



Metrics & Feedback Loops

Overview

It is commonly said that what you can measure you can improve.

That's why it's important to set up your metrics, the initial benchmarks and then the feedback loops create useful data from which to gauge your progression from a starting point ...

... and also to understand what to take corrective action on, and when.

Inside this process while it's important to have data to chart progression, you need to be careful that you don't go overboard and fall into the trap of so much data that you experience ...

... paralysis by analysis.

This is one of the biggest challenges facing leaders today.

They have so much information that they simply don't know what to do.

Or at the other end of the scale is so little information that they don't know if what they are doing actually works.

So please be very clear when you set up your metrics that you design them, or redesign them as the case may be, in conjunction with your accountant, key team leaders and your media strategist to focus only the most useful metrics.

Metrics that help you make decision that increase value, increase meaning and increase relevance to your core markets.

And then of course metrics that best enable you to do that efficiently, harmoniously, profitably and in tune with your vision, purpose and values.

You also need to ensure your feedback loops are working in the same way.

Feedback loops are simply a means of helping you to get an up-to-date position on how you are tracking against your key metric baselines and forecasts.

All should be geared to track trends and chart performance both internally, and externally around important things like budgeting and forecasting, sales and conversion activity and how that affects revenue, costs and profitability, and of course human resources and performance

And also, you should be tracking your performance against what is driving the entire brand plan and that is each of your 7Ps – Product, Price, Place, People, Packaging, Processes and Promotions.

Essentially all key metrics should be focused on determining if you are achieving the goals and objectives you have already created.

Generally speaking, metrics are good for four key things ...

1. To know what is working and what isn't and by how much.
2. How that compares to your forecast and best practice in your industry locally and globally.
3. To understand exactly what to cut, what to push and what to take corrective action on, or more simply put, what to start, what to stop and what to continue.
4. To then be enabled to make sound timely business decisions to accelerate progression in the most efficient way possible.

Setting up your metrics, baselines, feedback loops and then ensuring the data inputs are timely and trustworthy requires effort to get up and running.

There are many of you that have already done that work, and so as a part of this exercise please go back and revisit it to make sure it's designed for this current circumstance and rejuvenated business plan.

That's why you need to engage your special external and internal resources to be involved.

Accordingly, they should also have access to all the data and be enabled to provide their advice on what they believe should be adjusted in terms of objectives and strategies for their key focal points.

This kind of exchange should be undertaken formally in meetings regularly either on or offline to provide the inputs needed to make decisions.

As mentioned, this is one of the key reasons why businesses fail, because they simply don't have the right rigorous and robust information to make decisions on.

An important part of this process is to make it as easy, simple and automated as possible.

Fortunately, there are fabulous 'off the shelf' software available for this for a reasonable cost.

Simply Google 'Best business dashboard software' and you'll find plenty to review.

Ok, please get to work on that, or delegate it to get done to best suit your circumstances right now.

Let's move now to the next week and the first session there where I'll review what we actions are required to cut out of the business what you have determined should no longer be there in a way that doesn't creates more problems but fosters opportunity.