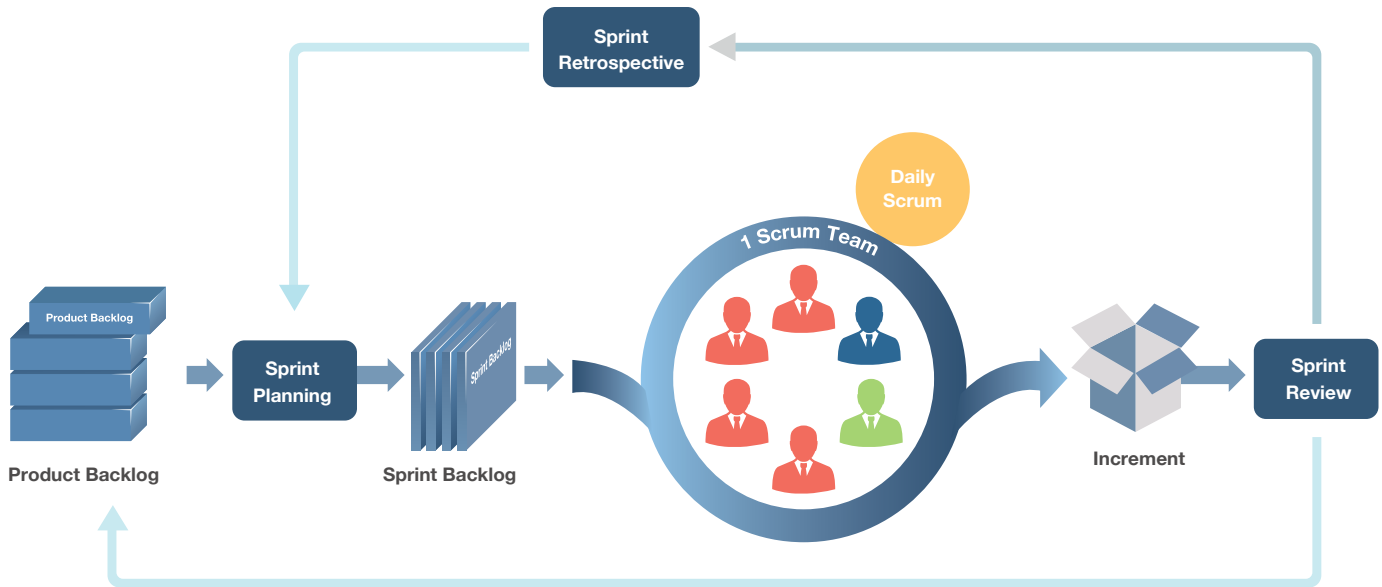

# 6 Scrum KPIs for Measuring Team Performance

Scrum empowers teams - mostly software development teams - to structure and manage their work. The framework describes roles, meetings, tools, technologies, and processes that work in concert to promote team communication and collaboration. Scrum teams are mostly smaller in sizes (usually one scrum master, one product owner, and a few developers) and deliver work in sprints (a period of 1-4 weeks).

Businesses worldwide are increasingly adopting Scrum practices to accelerate their software development and customer satisfaction. However, to unleash the full potential of the Scrum methodologies, it is essential to develop Scrum KPIs and monitor the team performance against these performance indicators.



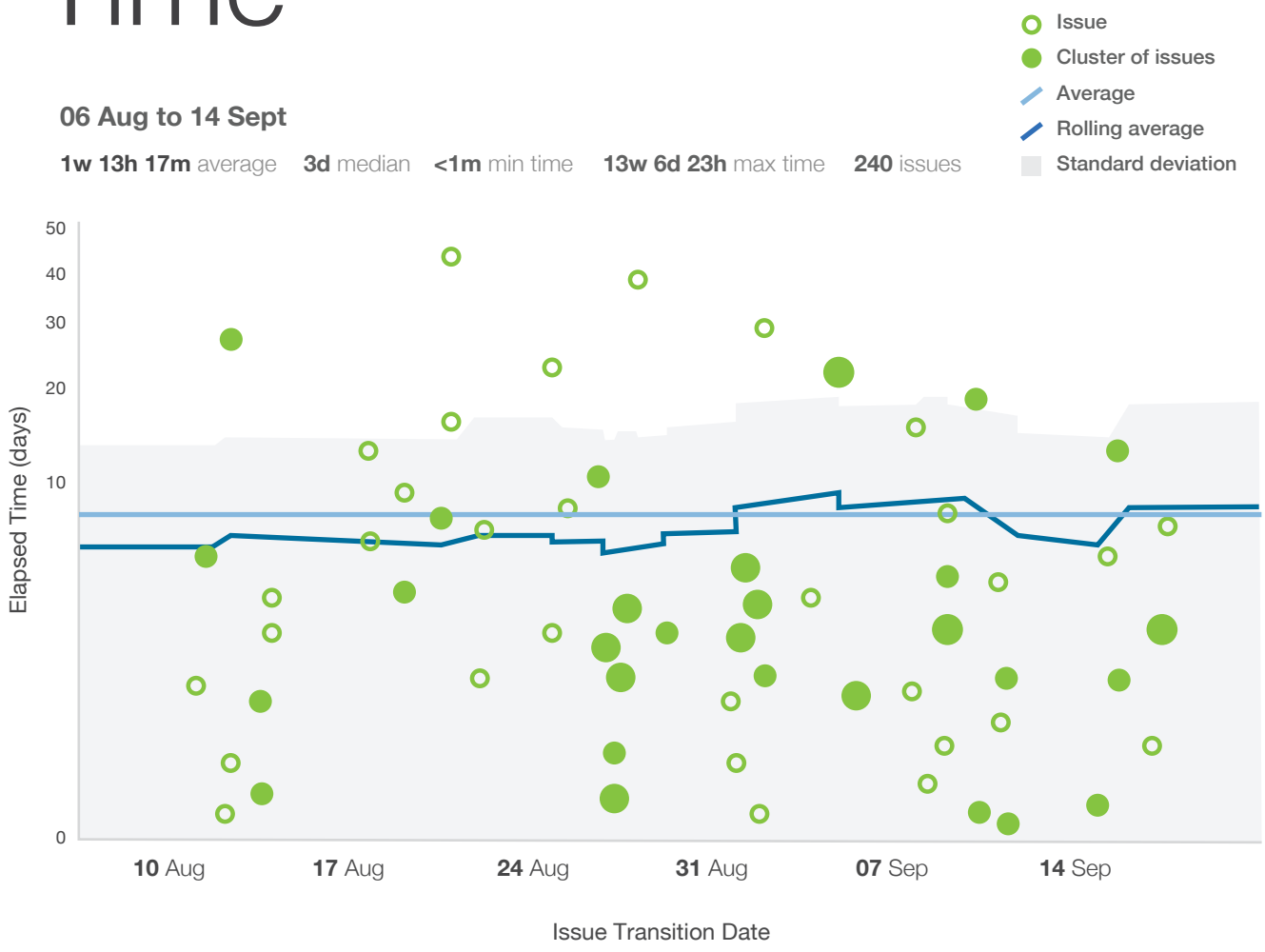
**Here’re 6 Scrum KPIs to get you started.**

# 1. Customer Satisfaction

The most critical objective behind adopting a Scrum agile framework is to create higher value for the customer. So, it goes without saying, that if the customer is not happy, ticking other KPI boxes won’t help much.

Through customer surveys, such as CSAT and NPS, and looking into Ticket Volume and First Response Time, customer satisfaction level can be gauged and adequate measures can be taken to further improve it.

# 2. Cycle Time




Cycle time refers to the length of time that a task in a product backlog takes to move from the 'in-progress' column to the 'done' column. Cycle time is an important metric in Kanban or agile methodologies, but it can also be a key metric in Scrum projects and shed light on the efficiency of the team in processing units of its assigned work.

Ideally, the shorter the time cycle, the better it is for the team and the client, since the team will be able to deliver more units in a sprint. Thus, the metric helps the the team become more efficient and also improve their capability to provide delivery estimates.

# 3.

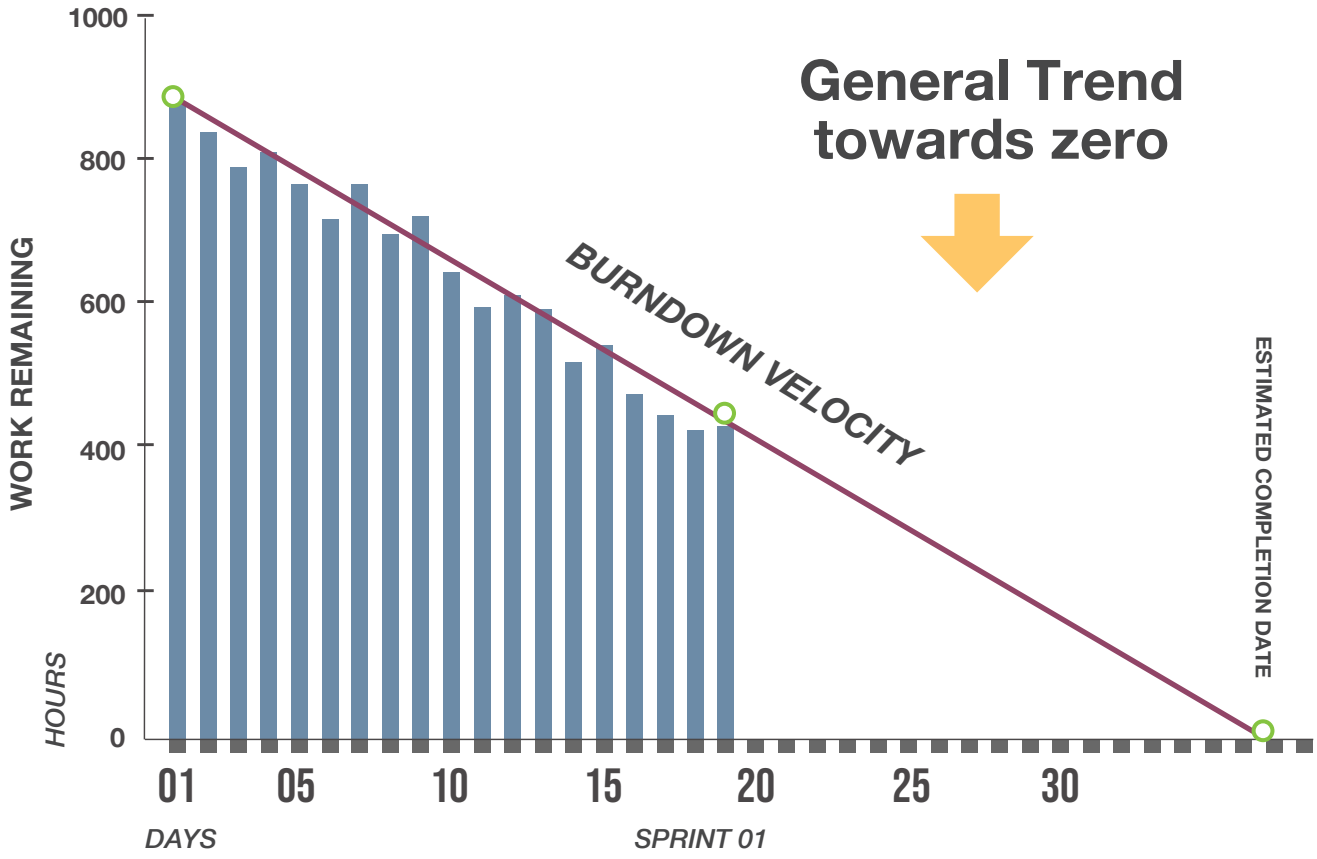
# Defect Removal Efficiency (DRE)

Defect Removal Efficiency (DRE) helps the Scrum team identify their capabilities in terms of detecting and removing bugs or defects that often creep into their development work. It is typically measured prior and at the moment of release of an increment or a potentially shippable product. So, the the formula to determine DRE looks as follows:

# 4.

# Burndown Charts

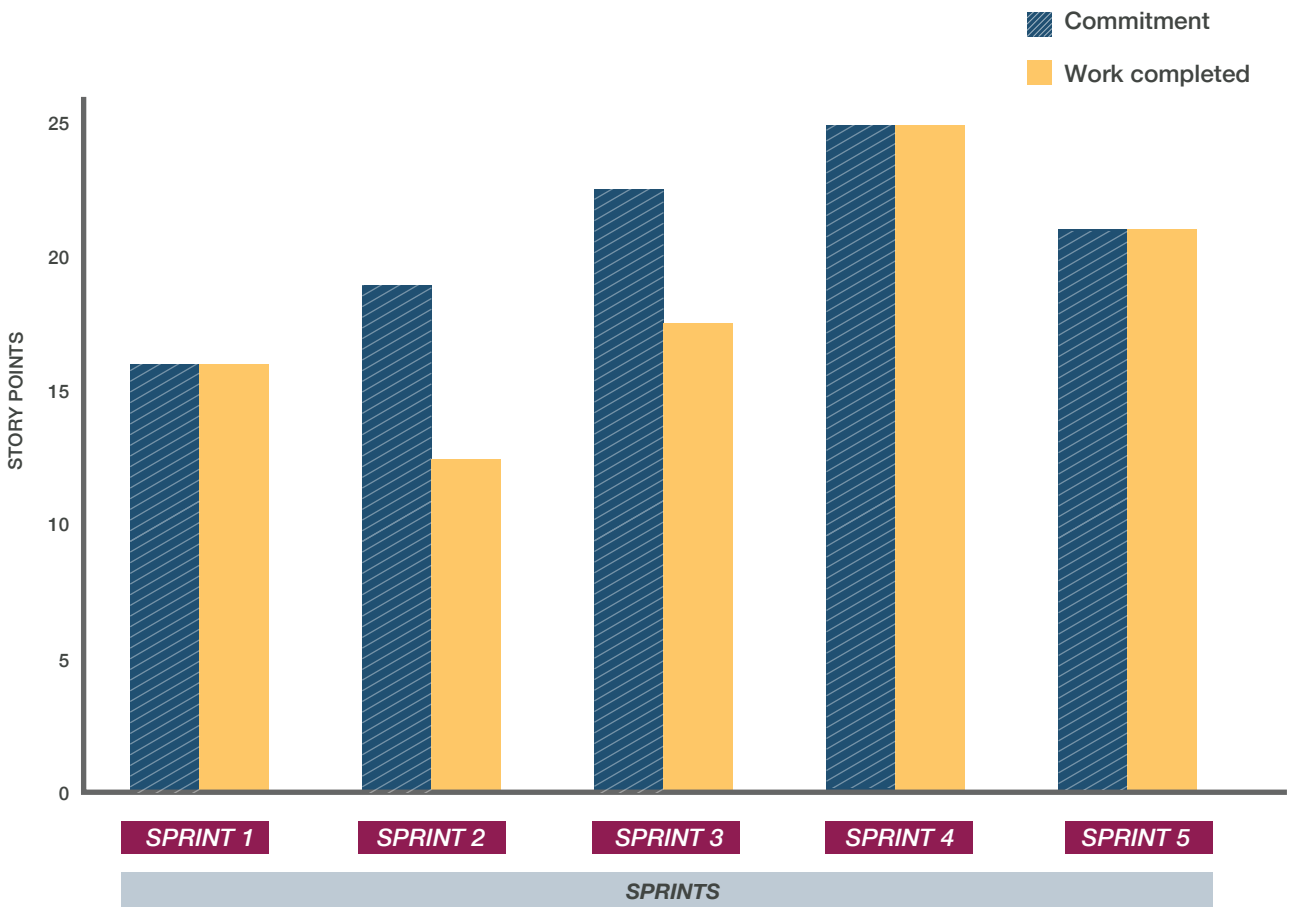
Sprint burndown charts provide real-time insights into the sprint progress. Scrum teams use the graphical charts to look at what they have decided to complete in the sprint planning event and how much of that they have finished so far. Based on the insights gathered, the team can accelerate their speed or continue with the on-going momentum.



# 5. Velocity

According to Scrum.Org, “Velocity is an indication of the average amount of Product Backlog turned into an Increment of product during a Sprint by a Scrum Team, tracked by the Development Team for use within the Scrum Team.” So, for Scrum teams, Velocity could be a powerful metric as well as a tool to determine an estimate of product backlog items they may forecast for a sprint.

Using Velocity metrics, the Scrum teams can gain a deep understanding of the progress they’re making, their unique strengths, and practical ways to improve their performance in the forthcoming sprints. And while it’s true that a team’s velocity oscillates from one sprint to another sprint, the goal in the context of velocity should be to steadily trend upward by roughly 8-10% each sprint.



6.

# Capital Redeployment Ratio

**Capital Redeployment ratio is an important metric that can help organizations easily and effectively analyze the economic viability of a scrum project and take appropriate measures.**

The ratio can be determined by calculating the revenue (V) that the remaining items in the product backlog are likely to yield, the cost of the sprints (AC) that are needed to complete the remaining items in the backlog, and the opportunity cost (OC) if the team is moved to another, more profitable project. So, in a scenario like V < AC + OC, the organization can decide to end the project and redeploy the team to other projects.

$$V > AC + OC$$