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Portfolio method of selection the adequate KPI system for all types of organizations

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Abstract

Conceptually new direction, called "Performance Management (PM)" was formed at the turn of the XX and XXI centuries. In the article there is an attempt to retrace the interrelation of such instruments of Performance Management as Balanced Scorecard (BSC) and KPI (key performance indicator). The key performance indicators of the strategy are defined in this article as the instruments of corporate control, consisting of a set of indicators in the context of the interests of the company's stakeholders. Comparing their dynamics, one can judge about the effectiveness of the strategy execution. It is recommended to use BSC at the strategic level and KPI on the operational level, but it is possible to use it as an independent method of corporate control. Portfolio method of selection of adequate KPI system, depending on two factors, was proposed: the technology of KPI indicators development (according to the targets or business processes) and the possibility of connection the objectives with a separate structural unit (integration/disintegration). The matrix, determining the collective contribution (at the department level) into the implementation of the company's common strategy, has been optimized. Two approaches to the formation of the system KPI were approved: the target integration and process closed in the Tatarstan Customs, through the introduction of key performance indicators. This proves the universality of the used corporate control instrument, and the possibility of its implementation in state bodies.

Keywords

Company's objectives, Key performance indicators, Matrix for the selection of KPI system, Performance management, Strategy

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