

KPI DECOMPOSITION-BASED RCA

Driver-Based Root Cause Analysis

A structured approach to root cause analysis (RCA) by breaking down KPIs to identify specific variables impacting a top-level metric.

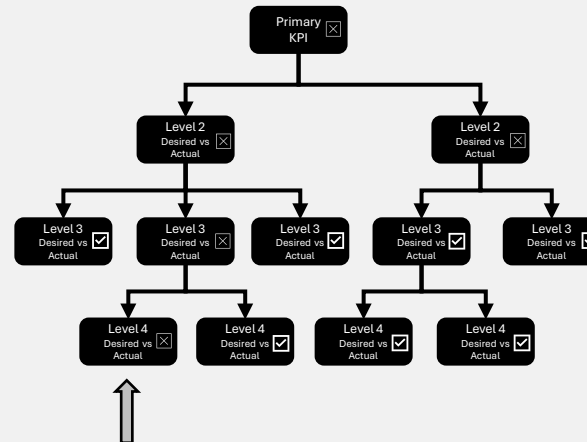
HOW IT WORKS

- 1 IDENTIFY**
primary, high-level KPI
Ensures focus on right (metrics) to identify the contributing KPIs
- 2 DECOMPOSE**
into lower-level KPIs
Identify the key drivers that directly impact Level 1.
- 3 DRILL DOWN**
until actionable level
Continue decomposing each KPI until reaching operational levers.
- 4 ANALYZE**
gaps using Desired vs. Actual
Compare Desired vs Actual at each level to find the biggest performance gap.

Tip: Validate the "vital few" gaps with evidence (data, observation, sampling).

*Complements Pareto, Fishbone, and 5 Whys by focusing on measurable drivers.

VARIABLE DECOMPOSITION



Goal: Identify the driver(s) with the largest Desired vs. Actual gap.
Once confirmed, prioritize improvements and validate results.

KEY TAKEAWAYS

- ✓ Breaks down large KPIs into manageable levels
- ✓ Focuses analysis on the biggest performance gaps
- ✓ Identifies the variables most impacting performance
- ✓ Supports data-driven improvement decisions