

Facilities Management from A to Z

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KPIs

Key Performance Indicators (KPIs) are a critical component of any Performance Management System. They are quantifiable measurements that reflect the critical success factors of an organisation, contract or service. They will differ depending on the organisation and its strategic needs and tactical wants. One FM team may have as one of its KPIs the speed of response to client requests. Another may focus its KPIs on the amount of downtime caused by service failure. An FM team operating in the retail sector may have as one of its KPIs the number of visitors to their stores and how long they stay. KPIs should measure the impact of facilities strategies and be related to their contribution to overall organisation goals and objectives.

Every service provider measures their activities from an operational perspective. The number of items handled, complaints received, staff attendance and so on. This level of management information is important because it gives the opportunity to monitor trends in traffic or spot problem areas within the operation. However this simple counting process only measures "what" is done not "how". Qualitative indicators like customer satisfaction, meeting expectations, staff appearance and attitude are much harder to measure but are the kind of issues that provide the greatest opportunity for identifying performance improvement possibilities.

In some instances a direct measure is not immediately possible and a proxy needs to be established. For example processes may not be in place to measure customer satisfaction with the mail service but general satisfaction with FM services is captured. In these circumstances a combination of the general measure and a record of complaints might provide a suitable proxy indicator. On its own, the measurement of complaints is not a valid measure of satisfaction. Indeed it is only a general indicator of dissatisfaction as so few unhappy customers actually take the trouble to complain.

If a doctor only measured health by counting the number of heart attacks suffered nobody would take them seriously. Measurement of other less vital signs is required to complete the overall picture. In the same way an effective performance measurement regime should provide a complete picture through reference to both high level Key Measures and supporting detailed activity data.

The European Foundation for Quality Management (EFQM) www.efqm.org is a useful source for information on the use of KPIs in performance management systems