

The AIM Test: A Simple Way to Pressure-Test Your Metrics

Not all data deserves a place on your dashboard. The AIM Test is a quick filter to cut through the clutter and focus on metrics that truly guide decisions, shape behavior, and deliver clarity.

BY JONATHAN KATZ

We've all been in the meeting. Someone calls for better **KPIs**. Another insists on the project being data-driven. Before long, the word "dashboard" enters the conversation, followed by a sprawling list of metrics. Everyone nods, but no one knows which numbers are important.

That scenario is all too common. The intent is sound—teams need insight and numbers—but somewhere between setting goals and generating reports, clarity gives way to clutter. Metrics multiply, and the meaning gets lost. The result is an elaborate system that tracks everything but influences little.

That's why I developed the AIM Test. It is a simple way to cut through the noise and determine if a metric *actually* matters.

The AIM Test

If a metric is going to earn its place, it must be three things:

1. **Actionable** – It should help someone make a real decision.
2. **Intentional** – It should reinforce the behavior you want to encourage.
3. **Measurable** – It should be clearly defined and consistently calculated.

The AIM Test is not a framework; it is a filter. It doesn't stop you from using **SMART Goals** or **OKRs**, but instead tells you whether what you are measuring with them is worth the trouble. And in most cases, it leaves you with fewer metrics, not more. Because when everything gets tracked, nothing gets used.

A = Actionable: Does the metric help guide a real decision or action?

The purpose of measurement is to support "data-driven decision-making." If a metric doesn't help determine what to do, when to act, where to focus, or how to adjust, then it is not adding value. It's not aiding in any "decision-making."

Part of the challenge teams and executives face when working with data involves volume—too many metrics slow down the decision-making process. **Hick's Law** explains: The more inputs one must consider, the harder it becomes to choose. A dashboard full of metrics might feel comprehensive, but in practice, it creates hesitation. People spend more time reviewing the numbers than deciding what to do.

That's why the starting point matters. Most teams begin by listing what numbers they want to track. A better approach, however, is to start with a list of the *decisions* that need to be made. Then the team can determine what kind of data would support those decisions.

The **McNamara Fallacy** provides a good example of what can go wrong when you focus on what's easy to measure rather than what matters. During the Vietnam War, Secretary of Defense Robert McNamara relied heavily on enemy body counts to measure the war's progress. It was easy to collect data, but the numbers didn't reflect the actual conditions on the ground or the likelihood of success in battle. Instead, they gave the Pentagon the illusion of objectivity but did little to guide better decisions.

The same thing happens in business reporting today. We rely on the data that is easiest to extract instead of that which is most useful. It creates a sense of being informed without improving the way choices are made. Consider the difference between a metric that merely describes activity and one that actually guides action. Here are two examples that show the contrast:

POOR METRIC:
"Average handle time"

This metric tells you something changed, but not what to do about it. A lower number could mean better performance or rushed conversations. A higher number, meanwhile, could reflect complexity or inefficiency. On its own, it raises questions without pointing to an answer.

BETTER METRIC:

"Handle time by rep compared to resolution rate"

This gives you something usable. If a rep has a longer handle time but a high resolution rate, you might leave them alone or even model their approach. On the other hand, if another rep has short handle times but is resolving fewer cases, it points to a coaching opportunity. The data doesn't just track a trend; it helps you make a targeted decision about where to step in.

THE TEST:

If the metric was removed from reporting, would anyone notice? And if the number changed significantly, would you take a different action because of it?

Simply, if the data doesn't help guide a real decision, it doesn't belong.

I = Intentional: Does the metric reinforce the behavior you want to encourage?

People respond to *what* gets measured, whether you want them to or not.

That's why this part of the AIM Test focuses on behavior: not just what the metric tracks, but what it encourages. In short, if the team is working to improve a number, are they doing what you want?

The **Cobra Effect** offers a classic example of this risk. During British colonial rule in India, officials offered a bounty for every dead cobra. As a result, locals started breeding cobras to collect the reward. When the policy was canceled, the breeders released the snakes, and the cobra problem escalated. The metric was clear, but the behavior it drove made the outcome worse, not better.

A metric can look clean and show an encouraging trendline, but it may be rewarding the wrong behavior and ultimately lead to an undesired outcome. Consider these two examples:

POOR METRIC:

"Number of reported defects"

Another example involves a manufacturing facility, where the quality team was being evaluated by the number of reported defects—the fewer, the better, at least on paper. To improve their numbers, the team began underreporting: Small issues were skipped, some were logged late, and others were not recorded at all. But finding problems early is the entire point of quality control. In this case, the team's behavior shifted from identifying issues to avoiding them.

BETTER METRIC:

"Defects identified during inspection" or *"Average time from detection to resolution"*

A better metric would have been "defects identified during inspection" or "average time from detection to resolution." Both make it clear that what matters is finding and fixing, not hiding and avoiding.

This is where **Goodhart's Law** applies. It states that when a measure becomes a target, it often ceases to be a good measure. People manage the number instead of managing the work. And that's what this part of the AIM Test is designed to catch. You're not just asking what a metric shows; you're asking what it rewards.

THE TEST:

If someone focused on improving this number, would they be doing the right thing?

M = Measurable: Is the metric clearly defined and consistently calculated?

This part of the AIM Test often gets overlooked. A metric sounds helpful and everyone agrees on the concept, but it's added to the dashboard without a clear plan for how to calculate it.

If you can't define it, it's not real.

A good metric needs to do more than "sound right." It needs a clear formula, a reliable data source, and a method to calculate it that holds up over time. If people interpret it differently or frequently need to ask for an explanation, it's not going to be helpful.

More likely, confidence will fall, and people will stop using the number when making decisions. Behavioral researchers call this **Ambiguity Aversion**. When a piece of information feels unclear, people tend to ignore or delay acting on it, even if it's important. Consider these two examples:

POOR METRIC:

"Fulfillment efficiency"

A team wanted to track "fulfillment efficiency," so they created a PowerPoint slide, which sounded strategic in their presentation, and earned nods of agreement from the entire room. However, when the metric was reviewed a week later, no one could agree on what it really was. Some thought it was cost per transaction, others assumed it was cycle time. A few had a completely different formula in mind altogether. Every time the number arose, it sparked more confusion than clarity. It didn't guide the team; rather, it slowed them down.

BETTER METRIC:

"Average time from request to fulfillment, based on system timestamps"

Had they been more deliberate in their planning, the team might have come up with the more clearly defined metric, "Average time from request to fulfillment, based on system timestamps." It has a source, a formula, and a definition that holds up when the conversation gets real.

THE TEST:

Can we define what this metric means in plain English, state the formula, identify the data source, and calculate it the same way every time?

A metric doesn't need to be perfect. But it does need to be defined well enough that people trust it and can use it consistently.

Putting the AIM Test to Work

The AIM Test is designed to simplify metrics by identifying what behaviors, processes, or outcomes should be measured to achieve your goals.

Most teams already have more metrics than they need. Determining which ones are worth keeping or paying attention to is the hard part. That's where the AIM Test comes in. Applying it should result in fewer, clearer, and more impactful metrics—numbers that truly help drive "data-driven decisions"

and measure desired outcomes.

How to apply the AIM Test in four easy steps:

Start with the decision. What choices does the team need to make? What kind of data would help support those decisions?

Check the behavior. If someone focuses on improving the number, are they doing what you want them to do?

Keep it clean. Can the metric be understood without a five-slide appendix detailing what it means, where it comes from, or how it's calculated?

Cut the noise. Has the metric shaped a decision, led to an action, or sparked a conversation in the last 90 days? If not, it's probably unnecessary.

THE FINAL TEST:

If your team hit the target, would you be confident in how they got there? Was it something worth AIMing for in the first place?

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