

Ally News

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FROM THE PRESIDENT

Michael B. Bender, PMP



Thank you for your interest in Ally Business Developers. Ally is proud to continue our long-term tradition of offering thoughts, ideas, and concepts through our

newsletter.

If you've been with us a while, you'll know that there's been a dry spell with publishing the newsletter. For better or worse, writing the book has taken precedence.

The good news is the book is now in the hands of the publisher. It is currently scheduled for release in July (July 10th is the current scheduled release date). More on this later.

The other good news is now that the book is (almost) done, I can get back to the newsletter.

Consequently, our featured article for this issue targets the core focus of the book: the concept that projects and project management adds value.

I always welcome comments and suggestions. Please feel free to e-mail me at MBender@AllyBusiness.com.

MR. BENDER'S BOOK SCHEDULED FOR RELEASE

Ally Communications Department

Well, it's been way too long in coming, but finally, the manuscript is in the hands of the publisher.

Interestingly, when I first started the book, I planned to focus the book on how projects and project management adds value to organizations. Furthermore, the more mature you are in project management, the more value you add.

Since I started writing the book, we've seen the greatest an economic cataclysm of our lifetime. The reason for the catastrophe: hiding, disguising, and mis-managing value.

The book's title is, "**A Manager's Guide to Project Management**" and is scheduled for release July 10. The publisher is Financial Times, an imprint of Pearson publishing.

You can pre-purchase the book for a substantial discount on Amazon.com. Do a search on "bender a managers guide to project management".

Special Thanks

I wish to offer special thanks to those who have helped me in this effort. Non-disclosures and confidentiality forbid listing specific names, but you know who you are: my good friends in Boston, Florida, California, Illinois, Virginia and North Carolina. To all those who received and offered comments on the galley copy and who have tolerated me during this effort: Thank You.

ALLYNEWS GOES GREEN!

Ally Communications Department

Our long-term subscribers know we publish primarily in paper format and send this letter through the US postal service. There have been several reasons for this, many of which have vanished.

For these reasons, we've decided to go green! We are now promoting e-mail

distribution for our newsletter. During this transition period, we will continue to publish in both formats. Over time, we will convert our mailing list to e-mail format.

Ally honors your time, and respects the number of e-mails you get. We eventually plan to offer the newsletter in three formats: e-mail, e-mail notice with PDF download, and USPS.

We're encouraging our subscribers to review your preferences. You can select a new format by visiting www.AllyBusiness.com/allyNews.html.

FEATURED TOPIC: THE PURPOSE OF PROJECTS AND PROJECT MANAGEMENT

Michael B. Bender, PMP

In an earlier article, I suggested that the purpose of work was to achieve a goal. This concept has now become a critical business concern. The next logical question is, "what goal?"

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AllyNews goes Green!

AllyNews is now published on-line and through e-mail.

Featured Topic:

The Purpose of Projects and Project Management.

Submit comments and suggestions or to be removed from the mailing list, visit:

www.AllyBusiness.com

Let's examine the primary kinds of work in which organizations engage and see if we can determine their purpose.

The Purpose of Organizational Work

For this discussion, let's consider three kinds of work: projects, process (*operations* in some disciplines) and research. As our focus covers projects and project management, let's introduce the other forms first.

The Purpose of Process (Operations)

Formal, modern business process management began over 100 years ago when Henry Ford developed the production line. Frustrated with the high cost and low quality of his initial automobiles, Mr. Ford developed a refined business process by developing the production line.

Every car he sold added value to his company through sales dollars. He invested his dollars in developing highly-consistent quality-focused production. He sold cars for more than the production cost, increasing this organization's value at a consistent rate.

THE PURPOSE OF A BUSINESS PROCESS IS CONSISTENT VALUE INCREASE

Now, this concept pervades almost all of our business concepts today. TQM (Total Quality Management), Six-Sigma, Ed Deming, MBA programs all focus on this concept: cost-efficient, consistent production.

Historically, this concept has been highly successful — it certainly has helped the US become a super-power.

The Purpose of Research

If you're tempted to skip this section because you think the purpose of research is obvious, you'd only be partly right.

Yes, the purpose of research is discovery. However, there is one critical aspect missing: the discovery must add value. Let's look at some bad examples.

Pfizer invents Lipitor and makes billions. It invests these billions in research over the next 5-6 year, which results in no major drug discovery.

In another example, a seminar attendee approaches me and tells me that he's been on a research project for over 10 years. I ask him when he thinks he can produce a tangible result (I decide not to go with a "marketable result"). He says there's no end in sight. I suggest he not tell that to his manager — if I heard that, I'd terminate the project on the spot.

The drug companies want you to believe the incredible expense required to produce drugs. Researchers profess how difficult it is to predict results. The result is pure and simple mismanagement.

Five billion dollars with no major results is mismanagement. Ten years of looking for a specific result and with no hope in sight is mismanagement.

THE PURPOSE OF RESEARCH IS VALUE-ADDED DISCOVERY

Research must be focused. Research must produce tangible results. Its purpose is not the curiosity of a single individual, it's purpose must be to add value to the organization, and community, the country, and the planet.

The Purpose of Projects and Project Management

The conundrum now presents itself. Clearly, one of America's best assets is innovation. We invented everything from electricity (well, we at least discovered it) through the vacuum tube through the transistor, to the computer.

We're also great at consistent processes: after all, we invented the production line.

What's missing? The transition from discovery to consistent process — that is: projects and project management.

Historically, this was not an issue. Once we developed a product, we could sell it for a long period of time with little or no innovation. Inefficient project management was not a major issue.

Today, innovation occurs at much more rapidly. Product life cycles are much shorter and the cost of taking an innovation to market is now a significant part of the product's life-cycle cost.

Products aren't the only things changing. Markets, emerging countries,

and increased information transfer force us to continuously improve our internal business processes. Managing change is more important than ever.

Yet, not every discovery adds value. This leads us to a very simple conclusion:

THE PURPOSE OF PROJECTS IS VALUE-ADDED CHANGE

Projects are not our only concern. We also are concerned with project management. Project management, however, is actually a business process — an activity whose purpose is consistent value-added. In other words,

THE MORE CONSISTENTLY WE APPLY PROJECT MANAGEMENT, MORE EFFECTIVE WE CAN CONVERT DISCOVERIES INTO BOTH PRODUCTS AND MORE EFFICIENT PROCESSES

The United States currently is making a grave mistake — the same mistake made by most successful organizations. The mistake is that believing the key elements that made you successful once will continue forever.

Summary

We do not need to abandon our innovation, research and discovery — we simply need to focus it. We do not need to abandon our skills in business process management. We simply need to realize that successful process life cycles are shorter than they used to be. Our key focus, however, is in projects and project management — identifying those discoveries that are valuable, and converting those discoveries into value-added processes.

It's why Toyota is beating GM, Ford and Chrysler. Toyota gets new ideas to market so much faster than "the big three" that they dominate the market. Toyota knows project management. The "big three" know process management. When GM, Ford and Chrysler figure this out, they'll be back on top.