



Manage Outcomes, Not People, to Ensure Your Company's Success

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In an increasingly global world, communication and collaboration within an enterprise is critical to its success. Collaborative technologies, now commonplace within organizations, have dramatically changed how people communicate and how work gets done. Yet, a critical gap still exists between management and the employee workforce.

Ideally, collaboration up, down, and across the organization should incorporate everyone from executives defining corporate strategy, to those members of the organization tasked with its implementation. Delivering on the customer promise by delivering business outcomes – which is everyone's responsibility at some level – is arguably the single most critical job of company management and employees. Yet, clear communication of business strategy, objectives, results, and expectations is still largely an elusive goal.

Sustainably Engage the Workforce. A 2012 *Harvard Business Review* article identified communication as “The Silent Killer of Big Companies.” The authors cited engaging employees in two-way dialogue as key to improving performance of the individual and, as a result, the enterprise overall. Effective communication and employee engagement are deeply interwoven. Towers Watson research has identified three measurable components essential to what they call “sustainable engagement.” They are (traditional) *engagement*, *enablement*, and *energy*. In their 2014 Global Workforce Study,¹ they reported that just 4 in 10 employees are highly engaged. Close to 25 percent are disengaged, and another 36 percent are either unsupported or detached. In another study, Deloitte recently reported that less than 12.3 percent of America's workforce is passionate about their work.² A disconnected, disengaged workforce can lead to a heavy workload of management and HR challenges. Communicating management expectations and providing a mechanism for collaboration among key stakeholders is key to employee engagement, enablement, and performance.

An All Too Familiar Scene. Here is a typical scenario Shibumi has repeatedly observed in numerous organizations. An executive leadership team identifies a set of strategic goals or business objectives critical to the organization. The executive team then communicates its vision and plans via a town hall meeting, a PowerPoint slide deck, and/or via email communication. Management then identifies a series of initiatives to be executed internally to achieve the organizational goals. These initiatives eventually translate into a series of projects that are assigned to employees who are then expected to execute on the initiatives.

As project teams begin work on these projects, more often than not the true business objectives and desired outcomes are three to four steps removed, and are unclear to the individuals directly responsible for delivering the outcomes. Instead of constantly assessing and refining whether the initiatives and the project team are achieving the desired outcomes, we focus our attention and discussions on what we can clearly see and manage: time and cost.

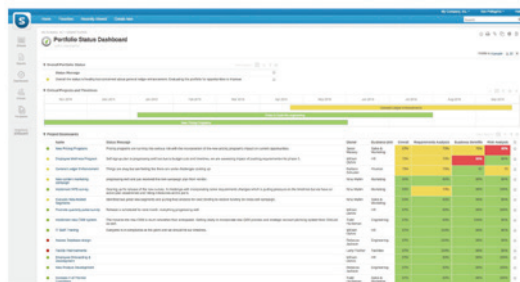
What Are We Trying to Accomplish? According to a 2013 report by the Project Management Institute, on average 2 in 5 projects do not meet their original goals and business intent, with half of those project failures related to ineffective communication. Focusing organizational communications on the desired outcomes allows for management, project managers, and the workforce to have a much more impactful and healthy dialogue focused on reaching project goals, and ultimately successful desired outcomes. Without a clear understanding of the desired outcomes, most project teams are left to make critical decisions based on project budget and time. In an attempt to keep things on track, management asks for weekly, monthly, and quarterly status reviews to ensure efficient progress. Unfortunately, these are generally focused on percent of tasks completed and budget-to-burn, and less on the achievement of the business objectives. Are we working on the project to finish on time

and under budget; or are we working to achieve a result critical to the organization?

Manage the Outcomes. What if your daughter was in college and when you asked how she was doing, she told you that “the semester was half over and it cost one half of the annual tuition,” rather than reporting what she was learning and her mid-term grades? Might you be upset? Yet, many managers at large corporations given the same data “fields” take this information as dispositive that a project is doing well.

At Shibumi, we assist our customers in defining initiatives and tasks tied to a series of “health” measures. This allows the project teams to continually assess and report back on more than just percentage complete and budget remaining, but also the status of critical desired outcomes and quantifiable KPIs. We enable an environment and processes where individuals

and project teams can collaborate directly with project sponsors in a dynamic way, one that focuses everyone on delivering the desired results.



The previously mentioned Project Management Institute study reported that organizations that more frequently report the business benefits of their projects realize significantly more success than their peers – and improvement of about 20 percent, or 1 in 5 projects. We are seeing even stronger results with our clients.

A Real World Example.

Here's one example of how a Shibumi client partner is using our technology to assess and score the health of the organization and its project initiatives. This client is going through a significant business transformation and has no time or money available to recover from a failed effort. So, they created a series of project “health” questions

to determine the likelihood of success for each change initiative, with success determined by delivering the required business outcomes, along with the standard project time and budget constraints.

The embedded questionnaires assess the likelihood of success from the perspective of key business stakeholders, management and project teams, and are organized under categories such as stakeholder alignment, business benefits, etc. Change leads were assigned for each project to regularly assess and answer these questions that feed a series of online scorecards, dashboards, and “heat maps” to visually identify problem areas. Trends can be identified early and corrective actions taken on projects that begin to deviate from expected outcomes. Program managers have an integrated status view of risk management and action plans, enabling them to monitor or mitigate risk and project issues in real-time.

As a result, health reporting of programs is now more timely and accurate, and the Project Management Office is showing higher project success rates. Quarterly program reviews were replaced with monthly action-planning meetings to identify risks early in each initiative's life cycle, saving time and money in the long run. Joint action plans are developed in meetings and updates are efficiently delivered throughout the next month to relevant stakeholders on a real-time basis.

Effective Collaboration + Results Oriented Projects = Successful Organizations. All companies strive for success, as do most managers and employees. Managing for success by defining desired project outcomes – and managing work to achieve those outcomes – keeps management and employees jointly focused on the right things.

Initiatives that are run proactively with *relevant* health measures have been shown to deliver the desired impact to the business while minimizing end-of-project surprises.

Leveraging collaboration software to deliver hard benefits while ensuring employee and organizational performance remains at the highest level becomes a virtuous cycle. Enterprise collaboration solutions are leading the way in helping organizations understand, communicate, and manage the outcomes, not just the behavior and procedural performance of employees. Positive outcomes contribute to engaged and empowered management and employees, which results in a more successful company – and more satisfied customers.

Endnotes

1 The Towers Watson Global Talent Management and Rewards Study: <http://www.towerswatson.com/en/Insights/IC-Types/Survey-Research-Results/2014/07/balancing-employer-and-employee-priorities>

2 Deloitte University Press, Culture and engagement: <http://dupress.com/articles/employee-engagement-culture-human-capital-trends-2015/?id=gx:2el:3dc:dup1132:eng:cons:hct15>

About the Author



Ken Pellegrino is the chief strategy officer and co-founder of Shibumi.com, a Web-based business execution application. He strongly believes in the ability

of technology to empower organizations to improve their overall operations and bottom line. His 21 years of experience in the business process improvement industry has allowed him to work and help global organizations of all sizes. He can be reached at kenp@shibumi.com.