

# Diagnosing Your Control System

*A structured framework for executive reflection and team discussion*

Use this diagnostic to assess whether your organization's control systems are aligned, balanced, and fit for purpose. Rate each area and identify where controls are working—and where they're working against you.

## 01 Strategic Alignment

- Do our metrics reflect what actually drives strategy?
- Are we measuring outcomes or just activity?
- Are any important strategic priorities not measured at all?

## 02 Balance of Control Types

- Are we overly reliant on one type (e.g., metrics or rules)?
- Do we invest enough in hiring, training, and culture?
- Is there an appropriate mix of: input, behavior, output, and clan controls?

## 03 Behavior vs. Outcomes

- Do people focus on "hitting the number" or "doing the right thing"?
- Are metrics being gamed or manipulated?
- Do incentives encourage short-term results at the expense of long-term value?

## 04 Speed vs. Control

- Do controls slow down decision-making unnecessarily?
- Are approvals layered and redundant?
- Where are bottlenecks in the system?

## 05 Innovation vs. Discipline

- Do controls discourage experimentation or risk-taking?
- Can teams test ideas without excessive approval?
- Are failures treated as learning or punished?

## 06 Accountability Clarity

- Is it clear who is responsible for outcomes?
- Do overlapping structures create confusion?
- Are decisions pushed to the right level?

## 07 Informal vs. Formal Alignment

- Does culture reinforce or undermine formal controls?
- Do people follow the system—or work around it?
- Are informal networks doing the real coordination work?

## 08 Financial Control Systems

- Do budgeting processes support strategy—or constrain it?
- Are resources allocated to highest-priority initiatives?
- Are variance reviews used for learning or blame?

## 09 Scaling Readiness

- Will current controls work at 2× or 5× scale?
- Are we adding controls reactively (after problems)?
- Is complexity increasing faster than clarity?

## 10 Symptoms of Control Failure

- Missed targets despite effort
- Siloed behavior
- Slow decisions
- Risk avoidance
- Metric gaming

**Scoring Scorecard** — Rate each section as Strong, Mixed, or Weak

Area	Strong	Mixed	Weak
Strategic Alignment			
Balance of Control Types			
Behavior vs. Outcomes			
Speed vs. Control			
Innovation vs. Discipline			
Accountability Clarity			
Informal vs. Formal Alignment			
Financial Control Systems			
Scaling Readiness			

**Three Guiding Questions**

<b>Where are we over-controlling?</b>	<b>Where are we under-controlling?</b>	<b>Where are we controlling the wrong things?</b>
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**Debrief Question**  
*What is one control in your organization that is creating the wrong behavior?*

*“Most organizations don’t lack controls—they have the **wrong ones.**”*

