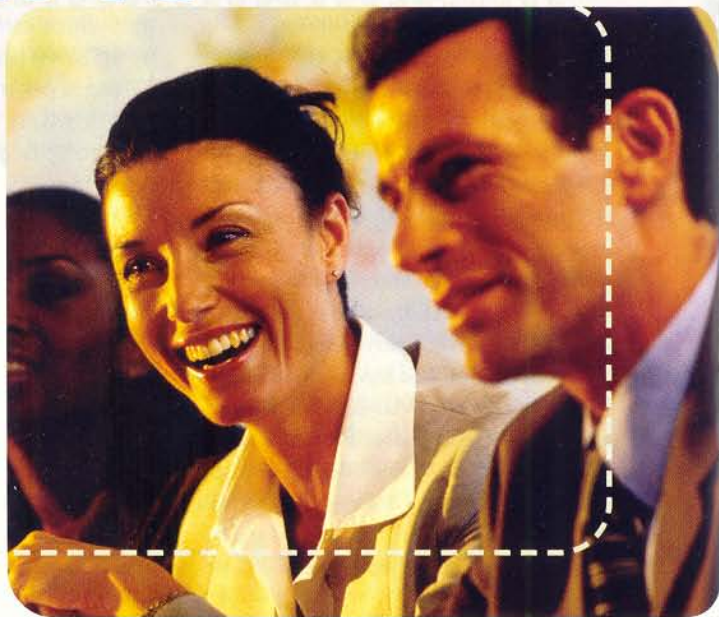


Recognizing the Important Things

One project manager demonstrates the importance of saying thanks



Chris had just arrived at the office early on September 4 when she noticed her division head standing in the doorway of her cubicle. Steve smiled and asked if she could spare a few minutes.

Steve explained that the management team had been concerned about morale. The company was still in the black, but the last few years had been challenging. As Steve was talking, Chris was thinking that the management was probably right to be concerned. Over the past six months, numerous employees had confided to her that they were unhappy.

While the management team was somewhat aware of these undercurrents, they were more focused on numerous, credible surveys that were predicting widespread workforce turnover when the economy

improved. Currently at 2 percent, the division's turnover rate had spiked to more than 20 percent during the 1999-2000 economic boom, while averaging 14 percent during most of the 1990s.

Steve was aware that the division had invested significant dollars in developing the current organization. There was no doubt in his mind that the competency of their employees had sustained the division's profitability during the business recession. An exodus of valuable employees now would be expensive and disruptive to the business.

Steve and his managers had decided to initiate a project (Exhibit 1) to explore the issue, and if warranted, identify some actions to take. Noting the managers' esteem for her previous work, Steve asked Chris if she would manage the project.

Chris was elated. She told Steve that

she would be pleased to take on the project, but was concerned about the time it might take to do it well. Steve indicated that Julie, Chris's direct manager, would help Chris to offload some of her work.

Steve asked Chris to prepare the Project Profile (Exhibit 2), which would ensure they concurred on the important things: the why, who, what, and how of the project. Steve had initiated the Project Profile six months prior, when he became the division head. Chris appreciated the document's value. In her experience, projects that started with clarity usually turned out better.

At the kick-off meeting in early October, Steve stressed the importance of the "Value is..." project, elaborated on the Project Profile's elements, and discussed the project's resource allocation. Chris was allocated at 50 percent of her time;

her four team members (Russell, Beverly, Ray, and Ada) at 25 percent. Finally, everyone present reviewed roles and responsibilities.

The following day, Steve announced the project and released the Project Profile. He asked employees to provide input in the next stage, and assist the team in small ways wherever possible.

Gathering Information

To define the business problem before evaluating solutions, the team used the project's Work Breakdown Structure (WBS), which reflected the data collection emphasis of the work ahead.

Chris wanted to get Julie's feedback on their approach. Julie, the HR manager for the division, suggested that the team conduct a preliminary interview with each department manager. Because they had a key stake in this project, gathering their input would help reduce the project's risk.

While the interviews were being conducted by Chris, Beverly, and Ray, Russell and Ada researched the subject of employee retention/turnover—including division and corporate information related to hiring, training, and other turnover related costs Russell used in his regular job.

In mid-November, the team distributed two short surveys: one to employees and one to a sample of customers. Beverly led this sub-project, drawing on her expertise in data-collection methods. By mid-December, the project team had also concluded interviews with 35 employees, or 25 percent of the division.

During the modest holiday party, there were flurries of conversation about the project. The team's enthusiasm was inviting, so employees continued to share additional ideas, which were deposited in the working database Ray had set up. Chris was so proud that her project team intended to consider every solution idea submitted.

In early January, the team presented its findings to management and senior staff. This review meeting was a major milestone for the project. Chris introduced the major themes of the summary report:

- Employee morale was low, including supervisory and senior sales staff levels.
- The division's internal study mirrored

the findings of external studies. Employee turnover was a significant risk in the next 6-12 months if the economy improved.

- Employees wanted clear direction on priorities, work that was perceived as important, feedback and recognition on their work, and career advancement.
- After multiple rounds of budget cuts, the division's priorities had become unclear.
- Customers were citing a decrease in teamwork.
- Employee ideas were often dismissed.

The data was sobering and validated the management team's concerns. The meeting was shorter than expected, concluding with unanimous support to authorize Stage 3 of the project.

Steve told Chris that he appreciated the way her team had involved everyone while defining the problem.

Selecting the Solution

Everyone was anxious to see recommendations, so the project team discussed how it might expedite the evaluation of the solution alternatives. Foremost in their minds was that the management team clearly preferred solution(s) which would merge low expense with high effectiveness.

In two meetings, the team finalized the selection criteria, decided on appropriate weights for the criteria, and narrowed down the list of solution ideas to nine. Ray loaded this information into an alternative evaluation spreadsheet to facilitate rating and comparison.

Ultimately, the top five solutions emerged.

1. A year-end recognition event. Ballots from management, employees, or customers would determine each award.

2. Quarterly division meetings. The management team would review the previous year's results and introduce the plan's objectives and strategies.

3. An ongoing recognition process. An employee team would manage this new process.

4. Departmental bulletin boards. Each division would feature business achievements by individuals and teams.

5. Expanded use of customer surveys. All of the division's five departments would collect customer feedback.

On February 2, the team met with Steve and successfully previewed the solution recommendations. He asked his executive assistant if she could work a little magic with the calendar and move the end-stage gate meeting two days later.

Chris arrived early to check the meeting room set-up. While waiting for the others, she was deep in thought. Chris knew that the outcome of this meeting, and the project overall, would be important to her career. She had learned so much in the last 10 years. Chris remembered her first job as the administrative assistant to the manager of product development. Since then, two other jobs and numerous projects had created visibility for her. Getting her degree had been a good decision. It had opened opportunities and bolstered her confidence, especially in advance of meetings like this one.

When all were present, Chris overviewed the prioritized ranking of the most viable solutions, the associated Cost Benefit Analysis, the Capacity Analysis, and the Objectives. The team was well prepared to respond to questions and concerns. Though poised and articulate throughout the meeting, Chris was relieved when the questions stopped and the managers seemed satisfied. As far as she was concerned, Russell's contribution to the Cost Benefit Analysis had kept the team safe. She made a mental note to thank him later.

The management team decided to initiate the quarterly division meetings. But, primarily, they authorized the team to develop the No. 1 solution: the end-year recognition event. As Julie had forewarned her, Steve asked if it was feasible to get everything lined up for mid-March. Chris said that this was tight, but possible. Hearing the hesitation in her voice, Steve asked if each manager could provide a little administrative assistance, if requested by the project team. The managers all nodded.

Developing the Solution

Steve asked Chris to brief the management team weekly during Stage 4 of the project. He wanted to help the team avoid delays, while continuing to involve the managers in the event's design.

Beverly and Ada prepared ballots containing specific award criteria. These

STAGE 1 IDENTIFY Opportunity

GATE 1 THE PROJECT WAS INITIATED. *What information is needed to define the business opportunity?*

Preliminary information suggests that a promising business opportunity exists. A Project Sponsor elects to initiate the project and appoints the Project Team (Project Manager and Team Members). The Project Profile (also known as the Team Charter) and an official kick-off meeting clarify the project's purpose, scope, constraints, and roles and responsibilities.

STAGE 2 GATHER Information

GATE 2 INFORMATION HAS FURTHER DEFINED THE BUSINESS OPPORTUNITY. *Approval to proceed?*

The Project Team identifies the key stakeholders, and with the direct involvement of the latter, begins to define the business opportunity or problem. Depending on the opportunity, the type of information needed and how it is collected will vary. Analysis of the information, in combination with any project constraints, will influence the range of solution alternatives considered viable during the next project stage. The Project Profile is updated to include a listing of key stakeholders.

STAGE 3 SELECT Solution(s)

GATE 3 PRIORITIZED SOLUTION(S) AND THEIR COST/BENEFITS ARE REVIEWED. *Approval to proceed?*

The Project Team, with the direct involvement of key stakeholders, identifies and evaluates the viable solution(s). This process normally includes the scoring of alternatives against a list of decision criteria that represent the weighted requirements of the key stakeholders. A cost/benefits analysis will further illuminate what the top solution(s) offer in terms of the cost/value relationship. The Project Profile is updated to include the objectives, project deliverables, and a cost/benefits summary.

STAGE 4 DEVELOP Solution(s)

GATE 4 THE PROJECT SOLUTION(S) IS READY FOR DELIVERY. *Approval to proceed?*

The Project Sponsor(s) authorizes the funds necessary to design/develop the solution(s). Solutions can consist of new or upgraded product(s), service(s), process(es), program(s), or even organization(s). During this stage, the Project Team, sometimes with the help of supplier(s), carry out the detailed design work and develop the solution(s). As part of this stage, the Project Team and key stakeholders have prepared the environment and target audience to receive the solution(s).

STAGE 5 IMPLEMENT Solution(s)

GATE 5 THE SOLUTION(S) HAS BEEN IMPLEMENTED. *Transfer to normal operations? Close the project?*

In the final project stage, the implementation plan is executed and processes that will support the new solution(s) are stabilized. Evaluation of the project begins, including lessons learned.

POST PROJECT AUDIT

Post-project: The Project Team completes the closing activities, including the organizing and storing of project records. The allocation commitment concludes for the project's human resources. During and following the duration of the business case time period (e.g. 3 years), an audit of the results will measure the actual costs/benefits of the project's solution(s). This will determine the relative success/failure of the project, or the program (of projects), if applicable.

NOTE: Each formal end stage gate review determines the GO/NO GO status of the project. At this time, the sponsorship will authorize the next project stage, terminate the project, or delay their decision until prescribed criteria are met.

were distributed to the group (management, customers, or division employees) whose votes would determine the respective award winner(s). Ideas for the physical awards were narrowed down, then discussed with the managers, finalized, and ordered by Russell. With the budget constraints and schedule exerting pressure, the range and volume of ideas previously received became important.

The team lined up the additional project resources. At Julie's suggestion, Chris asked Dave to emcee the event. Chris was amazed to learn that he had experience in radio and standup comedy. Sally, an

administrative assistant who had great visual design skills, was delighted to create the award certificates and e-mail flyers. Helen, the administrative assistant to the manager of product development, had an unblemished reputation for keeping confidential things confidential. She was enlisted to count the ballots and prepare the plaques that accompanied each award.

In mid-February, Steve and the management team presided over the division's first quarterly meeting. Chris thought that how Steve worked was remarkable. Even before the decision approving the new quarterly meetings, the managers

had sought employee input on the division's strategy and objectives.

Steve began by thanking everyone for their contributions during the previous year's difficult business environment. He said that he and the management team wanted to do more than just say "thank you." Though corporate budget constraints were still in effect, he hoped that the upcoming year-end recognition event would be the start of more recognition coming from all directions: management to employee, employees to management, peer to peer, and customers with all groups in the division.

EXHIBIT 2: Excerpts from the Project Profile

PURPOSE:

Understand better:

- (a) the current state of employee morale in the division and its potential influence on employee retention/turnover
- (b) if warranted, identify and implement actions that will regularly communicate to the division's employees the specific value that they bring to the business

SCOPE:

With the involvement of the division's management, employees, and customers, the Project Team will collect internal and external data relevant to the project's purpose. If the data warrants action, the Project Team will present a prioritized list of the most viable solutions, given our financial constraints. The management may authorize one or more solutions and determine whether the current Project Team and/or other individuals/teams will manage the respective implementations. The management may elect to discontinue the project at any of the Go/No Go decision gates following each stage in the project process (life-cycle).

CONSTRAINTS:

- Out-of-pocket expenses are not to exceed \$10,000 annually per solution authorized, unless compelling reasons can be shown.
- Staff deployment cost is not to exceed 10% of the division's deployment capacity per year for the duration of the cost/benefits analysis time period, unless compelling reasons can be shown.

STAKEHOLDERS:

- Division employees
- Division customers
- Division management
- Project organization
(See Project Role sections)

The management team reviewed the previous year's business results. The team's work had undoubtedly influenced the strategies for employee retention and expanding the division's efforts to obtain customer feedback. Steve announced that the management team had actually decided to authorize all five solution recommendations made by Chris' team. This exciting development elevated the original project to a program of interrelated projects whose activities would reinforce each other.

The cost/benefits and capacity analyses had helped Chris to realize that the projected cost of the five solutions was miniscule compared to the cost of significant employee turnover. Though these kinds of solutions had mixed results in many companies, Steve had seen them work effectively. He had no doubt that they would lose some people for whom money was the main driver. Nonetheless, Steve believed their program of projects would bring the division's employees and management closer together, while clarifying work priorities.

Implementing the Solution

Dave welcomed the division's employees to the first recognition event. Then, the management team began to present awards recognizing excellence in sales, customer service, and new products, as well as improvements in internal processes such as planning, information systems, and human resources.

Chris noticed that, by personalizing their remarks, Steve and the managers had amplified the excitement around each award. Chris hoped the photos would capture the energy in the room. The pace was perfect.

Steve presented an award to five individuals voted by colleagues as the best at recognizing the good work of others. As he presented their awards, Steve invited the division's "Recognition Leaders" to take on the implementation of the division's new employee-managed recognition process. To enthusiastic applause, the group accepted.

Then Steve surprised Chris, her team members, Sally, Helen, and Dave with a gift certificate for dinner at a nice bistro in town. Steve asked if Chris would make a few remarks. Chris stood up, took a

deep breath, and looked across the room. When the applause subsided, she sincerely thanked all the people who had contributed to the project.

A few days after the event, the project team met to debrief. The team selected the best of Ray's photos for the bulletin boards that would be installed soon. Ada shared that one of the award winners confided that, before the recognition event, he thought the event was overkill and that getting recognized in front of everyone wasn't that important. So, it rattled him a bit when he realized just how much walking up to receive his award had meant to him.

The employee evaluations indicated that the event accomplished its purpose, the awards were fair, and it was enjoyable. This feedback was gratifying, but Chris knew the real test of the program's effectiveness would come in the next 12-36 months, when the cost/benefit metrics were studied.

Shortly after Chris closed the project files, she and Julie sat down for a regularly scheduled performance review. Julie asked for Chris' thoughts on why the project went so well. Chris felt that recognizing the important things to define, especially early in the project, along with involvement of the project's stakeholders had been critical to its outcome. Julie agreed; this experience had further honed Chris' project management skills.

Chris nodded and smiled and then her eyes watered a little as she looked at Julie and expressed how much she had valued Julie's guidance throughout the project. Julie was speechless for a moment and then warmly thanked Chris for the feedback, saying that she guessed they all learned that recognition was a pretty powerful thing.

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