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Scorecards/ Metrics - how to make a difference to your bottom line

Why track performance? Not tracking performance would be the same as if you watched a football game and never knew the score - what fun would that be? And why watch at all? Scorecards and metrics are your tool for understanding progress towards your business goals and they provide you with vital information as to how you can improve your business. How can your business survive without them?

Businesses many times spend countless hours putting together and distributing reports. But, do they drive business results or just contribute to killing more trees and filling up your email inboxes? I've found that businesses waste countless hours and valuable resources publishing information that provides no value. It's no wonder metrics and scorecards aren't considered important in many companies.

However, if you have a solid metrics process, you can drive significant business results. For example, I've seen companies utilize metrics to double their inventory turns (freeing up substantial cash), reduce their costs significantly, etc. In my experience, I've found there to be three keys to implementing a successful metrics process.

First, review your current metrics and reports to identify which ones provide real value in running the business. If you aren't even sure what the report means, toss it out. And, if you have none to start with, think about what the key drivers are for your business. For example, if you are a distributor, inventory and customer service are probably important. Start with those and put together a simple report that tracks the progress of your top goals.

Second, just start. It's not important for your metrics to be fancy - charts and graphs might look good but it is far more important to publish metrics that are meaningful to your business, simple to understand and ones that will provide the key facts for identifying opportunities and decision-making. The back of a napkin is fine if it contains the important facts for your business.

Third, DO something. Pay attention to the data - after all, you spent time to make sure it was the data that meant something to your business. If the trend is going in the wrong direction, take action. Or, if the data points to a success, think about how to build upon your success. Metrics are useless if the data isn't utilized to improve the business.

Forget your excuses about not enough time, too much to do - understand your goals, identify the key metrics and BEGIN. Results will follow.

Lisa's Tips - Teamwork

1. Align goals: Without this point, nothing else matters! If you think you have a team yet one person can succeed (receive a pay raise/ reward) while another can fail (not receive a pay raise/ reward), you don't have a true team. A team must have the same / aligned goals to function as a team. They must think about the team first - every

time. If you agree on a goal, plan or action item while in a meeting with your "team" yet anyone in the meeting complains about it after the meeting, is that a team? Do you expect that team to achieve the business results? What "works" isn't always easy - take the time to align your goals and the rest will be easy.

2. Define metrics: Once you have a team goal, you need to know your progress towards the goal. It is rare that a team puts together a plan and achieves the goal without any updates to the plan. Metrics allow you to understand how you're doing and what changes you could make in order to achieve your goals. It allows you to keep score.
3. Seek to understand first: As conflicts arise, remember that you are a team. Seek first to understand and then to be understood. Many times, conflicts are due to misunderstandings: not disagreements. If you try to understand where your teammate is coming from, you'll be in a much better position to brainstorm a win-win solution together.
4. Communicate: Make communication a priority - and meaningful.
5. Catch 'em doing it right: People need to know how they are doing. When someone makes a difference, notice it. Everyone likes to feel respected and noticed for doing a good job. This simple act can help keep the team together and motivated.

Recommended Reading

[Positioning](#) by Al Ries and Jack Trout - it is a classic, timeless, fascinating read on what really matters in the world of marketing. There is a huge amount of money and resources spent on marketing that yields minimal or no business results. This book is insightful in a new approach to marketing in a society that is overloaded with information. It describes how to develop a "position" in a prospective customer's mind-one that reflects a company's own strengths and weaknesses as well as those of its competitors. After reading this book, I immediately could see what was previously a blur - I knew of several mistakes (and a few successes) of a major new product launch of a company I worked with in my past. And, more importantly, it provided ideas and insights of how to approach it differently for improved results.

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