

PUMP

SUMMARY PAGE

Are your corporate KPIs excellent?

Corporate KPIs are the performance measures that the senior leadership team uses to steer the organisation into the future, to successfully execute the strategy that describes what matters most.

But excellent corporate KPIs are hard to find. Sure, many organisations find the financial goals and financial KPIs easy enough. But the non-financial goals and KPIs are too often useless.

It's because they lack certain qualities that excellent corporate KPIs need, to be capable of steering an organisation into the future, or successfully executing strategy. These qualities are:

Quality #1 - Excellent corporate KPIs are attached to a corporate goal.

When a KPI or measure is attached to a corporate goal, we call that 'KPI alignment'. It means that there isn't just a list of corporate KPIs - there is a one-to-one relationship between each KPI and each strategic goal.

Quality #2 - Excellent corporate KPIs are direct evidence of the corporate goal.

It's easy to list a bunch of KPIs that you already measure, that you already have data for, that other similar organisations are measuring. But none of these qualities is sufficient for ensuring your KPIs actually do give evidence of your organisation's specific goals.

Quality #3 - Excellent corporate KPIs are quantitative.

Yeah, yeah, I hear you: "not everything is quantitative". But actually, it can be. Paraphrasing Douglas Hubbard, author of "How to Measure Anything", if you can observe or detect a difference, then you can measure it. If you can't observe or detect a difference, why would you set a goal for it?

Quality #4 - Excellent corporate KPIs can be monitored over time.

A KPI is for steering, not judging. So it's of little use when it only tells you whether or not you achieved the goal, at the end. Excellent corporate KPIs can tell you to what degree you're making a difference, as time goes by. Then you have the feedback to correct your course, if need be.

Quality #5 - Excellent corporate KPIs are strategic in nature, not operational.

A KPI is strategic when it measures a change the organisation is trying to make that is proactive, future-oriented, and about improving how it fulfills its mission and reaches for its vision. It's a KPI that measures a change that only the senior leadership team can be responsible for.

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Do your corporate KPIs have the right qualities?

- 1. Is attached to a corporate goal
- 2. is direct evidence of the corporate goal
- 3. is quantitative
- 4. can be monitored over time
- 5. is strategic, not operational

Measure Name

| Measure Name | 1. Is attached to a corporate goal | 2. is direct evidence of the corporate goal | 3. is quantitative | 4. can be monitored over time | 5. is strategic, not operational |
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