

Intro: From the studios, the Final Milestone Productions overlooking the White House in downtown Washington, DC. This is PM Point of View, the podcast that looks at project management from all the angles. Here is your host, Kendal Lott.

0:00:32.2 Kendall: So there's the music; we're back riding the PM bull. I'm here today with co-host, Mike Cannon and special guest, once again, maestro of contemplating complexity, Hilbert Robinson. Gentlemen, how are you doing today?

0:00:34.8 Mike: I'm In awe of just that name. I know, I'm like, what's he talking about?

0:00:39.9 Hilbert: Hilbert and I often joke, the pinnacle of career success is when you get your name play on your parking spot. Well, I want that title...

0:00:47.1 Kendall: Well, Mike warned me, if we put you on, you would always quietly ask that completely orthogonal question that actually has this deeper thing, "if you would only shut up long enough to listen to it Kendall." I realized when I saw your little email, I was like, Oh my God, everything he touches is drenched in it, and I was like, That's the man and the maestro of contemplating complexities.

0:01:17.3 Hilbert: And teasing out the inherent simplicity that's hiding within.

0:01:22.0 Kendall: Welcome to both of you. Where are you calling in from today, Mike?

0:01:26.0 Mike: I am in Bethesda, Maryland.

0:01:30.0 Mike: Bethesda, Maryland... I'm in Vermont. Where are you at, Hilbert?

0:01:34.3 Hilbert: Atlanta.

0:01:36.6 Kendall: Very nice, very nice. So before we got into one of our topics that we'd planned for today, which brought to us based on his experiences in the world, I wanted to ask you guys what's been on your mind intellectually thinking about project management, any topics, and when we talked about that all of a sudden, we stumbled on some stuff, so where are you coming from on this this month, Mike, what are you going on in your brain?

0:02:01.7 Mike: Well, so I think a lot of us that have touched Agile methodologies and might have even had a lot of experience going down the Agile path, whether it's with Scrum or some other Agile methods, I think the encouragement we often get is think in terms of products, not projects, and if that's a new topic for anyone in the listening audience, you might be thinking, what's the real difference here aren't they overlapping, it's almost negligible? And the notion is, we've got a lot of things sub-optimally in the project world, in traditional PM practice, when it comes specifically to funding, we turn the funding, spigot it off when the project ends, and then we often never even bother to see whether the intended value was delivered or whether even anything was transitioned into operation effectively to even get the first penny of value.

0:02:56.6 Kendall: This is our oldest conversation right now, is this whole concept of projects or investments that are supposed to produce value, and the question here, who's accountable for... Done. That's what's hiding underneath this thing.

0:03:08.6 Mike: Yeah, or I might say, who's accountable to make sure we've transitioned effectively from the investment phase to the return on investment phase, and so part of the debate that seems resolved, and I might even agree it's mostly resolved, is take a product life cycle point of view when it comes to funding, because so many bad things happen when you pull the rug out from under things... Right when the payback period is supposed to start... Right, and maybe even six months down the road and a year down the road and whatever. But then the other side of that is, Okay. Let's make deliberate decisions on how to... On weather and how to keep investing. So again, if the classic Agile Scrum example is we have something very minimal, minimum viable product put into production, if it's some software product, it does exactly three things, presumably those three things are interesting enough for customers to pay attention and start using it, and then of course, we want to put a fourth thing and a fifth thing, and a tenth thing and a 20th thing to get more and more value, and that's fine if that's deliberate. What I don't think is a great practice is just letting the team that we're paying for iterate endlessly on stuff, and I think sometimes even the product owner in that role, says, Well, my job is to figure out what the next future should be and prioritize, which one should come first and then get the team working on it, and the question of, Well, is this even smart to continue investing it... Should we stop investing further and just go into pure operational mode and payback period and maybe re-deploy these resources to the next project or a product? And I think that's the part that's often missed.

0:05:00.9 Kendall: Well, it's interesting 'cause that's actually kind of supposed to be the definition in Agile, right, is you turn over a product that's ready to go, so it's almost the fact that they're turning over something and then also implicitly starting again, is the problem.

0:05:14.2 Mike: Yeah. And at the end, if you're measuring... If you have any discipline at all about how to measure payback, right, return on your investments, whether you're in a for-profit environment or in the public sector or non-profit worlds, you have to have some way to measure that, so you know when... Ongoing investment in the current thing really is the smarter decision, then letting that live out its life cycle and beginning to introduce something new.

0:05:41.5 Kendall: Is this a PM versus product perspective or an agile versus product perspective?

0:05:46.6 Mike: I fundamentally see it as just this whole product versus projects debate long before Agile was invented. So, in my mind, I love to use the following example, if you allow guys... If you take yourself back 150 years and look at how a shoe cobbler, went about their trade, they would look a lot like how we currently define projects.

0:06:13.2 Kendall: We need our way back music here first. You're telling me a cobbler is like building some project management to modern project.

0:06:22.6 Mike: I would say a customer walks in with the unique set of requirements, maybe some budget constraints, probably some sort of desired timeline when they'd like their shoes, and has a conversation with the cobbler about, Can you get this next week... Oh no, well, I definitely need it before the wedding in two weeks or whatever... Oh, well, that we might have to expedite that... That might cost you more. Oh, I don't know if I can afford that. And somehow we either get to a resolution there or we don't... And let's assume we do. And the cobbler goes through, and if they're a master of their craft, they take all these custom requirements and the shoe leather is a little thicker this week and a little thinner than last week, and whatever, and we work through with these more or

less unique, this unique process, but similar to ones we've done many, many times because that's why we can call ourselves masters of our craft, right. And we turn out of pair shoes, and we might do some number of pairs of shoes per week, per month, per year, and that is some... If you multiply how many parts be produced by the price we charge, that's the throughput. Of course, today, there actually are still cobblers, I actually hired one a couple of years ago through a former colleague of ours, Kendall, who got some cobblers based in... Guatemala. With great shoes, if you wanna pay a few hundred bucks, but the majority of our shoes are produced in shoe factories is... So what changed?

0:07:58.6 Mike: Nobody really talks about producing shoes as projects anymore, we talk about it as an operation, like a factory operation, a manufacturing operation, "run the line". And so, you might say, Well, that's a very product-centric way to do it, we're not doing projects anymore, we're just turning out as many products as possible as... As possible. But from the customer's point of view, what does it matter? Product versus project, I don't care. Am I getting my shoes the way I want... Do they fit? Am I paying the right price? Are they available when I want them? And it's the same stuff we were negotiating with a cobbler 150 years ago. And that's a definition of value, so that's why I say, I don't think that the core of the debate has changed, I think the way we think about it has...

0:08:46.9 Kendall: In both cases, their products, I think the one thing has also changed, but I don't think it speaks to this debate is when I spoke with the cobbler, I got something bespoke for me, and actually what we do for things that are commoditized now is we make our feet fit the shoes. In a way of us, how many of us have four different shoe sizes depending on the type of shoe or company, right. I'm running between 10 and a half and 12... Well.

0:09:12.2 Mike: My left foot slightly bigger than my right foot or whatever, I got it now.

0:09:15.5 Kendall: So that may not speak directly to this problem, but your sense though is, is that it was about turning something over for value, and then that's when we moved away from project management right,

0:09:24.5 Mike: And the fact that there still is an investment period and a payback period, it's just that the investment period as gotten much shorter, which indeed is what we wanna do as project managers, right. Wanna turn more and more of our projects into factories, Alright, wanna make things simpler, more standardized, higher volume, higher throughput, lower cost, more predictable, more reliable, all those things. But the fact is, they're still an investment period in running the shoe factory. It might only be an hour long, but it's there, and of course, it's the bigger investment early on of building the darn factory.

0:10:02.5 Hilbert: And that's a project for sure.

0:10:02.5 Kendall: So Hilbert, contemplate the complexity underneath what he's saying here, I'm counting on you here, man.

0:10:13.5 Hilbert: I don't perform under pressure that well... Well, it's in my nature to contemplate rather than and just jumping on things like that, but I think there is something you're similarly relevant and a slightly shifting, you're going back to your one question about What's on top of mind and what's in my mind right now is this question or age or question of the system versus the sum of

the parts. Many of us can repeat the phrase, what distinguishes the system from just components is that when the components are arranged and operating in a certain specified way, we can sometimes get out of it more than we have any reason to expect from just adding up the parts. The benefits of the parts. But I just have been reflecting recently on the fact that that's only true in a narrower circumstances when the system is being government by people working in what they're doing, when there are some intentionality and maturity, if you will, around managing systems. And the people who are doing it, understand that this is sometimes 180 degrees opposite to what you do when you're just adding up, stacking up parts on top of each other to get something.

0:11:44.6 Hilbert: My favorite example being, I can already take all the parts required to build a fancy car and have them in my garage, but I still don't have a car. Even though all the parts are there, this system is really very different from a collection of parts, and in a company that is built to deliver products to a supply chain, you have a system of systems, and if you don't know how to operate systems then you sure don't know how to operate system of systems. And so, you're making the mistakes, we typically concept the states we make when we treat the parts as as important that are even more important of the system, we're making that mistake at a higher level, and we treat sub-systems as if the large system they operate in is irrelevant. And that is destroying a lot of the decision-making power.

0:12:50.6 Kendall: I find that to be so true. This is some optimization stuff that I've been thinking about for a few years, but don't have the math under to understand, but I actually ran across this with a client just this week, where in the course of now surfacing through stakeholder interviews, I'm discovering that we wanna process to solve this, the process isn't the problem, the process is what comes later in? Yes, yes. You need a process. So when I say you don't need a process, they're like two things One, yes, we do, 'cause we don't know what you do. And secondly, we're the client, so yes, we do. But what I mean to say is, the process has to be a process, it's one for decision making, and what's happening is they're sub-optimizing. Everyone's doing what they need out of the way it's done, 'cause remember if you didn't write a process down, you still have one it's just the one you didn't write down, right, and that comes from the culture as opposed to the managed design, you don't even get to start... Right, what I'm observing exactly what you said, what it becomes is a structural problem, and it's not willingness of people or even their goodness, or even that they have enough resources. In fact, the organizational response was, we need a process and we'll increase resources, and what they needed to do, it turns out they're missing a feedback loop, a decision criteria, which are all related, they have it, but it's locked in the structure, the people that have it can't share it, various reasons, what they need to do is figure out what they're actually aiming towards, good-old value finding, and an organizational change, and I don't mean to re-org, I mean organization of who gets to report what to whom, and how has that understood...

0:14:36.7 Kendall: If that would happen, the other part becomes very easy...

0:14:41.7 Hilbert: Yes, yes, yes, yes. And so, as a... For instance, kind of highlighted for someone trying to get something concrete as an example, think of an organization that's very mature in continuous process improvement and all the tools required to chase down problems, but they're not looking where the real problem is, they have ground-ruled out certain aspects of consideration as part of their study, but they have evidence that after trying, after shooting at the problem several different times in several different sizes of guns, they're not moving the needle.

0:15:19.5 Mike: So Hilbert, this sounds kind of like the lamp post analogy. Do you wanna share

that one?

0:15:25.4 Hilbert: So here's a story, police man walks along and as is doing his beat and he finds this person looking suspicious, he decides to play along, and the person is on all fours scrolling around on the sidewalk and he says, Hey, what are you doing? I'm looking for my keys. Oh, okay, let me help you. And so you get down, as you can imagine, there's two people on all fours, at some point the police man pauses and goes, Well, you're sure this is where you dropped your keys? And the person said, No, I dropped them over there, and the police, you can imagine drama, scratching his head trying to figure this out. So, you dropped them over there and you're looking for them here, and now I'm looking for them here with you, help me what's wrong is picture? Over here where we're looking, we have a lampposts, so we can only look where we have light, it's irrelevant where the problem actually is, if there's no light over there, I'm not going over there to go look for a solution. At this point, if you don't get a joke, I can't help you.

0:16:39.4 Kendall: No, but you know what, something you get on there is, if we use the word life here, the concept of what we measure, so we talk about people perform a measure and whatever you measure, and this I think will respect what you're saying, or I see an application to what you were saying Mike. If we actually add project managers, whether they're talking in a product sense or not, which is a whole debate, we need to get in here, we need some product managers in here because I ran across it some other podcasting, I think, and it's an area that I might to more about, but if we don't have project managers owning or being part of the measurement of value, then it's a lovely conversation we're having, and at least someone's having it, but actually, I'll win back to the gold pin box, right? Instead of talking Gantt only, we need to be talking about their measures of return, and Mike, you and I hit this years ago where I was really pushing back on his thing, I just don't see it, and you said it's because we don't define where the end of the project is correctly, if you extend the end of the project through the payback period, I become a product manager that I agree there.

0:17:39.7 Kendall: Suddenly, it shifts everything and we could start learning the tools we needed to actually say, what am I responsible for, what do I actually get to measure, 'cause what's happening is the Project Managers lamp post doesn't include the ROI.

0:17:51.7 Mike: But it certainly doesn't... And in fact, it does go back to definitions, I pulled it up... Go for it, go for... I think I know this by heart by now, but I pulled it up a thousand times.

0:18:02.4 Kendall: Everybody can wish they were on this call with us.

0:18:07.0 Mike: Definition by PMI and other leading traditional project management organizations says a project is a temporary endeavor undertaken to create a unique product service or result. And so if I think back to my shoe cobbler example, that's probably that fits really well from 150 years ago, maybe, but nowhere in there did it say anything about customer value, or what would happen to customer value if we could double the number of shoes we produce, with the same cobbler or the same resource set, and so I think they really missed it by defining it as this temporary thing that just does something unique and not like an ongoing system that produces valuable results that has to show a return on investment far greater than the investment, it's not enough to be unique and that's to be valuable.

0:19:02.1 Mike: And it's not temporary, 'cause it's true that you might have only built one house in your life and the project ended and then you never build another one, but... Come on, most of us in

the professional world, just like the shoe cobbler, this is our craft, we're mastering a craft, this is our trade, we're gonna do it over and over, we're gonna face unique circumstances, of course, as part of what makes it fun and challenging, but the cadence of value delivery is nowhere in that definition, right.

0:19:31.6 Hilbert: And that's a systems perspective as opposed to looking at a project in isolation.

0:19:39.6 Mike: That's right. And so now let me take you to the definition of a PMO, because the PMO is there to help the system run well, right.

0:19:46.2 Kendall: Oh boy, we're just gonna compound this problem, aren't we?

0:19:52.2 Mike: Right, that was sort of my little giving you enough rope to hang yourself with a definition of a PMO, the management structure, that standardize the project-related governance processes and facilitates the sharing of resources, methodologies, tools and techniques. So lots of emphasis, by the way, sharing sounds nice, but what they really mean is templates, and templates that we use governance to enforce standardization, as if that were the holy grail, that if only we can get to something standard and we're sharing the same sorts of things, then goodness will inevitably result... I don't know how inevitable that is, I think it's probably more inevitable that we're gonna get a bunch of car parts in the garage and not a car.

0:20:39.3 Kendall: But we're gonna know where they are now? They're gonna be able to weight them, and all of a sudden I'm battling this whole lean thing because I started to practice and learning on that, and it was like, Well, less not the problem is six sigma more. I have all this wonderful data. Yeah, right, you can now yell at someone about it, there's not enough parts in one place versus another place.

0:21:04.8 Mike: I can tell you indeed to all the things that are wrong with our current process.

0:21:11.3 Kendall: Okay, so I think we may have killed that for the moment, but I think we may have to come back to that project management versus product management and why that's not really a... Versus possibly it's been set up that way, although there is a difference of view on the cadence of value and how Agile, helpful that it is, may have compounded that I will say on top of what you had mentioned, Mike, when I was talking to a government person recently in IT, who is retired, I said, What was your biggest pain? Doing contracting as he finally arrived at, you're 15, you had all this stuff going on, and he said, The problem is we learned a lot in project management and we were getting better, but now my contractors come in with their Agile methodology and nothing ever closes... They're constantly telling me, Well, here's this thing. We're like, Yeah, you're on track. Yeah, yeah, that's a good thing. But then I don't actually have a thing and then they go, We're gonna eat in a series of sprints, and it's really good for contractors because as they say in consulting, if you can't solve the problem, there's good money to be made in extending it, and this is kind of what's happening, and I don't think it's by intent, I don't think this is malicious, it's like there's this outcome of us not actually paying attention to the methodologies we thought we learned, I mean, that's kind of what I'm hearing in summary here.

0:22:30.9 Hilbert: So I just got an image in my mind about, Oh, we have short attention span today or children, let's just say our children, not us.

0:22:40.9 Kendall: Let's see how many people listen to the whole podcast for a full hour.

0:22:42.9 Mike: Squirrel!!

0:22:49.9 Hilbert: So I see where there is the fact that we can deliver that hit really quickly in short bites, have redefined our calls, all we need to do is deliver that hit and consider our job done, and so I kinda see where Agile is, have the potential of falling into that trap to say, I'm done, I ship something today and that's all that matters, and you'll lose the larger perspective now, just because we know how to get a hit, this technology working for you.

0:23:19.9 Mike: Along with the dopamine hit that I get from delivering that little thing, now I get addicted to the next dopamine hit.

0:23:26.0 Hilbert: Right. So as long as that's being satisfied, I can go home being happy at the end up every day 'cause I ship something.

0:23:32.9 Kendall: But let me challenge this on the second with Agile, I'm not an expert in it, but just having experienced some of it and learned about it. It seems to me, when you talked about the value cadence and the idea of value wasn't maybe... Okay, hold it, I may be mixing this up specifically with the Scrum technique, but isn't one of the goals to get a customer in the room regularly, and that should be the voice of customer, meaning voice of value. At a minimum, if we've disaggregated some part... Right, disaggregated the labor, different experts working in a team, learning to share very quickly and their stand-ups and move on and have these component pieces they're building wasn't the idea that we were connected directly to the customer, supposed to mitigate this value question right? Or am I overstating?

0:24:22.1 Mike: Absolutely, but nowhere in the Scrum guide does it say, Here's when that voice, which is usually channeled through the product owner, right. Here's when they know it's time to say, Oh, let's go do something higher value.

0:24:38.7 Hilbert: Many product owners aren't equipped with the decision-making acumen, I guess is a better word in there for it. They're sitting in that chair as a part of owner, but they don't have the perspective, the real perspective of value to bring to the table, they're more wanting to be part of the team than to be that real stickler for holding out for value and being able to say, I've gotten as much juice for the amount of squeeze I'm doing thank you very much.

0:25:20.7 Kendall: Everything old is new again. You just really described the idea of regulatory capture, I mean, this is an old political science concept, as soon as you have oversight, one of the things you wanna do is integrate them to improve outcomes, but the problem is when you integrate them to improve outcomes, you lose that point of view.

0:25:39.4 Mike: I think we saw some of that actually with the FAA and Boeing... Oh, absolutely, absolutely.

0:25:45.7 Kendall: That way, sorry, is to extend the... No, no, no, that's a great topic, so I think we're gonna have to come back to that one at some point, and I wish this was a call-in show 'cause I'd love to see everything lining up with people going... The age least is getting all excited and the PM people saying No, but I believe in value and the product managers saying, You all work for me

anyway, so why are you talking... So I was shocked in some earlier interviews I had done where I wanted to talk to executives about project management, and a solid third of them took that and made him program management in their head, they were thinking Program Management, and a solid third of them responded orally, literally, to using the words product management, they see product management as road driver, and if I could get them to tease it apart, they're like, Oh yeah, PMs work for product managers, they do all the little component parts, the product manager is the one that's driving. And there's a reason, if you're a firm selling a thing, the product is the thing that's actually the value piece, literally, that's the thing they sell, and so the executive is writing, where is my new product? Not, "where are we in your activities on the core level?"

0:26:54.8 Mike: And take that example on step further, there's no such thing as a company that makes products that can ignore all of the stuff that has to happen, I would call them projects, to make that product to release go well, the work stream that actually delivers the product, it might be a single project or it might be a program, but certainly the marketing is another project where the marketing campaign, certainly whatever we're doing to coordinate with our distribution partners and supply chain and all that, that's gotta be another work stream, at least if you don't wanna call it a project and all these things have to be synchronized in a way that we actually get the darn thing to market and make money on it, right in the time frame we need. So that coordination, the synchronization, that goes beyond the single product you're selling, it's all through the work that has to happen too, right? And that's where the traditional PM thinking offers at least one advantage in my mind, which is when we do the work breakdown structure, whether you believe in WBSs or not, whatever method you use to look at the work at hand, to understand the work at hand, and make sure, there's people doing, lined up, to do the work at hand in the right sequence and all that, all of that might show up on a work breakdown structure as additional product that the project team has to deliver, it's not the product we're selling, but it might be... Maintenance manuals for the people to have to maintain the product or information the marketing guys need if they really wanna do a good marketing campaign, then maybe even coordinating with regulators and all that sort of stuff. Right, right, right.

0:28:44.4 Hilbert: Right. Yeah, the debate is not unlike the one that we also suffer through over the years regarding functional alignment versus platform product line, and it is, we get caught in a conflict as to where... What is permanent and what's temporary in the definition of the organization. Without a good way of resolving the conflict, we bully ourselves into one or the other, or we're left stuck with the compromise and unsatisfying compromises one in one camp one in the other.

0:29:27.4 Kendall: Part of the confusion may reside in the fact that the temporary is also cyclical or repeated. Repeatable, temporary things look like something continuous. Is it a wave or a particle, have we just gotten there? But I don't think we have a lot to offer and went on that thought right now, let me think a shift of gears for a second and go back to the topic he wanted to put up... We asked for a topic and we had some lived experiences that we were all trying to share around this, and I wanted to bring into our topic that Hilbert brought forward as expectations, orexpectations to capability and had to do a lot with timing and... Interestingly, it was around the... As I understood it, some questions around basically being able to discern value and define value before you get there, then what happens when things don't go that way... Right, so Hilbert get to sit on the golden throne of pontification. Lay out the problem for us is you've understood things to be happening and how others might see something similar.

0:30:33.4 Hilbert: Well, it is sort of from time to time, I... I remember early on when I was

learning to do large-scale program management and building models to represent the effort required deliver a large vehicle, for instance, think in the terms of the order of... 100 or hundreds, if not thousands of engineers. And where commitments have to be made across the supply chain, and the status quo as I entered into the situation was one where these commitments were made somewhat blindly as in, not with respect to the capability to meet them, and then using some things I had learned in production built a model that, to me, Give us the ability to look at what it would take to deliver to those commitments in terms of resources, and was able to show a chart that said, If we're gonna hit these commitment dates, then this is what the resource profile would need to look like in the time period between now and on those dates. And those dates show up on the calendar, and I was... According to the model, there was no way to get there from here. Now, when I presented that information, what I was told by the people I was presenting it to they looked at me like I had six eyes or something, they're like, Is that what you're excited about? We actually know that this is what the picture looks like, we didn't have it quantified, but we know where it was gonna end up, where you're gonna take more people to make those commitments that we currently have, and so those commitments are not worth the paper they're on, but this is a major commitment that a big company had made, and none of the executives would even be willing to abide this conversation that was being had by people were supposed to know, it's an hour say, so that they have any basis at all to make these promises, and now we had information that told us that those promises are not worth the paper they're written on, but there's no way to get this information to those executives, ARB, if those intimate should be a quote to these executives... No, it would not be action appropriately, you'll be told to go back and come back with a picture that actually makes me sleep well at night.

0:33:23.1 Mike: Tells me what I wanna hear.

0:33:27.0 Hilbert: Right, and this happened so much, so much it's... Sometimes it's even told you as we can keep two set of books underlying that is, if everything doesn't close, show me something that closes, but manage well, so there's always an informal system, even if it's illegal to write it down, there's always an informal system running in the background where people are actually trying to make that magic happen.

0:34:05.0 Kendall: So what's your grip? There're back to estimations were talking about before, is it the understanding of what's expected is wrong, is it the inability to communicate it? So this is an organizational problem. Back to my question on structure, or are you seeing there something fundamental to how we're... Back to the value question, how... What we plan is not what happens and is it just we can't communicate it well, or is it... It can't be done?

0:34:37.0 Hilbert: I'm not sure, but let me try this for an answer, I think there's a problem with the expectation that I'm gonna call out some number and I'm gonna hit it. And that any deviation from that is a direct measure of how good I am, are all honest I am, or how deserving of my next bonus I am.

0:35:00.5 Kendall: It's back to our estimations that we talked about last month then...

0:35:06.5 Hilbert: Yeah, but even more fundamentally, the estimation is assuming that you're supposed to be expected, you're supposed to be able to hit that number... Okay, that's the problem. And so all that goes in to try and hit that number is about the behavior around that, but more fundamentally, it should be easy agree among each other that we can get in the neighborhood of

some estimation plus or minus, but I'll tell you where it's plus or minus when I get there. Right, and if real magic is, if I happen to literally land on the number, that's what we should be like, "Oh my goodness, look unicorn," because that's a complete accident, that doesn't have anything with being good.

0:35:58.0 Mike: What I hear with all this Hilbert is because a big part of the traditional PM discipline comes from engineering. And engineers are taught that if you want the whole system to work well, you have to get quite precise with all the individual piece parts

0:36:18.4 Hilbert: That you can solve total variance by summation of all variances...

0:36:24.4 Kendall: The system is made up of all the parts, right.

0:36:26.4 Mike: I Can't have any one of these parts fit kind of to the other parts, more or less, sometimes within some large tolerance, I have to get it within a very tight tolerance in order for the whole system to work properly. So, I think we fool ourselves somewhere along the way, and to believe in that that would apply to projects too, as if we really did have a crystal ball that could predict the future, exactly. How all this variation would play out...

0:36:54.4 Hilbert: Budgets.

0:36:55.4 Mike: Sure.

0:36:54.3 Hilbert: I mean, even more fundamentally, you're not allowed to miss a budget, even if it's running under... We can't abide the idea that we didn't land on the number... Let me tell you, how stupid is that?

0:37:04.3 Kendall: It's an ISO requirement. One of the weirdest things because we do the threshold... The ranges, right? Yeah, if you were to continually run your projects at 8% under budget, but you've set your metric of goodness and a 5% variance, you are constantly... You could fail an iso-criteria, you're not really good at projecting because you're busy getting better.

0:37:31.7 Mike: Well, and let me give a very real example of this with an Agile Scrum organization I've had as a client, they had a really fantastic guy as one of their lead enterprise Agile coaches, brilliant guy, he really knows his history, history of management science, not just history of what happened with whatever war. And he actually is a visual designer as well, so he was always very compelling slide-smithing that he can do, and he talked about this whole thing with velocity and what the best ways are to measure velocity and help a team get to a point of predictable velocities so that we actually can deliver on commitments and make commitments smartly based on the team's genuine cadence of working at a sustainable pace and collaborating well, and all that good stuff. And the rule of thumb, he said... And again, in this guy's throw, I just think he's brilliant, but then all of a sudden, he said something that kind of made me do a double take like, Wow, wait a sec, he said, You know, we're not yet at a stable velocity until we're plus or minus whatever percent plus percent variation on some target velocity, the stable velocity...

0:38:59.7 Mike: Yeah, and that's what drives predictability, so let's just get to some sort of stability, and I had a team that I was coaching in the same organization that had achieved a 30% speed improvement after the second sprint, another 30% speed improvement after the third... And maybe

another 15% or so after the fourth.

0:39:19.3 Hilbert: We need to fire you or Mike, we're not approaching stability here, this is a problem.

0:39:24.5 Mike: And actually, it wasn't even the first print 'cause they'd already been a mature team going on for a little while, so I probably showed up around sprint 15 or 12 or something, so it was sprint 13 that got faster in 14 and so on. And of course, this is well after their initial velocity had been established and these plus or minus thresholds set in, and so of course, we violated the heck out of it by going faster, and the team all felt like the way in which we got there was sustainable and based on sound flow principles and good focus and good full-kidding and all this other stuff that they've always done pretty well, but they just got better, and so they were targeted as... They must have done something wrong, they must have sand-bagged all the original estimates that must have been coasting or pacing themselves, they never really went with a sense of urgency with the initial velocity measures.

0:40:17.9 Hilbert: For the first 12 sprints...

0:40:23.9 Mike: So the finger wagging began, and I was just sort of like, Well, what's wrong at this picture, stakeholders are thrilled, the customers are thrilled, the team, thrilled, it's sustainable. We proved out after the ensuing a couple of months with the sprint indeed, that higher velocity, which by then had almost doubled, and so... Staying about that higher level. And then so in my mind, the question should have been, how might the rest of us emulate what those guys are doing...

0:40:47.9 Hilbert: Yeah, yeah, Quick Stop

0:40:51.9 Kendall: ...Mentioning the wrong thing, and the weird thing is physics and math, are you give us some answer here, so you can measure the thing... Or you can measure the speed of the thing. Right, I think that's like the first derivative in fact... But then there's another thing which is, what is the rate of change? But what is the rate of change? Of the rate of change. Right, acceleration. But now the next thing is, if we give this to a Six Sigma type of person, they're gonna wanna now establish a common rate of rate of change, and that'll be a messy thing, 'cause of course, the control chart... Right, but let me say this guys, so all of us have been on experienced weird scenarios internally and also with clients and also getting to observe other organizations. How would you tell them to get out of that? You do want metrics to understand things, we push towards structured control and repeatability when we can... There's some limits to that. And we talked about this in other podcasts. But measurement is good. So what do we do? Or in a complex organization that has people working hard, has multiple pieces, has systems of systems, has people measuring it, and we don't wanna keep guessing the next new measure that they're gonna screw up for us, so you ask the right question, How might we... But how can we have our listeners think about what they could do to break that system, or what can they do locally?

0:42:07.4 Mike: If you have a hard time coming up with a way to really measure what your cadence of value delivery is, X dollars of value or of impact or however you measure the mission of your organization, right? Per week, per month, per quarter, per year, then get one, and if it's too hard because the value is so fuzzy and we don't have any reliable on whether the value in May was really more than the value we got in April, but both looked pretty good. Well, then use a surrogate that's easy to measure, like the through-put of completions of projects or product development

efforts or releases or whatever it is that you know has value attached to it, so even if this release this month is twice as valuable as the same... A single release that the same team produced last month, even if we can't measure the fact that we just double the value on average over time, these releases are all gonna have some kind of good measure of value and the more of them have got done per quarter, per year, compared to last year or whatever, then the more value we're delivering probably.

0:43:19.1 Hilbert: It's a reasonable hypothesis.

0:43:20.1 Kendall: And so our project managers to say, I'm gonna propose we count something different, or Here's how I am counting my projects or my portfolio, but how does a project manager address this? I feel like you're victimized by all these systems.

0:43:33.8 Mike: They are, right, and that's the support. And it's any middle manager that could be victimized by these sort of systems, but the bottom line is somebody has to be influenced, think of it differently in terms of, you know what, right now, we measure utilization of our resources under the assumption that the more highly utilized our resources are the more goodness and value we're getting, and I think that's an even more tenuous relationship that I... Outcome, yeah, input to outcome. And so why not say, Let's just get rid of the utilization measures all together and instead replace it with measuring how many minimum viable products we complete per year, you change that one measure, then actually make it meaningful. It's the thing executive to ask about in the status meetings, and if you wanna tie a bonus to it... Okay, that... Maybe that's even better, I don't know. But if that suddenly becomes the thing that we're talking about and not, Hey, are people busy enough? A whole... A lot of goodness can happen.

0:44:43.2 Kendall: That was our cartoon, that I had showed for you guys last month, which was... We said we needed four people, and then four people landed the project right on time and to which the oversight says, Oh, then we over-staffed you, right, you got your projection this month's comic is also interesting and speaks right to this... I'm gonna show this to you guys if I can. Here real quick, I'll give you a chance to see this. So for our listeners, a cartoon off of LinkedIn on project management.

0:45:11.4 Kendall: One of those hilarious fields of study, but can you guys see that there... The manager says to the PM, I have a problem, or the PM says, I have a problem. My cost analysis came out to \$100,000... Exactly, and they're like, They won't believe you. I change it to \$102,378 before submitting because nothing is viewed with more suspicion than large round numbers, because it looks like you're lying, doesn't it, when it comes out perfectly like that. So how many times we had to do that? You know what the bill rate is, it's 87 dollars and 32 cents, you gotta get a prime number is even better, so 17, 'cause there's no way you could have calculated it,

0:45:55.4 Hilbert: So do you know what this is a symptom of... Or do you have an opinion about what this is the reflecting...

0:46:02.4 Kendall: Well, I think that has to do with how we see numbers, so when people are making estimates, we use round numbers when you make estimates, and so any precision that looks like something I use as an estimate, I'm assuming you're now estimating, if you are now telling me you did that through analysis, now I seem to lying.

0:46:18.6 Kendall: Right.

0:46:19.9 Mike: Or you're a bad analyst or both.

0:46:21.9 Hilbert: Right, right. So didn't do the work. Should we be measuring down to the penny like the example showed?

0:46:33.9 Kendall: You know why? Because the accounting team is the systems group that says, "If you can take all your variation down to the smallest level, the sum of all the pennies is meaningful..." If I allow rounding everywhere. I just got variation piling on top of everything,

0:46:55.9 Hilbert: So now is what's the tail and what's the dog? Yeah, the story, why should operations contorting itself to give your answers in pennies knowing it's completely meaningless. While, there's other work that could be doing, if they could do in one tenth the effort, give you an estimate and then go off and go actually beat that estimate,

0:47:17.9 Kendall: And we put resources into measuring this, tracking it, validating it, and the fun stuff for larger organizations, I've experienced, including volunteer organizations in the PMI world is reporting on it. We end up talking about all the data that doesn't matter, that gets reconfigured, and we're back to our earlier conversation where you can't tell the truth or it's hard to discern it anyway, because we're used to contorting the numbers, not the reality.

0:47:47.3 Hilbert: And we need to get that to a conversation where we are willing to be comfortable with knowing the things we do know for sure, and not being sure about the things that we have no business trying to be sure about.

0:47:56.3 Kendall: What should the PM, the executives, or ask the program manager who's demanding that from them or asking it of them heading in that direction, what do they be challenging?

0:48:06.4 Hilbert: "That number looks too precise to me, I think you're trying to fool me."

0:48:13.4 Kendall: Says to me in to the person casting the new numbers.

0:48:18.5 Hilbert: So I think executives need to ask different questions, telegraph that they're willing to hear actually what's going on. For example, a simple example is if you show me your monthly reports and everything is great, and the project many... The senior executives should say, Okay, show me the other version that's the truth... Because it can't be all green unless you mess with it enough to get me all greens 'cause you think that's what I'm looking for.

0:48:48.6 Mike: Or even on the rare circumstance that maybe everything actually is all green, okay, what's the biggest issue across this entire portfolio of greens that you want me as the executive to pay attention to, help out with, accelerate, improve or prevent if it's some bad issue lurking that might be.

0:49:09.0 Hilbert: Stop being so gullible to the easy answer. Stop doing the same thing as the kids do when they get hope on the quick feedback of social media.

0:49:22.2 Kendall: So, the problem is this, I think we get trained as managers to think about all the

systems that we need to learn to build the track and monitor, and I feel... But this is a supposition that the role of manager that way, or it certainly is an executive level manager is wrong, it's not to track and know that is to remove barriers and enable... Now that's the approach I like to believe in. But I think it's fundamental. We don't teach... My experience was that's not what was taught in management classes or in skills, it's about learning all the cool techniques of understanding better data, because good data gives good decisions, but we get trapped in the data line, and the fact that we even wanna know all of that so to me, the answer to my own question, guys, as if I were a PM and I see my agency and my group asking me that, it's something I challenge myself with with my own team, is this... What are you going to use that data for? Now, that sounds a little bit like sometimes you see defensiveness, like where my data is escaping, like fish into some other place, you're gonna hold me accountable. So I wanna change the question immediately, but that's really what we're asking, which is what decision does this drive... If I give this to you, and then I go in deeper, what decision are you trying to make? What can I give you or in using a Mike-ism, how might we come up with a good number that's meaningful to your decision-making needs?

0:50:44.3 Kendall: And the poor accounts are gonna cry because they're like, Yeah, but we have a whole industry over here tracking this stuff..

0:50:44.3 Hilbert: Yeah, don't care, it's not helping!

0:50:57.5 Kendall: Mike how would you have them do it? 'cause you're coming from a whole world we haven't really expected here on the podcast right now with your combination of how to improve flow, what is the question that project managers should be using to challenge their environment to get the right data out?

0:51:13.8 Mike: What we really value around here, what helps us thrive around here, what constitutes a genuine good year for this organization or a good quarter or good, whatever? And then let's use those things to give us a clear line of sight between those genuinely good objectives that might help us all thrive together, then what I'm actually doing today.

0:51:40.0 Kendall: You actually just jammed me up with that, I would say that that is a much harder question to answer than people think, what constitutes a good quarter? We hit our benchmark margin, we hit our revenue, those are two ones we can think about if you know those, but those are also meaningless in the abstract.

0:51:59.8 Mike: Meaningless in the sense that if we only care about the current quarter or the next quarter, because I might be off to my next job after that, who cares about the long-term then... Yeah, that's been a long time problem, I think, especially in publicly held companies where there's all this constant near-term pressure, but again, what I'm talking about is, what are the things we should be measuring now that help this organization thrive? And you can't just say, thrive only for this quarter. That doesn't make any sense. Right? So, I was trying to say that when we say thrive, we think over longer time horizons where we might all actually enjoy our time here for a bit before we look for our parachutes. Right? And then if I can tie that back to what I need to do today, this week, this month, this quarter. Then that makes it real for me.

0:52:53.0 Kendall: And that would be better to be setting people's expectations around when we open here with expectations to capability, the ability to deliver against them. I think having expectations about what we're really trying to achieve is really hard to do it from an executive

perspective, I find that really hard to communicate because everyone's interpretation is different, the clarity of that, I find that hard. That's easy to say, and we get it, but I personally have found it hard to do...

0:53:24.7 Mike: Yeah, and that's why we're always talking about elevating the discourse here... Right. Yeah, we wanna make this valuable, so it's not just a feel-good exercise, but we're hopefully focusing on the right problems, some of which can be tricky to solve, and that's why we have Mr. Inherent simplicity Hilbert here. To show us how it might not be quite as complex as we think, or maybe it's hugely complex, but maybe there's this little thread throughout it that we can follow to simplify it. So anyway, I have an example that might help paint the issue you're that's giving you heartburn Kendall, and then talk about what actually, maybe he'll ask Hilbert where the inherent simplicity might lie in.

0:54:05.7 Mike: I think I know her, but I... I actually don't, I'm proceeding to the couch so that I can be topical, so this is not a game of Gotcha Hilbert. I generally want your insight.

0:54:18.6 Mike: So there's a large company, I wanna even say what industry it's in, 'cause I might give it away, and the... Let's say they're one, a publicly held company, a well-branded company known around the world, respected, often win awards, etcetera, and they began to drive one group, one very large group inside the organization to deliver more value, and so they had a bunch of initiatives, some of which I was helping with to really go after this cadence of value delivery, how do we measure it, how do we know when it's going up or down, what might we try differently to try and nudge it higher, and at the same time, they started doing that, they said "You know what, we have too many of these parallel issues, we've allowed too much, let's say, technical debt to grow, and so now we have to throw these overlaying initiatives to make sure those don't bite us down the road," and they didn't allocate any resources to those projects. That just said, we expect everyone to do their part, and it better be done by this time, next quarter or whatever, or there's gonna be hell to pay. And of this large organization, by the end of that quarter, three individuals had had heart attacks, and they ran the annual employee survey and it had ticked down for the second straight year.

0:55:50.0 Kendall: Did they get the output they wanted in the meantime, they ran the machine hot, did they get to the goal.

0:55:51.4 Mike: No, it required lots of rework because it wasn't given the proper... Prior to in-focus, it was just, we need it. Do it. Sorry, this is work, it's not always supposed to be fun guys, and so right away, all the work they've done to stabilize their system and try and get it to deliver more value than through one wrench into the mix, and it disrupted everything so badly, it stressed the people... And it showed up in the Annual Employee Satisfaction Survey. And then what was the response? It was not, you know what, we made an obvious mistake there to send our system backwards, it was, well, now we better go solve the employee satisfaction problem... Right.

0:56:34.0 Mike: We separate set of ideas like maybe more treadmills in the employee gym and more food trucks out front, so the lunch lines aren't as long. And those are probably good ideas too, but come on, it was so obvious what the root cause was, and anyway, maybe I just... Maybe I just took you out of play on that Hilbert, 'cause I think I decided as I was talking What there, the inherent simplicity was.

0:57:04.0 Kendall: Name the simplicity Hilbert, name the simplicity. As an executive, what do I have to know when I'm starting to engage on this must need must do?

0:57:11.8 Hilbert: Well, I'm not sure if this is exactly it, but I might ask a couple of questions around, did... When those order were issued, was there some new leadership in the executive team or was there some... There's a layer of executive leadership that is immune from actually knowing what's going on in the organization and why things are working well they don't care, they don't wanna know, and so on, and so good things happen despite them, and so they're actually a risk you have to protect the organization from... Now, sometimes it's they know and they're on the and what... They get a promotion because things did so well, or whatever, they retired and then some new person is brought in and there is no due diligence done to protect the organization from onboarding some new executive under right to make edicts, but are allow the keys to the castle to do damaging things to their organization such as this... Now, I don't know if that's happened in the scenario a, but that's the kind of stuff because I've seen that so often, but I'm looking at first before I try to do any serious thinking about it.

0:58:28.9 Mike: So, you know, it's sad. In this particular case, it was a pretty stable leadership team that had been in place at least a couple of years, for the most part, minimal changes, and the only thing that had changed was that the stay had suffered some embarrassing snafus that made it into the public eye and harm to their reputation, so they allowed the public-facing snafus to nudge them back into their old behaviors of just barking orders and demanding results and not worrying about the impact on the people or on what you just destabilized in your value-delivery engine. Right, right.

0:59:10.5 Kendall: Well, I run a small organization in half for a while, and it's definitely small, but I'll share this with our audience, and I appreciate what you guys are coming from on that, I go out of my way, 'cause I think maybe some of my professionals are not sure what they can ask. Or know what to ask sometimes. But to me, I have gone out of my way to say, "This is important. Let's do this, how we're gonna do it, 'how might' we do the thing to develop something, and I say, and we are putting resources on this... I'm hiring someone to help me with this. I understand you will do less delivery here for this or that you get to de-prioritize whatever I ask you to do three weeks ago because of this..." I try it, and I think in my case, they may not know why I'm saying it, but I would invite listeners to ask the question, follow the money, is the question, is the operative theme here is the executive or is the leadership team putting money... does it cost them to make this decision because they are thinking it is valuable enough to do that, it is more valuable than what we are doing in our current mode, and something else won't happen, something will... We went and got more money, we borrowed money, we raised more money, whatever it is, and the question is, is did they make a legitimate decision as evidenced by a trade-off, have they put something into this... Otherwise, it sounds like a new cool idea, and it's just hope... It's really just a hopeful strategy at this point, and so I really said to her what you saw their Mike was that that people actually ran into that wall really, really hard to the point to the war damage to the organization on the employee side, whatever that was, for their culture, that are been their culture, but whatever it was, it was a change, but I would invite all of our PMs, all of the people that are employees, actually, everybody who's in a collegial environment or in a higher environment where these decisions are made, is there a resource behind it? It's sometimes time, money, more people, whatever that is, if that's not happening, I think you're set up for failure already.

1:01:16.3 Hilbert: Allow me to build on that, I don't tie back to earlier comments, so I wanna

inspect word integrity there to just to say that you're having a high level of expectation of yourself and the way you do business, because to you, integrity is important, that the expectations, we were talking about the mismatch between demands and capabilities, and that if there's a mismatch, there is a loss of integrity, and you're saying... I'm holding myself to a standard that says I am responsible for maintaining that integrity between what's expected and my ability to deliver,

1:02:02.9 Kendall: Because it's a question I would have been asking as an employee

1:02:08.9 Hilbert: Yes, and this... And I talk about somewhat negatively, about the executives are so removed from what happens in reality that they're a new... taking responsibility for it because they don't see themselves as owing the organization, anything, the organization owes them everything, right? But who is responding or ensuring that line of integrity is maintained and that gets pushed all the way to the individual... It's your problem now. You'll figure out how to make it happen.

1:02:38.5 Mike: So, you know, there's a great quote from a former CEO of American Express, I think his name was Ken, so he was asked by a journalist, I think in one sentence, what's your job? And he goes, Oh, that's simple. To define reality and to give hope. I think and even defined reality. I would've thought he would have said to look reality squarely in the eye even if it's an unpleasant reality or something like that, but. He's saying, No, we have more power than that. We can define our reality to some degree. We have some control of our own system, we do a math, we can make it a stable thing or a chaotic thing... Right, that either one of those realities could be ours. We have some choice, right, so let's define it how we want it to be, and then to give hope that we can get to some better place. And in my mind a lot of people look at a project plan or get chart or a product road map or whatever is like, we're just organized and we've thought this through, and now we have a plan, so yay for us. I look at it as we're trying to give everyone on the team hope here. We've thought it through and expended some time and energy doing any planning at all is because otherwise, what hope do we have that we're gonna deliver anything...

1:04:00.1 Kendall: We're gonna leave it there because you just... Countered, the famous saying, "Hope is not a business strategy." It turns out actually hope is the engine of business strategy. Well, thank you guys, we'll take it from here and I'll talk to you in a couple of months, if not sooner, it's kind of your summer. So there you have it. We ride that Riding the bull music right on out. Let's call today's episode, commitment to capability in the strategic and business management talent triangle. So PMs, if you've listened through this, you can submit a PDU claim for one PDU, be sure to manually enter provider code number 4634 and select M Powered Strategies and manually enter the name of the episode PMPOV 0087, Commitment to Capability. Tell your friends about the podcast and connect to us on LinkedIn, particularly if you have a topic, a question or a guest idea, and in the meantime, get those expectations and capabilities linked in your project product and portfolio planning and is always keep it in scope and get it done.

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