

## accounting & finance portfolio

# Key Performance Indicators

Robin Tidd



Key performance indicators enable us to control performance. They are powerful tools not because they tell us results, but because they enable us to change them. In Robin Tidd argues that any organisation that uses KPIs but fails to link the “blue sky” strategic aspiration for the next 3-5 years to action within 3-5 weeks is failing to use KPIs effectively.

Drawing from over 25 years’ experience of advising business how to make their plans reality, Robin’s advice is always firmly based in reality. By linking short term results to longer term goals, he shows how KPIs are the key tool for management control.

**Key Performance Indicators** takes a practical approach. The course looks at how to use KPIs to convey results which show the degree to which main bottom line objectives are being met; to provide incisive knowledge allowing corrective action to be devised thereby facilitating results; and to motivate people so that they are proactive and innovative in improving, not just operating, a process.

If the right KPIs are used correctly it is an “all round win” for front line people, management and owners.

**Key Performance Indicators** enables the learner to:

- Understand the philosophy of KPIs, in order to make the best of them and use them well
- Use KPIs to tackle some of the stumbling blocks which demotivate their team
- Understand what is involved in implementing the most effective form of management control systems in a few months
- Use KPIs to highlight areas of opportunity
- Set and attain high standards for information analysis and decision making
- Use the right KPIs with the appropriate frequency

### Learning outcomes

#### KPIs and people – the philosophy

- Why do we have KPIs?
- What is the philosophy of KPIs for people in successful organisations?
- How do we use targets and KPIs?
- How can KPIs help to make a winning team?
- How can we relate this to the real world?

#### The right KPIs

- What tools are there?
- What types of KPI are there?
- How do we get the right KPIs?
- How can we use modelling to create KPIs?
- How do KPIs work in more complex organisations?
- How can we evaluate KPIs in financial terms?

#### Collecting information

- What is primary recording?
- How do we persuade people to provide and record the right information?
- What if primary recording is poor and has to be upgraded?
- How do we collect and collate information efficiently?

#### Interpretation of KPIs

- What are we looking for in lots of detailed KPI information?

- What can variations tell us?
- What are pure waste opportunities?
- What is the evaluation cycle?
- How do we train people to interpret and evaluate KPIs?

#### Communication, dissemination and display targets

- How often should KPIs be reviewed?
- Behaviours
- How do management’s attitudes need to change?
- How do we ensure continuous improvement?
- How do we pitch targets to the right level?

### Target audience

Accounting and finance professionals in practice and in industry and senior managers who want to improve KPIs into the Medium Sector Business.

### Partners

ICAI, CPA Ireland, AIA.

**Author:** Robin Tidd, MBA, FCMA, MCIM, is an experienced management consultant. He has developed significant knowledge over the past 27 years working with organisations, and driving their success via a down-to-earth, practical approach. He was Chair of CIMA Members in Practice 2000-2005 and is a member of CIMA’s council.