

FIELD NOTES FOR THE CFO · DEPLOYMENT STRATEGY

The Damage Has No Name

Why the fastest driver on the report can be the most expensive one in the ledger, and how to trace three lines of damage to a name

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Cover: Pieter Bruegel the Elder, The Parable of the Blind, 1568

The argument in one page

Speed is measured the same minute, with a name. The damage it causes is booked weeks later, without one.

Both numbers reach the finance team. The productivity report shows the fastest drivers; the maintenance and shrink accounts show the repairs and the write-offs. In the books I have seen, nobody could subtract one from the other, because nothing connected them. The cost is not hidden. It is recorded in an account with no cause attached. That makes it a deployment failure too: the system went live measuring one thing, and nobody owned what it left unmeasured.

1. **There are two clocks.** One pays in real time, by user code. The other charges later, to nobody.
2. **A bonus on the first clock buys damage on the second,** and the people earning it are doing what they are paid for.
3. **So trace three lines of damage to a shift and a decision.** If nobody can, the bonus is paying for them.

Fast on the report

In one warehouse I worked in, shift supervisors celebrated certain forklift drivers for the pallets they moved per hour. Their speed was measured in real time, tied to each driver's user code in the warehouse system, and it fed bonuses and recognition.

The damage came with the speed. Forks that went in too fast or out of line crushed the bottom cartons. Pallet blocks and boards split. Rack uprights took direct hits and bent.

None of that reached the drivers' numbers. It was recorded weeks or months later, consolidated into generic maintenance or shrink accounts, with no trace to whoever caused it. The drivers stayed in the job for years, and nobody corrected them, because by the books they were the best.

My reading: they were. The report measured one thing, and they were the best at it.

Expensive in the ledger

In a cold store, the bent uprights became a structural risk. Whole modules and aisles were sealed off with safety tape, and the chamber ran at about half its usable capacity. It kept cooling the whole volume anyway, empty positions included. When it was reported, the answer from middle management was, in effect: if it’s broken and it works, leave it.

Donald Campbell argued, in a paper first circulated in 1976, that the more a quantitative social indicator is used for decisions, the more it is subject to corruption pressure, and the more it distorts the social processes it is meant to monitor. Pallets per hour was used to decide bonuses. It did its job, and it also drove the damage.

For a finance team, this is where it sits in plain sight. The productivity gain sat in one report and the cost of the damage in three accounts: maintenance, shrink and energy. Each line was correct. None of them carried a cause, because those accounts had no field for the shift or the operation.

The fast driver is not the problem. The two clocks are.

Trace three lines to a name

IN THE LEDGER	WHAT TO ASK
Rack repairs and uprights in maintenance	Which aisle, which shift, which truck? If nobody knows, the bonus is paying for it
Stock written off as damaged or shrink	Damaged, lost or never received? The write-off code should say which
Energy for a store running half empty	How many positions are sealed off, and since when? Date them: that is the energy line’s cause
Claims for crushed cartons	Which loads, which shift, which hour?

Two rules for the books.

1. **Put the damage on the same clock as the speed.** Make a reason code (damaged, lost, never received) and a shift mandatory on every write-off and every maintenance work order, recorded when it happens.
2. **Charge the operation that owns the bonus for the repair and for the capacity the damage seals off,** not a pooled account: positions out of use times the days, plus the energy to cool them, counted at every close by someone outside the operation. Then leaving a rack broken stops being the cheap option. The driver is not the owner of the fix: charging drivers for damage the bonus rewarded them for risking would mostly teach them to hide it.

Both rules are my design, not a tested result.

What this does not prove

- **It is one site, from memory.** I have no documented figures; “about half its usable capacity” is my recollection.
- **Campbell stated a tendency.** He did not study forklifts or warehouse bonuses.
- **The two clocks are my reading.** They would be wrong if, with damage recorded on the same clock as the speed and the bonus unchanged, the damage stayed where it was.
- **The middle manager’s words are as I remember them.** Why he chose to leave it is my interpretation, not his statement.

One question for your next close. Pick three lines from last quarter’s maintenance and shrink accounts. Can anyone tell you which shift, which truck and which decision produced them?

About the author

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I grew up on a sheep ranch in Patagonia, where my father's rule was simple: reading is worth nothing if you can't see it on a working day. I still work by it: I measure before I cut, and no tool or method beats what works on the floor.

Thirteen years in Chile, Argentina and Australia taught me that supply chain is not just logistics: it is the whole pipeline, which is why it ends up putting out fires that start elsewhere. A promotion planned in marketing becomes expedited orders in purchasing and a blocked aisle in the warehouse. I would rather find where the leak starts. On one gemba walk, mixed, short and damaged orders led back to a per-operator productivity KPI tied to a bonus; I retired the metric and measured customer satisfaction instead.

I have worked most of that pipeline: planning for more than 200 stores, a three-site logistics operation, a USD 30M cross-border e-commerce P&L and a 50,000-SKU warehouse-system cutover, where I stayed on the floor until the shortcuts died and order processing time fell 20%. Deployments live or die inside that pipeline, and that is where I work. I learned to code in C; today I build with AI coding agents, keeping the math and the rollback in my hands.

Available for pre-cutover forensic audits, deployment strategy, and Forward Deployed roles.

From my manuscript, *The Deployment Chasm*.

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Sources

- Campbell, D. T. 1979 (first circulated 1976). “Assessing the impact of planned social change.” *Evaluation and Program Planning* 2(1): 67–90. doi.org/10.1016/0149-7189(79)90048-X

Image. Public domain: Pieter Bruegel the Elder, *The Parable of the Blind*, 1568. Museo di Capodimonte, Naples. The leader is already in the ditch; the others, each holding on to the one in front, are about to follow.

Field cases. My own observations, written after the fact; their figures are estimates from memory. The employer is described, not named.