



REPUBLIC OF ESTONIA
MINISTRY OF ECONOMIC AFFAIRS
AND COMMUNICATIONS

How to measure and evaluate KPI's

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KPI types

- **Outcome KPIs:** lagging indicators are only able to give insight on historical performance,
- **Driver KPIs:** leading indicators that show organizational progress towards achieving goals.

KPI-s in general I

- Well defined and quantifiable
- Linked to the strategy
- Measuring and reporting only what matters
- Well communicated in organization
- All KPI targets must be linked

KPI-s in general II

There are thousands of KPIs to choose from. If you choose the wrong one, then you are measuring something that doesn't align with your goals!



Key aspects measuring KPI-s



- Reliable information!
- Achievable target!
- Monitoring plan!
- Agreed definitions!

Target should be....!

- KPI-s should have short term and long term targets
- Target should be achievable!
- Targets should have impact

If target is not met....

- If target is not met then there should be action plan. There is no point of monitoring KPI-s when nothing happens when performance is not good enough.

Evaluating KPI-s

- Target may not be reasonable during whole project period.

If organizational goals are changed then KPI-s must be changed also.

- Post project evaluation.

After project period is good to make one more comprehensive evaluation. It can provide good input for next period

What KPI-s we are measuring

R&D investments

Productivity

Exports growth

3Y old enterprises
who have >125000€
revenue

Number of
enterprises who
have 20+
employees

Revenue from new
products and
services

Number of
exporting
companies

New startups
(supported
companies)

Funding

Average
employment
costs

People
employed

Taxes

Revenue

What KPI-s we are not measuring

- Value added of new start-ups
- Patents



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Thank you!

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