SYNCHRONIZE PERSPECTIVE — VOLUME 004

Measuring Enterprise Synchronization

What Most Organizations Measure — and What They Miss

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We Measure Everything Except the Connections

Organizations are surrounded by metrics. Revenue. Margin. Cash flow. Inventory. Service. Productivity. Safety. Customer satisfaction. Employee engagement. Technology performance. Each tells leadership something important. But each primarily measures a **part of the enterprise**. The harder question is rarely measured: **Are all of those parts working toward the same outcome?**

A business can hit many of its functional metrics and still underperform as an enterprise. Sales can hit plan while margin deteriorates. Operations can improve efficiency while service declines. Finance can reduce cost while constraining growth. Technology can deliver projects that create little business value. Every metric can be defensible. The enterprise can still be drifting.

> **83%** of executives recognize the presence of silos in their organizations. **97%** report those silos have a negative impact on business outcomes. — *American Management Association*

An Operator's Observation

I have seen organizations with sophisticated dashboards and very little shared understanding of what actually mattered. More measurement did not create more clarity. Sometimes it simply allowed each function to defend its own version of success.

The Core Insight

What gets measured matters. What gets connected matters more.

Each functional dashboard may show green. Each leader may be hitting their number. And yet — at the enterprise level — the organization is drifting away from its most important outcomes. The connections between parts are where value is created or lost.

Revenue & Margin

Sales hits plan. Margin deteriorates. Both can be true at once.

Efficiency & Service

Operations improves productivity while customer experience declines.

Cost & Growth

Finance reduces overhead while constraining the investments that drive scale.

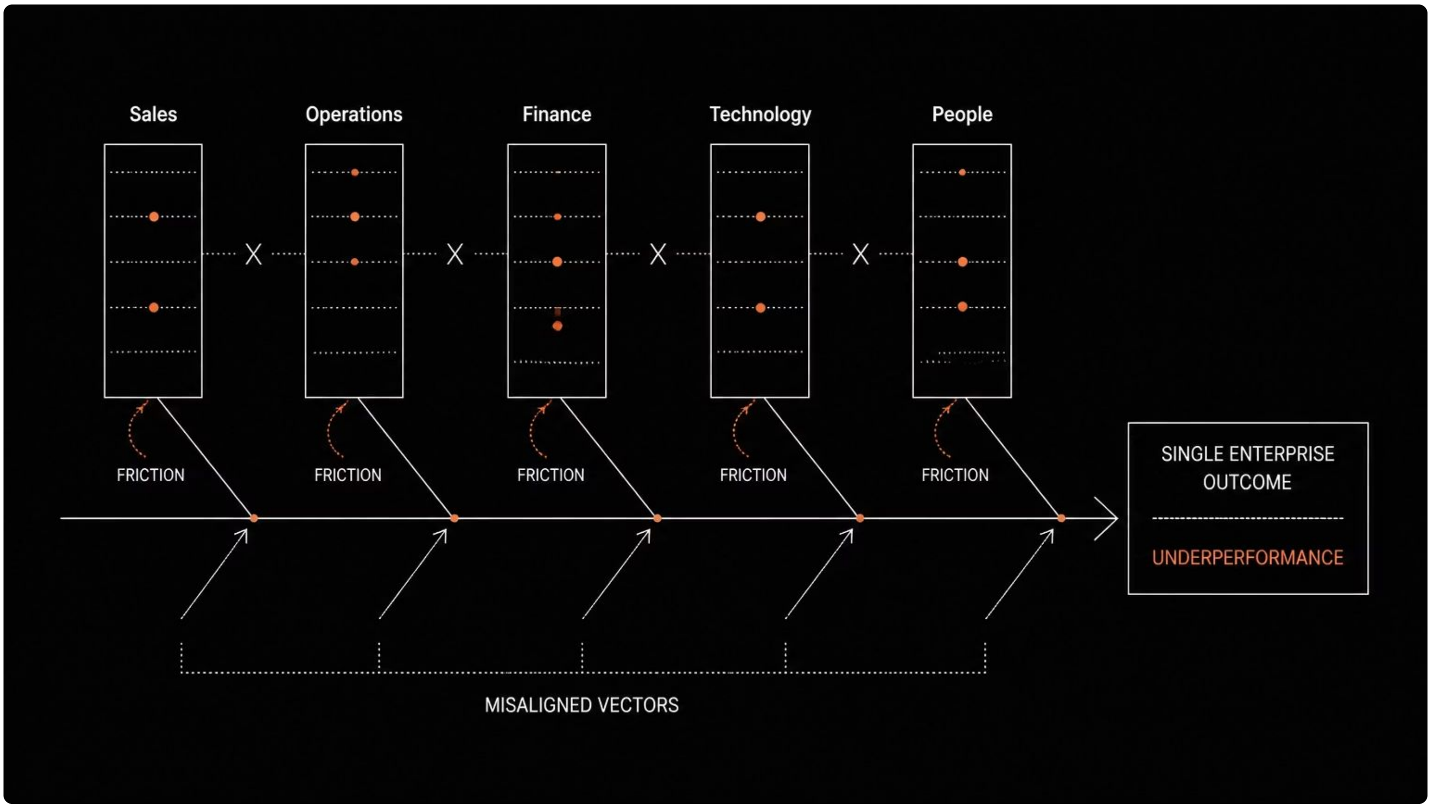
Projects & Value

Technology delivers on time while creating little measurable business impact.

Green Doesn't Always Mean Good

One of the most dangerous conditions in business is a collection of green metrics surrounding a disappointing enterprise result. The problem is not necessarily the metrics. The problem is what they optimize. Most performance systems are built vertically — Sales measures Sales, Operations measures Operations, Finance measures Finance. But enterprise value is created **horizontally**, across those boundaries.

That creates a measurement paradox: **The organization can become better at its parts while becoming worse as a whole.** This is why functional excellence and enterprise excellence are not the same thing. Functional metrics answer how we are performing. Enterprise synchronization asks whether we are performing *together*.



Functional Metrics Ask:

- How are **we** performing?
- Did **we** hit our number?
- Is **our** efficiency improving?

Enterprise Synchronization Asks:

- Are we performing **together**?
- Do our decisions help **each other**?
- Are we moving toward the **same outcome**?

Synchronization is not the enemy of specialization. Functions should remain excellent at what they do. The problem begins when functional excellence becomes disconnected from enterprise outcomes.

> A metric can be accurate and still drive the wrong behavior. The question isn't only whether the number is right. The question is what happens elsewhere in the enterprise when someone improves it.

Synchronization Can Be Observed

Synchronization may sound intangible. It isn't. You can see it in how an organization behaves. Ask a leadership team to independently write down the company's three most important priorities and why they matter. Compare the answers. Then move down one level. Then another. The differences between those answers reveal something financial statements cannot. They reveal the **distance between strategy and execution.** And that distance can be measured.

1

What are we trying to accomplish?

Ask at the executive level, the management level, and the frontline. Compare answers with rigor. The variation tells you more than another hundred-page dashboard.

2

How does your work contribute?

Understanding of connection — or its absence — reveals whether strategy has been translated into coherent operating priorities across the organization.

3

What happens when priorities conflict?

The answer reveals whether decision rights are clear, whether authority is understood, and whether the enterprise resolves conflict constructively or allows it to fester.

4

How do you know whether you're succeeding?

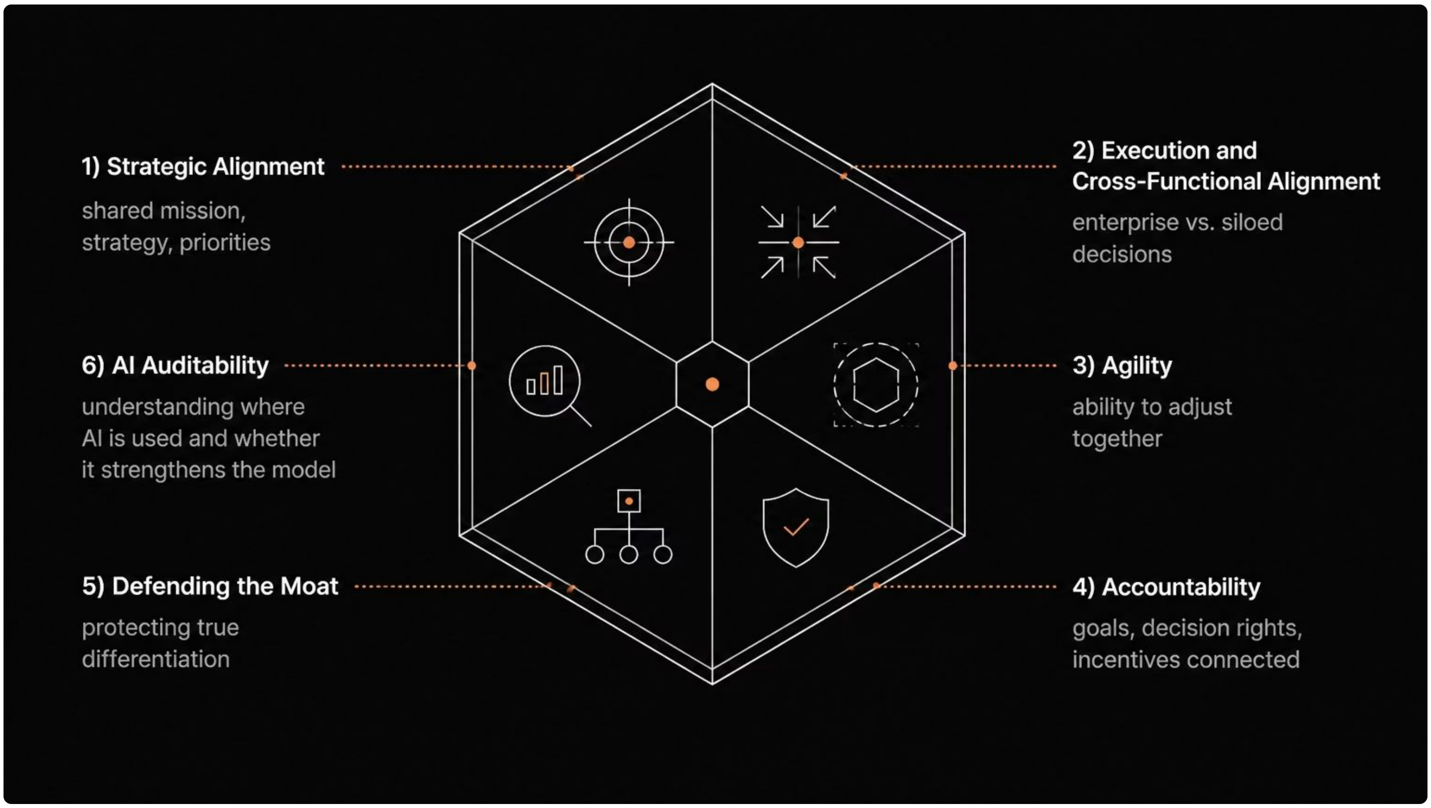
The presence or absence of clear, shared accountability indicators tells you whether the organization has translated intent into measurable, owned outcomes.

Research validates this approach. An MIT Sloan analysis of 124 organizations found that only 28% of executives and middle managers responsible for executing strategy could list three of their company's top strategic priorities. In one case study, 97% of senior leaders said they understood the company's strategy — but when asked to list it, one-third could not name a single priority. — *Sull et al., MIT Sloan Management Review*

The Enterprise Synchronization Index™

Most assessments measure capabilities — technology maturity, AI readiness, employee engagement, operational excellence, strategy execution. Each can be useful. But they still examine pieces of the enterprise. The **Enterprise Synchronization Index™ (ESI)** asks a different question: **How synchronized is the enterprise itself?**

The purpose isn't to produce a score for the sake of a score. It is to expose where synchronization begins to break — and to give leadership a precise, honest view of where the organization's operating model is creating or destroying enterprise value. A good diagnostic doesn't tell executives what they want to hear. It shows them where to look.



Strategic Alignment

Do people understand the mission, strategy, priorities, and what winning looks like — at every level of the organization?

Execution & Cross-Functional Alignment

Do functions make decisions for enterprise outcomes, or do they optimize independently at the cost of the whole?

Agility

Can the organization adjust together when conditions change — or do parts respond independently and create new misalignment?

Accountability

Are business goals translated into aligned personal goals? Are performance expectations clear? Are decision rights understood? Are recognition and incentives aligned with enterprise outcomes? Does performance management reinforce the strategy — or operate as a separate administrative process?

Defending the Moat

Does the organization understand and actively protect what truly differentiates it in the market?

AI Auditability

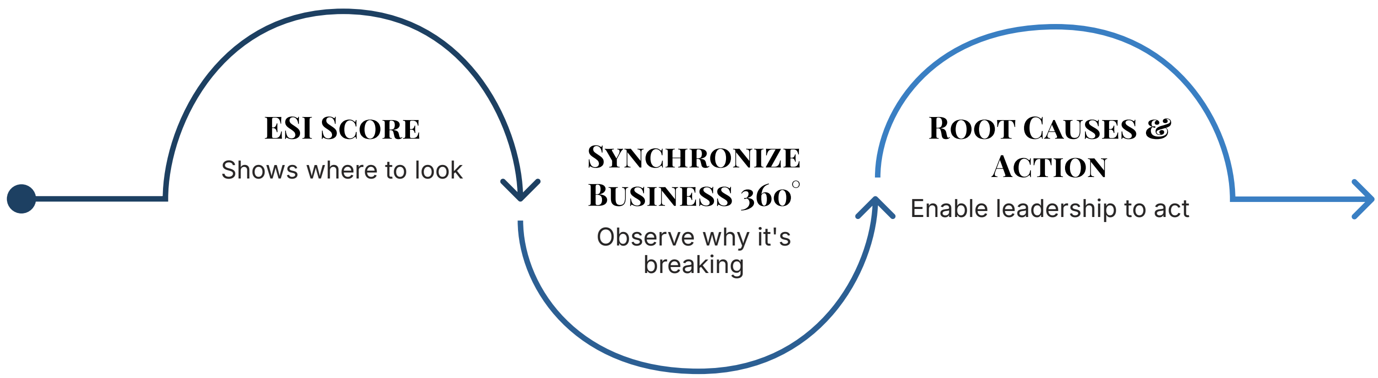
Can leadership understand where AI is being used, why, and whether it strengthens or amplifies the existing operating model?

> Measurement has value only when it changes the questions leadership asks. You cannot improve synchronization until you can see where it is breaking.

A Score Tells You Where to Look. Not Why.

Measurement is the beginning. Not the diagnosis. An ESI result may reveal that strategic alignment is weak. It doesn't automatically tell you why. Is the strategy unclear? Are goals disconnected? Are incentives competing? Is organizational structure creating conflict? Are decision rights ambiguous? Does the executive team believe it is aligned while the organization experiences something different?

Those questions require something a survey cannot provide: **observation.** Talk to people across functions. Across levels. Across locations. Follow decisions through the organization. Compare what leadership intends with what employees experience. Look at the organization chart, the strategy, the goals, the metrics, the incentives, and the financial performance. Then connect them. This is the difference between **measuring synchronization** and **understanding it.**



The diagnostic score surfaces the signal. The observation process — talking across functions, levels, and locations; comparing leadership intent with employee experience — finds the cause. One without the other is incomplete. Executives who act on score alone risk solving symptoms. Those who observe without structure risk missing the pattern.

What the ESI Reveals

- Which of six dimensions show weakness
- Where synchronization is beginning to break
- Where leadership attention is most urgent
- A baseline for measuring improvement over time

What Observation Adds

- The specific causes beneath each signal
- The gap between leadership intent and employee experience
- How decisions actually travel through the organization
- Whether incentives, structure, and strategy are aligned in practice

Does leadership experience the same organization everyone else does?

> I've never understood a business by sitting only in the executive conference room. Strategy may be created there. Execution happens everywhere else. Measurement identifies the signal. Observation finds the cause.

The Question Isn't Whether Your Business Has Gaps

Every organization has gaps. Every organization has competing priorities. Every organization experiences some degree of drift. The question is whether leadership can see it early enough to act. Financial statements eventually reveal the consequences. Customer complaints eventually reveal the consequences. Turnover eventually reveals the consequences. Failed initiatives eventually reveal the consequences. AI may accelerate the consequences. But leadership should not have to wait for consequences.

A synchronized enterprise develops the ability to see disconnects **before they become outcomes.** That begins with a deceptively simple question: How synchronized is your business? The Enterprise Synchronization Index™ offers a starting point — 18 questions, a few minutes, a genuinely different view of your enterprise. Not another dashboard. A different lens.

Financial Statements

Eventually reveal the consequences — after the damage is done and the window to act has narrowed.

Customer Complaints

Surface the outcomes of misalignment — long after the operating decisions that caused them were made.

Turnover & Attrition

Signal organizational drift — visible in the data only after the talent and institutional knowledge are already gone.

Failed Initiatives

Expose execution gaps — after the investment has been made and the opportunity cost has been paid.

Synchronization is not uniformity. The goal is not to make every function think alike. It is to ensure that distinct, specialized functions move toward the same enterprise outcome while preserving the creative tension that drives growth.

> The purpose of measurement isn't to create another dashboard. It's to see something soon enough to change it.

You cannot synchronize what you cannot see.

Take the Enterprise Synchronization Index™

18 questions. A few minutes. A different view of your enterprise. Understand where synchronization is breaking — before it becomes a consequence.

Synchronize Business 360°

For organizations ready to understand what sits behind the score. See the business leadership intended. See the business employees experience. Understand the gap between them.

Next in Synchronize Perspective — Volume 005: *The Synchronize Enterprise*™ — How leadership turns alignment into an operating model.