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ELEMENTS OF A GOOD KPI

A good KPI story contains most, if not all, of the 13 elements below.

		Corrective actions to get back on track if performance has deviated	7
1	Quantitative aspects of the KPI such as Actual, Target, and Best Performance	Initiatives to improve performance and reach the defined target set for the KPI	8
2	KPI card with description, owner, data source, frequency, intention, thresholds, and much more	If the KPI is a part of a value driver tree, it should also be shown in context of the value driver tree	9
3	Charts showing the visualized performance of the KPI in a context such as time	Governance rules – what will happen if KPI is not performing? Will there be notifications, processes to initiate escalations, approvals?	10
4	Analysis that shows the build-up of metrics from which the KPI is derived – this is often displayed via “drill down” capabilities	You should be able to explore and analyze the performance as well as perform “what if’s” and conduct even more analysis	11
5	Benchmarks to see how an entity is performing compared to competition (or as compared to internal benchmarks)	Risk factors and risk mitigation plans – every KPI can be subject to unexpected risks. What are they? What can we do to mitigate the risk factors, if they occur?	12
6	Written assessments from the KPI owner of his/ her evaluation of performance	No KPI stands alone. It is a part of something “bigger” such as a process or a part of a strategy. Therefore, the KPI needs to be put into this specific business context	13