



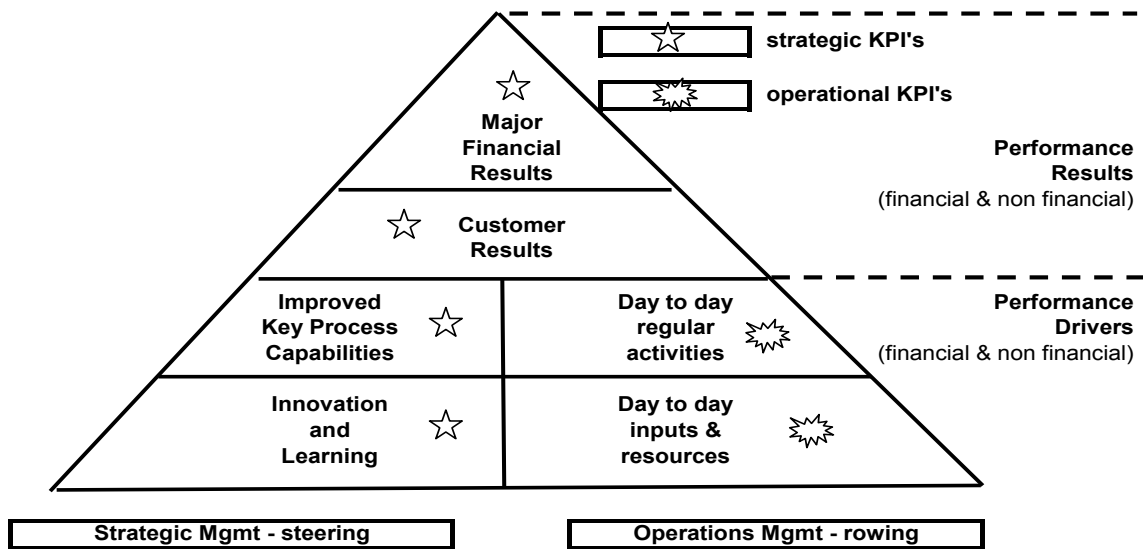
Strategic vs Operational Reporting

All measures are important. It's just that some measures are more strategically important than others. Strategic KPIs are those that demonstrably support the strategy of the functional areas in organisations. At operational level a more varied set of performance metrics /KPIs are used.

During the strategic planning process, changes to strategy are translated into strategic objectives that provide the reasons why new initiatives and programs are needed. Strategic KPIs measure progress against the organisational strategic objectives, at both the cause and effect levels. Managers should analyse the trends of these KPIs and what is causing them at review meetings.

Strategic KPIs fall into four categories – the major financial results, customer results, improved process capability and innovation & learning (people). This is illustrated in the measurement classification pyramid below.

Management Reports - Lens into the state of strategic & Operations Mgmt



Every task performed in organisations has an impact, minor or major, on customers and the major financial results. Through measurement organisations can track how well these tasks are performed. They can be short-term, like how many resources we consume when we deliver today's services/products. They can be long-term, like how well we build services and process capability through innovation initiatives and organisational learning based on improving systems and people.