Key Performance Indicators "KPIs"
Measure it - Manage it

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Key Performance Indicators are tools used to evaluate performance against a standard or over a time period.

Performance measurement is conducted in units—such as meals, hours, or money.

Standards include industry standards—such as meals per labor hour.

Benchmarking is used to determine an acceptable standard and compare results/data.

Time periods used for comparisons or benchmarking could be month to month, or year to year.

Other comparisons include site to site.
The Value of KPI's: How are we doing?

• Provide insight into organization performance
• Use to establish standards for organization performance
• Useful to identify opportunities for improvement
• Quantify progress or improvement made towards goals
KPIs Measure:

• Meal Counts and Participation
  Average Daily Participation

• Financial and Inventory Management
  Revenue Per Meal Equivalent

• Productivity and Labor
  Meals Per Labor Hour
# KPI Categories

## Meal Count and Participation
- Meal Equivalents (MEQ)
- Average Daily Participation (ADP)

## Financial and Inventory Management
- Revenues
- Expenditures
- Revenue per Meal Equivalent (MEQ)
- Cost per Meal Equivalent (MEQ)
- Cost as a Percentage of Revenue
- Break-Even Point (BEP)
- Inventory Turnover Rate

## Productivity and Labor
- Meals per Labor Hour (MPLH)
- Staff Turnover Rate
- Absenteeism Rate
Calculating KPIs

• Assess efficacy and efficiency of programs
• Forecast food purchasing and labor requirements
• Identify discrepancies or errors in accounting
• Determine financial feasibility of new initiatives
The Value of KPIs

• Benchmarking

• Trend Analysis

• Developing Action Plans

• Communicating with Key Stakeholders
Benchmarking

“Comparing one’s performance with a similar operation's or unit’s performance to assist users in identifying best practices, and to identify areas to focus improvement efforts on.”

• Two types for school nutrition programs:
  • Internal
  • Industry
Trend Analysis

• Allows school nutrition programs to compare data over periods of time

• Provides a foundation for forecast

• Can help to identify and interpret changes in results
Develop Action Plans

Analysis and interpretation of KPI data enables school nutrition directors to:

- Prioritize issues
- Develop SMART goals for improvement
- Allocate resources
- Measure progress
Communicating with Stakeholders

• Used when supporting management decisions:
  Staffing
  Menu items
  Employee evaluation component

• Used when proposing solutions
  Alternative breakfast implementation
  Decreasing absenteeism
Presentations

• Graphically, Visually, Pictorially
• Internally:
  Staff meetings, onboarding, evaluation tool, training
• Externally:
  School board, principals, parent groups, community
Question:

What KPI would you use to evaluate productivity?

• Meal Equivalents
• Average Daily Participation
• Meals per Labor Hour
• Inventory Turnover
Answer:

• Meals per Labor Hour!

Meals per labor hour measures staff productivity by assessing the number of meal equivalents per hour of staff worked.