

Selecting the Right KPIs and Metrics for BI and Dashboard Success



Select KPIs and Metrics That Matter

When it comes to your company's success, nothing will help you more than tracking and utilizing the proper Key Performance Indicators (KPIs). There are two main categories of business metrics: Performance Metrics and Result Metrics. These can really be thought of as cause and effect.

Performance Metrics

The measurement of the activities that go into achieving a specified business objective. e.g.: Number of meetings booked with clients

Result Metrics

The measurement of the outcomes for a given activity/task/objective. e.g.: total sales orders booked

Clarify Your Definition of KPIs

When speaking with others, ensure you clarify your definition of KPIs.

Leading and Lagging Indicators

Some use the term KPI as a catch all for all Performance and Result Indicators. Many use the term Leading Indicator to refer to a Performance Metric, and Lagging Indicator to refer to a Result Metric.

Key Performance Indicators

Some use the term KPI to represent only the most important (or key) Performance and Result indicators. In this case, the term Performance Indicator (PI) is used to represent the remaining Performance and Result indicators and Lagging indicator to refer to a Result Metric.

Key Result Indicators

Others use the term KPI to represent only the most important (or key) Performance indicators. In this case, Key Result Indicators (KRI) are used to represent its' namesake, as well as PI and Result Indicator (RI).

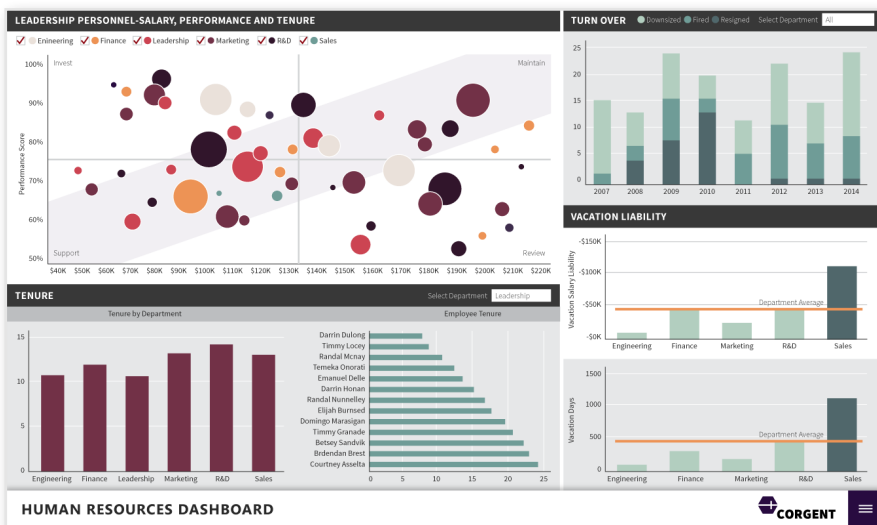
Track and Monitor Your KPIs with Dundas BI™

Clear communication of the desired actions and the corresponding results will ensure your team members remain focused.

Consider tracking and monitoring your KPIs with Dundas BI, with powerful visualizations, dashboards and reports and data analytics. Provide key stakeholders with real-time updates, with easy access on any device or promote KPIs in common areas or even large screens (eg. Sales floor or call centre). Easily track and monitor your KPIs with Dundas BI dashboards and reports to ensure your project success.

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Start with Understanding Why



A Change in Behavior is Required for a Change in Performance

To change performance, it's necessary to change behavior. To change behavior, it's necessary to align corresponding actions (processes) for each Performance Metric.

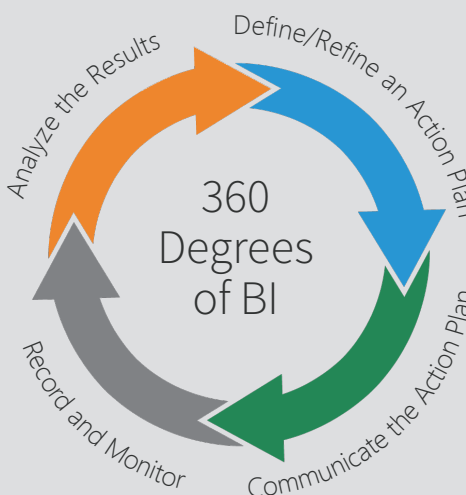
- ✓ Include each of the different actions required when performance is above, below, or at specified thresholds
- ✓ Ensure these actions (processes) are clearly communicated and understood by all those affected
- ✓ Break lengthy processes down into sub processes, so it is easier for people to associate an action with a result.

Consider Quality as well as Quantity

Ensure that your performance metrics focus on reinforcing behavior, and not, inadvertently, on punishing behavior. Consider that performance metrics should create the opportunity for winning and not losing (ranking for example, only allows for 1 winner). Always consider the quality of a performance metric as well as its quantity, otherwise quantity may come at the cost of quality.

Refine Your Metrics

Business needs change over time, therefore so do performance metrics. Sometimes multiple cycles are required in order to hone in on the performance metrics that work. Use a 360 Degree approach to define and refine your metrics and processes.



A clear understanding of the underlying business need is key to selecting Performance Metrics. Keep asking 'why' until you get to the root business need, which will generally be: increased revenue, decreased expenses, or decreased risk.

Suggested solutions often masquerade as a business need, so it is critical to keep asking 'why'. Clearly communicate the business needs to everyone involved in the project to ensure adoption and success.

Key Attributes of Performance Metrics

Although KPIs will differ for each company and its various departments, there are key attributes of effective Performance Metrics including:

- Very Strong Influence on a Desired Outcome (the result)
- Actionable
- Metrics that the Target Audience has Control Over
- Generally not a Financial Amount (these are generally result metrics)
- Generally occur early in a process that leads to a Desired Outcome