

Overview of Blueprint meeting for Coaches & Consultants – 15 October 2020

Meeting objectives:

To provide an opportunity to explore and share perspectives on:

- the purpose of measures and metrics,
- how measures and metrics are used and their impact,
- the potential unintended consequences of measures and metrics,
- ways to frame a discussion on measures and metrics with clients,
- an opportunity to meet and exchange ideas and experiences with others.

The session was *not* intended to be a discussion of specific types of measures or metrics or ways to develop them.

Background reading - HBR article: <https://hbr.org/2019/09/dont-let-metrics-undermine-your-business>

BREAKOUT 1

We discussed:

- Why do we need to measure?
- What is the purpose of measures?

Overview of thoughts shared:

- Metrics can provide a shared view and a vision of success
- Can help people to focus
- Without metrics it is easy to avoid taking action
- Show progress and impact, beyond just profit
- Accountability - what gets measured gets prioritised
- They send a signal about what is important
- To show and evaluate success and failure
- A learning & feedback mechanism
- Need both qualitative & quantitative measures
- In service of the purpose of the business
- They are a tool – keep a focus on the outcome rather than the activity
- Be agile - don't be rigid about metrics, hold on to what is important
- Assess is a broader, richer word than measure
- Challenge: how do you measure sentiments e.g. reputation. How can we measure things authentically, without leading to justification and self-promotion?
- Just because you *can* measure – should you?

To set the context for the next breakout we briefly revisited what we at Blueprint mean by a **purpose led business**:

- Has a **purpose which serves society** – envisages a positive impact on the world which shapes its thinking and drives decision making. There is a clear, simple and credible narrative which links the purpose to the strategy and to the outcomes and impact that arise from that strategy (both financial and non financial)
- Has a way of thinking about people which sees the **business as a set of relationships** and understands that the long term success of the business depends on the quality and sustainability of these relationships – with its employees, customers, suppliers, society and its responsibilities to act as a guardian for future generations
- Creates the conditions where **each person is seen as a someone not as something**, respects the dignity and value of people, and seeks to have a positive impact on the lives of those it touches

BREAKOUT 2

Reflect back on your career, the measures and metrics you were aware of and how they were used in the organisations you have worked in or for:

- how did they impact your motivation?
- how did they affect how you interacted with people?
- what was the impact on others / on your business relationships?
- what broader impact did they have?

Overview of thoughts shared:

- Measures can be uniting: everyone knows what is seen as valuable / important - but they can also stifle creativity
- Measures are there to 'manage' people
- A focus on the things that are easy to measure, but that can relate to only a small part of the job. The impact is that it makes people focus on the easy stuff rather than the more difficult sometimes more important stuff.
- Can create a narrow focus on what is measured, rather than on the end to end experience/ service
- Self worth is wrapped up in meeting targets
- Alignment between incentives and what was measured
- Sales targets can mean you can be encouraged to sell things to a customer that are not appropriate
- Where targets are qualitative and a red – amber – green assessment is used, a 'red' rating can lead to levels of discomfort. Maybe targets need to be more 'realistic' / have more interim targets to give a sense of progress
- Need a balance between individual indicators and team indicators
- Pros and cons of assessing – measures can invalidate intrinsic motivation
- Can lead to voluntary reductions in progress reported - so can have something to report next time
- Impact on culture

WORKSHOP EXAMPLE

We shared a workshop format that Blueprint had co-created with a company we are working with, where they looked at a set of draft measures and metrics they had developed aligned to the Blueprint Principles.

Think about a measure taken from the Board pack:

Q1: What are the assumptions behind these measures:

- about people?
- about the purpose of the business / what the business cares about?

Q2: What problem you trying to solve for with these measures?

Q3: What might be some of the unintended consequences of the measures?

Q4: When approaching measures, what 1 thing would you do differently and why?

Next steps the company is taking:

- reflecting on social & environmental outcomes deriving from their purpose
- reflecting on what behaviours they want to cultivate, what a good process for assessing how they show up differently is, and what good measures would be.

Reflections

- What we need are the right conversations to take place in a business – it is about culture and trust
- Measures should be about the result we are having in the world, and what people are saying about us
- Agree what success looks like at the outset and measure against that
- A simple way to look at measuring purpose is to measure the impact the purpose has on people in the organisation – look at how they have been changed. Need to worry less about external proxies if you get this right. Measure material change in their behaviour rather than what they say
- Recognising change vs measuring change – if we can recognise change this is simpler than seeking to measure it
- Sometimes it starts with people (culture) but other times it can start with the impact the company seeks to have

Wrap up

The Blueprint perspective on measures - includes 3 broad aspects:

- a) to help assess **how the purpose is changing internal relationships and driving decision-taking;**
- b) to give insight into the evolving **quality of external relationships** material to business success
- c) to assess **specific social and environmental outcomes** deriving from an assessment of the company's impact, alongside financial results



They need to be chosen - and then used - in a way that stimulates action in pursuit of the purpose but at the same time averts the risk that the proxy measures become boxes to tick or substitutes for the true goals