

Role of Key Performance Indicators in Product Management

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Abstract

This paper focuses on Key Performance Indicators (KPIs) and their importance in Product Management. Key Performance Indicators are more than numbers you report out weekly or monthly - they enable you to understand the performance and health of your product so that you can make critical adjustments in your execution to achieve your strategic goals. Knowing and measuring the right KPIs will help you achieve results faster. A Key Performance Indicator is a measurable metric that demonstrates how well a product is performing against its key business objectives, quarterly goals and priorities. The purpose of the study is to help relevant stakeholders gain a view of how KPIs can help them boost their business. The report examines whether KPIs are useful for every business model and whether they can help businesses to monitor and measure their product success.

In the information age, KPIs (Key Performance Indicators) are commonly used for business performance measurement in organizations; however, there's no single best way how to implement KPIs, which means that a company can select any arbitrary suitable KPIs. The result from the case study shows that there was a gap between how the KPIs are used and the scientific theories of how they should be used. However, the framework needs to be further tested in future research for general usefulness.

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I. Introduction

As the industrial age type of competition is shifting to the information age type of competition, it is no longer possible for companies to gain sustainable competitive advantage by merely deploying new technology into physical assets rapidly; neither is this possible by excellent management of financial assets and liabilities. The information age environment for both manufacturing and service organizations requires new capabilities for competitive success which is the organization's ability to mobilize and exploit its tangible and invisible assets.

In order to monitor and improve business performance in a competitive way, a new management tool with a proper set of Key Performance Indicators (KPIs) is required by information age organizations. Key Performance Indicators (KPIs) are quantitative and qualitative measures used to review an organization's progress against its goals. To complement traditional financial measures of business performance, those KPIs are related to a diverse set of performance measures, including financial performance, customer relations, internal business process, learning and growth. In order to measure business performance in the most effective way, KPIs should be aligned with business goals and strategy, and moreover for a large organization with multiple units, each business unit of that organization is required to develop its own KPIs to meet its unique strategy, while it's also important to define the top KPIs used in common for all the business units, for the executives to make evaluations from the whole group point of view. However, there's no single best way how to implement KPIs, which means that it's difficult for a company to select certain suitable KPIs.

II. Methodology

Secondary research is conducted by analyzing the qualitative and quantitative data as well as approaches that were presented in the relevant literature or studies. The KPIs for the product industry is focused, as the relevant methodology for the analysis of this thesis. It analyzes the already available data and there are focuses on the various situations. Through the existing literature review, a broad quantitative survey is done on various product companies. The companies are using KPIs as an effective tool as is clear from the literature review. The focus is on how to evaluate and improve the effectiveness, alignment and completeness of

KPIs in product management.

In order to be able to validate the usefulness and effectiveness of my proposed framework in the reality, a case study was concluded as being the most suitable approach at this stage of research, according to the academic theory regarding how to conduct academic research project when there are no other data collection methods that are practically and readily available.

- Analyzing the conclusions in order to find a good hypothesis for future research.
- Presenting the analysis results from the case study in the proposed framework, which can be used to diagnose and improve the successfulness of KPIs in organizations.
- Presenting the difficulties and limitations I have been faced during the investigation.
- Additionally, pointing out other factors which might have impacts on the conclusions.

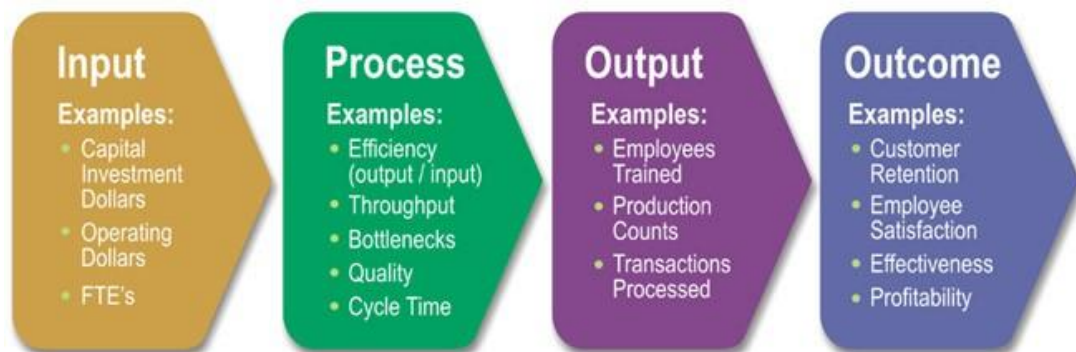
III. Results/Analysis

The sales and revenue can be increased by analyzing the category of multiple KPIs over time. The results evaluation told that the digital products are helping the business to effectively grow in the market. The results that are obtained through the exploratory research are focused on the development of the product dashboard. However, it is analyzed that companies are focused on product KPIs so that there could be effective design analysis, and the work domain could be supported. Moreover, the companies are getting benefits through analyzing the importance of the product information.

Key Performance Indicators (KPIs) analysis gave the results that companies are using to make design concepts and specifications based on the product so that there could be effective in the processes, and companies could gain competitive advantages in the market. There are selections on the prototype design section so that company could analyze its interface design according to the working environment or the working of the market conditions. The companies are determining the constraints that are there in the product KPIs strategies or designs.

IV. Key Performance Indicators Analysis

For the analysis of the key performance indicators, the product KPIs are focused to achieve the interface design. To analyze the performance of the KPIs, the various level of tools or business performances types are focused on. (Amrina&Yusof,2011).



V. Conclusion

It can be concluded in this thesis that it has evaluated the digital products, which are helping the businesses and its websites to grow effectively in the market. It is analyzed that companies can improve their performance by indicating the performance or identifying the performance improvement areas through KPIs.

In consideration of the product industry, it is known that KPIs can be useful for multiple factors because they not only improve or increase company revenue but also prove successful in every business model, as focused in the literature review.

Thus, companies could make recommendations so that there could be an improvement in the process of their product or website.

Product managers are getting benefits through performance measuring systems and these KPIs are helping the business to grow. Moreover, the KPIs framework can provide understandable information to companies so that performance data of the companies could focus on effective outcomes in an organized manner.

The multiple KPIs are proved effective for business levels framework, objectives, and various

recommendations can be made for the efficient target performance of the companies. By evaluating the past performance, an effective framework can be developed for the effective performance of the digital products for the future.