

## PERFORMANCE MEASUREMENT

Where are we today relative to where we expected to be today at some point in the past?



### Two Magic Questions for Identifying KPIs

- 1 What are we trying to **achieve**?
- 2 How will we know if we've done **that**?



### Three Techniques for Setting Targets

**Back of the Napkin:** multiple stakeholders independently propose targets and then compare

**Bracketing:** pick very high and very low and then narrow down to a range

**Pick a Number:** pick a number and then gauge reactions from stakeholders (Too high? Too low? Where did it come from?)

## HYPOTHESIS VALIDATION

Making decisions for the future. A hypothesis is a tentative assumption made in order to draw out and test its logical or empirical consequences.

Hypotheses can be formulated following one of two constructs to ensure they are clearly articulated, capture any evidence that supports or prompted them, and have the potential to lead to a specific decision or action.

- 1 An idea about something that is occurring that, if so, could be used to drive action.

WE BELIEVE	[some idea]
BECAUSE	[some evidence]
IF WE ARE RIGHT, WE WILL	[some change]

- 2 An idea to test a change to the current experience in order to measure its impact.

IF WE	[proposed change]
THEN WE WILL SEE	[expected impact on a KPI]
BECAUSE	[evidence or observation]