Scorecard

By Mark Abbott

Introduction

One of Ninety's goals is to make it easy for **data** to be any team's superpower. At Ninety, we're huge believers in agreements. Agreements are things like Core Values, 90-Day Goals (aka **Rocks**), the **roles, accountabilities, and responsibilities** (RARs) associated with a Seat, and KPIs with targets designed to ensure team leaders and team members can easily identify when there's a performance **Issue**.

We're also huge believers in providing our clients the tools to see and understand the **math of their business**, not just at the top but all the way down. One of the best tools we have for this is the **Scorecard**. Scorecards collect key performance indicators (KPIs) associated with not only every Seat but also every team member, making it easy to assess performance health at each level.

While creating great Scorecards takes time, they facilitate a seamless way to check in each week, especially during **Weekly Team Meetings**, and create an ideal venue for solving Issues.

Great Scorecards don't just represent essential agreements on what constitutes an Issue but also what the company looks like when running like a well-oiled machine.

> **Let's sit down. We have a truth bomb to drop: Data is important. Revolutionary stuff, we know.**

Tool Overview

Three components make up the Scorecard.

KPIs

KPIs keep track of how we're getting our day-to-day work done.

Targets

Targets show points below, above, or equal; **the team leader and team member agree** if there is an Issue.

Time Frames

Time frames can be weekly, trailing 4-week, monthly, trailing 13-week, quarterly, and annual — allowing us to see trends at both the micro and macro levels.
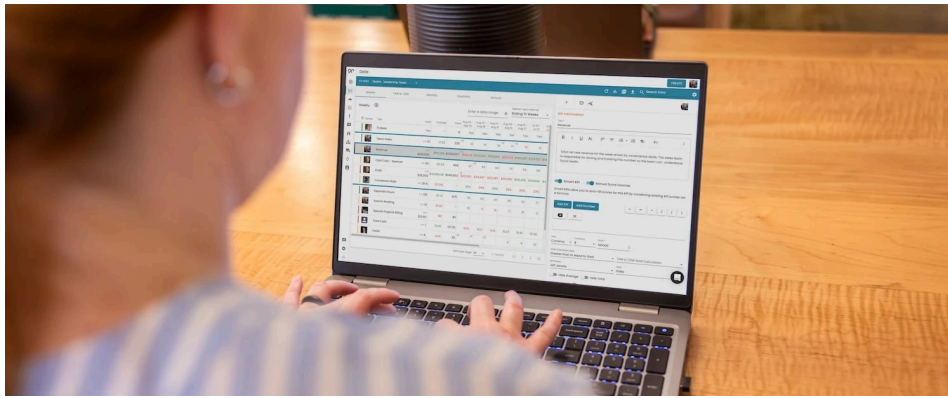
Context

Most companies start by building out a Scorecard for the Senior Leadership Team. Over time, Scorecards make their way down to each department, then to every team, and ultimately to every person. Great Scorecards are one of the essential tools found in every focused, aligned, and thriving company.

Every team member should sit in a Seat that owns three to five KPIs with targets. We like at least three because a single metric tends to overemphasize only one aspect of a Seat's RARs. Seats generally entail quality, quantity, and process aspects, so a set of KPIs provides a holistic view of how things are going.

As we move up the Org Chart, every team should also have a collection of KPIs that signal "all is well." Generally, KPIs are unique for each team. For example, the Sales team's KPIs are not the same as the Accounting team's. When we get to the top, the Senior Leadership Team should be looking at several of the most important KPIs for each department to ensure operational health across the entire organization.

The targets teams set for every team member's KPIs shouldn't be aspirational (those are for the **Vision tool**). Targets illustrate how a team is actually performing and serve as an early warning signal for Issues. Scorecards make it easy to see if all is well — at every level, for every team, and for every team member — using visual cues: green for on track, yellow for veering off track, and red for something that needs attention.

Core Disciplines of Great Scorecards

1. KPIs aren't the only data points to track, just the most important Seat-based, regularly recurring indicators of how teams and individuals perform relative to their agreements.

2. We set targets based on what everyone agrees is likely a problem. That can be above, below, or equal to the target, depending on the KPI's nature. If we're off target, we generate an Issue and solve it.

3. KPIs are associated with Seats; targets are owned by individuals.

4. Every KPI needs someone committed to updating it before the Weekly Meeting. Sometimes, it's the KPI owner, while other times, it's a dedicated person like an analyst. In some cases, updates are automated **through a Zapier link**.

Hopefully Helpful Hints

New users almost always begin with too many KPIs on their Scorecard. We're big fans of the expression, "Less is more until it's not." Consequently, we love team Scorecards composed of 5 to 15 KPIs that give us a swift sense of whether things are going well, veering sideways, or heading off track.

Think of Scorecards like the dashboard of a car. When driving to work, it's unnecessary to know the temperature of the passenger-side rear tire, but it's important to know the speed the car is driving and how much gas is in the tank.

Ninety offers the capability to forecast targets. This is essential if the goal we anticipate grows or if the industry is highly seasonal.

Stepping back and looking at data over a longer time frame is always healthy to do. The downside to monthly and quarterly viewpoints is that they introduce fuzz into the timeline. We enter data weekly, but it's difficult to split a week when the beginning of the month falls in the middle. That's why Ninety provides a place to view data over trailing 4- and 13-week timelines, enabling the preciseness of comparisons.

If a component of performance is critical, don't rely on one data point to explain it. We believe triangulation helps us see things more clearly. For example, don't just track new customer numbers — track where they came from, their size, and whether they're **Ideal Customers**. An Issue affecting one group may not be impacting another.

Takeaway

Knowledge is power, and Scorecards provide an abundance of knowledge. Scorecards are simple, effective tools companies can harness to assess that knowledge (data) properly. Without establishing proper KPIs and targets, and then assessing the data associated with those KPIs, it's impossible to track and remedy issues affecting departmental and whole company health. Scorecards make it painless to collate and interpret essential data at both the micro and macro levels over the course of short and long-term time frames.

What's next? Visit the **90u Library** or **try Ninety today**.

Tagged with: **Data**, **Brief**