



THE SCIENCE BEHIND ACHIEVEMENT

Articulating The Five Intangibles Of Performance Management

No one would take a walk in the woods — or in a new city on the other side of the world — without a map, a plan or at least a compass. And unless someone was just trying to clear their head, they wouldn't step out without a destination in mind.

Since business is the same way, savvy leaders want to know where to go, how to get there, what landmarks to expect along the way and how to recover from any detours. With the rapid pace of business, the ever-evolving landscape of technology and a multigenerational organizational culture, a thoughtful investment in performance management is critical to positioning any organization to take the lead, and a dynamic, holistic system serves as the scientific method for defining those

elusive intangibles. It is the premier way to take advantage of new opportunities quickly, efficiently and with all levels of the company focused on performance. Having a comprehensive approach to tracking and maximizing performance creates opportunities for correlated analytics on profit motivation, gaps in product delivery and changes needed to adapt to the marketplace.

Here are the five essential elements for creating a living, breathing performance management framework that can keep any company on the path to increased profits, savings and success.

Set And Share The Vision

Start with a crystal clear vision: what does success look like for this company?

This might be more challenging than it seems at first glance. Often, this discussion reveals competing priorities that make it difficult to choose one clear direction or path. A clearly articulated vision can be a single statement, a list of core values or a detailed business plan to share with all key stakeholders, including employees (and eventually shareholders, customers and others). It's an opportunity to get the entire team motivated to meet company targets in a way that doesn't require financial incentives and resources.

A leader is the most important person at the table, dedicating time and resources to defining the vision and laying the foundation for a performance focus. Many things can be delegated, but this isn't one of them. When a team sits alongside a leader who is passionate about guiding them to success, they are far more likely to stay committed to the journey and buy into the solutions that drive performance.

Use A Transparent Tracking System

Next, the vision must be broken down into specific indicators — shorter-term benchmarks that can be tracked at regular intervals to assess whether company performance is on target. During this walk in the woods, is there a clearing in the trees at the halfway point? A fork in the trail? A cave to look out for? Mark each landmark on the roadmap; embed each benchmark indicator into a data tracking system.



An unfortunate mistake business leaders often make is to craft a beautiful vision and then put it on a shelf to gather dust. The key is to be transparent, communicative and, most importantly, to embed benchmarks into a user-friendly system that is part of the daily workflow. An effective structure allows for system design, data capture and reporting all in one place.

Don't Wait To Measure Intangibles

Many business leaders have a real challenge figuring out how to measure intangibles — things like employee motivation, brand recognition or reasons customers don't buy a product they've considered. Soft characteristics like these can be much harder to operationalize, but are often critical drivers of performance and profit.

The secret to articulating these key indicators is to start with a factual definition and work from larger to smaller details to chart the course toward that success target. Keep an eye on the destination but also on short-term benchmarks. Be specific and stick to things within the company's control rather than outside market forces. How will the company know it's making progress? Business leaders cannot afford to wait years to know if they're on track; they need to know now.

Close The Loop

All stakeholders need to see their efforts lead to progress in order to stay motivated to continue to support the company. Solid performance management systems include a scorecard for reporting back to everyone — employees, partners, shareholders, customers and even the general public — with the information they each need to make key decisions, celebrate successes and course correct when needed.

Ideally, the data and performance system is tailored for different levels of access, with a streamlined interface for front-end users and a more in-depth view on the back end for the performance reports leaders need to see. Giving everyone relevant information ensures they are all on the same page and makes it easy to create feedback loops proactively.

Look All Around To Learn From Mistakes

In a culture of excellence, it's vital that business leaders and their teams take each mistake as an opportunity to learn. Successful learning organizations can stay adaptable to changes in the market and avoid becoming stagnant.

By creating a holistic system to track all aspects of performance and encouraging a culture of learning, a business sets itself up to improve every day. Too many

businesses try to collect and track data in a piecemeal way — one system for HR, another for sales and yet another for customer service. It's critical for leaders to be able to review all of their company's data at one time, and it's most efficient to track it all in just one system.

Measuring performance is not a new idea, but it is indeed a craft. It allows a business leader take a vision for success and translate that into a straightforward roadmap. Ultimately, it's a map to profits, quality products and services, satisfied employees and customers and high performance at every turn.

Thoughtful performance management is a way to pin even the intangibles onto the map and get an accurate picture of what's happening. It lets any business stay agile while squarely focused on its bottom line. ★

Ananda Moss-Byas and Jill Nilson, the entrepreneurs that founded Exact Change Strategies, LLC, are passionate about performance management as a roadmap for any company — public, private or nonprofit.