<u>The Right Stuff: Measuring What Counts</u>

By Jerry Manas, PMP

In a recent article, I wrote about the power of simplicity, engagement, and trust. I commented that if we spent more time *helping* people by ensuring they had the right systems, tools, and training—and less time *measuring* them and *monitoring* them—we'd more likely achieve the results we're after. Quite simply, people get demoralized by being measured.

Of course, there's the school of thought that "we get what we measure." This is a valid argument. Yet, there is a subtle, but important, difference between measuring outcomes and measuring people. Napoleon once said that there are two levers for moving people: interest and fear. Sure, we can get things done by watching someone's every move and pointing out their errors. We can also prod them with a hot poker. That doesn't mean it's the correct—or the humane—thing to do.

So, what SHOULD we measure? Here are five measures that can bring about extraordinary results:

1) **Stakeholder Satisfaction:** This should be done on an ongoing basis, not just at the end of our project when it's too late for course correction. If stakeholders do not feel satisfied, or worse yet—aren't even engaged enough to know if they are satisfied, it's an early indicator that the project will not be perceived as a success. Unfortunately, on most projects, this is done as an afterthought, if at all.

I used to focus on *client* satisfaction, but that can lead us astray. It can lead us into the false sense of security that we only have one person whose needs we must meet. Indeed, there are times when the client can inadvertently be his or her own worst enemy. It is up to the project manager to speak up when the wrong thing is being asked for, or when others are being excluded to the detriment of the project. It is also up to the project manager to identify which stakeholders absolutely must be engaged and when. Once agreed upon, this is what should be measured.

2) **Employee Satisfaction:** Rarely in project management do we hear mention of employee satisfaction as a measure, let alone a key measure. Yet, it's been proven to tie directly to customer satisfaction, productivity, and profitability. It is no different on a project than it is for an organization. If an employee is not satisfied, then it's another sure indicator that something is not being managed effectively on the project.

Perhaps there are too many project meetings, or people are included or excluded when they shouldn't be? Maybe employees don't feel they understand the project goals, or have enough support. We need to engage our employees right up front, to determine how best everyone will work together, who needs to be at what meetings, how people prefer to communicate, and how comfortable everyone feels with the project approach. No longer can we afford to bore people to death with a one-sided kickoff meeting where we recite a 60-slide Power Point presentation. No longer can we assume that all employees want to, or need to, be engaged at the same level with the same frequency. We can stay on the right path by simply measuring employee satisfaction, throughout our project.

3) **Outcomes:** Project managers have historically focused too much on actions and tasks, and not enough on outcomes and objectives. The people closest to the action can best determine the right actions, provided they have the tools and training, and are made accountable. And the only way to make people accountable is to focus on outcomes, and set clear expectations accordingly.

With regard to this, we should measure the results of milestone objectives as they are delivered, and of work packages expected by team members If items are late or missed, we need to examine the causes, and make process changes where required. If items are on time, we need to examine the results, and again make note where process changes are required. Again, the focus should be on the work completed and its tie to real value—not just time being ticked off on a clock, or on the tasks that make up that work.

4) **Cultural Alignment:** Especially on a major global initiative, or a large project with multiple team leads, it becomes difficult to ensure that all leaders are operating under the same practices and guiding principles. We need a way to monitor consistent leadership practices across the organization, both within a project, and across projects. A consistent culture will drive a consistent employee and customer experience, and produce consistent outcomes, thus enabling our first three measures.

The only way to do this is via surveys and diagnostic tools (which enable us to interpret and analyze the survey results). There are a few organizational diagnostic tools on the market with surveys built-in, which can enable us to pinpoint critical success factors toward our guiding principles, and diagnose how aligned each demographic is (i.e. by geography, level of management, etc.) with regard to those factors.

5) **Vision Alignment:** How do we know that the vision of our project is sound, that it's aligned with the objectives it's intended to meet, and that it meets the needs of our stakeholders? Disney has found a way. As Bill Capodagli and Lynn Jackson describe in their books, *The Disney Way* and *The Disney Way Fieldbook*, Disney uses a model called VisionAlign. It's a simple matrix that can be done in a spreadsheet, at the beginning of the project, and any time the scope changes.

Down the left side are the three or four items that make up the Vision (what the end state will look like). Across the top are columns representing Core Strengths, Key Values, Project Objectives, and Stakeholder groups (with three to five items for each of these, broken into in sub-columns). A correlation marker can be used to map each of these items to the items on the Vision. Relationships can be mapped as a fit, a possible problem, or a gap. Disney has altered the vision for many a project that, using this model, was deemed to be out of alignment with their core strengths, key values, objectives, or key stakeholder groups.

What About Cost, Value, and Time?

Notice that the classic project management metrics of on-time and on-budget aren't on this list. That is not to say that time or budget should be ignored. They should most certainly be managed. And where they are a vital element of the project, they should be monitored closely. But these items shouldn't be used across the board to determine whether our organization is successful with project management. And they certainly shouldn't be the *only* measures of success, nor used as a predictive measure, as is the case in most organizations today. A better method would be to examine the factors and practices that *lead* to being on time and on budget, and measure for the existence of those (perhaps as part of our cultural alignment metric). This way, we're monitoring the causes and not the symptoms.

If the five factors discussed in this article are measured and done well, projects will more naturally arrive on time and on budget. Therein lies the paradox.

As a side note, when we are assessing cost, we should consider the Total Cost of Ownership, not just the cost of doing the project. This would include ongoing maintenance, training, and support—at least 3-5 years out, or for the expected life of the product. And while we're at it, let's include the Total Value of Ownership**.** This would include both tangible and intangible benefits, as well as potential long-term and indirect benefits. Accountants and financial types hate this, and there's no magic formula for it, but to ignore it completely is shortsighted. Many studies have proven the value of so-called intangible benefits, such as customer loyalty and retention, employee retention, and so on.

One thing is certain—continuing to measure project success in terms of on-time, on-budget, and meets specs is taking a very limited view of what success really is. It's time we redefine it. With a focus on stakeholder satisfaction, employee satisfaction, successful outcomes, cultural alignment, and vision alignment, it's hard to see where a project could go wrong.

I'd love to hear others' thoughts on this, as well as additional items worth measuring that keep our focus on real client value and employee engagement.

Jerry Manas is President of the Marengo Group, and author of *Managing the Gray Areas* (RMC Publications, January 2008) and *Napoleon on Project Management* (Nelson Business, April 2006). Through the Marengo Group, Jerry helps project and virtual teams achieve high performance using techniques and practices that result in greater alignment, leaner processes, and more strategic use of technology. Jerry is a founding member of *The Creating We Institute* (www.creatingweinstitute.com) and co-founder of *PMThink!* (www.pmthink.com), a popular project management blog site. Visit his website at www.marengogroup.com.