



The Plaid Group  
PO Box 25247  
Houston, Texas 77265-5247  
(713) 627-3569  
www.plaidgroup.com

## Let the data tell you

*A simple tracking system can deliver bottom-line results.*

By Tim Smith, Principal

More than once in my life, I've heard a client say they didn't have time to manage company performance using data.

Of course, in today's lean and mean environment, most managers are busy. Whether you are running a small company or a large department, you no doubt have a full slate.

But the good news is that there is a lot of middle ground between developing a deep, data dashboard – one that a major corporation might use – and managing with no data (by the seat of your pants, as we might say). Even the most overworked, overwhelmed manager can identify and monitor a few data points on a regular basis to ensure that operations are running smoothly.

As I mentioned in our March newsletter, "[You Can't Cut Your Way to Success](#)," strong companies don't leave good performance to chance. It is deliberately managed.

By "deliberately managed," I mean that:

- You have a clear picture of the results you want.
- You monitor the actual results you're getting.
- And you make adjustments when the results you get don't match what you want.

Think back to the last time you made an adjustment in your organization – a change in staffing, or the implementation of new processes. What was the catalyst for change? Chances are good you made those changes based on some sort of feedback. That feedback tells you that there is a gap between what you want and what you get, and prompts you to do something about it.

Employing a simple, methodical approach to monitoring key data about your business helps make sure that your adjustments are aligned with the results you want, and that they address *performance trends*, not just isolated (unusual) incidents.

### Managing with data

A friend of mine named David recently went to work for a large chemicals company. He was amazed at the amount of data they collected, and how the company's culture reinforced the routine use of business information to manage performance and make decisions. That degree of data collection normally requires considerable time and investment.



***Managing with data doesn't have to be complex. Identify what your customers want, develop a few simple performance measurements and review your findings regularly.***

So what do you do if you don't have the funds available to invest in extensive data collection, management and analysis? Well, you can do what another friend of mine named David did.

David Linda is the founder and president of SpaceMan Home & Office, a Houston company that has been designing, manufacturing and installing closet, home office, garage, wall bed and other storage systems in the Greater Houston Area since 1998.

A skilled business manager, David keeps a close eye on his financial and operational measures. But he needed the rest of his team to stay focused, too, and he knew that any reminders he used with his employees had to be simple and meaningful. This is the system he implemented:

First, David targeted the end results – installation at the customer's site – and described the three basic installation outcomes:

1. **"Done."** The installation was completed on time, the customer got what they needed **and** what SpaceMan promised, and the SpaceMan team executed the job without any snags.
2. **"Done, but..."** The installation is complete, the customer got what they needed **and** what SpaceMan promised, but the team had to jump through some hoops to complete the installation on time. Even if the customer wasn't aware of the extra effort, if anyone had to work outside their normal process, expedite production, drive back to the shop for extra parts, etc., the installation is classified as "Done, but..."
3. **"Incomplete."** For whatever reason, the installation is not 100 percent complete.

David has an excellent analogy for his "Done; Done, but; or Incomplete" system. He compares it to a five-star restaurant.

Fancy restaurants aren't just about the food. What they really sell is the memory, the experience ... so they earn their living by striving to achieve "Done" for every customer.

If you look closely at the server, you can tell when he experiences a "Done, but..." by the bead of perspiration rolling down his face next to his left sideburn. What you experience is the main event of a great memory – the presentation of a delicious meal. What you see is flawless execution of their promise to make the experience one of the best in your life.

But what the server experienced was the stress of wondering if he would be able to pull it off in spite of the snags in the kitchen.

In other words, every "Done, but" experience is teetering on the brink of being an "Incomplete." And it only takes one "Incomplete" to lose a customer or have some negative word-of-mouth impact your business.

Recently, David's team was finishing a job for a long-time customer, and they were one knob short. The customer said, "Don't worry about it. Now that I see how this closet looks, I want you to overhaul one of my other closets, so don't make a special trip over here just to bring me that knob. It can wait a couple of weeks until we do the second closet."

But David didn't see it that way.

"The work was incomplete," he explained to me. "Our goal is to complete each project on time with no snags. Our customer doesn't have the right to allow us to be imperfect, so we returned to the shop and got them the knob that day. He was happy. As far as he was concerned, the work was a success. He loved what he saw. For us, after we attached the final knob, we marked it 'Done, but...'"

### Use what you collect!

In addition to developing this system, SpaceMan also established a couple of simple practices for using the data they collect from every job. Each day, they review the results of the past day's installations. They classify the results of each project and talk about any installations that fell outside the "Done" category, and talk about how to make sure that more of their installations result in "Done."

Periodically, they also review the overall trends. Every two weeks they chart the installation results – what percent of jobs falls into each category – and review the trends of jobs they completed during the past four weeks. They use those trends to identify the common issues that keep them from executing jobs flawlessly, and then make minor changes.

One issue they realized early on was the importance of clear roles and responsibilities, as well as the processes and procedures that help people coordinate their efforts. While a thrilled customer is vital, it is not enough. They can't just take care of their customer. They strive to take care of the customer in a way that minimizes the effort and burden on the team.

In addition to being effective – getting the job done – another of their goals is to get that work done as easily, as effortlessly, as possible. That way work doesn't feel like a chore to them.

But that's not all. They noticed that they are also more profitable. Their processes, now more predictable and repeatable, are much less expensive than the daily fire drills that used to sap the energy and momentum from their daily

flow. Those fire drills that used to put a damper on morale are now the exception, not the rule. The higher morale led to more “Dones”, faster collections and healthier cash flow.

As they gradually clarified each person’s role, they realized even more benefits. In addition to having happier customers, they have also become more responsive. Part of their game is to see how fast they can resolve any issue. And nearly gone is the finger-pointing that used to accompany any snag. They all recognize that they want the same thing – Done!

## Simple ... and effective

David Linda’s way of managing performance is simple, effective and easy for people to understand. He keeps an eye on the big picture and has worked with his team to develop a meaningful way for them to stay focused on delivering the results that generate referrals and repeat business from happy customers.

In your business, too, there are simple data points that can help you manage more effectively and serve your customers or clients better.

Determining the data you need doesn’t have to be an overwhelming experience. The first step is to put yourself in your customers’ shoes. What is most important to them? Of course, delivering what you say you’ll deliver, when you say you’ll deliver it, is always part of that answer. But what else are your customers really buying when they buy from you?

Once you’ve identified what your customer is expecting, think about a simple way you can measure how well you are meeting those needs. Don’t get lost in a forest of data ... focus on a few vital measures that really matter. And then implement a simple tracking system. Again, don’t worry about fancy forms or detailed spreadsheet analyses. Some of the most effective systems involve nothing more than a question or two and a whiteboard for posting results.

Next, make regular reviews of performance trends part of your company or department’s routine and culture. Involve everyone in the discussion. Make sure that each employee understands what the goals are, and what the data represents. In time, you will identify the key obstacles to 100 percent performance, and your employees will often lead the way in developing workable solutions.

Just as David Linda of SpaceMan Home & Office implemented a simple tracking system that helped his employees stay focused on the important end result – and manage their own performance on a daily basis – so can you. But remember that collecting data is not enough. You have to be willing to look at the trends, share what you learn, and make adjustments as needed to keep performance on track.

## The bottom-line benefits of data

Using a simple “scorecard” to track performance keeps everyone focused on what’s important to the customer. And the benefits are many:

- Higher quality work
- More satisfied customers
- More sales, more referrals
- Higher profits
- A more collaborative, team-oriented work place.

If you’d like more information, read the May 2007 issue of The Plaid Group newsletter titled “[How are we doing?’ Monitoring progress is a necessity.](#)”

Or, give us a call and let’s talk about setting up a simple and effective data tracking system for your organization.

I promise not to take up too much of your time. I know you’re busy!

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**More Information?** If you’d like to learn more about keeping performance on track, please send an E-mail to [tim@plaidgroup.com](mailto:tim@plaidgroup.com), call us at (713) 627-3569, or visit our web site at [www.plaidgroup.com](http://www.plaidgroup.com). The Plaid Group publishes a free bimonthly e-mail newsletter filled with insights and ideas you can use to enhance your company’s operational performance, spur growth and increase bottom-line profits.

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**Author's Note:** **Tim Smith** is a Principal with The Plaid Group. The Plaid Group helps companies simplify and stabilize their business operations to improve financial performance and gain a competitive edge.