OPERATIONS KPIS THAT MATTER

Research Sponsorship Opportunity

PROJECT OVERVIEW AND SCOPE

As organizations continue to put greater emphasis on facts-based decision making, ensuring relevant measures and timely access to data becomes increasingly important. Often organizations will pinpoint a handful of Key Performance Indicators (KPIs) to gauge the organization's operational performance. However, picking and aligning the "right" KPIs to the organization's goals is often easier said than done. How many measures should organizations use? What's the right balance of organization-specific measures to reflect goals and competitive strengths versus industry standard measures that enable benchmarking? What measurement and reporting practices do organizations need to engage in to ensure effective decision making?

This project will explore the KPIs organizations use to manage operations, their alignment to organizational goals, and the role that measures and reporting make on the decision-making process.

AUDIENCE

- Chief Operations Officer, Director Operations, Leadership for performance management, Director of Business Excellence, Leadership for reporting function

RESEARCH QUESTIONS

- What are the top five KPIs for managing the operations function?
    - What are the supporting indicators for the KPIs?
- What is the "right" mix of measures (e.g., strategic versus process and leading versus lagging)?
- Should these KPIs and supporting indicators differ based on industry or the organization's value proposition? If so what are the differences?
- Is there alignment between operation's focus, its KPIs, and the organization's value proposition?
- How do measurement and KPI reporting practices help drive decision-making in the organization?

RESEARCH METHODS

The project will use a combination of case studies, interviews, and broadcast survey with three sections to understand the alignment between organizational goals and measures, identify the top measures by industry and organizational value proposition, and understand which practices increase effective decision making.

1. Section One: Organizational Characteristics
   a. Industry
   b. Number of FTEs
   c. Revenue
   d. Geographic footprint
   e. Business model
   f. Number of hierarchy layers

2. Section Two: Organization's Strategy and Decision-Making Culture
   a. Organization's value proposition (e.g., customer service, cost, speed to market, or innovation)
   b. Primary focus of operation's efforts (e.g., cost cutting, performance improvement, reducing head count, revenue growth, etc.)
      i. Average number of annual improvement projects in operations.
   c. Decision-making culture (e.g., fact-based or instinct driven)
      i. Typical time to decision

3. Section Three: Operations KPIs
   a. Which measures are used
      i. What are the organization's KPIs (e.g., customer satisfaction, revenue, cost) used for operations
      ii. What are the organization's supporting performance indicators used for operations (level 2 and level 3 measures)
   b. What method(s) did the organization use to determine its measures
      i. What criteria were used to pick measures
   c. Measurement methodology (e.g., balanced scorecard, value based cost)
   d. Who owns the reporting process
   e. Who is responsible for managing and providing data for the KPIs
   f. Visibility of KPIs and Reporting
      i. Reporting frequency
      ii. Accessibility (e.g., which roles have access)
      iii. Reporting method (e.g., standard written reports or dashboards)
   g. Effectiveness of KPIs to support decision making

DELIVERABLES

- Input into data collection tools
- Survey summary results report
- Full research report including sponsor's perspective
- Research overview
- Promotions for research deliverables across multiple media platforms
- Disaggregated, blinded data
  - Delivered in a flat Excel file

- Webinar event showcasing research results and sponsor's thought leadership
- Presentation and recording
- List of attendees who opt-in to share name and organization
- Case study of vetted, targeted organizations included in the research report

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ABOUT APQC

APQC helps organizations work smarter, faster, and with greater confidence. It is the world's foremost authority in benchmarking, best practices, process and performance improvement, and knowledge management. APQC's unique structure as a member-based nonprofit makes it a differentiator in the marketplace. APQC partners with more than 500 member organizations worldwide in all industries. With more than 40 years of experience, APQC remains the world's leader in transforming organizations. Visit us at www.apqc.org, and learn how you can make best practices your practices.