

The KPI challenge – *How to choose the right KPI's for your organisation*

Consistent and effective performance management is one of the secret weapons of top performing organizations. The most effective methods encompass a wide range of relevant factors, ranging from economic to relation and innovation factors. Furthermore, 'best of class' organizations are increasingly using suppliers and partners to gain synergies, knowledge and innovative ideas. Yet for most organizations it is extremely challenging to structure this process and make this (intangible) information tangible, leading to the loss of very important information.

To profit from the results of consistent and effective performance measurements, it is necessary that they are rolled out across the entire organisation and alliance portfolio, leading to results that are useable organisation-wide. The right metrics and indicators, and consistent measurement, will enable these efforts to become self-sustaining. Moreover, only a collection of conceptually sound measures can properly align firm efforts with its objectives. They should align with not just alliance strategies, but also alliance type, governance form and other relevant characteristics. Thus, KPI's are essential when managing and improving performance. Amongst numerous other things, they help spot potential problems and opportunities and allow you to set targets that will deliver your strategic goals.

How we can help to overcome this challenge. Based on (scientific) research and practical experience we have developed a database of KPI's. Our metrics and indicators are known to be important and work within all kinds of alliances, from basic transactional alliances to elaborate collaborative partnerships. Within our method we want to uncover as much (performance) data as possible, that drives future improvements in performance. This means that we have developed specific metrics and indicators that have (some form of) substance. They are much more than just a number and are correlated to your business, goals, results, etc..

Next to facilitating new KPI's for your organization, we (can) also review and check your existing KPI's. Existing KPI's not only provide a lot of information about the organization (in terms of strategy, goals, priority, etc.), they can also form a good foundation to which potential new metrics and indicators can be based. We use a specific procedure to review and check whether or not your existing KPI's are suitable for the alliances in which your organization is involved.

When the appropriate KPI's have been selected (whether your own or from our database), they need to be measured correctly and consistently. Within our method all your metrics and indicators are measured in the same consistent and effective way, allowing you to compare KPI's with each other. This provides unique and valuable insights and allows you to uncover interesting correlations that would otherwise be lost.



** These are examples of KPI categories*

Our value – by making use of our method we:

- ✓ Develop and propose (new) conceptually sound metrics and indicators that align with the goals and strategy of the alliances and organization, alliance type, governance form and other relevant characteristics
- ✓ Provide an independent and expert party to check and review the suitability, sustainability and conceptual soundness of existing KPI's
- ✓ Incorporate all KPI's in one performance measurement method to allow for the entire portfolio to be measured in one consistent and effective method
- ✓ Connect KPI's with organisational characteristics, results and improvement proposals

Any questions? Please don't hesitate to contact us: info@the3.nl or visit our website www.the3.nl/