Don’t Treat KPI Failures as a Defeat but as an Opportunity

Besides having great leadership and world class visions, having a complete and robust set of KPIs is one of the most important, if not the most important, process to put in place to properly lead and guide any maintenance and facility management organization. Like having a school report card or Balance/Profit and Loss statements for running your business, well-designed and managed KPIs are critical to measure and manage the day—to-day successes and failures. Remember what W. Edward Deming who was one of the greatest statisticians, professor, management consultant, and electrical engineer said many years ago, “You can’t manage what you can’t control and you can’t control what you can’t measure.” Your performance measures must be accurate, easy to understand, well communicated, and honest.

As the title suggests don’t let changing KPIs create a defeatist attitude but make some lemon aid out of the situation. The only way you can be defeated by your KPIs is not to listen to what they are telling you and subsequently change your operation practices and processes. The bright side of worsening KPIs is that you can see the change in your processes and rapidly make changes which will turn the ship in a different direction. That’s where the leadership and vision come into play. You must be willing to take charge and demand a change in direction and practices.

Here are a few tips which will assist in keeping your KPIs as a useful part of the process and prevent them from becoming a big defeat or the program of the month. If you look at them as a big defeat you and your team will more than likely stop developing them, stop reviewing them, and obviously lose all trust and confidence in them. Soon they will disappear and the next comments will be “we used to measure that, not sure what happen to the data or charts?”

- **Require mandatory, properly filled out work orders for all work.** Accurate actual work hours for all time spent on a certain asset or piece of equipment.
- **KPIs are developed by one person within your organization.** Only one person not multiple versions and designs developed by different crews or departments.
- **All KPIs printed or posted are in the same format.** This includes color graph still and labels.
- **KPIs published weekly and monthly.** They must be constantly and regularly reviewed. Critical KPIs should be part of weekly management and planning meeting agendas.
- **KPIs are part of all management annual performance appraisals.** Pay increases and bonuses are tied to good or bad KPIs.
- **All KPIs are trended with line graphs, most are long-term performance measures not just week-to-week measures.** Don’t just publish a spread sheet with hundreds of cells filled in with numbers. All KPIs also have graphically displayed goals. Without goals it is difficult to determine what is an improvement or a digression.
• **KPI goals should be adjusted on a regular basis.** KPI trends way outside of the goals need to be fixed and or adjusted.

• **All goals must be reasonable and obtainable.** If you make them unobtainable no one will take them seriously.

Keep in mind that if you set your KPIs up properly in the beginning, watch them closely, and adjust from time-to-time they will *always* be viewed as an opportunity and not a failure. If you need more information on KPIs, visit our website or download our PPT titled “**Maintenance Scorecards, Measure What You Manage.**”

Another great quote to keep in mind is from Deming about managing change, “**It’s not necessary to change, survival is not mandatory.**”