



Transforming Performance

Part 3 of 3: Monitor Performance and Improve

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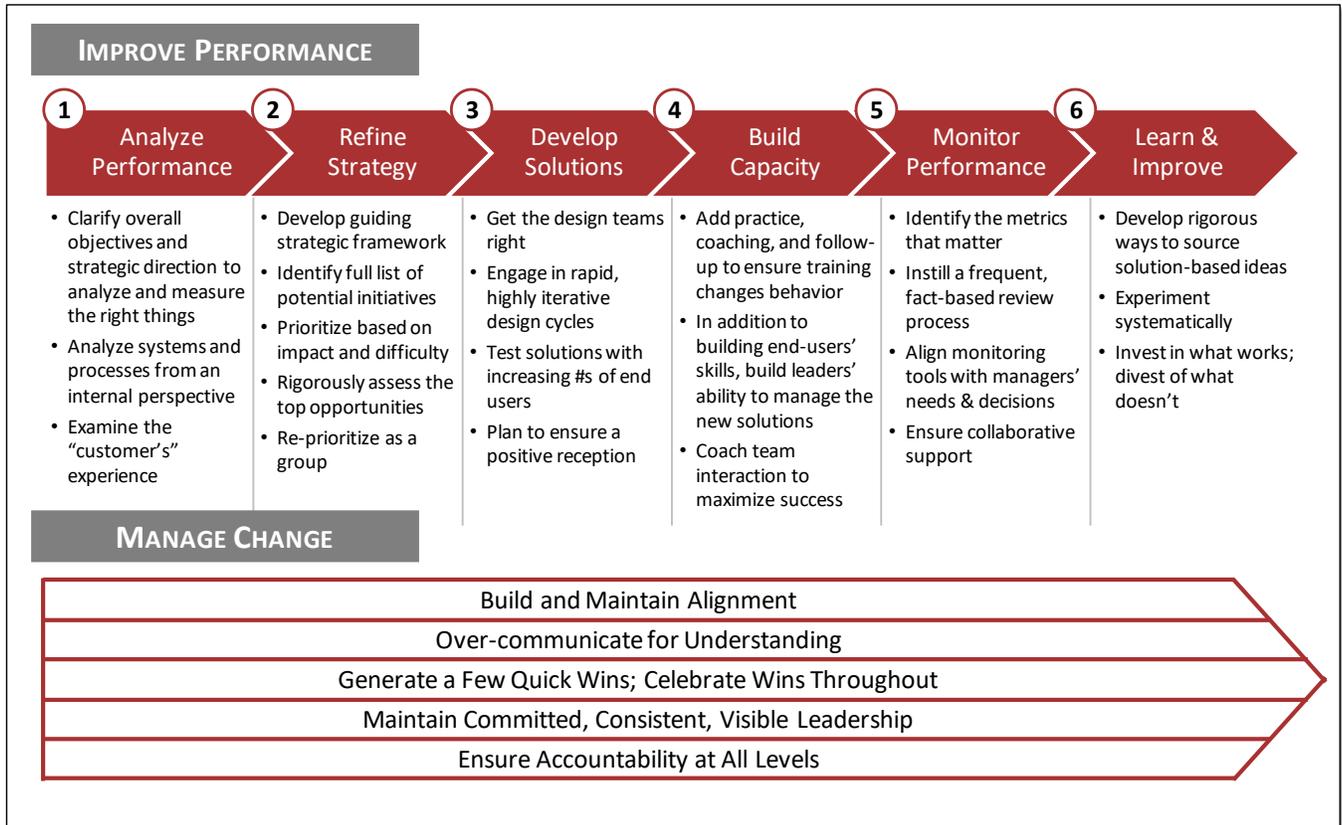


Figure 1: Cicero Performance Transformation Process

All About Performance

Whether a company is working to expand its client base, increase bottom line, or simply improve efficiency, performance is what matters at the end of the day.

Of course, references to ‘performance’ often amount to little more than a platitude. So, before we explain to get there, it’s important to start with a clear understanding of what performance is and what it isn’t. At Cicero Group, performance is the combination of results that meet or exceed an organization’s intended objectives and the extent to which those results were achieved as efficiently, effectively, and appropriately as possible.

Focusing on performance in this way helps organizations avoid two common traps: 1) confusing activity, work levels, and production for results, and 2) acting as if the ends always justify the means.

The first trap is evident, say, when a nonprofit helps many people, but those people’s lives don’t change significantly, so the organization’s effort returns minimal result. Similarly, a business that produces new

products but does not grow sales is not performing well, either, because the organization is not achieving its ultimate goal.

On the other hand, acting as if achieving the goal is the complete picture can lead organizations into deceptive marketing or intentionally selling faulty products. Even if these tactics initially produce results toward the goal, they will not improve overall performance. This second trap shows up when inefficient processes or misinformed services meet the short-term goal but fail to support long-term, positive results.

Organizations that see long-term improvement not only avoid these traps, but they also set initiatives that strictly adhere to a set of common principles that have the power to affect the deepest working components of the company.

In recent years, Cicero Group has helped improve performance within business, education, government, international development, and private foundations. We have harnessed these principles into our Cicero Performance Transformation Process (PTP), which repeatedly helps organizations improve real results:

analyzing data, refining strategy, developing solutions, building capacity, monitoring performance, and refining their efforts over time (see Figure 1 above).

More important than the principles or the process, though, is that organizations that engage with us in this process achieve phenomenal results. For example:

- A national university increased enrollment by 20 percent among people who inquired.
- A Fortune 500 company fully integrated three enterprise software systems—millions of records covering \$500 million in sales, 25,000 customers, and 12 warehouses nationally.
- A 10K-student school district raised half of its schools to “A” grades—a 300-percent increase.
- Forty-three low-performing schools across the state increased student proficiency by 10 percent through building capacity for principals and teachers.

Step 5. Monitor and Manage Performance

Organizations should jointly consider the twin goals of monitoring and managing performance. Designing data capture and visualization systems without understanding the management decisions and processes will yield compelling tools that do not get used. Likewise, developing new management review protocols without the right data typically leaves organization leaders making decisions in the dark or based on old criteria.

To avoid these pitfalls, we recommend that organizations begin with the following steps:

- Develop a “logic model” of long- and near-term outcomes, activity metrics, and input metrics. This effort clarifies both what performance gains the organization aspires to achieve and what it will take to realize them. Each element in the model should identify a point of measurement—an indicator of progress to be measured.
- Establish a regular review rhythm that involves the right decision makers, building on existing fact-based and decision-oriented meetings to review performance across a portfolio of activity. Organizations should also reduce the time between progress reviews, implementing

an optimal review cycle of fewer than two months.ⁱ

- Create tools to visually monitor performance in alignment with the successful progress model and the review rhythm. Ideally, these systems provide data with high levels of frequency and allow “drill-down” capabilities. Organizations can tap into these increasingly-detailed opportunities for insight into what is happening, and where, how, or why it is happening.
- Ensure peer support and accountability by encouraging teams to share successes and challenges across functions and with co-workers.
- Refresh capacity building as needed, using performance metrics to identify lagging teams.

When organizations follow these crucial steps, managers at all levels have access to the data they need to monitor the progress and impact of their initiatives. They also have the formal review structures and training to manage and improve performance over time.

Step 6. Learn & Improve

“Unfortunately, no Gantt chart survives contact with reality. . . . Managers and employees at every level need to adapt to facts on the ground, surmount unexpected obstacles, and take advantage of fleeting opportunities. . . . When managers come up with creative solutions to unforeseen problems or run with unexpected opportunities, they are not undermining systematic implementation; they are demonstrating execution at its best.”ⁱⁱ

Performance initiatives that fail to create space for learning, refinement, innovation and adoption will, at best, temporarily improve performance. Instead, as organizations intentionally seek to learn and improve over time—even if they do not stick with their plan perfectly—they see ever-increasing, sustainable success.

In our work with organizations, we have distilled several effective approaches to learning and improvement that organizations can implement immediately:

- Develop and champion channels for individuals at every level to propose improvements or raise concerns. More than a glorified “suggestions box” approach, organizations who do this well

set expectations that ideas should be evidence-based and solution-oriented. In this light, organizations develop formal mechanisms to solicit ideas from all employees on a regular basis, providing opportunities for ownership of new ideas, and publicly recognizing those who identify improvements.

- Create opportunities throughout the organization for intentional experimentation. Organizations who do this well allocate time, funding, and dedicated teams to generate and test new ideas. Leaders ensure that these experiments with clear hypotheses, sufficient measurement to determine impact, and pre-determined check-points to assess future potential.
- Establish a formal system to identify the 10 percent of activities that generate the most impact and the 10 percent that generate the least. Organizations then intentionally and visibly double-down on items in the first category, and eradicate those in the latter.

Organizations that see results over time treat improvement as an ongoing cycle—from performance analysis and initiatives, to experimentation, re-analysis, new initiatives. This process allows organizations to continuously cultivate and refine growth.

Illustrative Case

As with the Parts 1 and 2 in this series, we would like to offer here a concrete case study to anchor theory in practice. This large school district in the Midwest walked through the PTP process successfully and generated lasting results.



LARGE SCHOOL DISTRICT IN A MIDWESTERN STATE

SCOPE

In this five-year project, we worked with the school board, district leadership, and over 35 schools in an inner-city environment, reaching hundreds of teachers and over 10,000 students.

MANDATE

Change governance, organizational structure, and performance management approaches across the entire district to create a culture of continuous

improvement practices for every individual and team within every department/division.

APPROACH

After a significant superintendent and cabinet-level personnel transition, the locally-elected board and new superintendent were ready for an overhaul of the culture in this traditionally underperforming school district. We applied Cicero's performance transformation process to kick off long-lasting growth:

Analyze Performance: We conducted a baseline needs assessment that measured leadership, organizational coherence, initiative alignment, and several other domains. After analyzing the data, we collaborated with the superintendent and cabinet to develop a roadmap for the most important areas for improvement.

Develop Strategy: Many initiatives were under way at the time, so with the baseline needs assessment we developed a set of overarching improvement goals and fundamental principles to drive real improvement. From there, initiatives were selected and teams were re-formulated to bring the district into organizational coherence and alignment.

Create Solutions: This design phase included rapid iterations of prototypes for improvement. We analyzed curriculum, assessments, student and parent engagement protocols, and more. All stakeholders had opportunities to help design the changes, and constant over-communication resulted in a feeling of collective ownership for the pending changes.

Build Capacity: As implementation began, we created a deliberate professional development routine that included training, modeling, practicing, and direct job-embedded coaching to reinforce the new continuous improvement practices throughout the organization.

Monitor Performance: We initiated quarterly performance management sessions, wherein the cabinet spent one-hour problem solving with each school. Data pointed the teams in the right direction.

Learn & Improve: Modeling continuous improvement itself, the cabinet team designed a sustainability plan that embraced a gradual release of responsibility from the consultants to the cabinet to all division heads over the five-year period. Each year, the needs assessment is re-administered and the action plans and team processes are revised.

RESULTS

The overall performance of the district’s schools has improved dramatically. Nearly half of the schools now have A grades (a 300-percent increase). Moreover, the number of schools with “D” or “F” grades has decreased by 60 percent. In fact, the improvement in this large urban district has been so impressive that the district received the Data Quality Campaign’s top national award for its use of data to improve student achievement.

Sustaining Growth

Among researchers, consultants, and organizational leaders, it is widely recognized that about 70 percent of all change initiatives fail.”ⁱⁱⁱ

It is not enough to identify and pursue new initiatives, build organizational capacity, or even manage performance. These elements must be paired with a careful, continuous strategy to manage the change throughout the organization. We work closely with each client to develop, pursue, and refine a deliberate change management strategy appropriate for the needs and nature of the organization.

While there is no single formula for effective change management, we have identified several key actions organizations can take to sustain change: build and maintain alignment around the vision, over-communicate for understanding, generate and celebrate wins, and maintain committed, consistent, visible leadership. Below, we provide an overview of each of these so organizations can plan to incorporate them.

Build and Maintain Alignment Around the Vision

Successful organizations do not simply mandate change from on high. Rather, they build pervasive alignment around the need for and approach to improving performance. Lasting change incorporates both hard-nosed, top-down leadership and long-term team efforts to build organizational capability—largely through bottom-up participation.^{iv} This is most effectively achieved by honest engagement:

- Developing and ensuring stakeholders understand the case for change—why change is necessary both for the organization’s mission and for their personal roles.

- Working collaboratively to identify the desired outcomes, even when these are recommended by senior leadership.
- Identifying obstacles to developing and implementing solutions that may arise.
- Creating a culture of shared ownership, accountability, and problem-solving.
- Being candid about the hard choices and their implications, but finding ways to ensure there’s a concrete upside.
- Creating opportunities for greater ownership, leadership, and innovation.

Over-communicate for Understanding

Do not underestimate how much you need to communicate. According to John Kotter, a luminary on leading change, “executives who communicate well incorporate messages into their hour-by-hour activities. . . . [They] use every possible channel, especially those that are wasted on nonessential information.”^v Others concur: “No amount of public support is too much. When you feel you’re ‘talking up’ a change effort at least three times more than you need to, you’ve hit it right.”^{vi}

But do not assume that communication alone results in the understanding required to inform decisions and guide action. Research shows that senior executives are often shocked to see how poorly their company’s strategy is understood throughout the organization. While they may feel that they invest huge amounts of time communicating strategy, the amount of communication ultimately is not the issue. Sull, Homes & Sull (2015) explain: “Nearly 90 percent of middle managers believe that top leaders communicate the strategy frequently enough. How can so much communication yield so little understanding? Part of the problem is that executives measure communication in terms of inputs (the number of e-mails sent or town halls hosted) rather than by the only metric that actually counts—how well key leaders understand what is communicated.”^{vii}

To boost understanding among key leaders, we encourage organizations to help teams learn and adopt the change, and then to measure understanding and alignment repeatedly to identify confusion and holdouts.

Generate and Celebrate Wins

It is crucial that the initial focus areas include some quick but meaningful wins. These should generally be

high priority, but should also be among the least-complex opportunities. Organizations should share the wins throughout the organization, identifying how teams are learning and refining the plan for going forward.

This ramp-up process develops the organizational “muscle” required to pursue change. It takes time for individuals and organizations to learn how to conduct work in new ways. Tackling a few relatively easy initiatives first will build a foundation for continued growth.

Maintain Committed, Consistent, Visible Leadership

In many large organizations, the old-timers are used to waiting out the new initiatives implemented by short-term, flash-in-the-pan leaders, saying: “I was here before you arrived and I’ll be here after you’re gone.” Successful organizations fight the temptation to start one thing after another, and instead stick to one change effort until it is complete.

To ensure sustainable change, organizations need to implement both hard-nosed, top-down leadership and long-term efforts to build organizational capability, largely through bottom-up participation.^{viii} Kotter explains, “successful transformations begin to involve large numbers of people as the process progresses. Employees are emboldened to try new approaches, to develop new ideas, and to provide leadership.”^{ix}

Enabling this momentum is crucial to long-term success—leaders must be decisive and visible, and support problem-solving and change initiatives at every level.

Ensure Accountability at All Levels

Whether due to inertia or regression to the mean, the challenging reality is that every transformation process runs into obstacles, plateaus, or even reversals. In addition to doubling down on the principles above, leaders must hold themselves and others accountable for progress. If progress does not occur as planned, or results are not forthcoming, it is time to admit mistakes, remove “sacred cow” obstacles, or impose consequences. Only with clear accountability will managers and teams realize that the transformation efforts are here to stay.

Conclusion

At Cicero, it has been our privilege to participate in change initiatives in a variety of industries and market environments, working with leaders to substantively transform their organizations.

From this experience, we have seen organizations achieve goals using the Performance Transformation Process (PTP). Designed to help organizations organize and execute meaningful improvement, our PTP principles have supported success after success for clients.

Each PTP phase meets organizations’ specific needs in the transformation process—such as performance analysis, capacity building, and change management. Organizations receive sufficient instruction to feel confident in looking closely at their organization’s objective, strategy, and past performance. After identifying strengths and weaknesses are identified, leaders prioritize each potential focus and decide on the most fruitful scope of improvement and develop solutions for implementation.

In Phase II, organizations execute the training, curriculum development and processes for communicating the solution to all team members. Successful training is tailored to unique roles, and focused on changing actual behavior and measuring the change over time.

Finally, in Phase III, organizations account for results. Leaders identify specific key indicators, install benchmarks of success, and monitor progress over time. When obstacles arise that demand adjustment and course correction, leaders communicate changes with their teams.

Using Cicero’s performance transformation process, governments, nonprofits, and businesses of all types create high returns on improvement initiatives over the long run. The resulting changes become a lasting piece of the organization’s culture, and enable ongoing growth.

About the Authors

Jacob Allen is a partner at Cicero Group and Managing Director of Cicero’s Social Impact practice. He has worked with for profit and mission-driven organizations for over fifteen years and in a dozen countries around the world. He has led the strategic

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The authors gratefully acknowledge Cami Hewett and Jeff Swift for their editorial contributions to this series of white papers.

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ⁱ Sirkin, Keenan, and Jackson. 2015. “The Hard Side of Change Management.” *Harvard Business Review*, October.

ⁱⁱ Sull, Homkes, and Sull. 2015. “Why Strategy Execution Unravels—and What to Do About It.” *Harvard Business Review*, March 2016.

ⁱⁱⁱ Beer, Michael, and Nitin Nohria. “Cracking the Code of Change.” *Harvard Business Review*, 15 (2000).

^{iv} Ibid.

^v Kotter. 2011. “Leading Change: Why Transformation Efforts Fail.” In *On Change Management*, Harvard Business Review.

^{vi} Sirkin, Keenan, and Jackson. 2015. “The Hard Side of Change Management.” *Harvard Business Review*, October.

^{vii} Sull, Homkes, and Sull. 2015. “Why Strategy Execution Unravels—and What to Do About It.” *Harvard Business Review*, March 2016.

^{viii} Sirkin, Keenan, and Jackson. 2015. “The Hard Side of Change Management.” *Harvard Business Review*, October.

^{ix} Kotter. 2011. “Leading Change: Why Transformation Efforts Fail.” In *On Change Management*, Harvard Business Review.