KPI Selection and Design

A better way to choose your KPIs

Bernie Smith

Is it possible to create a universal, simple method for designing KPIs for *any* organisation?

Results-Orientated KPI System

ROKS

Step 1		Step 2		Step 3		Step 4		Step 5		Step 6		Step 7
Clear strategy	▶	Engage	▶	Longlist KPIs	▶	Shortlist KPIs	▶	Define	▶	Prototype	▶	Go live

A word of warning on strategy...

Strategic

Be **green**

Tip 1
Be precise and clear with your language.
Statements make this easier.

Strategic

We work to **minimise our carbon emissions**

Tip 2
Start with the 'Big 6'

Strategic Run a **profitable** and **solvent** business

Strategic A **growing** business

Strategic **Manage risk**

Strategic A **legal** and **compliant** business
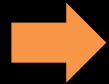
Strategic An **innovative** business

Strategic **Meet our Environmental, Social and Governance goals**

When the Big 6 are not enough...

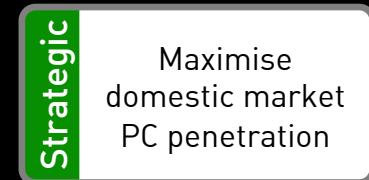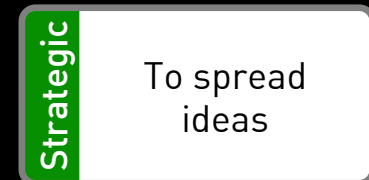# Genuinely Unique Strategic Objectives

'A World Free of MS'

| Strategic | A world free of MS |

'A computer on every desk and in every home'

| Strategic | Maximise domestic market PC penetration |

'Spread ideas'

| Strategic | To spread ideas |

Step 1
Clear strategy

Step 2
Engage

Step 3
Longlist KPIs

Step 4
Shortlist KPIs

Step 5
Define

Step 6
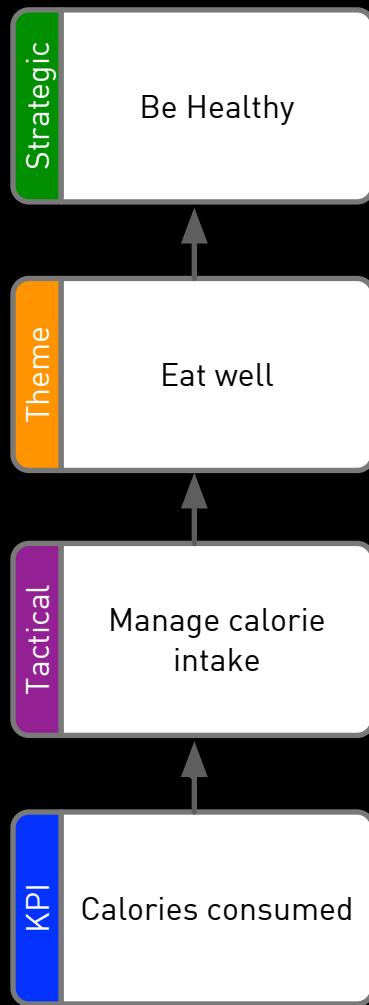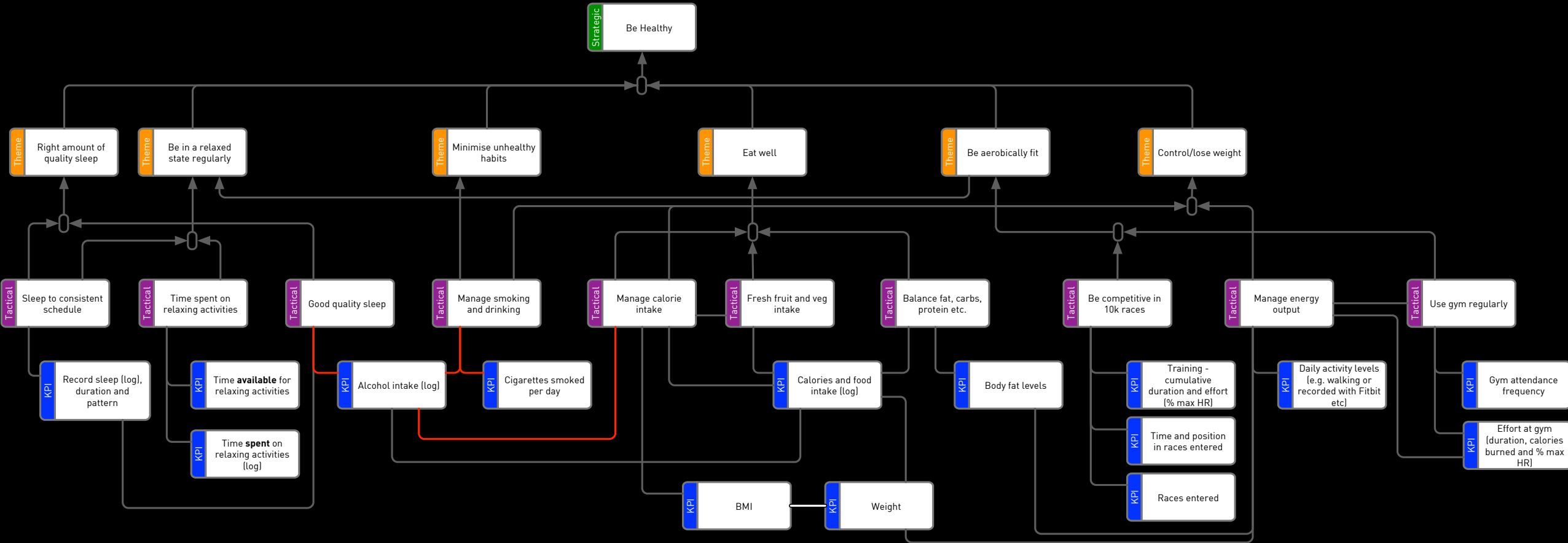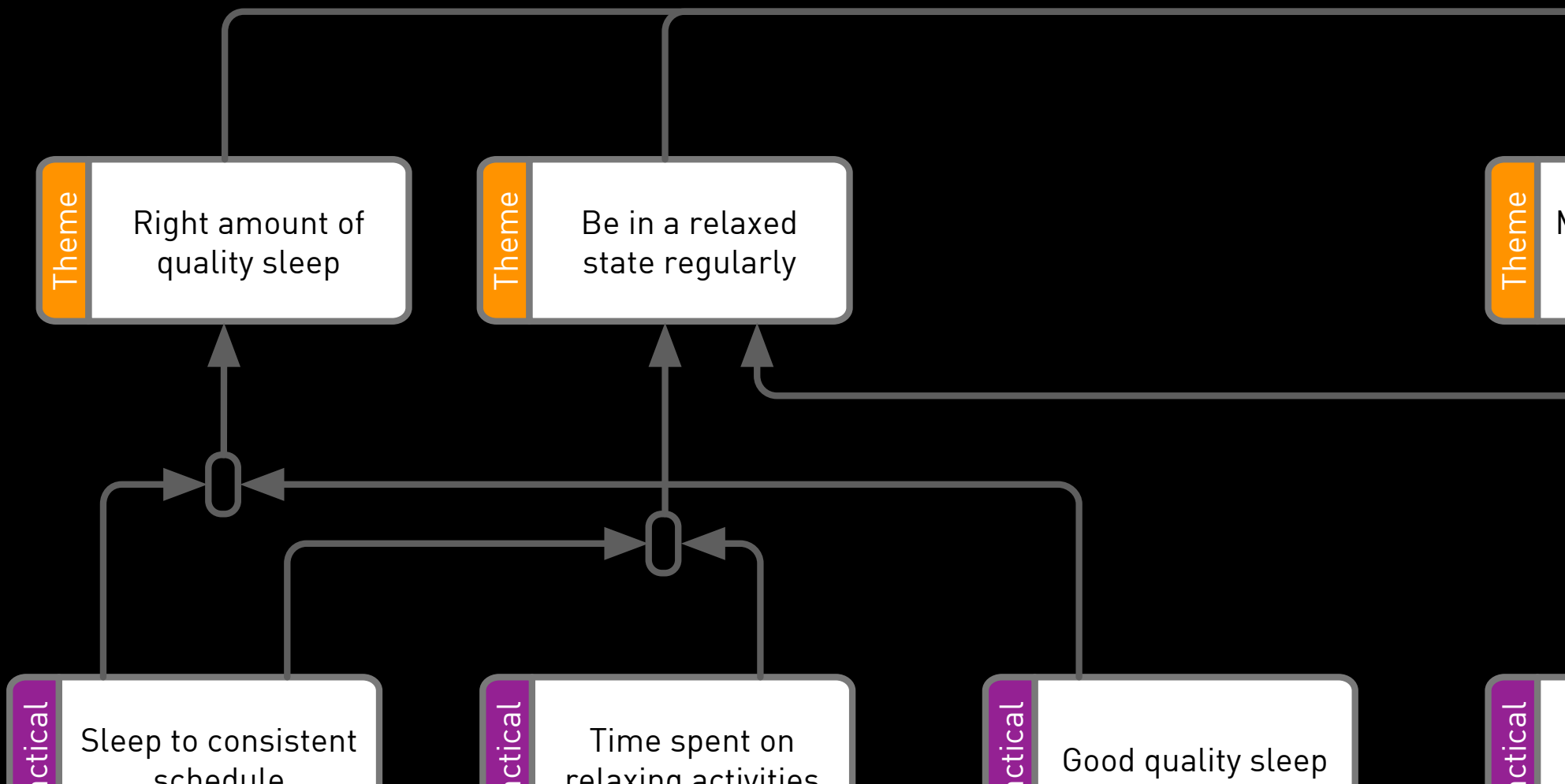Prototype

Step 7
Go live

Engagement

- Identify who needs to be involved

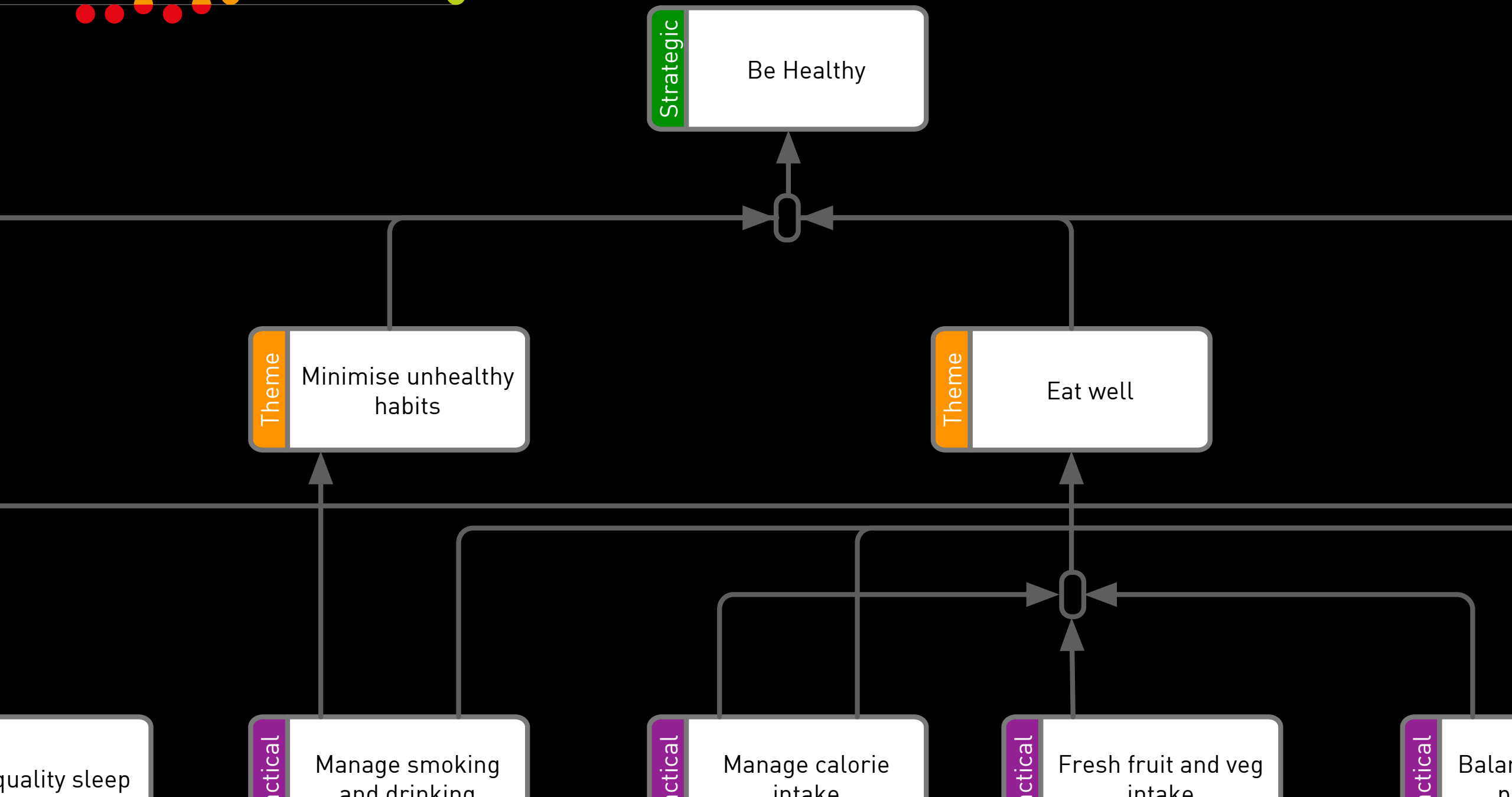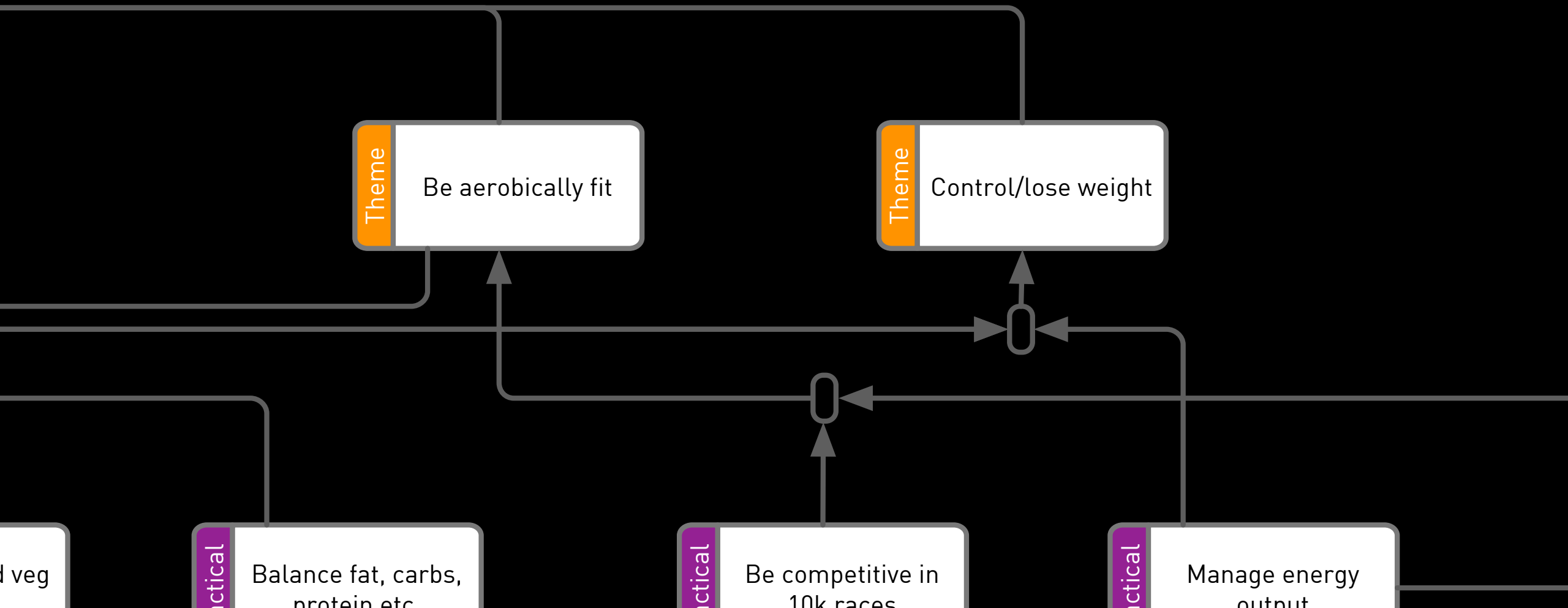- Assess level and type of involvement

- Engage the team as early as possible

Step 1
Clear strategy

Step 2
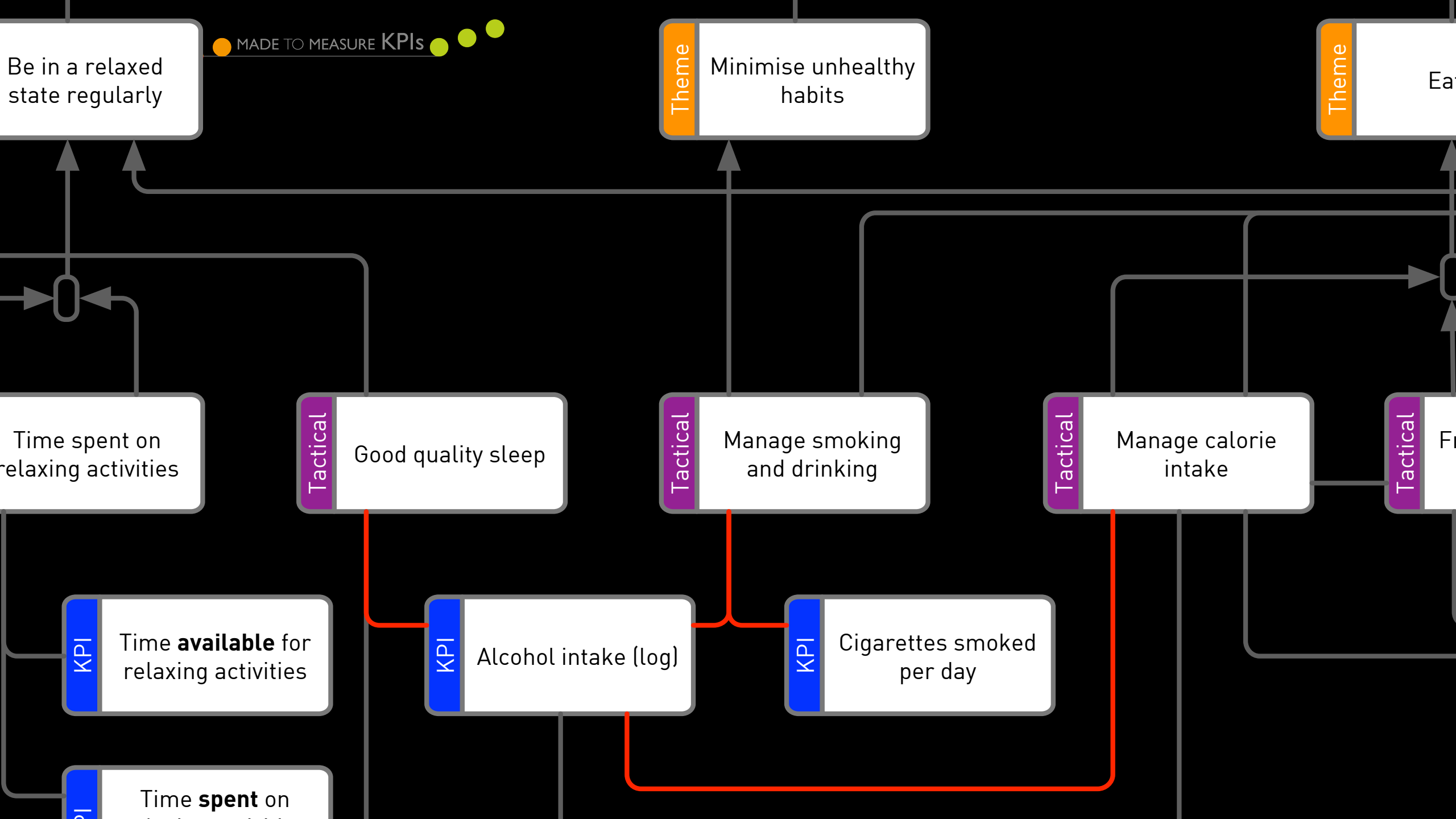Engage

Step 3
Longlist KPIs

Step 4
Shortlist KPIs

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'Be Healthy' KPI Tree

Strategic
Be Healthy

Theme
- Right amount of quality sleep
- Be in a relaxed state regularly
- Minimise unhealthy habits
- Eat well
- Be aerobically fit
- Control/lose weight

Tactical
- Sleep to consistent schedule
- Time spent on relaxing activities
- Good quality sleep
- Manage smoking and drinking
- Manage calorie intake
- Fresh fruit and veg intake
- Balance fat, carbs, protein etc.
- Be competitive in 10k races
- Manage energy output
- Use gym regularly

KPI
- Record sleep (log), duration and pattern
- Time **available** for relaxing activities
- Time **spent** on relaxing activities (log)
- Alcohol intake (log)
- Cigarettes smoked per day
- Calories and food intake (log)
- Body fat levels
- Training – cumulative duration and effort (% max HR)
- Time and position in races entered
- Races entered
- Daily activity levels (e.g. walking or recorded with Fitbit etc)
- Gym attendance frequency
- Effort at gym (duration, calories burned and % max HR)
- BMI
- Weight

Theme

Right amount of quality sleep

Theme

Be in a relaxed state regularly

Theme

Sleep to consistent schedule

Time spent on relaxing activities

Good quality sleep

MADE TO MEASURE **KPIs**

Strategic | Be Healthy

Theme | Minimise unhealthy habits

Theme | Eat well

quality sleep

Tactical | Manage smoking and drinking

Tactical | Manage calorie intake

Tactical | Fresh fruit and veg intake

Tactical | Balar

Theme Be aerobically fit

Theme Control/lose weight

actical Balance fat, carbs, protein etc.

d veg

actical Be competitive in 10k races

actical Manage energy output

Be in a relaxed
state regularly

● MADE TO MEASURE KPIs ● ● ●

Theme	Minimise unhealthy habits

Theme	Eat...

	Time spent on relaxing activities

Tactical	Good quality sleep

Tactical	Manage smoking and drinking

Tactical	Manage calorie intake

Tactical	Fr...

KPI	Time **available** for relaxing activities

KPI	Alcohol intake (log)

KPI	Cigarettes smoked per day

KPI	Time **spent** on ...

KPI Trees…

1. Explain a complex situation visually
2. Help build agreement
3. Align plans top-to-bottom
4. Show how measures *interact*
5. Produce too many KPIs

Step 4: Shortlisting

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
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How to <u>shorten</u> our list of KPIs

The KPI Shortlisting Matrix

Importance

Relevant to strategic objectives

10

5

Not relevant to strategic objectives

Hard/impossible to collect currently — 5 — Easy to collect currently — 10

Ease of Measurement

Step 4: Shortlisting

- Structured
- Gives us justification for **not** measuring
- Natural **roadmap** for KPI development

Step 5: Define

Step 1
Clear strategy

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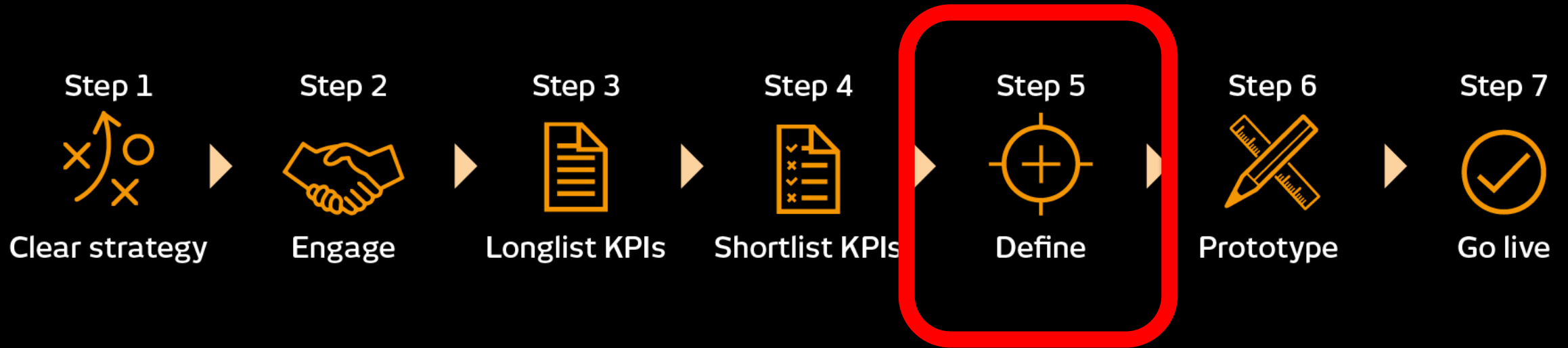
Step 5: Define
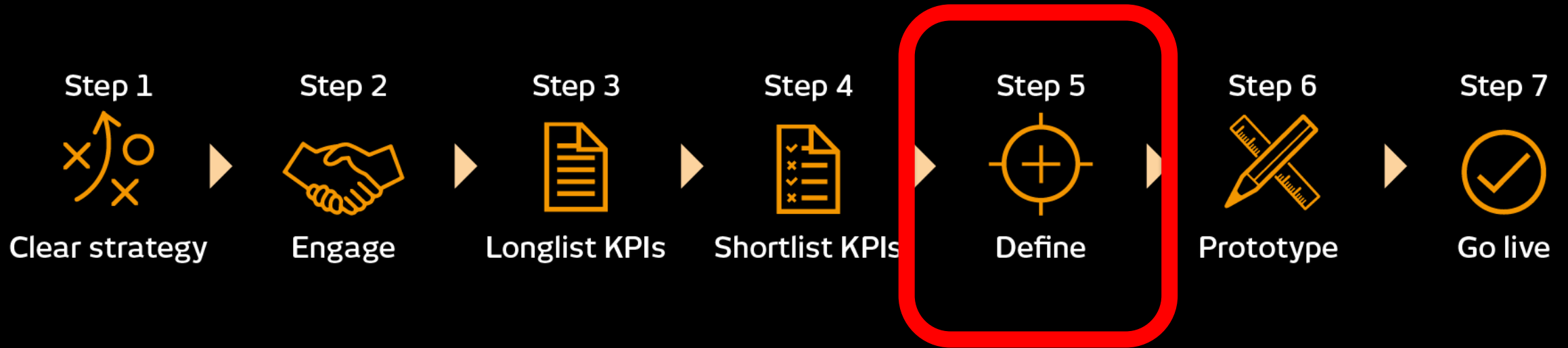
ROKS™ KPI Canvas

madetomeasureKPIs.com

MADE TO MEASURE KPIs

Designed by:	Designed for:	Date	Version

KPI Name

Purpose
Why we should measure this?

Definition or Formula
If there's any calculation, how is the measure worked out?
What **is** and **is not** included in the values used?

Targets
What score do we want to achieve? (If we know at this stage)

Target Outcomes
What will achieving the target deliver?

Customers
Who will **use** this KPI?

Production Resources
What **resources** are needed to produce the KPI and reports?

Production Cost
What is the cost of implementing and producing this KPI?

Data Sources
Where will the KPI data come from?

Problems and Errors
What are the **known issues** with KPI production & accuracy?

Step 5: Define and Document *KPIs*

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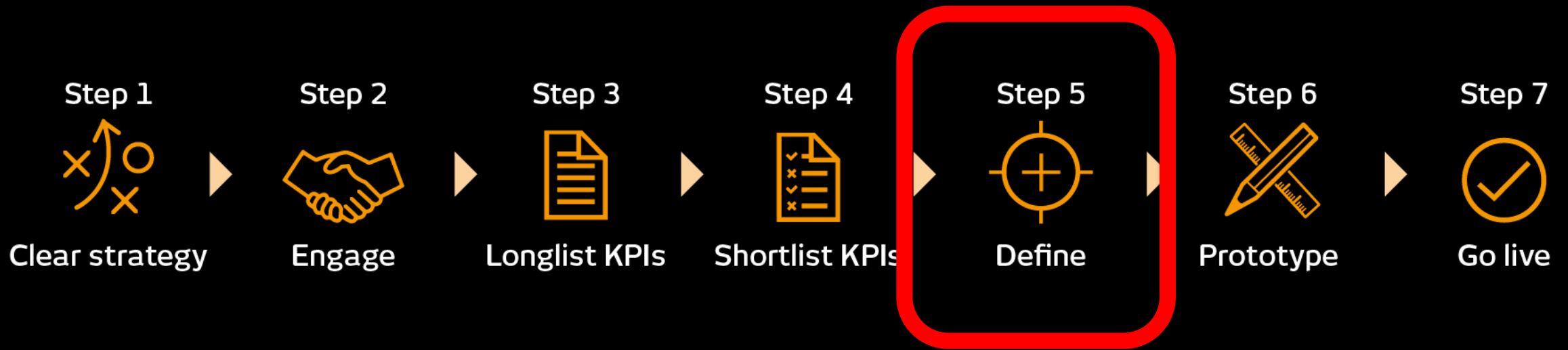
- Nail down **precise definitions**
- **Manage definitions** carefully
- Create **user guides** and **cheat sheets**

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Find out more

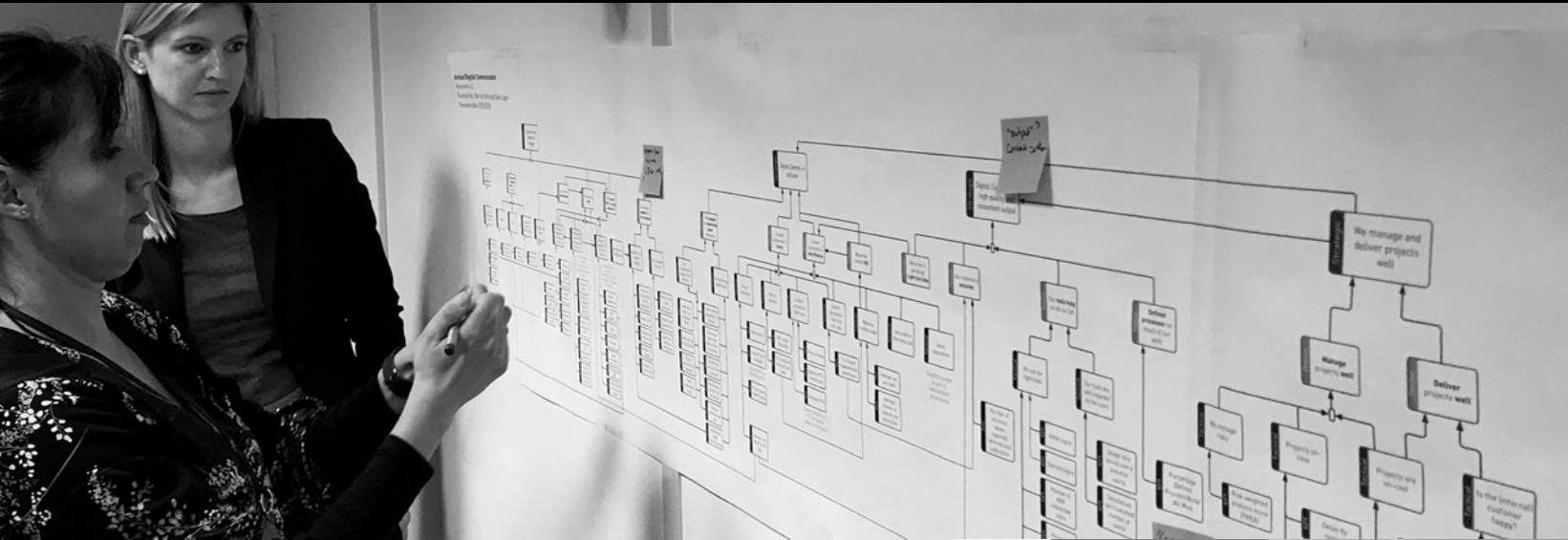https://berniesmith.contact
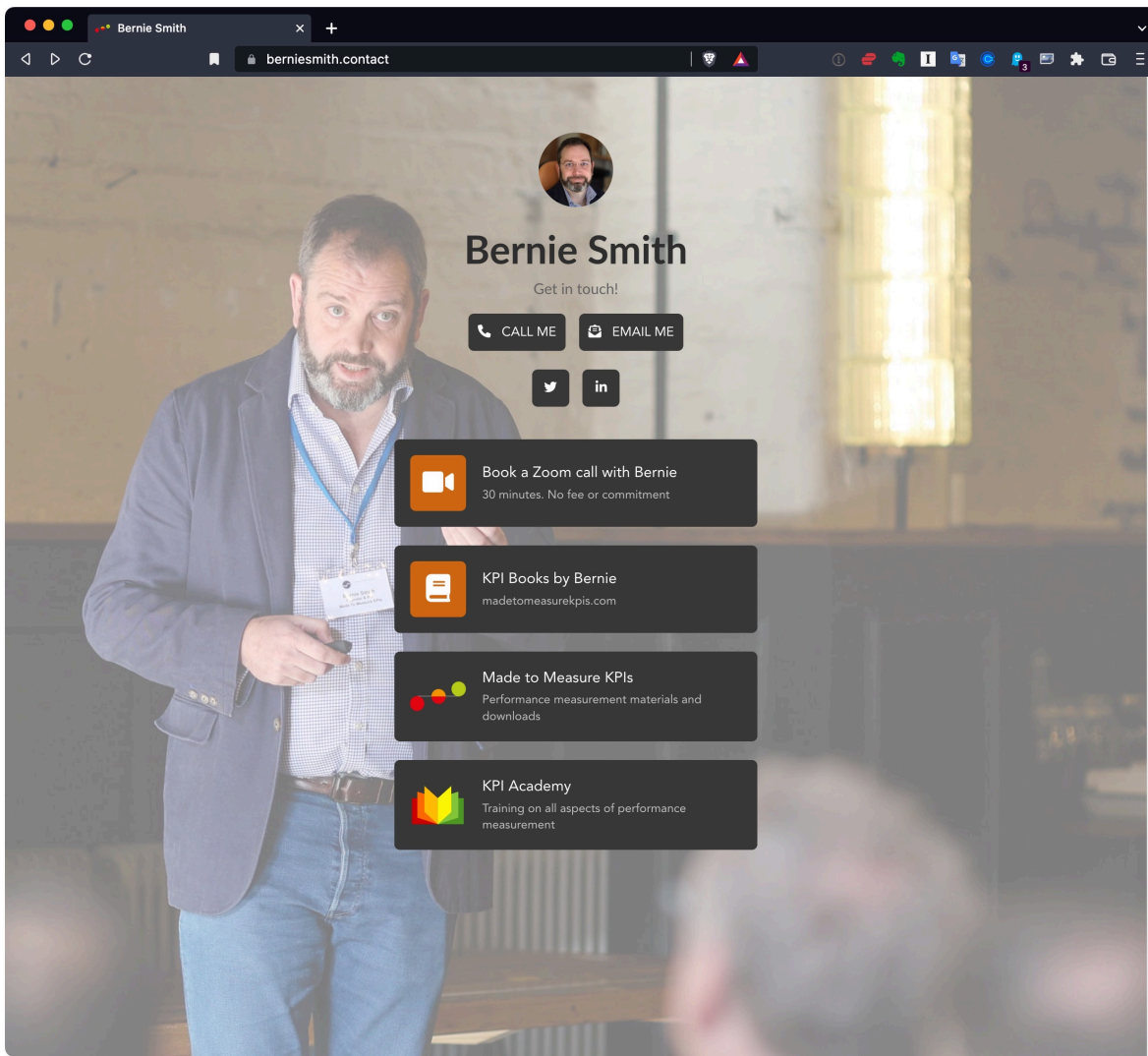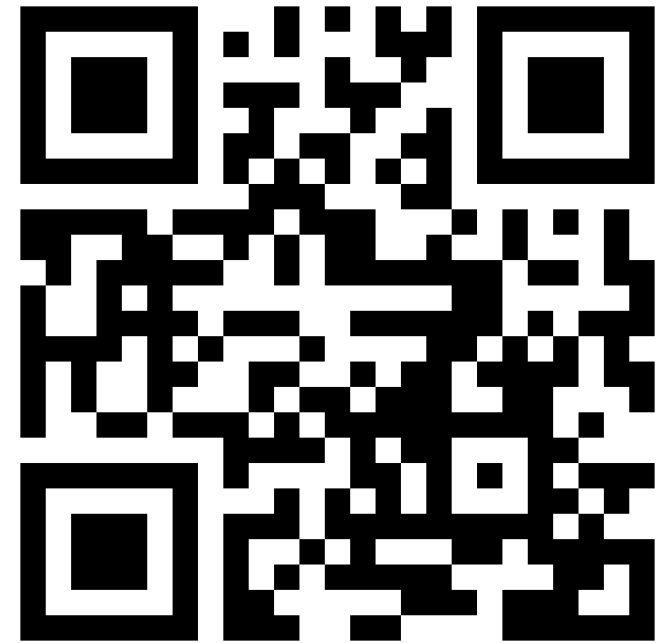
More about the
ROKS approach…

Questions...

Hands-on help

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