

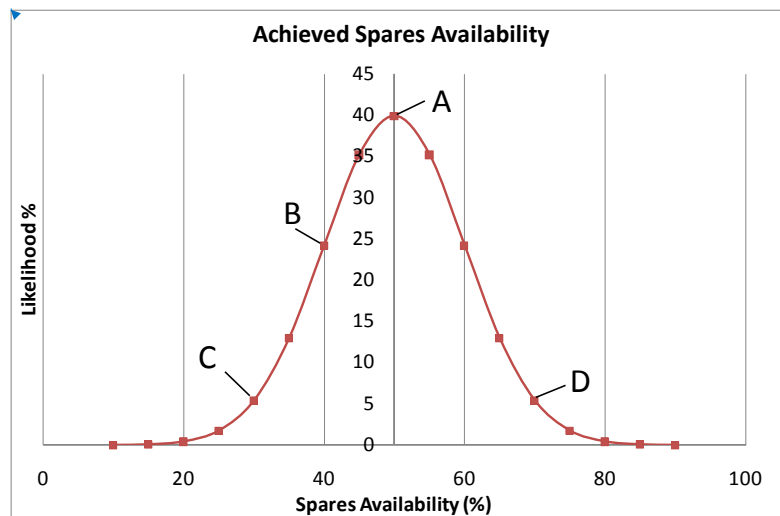


FACTSHEET 004 – SETTING THE PERFORMANCE LEVEL OF A KEY PERFORMANCE INDICATOR (KPI)

When setting the performance level for a Key Performance Indicators (KPIs) the performance level should be achievable in a real life environment. For example, the achieved performance for an example KPI, Spares Availability:

Achieved Spares Availability Performance (%)				
40	60	50	50	30
50	60	50	50	40
65	50	70	35	50
Mean of Achieved Spares Availability Performance = 50%				
Standard Deviation of Achieved Spares Availability Performance = 10.5%				

Graphically, assuming a Normal (or ‘bell-curve’) distribution, this appears as follows:



From the performance in the graph, a number of deductions can be made in order to assist in the setting of the Performance level as follows:

- **Point A** – If the required Performance Level required was set at point A then there is equal chance (e.g. 50%:50%) that the achieved Spares Availability will be above or below this level.
- **Point B** – There is a greater chance (likelihood) of achieving the requirement than A, but there is still a large chance (about 30%) that it will be below this level.
- **Point C** – In nearly all situations the achieved Spares Availability will be above this level.
- **Point D** – Shows that in nearly all situations the achieved Spares Availability will be below this point.