

Measuring Strategic Outcomes? Instead of Metrics, Try the Bar Bet!

Any serious strategist must ask, “How will we know when we’ve succeeded?” Strategies have intended outcomes – *goals* – and it’s terribly helpful if those outcomes are clear enough that success or failure will be indisputable.

So, we’re offering an alternative to the usual questions such as: “Do we have metrics?” (Or worse, “Do we have *enough* metrics?”) Instead, lead with, **“Is our success stated so clearly that we could place a bet on it?”**

The Bar Bet

At some point most of us have been in good-natured arguments with friends that amounted to not much more than redundant bickering. Such as:

You (beer in hand): “Yeah, I’ve seen that guy play. He’s a natural-born athlete. He’s going to have a great first year.”

Friend: “I doubt it. He might have natural talent, but he hasn’t developed it yet. I predict a ragged first year for that guy.”

You: “No way! He’s going to surprise everyone. That guy is good.”

Friend: “You’re crazy.”

... and then something *magical* happens, something wonderful, something that halts the bickering and then transforms conversation...

One of you says, *“I’ll bet you twenty dollars that you’re wrong.”*

This is the kind of comment that, as some academics would say, provokes an “epistemological shift.” Now, you both must work together to agree on objective and verifiable proof of success – a definition of “a great first year.”

If you have ever been through this kind of bar chatter, then you know exactly how to have “the right metrics.” It’s all about crafting a description of success that is so clear, you and a friendly skeptic could bet on it. It’s that simple.



Non-bet-able vs. Bet-able

Some typically vague (non-bet-able) strategic goals, and some bet-able alternatives:

You couldn't bet on (or against) these

We're going to build a culture of safety.

Become more energy conscious.

Raise public awareness of our organization.

But you *could* bet on (or against) these

We're going to reduce worker days lost due to injuries *on or off* the job by at least 50%.

Achieve at least a 20% month-to-month reduction in kilowatt hours per square meter of building space over previous 12 months.

In this calendar year, there will be at least 10 articles that mention our name in the *Wall Street Journal* and/or the *New York Times*.

Go Ahead and Argue

Notice that you might not agree with all our bet-able alternatives. That's a good thing. It means the proposed definition of success is so clear that we can argue over it *before* we start spending time and money to achieve it!

Next time you make a grand declaration of direction (say, "We're going to be an employer of choice!" or "We're going to provide humanitarian assistance," or "I'm going to start being a better parent,") ask yourself how you would define success if someone bet twenty dollars against you. If your declaration passes the "bar bet" test, then you're good to go. The people paying for the result will know what they're getting; the people doing the work will have clear direction; and you will have the satisfaction of knowing – without question – whether you're successful.

Learning "What Works"

Related point. There are many ways to learn "what works." (A favorite of ours is "be a Borg, like Genghis Kahn.") Economist Tim Harford's recent TED talk touts the importance of getting at "what works" through humility, trial, and error (or "trial and correction," as one friend calls it). The only thing left out of Harford's powerful talk is the importance of defining "what works." The bar bet helps you do exactly that.

