

Result Assurance

– from strategic goals and ambitions to obtaining results!

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How important are results?

Both private and public managers put considerable work and energy into establishing strategic goals and plans for their organizations, including budgets for various activities. The purpose of this work is to plan for obtaining future results. It is a paradox then that managers after all this planning often are dramatically dissatisfied with the results obtained! What causes these unwanted deviations between *planned* results and *obtained* results?

Let us change perspective and see the question from an “obtained results” point of view. Let us put on “result glasses” and look at what is actually performed under the heading “management”. Now we will probably identify far too many activities that have little or nothing to do with results. These are activities that even if performed to perfection have no influence on results at all. If the purpose of management is to assure results, why do we use so much energy and resources on activities obviously not giving results? This is a difficult question to answer, but here we come up with some proposals:

- **Talking** about results seems more important than **delivering** results
- **Collecting** knowledge is given priority over **using** knowledge to create results
- Measuring what **has happened** till now seems more interesting than **taking action** to achieve results

In many cases it seems that producing results is of minor importance. Maybe results are not what we really want? Maybe we want something entirely different!

Minimal interest for results

From a management point of view we are rapidly moving towards catastrophe when we take focus away from results. A sarcastic management writer has pointed out that people may not necessarily be especially interested in their work and the results they produce there. Some are definitely more preoccupied with their bank account, he says - or their hobbies, political preferences etc. For managers, however, the main point must always be to get the

focus back on results; that is what we have managers for.

Strong forces contribute to take managers' focus away from results. One challenge is that results may seem distant and somewhere far ahead - in a future full of risk and insecurity. Another challenge is that to obtain results it is necessary to make priorities – often with consequences we may not necessarily like. Managers who focus too hard on results may even be perceived as rather simpleminded, heartless and primitive.

It is much safer to look to the past than to the future and less risky to take action. The dynamics of change is now gone. What has already happened is much better suited for analysis, and there seems to be no limits to the energy managers use here - with complicated methods, extensive surveys and measuring everything measurable.

In this way managers take the interest away from results and instead become experts on accumulating knowledge about other matters! Professional expertise is now often given the highest status and prestige. If professional expertise and management competence are set up against each other here, the professional experts will always end up as "winners". Good management is something only talked about – as this seems easier to discuss than to perform. In a management climate like this, results will appear as something vague and inaccurate. Little effort is made to see results as something important and specific!

Result Assurance is a natural element in Result Management

It is possible to deal with the problems described above by using simple and effective

management tools. With Result Management we can easily shift focus from *activity steering* to *result steering*. Our experience with Result Management from consulting work in Considium is well documented, and we will here concentrate on the important element "Result Assurance" and describe this in detail.

More focus on Result Assurance

Traditionally result planning (goals, budgets and activity plans) has been given much attention in management and has developed into the most important management arena. However, the use of this planning work in result steering as such has received much less attention. A simple method to focus better on result steering is just to upgrade the *result assurance meeting* to the most important management arena. One effect from this will be that the critical question: "Is the quality of the goals, budgets and plans we make good enough?" is shifted to the result assurance meeting. To answer this question, "*obtained results*" will now be the most important evaluation criteria. In this context it is natural that "*obtained results*" will also be given greater importance in the evaluation of managers and employees.

Result Assurance Meeting

A good result assurance meeting demands thorough preparation and explicit direction. Many would say that this sounds very authoritarian – however, managers agree that this is a very effective way of doing it. And the meeting rules are the same for everybody!

We will now go through the various elements in the result assurance meeting and look in detail on some vital challenges that must be met:

1 Premises for the Result Assurance Meeting

Here is a summary of the main premises for result assurance:

Goals are personal

Even if departments and groups have goals, these goals must be achieved by individual managers or employees! Goals are not “binding” until a person takes a personal responsibility for them. We want to empower individual managers and employees by making them responsible and accountable and giving them freedom and authority to take appropriate actions to achieve goals.

Commitment to Results, Freedom to take Action

For managers and employees to take responsibility and be accountable for results, they have to be invited into the goal setting process, be given the opportunity to discuss ambitions and take part in decisions on budgets and goals. At

the same time they must have freedom to take the necessary personal initiatives and actions to achieve their goals – within the company’s values and resources.

The Vital Few

We can only steer on a limited number of goals at a time! The individual’s most important contributions to company goals and strategies are formulated in 3-5 frequency goals and 1-3 work goals (milestone goals). Time range 3-9 months.

Result Card (Score Card)

The score card is used to document personal responsibility and commitment as agreed upon. In fig. 1 is shown an example of a score card. The card shows individual result contributions related to the overall company goals. The further result steering will be based on the goals documented in the score card.

Figure 1 - Result Card (Score-Card) example

Goal (frequency)		Feb.	April	Juni	Aug.	Okt.	Des.	Total	Result Evaluation						
									F	A	J	A	O	D	
1. Sales Volume (accumulated)	real:														
	goal:	6.150	12.000	20.500	25.000	33.000	43.000	43.000							
	deviation:														
2. Result Contribution (%)	real:														
	goal:	32%	32%	34%	34%	35%	35%	34%							
	deviation:														
3. Average Delivery Delay (days)	real:														
	goal:	12	11	10	6	8	5	8							
	deviation:														
4. Credit Time (days)	real:														
	goal:	50	48	45	45	40	38	44							
	deviation:														

Goal (milestone)	Deadline	Result Evaluation					
1. Shall have carried out changes in logistics department's job routines which will lead to a 15% cost reduction.	15.08						
2. Shall have made up a strategy plan to ensure that 15% of next year's sales volume is in e-Business.	01.05						
3. Shall have conducted a customer satisfaction study and agreed on two specific measures/actions to improve our service profile.	01.10						

2 Openly show deviations from goals and values agreed upon

Here are some important elements:

Know your own Results

It is a prerequisite that all managers who take part in the result assurance meeting are fully up to date on the status of their own result. As far as their few most vital goals are concerned, it is absolutely important that managers must have a detailed knowledge of the status. Excuses like “formal result reports not available, delayed or containing errors” are not acceptable as they signal lack of awareness of how own results develop.

Update the Score Card

The individual manager must take personal responsibility for having the Score Card properly updated to current date. The point is that the process of updating also implies a commitment to future results – and this commitment can only be made by the individual manager in person!

One question and two answers: Openly show deviations!

The real challenge of the result assurance meeting is to give a crystal clear answer to the question: “Are you on schedule?” In principle there are only two answers – “yes” or “no” – and the challenge is to give a clear answer to this before continuing the meeting.

(See also figure 2)

In case of deviations, have ready proposals for action

In order to be taken seriously and be given constructive help from the team colleagues it is vital to demonstrate that the seriousness of the situation is understood. The best way to achieve this is to come well prepared to the meeting and in addition to the score card have made up an action sheet to deal with deviations. The heading of this sheet could be: “Action proposals for achieving own goals.”

*Will you meet goals
(achieve results) as agreed?*

Two answers

Yes

Result will be achieved as agreed:

- What risk do you see for the future - and what action steps will be required?

NO

Result will not be achieved as agreed:

- What actions are **you** planning to take and what decisions will be needed for this?
- Do you *need* help?

Figure 2 - Result Assurance
One question, two answers...

3 Take action to get back on course

It is the actual “taking action” that always creates the big challenges in management. To get back on track and assure results always means making changes, and changes in turn create opposing forces. To change something in an organization means destabilizing the present status, and various forces will soon try to re-establish the earlier balance. Deviations from wanted results will generally occur because we are reluctant to change the way we work. We want results but continue on the same old track – mostly because actions to reduce deviations mean changes that often lead to unforeseen reactions. To many managers it also comes as a surprise that the actions they take often make the deviation even larger or create new and different deviations. When it comes to change we are often our own biggest enemy – it is more difficult than we think to change the way we work when we are in the middle of it! Many managers are also surprised to find that the short term effects of the actions taken differ largely from the long term effects they expected them to have.

A Management Model based on Cooperation and Teamwork

If we want results, we must learn to steer towards results and as mentioned earlier, we recommend Result Management as a good tool for this. Result Management is focused on steering towards goals and values agreed upon and based on cooperation and teamwork aimed at achieving better results. It is a bridge builder between organizational levels and between conflicting views and interests. Managers responsible for carrying out difficult change programs will find that participation in this type of cooperation and teamwork will greatly boost their energy and strength. It will also contribute to their understanding of coherence and context

when it comes to producing consistently good results. When managers are empowered in this way they will be more realistic and better equipped to finish difficult change activities. Result Assurance is built on simple processes, and managers can build the necessary determination and competence by using these measures in their team.

Membership in a strong team makes a better manager

Everybody who works in an organization, including managers, live in a balance between two conflicting tendencies: Each individual needs to see oneself as a unique and *independent* person. At the same time an individual wants to be regarded as a *dependent* member of a larger social group, for instance a management team. In other words: We live in a balance between a *self-assertive tendency* (a dynamic manifestation of own individuality) and an *integrative tendency* (expressing the need of being part of a larger social context).

Managers have a special challenge here: We have long ago left the belief that one strong manager will all by himself provide sustainable results. Today the success of a company is not dependent on only one strong manager but on many strong managers working together as a team! And with strong co-workers on all levels! Results are something we create together! Based on each individual’s *self-assertive tendency*, management should be performed in a way enabling everybody to *perform at their best*. The possibilities of performing at your best are dramatically improved when you are integrated into a strong management team!

Teamwork creates Companionship

As mentioned before, managers often need to show a *self-assertive tendency* to qualify for management jobs, and a manager's salary, status and privileges strongly support this. The *integrating tendency* can, however, only be fulfilled through cooperation and organization – for example in a team. By belonging to a management team, managers will get a better perspective of the interests of the company as a whole instead of just being self-assertive and preoccupied with own unit. One advantage of working in a team or project is that each member will experience coherence and more direct influence. Other advantages are more local responsibility and initiative, greater independence and motivation, better possibilities for learning and development etc. A flat organization structure will have fewer organization levels and a shorter distance from top to bottom.

From Central Steering to Self Steering

Central steering has a tendency to give both managers and co-workers on lower levels a feeling of *powerlessness* (nothing I can do), *isolation* (nobody cares about me) and lack of *meaning and coherence* (nobody here understands what is going on). Central steering has a tendency to lead to unnecessary bureaucracy, indifference and cumbersome work processes.

Result Assurance and Change Management will thrive best in small, independent work units where everybody knows what their result responsibilities are and is empowered to take action when necessary. In a small group people are familiar with the environment and the people, and it is possible for both managers and co-workers to see a direct connection between their daily work performance and the total strategy of the organization.

Summary

As mentioned above, we see strong forces taking the focus of managers away from results. We talk endlessly about results, and lots of work and energy are spent in result planning (setting goals, making budgets, writing plans etc). However, when it comes to using all this planning work in active steering, much is left to circumstances. Result steering often seems to be left to chance - with minimal preparation and sloppy direction.

We hereby propose a simple method to assure better result steering. It consists in short of moving the focus from *result planning* to *result steering* by upgrading the *Result Assurance Meeting* to the most important management arena. We have further described in detail the proper running of the Result Assurance Meeting. By performing Result Assurance in the team, cooperation and team spirit are remarkably improved – and everybody learns that results are something we create together. Experienced team members know that a well run result assurance meeting demands:

- Good planning and strong direction
- Use deviations as a process tool (openly show deviations)
- In focus: Assure that the necessary action steps to obtain results are carried out!







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