

# The KPI Trap

Descriptive KPIs just tell you what happened.  
Diagnostic KPIs tell you what to do next.

TYPICAL DATA	WHAT TO ACT ON
<b>PORTFOLIO COMPOSITION</b> Mix of types and stages	<b>Does the mix reflect actual strategic bets?</b> If not = criteria are wrong or not being enforced. Are prioritization criteria explicit and current, or implicit and outdated?
<b>CYCLE TIME</b> Avg days per phase	<b>Where is time being lost?</b> Decision gate lag → redesign criteria. Handoff gaps → assign ownership.
<b>RISK FLAGS</b> Red/Yellow/Green status	<b>Which risks require decisions now?</b> Who owns the decision and what's the cost of it not being made this cycle?
<b>BUDGET VARIANCE</b> Spend vs. plan	<b>What does the pattern signal?</b> Consistent = broken scoping. Episodic = unmanaged reprioritization.
<b>THROUGHPUT</b> # completed	<b>Is volume producing portfolio value?</b> Completions not mapping to strategy? Stop adding before you fix prioritization.
<b>SUCCESS RATE</b> % hitting primary endpoint	<b>Are we selecting the right initiatives to run?</b> High late-stage failure = early selection criteria aren't working. Revisit and tighten.