Building
meaningful
trajectories
to understand
progress to a
business
target

encompass

consulting services

Are you looking to accelerate scale to reach political or customer targets?

Are you lacking clarity on how you are trending against your most important multi-year targets?

It is an immutable truth that organisations, corporates, government departments or non-profits have targets in place. Strategic targets are set across multiple years and require significant growth to reach ambitious political, shareholder or customer obligations. Tactical targets are more immediate and generally aim to solve specific challenges or goals.

Targets play a critical role in maintaining organisational focus, however can often feel esoteric for many, especially if you don't have a regular visible gauge of how you are progressing against them.
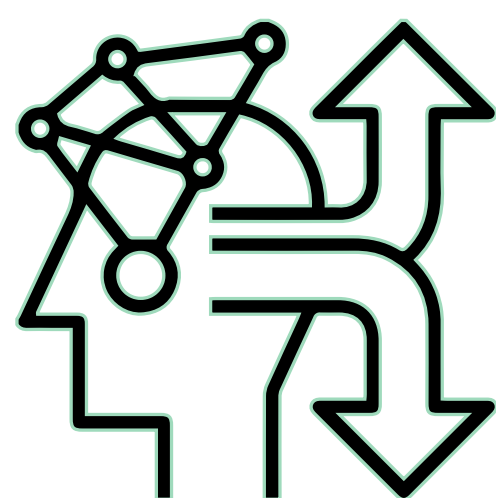
At Encompass we drive disciplined delivery with a data led approach. Data is essential for making informed decisions and ultimately improving business performance. One of the first delivery disciplines we implement with all organisations we partner with is target glide paths, also known as trajectories. Trajectories are an evidence-based projection of the performance levels your organisation will achieve as it pursues the target. They provide a landing range by which to make decisions from.

"If you don't know where you are going, how can you expect to get there?"

- Basil S Walsh, American businessman

Trajectories, when done correctly, can provide direction and guide delivery teams as well as executives on where you are going under several different scenarios. Trajectories have a powerful visual impact that can clearly communicate the gap between current performance and expectation at any point in time.

Many organisations struggle with trajectories as they are challenging to establish especially when there is limited evidence available. Delivery teams often strive for perfection in scenarios where improvement initiatives may not directly correlate with uplift on the trajectory line. Delivery teams may be uncomfortable to bake in assumptions that, ultimately, may not come to fruition. As such, in organisations where trajectories are a new concept, providing reassurance from leadership that iterations and updates to landing ranges are acceptable as the project progresses and more data becomes available.

Encompass' top tips for building meaningful glide paths/ trajectories are as follows :

Target line

Always start the process by mapping out the business target over a logical series of time horizons. If your target is over several years, with no interim milestones, it often makes the most sense to pro-rata the target evenly each year.
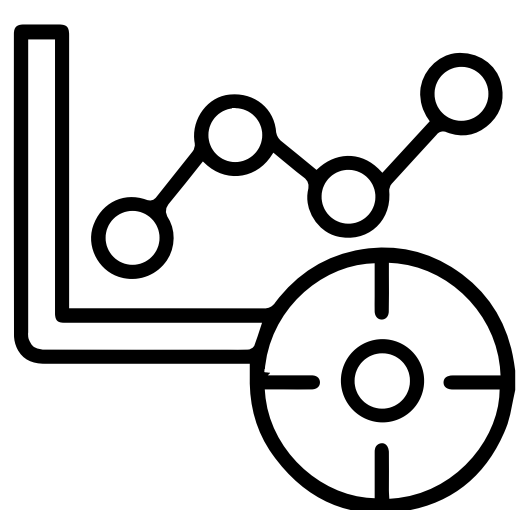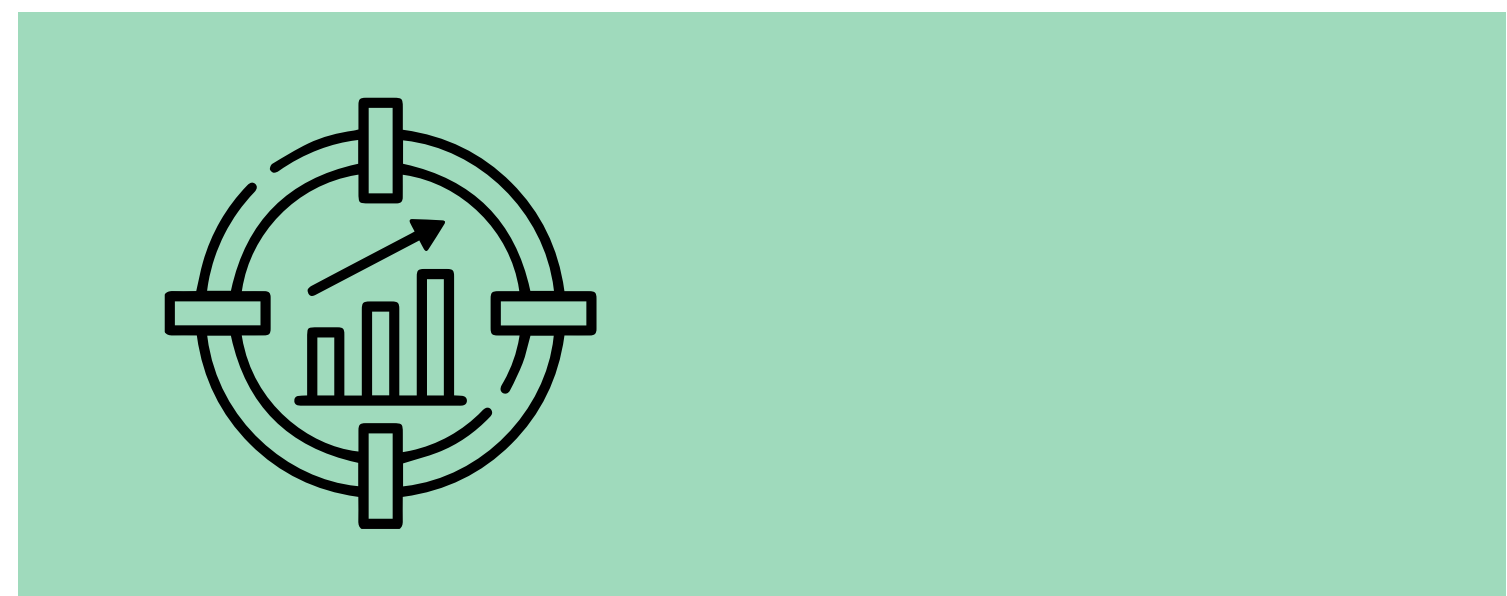
Historical performance to build the 'change nothing' scenario

Once your business target has been plotted, the next step is to map out the historical performance of the specific metric. By taking the historical median or mean of this business target to predict the future performance you can build a 'change nothing' scenario. This scenario shows stakeholders if all things were to remain the same, how the organisation would likely perform. If this change nothing plotted line sits below the target line, it gives the organisation a good indication of the remaining gap to target. This is an important step as it guides the magnitude of required incremental uplift to achieve your business target.

Mapping program, project, or initiative contribution ranges

Contribution ranges are where all the discrete, pieces of work contributing towards the specific business target put forward a predicted range of their potential impact. These ranges are based on a series of assumptions, they don't have to be perfect and can be iterated over time as lead indicators are realised. This is the most challenging part of implementing trajectories and can often take several iterations to increase delivery teams' comfort with the process. Once all the contribution ranges are aggregated on top of the 'change nothing' scenario, it can be seen whether the target is planned to be met, and by how much contingency. In the worst case, the 'change nothing' plus the contribution range may still show a gap to target, at which point additional initiatives may be commissioned to close the gap.

Trajectories are a tool for understanding an organisation's progress towards its business target

Indicative Target Trajectory
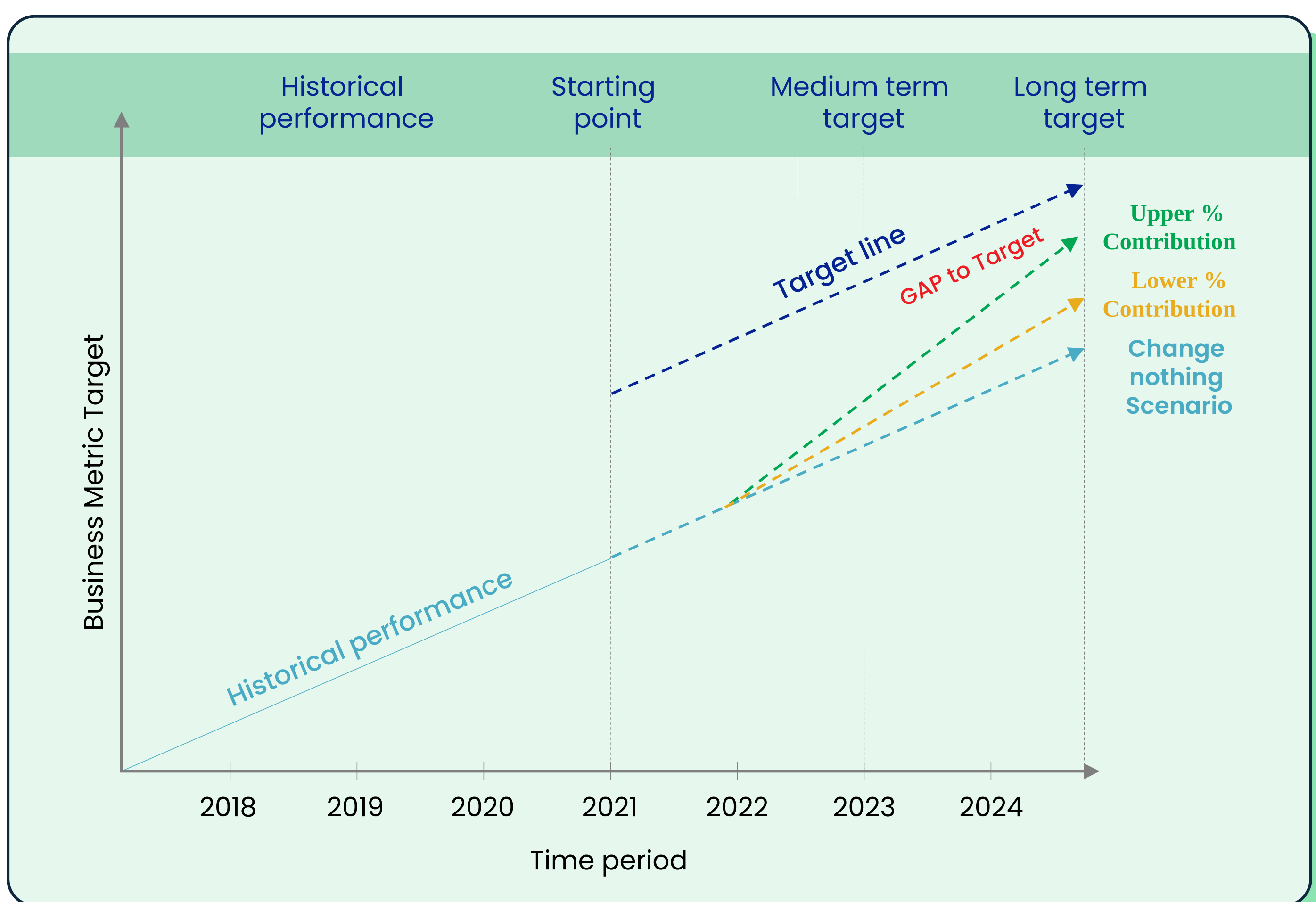
Mapping contribution Ranges Approach

Trajectory setting metric	:	Metric Name
Any required uplift to target	:	Yes
Source of uplift identified	:	Partially
Number of contributing programs	:	4
Gap to Target		

					SCOPE				
Intervention Name	Type of Program	Stage of Delivery	Scale	Lower % contribution (Estimated lower contribution to scale)	Upper% Contribution	Impact Timing	Assumptions	Lead Indicators (s)
P1	Pilot	Delivery		5%	10%	2022 (Mid)		
P2	Enabler	Initiate		2%	3%	2023 (Start)		
P3				4%	6%	2023 (End)		
P4				5%	6%	2024 (End)		
Total				10%	15%			
				Lower contribution	Upper contribution			

Given contribution ranges are the most challenging element of a trajectory, Encompass recommends adopting the following principles to establish them:

- Allocate one Executive per business target to take accountability for leading the trajectory setting process. Generally, this is the Executive who is accountable for the largest number of programs contributing to this target.

- Top-down communication on the importance of being able to scope programs of work with estimated contribution ranges and evaluative processes. Re-iterating progress over perfection in this process is critical.

- Hosting a series of collaborative, trajectory sessions across all programs, project or initiatives contributing to the business target. The output of these sessions should be a view of scale (size of the impact), scope (lower% - upper%, estimate of benefit) and timing (when the benefit is expected to be realised) per program. To do this process properly it requires having some evidence or clear assumptions of the potential impact of particular interventions.

- Ensure all contributing ranges are mutually exclusive and you are not double counting uplift across pieces of work.
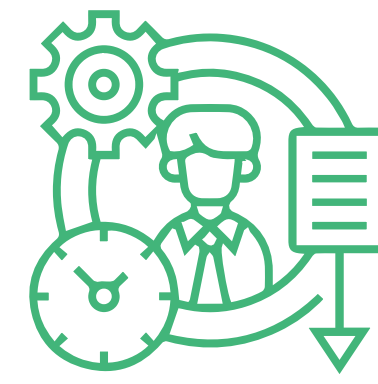
- Document and monitor contribution assumptions, and update ranges as assumptions are either proven or disproven. Lead indicators or pilots can help with this.

- Use the trajectories to guide decision making, understand if planned programs are sufficient to achieve the target or if gaps still exist, the possibility for scope to be expanded, program benefits to be expedited or additional initiatives to be introduced.

Are you ready for transformation?

Encompass Consulting Services partners with state government, federal government and corporates to develop tailored solutions that turn strategy into results. Driven by evidence-based decisions, data underpins everything we do.

We leverage metrics and analytics to identify gaps, inform priorities and drive delivery. Get in touch to improve your organisation's data fluency, measure performance, and shift from subjective to objective decision-making.

Looking for support? Reach out to our Lead Client Partner, Francesca Hayes
francescahayes@encompassconsultingservices.com