

Ally News

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FROM THE PRESIDENT

Michael B. Bender



Some interesting events have occurred over the last several months which have inspired the next series of featured topics. These events include: a request

by a colleague to write a seminar on project metrics, President Obama's mandate for transparency in government, and a (government) client trying to get a handle on their internal processes to support those mandates.

The article is too long for a single issue. In this issue, I discuss the problems facing metrics and true accountability. The next issue will present simple and pragmatic methods for handling earned value. The final issue will present concepts on how to capitalize on your change management systems to drive improvements.

We hope you enjoy this newsletter. Please feel free to offer comments and suggestions at your convenience through our web site: www.AllyBusiness.com.

NEW PRO-1 SERIES SEMINARS PLANNED

Ally Communications Department

We're proud that our first Pro-1 seminars were very successful. Based on the feedback from the attendees, Ally is pleased to announce that we'll be adding two more seminars to the series. Also, based on feedback from the group,

WE WILL OFFER THE PRO-1 SERIES SEMINARS ON SATURDAYS!

The first new seminar: *Project Management Metrics Pro-1* will be based on the article below. It will present practical and usable techniques employing earned value and integrate change management metrics to identify areas for improvement.

The second seminar, *Program Management Office Pro-1* will cover how to establish and implement a successful PMO in your organization. Check Ally's web site for schedules and cities: www.AllyBusiness.com/seminars

SEMINAR SCHEDULE

Ally Communications Department

Ally has published our plans to run public seminars through the rest of the calendar year. Note that:

ALLY IS IMPLEMENTING SPECIAL RECESSION PRICING!

We'll be running three *PMP Exam Prep Boot Camps* between now and the end of the year. One in September, one in November and one in December. Price is \$1995 with discounts for early registration, PMI members and Chicagoland PMI members.

We are running our 3-day *Successful Project Management* at the end of August in Chicagoland and in October in Washington DC; and two Pro-1 series seminars each month. Several Pro-1 series seminars will run on Saturdays.

FEATURED TOPIC: PRACTICAL PROJECT METRICS

Michael B. Bender, Sr. Partner

The Illusion of Accountability

A business partner recently asked me to develop a course on project management metrics. My reaction surprised even me. I stated that developing the course would be very easy for me, as I've consistently promoted metrics and accountability through my seminars and consulting for many years. I also indicated that the course would never sell - no one wants accountability. Her reaction, "That's true, but people want the illusion of accountability".

Coincidentally, I read an article by Bill Waddell, a noted manufacturing consultant and author that supports this concept. In his article, (entitled "The Hollow American Economy: A Clarion Call for Leadership", May, 2009), he quotes an article from the Bureau of Labor and Statistics (BLS), "The Effect of Outsourcing and Offshoring on BLS Productivity Measures", March 26, 2004. The quoted paragraph reads:

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Featured Topic:

Practical Project Metrics

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Conceptually, the impact of offshoring is more pronounced in manufacturing measures than in the business sector measures, provided the domestic manufacturer is purchasing the offshored goods or services as inputs ... If a domestic computer manufacturer switches from domestic to foreign suppliers of intermediate inputs such as computer memory chips or call center services, real manufacturing [sectoral] output is unchanged because the real value of the computer is unchanged. Because U.S. jobs are lost (all other things unchanged), labor productivity will rise. If the U.S. manufacturer switches most of its production to off-shore facilities, labor productivity might rise substantially.

In my mind, I followed the last statement to its logical conclusion:

***WE COULD MAXIMIZE OUR
LABOR PRODUCTIVITY BY
OFFSHORING EVERYTHING.***

As a small business leader, for many years I've wondered how the US government can lay claim to substantial productivity improvement as I've watch jobs lost to overseas companies and true productivity decrease. Now I understand. The government is basing its decisions on (in my opinion) lunacy. This is demagoguery at its finest.

Note: Bill's article describes other concerns regarding the current economic situation. If you're interested, you can read the entire article at http://www.bill-waddell.com/images/CLARION_CALL_MASTER.pdf.

The BLS report can be found at <http://www.bls.gov/lpc/lproffshoring.pdf>.

Many companies exhibit similar problems. In the 1990's, the Regional Bell Operating Companies (RBOCs) used head-count as a metric. To increase productivity and profitability, departments were told to reduce head-count. They did, by laying people off, then bringing them back in as consultants.

Another company I know required all employees to record 40 hours/week on

their time card, no matter how many hours they actually worked.

***TRUE ACCOUNTABILITY MUST
BE BASED ON TRUE,
ACCURATE METRICS.***

The Purpose of Metrics and the Fear of Accountability

Demagoguery is not the only reason we manipulate metrics and disguise accountability. We sometimes do it out of fear.

I did my first training program for the American Management Association (AMA) back in 1995. If you've ever done a public speech, you know the fear. Add the fact that this was my first speech for a major, international training organization and that my final evaluation scores determined my fate. Obviously, I survived.

Management trainers likely are the most evaluated people on the face of the Earth. At the end of every seminar, we pull the final evaluations, which allow the attendees to rate the instructor and the seminar. If you're prudent, you'll pull what AMA used to call the "white sheet". It's an evaluation the attendees complete at the end of every day. In essence, every day, some 15 - 20 people tell you what they think of you. Now that's fear!

While my logical mind understood this process, my emotional mind felt the fear.

***I DISCOVERED BACK THEN
THAT MY FEAR WAS
UNFOUNDED.***

Good training organizations understand that you'll have bad days; they understand that some people will hate you no matter who you are or what you do. Good training organizations promote my belief: that the purpose of the metrics is to improve - to identify those aspects of you that contribute to the success of the seminar, and those aspects that detract from potential success. While you could get fired for bad numbers, the

numbers had to be consistently bad with no upward trend.

I learned to used the white sheets to identify my short-comings and mistakes. Every night, I could look back at the day's events and correlate the white sheet comments. I strived to reduce those mistakes and overcome my short-comings. The efforts paid off.

The purpose of metrics is improvement based on truth and accuracy - not to prove how great you are. Metrics designed to improve will promote improvement. Fear drives you to design metrics that show how great you are. Metrics designed to prove how great you are will do just that - whether its true or not.

The BLS proved how great we are - this country is now paying the price.

Project Management Metrics

I begin with the premise that the purpose of metrics is improvement based on truth. Therefore, in our projects, we need to determine what works and what we should improve. Interestingly, project management itself offers the perfect solutions: earned value and change management. Earned value tells us what worked and what didn't, and change management tells us why.

Our challenge, then, is to discover ways to exploit these two subjects to create a suite to metrics that achieve our goal: improve project management in ourselves and our organization. Over the next few newsletters, I'll present concepts to help you define those aspects of project management that work for you, and discover the cause of the problems you face. If nothing else, I beg you: keep the metrics honest and accurate. If you do so, you will clearly identify what you should exploit, and what you should fix.

***THERE'S NO NEED TO FEAR
THE TRUTH: YOU ONLY NEED
FEAR THE LIES.***

In the next issue, I'll present a practical implementation of earned value.