

# The KPI Dictionary

3,200 +  
Key  
Performance  
Indicator  
definitions

Volume 1: Functional Areas

THE KPI INSTITUTE

**smartKPIs.com**  
The *smart* choice in performance management

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# Introduction

Dictionaries have been around for centuries and their main function is to provide conceptual or linguistic definitions, along with information about the correct language usage. The earliest historical mention of a dictionary is from Babylon, in the 6th century BC. The Chinese had their first written dictionary in 100 AD, while Japanese history mentions its first dictionary in the 7th century AD. In Europe, the earliest dictionaries didn't contain definitions of words. Instead, they were bilingual dictionaries, meaning you could look up a French word and find its English equivalent, or vice versa. The first English alphabetical dictionary, called "A Table Alphabetical" was published in London in 1604.

**KPI Dictionary – 3,200+ Key Performance Indicator Definitions, Volume 1: Functional Areas** is a novelty in the field and distinguishes itself from the classical structure of a dictionary in that it shows the performance indicators grouped into 16 main functional areas, each having several subcategories. The dictionary not only defines the indicators, but also contains an explicit presentation of the calculation formula.



**The KPI Institute** is the global authority on Key Performance Indicators (KPIs) research and education, providing through its publications and training courses insights on how to measure and learn with KPIs. It developed the first KPI Management Framework and operates several research programs dedicated to performance management, strategy, Balanced Scorecard and key performance indicators. It operates [smartKPIs.com](http://smartKPIs.com), the result of the research program dedicated to documenting and cataloguing how KPIs are used in practice. It is an online portal containing the largest collection of well documented KPI examples, supported by a community of tens of thousands of members.

Over the last 10 years, The KPI Institute team has:

- Documented 7,000+ KPIs with Premium Documentation from 16 functional areas and 25 industries;
- Reviewed 1,000+ performance reports from 125 countries;
- Referenced 30,000+ resources (books, articles, performance reports) as part of the documentation process;
- Developed over 150 KPI Dashboards and Balanced Scorecards;
- Delivered training courses in 25 countries on 6 continents;
- Assisted over 28,000 organizations in finding solutions for their KPI needs;
- Trained over 2,500 participants from 40 countries on how to work rigorously with KPIs.

The main activities of The KPI Institute include:

**Research** - contributing to the development of the performance management discipline by actively researching and publishing articles on this matter. Driven by the belief that progress in management science emerges from practice, the research programs are aimed at reviewing KPI and performance management examples, as used in various countries, functional areas and industries.

**Publications** - in order to facilitate the identification and usage of KPIs in practice, The KPI Institute has developed the Top KPIs Reports collection, along with more extensive resources, like The KPI Compendium and KPI Dictionaries. Also, to help organizations design or improve their performance management architecture, The KPI Institute offers the Toolkit series, containing editable templates, customized for specific industries and functional areas. Interesting articles on topics related to performance management are accessible to the public through Performance Magazine, in both the Online and Printed editions.

**Education** - In an effort to improve the ways in which KPIs are understood and employed in organizations worldwide, The KPI Institute provides a broad set of education services. The training offer includes the Certified KPI Professional and Certified KPI Practitioner, as well as specialized training courses, customized to specific functional areas, industries or performance management related topics, like strategic planning and employee performance evaluation.

Along with its research and education projects, The KPI Institute is at the forefront of innovation in performance management, integrating both the academic and practitioner perspectives. Analyzing emerging trends and best practices represents the fundamentals of TKI's body of knowledge.

# How to use this book

The KPI Dictionary is a useful tool in the process of understanding, selecting and working with KPIs. The book contains definitions and calculation formulas for more than 3,200 KPIs covering 16 functional areas:

- ▶ Accounting
- ▶ Corporate Services
- ▶ Corporate Social Responsibility
- ▶ Finance
- ▶ Governance, Compliance and Risk
- ▶ HSSE (Health, Safety and Security)
- ▶ Human Resources
- ▶ Information Technology
- ▶ Knowledge and Innovation
- ▶ Management
- ▶ Marketing and Communications
- ▶ Online Presence- eCommerce
- ▶ Portfolio and Project Management
- ▶ Production & Quality Management
- ▶ Sales and Customer Service
- ▶ Supply Chain, Procurement, Distribution

Professionals, practitioners, consultants, researchers, managers and academicians can have in their own library a rich database with the most important elements of key performance indicators: definitions and formulas. They don't have to look anymore for them through dozens of publications as The KPI Dictionary brings the most relevant information in one single book.

The KPI Dictionary is easy to use, as the KPIs are clustered on an industry basis and sorted in alphabetical order. Furthermore, each indicator has an identification code (e.g. sK1) and three sections: Definition, Sub-metrics used for calculation and Calculation formula.

## NAME

Each KPI name is preceded by a symbol. There are three symbols used depending on the KPI's measurement unit:

- \$ - value of: \$ Operating costs
- # - number of: # Projects approved
- % - percentage of:
- % Projects completed on time

## % Cost of outsourced finance function

Measures the percentage of cost with outsourced finance function from the overall finance function cost.

A = \$ Cost of outsourced finance function  
B = \$ Finance function cost

$(A/B)*100$

sK3387

## DEFINITION

Succinct description of the indicator, providing more details in regards to what the KPI is measuring. It also supports a better understanding of how to calculate the KPI.

## % Cost of outsourced finance function

Measures the percentage of cost with outsourced finance function from the overall finance function cost.

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sK3387

## SUB-METRICS

Metrics used in calculating the KPI. In some cases, the KPI may not need any other metrics for calculation and this section will coincide with the KPI's name

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## CALCULATION FORMULA

Expresses the mathematical formula to compute the KPI.

The calculation formula is expressed in six different forms, depending on the specifics of each KPI:

- $(A/B) * 100$  - *rate*
- $A/B$  - *ratio*
- $(A1 + A2 + \dots + An)/n$  - *average*
- *Index* - aggregates more items in one score
- *Survey* - data is gathered through a survey

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sK3387

## ID CODE

Indicates the unique numerical reference assigned to each KPI on smartKPIs.com. This code can be used to search more details about the KPI on <http://www.smartkpis.com/kpi/browse-kpis/>

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Measures the percentage of cost with outsourced finance function from the overall finance function cost.

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The KPI Dictionary can be used in the early stages of implementing a performance management framework, in the process of selecting and documenting KPIs, but also to improve an existing performance measurement system. The ways in which one could get the best out of this Dictionary are extremely diverse so we invite you to discover them on your own.

Be a part of the KPIs' world!

# KPI Taxonomy

This section lists the categories and subcategories of the KPI taxonomy used for structuring the content of this volume. The numbers in front represent how many KPI examples are available in this volume in each category/subcategory.

Number of KPI examples	Category / subcategory	Category page number
135 • Corporate Services	135 • Corporate Services	135 • Corporate Services
24 • Administration / Office Support	24 • Administration / Office Support	24 • Administration / Office Support
25 • Corporate Travel	25 • Corporate Travel	25 • Corporate Travel
73 • Facilities / Property Management	73 • Facilities / Property Management	73 • Facilities / Property Management
13 • Legal Services	13 • Legal Services	13 • Legal Services
p.35	p.35	p.35
224 • Accounting	380 • Human Resources	
27 • Accounting System	48 • Compensation and benefits	
19 • Cash Management	37 • Efficiency and Effectiveness	
10 • Control	73 • Recruitment	
41 • Cost Analysis	27 • Retention	
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34 • Financial stability		
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132 • Governance, Compliance and Risk	132 • Knowledge and Innovation	
48 • Compliance and Audit Management	36 • Innovation	
37 • Governance	66 • Knowledge Management	
47 • Risk Management	78 • R&D	p.186
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## 45 • Management — p.202

### 174 • Marketing and Communications

- 31 • Advertising
- 113 • Marketing
- 30 • Public Relations

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### 185 • Online Presence- eCommerce

- 42 • E-commerce
- 23 • E-mail marketing
- 33 • Online-advertising
- 18 • Online-publishing-weblogs
- 15 • Search engine optimization
- 54 • Web analytics

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### 174 • Portfolio and Project Management

- 5 • Benefits realization
- 45 • Portfolio management
- 44 • Project management

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### 182 • Production & Quality Management

- 36 • Maintenance
- 80 • Production
- 66 • Quality Management

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### 230 • Sales and Customer Service

- 90 • Customer Service
- 140 • Sales

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### 365 • Supply Chain, Procurement, Distribution

- 42 • Contract management
- 80 • Inventory management
- 124 • Logistics / distribution
- 86 • Procurement / purchasing
- 33 • Supply chain management

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# Accounting ▶ Accounting Systems

**Accounting** is the area concerned with producing financial reports used by active reporting entities to convey activity results to a variety of end users, such as creditors and investors. While preparing such reports, management benefits from access to detailed information regarding the entity's financial performance. Accounting KPIs refer to specific monetary measures of stocks and flows and address the efficiency of operation management, systems and control.

**Accounting systems** are often complex and need constant update to ensure maximum functionality. A precise monitoring process and a thorough analysis of their usage can be achieved through smart KPIs

## % Accounting system downtime

Measures the proportion of time the accounting system is not available to perform its functions, during working time (from 8 a.m. to 6 p.m.).

A = # Hours the accounting system is not available  
B = # Hours while the accounting system is expected to be available to perform its functions

$$(A/B)*100$$

sK3401

## % Employees allocated to accounts payable and expense reimbursement

Measures the percentage of employees that are working on processes related to accounts payable and expense reimbursement, out of the total number of employees.

A = # Employees allocated to accounts payable and expense reimbursement  
B = # Employees

$$(A/B)*100$$

sK3344

## % Accuracy of expense reimbursement requests

Measures the percentage of expense reimbursement requests with no errors, out of the total number of expense reimbursement requests submitted.

A = # Expense reimbursement requests with no errors  
B = # Expense reimbursement requests

$$(A/B)*100$$

sK3189

## % Employees allocated to evaluate and manage financial performance

Measures the percentage of employees that are working on evaluating and managing financial performance, out of the total number of employees.

A = # Employees allocated to evaluate and manage financial performance  
B = # Employees

$$(A/B)*100$$

sK3347

## % Cost of outsourced finance function

Measures the percentage of cost with outsourced finance function from the overall finance function cost.

A = \$ Cost of outsourced finance function  
B = \$ Finance function cost

$$(A/B)*100$$

sK3387

## % Employees allocated to fixed asset management

Measures the percentage of employees working on fixed assets management, out of the total number of employees. Fixed asset management includes tracking fixed assets for financial accounting, preventive maintenance and even theft discouragement.

A = # Employees allocated to fixed asset management  
B = # Employees

$$(A/B)*100$$

sK3349

## % Customer invoices paid through electronic sourcing

Measures how many of the invoices are paid through electronic sources by the company's customers.

A = # Invoices paid electronically by customers  
B = # Invoices paid

$$(A/B)*100$$

sK2959

## % Employees allocated to general accounting and reporting

Measures the percentage of employees working on general accounting and financial reporting, out of the total number of employees.

A = # Employees allocated to general accounting and reporting  
B = # Employees

$$(A/B)*100$$

sK3350

## % Electronic invoices

Measures the proportion of invoices issued in electronic format.

A = # Electronically issued invoices  
B = # Issued invoices

$$(A/B)*100$$

sK3340

# THE KPI INSTITUTE

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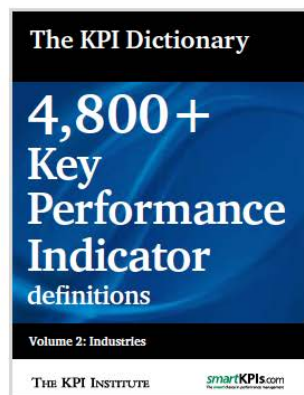
**smartKPIs.com**

The **smart** choice in performance management

Contains over 20,500 KPIs examples, including the ones covered in the KPI Dictionary. Specific KPI examples listed in the Dictionary can be searched by using the sk number. Alternatively, visitors can browse, save and export documented examples.

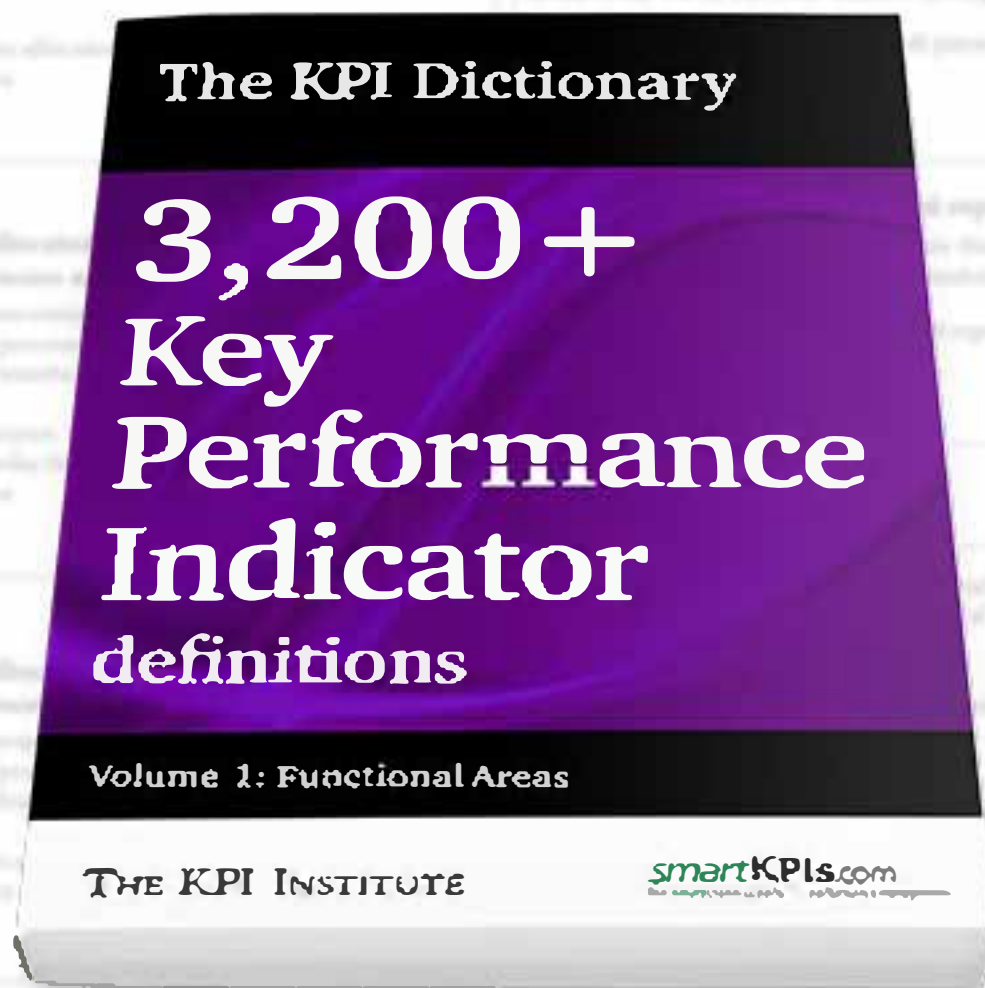
## Top 25 KPIs Reports by Functional Area

## Top 25 KPIs Reports by Industry



The KPI Institute offers a variety of in-depth publications that enable you to keep up to date with industry trends and leaders. Through its publications, it provides an overview of the performance management state of discipline and offers innovative tools, facilitating the implementation of performance management and measurement systems.





## Get the FULL version of the Dictionary!

Buy your full copy of The KPI Dictionary Vol. 1: Functional Areas and gain unlimited access to 3,200+ KPIs from 16 different functional areas and 65 specific subcategories.

To order now access the following [webpage](#).