

What's the Score? Is Your Organization Winning or Losing?

By Rob Simons

When we think about sports, we typically imagine feelings associated with fierce competition: the joy of winning and the agony of defeat. However, organized sports are a great case study to learn basic business principles. Many of these concepts apply to our organizations and they can dramatically contribute to achieving our goals.

To understand why sports is such a great case study, consider that the length of the season is fixed. A common timeframe makes it easy to analyze and compare different strategies and techniques both during the season and from one year to the next. Next, professional sports are highly documented, from the endless player and team statistics to detailed video and written analysis of every move. It also helps that multiple teams are all playing by the same rules, including a similar payroll (aka the salary cap).

Unlike business, it's easy to identify the winners, losers, and ultimately, the champions in sports. This environment makes it straightforward to study the habits and techniques of successful coaches like Bill Belichick of the New England Patriots or Nick Saban of the University of Alabama.

So, why don't more businesses emulate the habits of championship sports teams? Maybe we think of sports as merely a "game." But that might actually be a positive. Most companies are more successful when they "gamify" their operations. Also, from a psychological standpoint, people like to be on a winning team. That's why sales of the winning team's jerseys skyrocket following a team's championship season. Don't you want your team members to be part of a championship team?

You can apply many concepts from sports into your business. This article covers four techniques to gamify your business and get your staff motivated and invested in the success of your business. We will cover the following: company and departmental scoreboards, individual scorecards, and using a workweek rhythm to make the most of these tools.

COMPANY SCOREBOARDS

Imagine a game where the coaches and players don't know the score or how much time is left to play. How can they possibly make informed decisions to win the game? They can't!

Of course, no organized sport operates without a scoreboard. However, many organizations don't have a clear way to let staff know if the company is winning or losing in real-time! This oversight is a missed opportunity to motivate the team, guide strategy, and make goal-oriented decisions at every level of your organization.

By looking at the scoreboards from all the major professional sports, we can see a few consistent elements to include in your company's scoreboard:

1. A Few Critical Numbers

Scoreboards only contain a handful of metrics that everyone can follow at a glance to get a quick sense of the game. For example, a football scoreboard shows the score, current quarter, time remaining, number of timeouts, current down, and distance to a first down.

In business, we tend to overwhelm staff with too many metrics, or even worse, almost no metrics. Determine the 2 or 3 critical numbers that all employees and managers can use to determine if your business is winning or losing. This step will help keep everyone focused on what's important. More than three numbers are typically a distraction.



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2. **Real-Time Metrics**

All of the metrics on a sports scoreboard are instantly updated. If the score at a basketball game were only updated every 15 minutes, it would be almost impossible for the players and coaches to play the game.

Most businesses update metrics monthly, or even worse, annually. If you can't communicate your critical numbers to your staff on a daily or weekly basis, the numbers will have minimal impact on decision making. The best-case scenario is to emulate a sports scoreboard and update your metrics in real-time.

3. **Leading and Lagging Indicators**

Most scoreboards have a mix of leading and lagging indicators. The score of a football game is the lagging indicator because it happened in the past. The players and coaches need to keep an eye on the score to win. However, coaches manage the game by focusing on more granular activities such as getting first downs on offense and stopping first downs on defense. These are leading indicators because they drive actual decision making at the moment.

A successful business scoreboard will also include both using daily or weekly activities. An example of a lagging activity in a business context would be the total amount of sales revenue for a month. While a leading metric might include the total number of cold calls the sales team makes every day. Keep in mind that leading indicators are most likely to drive real-time decision making, so be sure to prioritize these kinds of indicators.

4. **Highly Visible Scoreboards**

One of the primary focal points of any sports stadium or arena is the scoreboard. Every player, coach, and fan can quickly see the scoreboard and instantly know the real-time status of the game.

On the other hand, many businesses fail to make their scoreboards clearly visible. Printed reports reviewed during monthly executive meetings are not impactful to your team members in the field. Your office should look like a stadium and feature scoreboards prominently for every team member to see. Thanks to technology, it's easy to create scoreboards for your remote staff as well.

5. **Put Your Scoreboard to the Test**

Here's a simple way to test if a scoreboard is effective: Ask any player during a sporting event if they're winning or losing, and they will tell you without hesitation.

Your goal is the same in business. You should be able to stop any team member at any time and ask them, "What's the score? Are we winning? Or are we losing?" They should be able to quickly tell you the 2-3 critical numbers and their current "score" without glancing at a scoreboard.

EXERCISE 1 – Your Company’s Scoreboard:

What are the 2 or 3 key metrics that every team member in your organization should know on a daily or weekly basis?

COMPANY SCOREBOARD		
Critical Number #1	Critical Number #2	Critical Number #3

Use the following questions for each metric to ensure it’s a valid indicator to track on your scoreboard:

- Yes No Do all team members know how they directly or indirectly impact the critical number?
- Yes No Can the critical number be updated and delivered to all staff on a daily or weekly basis?
- Yes No Will focus on these critical numbers ensure the success of your organization?

DEPARTMENT SCOREBOARDS

All major sports track many metrics that go well beyond what is featured on the scoreboard. The key measurables on the scoreboard are merely what every player and coach need to know during the game. However, each assistant coach tracks a separate set of metrics to understand how to improve the performance of their players. If we look at football, the offensive line coach will track many indicators beyond the scoreboard so that he can make changes during and after the game.

Each department in your organization should have its own scoreboard that they review regularly. Typically, these metrics are departmental activities that directly impact the metrics on the company scoreboard. For example, the sales department may track the number of daily cold calls, proposals sent, and close ratio. While all of these metrics are important to the department, they don’t need to be broadcast to the entire company. Like the company scoreboard, the departmental scoreboard should only contain 2 or 3 critical numbers.

EXERCISE 2 – Your Department’s Scoreboard:

What are the 2 or 3 key metrics that every team member in your department should know on a daily or weekly basis?

DEPARTMENT SCORECARD:		
Critical Number #1	Critical Number #2	Critical Number #3

Use the following questions for each departmental metric to ensure it’s the right metric to track on your scoreboard:

- Yes No Do all departmental team members know how they impact the critical number?
- Yes No Can the metrics be updated and delivered to all department staff on a daily or weekly basis?
- Yes No Will focus on these critical numbers ensure success for the department?

INDIVIDUAL SCORECARDS

Finally, each player on a sports team is graded on their ability to execute their role (position) on the team. For example, a running back in football receives a grade on total yards gained, yards per carry, turnovers, and touchdowns. The assistant coach will sit down with each running back after the game to review their statistics. Based on their performance, the assistant coach will create a plan for the player to work on specific skills before the next big game.

Another valuable lesson from college sports teams is the awarding of “helmet stickers” for players that contributed to the success of the team, typically by meeting or exceeding the expectations on their scorecard. These helmet stickers make it transparent for all team members to know who is doing their job well. Personal recognition and appreciation of high-performing team members in an organization is essential to creating a championship-caliber team.

Successful businesses take the time to create an individual scorecard for each role in the organization. A scorecard contains six key elements:

1. **Job Purpose** – A short, 2 or 3 sentence description of the purpose of the role in easy-to-understand terminology. The employee should be able to understand how the role impacts the organization. Ideally, the purpose has direct line-of-sight to the company's core purpose.
2. **Key Results (Lagging)** – The 2 or 3 key results that the role is responsible for delivering. These key results need to be measurable metrics with clearly defined, quantified expectations. These will inform the team member of their current status, including: if they are exceeding expectations and eligible for a promotion/raise (Super Green), hitting expectations (Green), behind on expectations and need a Personal Improvement Plan (Yellow), or missing expectations and in danger of being terminated (Red).
3. **Key Performance Indicators (Leading)** – The 2 or 3 key activities that the role performs on a daily or weekly basis. These KPIs lead directly to the Key Results defined above. These KPIs must be measurable activities performed on a daily or weekly basis. with clearly defined, quantified expectations. Define the Red-Yellow-Green-Super Green metrics to allow for ongoing monitoring and coaching of performance.
4. **Skills** – The specific skills required for the role. Typically, the team member has some level of these skills before starting the position, or they would not have been hired. However, they should be continuing to develop these skills with the guiding support of managers. For example, an outbound sales role would require the skills of building rapport quickly, active listening, and handling objections. Note that some skills need to be qualitatively assessed but keeping them on the scorecard makes sure they stay on the radar of staff and management.
5. **Responsibilities** – A clear list of the duties the person in the role is accountable to perform. These responsibilities are typically black-and-white; they are either being done or not. These responsibilities are specific to the internal tools, systems, and processes of your organization, as compared to skills ingrained in a person's abilities.
6. **Core Values** – All roles should be held accountable for living the core values of the organization. Core values are the foundational behaviors that team members exhibit, and they represent the basis for determining the cultural fit of the team member.

EXERCISE 3 – Your Scorecard:

Using the Scorecard template on the next page to create a Scorecard for your role. OPTIONAL: Create scorecards for each of your direct reports.



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JOB SCORECARD

ROLE:	JOB PURPOSE:
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KEY RESULTS (Lagging)	Green +	Green	Yellow	Red
1.				
2.				
3.				
<i>Example: Annual New Revenue from Signed Contracts</i>	\$2,000,000	\$1,500,000	\$1,250,000	< \$1,000,000



KEY PERFORMANCE INDICATORS (Leading)	Green +	Green	Yellow	Red
1.				
2.				
3.				
<i>Example: Annual New Revenue from Signed Contracts</i>	\$2,000,000	\$1,500,000	\$1,250,000	< \$1,000,000

SKILLS (Capabilities Critical to the Position)
1.
2.
3.
4.
5.
<i>Example: Ability to build deep relationships with prospective clients.</i>

RESPONSIBILITIES (Non-Negotiable Black & White Activities)
1.
2.
3.
4.
5.
<i>Example: Expense reports accurately completed and submitted with proper receipt documentation by the last day of each month.</i>

COMPANY CORE VALUES
1.
2.
3.
4.
5.



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THE GAME RHYTHM

Another valuable lesson from sports is the rhythm of the season and how it interacts with the scoreboards and scorecards. During the game, each team is focused on the scoreboard and the result – winning the game. The equivalent rhythm in business is the workweek.

Many businesses focus on the month, but it's a poor time period because some months have 31 days while others have 30 days (or only 28 or 29 in February – even more confusing!). To make matters worse, most months start and end on different days. It's difficult to make comparisons and track progress with uneven time frames.

However, a week is a week – the typical workweek is five days beginning on Monday and ending on Friday. That is the “game” rhythm of business. Each department and team member should focus on “winning” one week at a time. Moreover, when a business has a loss, it's easier to forget a week and move on the following week as opposed to a bad month or lousy quarter that seem to linger on forever. Talk about demotivating!

In sports, the team reviews the game film after every game. The goal is to identify what's working, and what needs improvement. Every coach and player know that reviewing the game film is critical to continuous improvement throughout the season. Using a weekly rhythm allows your business to have a similar review of the game film. The beginning of the week is a great opportunity to have the team identify what worked last week and what do we need to improve this week.

The final vital rhythm of learning from sports is the use of scorecards and coaching. Every player on a sports team has a coach responsible for making them the best player they can be for every game. Likewise, in business, a manager should be accountable for making each direct report the best team member they can be every week. It is critical to use a scorecard on a regular basis to quantitatively and qualitatively measure a team member's performance. The scorecard should be reviewed on a weekly or bi-weekly rhythm.

Many businesses still use the outdated “Annual Performance Review.” Imagine if Coach Nick Saban only sat down with his players once a year to coach them on their performance. It's highly unlikely that Saban would have the success that he's had in college football!

“Gamify” Your Company

Leaders can learn a lot from sports, starting with the concept of scoreboards. Turn your organization into a championship-caliber business by incorporating some of the same techniques as your favorite sports team. You'll be surprised how quickly gamifying your business can impact your bottom line.

Additional Reading:

Jack Stack and Bo Burlingham wrote the ultimate book about gamification of business, [“The Great Game of Business, Expanded and Updated: The Only Sensible Way to Run a Company.”](#)

For a foundational overview of financial numbers for entrepreneurs, read Greg Crabtree's book, [“Simple Numbers. Straight Talk. Big Profits. 4 Keys to Unlock Your Business Potential.”](#)

Verne Harnish's operating system for business includes the need for proper dashboards, as detailed in [“Scaling Up: How a Few Companies Make It...and Why the Rest Don't \(Rockefeller Habits 2.0\).”](#)

To get a glimpse into the world of a championship college football organization, I recommend Phil Savage's book, [“Fourth and Goal Every Day: Alabama's Relentless Pursuit of Perfection.”](#)



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