



NAPL's Performance Indicators **Frequently Asked Questions**

[Click here to view Andy Paparozzi's five-minute look at Performance Indicators and why this new, free NAPL service may be right for you.](#)

What are key performance indicators (KPI)?

Key performance indicators (KPI) are quantifiable measures of progress toward an organization's goals. For example, the timely collection of receivables is a KPI for the goal of maintaining healthy cash flow, and value added per factory payroll hour is a KPI for the goal of maximizing factory productivity. Key performance indicators can be financial or non-financial. But they must be quantifiable—measurable—accurately and consistently over time.

How did you determine which indicators to measure? Why?

NAPL worked closely with a task force of commercial printing industry leaders. Task force members were asked to list the five indicators that they must see *at least monthly* to know how their companies are doing. Responses varied widely. But after extensive debate, a consensus formed around 13 metrics—the vital few—that became the NAPL performance indicators.

What is NAPL Performance Indicators?

Performance Indicators is an example of vital few metrics analysis. Vital few metrics analysis is about focusing on what's most important; anticipating trends, not just tracking trends; and improving continuously by aggressively building strengths and correcting weaknesses.

What will I learn about my business if I participate in Performance Indicators?

You will learn how your performance in 13 vital areas compares to the performance of companies that are leaders and companies determined to become leaders. You will also uncover trends in your own performance in time to build on strengths and correct weaknesses.

What else should I know about Performance Indicators?

NAPL *Performance Indicators* is not about what's typical or what the average printer is doing. And it is not about snapshots. Rather, it's about how leaders and companies determined to become leaders anticipate trends in time to build on strengths and correct weaknesses. As NAPL has long emphasized, in our increasingly competitive, complex industry, we now either get better or we get left behind. Performance Indicators gives you a simple way to get better.

What type/size/scope printing companies can benefit from Performance Indicators?

Companies of any type, size, and scope. NAPL *Performance Indicators* measure what's most important. For printing companies, small or large, sheetfed or web, diversified or ink-on-paper, what's most important includes value creation, effective management of factory resources, the timely collection of receivables, the efficiency of operations, and earnings—precisely what the program measures.

What is new about the online version of Performance Indicators?

Participants can enter data and see results immediately—any time, any day.

Performance Indicators makes extensive use of moving averages. What is a moving average?

A moving average is simply the average of values across consecutive periods. For example, a three-month moving average is the average of the values for the current period and the previous two periods; a 12-month moving average is the average of the values for the current period and the previous 11 periods.

Why are moving averages so important?

Moving averages are a simple but powerful way to remove noise, or random fluctuations that hide trends, and to identify—and anticipate—key turning points in data.

What are the criteria required to participate?

There are three criteria: Participants must submit data monthly, within five weeks of the close of the month, and according to program definitions so data are completely consistent from participant to participant. New participants are asked to submit two years of data so trend analysis can begin immediately.

What is the cost to participate in *Performance Indicators*?

There is no cost to participate at the basic level. The basic service is free to qualified companies in the industry.

What data must I input into *Performance Indicators*?

The raw data required to calculate the indicators. For example, you will enter gross sales and value added, from which the application will calculate your value added/sales ratio.

How frequently must I enter the data? How much time does it require?

Data should be submitted monthly. Participants who miss a month can easily catch up at any time. Participants who do not submit data for four consecutive months are dropped from the program. Current participants report that submitting one month of data takes less than three minutes.

Can I download my results?

Yes. Updated reports and charts are created as soon as new data are entered. Both can be printed or downloaded as a PDF.

Can I enter and access data from my PDA? Other locations?

Not yet. But PDA access will be available soon.

How do I ensure my data is secure?

The *Performance Indicators* website is fully secure—https: indicates a fully secure site.

Can PI be used on a PC and/or a Mac?

The application runs on both PCs and Macs.

Who is available to help me get started or troubleshoot as needed along the way?

Call the main NAPL number 1-800-642-6275 and we'll put you in touch with the staff person who can best assist you. It's an easy program to use, and within minutes we'll show you how it can work for you.

Is there someone who can help me learn how to improve company performance by analyzing *Performance Indicators* data even further?

NAPL staff consultants can help with any stage, from data collection to trends analysis, to diagnostics, and solutions. Contact Robin Schabacker, 201-523-6307, rschabacker@napl.org.