

KEY STRATEGIC INDICATORS

THE 5 STEPS

1. Identify the Key Components of Your Strategic Objective

Carefully review your Strategic Objective statement and identify its key components. Print or photocopy your Strategic Objectives, then highlight the key components. Sale and profit margin will *always* be key components; others depend on your business.

2. Establish Key Tangible & Intangible Strategic Indicators

List the key Tangible and Intangible Indicators from your Strategic Objective.

Tangible Indicators	Intangible Indicators
1. Sales	1.
2. Profit Margin	2.
3.	3.
4.	4.
5.	5.
6.	6.
7.	7.
8.	8.
9.	9.
10.	10.

3. Create a Scoring System for Intangible Indicators.

Use the Key Strategic Indicators Rating Worksheets on the next page.

- Copy the name of each Intangible Indicator from the section above.
- For each Intangible Indicator, write short phrases that describe the worse-case and best-case scenarios.

Example:

Employee Satisfaction																				
Intangible Indicator here																				
Employees love working here: they feel appreciated and useful					Employees hate working here: They feel ignored and unproductive															
<i>Briefly describe the best-case scenario</i>					<i>Briefly describe the worst-case scenario</i>															
+10	+9	+8	+7	+6	+5	+4	+3	+2	+1	0	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10

- Please see the next sheet for a blank scoring systems of Indicator Ratings

4. Create a Legend.

Create a narrative for each of the five benchmark ratings (+10, +5, 0, -5, -10) for all Intangible Indicators that you have listed. An example is provided on page 4.

- The narratives for +10 and -10 will add more detail to the best-case and worst-case scenarios you described briefly in Step 3.
- The narratives for +5 and -5 will describe above-average and below-average situations.
- The narrative for 0 will describe a neutral, average situation: things are not terrible, but there's a lot of room for improvement.

The process of writing the narratives will accomplish two important goals:

- It will help you clarify exactly what you do and don't want. Writing down the specifics will encourage you to think carefully about your standards for what you want your business to look like.
- Once you have documented your standards, you'll be able to communicate them to employees in a simple and consistent way.

Key Strategic Indicators Rating Worksheet

Non-Measurable/Intangible Indicators

Intangible Indicator here

Briefly describe the best-case scenario

Briefly describe the worst-case scenario



Intangible Indicator here

Briefly describe the best-case scenario

Briefly describe the worst-case scenario



Intangible Indicator here

Briefly describe the best-case scenario

Briefly describe the worst-case scenario



Intangible Indicator here

Briefly describe the best-case scenario

Briefly describe the worst-case scenario



Key Strategic Indicators Sample Legend

Non-Measurable/Intangible Indicators

Name of Indicator: Employee Satisfaction	
+10	Employees love working here: they always feel appreciated and useful. They feel they are part of a great team. The lines of communication between coworkers are always open. They respect each other and disagreements are resolved in a professional manner. In employees' opinion, management is doing an excellent job of organizing work and providing resources so employees can achieve the highest possible level of performance.
+5	Employees enjoy working here: they often feel appreciated and useful. They often feel they are part of a team. Coworkers communicate fairly well; sometimes breakdowns occur. Most of the time, disagreements are handled professionally, but there are a few interpersonal conflicts. In employees' opinion, management is doing a good job: work is organized in such a way that they can usually complete it fairly well. The necessary resources are usually available.
0	Employees neither like nor dislike working here: they think of it as "just a job." They sometimes feel they are part of a team; other times they feel like they're on their own with little outside support. Some interactions are professional and respectful, while others are frustrating. In employees' opinion, management is doing a fair job, but it could be much better: work is sometimes organized and delegated effectively, but other times it's scattered and confusing. The necessary resources are sometimes available, sometimes missing.
-5	Employees dislike working here: they often feel ignored, unproductive, and underutilized. They rarely feel part of a team. There are often communication breakdowns, and disagreements usually escalate to interpersonal conflicts with no useful way to resolve. In employees' opinion, management is doing a poor job: work is usually delegated in a scattered and confusing way, hindering employees from completing their assigned tasks effectively. The necessary resources are rarely provided.
-10	Employees hate working here: they always feel ignored and unproductive. There is no sense of teamwork. Coworkers have daily communication breakdowns and heated interpersonal conflicts. In employees' opinion, management is doing a terrible job: the way work is organized slows employees down and makes it impossible for them to perform well, frustration is the rule. They are not provided the resources they need to complete assigned tasks effectively. Employees must frequently double-check with managers to clarify instructions and are made to feel like they're interrupting when they do.

Key Strategic Indicators Legend

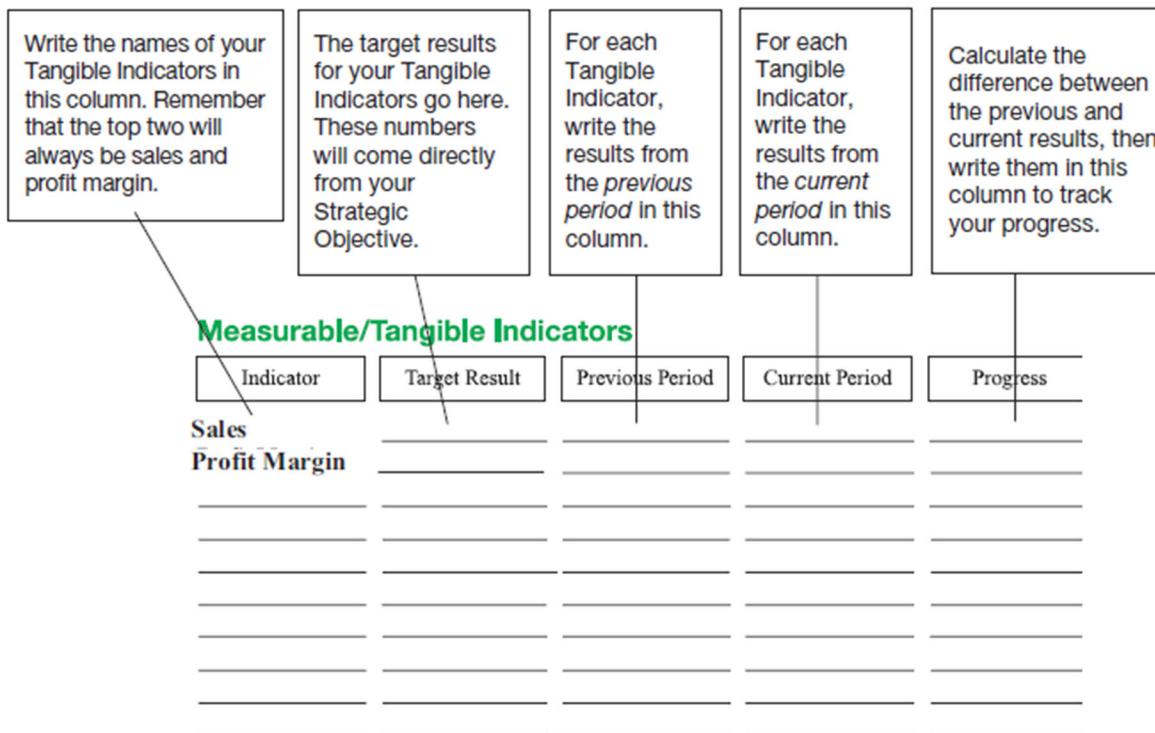
Non-Measurable/Intangible Indicators

Name of Indicator:	
+10	
+5	
0	
-5	
-10	

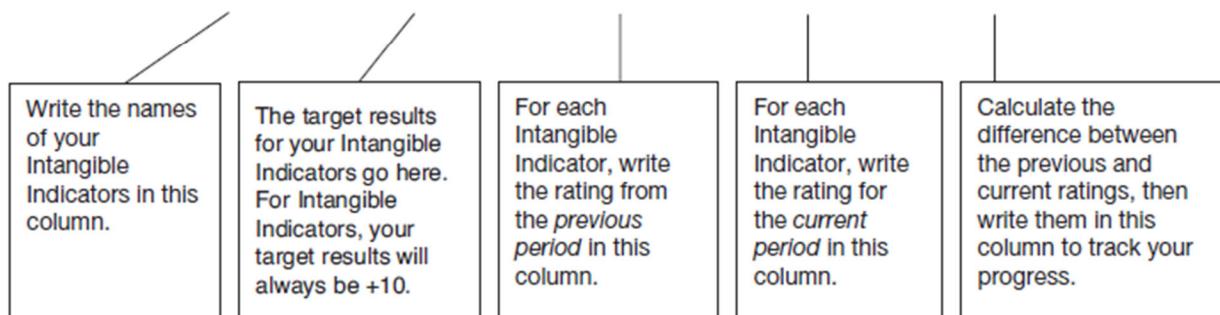


5. Create a Key Strategic Indicators Tracking Sheet and a system for periodically tracking and evaluating your business against it.

The Tracking Sheet shows the progress of both your Tangible and Intangible Indicators. The diagram on this page explains how the Tracking Sheet works; once you have reviewed the diagram, use the full-size Tracking Sheet on the next page.



Non-Measurable/Intangible Indicators





Key Strategic Indicators Tracking Worksheet

Company Name: _____

Date Compiled: _____

Measurable/Tangible Indicators

Non-Measurable/Intangible Indicators