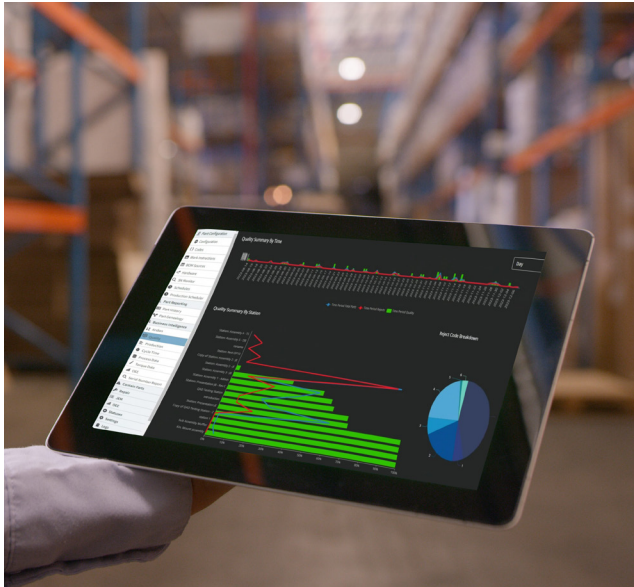




Identifying and measuring the right KPIs is a critical first step in not just understanding and evaluating your process, but correcting problems and becoming more efficient, consistent, and productive over time. As successful manufacturers recognize, mastering KPIs is the first step in a profitable and prosperous path to sustained success.



## Manufacturing KPIs

### Finding, recording, and analyzing essential metrics and measurables

In manufacturing, the key performance indicator (KPI) is really just another way to talk about numbers: the metrics and measurables that enable manufacturing decision-makers to assess how well and in what manner essential tasks are being performed—and what the outcomes are as a result. Setting and measuring KPIs requires a consistent process, clearly established standards, and the right tools to measure and record critical data.

### The best KPIs do two things:

- ◆ Distill chaos and complexity, revealing what you need to know about personnel or station performance with clarity and simplicity.
- ◆ Reveal friction points, inefficiencies, and operational issues with detail that makes improvement possible.

### KPI categories and examples:

#### Quality

- ◆ First Time Quality (FTQ) or First Pass Yield (FPY) percentages

- ◆ Defect and scrap rates
- ◆ Repair, rework and reject code frequencies
- ◆ Tool data (e.g. torque results, oven temperature, product weight)
- ◆ Process data reports
- ◆ Genealogy and part history reporting

#### Throughput

- ◆ Production reports (Shift Summaries)
- ◆ Granular time studies (broken down to the task level)
- ◆ OEE/Downtime

#### Training

- ◆ Time and quality to target (integrating data from quality and throughput KPIs)

KPIs can be sophisticated or simple. The right KPI is the one that provides not just input, but *insight*. For example, evaluating throughput metrics can help to better understand overburden and under-burden of stations or operators for proper line rebalancing needs.