It matters when you measure it

Why checking on where you've been and where you want to go can be a big help

I'll never forget the meeting at Radio Flyer where I introduced the concept of developing specific goals for every person and team in the company. An employee who had been with us for a long time asked how much more he would be paid for meeting the goals. That's when I knew that it would be an effective means of changing our culture for the better.

ROBERT PASIN

CEO

Radio Flyer Inc. — started in 1917 by Antonio Pasin, whose dream was "to bring joy to every boy and every girl."

Robert is known in the company as chief wagon officer and earned his MBA from Kellogg Graduate School of Management at Northwestern University.

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What we do today is the result of more than 10 years of experimenting and refining to make our current goal process a big part of our success. Here's a look at how to do it.

Develop the goals

The process begins with our leadership team surveying the external environment and asking, "What is changing with our customers, competitors, vendors, etc.?"

We review prior results, ask what worked and did not work and write five company goals for the year. Each goal has measurements for success so that we always meet the SMART criteria. One goal is always a sales goal and we break it into several measurables.

For the first few years, everyone had 10 goals, but we soon learned that 10 were too many to allow people to focus on the most important aspects of their job. So we reduced the number to five, with five action steps per goal.

Get it in writing

Each team writes its goals that line up with the five company goals. Then, each individual has five goals that line up with the goals of the team and the company. We print the goals on big sheets of paper and share them throughout the organization. Everyone has complete clarity on how his or her individual goals impact their team, the company and drive overall results.

Our review process is guided by the belief that individuals and their peers are the most effective in evaluating performance — not managers. So, twice a year, in a team setting, every individual reviews his or her goals by standing up and saying, "Here's what went well, here's what did not go well, here's what I am doing next."

The feedback and discussions that follow, as well the end-of-year process where goals are marked as accomplished or not accomplished keeps everyone accountable to what needs to be done.

Why it works

- **Transparency** — The team-focused process insures that everyone knows what everyone else is working on and there is ample opportunity for peer feedback.
- **Accountability** — When you have to stand up in front of your team and evaluate yourself, there is really no place to hide.
- **Alignment** — By having clear "line of sight" from company goals to team and individual goals, there is little confusion about what everyone should be working on.
- **Celebrate success** — A key part of our process is taking time to celebrate and recognize success. We know that we become what we celebrate. ●