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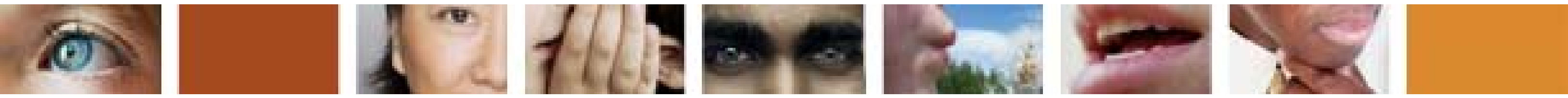

Metrics and Trust

Relevant Resources

Article:
Metrics: Overmeasuring Our Way to Management

Article:
The Business Case For Trust

Blog Post:
How Measurement Destroys Trust

We have all heard the phrase "if you can't measure it, you can't manage it." Most managers accept it uncritically; many believe it passionately.

Yet it is untrue on the face of it. Worse yet, when it comes to trust, the mania for measurement isn't just benign—it can be positively trust-destroying. This is true of measuring both the business impact of trust, and of measuring trustworthiness itself. Let's explore an example to see why; then talk about what can be done.

An Example: Pharmaceutical Reps

In the pharmaceutical business, the key salesperson is the rep, or detailer. His or her job is to visit doctors and hospitals. Their objective, as most firms define it, is to influence the doctor or hospital to prescribe (write script for) the drugs their firm represents. Lacking direct data (reps don't walk out with an order), the industry is understandably very interested in tracking the effectiveness of reps' calls on physicians.

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The industry has developed sophisticated metrics for tracking and analyzing the effect on physician script-writing of reps' visits, their message, and the complex incentive pay schemes of the reps. This is seen as critical, since only 8 of 100 rep visits end with the physician meeting the rep and remembering what was said. The industry has deployed tens of thousands of reps; the ratio of pharma reps to doctors in the US is nearly 1 to 1. The average call lasts between 30 seconds and 3 minutes .

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Now imagine you're a physician. Five or more reps per day want your time. They call you a "target." They have data on prescriptions you write, and want you to write their drug more. You know their compensation is affected by their success in so doing. You know their company has spent millions on figuring out just what kind of reps and what message will influence you the most. You know your responses will be measured and fed into a database; and the next time you see a rep, he or she may ask you why you didn't take their advice.

In that scenario, how much do you trust the rep?

They see reps as out to increase their firm's sales, while the physician is focused on patient health. Most physicians feel they must get beneath the hype to figure out the truth.

This is an undeniably tough market. Yet the pharmaceutical industry's response has been, arguably, exactly wrong. Faced with an indirect sales situation, with very little face time with physicians, and with intense competition for time, the industry's response has generally been to:

- Hire more reps
- Hire younger reps, with high ratings of inter-personal attractiveness
- Train the reps on message
- Use sophisticated systems to track the profit impact of all aspects of sales.

This response generates feedback noise. More reps means less time per rep; younger reps means less technical experience; training on message not product means less credibility.

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Sophisticated systems and marketing focus tell the physician that, as far as the pharma company is concerned, he or she is simply a wallet in a white coat.

The message the physician takes away from such high-powered marketing programs is that the company's interest in him or her is somewhere between little and none.

The problem with measurement isn't limited to linking customers to profits. It also arises in measuring things like trust directly.

The Problem with Measurement

The pharmaceutical industry's dilemma will get worse until it figures out that measurement and behaviors aren't the problem—attitudes are. If I as a customer believe that your objective is first, last and foremost to maximize my profitability to you, then I feel no different from a vendor, a supply chain, or a raw material. To you, I am merely an object; an object to be managed, cost-reduced and revenue-enhanced.

In such a case, highly refined measurements of the system's effectiveness don't make me feel better—they simply compound the fact that you view me as an object.

Half-measures compound the problem. Pharma is hardly alone in increasingly telling its customers things like "we want your loyalty," "we want to be your trusted advisor," or "we are customer-focused." Meanwhile, they work to ensure that every customer interaction maximizes the impact on the seller's bottom line.

Metrics on the impersonal side of the business are fine. Customers are glad to see their suppliers reducing supply chain costs, making production more lean and efficient. But human beings don't like being treated that way.

The problem with measurement isn't limited to linking customers to profits. It also arises in measuring things like trust directly. I once got a phone call from someone who had developed a 4-page spreadsheet of indicators of trustworthiness. He was proposing to implement them as part of his firm's core skills set, complete with needs analysis package and skills development program. Central to it all was measuring his organization's people performance on their trustworthiness.

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In other words, he was proposing a system centered on skills measurement, training and rewards for being trustworthy. If I were his client, I would want to ask: how trustworthy can this person be if his trustworthiness depends on how much he gets paid for being trustworthy, and on whether he has taken a trustworthiness skills training course?"

You can measure the effect of trust and profitability in the long run—but not the short.

I found it hard to explain to him the problem. After all, he said—"If you can't measure it, how can you manage it?"

A Better Way

Very simply, the only way to be trusted is to actually be trustworthy. The only way to be trustworthy is to have your customers' best interests at heart. If you are trustworthy, you will come to be seen as trustworthy. If you are seen as trustworthy, you will become very profitable.

The paradox is—you can't set out to be profitable by being trustworthy—it destroys the concept. You actually have to care. Profitability is a byproduct.

The acid test of trustworthiness is whether you can ever conceive of recommending a significant competitor's product to a significant customer. If you cannot ever conceive of it-then either you work for a perfect company or you cannot be trusted. You decide which it is.

You can measure the effect of trust and profitability in the long run—but not the short. The measure of trusted relationships is at the relationship level, not the transaction level. The right measure of customer profitability is at the lifetime, not the quarterly, timeframe.

The most influence comes when you stop trying to influence, and just help. The best measurements come when you stop trying to measure and just do the right thing. The best relationships come from acting from our humanity, not from our spreadsheets.

TQ DIAGNOSTIC TEST

TAKE THE TQ Diagnostic Test and discover your Trust Temperament™.

Answer 20 simple questions based on the Trust Equation, and you will discover a powerful tool for business success-—your Trust Quotient and your Trust Temperament™. These revealing answers will tell what you do that helps people trust you, and the things you can do to improve the way you are perceived.

Your Trust Temperament report will tell you whose trust you are most likely to gain, what about you people are likely to trust, and specific actions you can take to be as trustworthy, and as trusted, as possible, so you can:

- Increase sales results
- Improve credibility in business
- Build deeper and more satisfying personal relationships with people who matter

Invest in yourself now! Take the Trust Quotient diagnostics now and get your 20+ page personal report now.

DEEP ANALYSIS, BIG REWARD, SMALL PRICE.

Take the TQ Diagnostic Test

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