Optimize For Outcomes

Outcome Optimization Framework

Hello and thanks for taking the time to read my guide on the Outcome Optimization Framework. This is a mental model that I've built after 20+ years consulting companies big and small, helping them achieve more, improve their bottom lines, and build solid foundations for long term success.

Identifying and working towards the right outcomes is a critical first step in optimization. Have you ever seen a friend or coworker work long into the night day after day, week after week, and not get the results he was looking for?

The work that he is doing is misaligned with the outcomes that he is trying to achieve. His process is not optimized to get the outcomes he needs to achieve.

Effective and efficient processes are the second ingredient needed to optimize for outcomes. Effective systems mean you're doing the right things that really impact your Customers and business while efficient processes will allow you to do more with less.
Understand the Desired Primary & Secondary Outcomes

Each system in your business has desired primary outcomes and secondary outcomes. Primary outcomes are the outputs that are generated by the system. The secondary outcomes are the next level outcomes that you or your business is looking to achieve.

For example, a system that is followed to service customers has a primary outcome of generating satisfied, happy customers. The second level outcome of the system is to improve and maintain customer retention.

The system itself does not create customer retention but by giving customers a satisfying experience that makes them happy, they are more likely to remain customers over the long term. Think of the secondary outcome as the answer to the question, “why do we want the primary outcome?”
Within any business, there is a sequence of systems and outcomes that ultimately lead to the outcome that every business wants - long-term profitability. For example, a business has a system to generate leads with the desired outcome of qualified leads.

The business then takes those qualified leads and runs through a system to convert those leads into sales. Once the sales are made the business has systems to deliver products and services to customers. Each of the systems in the sequence has primary and secondary outcomes that ultimately lead to the business generating revenue.

In order to work through the first part of the mental model, you should be able to identify the core systems that take your Customers from "unknowns" through the Traffic, Lead, and Sales systems, through delivery and payment.
It’s often easier to start at the back and work backwards to your initial Customer contact. You’re in business to make money, otherwise, you’d call yourself a charity so your final outcome is to generate money. Ask yourself “what are the core activities that I need to undertake for my business to generate money?”

Next, ask yourself “what are the core activities I need to do in order to achieve the core activities that make me money?” Continue to work towards the front of your business until you’ve identified the sequence of systems that your business needs to do to get to your desired final outcome.

It’s important to keep the steps simple and think from a high level. You do not need to call out every single detail of every single activity your business does. Use the example previously given as a guide - generate qualified leads, convert leads to sales, service customers, etc.
Identify What’s Giving You the Biggest Problems Now

From the key systems that you’ve defined, identify one of these systems that is giving you the biggest problems right now. While you probably want to fix everything right now, you should only tackle one system at a time, so select the one that you feel will have the biggest impact if you optimized it.

You don’t have to be overly scientific about this. Some might be tempted to spend days or weeks gathering and analyzing data but this isn’t usually needed to get good results.

You can usually get to a good conclusion based on what you and others around you already know from your experience working with these systems every day. If you are not directly involved with working the system every day, talk to those who are and get their input on what’s causing the biggest problems.
Data and metrics are an important part of aligning your people, processes, and technology within the system to your desired outcomes. At this point, identify what data you have available specific to the one system you have selected to work on first.

For example, if you’ve chosen to look at your sales conversion system, you might have metrics around how many leads you start with and how many sales you end up making.

This gives you a good baseline so that you can understand how the changes you make translate into improving your outcomes.

If you don’t have metrics specific to the system you selected, think about how you might start to capture metrics that will help you understand whether you are achieving the desired outcomes of that system. Don’t get too carried away here! Keep it simple because if you don’t, you’ll find yourself wasting weeks and months trying to capture and analyze data.
Think through the people, processes, and technology that make up this system. To start, just write down the people and technology that are used for this system. Have someone that is intimately familiar with the system write down the process steps in a numbered list format. For example, the process for running a Facebook ad might look like this—

1. Research a trending topic
2. Write the ad centered around the trending topic
3. Select an image to run with the ad
4. And so on...

Don’t skip steps here! Make sure every step is written down even if you realize it might not be valuable or maybe you should stop doing it (we’ll get to removing in a bit). Also, don’t assume you know the system if you don’t do it regularly. Have a person that is actively involved in the system document the steps.

This is a common mistake that many people make. Don’t document a system based on “how you told someone to do it” or “how you think it happens.” The person that works the system should be the one documenting it.
Identify Value to Customer

The next step in framework focuses on better alignment between what you’re doing and the outcomes you need. Review the process steps that you have previously documented and identify which of the steps add value to the client. Be strict and how you define value for the client.

Ask yourself, “Would the client pay more because we are doing this step?” If the answer is no, the step is not adding value. Don’t be surprised if many of your steps are not adding value as this is common for most systems.
Review the steps again and identify which ones are critical for you to achieve the outcomes desired out of this process. Another way to think about this is could you still achieve the desired outcomes even if you took this step out?

Now that each step has been identified as adding value or not adding value and you’ve identified which steps are needed for the desired outcomes and which are not, you can now look for steps to remove from your process. If a step is not adding value to the client and it doesn’t help you achieve the desired outcomes of the process, why are you doing it? You should stop doing that step and save time and energy for other activities.
Understand Where People Are Spending Time

An important step to understanding where there is an opportunity for you to optimize is knowing where people are spending time in the system. There are a couple of ways to do this depending on how much time is available to do analysis. Either of these methods work if you are a solo entrepreneur as well.

The quick way is to take a pulse with the people that are involved in the system and have them estimate how long each process step takes. This will be a very fast way to get some rough estimates but they will be just that, rough.

A better way which takes a little bit more time is to do a time study. This is done by having the people involved in the system document the actual time taken to complete the different process steps. This should be done several times for each step to capture variations in the process.

Once the time studies completed it will give you an idea of where people are spending their time and what steps you should focus on optimizing to make the system more efficient.
Technology allows you to optimize different parts of your systems by automating tasks and reducing the number of defects caused by human error. There are three things to consider when evaluating how technology fits into your system:

1. What's missing?
2. Is your tech correct?
3. What can you automate that isn't automated?

First, think about what technology is missing from your system. There are many different answers to this question depending on what your system is trying to achieve. Think about what information is involved in your system and how that information is managed. For instance, generating and converting leads should include some type of CRM technology, even if it's just a spreadsheet.
The next thing to analyze is if you have the right technology for what you’re trying to accomplish. Consider how frustrated the people in the system are with the technology.

Also, think about problems that currently exist in the system and the root cause of those problems. Do people have the right information when they need it? Are people delayed in accomplishing process steps because of technical problems or bugs? These are a couple of the questions that you can ask yourself to quickly assess if you have the right technology in place or not.
Lastly, you should be thinking about technology to optimize your outcomes through automation. In today’s world, anything a person does can be automated. It’s not always cost-effective, but automation can be applied to any tasks that people do. Think about the process steps in the system. Which steps are done manually today? These are all candidates for automation.

A final point is that just because technology can make a system more efficient, it doesn’t mean that it should always be implemented right away. If your system is very new and fluid, implementing technology might get expensive. A manual process is very easy to tweak and refine but if you spend the time and energy to automate with technology, it becomes harder and more expensive to make changes.
As you've made changes to your people, processes, and technology, you want to ensure that these changes stick. People and processes are likely to revert to old patterns without a concerted effort to build new habits.

Change is difficult and often takes time to produce better results. For example, if a person is used to writing down a few notes about an interaction with a Client and a CRM application is implemented, the person might be tempted to stop using the CRM in certain cases because it’s easier and faster to just write down a few notes “the old way.” The new way can quickly be forgotten as people get busy and any potential benefits that would be gained from the new way are lost (along with the time and energy used to implement the new way).
To help minimize people and processes slipping back into what’s comfortable, an active effort to manage change is required. A detailed explanation of change management is outside the scope of this document but there are a few things you can keep in mind to make change easier for people.

Involve the people that will be impacted by the change to participate in decision-making. Identify new metrics that can be tracked that show the new process is being followed or people are falling back into old patterns.

As an example, if your company routinely makes 20 sales per month and to implement a new CRM application, you would expect 20 new sales per month to show up in the new CRM. If only 10 show up in a given month, it would be worth understanding if it was just an off month or if sales weren’t happening through the CRM.
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Refinement Over Time

The Outcome Optimization Framework can be used over and over again to continue to improve the same systems and processes. As technology and methods are changing faster than ever, going through the framework multiple times adds meaningful value each time you do it.

By learning this framework, you’re able to make improvements to your business again and again by following the same steps and applying these principles to different areas of your business.

If you’ve made good changes to your most painful system, a different system will be identified at the beginning and you will go down a similar path of identifying metrics, identifying the people, processes, and technology related to that system, on through making changes and change management. The cycle repeats, continuously optimizing for outcomes and keeping your business effective, efficient, and productive, and positioned for long-term success.
Thank You!

Thanks for taking the time to read through our guide on the Outcome Optimization Framework! If you have any questions or feedback, please reach out to me directly at brian@optimizeforoutcomes.com.

If you want more help optimizing for outcomes in your business, you can find more information at www.optimizeforoutcomes.com.

I am available on a limited basis for 1 on 1 consulting! To book time, visit www.optimizeforoutcomes.com/products-services/.

Thanks!

Brian