Be Suspicious of Great Results

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When I spend time with clients talking about results, the conversation invariably turns to the 'bad' results. We talk about missed revenue forecasts, lower-than-expected market share and/or out-of-control expenses. It's not hard to find a consultant or employee of a company who can make the time to discuss bad results. After all, if you're the employee it might mean the difference between having a job and not having one. And if you're a consultant, it could mean the difference between having a client and not having a client.

Around the end of a quarter or, certainly, around the end of a fiscal year, e-mails tend to fly furiously and boardrooms tend to be booked quickly to analyze trends, run rates and projections and to 'call the number' for the rest of the forward looking year. Typically, we can spot something early on when we look at why we're not doing well. Examining the 'bad' in our results is, well, in our human nature.

What about the 'great' results. How often do we spend discussing these? According to my observation—very little. Here's the thing: we can learn as much (if not more) about why things are going well as we can about why things aren't. The best managers and leaders are always suspicious of great results. They have what a former colleague of mine in the advertising business used to call 'healthy paranoia'.

The notion of an *over-attribution effect*[1] is at play here. Not the textbook definition of over-attribution bias or error but a slightly modified one. One might even, more pointedly, refer to this as a self-serving bias[2].Here's what happens in business when we view great results: we tend to over-attribute those results to our decision-making, our judgment and/or our insights. We tend to ignore the fundamental question of "Why are doing so well?" and we ignore or marginalize the situational factors that might be contributing to our success. As commercial leaders and front-line managers, we assume that we are doing well because we have the right strategy and the right execution. But what if that's not why we're doing well? The purpose of dissecting our great results is as much about validating our strategy and execution but it's also about ensuring that random and haphazard events have not played a disproportionately high role in our success. Did the competitive product launch get delayed by a quarter or two? Did a competitive product go on backorder? Was there a change (for better or worse) in the reimbursement or market access conditions that provided significant 'tailwinds' for our commercial success?

The other reason that it is imperative to dissect great results and outcomes is for *replication and/or imitation effect*. None of us are strangers to the concept of avoiding bad behavior that leads to bad results. In our personal lives, we replicate or imitate good behavior that leads to good results (if we exercise, we lose weight, if we sleep 8 hours a night, we have more energy). However, our experience and observation has been that we don't do this in workplace situations enough. Being suspicious of great results and forcing oneself or one's team to spend the requisite time asking "Why", is paramount in being able to replicate or imitate that strategy in other parts of the organization or to transfer learnings to other functional departments within the organization. Take the sales territory that has had significantly above-average results. We recognize and reward

[1] In social psychology, the fundamental attribution error (also known as correspondence bias or attribution effect) describes the tendency to over-value dispositional or personality-based explanations for the observed behaviors of others while under-valuing situational explanations for those behaviors.

[2] A self-serving bias, sometimes called a self-serving attributional bias, refers to individuals attributing their successes to internal or personal factors but attributing their failures to external or situational factors

the sales person for their efforts but do we dissect the reasons for that success in the same way that we tend to analyze an under-performing territory? Hardly. The same applies to successful marketing campaigns and product launches. Because of the self-serving bias, we assume that the successful sales territory or marketing campaign is the result of internal factors and we ignore the external (random) events that may have had an influence. On its face, it would be absurd to suggest that all 'successes' are flukes and that they require deep dissection and analysis. There are, of course, many instances where a 'success' is just that because the strategy and execution were perfect.

What is suggested here is to imply that *copying/imitating or replicating* successful behaviours is crucial to sustained organizational performance. However, what may be even more crucial in our view is the understanding of which behaviours to avoid in order to be successful. In fact, Ellis, Mendel and Nir wrote a wonderful piece on 'learning from successful and failed experiences.'[3] Copying the exact *right* behavior of a successful sales representative or the tactics for a successful product launch would inherently ignore the critical point that no two sales territories or product launches can ever be identical, however there is probably more upside to copying the behavior(s) than there is to ignoring them and chalking up the successes to internal factors (i.e. that sales rep or marketing manager is better trained or has more knowledge) and trying to re-invent the wheel.

The key drivers in being obsessively suspicious about great results are part about validating strategy, part about finding out what's 'right' and replicating the 'right' and part about finding out what was 'wrong' and avoiding the 'wrong'. But, perhaps, the greatest reason for this obsession is to rule out randomness. Because randomness cannot be replicated.

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[3] Ellis, Shmuel; Mendel, Rachel; Nir, Michal;Journal of Applied Psychology, Vol 91(3), May 2006, 669-680.

"After successful events, the most effective review is that of wrong actions, whereas after failed events, any kind of event review (correct or wrong actions) is effective."