How to Remove the Roadblocks of Feedback Loops

From the time we are small children, feedback loops are part of our everyday lives even if we are unaware of the fact. They hide behind a plethora of names; report cards, speeding tickets, health checks, standardized tests. No matter what aspect of our lives we find them, they all share the same general premise. They inform us of our current state against a set standard. Feedback loops enable us to track our performance and adjust our approach based on that feedback.

Feedback loops had been incorporated into machinery since the 18th century, but it wasn't until the 1960s that the phenomenon was explored with regards to its effect on human behavior. It was during this period that Stanford University psychologist Albert Bandura conducted a number of landmark studies that focused on the way that feedback loops can increase the human ability to achieve set goals. Since Bandura's groundbreaking work, his hypotheses have been validated in a number of fields, including business and economics, but the basic premise remains the same.

The bulk of Bandura's work can be distilled into two basic principles:

- If an individual is provided with a clear goal and a means to evaluate their progress towards that goal, then the likelihood of achieving that goal is greatly increased.
- If an individual believes that they are capable of reaching a defined goal, then they are more likely to achieve it.

Like most great ideas, these principles are relatively easy to understand and at the same time incredibly powerful. The difficulty, however, comes during implementation.

Failed feedback loops can be attributed to these three common roadblocks:

1. **PLANNING AND GOAL-SETTING.** In order for a feedback loop to be truly successful, the goal or KPI that is being tracked must be both real and accepted by the individual. If the target is perceived as being unobtainable, then the result will be counter-productive. At an operational level, the best way to overcome this obstacle is to develop the KPIs and targets along with the individuals. The benefit of this approach is two-fold; not only does it help to set realistic targets but it also helps to increase stakeholder engagement in the feedback loop that is being installed.
2. **DATA GATHERING.** During the design phase of a feedback loop it is important to pay special attention to data collection in order to avoid any undue friction. As with most operational changes, if collecting data for a newly installed feedback loop is too cumbersome or involves too many handovers then the change is less likely to be sustainable in the long term. Ideally the data source for a feedback loop will be part of a system that is already being used and is relatively easy to manipulate to accommodate the feedback loop. The only way to overcome this obstacle in a meaningful way is to spend the time it takes to truly understand the process for gathering data and develop a means to collect that data with relatively little friction.
3. **TONE AND PLACEMENT OF THE OUTPUT.** If the output is too passive, it runs the risk of blurring into the background and being ignored by the desired target. Conversely, if the results are too intrusive then

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It's Hard to Ignore the Gains

there is a danger of the data being ignored, or worse yet, it could cause the subject to act against the intended goal. A good way to visualize the latter is a teenager speeding past a radar equipped speed sign trying to get a "high score." As is the case with many operational changes, this hurdle can be overcome through deep stakeholder engagement. By understanding the consumer, an appropriate tone and placement can be developed to ensure the feedback loop remains relevant to the target audience.

Case Study: Financial Services in Japan

On paper it may seem fairly easy to develop and deploy a successful feedback loop, but in practice it can be much more difficult. Despite the potential pitfalls, it's hard to ignore the gains that can be realized from a successful feedback loop. On a recent project with a Fortune 100 financial services client, Trindent helped our client to develop and install a daily feedback loop that contributed to productivity gains of over 150% during a 30-week project. The same system resulted in a reduction in overtime hours of more than 20% during the same period.

Like all Trindent engagements, the project team was able to deliver these results by first conducting a deep dive of the client's processes and systems in order to avoid the common pitfalls associated with implementing a new feedback loop. Once the team had an intimate knowledge of how the data/systems, people, and processes worked together, they were able to engage the key stakeholders at each management level in order to develop a feedback loop that was relevant. Because of all the front end work done by the project team, when it came time to install the feedback loop there was relatively little resistance by the employees. Within a few weeks, the client team saw a marked change in both the employees and team leaders. Because the feedback loop was relevant to the employees, they began to take ownership of their personal performance and even started to suggest process changes that would further support this. In essence, the feedback loop had become a catalyst for sustained change within the organization.

While this was undoubtedly a success story for both the Trindent team and our client, it is by no means an isolated case. Trindent project teams have developed an expertise successfully installing feedback loops in a wide variety of processes and systems. From energy operations to medical supply chains to back office financial service processes, Trindent had developed the capability to successfully implement effective feedback loops with results that speak for themselves.

Our team has deep expertise in the energy, healthcare and financial services industries. We take pride in our ability to deliver fast, effective solutions for our clients. Contact us today:

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