Chapter 5

Lucky #3 - Performance

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Performance: the third core competency of the Lucky 13. It’s simply not enough to settle for doing a good job. Superior performance comes from being mindful, from adhering to a mindset of fully understanding your job requirements and connecting to your organization's goals. Many fail by lacking this connection and neglecting to establish goals well in advance. Several tech organizations I’ve encountered have been flawed by lacking this mindset and inevitably fall into a failing cycle of repeating it year after year.

As a leader, you must set high standards and drive your team to perform at high levels. At the root of success or failure is the ability to communicate this mindset to your team, to have full awareness of your goals, and to know how to measure performance within the framework of high standards. Above all, you must know the value of your work.

Knowing where a business stands is crucial in adjusting goals and strategies. If a leader or employee never knows the results of a given role or task, there’s no way to know what adjustments are necessary or how best to improve performance.

The first step in tracking performance is gaining a full and clear understanding of the goals and the most accurate methods of measuring those goals. Anyone assigned any task in any organization truly needs to know the value of their work. Without that basic knowledge, the motivation to perform at high levels toward the organizational strategy might not exist.

I once joined a company that had fallen far behind in delivering projects. They hired me to solve the problem, which I quickly understood to be a combination of personnel, management, and prioritization. In short, the company had become so consumed with monthly quotas for delivering projects that they had lost focus on which projects offered the company the most value with their available resources.

I stepped in and streamlined their processes for completing projects at a much higher efficiency rate, increasing the monthly output from four or five to more than 30. At the end of six months, we had completed more than 200 projects and were on pace to deliver 450 for the year.

Naturally, the company's operations officer was thrilled with the increased output and backlog reduction, but I did not share his enthusiasm. Why? They still had no metric for determining the true value of completed projects. Business leaders were accustomed to asking for things they thought they needed and getting what they asked for. They failed to recognize how the increased productivity helped the bottom line.

Regardless of my repeated warnings that the CEO would focus on project value –

specifically, return on investment - we remained obsessed with project volume.

Sure enough, at the end of the year, with ~450 projects delivered, the company CEO comes right out of the gate asking about, of course, the bottom line.

“Which one of these projects delivered an operating expense reduction?”

“Which one is making money for our shareholders?”

I glared over at my boss, waiting for him to jump in with his assessment, which I already knew. He fell back on project delivery above all else, praising me for fulfilling requests without any consideration for the actual value of those fulfilled requests to the company’s bottom line. He did push the value ownership to the requestors of the work - but it didn’t matter, I drove the delivery, and I knew better.

True, we had delivered 450 projects, and we trumpeted that accomplishment all day long. On the other hand, we delivered 450 projects yet couldn’t really pull the value out in a meaningful way. We could not measure the actual bottom-line value of that year’s work, particularly in relation to the millions of dollars invested in that work.

This did not represent leadership to me. Although technically in a senior management position, it seemed more like being in junior management, unable to hold anyone accountable for this failure masquerading as success. That all said - I own it. I did then - still do.

In that circumstance, I knew my goal and how to measure my successful performance - but I did not know my purpose. That is equally important as accomplishing tasks, which I became acutely aware of from that experience. You must possess full awareness of why you work so hard to complete a task to take pride in a job well done, as well as your contribution to the company's bottom line, whether it be a client commitment or financial benchmark.

As a leader, you must be able to understand, measure, and market your value proposition. You must include these three components to be recognized as a senior leader and someone who has contributed significantly to the organization. And this relates directly to performance: fully grasping the value of your contribution is a true measure of performance. Regardless of an individual's specific role in an organization, usable and tangible metrics need to exist and be communicated effectively to achieve high performance levels.

The point I want to drive home here is that performance must be measured to resonate within the business strategy to achieve a results-driven bottom line.

How do you measure performance and results - how do you measure success? The short answer is metrics - money, numbers, impact, data, data, data. Using data on operating cost reduction and revenue increases are two common examples of measuring successful performance. Get to the bottom line. People will say, “Look, Customers are happier” - I say, “Great - show me how you know this.”

I once joined a company considering the development of a mobile app with lots of back-office integration at an estimated cost of $2.5 million. They desperately needed to enter the mobile space, but had reservations about the return on investment, as the mobile application field, at the time, had not evolved to today’s popularity and profitability level.

Reaching into my tool belt, I contacted a company capable of developing a mobile app quickly and affordably. Within eight weeks, and at around $60,000, I delivered a pared-down mobile app that allowed the company to tap into a broader, younger client base. We knew this by simply gathering the basic information of age, gender, and email address upon app registration. We had previously calculated the value of attaining new customers, specifically younger ones. Armed with this immediate success, I went to the company board with a solid marketing plan for a larger, more profitable project.

That's a perfect example of measuring performance via raw profit, numbers, and data. They had an enormous initial expenditure proposal with no apparent value estimates before hiring me. In a brief timeframe, I delivered a viable mobile app for a fraction of the original cost, which netted raw data on a new client base and, ultimately, measurable profits.

We made available our entire nationwide inventory. As the was comprised of used items, one can imagine how quickly it changed when the app hit the market, as a surge of customers began accessing and locally purchasing the inventory.

We instantly had precise data to assign numbers to the app's value because we could now easily measure sales, inventory, marketing impressions, and, yes, the bottom line. The app paid for itself 30-40 times over and achieved the company goal of appealing to younger customers. That is truly how to measure performance.