

METRICS DRIVE BEHAVIOR

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A well-respected, forward-thinking franchisor provided its franchisees with a new group of data metrics designed to ramp up sales. The specific metrics are, of course, proprietary information, but they were generated after comprehensively reviewing company operations and discovering areas where added focus (using the metrics as a guide) could really improve the bottom line and help the company continue to thrive.

Implementing these metrics (or any metrics, if done correctly) required more than simply handing branch managers a sheet of paper with new percentages or monthly quotas on it—it also required new training and added responsibility for every employee. They already had highly skilled and incredibly knowledgeable technicians. The new metrics and added training allowed these “info-powered end-users” to strengthen their existing customer relationships and gave them the tools to generate new business faster and more efficiently. The details here are less important than the lesson: the metrics worked.

So what did we do? Well, one of these franchisees is a client of mine, and after receiving these new metrics from the franchisor, he called us in to review the figures and see if we could help him build a monthly report that he could also generate whenever he felt like reviewing the figures, say mid-month. These reports would provide him with all the information he needed to make his frequent meetings with both his branch managers and individual technicians as productive and focused as possible. So through a series of views and queries we created a refreshable Excel report that pulled the data using date parameters. The data were in various tables and needed to be summarized. We also needed to create a few calculations. Eventually we came up with a continuously up-to-date, detailed, one-page report that provided him with all the fiscal and percentage-target data he needed, and at a moment’s notice.

Now, armed with these new data reports, they were able to compare their old numbers to their new metrics. Then they targeted specific areas for improvement and realigned their training programs to hit those targets.

Recently, he showed me the figures from the first monthly report: every technician was well below the new targets. Then he showed me a report created ten months later: every single technician was either at or above the new targets. The result (and this is only referencing a single metric from the larger group generated by the franchisor) was a \$400,000 sales *leap* over the previous year’s numbers! It was stunning, and proved that metrics really do drive behavior. The key is the right metrics.

What you measure will determine how you evaluate your employees (and yourself). It will also drive those same employees’ behaviors. So research and analyze any metric you’re considering incorporating into your business plan extensively. Make sure it’s

achievable, too—not just measurable. And finally, make sure it has an effective training program attached. The wrong metrics and unfocused training can lead to a downward sloping bottom line, but the right metrics can refresh expectations, widen your profit margin, and help your business flourish.