CORE CONCEPT

KPI Design: Developing Key Performance Indicators Aligned with Strategy

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Technical depth: Practitioner · **Practical mode:** Modelling build

Introduction

Many organisations track dozens of indicators yet still cannot show whether their strategy is working. Indicators are chosen because the data exists rather than because they measure a strategic objective, and targets are set without baselines, so reporting consumes effort without informing decisions. This Core Concept course equips managers to derive KPIs from strategic objectives, define them precisely, set defensible targets and present them so that leaders act on them. Participants build each component on their own organisation's objectives and leave with a KPI Framework comprising an alignment matrix, KPI dictionary, target model and dashboard prototype.

Course Objectives

- Translate strategic objectives into measurable results using strategy maps and logic models
- Select KPIs that balance leading and lagging, outcome and efficiency measures against defined selection criteria
- Document each KPI with a complete definition, formula, data source, owner and reporting frequency in a KPI dictionary
- Set targets and tolerance thresholds from baselines, trends and benchmarks, and test them for gaming risk
- Interpret KPI results using control charts and dashboards that separate real change from routine variation
- Build a KPI Framework for a business unit that leadership can adopt for regular performance review

Target Audience

- Strategy and planning managers translating strategy into measurable targets
- Performance management and excellence office managers who own KPI reporting
- Department heads accountable for unit-level performance results
- Business intelligence and reporting managers who build performance dashboards
- Quality and institutional excellence managers maintaining measurement systems

Course Outline

Day 1: Performance Measurement Foundations

- Measurement Terminology: Metrics, KPIs, KRIs and Targets
- Leading versus Lagging and Outcome versus Output Indicators
- Logic Model: Inputs, Activities, Outputs, Outcomes and Impact
- ISO 9004 Self-Assessment of Measurement Maturity
- Current KPI Inventory Audit and Redundancy Screening

Day 2: Aligning KPIs with Strategy

- Kaplan and Norton Strategy Map as the Source of KPIs
- Objective-to-KPI Alignment Matrix Construction
- KPI Selection Criteria and Scoring Grid
- APQC Process Classification Framework for Process-Level KPIs
- Reference KPI Definitions from ISO 22400-2 and ISO 30414

Day 3: Defining and Documenting KPIs

- KPI Documentation Form: Definition, Formula, Unit and Polarity
- Data Source, Owner and Reporting Frequency Specification
- DAMA-DMBOK Data Quality Dimensions for KPI Data
- Baseline Calculation and Historical Trend Analysis
- KPI Dictionary Build in a Spreadsheet Template

Day 4: Targets, Thresholds and Measurement Risk

- Target Setting from Baselines, Benchmarks and Stretch Ratios
- RAG Thresholds and Tolerance Bands
- XmR Control Charts for Separating Signal from Noise
- Goodhart's Law and KPI Gaming Risk Review
- Cascading KPIs from Organisation to Department Level

Day 5: Modelling Build and the KPI Framework

- Service Operations Case: Rebuilding an Overloaded KPI Set
- Dashboard Prototype Build Using Few's Design Principles
- Target and Threshold Model for an Own Business Unit
- KPI Framework Assembly and Consistency Check
- Peer Review Panel and Framework Presentation

Skills You Will Gain

- KPI Design
- Strategic Alignment Analysis
- Performance Target Setting
- Measurement Data Quality
- Performance Data Interpretation
- Dashboard Design
- KPI Governance
- Performance Benchmarking

Why Attend This Course

- Return to work with a KPI Framework for your own unit, with every indicator traced to a strategic objective
- Replace indicators that nobody acts on with a shorter set that leaders use in review meetings
- Defend each target with a baseline and a rationale when senior management challenges it
- Compare measurement practice with managers from other sectors and countries

Conclusion

A KPI earns its place only when it tells leaders whether a strategic objective is being achieved and prompts a decision when it is not. This course moves from measurement concepts and a review of current indicators, through alignment with strategy, to precise definition, target setting and the risks of gaming and misreading data. The final day assembles those components into a KPI Framework that participants take back to their organisation, ready for adoption in the next performance review cycle.