Keeping score: making performance data more compelling

How to use dashboards, indexes and balanced scorecards to share progress

BY ANGELA SINICKAS

Data that reflects communication performance should do one of two things: indicate success to allow for recognition, or refocus effort where it's needed most. But if the numbers aren't distilled down to a few key metrics, neither is likely to happen. In part one of a two-part article, Angela Sinickas describes how to collapse measurement results into "visual shorthand" making it easier for leaders and team members to grasp.

Your organization's leaders expect to see performance metrics from all their departments, including yours. Our challenge is to find a way to create compelling reports on metrics that matter.

With all the variety of communications we manage, and the multiplicity of metrics we may be gathering, a compelling report needs to collapse related results into categories. Those categories then need to be presented in visual "shorthand" that the busy executive can quickly understand, just as the dashboard in your car quickly shows your speed and fuel level. The question executives want answered is: Are we on track to achieve year-end goals or are we hopelessly behind?

An analogy from school

As an analogy, think of the report cards you received in school. For a particular subject you studied, you may have taken 20 quizzes, sat for three, hour-long exams, written two papers and taken a final exam. Yet, your teacher's evaluation of all these different measures was consolidated into a mid-term grade and a final grade. That's the concept we should apply to managing our communication programs – finding ways to meaningfully track results throughout the year and visually show managers how well we're doing.

The final form of your results report should match any other reporting schemes in use in your organization. For example, if the entire company's success is measured through a Balanced Scorecard (invented and described in a book by Robert Kaplan and David Norton), you should develop your own Balanced Scorecard for the communication function that feeds into the companywide one. The traditional four elements of the Balanced Scorecard, and sample communication metrics that would fit under those categories, are illustrated in Figure One, page 34.

If your organization doesn't have a single style of performance report, you can study the different approaches highlighted in the two parts of this article. Then decide which one suits your own needs and preferences – or invent your own.

Gather and sort

Some communicators are already conducting many measurements. If you fit into this category, you have three challenges to handle before you can develop a results dashboard:

1. Find all communication-related measures

In addition to the research you've conducted, study the company's employee opinion survey and customer satisfaction research for any questions that relate to communication. Ask IT what metrics they're tracking about e-mail, websites or use of new social media tools. Ask operational and staff departments for any metrics they track on an ongoing basis that would show the success of your communication campaigns for them. For example, did your safe-driving communications reduce the number of accidents? Did your HR communications encourage more employees to choose a particular benefit option? How many of the leads you generated at an exhibit booth turned into new sales?

2. Organize existing metrics

Organize existing metrics into meaningful categories, such as activities versus outcomes, or communication messages versus channels, or metrics for internal versus external audiences (the Figures illustrating this article suggest a variety of ways to classify your measurements).

3. Check for any gaps or inconsistencies

After organizing existing measures, you may find you have gaps. For example, perhaps all your measures focus on your communication vehicles – web usage tracking, readership survey results, news-clip analysis – and nothing about how well key topics are understood. Inconsistencies can occur when multiple surveys have used different response scales on similar or related questions.

For instance, it will be hard to report on how well your audience's understanding has improved on eight key topics if some questions used a four-point scale to measure individual understanding of a topic and other questions used a five-point scale to measure if the company provided enough volume of information on a topic.

For the measures you eventually select for your dashboard, you may need to revise some of the ways in which those metrics are gathered. For example, if you found inconsistencies in survey response scales, this would be the time to update your survey. You may need to add questions to fill in missing gaps of things you're not measuring.

Solutions if you have no budget

Other communicators, about 33 percent according to one survey I conducted, have no budget to conduct any measurements. But lack of budget, shouldn't be a barrier. Many ways to measure cost nothing, or may even save you money:

- Measure understanding of a topic by a show of hands at an "All-Hands" meeting before and after the speakers cover the topic.
- Measure potential future understanding of a topic by tracking the reading grade level at which your communications are written (a feature available for free when using Microsoft Word) and quantifying how much content you have distributed about the topic.
- Measure the outcomes of communication by doing a pilot in only some locations so you can track the average results in the locations with the communication versus those without it. Conducting a pilot actually costs less than rolling out a campaign in all locations.

Metrics that matter

For the dashboard you eventually construct, you'll show the results by category. However, you need to first identify which of the available measures you gathered and sorted through are the most important to track and report regularly. Once you think you've identified those, it's worth reviewing them with your senior leaders to make sure that those measures will matter to them as well.

Figure Two (page 34) shows potential categories of metrics and how they might be quantified. The detail in this figure will be used throughout all the dashboard illustrations in this article. Included in greater detail are measures for a hypothetical communication campaign, "Long-Distance (LD) Access Code Usage," on which you could calculate a return on investment (ROI).

Example of campaign metrics

Let's say you discovered your company could be spending less money on long-distance phone calls if more employees used a special access code before dialing the number directly. If you find out that the telecommunications manager plans no special initiatives to address this problem for the coming year, your communication campaign on this topic could take 100 percent credit for an increase in the percentage of long-distance calls made using the access code.

This change in employee behavior would have a financial value, measured on the telecommunications manager's monthly reports. That would make it easy for you to calculate the ROI by comparing the cost of your communication campaign against the financial savings for the greater number of long-distance calls using the access code (see the last two rows in Figure Two).

The long-distance dialing campaign also ▸

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KEY POINTS

- **Communication performance data should enable recognition of achievements, and influence decisions about how to make improvements.**
- **This requires research results to be shared in a way that's easily understood and consistent with other business goals and measures.**
- **A communication "dashboard" should reflect a few key metrics such as employee perceptions, changed behavior and return on investment.**
- **If many communication measures already exist, begin by identifying them, organizing them into meaningful categories and checking for gaps.**

Figure One: The Balanced Scorecard

	Leading Measures (Average of 3 Monthly Measures)	Lagging Measures (Measured Once Quarterly)
Employee Learning & Growth		
• Clarity	+	
• Content alignment	=	
• Knowledge and attitudes		+
Customer		
• Clarity	–	
• Content alignment	–	
• Knowledge and attitudes		–
Internal Processes		
• Efficiency of approvals	–	
• Behavior of LD access code usage		+
Financial		
• Efficiency of comms budget	=	
• ROI on one campaign		+

= On track for 2007 target   + Over target   – Off target

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provides a good example of how to incorporate outcome measures into your dashboard that connect with your communication activity inputs.

Figure Three (page 35) shows the metrics you might establish to measure the campaign's success, with less valuable measures on the left, working their way up to more valuable measures on the right. The first column measures an activity, the number of messages you might send out per month on this topic. That's not a very valuable measure by itself, but we need to measure that you actually did do something that led to increases in audience perceptions, shown in the second column.

The perception change is a precursor to the behavior change shown in the third column. The fourth column simply calculates the ROI based on the financial value of the behavior change (column 3) in comparison to the cost of the communication campaign (including the activities listed in column 1).

The measures for this campaign are included among the metrics that could be used for the communication department's overall dashboard, listed in Figure Two.

Figure Two: Potential communication measures and sample first quarter (Q1) results

	Metric	How This Is Measured	Target by End of Year	Actual Q1	Grade
Leading Measures	**Distribution**	Survey	6 of 7 locations with more than 10% of our audience not receiving our key publication	3 of 7 have blockages of 10% or more	C+
	Clarity	Flesch-Kincaid Formula in MS Word®	All audience communications written at or below grade 12 (understandable to a student the year before entering university)	**Employee average 8.9** (newsletter 8.2, intranet 9.5) **Customer average 14** (brochure 14, Web 16)	A D
	Content alignment	Content analysis of employee newsletter	At least 33% of articles connected to: • Company strategy • Mission, vision, values • Brand attributes	72% 21% 44% **47% (Average)**	A-
	Efficiency	Budget analysis	On or under budget for ongoing programs (not including crises or new projects authorized mid-year)	+5% January -7% February +5% March **+1% (Average)**	C
		Stopwatch	Maximum time for approval of a non-crisis news release = 24 hours	87 hours	F
Lagging Measures	**Audience knowledge and attitudes**	Survey	Increase average net % favorable response 10 percentage points on 8 employee topics, but 20 percentage points on long-distance calling topic	5% on 8 topics 10% on long-distance access code usage	B A+
	Effectiveness of channels	Survey	Increase average net % favorable response 5 percentage points on the usefulness of 11 employee communication channels	1% on 11 channels	C+
	Audience behaviors	Telecomm Dept. monthly report	Increase number of long-distance (LD) phone calls made using access codes from 12% to 50% using e-mail/intranet campaign	82% of long-distance calls were made using access codes	A+
	ROI	Cost of LD call campaign vs. savings from use of access codes	At least 100% ROI for long-distance access code campaign vs. cost of having a communicator on staff full-time to identify opportunity and change employees' behavior	179% return on long-distance access code campaign ($60,000 quarterly savings, minus quarterly cost of campaign of $21,500, divide net savings by $21,500)	A+

Establishing baselines

Baselines establish a starting point. Some possible sources for baselines include:

- *Your own current level for any metric before you set up your dashboard*. This could be a percentage from a survey, a number of page views from a website, or the number of hours it takes to complete a repetitive process like getting approvals or preparing a weekly newsletter.
- *A database norm, which is typically the average net favorable percentage for other companies who have asked the same question on their surveys*. ("Net favorable" would mean, for example, adding together the percentages of those who answered "Agree" and "Strongly agree" on a survey question, or "Well informed" plus "Very well informed.") Norms are typically available only from a consultant who asks similar questions of many companies.
- *A benchmark you gather from other organizations*. You could call 10 other organizations similar to yours and ask them how many hours it takes to get a non-crisis news release approved.

Most of your baselines would be the existing metrics you've already gathered. If you find you don't have a baseline for an important metric, you would need to gather it. For example, baseline numbers on audience perceptions for the topic of long-distance dialing would be highly valuable if you planned to conduct a major campaign on the topic and wanted to show a return on investment. Figure Three assumes that when you surveyed for a baseline in 2006, 57 percent said it was important that employees should use the special access code before dialing, but only 27 percent knew what the code was. On average for these two measures, the net favorable metric was 42 percent (average of 57 and 27 percent).

Setting targets

Targets show where you want to end up by year-end. Targets can be set in terms of:

- *A percentage improvement over your own current baseline*. This percentage improvement needs to be thought through carefully, and the target needs to be re-set each year. For example, if you're starting out at a very low baseline, you can expect to see a big improvement the first year you focus on fixing a problem. Once you achieve a higher level, your target may change from expecting an improvement, to maintaining a high level. You also need to consider the highest level you could possibly reach given the realities of your situation. If you work in an industry with 50 percent staff turnover a year, it would be unrealistic to expect 60 percent of employees to feel well informed about anything.
- *A level above a database norm*. I had one client who wanted to know not only what the averages (norms) were for other companies on his survey questions, but also the highest score any company achieved on each question. He looked at those as his stretch targets. If that level could be achieved at an organization not too dissimilar from his own, he could aspire to matching it over the course of a few years of focused effort.
- *A general expectation at your organization*. Organizations have their own rules about how much can be spent without being considered over-budget, or what amount of staff turnover within a department is considered acceptable before a manager is considered ineffective.
- *Something that seems reasonable to you and your boss*. Let's say you want to make sure that the content of your key communication vehicles supports the organization's mission, vision, values, strategy and brand attributes. How many articles per issue, or how many items on a Town Hall agenda, could you reasonably tie back to the big picture for them to be considered reinforcing, rather than annoying? You might establish this by looking back at past issues of the publication for missed opportunities.

To see how setting a target for a category works, let's look at the category of "Audience knowledge and attitudes" in Figure Two. This example shows the communicator has determined that there are eight topics that will need to be communicated heavily in the coming year, based on ongoing company strategy and on specific initiatives the department has committed to work on. For each topic, they'll measure either the percentage of employees who know the right answer to a fact-based knowledge question, or the percentage of employees who agree with an attitude statement related to the topic, or both. Either way, they'll look at the "net favorable" percentages and average all the scores together to come up with the result for the category.

Figure Three: Measures of a campaign

Level of Impact LD Dialing Campaign Has

	Comms Activities (Channels & Messages)	Audience Perceptions (Knowledge & Attitudes)	Changes in Audience Behavior	Financial Impact on Goals
Status	⇔	⇔	⇧	⇧
Q 1 Actual	4	58%	82%	179%
2007 Target	4	62%	50%	150%
2006 Baseline	0	42%	12%	N/A
Metric	# of messages per month (newsletter, emails, meetings) on how and why to reduce phone expenses	Net favorable % survey score on 2 questions about LD phone calls	% of employees using LD phone access codes	ROI on $ value of higher LD access code usage vs. cost of campaign

⇔ = On track for 2007 target

⇧ = Likely to exceed target ⇩ = Likely to miss target

Establishing a target is one of the trickiest parts of creating dashboards because you need to commit to achieving a certain level of improvement. Using the long-distance dialing campaign again as an example, on the two knowledge and attitude questions, the net favorable average baseline was 42 percent. If nothing has ever been purposely communicated on this topic, you could reasonably expect a big improvement by having a focused campaign. In this case, let's say our target is 20 percentage points of improvement by the end of the year, achieving a net favorable percentage of 62 percent.

However, when looking at all eight topics that are going to be measured for the category of knowledge and attitudes, we might set a lower target of only 10 percentage points of improvement because the other seven might be topics that have been communicated before. Less improvement may be possible because their baselines are already higher.

Part-two of this article, continued in the next issue, will focus on representing progress, scaling targets and weighting results, and choosing the right dashboard approach. scm

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