How to Tweak KPIs to Improve Performance

As I travel the country in my work I am seeing more and more organizations producing some form of Key Performance Indicator (KPI) or performance measures. This is a good thing and can only lead to improved performance over time.

We have discussed KPIs before but this month let’s talk about a few steps you can take which will fine tune and tweak your KPIs to ensure they are giving you the maximum benefit for your effort.

Those of you who don’t currently use performance measures to monitor your maintenance process or wish to refresh your memory, here is a link to read the September 2012 tip entitled, “Measure Your Maintenance Performance…Are You Making a Difference?”

There are three (3) key things you can do to tweak and fine tune your KPIs:

1. **Ensure the Accuracy of Your Raw Data** - Accuracy of your data may seem like a relatively easy component but in reality it takes quite a while to change the work order writing culture to ensure you have very accurate and real data on each and every work order. The key here is use all of the possible fields, fill in the comment sections where appropriate and most of all have accurate labor hours and parts and supplies documented for each significant work request. With accurate data the KPI sky has no limits.

2. **Make Sure You are Measuring the Right Things** - The question is ‘Are you measuring the right things?’ Once you get past the accuracy problem then the next big tweak is to make sure you are measuring the proper and meaningful KPIs. Often we are measuring the wrong data because our data is so incomplete or bad that all we are able to measure are things that have no meaning or benefit to the organization. But they look good on a colorful graph!

Examples of measurements with little or no benefit to the organization are:

- # of work orders written
- # of work orders completed
- # of work orders closed within three months
- # of preventive maintenance work orders complete last month
- # of work orders put on the schedule last week
- # of work orders in the backlog, and one of my favorites…
- The comparison of hours documented on work orders compared to the hours a technician was paid

Now there is where the “smoke and mirrors” begin.
All of those examples to the untrained manager look great on paper with lots of colors but in reality are useless in determining the performance of your maintenance organization. The key to useful performance measures is for most of them to be displayed as a percentage of something else, example:

- % of scheduled work completed on time compared to what you planned to do
- % of total work completed which was properly planned
- % of total work which was reactive or emergent

With measurements like these you can set goals and honestly rate your performance. Remember when you were back in school? You were scored on getting 8 questions right out of 10 or 80%. Not the fact that you got 8 right without knowing how many questions where on the test.

Always have a goal displayed on your graphs or charts. That is the only way the average user of your KPIs will know how you are performing towards your objectives.

3. **Eliminate the" Smoke and Mirrors”** - The only way to guarantee accurate KPIs and eliminate the “Smoke and Mirrors” effect is to do like Ronald Reagan did during the Soviet Union nuclear arms negotiations… “Trust but Verify”. This means you must audit and validate your data and your KPI results. Bad data and pretty graphs will, over time, do more harm than good.

Final point, if you don’t use a particular KPI or if it no longer has meaningful benefit to your organization then delete it and find something worth calculating and posting which adds real value to the team. Constantly adjust your goals and objectives.

Remember - “You can’t manage what you can’t measure”