In a year from now, if I were to ask how you’d know if the previous 12 months had been successful, what would you say? That sales had increased; that market share had grown; that the balance sheet was in a more healthy place?

While these traditional metrics are somewhat useful, they are also becoming increasingly unreliable and dangerously misleading in an age of unprecedented change and disruption.

The reason for this is that these numeric measures of organizational health (what I call a businesses audible pulse) are lagging indicators. They only gauge the effectiveness of strategies implemented many months or years previous and are therefore highly inadequate measures of true present health of an organization.

Consider that the strong audible pulses of many recently fallen brands masked the fact that the underlying fundamentals of these businesses were anything but healthy. Kodak for instance was still a darling of Wall Street long after it had begun to lose the digital war.

Herein lies a principle that ought to give every leader pause for thought: businesses, organizations and institutions are often well down the track toward decline and obsolescence long before there is any external evidence of the fact. To put it more simply, it is possible to be on the brink of obsolescence and have absolutely no idea at all. Further still, by the time your audible pulse indicates that there is something wrong, it may be too late to do anything about it.

In order to navigate the disruptive headwinds change buffeting businesses and industries, leaders would do well to pay far more attention to their silent pulse. Unlike its audible counterpart, a silent pulse measures the underlying lead indicators of an organization’s health. It gives powerful insight into the underlying fundamentals of a business such as momentum, vitality but most importantly relevance.
Howard Schultz recognized the importance of a business’s silent pulse upon his return to the helm of Starbucks in January 2008. Schultz recognized that even though Starbucks had been hitting home runs year on year in terms of growth, he sensed that nevertheless something was wrong.

As Schultz described it, Starbucks was failing to create the ‘soulful, romantic experience’ for customers for which it had once been renowned. “We’d lost sight of the experience around the coffee and we were too focused on ringing the register,” Schultz admitted. In other words, Schultz knew that while Starbucks’ audible pulse was strong, the company’s silent pulse was anything but.

Similarly, when former Google executive Marissa Mayer took the reins at Yahoo, she also took immediate steps to focus the company on its silent pulse. One way Mayer did this was to take the step of removing Yahoo’s live-feed share price indicator from the company’s internal website.

“I want you thinking about users,” Mayer stressed early in her leadership. In this, the incoming CEO was signalling to employees that it was more important for Yahoo to focus on their silent pulse by creating exciting web services than monitoring their audible pulse as expressed in company stock levels.

To get a sense of your silent pulse, consider how many of the questions below you could honestly answer yes to:

1. **Have your internal operations altered significantly in the past year due to customer feedback?**

   How open to and dependant on market feedback are you?

2. **Do your competitors tend to copy you?**

   Are you leading the market or playing catch-up in response to the strategic moves of others?

3. **Are your internal processes flexible and adaptable?**

   How many systems and policies are in place to unconsciously preserve the status quo? Are there out-dated traditions or sacred cows that your organization clings to even though they are no longer relevant or appropriate?
5. Are you more excited about our future plans than our past accomplishments?

Notice which you tend to talk about more in social settings, for instance.

6. Do you spend more time in strategy than maintenance?

Do you spend the bulk dealing with important issues or putting out fires and reacting to the urgent?

7. Has one of your team members actively disagreed with you in the past week?

Diversity is so critical to innovation. As management guru Peter Drucker said “The first rule in smart decision making is to not make a decision until there has first been disagreement.”

Do team members feel confident to speak truth to power and share views that may be unpopular but are critically important?

So how did you go? The more of the above question you can answer a resounding yes to, the healthier your silent pulse and the more likely you are to win the battle for relevance. After all, if your silent pulse is strong, your audible pulse will always naturally follow.

ABOUT MICHAEL

Michael McQueen is an award-winning speaker, social researcher and 3-time bestselling author.

Michael’s first book The ‘New’ Rules of Engagement was the culmination of a 3-year study of the key drivers of youth culture around the world. With an emphasis on the values and attitudes of Generation Y, this 2007 release was designed to help business leaders, educators and parents to better engage younger generations.

Michael’s most recent book Winning the Battle for Relevance is a landmark title that explores why even the greatest businesses and institutions become obsolete and how others can avoid their fate.

In addition to featuring regularly as a commentator on TV and radio, Michael is a familiar face on the international conference circuit having shared the stage with the like of Bill Gates, Whoopi Goldberg and Larry King.

Michael has spoken to over 150,000 people across 5 continents since 2004 and is known for his engaging, entertaining and practical conference presentations.