

Focusing Down to One True KPI

Q&A Session Featuring Steel CEO Kirsten Cutshall
April 7, 2022

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Monthly Q&A Session

First Thursday of Every Month

- Covering different industry topics
- Ask us anything

15-30 min Teaching

30-45 min Q&A/Open Mic

How to Participate:

- Type questions for later into chat
- Raise hand to ask a question in real time
- Recording available later

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Leaders know how to simplify a complex world into a single, organizing idea — a basic principle that unifies and guides all decisions for a team of people.

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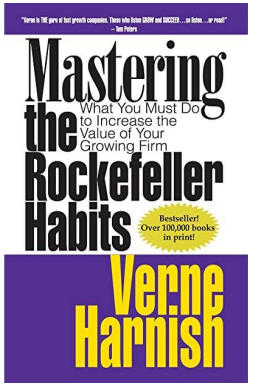
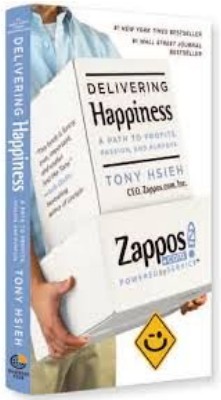
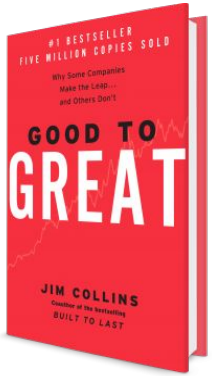
Not my idea…

Concept: Pick a single metric to systematically increase over time that will have the greatest impact

- Economic denominator
  - *Good to Great* by Jim Collins
- One metric to drive team success
  - *Delivering Happiness* by Tony Hsieh
- X-factor
  - *Mastering the Rockefeller Habits* by Verne Harnish's
- OMTM - Growth Hacking by Sean Ellis







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AT THE CORNER OF HAPPY & HEALTHY®

Strategy: Convenience

The traditional **profit per store** metric favored cheaper, less convenient locations and competition between stores and online.

Walgreens switched its focus from profit per store to **profit per customer visit**.

Walgreens invested in technology and research, added drive-thrus and extended hours, and networked customer data.

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2021 Retailer of the Year
-Drug Store News
15450
Walgreens
PHARMACY
Village Medical
PRIMARY CARE
NOW OPEN

The right metric aligns team efforts toward a common goal, that if achieved, increases the success of the product or organization; the wrong metric leads to efforts that might be ineffective or, even worse, counterproductive.

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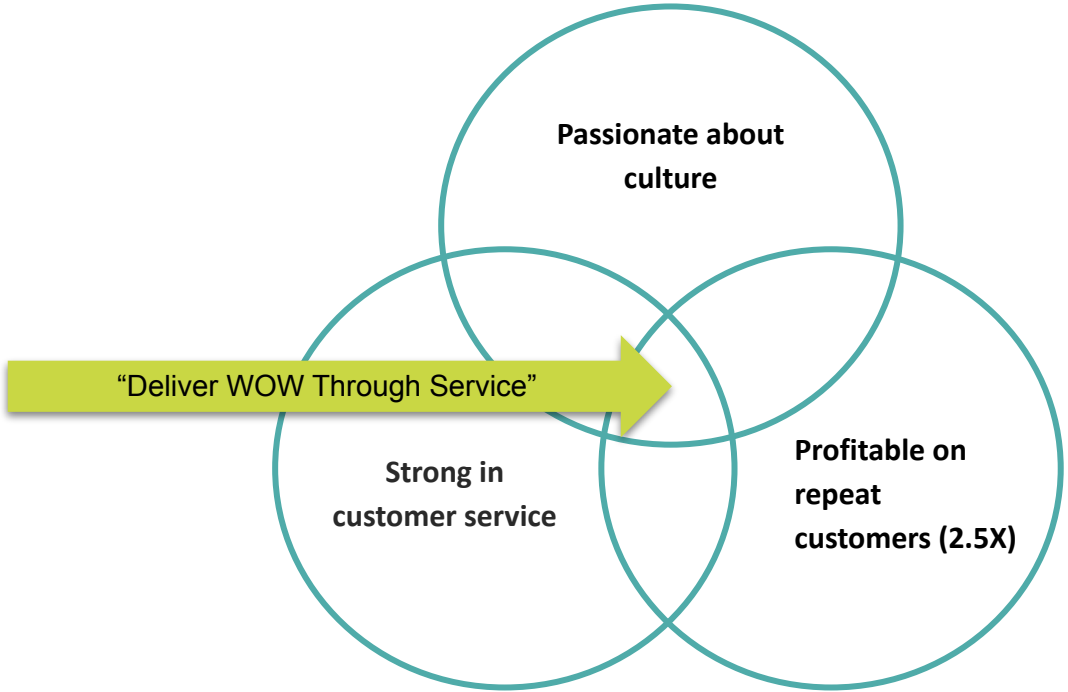
In ten years, Zappos grew from zero revenues to over $1 billion before being acquired by Amazon.

Strategy



Utilize relatively little advertising or marketing and rely on word of mouth and customer loyalty

Invest in the call center not as cost, but the opportunity to market and create true emotional connections

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Industry's Metrics Worked Against It

- Order-from-home companies focused on average sale (upselling) and "average handle time" (less contact per sale)
- Zappos' strategy was based on the brand differentiator of customer service
- The company ***stopped measuring*** length of calls
- Happiness Experience Form: a 100-point experience scale (80+ goal)

> "*At Zappos, we don't measure call times (our longest phone call was almost six hours long!), and we don't upsell. We just care about whether the rep goes above and beyond for every customer.*" - CEO Tony Hsieh

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Zappos
Jewelry | Zappos True Customer Story
Watch later
Share
ZAPPOS CULTURE
REAL CUSTOMER STORY!
Watch on YouTube

If you could pick only one metric to systematically increase over time, what would have the greatest and most sustainable impact?

It’s ok not to know yet.

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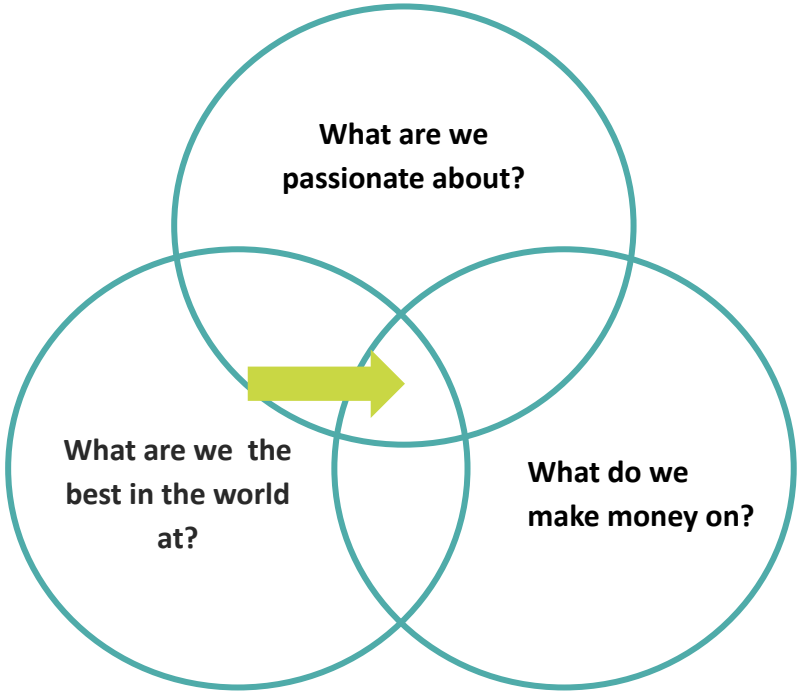
Best strategy occurs when we use our company's unique skills to implement something that is harder for our competitors.



Passion
+Performance
+Profitability
Advantage

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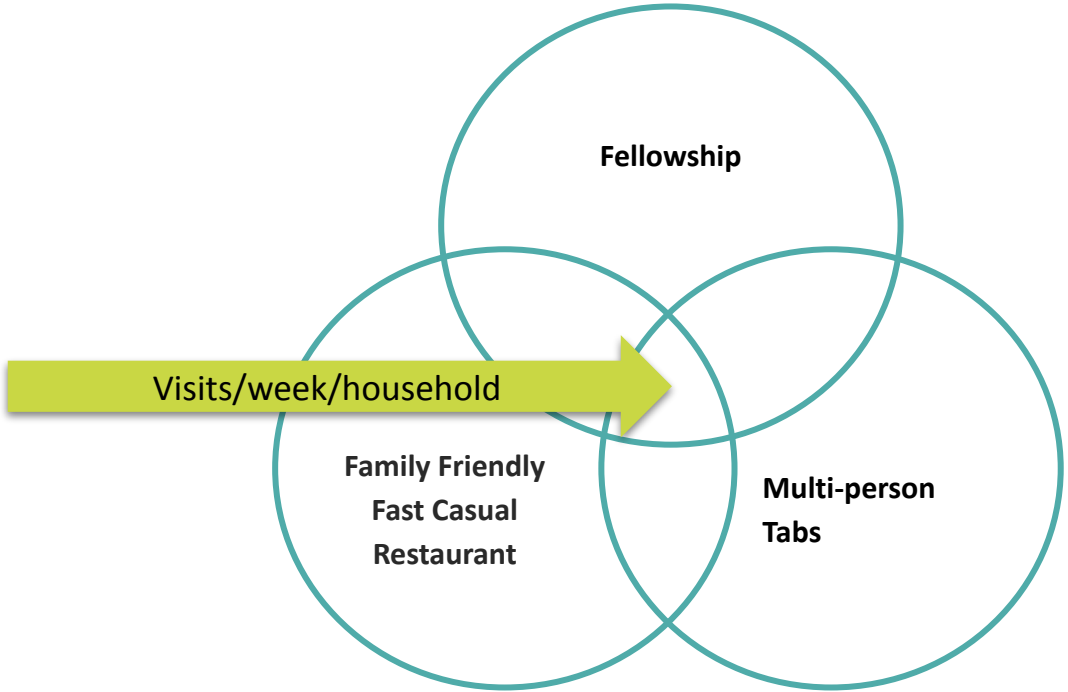
Example

Strategy: be the hangout for local families



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Cross-selling

Lifetime Customer Value

Lifestyle Brand

Revenue From

Opted-in Community

High Touch

Growth in Heavy Users

(3+ visits/yr, telehealth and messaging)

Loss Leader

Ratio of Acquisition Cost to Lifetime Value

Reputation-driven

Students Enrolled in Top 100 Programs

Fundraising

% Donor Match

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Open Mic: Any Topic



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