

IT Balanced Scorecard KPIs

A comprehensive framework for measuring, aligning, and improving IT performance across strategic, operational, and financial dimensions.



What Are KPIs in the IT Context?

Definition

Key Performance Indicators (KPIs) are metrics used to measure and evaluate IT project success against specific objectives, enabling data-driven decisions and progress monitoring.

Purpose

KPIs ensure alignment between IT objectives and organizational goals, providing objective performance measurement within overall corporate strategy and financial performance.

- Monitor IT progress continuously
- Identify improvement areas
- Support data-driven decisions

The Four IT BSC Perspectives

The IT Balanced Scorecard organizes performance measurement across four interconnected dimensions, each reinforcing the others.

Corporate Contribution

How IT contributes to business value, profitability, revenue enhancement, and productivity improvements.

Customer Orientation

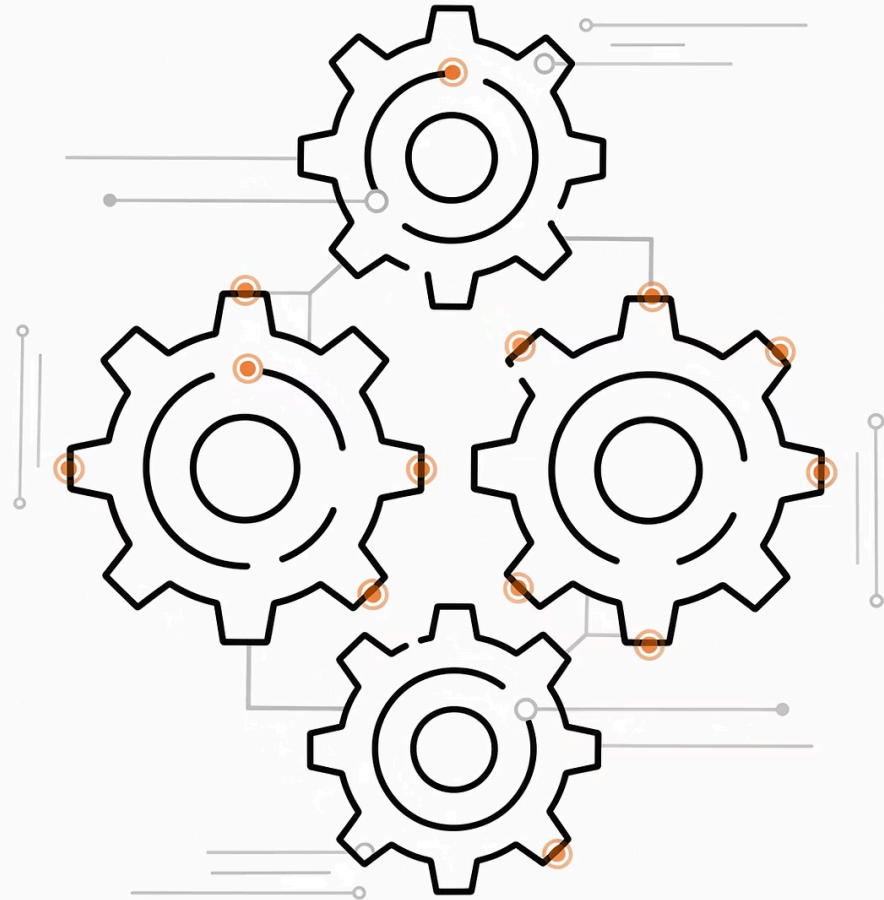
IT service quality and satisfaction from the business user perspective, including loyalty, retention, and acquisition.

Operational Excellence

Internal IT process efficiency, speed, capacity, and governance compliance.

Future Orientation

IT innovation, capability development, technology advancement, and skill development for future challenges.



KPI Creation: Phase 1 – Strategic Analysis

1

Analyze Vision & Mission

Examine organizational vision, mission, and strategic objectives using SWOT Analysis to establish a performance baseline.

2

Business Strategy Alignment

Ensure IT strategy directly supports overall business goals – IT objectives must map to organizational priorities.

3

Gap Analysis

Conduct a gap analysis comparing current performance against target objectives to identify where improvement is needed.

KPI Creation: Phase 2 – BSC Framework Development

1

Compile IT BSC Perspectives

Align IT BSC perspectives with the overall business strategy to ensure coherent measurement across all dimensions.

2

Create Strategy Maps

Build strategy maps that link cause-and-effect relationships between the four BSC perspectives.

3

Define Strategic Initiatives

Identify and define specific strategic initiatives for each perspective to drive performance improvement.

KPI Creation: Phase 3 – KPI Definition

1 Cascade KPIs

Cascade KPIs from top management strategy down to the departmental level for full organizational alignment.

2 Apply SMART Criteria

Each KPI must be **Specific, Measurable, Achievable, Reasonable, and Time-bound** to ensure actionability.

3 Establish Target Agreements

Finalize targets through stakeholder communication and consensus to ensure buy-in across the organization.



Comprehensive KPI Measurement Framework

COBIT 2019 Integration

- 13 Alignment Goals Metrics as measurement guidelines
- Structured interviews with stakeholders for data collection
- Perspective correlation analysis across BSC dimensions

BTripleE Framework

- **Effectiveness:** How well IT infrastructure delivers organizational benefits
- **Efficiency:** Maximizing throughput from IT investment costs
- **Economy:** Optimal cost management for IT operations

Performance Dimensions

- **Financial:** Profitability, revenue, productivity metrics
- **Business:** Non-financial indicators — competitive advantage, customer satisfaction
- **Strategic:** Critical Success Factor (CSF) realization

KPI Evaluation Methods



Quantitative Assessment

- Performance impact measurement of IT on business efficiency
- Statistical correlation analysis between perspectives
- Trend analysis against strategic objectives



Qualitative Assessment

- Root Cause Analysis (RCA) for project issues
- Stakeholder feedback and coaching sessions
- Gap analysis comparing actual vs. target performance



Continuous Improvement

- Monthly/quarterly performance review cycles
- Corrective action planning based on gaps
- KPI adjustment as business needs evolve

Implementation Best Practices

Organizational Alignment

Incorporate traditional project metrics alongside business value measures. Ensure cross-functional collaboration and strategic focus across departments.

Measurement Excellence

Use multiple metrics to capture different aspects of IT service management. Apply a balanced view and replace subjective evaluations with quantitative KPIs.

Management Practices

Conduct regular coaching between supervisors and staff. Use systematic performance grading: $\text{percentage achievement} \times \text{KPI weight}$. Maintain transparent stakeholder communication.



Real-World Applications



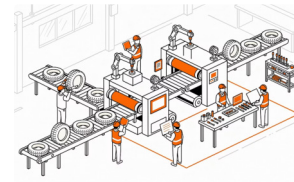
Education — AMIK BSI Tasikmalaya

Used IT BSC for ICT management strategy alignment, creating strategy maps based on SWOT analysis: vision/mission → BSC perspectives → strategy map → KPI determination.



Telecom — PT Telkom

Applied COBIT 2019-based measurement for Business Complaint Handling and Public Service units, confirming positive correlations across all four BSC perspectives.



Manufacturing — Tire Company

Implemented BSC for Industrial Engineering Department appraisals, transforming subjective evaluation into an objective, quantitative assessment system.



IT Services — Company ABC

Combined IT BSC with BTripleE Framework to measure cloud infrastructure upgrade effectiveness, focusing on fleet monitoring, operational efficiency, and business development.

KPI Examples by BSC Perspective

Corporate Contribution

- IT investment ROI percentage
- Cost reduction through IT automation
- Revenue enhancement from IT-enabled services

Customer Orientation

- User satisfaction scores
- System availability percentage
- Response time for IT support requests

Operational Excellence

- System uptime percentage
- Process automation rate
- Incident resolution time

Future Orientation

- Staff training completion rates
- Technology upgrade frequency
- Innovation project completion

Key Takeaways

→ Align IT with Business Strategy

KPIs must cascade from organizational vision down to departmental targets, ensuring every IT effort supports broader goals.

→ Use a Structured, Phased Approach

Follow the three-phase methodology — Strategic Analysis, BSC Framework Development, and KPI Definition — for rigorous implementation.

→ Measure Continuously & Improve

Regular review cycles, root cause analysis, and corrective action planning transform KPIs from static metrics into a dynamic improvement engine.



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