INTRODUCTION

Twenty years ago, I thought I knew it all.

I had just stumbled onto a workplace concept that would eventually become THE GAME OF WORK, and the response from the business community was, to say the least, gratifying. The principle idea behind THE GAME OF WORK is for companies, managers, and employees alike to treat work as if it were a game; to incorporate the motivational aspects of recreation, as well as the drive of organized sports, into the business arena so you can work like you play. From the start, the reception received by this simple, uncomplicated concept bordered on overwhelming.

The discovery had been preceded by a question. Why is it that people will pay for the privilege of working harder than they will work when they are paid? Why do people working in the frozen food industry, as an example, need to be paid premium wages and bonuses because they are required to work in the cold—yet those same people, when they are off work, will drive to a ski resort, pay sixty dollars for a day pass, and the only time they’ll complain is if you make them go inside where it’s warm?
Or, why is it that people will complain all day long if you make them work in a building where the temperature is 80 degrees, yet as soon as the shift ends they’re on the tennis court or the golf course, where it’s even hotter—and they’ll play until the sun goes down?

Why do people pay for the privilege of working harder than they will work when they are paid?

The answer was as simple as the question: we are attracted to that which motivates us, that which identifies our goals, and that which gives us a clear indication of how we’re progressing.

Those, of course, are the primary components and dynamics that are ever-present in the games we choose to play.

THE GAME OF WORK simply calls for the workplace to adopt similar measurements used when people play games. Management by measurement is what I called the concept two decades ago, proud of the alliteration, excited about the possibilities.

And it works! The thousands of companies, tens of thousands of managers, and millions of employees who have greatly increased their productivity and their workplace environment and morale by employing the principles of THE GAME OF WORK are living proof of that. We have offered our unique money-back guarantee—any company that doesn’t feel it has realized a 100 percent return on its money four months after we implement the process is free to ask for a refund—across the United States and around the world. The feedback has been consistently positive. Working like you play doesn’t cost, it pays off.
Beyond that, more than one hundred-twenty thousand copies of our breakthrough book, THE GAME OF WORK, have been sold, with annual sales continuing at a steady pace—unheard of results for a relatively unknown author.

And yet, along with the overwhelmingly positive responses received by THE GAME OF WORK, and despite all the success stories and increased productivity, a common question persisted pertaining to measurement.

Exactly “what and how,” people wanted to know, should they measure?

At first, I resisted these specific questions about measurement, clinging to my belief that once a system of management by measurement was in place, the measuring would simply evolve and take care of itself. It would be a natural process. If the concept wasn’t working as well at one place as another, it must be the fault of the individuals or the management involved, not the system. The traditional methods of measuring already in place simply had to be updated.

That’s what I believed.

I was mistaken.

What I have come to realize is that “what and how” we measure requires a good deal of attention. Further, I have come to appreciate the fact that the traditional measuring done in companies—the way we’ve always done it—is not only not enough, but can actually be counterproductive.

Only when we successfully transform our measuring into something tangible, relevant, and meaningful do we allow management by measurement to really take off.

That transformation is called scorekeeping.
Scorekeeping, not mere measurement, is the key.

Scorekeeping is what makes THE GAME OF WORK work.

Scorekeeping is why ten people with a volleyball and a net at the company picnic can achieve teamwork and goal direction and become a well-managed team in a matter of minutes; whereas mere measurement is why the same ten people can totally and completely fail to achieve that kind of harmony on the job and, worse, spend all day protecting their turf.

This book is about the success that can be realized by observing the principles of sound scorekeeping. It contains a compilation of material that represents the culmination of nearly two decades of research, experimentation, and observation of what goes into and makes up successful scorekeeping. It chronicles twenty years of creating scorecards in places they have never been before, in industries where no one thought they could be implemented. It is twenty years worth of learning what scorekeeping can do, and the startling, often revolutionary, results.

There are no strings attached. This powerful concept is universally applicable. Available to one and all. Once the strategies of successful scorekeeping are understood and implemented, they can increase productivity and profitability no matter what the size of your business, no matter what your management style, no matter how grandiose or how modest your goals.

I am confident that in the collection of examples and experiences that follow, one or more will apply to your particular circumstances and help you in your own particular enterprise.
• Chapters 1 through 5 of the actual book explore the powerful psychologies and philosophies of scorekeeping. Why it is valuable. Why it works. Why it can work for you.

• Chapters 6 through 19 identify the major concepts of scorekeeping that, when added together, establish a firm foundation for understanding and setting up effective scorecards.

• Chapters 20 through 24 outline exactly how to set up your own scorekeeping systems.

• I conclude in chapter 26 by sharing a personal story of “keeping score” that worked for me.

As with our landmark publication, THE GAME OF WORK, you’ll find that the contents are sprinkled liberally with sports stories and examples. I collaborated with a sports writer to research some of the topics and help with the writing. My business isn’t to convert sports fans or in any way make this a sports book, but I’ve found no better source than the world of games for parallels we can follow so we can indeed “work like we play.”

What you’re about to read is what we’ve learned at THE GAME OF WORK since I thought I knew it all.

Chuck Coonradt
THE GAME OF WORK
Park City, Utah
WHY KEEP SCORE

When you want to know if you’re winning or losing, look at the scoreboard.
It is my conviction that every day, we all come to work with this question in mind:

How do I win?

Now that might be phrased, and disguised, in a variety of ways. How do I get by? How do I survive? How do I keep from being fired? How do I please my boss? How do I make it to the end of the day? But at the bottom of it all, we all want to be able to answer the same fundamental question:

How do I win?

If the answer is clear, great. But if that question can’t be answered satisfactorily, then we’ve got trouble.

If we’re confused about how to win, the mind is going to conclude:

Must be no way to win.

And that’s a problem, because once we say to ourselves, No way to win, the statement that naturally follows is:

Why try?

Why try when I can’t win?

And Why try? is going to naturally be followed by:

Might as well quit.

Many workers—way too many from what I’ve seen—pass quickly through the Why try? and Might as well quit phases. At which point they hit the brakes hard and come to a dead standstill. They’ve had it. They’re through. Finished. Disconnected.

Now if they quit and leave, that’s not good, because that creates turnover. But at least it gives the company a chance to replace them with someone else and try again.

It’s when they quit and stay that we get a virus in the workplace, and low morale, and contamination that spreads and spreads, with the capacity to cripple companies large and small.

This doesn’t happen only once in a while.

I was talking to a CEO of a large company and, looking for a head
count, I asked him, “How many people do you have working here?”

“Just over half,” he answered, “near as I can tell.”

Then I asked, “What’s your biggest problem?”

“Unannounced early retirement,” he said.

At many companies, their most sizeable problem, by far, is getting their workers to work while they’re at work; to buy into what they’re doing and reflect that purchase by behavior that’s efficient, productive, and resourceful.

The reason this is such a widespread, sometimes debilitating, problem is simply because most American workers Don’t … Know … How … To … Win.

They ask themselves that question and they come up blank.

They honestly don’t know.

They don’t know what it takes to win. They’re confused. They don’t know how to score points, let alone win the game. Sometimes they’re not even sure where the playing field is, let alone whether it’s level. Other times the playing field moves. One day they’re asked to do one thing, the next day another. Much of their work energy is spent trying to decide which supervisor to please. Going to work becomes a different kind of game—a guessing game.

It’s often just as murky at the top. Management can also become paralyzed. They may not know how to win, or if their return on investment reflects winning or losing. Too many supervisors and managers, lacking the answers to the “win” question, aren’t any more sure of what’s expected of them than the people they’re managing. They don’t know how to win either, and the only thing management is sure of is that the expectations tend to change from day to day. One day it’s: “Serve the customer whatever it takes.” The next day: “Increase return on investment.” Followed by: “Quality is the only thing that counts.”

Confusion never inspired anyone. Think about it. What happens if we’re confused in the way we parent? What if we tell our kids different things on different days? One day it’s: “I want straight A’s.” The next day it’s: “I want you to be popular.” The next it’s: “I want you to follow strict standards.” And the next it’s: “I want you to excel in sports or band or drama.”

Once a kid gets too many conflicting messages, the domino process inevitably begins. He or she is going to conclude: No way to win … Why try? … Might as well quit. Once that domino thought process is underway, all of our parenting, however well-intentioned, isn’t going to count for very much, and it certainly isn’t going to yield positive results. If we don’t make our expectations
clear and allow children’s input and goals to effect those expectations, and then keep them constant, the best we can hope for is controlled confusion.

If we don’t allow our kids to know how they can win, we’re going to have rebellion on our hands. It might be active rebellion, it might be passive, it might not even be detectable on the surface, but the one thing we can count on is that it will be there.

It’s the same in the business world. Because of unclear and conflicting expectations, confusion and rebellion rule.

Have you noticed how some companies wake up and “suddenly” find themselves with all this deadweight, with all these programs that are deemed passé, with all these people they don’t need? In one well-publicized case, IBM one day, out of the blue, announced it was laying off some 70,000 people. Now how in the world does IBM all of a sudden wake up one morning with 70,000 excess employees? How does that happen? You find yourself wondering, “What did all these people do yesterday?” and “Who’s going to do tomorrow what they did yesterday?”

But in reality, you just know that these layoffs were a long time in coming. In business, especially, there’s no such thing as “all of a sudden.” There is nothing overnight about layoffs. They are simply the end result of a way of doing business that is scattered, conflicting, and confused. When the chaos reached a climax at IBM, that’s when the “suddenly” came in and, just like that, it was discovered that the jobs of 70,000 people were immediately expendable.

The message emerging from such a disaster is that the company wasn’t getting the job done when it came to telling its employees, and itself, how to win. Too many people were coming to work without an answer or a goal or an objective. They had no way to win.

That is why we keep score.

So we can know.

Each of us.

Every day.

How to win.

Effective scorekeeping provides the reckoning and a system for feedback so that everyone—from the CEO down to the last person on the last shift of the day—can personally know how to win. Beyond that, they can also know how to accurately and consistently gauge just how they’re doing along the way.

Once we establish a scorekeeping system that allows everyone to clearly tell when they’re winning, and when they’re not; once we’ve
eliminated that gray, foggy area that gives us a place to hide, the more we’re going to thrive, and succeed, in the long run.

“Everyday, Everybody Needs to Know if They are Winning or Losing!”

The fundamental principle to keep in mind is, that everyone, from the Chairman of the Board down the line, wants to know—

“How do I win?”

If we do not answer that question, at an individual level on a daily basis, we risk their default thought—

“There is no way to win here!”

If that thought creeps in, the next thought in the domino process is—

“Why should I try?”

That questioning thought will lead to the inescapable conclusion—

“I quit!”

Now the worker has a choice. He can quit and leave and create a vacancy. Or, he can quit and stay. When he quits and stays, he creates a virus of disconnecting and disenchantment, then recruits others to his way of thinking. The results are people who simply show up and work without contributing. Workers and managers (coaches) have too great an impact on our business for us to risk the consequences of not letting them know, specifically and frequently the answer to this question—

“How do I win, here, today, with you, Coach?”

We can eliminate the virus, improve performance, and reduce turnover at the coaches level because—

“The way people feel about the organization is primarily determined by how they feel about their coach.”

Identifying the Problem

The problem frequently in businesses is that scorekeeping just doesn’t get much thought. Even when some kind of score is kept, it’s often the wrong score or it’s done with an outdated system.

Remember when I used the example of employees at the company picnic being able to band together in a matter of minutes on the volleyball court, harmoniously pursuing a similar goal, yet those same people can work side by side in the workplace for years
and never come close to that kind of unity? Well, what’s the difference? The difference is that the volleyball game not only has a clearly defined goal—to be the first to get to 21 points—it also has a clearly defined way of identifying which team is winning.

How do you win in volleyball? How do you score points? With a team that has order and focus, that’s how. As a result, teams get quickly organized. Team members cover the court, each person responsible for his or her own area. One person serves, others pass, others set, still others spike. Everyone becomes involved in the cause—the winning cause—of getting the ball over the net and scoring points.

After every point, it’s easy to determine whether your team is winning or losing. Just check the score. If you’re ahead, great. If you’re behind, you’re going to see the need to do some adjusting. Somebody might reorganize the rotation, alternating the shorter team members with the taller ones. Somebody else might give a tip to a less experienced player. It might be the accountant telling the vice president of finance how to spike the ball, but that’s OK, because everybody knows what you’re trying to do. You’re trying to win.

Now contrast this scene with what happens when these co-workers show up the next morning at the office. They report to their usual posts. They keep interaction to a bare minimum. They concentrate on individual activity, on protecting their “own turf.” The contrast from this to the cohesiveness at the volleyball court the day before is glaring. Where there was harmony, now there’s dissonance. Where there was a commonality of a goal, now there’s fragmentation. These people are still very much a team, but, back in the office they are a dysfunctional one. They have little unity. They’re confused as to just what it is they are trying to accomplish, and, worst of all, there is little or no agreement as to what the score is. The only common cause is a lost one. And deep down everyone knows it. The goal isn’t winning any more, it’s surviving.

The only ways to “keep score” are the vague, obscure, and traditional methods—largely unspoken—that have been in place longer than anyone can remember. Maybe it’s whether the boss knows you by name. Maybe it’s what kind of view you have out your office window, or who got which hand-me-down computer. Maybe it’s if you still have the same accounts. Maybe it’s based on the last employee evaluations, which took place nine months ago. Whatever it is, it’s not all that forthcoming and it varies from team member to team member.
Months and years go by, and nothing much ever changes. Offices become caves; company positions become so many feudal kingdoms, protected by well-placed mental moats; and the “team” blindly weaves its way from paycheck to paycheck, surviving but not thriving, constantly muttering “Why try?,” “Might as well quit,” and, in some cases, “I quit.”

Would a game such as volleyball ever tolerate such chaos and confusion? Would it allow the score to be a mere murky afterthought, ignored and practically disregarded?

Why should we tolerate chaos and confusion in the workplace? Why not implement what works on the volleyball court at the office?

In games, knowing the score, and computing it the best way possible, is paramount. Sports associations are constantly tinkering with the way their game is played and scored. They take care to ensure that the scorekeeping is conducive to fair play and thus able to maximize the competitive experience. Rule books are concise, clear, well conceived, and constantly updated for the good of the game.

For example, in basketball both the NCAA and the NBA are constantly looking at and tinkering with the distance from which a three-point goal is scored, and in golf, the United States Golf Association sent tremors through the golf equipment manufacturers with the mere threat that oversized drivers might not be acceptable. But in both instances, once deliberations were complete, consistency and clear expectations returned to the game.

Games identify how we need to pull together and work toward a goal; but most importantly, games let us know “how we can win.” They leave no mystery about what is required to succeed. We need to implement the scorekeeping that works so well in our games into the workplace, and effectively eliminate the mystery about what is required to succeed there as well.
MEASUREMENT ISN’T
SCOREKEEPING

Keeping score is more than merely keeping track.
Ever have that nagging feeling that something’s just not right? Yet you just don’t know what?

Why is it that some of our GAME OF WORK clients enjoyed results that were instantaneous and sensational, while other clients experienced a much more modest return in productivity and employee enthusiasm?

What was the difference? Why didn’t measurement by management work equally well across the board?

The concept of “working like you play” was a good one. But, still, the results were uneven. That couldn’t be denied. Over time it became more and more obvious that something was missing. What was it?

It turned out to be right in front of our eyes.

This is what we discovered. The difference between those companies where THE GAME OF WORK took off like a rocket and those companies where it didn’t was in WHAT and HOW they measured.

Those clients who measured the areas that directly and positively affected productivity, and who measured them in a timely fashion, enjoyed results that went well beyond their expectations. Those clients who failed to identify and measure the “right” areas, and who failed to be timely about it, enjoyed results somewhat less than spectacular.

It took time for us to realize that mere measurement is not scorekeeping.

We, as consultants, didn’t see this at first because we weren’t monitoring the emotion or human reaction, we were only monitoring the results. The measurements that were taking place were essentially reactive instead of proactive. We had not yet discovered the inherent differences between measurement and true scorekeeping.

When one of our manufacturing distribution clients insisted on measuring “less errors” in their delivery system and continued to make a big deal out of the errors when they occurred, they saw little improvement. When several of our clients used an accident/frequency rate that was unclear to the players they got no improvement in performance.

We had not provided rules dealing with how to measure. Instead of making sure the measurement a client already had in place was capable of accurately telling and showing those involved exactly what was happening and how they could win, we simply allowed the measurement to take care of itself.

We had assumed measurement and scorekeeping were synonyms. But we came to realize those two words can have completely opposite meanings. The terms are not interchangeable.

Just because you have a measurement system in place doesn’t mean you have a scorekeeping system in place.
**Positive and Negative**

The major difference between scorekeeping and measurement is that scorekeeping, by nature, is a positive process while measurement, by nature, is a negative one.

Scorekeeping identifies winners, not losers. Measurement, on the other hand, all too often points out only what’s wrong, what’s lacking, what’s out-of-step. Measurement identifies losers, not winners.

We tend to be a “measuring” society, and that doesn’t always work to our advantage. Indeed, our penchant for “mere measuring” is responsible for much of the negative baggage we carry around. From our first steps or first words it begins. A child who walks at nine months is presumed to be more advanced or brighter than a child who walks at 11 months, although I know of no research that verifies that early walkers or early talkers, for that matter, enjoy a more fruitful, productive, or beneficial life. Yet, it is still an element of our society that urges such comparisons.

In our earliest rating systems in elementary school we get measured, and far too often, far too many of us just don’t “measure up.” We’re too short, too fat, too average, too small, too thin, and so on. We go to the amusement park and find out we’re not as tall as the sign so we can’t ride the roller coaster.

As we walk through life we get bombarded by negative measurements.

Try this experiment on ten of your closest friends: ask them to describe themselves and see what you get. Chances are you’ll get descriptions such as: “I’m too fat, too tall, too heavy, too bald … too something.” Ninety percent of people will answer with responses that are negative in nature, that indicate they know they are lacking in this area or that, that they don’t feel like they measure up.

In many businesses, it’s the same thing. Much of the measurement in the workplace accentuates the negative. Think about it. What do we typically measure? We measure errors. We measure overs and shorts. We measure what’s out of stock. We measure mistakes. We even go so far as to measure safety by the number of accidents we’ve had in the past year.

The majority of workplace measurements track the errors, the mistakes, the foul-ups, the accidents, the short falls, the “whoopses.” In retailing, what we really want is to be in-stock and
the measurement tracks out-of-stock. Airlines want to be on time and they measure late arrivals. Banks want to make sure that their tellers are to-the-penny accurate. But teller accuracy is based on number of errors. Verify this sometime by going into your bank—that’s the building behind the ATM machine—and asking the manager for the name of his or her most accurate teller.

The average bank manager will get this glazed look on his or her face and not be able to speak. They won’t have a clue who is the bank’s most accurate teller.

But change the request and ask for his or her most inaccurate teller, and you’ll see an immediate change in facial expression. The manager will know instantly who makes the most mistakes. Why does the manager know? Because mistakes are what the bank measures.

Now think for a minute about the games we play. In our games, in our leisure-time recreation, what do we count? We count what is good, don’t we? That which is positive. We may have missed shots, or even an occasional interception, but the enthusiasm in sport comes from achieving the positive results, not achieving fewer negatives.

We keep track of the hits, the goals, the touchdowns, the strokes, the service aces. When we’re bowling we count the strikes. When we aim at a target, we “score” when we hit it, not when we miss.

We count the good instead of the bad in the games we play; the positive instead of the negative.

In a nutshell, that’s the dichotomy between games and business, and the dichotomy between measurement and scorekeeping.

We don’t say to a hockey player like Wayne Gretzky, “We’d like you to reduce the number of times you miss the net when you shoot.” We just ask him to keep scoring goals. We don’t ask Tiger Woods to count up his missed putts. We count his makes. We accentuate the positive. We keep score on what’s good. Because that’s what we want more of.

From our first experiences playing games, we understand how valuable it is to celebrate what’s important. We count the number of repetitions when we skip the rope, the number of jacks we pick up, the number of base hits we get in Little League, the number of baskets we make. We keep score to win, not to lose. Batting averages in baseball tell the percentage of times we get a hit, not the percentage of times we don’t. We keep track of home runs, not strikeouts—unless we’re a pitcher, in which case we keep track of just the opposite. We track whatever’s positive.

We celebrate the fact that Reggie Jackson hit 563 home runs to rank sixth on baseball’s all-time list—not that he struck out 2,597 times. In basketball, we celebrate that Kareem Abdul-Jabbar scored
38,387 points during his NBA career, more than any player in history—not that he missed 12,470 shots.

Imagine what kind of career Reggie Jackson would have had if every time he’d come to the plate he’d have been worried about striking out, instead of just trying to hit a home run. What if they’d benched him because all the manager looked at and counted were his strikeouts? What if Kareem’s performance had been judged according to missed shots, not makes? Would he have ever tried a low-percentage shot, one that had little chance of going in, but needed to be attempted because the shot clock was about to expire? Not if a miss would have been measured and then used against him.

If “not striking out” is what is being measured, if that’s the score, then “not striking out” will become the goal—and fewer home runs will be hit. And in business, “not striking out” is far too often the goal.

One of the emotional truths about people is that less negative does not automatically mean more positive.

Someone who focuses on “fewer errors, fewer errors, fewer errors,” will inevitably do as little as possible in the areas where they can make errors. Instead of increased production, the result is decreased production—error-free, perhaps, but decreased just the same.

By keeping track of the negative, measurement can be debilitating to the point of freezing us right out of our potential.

But by tracking the positive, scorekeeping stimulates and prods us along to do more of the same. In contrast to measurement, scorekeeping motivates us.

A Big Difference

Measurement is what the nurse does when she measures how tall you are as a child, marks it at the doctor’s office on a chart you’ll never see again, and uses it to place you in a national percentile that lets you know you’re not the tallest person in your age group in the country.

Scorekeeping is what your mother does when she periodically measures how tall you are as a child and makes a mark on the wall, charting your “growth” in a manner that is visible, encouraging, and stimulating.

The nurse’s measurement will result in virtually nothing as far as your behavior is concerned, and can have the negative potential of generating a defeatist attitude based on the realization that a third,
or half, or whatever, of the kids your age are taller than you are. It will NOT get you to drink your milk.

As for your mom’s “scorekeeping,” as you watch the marks she makes proceed progressively up the wall, those marks will motivate you; those marks WILL get you to drink your milk.

Similarly in business, a measurement system that charts manufacturing product loss, or retail out-of-stocks, or sales presentation failures, has all of that same measurement demotivation.

It’s in organizations where you’re allowed to track the safe intervals of work between accidents, and celebrate improvements in your customer service percentages, that everyone involved is given the opportunity to experience that “I can win” feeling more often enjoyed on a golf course or a basketball court.

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**MEASUREMENT / SCOREKEEPING**

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The Power of Scorekeeping

A Universal Language

Scorekeeping enables trust.
The Dow Jones Averages illustrate the power and universality of scorekeeping.

Even though few know how the Dow Jones Averages are calculated.

Now, “no one” might be taking it a bit far. But not by much. I’ve gone around the world asking people, and mostly business people at that, to explain the Dow Jones Averages and usually what I get in response is a lot of throat-clearing, wild guesses, and blank stares. Very few people know just what the Dow Jones Averages are, and yet, in a very real sense, they drive the stock market climate not just in the United States but in exchanges from Paris to Hong Kong and everywhere in between. There may, in fact, be no greater influence on the world’s economy.

When the Dow goes up, people cheer; when it goes down, people worry.

Because the Dow keeps score.

It is an accepted scoreboard that communicates how the New York stock market is doing. Around the world, the Dow’s ability to act as an economic barometer is readily accepted—even though when we hear that the Dow has just “topped” 10,000 or maybe even 12,000 before long, most of us don’t have a clue exactly what that means.

All we know is that it is meaningful.

Why is this? Why have we so empowered the Dow?

The answer, I believe, is because of how much we all want to know what the score is. And the Dow tells us.

The story of how the Dow came to be is a story of the order and security that results when scorekeeping is established in a place it did not previously exist.

The origins of the Dow date back to the early days of the American stock market, when there was no real scoreboard, or scorekeeping system, in place on Wall Street.

In 1882, Charles Henry Dow and Edward David Jones started a newsletter on Wall Street that they produced in their offices at 15 Wall Street, next door to the New York Stock Exchange. The stock market was in a fledgling state in those days, struggling to secure a favorable reputation in the financial community. Bonds, backed by hard assets, were the investment of choice. With innuendo and rumor customarily flying around Wall Street, stocks had an intangibleness that tended to scare off prudent investors.

It was the intent of Dow and Jones to bring a measure of stability to Wall Street, and make a profit for themselves by
dispensing reliable, accurate and current news concerning the stock market.

Every weekday morning they would gather information, copy it by hand, and then dispatch messenger boys onto the streets to peddle their two-page news sheet—which they called the Customer’s Afternoon Letter—to brokers and investors.

By 1889 the Customer’s Afternoon Letter would have a catchier new name, one it uses to this day ... The Wall Street Journal.

Now inventing the Wall Street Journal might seem like plenty for one man’s life’s work, but the truth is, the Wall Street Journal might not be well into its second century as arguably the most successful newspaper in history, if Charles Henry Dow hadn’t also been smart enough to come up with a way for Wall Street to keep score.

Which is where his “Averages” come in.

Dow knew he and Jones needed something compelling, something enticing, something substantive, to include in their afternoon newsletter so that investors would be compelled to buy it. What he came up with was a way, as the Dow Jones Company states in its own historical report, to “make sense out of the confusion.”

“One hundred years ago, even people on Wall Street found it difficult to discern from the daily jumble of up-a-quarter and down-an-eighth whether stocks generally were rising, falling or treading water,” the company account states. “(So) Charles Dow devised his stock average. He began in 1884 by averaging the worth of 11 stocks, most of them railroads, which were the first great national corporations. He compared his average to placing sticks in the beach sand to determine, wave after successive wave, whether the tide was coming in or going out. If the average’s peaks and troughs rose progressively higher, then a bull market prevailed; if the peaks and troughs dropped lower and lower, a bear market was on.”

What Dow Jones & Company sold Wall Street in the 1880’s was a way to keep score. The Wall Street Journal began as a scoreboard.

“It seems simplistic nowadays with myriad market indicators,” the Dow Jones historical account continues. “But late in the Nineteenth Century it was like turning on a powerful new beacon that cut through the fog.”

The number of stocks in the Dow was increased from the original eleven to twelve in 1896, to twenty in 1916 and to thirty in 1928, where the number has stood ever since. “Industrial” was added to the name in 1896 when the railroad stocks were removed to help create
what would become the “transportation” average, and yet another average designed to chart the rise and fall of utilities stocks—the “utilities” average—was also added. Thus the Dow’s averages became plural, although the industrial average is the one that is commonly referred to when gauging the overall mood of the market.

In the beginning the computation was easy: Simply add up the prices of the stocks and divide by the number of stocks involved. That was the average. In 1928, however, editors at the Wall Street Journal—where an up-to-the-minute Dow is still published in every issue—began to calculate the average with a special divisor, computed to avoid distortions due to stock-splitting and/or stock substitutions. The result is what is now technically an “index” and not an “average.” But facts are facts and tradition is tradition, and the Dow Jones Average it will always be.

I could run you through a mathematical explanation of how the Journal editors arrive at their ever-changing “devisor,” but trust me when I tell you it’s complicated.

For the purposes of our discussion, the computation doesn’t matter, anyway. Just as it doesn’t matter that almost no one knows exactly what makes up the Dow. What does matter is that the Dow works! It has been empowered now for well over a hundred years, showing no sign of wear and tear or letting up, because the people who watch its rise and fall have given it the thumbs-up. They accept it! They like it! Most importantly of all, they trust it!

It continues to be the way Wall Street keeps score.

As the Dow Jones & Company officially states, when the Dow came along it was “like turning on a powerful new beacon that cut through the fog.” Those words paint a vivid picture of the power of keeping score. Scorekeeping cuts through the fog. It clarifies. By identifying and quantifying how we are doing, it creates motivation, energy, and drive where before there was none.

The Dow doesn’t buoy investor confidence and make headlines on practically a daily basis in newspapers all around the world because people understand it, because many don’t.

It buoys investor confidence and makes headlines because people around the world buy into it and readily accept it as a way of communicating the general health of the U.S. stock market and the economy. It is the language of choice.

The Dow is an excellent example of how once a fair method of keeping score is put in place and accepted, the results can be truly staggering. A New York Stock Market that now regularly handles over a trillion dollars worth of stocks is proof of that!
Everyone Speaks Scorekeeping

As the worldwide acceptance of the Dow helps attest, scorekeeping qualifies as a universal language, one that is capable of communicating across borders no matter how disparate the parties. Think about it. If we needed to communicate with someone whose verbal language we couldn’t understand and we had no idea where that person came from, wouldn’t one of the best things we could do would be to show them sports equipment until we saw their eyes light up? Would we then have some common ground?

Roll out a volleyball, a basketball, a soccer ball, or any kind of sports equipment you can think of, and it isn’t at all difficult to picture having a game in any of these activities with people from any diverse cultures or backgrounds. We could take 22 kids from 22 different countries speaking 22 different languages, put them in position on a soccer field, and be able to orchestrate a totally goal-directed, highly enthusiastic, productive experience with everyone knowing what to do and what they’re trying to accomplish. They would all know the goal, they would all know the score, and they would all know how to measure their activity against the score.

In the baseball major leagues, the Los Angeles Dodgers once had a pitching rotation that included players from the Dominican Republic, Mexico, Korea, Japan, and the United States. That’s five nationalities and four languages on the same pitching staff! You’d think that would have created a major communication problem for the team, and particularly for the catcher, Mike Piazza, whose job it was to work with each of these pitchers on a rotating basis. But when asked about all the different languages, Piazza said there were really no problems at all. Everybody knew the game of baseball. Everybody knew the various signs and signals, and, most importantly, everybody knew how to read the scoreboard. They all spoke baseball. The only problem was communicating after, not during the games, when it was hard for everybody to decide where to eat.

In the world of games, the record clearly shows time and again that people communicate just fine. At the Centennial Olympic Games in Atlanta, 197 nations, representing virtually every country on earth, speaking almost as many languages, came together and communicated side-by-side on the playing fields and courts without difficulty. It didn’t matter what the venue was. Whether it was gymnastics, track & field, basketball, weightlifting, cycling, swimming, or any other sport, the competition proceeded as smoothly as if the competitors were from the same nation.
The Power of Scorekeeping

4

The Importance of Feedback

Effort + Scorecard + Feedback = Energy, Enjoyment, Enthusiasm.
On an airline flight from New Orleans to Atlanta I found myself seated next to a gentleman, probably in his late thirties, who was poring over a stack of sales reports. Now sales reports by and large contain better fiction than any great American novel written. We know it’s not accurate, know we have to do it, but we know if anyone believes it, well, they must have never been sales managers themselves.

This man was a regional sales manager with a well-known international package delivery service. Because of my curiosity in his business, I asked him about the sales reports. I said, “What do you do with them?”

“I send them to region,” he said without much enthusiasm.

“What do they do with them?”

“Send them to corporate.”

“Does anybody ever call you after they get them?”

“Nope,” he said.

“Is there any chance anybody reads them?”

“I have no idea.”

“Well why do you do it?” I asked, and, with a shrug of his shoulders, he responded, “Because they told me I have to.”

My final question was this: “Do you suppose they’d miss it if you sent them late, or not at all?”

“I don’t know,” he said. Then he grinned and added, “But I’ve always wanted to try.”

This man was a little less courageous than my good friend—I’ll call him John—who worked as a sales manager for one of the Big Three auto companies. When I asked John for the secret of his success, he responded by saying, “I learned a long time ago never to send what they ask for the first time.”

I said I didn’t understand.

“The first time they ask for a report I don’t send anything,” he explained. “If they ask for it a second time, I get it finished and send it to them. That tells me they’re going to actually look at it. But if I keep a report in the drawer for more than two business cycles and they don’t ask for it again, I stop working on it and go on to something else. I figure, they’re not going to look at it anyway, so what’s the point?”

THE IMPORTANCE OF FEEDBACK
In organizations around the world, people fill out log sheets no one will ever check. People compile statistics and reports analysis and mail them to corporate and no one ever calls back.

No one likes their work to be unrecognized and unacknowledged.

Unfortunately, few of us have the courage of John, to tell them “No way,” keep our sanity, and only work on what will get seen.

The astute business manager understands this: if it’s important enough to do, it’s important enough to give feedback on. And if it’s important enough to keep score and give feedback on, deliver that feedback in the most effective and valuable way available.

Think of the power of those sales reports if, instead of disappearing into the black hole of “region” or “corporate,” they are translated by thoughtful, insightful managers and turned into scorecards that will serve to inspire, motivate, and coordinate those sales managers, and their sales staffs, who created them in the first place!

Let Them Know

Someone once said that no one should be allowed to lead a company unless he or she has first house-trained a puppy.

I find great wisdom in that analogy. The principles at work in house-training a puppy run parallel to the primary principles needed when working with people.

One of the key rules for house-training a puppy is that you don’t ever ask the puppy to do anything unless you then acknowledge that performance. Whatever it is. If the dog urinates on the paper you acknowledge that in a positive way, with a pat on the head, or a treat, or some other kind of reward. If the dog doesn’t hit the paper, that needs to be acknowledged too, but in a way to make certain the puppy knows such behavior is not acceptable.

It is impossible *not* to provide feedback. The question is, will the feedback be consistent with the behavior we desire?

Too often in business, we make the request and then never follow up on it. We ask the sales manager to send in his sales report and that’s what the sales manager does—and then there is either no acknowledgement or the acknowledgement is very belated or incomplete. It might be good to note here that sending an e-mail acknowledgement of “Received” is *not* feedback. Webster defines feedback as “The return to the point of origin of evaluative or
corrective information about an action or process.” Most of the
time, the report disappears into a black hole in a corner of an office
somewhere at corporate headquarters. Like a puppy with no direc-
tion, the sales manager isn’t quite sure what to do next.

Far better to not only send the sales manager feedback on the
sales report, but to turn the sales report into an effective scorecard
that allows the sales manager to participate in determining whether
that feedback is going to be positive or negative.

This whole concept of assigning value to assignments by creat-
ing appropriate scorecards and then giving appropriate feedback
carries with it tremendous power and potential. By giving everyone
involved the valuable input of “knowing how to win,” a total “win”
situation is created for everyone involved.

This point was driven home simply, but dramatically, to me
when THE GAME OF WORK got involved with a supermarket that
was anxious to increase its productivity during the shopping day’s
slow times.

One area in the supermarket that experienced a real meltdown
during the afternoons was the bakery, where, as you might guess,
sales dropped off to practically nothing about mid-afternoon. To
counter that, we set up a promotion that offered incentives. Free
donuts. Every afternoon, announcements from the bakery would
come across the loudspeakers offering a hot, fresh donut to anyone
who would walk back to the bakery and get it. Since there is some-
thing especially seductive about the smell of freshly baked donuts,
even at three o’clock in the afternoon, a lot of people would walk
back to get their free donut and wind up buying a dozen more.
Donut sales went up by an average of 40 to 50 dozen a day because
of that promotion.

So far, so good. But upon further examination, we found that
the key to making it all work was the bakery clerk who made the
announcement. If she came across as enthusiastic and
spirited, she would typically give away, and in turn sell, a lot
of donuts. If she wasn’t particularly energetic, however, the
promotion fell flat. It all hinged on her and her presentation.

The store had a choice. It could merely hope its bakery clerk
was energetic that day, or it could help ensure that the bakery clerk
would be motivated to be energetic … by creating a bakery clerk’s
scorecard.

In addition to the scorecards we’d set up that listed the store’s
overall goals, we helped set up an individual scorecard for the bak-
ery clerk. She got her very own. It showed how often she did the
announcement, how much she sold off the announcement, and so forth, with goals and bonuses tied into those goals. Every day, the bakery clerk would turn in her “score,” and just as often, her coaches in the store’s management would react with the appropriate response.

With that simple step of implementing a scorecard, and the appropriate feedback from management, a bakery clerk not making much more than minimum wage became a valuable part of the store’s “team.” The bakery clerk became an energetic, motivated employee. Her scorecards, and the interest taken in them by management, said to her that what she was asked to do was important, and because it was important to do, it was important enough to keep score on and to give feedback.

**More to Come**

In the chapters that follow, we’ll look more closely at the relationship between management and workers, or, as we call them in THE GAME OF WORK, “coaches” and “players.”

As we examine the importance of positive interaction between them, we will look at the necessary elements of feedback, ownership, buy-in, credibility, relevancy, goals, performance standards, and bonus compensation, all of which we’ve just introduced with something as simple, yet powerful, as the example of the bakery clerk.
What is the Game of Work

Why can ten people with a volleyball and a net achieve teamwork, goal directed activity, and become a well managed work team in a matter of minutes at the company picnic, but those same ten people can totally fail to achieve that kind of harmony on the job.

The answer lies in providing the keys to “Enjoying Work as Much as Play.” The Game of Work examines the phenomenon that people often work harder at sports and athletic endeavors than they do at their jobs. Why? Because in sports a participant has constant feedback on how he or she is doing. The score is known and the effort necessary to win is established. In work, feedback is often unreliable, inconsistent, or nonexistent. The participant seldom knows the score or what it takes to win.

We take the motivation of recreation and apply those winning principles to the workplace to increase profitability and productivity. A small sampling of clients who have implemented these techniques include Pepsi Cola, US Postal Service, Coca-Cola Consolidated, Dollar General, Associated Grocers, Leslie’s Poolmarts, Abbott Labs, Wild Oats, xpedx, US Air Force, State Farm Insurance, Boeing, American Express, Molina Medical Centers, Coors Brewing, Chicago Tribune, Young Electric Sign Cos., Ralph’s Grocery, and General Foods Corporation.

Our money back guarantee on measurable results achievement provides a no risk path to higher profitability through increased productivity and employee enthusiasm.
What You Can Expect to Learn

- Feedback: graphs and charts–rules and mechanics of scorecards–guidelines for effective feedback
- Areas of control: the power of the Results to Resources Ration as a scorekeeping tool
- How to set up a Results to Resources scorekeeping system
- Goal setting and motivation
- Understanding the Field of Play
- Learning how to win every day!

Professional Services

- Speeches (two-hour, four-hour, or full-day)
- Workshops for your personnel, customers, associations, company meetings, and so on.
- Implementation–a fully customized program of five half-days of specific Game of Work implementation with guaranteed results.
- Ski & Scheme–3 day executive ski retreat at Deer Valley Resort

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