

# 1KEY Cockpit KPI Plan

## Background to the Project

ABC Industries currently uses spreadsheets and compiles data from various data sources for KPI reporting. 1KEY View Module was demonstrated, tested and benchmarked to fit in ABC Industries existing IT Infrastructure.



MAIA intelligence will use 1KEY Cockpit KPI Application Module to fulfill on ABC Industries KPI requirements. MAIA and its partner team had a meeting with the ABC Industries IT team which briefed on the requirements and goal to be achieved.

## Vision

Various KPI's are to be designed and adopted & should align with the business activities of ABC Industries Enterprise Ecosystem. The systems must be proactive. They must alert management and staff to significant information requiring intervention or action, such as non-compliance with KPIs.

1KEY Cockpit KPI Application system to be rolled out enterprise wide

The 1KEY Cockpit KPI systems should adopt leading practice in the discipline to which they re addressed, and through that contribute to efficiency and effectiveness.

The management should be taking a lead in the implementing 1KEY Cockpit KPI application.

## Strategy

The 1KEY Cockpit Strategy is derived from the delivery of the Vision. The strategy developed has four distinct components as follows, which are described below:

- Data Architecture
- Applications Architecture
- Management and Organization
- Technology Architecture

These describe how the information will be organised, what systems will be needed, how best to organise, plan & implement 1KEY Cockpit KPI.

## KPI Best Practices Overview

- Key Performance Indicators are NOT performance targets.
- Key Performance Indicators are put in place primarily as a monitoring facility with a view to moving the organisation to a desired end state as expressed as objectives or performance targets
- Key Performance Indicators should be designed to prove that performance targets are being met.
- Performance targets should form part of an objective definition. Assuming this is the case, and objectives are drawn from Mission and Vision, then it should be possible to clearly demonstrate that KPI's contribute to successful execution of strategy
- Key Performance Indicators should be implemented with a view to eliminating variance in any process such that all outputs are fit for purpose
- Key Performance Indicators fall into two board categories, Qualitative and Quantitative.
- In order to use Key Performance Indicators effectively, two things must be identified:
  - The point(s) in processes at which data to support the monitoring effort must be collected
  - The places in the organisation where the data collected is to be presented as management information
- It follows therefore that when building a KPI based performance management system, one of the by products will be a business driven information infrastructure that reflects the key information needs of the organisation.
- Whatever you measure, should be measured with a view to assisting the organisation to determine its success or failure within the context of its objectives, goals and mission.
- For any performance measure, accountability for the level of performance being measured is clear and unambiguous
- Performance Measures and their results should be subject to regular team based review. The aim being to determine what can be learnt from results achieved and how the organisation can improve on those results. Once a review has been completed, there should be an "actions on" list.
- Defining a performance measure will more than likely highlight deficiencies in your current IS/IT strategy.

# KPI Definition & Attribute Template

**Name of the KPI :**

KPI Description	
KPI Objective	
KPI Benefits	
KPI StartDate	
KPI End Date	
KPI Life Span & Reporting Periodicity	
KPI Unit of Measure & Formula	
KPI Target Value	
KPI Upper & Lower Tolerances and Anticipate Upper and Lower Limits	
KPI Sponsor	
KPI Initiator	
KPI Benefactor	
KPI Internal or Customer Facing	
KPI Link to any TQM	
KPI Data Sources	
KPI Risks in Working Conditions	
Status of KPI Either Parent or Child with detail of relationship	
KPI Relationship and Links	KPI can be related to 1. Enterprise wide 2. Objectives 3. Resources 4. Processes 5. External Agencies 6. KPI
Remarks	

## 1KEY Cockpit KPI Implementation

1KEY Cockpit KPI Application requires KPI definitions and attributes to set up their implementation using the above templates. For KPI implementation, there will be a number of stages that need to be addressed. The following outlines those stages. In practice, it will be necessary to undertake a scoping exercise to ensure that all items necessary are taken into consideration. The size and cost of this exercise will depend on the nature of the requirement. The scoping exercise will outline the areas under consideration. The following items will need to be addressed, either at the scoping or in the KPI set up phase:

- Identify and enumerate all KPIs
- For each KPI, establish what is to be achieved by the use of this KPI
- For each KPI, define the method of measurement
- For each KPI, define what data will be used to measure and where that data is
- For each KPI, define the algorithm that converts data to KPI
- For each KPI, define the normalization or criteria
- For each KPI, identify the organisational units to which the KPI applies
- For each KPI, define the organisational reporting hierarchy
- For each KPI, define the reporting requirements (table output, graphical output etc)
- From the KPIs, identify and enumerate all data sources
- For each data source establish how "live" the data is and define its input
- For each data source establish the connection mechanism to its KPI object
- As appropriate set up a data connection mechanism for the data source
- Define an appropriate security model that will allow appropriate personnel access to appropriate data

The user interface will need defining and implementing, but this is like putting the bodywork on a car. How it looks is important, but what the engine and unseen parts do is what makes the difference between a performance car and a runabout.

For further discussions, MAIA team will be pleased to set up meetings to initiate the scoping exercise. We would normally suggest that an exercise to define the scope for a KPI system would take about 3 days (dependent on complexity and data issues) for initial input, plus 2 day for report production. However, if you can supply all the information we require (mainly as outlined above), we are happy to receive this and produce a time based delivery chart upon written input.

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