly	US\$ MM	≤ 17.1	9.19	16.97	16.86
	I6 Optimize Internal Processes	I6.2	\$ Inventory Reduction	Quarterly	US\$ MM	≥ TBD	0.91	2.17	1.91

Source: The KPI Institute, Internal database

## 2. CORPORATE OVERVIEW ON KEY OPERATIONS

At the corporate level PERFORMANCE DASHBOARDS can be used supplementary to the scorecard to have insights into key operations (processes).

They would convey performance results from key metrics clustered on business lines, processes or critical activities for the organization.

REVENUE AND CUSTOMERS OVERVIEW – Q1-2023



Source: Data Pine (2022)

### 3. OPERATIONAL PLANNING

At the department level, operations should align with corporate goals. While the most popular tool used by Managers is the operational plan, it is recommended to also use scorecards that display concrete objectives, KPIs, and targets – following a similar structure with the Corporate Performance Scorecard.

*Human Resources  
Department  
Example*

Perspective / Strategic Objectives / KPIs	ID code	Standard reporting frequency	Previous Results	Current Results	Target	% Target completed	Status
<b>Internal Stakeholders - 1 Strategic Objectives / 2 KPIs</b>							
% Managers satisfaction with new recruits	sK2379	Q	45%	35%	90%	39%	<span style="background-color: red;"></span>
# HR services quality index	sK2038	Q	75	78	95	82%	<span style="background-color: yellow;"></span>
<b>Internal Processes - 2 Strategic Objectives / 4 KPIs</b>							
Optimize recruitment							
# Time to fill a vacant position	sK688	M	15	14	15	99%	<span style="background-color: green;"></span>
% Employees who leave the organization in the first 3 months	sK688	M	15%	12%	5%	200%	<span style="background-color: red;"></span>
Improve HR service delivery capability							
% Improvement projects on time, on budget and according to specifications	sK2863	M	62%	87%	80%	109%	<span style="background-color: green;"></span>
% Key processes mapped	sK2284	M	84%	46%	60%	77%	<span style="background-color: yellow;"></span>
<b>People, Learning &amp; Growth - 2 Strategic Objectives / 4 KPIs</b>							
Build strong internal capabilities							
% Automation rate of processes	sK4659	Q	25%	34%	70%	68%	<span style="background-color: red;"></span>
# Training hours per HR full time equivalent (FTE)	sK7	Q	14	8	8	100%	<span style="background-color: green;"></span>
<b>Financial - 2 Strategic Objectives / 3 KPIs</b>							
Seek efficiencies to minimise cost base							
\$ Cost per hire	sK49	M	244	245	250	98%	<span style="background-color: green;"></span>
% HR budget variance	sK479	M	0%	1%	2%	-157%	<span style="background-color: green;"></span>

Source: The KPI Institute (2023)

## 4. OPERATIONS TRACKING

The best tool to track operations is the PERFORMANCE DASHBOARD as it displays results in charts enabling the identification of data trends and patterns. Also, ideally, dashboards are automated.

The metrics in the dashboard are not associated with the department's objectives, they are clustered on key activities/processes. They are granular measurements.

*Human Resources  
Department  
Example*



Source: The KPI Institute (2023)

# 5. ALLIANCES / JOINT VENTURES RELATIONSHIP SCORECARD

PERFORMANCE SCORECARDS can be used to monitor the performance of alliances or other business partnerships.

Sr.	Partnership Objectives	KPIs	Target 2023	Actual 2023	Status
A	Partnership Value				
A1	Improve engagement predictability by ensuring that each engagement meets its stated quality and productivity goals	%Return on investment (ROI) # Engagements meeting stated goals	100% 5	70% 5	<div style="width: 70%; background-color: #FFFF00; height: 10px;"></div>
A2	Improve schedule adherence to ensure that all engagements meet the committed milestones as planned	# Milestones delivered on time %Schedule adherence	15 100%	15 80%	<div style="width: 80%; background-color: #A9F5D0; height: 10px;"></div>
A3	Reduce the cost of HR management for the Division	\$ Cost saving achieved # Onsite-offshore ratio	10 2:8	10.5 2:8	<div style="width: 85%; background-color: #A9F5D0; height: 10px;"></div>
A4	Anticipate and effectively manage risk associated with HR implementation through proactive mitigation planning	# Projects with effective risk mitigation plans	5	2	<div style="width: 40%; background-color: #FF0000; height: 10px;"></div>
B	Relationship Strength				
B1	Improve satisfaction with the deliverables	# Client satisfaction index (7 points scale) %Critical issues pending beyond SLA	7 1%	6 0%	<div style="width: 85%; background-color: #FFFF00; height: 10px;"></div>
B2	Proactively respond to stakeholders' requirements and needs	# Managers' satisfaction with responsiveness	7	5	<div style="width: 71%; background-color: #FFFF00; height: 10px;"></div>
B3	Build-in key opportunities to leverage Infosys capabilities	# Services leveraged by client # HR solutions under discussion	3 1	3 2	<div style="width: 67%; background-color: #A9F5D0; height: 10px;"></div>

# 6. PORTFOLIO MANAGEMENT

PERFORMANCE DASHBOARDS are used in portfolio management in both financial investment portfolios and non-financial investments (portfolio of strategic projects).

Dashboards provide visibility into the performance of the portfolio overall and whether the portfolio is achieving the objectives and benefits proposed. Examples of KPIs that can be tracked at portfolio level are:

- %Active projects running according to plan and within budget
- %Finalized projects
- %Cost variance for portfolio (actual vs. planned)
- %High-risk projects
- # Project managers to projects
- # Planned assignments hours / # Staff hours available
- %Profitable projects / %Portfolio ROI



Source: Sharepoint Portfolio Dashboard Example

## 6. PROJECT MANAGEMENT

PERFORMANCE DASHBOARDS are used in project management to define clear standards in terms of planning, deliverables, and expected results/benefits from the progress. The KPIs will provide insights into progress on project implementation, usage of resources and evaluation of the project's impact.

Examples of KPIs that can be tracked at the project level are:

- %Adherence to the schedule / %Overall progress
- #Average expected delay
- #Overdue tasks
- #Total working hours accumulated
- #Changes inquired
- %Budget variance for the project



Source: The KPI Institute (2021)

# 6. PROJECT MANAGEMENT

Overall Progress



78%



Planning  
Completed



Design  
Completed



Development  
67%



Testing  
Waiting

Projected Launch Date


Friday, December 15

**121 Days**

Risks

8.1% Currently Over Target Budget

2 Overdue Tasks (High Risk)

2 Overdue Tasks (Medium Risk)

Project Budget



Total Budget	<b>\$52,000</b>
Currently	Over Target
8.1%	

Remaining **\$8,770**

Legend: Total Budget (Black), Budget Amount Used (Green), Current Target Amount (Grey)

Project Summary

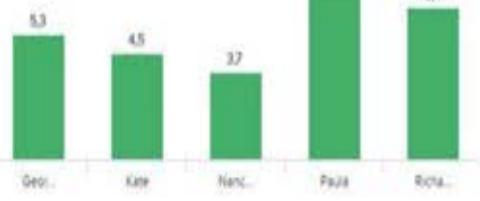
Start Date: 2017-05-01

End Date: 2017-12-15

Project Leader: Georg Danwill

Overall Status: In Time

Avg Handle Time (In Days) For Project-Task



Employee	Avg Handle Time (Days)
Georg	5.3
Kate	4.5
Nancy	3.7
Paula	7.7
Rita	6.4

Upcoming Deadlines

Employee	Task	Deadline	Workload
Catherine	Interactive Dashboard Features	2017-08-21	<div style="width: 34%;"></div> 34%
Georg	Facebook API Connector	2017-08-30	<div style="width: 56%;"></div> 56%
Nancy	Set-Up Test Environment	2017-09-29	<div style="width: 15%;"></div> 15%
Paula	Finalize Testing Plan	2017-10-12	<div style="width: 11%;"></div> 11%

New Comment

Georg commented on task [Optimize Drill-Down Filter](#)

Task Overdue

Task [Status update for board](#) is overdue.

View all project logs

## 8. QUALITY / PROCESS MANAGEMENT

KPIs are widely used in quality management as well as in process management. Management theories, as Total Quality Management, and also international industry standards promote the usage of metrics for monitoring and addressing quality issues.

Depending on the industry, quality can be measured directly and indirectly through a variety of metrics, such as:

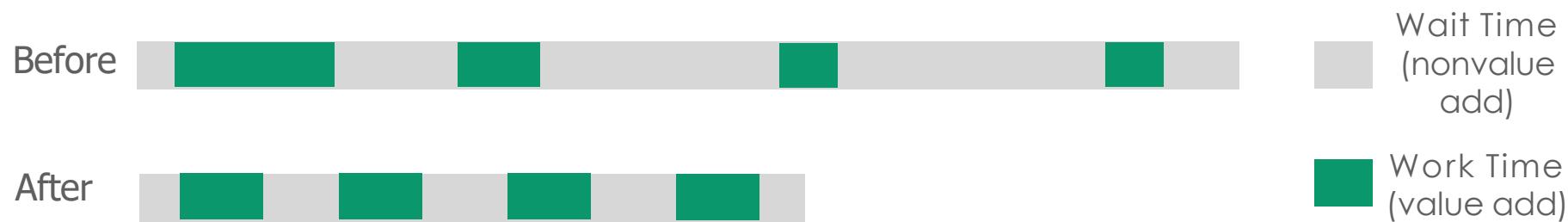
- %First pass yield
- %Scrap rate
- %Non-compliant products/ Defective products
- #Rework time
- %Perfect order delivery
- %First call resolution rate
- #Customer satisfaction index



Source: Deming, E. (1980), *Total Quality Management Concepts*  
Image source: 123rf.com

## 8. QUALITY / PROCESS MANAGEMENT

Process improvement is facilitated by monitoring key metrics.



- Cost
- Defects
- Lead time
- Inventory
- Space
- Waste



- Capacity
- Cash flow, profit
- Customer satisfaction
- Customer responsiveness
- Delivery speed
- Productivity
- Product/ service quality

## 9. SERVICE LEVEL AGREEMENT (SLA)

Service Level Agreements are formal commitments between a service provider and a customer, they can be used in the collaboration with an external or internal client.

SLAs should use metrics for defining objective standards for the services offered and a reliable evaluation of performance.

HUMAN RESOURCES DEPARTMENT SLA SAMPLE			
Service	Metric	Metric explanation	Target
Recruitment	# Time from requisition to fill	Average number of calendar days from receipt of requisition until the position is filled	55 days
Orientation Program for New Employees	% Effectiveness of orientation program,	Average score obtained by new recruits in the orientation evaluation quiz that tests their knowledge (0-100%)	>80%
Personnel Administration	# Time to respond to inquiries	Average number of business days from receipt of request or inquiry until the response is sent.	3 days
Training services	# Training satisfaction index	The average score obtained in the Training Satisfaction Survey (on a scale of 1-10, 1-completely dissatisfied and 10-extremely satisfied)	>8

# 10. SUPPLIER PERFORMANCE MANAGEMENT

KPIs to monitor the performance of suppliers, for a streamlined supply chain.

a) 3 Perspectives

Outcome performance



b) 8 Categories

Outcomes

c) 16 Metrics



- % Compliance with client requirements
- % Engagement objectives achieved

Schedule



- % On-time deliveries
- % Interim milestones met

Budget



- % Work completed within the agreed-upon budget
- % Price level compared to market

Delivery performance



Communication



- # Perceived effectiveness of communication
- % Service and product delivery problems quickly resolved
- # Perceived documentation requirements burden

Value add / Innovation



- # Perceived innovation in helping deliver solutions
- # Perceived understanding of the client's business processes and practices

Delivery capability



- # Perceived technical skills and experience
- % Work requests completed on time, according to specifications, and within budget

Service excellence



Responsiveness / Account Management



- % Payments made on time
- # Perceived flexibility and responsiveness to inquiries

Client satisfaction



- # Overall satisfaction with vendor deliverables and services

# 11. HEALTH MONITORING

The advance of technology has enabled tracking and reporting data in real-time, not just in business, but also in our personal lives through wearable devices.

- Nutrition monitoring apps
  - #Weight loss/gained
  - #Calories
  - #Water intake
  - #Carbohydrates/ #Proteins consumed
- Sleep monitoring apps
  - # Hours slept
  - #Deep-sleep hours
  - #Sleep quality score
- Fitness and activity apps
  - #Steps
  - #BPM
  - #Calories burned
  - #High intensity training duration



Source: Fitbit Dashboard Images (2023)

# 12. PERSONAL PERFORMANCE MANAGEMENT

A series of apps enable us to improve our finances' planning and monitor expenses; others enable the setting and tracking of personal goals.



Source: Strides App Images (2023)

# 13. BENEFITS REALIZATION MANAGEMENT

Benefits realization is an important part of project management and should rely on KPIs that clearly outline the expected benefits.

KPIs can be used to define the benefits expected and evaluate the impact of the project. Benefits realization is widely used in the public sector, but its principles and practice are highly relevant for the private sector as well.

KPI examples:

- Educational Program - % *Skills improvement*
- Road Infrastructure Program - # *Road accidents*, # *Traffic at pick hours*
- Marketing Campaign - # *Brand awareness index*, % *Market share*
- Financial Investment - % *Return on Investment*



Source: Department of Finance, United Kingdom (2023), *Introduction to Benefits Management for Programmes and Projects*

# 14. SUSTAINABILITY PERFORMANCE

Sustainability KPIs examples:

## Financial:

- \$EBITDA
- \$Cash taxes paid
- \$ Total R&D
- \$ Fines/ sanctions paid

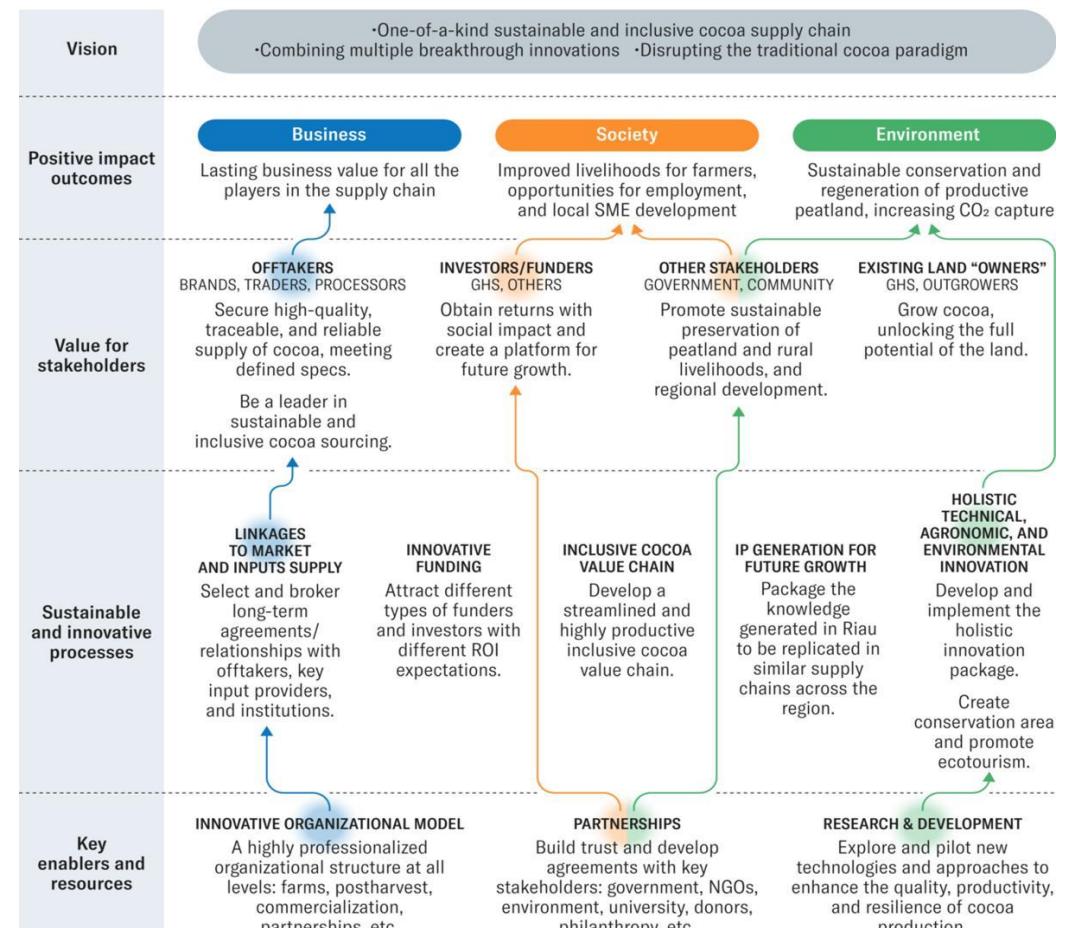
## Environment:

- #Energy consumption
- #Water usage
- #GHG (greenhouse gas) emissions
- #VOC (volatile organic compounds) emissions
- #Total waste generated

## Governance:

- #Racially diverse Board members
- #Board members
- %Non-male Executives
- \$ Total CEO compensation

## Riau Cocoa Ecosystem Strategy Map



Source: Harvard Business review (2021)

# 15. AUDIT

Both internal and external audits represent objective assessments of current practices/ processes or systems against a set of best practices, against certain standards. The review conducted by the auditor relies on the audit criteria checklist.

The checklist indicates criteria that must be met by the auditee and based on the extent to which the criteria are met the auditor concludes on the compliance rate. Specific KPIs to be used as part of the checklist are:

- %Auditee overall compliance rate / #Compliance score
- # Severe non-compliances
- # Medium non-compliances
- # Minor non-compliances
- %Recurrent non-compliances compared to last review

Other KPIs can be used to monitor the audit capability, such as:

- # Time to conduct an audit
- %Audit plan executed as scheduled
- %Audits concluded with non-satisfactory rating
- \$ Cost savings generated by implementing audit recommendations

QMS Internal Audit Checklist				
5. General Information				
General Information				
Date of Audit:	08/02/2022	Auditor Name:	Tatyana Vale	
Audit:	Internal Audit	Audit Scope:	ISO 9001	
Process Name:	Internal Audit Checklist	Audit Location:	Australia	
6. Audit Findings				
<p>An audit finding is a specific deficiency or deviation noted during an audit. It can be something as simple as a missed deadline, or as serious as fraud. In order to ensure that your business is compliant with applicable regulations and standards, it is important to document all findings from internal audits and corrective actions taken in response.</p>				
Audit Findings				
#	ISO 9001 Clauses	Requirement of the Standard	Compliant Yes/No	Evidence Reviewed
1	1.1 Understanding the Organization and its Context	<p>The internal and external issues:            • Organisational structure            • Process design            • Supplier management</p> <p><b>What is the purpose of the QMS?</b>            The purpose of your QMS should be to improve your organization's ability to satisfy customer requirements and meet statutory and regulatory requirements.</p> <p><b>Does the Content Documented?</b></p>		
2	1.2 Understanding the Expectations of the Stakeholders	<p>Who are the interested parties of the Organization?            • Customers            • Employees            • Management            • Suppliers</p> <p><b>What are the Requirements?</b>  <b>What are the legal and regulatory requirements?</b></p>		

Source: ISO (2023)

## 16. COMPLIANCE REPORTING

Compliance reporting refers to respecting industry regulations, standards and government legislation. Compliance reporting can be mandatory (financial reporting for publicly listed companies) or optional (compliance with ISO standards to obtain accreditation).

Examples of KPIs reflecting the extent to which regulations are respected:

- %Financial statements released on-time
- #Work accident reported accurately
- #CO2 emissions produced
- %Compliance with industry regulations

Examples of KPIs reflecting the performance of the Compliance function in the organization:

- # Mean time to release a discovery
- # Average time to issue a resolution
- \$ Compliance expense per issue
- %Compliance reviews adherence to plan

# EXERCISE

## KPI DNA MAP

### SCENARIO

You are part of the corporate performance management team in your organization. Based on the context provided in each sample of report you must recreate the KPI taxonomy of two divisions in the organization (Production and Customer Service) by extracting the KPI examples from the text.

### TASK

- Read carefully the text excerpts from organizational reports provided in the next slides and identify examples of KPIs.
- Cluster the KPIs in the taxonomy categories provided.
- You can also provide other examples of relevant KPIs for those clusters.

# EXERCISE

## KPI DNA MAP: Production

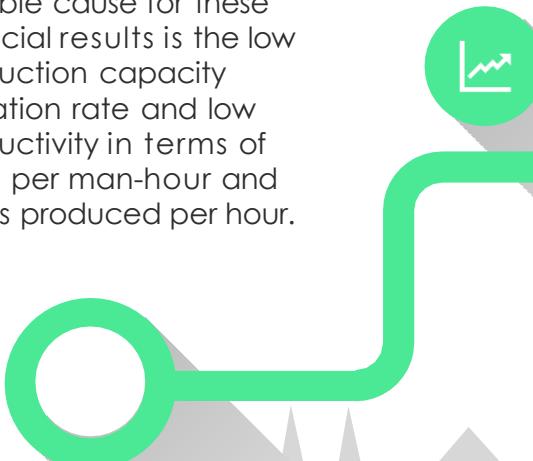
### Production – Performance report for the 4<sup>th</sup> Q of 2022

#### Excerpt 1

Production costs seem to have increased by 10% during the last quarter, negatively influencing the cost per item, as well. A possible cause for these financial results is the low production capacity utilization rate and low productivity in terms of units per man-hour and items produced per hour.

#### Excerpt 2

Furthermore, direct costs for material variance has increased as well to \$ 1 million due to changing the main supplier



#### Excerpt 3

All these events negatively impacted the results for budget variance, although the production output stayed the same.



#### Excerpt 4

A positive trend was noticed in terms of production quality as the defect rate was reduced to 2% and less waste was generated.



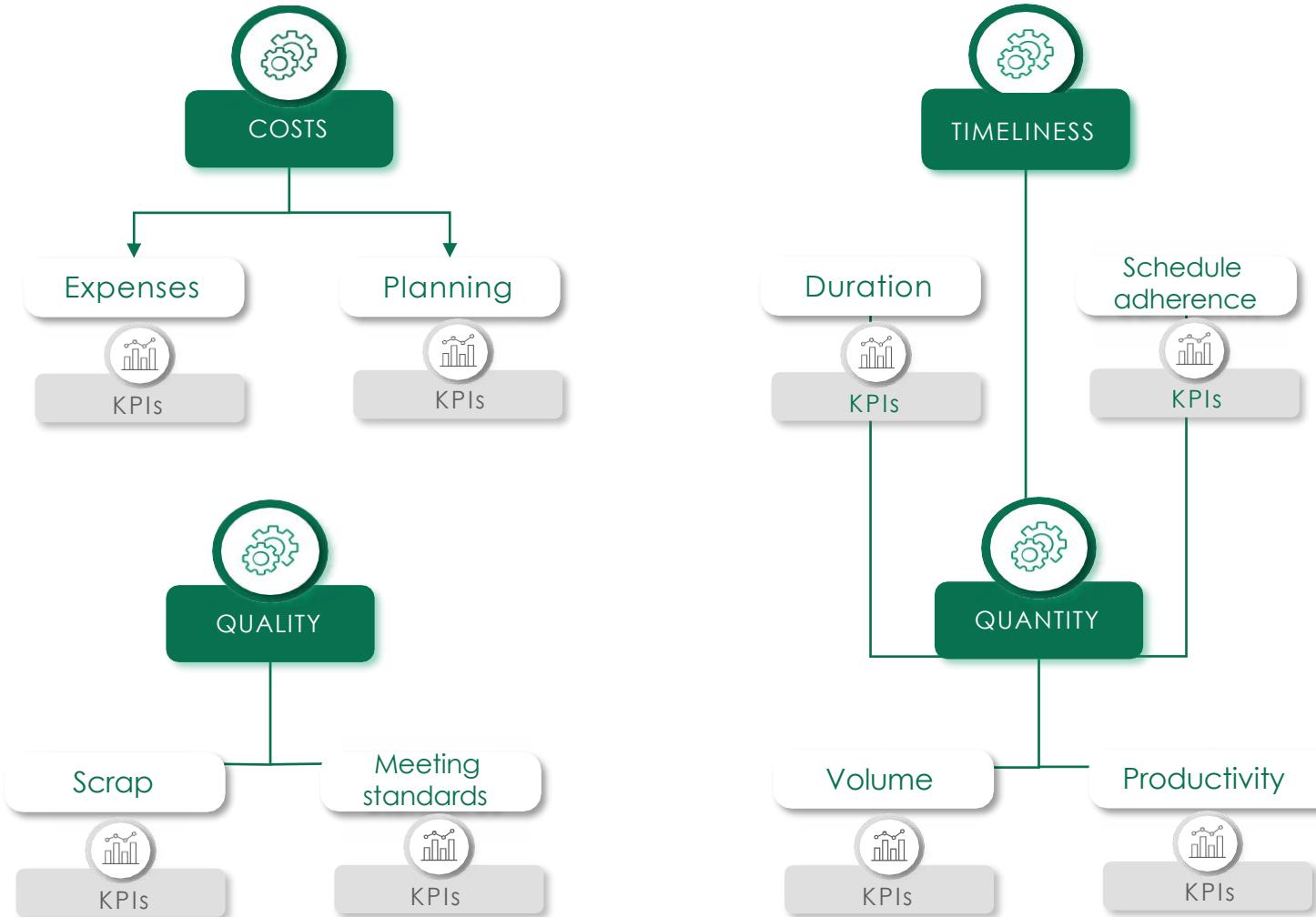
#### Excerpt 5

Regarding timeliness, the production cycle and production schedule attainment targets were met.



# EXERCISE

## KPI DNA MAP: Production



# EXERCISE

## KPI DNA MAP: Customer Service

### CUSTOMER SERVICE – Performance report for the 4<sup>th</sup> Q of 2022

#### Excerpt 2

These improvements were generated by an increased percentage of customer tickets solved on time and the productivity of the agents in terms of customer tickets processed per hour. The percentage of emails replied in Service Level Agreement (SLA) reached 95%. And the first call resolution rate was improved given the training sessions delivered to Customer Service Representatives.



#### Excerpt 1

The latest performance results point out that customer satisfaction with customer service has increased to 89%, while no complaints with customer service were registered during the last quarter.

#### Excerpt 4

The volume of customer tickets solved increased as well as the accuracy in processing of tickets, reflected in the number of errors in processing tickets per agent as the new technology installed enable agents to better manage their tasks.



#### Excerpt 3

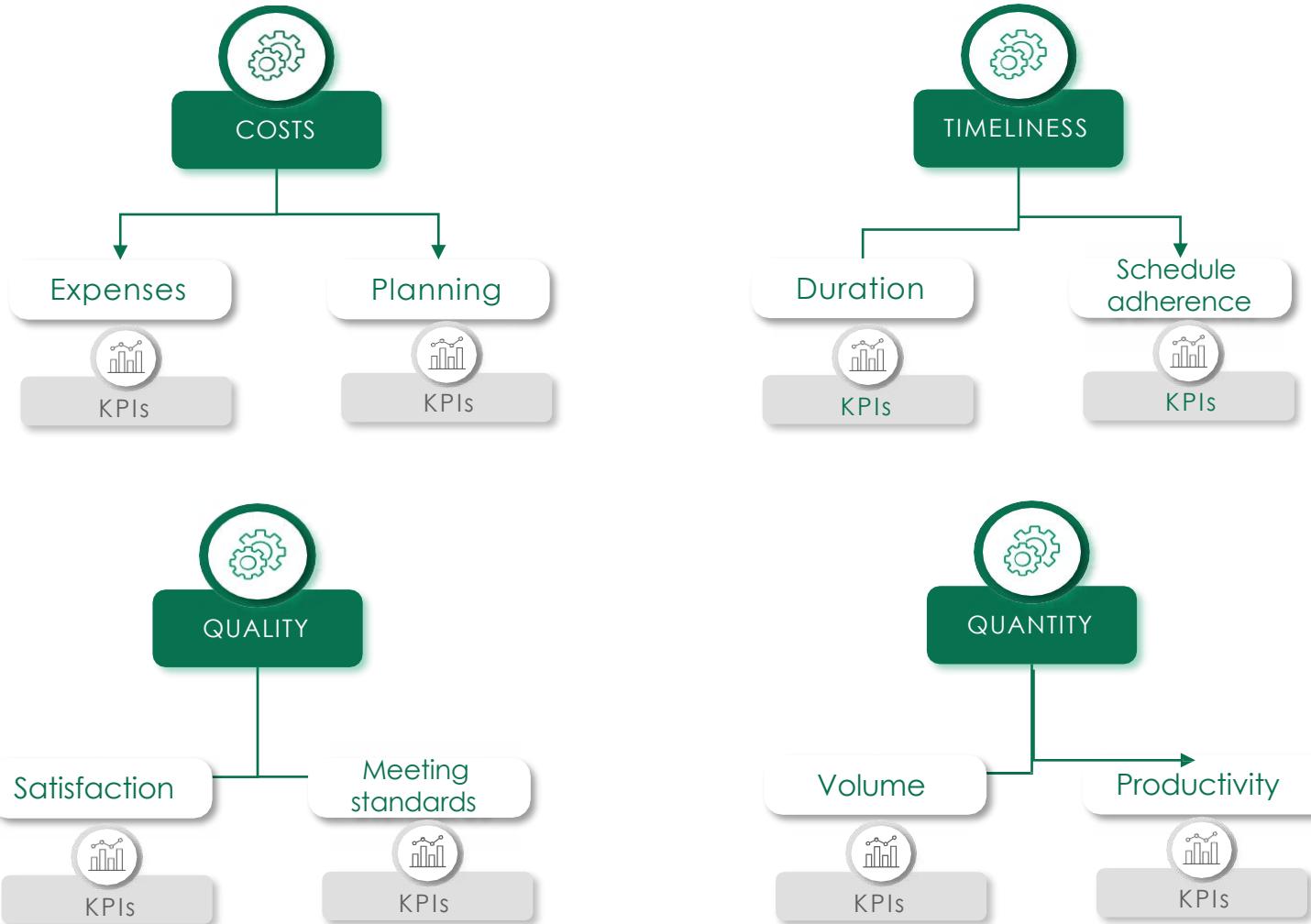
Given the processes mapping initiative in the department, the time to solve customer tickets was reduced as well as the after call working time.

#### Excerpt 5

Another improvement was noticed in terms of productivity, as the volume of calls received, increased as well as the customer calls answered per agent.

# EXERCISE

## KPI DNA MAP: Customer Service



# KPI DNA MAP

The KPI taxonomy can be consolidated into a matrix, integrating also the concepts of efficiency and effectiveness.

Customer Service (CS) example:

	Efficiency	Effectiveness
Costs	\$ Cost per call	\$ Customer Service costs
Timeliness	# Time to solve customer tickets	% Customer tickets solved on time
Quality	# Errors in processing tickets per agent	% Customer satisfaction with CS
Quantity	% Customer tickets solved per hour	# Customer tickets solved

# SESSION REVIEW

## KPI Taxonomy

- 17 different scenarios/contexts to use KPIs.
- Building a KPI taxonomy can be a useful pre-requisite before starting the KPI selection process.
- The KPI taxonomy can be consolidated into a matrix - Efficiency and effectiveness:
  - Costs;
  - Timeliness;
  - Quantity;
  - Quality.

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## MODULE 5

### KPI SELECTION

Agenda:

- ① KPI selection for organizational scorecard
- ② KPI selection sources
- ③ KPI selection techniques

## MODULE 5

### KPI SELECTION

Key learning points:

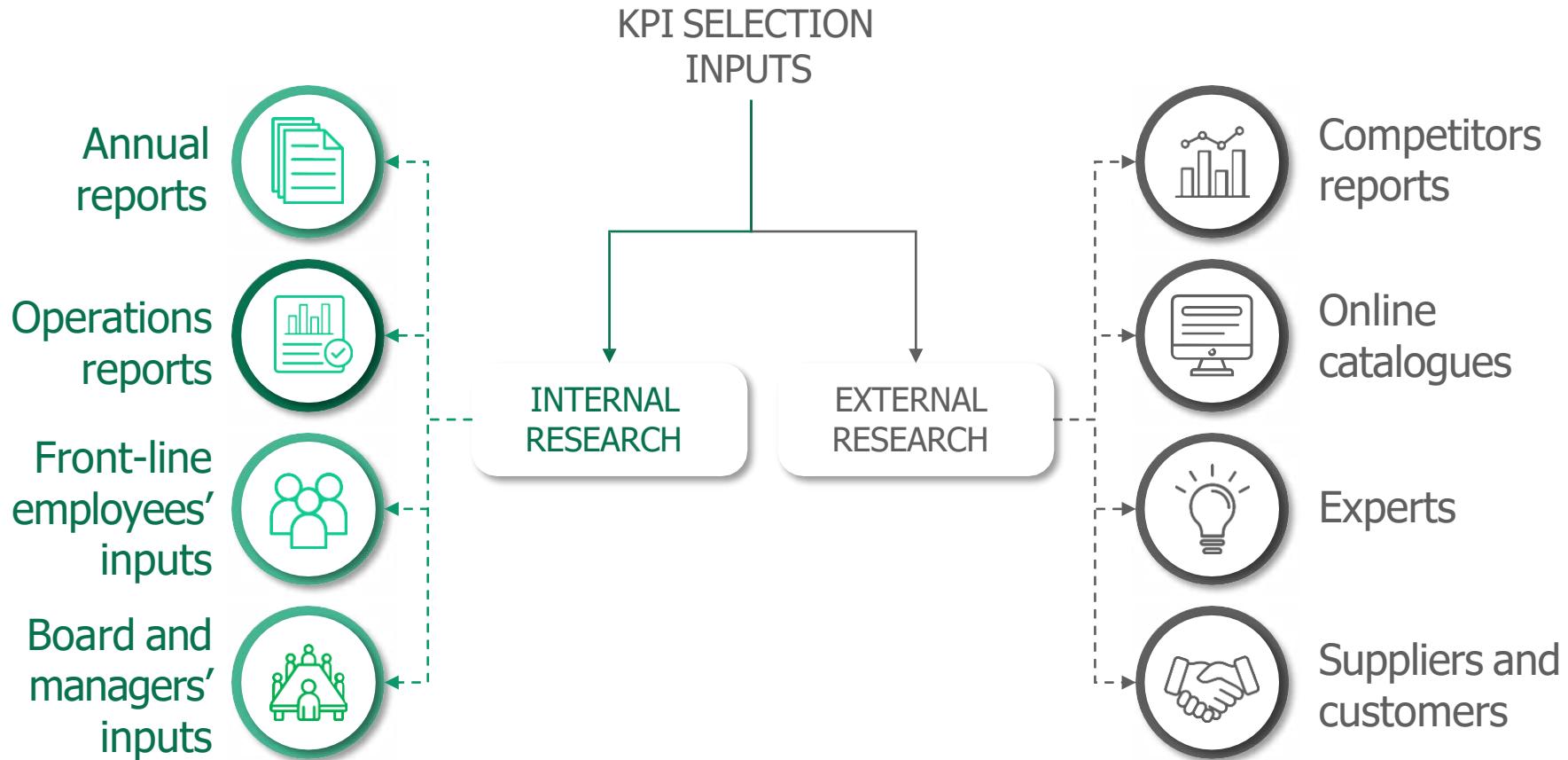
- Design a well-structured KPI selection process;
- Recognize useful KPI selection sources;
- Deploy KPI selection techniques.

# EXERCISE

## ALLOCATE 2 KPIs FOR EACH OBJECTIVE

	Increase profitability	No KPIs list
Financial	Maintain financial discipline	1 \$ Operating expenses 2 %Employees meeting professional development requirements 3 #Complaints from customers 4 %Profitable customers 5 %Budget variance 6 #Innovation ideas 7 #Employee engagement index 8 #Training hours per full time equivalent (FTE) 9 %Market share 10 %Net profit margin 11 #Procedures reviewed 12 \$ Net cash flow 13 %On time delivery of orders 14 #Positions filled 15 %Customer satisfaction 16 %Orders error rate 17 %Critical positions with succession plans in place 18 %Processes improved
	Maintain high levels of customer satisfaction	
Customer	Serve new market segments profitability	
	Ensure quality services	
Internal Processes	Improve process management capability	
	Nurture engagement, creativity and innovation	
People, Learning & Growth	Develop workforce skills and competences	
	Ensure talent availability	

# KPI SELECTION SOURCES



# KPI SELECTION SOURCES

SECONDARY

## INTERNAL



- Medium/long-term strategy plan
- Annual business/ strategic plan
- Annual reports
- Internal operational reports

PRIMARY

## EXTERNAL



- Competitor review reports
- Printed catalogues
- Online catalogues – [smartKPIs.com](http://smartKPIs.com)
- Annual reports of others

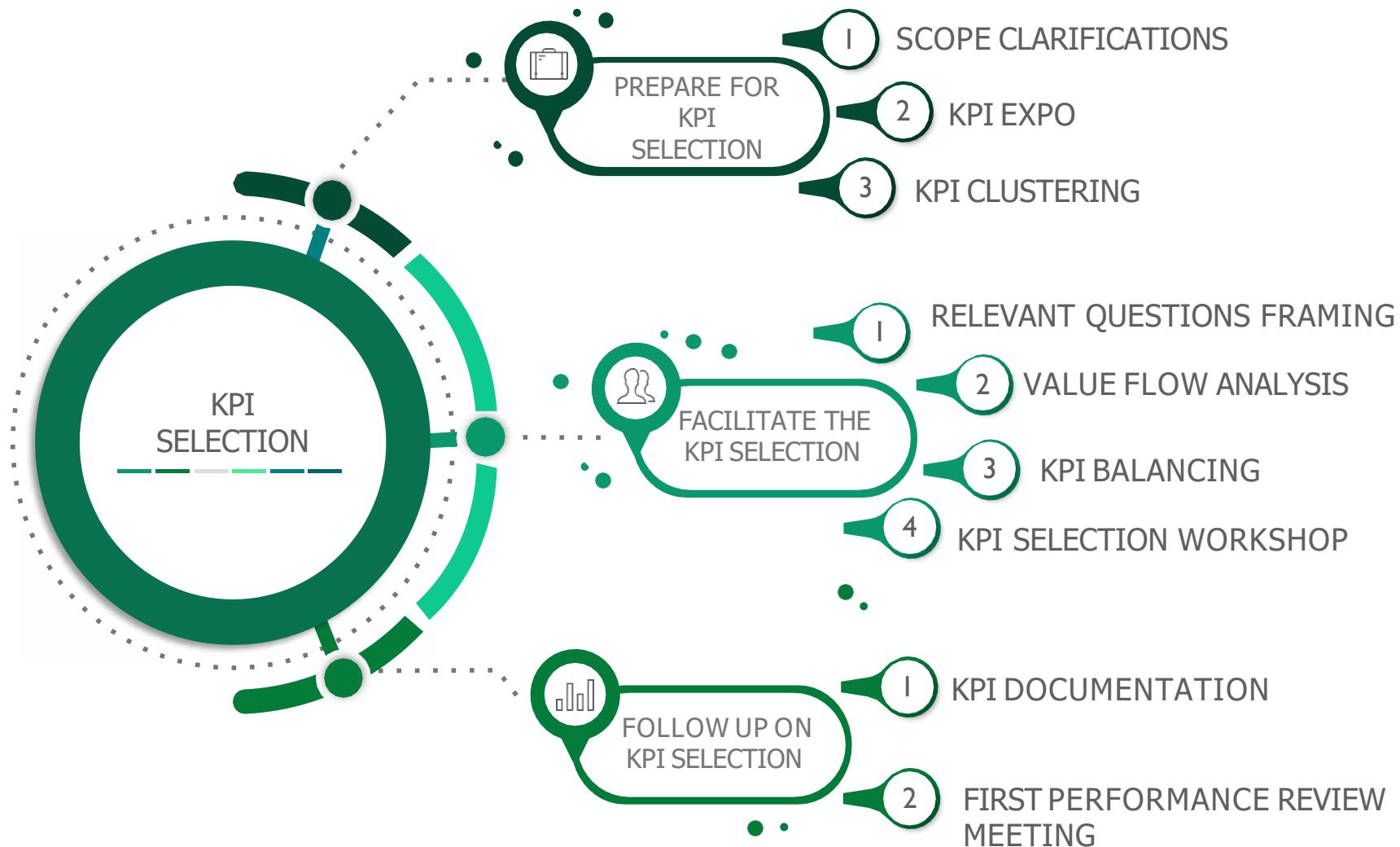


- Front-line employees' input
- Managers input
- Board input

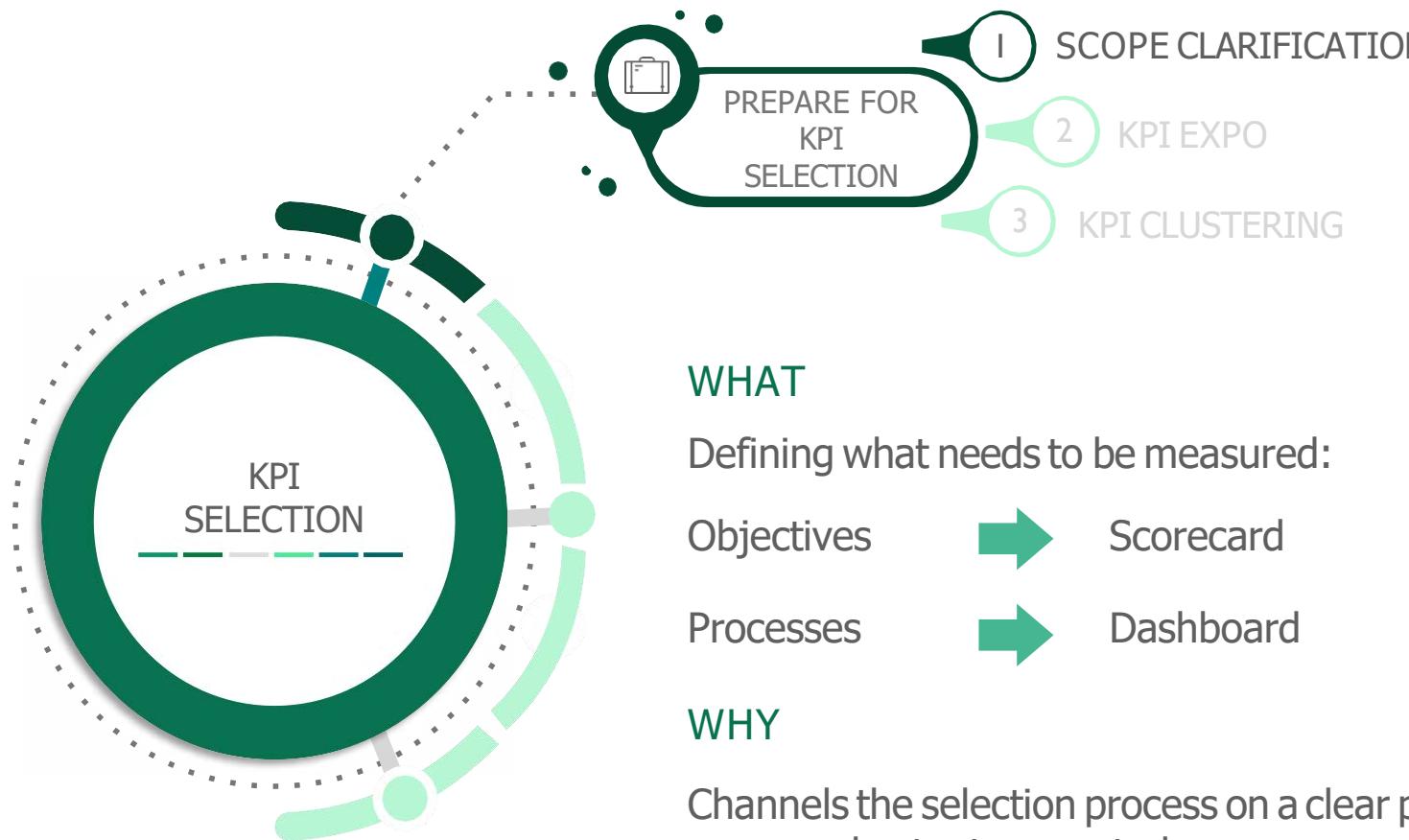


- Suppliers input
- Customers input
- Expert advice

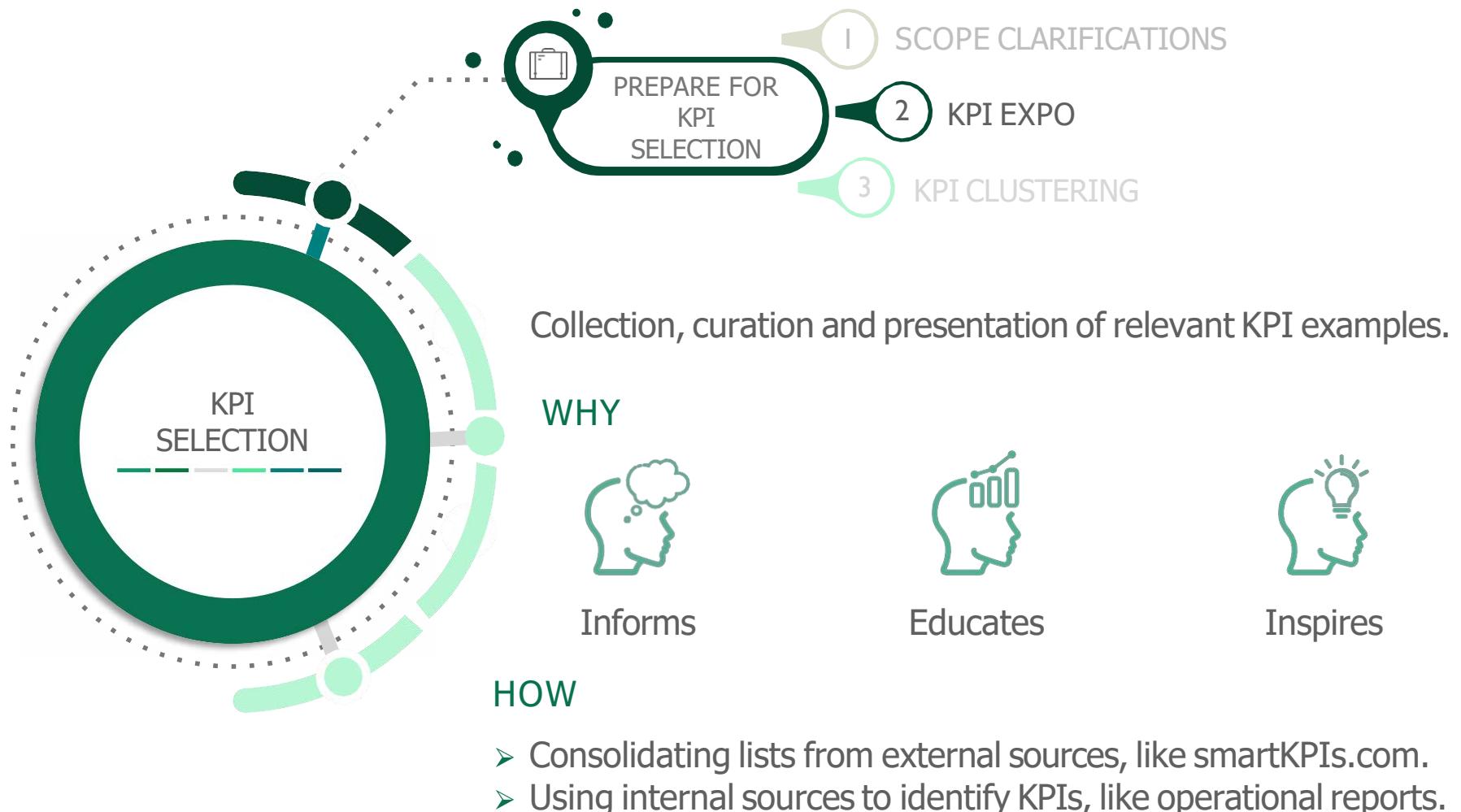
# KPI SELECTION PROCESS



# KPI SELECTION PROCESS



# KPI SELECTION PROCESS



# EXERCISE

## KPI EXPO

### SCENARIO

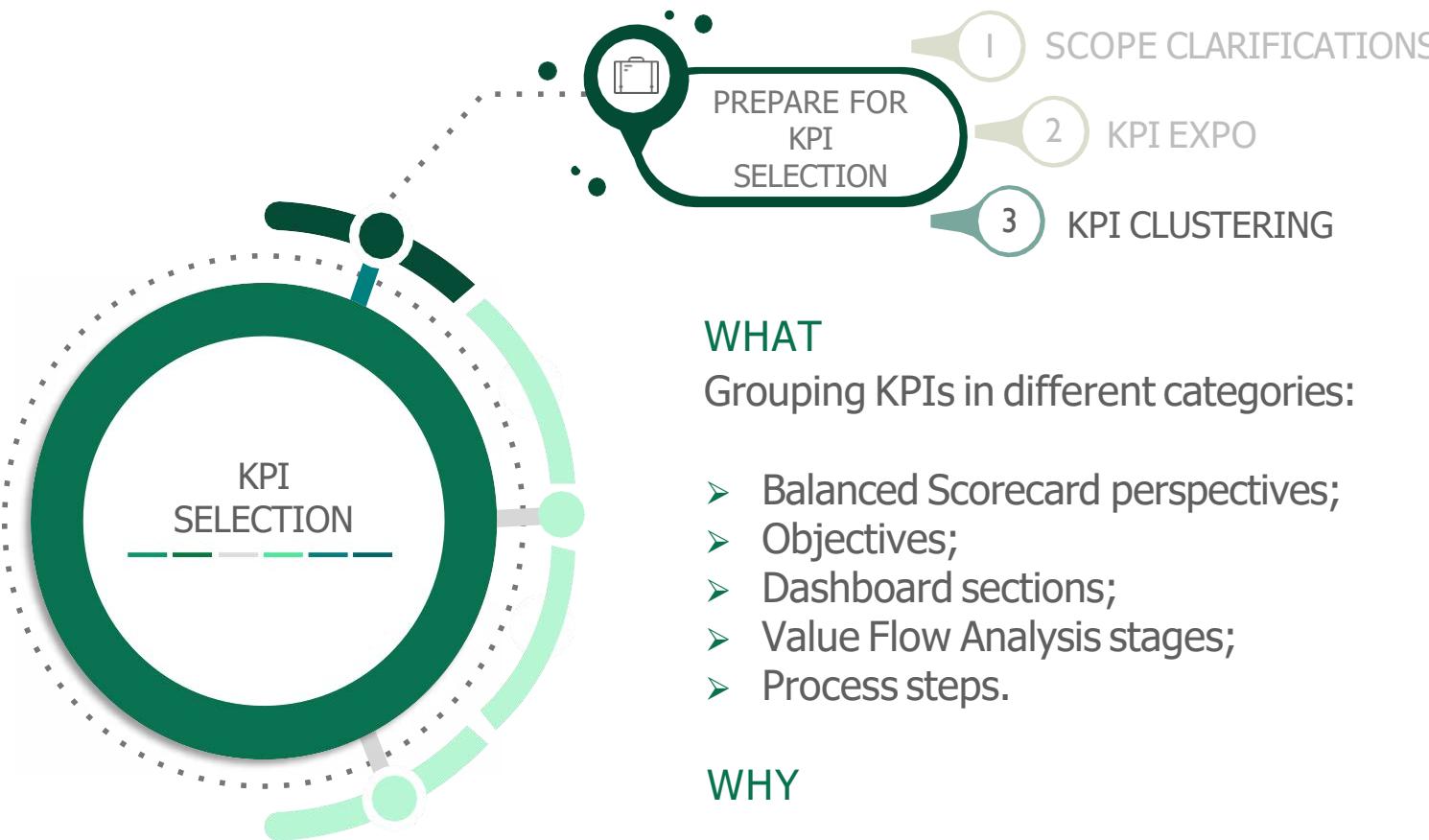
Before stepping into the KPI selection workshop, it is useful to create a KPI expo that inspires participants to come up with other examples as well.

### TASK

Think about the department or the organization that you currently work for and list some of the most important KPI examples in the following table:

No.	KPI examples
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

# KPI SELECTION PROCESS



# EXERCISE

## KPI CLUSTERING

### SCENARIO

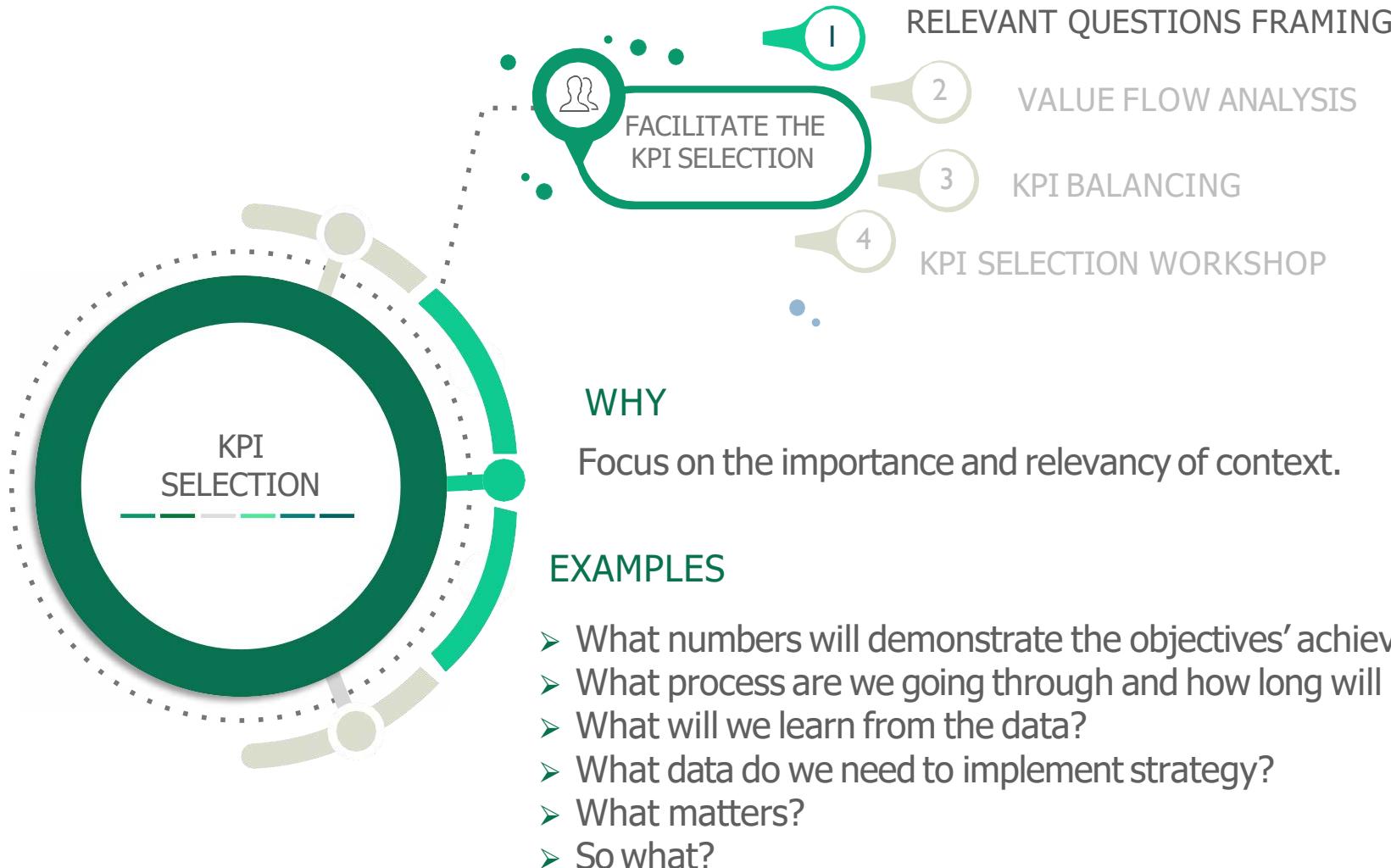
You are part of the management team operating in a niche industry. The board asks you to present 5 KPIs you will be using to track the performance of the organization.

### TASK

Write down 5 KPIs you would recommend.

No.	KPI examples
1	
2	
3	
4	
5	

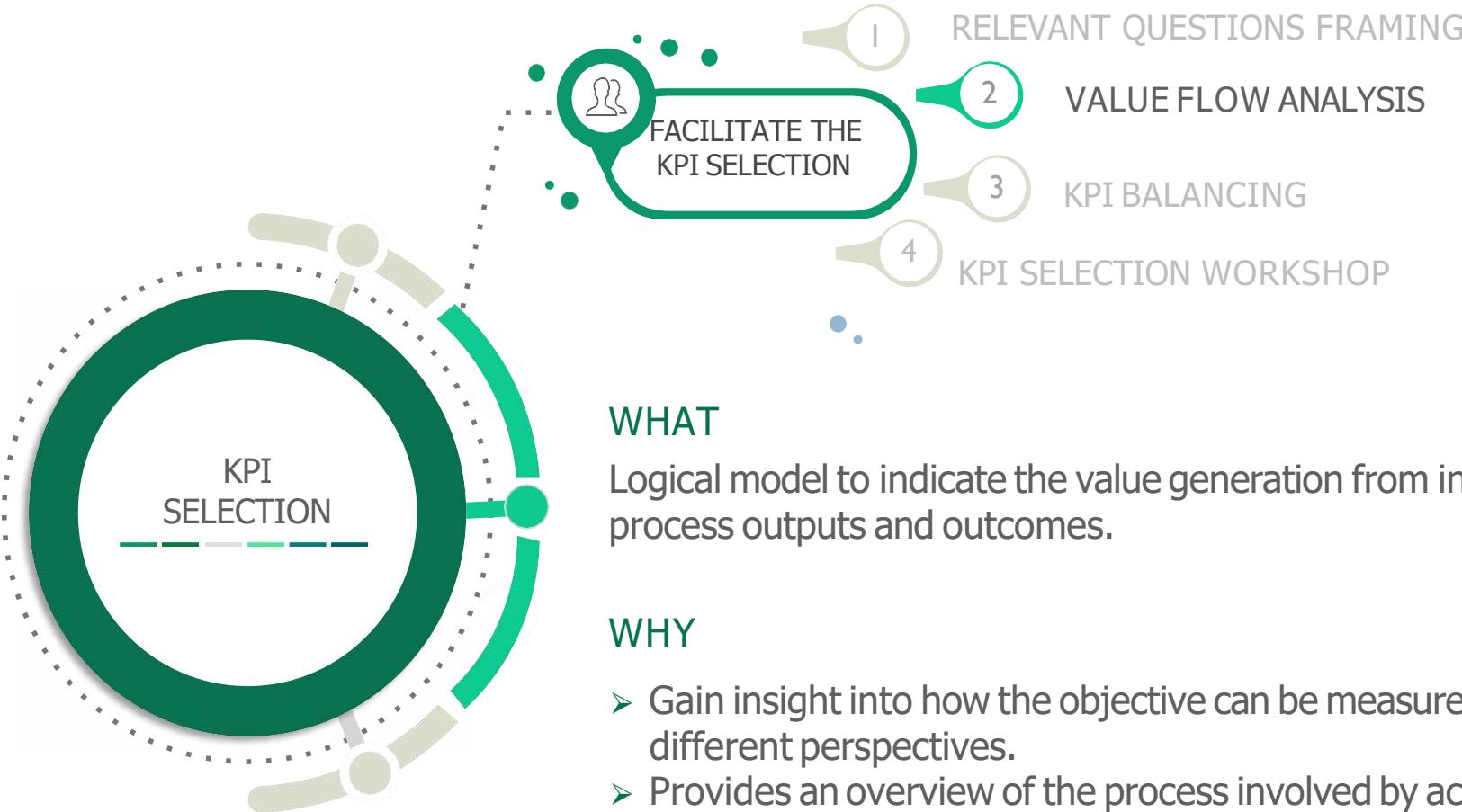
# KPI SELECTION PROCESS



# RELEVANT QUESTIONS FRAMING

FAQs	During the KPI selection workshop	Questions to prepare in case they are asked
What are the most relevant sources for KPI selection?	How many KPIs should we select?	What will we do with KPI results?
What is the order of importance in which the KPI selection sources should be analyzed?	What is the procedure for validating the KPIs selected?	What efforts are required for data gathering for each KPI?
Who should participate in the KPI selection process?	What process are we going through and how long will it take?	What will we learn from the data?
What is the ideal format for KPI selection process?	What figures will reflect the achievement of company objectives?	How do we link KPI results with people incentives?
What are the most relevant criteria for the KPI selection?	What sort of data we need to keep track of to ensure informed decision making?	
What are we trying to achieve by setting up KPIs?	What matters?	

# KPI SELECTION PROCESS



## WHAT

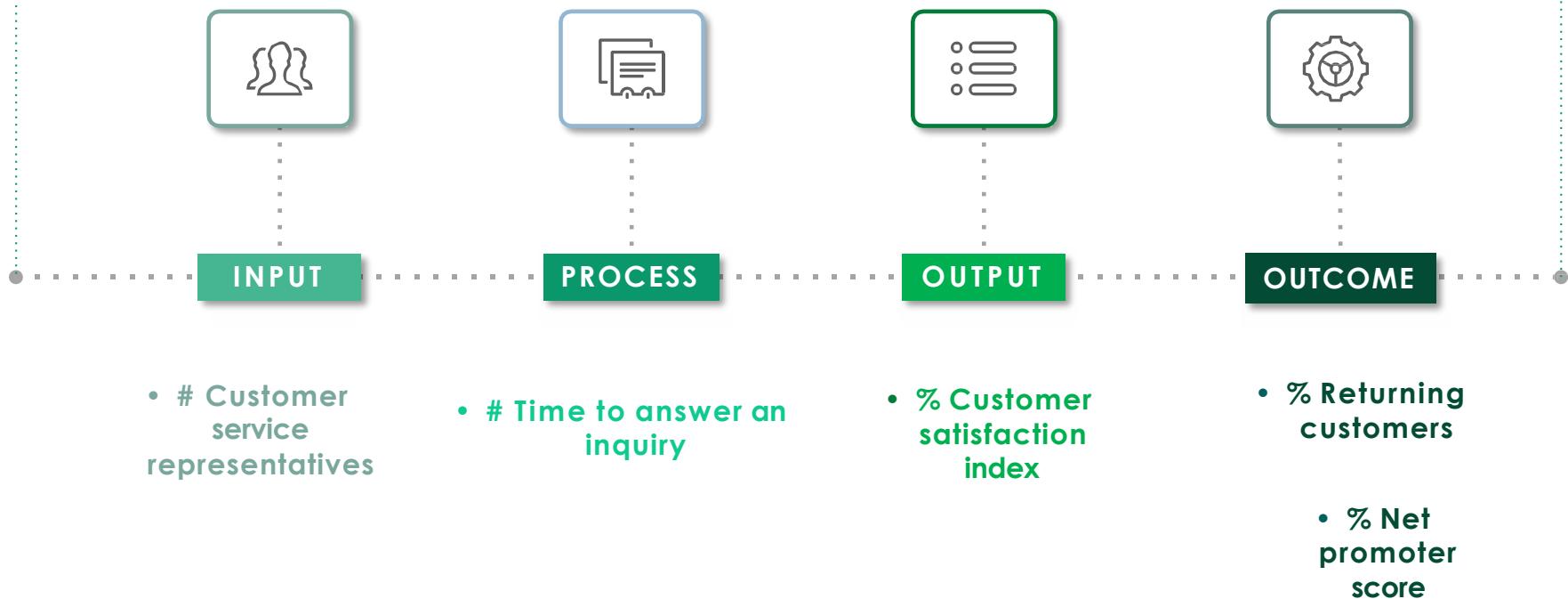
Logical model to indicate the value generation from inputs, process outputs and outcomes.

## WHY

- Gain insight into how the objective can be measured from different perspectives.
- Provides an overview of the process involved by achieving the objective.
- Enables the selection of the most relevant KPIs for the objective.

# VALUE FLOW ANALYSIS

OBJECTIVE: Improve customer satisfaction with service levels



# INPUT-PROCESS-OUTPUT-OUTCOME METRICS

01

## INPUT

- Measure the quantity/quality of input resources to organizational activities.
- Generally, includes human resources, and financial resources infrastructure.

Examples:

- *Human Resources*: # Employees, # Consultants, # Project team
- *Finances*: \$ Budget, # Grants, \$ Bank loans
- *Infrastructure*: # Production lines available, # Plants available

02

## PROCESS

- Measure the quantity/quality of the activities required to provide certain expected outputs.
- Generally, include transformation in terms of time and utilization rates.

Examples:

- *Time*: %On time delivery vaccination, # Time to finalize task
- *Utilization*: %Equipment utilization rate, % Transportation capacity used

03

## OUTPUT

- Measure the quantity/quality of the goods or services created or provided by inputs;
- They generally include quantifiable results.

Examples:

- # Patients vaccinated
- # Items produced
- # Scrap generated
- # Facilities built

04

## OUTCOME

- Measure the quantity/quality of the results achieved through the provision of goods and services.
- They generally include added value and impact.

Examples:

- *Impact*: %Incidence of disease, %Mortality rate, %Graduates employment rate
- *Added value*: \$ Savings generated by innovation ideas, # Customer satisfaction index, %Net promoter score

# VALUE FLOW ANALYSIS

Objective	INPUT	PROCESS	OUTPUT	OUTCOMES
Ensure population immunization	<ul style="list-style-type: none"> <li>• \$ Budget</li> <li>• # Doctors</li> </ul>	<ul style="list-style-type: none"> <li>• %On time delivery of vaccination programs</li> </ul>	<ul style="list-style-type: none"> <li>• # Population vaccinated</li> </ul>	<ul style="list-style-type: none"> <li>• %Incidence of disease</li> <li>• %Mortality rate</li> </ul>
Build a safety working environment	<ul style="list-style-type: none"> <li>• \$ Budget</li> <li>• # HSSE team</li> </ul>	<ul style="list-style-type: none"> <li>• # Time to remediate HSSE audit findings</li> </ul>	<ul style="list-style-type: none"> <li>• # Incidents recorded</li> </ul>	<ul style="list-style-type: none"> <li>• # Time lost due to safety incidents</li> </ul>
Expand production capacity	<ul style="list-style-type: none"> <li>• \$ Budget</li> <li>• # Contractors</li> <li>• # Equipment available</li> </ul>	<ul style="list-style-type: none"> <li>• # Time to build a new production facility</li> </ul>	<ul style="list-style-type: none"> <li>• # New facilities built</li> </ul>	<ul style="list-style-type: none"> <li>• %Production capacity growth</li> </ul>
Provide access to electricity services	<ul style="list-style-type: none"> <li>• \$ Budget</li> <li>• # Power plants</li> <li>• # Electricians</li> </ul>	<ul style="list-style-type: none"> <li>• # Time to install an electricity facility</li> </ul>	<ul style="list-style-type: none"> <li>• # Electricity transmission facilities installed</li> </ul>	<ul style="list-style-type: none"> <li>• # Supply (or consumption) of electricity</li> </ul>

# EXERCISE

Place each KPI into the right stage of the Value Flow Analysis

# Innovation champions in each area	# Staff in the innovation program team	\$ Value generated by innovation ideas	% Innovation ideas funded
# Innovation focus groups	# Time to evaluate an idea	% Ideas evaluated within the SLA target of 2 weeks	% Innovation ideas implemented
# Patents	\$ Budget	% Innovation ideas evaluated	% Innovation ideas that generated value

## OBJECTIVE

:  
Operate in an environment that fosters creativity and innovation

INPUT	PROCESS	OUTPUT	OUTCOME
KPI 1....			
KPI 2....			

# EXERCISE

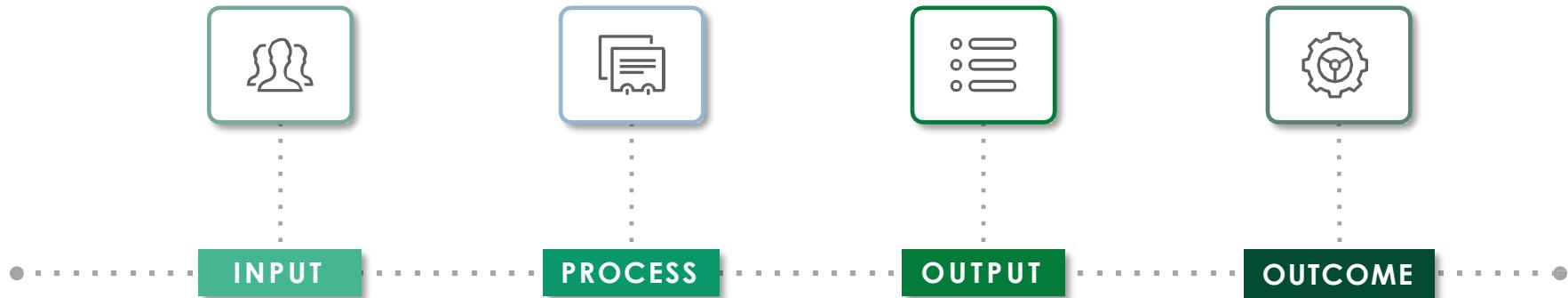
## VALUE FLOW ANALYSIS

### SCENARIO

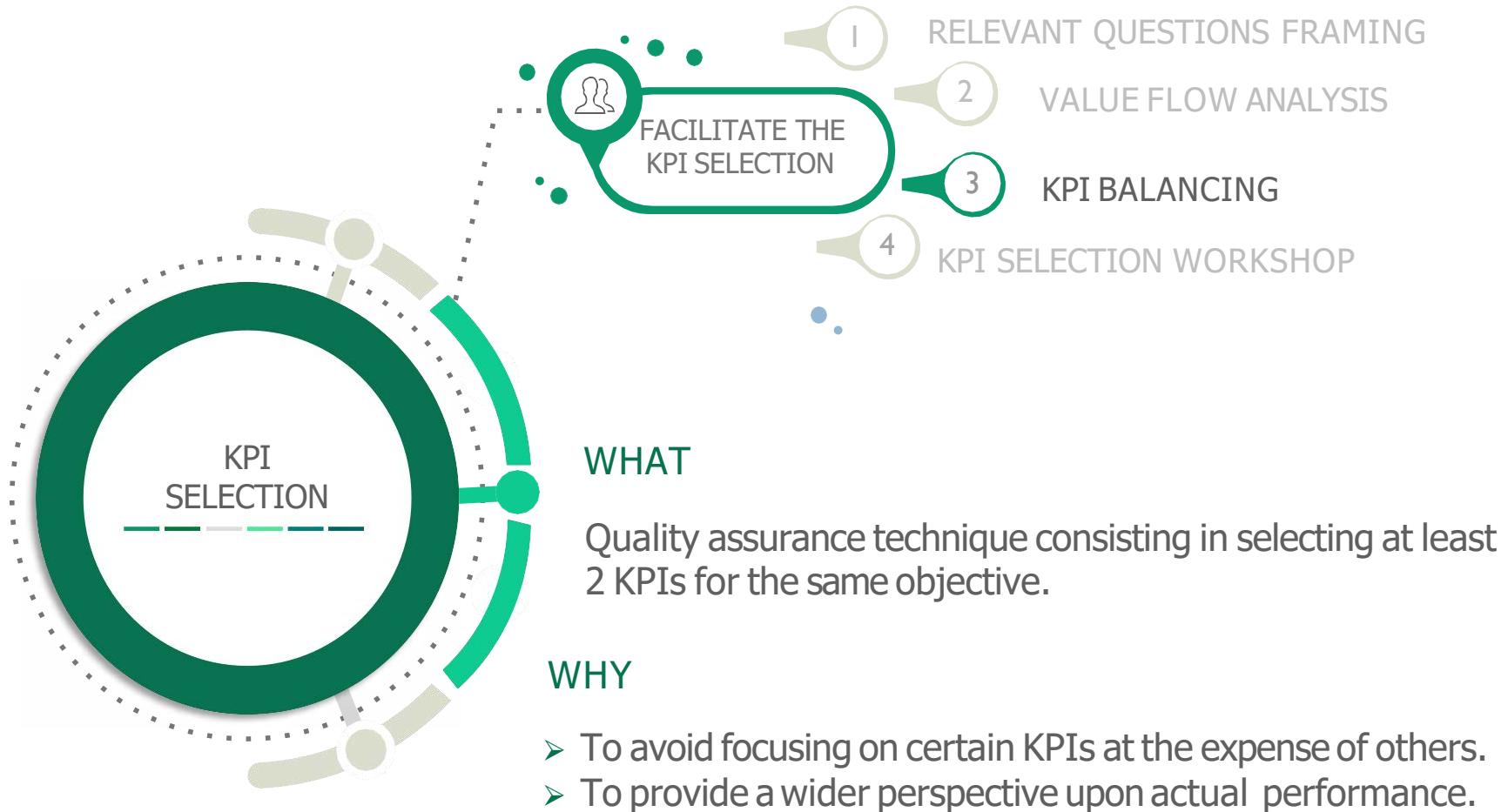
Select one objective of your choice.

### TASK

- Write at least 2 inputs, 2 processes, 2 outputs, and 2 outcome metrics.
- Select from these metrics 2-3 KPIs to measure the achievement of the objective.
- Propose 1-2 initiatives to address the implementation of the objectives.



# KPI SELECTION PROCESS

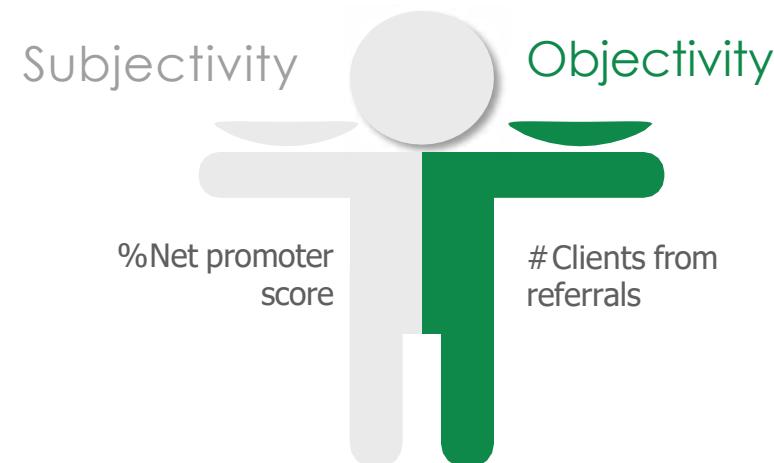
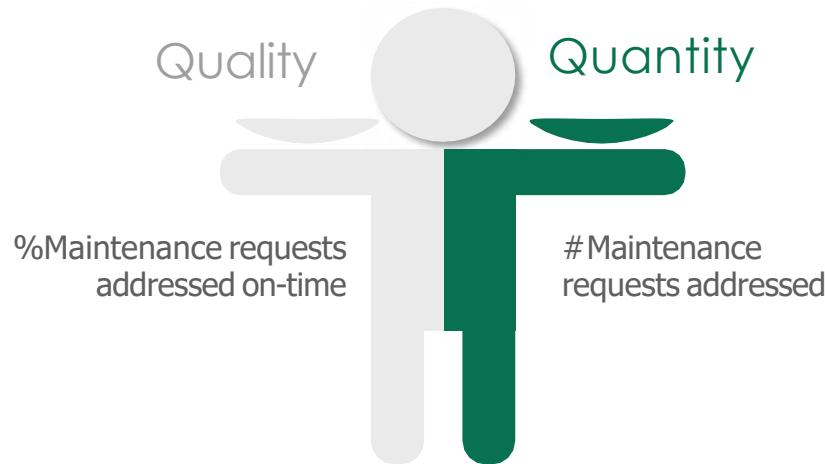
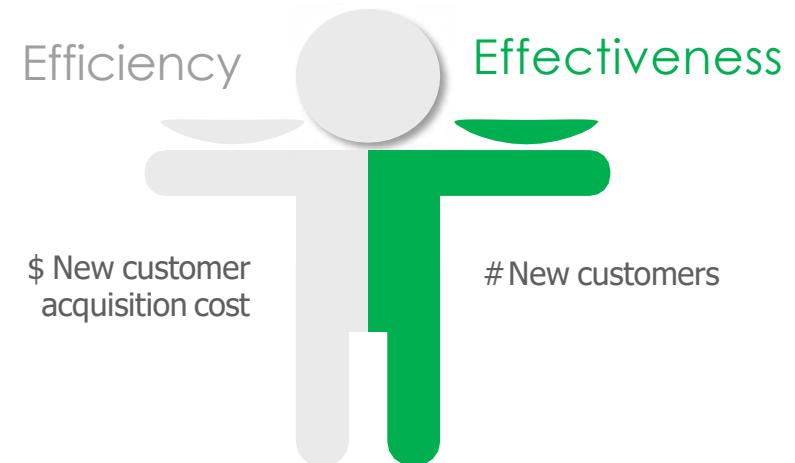
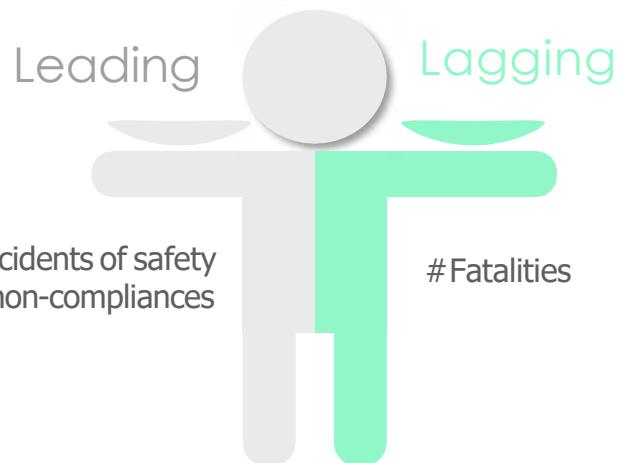


# EXERCISE

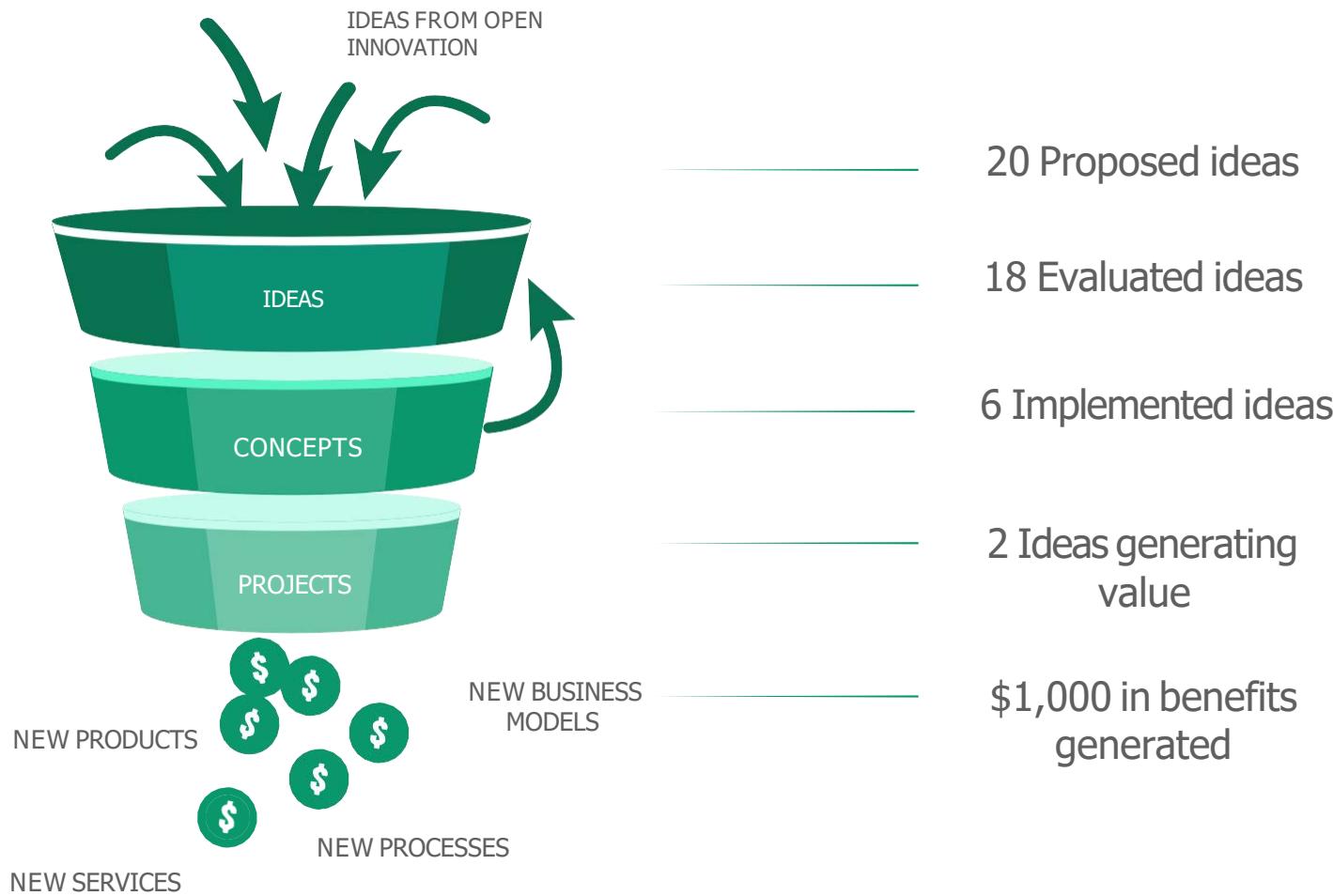
KPI balancing: Write the correct KPI number under each objective, to ensure a balanced approach to the measurement of progress.

FAs	Objectives	No. KPIs
R&D	A. Ensure R&D efficiency	1 \$ R&D costs
		2 %IT software updated within SLA
		3 %Core areas of expertise covered at desired level
Investments	B. Improve investments activity	4 #Complaints logged
		5 #New products developed
		6 %Profitable investments
Information Technology	C. Maintain updated systems	7 #Training hours per FTE
		8 #Investment initiatives proposed
		9 #IT software updates
Human Resources	D. Develop workforce skills and competencies	10 %Customer satisfaction with service level
Marketing	E. Increase customer satisfaction levels	

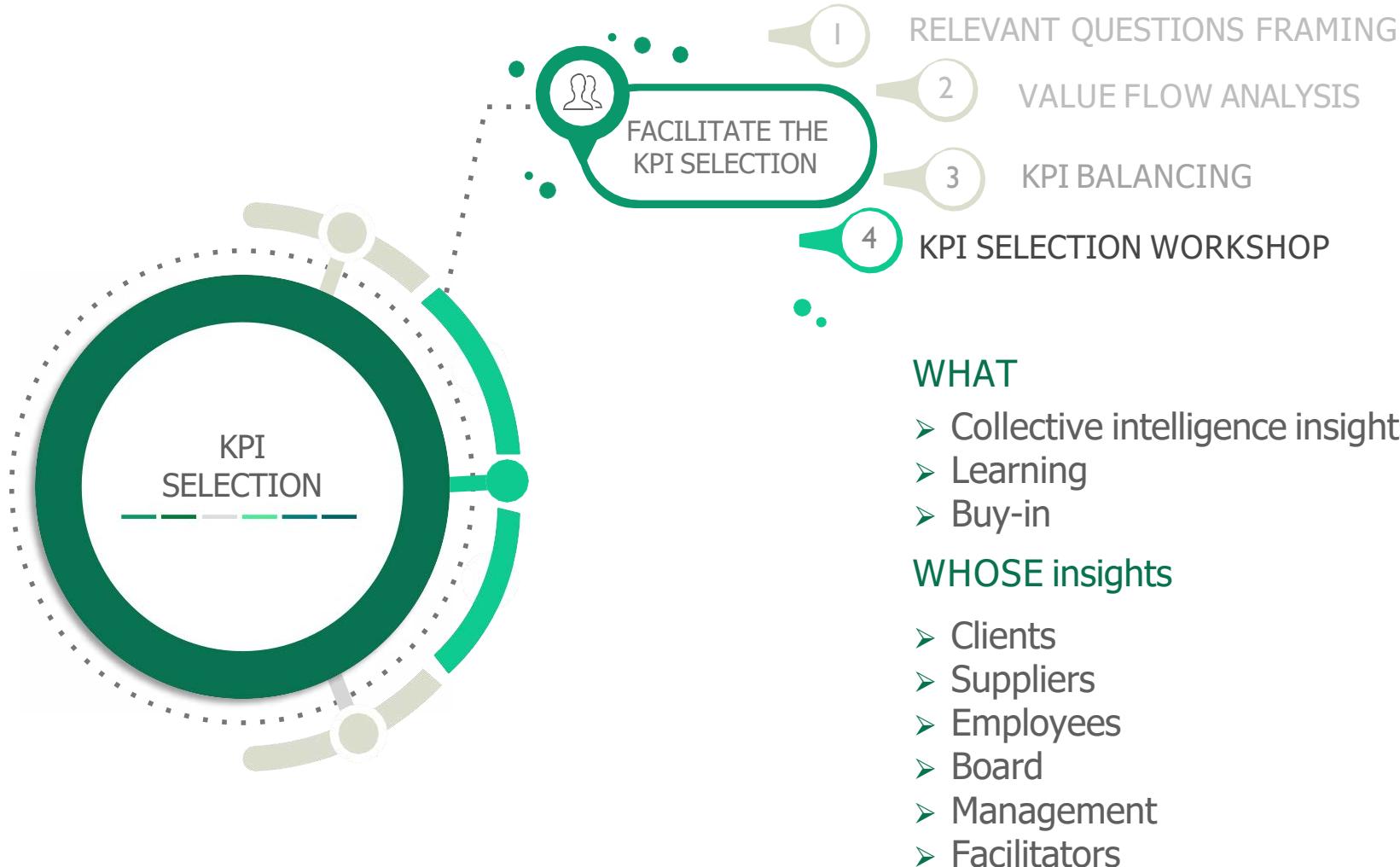
# KPI BALANCING



# KPI BALANCING: INNOVATION FUNNEL



# KPI SELECTION PROCESS



# KPI SELECTION WORKSHOP



## CONTEXT

- |  |        |
|--|--------|
| Agenda and meeting scope review .....            | 5 MIN  |
| Needs review.....                                | 5 MIN  |
| Terminology and KPI format clarification.....    | 10 MIN |
| Selection process and tool review.....           | 20 MIN |
| Sample Value Flow Analysis (VFA) as a model..... | 20 MIN |



## SELECTION ACTIVITIES

- |  |        |
|--|--------|
| Interactive VFA team exercises.....            | 60 MIN |
| Consolidation of KPI wall.....                 | 60 MIN |
| List revision based on filtering criteria..... | 20 MIN |

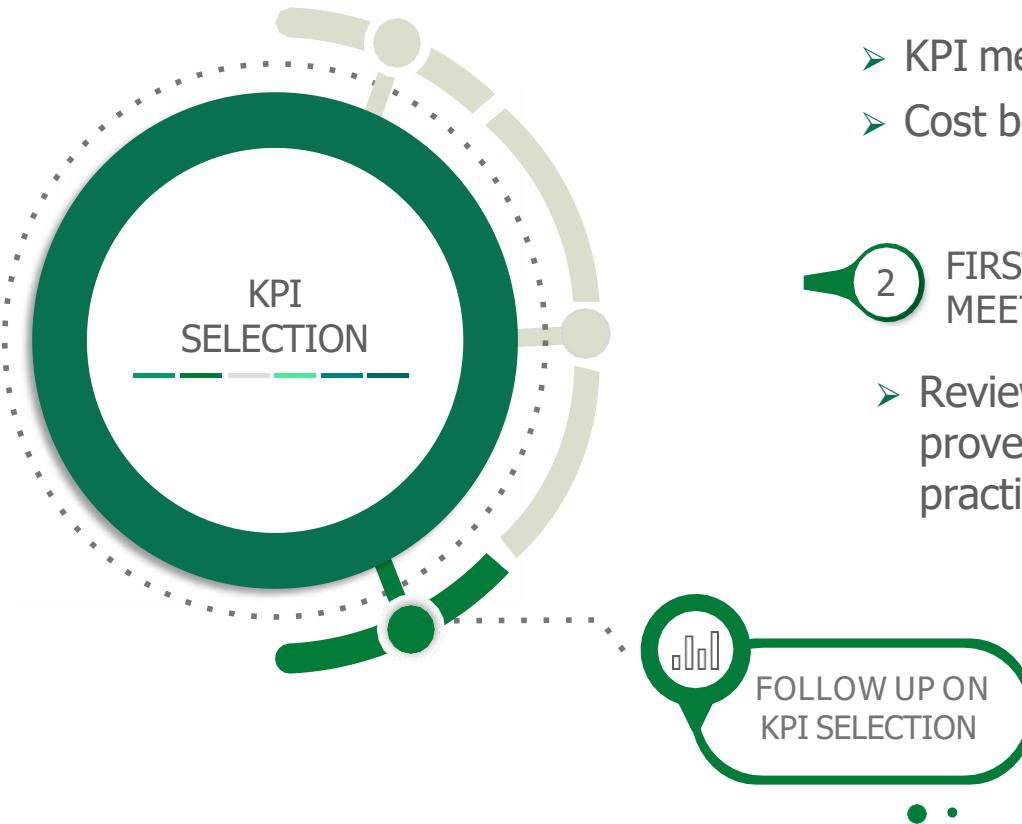


## REVIEW AND CLOSING

- |                            |        |
|----------------------------|--------|
| Review of draft.....       | 20 MIN |
| Answering questions.....   | 20 MIN |
| Clarifying next steps..... | 10 MIN |



# KPI SELECTION PROCESS



1

## KPI DOCUMENTATION

- KPI measurement limitations;
- Cost benefit analysis.

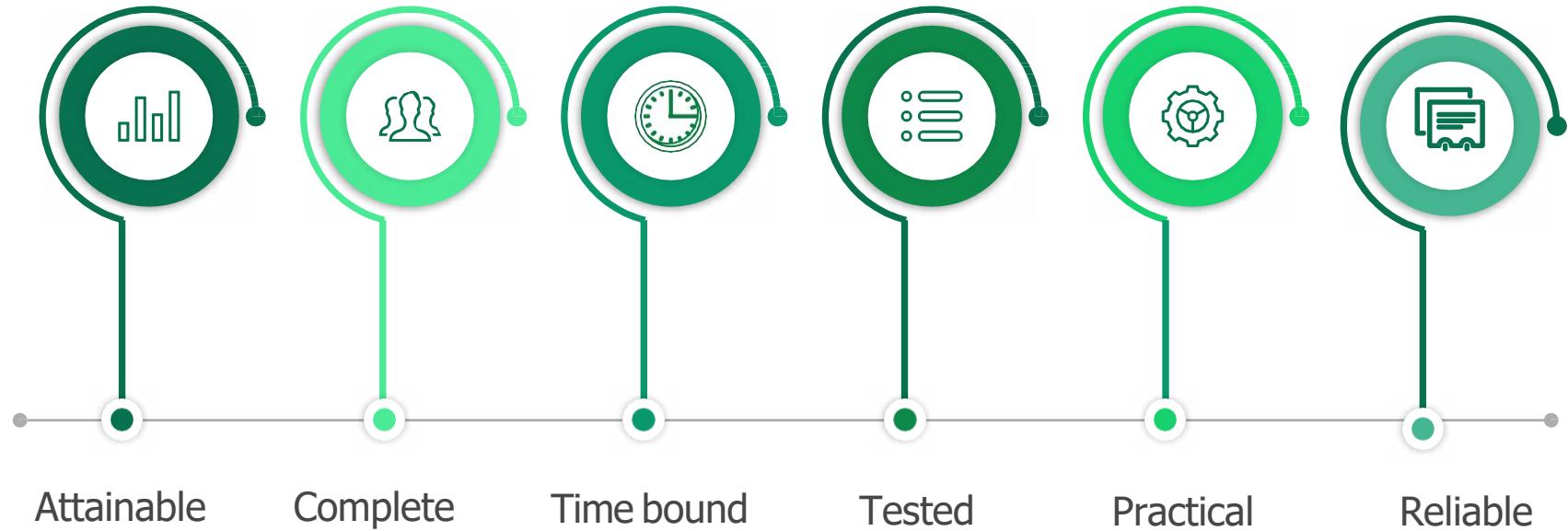
2

## FIRST PERFORMANCE REVIEW MEETING

- Review and reconsider some KPIs that may prove inefficient to measure and report in practice.

•

# KPI SELECTION CRITERIA IN PRACTICE



Attainable

Complete

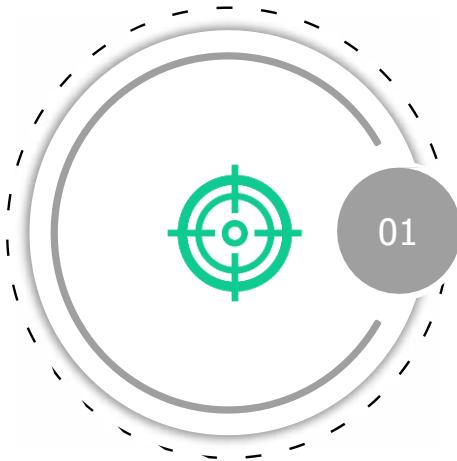
Time bound

Tested

Practical

Reliable

# KPI SELECTION CRITERIA RECOMMENDED



RELEVANT



CLEARLY  
DEFINED



BALANCED

# SESSION REVIEW

## KPI Selection

- KPI selection sources: internal and external, primary and secondary.
- Main KPI selection techniques:
  - KPI expo;
  - KPI clustering;
  - Value Flow Analysis;
  - KPI balancing;
  - KPI selection workshop.
- KPI selection criteria: clearly defined, balanced, relevant.

# REFERENCES

- Heinrich, H.W. (1931), Industrial accident prevention: A scientific approach. Available at: <http://www.worldcat.org/title/industrial-accident-prevention-a-scientific-approach/oclc/3493629>
- Mosse, R., Sontheimer, L.E. (1996), Performance monitoring indicators handbook - World Bank Technical Paper, No 334, Available at: <https://digitallibrary.un.org/record/195259?ln=en>
- smartKPIs.com (2018), Available at: <https://smartkpis.kpiinstitute.org/>

## MODULE 6

# KPI ALIGNMENT

### Agenda:

- ① KPI alignment approaches
- ② Select KPIs for corporate scorecard
- ③ Cascaded KPIs to functional area

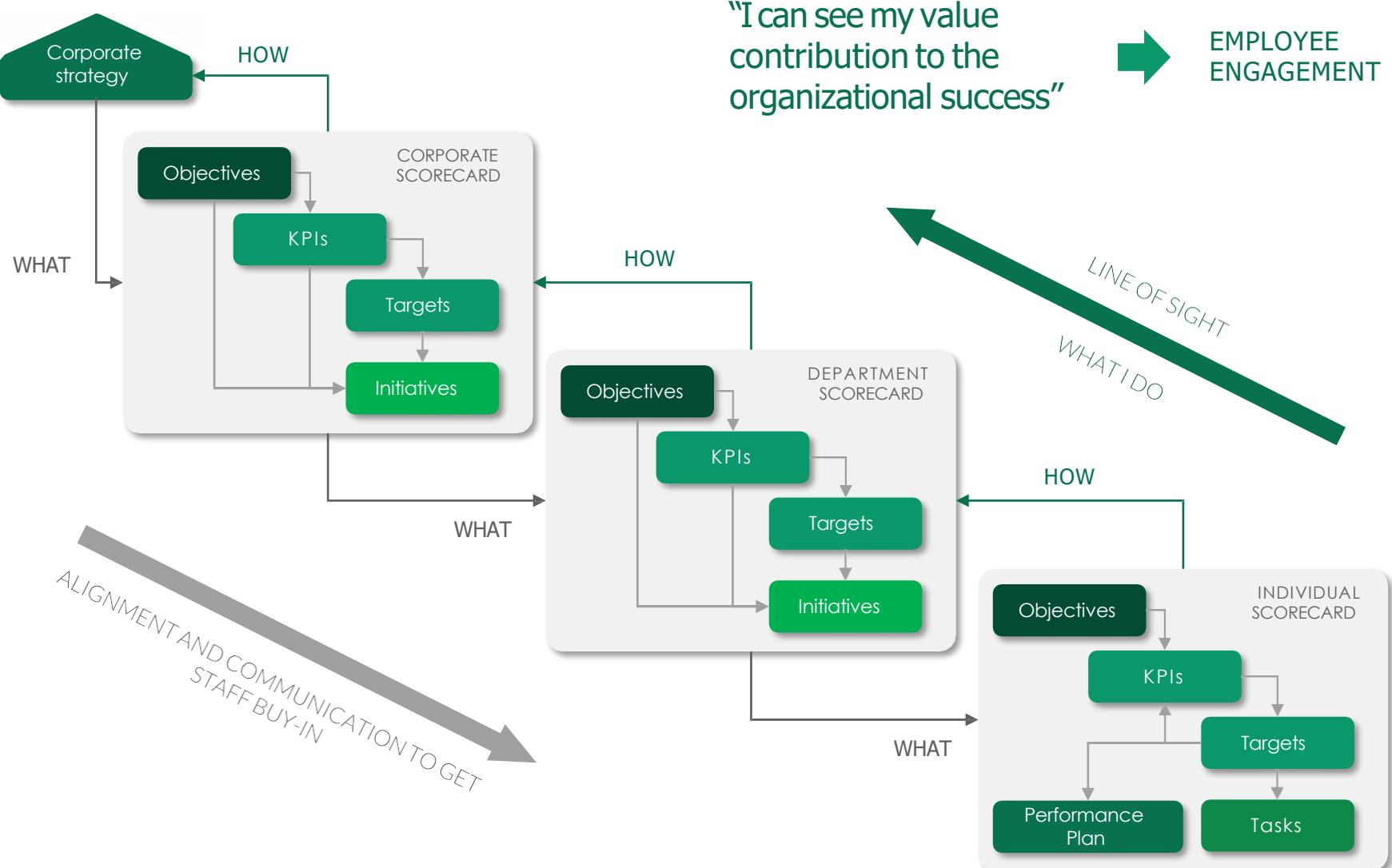
## MODULE 6

### KPI ALIGNMENT

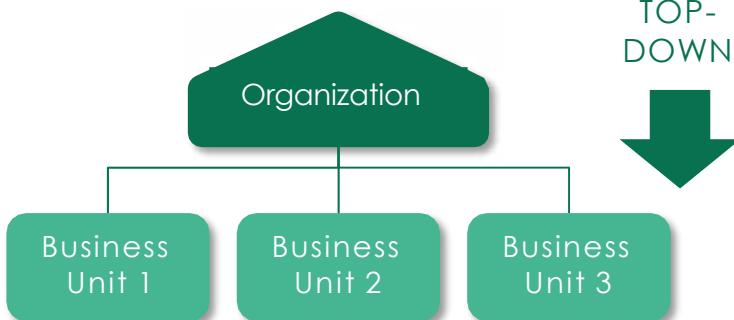
#### Key learning points:

- Identify different approaches to align KPI within the organization;
- Select KPIs for corporate scorecard;
- Cascade KPIs from organizational level to departmental level.

# CASCADING AND ALIGNMENT

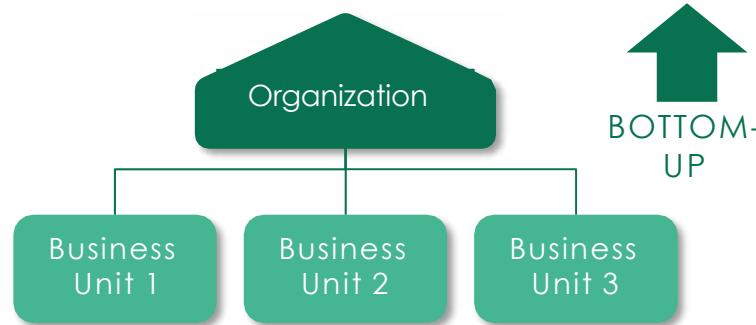


# KPI ALIGNMENT



## WHEN

- Activities are homogeneous and allow aggregation of strategy and KPIs (for example retail, banking);
- The corporate scorecard is transmitted to business units and a few transformations are made to customize it at lower hierarchical levels.

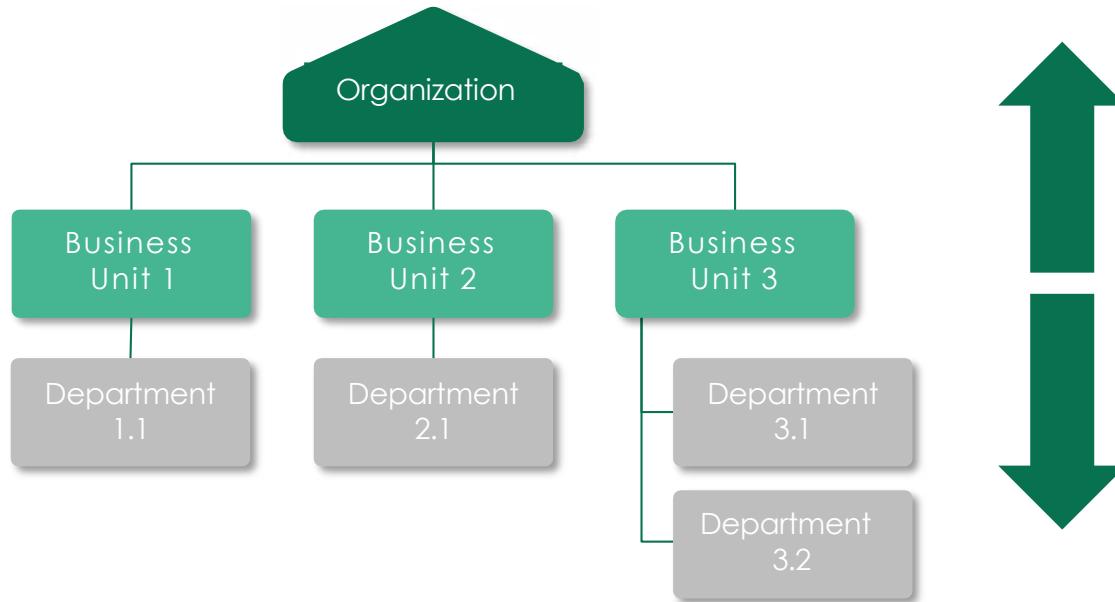


## WHEN

- Strategy is clearer at the business unit level (for example diversified companies, holding corporations);
- The corporate scorecard is developed based on the scorecards from business units and contains the common KPIs (usually financial and human capital-related KPIs).

# KPI ALIGNMENT

## Approaches



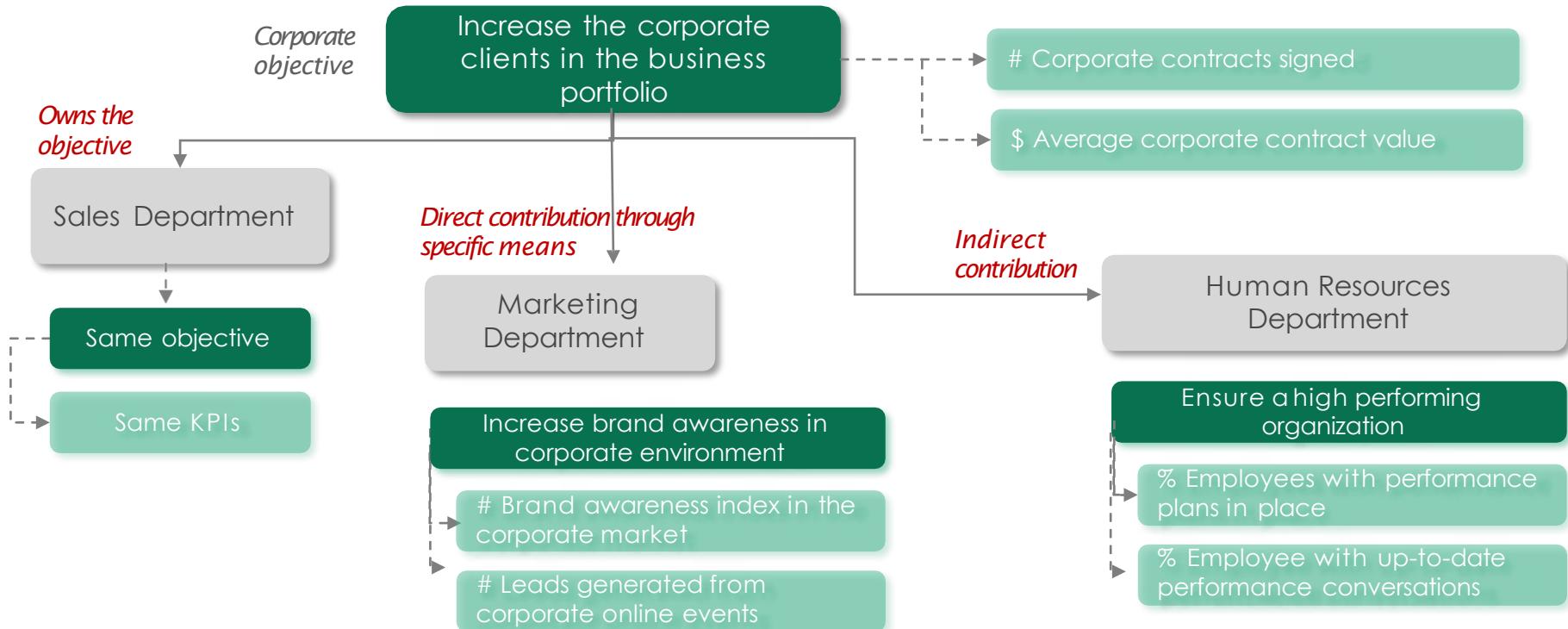
In practice, many companies find themselves between the two extreme approaches and resort to a combination of tactics.

The process can start from business units and have an alignment:

- Bottom-up for corporate scorecard;
- Top-down for departments within that business unit.

# KPI ALIGNMENT

Corporate objectives can be aligned at the departmental level by cascading them identically or by adapting the objective and/or the KPIs



*Alignment to corporate strategy for support functions is more revealing during initiatives' selection. For example, if the company aims to attract new clients, the proper HR initiatives must be set in place to incentivize people to search for new business leads and close deals. An employee performance management framework and a bonus policy aligned to strategy execution requirements are good examples of alignment of HR to corporate directions.*

# KPI ALIGNMENT



SAME OBJECTIVE AND  
KPI'S CASCADED

CORPORATE LEVEL

*People, Learning and Growth*

Objective: Nurture an engaging and innovative working environment

%Employees engagement index  
%Improvement ideas awarded

DEPARTMENT: ANY

Objective: Nurture an engaging working environment

%Employees engagement index in department Z  
%Improvement ideas awarded from department Z



SAME OBJECTIVE AND  
ADAPTED KPI'S

CORPORATE LEVEL

*Customers*

Objective: Increase customer satisfaction levels

%Customer satisfaction  
#Complaints received

DEPARTMENT: CUSTOMER SUPPORT

Objective: Increase customer satisfaction levels

%Complaints solved within SLA  
#Requests solved per hour

# KPI ALIGNMENT



SPECIFIC OBJECTIVES AND KPIS  
SUPPORTING CORPORATE  
STRATEGY

## CORPORATE LEVEL

### *Financial*

Objective: Maximize profitability of business operations

% Net Profit Margin  
\$ EBITDA

## DEPARTMENT: ACCOUNTING

Objective: Improve payments execution timeliness

# Time to process payments  
# Pending payments

# EXERCISE

## SELECT KPIs FOR CORPORATE SCORECARD

### SCENARIO

As the new management team of the organization, you have reviewed the strategy and reflected it in the corporate balanced scorecard. Given the significant changes adopted in terms of objectives, a new KPI selection process is necessary.

### TASK

Based on the list of KPIs specific to the industry in which you operate, you must choose the most relevant KPIs for the strategic objectives already agreed upon.

#### Financial

Achieve profit growth

Optimize cost's structure

#### Customer

Maintain high levels of customer satisfaction

Increase customer base

#### Internal processes

Maximize capacity utilization

Minimizing our waste, energy and water usage

#### People, Learning & Growth

Build an environment that fosters creativity and innovation

Develop workforce skills and competences

# EXERCISE

## SELECT KPIs FOR CORPORATE SCORECARD

### Examples of KPIs

1	%Bookings conversion rate from website
2	%Canceled reservations
3	#Customer satisfaction index
4	#Energy consumption
5	%Employees certified in hospitality
6	#Employee engagement index
7	\$ Gross profit
8	#Guests per employee
9	%Hotel occupancy
10	#Hotel waste generated

11	#Innovation ideas received from employees
12	#Length of stay in hotel
13	\$ Net cash flow
14	#New guest
15	\$ Operating costs per room
16	\$ Revenue per guest
17	\$ Revenue per available square meter
18	#Rooms available
19	#Room order serving mistakes
20	#Training hours per full time equivalent

# EXERCISE

## CASCADE KPIs TO FUNCTIONAL AREA

### SCENARIO

You are part of the organization's Human Resources team. Given the strategy review that took place at the corporate level, you will have to align the departmental strategy to the new changes.

### TASK 1

Cascade the objectives and KPIs from the corporate balanced scorecard to the department level.

### TASK 2

Add new relevant objectives and KPIs for the department, based on the lists with examples provided.

# EXERCISE

## CASCADE KPIs TO FUNCTIONAL AREA

Customer	No.	List of objectives
	O1	Ensure high service delivery standards
	O2	Ensure timely order deliveries
	O3	Expand customer base
Internal Processes	O4	Improve HR service delivery capability
	O5	Increase revenues
	O6	Maintain high levels of internal customer satisfaction
People, Learning & Growth	O7	Optimize recruitment
	O8	Optimize call response time
	O9	Provide good value for money to the organization
Financial	O10	Seek efficiencies to minimize departmental costs

# EXERCISE

## CASCADE KPIs TO FUNCTIONAL AREA

### Examples of KPIs

1	# Certifications per HR employee
2	# Complaints with HR services
3	\$ Cost avoidance savings
4	\$ Cost per hire
5	# Employee complaints resolution timeliness
6	# Employee engagement index
7	%Employee retention rate
8	# FTEs per HR department FTE
9	%HR customer satisfaction with service levels
10	%HR processes optimized

11	%HR projects on time, on budget and according to specifications
12	%HR operating expense rate
13	#Innovation ideas received from HR employees
14	%On-time delivery of HR service requests
15	#Open requisitions
16	# Time to fill a vacant position
17	# Training hours per HR full time equivalent (FTE)
18	%Turnover
19	%Succession plans in place
20	%Voluntary separation rate

# SESSION REVIEW

## KPI Alignment

- KPI Alignment:
  - Top-down
  - Bottom-up
  - Combined
- Translating strategy at the operational level:
  - Same objectives – same KPIs
  - Same objective – same KPI + specific KPI
  - Same objective – specific KPIs
- The best approach is always to combine top-down with bottom-up so as to involve more stakeholders in the process of strategy formulation.

# MODULE 7

## KPI DOCUMENTATION

### Agenda:

- ① KPI documentation form functions
- ② KPI documentation form design
- ③ KPI documentation process
- ④ Organizational KPI library development

## MODULE 7

### KPI DOCUMENTATION

#### Key learning points:

- Design a KPI documentation form;
- Identify sources of information to document a KPI;
- Create and maintain an organizational KPI library.

# KPI DOCUMENTATION FORM FUNCTIONS



- 01 ENSURES UNDERSTANDING OF KPI MEASUREMENT
- 02 FACILITATES COMMUNICATION THROUGH STANDARDISATION
- 03 ACTIVATION PREREQUISITE
- 04 AUTOMATION ENABLER
- 05 KNOWLEDGE MANAGEMENT
- 06 EDUCATES STAKEHOLDERS (KPI OWNERS, DATA CUSTODIANS.)
- 07 CONTRIBUTES TO BUY-IN BY INVOLVING THE STAKEHOLDERS

# KPI DOCUMENTATION

## WHAT

- Identify metadata fields
- Fill in the required fields for each KPI

## WHY

- Simplify communication
- Alignment
- “Setting the rules”

## HOW

Standardized KPI documentation template

## RECOMMENDATIONS

To navigate easily between multiple project KPIs, it's recommended to organize all performance metrics into a single library or collection, that provides instant access to legacy and new metrics. The library should be a great starting point, but it needed to customize some of the KPIs to make them relevant for the organization. The key is to start with organizational information needs and not to rely too heavily on generic KPIs.

Source: The KPI Institute (2023)

<b>KPI 3 % Real estate capital ratio</b>	
Functional Area: N/A	Industry: Real Estate / Property
Sub-categories: Real Estate Development	Tags: real estate, capital, investment
KPI ID: 90423	
Description	Calculation
Definition: Measures the real estate capital investment as a percentage of the total capital investment. Capital investment refers to money the business spends on purchasing fixed assets, such as land, buildings, equipment. This can impact the monthly cash-flow.	Subordinate metrics: A = \$ Real estate capital investment B = # Capital investment
Variations: % Real estate capital	Calculation formula: $(A/B)*100$
Related KPIs: # Capital expenditure to sales ratio \$ Net capital outflow (NCO)	Trend is good when: Within range
Focus	Data Profile
Purpose: To indicate the structure of a company's assets, as a high level of real estate capital investment reflects on a high percentage of assets that may not be recuperated for 30-40 years.	Data capture period: Year
BSC perspective: Financial	Standard reporting frequency: Annually
Objective measured: Increase investment profitability	Data collection method: Real Estate Reports, Real Estate Analytics Software, Real Capital Analytics Databases
	Limitations: It does not indicate whether the investment decision is appropriate - highly valuable real estate assets might depreciate greatly over time under the economic conditions.
Targets	Analysis and Resources
Threshold examples:	Overall notes: Real estate capital investment influences the real estate market, as high demand increases the prices people are willing to pay for real estate.
Red: <40%; >80%	
Yellow: 40-50%; 70-80%	
Green: 50-70%	Additional resources: • <a href="https://www.kpiinstitute.org/2010/docs/presentations/thursday/p010_sobel.pdf">https://www.kpiinstitute.org/2010/docs/presentations/thursday/p010_sobel.pdf</a>
Target setting notes: The percentage of real estate capital investment depends upon the type of business and its maturity business rarely have enough capital to invest in real estate in their early stages.	

# EXERCISE

## KPI DOCUMENTATION FIELDS

### SCENARIO

You are part of the project team in charge of the KPI implementation process. You are responsible to create a KPI documentation template.

### TASK

Think about the important fields that need to be included in a KPI documentation form and create a list.

No.	Examples
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

# KPI DOCUMENTATION FORM SECTIONS

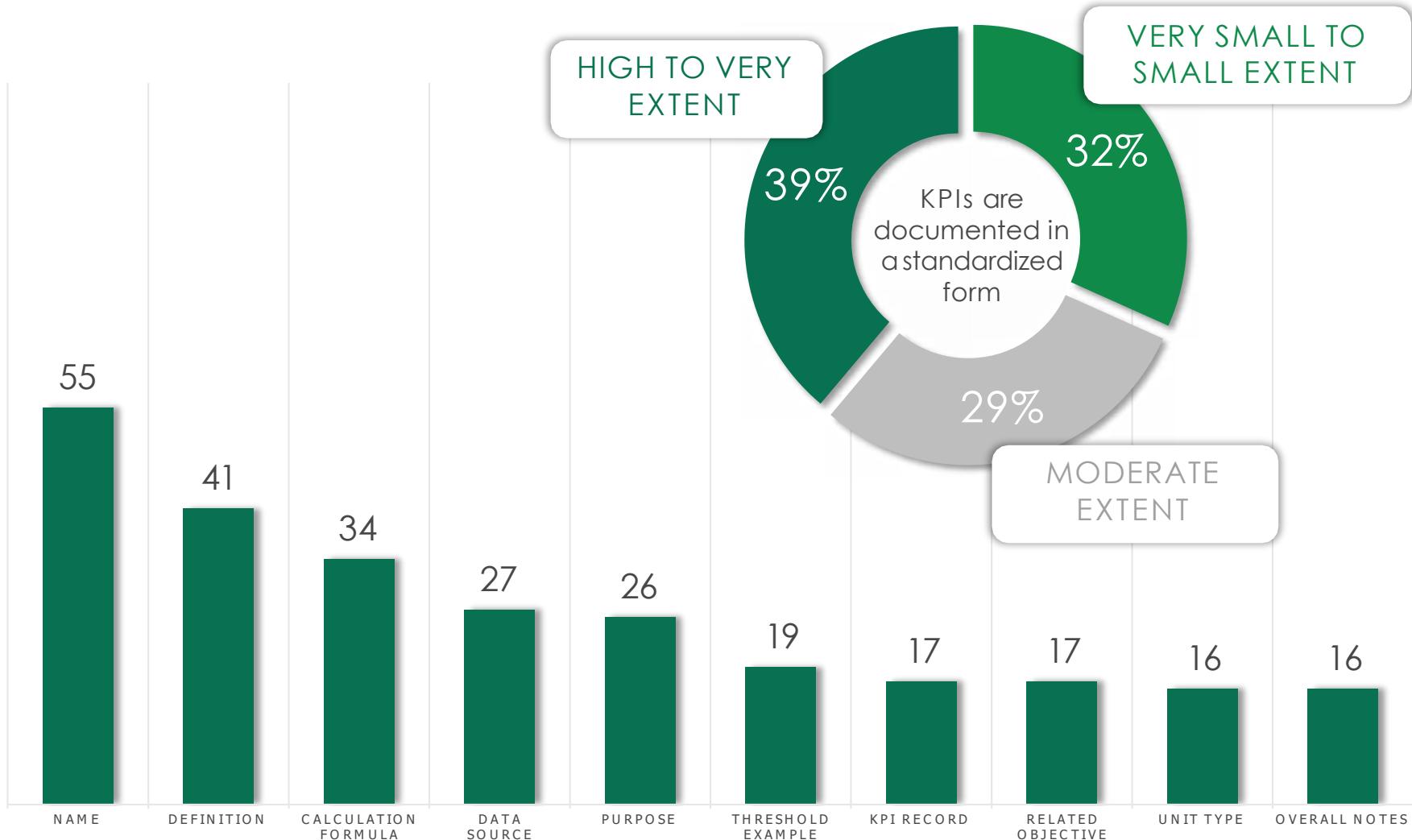
Identification	KPI name, unique identification code, functional area
Description	Definition of KPI measurement, type of KPI
Purpose	Purpose/rationale, link to strategic objective
Calculation	Sub-metrics, calculation formula, unit of measurement
Data profile	Frequency of data collection, frequency of reporting, data collection limitations, data sources
Targets	Desired level of performance, thresholds, comparable benchmarking data (if available)
Administration	KPI Owner, data custodian, last update of the documentation, references used (if any)



# KPI DOCUMENTATION FORM

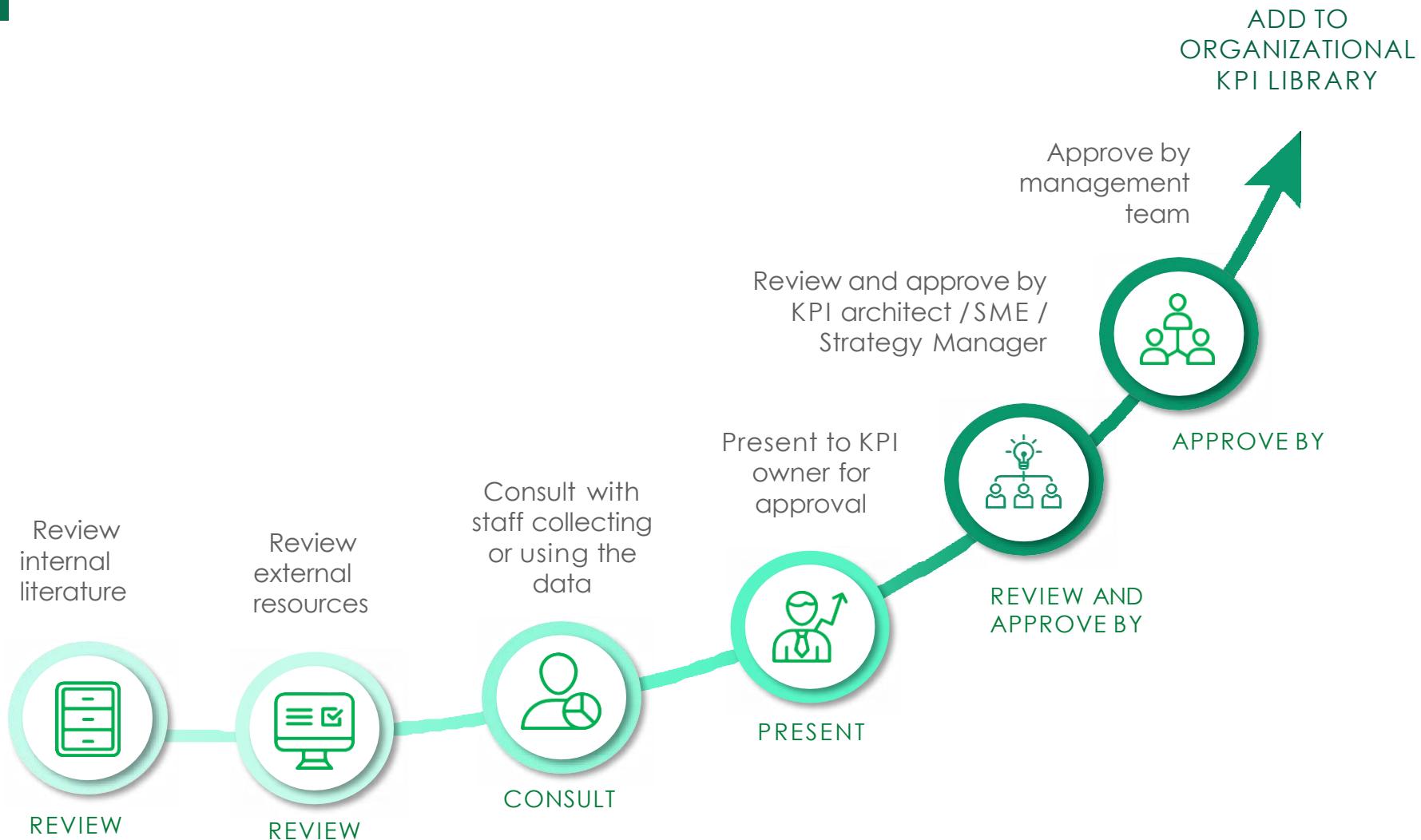
Identification			
KPI name	# Employee satisfaction index		
ID code	sk5912		
Description			
Definition	Measures the employees' satisfaction and motivation level with aspects regarding the job and working environment: job responsibilities, team and management, workplace and professional development.		
Functional area	Human Resource Department	Strategic perspective	People / Learning & Growth
Calculation			
Subordinate measures used for calculation	A = Index calculated based on responses to structured questioning to assess employee satisfaction and dissatisfaction reasons and whether they find their work motivating.		
Calculation formula	A, based on survey	Desired trend for results	Increasing
Focus			
Purpose	To indicate the level of satisfaction and motivation of employees, as high levels of satisfaction lower turnover rates, leading to higher performance and superior customer service.		
Strategic objective	PLG01		
Data profile			
Data capture period	Spot	Standard reporting frequency	Q
Limitations	The accuracy of data can be limited by respondents' subjectivity, as the data is based on survey results.		
Targets			
Target	>90	Green threshold	85-100
Benchmarking data	Not available	Yellow threshold	75-85
Other intermediate targets	Not applicable	Red threshold	< 75
Administration			
KPI owner (title)	HR Manager	Data custodian (title)	HR Analyst
KPI owner (name)	John McKinney	Data custodian (name)	George Douglas
KPI current status	Active	Last update of documentation	12.10.2021
Data gathering			
Lead time	14 days		
Data source (DB name, System...)	Survey report		
Who maintains DS	HR Department	When is data produced	End of quarter
Comments			
Studies suggest a direct correlation between employee satisfaction and increased performance on customer satisfaction, even on financial results.			

# KPI DOCUMENTATION FORM USAGE

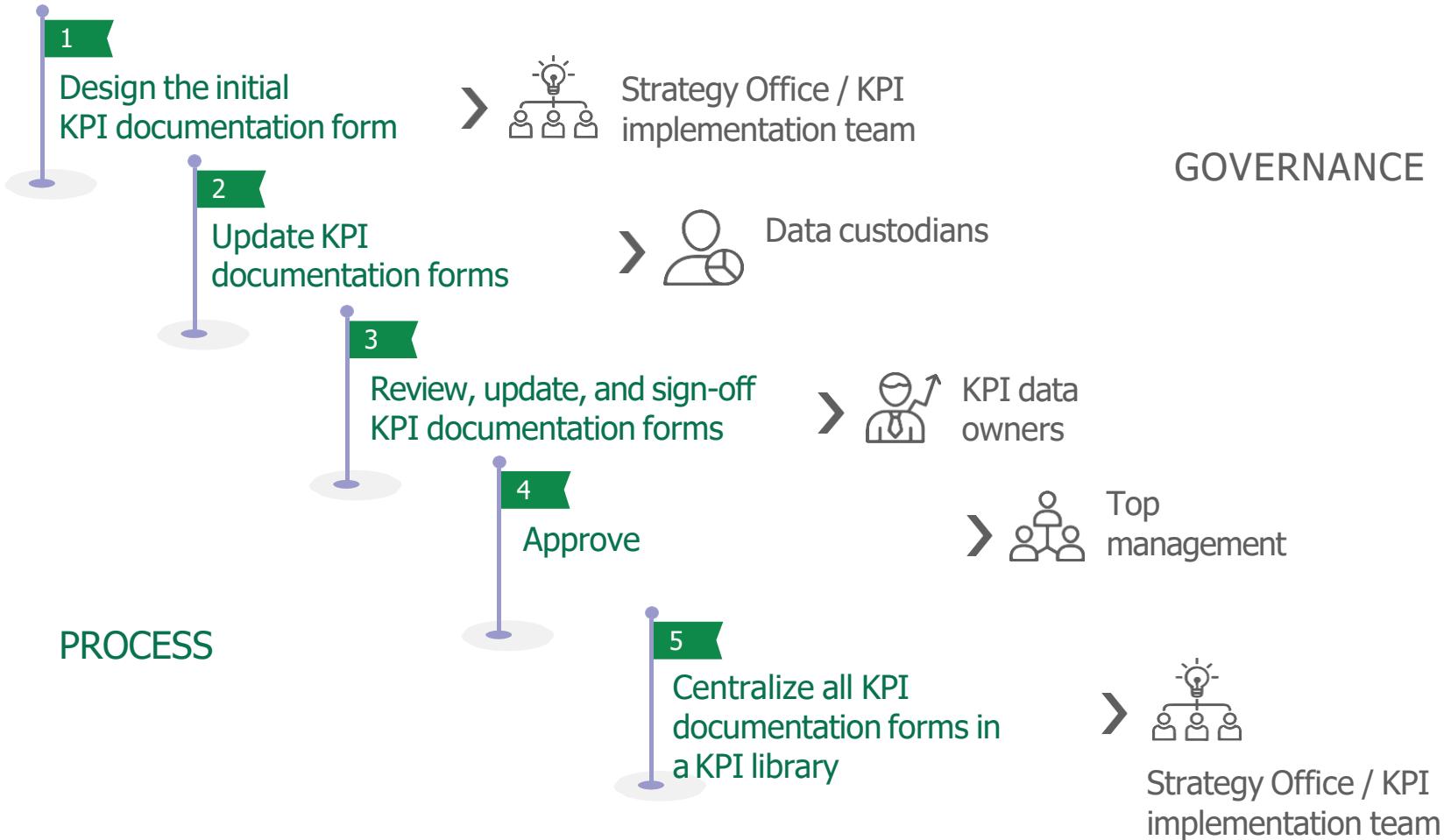


Source: The KPI Institute (2017)

# KPI DOCUMENTATION PROCESS



# THE ORGANIZATIONAL KPI LIBRARY



# PRACTICE KPI DOCUMENTATION

## Identification

KPI name

ID code

## Description

Definition

Functional area

Strategic perspective

## Calculation

Subordinate metrics used for calculation

Calculation formula

Desired trend for results

## Focus

Purpose

Strategic objective

## Data profile

Data capture period

Standard reporting frequency

Limitations

## Targets

Target

Green threshold

Benchmarking data

Yellow threshold

Other intermediate targets

Red threshold

## Administration

KPI owner (title)

Data custodian (title)

KPI owner (name)

Data custodian (name)

KPI current status

Last update of documentation

## Data gathering

Lead time

Data source

When is data produced

# SESSION REVIEW

## KPI Documentation

- KPI documentation form functions are to:
  - Provide an easier understanding of KPIs;
  - Facilitate communication;
  - Prepare KPIs activation;
  - Enable automation;
  - Ensure knowledge management;
  - Educate stakeholders;
  - Contribute to buy-in.
- Most important fields in a KPI documentation form: name, definition, calculation formula, target, data source, data owner, data custodian.

# REFERENCES

- Bernard Marr & Co (2021), KPI Library. Available at: <https://bernardmarr.com/kpi-library/>;
- The KPI Institute (2023), Performance Management Toolkit, custom made.
- [Bernard Marr & Co \(2020\), A Sample KPI Template, Available at: https://bernardmarr.com/a-sample-kpi-template/](https://bernardmarr.com/a-sample-kpi-template/)
- The KPI Institute (2016), The State of Performance Improvement and KPIs. Available at: <https://marketplace.kpiinstitute.org/state-of-performance-improvement-and-key-performance-indicator-practice-report-2016.html>.

## MODULE 8

# WORKING WITH TARGETS

### Agenda:

- ① Target setting process
- ② Challenges in working with targets
- ③ Weights and Indexes
- ④ Negative behaviors cause by target setting

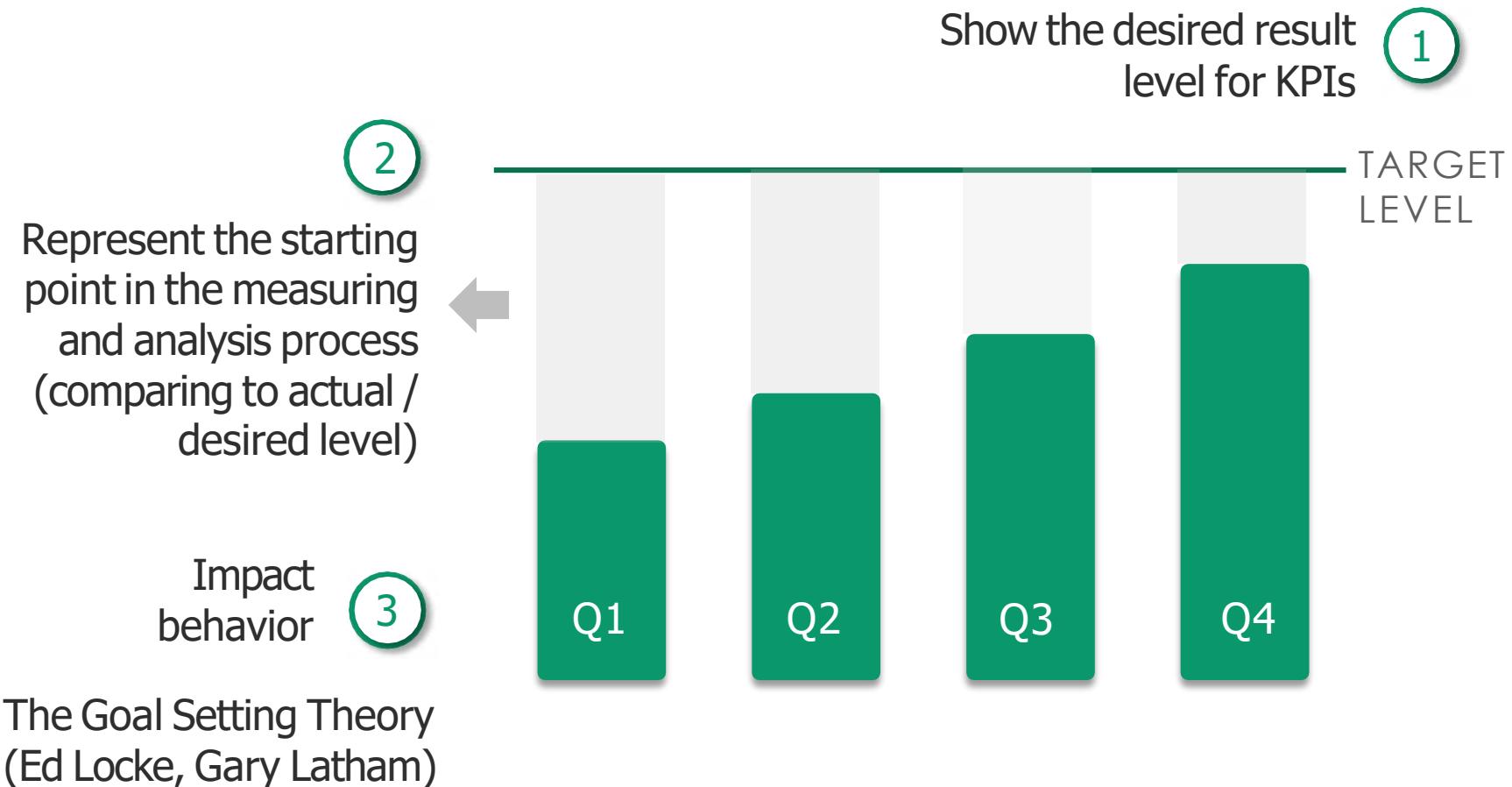
## MODULE 8

### WORKING WITH TARGETS

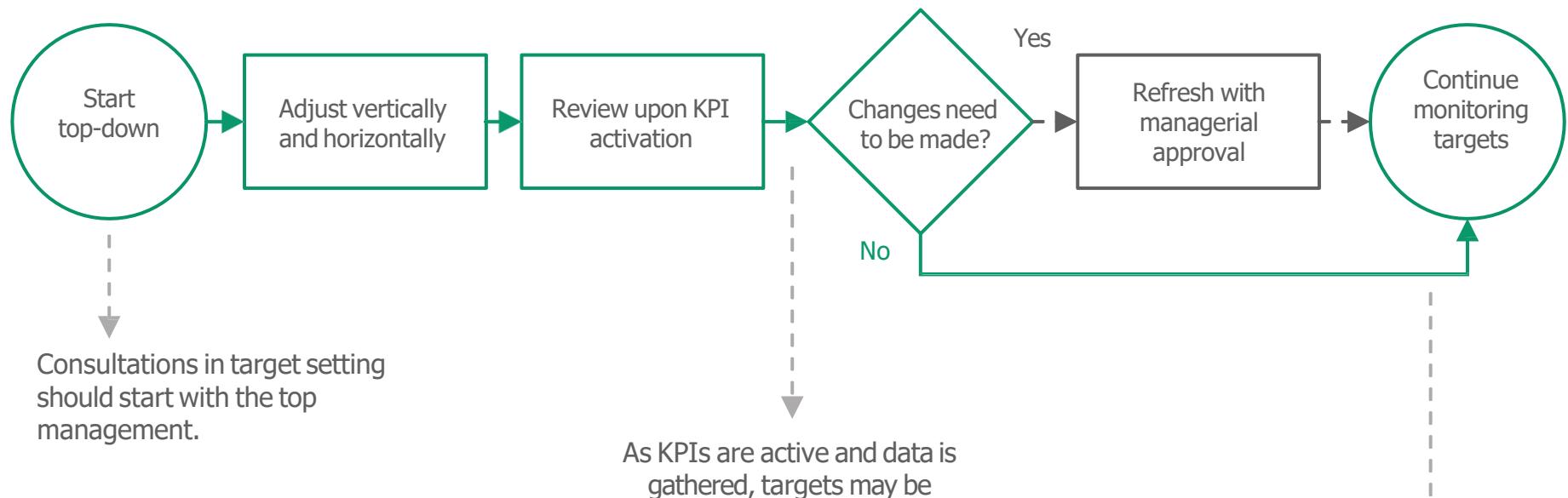
Key learning points:

- Locate KPI target sources;
- Experiment target setting for a KPI;
- Address negative behaviors caused by target setting.

# WORKING WITH TARGETS



# TARGET SETTING PROCESS



# EXERCISE

## TARGET SETTING – SCENARIO 1

### Context

You are the Marketing Manager of a company that sells bicycles on the national and international market. The company is an average player in the industry in terms of turnover and company size. *After the annual strategic planning session, the Board has decided that the target of 5 % for % National market share should be revised.*

### Task

- Based on the 4 sources of information provided you are requested to propose a new target for %National market share.

### Available data for target setting

#### 1. Historical data

%National market share – 5% (current target)

	2018	2019	2020	2021	2022
Quarter 1	5.5%	7%	7.3%	6%	6%
Quarter 2	5.6%	7%	7.2%	6.1%	6.5%
Quarter 3	5.0%	6%	7.0%	6%	7%
Quarter 4	5%	4.5%	7%	5.7%	5.5%
Annual average	5.3%	6.1%	7.1%	5.9%	6.2%
5 years average	6.1%				

# EXERCISE

## TARGET SETTING – SCENARIO 1

### Available data for target setting

#### 2. Internal benchmarking data

The international Marketing division that operates on a similar market size registered the results presented in the table below for % *International market share with a current target of 8%*

	2022
Quarter 1	7.5%
Quarter 2	8.0%
Quarter 3	9.0%
Quarter 4	9.0%
Annual average	8.4%

#### 3. External benchmarking data

##### National benchmarking data

Market leader	20.0%
2nd player	18.0%
3rd player	17.0%
Average players	8.0%

##### International benchmarking data

Market leader	30.0%
2nd player	25.0%
3rd player	24.0%
Average players	8.0%

# EXERCISE

## TARGET SETTING – SCENARIO 1

### Available data for target setting

#### 4. Market insights

The governmental initiative to build bicycle tracks in all major cities is progressing according to schedule and the budget for 2022 has increased compared to 2021.

"In the last years, this sport has become more and more popular not only among young people but also among adults.,,

"It is estimated that in the following 3 years, each family will possess at least 2 bicycles and they will not be used exclusively for leisure, but also as means of transportation. "  
This will definitely reflect in more fluent traffic and a lower environmental footprint.

# EXERCISE

## TARGET SETTING – SCENARIO 2

### Context

You are the Call Center Manager of a company operating in the IT business.

You are responsible for managing the inbound Call Center Division A and in the last quarters, performance results indicate that the current target of *10% for % Call abandon rate should be reconsidered.*

### Task

- Based on the 2 sources of information provided, you are requested to propose a new target for %Call abandon rate.

# EXERCISE

## TARGET SETTING – SCENARIO 2

### Available data for target setting

#### 1. Historical data

%Call abandon rate - 10% (current target)

	2018	2019	2020	2021	2022
Quarter 1	10%	11%	12.3%	13%	10%
Quarter 2	9%	12%	13.2%	12%	8%
Quarter 3	9.5%	12%	12%	10%	8%
Quarter 4	10%	12%	11%	11%	7%
Annual average	10%	11.6%	12%	11.5%	8.3%
5 years average	11%				

#### 2. External benchmarking data

%Call abandon rate

Inbound Call Center 1	2%
Inbound Call Center 2	3%
Inbound Call Center 3	5%
Outbound Call Center 1	3%
Outbound Call Center 2	5%
Outbound Call Center 3	7%
Average inbound	3%
Average outbound	5%

# EXERCISE

## TARGET SETTING – SCENARIO 3

### Context

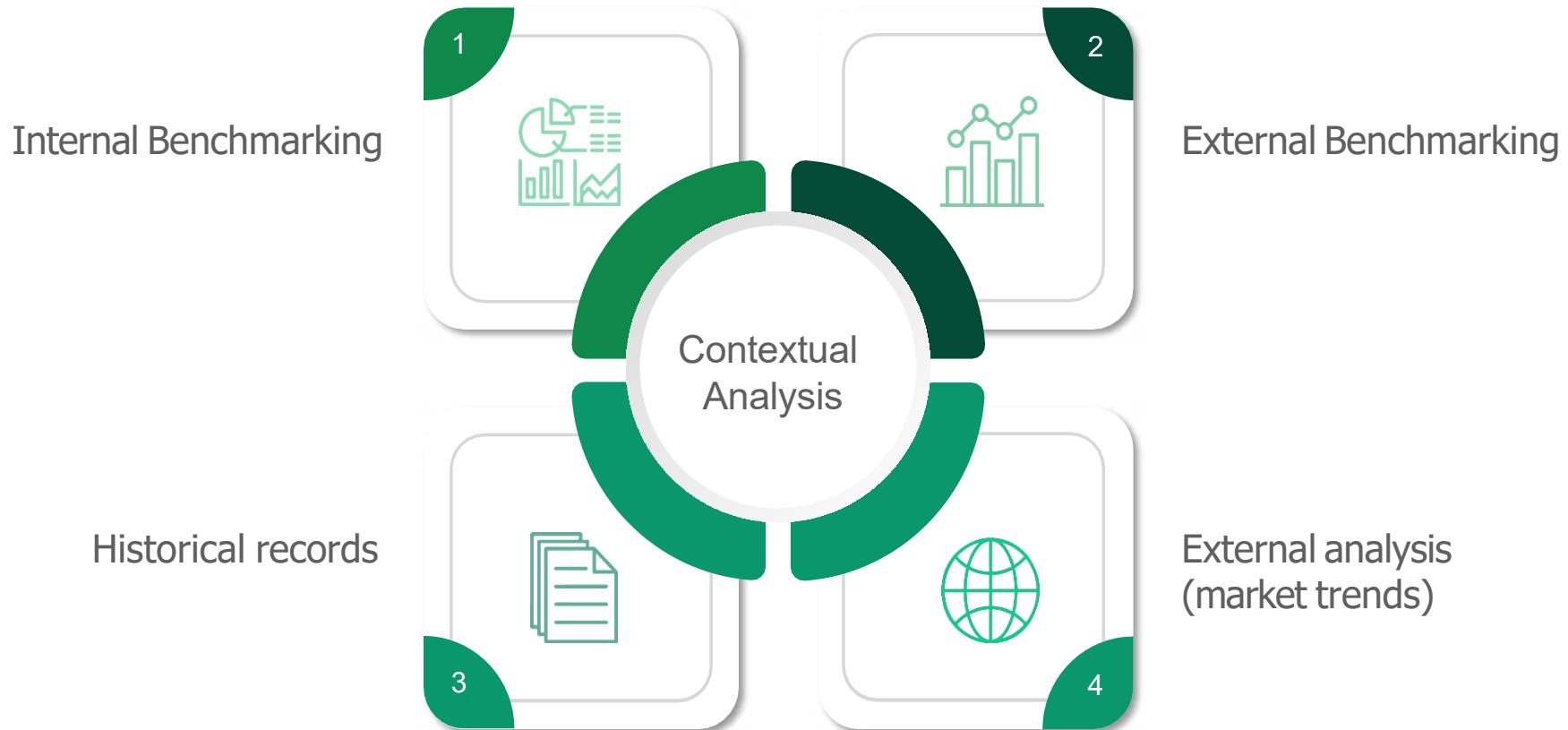
You are the Marketing Manager of a distribution company that provides delivery services nationally and internationally. Following the strategic planning for 2023, you are requested to activate the objective under your ownership: Increase customer advocacy.

The KPI to measure this objective is %Net promoter score (NPS). This KPI needs to be activated until next month and all the KPI documentation is prepared except for one field: the target.

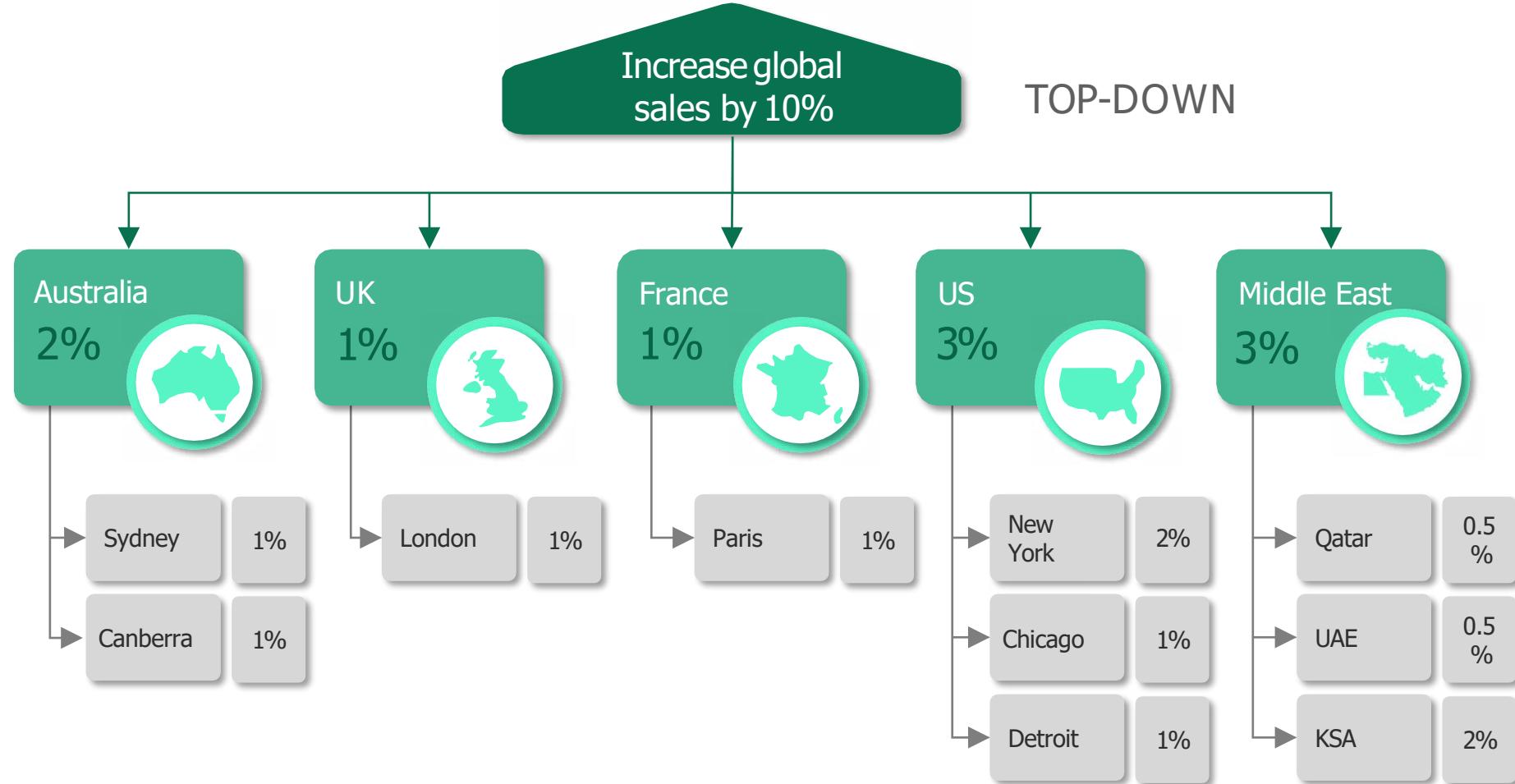
### Task

- There is no data available for this KPI in the organization. Under these circumstances, you are requested to propose a target for %NPS.

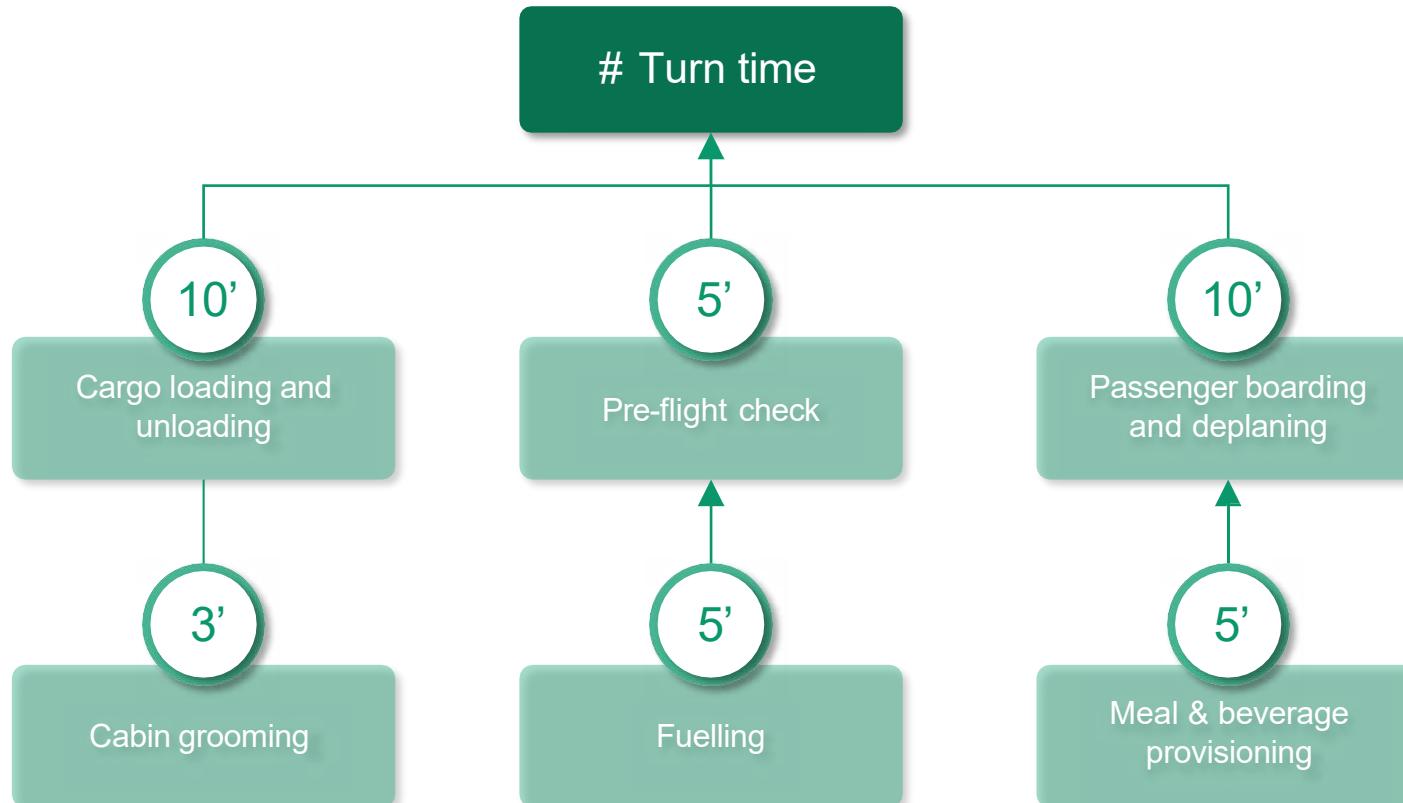
# TARGET SETTING SOURCES



# TARGET SETTING APPROACHES

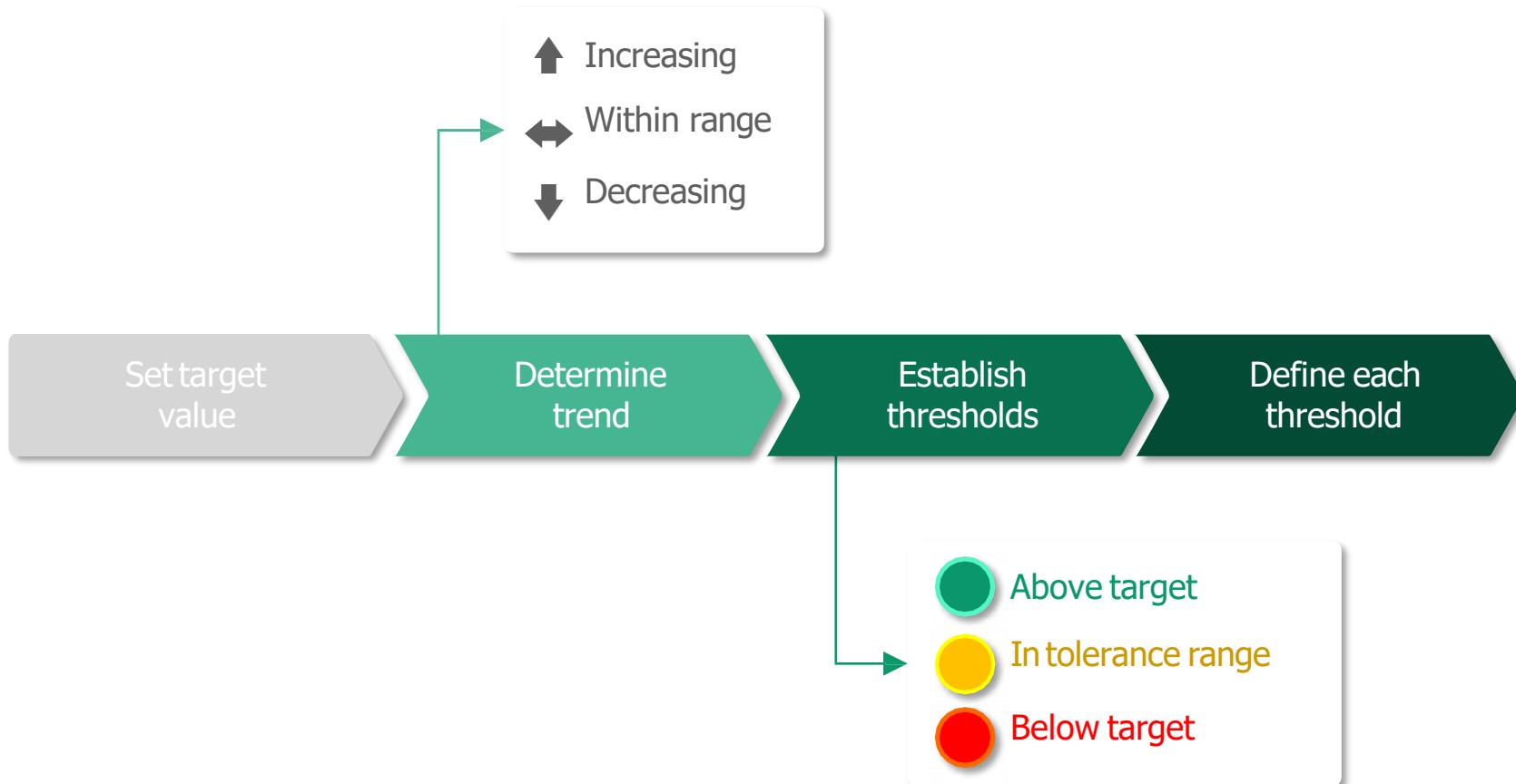


# TARGET SETTING APPROACHES

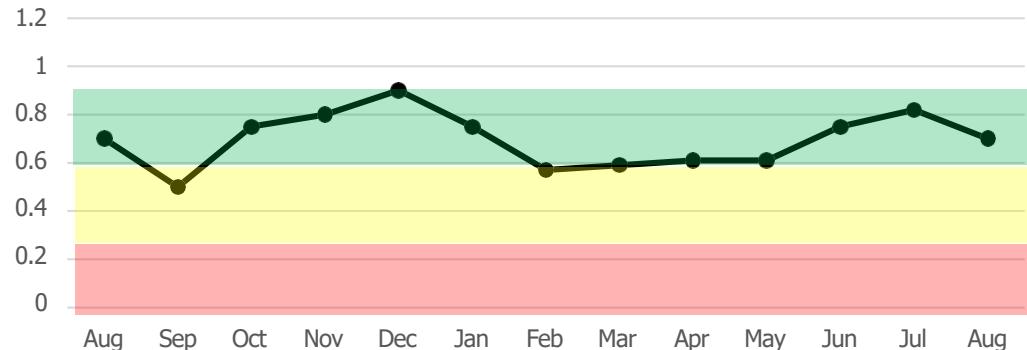


Some activities can take place at the same time as cabin grooming and cargo loading or unloading, allowing the process to be more efficient

# TARGET SETTING APPROACHES

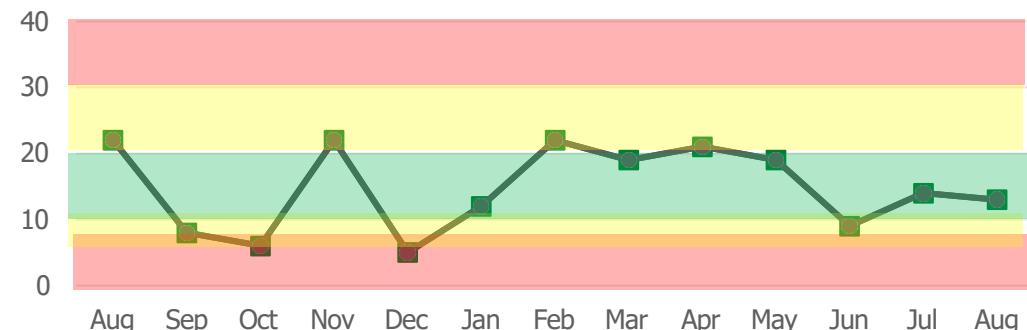


# TARGETS TYPOLOGY



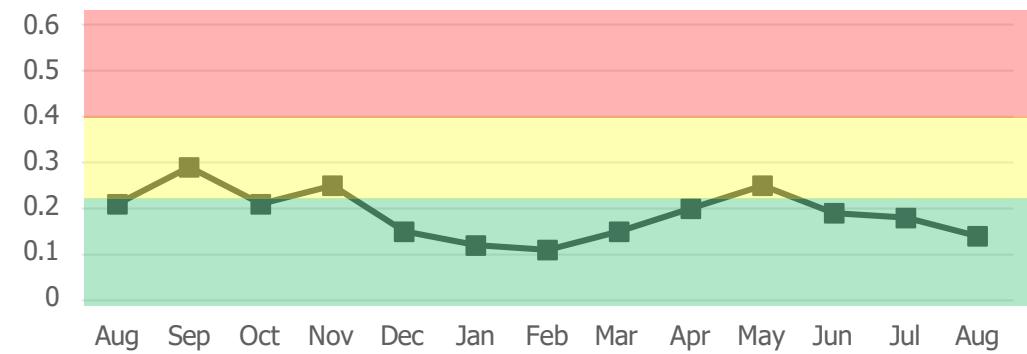
## INCREASING

- \$ Sales
- % Satisfaction rate
- # Production units per man-hours



## WITHIN RANGE

- % Employee turnover
- % Budget variance



## DECREASING

- \$ Operational costs
- # Time to respond to clients requests
- % Defected products



# KPI THRESHOLDS

Popular methodologies  
to express thresholds

TRAFFIC LIGHT

2 POINTS

SCALE



Meets or exceeds target



Below target

3 POINTS

SCALE



Meets or exceeds target



Acceptable range



Below target

4 POINTS

SCALE



Meets or exceeds target



Meets target

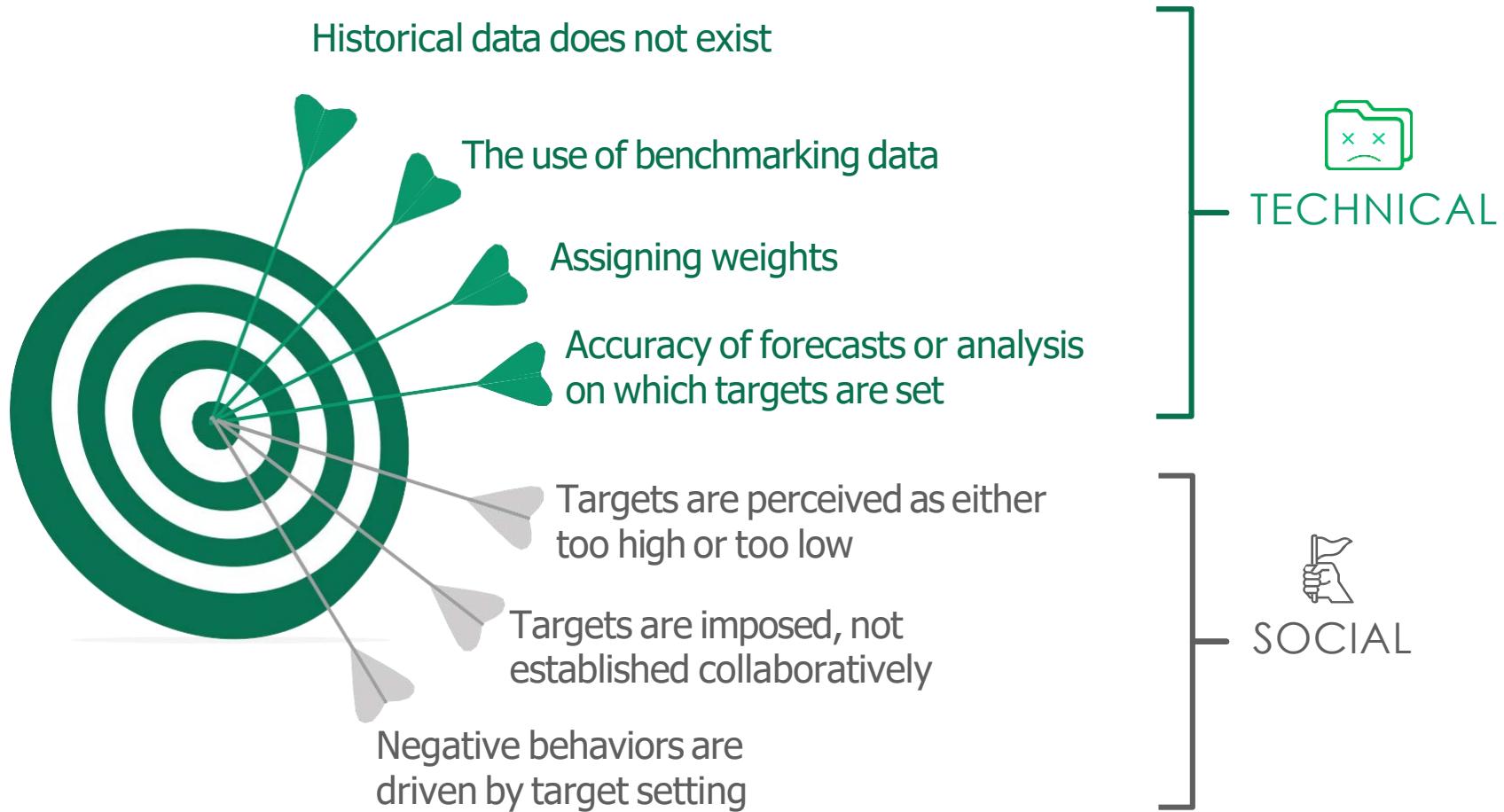


Acceptable range



Below target

# CHALLENGES IN WORKING WITH TARGETS



# WEIGHTS AND INDEXES

## WEIGHTS

- Emphasizing the importance of reaching targets, by distributing 100 points amongst all KPIs in the scorecard/dashboard.

Weight X Actual Result = Score

## INDEXES

- A set of items that aggregate multiple, but distinctly related aspects under a single indicator;
- They are an accumulation of scores from a variety of individual items.

# WEIGHTS

## PROs

- Keep the focus on what really matters by correlating importance with weight value;
- Enable an overall score of performance;
- Weights can be changed – flexibility.

## CONs

- Establishing weights can be subjective;
- Aggregating KPI results into a performance score/index brings no value to the decision-making process;
- Changing weights from one period to another leads to inconsistency of data in time.



# EXERCISE

## Challenges in Working With Targets

Which negative behaviors are associated with performance-based pay?

Allocate the correct number in front of each statement.

Match	Description	No.	Behavior
	Establishing lower targets than the realistic level estimated as possible.	1	Gaming
	Looking after the achievement of own targets, without consideration of the implications for other areas in the organization.	2	Sandbagging
	Disregarding environmental and safety considerations in the process of meeting targets.	3	Tunnel behavior
	Influencing results through unapproved means to ensure target achievement.	4	Unethical behavior

# SESSION REVIEW

## Working with Targets

- Checklist for working with targets:
  - Based on data (historical, internal and external benchmarking, market analysis);
  - Ambitious, but achievable standards;
  - Clear and specific;
  - No delta targets;
  - No conflictual targets;
  - Thresholds;
  - Discussed, not imposed.

# REFERENCES

- World of Work Project, Locke and Latham's Goal Setting Theory: Set better goals, Available at: <https://worldofwork.io/2019/07/locke-lathams-goal-setting-theory/>
- The KPI Institute (2023), Material extracted from consultancy projects.
- The KPI Institute (2023), Performance Management Toolkit, custom made.
- Odu, G. (2019), Weighting methods for multi-criteria decision-making technique. Available at: [https://www.researchgate.net/publication/335806989\\_Weighting\\_methods\\_for\\_multi-criteria\\_decision\\_making\\_technique](https://www.researchgate.net/publication/335806989_Weighting_methods_for_multi-criteria_decision_making_technique)

## MODULE 9

# DATA GATHERING

### Agenda:

- ① Data quality dimensions
- ② KPI reporting data sources
- ③ KPI activation tools
- ④ KPI activation techniques
- ⑤ Working with data custodians
- ⑥ Data collection methods

## MODULE 9

### DATA GATHERING

Key learning points:

- Identify data quality dimensions;
- Use KPI activation techniques and tools;
- Address challenges in data gathering.

# IDENTIFY DATA QUALITY ISSUES

You have received the following data to compile a report. You are requested to perform a quick data audit and identify possible issues.

KPI Name	Actual Result	Department	Data Custodian	Position	Submission date	Submission deadline
#Time to fill a vacant position	35	HR	Allan Smith	Finance Manager	20-05-22	01-06-22
%Employee satisfaction	89%	HR	Allan Smith	Finance Manager	18-04-22	01-06-22
%Return on capital employed (ROCE)	5%	Finance	Allan Smith	Finance Manager	05-05-22	01-06-22
#Units per man-hour	55	Production	Dan McKenny	Production Manager	20-05-22	01-06-22
%Net promoter score		Marketing	Joe Linch	Marketing Manager	25-05-22	01-06-22
%Customer retention	10%	Marketing	Joe Linch	Marketing Manager	18-05-22	01-06-22
%Deals closed	234	Sales	Julien Harrison	Sales Manager	18-06-22	01-06-22
#Production plants functional	4	Production	Dan McKenny	Production Manager	25-05-22	01-06-22
\$ Time to produce 1 item	30	Production	Dan McKenny	Production Manager	21-05-22	01-06-22
%Brand awareness	50%	Marketing	Joe Linch	Marketing Manager	17-05-22	01-06-22
%Production uptime	10%	Production	Dan McKenny	Production Manager	17-05-22	01-06-22

# DATA QUALITY DIMENSIONS

## Accuracy

Does data reflect real-world objects or a verifiable source?

**Uniqueness**  
Are there no duplicate records for the same data?

**Conformity**  
Is the data compliant with the format, type, and range requested?

**Timeliness**  
Is the data available at the time needed?

**Completeness**  
Is all the necessary data present?



## Consistency

Is the data presenting the same values in different systems?

# DATA QUALITY DIMENSIONS

## Uniqueness

Are there no duplicate records for the same data?

## Conformity

Is the data compliant with the format, type, and range requested?

## Consistency

Is the data presenting the same values in different systems?

## ACCURACY



1



6

## TIMELINESS



2



5



3



4

MOST COMMON  
CHALLENGES IN THE  
DATA COLLECTION  
PROCESS

## COMPLETENESS



# DATA QUALITY DIMENSIONS - ACCURACY



## ACCURACY

Does data reflect real-world objects or a verifiable source?

Indicates the extent to which data reflects on the realities measured. Inaccuracy can be reflected by incorrect values.

- Make sure data reflects real information;
- The data sources are verifiable;
- Ask for raw data;
- e.g.: Sampling, checks on calculations.

# DATA QUALITY DIMENSIONS - TIMELINESS



## TIMELINESS

Is the data available at the time needed?

Indicates whether the data was submitted in due time, as per the data gathering and reporting deadline

- Make sure establish data collection cycle time;
- Establish clear deadlines for performance data reporting;
- Send reminder for data submission.

# DATA QUALITY DIMENSIONS - COMPLETENESS



## COMPLETENESS

Is all the necessary data present?

Refers to whether all available data is present.  
Unavailable data does fall short of completeness.

- Make sure all necessary data is present;
- Check whether all fields required are completed;
- Dimension easy to measure.

# DATA QUALITY DIMENSIONS - CONSISTENCY



## CONSISTENCY

Is the data presenting the same values in different systems?

Refers to delivering consistent data across different reports. It implies a synchronization of data across the organization.

- Make sure data presents the same values in different systems;
- Check if data is consistent in time – results are the same when applying the same criteria in different moments in time.

# DATA QUALITY DIMENSIONS - CONFORMITY



## CONFORMITY

Is the data compliant with the format, type, and range requested?

Make sure data is compliant with the format requested:

- Number of - #
- Percentage - %
- Value of - \$

e.g.: If for the KPI % Processes mapped, the result is 3 (number, not percentage), data is not compliant.

# DATA QUALITY DIMENSIONS - UNIQUENESS

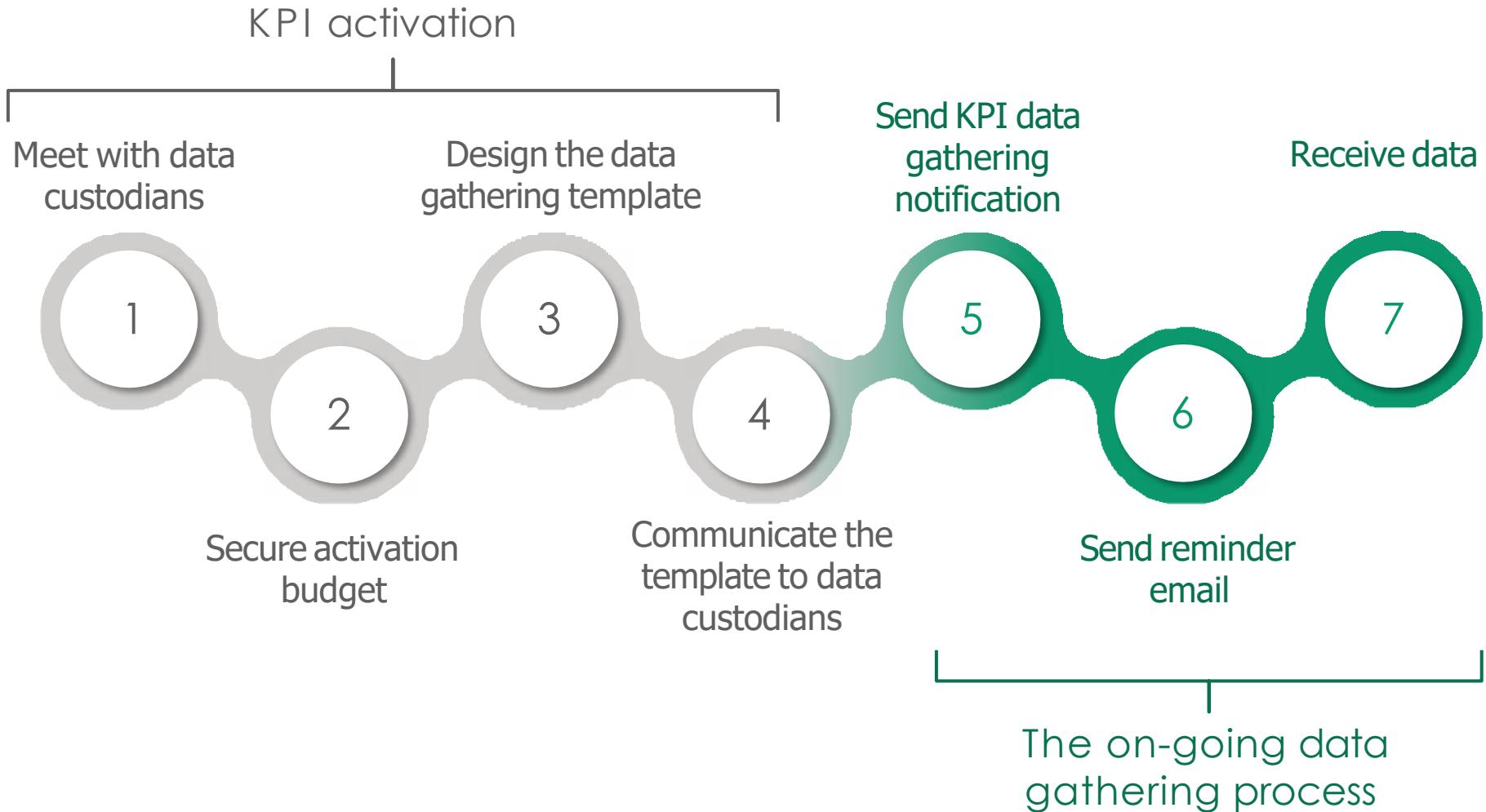


## UNIQUENESS

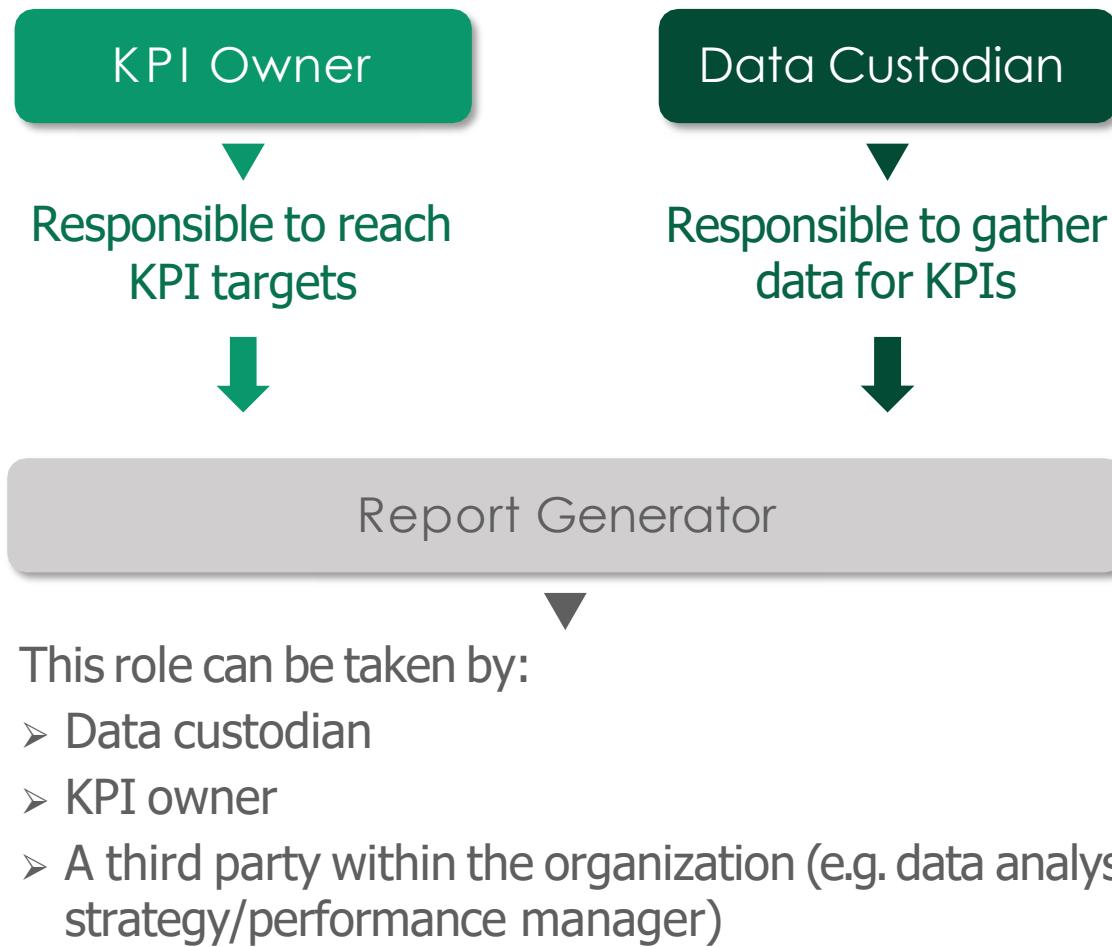
Are there no duplicate records for the same data?

- There should be no data duplicates. Each data record should be unique, otherwise risk of accessing outdated information increases.
- Make sure there are no duplicate records for the same data;
- When using Excel files, filters can be applied, to check more easily this dimension;
- When using BI solutions, the system should not allow double entry of data.

# THE KPI ACTIVATION / DATA GATHERING PROCESS



# DATA GATHERING GOVERNANCE

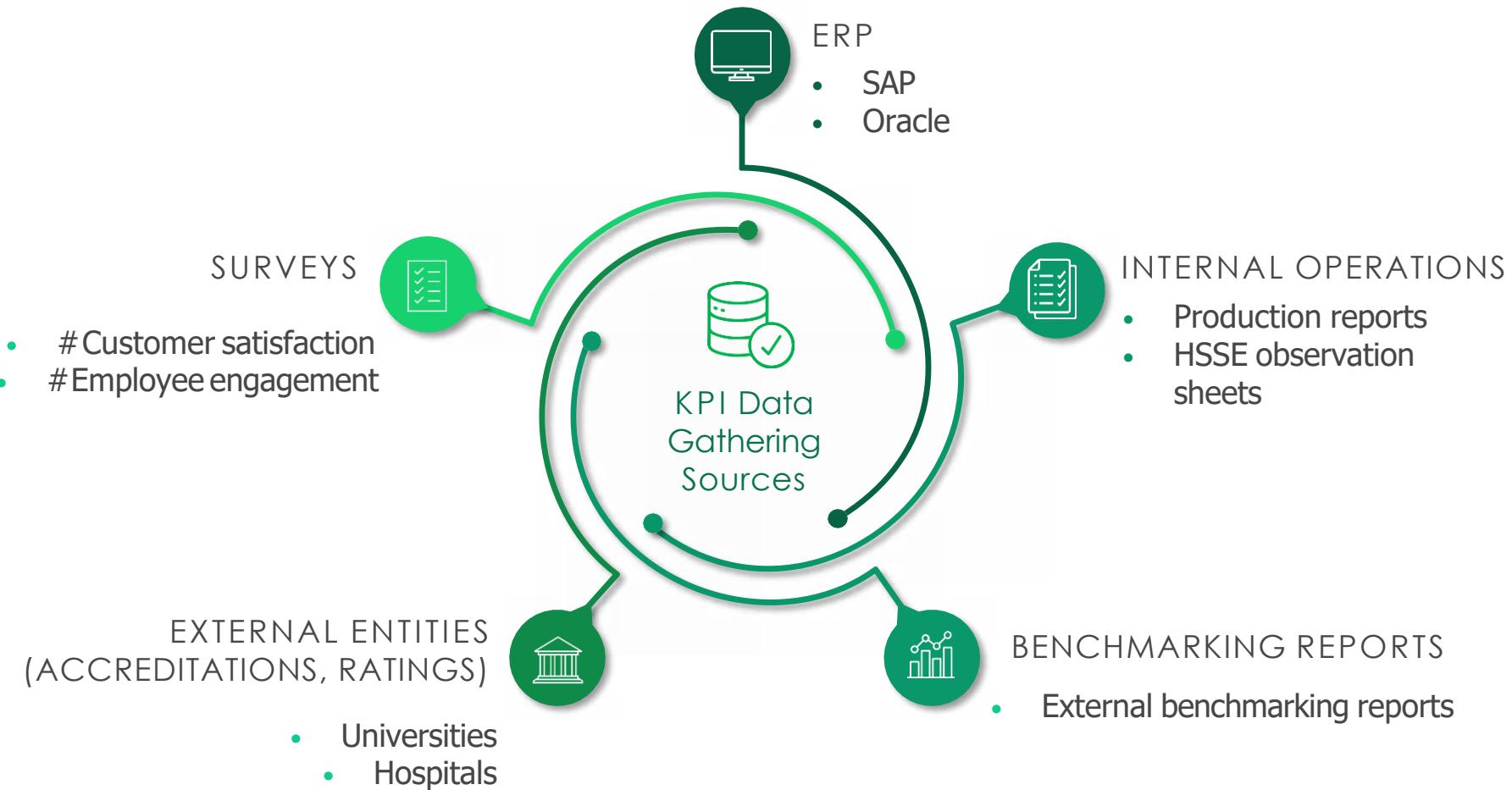


# EXERCISE

## Discover Data Custodian Roles

- Analyze KPI measurement options
- Reach the targets for the KPIs
- Document KPIs
- Select KPIs
- Activate KPIs
- Take decisions based on KPI results
- Cascade KPIs to lower organizational levels
- Find solutions for inactive KPIs
- Ensure quality of data gathered: compliance with measurement methodology, accuracy and timeliness of submission
- Update KPI documentation forms

# KPI DATA GATHERING SOURCES

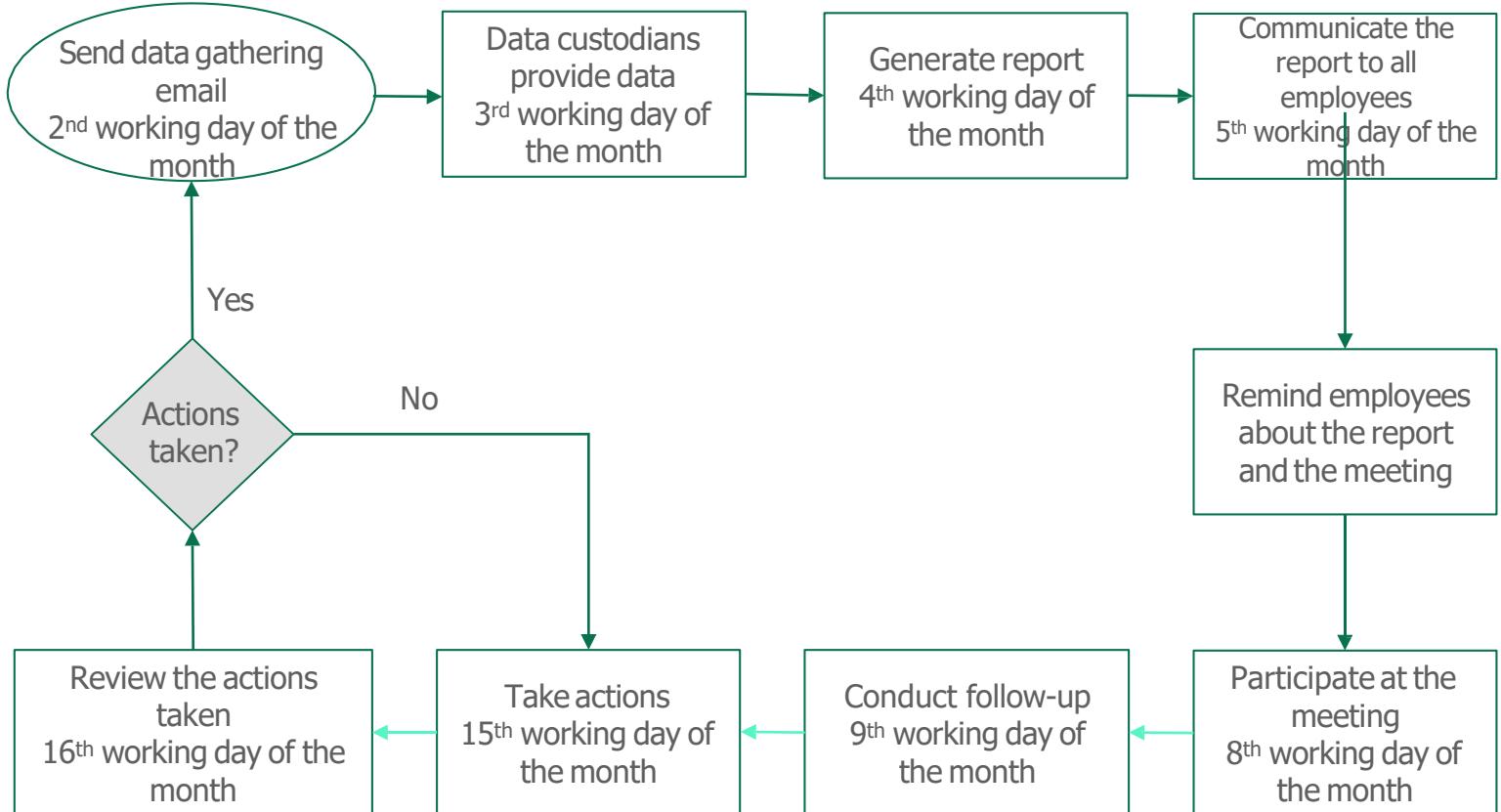


# KPI ACTIVATION TOOLS



# DATA GATHERING PROCESS MAP

- 1 
- 2 
- 3 



# DATA GATHERING TEMPLATE



KPI	% Job offer acceptance rate					# Interviews conducted					
ID code	sK53					sK1805					
Desired trend for results	Increasing					Increasing					
Standard reporting frequency	Quarterly	Q	Q	Q	Q	Monthly	M	M	M	M	
KPI owner (name)	John Doe					John Doe					
Data custodian (name)	Ana Smith					Ana Smith					
Limit		Floor	Threshold	Target	Ceiling		Floor	Threshold	Target	Ceiling	
Jan		85%	0	50%	80%	100%	7	0	5	8	10
Feb							9	0	5	8	10
Mar							7	0	5	8	10
Apr		84%	0	50%	80%	100%	6	0	5	8	10
May							6	0	5	8	10
Jun							4	0	5	8	10
Jul		98%	0	50%	80%	100%	1	0	5	8	10
Aug							3	0	5	8	10
Sep							2	0	5	8	10

# KPI DOCUMENTATION FORM



## KPI 3 % Real estate capital ratio

Functional Area: HR  
Sub-categories: KPI Report  
KPI Ref ID: #K423

### Description

**Definition:** Measures the real estate-capital investment as a percentage of the total capital investment. Capital investment refers to money the business spends on purchasing fixed assets, such as land, buildings, equipment. This can impact the monthly cash-flow.

**Variations:** % Real estate capital

**Related KPIs:** # Capital expenditure to sales ratio  
\$ Net capital outflow (nCC)

### Focus

**Purpose:** To indicate the structure of a company's assets, as a high level of real estate capital investment reflects on a high percentage of assets that may not be recuperated for 30-40 years.

**BSC perspective:** Financial

**Objective measured:** Increase investment profitability

### Targets

Threshold examples:

- Red: <40%; >80%
- Yellow: 40-50%; 70-80%
- Green: 50-70%

Target setting notes:

The percentage of real estate capital investment depends upon the type of business and its maturity (businesses rarely have enough capital to invest in real estate in their early stages).

### Calculation

Subordinate metrics:  $A = \$\text{Real estate capital investment}$   
 $B = \$\text{Capital Investment}$

Calculation formula:  $(A/B)*100$

Trend is good when: Within range

### Data Profile

Data capture period: Year  
Standard reporting frequency: Annually  
Data collection method: Real Estate Reports, Real Estate Analytics Software, Real Capital Analytics Databases

Limitations: It does not indicate whether the investment decision is appropriate - highly valuable real estate assets might depreciate greatly over time under the economic conditions.

### Analysis and Resources

#### Overall notes:

Real estate capital investment influences the real estate market, as high demand increases the prices people are willing to pay for real estate.

#### Additional resources:

- ▶ [https://www.newpartnerhr.org/2010/docs/presentations/thursday/p10\\_sobek.pdf](https://www.newpartnerhr.org/2010/docs/presentations/thursday/p10_sobek.pdf)

## KPI 4 # Time to fill a vacant position

Functional Area: Human Resources  
Sub-categories: Recruitment  
KPI Ref ID: #K688

Industries: Professional Services  
Sub-categories: Recruitment / Employment Activities  
Tags: time, vacant positions

### Description

**Definition:** Measures the average number of days between the moment when a job regulation is raised to when a new employee fills the job.

**Variations:** # Time to hire

**Related KPIs:** # Employment Brand Strength

### Focus

**Purpose:** To indicate the efficiency of the recruitment process.

**BSC perspective:** Internal Processes

**Objective measured:** Improve recruitment

### Data Profile

Data capture period: Rolling average  
Standard reporting frequency: Monthly  
Data collection method: HR Data Records  
Limitations: Measurement requires data from all recruitment projects, across all teams and sectors, which can make the collection process difficult to automate.

### Targets

Threshold examples:

- Red: >60
- Yellow: 40-60
- Green: <40

Target setting notes:

Thresholds given have just an exemplification purpose. Targets are very useful for recruitment managers to establish expectations based on a measurable level of service. However, the lower the level, the better, as it might affect the organization's productivity.

### Analysis and Resources

#### Overall notes:

It can be used by both Human Resources departments and recruitment agencies. For HR departments, # Recruitment tag time can be another relevant KPI, that measures the time it takes to actually replace an employee.

#### Additional resources:

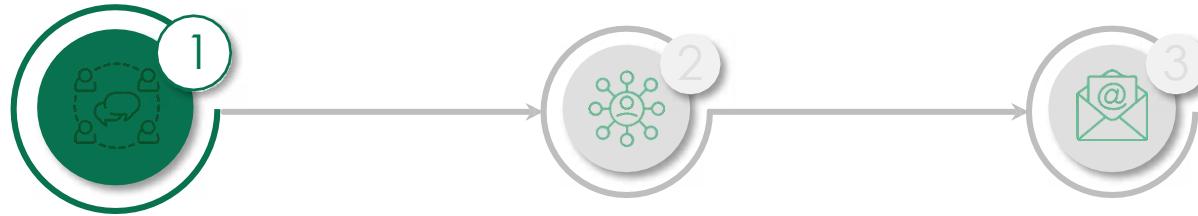
- ▶ <http://www.performancemagazine.org/the-sustainable-workforce-beyond-the-cost-of-an-unfilled-vacancy/>
- ▶ <http://www.performancemagazine.org/kpi-hr-filling-a-vacant-position/>

# KPI ACTIVATION / GATHERING TECHNIQUES

After KPI activation, involving data custodians in a community of practice and sending a reminder email to become part of an ongoing process to gather data.



# KPI ACTIVATION TECHNIQUES

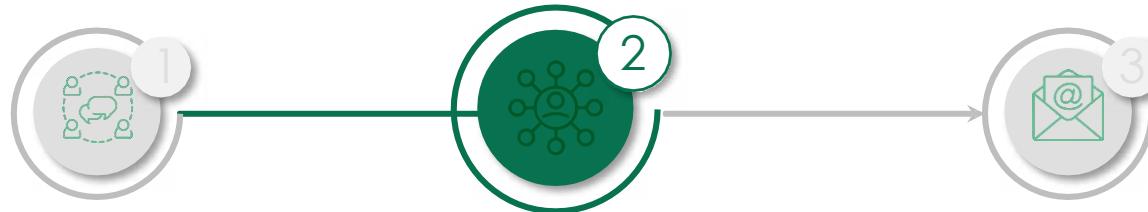


Meeting KPI data custodians in person

Maritz Institute - 3 main benefits for conducting face to face meetings:

- Captures attention
- Inspires a positive attitude
- Strengthens human networks and business relationships

# KPI ACTIVATION TECHNIQUES

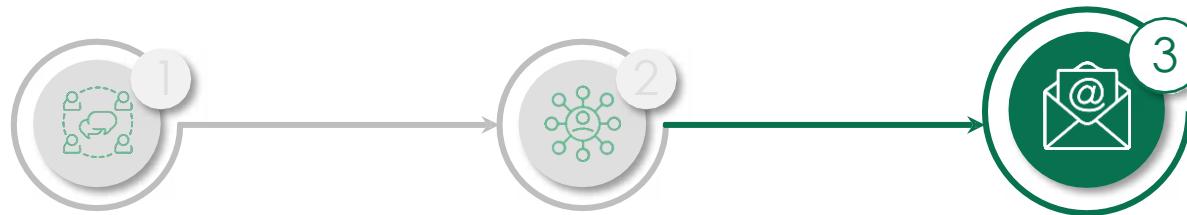


Involving data custodians in  
a community of practice

- Provides a common platform for data custodians to communicate and share work related experience;
- Stimulates learning by supplying a medium for sharing best practices and tutoring;
- Creates collaborative processes that add value and maximize data custodian efficiency.

Source: EQAVET (n.d.)

# KPI ACTIVATION TECHNIQUES



Sending reminder email

Custodian name	# KPIs to report	# KPIs already reported on	KPIs not reported on yet	Due date	Status	Comment
John Doe	8	8	none	13-Jun-22	Submitted	
Ann Smith	9	8	% IT budget out of total operational budget	13-Jun-22	Outstanding	
Emory Lafayette	5	3	% Profit rate, \$ Revenue seat per kilometer	13-Jun-22	Outstanding	
Luis Ramirez	4	3	# Fuel consumption per flight	13-Jun-22	Outstanding	
Anthony Gleason	2	0	# Service quality rating, % Ticket price variance from market average	13-Jun-22	Not submitted	
Mike Myers	1	0	% Market share	13-Jun-22	Not submitted	

# EXERCISE

## Working With Data Custodians

### SCENARIO

As a part of the KPI implementation project team, following the strategic planning session, you have to deal with a list of currently inactive KPIs for the organization.

### TASK

You are required to meet with all data custodians and discuss the inactive KPIs. To guide your discussion, use the agenda provided and make sure each topic is debated and solutions are found.

No.	Topics
1	Present the scope of the meeting
2	Explain each KPI (definition, calculation formula, data collection frequency)
3	Identify resources needed to activate each KPI (infrastructure, people, costs)
4	Propose solutions to gather data for each KPI
5	Establish activation dates for each KPI
6	Next steps and closing the meeting

No.	KPIs to discuss
1	# Complaints registered from customers
2	% Project on time
3	# Employee engagement index

# DATA COLLECTION METHODS

- Manual - Microsoft Excel.
- Automated:
  - Off-the shelf software;
  - Custom-designed software.



Source: Gartner (2023)

# DATA ANALYTICS

- In a survey of over 300 senior product managers about investment decisions, a quarter predicts an increase in data and analytics spending.
- Data & Analytics (D&A) will continue to play an important role during the recovery process by facilitating data gathering and providing accurate and timely information for decision making. D&A provides insight into cost-saving opportunities, new revenue streams, and risk management.



Source: Gartner (2020)

# SESSION REVIEW

## Data Gathering

- Data quality dimensions: completeness, validity, accuracy, consistency, integrity, timeliness.
- KPI activation tools:
  - Data gathering process map;
  - KPI documentation form;
  - Data gathering template.
- KPI activation techniques:
  - Meeting KPI data custodians in person;
  - Involving data custodians in a community of practice;
  - Sending reminder email.

# REFERENCES

- EQAVET (n.d.), Mission. Available at: <http://www.eqavet.eu/gns/about-eqavet/mission.aspx>;
- Spider Strategies (2018), QuickScore. Available at: <http://www.integerperform.com/>;
- The KPI Institute (2023), Performance Management Toolkit, Custom made;
- Gartner (2023), The Gartner Magic Quadrant for Analytics and BI Platforms, Available at: <https://www.gartner.com/en>;
- Gartner (2020), Executive Pulse: Tech and Data Investment Priorities for 2021, Available at: <https://www.gartner.com/en/documents/3987346>.
- Lisa Ehrlinger, Wolfram Wöß (2023), A Survey of Data Quality Measurement and Monitoring Tools, Available at: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9009315/>

# AGENDA

## MODULE 10

### DATA VIZUALIZATION

Agenda:

- ① Guidelines to design efficient templates
- ② Usability in terms of visual design
- ③ Scorecard and dashboard design

## Module 10

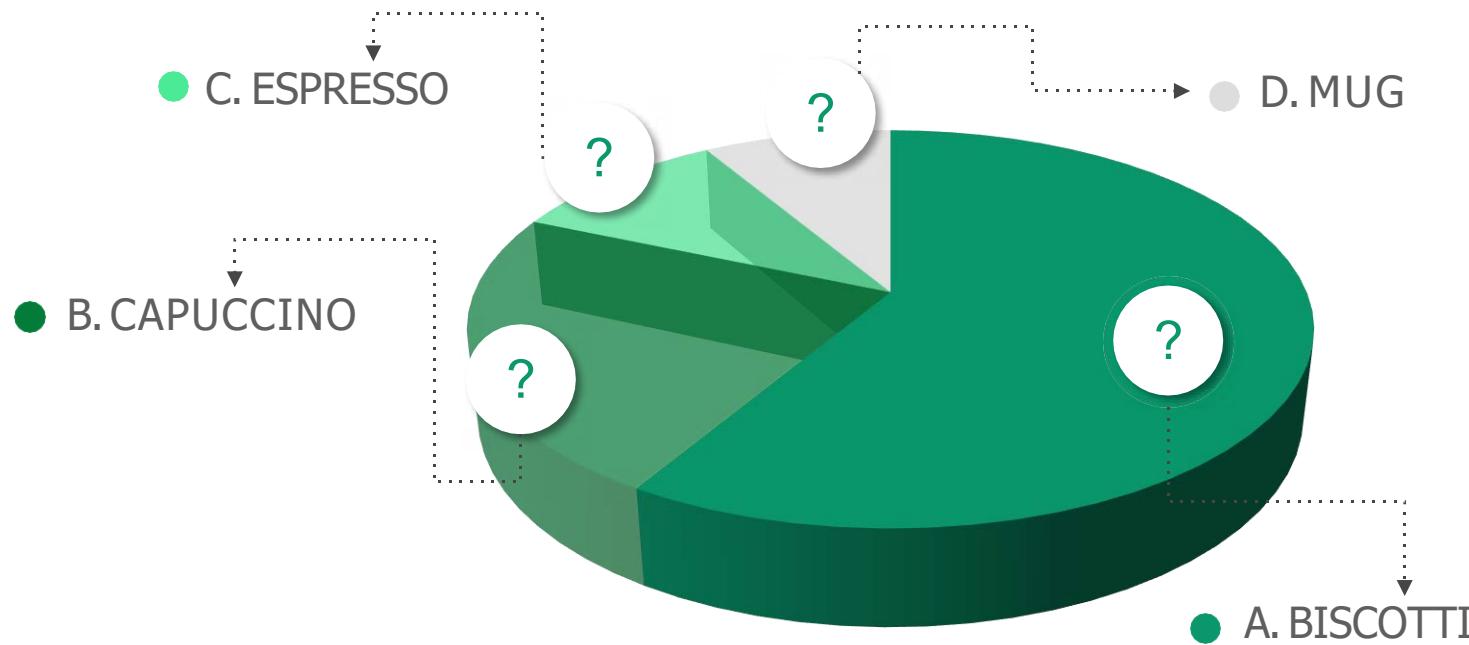
# DATA VIZUALIZATION

Key learning points:

- Identify good practices in data visualization;
- Design appealing and efficient data visualization elements;
- Choose the right visual representations for the performance scorecard and dashboard.

# DESIGN GRAPHS TO ILLUSTRATE KPI RESULTS

Estimate the percentage value of A, B, C and D!



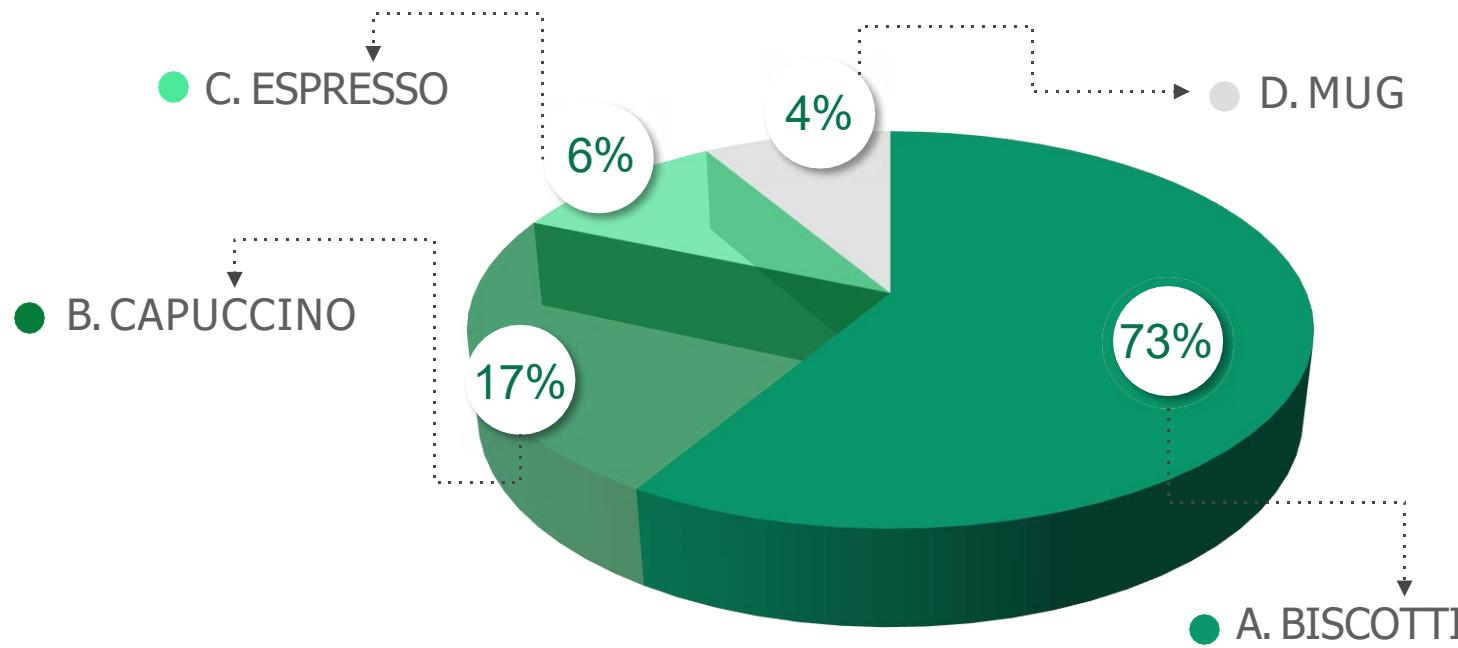
Conclusion:

Pie charts are not ideal for graphical representation of data.

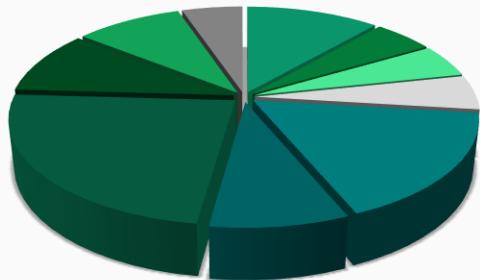
# DESIGN GRAPHS TO ILLUSTRATE KPI RESULTS

Conclusion:

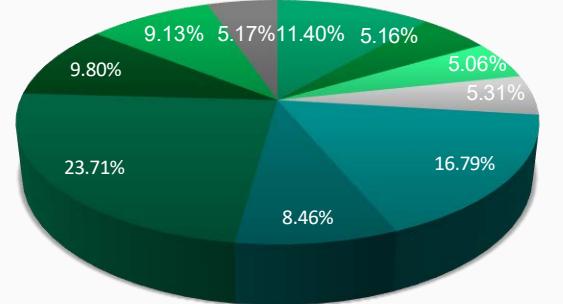
Pie charts are **not ideal for graphical representation of data**, as they can be misleading especially when more than 5 items are displayed.



# DESIGN GRAPHS TO ILLUSTRATE KPI RESULTS



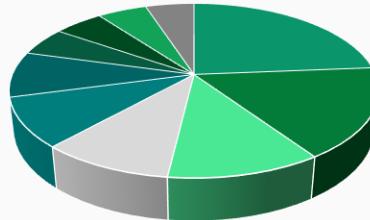
Biscotti
Coffee Grinder
Croissant
Latte
Mug
Scone
Capuccino
Coffee Pot
Espresso
Mug
Thermos



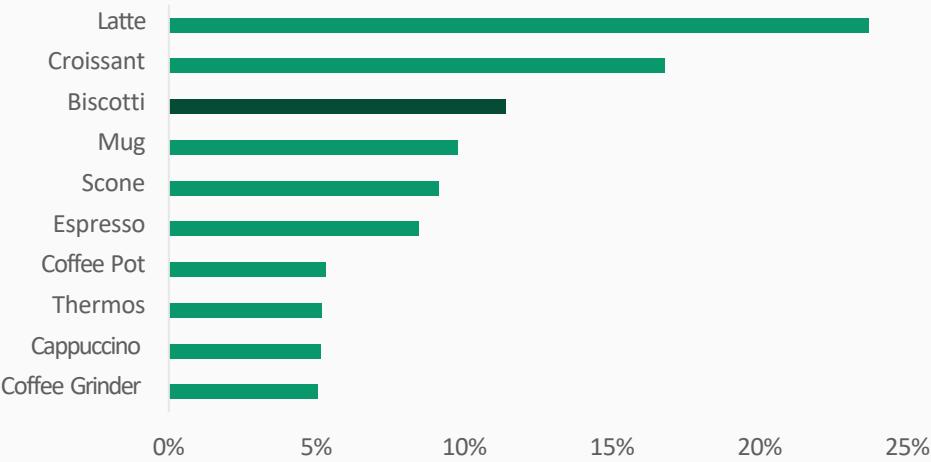
Biscotti
Coffee Grinder
Croissant
Espresso
Cappuccino
Thermos
Latte
Mug
Scone
Capuccino
Mug
Thermos

Product	Share
Latte	23,71%
Croissant	16,79%
Biscotti	11,40%
Mug	9,80%
Scone	9,13%
Espresso	8,46%
Coffee Pot	5,31%
Thermos	5,17%
Cappuccino	5,16%
Coffee Grinder	5,06%

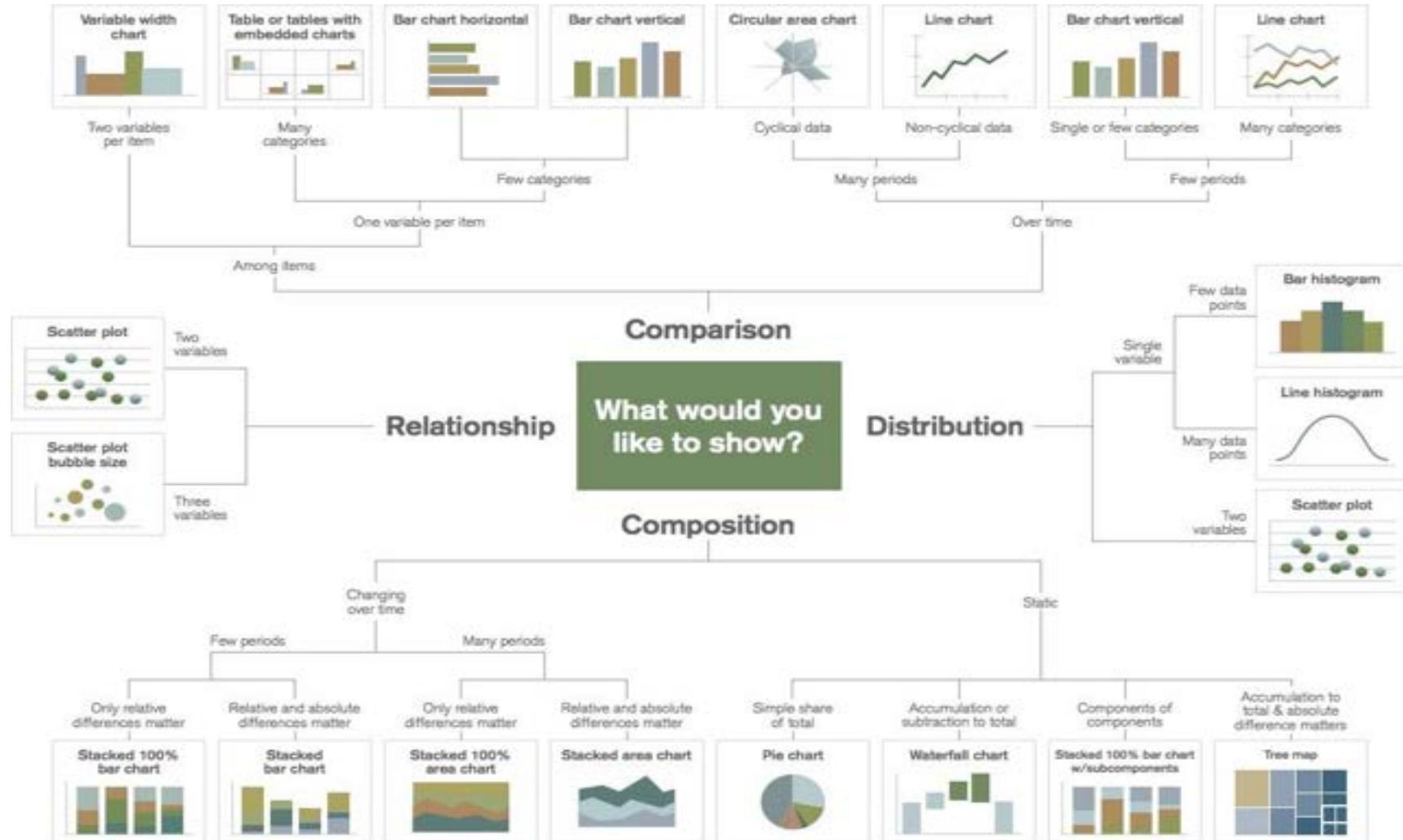
Product & Share



Latte
Croissant
Biscotti
Mug
Scone
Espresso
Coffee Pot
Thermos
Capuccino
Coffee Grinder



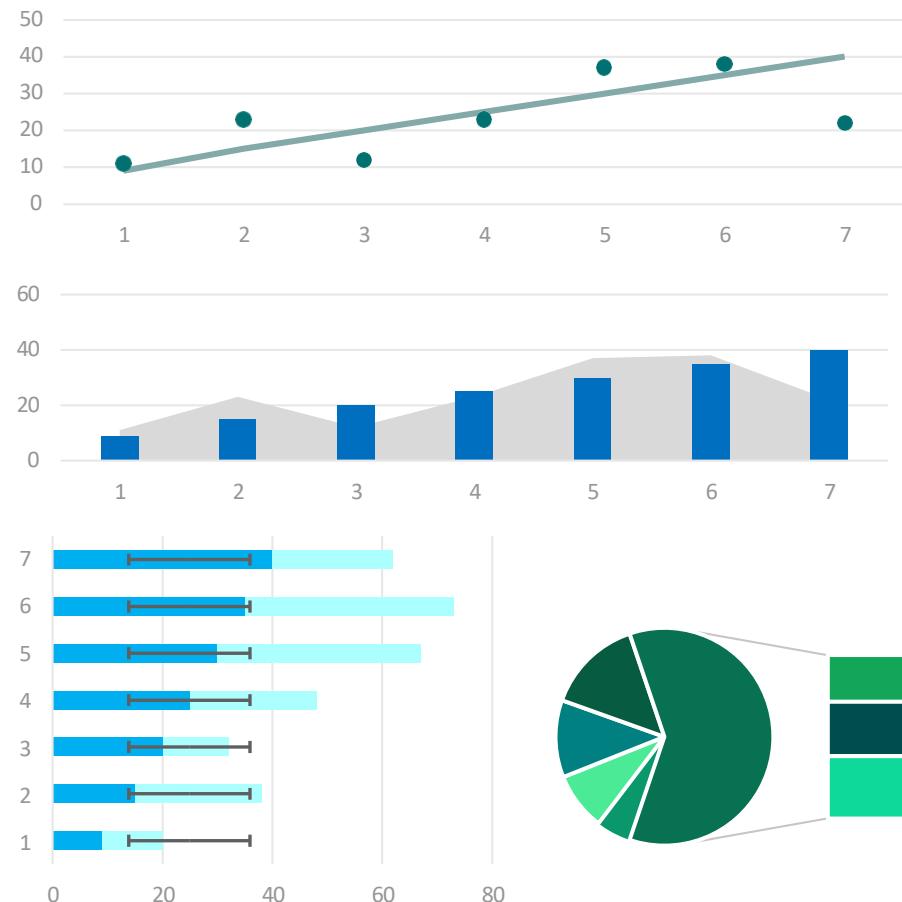
# DATA VISUALIZATION GUIDELINES (1)



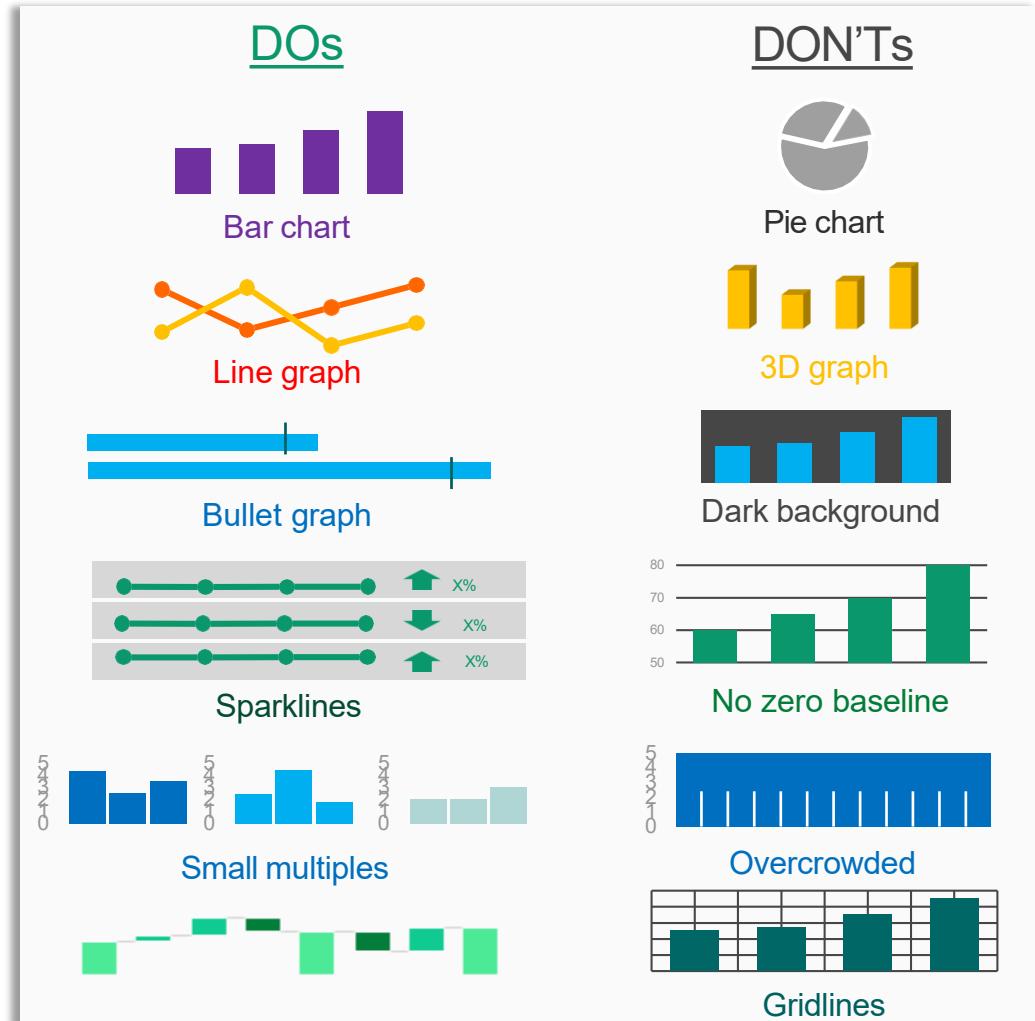
# DATA VISUALIZATION GUIDELINES (2)

## GRAPHICAL REPRESENTATION CHECKLIST

- Is it necessary that the viewer makes his own calculations?
- Is data missing?
- Are the axes visible enough?
- Do lines intersect the data?
- Is there an informative title?
- Are all tags correctly associated with the graph elements?
- Are there too many dimensions in the graph?
- Are there scales for all axes included?
- Is 0 included in all line graphs?

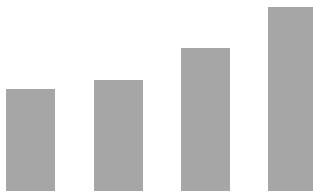


# DATA VISUALIZATION GUIDELINES (3)



Source: The KPI Institute (2023)

# COMMONLY USED GRAPHS IN PRACTICE



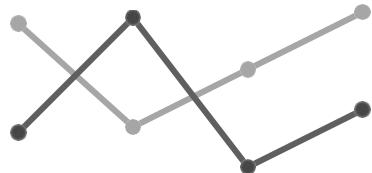
1. Bar chart



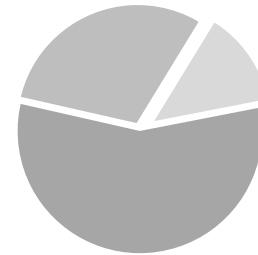
2. Bullet graph



3. Dial chart



4. Line charts



5. Pie charts



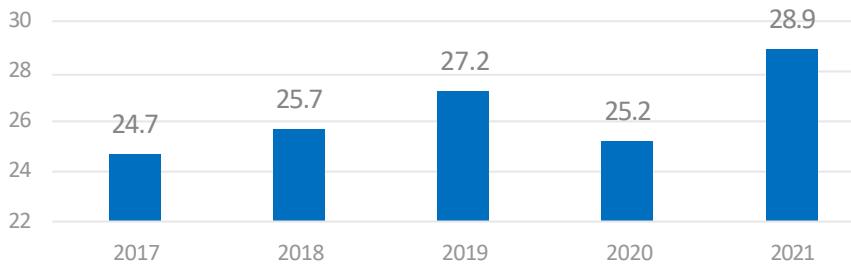
6. Sparkline

# 1. BAR CHARTS

For comparing individual values

Column chart

\$ Revenue (billions of euros)



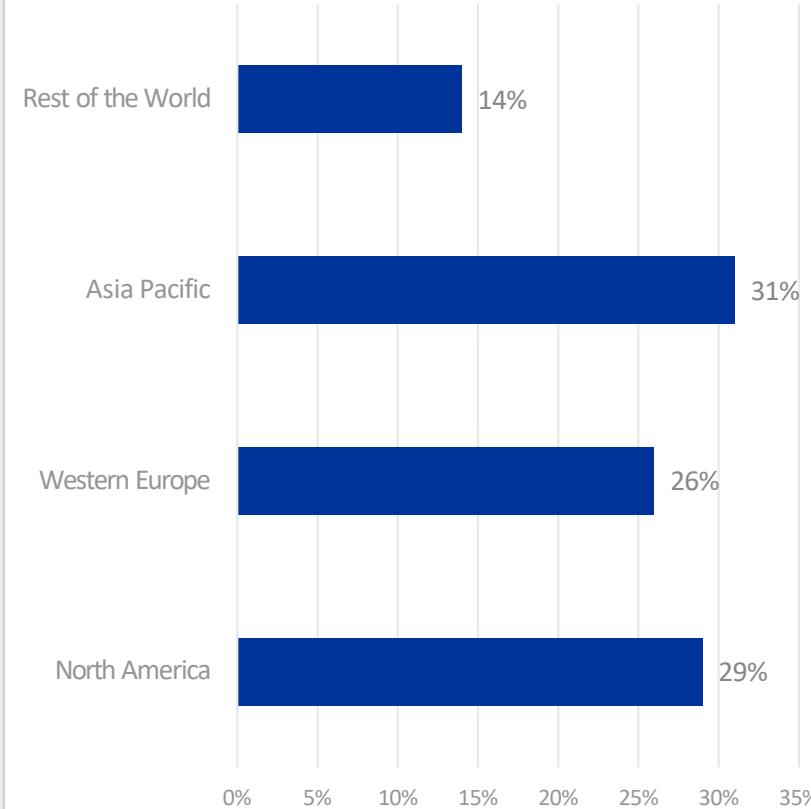
Stacked-bar chart

% Gender distribution in 2023



Bar chart

% Revenue by geography in 2021

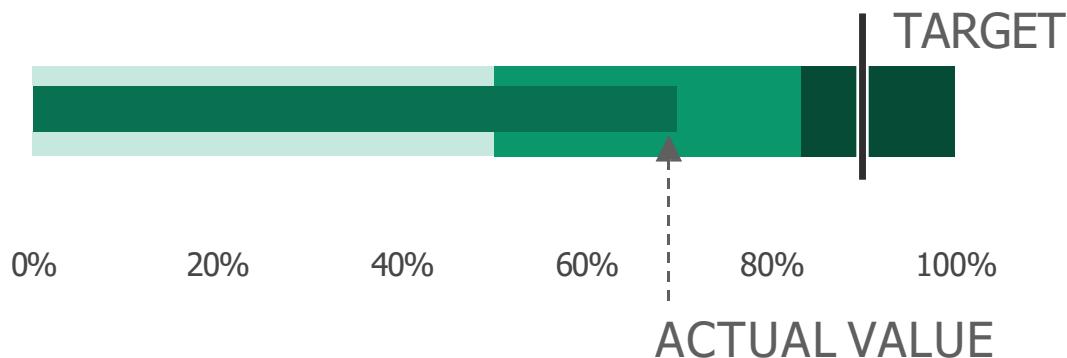


Source: Adapted from Schneider Electric (2023)

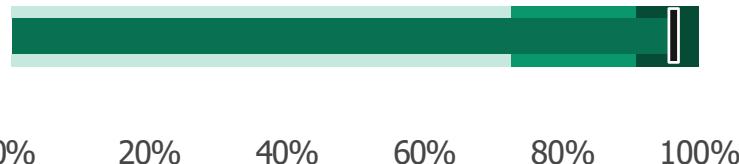
## 2. BULLET GRAPH

To compare actual results with targets

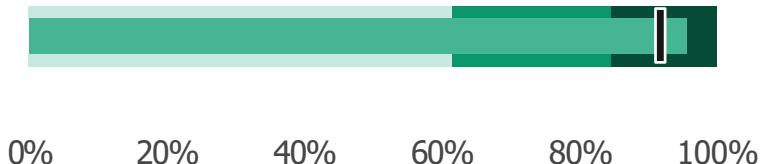
%Customers satisfaction



%Availability of ICT services



%Delivery of correct customer payments



## 3. DIAL CHARTS

Useful for signalling threshold values



%Community Satisfaction of road safety



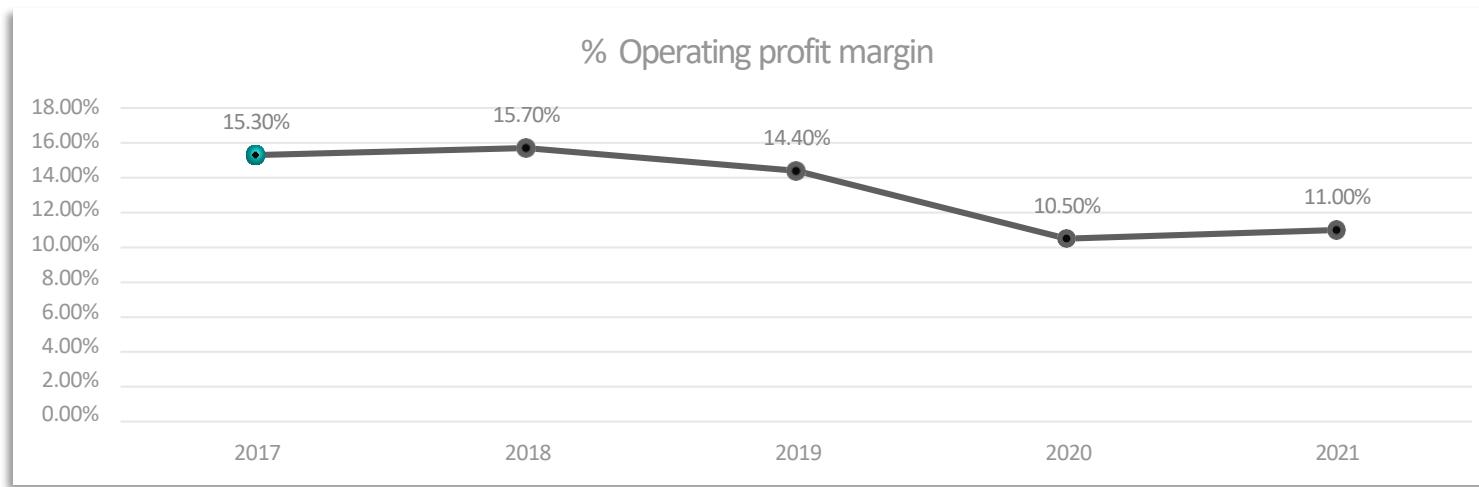
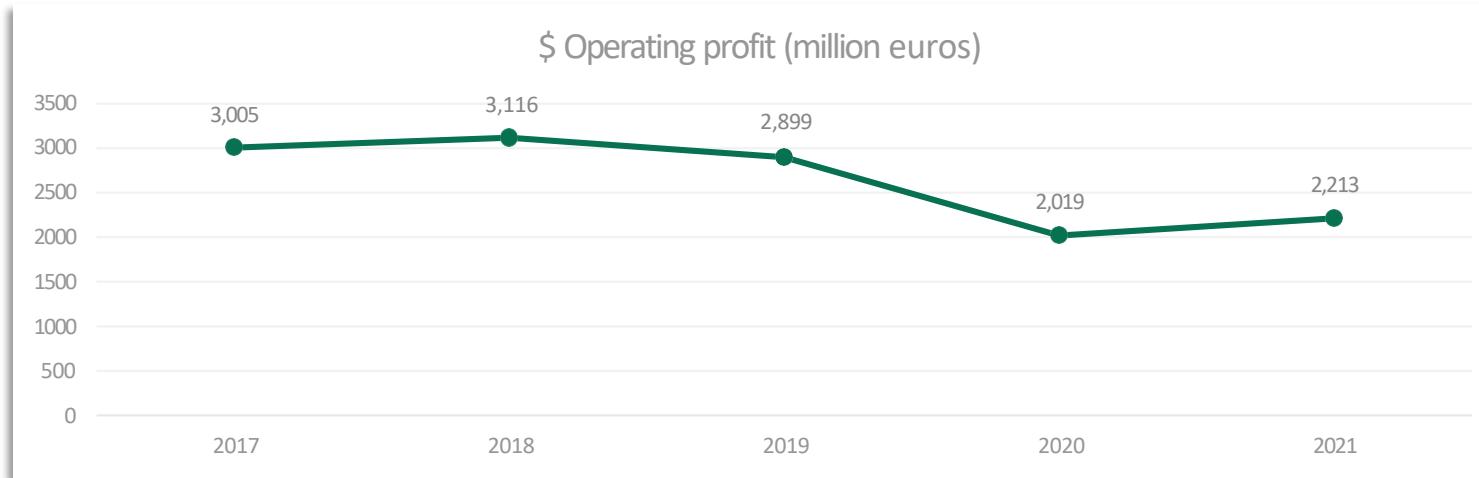
%Contracts completed on budget



%Network configuration

## 4. LINE CHARTS

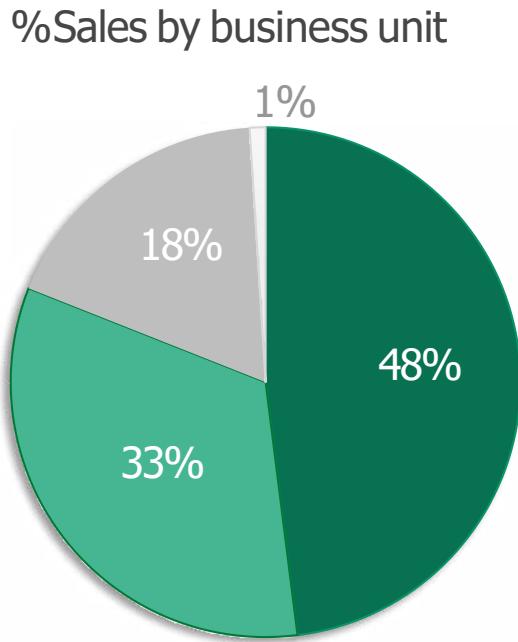
Useful for tracking trends



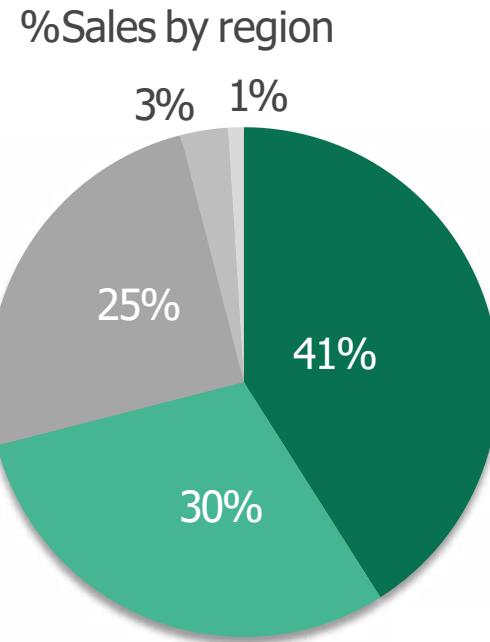
Source: Henkel Annual Report (2021)

## 5. PIE CHARTS

Useful for comparing different parts of a whole



■ Adhesive Technologies ■ Beauty Care  
■ Laundry & Home Care ■ Corporate\*



■ Emerging markets\*\*  
■ Western Europe  
■ North America  
■ Japan/Australia/New Zealand  
■ Corporate\*

\* Sales and services not assignable to the individual business units

\*\* Eastern Europe, Africa, Middle East, Latin America, Asia

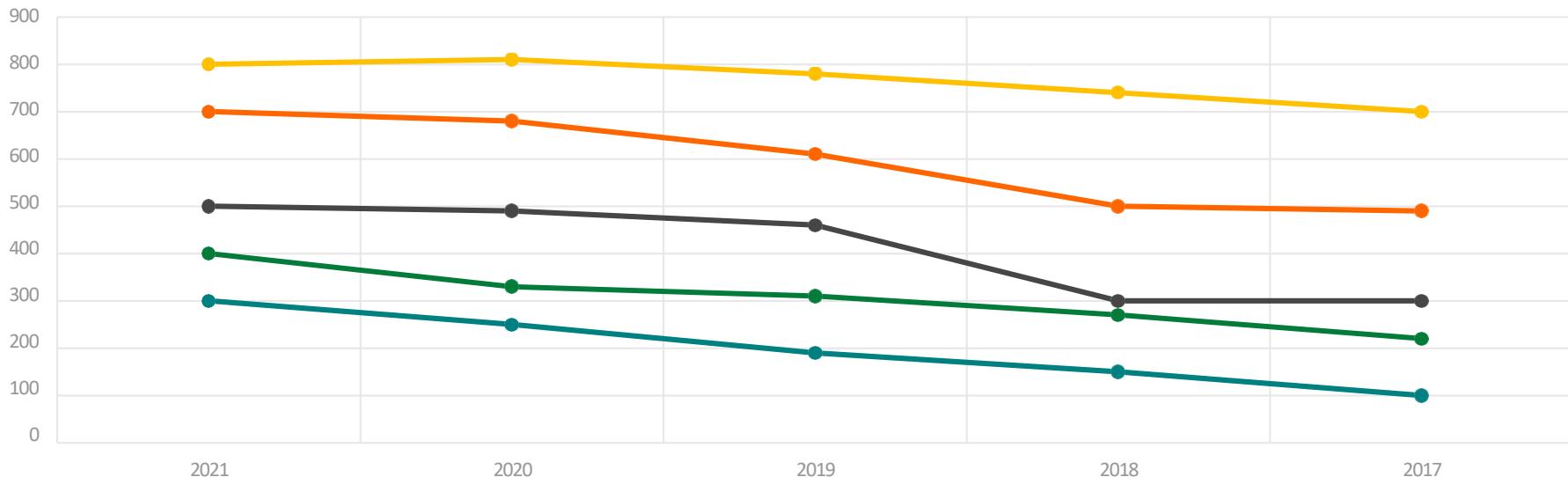
# 6. SPARKLINES

Useful for showing data trends in a condensed manner

KPI	2017	2018	2019	2020	2021	Trend
\$ Net sales (SEK millions)	200,004	210,400	232,755	187,031	198,967	
\$ Operating profit (SEK millions)	20,569	15,493	17,346	3,099	15,255	
% Operating margin	10.30%	7.40%	7.50%	1.70%	7.70%	
# Total number of stores	4,739	4,968	5,076	5,018	4,801	
# Average number of employees	120,191	123,283	126,376	110,325	107,375	
% Recycled or other sustainably sourced materials (commercial goods)	35.50%	56.60%	57.10%	64.50%	80.00%	
% Renewable electricity in own operations	95%	96%	96%	90%	95%	

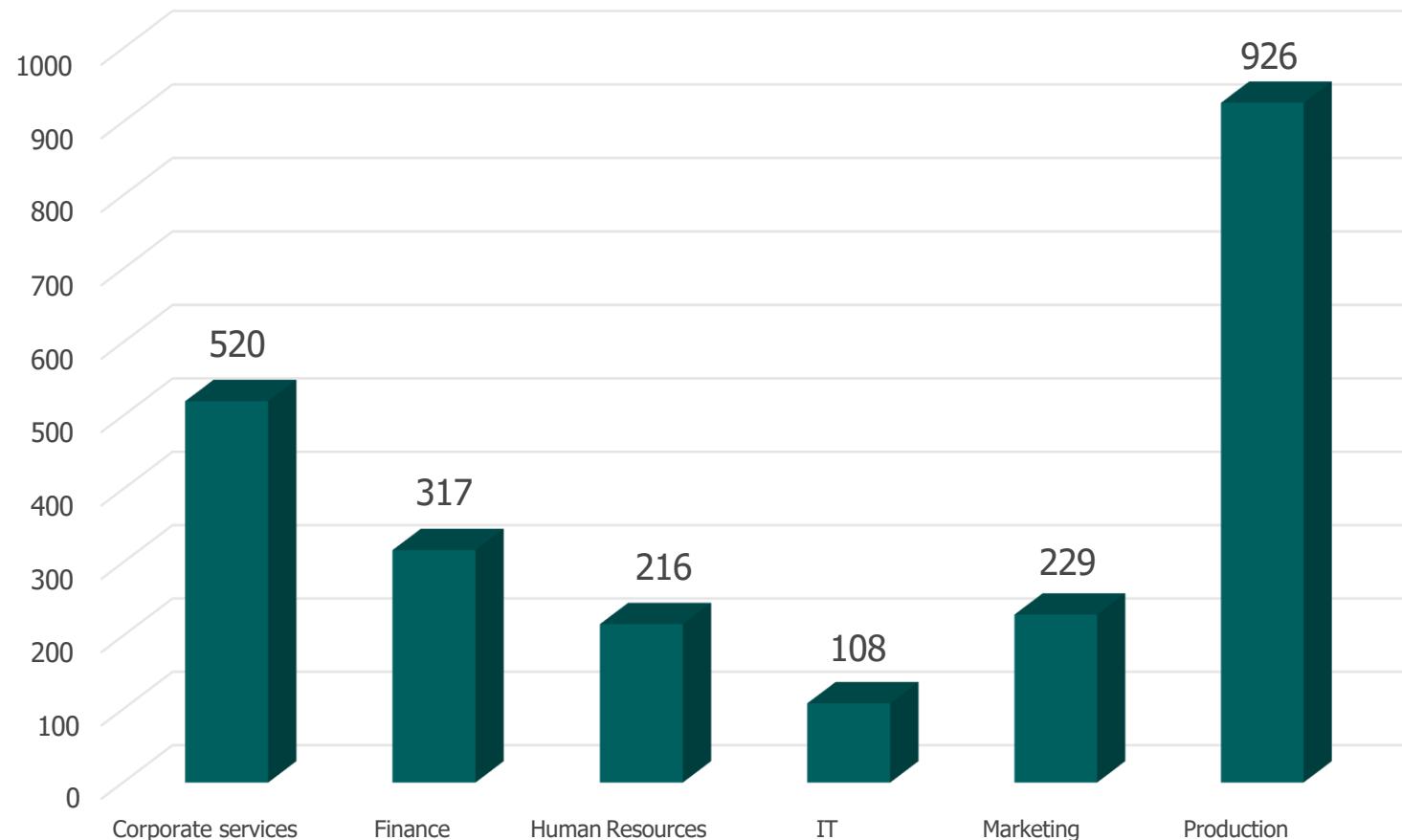
# USABILITY IN TERMS OF VISUAL DESIGN

- 3D
- Pie chart
- Donut chart
- Crowded graphs
- Scales from 0
- Background



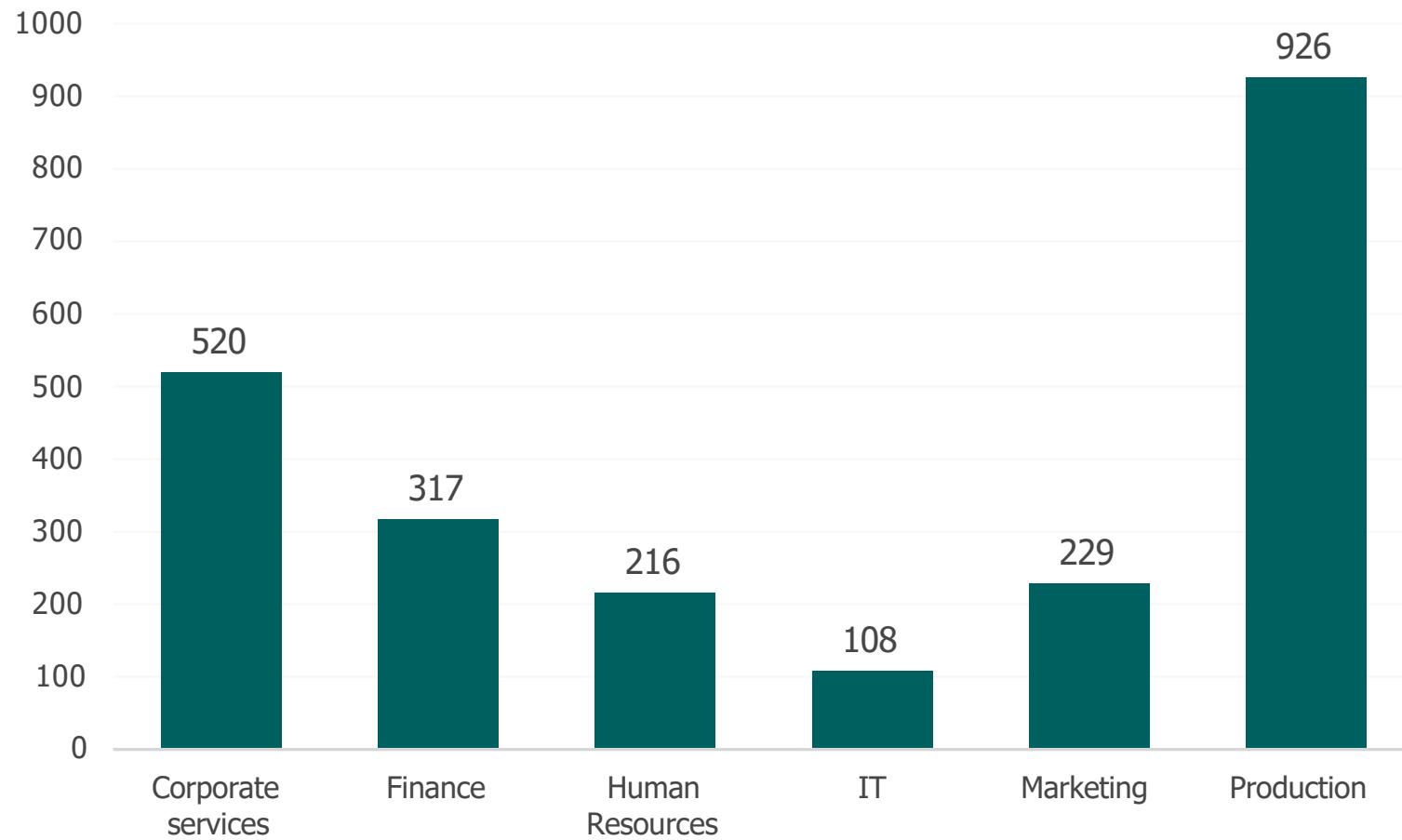
# USABILITY IN TERMS OF VISUAL DESIGN

3D or not?

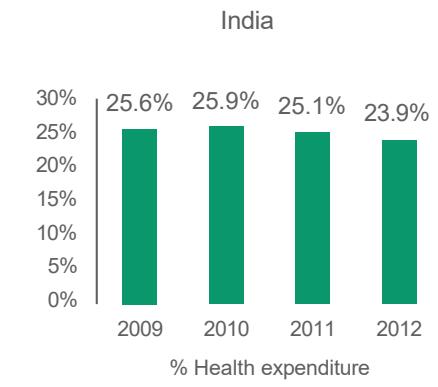
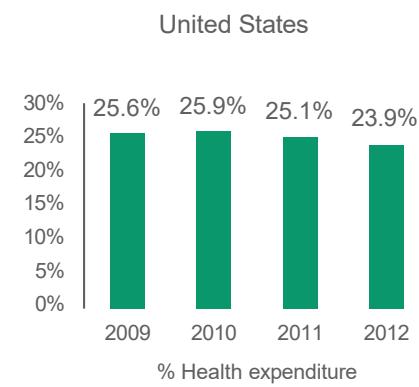
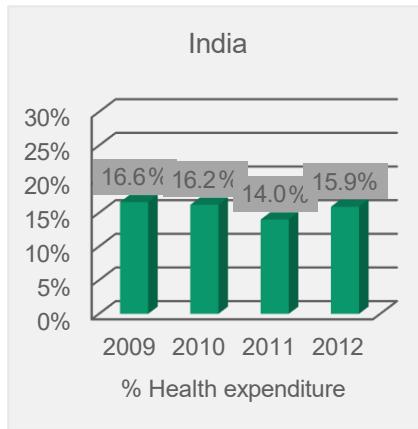
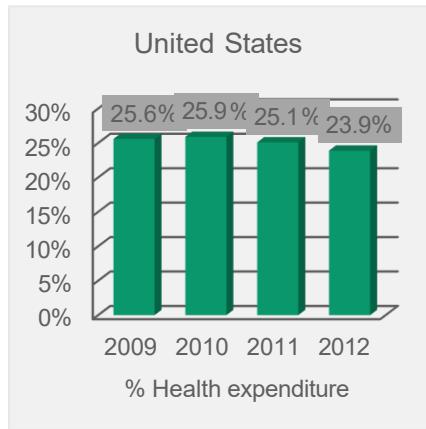
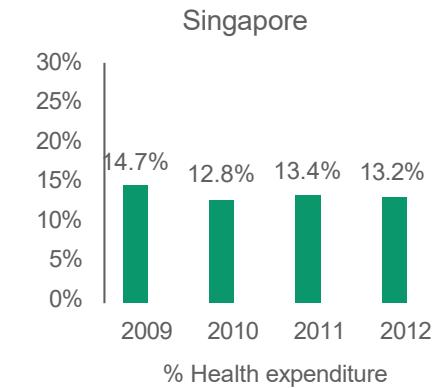
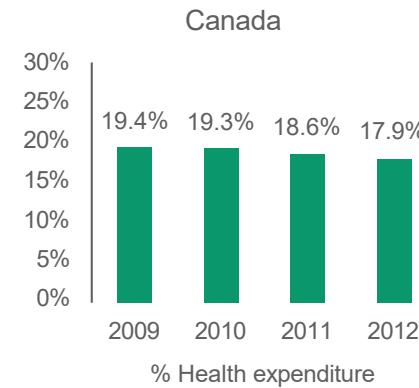
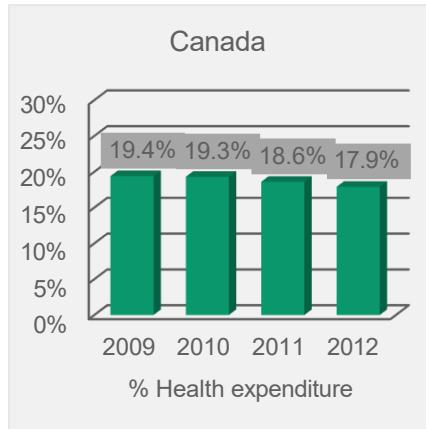


# USABILITY IN TERMS OF VISUAL DESIGN

3D or not?



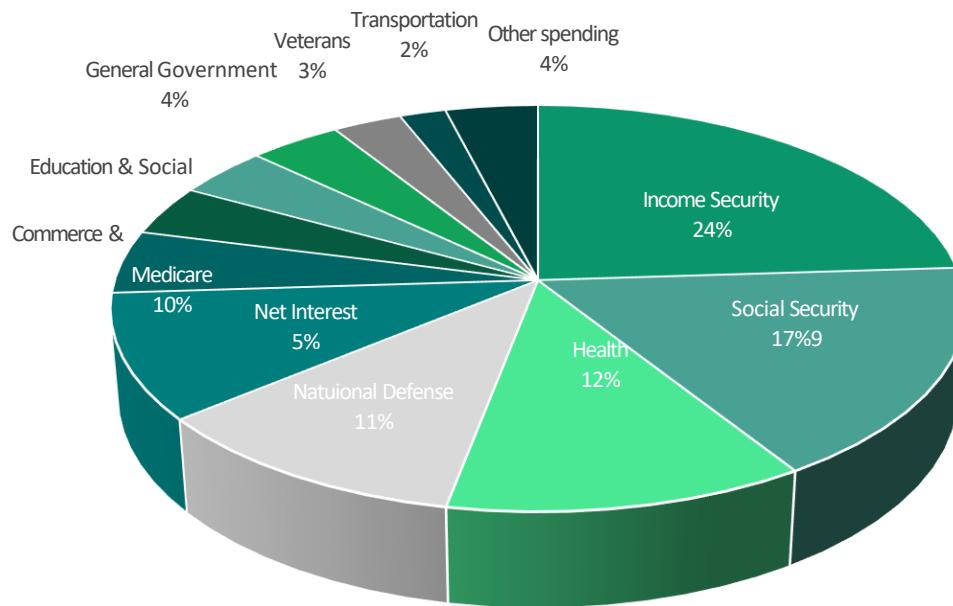
# USABILITY IN TERMS OF VISUAL DESIGN



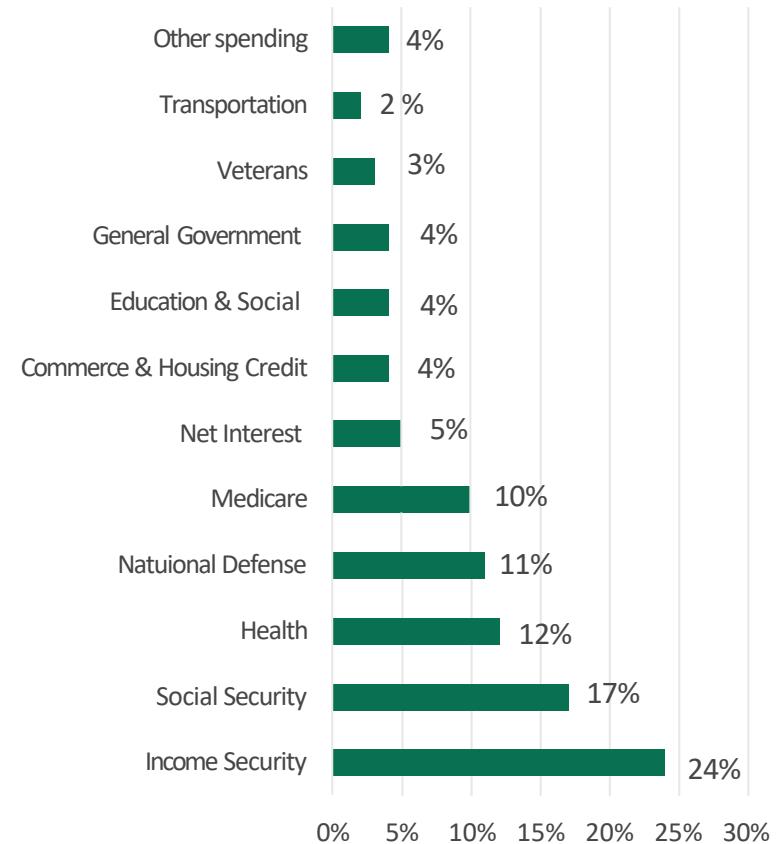
# USABILITY IN TERMS OF VISUAL DESIGN

Pie charts: Inefficient use of space

Federal Spending for United States (2021)



Federal Spending for United States (2021)

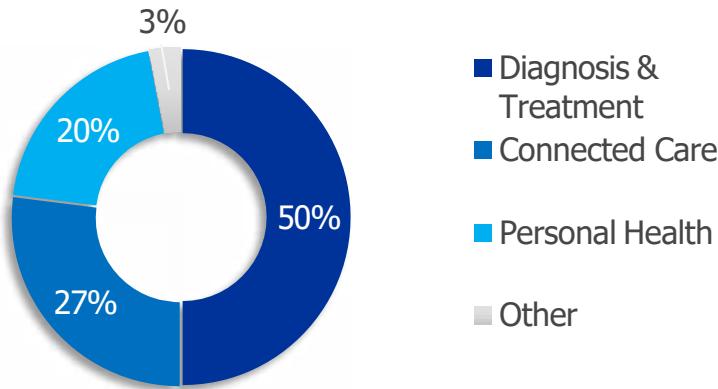


Source: Adapted from US Government (2021)

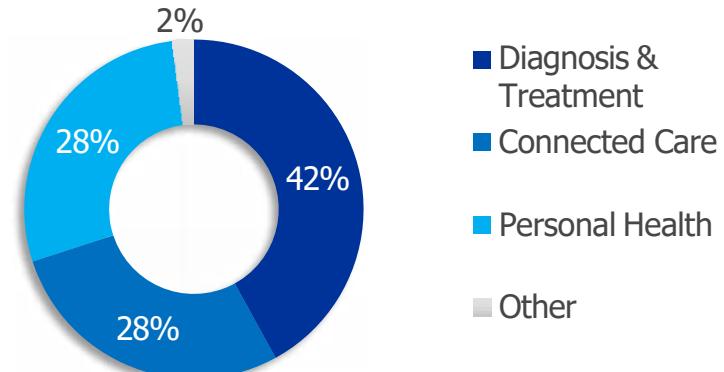
# USABILITY IN TERMS OF VISUAL DESIGN

Doughnut charts = an ink-saving version of pie-charts

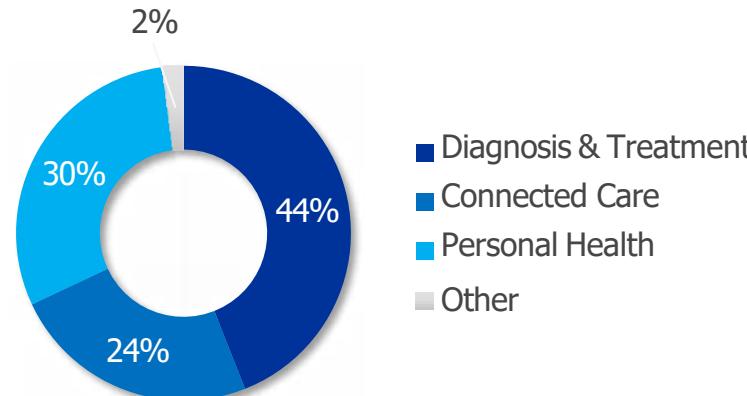
%Sales by segment 2021



%Sales by segment 2020

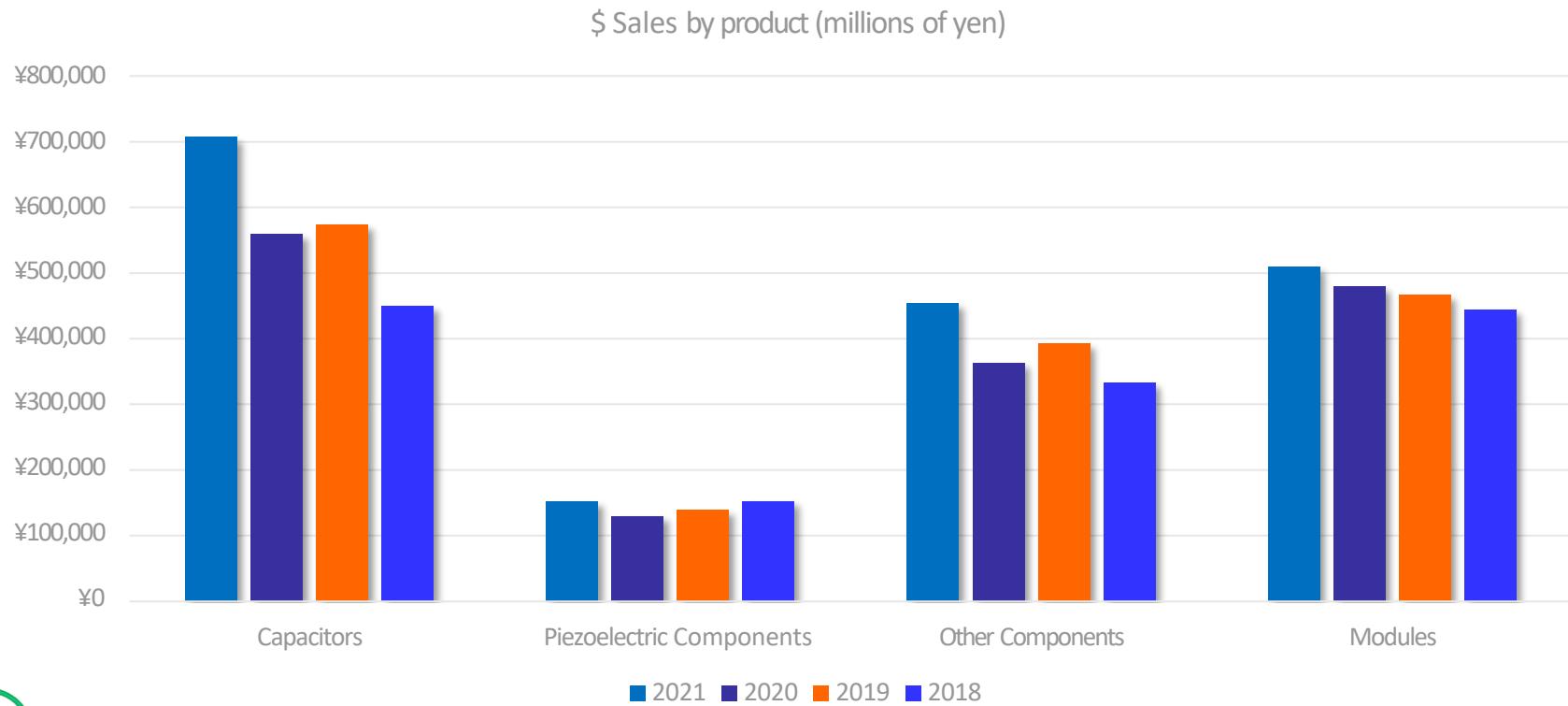


%Sales by segment 2019



# USABILITY IN TERMS OF VISUAL DESIGN

## Avoid crowded graphs

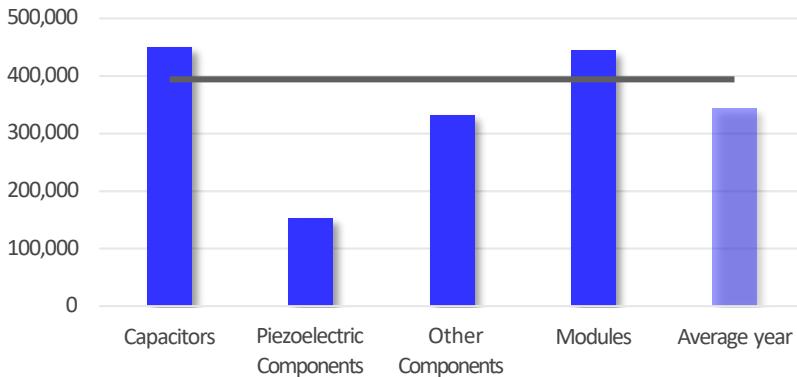


Too much information on one graph creates confusion and relevant data is no longer visible.

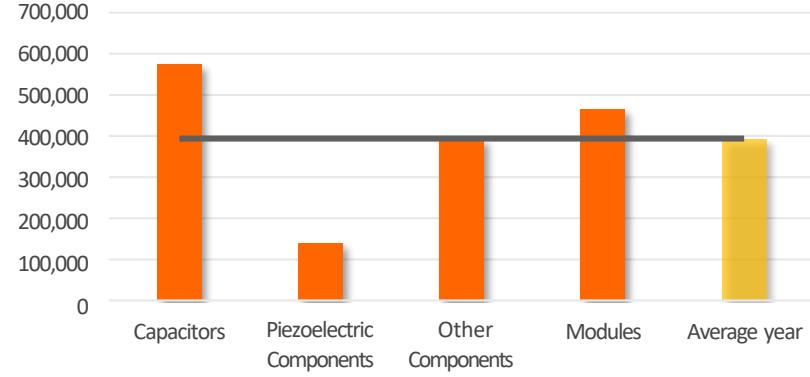
# USABILITY IN TERMS OF VISUAL DESIGN

## Avoid crowded graphs

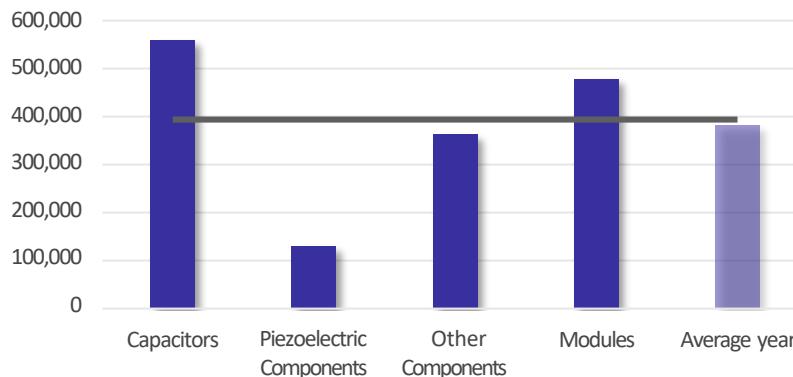
2018



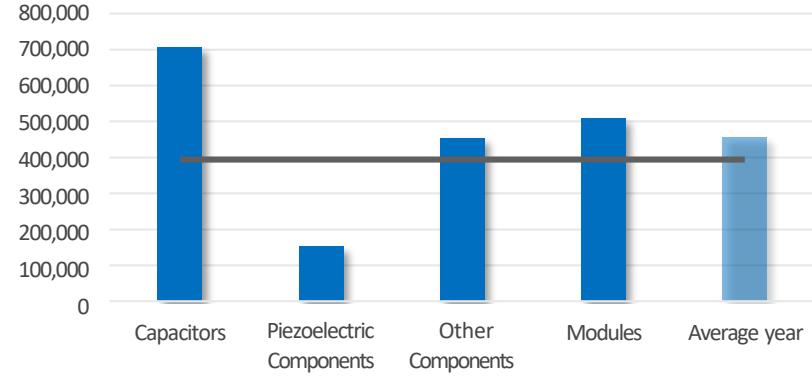
2019



2020



2021



Source: Adapted from MuRata (2021)

\*The black line represents the average value of the 5 analyzed years  
 \*The green column represents the average sales value of all products

# USABILITY IN TERMS OF VISUAL DESIGN

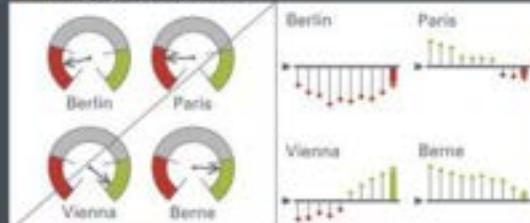
*"Simplicity is the ultimate sophistication" – Leonardo DaVinci*

International Business Communication Standards – 98 rules for the proper design of successful reports, presentations and dashboards

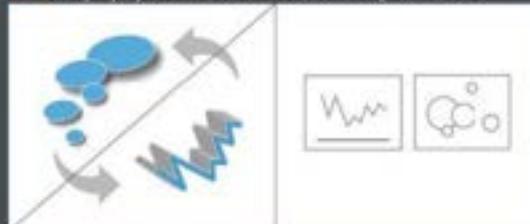
## 6.2 Simplify content:

Less is more

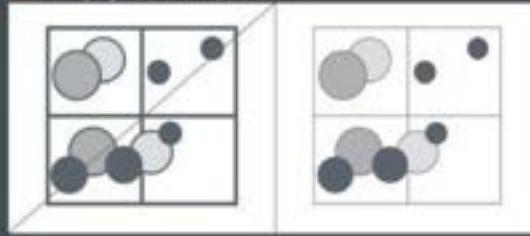
### 6.2.1 Simplify elaborate visuals



### 6.2.2 Simplify "special and transition effects" in presentations



### 6.2.3 Simplify crude lines and forms



## 6.3 Minimize redundancy:

Focused information

### 6.3.1 Avoid redundant terms such as sum, total, and overall

Alpha Corporation total Sales sum in EUR	
2010	2011
Germany	802
Austria	49
Switzerland	128
Rest	256
<b>Grand Total</b>	<b>1 235</b>
	1 289

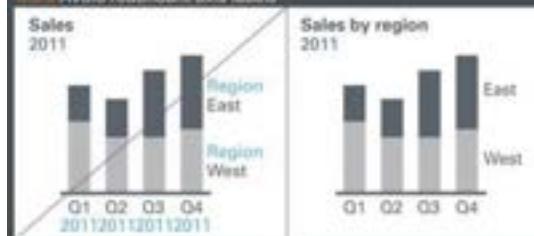
  

Alpha Corporation Sales in EUR	
2010	2011
Germany	802
Austria	49
Switzerland	128
Rest	256
Europe	1 235
	1 289

### 6.3.2 Avoid redundant text: sentences, words, and characters

Account Table CO	Accounts CO4
Account CO4712	712
Account CO4733	733
Account CO4545	845
Account CO4899	899
Account CO4511	911
Account CO4817	917

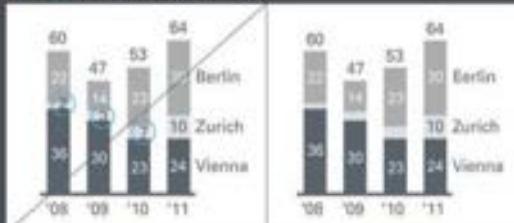
### 6.3.3 Avoid redundant axis labels



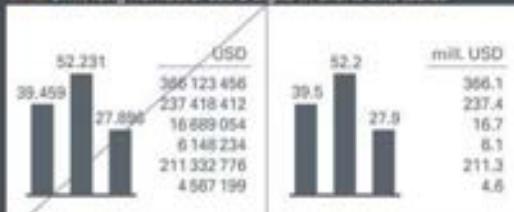
## 6.4 Omit distracting details:

Concentration on the essentials

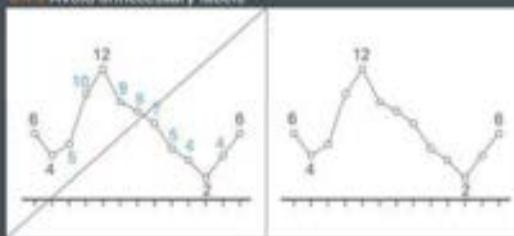
### 6.4.1 Omit labels for small values



### 6.4.2 Omit long numbers: use 3 digits in charts and tables



### 6.4.3 Avoid unnecessary labels



# KPI TOOLKIT SPOTLIGHT: BALANCED SCORECARD

Perspective / Goal Strategic Objectives / KPIs	smartKPIs.com ID code	Standard reporting frequency	Previous Period Results	Current Results	Target	% Target complete	Status	Comments
<strong>Customers</strong>								
Maintain high levels of internal customer satisfaction								
# Internal customer satisfaction with HR service levels	sK2379	Q	85%	75%	90%	83%	<span style="background-color: yellow;">Yellow</span>	
# Complaints received	sK2038	Q	0	1	0	50%	<span style="background-color: red;">Red</span>	
<strong>Internal Processes</strong>								
Optimize recruitment								
# Time to fill a vacant position	sK688	M	25	19	15	79%	<span style="background-color: red;">Red</span>	
% Employees who leave the organization in the first 3 months	sK688	M	15%	12%	10%	83%	<span style="background-color: yellow;">Yellow</span>	
Improve HR service delivery capability								
% HR projects on time, on budget and according to specifications	sk2863	M	62%	87%	80%	109%	<span style="background-color: green;">Green</span>	
% HR processes optimized	sk2284	M	84%	46%	60%	77%	<span style="background-color: yellow;">Yellow</span>	
<strong>People, Learning &amp; Growth</strong>								
Build an environment that fosters creativity and innovation								
# HR employee engagement index	sK1836	Q	56	76	65	117%	<span style="background-color: green;">Green</span>	
# Ideas for new / improved service from HR employees	sK4657	M	14	19	30	63%	<span style="background-color: red;">Red</span>	
Develop workforce skills and competences								
# Certifications per HR employee	sK4659	Q	2.18	1.35	2.00	68%	<span style="background-color: red;">Red</span>	
# Training hours per HR full time equivalent (FTE)	sK7	M	14	8	8	100%	<span style="background-color: green;">Green</span>	
<strong>Financial</strong>								
Seek efficiencies to minimize cost base								
\$ Cost per hire	sK49	M	400.00	534.00	350.00	153%	<span style="background-color: green;">Green</span>	
\$ Cost avoidance savings	sK262	M	918.00	560.00	500.00	112%	<span style="background-color: green;">Green</span>	
Maintain financial rigor in budget projection and execution								
% HR budget variance	sK479	M	-5%	-3%	2%	-157%	<span style="background-color: green;">Green</span>	

Source: The KPI Institute (2023)

# IN PRACTICE: SCORECARD

## Kingston Health Sciences Centre

Strategic Direction	Goal	Indicator	22-Q2	22-Q3	22-Q4	23-Q1	23-Q2
			N/A	N/A	N/A	Y	Y
	a. Make quality the foundation of everything we do	% of the accreditation Canada Telehealth standards are met					
		Percentage of clinical programs that are able to report performance in a standardized way on at least 2 critical to quality standards by March 2023	N/A	N/A	N/A	N/A	Y
		COVID Incremental Cost Recovery	Y	G	G	G	R
		Achieve pre-COVID position by March 31	Y	G	G	G	G
		HSAA/MSSA conditions met	Y	G	G	R	G
		Board endorses RFP for managed equipment services and RFP is issued Y/N	N/A	N/A	N/A	G	G
	b. Lead evolution of patient- and family- centred care	Patient stories completed in 12 KHSC unit/programs & at board patient care committee	N/A	N/A	N/A	G	G
	c. Create the space for a better experience	PSOS complete and RFP issued	R	R	R	R	R
2. Nurture our passion for caring, leading and learning	a. Foster a safe, healthy, innovative working environment that inspires and motivates the people who work, learn and volunteer at KHSC	Inclusion council in place Y/N	N/A	N/A	N/A	G	G
		Succession plans completed for management roles	N/A	N/A	N/A	G	Y

Source: Kingston Health Sciences Centre (2023)

# IN PRACTICE: SCORECARD

PES Form 4  
Monitoring Report as of December 31, 2022  
(based on the GCG-approved 2022 Performance Scorecard)

## NATIONAL ELECTRIFICATION ADMINISTRATION

	Components				Annual Targets	Actual	Gross Rating	Weighted Rating
	Strategic Objectives (SO)/Strategic Measure (SM)	Formula	Weight	Rating System				
Social Impact Stakeholders	SO 1 To empower member-consumers as responsible owners of the Electric Cooperatives							
	SO 2 To ensure that the Electric Cooperatives provide accessible, adequate, quality, and reliable service							
	SM 1 Number of Completed and Energized Sitio Projects	Total actual completed and energized sitio projects	20.00%	Actual/Target	1,085	950	87.50%	17.51%
	SM 2 Number of Consumers Connected	Total actual consumers connected	15.00%	Actual/Target	400,000	499,117*	100.00%	15.00%
	SO 3 To generate peak performance among Electric Cooperatives to ensure competitiveness							
	SM 3 Number of EC Officials and Employees Graduated from Certification/Competency Programs	Absolute Number	5.00%	Actual/Target	1,320	2,509	100.00%	5.00%
	SO 4 To enhance networking to gain support for program implementation							
	SM 4 Percentage of Satisfied Customers	Number of Satisfied Respondents Total number of respondents	5.00%	Actual/Target (0% = if less than 80%)	80%	86%	100.00%	5.00%
					Sub-total	45.00%		
Financial	SO 5 To sustain the organization's viability and ensure accountability and transparency	(Below PHP 300 M is 0%. For the amount > PHP 300M, 10% is proportionally distributed, i.e.						
	SM 5 Amount of Loans Facilitated (PHP)	Actual amount of loans facilitated > PHP 300 M - PHP 349M X 100% (Target amount - PHP 349 M=10%)		10.00%	Actual/Target	780 M	762.46 M	100.00%
	SM 6 High Collection Efficiency Maintained (%)	$\Sigma$ Total collections - advanced payments (due for succeeding years) $\Sigma$ Amortization due for the year		10.00%	Actual/Target	98.23%	98.74%	100.00%
	Budget Utilization Rate (BUR)							
	a. Subsidy Utilization Rate - Obligation	Total Obligated Subsidy Total COB from Subsidy (both net of PS Cost)	3.00%	Actual/Target	90%	56%	62.22%	1.87%
	b. Subsidy Utilization Rate - Disbursement	Total Disbursement Total Obligations (both net of PS Cost)	3.00%	Actual/Target	90%	35%	38.89%	1.17%
	c. Corporate Funds Utilization Rate (CO & MOOE) - Disbursement	Total Disbursement Total Corporate Fund (both net of PS Cost)	4.00%	Actual/Target	90%	123%	100.00%	4.00%
			Sub-total	30.00%				

\* Consumers connected from January 01, 2022 to November 30, 2022

Source: National Electrification Administration (2023)

# IN PRACTICE: SCORECARD

Continues from the previous scorecard display

	Components					Annual Targets	Actual	Gross Rating	Weighted Rating
	Strategic Objectives (SO)/Strategic Measure (SM)		Formula	Weight	Rating System				
Internal Process	SO 6 To upgrade organizational infrastructures	SM 8 Percentage of Silo Electrification Projects Funded that are Fully Compliant with NEA Standards and Specifications	Total compliant projects Total funded projects	6.00%	Actual/Target	75% of projects done as of end of September 2022	78.23%	100.00%	6.00%
	SM 9 Percentage of Silos Completed and Energized Within 180 Calendar Days From Release of Funds to ECs	Actual percentage of silos completed and energized within 180 calendar days from release of funds to ECs Total number of silos funded	6.00%	Actual/Target	75%	78.63%	100.00%	6.00%	
	SM 10 Percentage of Regular Loans Released Within Prescribed Processing Periods	Loan released within period Total loan applications with complete documentations	3.00%	Actual/Target	100% (released within 24 days)	100% (released within 24 days)	100.00%	100.00%	3.00%
		Sub-total	15.00%						
Learning and Growth	SO 7 To enhance human resources knowledge, skills and behavioral competencies	SM 11 Compliance to Quality Standards	Actual Accomplishment	5.00%	All or Nothing	Surveillance Audit Passed	Surveillance Audit Passed	100.00%	5.00%
	SM 12 Percentage of Employees with Required Competencies met	Total number of employees with required competencies met Total number of employees	5.00%	All or Nothing	Increase from 2021 Competency Level	Not 2021 2021 Increase/ Decrease	77.77% 81.18% 1.11%	100.00%	5.00%
		Sub-total	10.00%						
		TOTAL	100.00%						94.54%

# SCORECARD DESIGN



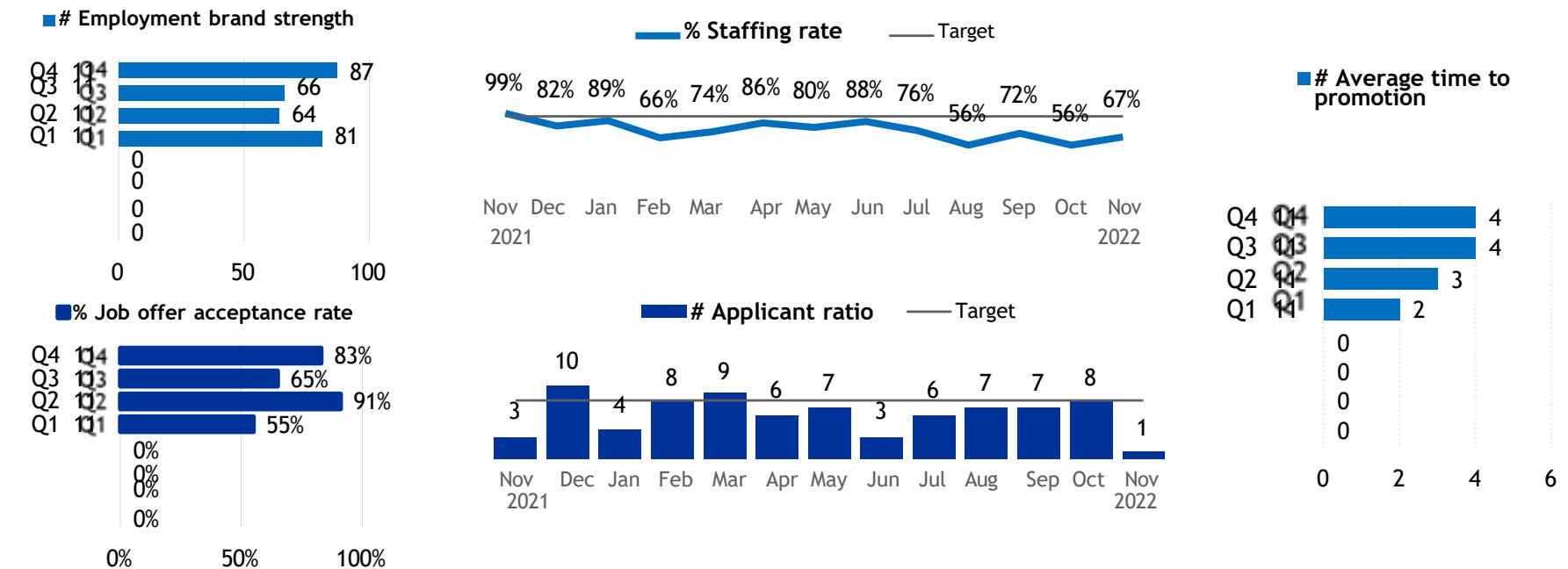
## SCORECARD DESIGN CHECKLIST

- Numerical guide (to show if data has been shrunk, if this is the case);
- Legend;
- Eliminate and minimize grids;
- Delineate and group data (strategic themes, perspectives, objectives);
- Outline status of results (  $\geq$ target, acceptable range,  $<$ target);
- Provide essential data (not *nice to know* information);
- Align characters appropriately;
- Use optimal size font for easy reading.

# KPI TOOLKIT SPOTLIGHT: DASHBOARD

## HUMAN RESOURCES DASHBOARD

### Recruitment



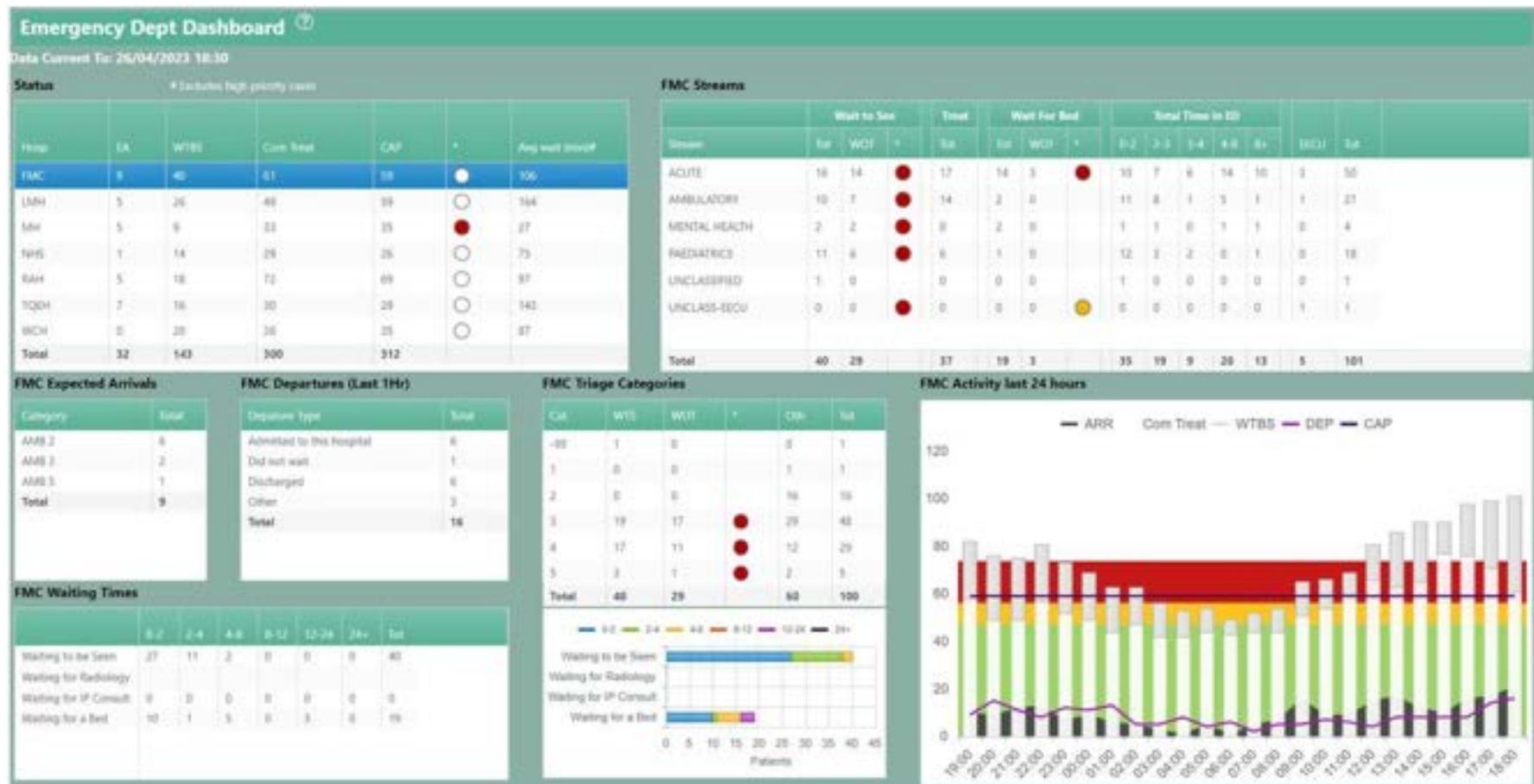
### Workforce profile



Source: The KPI Institute (2023)

# IN PRACTICE: DASHBOARD

## Emergency Department Dashboard, Australia



Source: Emergency Department Dashboard, Australia (2023)

# IN PRACTICE: DASHBOARD

## San Francisco, USA – City Performance

### PERFORMANCE

#### Ridership

Average weekday boardings

Target: 422,000 average weekday boardings

**388,560**

Monthly Average from July 2022  
through February 2023



#### % of Scheduled Service Hours Delivered

Monthly scheduled service hours delivered

Target: 98.5% delivered

**97.7%**

Monthly Average from July 2022  
through February 2023



#### Transit On-Time Performance

Percentage On-Time

Target: 85%

**55.6%**

Monthly Average from July 2022  
through February 2023



### SAFETY

#### Traffic Fatalities

Year to Date Traffic Fatalities

Target: Zero

**5**

Total from January 2022 through  
February 2023



#### Top 5 Causes of Collisions

Average % Traffic citations issued for top 5 causes of collisions

Target: 50% of Traffic Citations

**62%**

Monthly Average from July 2022  
through February 2023



#### Crimes on Muni

Monthly Muni Crimes per 100,000 miles

Target: 3.9 per 100,000 miles

**2.2**

Monthly Average from July 2022  
through January 2023



#### Muni Collisions

Monthly Collision per 100,000 miles

Target: 5.8 Collisions per 100,000 miles

**4.2**

Monthly Average from July 2022  
through December 2022

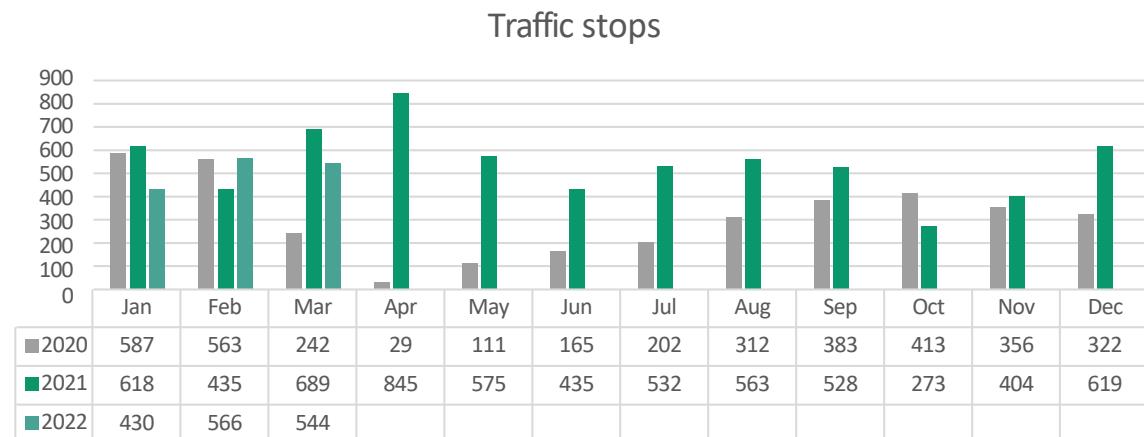
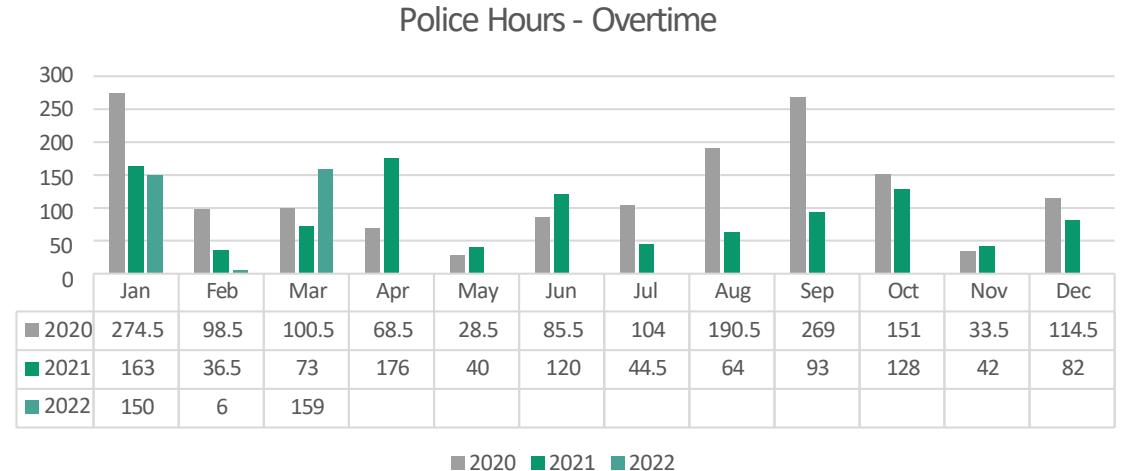


Source: San Francisco City  
Council, USA (2023)

# IN PRACTICE: DASHBOARD

Franklin Lakes Police Department, USA

- No contrast background, no strong grids;
- Contrast colors for bar charts to outline different data sets;
- Interactive charts, providing more details for each set of data.



# IN PRACTICE: DASHBOARD

## The KPI Institute, Quickscore - SpiderStrategies

- Background designed based on thresholds to provide instant understanding of performance results;
- Monthly evolution trends.



# EXERCISE

## DEVELOP THE HR DASHBOARD

### Scenario

As a Human Resources manager, you realized that the departmental scorecard does not provide sufficient data to inform your decisions. In this context, you decide to develop HR dashboard to have more insights into everyday operations.

### Task

!

Select the most relevant KPIs for the clusters already identified.

# EXERCISE

## DEVELOP THE HR DASHBOARD

Working environment
Talent development
Recruitment
Retention
Compensation

No.	KPIs
1	# Applicant ratio
2	\$ Average hourly compensation rate
3	# Compensation satisfaction index
4	# Entry level wage to local minimum wage
5	# Employee engagement index
6	# Employee tenure
7	%Employees satisfied with compensation
8	%Employees that leave the organization in 6 month after hire
9	# Employment brand strength
10	# Employment offer acceptance rate
11	%Internal promotion rate
12	%Involuntary termination rate
13	%Performance appraisals completed on time
14	%Positions with succession plans completed
15	%New hire retention
16	# Sick leave days
17	# Time lost per health & safety incident
18	\$ Training cost per full time equivalent (FTE)
19	%Training return on investment
20	%Unscheduled absence rate

# KPI TOOLKIT SPOTLIGHT: PERFORMANCE HEALTHGRAM

THE KPI INSTITUTE

Perspective Dimensions / KPIs	smartKPIs.com ID code	Standard reporting frequency	Previous Period Results	Current Results	Target	% Target complete	Status	Comments
<b>Resources</b>								
<b>Financial</b>								
% Operating budget spent	sK7046	Q	90%	92%	100%	92%	<span style="background-color: yellow;"></span>	
% Operating expense rate	sK2046	Q	39%	47%	50%	94%	<span style="background-color: yellow;"></span>	
<b>Talent</b>								
# Departmental employees	sK9	Q	13	11	14	79%	<span style="background-color: yellow;"></span>	
% Staffing rate	sK763	Q	72%	100%	70%	143%	<span style="background-color: green;"></span>	
<b>Capabilities</b>								
<b>Talent development</b>								
# Training hours per departmental full time equivalent (FTE)	sK7	Q	10	30	20	150%	<span style="background-color: green;"></span>	
% Employees meeting continuing professional development requirements	sK4673	Q	74%	96%	80%	120%	<span style="background-color: green;"></span>	
<b>Innovation</b>								
# Ideas for new or improved service from employees	sK4657	Q	25	22	30	73%	<span style="background-color: yellow;"></span>	
% Ideas approved for implementation	sK7049	Q	34%	48%	50%	96%	<span style="background-color: green;"></span>	
<b>Performance management</b>								
% Compliance with performance architecture	sK7050	Q	80%	85%	80%	106%	<span style="background-color: green;"></span>	
% Active KPIs	sK7051	Q	81%	100%	100%	100%	<span style="background-color: green;"></span>	
<b>Performance culture</b>								
% Positions with Professional Development Plans in place	sK6772	Q	97%	89%	80%	111%	<span style="background-color: green;"></span>	
% Performance appraisals completed on time	sK769	Q	75%	100%	100%	100%	<span style="background-color: green;"></span>	
<b>Project management</b>								
% Projects on time, on budget and according to specifications	sK4996	Q	82%	83%	85%	98%	<span style="background-color: green;"></span>	
<b>Process management</b>								
% Processes optimized	sK2284	Q	82%	94%	85%	111%	<span style="background-color: green;"></span>	
<b>Stakeholders</b>								
<b>Internal customers</b>								
% Internal customers satisfaction with service levels	sK1290	Q	62%	92%	80%	115%	<span style="background-color: green;"></span>	
# Satisfaction of employees with departmental services	sK2038	Q	5	10	10	100%	<span style="background-color: green;"></span>	
<b>Departmental employees</b>								
% Departmental employee turnover	sK1	Q	3%	4%	2%	194%	<span style="background-color: green;"></span>	
# Rewards and recognition awards offered	sK6751	Q	8	7	5	140%	<span style="background-color: green;"></span>	
<b>Suppliers</b>								
# Value added suppliers	sK7053	Q	9	9	6	150%	<span style="background-color: green;"></span>	
# Rating of supplier performance	sK7056	Q	81	82	70	117%	<span style="background-color: green;"></span>	

Source: The KPI Institute (2018)

# SESSION REVIEW

## Data Visualization

➤ Scorecard use tables to visualize data, therefore:

- It keeps tables simple;
- No grids, no strong color combination;
- Clusters data based on strategic themes, perspectives or objectives.

➤ Dashboards:

- Bar charts: to compare individual values;
- Bullet graphs: to compare actual results to targets;
- Dial charts: to indicate threshold values;
- Line charts: to track trends;
- Pie charts: to compare different parts of a whole;
- Sparklines: to show trends in a condensed manner.

➤ Avoid using:

- 3D graphs: distort data;
- Pie and donut charts: inefficient use of space;
- Crowded graphs: data is no longer visible;
- Strong colors for backgrounds: hinder visibility.

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# Course Review

CERTIFIED  
KPI  
PROFESSIONAL

## 10 takeaways to implement in your organization!

1. Connect your KPIs to strategy.
2. Articulate the KPI selection process – apply techniques like KPI selection workshop, KPI clustering, VFA and KPI balancing.
3. Avoid measuring what is easy to measure or familiar for the organization.
4. Use a balanced approached of performance measurement – Balanced Scorecard.
5. Use both scorecards and dashboards.

## Course Review

# CERTIFIED KPI PROFESSIONAL

### 10 takeaways to implement in your organization!

6. Cascade the performance measurement framework down to the employee level.
7. Develop the performance measurement capability in the organization.
8. Involve stakeholders in the KPI implementation project.
9. Avoid making irrelevant comparisons through flawed benchmarking.
10. Analyze objectives and KPIs in correlation, not as isolated elements.

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