

Dashboards - Steer your ExO RocketShip!

Dashboards provide your Exponential Organization (ExO) a control framework to keep things on-track, and people aligned, even through growth so rapid, you can't hold it all in your head!

ExOs need this new way to measure and manage the organization: a real-time, adaptable dashboard with all essential company and employee metrics, accessible to everyone in the organization.



Where **Interfaces** help automate transactions at-scale, **Dashboards** make *visible* key information to those who need it for decision-making.

Why Dashboards?

- **Visibility and Transparency** - What are my objectives? Who is doing what? How do I coordinate? What info do I need? Visibility supports alignment of effort, accountability and autonomy. Transparency - exposing the information people need to be successful - is also critical to the success of the ExO Attribute: **Autonomy**.
- **Shorten Feedback Loops** - Real-time data makes for better, faster decisions, increasing the tempo of Build-Measure-Learn. Anyone raised on online games and the Internet *thrives* in this environment.
- **Reduce Cognitive Load** - Great dashboards are as simple as possible, but never sacrifice clarity. They don't make you work for your insights. They get your attention if something unexpected happens or goes out-of-bounds, but otherwise keep quiet. They use visuals and colors *everyone* can distinguish.
- **Constantly Improve and Evolve** - If you are growing business in a fluid environment, your dashboard will evolve. As an early startup you might measure progress in terms of business hypotheses validated. As an established firm, you might measure value creation and profitability. A new competitor may prompt you to track market share and customer churn more closely.
Build-Measure-Learn. Repeat.

Your First Dashboard Experiment

Let's generate a well-formed metric (or KPI) for your dashboard.

1. Select what to measure:

- a) List 3-5 critical business activities that would be valuable to track and report in real-time. e.g. call-center hold times; ecommerce store outages; car-sharing ride cancellation rates; late deliveries; NPS; social media activity and themes.
- b) Select your most important one.

2. Create actionable metrics:

For your selection, create 1 or 2 metrics that will cause you to make a decision and take action. e.g. number of rings before customer call is answered - average and peak; post-call NPS score.

3. Test your metrics: *Check your metrics for the following common issues.*

a. Vanity Metrics vs. Value Metrics

- *Vanity Metrics*, such as total revenues or number of users, are easy to manipulate, and don't measure value creation. In the Dot-Com bubble, companies pursued market share above all, going broke before they found a viable, scalable business model.
- *Value Metrics* measure creation of meaningful value for your customers (number of repeat users, Net Promoter Score (NPS)), as well as the viability of your venture (net profit and cash reserves).

Rewrite your metrics as necessary.

3. Test your metrics (continued...)

- b. Leading and Lagging Indicators** - 'Monthly Sales' is a *lagging* indicator. What is the *earliest* sign that a customer will purchase from you? If it correlates with sales, a *leading* indicator might be the number of requests for more info via a webform. Of course, leading indicators are very useful in a *Real-Time* Dashboard!

Rewrite your metrics as necessary.

- c. Balanced PAIRS of Metrics** - What is the difference between a 'death march' and a '20-mile march'? In a system growing exponentially, we must be concerned with the *rate* of growth, balancing workload and capacity as we scale, or we risk burning out our production engine and people, and crash back to earth.

Productivity Metrics are balanced with *Sustainability Metrics*. *Sustainability* could include production capacity, team health, customer satisfaction - anything that tracks the consequences of unmanaged growth. *e.g. We achieve \$x revenue per employee with no more than 10% overtime and employee NPS of 90%.*

Rework your metrics as necessary.

4. Inventory your Data Sources:

What data is available to measure these metrics in near real-time? What condition is it in - clean or dirty? if you don't have the data you need, where could you get it? How easily? Hold the possibility that other metrics may be more effective, or be based on data that is cheaper and easier to tap.

- Make a note of any sources of data you currently generate that could 'power' your metrics.*
- check the quality of the data - garbage in, garbage out.*
- generate some ideas about where you could source missing data streams.*

5. Run your Experiment: Now it is time to put together a prototype 'dashboard' to test your Hypotheses:

- tracking your new metrics real-time does what you hope;
- you can source an adequate real-time data stream;
- the *benefit* outweighs the *costs* to compile, interpret and act on the data!
 - Go to blog.growthinstitute.com/exo/experimentation for instructions and templates for running your experiments.*
 - Work low-tech. Gather sample data, by hand, if necessary. Use spreadsheets to refine and display the data.*

6. Tips for getting started with dashboards

- **Keep it *really* simple, a step at a time** - There can be discomfort as leaders become accustomed to exposing key data previously kept close-to-the-chest, no matter the value to the organization.
- **Prototype with a spreadsheet** - Ideally, use Google Spreadsheet or multiuser Microsoft Excel. At the start of each meeting share the prototype and go over each metric. Figure out what is helping, and what is not. Add, prune, update.
- **Tool-up with care** - Tools can be confusing, opinionated, expensive and force their workflow on you. Automate and distribute at-scale once you have a workable model.
- **Don't:**
 - rely on static reports, PowerPoint slides or verbal reporting.
 - forget to assign a person accountable for each metric.
 - build a solution without involving everyone the metric affects, top to bottom.
 - be inconsistent.
 - turn development and maintenance completely over to external consultants. Maintain the capability to update your dashboard in-house, training vs. outsourcing.

See **Chapter 4 - Inside The Exponential Organization** in *Exponential Organizations* by Salim Ismail, Michael S. Malone & Yuri van Geest. The Exponential Organizations Master Business Course is a part of the Growth Institute MBD Program. To learn more, visit www.growthinstitute.com/exo
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