THE CHANGE COLLECTION

COLLECTED MUSINGS OF A CHANGE PROFESSIONAL

Ian Sutherland

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INTRODUCTION

I recently realised that I have been blogging and then posting articles on LinkedIn for over eight years. Many of these posts relate to my work as a change professional, but as they have been written over an extended period, they were scattered across the timelines.

Realising that I still refer to my posts in conversation and other posts, I thought it time to curate a collection of them in order to make referrals easier and maybe bring a new readership.

This is not a book, and I know there are overlaps and inconsistencies, but I decided to leave the posts largely unchanged from their original form. I have added a date at the end of each in case that helps put them in context.

I have attempted to sequence the content where it made sense, and I hope the inclusion of a table of contents will aid the reader's navigation.

Thank you to all those who have stimulated my thoughts and thank you to you the reader.

Ian Sutherland
May 2018

METHODOLOGY

Much has been written about methodologies; indeed, I have written at least four of my own for different organisations. I fear that there is something of a tribal allegiance to specific methodologies that I do not find useful. Instead, I hope my posts will trigger the reader to critical consideration that enables them to embrace, adapt and innovate in a combination that best suits their needs.

THE CHANGE GAP

This graphic is one I have prepared for a breakfast meeting of senior change personnel I have been asked to speak at in a couple of weeks' time. The initial thoughts of the company organising the event were to speak on something like regulatory changes, e.g. FATCA or Dodd-Frank. While these are certainly topical, they are done-to-death by every consultancy so why should this breakfast invitation stand out and persuade people to attend.

My alternative approach was to think about what I see causing issues for those charged with leading change? What causes them to lose sleep?

My suggestion, which was accepted, relates to an issue I have seen for some time and that is that the nature of change, at least in the world of financial services where I live, is changing and our ability to keep up, let alone get ahead, is struggling and, many would argue, failing.

I can't say that this keeps me awake, but it does keep me thinking and looking for ways to explore the issue and identify possible solutions.

The black arrow in the diagram above represents the fact that the complexity of change, along with the pace required, is growing rapidly and only showing signs of accelerating, not slowing.

When I installed a front office trading system for a leading bond dealer in the early 1980's it was located in a single building, ran on two central boxes (we didn't use the word servers in those days), had around 100 terminals connected directly by dedicated cables and took in two data sets daily that were delivered physically on tapes and loaded over-night. Think today about a global user base connected over virtual networks to dispersed server farms using real-time data to trade in nanoseconds. I am the first to accept that it was easier when I did it, but it is an illustration of growth in complexity and pace.

Similarly, while modern regulation only started in the UK in 1986, if one now looks at the current influences and demands from Europe and the US, they are not always in tune or synchronised with UK developments; yet another instance of growing complexity and pace. Other examples abound.

In some areas, there is a compounding factor, and that is uncertainty. Many changes evolve over time rather than being stated up front and then remaining unchanged during the life of a project. The term "direction of travel" is used more and more in the regulatory world and reflects the fact that while the broad intent and aspirational schedule may be known, the details are not and will only be developed gradually. This means that the ability to plan with confidence is limited, yet the risk of not doing anything keeps growing.

The green line illustrates the growing efficiency brought about the use of methodologies, programme offices and project and planning software. These have grown substantially since the 1980's and can be seen evidenced in the number of "qualified" change personnel and the membership of change bodies. This has largely been an "industrial" exercise of standardisation, measurement, reporting, governance and incremental improvement.

While rarely intended, the net effect is often a one size fits all approach with little real opportunity for a project manager to adapt or deviate from the "standard". Prince 2 is a case in point. It is intended and designed that one can pick and choose the elements that are appropriate for each project, allowing a lighter touch for smaller, simpler endeavours yet a robust a structure for bigger, riskier work. In practice, this difference is rarely seen, and the processes for a "large" project swamp and cripple a "small" project.

Being industrial, there is a level beyond which one cannot go, i.e. the best possible efficiency. As one approaches that optimum level the benefit of making additional improvements diminishes.

In the early part of my working career, I would say that the productivity/efficiency gains were ahead of the complexity/pace impact and we saw improvements in real and perceived delivery of change. I would argue today that we have passed the crossover point and now face what I have labelled as "The Change Gap".

This gap is essentially the difference between demand and supply. It could easily be seen as a capacity issue, i.e. we could solve the issue if we point more people at the problem, but is actually more of a capability issue, i.e. can we mentally, behaviourally and collectively do what is needed? Just doubling or tripling the number of resources is not the answer.

A similar concern about the limitations of the "industrial" approach is voiced by John Kotter, a leading thinker on transformational change. This style of thinking has led to huge progress since the industrial revolution and has spread geographically, but John argues that we are seeing evidence that the industrial approach to organising and controlling a business is proving unable to cope with the scale, complexity and pace of modern business.

If you accept my model then unless we do something different and smarter the gap will keep growing. Just doing the same as we have previously done, no matter how well we execute it, is not enough. This is something that concerns many organisations and should concern those that it doesn't yet.

So, what does it mean? Well, it doesn't mean throwing all the best practices out, at least not until we have something better. What it does mean is equipping change professionals with skills that are more than structured planning, Powerpoint generation and list management. They need better business understanding, skilful judgement and an environment that empowers them to make the right calls at the right time. It needs a workplace that understands the uncertainty and adapts to it, embracing the "journey" and understanding that it is unlikely that it will ever arrive at its destination, yet can be very successful along the way.

It may well be time to re-negotiate the contract between BAU and Change, moving from Client/Supplier to a place where Change is at worst a fully-fledged partner (risk and reward) and quite possibly a real leader, arguably with a seat at the top tables of business (that is if those tables still exist!). This is something of a game changer in my mind and will need some real leaders to achieve it.

Not everyone will be able to or want to make that journey, but it is one we should be thinking about as it is people led and will take time, as all human change does. We must consider who we hire and why - being prepared to challenge the current project/change manager model. We must look at how their skills are developed and deployed, using individuals as valuable assets rather than a commodity capability. And we must do it now.

I am sure there is a lot more to do, and I hope I will find kindred spirits that can help shape this vision. It will take time to effect, but if we want to be in a better place in future, now is time to invest, mentally and emotionally.

Change is exciting, and we should be able to change ourselves!!!

November 2012

IS “AGILE” THE ANSWER TO THE QUESTION?

To be Agile or agile – it is all in the capitalisation!

“Are you familiar with “agile methodologies” is a question I am increasingly asked as a change professional, and my answer is “Yes”.

The problem is that the question is badly phrased and as a result, the answer is not always very helpful. “Agile” seems to be the current silver bullet (i.e. solve everything in one shot) for change and development teams. As such it is the latest in a succession of techniques and technologies, but will it deliver any better outcomes than its predecessors? In over 30 years I have seen suppliers and IT teams offer a succession of proposals along the lines of “do *this* and it will solve all your problems”, yet none have. A personal scar comes from object-oriented programming where one of my projects lost two years as the IT Director spent a fortune following a dream that eventually evaporated.

It says something that the financial services industry is still buying each new promise.

Returning to the initial question, the issues is that the inquirer (or the recruiter behind the question) is looking at agile with a capital “A”, rather than considering agile with a small “a”.

The dictionary definition of agile (with a small “a”) is

- marked by ready ability to move with quick, easy grace <an agile dancer>
- having a quick resourceful and adaptable character <an agile mind>

Both elements are useful, though I would reverse the relative order when considering a project manager’s agility.

Blending the appropriate mix of agility (small “a”) and discipline is critical for successful delivery of any change these days. A firm’s environment and needs are in continual flux so any fixation on purely finishing something because it is what you said you would do some time in the past, is likely to create increasing problems and frustration.

This form of agility I refer to concerns the personal and corporate mindset and set of behaviours, that is aware of, can assess and when appropriate change plans and practices to reflect the current reality without losing sight of the intended outcome. While some may argue that this is an intrinsic quality, i.e. you have it or you don't, I believe that a large part of it can be developed through practice and support.

As a change leader, my continual question is

"How (note: not what!) can I best achieve the outcome I desire, from where I am and what I know now?"

How I use the answer to that question will depend on the context and draw from extensive experience and understanding of human and organisational change, but the key is that I am continually assessing and adapting to changes around me.

When I look at Agile with a large "A", the definitions might at first appear similar. The one I will offer here is

"Agile project management is an iterative approach to planning and guiding project processes."

While Wikipedia offers this for Agile Software Development

" a group of software development methods in which requirements and solutions evolve through collaboration between self-organizing, cross-functional teams. It promotes adaptive planning, evolutionary development, early delivery, continuous improvement, and encourages rapid and flexible response to change."

While not trying to focus on semantics the words "iterative" and "evolve" jump out of those quotes at me. They synchronise with my experience that these are more akin to the management mantra that if something is difficult, cut it into smaller tasks and deliver each of those. There is certainly some merit in this, and when it can be implemented well then there can be benefits, but in an increasingly complex world, it doesn't provide the silver bullet.

In the world of financial services where transparency, continual risk management, traceability and record keeping are so important I find the next quote from the AGILE agenda more worrying

"We are uncovering better ways of developing software by doing it and helping others do it. Through this work we have come to value:

- **Individuals and interactions** over Processes and tools
- **Working software** over Comprehensive documentation
- **Customer collaboration** over Contract negotiation
- **Responding to change** over Following a plan

With huge political and regulatory oversight which financial services company is prepared to forgo the second element of each line above? I think the answer is none. Where I have seen this flourish is in unregulated business such as ASOS the online retailer where their use is impressive.

The other factor undermining the true agility of Agile methodologies is that in order monetise their services in this area, many consultancies and training firms look to capture and proceduralise the practices; something that seems at odds with the fundamental points of Agile, yet something with which many businesses are more comfortable. As a result, the implementation Agile is often more akin to a "fast waterfall" of short squirts, something that will give them control, records, traceability, etc., but faster and, more effectively than the many Change and IT teams are currently delivering.

If you doubt the frustration with current delivery, just look at the importance of shadow technology and change in many firms. Whether the breakdown is due to fundamental nature of the methodologies used or more to how they are industrially implemented is the topic for a different post, but for now, I think the evidence is plain.

In conclusion, I believe that agility is a key component in any modern change endeavour. Within this agility I may choose to embrace some, none or all of what Agile offers (and I may change my mind part way through), but that is the beauty of being truly agile.

So, whether Agile is the answer depends on how well you understand your needs and phrase the question.

February 2015

EVOLUTIONARY PROJECT MANAGEMENT - AN UNAPPRECIATED JEWEL?

Wouldn't it be good to construct change and projects where the biggest benefits are delivered early and, if you are forced to divert investment/stop a project, you are left with a sustainable product that will continue to deliver business benefit, i.e. you have the opportunity to make real business decisions rather than the stark write-off vs good money after bad option?

There is a way. It is not easy and will require courage, but the approach exists today and is being used by some leading companies. Citigroup, NATO and HP are cited as organisations looking at this approach.

Many years ago, a colleague shared a book called "Principles of Software Engineering Management" by Tom Gilb. I can and have programmed, but do not claim that as a key competence, but what struck me from that book was the articulation that ANYTHING can be measured with a little imagination so all the soft or so-called intangible benefits can be quantified and tracked if one approaches things pragmatically.

The piece that stuck was that "usability" in terms of new systems could be measured. This was and remains a common requirement without being clearly articulated. The suggestion was something like

> "a new user can, without any external intervention or assistance, set up a new account (or whatever) correctly in less than x minutes"

This sort of thinking really helped drive out requirements and influence solution design. It was relatively unusual thinking at the time and stuck with me.

Through this initial contact, I became aware of one of Tom's other developments "Evolutionary Project Management". The principle driving this is the early delivery of real sustainable benefits from a project/change. This may sound obvious, but in my experience, it is rarely achieved in more "traditional" approaches, such as the waterfall approach.

Typically, significant benefits are only delivered towards the end or after the completion of the project, i.e. the investment of time and money is all but spent before any value is seen. This is often manifested in a situation such as this; 60% of the time and money have been spent, with no realisable benefit and it looks like it requires the rest of the money plus another 10% plus an additional three months if one is to have any chance of seeing a positive outcome. If one decides to stop the project "now" then the investment is a complete write-off.

This is not a good place to be but is one I suspect you will recognise. The usual argument is that what has happened is in the past and cannot be undone. Therefore, the decision rests on solely making the remaining investment, thereby riding over the disappointment to date.

This is so common and why projects get a bad name and the majority are considered to have failed to deliver what was promised.

I won't go into Earned Value Analysis (the attempt to measure the level of value created against the investment spent) which attempts, in my opinion, to justify the investment at each stage. In practice it seems to tell you that you have spent 70% of something to create 60% of nothing; I say nothing because unless you complete the work, you will not realise any benefit at all.

There are many attempts to address these failings in the form of AGILE, SCRUM, etc. which essentially try and break the project into smaller parts, trying to create momentum and confidence through a series of small deliveries. The key question that drives these approaches is simply "What can we do in the following (short) time?" It is more about "do-ability" than benefits and should you need to stop the project part way there is a real risk that you will have an incomplete set of "complete" components, that do not deliver anywhere near the benefits to justify the investment.

I won't attempt to explain the whole of EVO Project Management. I am neither licenced, nor the best to do so, but one can look at the Gilb website as linked above. What I will do here is draw out what I understand to be the key principles and challenges.

The key principle is what I would call "time optimised benefit chunking". There is a time value to benefits that needs to be recognised. The delivery of 50% of the benefits for 40% of the time and investment with subsequent incremental benefits is usually better than hanging on for 100% at a later stage.

That is once one has understood the overall objective the challenge is "How can I deliver the best real benefit in the minimum time?" The benefit will not address all the objective but should be the largest discretely achievable element. It must be able to stand alone, i.e. one would not be spending 200 to realise 100 and must at the end be a whole sustainable solution in itself.

One key thing this accepts is that components of this "next" delivery, may be sub-optimal, i.e. they may need reworking in subsequent deliveries to meet the strategic, long-term goal. This acceptance of future rework seems wasteful to many is frequently a stumbling block. It offends the strategists, but the key is the early delivery of benefit that outweighs the future additional cost. Indeed, the reworking itself will only happen if it is justified in the benefits case for the next delivery project. This ensures that any incremental cost created by this approach is more than compensated for by realised benefit.

The other issue here is that in delivering this timely element, it may be that not all stakeholders see a benefit. In fact, some may see a dis-benefit, i.e. it is more troublesome. This needs to be managed if the overall benefit is good enough.

One then works in cycles. The key consideration is what is the next biggest benefit that can be achieved and sustained, taking into account the cost of any rework, etc. The cycles can continue on the basis of diminishing returns until a) the next one is not justified or b) there is a better investment opportunity elsewhere. The key is that at the end of each phase one could make the decision to invest no more yet have already realised sustained benefits that are contributing to the business' performance. This would seem to be a good place to be.

This approach is driven by realisable sustainable benefits rather than just do-ability.

As I said, it is not easy and it will face opposition in many organisations.

- The strategists will fear that their full vision will never be delivered. This may be the case, but I would argue that when well executed the early delivery of benefits is more valuable.
- Some stakeholders may be disadvantaged in the shorter term, but this is justified by the overall benefit. It may need an alignment of stakeholder objectives.
- Project people may not like the uncertainty they perceive in that the whole may never be delivered, but I would argue that the business will be more appreciative and complimentary about optimising the timing of benefits.
- It focusses achievement on benefits rather than activity or simple product - this may not suit everyone.

I would be very interested to know if others have looked at this? Even better if they have tried to use it? I wonder what the experiences have been. In truth, mine have been less than successful to date, with the disciples of waterfall and activity tending to with over my arguments around benefits and evolution, but I will continue as despite all this I believe that there and indeed must be a place for the evolutionary approach to the way we deliver change going forward.

January 2012

BAREFOOT (PROJECT) MANAGEMENT?

Like many people (I suspect) who dream, at the point of waking the images are vivid and very real, but fade within minutes, to the extent that half an hour later I struggle to recall any aspect. I hear this is why many creative people have a pad and paper at their bedside in order to immediately record their memories.

Well last night I dreamed, I know I did, yet now I can barely recall any detail. The piece that has stuck is the phrase "barefoot management". I have no idea what seeded the thought nor do I recall any specifics, but the fact that the phrase has stuck has left me thinking. As I was trying to recall matters the word project was added to the phrase. This is not surprising given my interest in the management of change.

I did a google search for "barefoot management", and there are only 1,970 hits, a pretty low number for a search these days; "barefoot project management" had only two hits! Of these two, one URL does not appear to exist, and the other is one of those "make easy money by data entry at home" style sites which have little or no real content but load the pages with random words to try and defeat the automatic spam detection.

So, it seems that the concept of "barefoot project management" is up for grabs!!! Sounds like a challenge to me! :)

I don't intend to solve it all now, but rather I will let the idea germinate and see what grows from it. I do however have a couple of starting thoughts.

The first couple are about sensitivity and passage. What do I mean?

Well in the summer I tend to go barefoot, well at least at home, and do drive barefoot when I am out and wearing flip-flops. One senses so much more about the terrain one is travelling over than when one wears shoes. One feels the temperature, moisture, texture, etc. Depending on the ground one may have more or less grip, but one feels slippage a lot more keenly. When driving I "feel" the car (and the road) much more directly and am able to apply finer adjustments to the throttle.

There are definite parallels between project management and the "feel" one needs when leading a team and solving the myriad of problems one faces.

The other thought is that if I am wearing shoes, I am less concerned about the route I take. I can walk across hot or sharp/rough surfaces, through a degree of water and stay dry. I am less affected by the lasting impact of some surfaces, i.e. those that are sticky and leave a residue.

I can and probably do more damage along my path, consciously and unconsciously, crushing small creatures, breaking delicate structures, etc.

If I am barefoot, I may well make different decisions, either choosing a different route to avoid broken glass, place my feet more carefully to avoid unnecessary damage or changing my pace (e.g. if I have to cross hot coals I will prepare myself mentally and move quickly across it).

I can see merit in this line of thought and expect it to percolate through my mind for a while.

October 2012

HERDING CHANGE!!!

I wish I had a pound for every time I have heard someone involved in managing change comment that it was like herding cats! But maybe that is just what we need to do, and instead of invoking the thought at moments of frustration it is something we should be embracing and learning to do better.

Readers of this blog will know that I have commented on how we need to find a better way to deliver business change in this modern world where the speed, complexity and scale of developments keep growing and is clearly outpacing the ability of traditional methodologies to deliver and adapt. Along the way I have often commented that I play human chess, getting the right people in the right places at the right time to do the right things. In this "game" there will always be some "strays" that have to be brought back to the main group (or maybe left to go their own way!).

This feels more like "herding" (hence the image above) than "managing" in the traditional sense. The trouble is that most of the "herding" metaphors I have come up with have as many undesirable connotations as useful ones. In using a "cattle herding" analogy I will doubtless upset stakeholders who will take offence at being considered as cattle while project staff will probably resent the label "cowboys" and the behaviours associated with that term.

In contrast, if I liken the management of projects to herding sheep, I can offend stakeholders again(!) and invoke a central control model where "shepherd" controls all the project workers (dogs).

Despite these risks, I would like to examine the analogies a little further as there are some very relevant parallels.

Let me look at the cattle herding parallel first. It seems to me that the "trail boss" performs the role of project manager, understanding where the herd has to end up and making the key decisions about the route, stops, managing risks and directing the response to issues as they arise. In estimating the resource, they need, I doubt if they planned from the bottom up working out day-by-day what each cowboy would be doing. Instead, he (or she) uses their experience to assess numbers and of course he never forgets the necessary support services, i.e. the chuck wagon, that will feed his men and additionally act as a contingent resource.

Each day the trail boss would send out the "cowboys" to move the herd forward, assessing and adjusting to the terrain and then deciding where and when to stop at night. He would probably also send out a couple or outriders looking for better routes and potential trouble, thereby collecting information that is over his "horizon" and currently out of sight.

Some of the herd (read as "benefit" in project terms) may be lost along the way; often there are competitors and other groups out to impede the progress of the herd and success can only be assessed once the herd has been delivered (and sold).

Are you sensing the parallels? There are many days in the office when I feel like a trail boss and think that acknowledging that can help solve many of the problems I am employed to solve. Maybe I do herd change as much as I project manage.

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As a close, if you fancy a smile, watch this Youtube recording of an EDS advert.

January 2014

SO NOW WE NEED "RUCKLESS" PROJECT MANAGEMENT!!!

A lot has been written about Italy's adoption of "ruckless rugby" when playing against England in the 2017 6 Nations Championship. While certainly not illegal (i.e. against the rules of the game) and not entirely original (it has been used occasionally before) this was the first time it had been deployed so consistently on such a major stage.

It caused great consternation amongst the England players who arguably took too long to recognise what was happening and then adapt their style of play. The resultant confusion made Italy more competitive. They still lost, but by a much smaller margin than had been expected.

Why do I write about this? Well, I think there are some parallels with the huge agenda of regulatory change that financial services is tackling (no pun intended!) and lessons for senior management and project managers.

Before I go further, I will try and explain simply what "ruckless rugby" is.

In rugby when a ball carrier is tackled and goes to ground it is usual for one or more players from each side to compete for the ball. The presence of one or more players competing constitutes a ruck, and from that ruck, an imaginary offside life is drawn across the pitch. The significance of this is that the defending team (i.e. the one without possession of the ball) is not allowed to cross the line until the attacking side (i.e. the one with the ball) removes the ball from the ruck and makes their next move.

This gives the attacking side space to reorganise and prepare their next play, a move that may result in another ruck, and so on. Most teams are drilled to play rucks, with many planned plays ingrained in their heads.

The team coaches collect statistics about tackles, turnovers, steals, and much more as a way of gauging how the game is going and who and when to make substitutions.

What Italy did was choose not to compete at the breakdown. Without both sides competing there was no ruck and therefore no offside line. This allowed the defenders to move further forward and infiltrate amongst the England players, interfering with their communication and blocking the passes they would normally expect to be able to play.

This confounded England who repeatedly asked the referee for clarification. Raymond Poite's now famous response was, "I am the referee, not your coach".

Interestingly Italy had pre-advised the referee of their plans for ruckless rugby and verified their legality. Thus, the referee was prepared even if the England players clearly were not. Had they been observant they might have stolen a lead as Italy now claim that in their warm-up on the pitch they practised ruckless rugby - maybe no one was watching, or if they were they did not understand the implications.

By the second half, England had worked out how to play against Italy and won but were clearly still in some discomfort. Had it been a different, stronger team than Italy who were playing England then the outcome could have been carnage.

So, back to regulatory change and what we can learn.

We can consider the England Team to be a parallel for the many change/project teams "attacking" the new regulations. They are drilled in project management, they have executed it many times in practice and for real. The England Team management are the senior management within financial services who set the priorities and oversee the delivery of change within their individual firms.

Likewise, I consider the referee to be like the National Competent Authorities and Italy in this case to be the creators of new regulation.

So how do we play this game?

In traditional project management, there are a series of steps and plans that have typically been viewed as a waterfall, i.e. you know what you need to do before you go on to the next steps. OK, so life is no longer a simple, perfect waterfall, but often need iteration and/or parallel development. I also recognise that Agile is not waterfall, but for these purposes it is not dissimilar.

The key is that teams are drilled in what to expect, how to respond and how to deal with the (expected) unexpected. Similarly, senior management has become used to a dashboard of statistics and key metrics that give them comfort that they know what they need to know and have control.

Now we have regulatory change which is not playing by the old rules. Dates are not within the control of the project teams, requirements are confusing, unclear and often very late, the whole industry is changing/responding in ways that no one really knows for sure, etc. The regulators are not giving us space to establish our "rucks" and execute our moves. Need I go on?

This is making it very hard for project teams and senior management to just go through their "drills" as they don't fit the reality they are facing. We are now in the realms of "ruckless project management".

The NCA's, like Raymond Poite, may see and know what is going on, but they are not there to coach the project teams through it.

Lastly, like the England team, the industry is still rather confused and finding it hard to adapt, even with some hard deadlines approaching.

So, what? Well, I think the key is for the leaders in the field (maybe that pun was intended) to think quickly about what "ruckless project management" should look like and help reorganise the change capability of financial services. Without it, we will likely remain as bemused as James Haskell and Dylan Hartley were for way too long.

March 2017

To waterfall or not to waterfall?

Or indeed how much to waterfall?

In today's fast-moving and demanding world there has been a drive to more agile change delivery, no more so than in the world of regulatory change where the traditional foundations for sound change planning have long since disappeared.

- Requirements remain unclear until very late in the process and sometimes not until after due date.
- As a result of the above, there is often a compression of work as deadlines approach.
- The firm has no control over deadlines. They are externally set and absolute.... well until they are changed by someone.
- Whole industry segments are changing at the same time, creating huge dependencies and complexity
- Given that a regulation is "new", the pool of experienced change resources is likely to be small while demand is high.

The increasingly common response is to mobilise and herd a set of parallel endeavours or workstreams encouraging them to do what they can, co-operate in uncertainty and prepare for the inevitable scramble as a deadline approaches.

The waterfall approach to project planning, where, in simple terms, one only starts the next phase when the previous phase is complete, and one knows all (or at least most) that is needed for the work ahead, and that phase is then completed before the next starts is clearly an uncomfortable fit. It is seen as cumbersome and impractical. Hence the move to increase agility.

Please note this agility refers to the approach to development and delivery and not the resources.

And, of course, none of this comes cheap with high run rates once the project is established and a tendency to silo skills and experience.

So, what happens when the regulatory deadline is substantially delayed as is the current case with MiFID II - 12 months in this case?

The instinct is to breathe a sigh of relief and sit back, that is until one re-forecasts and realises how much bigger the new budget needs to be. With people costs likely being the majority of the expected spend and having ramped up the project resourcing in expectation of a busy 11 or 12 months, the first cast probably adds 12 months x the current run rate to what was already a large number. It is not surprising then when management challenges the programme leadership to reduce the projected cost.

Of course, one approach would be to mothball the project for 12 months, lock down the work done to date, let staff go or reassign them and reduce the current run rate as close to zero as you can. You can then plan to restart in 12 months' time.

While this may be superficially appealing it must be remembered that this sort of delay only comes when it is recognised that the industry needs the extra time to complete the necessary, so while some aspects might be put off for a while, others still need to be progressed, else the new deadline will be missed too.

Add to this the fact that Regulators have clearly stated that they do not expect firms to "down tools" for 12 months just because of the deferred deadline. Instead, they are expecting to see firms progressing where they can and preparing other aspects. They will take a dim view of perceived laxness.

Lastly, the savings will not be as high as one might hope. First of all, it will take time to reduce the run rate, maybe costing a month or so in financial terms. Secondly, it will take time to rebuild the resourcing again so costs will start rising before the end of 12 months, rates may well have risen or the people you want are no longer available and you have to select and induct newcomers.

My guess is this strategy, if executed well, could save 9-10 months' run rate spend at best

And, of course, your run rate in a year's time will be back to maybe above your current rate for the rest of the project/programme.

I think the better and more successful answer will be to adopt a waterfall-like approach. Looking across your project/programme package the work into things you can do now, will be able to do shortly, or will have to wait to do.

You then look at your resourcing with two aims;

- firstly, to reduce the sustainable run rate across the remaining duration of the project/programme, i.e. not just this year and then return to current rates for next year
- retaining "agile" resources, i.e. those that can work across a number of your work areas, e.g. they could complete a piece of business analysis in one area and then move onto another, etc.

This is not a simple waterfall, but requires more of that mindset to analyse, plan and run it.

I will try and illustrate the benefit with a simple example where the current run rate of the full project is £10k. I know that is way too low, but it makes the maths easy; just add a nought or two in your mind if that makes it look better.

- Scenario #1: The work would be done in 1 year

  With a run rate of £10k per month - this would give a cost of £120k

(Yes, I know this is simplistic, but please bear with me)

- Scenario #2 as a result of a delayed deadline the same team runs for 2 years rather than 1

  The cost will be £10k for 24 months or £240k

- Scenario #3: Close down the project now and restart it in 12 months

  With run-down and ramp-up costs, say we sav 75% over the first year, the costs will be £30k in year 1 followed by a full £120k in year 2, giving a total of £150k

- Scenario #4: Run with a more agile resource pool of 60% current size until the end of the project.

  This gives a run rate of £6k for 24 months, i.e. £144k

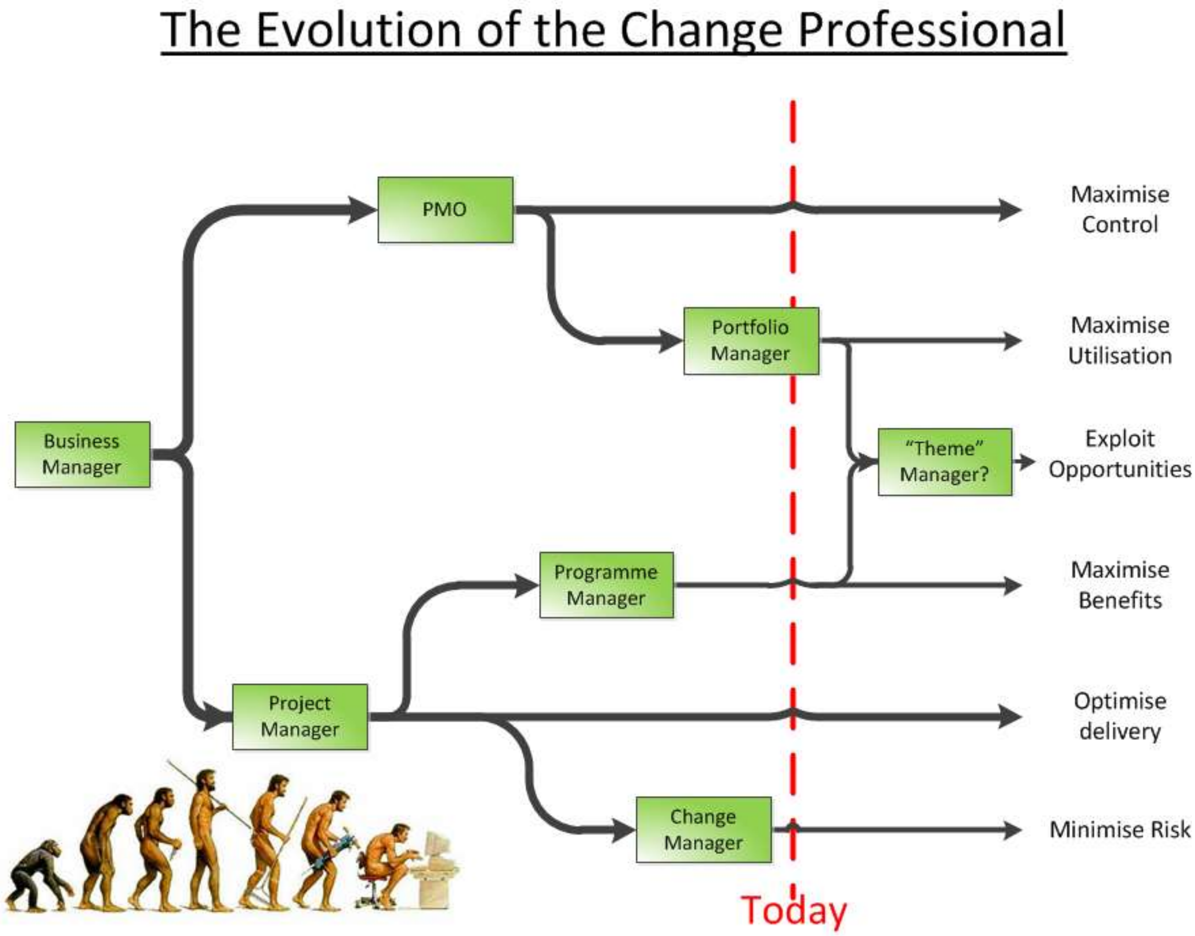
Scenario #3 is the cheapest, much more presentable to stakeholders (including regulators) and arguably the most realistic.

In summary, while talking waterfall in terms of project and programme planning may be very unfashionable at the moment, it is something those facing externally extended deadlines really must consider if they want to restrict the financial impact on their firm.

As always, take the best and most relevant aspects of the practice and weave it into your thinking; don't be afraid to be unfashionable.

February 2016

The Evolution (and Future?) of the Change Professional



Warning: I may lose some friends if this piece is read too literally as they will feel they do (much) more than my simplifications suggest. The terms in change are a common cause of confusion, i.e. what a project manager is in one organisation often differs from the same role in another. What I hope is that the reader can accept the simplification I have used and understand the essence of the illustration and the underlying messages.

In the beginning, there was the Business and life was good. The Business did not change much and what change there was, was managed by the BUSINESS MANAGER. He may not have been an expert in change, but he knew his business and was focussed on making it successful and that was good enough.

From this world emerged an individual who found that he (or she) enjoyed managing change, was good at it and wanted to specialise in it. At the same time change was becoming more challenging and benefitted from his (or her) expertise. This was PROJECT MANAGER who was able to focus on the delivery of change and over time has been equipped with tools and techniques to help plan, organise and manage a discrete and specific endeavour that has criteria that can and will be used to judge success or failure.

Of course, once someone else is involved there are those who want to know what is going on, to ensure enough "control". The "PMO" emerged as the person (or persons) who were happy to collect and collate information on what the PROJECT MANAGER was and should be doing. The PMO set the rules and demanded satisfaction else they invoked “Red Reporting" and “escalation”.

The initial “P” in PMO was originally an abbreviation for project, but as the change professional evolved into PROGRAMME MANAGER and PORTFOLIO MANAGER, so the P was used as an abbreviation of programme or portfolio – or indeed in some cases such as P3O, all three.

As projects became more complex and interdependent, and indeed the Business became more critical of whether they were getting the benefits they expected and were paying for, so PROJECT MANAGER evolved into PROGRAMME MANAGER. He (or she) focussed more on outcomes and stakeholders, deploying and directing PROJECT MANAGER to deliver components of change while keeping a broader perspective and working with the business to realise benefits. While a programme has a longer life than its component projects, it still has a finite life with ultimate judgement about its success or failure.

With the growth in the scale and complexity of change came a compounding risk that something catastrophic would be carelessly done to the Business; something that would embarrass management or cause the ultimate failure of the enterprise. To address this, the CHANGE MANAGER appeared on the scene. The focus of CHANGE MANAGER was to understand what PROJECT MANAGER and PROGRAMME MANAGER planned to do to the business and ensure that it was properly planned, tested and implemented in a way that reduced the risk of failure, whether that be to clients, owners, regulators, etc.

CHANGE MANAGER is more loyal to preserving business as usual and doing things in proven tested ways than to driving innovative change.

More recently PORTFOLIO MANAGER has emerged from the PMO. PORTFOLIO MANAGER is more active and looks to maximise the use of constrained resources through prioritisation, scheduling, and identifying synergies and economies of scale. He manages a diverse set of changes often without a common benefit or expected outcome other than the ultimate development of the total business.

This is largely where the evolution of the change professional has brought us today. So where next?

Well, my prediction is a convergence of the evolutionary lines of PROGRAMME MANAGER and PORTFOLIO MANAGER; a being I call “THEME” MANAGER. A theme is a broad area of concern or interest in the Business that may face a variety of demands and expectations, that may or may not have been already co-ordinated, but in general, will emerge and change as time passes.

An example in financial service relates to the whole field of regulation. Here any substantial Business is subject to many sets of rules and regulations that seem to be changing daily and often conflict in timing, detail and even intent. The approach of PROGRAMME MANAGER would typically be to look at the whole of one set of requirements, e.g. MiFID II or Dodd-Frank. This gives a sense of constrained scope, yet can be costly in terms of duplication, mistiming and missed opportunity.

In comparison, one could see three of four themes. One that covers changes to product development and treating clients; another that looks at how the Business works in and interacts with its regulated markets; a third that looks at how the business is structured and governs itself and a fourth that looks at all of its reporting requirements. Of course, a “theme” has to be relevant to the Business but will then garner all the change related to that theme, no matter where it comes from and look to optimise the opportunity or opportunities (i.e. benefits and utilisation). A theme will not necessarily have an end date and its “success” may be measured differently.

This suits a Business where change is prevalent if not dominant and “business as usual” while important is far from the whole story. One could say that in these businesses there is no opportunity to stand still or do nothing.

Both graphically on the evolutionary tree and in terms of importance in ensuring the continuing success of the Business there is more than a passing similarity between BUSINESS MANAGER and THEME MANAGER. They do say life is full of circles and this may be another one.

So, what does this mean in terms of professional mutation? Well, I think the THEME MANAGER will need more business skills and understanding than today's typical project or programme manager who is often more of a gun for hire, executing the process and protecting their own interests. The THEME MANAGER will also need to deal with ambiguity and take risks better, with well-developed judgement of when to hold a line in terms of scope or requirements and when to flex. They should be someone who can be trusted with delegated authority in this respect. Lastly, I think the THEME MANAGER will need more "line" style skills as his team will look more like a normal business with longevity (and rising productivity?) rather than the mosaic of assignments that is much more common today.

Do you agree with the history and the vision?

October 2012

THE FINAL STEP IN CHANGE? I WONDER!

Those that know me will know I have long been a keen supporter of benefits management in my professional world of change. By this, I mean a keen focus on making sure that any change I am involved with delivers the benefit that is expected.

Sounds simple, eh? Well, for often it seems not.

Historically project management techniques and tools focused on the organisation and scheduling of activities, i.e. doing things. Having a meeting counted in this respect, whether or not any decision was made. Similarly doing three months analysis would count but need not have produced an actionable report or design.

Then methodologies like PRINCE and PRINCE2 started pushing the focus on "products," i.e. tangible outputs. Simply put, reaching a decision was more important than the number of meetings you had to reach it, producing a signed off report or design was more important than having any number of workshops. Of course, one needed to manage the activities, but success was judged on output.

More recently there has been a push to benefits, i.e. just creating the products is not enough. Instead, the use of the created products to generate the expected outcome is the driving measure of success. This has proved more difficult to embed in behaviour as responsibility for the use of products does not rest with the project manager, but rather with the business.

All this is by way of background as recently I was asked what are the developments in managing portfolios of change; my answer was themes. This is broadly speaking a focus on a broader set of related benefits and is increasingly important as businesses and their related change becomes broader in impact, more complex in impact and dependencies and thus less discrete. At the same time, the resources to deliver change are not keeping pace with demand, so choices have to be made.

A case in point is the world of regulatory change in financial services where there is a tsunami of regulation coming from all quarters. Each could be and often is dealt with in isolation, but this brings inefficiency and inconsistency. Instead one could bundle change under four themes....no matter the source of individual components. The themes I have in mind "Product" i.e. what does the company create and offer to its clients, "Conduct of Business”, i.e. how does it do business and interact with its clients, "Markets", i.e. how does the firm transact its business in the markets and "Infrastructure", i.e. how does the firm organise itself. Pretty much all change could be grouped under these largely discrete themes. Of course, decisions within the theme are largely benefit driven, but the key is to keep perspective within the theme and leverage across it.

I see this appearing more and more and wonder if this is the ultimate focus for the progressive change professional? If it is not, I struggle to see where it can go next.

October 2012

The Art of Change - Time for a Change of Heart?

A few things have come together recently that I thought I would capture and comment on in case they resonate with the reader.

As a precursor I have been involved in change for over 25 years, most of it involved in what we would now be described as a "structured change". I started in the days before PRINCE, let alone PRINCE2! It is not that we made it up as we went along, indeed a Canadian Bank I worked for had a huge manual on change and project management that was used heavily, but more that we built upon personal experience and that of others and were able to make the response totally appropriate to the need.

Over the years I have been involved in many initiatives and run a corporate programme office for almost four years, but in recent times have felt increasingly uncomfortable with the way my "profession" is going. Now I feel I can put my finger on that discomfort and that is that in our drive for success, we are losing touch with the art of change, an element I am sure has been critical to many if not most major project successes. By "art" or maybe "craft" I mean those undefinable elements (insights, perspective, experience) that a project manager has over and above anything described in a modern day structured methodology.

Certainly, we need tools and skills but ask anyone and you will find that a project plan alone, no matter how good, is rarely enough to bring success. That said success without a plan is rare too, but that plan does not need to be a 1,000-line MSProject plan, sometimes a 6-row Powerpoint slide will work.

I disagree with the APM's drive to gain a Royal Charter for project management. To my mind, it will let "qualification" trump experience, open the way for increased litigation against project managers for failed projects and thus drive standards down with much more of a tick-box, cover your a*se approach to planning and managing projects. My fear is that this will drive standards down to the lowest common denominator (as long as it protects against litigation) and fail to inspire exceptional performance.

In the same vein, a change forum recently posted a poll in which it asked respondents to vote about whether Change Management is a skill, a profession or both; no mention of there being art or craft about it. I have posted on that site and interestingly had no response.

Most recently I had a mail offering for me to take the Keirsey Temperament Sorter Personality Assessment. I did this, having forgotten that I did it about a year ago. When I got the results back it turned out I am classified as an Artisan(!). Why is this interesting, well as a physicist by training and having taken the Meyers Briggs test a number of times I have always come out ENTJ or ENTP, which are Rationale types in Keirsey.

So, do I need to reconcile this or not? And if so how?

Not ducking the issue, but I am not sure I do need to reconcile it. Instead, maybe I can draw some observations. It may be that I am being perverse in that I was more rational and structured when that was less prevalent, but still needed. Now I am more "arty" in a world where rationals abound and you can't move a project forward without bumping into some document to be prepared, some report to submit, some governance meeting to attend or budget report to review. This suggests to me that at least in my eyes we have passed the tipping point, the point of optimum balance.

It is also a timely reminder that what I can really bring to the table is that experience, that insight and, I hope, judgement about situations and people. The mechanistic/engineering elements of change can be done by those so much better trained and suited that I am - I will just make it all work.

I will leave with the signature line I have added to my emails as I think it sums it up:

"Management is about doing things right, leadership is about doing the right things!

June 2010

SPONSORS/SPONSORSHIP

These are some of the posts I have written on the topic of sponsors and sponsorship.

Poor sponsorship is often blamed when projects fail, yet it is one of the less supported topics in project management. I hope these will prompt the reader to consider their own approach to this important aspect of change delivery.

What does it mean to be a project sponsor?

A little while back I blogged about where one leaves one's footprints. By that, I mean what marks you leave on the world as you pass. Just the other day I was reminded of another trail I left.

This one relates to something I wrote a few years back to try and raise the level of sponsor engagement and performance - a topic that is frequently raised when looking at factors affecting project success. The incident was a change agent I respect telling me that he frequently pulled out a copy of this tri-fold pamphlet I had written.

The intention was to layout in a different way the relative roles of sponsor and project manager with the idea that it could be used to encourage discussion by those parties leading to better understanding and increase the chances of success. Of course, the two parties to could decide to work differently, but the key is that they would have discussed and agreed on this.

The alternative is that both parties make assumptions and leave gaps and confusion. Alternatively, the sponsor operates on a "Fire and Forget" basis and expects the project manager to do everything.

Below I cover the five sections of the pamphlet. I do have a PDF version that looks better and can be distributed if anyone wants one - just mail me at pamphlet@ianjsutherland.com and I will send one by return.

<u>What does it mean to be a sponsor?</u>

Project sponsorship is about leading the delivery of benefit to the organisation. Change alone is not enough!

The sponsor “owns” the business case and champions it amongst their peers, the business and the project team

To achieve this, a sponsor will:

- Se the high-level objectives, scope, anticipated benefits, budget constraints, and timing; approving the project Terms of Reference
- Lead/Chair the Stakeholder group/Steering Group
- Ensure the necessary business resources are made available
- Monitor project progress, meeting regularly with the project manager
- Resolve escalated issues
- Make necessary decisions
- Report to the Executive when required
- Liaise with other key managers ensuring ongoing support from the business
- Formally close the project and ensure effective handover into Business As Usual (BAU)
- Lead the rightful celebrations!

<u>What does it mean to be a project manager?</u>

Project management is the application of a broad set of skills to properly initiate, plan, execute, control and close a project.

The primary skills are:

- scoping (i.e. describing and agreeing on project objectives and requirements),
- scheduling the work required to deliver the agreed change(s),
- estimating all the resources (time, materials and people) required by the project,
- managing risk and uncertainty to help the project deliver to stakeholder expectations
- managing quality to ensure that the deliverables are fit for purpose,
- communicating and collaborating with others, including suppliers of goods and services and everyone else who works on or is affected by the project.

Please note: this does not mention the "doing" of projects. Project management is not to be confused with business analysis. In practice, for smaller projects, the same individual may provide both project services, but the sponsor must ensure that enough attention is given to project management.

<u>What can a sponsor expect from a project manager?</u>

A project manager should provide the sponsor with:

- Advice and guidance on the management of change in line with the prevailing best practice
- High-quality information and documentation to support the approval, planning and execution of the project
- Management of the project resources in executing the plan
- Honest and effective communication on progress and the risks and issues relating to the project
- Assurance that deliverables are of the appropriate quality
- Forecasting of future costs and dates, based on experience and evidence
- Escalation of issues/items outside the control of the project manager and recommendations on appropriate actions
- Support in communicating to stakeholders including the Steering Committee

<u>What is expected from a sponsor?</u>

The project manager expects the sponsor to:

- Give enough of your time - This means time to review documents, chair key meetings, consider and address escalated issues and to actively champion the project
- Be an effective champion - Believe in the project and inspire those whose commitment is required. It is likely to involve formal and informal communication and must work in concert with the project manager

- Make the necessary decisions - When issues are escalated it is for a reason, usually that the project manager cannot resolve them and needs help
- Delegate clear authority - The Project Manager needs to understand what s/he can do and what should be escalated
- Protect the project from politics - The team needs stability if they are to work well. This starts at the top.
- NOT micromanage - Let the project manager do their job.
- NOT undermine the Project Manager by word or deed

<u>Some tips on being a good sponsor</u>

Projects are by definition original activities and outcomes are never certain. Here are some tips that will make success more likely:

- Make sure you are engaged from start to finish
- Do not rely on untested assumptions
- Understand the sensitivities in the project; i.e. what presents the greatest risk to success
- Use your project manager and the best practices
- Don’t set unreasonable timetables
- Make any required decisions in a timely manner, undue delay usually adds to the project difficulty.
- Communicate, communicate, communicate and listen
- Believe and be seen to believe in the project and the solution; if you don’t why should anyone else?
- Support the project team

June 2011

18 Questions A Sponsor should ask

There is little support for project and programme sponsors; certainly, in comparison with all the training and tools available to project managers. This is something I am looking to address shortly, but by way of a taster, I thought I would share 18 key questions I think a sponsor should ask at different stages of a change project or programme. Of course, there is a lot more to being a sponsor, but the answers to these questions will help determine and drive the other work that will be needed.

I have taken the simple story metaphor for a change project/programme, i.e. a beginning, a middle and end. In essence, all change structured change methodologies use this even if it is iteratively (i.e. repeatedly).

The beginning is where all the parties involved are striving to understand what needs to be done and how they will go about doing it. It also includes the formative stages when teams form and work starts, i.e. the project is mobilised.

The middle is where the heavy lifting is done. This is where the design is finalised the solution built and tested and the implementation planned. This takes a different focus and can take a long time. It is easy for the sponsor to take a step back at this stage, but this would be wrong. The team needs the sponsor to be a full participant in this less exciting, but critical period.

The end is where the solution is implemented, the project brought to closure and the benefits start being realised (hopefully). It is good to be involved when things are going well, but it is more important to be there when things are not going so well.

The table below summarises what I believe are key questions; some to ask yourself, others to ask your project/programme manager.

	Ask yourself	Ask your project manager
Beginning	• Do I understand and can I articulate clearly what success will look and feel like? What will be the key measures? • Do I understand the key stakeholders and their positions vis the change? • Do I trust the project manager and have time to support him/her?	• What is your recommended approach to executing this change? • What will you require to deliver this and why? • What do you see as the critical path and key risks? •
Middle	• Am I confident that the project is on course to come in within tolerances? • Are all the stakeholders still on board? Are there any new ones? • Am I supporting the project team to my best?	• What are the key risks and issues you are facing or expecting? • Has anything changed that I need to know about or resolve? • Will the business be ready to receive the change?
End	• What does the team need from me to bring closure? • What have I learnt and what will I do differently next time? • How shall we celebrate and how will effectively communicate our success?	• Is everything good enough to go; what are the risks involved in going live? • What is outstanding and who will finish/resolve matters? • What have we learned from this experience?

February 2012

DARE YOU FORECAST A CHANGE SPONSOR'S EFFORT?

....are we focusing on the wrong things?

If I asked how many project managers have been asked to estimate to amazing levels of accuracy and provide long-dated projections for the effort they will give to the changes they are managing along with the time they will need from business analysts, subject matter experts etc. then I would face a sea of hands.

If in contrast, I asked how many have been asked to estimate and forecast the time they want from their sponsor and/or change leads, then I expect that I would very few.

The delivered wisdom is that if you want a job done give it to a busy man/woman. This happens particularly with change sponsorship where because of the need for an appropriate level of seniority/influence the pool to be drawn upon is often quite small. It should be no surprise then when sponsors are frequently accused of not devoting enough time to the projects they are accountable for.

That said a little effort can produce a wealth of insight.

As head of a corporate PMO I attempted to estimate the capacity and resourcing needs of the organisation. Within the change team, we considered what we viewed as a "change unit". Now this "unit" will change from organisation to organisation dependent upon their business and operating model, but for our purposes we decided to consider a unit to comprise a PM and two business analysts. Then as we looked at proposed changes we described them typically as 1, 2 or 3 unit changes. There was, of course, a time/duration profile that was considered, but that is not relevant to the point I am trying to make.

Along with sizing a proposed change we also estimated the effort a sponsor would need to devote to a project. This was based on a simple model of the number of meetings they should have with their PM, steering groups they should chair, (and the associated preparation), and an estimate of the time they are likely to need for personal work related to the project, interventions and problem solving, and finally promoting the project both internally and externally.

We came up with something like 2, 4 and 8 hours a week for small. medium and large projects which I then used to project the load on individual sponsors over time.

In our case, we also considered that unless specifically employed to run projects the maximum time we could expect a senior sponsor to give was 20% or 1 day per week. We soon found that this simple model identified that most of our sponsors were overloaded and it was not surprising that the usual complaint from project teams was the sponsor was a "royal", i.e. they metaphorically flew in once a month, clearly unprepared, shook hands, smiled and said some encouraging or critical words and then largely disappeared until the next time.

It turned out that the real limit on our change capacity was sponsors, not PMs or analysts. Some sponsors had a 50%+ demand on their time plus a full-time role running business as usual (BAU) functions.

Of course, I would expect many readers to say that their situation is different and that is probably true, but then I think the principles will still apply and the insights are likely to be similar.

When describing a sponsor's role, I often hear that they must "own" the business case, they must make decisions, etc. I suggest a different language might help.

I think sponsors need to

- Be Present In The Endeavour (i.e. attend meetings, not always on the phone, etc.)
- Be Properly Prepared
- Solve Escalated Problems
- Effectively Promote The Endeavour And Project Team

One can estimate the time that each will need and then open discussions with the nominated sponsor to determine if it is practical and can be agreed.

In summary, I think we often miss out estimating the time required of our most important resource. If you head a PMO, I commend you consider adding it to your resource planning. If you are just a PM, make your own estimates and use these as an aide to an important conversation with your sponsor.

February 2016

The Reluctant Sponsor

Whilst I would probably not be a millionaire I would still love a Pound/Euro/Dollar for every time I have heard the term "reluctant sponsor" mentioned in relation to the latest rounds of regulatory change and in particular MiFID II - the current focus of much attention. This complex and multi-faceted change is due to be implemented by 3 January 2017, which in practice means the work needs to be done by November 2016 - December is never a great month and brinksmanship is not something the regulators will support. In the face of this, with less than 18 months remaining, much of the detail has yet to be determined let alone published and assimilated. One can feel the pressure starting to build with the firms and the regulators.

Earlier this year JWG, a leading regulatory thinktank, blogged about the five tribes of regulatory change . Their point was that MiFID II crosses so many boundaries within a business that it does not fall neatly or indeed mainly within one of the five "tribes" they identified, namely

- Business tribe.
- Legal tribe.
- Compliance, legal risk and op risk tribe.
- Change tribe.
- Operations, data and IT tribe.

and thus, it is not easy to place the change within a single business function.

It seems that firms of all forms and flavours have struggled to assign this role to an appropriate executive senior enough to see through the necessary decisions and related changes. Arguably something like this falls to the CEO, but that isn't going to happen in most organisations, so what to do?

If you consider that the role of COO is being to ensure the ongoing effective and efficient operation of the firm then there is an argument that COO could be the next best sponsor, unfortunately, in many firms, the COO function is more fragmented and aligned to specific business interests. This would certainly be my first choice as the best compromise.

In most firms, Compliance and Legal have a history of avoiding being accountable for the delivery of business change, but in this instance, they seem to be the easiest target, albeit reluctantly. I suspect that they see themselves as priming the pump so to speak and will look to pass the mantle on ASAP.

I am pretty sure that IT is not a suitable sponsor for this and the front office teams tend to have vision that is far too narrow to deal with the scale and scope required.

Change cannot "do this to the business". A solution is so dependent upon the nature of the firm, its clients, products and strategy that Change cannot pick up a nice template or look to a previous endeavour to replicate it.

Whatever the answer a firm comes up with there is no doubt that effective sponsorship will be critical to the success of a MiFID programme.

I have produced a simple but effective tool to aid discussion between a sponsor and his/her project/programme managers. It will not answer every instance but is a great starting point for discussion and final agreement. If anyone is interested in receiving a copy just drop me a mail and I will forward a copy.

This will be an interesting ride through to 2017 ...... and beyond.

June 2015

TOOLS & SKILLS

This section contains various thoughts, observations and personal preferences that I hope will inspire the reader to consider how to improve their own performance and contribution as a professional, to their employers, their colleagues and themselves.

The topics all relate to change and I have tried to give them some sequencing, but feel free to read as your interest takes you.

SO, WHAT IS PROJECT MANAGEMENT?

This is a question that is often posed and frequently answered yet continues to confuse. As a change consultant, I am mostly engaged to be a "project manager" however, what that entails seems to be different in each instance.

My prompt this morning was an advertisement for Monday.com that appeared my LinkedIn feed. It claimed to be the "new project management" and offered a tool to help. I am ever curious and looking for better ways of working so I looked at it ..... and sighed.

I may be oversimplifying matters, but it seems to offer a top-level RAG (Red, Amber, Green) dashboard showing the tasks assigned to team members. Of course, there is more below this, but essentially it seems to support what was just known as "management". Of course, if you call each task assigned to a team member a "project", then you can see this as project management, but that just seems to be using words cheaply.

I used to work with the definition that a project was a discrete piece of work with a defined beginning, end and budget to deliver the desired set of outcomes using a temporary structure.

Yes, a task ticks a few of these, but not all and not the important of a temporary organisation. Also, a task is usually much smaller than a project.

Unfortunately, this "new" way is how a number of businesses seem to see project management. They don't really want the real skills of project management (analysis, stakeholder management, budgeting, planning, team management, etc.), but rather someone who manages a list of tasks and holds others accountable. I have jokingly referred to my role as a "herder of change", but in truth that is often what it is. This uses all my experience and relatively little of my knowledge.

Contrast this view of project management with the content of the Project Management Institute's (PMI) Book of Knowledge (BoK) and the recent grant of a Royal Charter to the Association for Project Management and we can see the challenge to unify such a dispersed range of wishes and abilities.

Much as we see the devaluation of corporate titles such as vice president and indeed managing director, so the term project manager is following.

It probably explains why so many present themselves as a programme manager (or director) even though they have only ever run single projects.

So, what shall I be? A "change herder"? Or maybe a "change catalyst" - I am only there temporarily after all? Maybe a "guide to the future"?

But then I would fail to tick the boxes used by Recruiters and HR!

There is the dilemma.

January 2018

THE ALPHA CHANGE MANAGER

The term "Alpha" seems to be something of a buzzword these days. While not always seen in a positive context, e.g. the term "Alpha male" can be associated with unwanted excesses, it is usually related to superior and consistent performance.

An example is my current industry of investment management where many managers seek to generate "alpha performance." In this context it relates to absolute returns irrespective of whether markets are going up down or sideways; beta performance is about matching the market. As an illustration, in a market that goes down by say 8%, a beta manager who only goes down by 7% has beaten his target, but an alpha manager with a target of plus 5% has to achieve that or better. I know which I would prefer.

In project management, there has been a search for the "alpha PM", the person who consistently delivers better than average results. The chances are you have one or two people in mind who could qualify, but do you know why this is so and how you would have to develop others to the same level?

When you consider the reported statistics of how many projects fail or don't deliver their expected benefits – I won't go over that ground again - you can see the advantage of recognising these individuals and using them on strategic change.

I would like to bring two pieces of work to the table for consideration in this blog. These are the work of others and I will do my best to attribute them properly. If you are interested then, please look deeper and make your own assessment.

The first piece I want to bring out is work by a UK consultancy called PierceMayfield, a specialist in project management training and development. In 2008 they reported at a conference in London on the conclusions of an exercise they had coordinated and analysed. In this, they had asked a significant group of project managers to keep diaries over something like a 10-week period. In these diaries, they tracked how their time was apportioned, what challenges they faced, and the outcomes of their work.

Although possibly not the most scientific piece of work they did come up with some interesting conclusions, ones which resonated with me and the audience. If I can do them justice after this time, the findings were: -

- All high performing PM’s had an inbuilt dashboard in their head that contained the four or five things they needed to concentrate ¬now. This is independent of any formal structured reporting tools or templates and differed from PM to PM, from project to project and indeed from week to week. The key thing was that had a keen sense of what was important and deserved their time, being able to give less attention to the rest. The question of importance itself varied by time too, ranging from stakeholder interest through to risks and issues. This brings out a question of judgement, which is something I will return to.
- The next differentiator they identified was that “alpha’s” had time to deal with the unplanned demands on their time, because as we all know, the unexpected always happens. This came from two behaviours, those being an ability to prioritise and the practice of good diary management. While the first is self-explanatory and links with the earlier point about an understanding of what is important, the second is different.
- The diary management item related to them always leaving space in their diary in order to accommodate the unexpected. They did not book out more than 60-70% of their time to committed activities, filling the remaining time as best suited their needs at the time. This is somewhat at odds with many modern practices where PM’s die under a burden of meetings aka “death by meeting”, and people feel obliged to be seen to be “busy” in order to justify one’s seat in the office. Who raises the boss’ eyebrow most, the person who mentions that are having to work 10 hours a day to fit all the meetings in and do their work or the person who, while still doing their work, is seen to have time for coffee and chat with team members, or is always ready to pick up the baton in a crisis? You decide. But then who is the most effective?
- The last item was about the context the PM was operating in. They concluded that while an alpha PM would remain an alpha PM his/her performance could vary as they moved roles and organisations. The reason cited was that much of their skill was in knowing how “to get things done”. To do this well they needed to understand their environment and have effective relationships with stakeholders and suppliers. If these changed then it would take a short, but real period of time while new relationships were built. In that phase, it is not that an alpha ceased to perform, just their level of performance dropped. In time an alpha could be expected to rebuild their superior performance, but it would be wrong to expect the immediate transfer into a new environment.

To me the learning points here were about awareness, judgement, self-management and the importance of relationships and that while these were transferable, there would always be a temporary dip in performance as the alpha PM learnt and adapted to a new environment.

I know this blog entry is all about project managers and not more generally about change agents, but I feel the learning points are very relevant.

The second piece is some work with the Major Projects Association (MPA) in the UK. A study was performed on a nominated group of 29 “elite” project managers from 17 organisations to look for key judgement attributes.

The tool used was one called the Judgement Index. This is built upon the work of a Nobel Prize nominee and looks to assess an individual against a reference model, bringing out the meaning of the measured variations. It looks at the how the individual sees themselves, sees the world and sees them self in the world. It can also look at the balance between components.

This is much more of a “living”, contextual tool as it is easy to see that how one might respond differently if one has just nursed a loved one through cancer rather than having witnessed the birth of a child. This assessment has, in my experience, proved very insightful.

The findings were presented at a conference in mid-2009, and many of the findings resonated with the earlier work. Key strengths/indicators were, not surprisingly: -

- Strong people skills, tolerance and empathy
- Excellent problem-solving skills, both personal and work
- An informed decision-making style
- Good trainability and a strong work ethic
- Strong systemic (big picture) judgement, i.e. dealing with abstract problems
- Good ability to follow directions with accuracy
- A positive attitude and stress coping skills in both work and self-life
- A balanced approach to people, work, and systemic (big picture) issues.

What was more interesting was that the group also showed: -

- High levels of self-criticism
- Low levels of self-care
- Relatively low levels of qualitative judgement; quantitative judgement was much higher

The first two can have detrimental impacts on performance if found in excess. This is something for colleagues and managers to be aware of and mitigate.

Now no-one would claim that either of these was a perfect, scientific study, but I do think that each gives us an opportunity to learn and reflect on the makeup of an alpha change manager.

Personally, I don't doubt that there are those who are better suited to leading change, but I note that they tend just to emerge rather than be consciously nurtured. More work such as the studies mentioned here could help increase our conscious competence in identifying and developing the alpha's of the future.

January 2011

HUMAN CHESS, CHANGE MANAGEMENT & ENGLAND FOOTBALL

I have often referred to what I do as playing human chess. Whether running line as a manager or running projects, I have often found the human side of change by far the most interesting, if the least predictable and changeable. I had, however, felt I was the only one to think of this chess analogy as no-one had picked it up.

The other day I was talking with a new contact about various things and used the phrase "human chess" and she immediately responded that a business mentor had once told her to think of business as a game of chess, of strategies and winning positions and that in doing so it had made so much clear (I think I picked up the essence of what she said).

This set me to think on the analogy once again and parallels with my earlier post about good project management being an art rather than a mechanical thing. And then yesterday's England performance, if we can call it that, gave me more food for thought, so let me see if I can pull this all together.

To me, the core of change and the project management I enjoy is people and the aspect I enjoy and believe I am good at is getting the right people in the right place to do the right things. Implicit in this is also equipping them mentally and physically to do the job that is required. This requires an understanding of your resources and their capabilities, either alone or in combination, looking ahead and dealing with complex interactions and uncertainty as well as dealing with the unexpected. One also tries to achieve the desired outcome in an efficient way. Of course, as in chess, there are a number of common sets of opening moves, but before long the possible approaches and outcomes become too numerous to categorise.

Does this resonate with anyone? If so, please feel free to comment.

There is another interesting parallel with change or project management and that is that until recently and despite considerable investment computers struggled to beat the best chess players. These were computers that processed millions, if not trillions, of calculations per second and that scenario-planned 10's of moves ahead and calculated the finest of probabilities. They also had access to huge data banks of past games for comparison. Despite this, the best humans bested them until very recently.

How have humans achieved this? Well I am no expert and maybe I will research this further, but as I understand it, many think it is that the human recollection and knowledge of hundreds if not thousands of games give it an edge. There is also something about feeling and understanding your opponent. In project world I would align this with experience (there is rarely a substitute) and understanding the environment you are working in (how often does the world feel like an opponent to your endeavours?).

I think this is a good analogy to my views about the mechanical approach to project management. As in chess the mechanical can aid and indeed surpass those without skill, feel or experience, but will rarely best the better practitioners.

In terms of England's performance against Germany, well I guess we have to question if Capello managed to get the right people in the right place(s) at the right time to do the right job. As to equipping them well, we know they have the physical skills, but mentally were they prepared. It didn't look as if they were.

If not, then who was his opponent in that particular game of chess? The Germans? Or the football establishment? Or indeed his own players?

We can, of course, argue that we are not alone when we look at the achievements of France and Italy, but that is scant consolation. I did see a TV trailer the other day for a programme on teenage ballroom dancing and one parent said, "It is not all about winning, but coming second hurts." On a football pitch, there are only two sides!

To recap I think that successful project and change management is about getting: -

The right people to
The right place at
The right time to do
The right job being
Properly equipped to do so.

As the meerkat would say, "Simples!"

June 2010

PURPOSE & LEADERSHIP

Earlier today I read a post by Kristian Sorenson. In it he articulated the old drivers that shaped project management and the new ones. This resonated strongly with me as I have been arguing for some time that the old "industrial" approach to managing change with lots of tools and methodologies is losing the struggle against ever faster and more complex demands for change.

Kristian identified the new drivers as **Purpose** and **Leadership**. The first is about keeping ever mindful of the purpose or desired outcome of an endeavour while the second is about how a PM is able to marshal, deploy and support the resources he/she has available.

In blogs and webinars I have long argued that change undertakings should always be "outcome oriented", that a clear understanding of the desired benefits is one of the most important critical success factors for a project or programme manager. I was once badly caught by focussing too much on the "what and when" rather than the "why and how". It was painful and after I picked myself up I started looking into the whole area of benefits. I found that through Managing Successful Programmes the UK had pushed a rather academic (and industrial) approach to Benefits and Benefit Realisation Management (BRM). While I could locate a few flavours/variations of the technique, they all suffered the same issue in my world i.e. the treatment was too theoretical and failed to really engage the various stakeholders. I tried a number of times to introduce recognised "best practice"(?) in different organisations without any success.

Instead I developed my own "plain English" approach to benefits and BRM, something I may share here in the not too distant future.

The other driver Kristian flagged was leadership, pointing out how project managers are often sent on project courses, but rarely on leadership training.

This links with an answer that I often give when asked what I do. I say that I play Human Chess. I then tend to explain that as, "getting the right people into the right places at the right time, equipped to do the right things in the right way for the right reason(s)".

At the end of the day all change involves humans working together to undertsand, respond and adjust, whether it be to external events or to produce desired outcomes. No machine or process does it alone. I like the game analogy as there are nearly always events working against you.

I won't draw the analogies too far but like a player I am always looking to move my pieces (resources, stakeholders, suppliers, etc) into the right places for them to contribute according to their abilities. To do this I am looking ahead to where they need to be in a number of moves time. I also have to protect against opposing actions through prediction, avoidance and defence.

In practice this involves a fair degree of strategic thinking and a lot of talking (and creativity) with many people. Fortunately these are things I enjoy and excel at.

I think this is a lot of the "leadership" Kristian refers to.

How do others describe what they do?

June 2014

A USEFUL TOOL - THE CHANGE FORMULA?

Yesterday I was talking with a friend and mentioned "The Change Formula". They had not heard of it and were interested to know more. They asked me if I had written about it in this blog and I was sure I had, but when went to look I could not find it, so here we go (again?).

The Change Formula is broadly attributed to Robert Gleicher, though I have seen other claims to have been the creator. Whatever the answer it is a very useful tool for anyone looking to mobilise and lead change.

The formula is written as

$$C = D \times V \times F > R$$

One can read this as

(**C**)hange happens

when

The level of (**D**)issatisfaction (with the current state of affairs) amongst those involved

times

A clear (**V**)ision of how the future should look

times

An understanding of the (**F**)irst steps to be taken

is greater than

The (**R**)esistance the change will face

The "times" functions in the formula are important as in the absence (value = zero) of any of D, V or F then Change will fail in the face of any Resistance.

The value of the formula is both in preparing and communicating change endeavours and in diagnosing troubled undertakings.

For new endeavours it is useful for a leader to understand the existing levels of dissatisfaction and work to ensure they are widely understood. This may require either exposure of issues or the amplication of implications but is often the starting point for successful change.

Put simply unless people are or understand why others are sufficiently dissatisfied they are unlikley to actively engage with the proposed change.

Following this and assuming there is sufficient dissatisfaction (i.e. why they are changing), people repond best when they understand where they are going (i.e. why and how it will be better), especially if it will be uncomfortable for them along the way. Vision in this context is an articulation of what they will see and experience at the end of a successful change.

The importance of first steps is to help people set out on the journey, individually and collectively. by anology, if I told a Londoner he was going to France, I may tell him the first steps are to buy a train ticket to Paris and pack a bag for a week. These are things that start the process.

First steps can also give early feedback and help build belief and commitment.

In terms of resistance the key is to consider why people my resist and how strongly. The nature of the resistance is most likely financial or emotional. By considering these causes of resistance a change leader can a) assess how strong their DxVxF has to be and b) how they might reduce the R.

The other use of the formula is when a change is in trouble or at least not progressing as expected or desired.

If as the leader you cannot get a change moving it is worth looking at the D or levels of dissatisfaction amongst your stakeholders. Possibly your people are too comfortable where they are and how they work now? They may not understand why it is important (to you and them) to change.

If a change keeps starting, but faltering it is possible that people are lacking sufficient vision of where they are going. They get excited about a first step but then do not know what to do next.

If a project is spinning its wheels i.e. doing a lot of work with little in the way of results, then maybe the team don't have a clear understanding of the first steps? They maybe caught in analysis, not able to see how to deliver the vision.

I could go on, but I hope I have shared the essence of the change formula and that you, the reader, can see ways it may help.

I can't believe that I have not blogged on this before!!!!

March 2014

ELEGANT PROJECTS AND OCCAM'S RAZOR

How often is a project likened to a swan, elegant and serene above the surface with all the hard work going on below? When it is used the observation is rarely meant as a compliment, but instead a comment on how the project manager is managing perceptions. Maybe we are missing the point as elegance is a quality that is prized and sought in other walks of life.

I recall that as an undergraduate I solved problems every day, much as I do now as a project manager. I was studying physics and was always encouraged to find “elegant” solutions. Why? Well because they were considered to be better solutions. They were more applicable, they demonstrated greater insight and usually produced faster results. Why would we not want this in our projects, especially if we can link elegance to success?

Recently I have been wondering why we rarely, if ever, hear the word “elegant” used in connection with projects. It is more likely that you will hear “pragmatic”, “effective” or “tactical” cited as desired characteristics - even strategic is rare in these troubled times. I found it hard to think of a good example of an elegant project. In fact, it was much easier to recognise a lack of elegance in complexity, poor progress and inefficiency. We all know examples from our personal life and there are certainly plenty of public instances of inelegant projects. In these cases, they are often late and over budget, are completed

through persistence and hard work, even brute force, and are rarely considered successes when delivered, by anyone other than the politicians (big “P” and small “p”) with a lot at stake.

So, what is an elegant project? In my search for elegance, I returned to first principles (as any undergraduate would be encouraged to) in search of clues to what are the defining characteristics. The most useful material came from mathematics where a proof or solution is described as elegant when it: -

- uses a minimum of additional assumptions or previous results;
- is unusually succinct; derives a result in a surprising way (e.g. is constructed in an unusual way);
- is based on new and original insights, or can be easily generalized to solve a family of similar problems.

The first item is similar to and in keeping with Occam's Razor. This is the principle that from among competing hypotheses/solutions, selecting the one that makes the fewest assumptions/has the fewest dependencies usually provides the best answer; the simplest approach/solution will be the most credible/effective until it is proved wrong or unworkable.

As I read this, the proverbial light bulb glowed brightly. Too many projects try to be "clever". While simplicity is preached, complexity is delivered. Commonly there are too many assumptions, implicit and explicit. Project plans become bloated. True insight is often discounted as repeating the past is seen as safer and preferable, but with little evidence that we have learned anything from that past. Projects (by their definition) are one-off activities, BUT we keep doing projects. It is not the approach or skills that are one-off, just some of the details, yet how often are previous project plans dusted down, updated and re-used. I would suggest, rarely. Instead, too often we reinvent the wheel time and time again.

So, can we use this insight usefully to identify elegant projects and see if there is a link to success? One of my lifelong interests is rugby and I would suggest that the "project" that was England's assault in the 2003 rugby world cup could be considered "elegant". If you read Sir Clive Woodward's book called "Winning!" you will see that his approach encompasses all five characteristics. He took personal charge and started from the basics. His "plans" are succinct and key elements of his communication. He definitely went about his role in an unusual and surprising way and brought key insights. Lastly, he has used it several times both in rugby and other sports. Undoubtedly, he had success and not just with England in 2003.

In another classic example of two clearly comparable projects, i.e. the Scott and Amundsen race to the South Pole, it appears that elegance correlates with success. Amundsen had a simple, clean plan based on experience that was executed well. In contrast, Scott based his plan on untried assumptions about the skills he would need and because of his wide source of funding, his plan became complex in its need to include many ancillary objectives. History clearly records who was successful.

While this is not absolute proof, when we think about elegance it is clear that it warrants more consideration in projects than it currently receives.

One reason is that, unlike university, we do not have "tutors/teachers" looking for elegance. Instead, most business governance looks for pragmatism, considering each project to be one-off, in search of that holy grail of maximum benefit for minimum cost. Many decisions are taken within a micro world encompassing just that project, missing the wider picture.

This is a great opportunity for a programme office and/or delivery manager to add real value. Here are some suggestions: -

- Look back at the qualities of elegance and use them to appraise projects in future.
- Pick up quickly on inelegance and resolve it.
- Look for correlation with success and use it to reinforce the mindset with sponsors and project managers

January 2012

WHY BENEFITS NEED FOCUS!

Why Benefits need FOCUS!

The issue of benefit realisation is long-standing and in my opinion is one of the prime reasons there is a pernicious perception of high rates of project failure. If there is no benefit to be realised why invest the expense and effort in delivering change, yet despite many efforts to be smarter at identifying the benefits and managing their realisation, we are nowhere near where we need to be.

The fallback position is a focus on the products of change, i.e. the systems, the new structures and processes, or even worse just on activity, meetings, reviews, workshops etc., to justify the allocated resources. I have seen this happen too often to be happy.

One of the reasons is that it is quite complicated to understand the mix of benefits financial and non-financial, tangible and intangible, discrete and synergistic (i.e. relying on the connected delivery of some other change or event). It does not fit into a neat, data-centric framework that works in the "industrial" management systems most companies have and is fraught with uncertainty and risk.

There have been a number of well thought out and rigorous frameworks for Benefit Realisation Management, that, while mandated by methodologies and some public sectors, have failed to engage the real business leaders and become an administrative exercise in their own right.

The old maxim that if it is not measured, it does not happen is true, but before that, if the motivation and understanding are missing then it does not even pass the starting line. Often in the white heat of trying to mobilise change the business glosses over the failings in our understanding of the benefits and then once they have initial approval try and forget the promises and hope others will too.

In the light of this challenge, I don't proclaim to have the magic answer to the whole problem, but I have a suggestion for a simpler language and approach that will aid and enhance the initial and subsequent engagement with stakeholders. It is something I have called the Benefit Function, goes by the acronym FOCUS and uses the slogan

Benefits need FOCUS!

The benefit function is a framework that helps prepare and plan for change, manage the consistency of the components and assess the outcome. It is defined as

$$f(B) = f(O \times C \times U + S)$$

where

B is the realised benefit;

O is the opportunity to deliver benefit, e.g. increased revenue, improved productivity, better client satisfaction, etc.;

C is the capability required to satisfy that opportunity, i.e. what do you need to meet the opportunity;

U is the utilisation of that capability - how will the business embrace and use the new capability; and

S is the additional synergy or synergies that can be generated

The main element of the benefit function is a product; if any one of O, C or U are poor or absent then the main part of the function will also be poor or absent.

S, the synergy element, is the bonus that happens when this change works with one or more

other changes, but only then.

Why do we need a Benefit Function?

A project, and the project manager, are usually focused on creating an agreed capability, with no one really managing the other elements.

Programme managers or programme offices may have some handle on synergies, but these are often lost in the heat of project delivery. The development of programme management has certainly placed greater emphasis on benefits and, within that, a whole field of Benefit Realisation Management (BRM) has grown up.

This is usually based on benefit maps that link benefits to enabling changes and through them the relevant measures in order to evidence success. The effort required is not trivial and requires a different mindset to that of project management. Despite this, it is still a project manager who is often considered responsible for delivering benefits.

In the UK, BRM has found greatest traction in the public sector through the mandated use of standard methodologies (Prince2 and MSP). In the private sector take up is poor with benefits often used to justify a project at inception then conveniently forgotten; the focus instead moving to managing cost.

In my experience, and despite claims to the contrary, most business managers and project sponsors understand “doing things” far better than “creating benefit”.

How is the Benefit Function used?

Successful and lasting change must be based upon a framework that is easily accessible to a wide stakeholder community and one that can quickly be seen as both pragmatic and effective, rather than difficult and ineffective.

The primary use of the function is to recognise that there are four discrete components that need to be owned and managed. We can then explore them in sequence, cycling back for if we need to, until the picture is clear.

Opportunity relates to a need that exists, which, if satisfied, will result in a benefit. A benefit can be considered as any positive outcome, as perceived by a stakeholder. Ownership of an opportunity must fall into the domain of “business”.

Usually, this falls to the sponsor who needs to understand and be able to articulate the value (scale, scope and probability) of the opportunity as well as any influencing factors. The sponsor should also determine how satisfaction will be determined or measured. This will not always be financial but should require real evidencing.

Responsibility to monitor and review the opportunity, reflecting changes back to those concerned with governing change and/or building capability, also falls to the sponsor.

The satisfaction of an opportunity will be delivered by a new or changed Capability. This may be a new organisation (people, process and/or systems) is required to satisfy that need, i.e. take advantage of an opportunity. Responsibility for the detailed design and delivery of this capability usually falls to the project manager and requires a clear understanding of the sponsor’s vision, even as that changes.

Responsibility for changing the design and plans for delivering the new capability falls to the project manager.

Utilisation is the use of a new or changed capability to satisfy the identified opportunity. Only when it is used can we realise the benefit. Utilisation needs to be planned, both the acceptance and transfer from the project into business as usual (or BAU) and the subsequent use within the relevant business process(es).

It is this latter element that is often lacking or poorly performed. It requires an identified and specific benefit owner. This person is not the project manager but must work with the project if full benefits are to be realised with confidence.

The monitoring of utilisation will use the measures specified by the sponsor and may last well beyond the life of a specific project. There needs to be a body responsible for this; often it falls to a programme office.

The planned utilisation may need to adapt as the world changes, but there needs to be a steady eye on the expected results.

The last element is Synergy and is the additional benefit derived from delivering more than one change in a way that one augments the other. This depends on both changes happening, the control of which falls outside the direct control of sponsor and project manager and needs separate oversight. This falls into programme and portfolio management where responsibility for the optimisation of total benefits rests.

Synergy by definition is not the reason to justify a capability build. If it appears to be the case then they two changes are probably merely two parts of the same change.

And at Programme/Portfolio level?

Well, the same model will work, summing individual benefits, but removing any double-counted synergies.

$$f(PB) = \sum f(B) - \sum S'$$

where

PB is portfolio or programme benefits

B is a realised benefit;

S’ is an adjustment for any double counted benefit.

I have found that using language such as this is far more effective with most business managers and sponsors. By all means adapt it for your own environment.

If you are more interested in benefits and this function I gave a webinar for the Enterprise Management Association that can be found online or ask me.

February 2012

TIMING IS EVERYTHING

I have written before about how much change practitioners can learn from other life activities. Recently, this has been crystallised around timing, how important it is in change and how I Have never seen any aspect of change skills refer to the timing of a project manager of change agent be recognised because of their timing. Instead, you see people rewarded and valued for “slogging on regardless”, or, occasionally, being lucky. So why not?

Recently, on TV programme about the science of sport the presenter demonstrated that for a professional sportsman (in this case, a golfer and a baseball player) if their timing was even minutely off, their performance (distance and accuracy) dropped by over 10%. Interestingly, their widely accepted warm-up routines actually had a negative impact on their timing!

I have also recognised in business that in order to have an idea adopted, let alone implemented, decision makers are heavily influenced by timing. By this I mean when in the planning cycle is it presented, what else is distracting your decision makers, what competition for resource is it facing, etc. The speed of decision making is frequently independent of the amount of preparatory work, the size/impact of the decision or the urgency of what is being decided. This is why so often it takes a crisis, real, perceived or manufactured, to extract any form of decision making.

Comedy is also well recognised as being a profession where success is heavily dependent on timing. That said it is not one size (or one timing) that fits all. On one of his tours Billy Connelly, the Scottish comedian, admitted that it was much easier playing large venues. Why? Well, because it took longer for the laughter to pass around it, thus giving him more time to prepare his next line/joke.

The aspect that brought this all to mind is the old, eternal cry for more communication, especially from the passive, critical portions of the population. By “passive, critical” I mean those who prefer to be spoon-fed just what they want to know and not have to exert any energy either trying to learn about or assess the benefits and impact of a coming change; those who prefer to read selectively and recall information in order that they can find solace in complaining that they know nothing because no one has told them – often despite hard contrary evidence.

It struck me that effectively connecting with this portion of the community along with the rest is heavily dependent upon timing. This timing is in terms of relevance to the individual, receptivity in the broader audience and context in terms of wider happenings. If one’s timing is right the communication is absorbed and sticks, but if the timing is wrong it is hardly worth doing other than to build documentary evidence that you did, in fact, communicate and do “the right things”.

Indeed, if one looks dispassionately at the work of many project managers, you can pick out those with a feel for timing, who understand the heartbeat of the organisation they are working in, and those who do not. I have not quantitative evidence to support this, but I would suggest that those with “timing” lead the projects that are perceived to be better managed (not always struggling against the current) and deliver more benefits.

As a closing thought for now, I would suggest that when one recruits or assesses a change professional one should look at their sense of timing and go for those with the best instinctive management of this – they are probably “luckier” than the rest.

On my part, I am seriously considering taking a class in stand-up comedy, something that amuses my family just in its notion. To me, there is nothing to lose, and if it helps me play to an audience even an iota better then it is probably worth it.

Maybe we should add it into the standard set of project management training?

September 2010

False Comfort From Wasted Effort And Misleading Precision!

My experience as a project, programme and corporate (change) portfolio manager, is that the two pieces of information that are immediately and indelibly etched in the business' memory are the budgeted cost and forecast end-date, both of which in the budgeting processes are almost certainly wrong. No wonder the perception is that most projects fail, when the most common measures used to assess them were flawed at inception.

So, my heart falls when I am asked to start a project and being told that the budget is a number (something like) £184,534 in 2012; this being a figure drawn out of a plan created about a year ago and then enshrined in the annual budget. I will stress that the numbers are purely fabricated to illustrate the point, but many readers will recognise the truth they represent.

Being quoted to the nearest £1 creates an impression of superior planning and accuracy; interestingly I have in the past been in places where this figure included the pence too! In truth the supporting estimation process was little more than the proverbial “wet finger in the wind” or “gut feel” technique; and probably started as something like “4-man months plus £20k of other expenses” or it feels like "£600k and probably around seven months".

This was probably then subject to the addition of some additional overheads and spread over seven (or some other awkward number of) months and subsequently slipped partly into the next year. Then it was subject to a blanket 9% haircut (easier than having to challenge a pet project!) to get the overall total budget down to an acceptable number and rounded to the nearest £100k.

Apart from the wasteful effort required of the project and programme managers and PMO to create a sets of budget figures by project, by month, by cost category that conform to an accountants specification, this creates further problems during subsequent reporting (“please explain the variance this month against the budget number?”) and gives the business a false sense of confidence and indeed ownership of the money involved, such that should the project be delayed or cancelled or maybe come in under-budget, the business unit concerned will immediately believe that the unspent money is theirs to spend.

The behaviours around all this are so wrong, albeit most participants are doing what they see as the right thing. The problem is that this is all driven by a simple belief that every number has to balance and the fact that spreadsheets make accurate computation very easy and there is a belief that finer precision is better.

As the head of corporate programme office, I was and remain proud of some key changes I made.

There were two key foundations for victory (and it was a battle!).

The first was that we only provided detailed budget figures for those projects that were already approved AND reasonably planned. The rest of the change budget was pooled into a single “pot” or cost centre (i.e. not a cost centre for each idea) that the Programme Office modelled, managed and allocated as identified projects were approved and planned.

As a PMO we analysed previous spending patterns, both seasonal and by category. They were surprisingly consistent over three years and gave us a starting model. We then looked at the nature of the upcoming portfolio and agreed how the "model" should be flexed, something we agreed with the Head of Change.

We then used these to spread the "pot" figure into the budget process, providing perfect transparency on our process and results.

Of course, the numbers the Programme Office submitted in the budget process were also wrong, as in it was unlikely that they would be hit +/- 1%, but no more wrong than the alternative individual estimates and much easier to generate and manage.

In subsequent months as a new project was approved, a specific cost centre was established and a “correct” portion of the pool allocated to it.

The second foundation was that the PMO could hold a list, sub-ledger if you like, of the proposed projects that may not equal exactly the size of the pot/pool. In doing this we recognised that while there are critical links between business plans and the financial budgets, they are not the same thing. Applying an x% haircut across a set of projects does not mean they will all cost less to deliver!

The simplest way is to illustrate the process.

Existing/approved projects for next year require	£21.5m
Business identifies more initiatives estimated at	£48.0m
	=====
Total demand	£69.5m
FD sets the limit at	£35m
So, the funding available for new projects is only	£13.5m
A Serious challenge brings business demand down to	£15m (from £48m)

At this stage one could apply a haircut across either the new projects (10%) or the whole change portfolio (4%), but this does nothing other than make some numbers add up and make a mid-level accountant’s life easier.

Instead we did this

Budget	£35m
Project List	£36.5m

Budget Broken into –

Detail	£21.5m
Pot	£13.5m
	======
	£35m

The pool approach had the added advantage that until allocated, the money was a corporate asset and the project/change committee could invest it in the most appropriate propositions and not be held hostage by a business unit's selfishness. We could report to the Change Board how well the remaining pot reconciled to the expected demand and consider new requirements coming out of left field on their merits without getting into a project dogfight about who gave up what - we made the best decision for the company.

I ran this way for three years and each year the financial management of the portfolio was a) easier and b) I believe we made better decisions.

The key reason is that we did not waste effort either creating or trying to manage to fictitious numbers. Instead, we empowered those involved in governance and delivery to focus on the key decisions.

The most uncomfortable group initially were the accountants who ran the plan. They really did not like the idea of a list of projects that added up to something different from their spreadsheets, but after a year or so they found that it worked better for them too and after year two there were no objections.

This is one place that a PMO can add real value to the wider change community!

November 2012

PACE VS HASTE

Pace vs Haste - Finding the right pace for change initiatives

Some years ago, a friend drew me a picture of the life of a project. Many of the things he illustrated resonated loudly, especially as a way of illustrating what not to do. I have used this diagram a number of times since and thought I would share it here now.

I will be interested to know if it makes sense to my readers.

We start with two components of the diagram. The first illustrates the relationship between the level of unknowns and therefore risk to the successful completion of the project and the effort put into resolving them. By effort I am talking about the real thinking, problem-solving and decision making needed to illuminate aspects to make them into "knowns", and not just about the number of meetings one attends, reports written or the size of the team assigned to the project. While one has a software bug, its resolution is an unknown and it is a risk. Once you know how to solve it you are almost there and the risk reduced. Once it is solved and proven, then it becomes a "known" and is no longer a risk.

At the beginning of the project we know little or nothing, by definition this is a new endeavour, and we have spent no effort in resolving the unknowns. By the time we reach the end of a successful project we should have put in all the effort we need to and have no "unknowns".

This is illustrated in a pair of stacked graphs like so

The horizontal scale is clearly time and this now allows us to track progress. Broadly speaking the more of the right effort put in, the fewer the remaining unknowns and the less risk.

Now let's illustrate a project. This is slightly simplistic, but is effective and shows five phases,

Initiation - i.e. agreement of the business case, planning, resource acquisition, etc.

Design - i.e. working out what the solution needs to be and how it will work

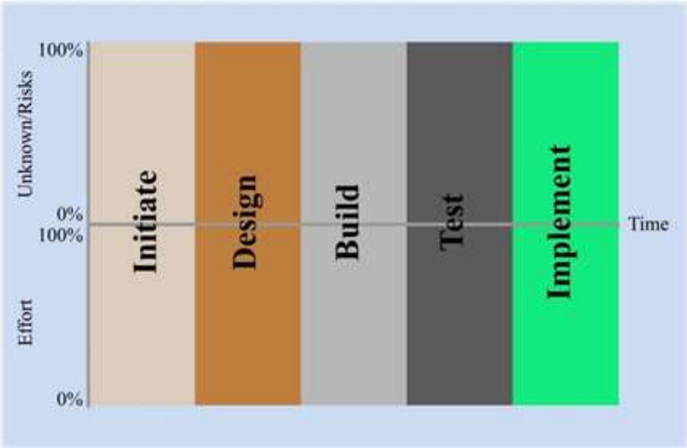
Build - i.e. producing everything that is needed to execute the design

Test - i.e. check that it all works as it should, alone, together and with the rest of the world

Implement - i.e. make it live and part of business as usual going forward

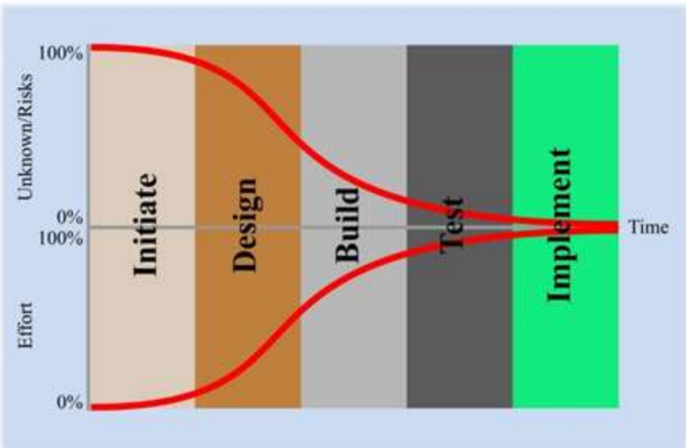
Of course, many project plans look more complex than this, but this is a generalised view and works for this illustration.

The duration of each phase will differ for each project, but I assure you that every project will need to go through each, however briefly. For this article and at this stage of the argument each phase has the same duration so please bear with me.



Now in an ideal world some effort will go into resolving items during initiation, at least enough to develop a fair plan of action. A lot more into the design work with more being resolved during the building phase. This would mean that there would be relatively little in the way of issues and rework to come out of testing and virtually nothing during implementation. By implementation pretty much everything is running sweetly.

In this case the graph may look like this

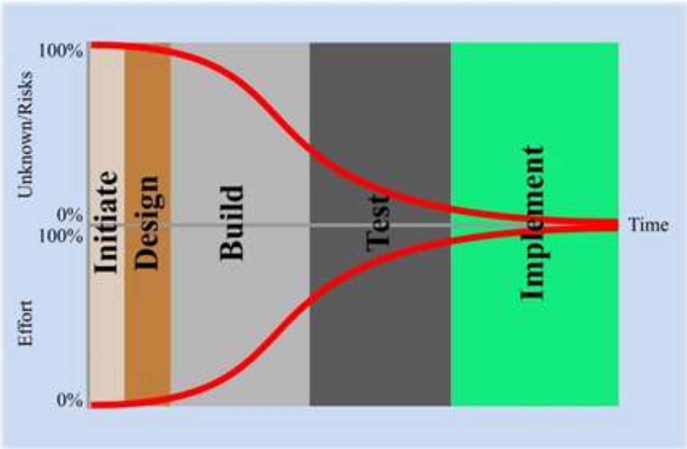


See the two red lines moving in concert from the start to the finish. A good question is how much needs to be known before moving to the next phase. That is really a matter of judgement and experience, but the simple answer is enough to proceed with reasonable confidence. This sets an appropriate pace for the work.

A number of methodologies use formal gateway reviews to control the movement from one phase to the next. This endeavours to capture broad experience, but when poorly applied can in my experience add inappropriate and unnecessary rigour and actually detract from the endeavour.

This is something of an ideal illustration. In the real world, there are often two compounding issues that impact matters. The first is the push for early action. While it is good to build early momentum, this is often translated into "ticking things off quickly" and thereby rushing the early stages, i.e. haste.

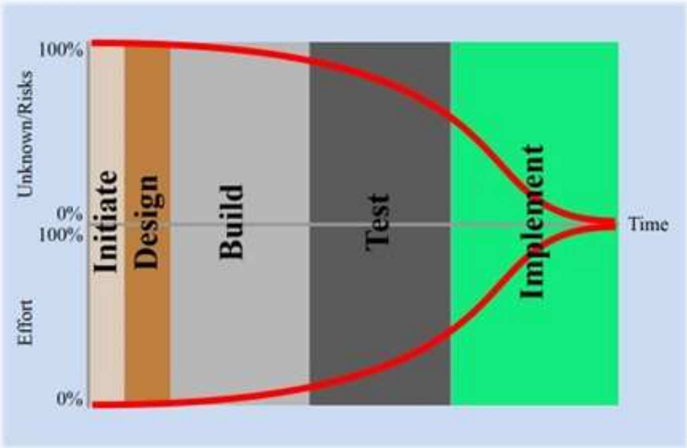
In the model that looks like this



Too little preparation and a poor and incomplete design are the usual manifestations. This means that most of the effort to resolve the unknowns takes place in extended build and test phases. This can be painful for the project teams and frustrating for the business as it sees early "advances" eroded by delays and rework. This erodes confidence.

With strong management and hard work, the experience of implementation could be largely unchanged, but in practice, implementation suffers as well. This is especially true when the second item kicks in and that is the lack of real management effort to resolve items early. This can be delayed decisions, a bravado to just carry on and hope it will come out in the wash so to speak, or indeed a just a lack of focus from key people.

This means that unknowns are resolved later in the process and the model looks like this and places the majority of the discovery and thus the project pain in implementation.



I wonder how much of this resonates with the reader. For many of the people I have used this with (usually interactively with a whiteboard) it has been something of an "Aha" moment. They start seeing the cause of the discomfort they have experienced and maybe contributed to.

The best way to resolve this is to utilise the experience of change professionals. By all means, push them and challenge them but be aware that a) there are lines beyond which the matters start deteriorating and b) that everyone has a part to play, even if it is about putting in the right effort at the right time.

Trying to rush the early, foundation phases is rarely a good thing.

Keep a good pace, show progress and exercise good judgement, while avoiding haste. The irony is that in the project of the model each scenario starts in the same place and ends in the same place, but the journey is very different and can be painful.

As a sponsor or project manager, to a large extent, the choice is yours!

January 2012

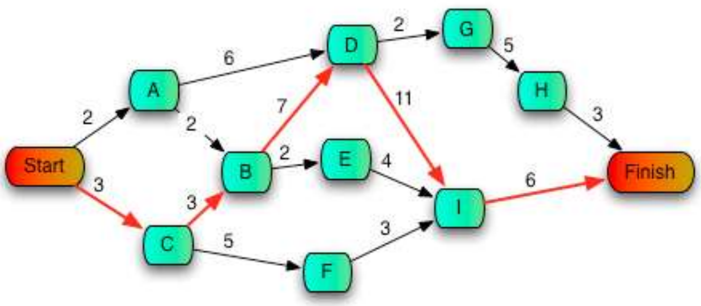
NOT ALL CRITICAL TASKS ARE EQUAL!!

Every now and then it is great when someone shines a new light on a problem. In this instance I have connected with another LinkedIn member, Bruce Nagy, and he connected me with his website. I have looked at a lot of it, "got" some of it and "grabbed" by other bits.

I won't try to cover all of Bruce's propositions as I am sure I would not do them justice, but I wanted to share the piece that set me back on my heels and has me thinking again.

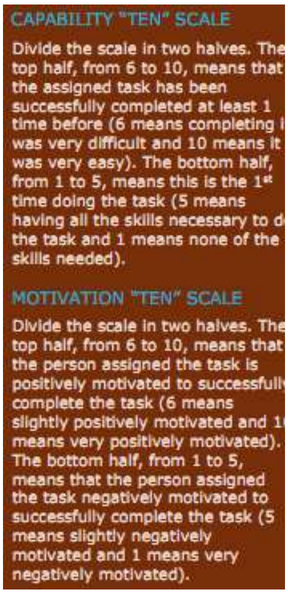
Let me set the scene.

I have lamented before that project management in the world I inhabit has become dominated by Gantt charts and we have lost most, if not all, of the PERT and critical path analysis I was trained with. Indeed, I was talking with a long-time friend and commented that it was a long time since I had heard anyone even used the term "critical path", let alone use it. He concurred.



For those not familiar with critical paths, they are the chain of tasks/activities that define the end point of a project. The importance is that any slippage in one or more of those tasks will have a direct impact on the end date.

What Bruce's work suggests is that one assesses each of those tasks using a simple approach; an assessment that can prioritise them against the risk they will slip thus enabling you to optimise where you place your attention and supporting/mitigating efforts.


CAPABILITY "TEN" SCALE

Divide the scale in two halves. The top half, from 6 to 10, means that the assigned task has been successfully completed at least 1 time before (6 means completing i was very difficult and 10 means it was very easy). The bottom half, from 1 to 5, means this is the 1st time doing the task (5 means having all the skills necessary to d the task and 1 means none of the skills needed).

MOTIVATION "TEN" SCALE

Divide the scale in two halves. The top half, from 6 to 10, means that the person assigned the task is positively motivated to successfull complete the task (6 means slightly positively motivated and 1 means very positively motivated). The bottom half, from 1 to 5, means that the person assigned the task negatively motivated to successfully complete the task (5 means slightly negatively motivated and 1 means very negatively motivated).

It is captured in this paper that is freely available from Bruce's website. the key piece, at least to me, is as follows.

- Look at each task and rate it against two scales marked from 0 -10, one for capability and the other for motivation. (see panel for assessment criteria)
- Having assessed and rated the tasks, one has some akin to the classic BCG 2x2 matrix.

It does not take a rocket scientist to see that the tasks with "low capability / low motivation" are at the most serious risk of slippage and worthy of a project manager's urgent attention.

The strategies for dealing with activities falling in "low capability / high motivation" and "high capability / low motivation" will differ but enables effective focus of effort.

Of course, "high capability / high motivation" still carry a degree of risk - that is the nature of project work - but one should have more confidence in their delivery to plan.

As I said, this has set me thinking again. I would argue that I do this intuitively, but also recognise that a systematic approach is valuable for consistency and scalability, i.e. getting others to do it too. It is also valuable as away of explaining to stakeholders and sponsors why you are concerned about aspects and what they warrant their attention too.

My challenge to myself is to see how and where I can use this in my current work.

I am sure I have undersold Bruce's insights, and that his ideas go further and have far wider applicability, so I commend you to have a look and assess it for yourself.

August 2012

PLAY YOUR CARDS RIGHT!

Why Project Managers should learn to play Bridge

If you play the card game, Bridge, you will know that play breaks down into three elements; the auction, early play and the end game; phases that parallel the successful project management experience.

In the auction, each player bids for the contract based upon incomplete information, endeavouring to share knowledge with their partner. The winning partnership will have the challenge of fulfilling the terms of the final contract if they are to be considered successful.

I think you can start to see clear parallels with early project engagement! One member of the partnership, known as the declarer, then gets to play or manage the game. This person may not be the one who submitted the winning bid but is still left with the sole responsibility to execute it. Arranged against them are opponents who may have provided misinformation. Let’s be honest, it is not unknown for projects to have such opponents.

As his partner's cards are now shown publicly, declarer has more, but not all the information available, yet he is required to formulate a plan to fulfil the contract. Each hand is different in its combination of cards, players and known information so no plan can be perfect at this stage. Yet still, declarer has to come up with the best option.

How often does a project manager find themselves in a similar position, needing to use their experience and skill to deliver to expectations? Do you see how the parallels are growing?

The second phase is early play where the declarer starts playing their cards with a view to winning tricks, i.e. play executed against the original plan.

The opponents, although bound by certain rules, have plenty of scope to be obstructive and exchange damaging information. With successive rounds of play each of the participants (declarers partner is known as “dummy” and can provide no help - no comment on any parallels here!) gets more information.

The permutations and possibilities start diminishing and the likelihood of eventual success can and needs to be reassessed. Each piece of information may cause declarer to change their plan. However, in most games declarer will continue with their initial plan for the first seven or eight tricks of the thirteen available. That is unless they are forced to admit that their plan is flawed and has no chance of success when they have to find a new way to succeed.

The last phase in Bridge is known as the end game. It is from this that many project managers could well learn some tricks (pun intended!). In this phase, declarer takes stock of where he is and what remains to be achieved if he is to meet or exceed expectations i.e. meet or exceed the contract.

The idea of taking the opportunity to exceed expectations is important as there are real incentives to do so in Bridge, yet in projects, sights are rarely set higher than doing just enough.

It is also important to realise that declarer has no scope to ask for additional resources, i.e. no new cards, and cannot renegotiate the contract or the playing field, i.e. there is no scope to suggest playing for 15 or 20 tricks instead of 13. This places the burden on planning and skill rather than relying on re-negotiation skills. In preparing for the endgame the original plan is largely irrelevant. Declarer uses the additional information and insights gleaned from the early tricks to reassess the opportunities they face.

The mindset has to shift from How do I (still) execute my original game plan to What do I now need to do to satisfy the contract?

In this, there can be and often is a shift in strategy, an adjustment in risk appetite and a clearer focus on results than process. Within the rules that apply to all players, both declarer and the opponents can and usually do indulge in a number of misleading actions designed to give them an edge.

Having formulated a revised plan, execution of the end game is much more fluid and subject to change. Indeed, as time progresses there may be revisions to the end game until all the cards are played and a final reckoning achieved. Now all the players can assess the success of the project So what? Well, too often the shift of gears into an endgame is something that is missed in projects by both project managers and sponsors.

Projects tend to adopt the style I have started so I will finish and, when faced with trouble or changed information, tend to work harder rather than take time to reassess and then work smarter.

Undoubtedly project boundaries are more fluid and the influences more complex, but that does not mean we cannot drive out better results. When planning a project, set a milestone around two-thirds of the way through (use elapsed time
or cost or progress or all three, just do it) and challenge yourself to shift into the endgame mindset.

Be prepared to change radically from your original plan. Ask the following question: -

With what I know now, how can I best achieve what I am contracted to deliver?

Don't immediately ask for more resource or extended time frames. Don't ask for changes in scope. These should only be considered when there is clearly NO way to achieve success within the contract.

We can all think of projects where something like an end game has occurred, but usually, it has been forced upon it and not a conscious choice. I contend that it should be a natural and regular behaviour for any project manager who hopes to deliver consistent high performance. It does not guarantee success in life (or in Bridge, but it does increase the chances of a win.

Programme Offices, Delivery Managers, Sponsors all have a part to play. They should challenge and support project managers to make the most of endgames in projects.

They do say practice makes perfect!

January 2015

IF USAIN BOLT WAS A PROJECT MANAGER.........

......he would not want to be slow out of the blocks for 2013, but most of us will be!

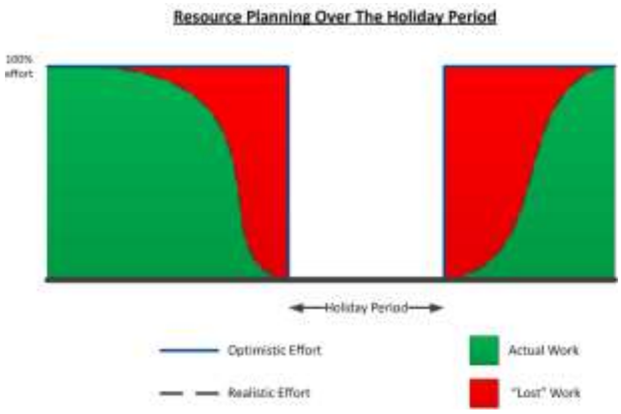
The world of business change has increasingly become a series of annual sprints whose cyclical start and end is defined by the Christmas (and New Year) break. While in the purest sense projects and change should be agnostic to the annual cycles and take the time, they need when it is needed, budgets, planning and performance appraisals (both corporate and personal) and thus management focus is firmly aligned to the calendar.

Reality, however, refuses to respect these boundaries and in this blog I want to cover two aspects. The first is that whatever is not completed by year end still needs to be done, and often it must be done before one can undertake the work planned for the new year. In order to complete this overhang of work management needs to divert resource and attention from the start of "new year". While the clever accountants can often move some the project budget between years, the resources (i.e. people) who are the lifeblood of any project do not suddenly become capable of 14 hours work a day (at least not for any extended period). As a result, this delays the start of "new" work and sets the year off badly.

This is a real problem and I am prepared to bet that the majority of firms have significant unfinished work that has slipped into 2013. In past incarnations, I have seen some of this unfinished work stretch out into Q2 and have a major impact on current plans. It also creates the real risk of a repeated offence at the end of this year when for a number of reasons including delayed starts, there will be work hanging over into 2014.

There are ways to break this cycle, but few are palatable to managers. The biggest one is a higher degree of realism and honesty in planning, especially the annual planning process that takes place for most companies in August/September. To forecast and allow for the likely overhang is rarely acceptable but would make a lot of sense! The second is to more effective and realistic planning along with more timely intervention when things look to be in trouble. The last is a the promotion that early delivery is both acceptable and desirable. Wouldn't you rather have a clear desk in early December knowing that all that was planned has been delivered, allowing you to start preparing for the new year, rather than the more common brinksmanship that pushes meetings and signatures right up to the holiday period.

A second, corrective action is to more properly reflect peoples' true behaviour around the holiday period. Most project plans that I have seen designate a period of 10 to 14 days around Christmas and New Year when they expect little or no work to be done. This is not unreasonable, but what it usually assumes is. This is that work continues at 100% effort right up the start of that break and restarts at 100% at the end.



Reality is that effort and contribution starts declining around the beginning of December as people's attention turns to the holiday period and they are distracted by parties (company and personal) and other invitations. Similarly work only winds up again gradually after the holiday period and is rarely at 100% before mid-January. The real result of this is the loss of something like two weeks of planned/expected effort; something that has to be made up at the real start of the new year, i.e. after mid-January.

As in all things we have choices. We could be like the sprinter on the left, continually working against a dragging factor, or we could look to emulate Usain! I know where I want to be. Do you?

What can you do?

Right now, the best you can do is to really understand what is overhanging from 2012 and schedule it in as quickly as possible, i.e. clear the decks fast.

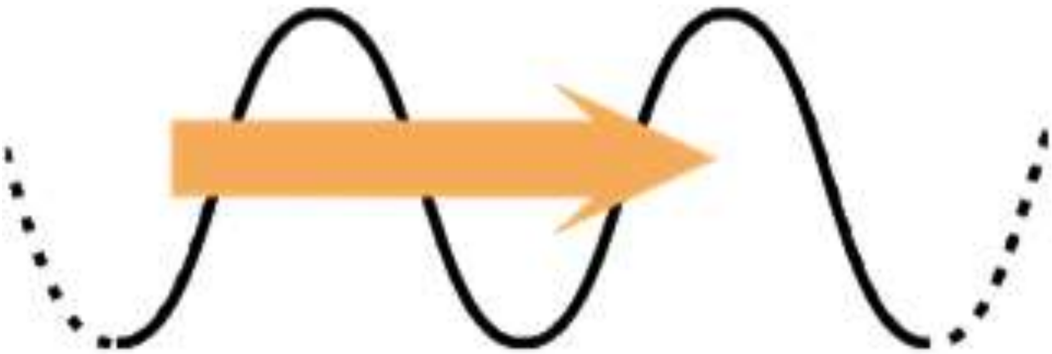
Linked with this look at the knock-on effects and start taking mitigating actions with the aim that by the end of February you will be where you planned to be!

Looking forward you can and should

- Look at your planning process for 2014 and see how you can enhance it and capture the realities of life
- Ensure that your planning around year end 2014 is not idealistic
- Start managing your year-end deliveries from September - that way you have a chance to take corrective action
- Look at encouraging early delivery, rather than just in time!

January 2013

CYCLE SENSITIVITY AND CHANGE DELIVERY



A discussion group I am part of has been discussing why "mega-projects" appear have a higher failure rate than smaller ones.

Now the scales quoted are way beyond my experience i.e. a mega-project was over $1 billion!!!! , but I have seen differences driven by the scale of a planned change.

There was general concensus that the increased complexity was a contributing factor, with complexity growing exponentially with size. Just the communication lines between a large group of people (i.e. those involved) rises exponentially, but then the scale of the solution and those involved will compound matters further.

The interesting piece for me was a comment that the mega-projects tend to become like corporate entities and that is when they struggle. This resonated with something I have observed in more modest, mere £ multi-million projects and programmes so I thought I would share it here.

Once again, I draw upon my science background to illustrate the issue and I look at frequency and synchronicity.

In business and in politics there are cycles. The main cycle is typified by the periodicity of personal and business reviews, budget setting, reward allocation and personal promotion/shifting. In business, this is typically an annual cycle, though in politics one can consider the duration of an administration as the relevant cycle.

What I have observed is that if a programme is conceived in one cycle, then it really needs to deliver in that cycle or the next. If it is planned or turns out to stretch into the third cycle, then the pressure to deliver is turned up and the risks of changes in requirements, diminishing support and perceived failure rises exponentially. I cannot think of any change that spread four cycles and was considered a success even if it did deliver what it set out to.

This is the result of both movement of key personnel and the resultant challenges and shifts in support that result PLUS the fact that the world will have moved in a significant degree changing the opportunity to deliver benefit and/or the environment into which the change will be delivered.

I think that should an endeavour span three or more cycles it is no surprise that it starts looking like a corporate entity as it needs all the trapping of such an organisation, such as succession planning.

The other significance of this is that the over-arching cycles can change. In times of stress and crisis the cycles will shorten, sometimes dramatically (e.g. from annual to quarterly) or the cycle may reset at an odd time when for example the CEO changes or a new government is required. At these times it is beholden to the intelligent change leader to review and revise their approach to change and look to re-synchronise to the new background cycle. Just continuing as previously planned is rarely the best option.

I would be interested to know if this resonates with others? Is it something you consider when leading change?

January 2012

Question: What is a DIY Time Estimate?

Answer: About a third of the time it will actually take!!!

I am not sure where I heard this first, but I was reminded of it again yesterday as I completed the tiling of a bathroom. It has proven to be broadly true a number of times, yet still, my key “stakeholder” (for fans of Rumpole – She who must be obeyed!) steadfastly ignores previous experience.

To be fair the criteria of success are usually met as the benefits are delivered and the inevitable scope creep is accommodated, though not necessarily as quickly and cleanly as expected.

Last year I totally refitted a large kitchen, including tiling the floor, and dug up an old rose hedge. Both are complete yet took longer than expected. On reflection, there are some good reasons that we still tend to overlook when we undertake change in a professional capacity. In no particular order, I would give six aspects for consideration

Life throws up many distractions

When one is working at home, one is rarely able to focus entirely on the task in hand. Instead, family and the world at large throw other things into the mix that have to be handled, often at inopportune times (at least in respect of the DIY imperative) and these create interruptions and reduce efficiency.

Requiring one person to multitask reduces efficiency

DIY is often DIA or do-it-alone. The implications were all too apparent with this recent tiling experience. I was not only laying the tiles, but cutting them, mixing the adhesive and having to self-labour, i.e. carry the (heavy) materials upstairs. This meant that it was hard to do any aspect as efficiently as possible, e.g. I could not mix too big a batch of adhesive, else it would start setting before I could use it and thus be wasted.

Scope Creep is only to be expected

What started as a simple(?) job to install a new shower and move a bath has since become a total refit of the room. The result will be better and overall the family will be happier, but it has seriously extended the job. This is not uncommon and I doubt reverting back to my “project charter” would cut it with my wife. J

Expertise, or rather a lack of it, results in learning in the job

I start most jobs with high confidence, I have, after all, refitted two houses pretty much from top to bottom over the years, but that does not make me an expert in any aspect. What skills I have were never honed to professional levels and degrade between projects. This manifests in more time planning/puzzling each activity as I don’t know the shortcuts/easier ways, a slower work rate is I check and re-check work and despite this a higher error rate requiring correction/re-work. While there is a satisfaction in learning how to do the job well in the end, it comes at a price.

Experience is hard to build when so much is new

The “newness” in this case is a mix of unfamiliarity, irregular application and changing tools/equipment. For example, I can and do plumb, but don’t do it often. As a result, the materials such as pipes and joints seem to change each time. Similarly, when the no-nail type adhesives came in, they made some aspects much easier, but needed some different techniques to achieve the desired results.

Unexpected things happen, but it is hard to manage contingency

Of course, when you lift some floorboards you are never quite sure what you will find, but rarely is it good news that makes life easier. Similarly, a dropped tile and a chipped bath will change/add to your plans. No-one expects these, especially the “stakeholder”, but I struggle to think of a DIY project that has not suffered at some point in some way.

So how can we do take these experiences and a) do better and b) transfer the learning into our professional life, or do we just need to adjust our expectations? There are four things I can offer here

Manageable chunks

By this I mean break the work into packets of work that can be undertaken and completed relatively independently of the rest. This allows for discernible progress/delivery and for learning and adjustment expectations. Of course, things like AGILE and SCRUM are attempts in the professional world, but I think we still need to educate stakeholders about the intent and value of these approaches. I think that many/most still consider a project to be a contractual undertaking that should be delivered as promised, as if by magic.

Evolutionary projects

Certainly, for larger projects, we could look for a more flexible, evolutionary approach than is often provided. This would mean a clear focus on benefits (as opposed to deliverables) in order to drive and calibrate effort. This does not mean project anarchy but is intended to avoid dogma. There is a project approach called EVO or Evolutionary Project Management that is aimed at supporting this approach. It has been championed by Thomas & Kai Gilb (http://www.result-planning.com/Project-Management), but in my opinion is under-appreciated.

A greater learning culture

In many of the changes I have been involved with, increasingly the preference has been to hire “expert” resource in the hope that this will negate the need for learning. While there is something in this, it is also true that learning has to be contextual, i.e. what was learned in one place, may be directly applicable, but more likely it will need introduction and adaptation – which all take time. How often do we need to see learning factored into projects now? The most extreme example of learning related to the advanced weapons research where thy were looking to create the leading weapons in 25 years’ time. They do not know exactly what these will be or the technology that will be available, but they know they need to be prepared. As a result, they put in place major learning programmes now, so they will have the experts they need when they need them.

Handle contingency better

Over the years it appears to me that contingency has become a bad word, despite the continuing evidence that it is needed. In practice, the best hope is that contingency is hidden within a project plan, with risk-based estimating or plain sleight of hand, because in most cases and overt contingency is scored out as being “fat” and unnecessary. In part, this reflects the increasing demand for instant/faster results, and in part because it is perceived that project managers/resources have abused contingency in the past. The challenge I think is to revisit contingency and see if we can’t take a more mature approach to using it as a valuable element of planning.

March 2011

THE LESSONS WE CAN LEARN FROM GOLF?

At the age of 29 and with no ball striking ability I took up golf. It had never featured in my family history of sporting skills, but I decided that I would try. Now, over 20 years later, I still play albeit not very well. In truth, I don't play enough to improve really and it is, at times, very frustrating, but the rewards are high and I hope to be playing for many years yet.

Given it was not a natural skill set for me, I have had to work hard to understand and improve even to the levels I have achieved. To those that know golf, I can, at my best play, to a handicap of just under a 20. Among my inconsistency, I can hit some, though few, of the sweetest shots that out-play, better golfers. I can also hit some of the ugliest shots ever seen.

I thought that in this fourth blog I would reflect on some of the learnings from golf that I think could aid a change agent. I hope there will be an "Aha" or a "Oh, yes" moment somewhere in here for each reader. If so then, please let us know. If not then, maybe you have some of your own to share.

As I sat to think about this, I came up with a long list of possible subjects, but here I have pulled out half a dozen or so that mean the most to me. Here goes.

#1 Be brave enough to challenge and go against "natural" logic

What do I mean by this? Well, when I started learning, I knew I had to get the little white ball into the air and hit it a long way (well most of the time anyway). So, my brain was ready to hit it up and hit it hard. I cannot tell you how many times I scuffed the ball and it scuttled along the ground for a short distance or indeed I missed the ball altogether. The number of sweet shots was less than one in ten and maybe nearer 1 in 25, more a case of accident than design.

Well, I was told at an early stage that I needed to hit my irons down into the ball, to squeeze the ball between the club head and the turf if I wanted to get it up. I also knew that good golfers created divots, the strips of turf that their clubs cut from the ground as they struck the ball. The trouble was while my ears heard this, my body could not accept and act upon the knowledge. It seemed so counter-intuitive to hit down and waste energy hitting the ground and cutting the turf.

I was also told that delivering power to the ball all about timing rather than trying to hit the cover off it. I knew that I should have a smooth rhythmical swing, and let the clubhead do the work, but again when I was faced with a long shot across a lake or similar, my body went back to "hit it hard". My clubhead would hit the speed of sound. Any element of control was lost and I was lucky that the head stayed on the club. The combined effect for me was a few good golf shots and lots of frustration.

Looking back, it probably took me ten years to overcome this problem and while I am still not a great golfer, and doubt I ever will be, I do strike the ball better and more consistently now, obtaining improved results by defying what my body took to be natural logic.

#2 Play the course, not the driving range - course management is key

There is a term in golf about "course management". My understanding is that this is about playing sensibly and with purpose, thereby maximising your chances of success. Many golfers think that they will reach their peak hitting ball after ball in a safe, dry driving range that looks and feels nothing like a true golf course. In contrast, the real game is played on real courses, subject to a variety of weather conditions and where a difference of a few inches can be very significant, e.g. you are in a ditch or you are not, you are beside a tree or behind it, etc.

Course management is about having a strategy that considers the strengths and weaknesses your game and those of the challenges of the course you are playing. This can be garnered from a book, by talking to someone who has played it or indeed practising on the course beforehand. That same strategy will also take account of the weather and condition of the course. If it is wet and windy, the course will be very different from a warm day with hard ground. A 200-yard shot one day, may only go 180 yards on another – possibly the difference of hitting a bunker or not.

Course management is also about adjusting to the way you find the course and indeed the way you are playing – we all have off days. If on your second shot you find yourself in the rough rather than the fairway, it may well be better to "take your medicine" and play a safe, but short shot to get back on track again rather than make it so you have to hit a "once in a lifetime shot", that by definition will rarely come off and more likely end you in deeper trouble.

This does not mean one should never be brave, but rather that one should weigh up all the options and consequences and take the one, that at the time and at the place you are, gives the best chance of overall success.

This is not something you learn on a driving range or in a book, though these both have their place, but rather by playing real courses with a sensible head on. Can you see the parallels?

#3 The more I practice, the luckier I get.

This is a much-attributed quote within the golf world. I am not sure I know who said it first, but the context within which I heard it was just after a golfer, I thought it was Lee Trevino, but I may be wrong, had just holed a very difficult putt and someone commented that it was a lucky putt. The retort was along the lines, "It is funny, but the more I practice, the luckier I get!"

The two points I would bring out here are that it is about the right practice and that accepting the help, advice and support of others is often a key element – practising the wrong stuff in the wrong way can be just as damaging.

Most professional golfers will spend hours with a coach or coaches on practice facilities. Before a tournament, they will usually play the course two or three times, often hitting more than one ball from a variety of positions. They will also send out their caddie to scout and document the course so that they have the finer details of precise measurements, etc. for use if and when they are needed.

As an amateur golfer, I don't have access to all that support, but the principles are still true and the difference is self-evident if I have had the chance to play a course before, even if the conditions are very different.

In my change world, I have access to loads of experience and to training opportunities. I also look for ways to practice and test ideas and approaches before I need to use them in a critical situation.

#4 Be open to change yourself

This may be strange, but I have often found that some of the people most resistant to changing themselves are change professionals. In contrast, when I look at professional and amateur golfers they are always looking for ways to get an edge. They look at and try new playing equipment regularly. They spend a lot of money on lessons and coaching. They keep up to date with rules and support accessories. They will try alternate putting methods, to rebuild a swing, and try new course strategies (for my part I leave my driver at home now and only use a driving iron!).

All in all, they are continually striving for ways to improve. In part, this is probably because of the regular measurement of them against others, but it is also because they can assess their own progress by their handicap. The one thing few of them are and certainly none of the successful ones are is complacent.

I am not sure how we can create that in the change world, but boy would it be powerful if we could.

#5 Don't beat yourself up unnecessarily (when, in fact, you have done well)

As I have alluded to already, my standard of golf is not high, in large part because I am not very consistent. When I do hit a sweet shot, I can marvel at it like anyone else, but in the past, I also had a common tendency to say something like, "That was great, but if only it had…….landed two feet to the right…..not hit that rough……left me a clearer line to the pin….etc."

Psychologically, the word "but" means that our brain only keeps the bit after the word and forgets what came before. Many new and poorer golfers have this huge tendency to have a momentary high and then negate it with self-criticism, criticism of something they had no right to expect in the first place.

For example, if one is approaching a green from say 100 yds, a good golfer could expect to hit the ball onto the green maybe 80%+ of the time. A poor golfer like me might only achieve 20-30% success. Now for the good golfer, he can realistically worry about if he is left or right of the pin, uphill or downhill, closer than 20ft, etc. That is a fair challenge. As a poor golfer, I should be looking to lift my percentage up to 50%+. Until I can achieve that regularly, a good position on the green is a bonus, but not a realistic expectation.

The lesson is to set realistic targets and ensure you give (self-)praise where appropriate so that you can look to improve further. Avoid pointless and unrealistic criticism of yourself or others.

#6 Inclusion/involvement is a powerful tool

One thing that the handicapping system in golf allows is for a whole range of people with different abilities to play together in competition or just on a friendly basis. This has allowed me to make some very good friends I would probably never have met if this had been a purely skill-based pass time.

More importantly, it has helped me build bonds within the family. Before he got too old, I played golf with my new father-in-law. Then I played golf with my wife and friends. More recently I have played with my daughter and at times with my wife AND daughter. These have all been enjoyable events and helped build better relationships while still improving my golf – everyone sees something different that you can learn from.

The relevance to change is that sometimes we can just get caught up in our own world, with our own terminology and a close set of friends. I want to set the idea that by casting our personal net wider, including and involving others can be hugely rewarding on many levels.

#7 We don't have to be the same to be successful

This last one point for this blog is the recognition that we do not have to be clones to be successful. While in golf, each golfer shares the same goal, plays by the same rules and has the same constraints on the equipment he can use, there is a huge variation in the techniques and "swagger" employed by different golfers.

I will cast out a few examples that may resonate.

- Jim Furyck's swing is far from a textbook example, but he executes it well and has been a top player for some years, culminating in winning millions of dollars in prize money in 2010.

- Seve Ballesteros was a master shot maker, arguably coming from when he learnt with just a cut down 3-iron and had to hit a whole range of different shots with a single club. He was a great of his time.
- Bernard Langer was one of the first to use a broom handle putter at the highest level and boy could he putt with it.

In contrast, you then have the “man machines” that were Nick Faldo and Tiger Woods, but you also have the characters that are John Daly and Ian Poulter.

I could go on but suffice it to say there is considerable diversity within the ranks of successful golfers. This is something we should not lose in change, even when there is a huge drive to put everything into a process, a tool or a methodology. Viva la difference!

Well, I hope in this post I have at least made you think. I do hope it is not too impenetrable for non-golfers.

January 2011

THE NEGOTIATION RITUAL

With the news that Christmas is the time when the most marriages break down and families row, I am reminded of something that may help you survive - it is the Negotiation Ritual.

This was taught to me over 20 years ago by an eminent and very experienced negotiator and trainer called Hank Calero (now dead). His contention was that any successful negotiation had to go through seven steps. While there was no requirement for a particular step to take five minutes, five days or even five years, his belief was that if anyone tried to shortcut or avoid any of the steps, then they would necessarily be pulled back to address it before there could be a successful conclusion.

I did have his book from that course but made the mistake of "lending" it to someone who never returned it and I lost track. The book is long out of print and I am not sure if I could locate it, but a friend did manage to find me an old hardback copy of "Winning the Negotiation".

The Ritual is: -

- **Introductory Phase** - this acquaints the participants
- **General Overview** - a chance to let the other party sense your initial goals and feelings without giving away too much else
- **Background Music** - this is where each side gives its sense of context and the route to the current negotiation, helps give perspective
- **Definition of Issues** - there are usually four areas, your needs, their needs, mutual needs and hidden needs; this is where the landscape of conflict and understanding of what needs addressing. It is important to uncover everything that needs addressing.
- **Conflict Phase** - There may have been resistance, defensiveness and hostility before, but this is where the real volleys come out and the level of conflict rises.
- **Fall-back and Compromise** - this is where, having identified issues and established the conflicts between you, you explore the possibilities of compromise. Why else would you be negotiating?
- **Agreement in Principle/Settlemen**t - without authority one can only agree in principle, with authority one can settle, either way this is where the details of compromise(s) is described and agreed.
- **Post Settlement** - A handshake and smile do not end a successful negotiation. The agreed items have to be brought to life, without that the negotiation is void and one will have to return to the table again.

If you find yourself fighting over the Christmas TV schedule, seating plan or something more serious then an awareness of this ritual could well help you navigate to a successful conclusion.

I do hope you don't need it but will commend you to return to the subject in the new year and brush up your skills in this field - we end up using it so much so our competence is better being conscious than accidental.

December 2010

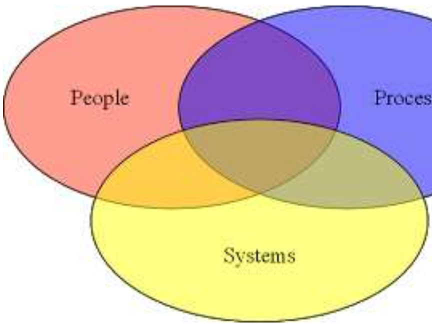
THE VENN DIAGRAM OF CHANGE AND WHAT IT MEANS?

I thought today I would write about something that may be so obvious to some that you wonder why I would bother. I do so because I feel there is still considerable confusion in the mind of recruiters.

I have been told a few times that I don't have enough "IT" on my CV to be considered for roles I could easily fulfil. This can be personally frustrating, but I also wonder if the mindsets behind these comments is not one of the contributors to the perceived failure rate of change projects.

I hope this is of use to at least some readers and that they can then use them to better assess requirements and candidates.

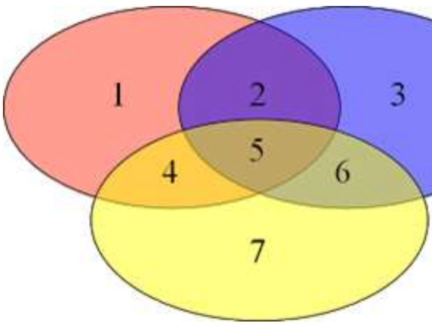
My starting point is the common view that a business is a combination of people, processes and systems. Of the terms systems is used in its more general sense rather than specifically to information technology. In the context of this post I will consider the terms systems to refer to the technology that supports business, be it email, trading systems, telephony and such.



The classic Venn diagram looks like this with the overlaps creating seven zones. This version is purely indicative and used to indicate the combinations and is no comment on the importance or volume of change in any individual segment.

So how does this help?

Let us first number the segments for easy reference



Picking off easiest to describe first, let's start with #7. This is pure technology and as shown in the diagram is not expecting there to be associated people or process change, at least not in the body of the business. Even a simple software upgrade or technology implementation will require some people and process changes within the functions that support it, but I would suggest that if the change has little or no impact on the day-to-day work of users and management, then it fits into #7. In my opinion, this is clearly the domain of the "technical" project manager. The methodologies to analyse the requirements and deliver a solution are usually pretty well known and transferable from project to project.

This is the domain of IT and includes the likes of IT networks, data centres, telephony/communications including services like internet, email, etc.

1 is the area of "pure" people change. This is a little harder to define, but includes changes to employment contracts, remuneration and can include more elusive topics such as cultural change. Again, these may touch need some changes to the interactions between management and staff and use some technology to deliver, but if the changes have little or no impact on the daily execution of business by the core of the business, then it falls into this segment. In many instances, this is seen as the domain of the HR change specialist, someone who understands the daily operation of HR functions and the legal and contractual aspects. I am sure I have undervalued this segment but mean no offence to anyone. I am just trying to illustrate this area of work.

One area that I would personally dispute is that of cultural change. It is often launched and "owned" in this space, but should, in my opinion, sit in zones #2 and #5, but we will come back to that.

#3 is "pure" process change. It suggests that the same people will use the same tools/technology to do things differently/better. To my mind this can only be incremental (and relatively small) change as anything else will require people and/or technology to change. There are tools such as 6Sigma and Lean that help in the analysis of the opportunities here, but the danger is to underestimate the implementation of desired changes.

In truth, many people find it simpler to think of change in just these three arenas. Indeed, many organisations look to place change under the management of technology, who rarely have the empathy or experience to deliver the other two. This is often the source of dissatisfaction and turf wars between executives, leading to "Black Ops" change initiatives run outside the normal governance frameworks. Often these only come to light when they hit trouble or need extra or already committed resources.

In practice in my experience most change sits with zones #2, #5 and #6 with transformational change firmly in #5. These changes normally need the same or new people, working in different ways (maybe under different conditions) with new or enhanced tools to deliver improved business ways.

I struggle to think of an example that would sit in #4, but maybe someone can suggest suitable candidates.

Operational Change as used in my world of Financial services is usually placed in #6 as it is usually looking to use the same human resources in broadly the same way, but with different processes and possibly with new tools to deliver a business requirement. The issue here is that it is often under different management from the larger technology and transformational undertakings, often leading to overlap and conflict.

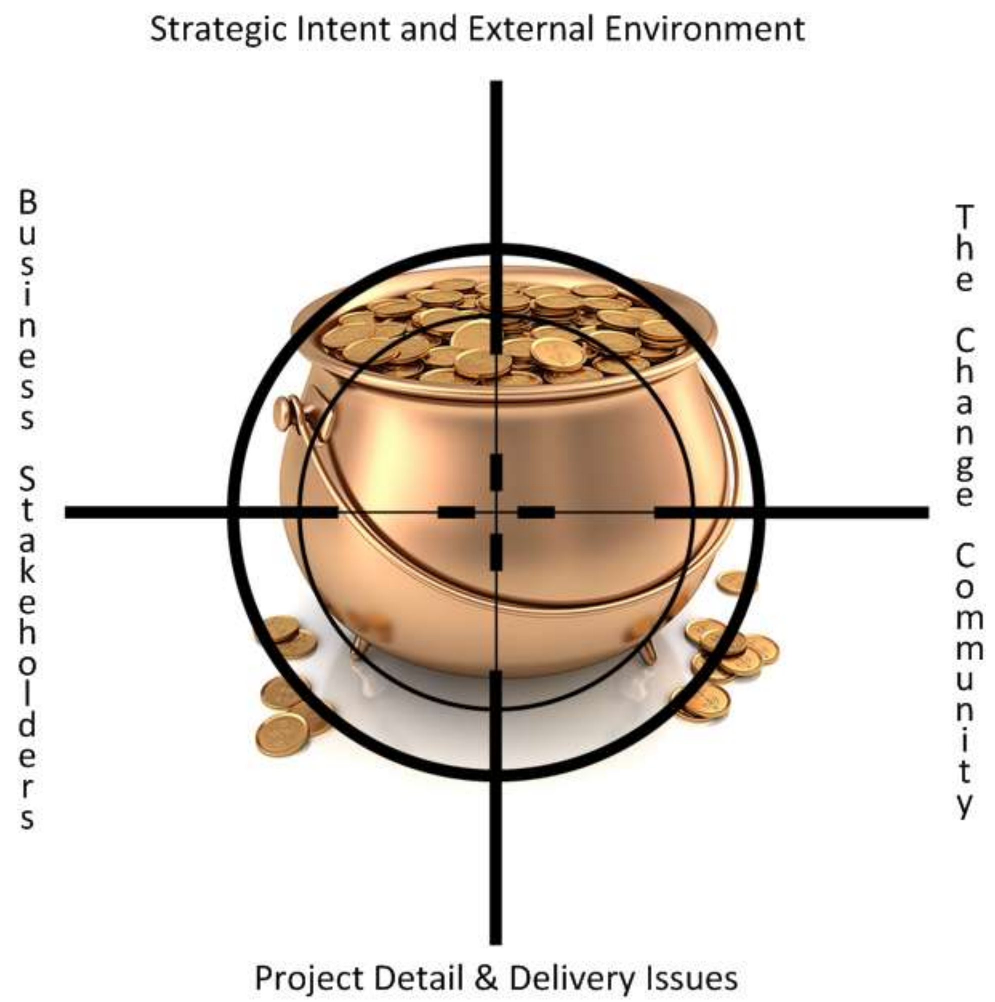
Personally, I have operated in zones #2, #5, #6 and #7, helping to guide undertakings in #1 and #3 at different times. The place I enjoy most and believe where I add most value is in the more complex and, at times, transformational area of #5. These are the places where ambiguity is usually higher and the recipient environment prone to external change.

I find this framework is useful in assessing opportunities that present themselves and how well I "fit".

It also illustrates that project or programme manager needs more than "technology" skills when they step into endeavours that have significant people or process change. I would love a £1 for every time I have seen a technical project manager the job of implementing a new or upgraded trading system and run up on the rocks of people and process. Please do not think I lack respect for technical project managers, because I don't. They do certain changes better than I could and enjoy them more than I would, but I suspect they would say the same about me

February 2012

IN THE PMO CROSSHAIRS



I was talking earlier today about the shape of modern (Change) portfolio management and the path to success.

In "project world" there is a well-documented model of a triangle of time, cost and quality, being the three dimensions that need to be assessed and balanced by any project manager seeking to deliver a successful project. We all know it is never quite as simple as that, but to have an easily understood model is very useful.

In establishing a Programme Management Office, I have previously used a two-by-two Boston Consulting Group style matrix to facilitate discussion. This put control along one axis and influence along the other giving four zones; Administrator (low control & low influence), Controller (high control, low influence), Partner (low control, high influence) and Director (high control, high influence). This proved useful in establishing a perception of where a PMO is and where it wants (or is wanted) to be. It can be a powerful filter for building the list of functions required in a PMO and those that are outside the brief.

This morning I did not use that model, but instead drew a verbal picture of the crosshairs recreated above as an illustration of the balance a successful Programme Director/Manager/Office needs to negotiate.

Across the horizontal are the stakeholders with the business owners and interested parties to the left and the change community (project and programme managers, planners and analysts, etc) to the right. Unless you deal with and appeal to both, you will struggle. At different times you will challenge each and at others you will defend them. Choosing the right time and the right battles is critical and not always easy as others try and use you as a tool for their own ends. Having courage, strength, understanding and judgement are not optional.

Down the vertical (and by the way we could change the axes, there is no reason why one is vertical and the other not) is the spectrum of insight required. It is essential that a Programme function keeps a weather eye on and understands the strategic intent and challenges of the organisation it serves, but at the same time it has to know enough of the detail plans and issues to assess, inform and support. The last thing it needs or wants to do is micromanage the delivery teams. Instead, it should be an enabler.

Finding the balance of enough detail and not too much takes time, trust, experience and an instinct for what is important. As a portfolio manager, what I need today may well be different from what I needed last week, and tomorrow may be different again. The trust relationships and understanding I build with the delivery teams is critical if they are not to see me as whimsical and a burden.

October 2012

"Slap my forehead" Part 1: It's that time; we are all prioritising change portfolios - again!

Nearly everyone I know who is involved in planning and managing change is currently partaking of the annual portfolio prioritisation ritual. This is something I have seen year after year, yet still seems to come as a surprise to senior management, causing stress and uncertainty for much longer than necessary. I should stress here that I am talking across financial services and not just a single company.

I plan two posts on this. The first will be an analysis of why this happens, year after year. It is slightly enhanced (simplified in places, emphasised in others) in the hope that the reader can recognise and empathise with the situation. Please do tell me if it is way off.

The second will be some practical thoughts on portfolio prioritisation, based on a number of years doing this at a corporate level and forever trying to fight the dreamers on the one hand and those hell-bent on spurious precision on the other.

One thing I have learnt is that we waste so much management time trying to create something, i.e. a change agenda, that will at best be only ~60% correct when reviewed with hindsight. The other 40% will be changes in plans, genuine errors, and unforeseen and unforeseeable needs and events. If we recognised and accepted this truism we might find that Q4 each year can be made into a much more productive period.

Part 1

The root causes are, I believe, pretty simple.

1: A planning process that starts from the bottom up, with business units/lines generating more of a wish list than a strategic plan. Rarely is anything co-ordinated across units, relying instead on untested assumptions and supported by little more than the most basic data. If there is any articulation of benefits, it is usually optimistic with only limited understanding of the sensitivities and alternatives.

This happens despite the best intentions of many who draw up templates, guidelines, etc. and try to run an integrated process. There is something of a kid in a candy store mentality that descends when it comes to building most business-driven change agendas

2: Someone (the PMO?) consolidates the data and, wonder of wonders, the total is almost certainly a serious multiple of what could be afforded and/or delivered in the current period. What reason is there to believe that the organisation has the capacity to drive and absorb 3x or 4x the currently acheived levels? We still ignore that basic sense check, time and again.

This is usually the first wakeup call that it is not going to be easy. A common response is to challenge if it is all needed. The usual outcome is a minimal reduction by shaving some costs, a few percent here and there, and removing those ideas/proposals that are clearly pure fantasy. This rarely solves the problem.

3: Put the inflated change appetite into the corporate mixing bowl and find that the financial targets that supposedly drove the planning from the start are unachievable. Now, as the circular logic hits home, the first signs of panic set in. Some management, usually the planning and financial teams, realise that the company can only deliver the sales, profits, etc if they address all that "change", but the organisation cannot afford it all and so won't get the income which will make the ratios worse. What to do? It seems so easy when it is just numbers on a spreadsheet. When you have to deal with a diverse set of people/interests and consider many implications, not just monetary aspects, it is so much more difficult.

4: There is a realisation that the information gathered so far is nowhere near good enough to really assess and prioritise the opportunities or to understand the full implications of not doing any one item. Linked to this is the realisation that there is not enough time to start again - there are almost always external timetables that have to be met.

Of course, there can be some subjective tinkering and whittling of the list, but this rarely has any chance of being enough. There are too many interested parties fighting for their own rewards. A little horse trading may occur, but the old adage of “follow the money” (i.e. who gets the best rewarded for what) is no truer than in this process.

5: Decouple the financial budget from the composition of a detailed change agenda and set a change budget that fits the targets and allows a set of financial figures to be submitted - even if the full business implications are not yet quantified.

This leaves a situation where low-level business expectations still exceed high-level management promises and considerable uncertainty remains about what will be needed or indeed delivered in the year ahead. This is very uncomfortable for many and still needs resolving if the "planners" amongst the management teams are to do what they do, i.e. plan, for next year.

The language that is often used is "deferred (to later years)" or "phased" rather than "dropped" and one would hope that there would be a rolling programme of work that these demands fall into, but as often as not, next year is a new year, with new management and new business ideas.

In practice, this experience will most likely be repeated again, despite claims that the organisation has learned and is doing something better than the last time. In scenes reminiscent of the film Ground Hog Day most "actors" fail to recognise the repeating cycle.

This is where it seems many organisations are right now at the end of November.

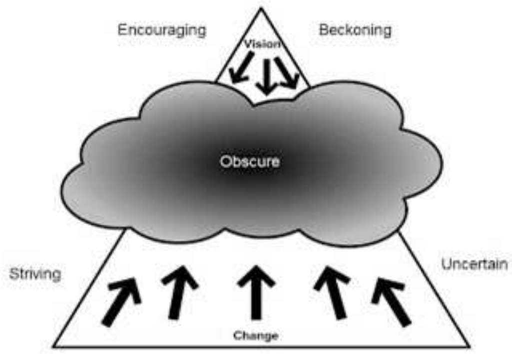
Note: Of course, it is possible that the availability of internal and external resource could be a limiting factor, but in my experience, in most cases, the financial constraints hit first.

November 2010

"Slap my Forehead" Part 2: Moving the cloud from the mountain!

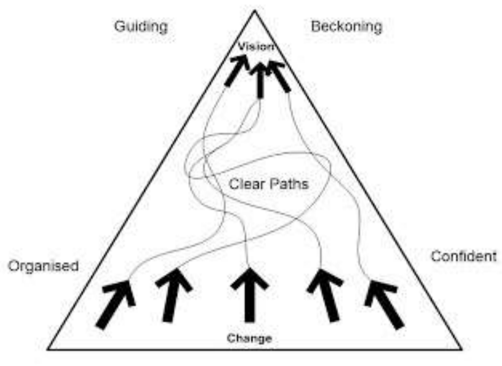
So, in Part 1, I slightly dramatically laid out the position that many companies find themsleves at this point in the financial year / planning process i.e. a disconnect between the amount entered pragmatically into the annual plan for change initiatives and the real (greater) expectation of the combined business units.

In the past, I have referred to this as the cloudy mountain scenario.



Imagine this. Senior management are at the top of the mountain in clear skies and bright sunshine. They can see for miles and have the vision of where they want to go. They genuinely endeavour to share this vision, from their perspective. In contrast, most of their staff are on the lower slopes of the mountain, below the cloud level, carrying heavy loads, up through wooded slopes with no clear paths, trying to reach the top and satisfy the vision. Around the middle of the mountain is a layer of thick cloud that impedes communication and prevents anyone from knowing if any of the paths from the lower slope will reach the top.

In practice, we need to remove the cloud and clarify the paths even if they are still complicated.



Does this sound at all familiar? Does it work as a metaphor?

So, what can we do about this? I would like to give three, real approaches to at least fitting a portfolio with a budget, mixing pragmatism and a little idealism. The best is possibly left to last so please do read it all.

BENEFIT REALISATION MANAGEMENT

The first, and maybe idealistic, way is Benefit Realisation Management (BRM). This is effectively a top-down approach that looks to articulate and link a clear understanding of what needs to be done to sustain and develop the business and the components of the optimum portfolio of change required to deliver the required benefits.

Essentially this looks to four aspects: -

The business **OBJECTIVE**(s)

The **BENEFIT**(s) required to achieve the objective(s)

The **CHANGE**(s) that will deliver the benefit(s); and

The **ENABLER**(s) that support the change(s)

I don't plan to go into this in detail but would refer you to one of the definitive texts called "Benefit Realisation Management" by Gerald Bradley. Heavily promoted by the UK Office of Government Commerce (OGC) and mandated for public sector change this has some intellectual rigour and even if you can't use all of it, some of it will help.

In my experience, the failing of this approach in the financial sector is that there is insufficient clarity and/or articulation of high-level strategy combined with an incredible impatience for quick answers. There are also too many personal agendas that are looking for a particular answer. This approach tends to expose these and subject "sponsors" to deeper scrutiny and expose flaws in management thinking. No bad thing you might say, but still rare and often unwelcome in many organisations.

I do know of one Bank that claims to use it, but they are in the vanguard.

Overall it is usually the time factor (i.e. not enough time to do it) that usually defeats this, along with the cost (it does take some effort to do this well) in a financially challenged world.

Portfolio Triage

The second more pragmatic way is to operate an element of change triage. This is needed as Pareto's principle affects this as many other aspects of life.

In relation to planning change portfolios, Pareto's Principle (or the 80/20 rule) means that something like 80% of the information regarding a proposed change or project is held in 20% of the data, taking 20% of the effort and time to collect and collate. These are the big-ticket items like estimated dates, sponsorship, deliverables, major risks, etc. The last 20% of the information (in term of value to understanding the project) would take 80% of the effort and time to gather.

It is this last 20% that is required if we are to use mechanical tools properly(?) to rank and prioritise or indeed to build optimum portfolios using efficient investment frontiers (see note at the end). This does, however, miss much of the point that projects and change are new endeavours, with considerable uncertainty and a good share of unknowns. In striving to supply this detailed information (and get one's pet project selected), a false sense of certainty is often created.

So, back to the triage

In this, we create a long list of possible change/projects and a call together a sensible group of people who can reasonably look across the business. Every company has them. The trick is to find, engage and empower them. The first act of this group is to split the proposals into three groups.

Group 1 - This comprises changes that are "must do". By this I don't mean that someone has shouted loudly, but rather those mandated by law or regulation or genuinely required to keep the enterprise going (i.e. failure to address at this point would most likely lead to catastrophic failure). This last set includes absolute demands from major clients or repair of business infrastructure (including the control environment).

Group 3 - Yes, I know, wait for it - These are highly speculative, wish-list types ideas. These probably lack strong sponsorship, credible supporting information or even any strength of vision. This can include those that seem excessively risky or improbably complicated.

Group 2 - These are the projects you would like to do as they are considered achievable and likely to bring significant benefit to the organisation.

Be brutal, be tough. Entry into Groups 1 and 2 must really be merited.

I suggest that some socialisation of these three groups outside the main team is worthwhile to check validity. Remember these are just lists and we are human, we can make changes as we go along if we recognise we have made a mistake.

When you are reasonably happy with the groups, do a sanity check. Total up the indicative investment required for the "must do" changes and see how that fits with your financial appetite? If it is already more than you wish to spend then one can pretty much disregard even Group 2. The focus then must be to review and reduce the "must do" list, challenge and reduce the cost to implement the changes and/or seeks additional funding.

Next assuming, one has some investment £ or $ left after the "must do" s one can look at Group 2. For this I suggest setting a small team to order that list in a way that makes sense. This will be different company to company and indeed by year, but broadly will be about supporting the company's strategic direction. This will probably require the collection of additional data, but at least one is looking at a smaller set and not wasting effort on no-brainers and no-hopers.

I would counsel here against false precision and any sense of spurious accuracy. Just because a spreadsheet can calculate costs to pennies and cents, does not make that useful. Projects, particular at planning stage, are rife with uncertainty. The margin of error can easily be plus/minus 10% or 20% - maybe more. So, if one is looking at a project circa £500k, the nearest one needs to estimate is probably £10k. So why do so many project lists report estimates to the nearest £1 or £10?

The answer is because they can; spreadsheets make it easy and the detail-oriented amongst us, often the financial planners, find comfort in that sense of accuracy, no matter how spurious it is.

I was around and used the first IBM PC XT in London back in 1980. The spreadsheet was pretty new then and the king was Visicalc - 64 columns by 256 rows if I recall correctly. It was fascinating how just putting the numbers on a spreadsheet and printing them neatly, immediately gave credibility to what had previously been "back of an envelope" calculations. This is still true today, but so many have only lived with spreadsheets that they don't realise it.

OK, back to the plot. Once you have ordered the Group 2 list, draw a line, literally below the last project you could afford, given the budget you have. And now reconvene your group of wise men and women.

With the list, get the group to undertake a brief sanity check, moving any projects that are considered significantly out of order - no tinkering, just major corrections. Recast the cut of line and now focus on the few (say 5 or so) projects either side of the cutoff. This is where your effort should go and where the fine-tuning will happen. If a project is well above the line at this point it doesn't matter how far above the line, just that it is there; the same for below the line.

This may well be much more Delphic in its execution but supported with the data you have from planning and a knowledge of the business.

I will throw another consideration into the ring, one that has perpetually frustrated financial planners. That is that the list of projects you end up with "above the line" does not need to total the figure that goes into the finances. Yes, I know that the accountants like a sub-ledger with a set of detail that exactly matches a total and I have had to operate within such a regime in the past. The uncertainty surrounding change, means that in this instance a list that is plus/minus 10% of the budget is certainly workable, assuming one manages the commissioning of change and the emergence of new requirements as the year progresses.

So, with your list and its line, perform a sanity check once more, to see what is still below the line, yet should be above. If there is anything, try and fit it in, if not at least highlight this with the relevant governing body.

Lastly, if you, have any investment appetite left, look at Group 3 and use your wise group to cherry pick from it. Avoid the wasted effort of trying to re-evaluate and prioritise every idea, instead focus on the ones with most informed support.

From this you will have a working change portfolio that can be exposed to the wider business with reasonable confidence that if there are more alterations they will be either minor tinkering or so unexpected that no one could see them coming. That is the best you can do.

The Best Bit

Now this is the best bit. Spreadsheets make it far too easy to have a negative number, to project overspending without anyone feeling the necessary pain. The neat trick is to make the issue material.

This was brought home to me a few years ago when the budget for a major programme was cut by 65%, yet the expectation for full benefit delivery remained. As Programme Manager, I tried everything to establish a revised, yet reduced plan and set of change. The Sponsors held on to their expectations. The business and workstream leaders could/would do little more than pare a few % off here and there. No one was prepared to give anything up or think radically about what could be done.

I was tearing my hair out as the run rate was unsustainable, yet no one would accept the inevitable consequences of the cut.

In the end I printed a load of monopoly money, pulled the "full" change list and called every stakeholder including the sponsors into a room. It would be fair to say there was a degree of scepticism when I dumped the monopoly money on the table and announced that it represented our remaining budget.

I then took them through the list of changes one by one as they appeared on the list, asking each stakeholder if they still needed the change and indeed how much they needed to complete it. When the meeting agreed on an item, I lifted the relevant amount of monopoly money and gave it to the stakeholder. This continued until somewhere around half way we ran out of money - the table was bare! There had been some give up, but not much and certainly not enough. The group saw that there were still some critical changes that had not been covered and there was no more money.

At this point, the penny started to drop, the real conversations started to happen and the sponsors stepped up. They went back and challenged everything they had passed already. They then looked at each of the outstanding items and identified the must-haves. When there was no money, they started horse trading between projects and workstreams. It was a joy to behold.

In the end, we had a work plan that would fit within the budget. Yes, we had given something up, but we had done it together and everyone understood. Even a tough sponsor came to me after and said she never thought it would work, but it had and she was pleasantly surprised and very pleased that it had.

The trick was to make the issue real and tangible. To force the real, necessary debates by real stakeholders and not hide behind a pretty set of numbers that someone else has put in a spreadsheet, with its tolerance of negative numbers.

It also avoided spurious accuracy, keeping the process, numbers and tracking pretty simple.

Of course, we had a load more work to do, but that was a real breakthrough and an approach I would commend to you if faced with the proverbial quart into a pint pot. You probably can't use it every year or it will lose its impact but use it wisely and it will serve you well.

<u>Footnote</u>

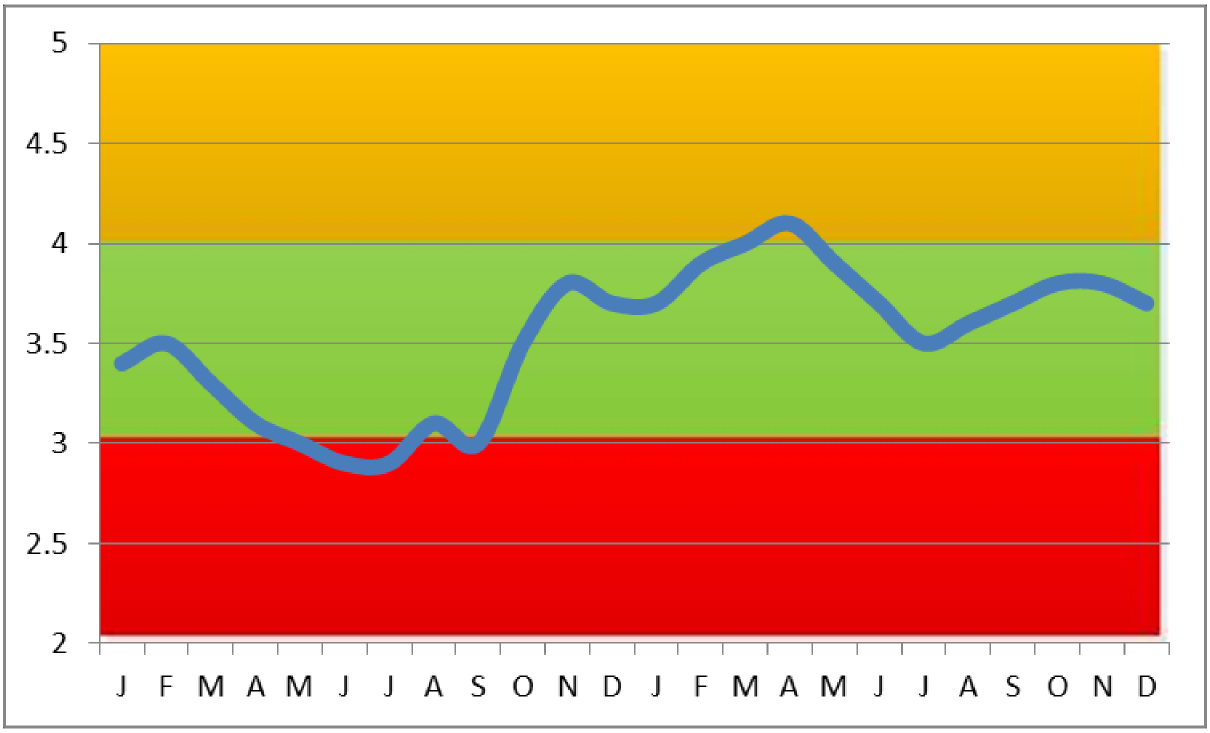
Efficient Investment Frontiers - this is from investment portfolio theory and looks to identify the sets of projects/investments that offer the maximum return for any set level on investment. If you select any set that is not on the frontier then it will be sub-optimal and, in theory, you can see why.

It can work reasonably well in the world of financial investment as there is plenty of pretty good quality information, but in change and projects they have less certainty, less quality data and plenty of subjective dimensions. In theory, it should work if you spend the time collecting the data and trust it, but I will refer you back to the Pareto Principle.

I think that the use of this technique is another instance of spurious accuracy.

November 2010

THE CHANGE DELIVERY KPI



I was reminded recently of a piece of work I did a couple of years back. It still stands up to inspection......so I thought I would share it here.

The challenge that was originally posed and is still relevant was to develop a key performance indicator, a single figure, for a mixed portfolio of change, that could go on an executive dashboard and mean something!

After a little thought I created just such a KPI and ran it successfully for over three years.

The organisation already had the foundations for a KPI but struggled to distil the essence into a number that, if monitored, would aid management's decision making.

The Foundations

The foundations were a project dashboard and an existing BRAG rating system.

The dashboard was a summarised report of the most important active change projects for the organisation. While most important often correlated with largest, this was not always the case. A regulatory "must do" project would make it to the dashboard, while the refurbishment of the in-house cafe and showers would not, rebranding would, but the replacement of printers and scanners may well not. The list was agreed with stakeholders up front and was adjusted over time as priorities changed and some projects were delivered while new (unplanned) ones arose.

This dashboard was no more than two sides of A4 and contained around 10-15 and no more than 20 projects or change initiatives. If the number was greater it diffused management attention and did not aid decision making in terms of resource allocation, etc.

Every project/change initiative was already RAG rated each month. The B in BRAG related to blue and was used to indicate "closed". A project was reported as Blue in the month it was formally closed, and then removed from future dashboards.

Broadly speaking the BRAG ratings meant:

B = blue signified complete/closed.

R = red meant the project was not likely to deliver as expected and there were issues that needed urgent attention

A = amber meant project delivery was at risk, but issues were being managed

G = green meant the project is on target to deliver as expected

These are a synthesis of the key considerations time/cost/quality as applied to each project and in a reasonably mature environment contain a lot of implicit information.

Creating A Number

The first question was to consider if all projects on the Dashboard were equal? I decided that this was not the case and needed some simple weighting to emphasise the critical items. In general I assigned a weight of 10 to dashboard projects, but used a lesser weighting of 3 where it felt more appropriate.

For the purposes of the KPI, any project not on the dashboard was disregarded or given a weight of zero.

The next thing was to the score BRAG. I used B=5, G=5, A=3 and R=-1.

Please note the negative score for Red. The idea being that a project in trouble normally distracts attention from other efforts, and thus has a wider, detrimental impact on the change portfolio.

So, for each dashboard project I could create a performance number that was (project weight x score) and I could sum those up each month. This provided a single number, i.e. sum of (project weight x score), but its absolute value was subject to the changing constitution of the project dashboard.

The way over this was to initially express actual score as a fraction of the total possible score that month, i.e. if every project was on track or completed (Blue or Green).

This produced a new number that was

$$\frac{\text{sum of (project weight x score)}}{\text{sum of (project weight x 5)}}$$

The temptation was to express this as a percentage, but when one uses percentages psychology kicks in an readers assume that 100% is the target. This did not feel right in a world where we are looking at actively managing risk and trying to do more with less.

This said please bear with me as I use percentages for a little longer.

If every project was Amber, i.e. delivery had some risk, but issues were being managed then the indicator would come out at 60%, i.e. 3/5. This felt like the lowest boundary of acceptable performance.

While we thought it unlikely that we would ever score 100% we also recognised that such a score would probably indicate that we were not pushing our change capability hard enough, over-staffed, under ambitious, too cautious, etc. I ran the numbers for the previous year and equated the number produced with how the world of change had felt at the time, as best we could recall.

We finally settled on 80% as the upper boundary of our target performance, agreeing that should we breach that we would want to look at the book of work / capacity with a view to stretching ourselves.

Of course, you may choose other boundaries, depending on your risk appetite, but the point is that there is a target band and it is unlikely to be at 100%.

With this in mind, we can create a number in a range. I would suggest that the range be 0-5, but you can choose one that suits.

Thus, the monthly performance number is

$$\frac{\text{sum of (project weight x score) x 5}}{\text{sum of (project weight x 5)}}$$

with the target performance band between 3 and 4.

Another advantage is that "happy reporting", i.e. the eternally optimistic (or political?) reporting of projects at Green will tend to push the KPI into the upper band and thus attract scrutiny and discussion - no bad thing.

Using the Number

There is one final tweak and that is to not use the monthly figure, but rather a three-month moving average. The reason being that the health of projects does fluctuate and can change quickly. Effective change management is able to properly address these fluctuations and take remedial/mitigating action. If, however, the situation is not addressed over a period, say three months, then we want the indicator to flag this.

So, the final KPI is

$$\text{3-month moving average of} \quad \frac{\text{sum of (project weight x score) x 5}}{\text{sum of (project weight x 5)}}$$

This was then graphed and reported on monthly with trends monitored.

Graphing the KPI

A few tips in the graphing.

- Limit the scale so that space is not wasted. I set a lower limit of the y-scale to 2 as if we ever got below that we would have more serious trouble than scoring a KPI!!
- Smooth the graph line - it looks better, guards against "knee-jerk" reactions and fits better with the trend value of this indicator.
- Set the target performance band as green, the upper (too comfortable?) band as amber, i.e. worthy of attention and the lower band as red, i.e. needing attention.

Conclusion

Of course, it contains a lot of detail within a single number, and real understanding of issues around the delivery performance of a change portfolio needs deeper examination, but as a single repeatable, credible number that can be used on a high-level KPI dashboard and provide useful insight, I have found no better!

September 2012

TRANSFORMATION - LEADERSHIP AND MANAGEMENT

It is interesting what you find when you go through your drawers, well metaphorically anyway. The actual exercise was going through my old PC directories to see what was still interesting and relevant. I found the picture included below - reproduced here without any changes.

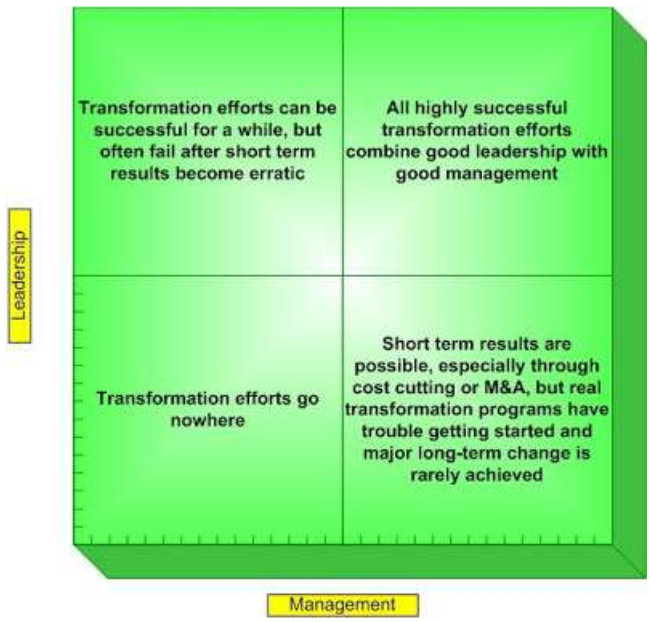
It dates from 2008 and appears to have been drawn in Visio, but I have no recall of ever creating it. Similarly, I have no recollection of receiving it. As a result, I can neither claim to be the creator nor attribute it to anyone else.

That said when I looked at it again(?) I thought it was quite insightful and worth sharing.

In essence, it uses the ubiquitous 2x2 matrix with leadership (poor to strong) going up the y-axis and management (again poor to strong) going along the x-axis and looks at the likely outcomes of a transformational effort in each quadrant.

I suspect we could each define leadership and management, but for now, I will use again the Drucker line

"Leadership is doing the right things, management is about doing things right"



As I read each quadrant, I was struck by how true this was, at least in my experience with the firms I have worked for. Most seem to fall into either the top left (strong leadership, poor management) or bottom right (poor leadership, strong management).

Any effort that started off in the lower left square has typically had stronger management added and as a result stepped to the right. I guess that the problem cannot be with leadership, so it has to be stronger management that is needed? :)

I struggle to think of more than a couple of instances where I have seen an organisation or part of one occupy the upper right and quadrant. Something to think about, he?

January 2011

A RESURGENCE OF EXCELLENCE?

Coincidences set my synapses firing and on Sunday I was triggered while multitasking at breakfast. As well as eating I was catching up on Sky's "Master of Photography" and browsing The Sunday Times.

"Master of Photography" is an eight-part series in which 12 contestants drawn from both amateur and professional applicants are set a series of tasks with elimination at each stage. I was behind in my viewing, using catch-up. In this episode, my ears perked as I heard Toscani, one of the judges advise the contestants that,

"Every time you look for consensus you go straight to mediocrity".

At almost the same time my eyes scanned across the report that Teresa May, the UK's new Prime Minister in drawing up a blueprint for Brexit, will "adopt the same approach of backing 'excellence' that has catapulted team GB to Olympic glory as the master plan for economic prosperity outside the EU" and "unveil plans to turbocharge sectors of the economy where the UK can lead the world".

These two snippets set off a resonance in my thoughts as I started reviewing the implications.

Before I consider that I have been smiling as I considered the nature of cyclicality. When I started working in the early 1980s, a "must read" book for any aspiring manager was "In Search of Excellence" (Waterman & Peters), a weighty tome that analysed and packaged up the key behaviours that had contributed to corporate and product success in some of the US's most (then) successful organisations. It was a seminal text, but interestingly was last republished in 2004!

Since then I have witnessed the rise of consensus and purported efficiency in many firms. It has often been more important to one's career to have contributed to and then toed the party line than to have been right. The individuals who were considered Mavericks or just not aligned were weeded out and many functions dumbed down in the name of better regulation nd efficiency.

Now don't get me wrong, I full understand the value of different perspectives, the need to weed out the bad apples and the value of controlling costs in a competitive world, but like every pendulum the best of intentions can swing matters too far.

The pendulum seems to be swinging back now. Being excellent is again positive and there will be a need to change, something we know not everyone finds easy. Add the fact that there are many vested interests in retaining the status quo and we can see the implications through the economy, for organisations, for leaders, for individuals. This also coincides (maybe not coincidentally!) with rise of the Millennial generation.

As I sit writing this I wonder:

- How can a government that is reliant on democracy (is consensus) be brave enough to really focus on excellence in the economy at the inevitable expense of older, less able industries? The likely timescale for real benefits will exceed the electoral cycle, which in the best of times distracts and impeded political progress.
- How will regulators guard against (or maybe just slow) a race to the bottom and the mediocrity that entails? Some might say we have reached the bottom and need to lift back up, but that is a similar challenge
- How will managers who have learnt their trade in consensus, embrace and lead in the "excellent" world that will be our future? Can they let go of their "command and control" instincts and instead recognise and back real talent rather than safe hands and clones?
- How will our youth find the best focus and support to contribute to and benefit from economic developments that may not have even been thought of when they were in education? Personal reinvention will be an essential skill and as parents we must help our children learn this.
- And how will the older generations adapt? They have financial plans and personal expectations vested from the last 30 years or so, but that world has changed and will change further. Politicians know that this large element has to be considered along with the youth.

Not many answers here, but maybe some food for thought? Please feel free to contribute your views too.

August 2016

General Thoughts

I am not sure how best to organise this collection of thoughts. IN truth it is largely "as it fell" during my process of collecting and collating. I am certainly open to suggestions that could improve the sequencing, but maybe it is best left as something of a lucky dip.

CATASTROPHIC CHANGE AND THE SAFETY OF BUYING IBM.

For a while now I have been advocating that the business world I inhabit has undergone a paradigm shift or, in mathematical terms, a catastrophic change. What I mean by that is there has been a fundamental change in many of the assumptions affecting business and, as a result, we need to think about and manage business and its resources very differently; a transformational change from one working framework to another.

As business has realised that it no longer knows what it thought it knew and has less idea about how to move forward with confidence there has been a commensurate change in risk appetite and thus behaviours. Not surprisingly there has been move to risk aversion, not only on a corporate level, but also, more relevantly, on a personal scale. This is, in my opinion, driving some counter-productive behaviours.

When I started working some years ago, there was a management saying that no one got sacked for buying IBM. There may have been financially more advantageous deals around with other manufacturers, but IBM was the "safe" decision. Well in the current world it seems that the equivalent position is to be seen to be trying something new (with new people). It seems that to draw upon past experience and personnel involved in the "old" business is the risky option, even where they have shown an ability to adapt and create. Much safer to do "new things" with "new people", because even if the result is no better then at least you tried.

This is a bit like throwing the baby out with the bath water. The big unspoken risk is that one makes a poor trade, bringing in blatant and unfounded opportunism in place of good judgement, resilience, and other qualities that are still relevant and valuable. In contrast, those that are already in the company have a bond and an understanding that helps them work together (the operative word being TOGETHER). Yes, they may need new skills, they may need a refocusing of mind and body, but at the core they already work together. They also probably know many of the issues that have been faced and the pitfalls to come. To discard this carelessly seems wasteful, yet it is the most common pattern I observe these days.

Part of this problem is changing the "contract" with existing staff, frequently undermining loyalty, trust, respect, etc. and thus engagement and commitment. It is not surprising when this elicits what are seen as undesirable behaviours. I have spoken of reciprocity, of investing before one expects to accumulate. Of course, it is much more comfortable to bring in people you know, but that just makes a bigger group who do not know the company. Usually, it is more divisive than constructive, even if it does give an illusion of quicker progress. I

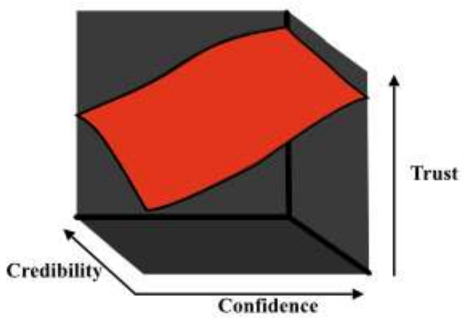
can think of a number of examples, that I won't identify, where after an initial burst of progress, things slow right down as the newcomers (re-)discover all the previous staff already knew.
So you get my view? It is to build on the positives. By all means, augment them and weed out the irrecoverable but be very wary of wholesale turnover when you see it in teams that are meant to be delivering significant and strategic change to you.

Now I would like to explain Catastrophic change as I think the mental image will help you identify it when you encounter it in your world.

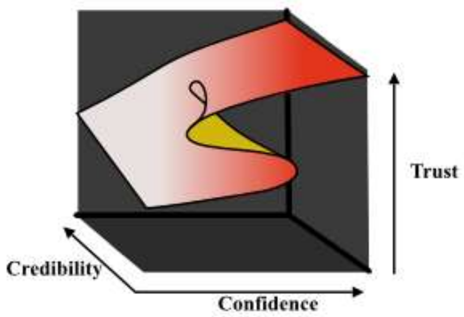
Catastrophic Change

Some years ago a college friend gave me a book that is now rather yellowed, called " Catastrophe Theory" by Denis Postle. It is by necessity a branch of complex mathematics with multiple "dimensions" and some wonderful names like *parabolic umbilic*. In it, however, is a simple diagram that I have held in my head and used a number of times to understand this type of change.

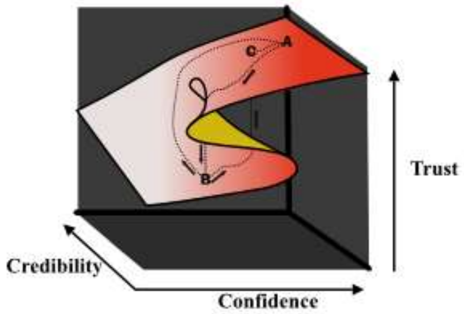
In essence the concept is that there are behaviour surfaces that represent all the likely behaviour for a set of conditions. Let us take an example of trust and argue that it is a function of both credibility (i.e. can they do the job required) and confidence (will they do the job required). The red surface below represents all the levels of trust that could exist for the various levels of credibility and confidence.



Now if that surface was not smooth like that but had a fold in it as illustrated below.



While much "normal" change can be pretty much undone by reversing the factor that created the change, a catastrophic change cannot. For example, a 1/2 % change in interest rates will change business behaviours in some way or another. This could be modelled and factored into business plans etc. The reversal of that 1/2% change would reasonably be expected to largely reverse that position, bringing the world as a whole back to pretty much where it started.



The implications are twofold. Either you choose to stay on a new "level" with new rules about action and reaction, change and resistance. Your new realities will be truly new and you will need to find new measures of progress and recalibrate success. One implication is that "IBM" may no longer be the safe option!

If you really need to regain your original position it will be a much harder longer path through areas you are unlikely to have experienced before. This may be so different and so tortuous that it may be practically impossible to recovery to position A.

In this latter case, there is a grieving/acceptance process to deal with the loss of the old reality.

I have found these diagrams and thinking useful on a number of occasions and think they are very relevant today.

November 2011

When is a deadline not a deadline?

In the world of regulatory change, it used to be so simple - well relatively. When a business was given a date that it needs to comply by, well that was pretty much fixed. Ahead of this and in good time it would have the information it needed in order to work out how to comply.

Well, that is how I recall it and certainly when one went to management with the message "we need to do X by Y in order to comply with Z" they tended to believe you and then support the necessary work.

I have blogged before about the increased complexity and lack of clarity that is plaguing many regulatory changes these days, but worse than this is the endemic issue of softening dates. By this I mean dates get set by the regulators and for various reasons, legal, political or simple obstinacy, they are held to even when they are increasingly untenable. As a change agent, one can only report and work to the dates given, until, far too often to be good, they are then slipped. This could be three months, six months, and I even hear talk of two years in some cases. Prima facie you may think this reflects badly on the regulators, but it makes the life of an in-house regulatory change manager harder - their credibility erodes every time they have to say something like, "well you know yesterday I said we had to have this done by the end of the month/tomorrow/etc, well we now have three/six/twelve months.

The psychology is that increasingly no regulatory dates is believed, especially when the business wants to dedicate a limited set of resources to other business building / revenue generating activities.

Then we start hearing a different language come out. I have heard tell that regulators are looking for "best endeavours", which means different things to different people. In a near regulatory change, i.e. not pure regulation, but related, I read that that those affected should have "made significant progress by X" and "be substantially complete by Y". Please define significant and substantial in this context?

There are many people wanting to comply and working hard to do so, but this shifting sand of dates is not helping anyone. I understand that each political and regulatory element is pushing its own interests, sometimes though not always with a common intent, but the result is that no one is satisfied.

Any business faced with this sort of issue within its own change agenda will almost certainly be forced at some point to take stock, prioritise and focus. It feels as if this is what is needed within financial regulation, but can anyone call it? Will anyone be brave enough to step up and highlight the issues? Can the G20 or something similar take stock and rethink? What would it take to make the G20 think again?

I don't mean give up on everything that is proposed. It is not about capitulation, but rather about pragmatism and priorities. There are things that make sense even if others do not.

If this does not happen, I see this state of affairs persisting for a long time and in all probability getting worse as new layers of approved regulation are laid upon as yet implemented regulations and so on. On a cynical level, this should keep me in work until I retire but is hardly part of the legacy I would want hand on to our children!

May 2013

Size makes a difference and does matter!

I was recently reminded that size does matter. It was a lesson I had learnt some years ago but was reinforced during work with a communications consultant. It is also an area where I fear technology is little help.

Size, in this case, is paper-size and it matters because it can hugely change the way a product is received. I became aware of the power of A5 a few years ago and have used it a number of times since. The use of A5 can and will give an aura of professionalism to almost any document, but especially for manuals or large volumes of information. I have used it when creating and launching project and change methodologies. We have drafted the various pages in A4, i.e. normal size, and as such they look like and are received by a reader as any other ordinary office document. If, however, you print them as A5 and even better if you bind them or put them in an A5 binder suddenly, as if by magic, they take on a more authoritative air.

I am not sure why it happens, but it does. Try it and see. Find a procedures manual or an instruction manual and print a copy in A4 and one in A5. Now test and see how they are received.

The recent reminder was actually the converse of this and relates to the power of A1 (i.e. 8 x A4). In this case we want to represent a major change programme as a "big picture" on a single page. Instruction from senior management was that the audience should not see it as a "selling" tool or another Powerpoint slide. We used an experienced consultant to help with this and his first draft was sent through as a PDF file. The immediate reaction from almost everyone was disappointment and the observation that it looked just like a Powerpoint slide.

For the formal review session, the consultant brought in hardcopy, i.e. an A1 version. While not quite a "wow" moment, everyone acknowledged that it looked so much better as A1 even though we all knew it was the same we had seen on our PC screens as a PDF file.

As we discussed this, the consultant said that his firm had done some research about this and it was at A1 size the audience started looking at the product as something different, as a poster and not just a large slide. Interesting, eh?

I do think this is an area where technology is disadvantaged. A big computer display is largely just that, i.e. a bigger version of a small computer display with little or no other perceived difference or value. I think this limits the power of display screens as delivery mechanisms and leaves power in hardcopy.

I truly do not know why this should be, but empirically and reportedly it is the case so when you are looking to convey a message don't forget the power of hardcopy and more importantly remember that size makes a difference and does matter.

July 2010

THE INTERESTING CONCEPT OF "CHANGE DEBT" AND ITS COST

Yesterday I saw a blog by some friends of mine at Broadgate Consultants about technical debt. This is not a term I had been aware of before, but maybe that is because my focus has been on business change rather than IT.

When I mentioned it at a meeting later in the day the response I got was "Oh yes. That is a hot topic right now!" So, while it doesn't quite meet my rule of three (i.e. if I hear something three times then I need to know more!) it seemed to warrant inspection.

Put simply it would appear that technical debt is the shortfall (relating to technology and its operation) between what should have been done to maintain an organisation's integrity and standards and what was actually done to get a change in. The sort of things included in the debt are completion of full documentation and procedures, elements of testing that may have been cut out or glossed over, issues that remain uncleared other than by the use of "workarounds", the use and acceptance of non-standard software components because the "right" ones could not be made to work as required, etc.

I am sure most project managers will recognise these. They are the things that someone should come back to and resolve. If you are in a mature change environment (or lucky), they will be detailed in the project closure report along with assigned responsibilities, but I see this less and less as the pressure is applied to get on with the next urgent change.

The problem is that these "debts" start compounding leading to operational inefficiency and passing an additional load to future change initiatives who may have no choice but to clean up the past problems.

If I understand it correctly, one might argue that the ATM outage that RBS suffered was as a result of "technical debt".

The blog reports "there are several theories and computational algorithms out there" that are supposed to calculate the debt and indeed the "interest" (i.e. price paid as a result of the debt). These sound fascinating and I may indeed look into them. I am sure the intent is good, but life has taught me to be wary of trying to reduce everything to a number that may convey a false sense of accuracy or precision.

What was more interesting is that the application of this is so much wider. I would suggest that we should not talk solely or specifically about "technical debt", but rather about "change debt", i.e. ALL the shortages created when implementing change of any sort. The principle of compromise and shortcuts is common to all change, often hidden behind the terms "pragmatic" and "tactical"; I have used them myself.

With a staffing model that is predominantly one of a stable complement of permanent employees, those creating the debt are often around to pay the interest. This is not true of contractors and consultants and can often be seen in their approach to issues. What is more concerning is that the shortening of permanent tenure in many organisations. Think about how many people are in the same job three years running? I would argue very few; either they have moved to a new organisation or role or the role has changed around them. This leaves the "interest" to be paid by others.

I would suggest that this can be seen vividly in many Investment Banks.

So, what?

Well, my "so what?" is to start thinking about how the concept of "change debt" impacts my thinking on the delivery of business change? It definitely has a part to play at least by encapsulating and articulating an existing problem such that others can better understand the issue.

It will be interesting to see where the "third" reference crops up and I suspect it will be one of those topics I find myself musing over as I tend my autumnal bonfires. (I blogged before about The Strategy Bonfire and how some of my best thinking is down while lost in the dance of the flames.)

November 2012

IDENTIFYING GOOD JUDGEMENT SHOULD BE INVALUABLE

Towards the end of last year, I was attracted by an update on LinkedIn that asked the reader how useful it would be if one could assess the judgement of project managers? This intrigued me as good project managers are always making decisions and the better the decisions they make the better the outcome, or so one would hope.

While one can review and assess elements of experience and skills, I was not aware of anything that purported to assess judgement. This caught my attention and brought me into contact with "The Judgement Index".

The Judgement Index, or JI, is new to the UK and built upon the Hartman Value Profile which looks at assessing how a candidate views and values the world, themselves and their place in it and how this can affect their reactions and decisions. Although wrapped in a mathematical wrapper fundamentally this comes from the world of philosophy rather than psychometrics. Hartman worked on this since the 1940's and was nominated for a Nobel Peace Prize before he died in the 1970's. His work has been continued by one of his students.

The JI is being developed with the American team and promoted by a company based on the south coast; I soon had a meeting arranged.

The meeting was fascinating in showing how JI is being used to assess the likely success of officer cadets at Sandhurst, to profile alpha project managers, to identify construction site workers who present the greatest accident risk, to profile "best of breed" performers in order to isolate the critical factors and create development plans and hiring filters to build successful teams, to find leaders in a number of fields from sport to business, and much more.

One thing that sets it apart from many other tests is that it is situational and not fixed. Situational means that an assessment reflects the multitude of stimuli we all face, e.g. someone who has a sick partner will almost certainly view the world differently from someone who has just become a parent, some who is comfortable in the work role and with their employer will have a different take on life from someone facing the threat of redundancy. I have seen the JI identify these things and allow them to be understood and where appropriate addressed.

Very quickly they offered to let me take the test, a "Try for yourself" approach. The input seemed unduly simple, just putting two lists of 18 statements into an order that made sense to me. Compared with the pages and pages of endless and often seemingly repetitive questions required for Meyers Briggs (MBTI) or similar tests this was dead easy and quick to complete.

What stunned me was the breadth of insight and accuracy that came out of it when presented to me. As an analytic and a rational I wanted to understand how it worked, how the input drove the output. While I was offered a number of papers and opportunities to discuss mathematics behind it all, I have now come to the conclusion that I do not need to know after all. I say this as I have now seen upwards of a dozen people take the test and get feedback and everyone has been surprised by the accuracy of their assessment and no one, in my hearing, has rejected any aspect. This is building my confidence that it works, no matter how it does it.

I am not qualified to nor intending to try and explain this further, but instead, I commend it to the reader to consider if and how insight into the judgement of yourself, your team and potential recruits could be used.

- How could it help to address performance issues identifying problems and creating remedial plans?

- How useful to isolate and screen for the critical factors found in top performers in a role?
- How useful to have insight into judgement and values as an aid to interviewing and hiring key players?

If you are interested, then please do have a look at the website or alternatively, you can contact Rob Coulthard via rob@judgementindex.co.uk

I will say I have no vested or financial interest, just a feeling that there is something of value to be found in the JI and I am fascinated to see how it can be used successfully. I am also happy to discuss my thoughts and experience to date if that will be of any help.

June 2010

I WOULDN'T START FROM HERE!

"Well if I were you, I wouldn't start from here!"- the well-known advice from a London taxi driver when asked by a tourist for directions to Buckingham Palace.

But sometimes we have no option, we have to go from "here"!

Why do I say this? Well, I was recently asked to give some practical advice to a young man who had been asked to be "project manager" for an important endeavour. He is operating in a corporate environment where formal project management is little understood and as a result not appreciated. Not surprisingly he has not received any previous project management training. That did not mean he was stupid; he most certainly was not. He was very capable of running meetings, writing various business documents and building lists of tasks (to be done!). he had just never managed a project before.

There was no point talking methodologies or engaging in deep esoteric discussion about Gantt charts or the relative merits of Waterfall vs Agile. He was not ready to absorb that and it would be no help to him when working with his colleagues. Instead, he needed a few key points in plain English.

The five I came up with were

- **Know who cares?**

This is critical. Find out who cares if you are successful or not. By this who has the most to gain if you are successful or conversely the most to lose if you are not. If no-one cares then there will be little or no support when things "happen*" and they will happen.

Once you know who cares (and it may be more than one person) make sure you understand what they care about and what they expect. Build a clear line of communication to them.

"happen" = the project runs into problems that you cannot solve.

- **Know what success looks like**

It is too easy to become entangled with the details and lose sight of the end. Thus, it is important to know who (could be more than one person) will judge if the project has been a success and indeed what evidence they will use to make that call. If a project manager understands this then they can make that part of the "end" of the story. The project manager must also make sure that they keep sight of what is needed to demonstrate success.

This will shape their project priorities and aid decision making. It should also help prevent the project losing its way when the inevitable problems arise. No project runs exactly to plan!!

- **Make sure that you tell the story**

It is often hard enough to collect together all the things that need to be done, but a project is more than a list of tasks, it is a story and the project manager is the storyteller. You need to help people understand the beginning middle and end, how the pieces go together, why they are important and the consequences of any failures or mishaps.

You may have to rework the story as circumstances change, but you should never tire of telling it. Your ability to deliver that story clearly and consistently will often be the difference between success and failure.

- **Make it clear what you expect from the people you involve**

When you are marshalling others to work on your "project" they need to understand what you expect of them i.e. are you looking for their expertise, organisational skills, or other skills or knowledge. More importantly be sure that as your expectation of them changes they know and understand the fact that it has changed.

This is especially true as the project progresses and their role changes. Someone who initially wrote an analysis paper may later be expected to lead a team to design and implement a new process or system.

- **Be prepared for the unexpected**

While a little trite (as how can one expect the unexpected?) the point of this is to make sure that you allow time in your schedule to deal with all the things you did not plan for and to do them well. If a PM has a diary that is packed from morning to night, presumably with important matters, where will they find time to deal with problems? Either the project, other work or the project manager's health will suffer - or all three.

How you leave that time is up to you, I quite like to add a couple of diary slots during the week for project review. This is thinking time, time to look ahead and time to deal with the unexpected. Of course, the slots may need to be shuffled around, but at least you have them!

-=-=-=-=-=-=-=-=-

Of course, I could have written a long list about all sorts from managing risks and issues, the danger of assumptions, resource planning.......and so on, but that is not what was needed here.

August 2016

<u>UPDATE</u>
In a conversation recently I added a sixth;

- **Find a Mentor**

Being a project manager can be a lonely role. Finding someone who understands but can remain objective can be a great help. Too often asking for help is considered a weakness, but for unique endeavours such as projects access to the support and insight of wiser brain is definitely beneficial.

THE COST SAVING RITUAL

As many businesses realise how bad the world is and that it is not getting better any time soon, there will be a laser-like focus on cutting costs and managing them closely.

I have been around this cost-cutting cycle a number of times and noticed, at least in the financial services world I have been in, a repeating ritual. One that it seems one has to go through and complete before costs are seriously reduced.

By way of background, I ran business management for a global trading and broking business. The guy I worked for was the archetypal and ultimate accounting professional and working for him I pulled together all the financial plans. He showed me initially, but I subsequently confirmed many times that the total cost of that business (excluding discretionary bonuses) was pretty consistent multiple of front office personnel costs i.e. salaries and related taxes. I don't recall the exact number, but it was something like x2.5 and covered the costs of all direct support areas and allocations.

Higher salaried staff tend to generate more business, need more support, have more expenses, etc., etc. The ratio does tend to work!

I realise that other businesses will have different dynamics, but I am pretty sure that there will be some prime driver in each.

The relevance is that it comes into the third step of the ritual.

The first step of the ritual is this: **"Count the paper clips!"**

What this means are the trivial steps that don't hit people hard. Examples include use recycled paper, make ordering stationery harder, rations pens, charge for coffee make all travel "cattle class" and hotel limited to budget brands. While these send a message and can on the face of it save a little money, the administrative costs erode and savings and the lost goodwill from staff will lead to unexpected costs or workarounds.

The second step usually follows soon after the first and certainly once the lack of initial impact is recognised and that is: **"Point the finger!"**

This usually means scrutinising everyone who charges you directly or through allocations. This starts by arguing about the basis of cost transfer, i.e. a % or based on headcount or something else. Once this is done the next stage is to reduce the use of those support services and thus avoid some allocated costs.

The allocation arguments are usually unproductive in any substantial way as the costs of the originating units have to be recovered. Initial victories in pushing costs to other business units just prompts them to start the same arguments resulting in what is generally a nil sum game i.e. overall no-one wins or loses.

Reduced use of services can again look attractive, but generally, if the service is needed, then it has to be supplied somehow. For example, reduced use of a corporate travel desk to book and manage travel often results in an additional PA here and there, negating savings.

Another way is to look to alternative suppliers, e.g. outsource the work. This can appear attractive initially especially when looking at lower cost locations, but in the end, this also introduces another party looking to take a profit from work and creates new governance roles. It often reduces flexibility that creates other costs.

Additionally, rapid wage inflation in countries such as India and China is quickly reducing the simple economic attraction.

Only once the first two steps have been taken, painfully and unsuccessfully will the company take the third and necessary step: **"Reduce the cost drivers".**

In my personal experience that meant reducing traders and salespeople. With them gone there was an immediate significant cost reduction, but also it was not long before further savings came as the number of people needed to support them could be reduced.

Of course, there are "reorganisation" costs that have an upfront impact, but in the end the only way to deliver sustainable savings is to tackle the cost drivers.

So, watch for the ritual. I am not sure that one can avoid the first two steps, but at least try and complete them as quickly as possible with the least damage so that you can address the real issue - cut to the chase!

February 2012

TIPS FOR A NEW TRANSFORMATION MANAGER

On a network site I frequent there was a post asking for tips for a new transformation manager. He was met with looks of sage, if predictable advice about documenting scope, ensuring stakeholders agree, etc.

I took a slightly different approach and thought I would repeat and enhance it here.

Be..............

Bold in your thinking

Graphic in your vision

Creative in your approach

Pragmatic in your delivery

Inspiring as a leader

Excited in your communication

Sincere in your appreciation

Observant of progress

Attentive in your listening

Resilient in yourself

Disobedient (constructively) where you need to

April 2012

EVOLUTION ON STEROIDS?

- Frankly, we should aspire to do better!

A friend was telling me the other day that he is giving a keynote speech on "change" soon and will focus on evolutionary change. When he said this, the hairs on my neck went up, even though this is not a new term and I was not sure why.

Then a few days later another contact told me that his message to managers is "enhancement & evolution".

At this point, the light went on and I realised what was unsettling me - it was the word evolution and the suggestion that this is where managers should aspire in a world of growing pace and complexity.

As a scientist by training, I can sometimes be too literal, but there is huge power in the words we choose to use and the messages they give to others, often subliminally and unintended. So, what is my problem with "evolution"?

Well, I have three big reasons: -

- Evolution is the result of CHANCE! In simple terms the theory of evolution is that a population of similar creatures will be subject to a set of chance mutations (triggered by cosmic rays impacting on genes?) and that a mutation that makes the single creature slightly better suited to its environment, will have a (slight?) advantage for survival and/or reproduction and thus is more likely to be perpetuated. Unless we resort to theological discussion (and I don't intend to here) there is no purpose or conscious decision making in these changes, it is just chance and the changes that a single step brings are all but indiscernible.
- Real significant change is usually the result of thousands of mutations/iterations over many generations and is accompanied by as many extinctions. This luxury of time is not open to modern management.
- Successful evolution is selected by the enhanced survival of the changed creature. Irrevocably linked to this is the extinction of other creatures whose changes were less successful. The supposition of "chance" in the earlier point means that the creature has no determination in the likely success of its future, they don't choose to be faster of stronger! Few businesses really set out just to survive; they wish to thrive. Survival is based very much in the "now" while to thrive requires a forward view and all the uncertainty and risks that brings.

So, the term evolutionary change lacks purpose, ambition and pace. That is my problem!

I understand the psychology of making a change seem simple and easy to accept - the term "evolutionary" plays to this - but can we live with that any longer? Business cycles are shorter and shorter, management tenure is dropping and the level and nature of competition seems to grow and change at a frightening pace. Survival is really not good enough and aspiring to evolution would seem to set a business up to fail.

The alternate to evolutionary change is usually cited as revolutionary or transformational change. For many, this is neither easy to conceive and accept, nor to execute. My thinking is something in between, something that injects the sense of purpose, something like "directed evolution".

(NB I quite like "evolution on steroids", but I guess that sends as many wrong messages as right ones.)

Of relevance here are some other quotes that I have seen from leading entrepreneurs. I will paraphrase them as stating that the modern, successful entrepreneur is someone who travels from failure to failure without losing heart until he or she finds success. While there are some true overnight successes there are many more who have taken a long while and carry many scars before they succeeded. They have purpose!

To be clear I am not suggesting that every manager and company should bet his/her/its existence on every change, or even on any change unless the situation is truly dire, but that progressive change should not be left to chance, and it needs to be bold enough that it will not be 100% safe.

Maybe the challenge should be, "What do we think we need to be and how much can we afford to fail?" Of course, the debate is more complicated than this, being more like, "How much of the business can we risk, for the benefit we believe we can generate?"

This will be more uncomfortable for many managers, but few businesses can afford to stand still and just keeping up with others is not good enough.

November 2013

THE "BIG" TRIPWIRE AND THE "HALF-LIFE" OF DATA

Over my working career a number of prefixes have been hyped by consultants and suppliers as the next big thing. In the 80's it seemed that everything that was good was prefixed with "global". In the 90's the prefix was "hyper" and in the 00's we just added "e". There was and still is some merit in these words that act as amplifiers, but most have been found to have a double edge to them. They are still used, but more judiciously.

It seems that the prefix for the 10's may well be "big". We have heard that scale is good and that some banks have been viewed more favourably post-crisis when it was judged that they were too "Big" to fail. More accurately they are probably too big to be allowed to fail as the consequences would be unthinkable.

We also hear a lot about "big data" or should that be "BIIIIIIIIIIIG data". This seems to be the latest thing that the IT Industry is telling us we should be thinking about and turn into value for our businesses. Cynically this does not seem to be anything new, but rather a marketing tagline.

I was reflecting on this word "big" and find that I am more inclined to use in it terms of too big to run or too big to fix in terms of banks. While far from alone, the example of HSBC's much-publicised fine for money laundering comes to mind. From listening to knowledgeable radio commentators and a little personal insight, HSBC appears to have a few issues.

HSBC by its own claim had a good crisis, mainly because it was far more fragmented and less joined up than other banks of similar size and reach. Its model for growth up to the crisis could be typified as that of buying distressed banks in many countries, closing them Friday under one name and opening them Monday under the HSBC name, logo and letterhead and a high-level management layer, but limited infrastructural integration. In the intervening years, there have been limited attempts to effect further integration. This fragmented nature has been typified by the enormous number of "Global heads of this or that"; roles that were often built around an individual rather than on sound organisational design.

When one reads about the trouble with money laundering, it suggests HSBC struggled to embed the UK ethics of knowing your customer (KYC) or anti-money laundering (AML) in Mexico and raises hairs on my neck. I do feel a good deal of sympathy with those currently charged with standardising and ensuring proper KYC and AML across something like 89 (from recollection) countries and cultures. Is this actually too big to fix? And is HSBC alone? Personally, I suspect the answers are "Yes" and "No" respectively.

My other thoughts about "big" relate to the data question and start almost 20 years ago. That was when I accepted the challenge to re-engineer and build a global reference data function for an investment bank. The organisational and process architects had done their stuff in some rarefied atmosphere and decided that in order to provide the single investment bank back office with high "straight through processing" (STP) capability the reference data function needed to have available a complete universe of relevant tradable (note tradable, not just traded) instruments that were maintained at 100% accuracy and available immediately. That was my initial brief.

It soon became apparent that the cost of sourcing a complete tradable universe, well as much as was available, would be extortionate. Adding the extra data for new issues and gaps would be substantial and the process for maintaining it all at 100% accuracy would be horrendous. And that was all before building the distribution capability to the various systems that would need it….immediately. This was nonsense when in truth our traders and brokers only traded a small, moving percentage of the instrument universe. I use the word moving as the percentage might stay the same but the components could and would change.

In resolving this I led a complete rethink of the approach to be taken, the processes required and the management of the service to end-users. It will be no surprise that we did not provide “big” data in the end, but rather what was needed in a quick and efficient way. The business could not have carried the cost implicit in the original design.

I have seen similar, more recent attempts to supply this nirvana of instrument data stumble on many of the same issues. In these cases, even twenty years on, “big” is probably still too big.

The cost of maintaining big data crossed my mind again the other day when I was listening to a talk by Gerry Pennell, CIO to the 2012 London Olympics. He was asked if LOCOG had done anything with the “big data” it had collected on all the visitors to the games and users of their applications and websites. I forget the actual numbers but he quoted the data collected and stored during the games in terms of petabytes (1 petabyte = 1000 terabytes, etc.). His answer was “no” primarily because the duration of the games was so short and their focus was on the smooth operating of core systems.

What he did say was that there were efforts to leverage the ticketing data with other sporting bodies in order to target interested parties in future events. But here we encounter the issue of data degradation, i.e. data becomes less accurate and less useful over time. This is not because some computer gremlin goes in and changes things, but rather that people change, the move address, the change their phone number, they get married, they even die. As time passes more of the data you collected at a point in time becomes reduced in value.

In science, there is the concept of the half-life of a radioactive element. This is the time it takes for half of the starting material to decay. I am sure there is or should be a similar concept in data. The measure of half or 50% is probably too high but it would be interesting to know/estimate how long before 10% of the data collected at a point is then inaccurate. Is it a year? Or ten years? That will change my perception of the data and my ambition for it.

I have living evidence in my wife’s work. She is employed by a company that supplies mailing lists for people with commercial real estate for sale or let. The clients buy a set of details that meet a criterion of location, size, function, but more than that they are guaranteed to be good contacts i.e. someone like my wife calls up every name on the initial list to confirm, correct or delete every name, address and email. Only this was is the data of real value.

So, what? So, my advice is when you feel that you might be seduced by anything prefixed in marketing speak with the term “BIG”, think hard about who is promoting it and why and then be very clear if it is really in your interest to embrace the idea, or alternatively to think who you might better achieve the same result?

December 2012

THE CHANGE TRAP!

I have experienced personally and observed in many organisations environments of chronic organisational change, i.e. change becomes a relentless way of life with the resultant insecurity and fall in results (however you measure results). So, what happens when the results are not what is required? Well, you change things!!!

Personally, I once had eight managers in two years due to reorganisations and have seen groups reorganise six times in the same period only to end up essentially the same as they started. This happens too often to be accidental so as is my wont I try and explain things i.e. why it happens that way and also to visualise what is happening. I thought I would share some of those thoughts here.

The first is why does it happen? Well, it is heavily built on self-preservation and feeds on itself. Take the scenario where a new head of department is appointed and briefed that either a) things are wrong and need fixing or b) things need to move on/improve from where they are. Broadly they have two choices: -

- Accept the people and structures they have arguing that any development required will be incremental and there is no need to undertake a root and branches change; or
- Look to a root and branches changes leaving nothing sacred or intact, people or processes.

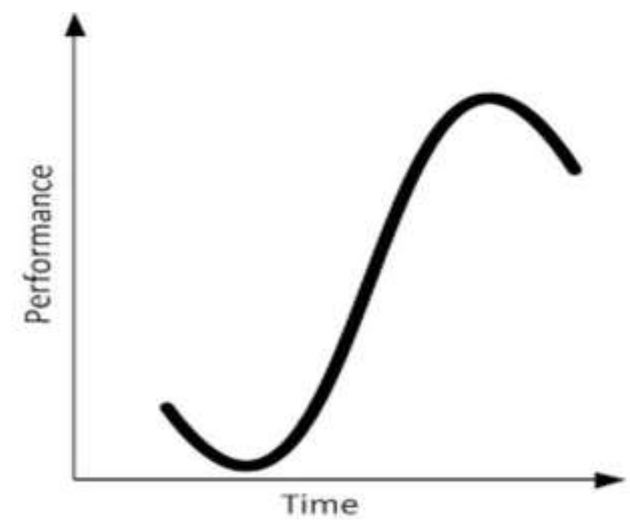
The outcome is binary too, success or failure. If the manager adopted option 1 and succeeded then that is probably fine, but it might have happened anyway. If they took the same option and failed they will leave themselves open to criticism and possibly being fired.

In the same what if they opt for 2 and succeed then they are the brave hero, and if they fail well at least they tried.

When looked at this way the less risky personal option is to change things and this becomes a learned behaviour. It is often also the easiest route because people are expecting you to do just that. Deciding to work with what you have is likely to attract criticism and doubt from the get-go.

So that is why these things happen, but can we visualise the effect and explain how destructive it can become.

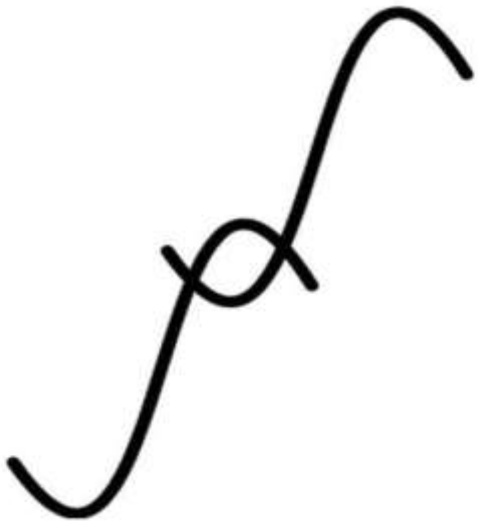
Well I start with a standard curve like so



This can represent performance (however you wish to define it) as a result of change. Initially the change introduces unknown elements that have to be learnt/assimilated and tuned. This usually creates an initial dip in performance, but as familiarity and expertise grow then so does performance, back to and past the original levels. This is likely to continue for a while but will eventually start to flag as the organisation becomes complacent and the world changes making the current system less relevant. If it goes in long enough then performance can start dipping too as the mismatch between organisation and world increases.

This type of curve is seen in many aspects of management thinking.

The trick is to initiate a change before performance growth slows too much; something like this

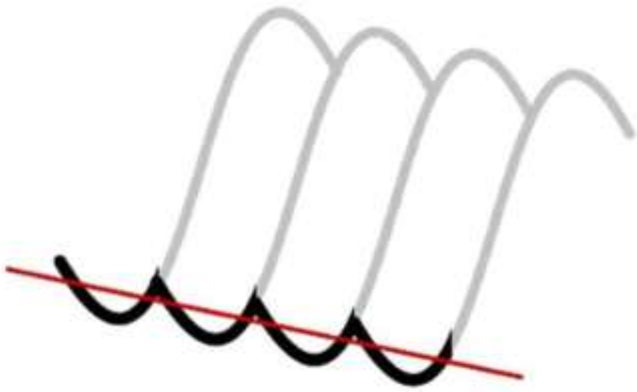


In practice the real world performance would be more like the black line in this.

Each change has an initial dip in performance, but this is recovered and built upon, creating an average performance growth trend shown by the red line.

This doesn't look too bad, but what if you change too frequently? Well, that means changing curves earlier in the cycle. At a simple level, it could look like this?

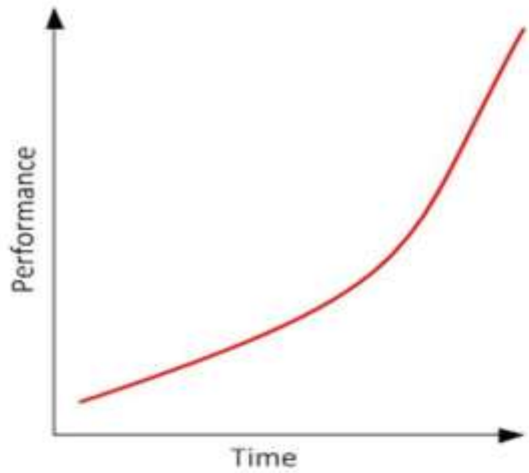
If you do this then the trend line drops and you achieve less than previously. And taken to an extreme the trend line can dip below the horizontal like this



Now, this is a simple visualisation but contains some essential truth. We can look to minimise the drop in performance or its duration, but broadly speaking as long as you change before the peak, the more your change, maybe through lack of patience or, as we said before, self-preservation, the worst the performance improvement gets.

The irony should not be lost on the reader that these changes are almost always intended to improve things yet will often have the opposite effect.

Now if you consider that the trend line management usually seeks looks like this ....



.... have a think about how the change curves can help us achieve it?

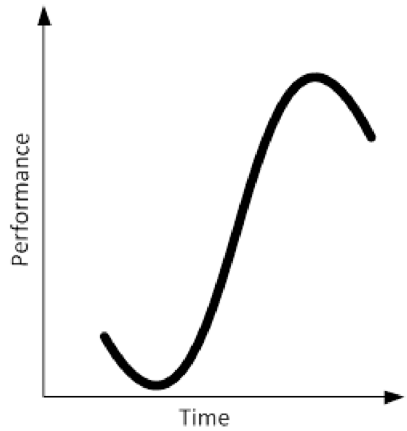
January 2013

THE CHANGE TRAP - PART 2

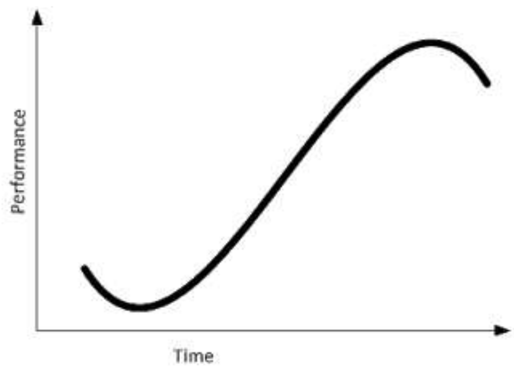
In my last post I looked at the impact of making too frequent changes, particularly in relation to an organisation or a team. The model I used resonates with personal experience that rather than improving performance, continual change has a detrimental impact and *in extremis* it can lead to a real degradation in performance.

The challenge I left at the end of the post was how to deliver the increasing performance that the modern world demands.

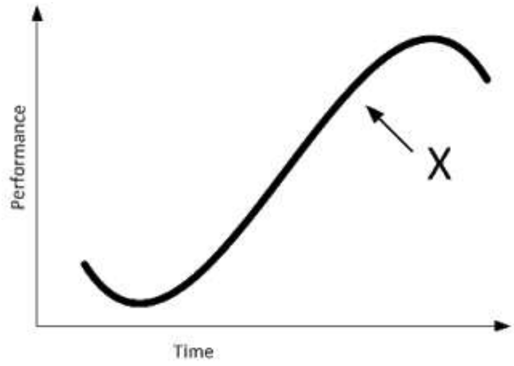
This post looks to address that using the same sort of model.



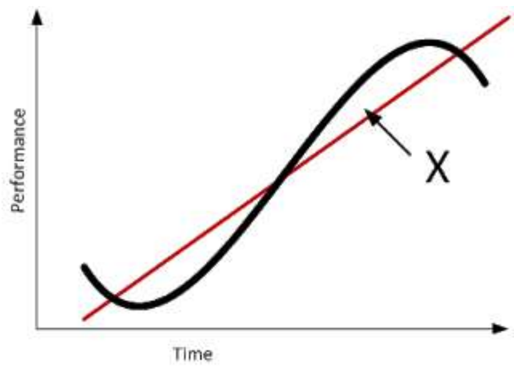
We used a simple model that follows performance following a change, showing an initial loss of performance while new people learn the new processes etc. followed by a period of improvement before apathy or loss of alignment starts impacting.



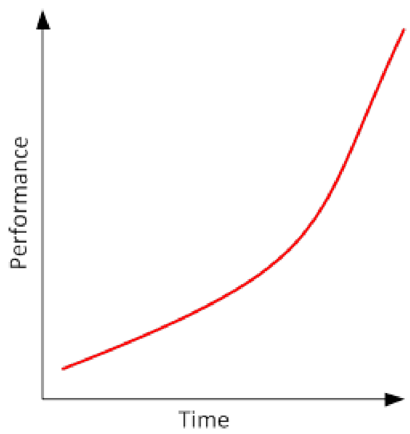
While useful for illustrating the point a real-world graph would look more like this with a flatter slope, i.e. longer lifetime. There is a point (X) at which the rate of improvement in performance starts slowing. Broadly speaking this is when something new is required if the rate of growth is to be maintained going forward.



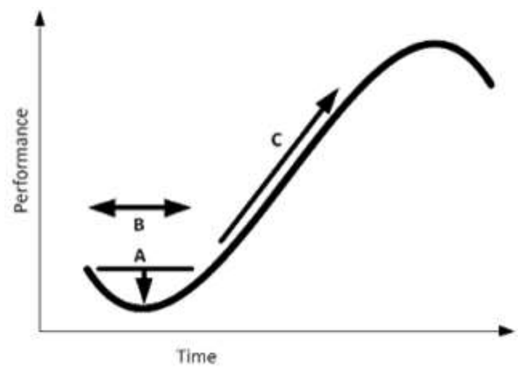
Chaining these as we showed in the previous post gives an average improvement rate shown by the red line.



Assuming we manage switch lanes at or around the optimum point of X what else can we do to bring about an improvement in the slope of the red line? We used this diagram to illustrate the aspiration.



Well, the model suggests that there are three parameters worth looking at.



(A) is the loss of performance experienced after the change has been implemented;

(B) is the period during which there is a loss of performance; and

(C) is the rate of performance improvement the new set up can deliver.

It is apparent that decreasing A and B and improving C are the key.

A and B can be influenced by good change management, the preparation of layers in the change and support for them through the change. Realistic expectations and feedback are key components here.

C is essentially down to good design and continual refinement, i.e. you don't just do something and then forget about it.

The lessons the models suggest are that in the long run one will get better performance if you keep with and build the existing system (including people) as long as you recognise when you have reached point X and it is time to switch lanes. Any movement before that may sound attractive in the here and now but will br sub-optimal long term. The other things that this suggests is that good change management is not just nice to have but essential in an accelerating world as is good design and maintenance of that design. We have to get better at these each time we do them if we are to curve the redline upwards.

Any thoughts? Still want to keep changing things? Don't get me wrong, I love being an agent of change, but not change just for change's sake.

February 2013

The Risk of "Juniorising" Change

Creating a problem for the near future?

A little while ago I read about the "juniorisation" of trading desks in financial services, particularly in the City of London.

The argument made was that at times of cost pressure, i.e. pressure to reduce costs, usually in response to falling revenues - something most organisations are feeling today, there are some very simple economics. The most compelling being able that older, more experienced traders cost more than junior traders. As I recall, the article argued that a firm could employ two junior traders for the same cost as one senior trader. This is rather simplistic, but illustrative of the point.

In light of this, firms are thinning out the ranks of senior traders (e.g. MDs) leaving many desks manned by relatively junior traders. I don't want to question the intellectual firepower and basic abilities of those traders, but they do lack the perspective that more extensive experience gives. The author reported that many desks are now staffed by traders that have never lived through an interest rate rise or in a high(er) interest rate environment. The UK base rate has been 0.5% for eight years now.

Similarly, they have not experienced a market crash!

The author of that report suggested that the ability to trading desks to cope well with either event (and they will happen one day!) is severely impaired by this lack of experience.

So, what is the relevance to Change?

Well, I see a similar risk developing.

In financial services, the dominant driver of change for the last 5 or so years has been regulation. I have written before about how regulatory change has been the cuckoo in the nest, claiming the majority of discretionary spend and related resources, and squeezing more "normal" and better manage business improvement initiatives off the agenda.

I have also written that regulatory change is different. It is often very complex and moves the whole business environment in ways no-one can be certain of until after the fact. Even the regulatory requirements themselves emerge slowly and often very late in the process, yet implementation/compliance is driven by politically motivated and near-immutable deadlines.

The result has been that the majority of change effort has had to adopt a "scrambling" approach, with a lot of unwanted, yet uncontrolled stop/go throughout the process. Project planning has become right-to-left (i.e. how do I get everything done by the date that is set?) rather than left-to-right (i.e. how should we best undertake this initiative?).

This has been a "needs must" response and I cannot criticise it. Indeed I have been part of it.

The risk I see now, as firms are under pressure the manage/reduce costs - no more so than in the burgeoning area of regulatory change - that staff reductions are stripping out a lot of more experienced (and thus expensive) change professionals.

This leaves change initiatives staffed with a preponderance of young, willing and usually bright individuals, but ones who have no experience of what a "good", well-managed change initiative looks and feels like? They are not benefitting from the experience of more senior staff and thus making avoidable mistakes. They cannot understand the benefit of investing in the right tools to support the endeavour. I also see firms investing less in the formal training of the requisite skills, preferring instead for the rather more inconsistent, osmotic process of learning as one goes or on-the-job.

I wonder if the risk management functions of these firms, especially the regulated ones, have even recognised the risk, let alone addressed it? I suspect not where the pressure for short-term, bottom line results remains the prevalent driver of senior management concern.

April 2016

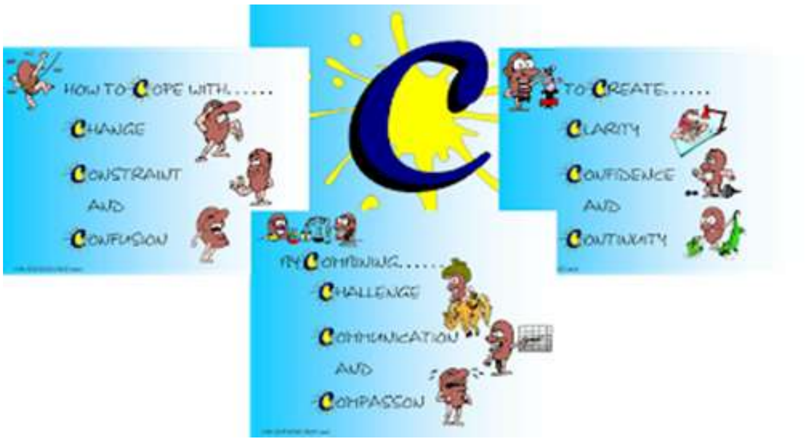
DEALING WITH TROUBLED CHANGE AND HOW THE LETTER "C" CAN HELP!

I housekeeping some old hard drives the other day I came across a PowerPoint deck I used for an evening seminar. It still seems relevant so I thought I would reprise it here.

By way of background, the Managing Director of a consultancy I knew and respected had watched me struggle with a programme that was hit from all sides; assumptions (made by others) were failing, harsh constraints being imposed and all in an immature organisation. She saw my endeavours as I had engaged her and two colleagues to assist on part of the programme. I was flattered that she thought I had enough to interest industry peers.

As I said it was an evening event so I went a little light-hearted with a passing acknowledgement to Sesame Street. For those that are too young or for any other reason do not know Sesame Street it was a groundbreaking puppet-based educational kids programme. Each week they used a different letter of the alphabet to link the contents engage their audience.

I took the same approach and used the letter "C" and the strapline how to cope with change, constraint and confusion, by combining challenge, communication and compassion to create clarity confidence and continuity.



As I looked through it many of the messages/lessons from that time are still very relevant. I will happily share the slide pack or reprise the seminar for anyone that is interested, but I don't want to bloat this blog - just mail me at ian@ianjsutherland.com if you are interested.

I will, however, summarise some of the points

Change happens to any significant change programme so be prepared. Make sure that the model, benefits, financial plan, etc are built so they can flex from the start; having to redo all the model when you are in the middle of tackling a crisis is a horrible place to be.

- The process by which people deal with change is predictable to a large extent so understand it and use it.
- Every programme has constraints around cost, time, quality and scope. Once you find you have max'ed your tolerances around cost and time and minimised the quality and scope there is nowhere else to go. You have to go and ask for help!

- Watch the frequency of business cycle and respond to it. In crisis the review and decision cycles shorten so you need to make sure your delivery plan synchronises the best you can.
- Vacuums fill naturally and this is true of information vacuums. In the absence of information, speculation, most often negative speculation, thrives. As the change agent, you need to grasp and manage the information flows, preventing vacuums.
- Watch out for catastrophic events, i.e. times when just undoing what happened will not take you back to where you were. These are times when new rules apply and you need to assimilate these quickly and make appropriate adjustments
- Accept the challenges of others and address them. Denial is usually futile and often terminal. The challenges develop for a reason, even if you cannot see it at the start.
- Make your communication to stakeholders honest, quick, frequent and simple.
- Have compassion with those affected by the crisis and your response. Bulldozing a response may appear attractive, but often backfires.
- Keep checking what people understand and perceive. Their perspective may be different from yours and you need to understand that and redress where necessary.

There were, of course, many other "C"s I could have used and in case you find it useful I have included them below.

My closing comment of the evening was a saying my father had on his office wall and one I think it pays to keep a tight hold on as it can help you focus your effort most effectively.

As I said, I am happy to share more if wanted. It all seems very relevant even now, nearly ten years on.

February 2012

DO YOU HAVE A GROUP OR A TEAM?

It does make a difference!

In mentoring a young friend, I was taken back to what I think of as basics....the stages of team formation (forming, storming, norming, performing, and dorming?) and the various team roles a la Belbin and into issues around leadership.

These were things that I was lucky to exposed to while training as a manager/leader with some great financial institutions, but it seems that in the interest of expense management (or should I say avoidance) it seems the younger generations have been shortchanged. Now I can go a long way to address that gap and am happy to do so. Alternatively, there are shelves and shelves of books in WH Smiths or Waterstones or on Amazon that can be purchased and read if one is motivated to do so.

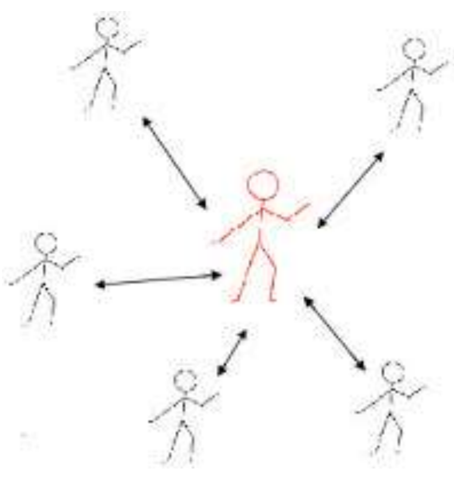
The interesting thing and the reason for this post, is that I was reminded of a missing question that really precedes all of the other stuff I have mentioned. This question was posed to me a few years ago on a half-day seminar on managing international groups of individuals involved in projects. It is.......

Are you trying to manage a team or a group?

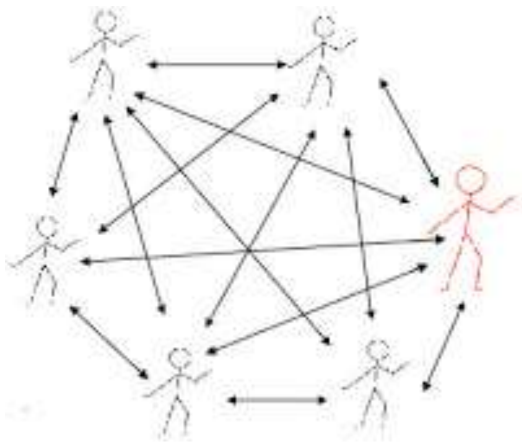
The importance of the question is that each is rather different and requires different engagement from you as the leader. This tends to be amplified by distance where communication is poorer, i.e. less face to face and more text or voice only, where it is more difficult to convene groups if only in terms of times in the day, and cultures may be different. I have seen and been involved in a number of instances where a manager tried to manage a team as a group, or a group as a team. The results were not pretty for anyone and tended not to deliver or survive long.

So, what is the difference between a team and a group for this discussion? I am sure there are many erudite studies that could be quoted but these two illustrations.

A Group



A Team



In essence a Group of people who, in order to perform their role do NOT need to interact a lot with each other. Yes, they need direction and coordination, but will often have little interest in their peers' activities and problems and will consider "team" events a wasteful investment of their time. Broadly speaking the best a group can be is the sum of its parts.

A Team, in contrast, can only perform their individual and collective role by interacting a lot with each other. In fact, the leader (in red) is often part of that team. An example is a football team where the players need to understand their roles, communicate and adapt dynamically to circumstances and cover and support each other in ways that may not be entirely predictable at the start. While the manager is not on the pitch during the match, his decisions and instructions contribute to the on-field play. If the right bonds and behaviours are not engendered, then the team will never be greater than the sum of the parts.

If one has a group, then the leader needs to be more directive, providing co-ordination (personally or ensuring it happens) and acting as an information hub, receiving and broadcasting. It is likely that the primary interaction will be one-to-one rather than group meetings. When group meetings occur, there are likely to be motivational rather than problem-solving.

Teams, in contrast, need the leader to adapt his behaviours to their maturity. While at the start they need directional leadership, as they mature they take collective charge. Interaction is largely group oriented and often focussed on problem-solving. One-to-ones will occur but will focus more on coaching and personal development.

November 2011

What Makes a Change Agent?

They do say that often less is more, and I think that this post may conform to that wisdom.

In this, the third entry of my week, I wanted to share something that I came across in mid-2010, though it was originally written over 10 years ago. I came across a reference to this work on a LinkedIn discussion thread and was so taken by the intent and content that I just had to go look it up.

To cut a long story short, a lady called Cathy Perme works out of the mid-West in the United States, in organisational development. She has run her own business for 20 years and in that time produced newsletters that have included interesting articles.

The piece that caught my eye was under the heading “you know you are a change agent when……”. In response, someone quoted Cathy’s “Anatomy of a Change Agent,” which I have lifted directly from Cathy’s work and included below.

When I read it, I found it resonating strongly, and it gave words to much that I feel and believe. If there is a single thing I would change it would just be the word “scut” as I am not sure how international it is. My understanding of that term is the detailed, maybe hard and dirty work that needs doing sometimes, e.g. roll your sleeves up and get on with it.

The Anatomy of a Change Agent

A CLEAR MIND, one that is not cluttered with unresolved issues or unexamined motives.

EYES that can see beyond today.

EARS that can listen to other points of view.

A NOSE that can sense opportunities and timing.

A MOUTH that can speak out with honesty and respect.

A HEART that can feel others’ pain and respond with compassion.

A FIRE IN THE BELLY – a sense of passion and responsibility that makes one want to rise each morning.

SKILFUL HANDS that can do scut work as well as strategy.

LIGHT FEET that can move swiftly when the timing is right.

The SOUL OF A WARRIOR, with a deep sense of honour, perseverance, and patience, along with the willingness to act decisively.

I am not sure I could or would want to improve that succinct description so in this instance I leave it with the reader to digest and decide how useful it is. Instead I will leave you with the closing words of that article.

“There are real change agents working every day in our organizations and communities. Being a change agent is not about personality. It’s not about leadership style. It is about awareness, conviction, humanity, and courage.”

If you want to read more, you can find Cathy’s trove of newsletters at www.cmperme.com

January 2011

How do you identify a "real" change manager?

This question was posted in a LinkedIn group and has currently generated over 200 comments. I shared my evolutionary tree tracking development of the change professional. I had a few responses, mostly telling me how wrong I was about what a change manager is, but then most of the participants seemed to be from the HR/organisational design stable which in my experience has long seen itself as separate from (and superior to?) the rest of people delivering business, process, product and IT change.

I went back with a second bite.......

> Time for a different answer to the question.
>
> You identify them by the reactions they cannot control. When you give them sight of an opportunity to lead and influence change their excitement levels rises, the eyes dilate, their vocal delivery quickens and their breathing shallows. They start sparking ideas, identifying and mitigating risks and issues, they want to communicate the intention to others, organise the work and engage with stakeholders; in short, their passion rises and is oh so visible.
>
> Metaphorically at least you may have to hold them back as they want to get started; you don't drive them, they start driving you. Basically, they want to do it!
>
> It is not a tick box exercise but has more similarity to spotting the "other" person across a crowded bar......you instinctively read all the signs and you just know!

Interestingly apart from one "like" this generated no response. I am still not sure why? It seems to capture the passion and drive that typifies a real change agent.

What did I miss?

November 2012

A PERSONAL VIEW ON CULTURE CHANGE

You've got to accentuate the positive

Eliminate the negative

And latch on to the affirmative

Don't mess with Mister In-Between

You've got to spread joy up to the maximum

Bring gloom down to the minimum

Have faith or pandemonium's

Liable to walk upon the scene

Johnny Mercer 1944

Recently I have frequently found myself discussing cultural change. While this is not totally surprising given a couple of callouts I have made for help with the subject, I think it also reflects a growing interest in people I interact with.

I will not claim to be "qualified" in any way other than experience and a continuing appetite for enquiry but having talked this out a number of times I thought it useful to try and capture the essence of my current understanding.

As a quick summary here are my views. Successful culture change: -

- Can be inspired, not demanded or mandated.
- Is an emergent journey, not a transition between two fixed conditions
- Is fragile, at least at the start, and needs effective protection AND reinforcement
- The first steps need not be hard, but often require courage
- Is NOT mechanistic!
- Needs time to gestate and embed

I am sure we could add to that list, but it will do for now. I will explore the elements further, but first I want to give some tips about what to do.

- Lead from the top and front
- Tell the story and share the vision, again and again
- Identify your ambassadors and support them

- Be brave and don't be complacent
- Exaggerate for effect
- Take your timing from people you are leading

Interestingly the two lists are almost entirely as they came out of my head, yet they do seem to largely fit together so maybe they will make sense to the reader too.

Let me expand on some of these points. Looking at the first two about inspiring change and leading from the front, these reflect the fact that it is very hard to drive cultural change let alone try and do it from the middle levels. Talking to many who have tried the message has been to put your best change leaders on culture and not to leave it to last when you are setting your team. It is also clear and natural that when faced with change your teams will look to you to see how you are embracing it and they will take their lead from you. Because of this point alone, it is imperative that you not only talk the change, but you live it and show the way.

Moving on, when I started looking at cultural change I found that there seem to be two schools of thought. The first, which I see as more traditional, is that you can analyse, document and detail both the culture you have now and the one you wish to create. Armed with this the thinking is that you can identify and plan a set of tasks that move you from one plateau or steady state to another plateau or steady state. The other view is that there are no steady states, but instead, the change is a journey that sets of aiming at a recognisable vision and requires continual review and adaptation; indeed, it may never reach a steady state. This latter thinking seems to look at by changing discrete behaviours one can create an outcome that is a new culture.

One of the arguments I found in favour of the latter approach is the work that sets up just three rules that if adopted, will make a group of flying beings act like a flock of geese. More importantly to me is that the steady state to steady state approach seems to be way off the world I live in at work these days. It may be that 50 years ago culture persisted unchanged, but that is not the case now with the increased pace of change all around.

My last comment on this point comes both from advice and real personal experience and that is the importance of storytelling as opposed and creating real dialogue from top to bottom of the organisation. Boring, staid emails, PowerPoints, deskdrops, town halls and general corporate communications just don't help the cultural agenda. I have created posters, heard of books being written, tea parties arranged and other ideas. Be creative in your attempts to portray and convey your vision.

Another recommendation is to spread the load and embrace help wherever it is found. The most obvious is to look for "ambassadors", people who while not officially part of the change team can and will take the message and support it throughout the community you are trying to affect. They do so not because they are told to, but because they understand, believe and can communicate.

In a similar vein, one needs to be prepared to exaggerate the response to both positive and negative signs of change if one is to accelerate and establish developments. Spotlighting and rewarding positives are essential, but ten times more important is picking up on negative behaviours and addressing them. Colin Powell, the former US Secretary of State said the following when speaking on London on leadership. He said that no one spots poor performance (or behaviour) better than a person's peers, and when they do spot it they watch to see how the leader deals with it. From this response, they assess the acceptability of that performance (or behaviour) and adapt their own standards accordingly.

Cultural change is fragile and needs special nurturing and extra effort. It is not a science, despite what some may wish. You will make mistakes and it takes a certain bravery at times, but one thing I can be sure and that is if you do nothing then any change will be by chance and unlikely to be in the direction you wish.

The last aspect I will address here is timing. In this, I make no apologies for emphasising that cultural change is about people and their reactions are not precisely predictable. Also, they do not change instantaneously, but take time to digest and adjust; indeed, we each do handle it differently and at a different pace. The significance of this is that you cannot drive change to a military timetable. Instead, it is more important to work with the rhythm and pace of the groups you are changing, pushing when they are ready, slowing when they are not ready, adapting when you need to adapt. This is more about instinct that courage than process and ticking boxes.

I added the song lyrics at the start as they seemed to capture the spirit and intent of this, though they were written over 50 years ago. Interesting he?

October 2010

THE USUAL SUSPECTS

It is with a mixture and trepidation and pride that I write this inaugural blog for EMA-I. There is a sense of responsibility that, while we will all bring our skills and special experience to the endeavour, the first few entries need to set a level or a tone for those that follow.

With that in mind I have tried to craft five related pieces that I hope will provoke thought, raise a few smiles (knowing or otherwise) and generate some debate, but as usual, only the reader can judge if this is successful.

This first piece was inspired by a conversation I had with Jim Carras where we were discussing the target market/audience for EMA-I. Here Jim is very clear that EMA-I is looking to provide a resource, a support and indeed a voice for those charged with delivering strategic change in an organisation. My immediate response was, “Ah. You mean the usual suspects.”

These are also sometimes referred to as the “go to” people. As we discussed this, I thought it would be interesting to capture and explore that thought, so what did I mean?

Well, in many places I have worked, and I have now worked in 10 companies, there is a group of senior, though not top, managers who are the ones who are always approached to deal with a crisis or major (strategic?) change. Where this group has existed, change has been easier, though not necessarily easy, to deliver. With this in mind, it could be illustrative to consider the characteristics of this type of group and see what we can learn from it.

At this point, I am reminded of a cover-band near me called “The Innocents.” Their strapline is “The names have been changed to protect the guilty”. I say this as I hope to deliver the points I wish to make without embarrassing any individual or group of individuals.

So, having reflected on the groups I have observed and been part of, here are the six aspects I think have set the more effective groups apart.

They possess a depth and breadth of knowledge of the industry/enterprise with a sense of perspective.

In my experience, where such a group has operated well they have possessed and demonstrated considerable knowledge of the industry and indeed the enterprise. This shows both individually and collectively. No one person need know it all, but each knows more than their own “silo” and collectively they cover the whole. The knowledge and experience is usually a balance of that gleaned from the existing enterprise and elements from other related companies/endeavours, i.e. it is not all inward looking.

In order to deliver this, the group will typically come from what used to be called in the City of London, the marzipan layer, an allusion to the thin, but essential layer used in cake decoration. The outside of the cake is the icing (read top executives, ‘C’- level) - these have the sweetest life. The body of the cake is the majority of the business, the industrial part that does the work. Linking these two layers and making it work are the marzipan layer of senior managers. They operate just below the icing, are not as well rewarded/sweet as that top layer but are critical to the success of the organisation.

They have an underlying spirit of friendship, affinity and common purpose.

I have also noticed that in effective groups there is a level of camaraderie that is increasingly rare these days. This does not mean that they are all best buddies, in fact, it is better if they are not so there can be a level of creative and dynamic tension, but that in general they get on and share more than just their work.

Like the point made on experience, they do not all have to have the same link with each other, but within the whole there are groups and the groups overlap, like a Venn diagram, rather than remain separate and possibly divisive.

In a recent group in the UK, the support of a variety of football teams, was an effective link, but it could be anything.

It also manifests in the respect they show each other. This does not mean they always agree and there are never any fallouts, but rather that they can respect each other’s knowledge, experience, perspective and contribution.

They trust each other and are trusted by others, senior and junior.

Linked to that last point effective groups can be seen to trust each other, not to second guess or politic against an individual or group. More than that members are clearly trusted by their executive and by their staff. This is not to say they have free rein, but rather that they will do the right things, consider the necessary aspects and on balance come up with the best solution or approach.

Where this does not exist, one sees a high degree of duplicated effort and demands for immense amounts of detail that could allow others to make the fundamental decisions, rather than look to understand, refine and endorse the work of the group.

There are "just enough" of them to give the necessary coverage.

Interestingly the best groups have "just enough" members to give coverage and representation. The composition is not determined by role profile or level in the organisation, but rather settles on the smallest, effective number. Attempts to overpopulate the group, and thus duplicate elements usually fails and often results in something like a cuckoo moment, i.e. one member displaces another from the group, bringing the whole back to the right size.

The right size will differ from company to company, but I have rarely seen it work well with greater than 10 or so members and more frequently the group is smaller.

Interestingly these groups are often self-selecting. They emerge rather than be created, and this does take time – time many short-term focused CEO's, COO's, etc. do not feel they have!

There is a level of security and stability within the group to give them confidence.

The members are usually pretty comfortable in their skin and in their more general role. While you could say that this is a natural consequence of the previous factors, I believe it merits separate identification.

This sense of security allows them individually and collectively to challenge and consider new possibilities. Without this inner security, the group's work will be stifled and stagnate, being driven by personal agendas more than the common good.

The significance here is a warning that if there are too many moving parts and uncertainties that affect the group, then its previous effectiveness will be impacted – something for top management to consider. As they say past performance is no guarantee of future performance.

They run outside the formal organisation and are self-sustaining.

I would also note that such groups are rarely found on organisation charts. They have formed through necessity or opportunity. They cross normal, formal business boundaries and while supported by the executive team in general, the group is not responsible to a single C-level member.

In part, this is the source of their success. They do what needs to be done but are aware and balance a broad set of interests.

The self-sustaining aspect is also useful. I have observed that the relationships and affinities are developed by the members of the group and not by an outside agent, by that I mean no-one is put in charge or given responsibility to make it all work. Instead the group finds its own division of labour and hierarchy, if it needs one.

When this group works, it works very well, providing pace, quality and confidence. This should be no surprise as in many ways I have described many recognisable elements of a high performing team.

There are, however, some downsides. Here are a few: -

- The “usual suspects” can become cliquey and alienate others.
- It can be difficult to introduce new blood, either by design or necessity.
- It tends to set a cap on the organisation’s capacity for change, i.e. How much can they handle as such teams are difficult to either scale up or duplicate – just watch a company try and do too much.
- Unless managed well the group could become indispensable and irreplaceable.

The lessons I would take from this, and these can be explored at some later point are: -

- You can’t just manufacture such a group instantly by throwing a set of individuals together; instead, you need to grow and nurture it.
- There needs to be a core set of knowledge and experience relevant to the organisation and its industry if this group is to be effective.
- No matter how “professional” this group is it still needs a level of personal security to be effective. This security will differ from person to person, but without it self-interest will triumph at the corporation’s expense.
- Recognise and respect the group and foster it as you would any key resource. Too often it relies on unconscious competence, so make this conscious if you are serious about change.

Hopefully, some of this will resonate? If not, please contribute your thoughts and alternative perspectives.

January 2011

THE KNIGHTS OF THE CHANGE TABLE

As I open my last blog (for the Enterprise Management Association), I feel grateful to have had the opportunity to share some of my thoughts on the challenges we all face in delivering strategic change. I hope that this and my previous posts have at least provoked the reader's mind to look at things again and, maybe, differently. I hope that what I have said makes sense, but if not, then at least it may have helped you form and articulate some alternate views. The big thing, I believe, is to approach these matters with conscious competence, an open mind and with purpose.

As a conclusion to the series, I wanted to bring out a few things that have helped me in through my career, more so in recent times.

The first item on the table is a quote from Peter Drucker. It is now the strapline on many of my emails and is a personal nudge to the functionaries, the jobsworths and the risk-averse among us who hide behind pure process and add little to real progress. It goes thus: -

"Management is doing things right; leadership is doing the right things."

Peter Drucker

Being a change agent and implementer of strategic change requires us to be leaders, something I am sure will come up again in this blog. Adding that strapline to my emails helps to remind me and others regularly of the need to push ourselves and keep an eye on "the right things".

The second piece is a call to arms for the future. I apologise to anyone who has read this already in my blog (talesofanactivemind.blogspot.com), but I think it is worth a reprise here with what I hope is a wider audience.

Interestingly it comes from an advertising campaign for a spirit; in this instance Grey Goose vodka. I came across this in a magazine and it was a toast to "the visionaries who move us all forward". It goes like this: -

TO EUREKA!
TO A FUNDAMENTAL SHIFT
TO ASKING WHAT IF?
TO FINDING OUT WHY
TO SO CRAZY IT MIGHT WORK
TO THE GUTS TO TRY
TO SEEING THE INVISIBLE
TO FINDING OBSTACLES INSPIRATIONAL
TO OUTSIDE THE BOX
TO OUTSIDE THE LINES
TO TAKING SMALL STEPS
TO BEING AHEAD OF OUR TIME

I think it is a great toast for a change agent and something you may be able to take, at least in part, into 2011.

The last piece harps back to this entry's title and relates to a code that helps set change agents apart yet binds them together at the same time.

I value my integrity highly and look for the same in others. If my integrity is questioned, or I suspect another person lacks integrity it has a huge impact on the way we interact, and thus my ability to influence them. I have recognised a tendency to withdraw from such relationships. This is something I am now consciously watching for and looking to counter my own reactions in search of better outcomes. That said I think a lack of integrity is as obvious as a lack of sincerity and has a huge ripple effect across a group or organisation. While I cannot be responsible for the behaviour of all around me, I can strive to set the best of examples.

The reason I raise this topic is to introduce an example of finding inspiration in the strangest places. In this instance, it is a TV advertisement for a whisky.

As background, I have found myself living what I have considered a chivalrous life, but without ever really defining what is, so when I heard this advert it hit deep. The whisky is Chivas Regal and the advertisement can be found on their website here

(http://www.chivas.com/en/INT/Campaigns/?item=0&length=L).

I commend you to watch it, but if you do not have access to suitable browser I have a transcript below.

> Everyone out for themselves
> Can this really be the only way?
>
> No. Here is to honour, and to gallantry, long may it live
> Here's to doing the right thing, to giving a damn
> Here's to the straight talkers who give their word and keep it
> Here's to freedom, wherever you find it
> And to know the true meaning of wealth
> Here's to the brave among us
> Here's to a code of behaviour that sets certain men apart from all others
>
> Here's to us
> Live with Chivalry!

This spoke to me deeply and clearly and I pass it in the hope it will do so for the reader too. I think that the best change agents are set apart from the rest. We should be proud of what we do and who we are and we should expect that of others.

January 2011

REGULATORY CHANGE

Having spent a long while in the field of regulatory change, I believe it is a special case. These posts are particularly focussed on this field.

BUT WILL WE BE COMPLIANT AT THE END?

As a change professional, can you honestly answer, "Yes"?

These days this question is perpetually on lips of senior management in nearly every financial services company. I say nearly every financial services company as I struggle to think of any that are not caught up in complex and often multi-sourced regulatory change. It is this that makes boards and management committees very nervous......and rightly so! They are accountable and often have to attest to a regulator that their firm is (or will be) compliant. It is hard enough to do that for existing BAU, let alone for changes that are still unclear.

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When I started working and became involved in managing change in the 1980's change was becoming larger and more complex and the mantra that one heard at every corner was ...

> "Question: How do you eat an elephant?
>
> Answer: In bite-sized chunks!"

In this, the elephant was a euphemism for something that was conceptually large and difficult to handle and the bite-sized chunks symbolized the manageable packets of work that a manager or team could be expected understand, scope and deliver. The reduced size of each "chunk" had the added benefit of psychologically increasing the confidence of everyone involved, it was something they could more easily engage with.

The wisdom to decompose a problem and solve it in small pieces has underpinned a huge amount of thinking and management training ever since and been absorbed by today's business leaders in their formative years, shaping their behaviour and expectations. This is something we will return to.

While some may argue otherwise, I contend that the problems/changes we faced then were generally smaller/simpler then than they are these days. It was easier for an intelligent leader to keep the big picture in mind and be assured that the pieces would add back into an acceptable whole. The technology was simpler; business was less joined up and more businesses more local, Additionally and critically the background level of change was less and slower.
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Of course, there were occasions when the final picture was not quite right. Maybe our new elephant did not look right?

But spotting the problem and fixing it was easier.

In the next couple of decades management and change professionals got better at the practice of decomposing a difficult challenge and usually managed to create what was needed. Some of the key developments were an increased emphasis on visioning (i.e. knowing what it was you wanted to create) and on defining requirements (i.e. what each part needed to look like and do.)

I think the empirical evidence of this is found in the fact that most complaints from senior management were about "gold-plating" of a tendency to over-specify requirements and create unnecessarily complex (and expensive!) solutions.

Asking for and building this

when you need this

As I write this post I realise that it has been a number of years since I heard complaints of gold-plating; instead as the volume of regulatory work has grown so the concerns have moved to "can we do enough to comply and will it work?"

In answering these questions, it is absolutely necessary to be assured that

- every piece of regulation has been considered,
- its impact assessed,
- possible solutions considered, and
- a response agreed!

This clearly lends itself to the decomposition approach, breaking the lengthy texts into smaller pieces and assigning responsibility for analysing them to identified teams or individuals and then tracking the thinking and conclusions. This is what I call the “top-down” part and while it does require a lot of thinking it is in many ways the easier stage.

I bet there are some hugely complex spreadsheets (this may be the most available tool but is this the best?) out there do just that.

It is possible to see how when building a new car, one could break down the problem into the necessary components and assign them out, wheels, engine, body panels, etc.

BUT IT NEEDS MORE!

The risk and my concern these days is that despite the enormous effort expended on regulatory changes the end results will be close, but not quite right. Continuing the previous analogy I fear a firm will build a "car" like these.

There is evidence from Regulatory sanctions relating to previous changes that these "nearly" solutions already exist and they are taking a lot of effort and costing a huge amount in resource and fines to correct.

August 2015

WILL IT FLY?

...or "But will we be compliant at the end? - Part 2

In my previous post I repeated the oft-heard cry of management, “Will we be compliant in the end?” and explained why I share their concern. I talked about how change professionals have advocated and delivered the decomposition of difficult business change into smaller work packages and how without something overseeing the eventual delivery, the components may connect, but not work correctly, i.e. the end state may not be totally compliant.

In that post I promised to share my thoughts about how this challenge can be addressed more effectively and that is what I do here.

My recommendations are twofold,

- firstly, the creation and use of a ROM or Regulatory Operating Model and
- secondly the establishment of a ROM Review Group to provide continuing assurance and guidance.

So, what is a ROM?

In thinking of a ROM, it may be helpful to think first of a TOM or Target Operating Model. This was a term that was hardly off the lips of senior management and leaders of change between the mid-1990's and 2010. It kept swathes of consultants in business and was a must-have for any complex or transformational change endeavour.

To my knowledge, there is no single agreed definition or format for a TOM, but it usually includes a number of related diagrams that capture the functions, flows and linkages of and between business components. One of these diagrams will almost certainly illustrate the key technology and systems operated by a firm, while another will show how functional teams operate supporting the product lifecycle and each other including product development, marketing, manufacturing & operations, sales, finance, HR etc. Others may show legal ownership or financial flows.

A TOM of has a number of levels of increasing detail. The topmost and least detailed provides overall context while lower levels are used to capture and share additional details.

The value of a TOM is that it can help you iron out complexity and inefficiency, spot gaps and understand how new businesses can be added. Comparing a TOM with an "as-is" operating model can help shape and navigate the changes needed to improve matters.

Personal experience has shown that some of the most valuable insight provided by a TOM is from understanding the interfaces between components and the data flows across those interfaces.

So, if we take this idea into the regulatory space, it is not hard to see the sort of things that should be captured in a ROM. While my experience and examples come from financial services, but the idea can be readily adapted for other industries.

In financial services, today's regulations almost always encompass reporting, governance, authorisations, and number of limits or values that need calculating and monitoring. I see a ROM capturing all the aspects and probably more. Each part would cover who does what and where and how the data flows (sources and destinations).

While one may do this for a single regulation, the power comes when one consolidates the models for a number of regulations and irons out the inconsistencies and inefficiencies.

If a firm had a ROM, it could be an invaluable tool for managing stakeholders (regulators, clients, investors, etc) and their enquiries. In many firms a question from a regulator to explain “how do you do X?” is often met with a rather frantic and ad-hoc scramble to collect and collate the relevant information. How much more impressive would it be to be able to pull out a ROM – the “one I prepared earlier”?

And the ROM Review Group?

The original question from senior management is one that seeks assurance. A ROM alone is a representation of how the firm performs certain aspects relating to regulations but does not in itself provided assurance that the is firm is or will be compliant. That is part fact, part judgement. The judgement aspect coming as much regulation is not and indeed cannot be perfectly descriptive. Instead, it there needs to judgement that is appropriate to the firm and its activities, past, present and future.

Again, I will use an analogy though one that is maybe less well known. This time I will refer to a CDA or Central Design Authority. I first came across the concept in Programme management about 15 years ago. A central design authority is the group or person responsible for ensuring a solution meets goals, needs and specifications. A design authority defines and deploys strategies, standards and methodologies. It also reviews proposed solutions and assesses them (and their subsequent implementation) against those standards.

As such it is a key tool in providing effective challenge and assurance.

In truth I have yet to see a fully effective design authority within financial services, maybe because historically the tactical has often trumped the strategic, but that does not mean it is not the right thing to do. In fact, the maelstrom of regulatory change and the general perception of banking and financial services seems to offer the perfect reason to have one.

In terms of composition the ROM Review Group needs to be well sponsored and truly diverse, representing all aspects of the business - front, middle and back along with the supporting infrastructural services. Membership needs to come from knowledgeable, experienced and motivated individuals with, and the Group needs a route to the top, certainly the CEO and maybe the Chairman. Indeed, this Group may take its terms of reference straight from the board.

The ROM Review Group would, I think, prepare a quarterly report on the state of the firm's regulatory compliance with existing requirements and readiness for future developments.

If you will forgive me reverting to my previous analogy of car building, this sort of group would not only ensure that the specifications given out to component suppliers were complete and consistent they would oversee the construction of at least the prototypes to ensure that the result was one the firm could be proud of and avoiding an end product such as these

or

It won't be easy!

Neither of these two suggestions will be easy in anything but the simplest firm, but I believe their adoption would be game changers, and quite possible necessary ones. A key role within all this is that of a Regulatory Architect, something I raised last year. I think it worth revisiting this idea in my next post.

August 2015

"Right timing" & "Co-operative Compliance"

When I started in my current role, I proposed two terms or concepts to my Programme Steering Committee. I now seem to use them with increasing frequency across a wider range of change so I thought it worth capturing and sharing them here.

I will caveat this piece at the start that these have been applied to the tsunami (or is a morass?) of regulatory change hitting the world of financial services, but probably apply as well to any situation where the drivers (and rules) relating to the change emerge as a slow reveal over an extended period.

The terms were: -

- Right Timing; and
- Cooperative Compliance

Right Timing relates to judging the right time to move into action. This is often a fine line, between not starting too late and having enough confidence in what is needed. Start too early and you could easily waste scarce resource doing work that is not needed or has to be redone, start too late and you miss the market.

This is currently very relevant to the world of regulation where there is a huge amount going on without the commensurate clarity or certainty. While high-level intent is (relatively) easy to set, the devil is often in the proverbial detail, especially if there are many agencies involved in drafting the final (local?) rules. This usually leads to distraction and delay.

A prime example is FATCA, where the US is rather strong-arming a global change around reporting on the assets of US taxpayers. Initially, the IRS set out a draconian vision that would require lots of non-US banks to start collecting taxes on behalf of the US. A number of organisations recognised the scale of what was being asked and started substantial pieces of work and system builds to be ready. Since then new agreements are emerging that can remove that obligation and dates have slipped. I know of companies have written off substantial investments, arguably because they moved too early.

This is not what could be seen as analysis paralysis, but rather informed judgement. Of course, hindsight is a perfect judge and sometimes you will get it wrong, but I think the example illustrates the point.

We are now facing similar timing challenges in EMIR and AIFMD. As a result, managing stakeholder expectations and having open governance an effective decision making is more critical than ever.

Co-operative Compliance is the attitude of constructively and intelligently working with the changes in the world/regulation and in doing so give your stakeholders confidence that you are safe to do business with. This is not about blind adherence or insane haste to respond to any requirement. Also it does not mean that you can never challenge or interpret. What it does mean is that you don't allow anyone to perceive you like the bolshy toddler who has planted his feet, pouted his lips, crossed his arms and then attempts to stare you out. That is helpful to no-one.

I guess a bit like finding the right time, cooperative compliance is about finding the right response.

These two terms have been very useful as a way of breaking certain deadlocks and are almost always greeted with a nodding of heads and a few wry smiles. So far no one has knocked them back.

To make use of them in your work,

- make this part of your change culture, ensure that you use and explain the phrases often so that people remember them,
- find people with a mental agility and who are equipped to judge what is right for the business, but are brave enough to not follow the herd when that is appropriate
- don't be afraid to change course and bring others along with you if the world around you moves
- find the personal strength to hold on to what you believe is right and proper and let time be your judge,

February 2013

COMMAND YOUR (REGULATORY) TEXT!

.... throw off your blinkers and grasp the wider picture

Not surprisingly a key driver of regulatory change (my current field of work) is the content of the regulations themselves. Despite this many leaders of regulatory change overlook or at least under appreciate the importance of that statement. I think that this is hangover from what I call traditional projects where most project managers look to someone else (their sponsor or SME's) to articulate the desired end state.

In regulatory change, there is usually so much changing inside and outside the organisation that the project manager has to operate in the absence of such an articulation.......because no-one really knows! This is more and more true as regulation becomes more complex and reaches further.

The "normal" response to the complexity and scale of regulatory change is to break the work into smaller chunks or workstreams, appoint a project manager and put a PMO around it all to try and coordinate and pull it together. This results in a number of people (project managers and "consultants") who are likely to know quite a lot about their chunks and probably not much else.

By way of example, if you look at a European regulatory text such as MiFID, the meat of the regulation is found in the "Articles". These are usually parcelled up and allocated to different workstreams/project managers who then work to address them. In fact the articles are just the meat, but not the whole sandwich in that they are usually found between "Recitals" and "Appendices".

The Recitals are a set of numbered paragraphs that set the context and explain the intent of the Articles. I find it surprising how many people don't bother to read the Recitals, even just the ones relating to the articles they have been allocated. Likewise, unless they are directed to the Appendices, they do not look at them and often miss useful information. For example, in MiFID II, Appendix IV holds a table that maps the Articles in MiFID I (the current/previous Directive) and MiFID II (the new regulation) - something that is very useful when analysing what is new/changed.

Even with the Articles, many participants go directly to their allocated set and barely look at any others. As a result, they may miss useful context and perspective.

So, what?

I advise anyone involved in regulatory change to find the time early on in any engagement to really analyse and understand the regulation(s) they are working with. And I don't mean a snatched half hour. Read the recitals, look through the appendices and chase down the (cross)references.

While it rather reminds me of my school days when there seemed to be endless exercises in English comprehension and writing summaries, you should at least

- Write your own high-level summary and positioning paper for the regulation as a whole
- Put our work in context of the rest of the regulation and the rest of the environment
- List the key risks and dependencies
- Prepare a 15-30 second response to the question "So what are you doing?"
- Build a library or know how to access the relevant texts and papers

Through this you will start to COMMAND YOUR TEXT. I can guarantee that you will be one of a very small minority that has this perspective and understanding. And if you can keep it up as your work progresses you will stand out from the pack of other regulatory change practitioners.

Note: This has been written in the context of regulatory change, but every change has its driver; in many programmes it is the benefit case/model. Whatever it is, take command of it early on in your work.

January 2016

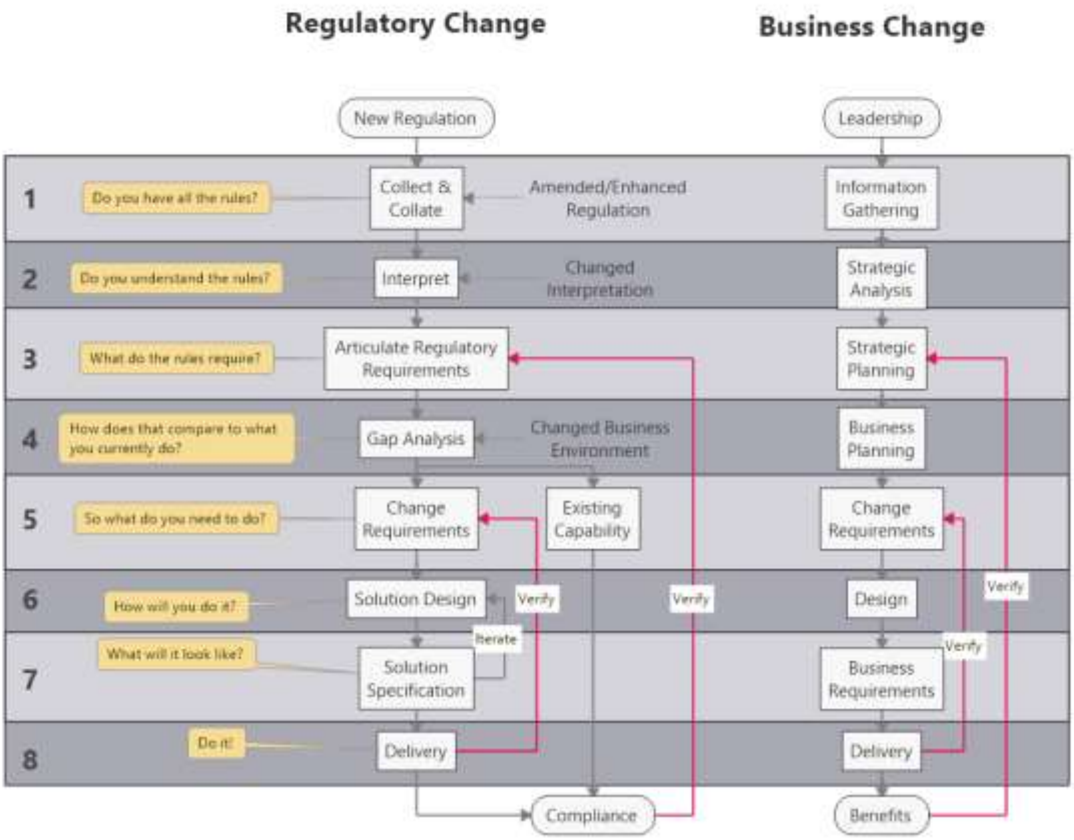
IT IS NOT ROCKET SCIENCE! 8 STEPS TO REGULATORY COMPLIANCE

Repeated conversations are usually an indicator that something is not well understood and not working well. In this case, I have had a number of conversations in the last couple of years around the production and sign-off of “business requirements” in regulatory change.

Business requirements are a key step in almost any change methodology. They articulate what needs to be delivered for a change to happen. They are the physical manifestation of my old headmaster’s advice that “if you can’t write it down you don’t understand it.” They provide a checkpoint on understanding, a rallying point for stakeholder understanding, and they document and compromises. Traditionally they are signed off by the future users and beneficiaries of the change.

So why does there seem to be an issue with regulatory change?

I think the answer is that business leadership forgets the large amount of preliminary work and thinking that precedes a normal business change. They don’t understand their own contribution well and expect project teams to work with the published regulations and “just sort it out”. In this article, I have drawn out the eight-step process to successful regulatory change and compared it with the “normal” BAU process.



Before I look at the eight steps in more detail, I would like to point out a few things.

Firstly, business requirements are quite a long way into the business change process at Step 7. In my discussions around regulatory change, it seems that there is often a belief that one can go straight from Step 2 to Step 7; this is the source if many problems as the links (and traceability) between rules and deliverables are lost and assurance is eroded.

Secondly, in normal business change, senior management will have already invested significant effort in Steps 3 and 4. They will already have an understanding of why things are being done before they are asked to review and sign off on the eventual business requirements. This is often missing or very late in regulatory change.

Thirdly, I have deliberately simplified Step 8 into a singular delivery point. The reason is that the method of delivery is not "one-size-fits-all" but should be optimised to the requirements.

Let's look at the eight steps.

Step 1: Collect and Collate

This is a key foundation. Without the confidence that you are working with all the right texts and rules, how can you assure anyone of eventual compliance? Unfortunately, this is rarely a simple task as there are usually a number of texts involved, ranging from the official legal text to notes on required standards (technical and business) as well guidance. This is an evolving body of information that needs to be managed and disseminated. Increasing clarity will inform the change effort and may require in-flight adjustments. You have to expect this and be ready to cope with it.

Step 2: Interpret

The rules tend to be written by lawyers, using a language that suits legal discussion but is not always easily understood by the business. This step looks at the collected texts, piece by piece, and asks, "do you understand the rules?" If not, then now is the time to seek clarification or at least document your corporate understanding of each piece.

Again developments, both internal and external, may lead to changes in interpretation as the effort progresses. These changes need to be embraced and allowed to flow through the subsequent steps.

Step 3: Articulate the rules

This is a key step and driven off the interpreted texts. It is where each requirement contained in the rules is identified and articulated. It does not prejudge any existing solutions or business shape. It will be in a form something like this, "a firm that operates with authorisation XXXXX and performs activity YYYYYY is required to do ZZZZZZ".

This is a key stage and is pure analysis of the regulatory text. It could be and is maybe better performed away from the day to day business in order to avoid any assumptions. It should cover the entirety of the texts, even if it is something that the business does not currently perform. Irrelevant aspects will be discounted in the next step.

Step 4: Gap Analysis

This is an analysis of how well current practices meet the new requirements. There are three main options: -

- Current practices and existing capabilities meet the new regulatory requirements. In this case, ratifying and documenting the fact is valuable.
- Existing practices need to be changed, or new/enhanced capabilities are required. These form the basis for the rest of the work
- The business does not need to comply with a specific requirement. Documenting this with appropriate sign off is key

NOTES:

1. This analysis needs to be done against the correct business framework. Most business rules are aimed at legal entities and require a separate analysis against each entity. There may also be a "line of business" overlay in which case a further level of detail is required. If the Steps 2 and 3 have been performed well, then the nature of the gap analysis should be apparent. Uncertainty should prompt a revisit to the previous work.
2. One needs to be aware of other developments impacting the business as these may add or subtract capabilities and thus affect the identified gaps. This needs to be factored in.

In the case of updated regulations, I stress "current practices" rather than any change from previous regulations. Time has a tendency to erode and confuse memories and practices. Unless one can be absolutely certain that current compliance is beyond question, it is best to review requirements against practices, not just the documented changes to the regulation.

<u>Step 5: Change Requirements</u>

The gap analysis will have highlighted where the business needs to deliver change or build capacity. Essentially it is a summarised extraction of the gaps, but with full traceability back to the relevant rule(s).

This is a chance to contextualise the requirement as well as consolidate aspects in order to make the next steps easier, e.g. bring all the data requirements together.

<u>Step 6: Solution Design</u>

This is where the business decides how it will address the requirements. It is likely that a single solution could address a number of gaps and this is where that discussion takes place. Generally, it is not at a level of deep detail, but rather principles and organisational considerations, i.e. who is going to be responsible, how will it fit in, etc.?

This is an opportunity to realign/reshape the organisation's effort to better reflect its needs. The people/teams that undertook the interpretation and analysis may not be best positioned to take matters forward.

<u>Step 7: Solution Requirements</u>

Having established how you will address the gaps, this is where the business defines what is specifically required **– these are what would otherwise be seen as business requirements.**

As the details are worked out, there may be some iteration back to the solution design.

<u>Step 8: Delivery</u>

This is where the traditional project work really kicks in. It can because of the quality of thinking in the previous steps. Depending on the nature of the solutions, delivery can and will likely take a number of shapes.

The organisation should determine who is best to deliver the various aspects and eventual deliverables verified back against identified requirements.

The combination of existing capabilities and delivered change will ensure compliance with the identified regulatory requirements.

Of course, life is not simple, and the parts and players keep moving, but an approach like this allows developments to be embraced at the right point and the downstream implications assessed and addressed.

As I said it is not rocket science, as the comparable “business as usual” change flow shows. The problems regarding business requirements for regulatory change are I believe down to three main factors: -

1. Senior management attempts to over delegate responsibility when they should be heavily involved in at least Steps 3, 4 and 6.
2. Confusion between Regulatory Requirements and Solution/Business requirements
3. A rush to lock down business requirements without a structured path and often missing key steps – the gap analysis seems to be most commonly missed.

May 2018