

PUMP

Evaluating Existing KPIs, Measures & Metrics

Keep the good ones, cull the bad ones.

This guide was created by PuMP creator, Stacey Barr, and is provided as a freely available tool to assist you in testing the quality of your existing KPIs. If you discover that many KPIs do not satisfy all the criteria of excellent performance measures, PuMP is the practical methodology that will guide you to fix that. For more information:

<https://pump.academy>

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The criteria of excellent KPIs

Any measure not satisfying ALL of the following criteria is a candidate for review, to modify it, delete it or put it on the back burner for another time:

1. Has a clear link to strategic or operational priorities (not measured just because the data exists, or it always been).
2. Is evidence of a results-oriented goal or objective (not a milestone or trivial count).
3. Is direct evidence of the goal it measures (not a composite index of multiple measures).
4. Is easily understood by users (users are not confused or incorrect about what it means).
5. Has an owner to monitor, interpret and initiate action for it (a person, not a committee or team).
6. Is objective evidence of the goal it measures (not biased or subjective).
7. Has a clear and quantitative formula (calculation, frequency and data are not left open to interpretation).
8. Is calculated and reported frequently enough (not just annually or quarterly but often enough to pick up signals quickly).
9. Is feasible to implement and use (performance improvement outweighs the cost of measuring).
10. Drives performance-improving behaviour (not gaming the measure's calculation, data or how targets are met).
11. Is linked with other measures to identify relationships (not used in isolation which might sabotage other performance results).
12. Is consistently defined and reported over time (the calculation rules don't vary).
13. Is valued by users in decision making (not ignored and its relevance is not debated).

How to evaluate your KPIs

Use the table over the page if you want a quick way to evaluate a few KPIs. But if you have many KPIs, use the table to inspire the creation of a spreadsheet you can use over and over again.

