

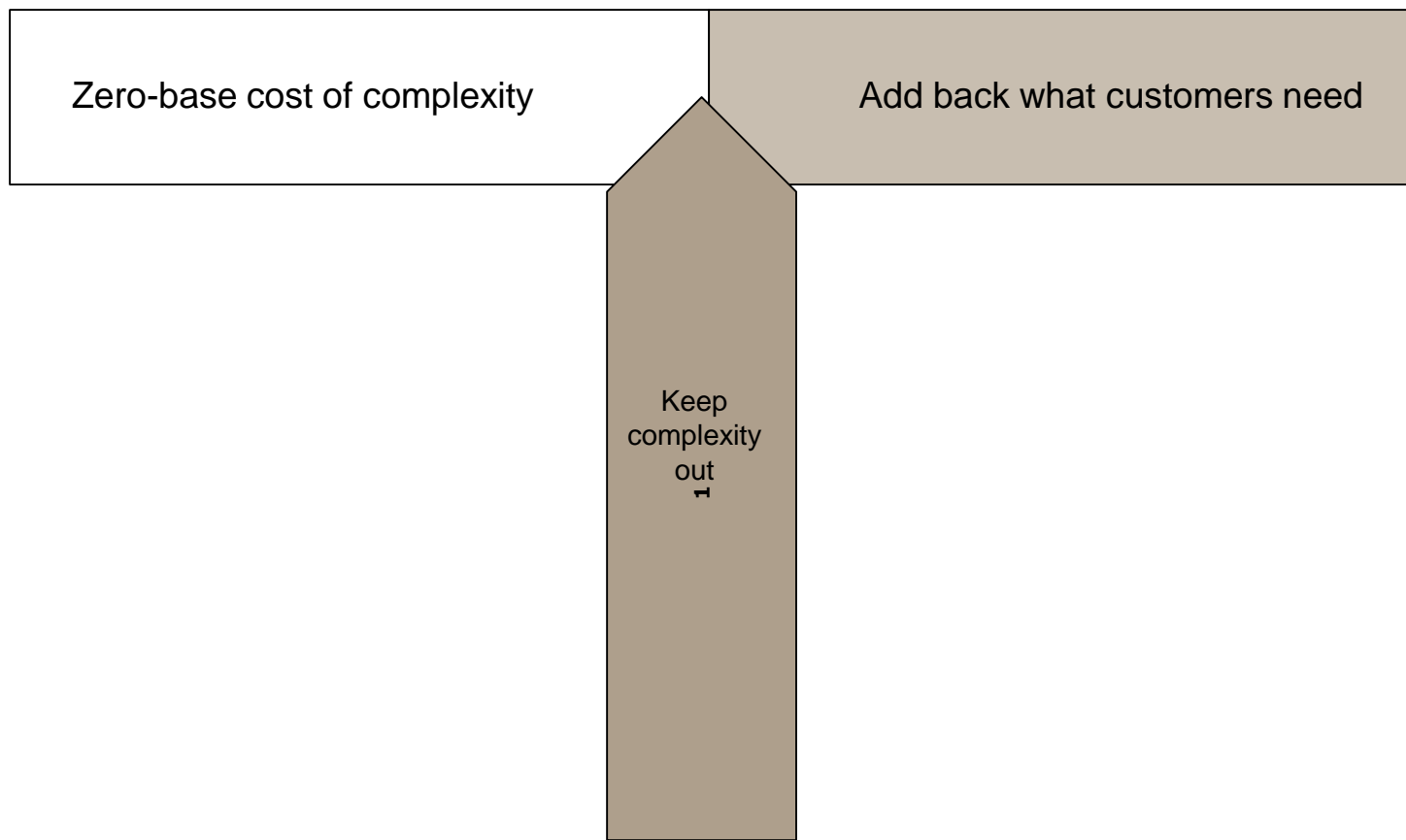
# KPI'S



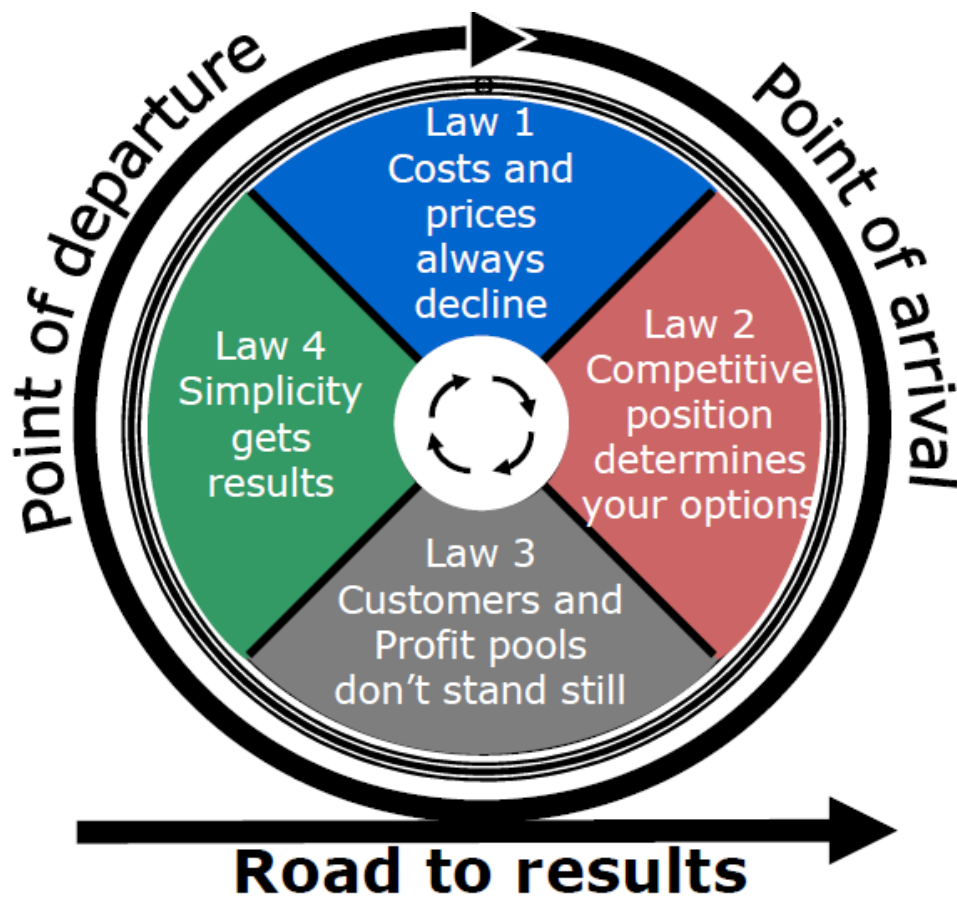
Culture of continuous improvement,  
never let the business/individuals  
/team think they have made it, find  
the next challenge

# The Plane Game

## Motel T Approach to Finding Your Innovation Fulcrum



The Point of Departure, Point of Arrival, and Road to Results Are Your Blueprint for Success



# If you can't measure it, you can't improve it.

- Sick days
- Delivery times
- Sell through rates
- Pick rates
- Accuracy
- Negative stock on hand
- Cash variances
- Productivity
- Price modification
- KPI's at store level
- Mystery shoppers
- Shop fit time (stock out time)
- Wage adjustments
- Team satisfaction
- Shrinkage
- Data integrity
- Purchase order management
- Missed markdowns
- Stock process time
- Training
- Skill levels
- PARs
- All compliance.....find a way to measure everything



# CRITERIA FOR EFFECTIVE PERFORMANCE INDICATORS

1. Is it measurable?
2. Is the measure important?
3. Is the measure feasible to track?
4. Is the data available at least every 2 weeks?
5. Will the performer understand the measure?
6. Does the performer influence the measure?
7. Is the measure stated in positive terms?

# Points of Clarification

- It is expected that all current positions will have measures and performance standards stated, set and agreed by all.
- All new positions, promoted or outside appointments, must state measures and performance standards .
- Min 3 Max 5 key imperative actions/outcomes to be measured. Remember must meet criteria.
  1. Cost and value must decrease overtime (related to expenses and product pricing)
  2. Performance should improve overtime (related to individual performance)
- Timely review and discussion with appropriate framework, actions and outcomes.(accountability).



- *“I was reminded that measuring everything is the easiest part, actually holding people accountable to doing something with that measurement to ensure that the business improves is the key to measuring, the only reason anything should be measured.”*

# Key Performance Indicators (KPIs) and Their Effective Management

- Monthly discussion (Weekly, Daily)
  - Praise and recognition - plan to improve further
  - Issues and obstacles
  - Action agreed
  - Follow up during the month, (week, day)
  - PIP
  - Create fun and positive competitive spirit
  - Best performance list (Shame list)

# Key Performance Indicators (KPIs) and Their Effective Management

- Helps to determine good performers
- Captures underperformance early
- Highlights good performers quickly

# Key Performance Indicators (KPIs) and Their Effective Management

- These will be talked about in more detail
- Accountability
- Focus
- Stops drift
- Bad habits forming
- Store KPIs and rankings
- DC KPIs and rankings
- Weekly and daily discussions