

## **Measurement Motivates!** How to Successfully Promote Change and Turn Objectives into Outcomes

Four years ago I resolved to lose 30 pounds in six months. I began to exercise. I cut back on how much I ate. Frustrated at the lack of progress I witnessed at my semi-weekly weigh-in, I began to weigh myself daily. I now knew every day that I was failing. Still committed, I began daily to record my weight, my time for a 3-mile run and the number of calories I was consuming. Being analytical I printed bar charts of my weight and run times. The bars started to descend like a staircase. I was hooked, some say obsessed, by the trend line. I was motivated by measurement!

Measurement is also a great driver of change in an organization. Almost every company is trying to innovate its products, services or processes. However, forty-six percent of the money invested in new product or service development is spent on products that do not provide an adequate financial return according to Booz-Allen Hamilton.

Measuring financial returns, while necessary, is a lagging indicator, a picture of the past. In order to be proactive you need to track in-process metrics that you can monitor and improve on the go like the time to run 3 miles in my weight loss program.

**Four basic steps to create a measurement process.** To implement an improvement initiative that turns objectives into outcomes you must do the following:

1. Define what kinds of factors, such as time, cost, quality and product performance are critical to satisfy internal and external customers.
2. Map the cross-functional processes used to deliver results.
3. Identify the critical tasks and capabilities required to complete the process successfully and modify them as needed.
4. Design measures that track the key inputs and outputs that generate the desired outcomes.

**Measure what matters.** I diligently measured calories consumed, run times and body weight. Dr. Michael McQuade, President of 3M's Health Care business, identified reduced error rates, eliminating over and under-treatment and shortening long waiting times as significant outcomes that really matter to patients. Dr. McQuade acknowledges that good performance metrics will help them set the stage to make improvements in their processes, products and services to deliver these outcomes.

The most meaningful metrics may not be the most obvious or easiest to measure. Dig deep. Albert Einstein summed it up best, "Not everything that can be counted counts, and not everything that counts can be counted."

**Roughly right vs. Precisely wrong.** At the beginning of a measurement initiative people can become paralyzed in debating the details of the metrics to use to track implementation of the strategy. Use the following criteria to choose appropriate metrics to keep you focused and moving forward.

- Reliable (do you trust the data?)
- Practical (how easy is it to get the data?)
- Meaningful (does the measure make sense?)

**Emotional stages along the measurement journey.** A few years ago when we implemented a measurement system at a division of Dow Chemical, which helped us really understand causal drivers of success, we went through the standard stages of adoption/acceptance. Once we gained employee's trust and they saw the potential benefits to the company and to them they became committed to the process and took it to levels we had not anticipated.

**Balanced Scorecard.** While my aggressive running program was successful in helping me drop 30 pounds I unfortunately lost upper body muscle. I did not use a balanced systems-thinking approach and I suffered unintended consequences.

Using the Balanced Scorecard for strategy implementation helps ensure that an organization does not hurtle down a path of measurement that carries it off track. For example a one-dimensional focus on improving *return on investment* (ROI) may end up causing another ROI -- *restraint on innovation* as a recent author described it.

**Eight Steps to Successful Measurement.** In summary, follow these steps to ensure successful implementation of your strategy.

1. Get input from frontline employees early.
2. Identify true cause & effect linkages/Consider unintended consequences.
3. Select right measurement and data collection methods. (KISS)
4. Agree on a balanced set of mission-critical outputs/outcomes. (15-20)
5. Implement a change initiative to move the needle.
6. Track results. Forecast future outcomes.
7. Create and implement a communication plan to the whole company.
8. Celebrate success!

While I have not printed any bar charts for 3 years I still weigh myself daily to make sure I do not regress. A measurement program is not a one-time fix. Likewise corporate strategy development and implementation must be a year around event that is continuously monitored and motivated by measurement.

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