



10-Step System to Find Tailor-Made Key Performance Indicators

by BSC Designer

How to Use This Template

Dear business professionals! Thank you for your interest in our 10-step KPI system. Please, read this short notice to ensure that your KPI brainstorming will be efficient and effective.

- **Do it with your team.** The results will be much better if you will use this template together with your team. The KPIs are about the discussion.
- **The value is in the discussion.** Even if you won't be satisfied with the KPIs that you have found (or have not found), the whole process of finding measures will be very beneficial for you and your team.
- **Always start with business context.** We know there are some long lists of KPIs on the Internet, and probably you were already using some KPIs, but if you want to do it in the right way – don't start with KPIs. As suggested by this template, start with the understanding of your business context.
- **Software tools.** On the certain stage you'll feel like you need some automation software for your KPIs, business goals, and strategy maps. There are some good products on the market, and we hope our BSC Designer will be on your short-list as well. You can try it without limitations for a 30-day period, and there are both: cloud-based and desktop versions available.
- **Questions.** Should you have any questions about the terms used in this template (like leading/lagging indicators, "measurable by design," "key success factors," "performance bottlenecks," please consult our website bscdesigner.com. Active users of BSC Designer will also have a VIP access to the BSC Designer Knowledge for more detailed information.

Thank you for your time, and good luck with the template!

BSC Designer Team

Distribution note: If you found this template useful, you can distribute it by any means, with the condition of keeping its content, including this user manual, unchanged.



KPI System Template

1. Define business context

What is your challenge, what is the reason of the challenge, how will you manage with this challenge?

Formulate a business goal, and write down in the supporting documentation the explanation of the challenge and its reasons.

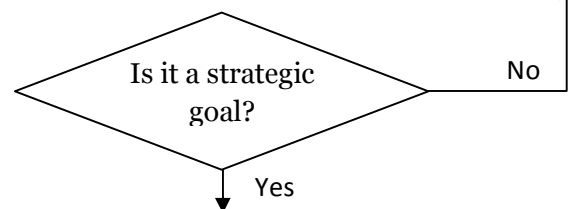
Goal:

The description of the challenge:

The reasons for the challenge:

2. Is it a strategic goal?

Strategy is about change. Does the suggested goal imply some change/improvement, or is it more about the monitoring of the current state.



2. Outline process or plan

Is there some process or some action plan that stands behind the selected goal? Draw a process map or visualize the plan in a similar way.

3. Define “inputs” and “activities”

Example: for a business training the “Employees that participate in training” can be an input, and the “In class training” might be an activity.

4. Define success factors and expected results

Example: for a business training the “students’ engagement” might be a success factor, and “improvement in daily performance” might be an expected result.

Action map:

Inputs:

Activities:

Success factors:

Expected results:



5. Make things “measurable by design”

In the way it is formulated now, can we quantify and measure the results of the suggested action plan? Will those metrics give us enough information?

6. Is the correlation between the success factors and the expected results clear?

Example: does “students’ engagement” always lead to the “performance improvement?” If not, do educated experiments to find the correlations.

7. Locate the “bottlenecks” in the action plan?

What parts of the plan can significantly limit the overall performance? Example: for the business training, the bottleneck is related to finding an experienced trainer that will be able to earn students’ attention.

8. Quantify and prepare your metrics

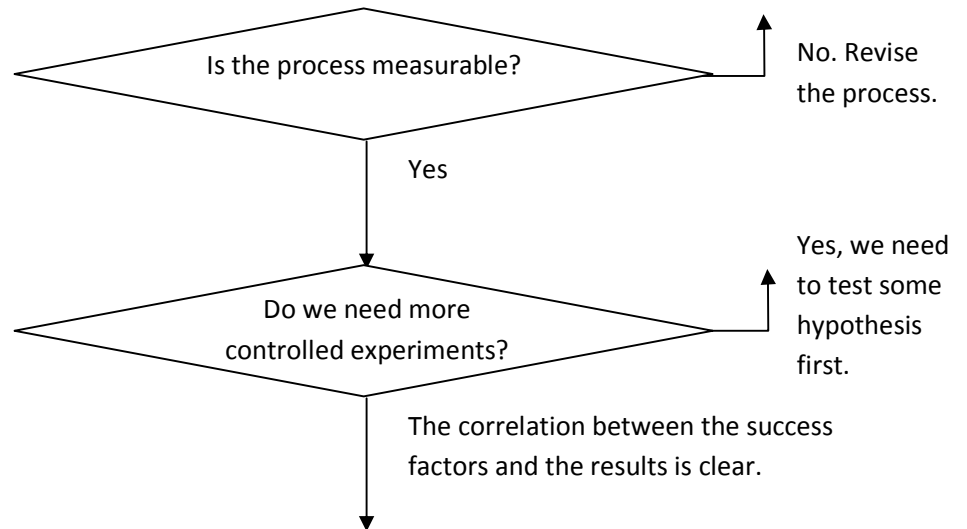
Quantify the parts of the action plan related to the “Key success factors,” “Expected performance results” (see Step 4), and “Bottlenecks” (see Step 7)

9. Choose 1-2 leading and 1-2 lagging indicators

Among metrics defined in Step 8, select the ones that are better aligned with your business goals as defined in Step 1.

10. Do a formal description and visualize your new KPIs

Use professional software like BSC Designer to formally define all the required properties of the KPI and visualize it on the strategy map and/or dashboard.



Bottlenecks:

Quantify Key Success Factors:

Quantify Expected performance results:

Leading metric 1:

Leading metric 2:

Lagging metric 1:

Lagging metric 2:

Example



KPI System Template

1. Define business context

What is your challenge, what is the reason of the challenge, how will you manage with this challenge?

Formulate a business goal, and write down in the supporting documentation the explanation of the challenge and its reasons.

Goal: *Improve customer service*

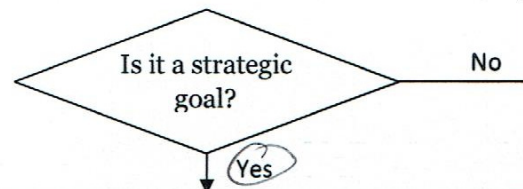
The description of the challenge: *1st line agents are able to solve only 60% of the problems*

The reasons for the challenge:

poor agents' training

2. Is it a strategic goal?

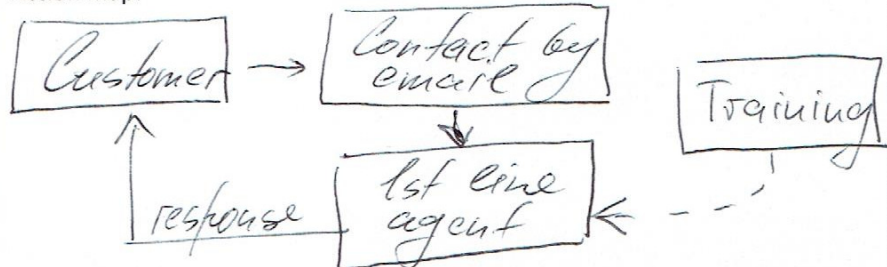
Strategy is about change. Does the suggested goal imply some change/improvement, or is it more about the monitoring of the current state.



2. Outline process or plan

Is there some process or some action plan that stands behind the selected goal? Draw a process map or visualize the plan in a similar way.

Action map:



3. Define "inputs" and "activities"

Example: for a business training the "Employees that participate in training" can be an input, and the "In class training" might be an activity.

Inputs:

*- customer questions
- regular training*

Activities:

*- interaction with customers
- participation in trainings*

4. Define success factors and expected results

Example: for a business training the "students' engagement" might be a success factor, and "improvement in daily performance" might be an expected result.

Success factors:

- training where agents are highly engaged

Expected results:

*- high-quality answers
- agents that do self-improve after the training*



5. Make things "measurable by design"

In the way it is formulated now, can we quantify and measure the results of the suggested action plan? Will those metrics give us enough information?

6. Is the correlation between the success factors and the expected results clear?

Example: does "students' engagement" always lead to the "performance improvement?" If not, do educated experiments to find the correlations.

7. Locate the "bottlenecks" in the action plan?

What parts of the plan can significantly limit the overall performance? Example: for the business training, the bottleneck is related to finding an experienced trainer that will be able to earn students' attention.

8. Quantify and prepare your metrics

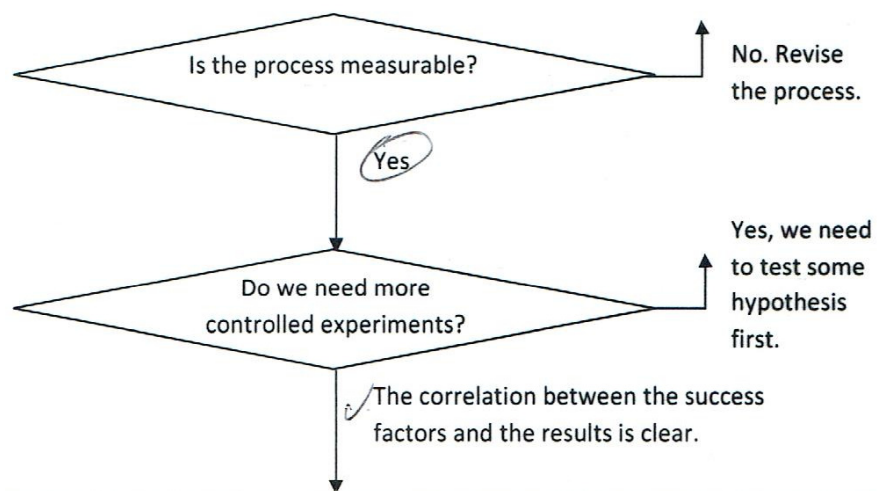
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10. Do a formal description and visualize your new KPIs

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Bottlenecks:

only few students are highly engaged

Training

Quantify Key Success Factors:

- at least 4 hours of training / mo
- 40% of training time in "hands-on" format

Quantify Expected performance results:

- first-contact resolution rate, %
- the number of changes submitted to the knowledge base by agents

Leading metric 1:

agent training / mo, hours

Leading metric 2:

interactive part of the training, %

Lagging metric 1:

first-contact resolution rate, %

Lagging metric 2:

base line: 60% target: 80%

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