

25. KPI/KBI impact measures

Operation

For a full overview of the tools see:

Stentoft, J., Freytag, P. V. & Mikkelsen, O. S. (2019), *Improved Competitiveness through Implementation of Sales & Operations Planning*, Department of Entrepreneurship and Relationship Management, University of Southern Denmark.

Purpose, participants and application

- **Purpose**

- To ensure follow-up on the chosen Key Performance Indicators (KPIs) and Key Behavioral Indicators (KBIs).
- To monitor the progress and the effect of the chosen KPIs and KBIs.
- To ensure corrective actions if deviations with respect to objectives.

- **Participants**

- Participants in the Sales & Operations Planning (S&OP) process and top management.

- **Application**

- Continuously with a fixed frequency in the S&OP operation phase.



Approach

- The tool is applied by listing the KPIs and KBIs in the S&OP process definition phase.
- Then, which KPIs and KBIs would we like to see changes?
- The KPIs and KBIs must be monitored regularly with fixed intervals. The frequency must mirror progress.
- If the progress is unsatisfactory an action plan must be developed
- Make it visible of the action plan what is expected of activities by who and to which deadline.
- Every half year the relevance of the KPIs and KBIs must be reevaluated.
- Inspiration to KPIs/KBIs is to be found in tool 14, 19, 21 and 24.



Example of following-up on KPIs

KPI	Target	Current level	Facts/ Qualitative measure?	Follow plan? (Y/N)	Corrective actions?	Responsibility	Time horizon
Quality	99 ppm	97 ppm	Facts	Y	None	None	-
Reliability of delivery – customers	95 %	60 %	Qualitative	No	Process analysis will be conducted including proposals for optimizations	Logistical manager Lotte Hansen	March 27, 2019 (next S&OP decision meeting)

Log of past KPIs

KPI name	Date implemented	Date stopped	Why stopped?

Example of following-up on KBIs

KBI	Target	Current level	Facts/ Qualitative measure?	Follow plan? (Y/N)	Corrective actions?	Responsibility	Time horizon
Listening on level 2	Improve dialogue in the S&OP team	There is still much level 1 listening	Qualitative	N	HR prepare a day outside the company to train the S&OP attendances on a active listening - e.g. with assistance from an external consultant	HR manager	Planning next S&OP decision meeting at March 27, 2019. Action before Easter 2019.

Log of past KBIs

KBI name	Date implemented	Date stopped	Why stopped?