Category

Strategy

# Data-Driven Strategy and KPI Design Playbook (Strategy Pyramid, Metrics Framework)

A cascading method for connecting mission and strategic objectives down to a North Star metric and a disciplined KPI tree, so every team's dashboard actually ladders up to what the company is trying to achieve.

- Beginner
- Beginner
- Template Included
- Workshop Ready


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- 8 minute(s)

## Overview

A KPI design playbook that cascades mission and strategy down to a North Star metric and a leading/lagging KPI tree, so every team dashboard connects to what the company is actually trying to achieve.

### What makes a good North Star metric?

A good North Star metric predicts long-term business success, genuinely reflects value delivered to customers (so it can't be improved by cutting corners on the customer experience), and can be meaningfully influenced by frontline team actions on a weekly or monthly basis. If your candidate metric fails any of those three tests, keep iterating before you lock it in.

### How is a North Star metric different from a lagging KPI like revenue?

Revenue is a lagging outcome that reflects many factors, several of which any single team can't directly influence day to day. A North Star metric sits one level up from revenue causally — it's chosen because moving it reliably drives revenue and retention over time, while being close enough to daily team actions that people can actually see their work affecting it.

### How many metrics should be in the KPI tree?

Enough to cover the 3-5 primary drivers of the North Star metric, each broken into 2-4 leading indicators — typically 15-25 metrics total for a mid-size company, down from the 30-50+ most companies discover they're actually tracking before this exercise. If the tree exceeds that range, some branches likely need to be consolidated or pushed down to team-level detail dashboards rather than the company-level tree.

What do we do about metrics that don't fit anywhere in the tree?

If no one can articulate how the metric connects to a strategic objective or defend why it should be tracked at all, retire it. If someone can defend it but it's genuinely operational rather than strategic (e.g., a support-ticket queue depth), keep it on that team's own dashboard rather than the company-wide tree.

How often should the North Star metric itself change?

Rarely — treat it as stable for at least a year unless the underlying strategic objectives genuinely shift (a change in growth stage, business model, or competitive position). Changing the North Star metric frequently undermines the entire point of having one, since teams lose the ability to build sustained focus around it.

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