KPI Masterclass

Fact sheet

KPI definitions

- **Allan Willie:** "Measurable industry, department or task relevant performance metrics that are evaluated over a specified time period, and compared against acceptable norms, past performance or targets."

- **Avinash Kaishik: "**A metric that helps you understand how you are doing against your objectives. High-level snapshots of a business or organization based on specific predefined measures. Should not constitute every company metric for analysis and evaluation. Rather, KPI's should reflect the most important objectives of the business."

- **Bruce Clay:** "Help organizations achieve organizational goals through the definition and measurement of progress. The key indicators are agreed upon by an organization and are indicators which can be measured that will reflect success factors."

- **European Commission: "**A description of the project's objectives in terms of quality, quantity, target groups, time and place."

- **James Oh:** "A set of quantifiable measures that a company or industry uses to gauge or compare performance in terms of meeting their strategic and operational goals."

- **John Standalof**: "Measurements of activity that is a vital gear in your business machine."

- **KAIZEN Analytics: "**Measures that help decision makers define and measure progress toward business goals. KPI metrics translate complex measures into a simple indicator that allows decision makers to assess the current situation and act quickly."

- **Shalin Shah: "**The data necessary to understand the implications of whatever he/she sees and the wherewithal to take appropriate action."

General comments: By analyzing these definitions it is easy to identify some common ideas used when referring to KPIs, such as: measurable / quantifiable, to meet strategic and operational goals / reflect success and they should reflect the most important objectives. However, most definitions seem vague or incomplete, meaning that they do not bring together the 3 elements identified above: measurable, achievements and importance (relevancy). Having more clarity in regards to what KPIs are, will enhance Chief Executive Officers, managers or business analysts to better deploy this tool, as its full meaning is understood.

The KPI Institute's perspective: "A measurable expression for the achievement of a desired level of results in an area relevant to the evaluated entity's activity."

Source:

Peterson, R. (2014), 12 Experts Define Key Performance Indicators (KPI's), available at: http://www.business2community.com/strategy/12-experts-define-key-performance-indicators-kpis-0833759#!OMo64