



2

Platforms of Virtue: What does your business stand for?

How are your values made manifest?

St. Francis of Assisi had a simple perspective on this. He said, "Preach the Gospel at all times. If necessary, use words". To St. Francis, a person's actions were far more eloquent of their values and beliefs than words could ever be. Values were not there to be marketed abroad in slogans and phrases, they were

there to direct and guide every action, and to be plainly evident through those actions. Words were simply there to provide an explanation of those actions 'if necessary'.

Organisations, whether secular or spiritual, commercial or charitable, should be the same. A business should 'work' out its values through its objectives and achievements. The values should inform and infuse the objectives; and the objectives should reflect the values, and be a practical time-bound manifestation of them. That isn't to say that each objective in isolation will demonstrate the values (some of them may be several levels removed, or exist to finance or sustain other objectives) but collectively they should illustrate the values and practically deliver in support of them.

To continue with our building analogy, if your values are the foundations, then your objectives are the floors of the building that rise out of them. They are an extension of your values that engage with and do work in the physical world. They are the platforms on which your people will understand and execute their responsibilities. They are the stages on which you will push your case for your identity to be recognised in the markets you serve.

So, how do you determine such awesome objectives?

We suggest you start with the results of the exercise you undertook in the last chapter, and identify your objectives from among those sticky-notes on your Why-How chart. You might choose to take those objectives that you originally started out with, but it is likely that the Why-How exercise will have illustrated some 'valuable' alternatives, at least for some of your objectives if not for all. The following steps might help you (individually or with

your team) to select the basis for a practical set of objectives for your business:

1. Identify a sticky-note that seems a likely candidate for an objective (it may be one of your current objectives, or it may be a new one).
2. Ask yourself whether the sticky-note unduly restricts your options; whether implicitly or explicitly it confines you to one of a number of options for achieving what you want to do. If it does, ask yourself whether such a restriction is useful for you at this time (e.g. in terms of guidance or limiting scope). If the restriction is not helpful, consider moving up an arrow to a suitable 'why' sticky-note which serves the same aims but is free of inappropriate restrictions.
3. Ask yourself whether the sticky-note provides sufficient

Example: "Sell more books" could seem like a very useful objective to a bookshop. But it might then always be constrained to be a bookshop. An alternative objective 'up the arrow' may be "to broaden peoples appreciation of literature" which, while it can still be fulfilled by book sales, may also encourage the development of other activities such as e-literature and books on tape. On the other hand "broaden..." may be just too abstract for an organisation whose core business is simply and effectively shifting books – they may want to move down the arrow to "Sell more books".

guidance; whether it is at a level which is sufficiently tailored to your specific business. If you feel that the sticky-note is too general and abstract, consider moving down an arrow to an appropriate 'how' sticky note which defines what you want to achieve more uniquely and explicitly.

Simply debating this exercise can encourage creativity, or help a management team achieve a real collective focus and avoid distraction.

4. Replicate the sticky note that you have selected and add it to a flipchart headed 'objectives'.
5. Consider the 'objectives' that you have selected, in terms of how well they cover the breadth of the chart. Identify themes in the chart that are missing from your selected 'objectives' and seek a sticky-note (at roughly the same level of the chart from which you have drawn the objectives so far) which exemplifies that theme. When you have found a suitable sticky note, return to step 2.
6. When you have selected sufficient 'objectives' sticky-notes to reflect

Covering the breadth of your Why-How chart effectively ensures no escape for your primary target: the fundamental 'why' at the top .

the key themes in your Why-How chart, review them as a complete set, and ask yourself:

- a. Do these really reflect a complete practical expression of our values?
- b. Will achieving these objectives ensure our business is successful?
- c. Are these objectives worthy of our full commitment over the coming year(s)?

Make any adjustments that are necessary to ensure the answer to each question is 'yes'.

7. Depending on how many sticky-notes you have, and how well expressed they are, you may consider grouping some of them or rewording them to ensure that their intent is clear and unambiguous. Ideally you should aim, by grouping and rewording, to have five to seven objectives, and definitely no more than ten. When you have grouped and reworded them into a set of clear

Organisations with more than ten objectives find themselves, in practical terms, with several different sets of less than ten objectives. It is the nature of our limitations as human beings.

objectives, ensure they still get a positive response to the questions in step 6.

This exercise provides a means to embrace everything that is important into a manageable and memorable set of points.

You have now defined the floors of your building, the platforms of virtue on which you will engage with the world. However, to make them really clear and unambiguous, they each need two things: a measure by which you can evaluate progress against the objective; and a target for that measure by which you can objectively determine that you have achieved your objective.

Identifying suitable measures can prove a real stumbling block to many teams. Ideally, measures should be a simple set of indicators that require little overhead, and can efficiently highlight areas for investigation.

Sadly, they are more often a source of interminable debate. This is largely because of their potential misuse. People are often concerned to ensure that the measure will fairly reflect their efforts, and are loath to accept any indicators for which they are not totally in control - mainly because they feel their efforts, and often their remuneration, will be judged on that measure. As such, measures cease to be a useful indicator and source of information, and become instead a political issue and a basis for negotiation and justification.

This use, or abuse, needs to be addressed before you and your team can have any real hope of defining a set of measures that will serve to illuminate and guide your path to your objectives.

To help with this, we propose the following steps:

1. Select measures that already exist within the organisation, and which already have acceptance and agreed mechanisms, wherever possible. Where new measures are necessary, agree their purpose with the team, and explain that they are solely for the team's use in guiding and managing their collective performance. Address any concerns at this point, emphasising the self-help bias that you are trying to achieve.
2. Where objectives are not supported by current measures, consider each in turn and think through the evidence that would be available if you were to visit two organisations: one that performed really well on this objective, and one that performed really badly. Use the contrast to identify the basis for any new measures if you need them.
3. Keep the total number of

A good source of positive measure can be found in the book "Measure Up" by Lynch & Cross.

Alternative tools can be found in 'A basic guide to measurement' available free of charge from the Tesseract website, www.tesseract.com, should you need them

measures for your objectives to an absolute minimum (ideally only one per objective). More detailed measures can be used by teams looking after different parts of your organisation once you have delegated responsibility for the objectives to them. At present you are only considering a top level 'dashboard' for the business.

Effective measures provide a practical basis for maintaining focus on the objectives.

4. Ensure each measure is clearly described and unambiguous, for instance: '% customers who declare themselves satisfied or very satisfied' is far clearer than a vague notion of 'customer satisfaction'. Try to identify 'output' measures (i.e. what results) rather than 'input' measures (e.g. 'hours of training undertaken'), and seek to avoid any measures that are binary (yes/no) such as 'ISO certification obtained'. Finally, ensure that the frequency and methods of measurement are also clear.

A good test to apply is to ask whether putting a number in front of the measure makes sense. For instance 5% customers declaring themselves satisfied is far clearer than 5 customer satisfaction.

Having determined an appropriate set of measures, the next task is to use them as a basis to reach common agreement

amongst the team on the definition of 'success' for the organisation; a quantified assessment of what you are to achieve over the coming year, a target value for each of the measures.

In agreeing the targets it is vitally important that your team have the opportunity to debate the conclusions and share their perspectives and experience. The targets will only be achieved if the team is committed to achieving them. That commitment is built through encouraging understanding and contribution, and it is destroyed by making unilateral decisions.

The most productive mechanism we have found for undertaking this debate is called 'the clothesline'. It involves people using their physical position along a number line to indicate their perspective, walking up and down the line as they are swayed by the points being made by their colleagues. The steps to setting targets by means of the clothesline are as follows:

1. Set up a length of rope, slightly above head height, across the room. Ensure there is space underneath the rope to walk along its length, and for the whole team to congregate at any one point.
2. Take one measure at a time, and ensure that everybody understands the definition of the measure. Clarify and resolve any areas of confusion. If possible, share any data on current performance and any bench-

Current performance data and benchmarks help to ground the discussions in practicality and facts.

marks.

3. Agree by brief discussion what the range of opinions on the proposed target is likely to be. From this, work out how to best divide up the rope so that its length forms a linear scale from the lowest proposed target (or current performance) and highest proposed target (or benchmark). Peg up cards (4-6 of them) along the length of the rope to reflect that scale, and peg up the current performance and the benchmark at the appropriate positions
4. Encourage the team to stand along the line at positions which represent where they individually think the target ought to be set.
5. Ask the person stood at the highest value to explain why he/she thinks the target should be set that high, and then ask the person stood at the lowest value why the target should be set that low. Seek to ensure that people communicate their perspectives clearly, concisely and without appear-

Determining targets is an extremely effective tool for sweeping away remaining misunderstandings and false assumptions.

ing aggressive or argumentative.

6. Encourage people to move along the rope as they feel swayed by the perspectives, and seek further perspectives from those who occupy different positions on the rope. Try to ensure that no perspective is repeated (ask for 'new' perspectives) but that all the perspectives are heard. Ensure your own perspectives have been included.

If the discussion becomes adversarial, the feel of the discussion can become competitive and this can generate a reluctance to accept points and reach consensus.

If the discussion does tend toward argument, get the group to imagine a big bucket that contains all of the points, and that their job is simply to ensure it contains one copy of each of the important points.

7. When all the perspectives have been presented, check that people have said all they needed to say and are happy that their perspectives have been listened to by their colleagues (address any issues). Ask people to weigh up all that they have heard, to reach a final conclusion as to the target based solely on that information, and to move to the appropriate point on the line.



8. Decide on what the target should be based on where people are congregating, what you have heard (and said), and the expectations placed upon you from elsewhere. The target you set does not have to be an average position, or even in the range where people are standing (you are the boss and it is your neck) but if you do go against 'popular opinion' you will need to explain why if you are to minimise any loss of commitment that may result.

It is very healthy to 'go higher than the group' on a limited number of targets, providing you explain your reasoning. It stimulates new thinking, disrupts patterns of complacency, and reinforces the role of 'leadership'.

One reason that you might choose to set a more ambitious target for the team is to create some headroom for creativity and innovation. Often the team will tend toward targets that they can foresee as being achievable, albeit with some stretch, from the perspective of current methods and structure. Setting a target higher than this will force the team to consider new and creative solutions to achieving it, and this can lead to new strengths and opportunities. However, such tactics need to be used sparingly, not simply because of the way that they can undermine team commitment, but also because of the workload and potential risk that innovation introduces; risks that are compounded as the level of innovation rises.

The timescale used for the clothesline is normally one year.

This is a traditional timescale for most budgeting cycles, and in the case of organisations that are actually part of larger organisations, it enables the team to synchronise their planning cycle with that of the parent business.

However, sometimes strategically important initiatives have overall timescales that are longer than a year, and they can be disadvantaged by a focus on short term targets. For this reason it is often a good idea to use the clothesline to consider 3-5 year targets for the organisation in addition to the 1 year targets. This development of a tangible 'vision' for the future performance of the organisation creates a greater sense of aspiration, and helps to ensure that the organisation develops a balanced approach to its long-term and short-term improvement strategies.

If you have worked through the exercises above, you will now have a concise set of objectives, clearly defined in terms of measures and targets, which represent all that you are seeking to achieve, and which have the shared commitment and enthusiasm of the team.

However, not all of your objectives will be of equal importance. If, part way through the year, compromises do need to be made, then you are more likely to accept that hit in certain objectives than in others. But we have not, to this point, done anything to reflect this.

The 'house' provides a means for capturing the relative importance of your objectives, and for using this knowledge to prioritise the strategies that you will use to pursue them. The technique is called 'weighting' and consists of assigning a number between one and five (five being the highest importance) to each of your objectives.

There are a number of mechanisms for weighting the objectives, but the simplest is to:

- agree, by discussion, which objective is the most important, and give that a weighting of five, and then
- work through the remaining objectives, scoring them in relation to the most important objective. Please note: it is allowable (necessary if you have more than five objectives), to have more than one objective at any one level of one to five.

Completing the exercises outlined in this chapter will help your team to build a new focus and commitment around a compelling set of goals. This is the engine for everything that follows - design only really makes sense when your objectives (your dreams) are bigger than your current means of delivering them.