

Seeing Is Not Enough

Why organizations that measure everything are still overtaken, and how to find the weak link in your own unit

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During my years at Kodak I worked with managers at many levels and in many regions, and I saw how strategic mistakes take shape: quietly, and among capable people. In the mid-eighties, head office decided to reposition the brand away from the Kodak Moment, the memory the customer keeps, towards the color the film delivered. The decision came out of worldwide market research.

My fellow communication managers and I in the region could see what the research had not: that for ordinary people the power of a picture as a memory far outweighs the accuracy of its color, and that the shift would weaken our edge. We said so at the regional Communication Managers conference where it was announced to us, and our feedback was brushed aside: we were a minor player in the global market. By then the decision was made, and no route existed to carry what we saw before it. A few years later the change was reversed, at the cost of new campaigns and new media.

It was after my involvement in organizational design that I could see that such fault lines are usually failures of communication, not of judgement. The larger organizations grow, the further the people who decide are from the people who see, and the more fatal defective communication becomes. Corporations, governments and the military alike become victims of their own size.

By proposing a way to measure how well your organization notices what is happening and passes it on, I hope to show that, whatever its size, a simple tool can help protect it from the damage that defective communication does.

Organizations already measure many things. Reports circulate, dashboards refresh, and figures are reviewed and discussed in meetings. It is easy to mistake all this activity for sight. They can be busy with measurements and still not see what is happening to them: in tracking numbers that stopped mattering, receiving evaluations too late to act on, or reviewing assessments packed so densely that nothing stands out.

What matters is not whether an organization measures, but whether what it measures reaches the right people, early enough and clearly enough for them to act. Many organizations have never asked themselves this question, because their dashboards suggest it has already been answered.

Sensing is a signal chain

Sensing, in an organization, is not the report and not the dashboard. It is a signal chain of four links that have to hold from end to end:

- **Watched.** Something is watched against a limit that someone has written down.
- **True.** What is captured is true, and clear enough to read.
- **Understood.** It reaches someone who understands it and is able to act on it.
- **Answered.** An instruction comes back, while it still matters.

Break any one of those links and the organization is blind at that point, however good the others are. A well-chosen measure that reaches nobody is not sensing. A fast, clean reporting line carrying the wrong number is not sensing either, and is arguably worse, because it produces false confidence.

The chain can be put in three words: sense, comprehend, adapt. And adapting only counts if it happens in time.

It runs in different directions at once: outward, to what the organization looks at, and up and down, to whether what it sees can travel. The first link fails most quietly when an organization watches only itself. Its own performance figures report what has already happened, and by the time they move, the event has occurred; only the forces outside, watched with the same discipline, tell it what is about to happen, and only they buy time.

The chain also has to travel up, and back down. A signal can be watched against the right limit, captured truly and understood perfectly by the people closest to it, and still never reach the level where the decision is taken, because no route was built for it, nobody asked, or it reached the wrong person. This is the failure that size produces on its own: not that the organization stopped looking, but that the distance between where it sees and where it decides grew longer than the signal could travel. And the instruction that comes back down can fail the same way: sent to the wrong people, misread, or beyond what those receiving it could act on.

Arrival is not adaptation

An organization can watch precisely the right indicators, read them correctly, route them to exactly the right person, and still be overtaken, if the instruction came back after the moment had passed. It would have done everything right on sensing and on comprehension, and still failed to adapt.

This is why the assessment follows the whole chain to its very end, to the final link, and does not stop at any point earlier. Arrival is not adaptation. The interval between knowing and acting has to be measured too, and it is the part for which many organizations have no figure at all.

Why the scores multiply

If the links of a chain were independent strengths, they could be added up, and a strong link could make up for a weak one. They cannot. A signal that fails at any link is lost for good. Watching the right thing and reporting it badly is as blind as reporting the wrong thing perfectly.

For this reason, the assessment scores each stage and multiplies the three stage scores rather than adding them. Within a stage, each criterion is scored on three points: 3 for doing all that needs to be done, 2 for still having some gaps, and 1 for having many essential gaps. The stage takes the average of its criteria, which is why a stage can score 1.67 or 2.50. The result runs from 1 to 27, and one weak link pulls the whole score down, which is exactly what happens in practice.

The arithmetic is meant to be demanding. A unit scoring 2 at every stage, which sounds tolerable enough, reaches 8 out of 27: under a third of the maximum, rather than the two-thirds most people expect. That is the arithmetic of an interdependent chain rather than of a list.

What the score tells you

The total score falls into one of three bands.

Score	Share of the maximum	What it means
Below 8	Under 29.6 percent	Reacting blind. The organization may be measuring a great deal, but little of it arrives anywhere useful in a usable state.
8 to under 18	29.6 to under 66.7 percent	Partial sight. The chain completes,

Score	Share of the maximum	What it means
		but with gaps, delays or noise along the way.
18 and above	66.7 percent and above	Sensing is in place.

The three stage scores, read separately, say more than the total, because they show where the chain breaks. For example, a unit that moves information quickly but watches the wrong things is deciding efficiently about them; this is the most comfortable of the failure modes and the hardest to find, because everything appears to be working properly.

One person's score is a first reading

A word of caution before you score. A rating from 1 to 3, multiplied three times, will swing with one person's mood and one person's vantage point. Treat your own score as a first reading, not a verdict.

It becomes trustworthy when several people in the same unit score it independently and the answers are set side by side. The average shows how well the unit sees, while the spread shows how much its members agree. A wide spread is a finding in itself: it usually means information reaches some people and not others, and that those who receive it have assumed everybody does. The weakest point can then be checked against evidence rather than opinion.

What the tool does not do

The scores produced show whether an organization can see its own conditions and its surroundings, and whether what it sees reaches the people who make the decisions. It does not judge the quality of the decisions. An organization can score well and still choose badly; sensing buys the opportunity to act in time, not the wisdom of the action. Nor does the tool repair what it finds. Its job is to point to the weak links; closing them is the work of leadership.

Where this comes from

The Sensing and Communicating Assessment Tool belongs to Leading Through Change (LTC), a program for business owners, managers and HR professionals that applies the Organizational Transformation Readiness (OTR) model, founded in Elliott Jaques's Requisite Organization.

Teams taking its course use a version built for scoring together: it compiles up to ten people's answers, shows the spread between them and keeps the yearly record. A companion article, with its own tool, asks the next question: how widely this kind of sight is built into the organization, and who is accountable for it. Write to me if you would like it, or to find out whether the course suits your team.

Score your own unit: otrmodel.com/sensing. It runs in your browser, and nothing you enter is sent anywhere. If you want me to help you read your result, send it to me and I will be happy to walk you through it.

Sources

Jaques, E. (1998). *Requisite Organization: A Total System for Effective Managerial Organization and Managerial Leadership for the 21st Century* (rev. 2nd ed.). Cason Hall.

Kaplan, R. S., & Norton, D. P. (1996). *The Balanced Scorecard: Translating Strategy into Action*. Harvard Business School Press.

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