

Key Performance Indicators (KPI's)

Orlando, Dec 06, 07 2018



Agenda

- 1. Introduction
- 2. Mission, Vision, Values, and Strategic Planning Process
- 3. KPI: Definitions, Use, Elements
- 4. Setting up a KPI's System. Balance. Processes. Owners
- 5. Process Improvement Cycle. Lean Thinking Approach
- 6. Typical Examples of Multi Dimension KPI's
- 7. Assessment of KPI's.
- 8. Conclusions



MISSION STATEMENT



Taco's Tortilla Factory

Make and Deliver Tortillas and other related Products, with the quality required for our Customers in Texas, using top ingredients, in a safe and healthy work environment



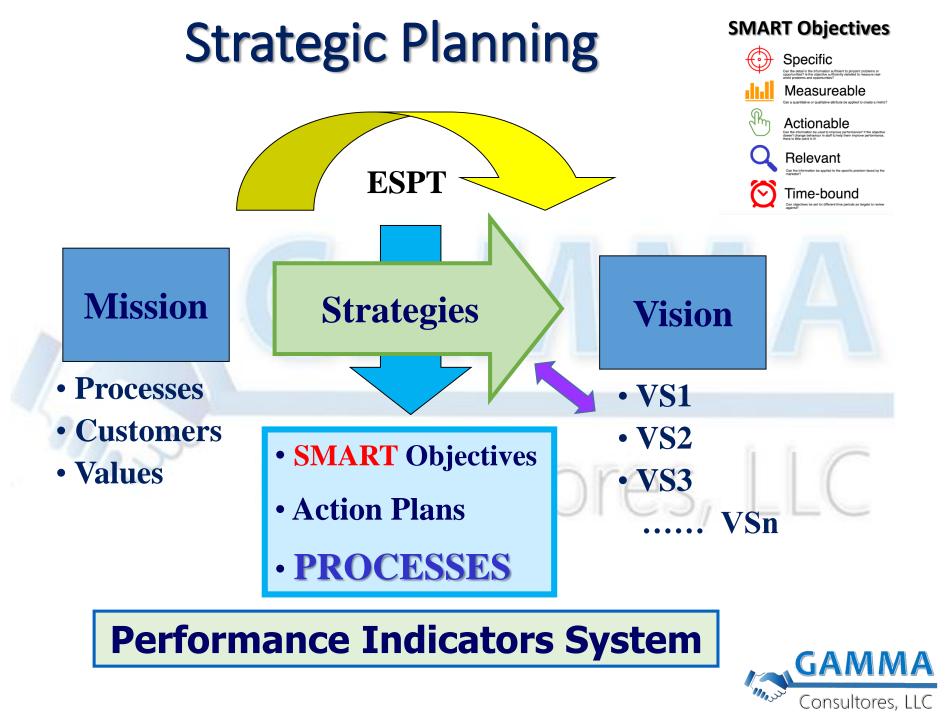
VISION STATEMENT



Taco's Tortilla Factory

Customers prefer our Products in markets we participate, because of our Value / Price ratio. Our stockholders get an attractive investment yield. Our Employees perceive an excellent place to work. We are recognized as a Responsible Company.





Performance Indicators System





Performance Indicators System

- 1. Aligned to Strategies
- 2. Balanced. Includes all relevant aspects of Strategies
- 3. As Simple as Possible Processes Measurement
- 4. Constructed with Company used Metrics at 3 Levels
- 5. Customers Related Aspects
- 6. Clear for all Stakeholders and Employees
- 7. Unique Process Improvement Methodology



Key Performance Indicator

Is a measurable value that demonstrates how effectively a company is achieving Key Business Objectives thru Processes activity

Key Business Objective is the purpose of an Strategy to support Critical Business Issues

Critical Business Issues are those Factors required to ensure achievement of **Vision** Statements



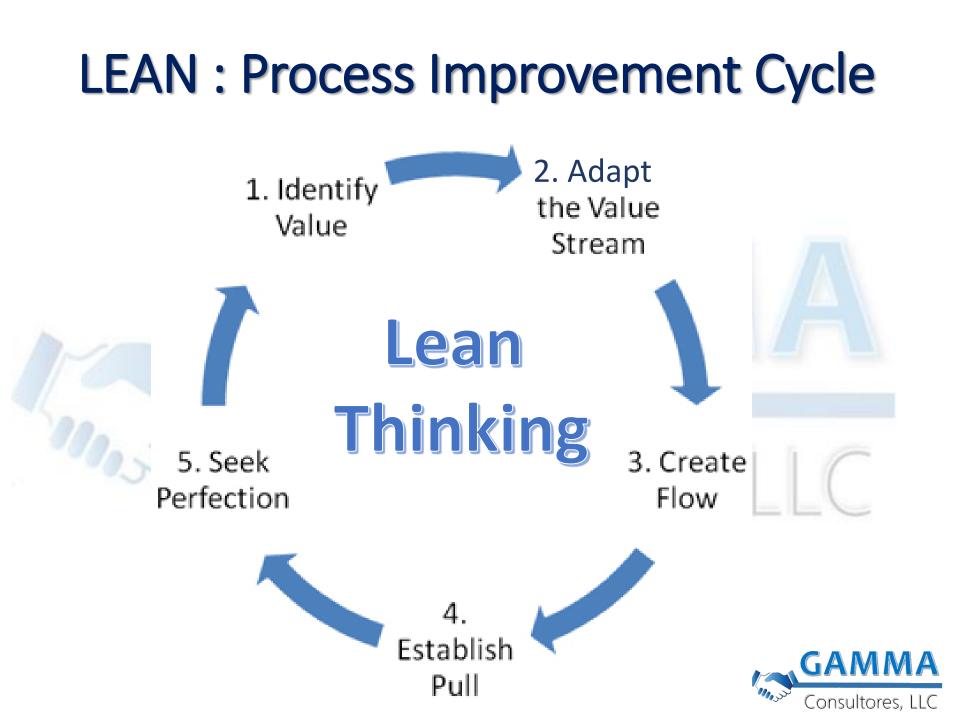
Processes: The Base of Biz Actions

Is a Group of **Activities organized** to generate **Results.** Process Team and **Leader** are **Responsible**

Accurate Strategies and Objectives need Strong Processes to get Valuable Results

Processes have to be controlled and improved systematically to keep them Strong





Multidimensional KPI's Examples

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Use this info as a Reference. Your Company Must Define them



Customer Oriented KPI's

- 1. Net Promoter Score. Likelihood to recommend You
- 2. Customer Profitability. Profit after M&Sales Costs
- 3. Customer Retention. How many come back. Loyals
- 4. Conversion Rate. From Prospects to Customers
- 5. Relative Market Share. Compared to your Compete

Social Responsibility KPI's

- 1. Energy Consumption
- 2. Waste Reduction Rate. Recycling Rate
- 3. Social Hiring Rate



Operations KPI's

- 1. Capacity Utilization. Versus Installed or Effective
- 2. Order Fulfilment Leadtime. From Order to Deliver
- 3. Delivered in Full on Time. Vs. Total # of orders
- 4. Process Waste. Rework. Inventory Shrinkage
- Overall Equipment Efficiency. Availability x Quality x Performance (%)
- 6. Return on Innovation Investment



Employees KPI's

- Staff Advocacy. Likelihood to recommend your Company as a good place to work for
- 2. Engagement Level. Behavior Contribution to Goals
- 3. Absenteeism Factor. Unauthorized Absence
- 4. 360-Degree Score. General Average. Areas Ave.
- 5. Salary Competitiveness. Compared to Competitors
- 6. Overall Satisfaction Level



Financial KPI's

- 1. Net and Gross Profit Margins
- 2. Operations Profit Margin
- 3. EBITDA. Earnings Before Taxes, Interest, Depreciation and Amortization
- 4. Revenue Growth Rate. Market Share
- 5. Total Shareholder Return. EVA
- 6. Price to Earnings Ratio. Revenue Growth Ratio
- 7. Return on Investment / Capital Employed / Assets
- 8. Debt / Equity (A-L) Ratio. Net Value
- 9. Cash Conversion Cycle



Process Performance Index Assessment

Review Quarterly / Twice a Year

- Alignment with Strategies
- Process Awareness by Management and Employees
- Process Management Improvement Initiatives Review
- Process Improvement Methodology effectiveness
- Process Metrics. 3 Levels (ORG-PRO-PER)
- Customer Focus Review
- Change Management and People Support



Management IS NOT a matter of Numbers, but use them Effectively to Accomplish Strategic Goals

Never Forget: Insultores, LLC

Behind Numbers are **REAL PEOPLE**

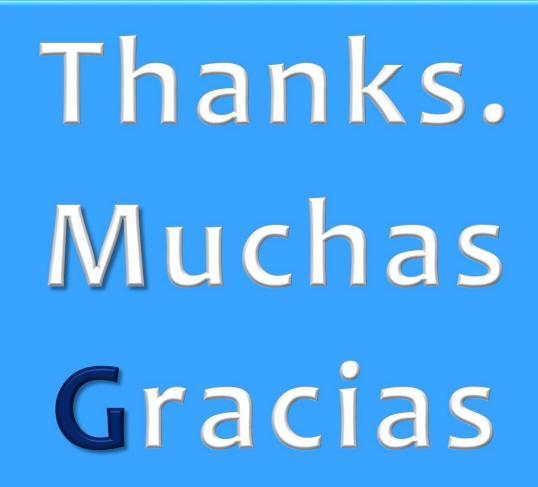


Look for Simple things in Complexity



Look for Harmony when in Discord

Look for Opportunities in Difficulties



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