

# Closing the Gap: Achieving High Performance Programs, Project, Products & Services

Martyn Phillips

The Team Focus Group, Alberta—Canada,  
Hong Kong, South Korea, United Kingdom & United States



## Abstract

The following text describes a proven process for saving considerable time and cost particularly for owner organizations and agencies. It is conducted through a systematic program of analytical and innovative explorations that culminate in firm, tested proposals for business improvement.

The program guides formulation of strategies as well as the development, implementation and optimization of a range of various types of projects, products and services. It maximizes team performance and profitability while managing risk at the appropriate comfort level for different organizations.

## Introduction

Business Improvement processes come and go. Their acceptance and effectiveness depend largely on timing—in terms of recognition of needs, personalities involved, particular circumstances of application and of course demonstrable successes. A common factor for success lies in acknowledgement of team dynamics, language of the “customer” and links to corporate leadership.

As well as ensuring best overall value, the **Value Search** program expedites results, with smoother decision-making and faster delivery of outcomes. It is an integrated and strategic program of best practice techniques with continuing application. The program is directed particularly at aligning the lifecycle activities, inputs and outputs for programs, projects, services, major strategies and complex situations. The structured process leaves behind a clear trail of documented proceedings, options considered and the basis of pivotal decisions.

Example applications are for capital and operational program/project management and through related aspects of business case development; decision analysis methods; budgeting & target costing; design-to-cost; alternative project delivery methods; managing uncertainty; integrated

project teams; integrated supply chains; change management and lean delivery. Fields of application include infrastructure, systems and service delivery for: energy, healthcare, heavy industry, housing programs and building, learning, major construction, manufacturing, transportation and utilities etc.

## Context

Today's competitive environment requires us to embrace approaches that maximize productivity and performance in the pursuit of achieving best value for shareholders and other stakeholders. The currently established “business as usual” mode often exhibits programs and projects that suffer from implementation delays, stakeholder frustration and requests for additional (unbudgeted) expenditure. Sound, long-lasting decisions are pre-requisites for business success and the reputations of all involved. Effort spent in developing unambiguous, acceptable strategic direction is undeniably a good investment. To guide sustaining decisions, participants should view the whole picture before focusing on specifics.

Personnel often consider themselves to be much further ahead in the program, project or product development process than they really are. Many projects have leapfrogged too quickly toward a

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favoured solution and are riddled with omissions and incomplete or undocumented assumptions. A great temptation for project staff under budgetary and scheduling pressures is to circumvent divergent thinking by converging too quickly on a set of solutions that appears to have worked elsewhere. Ultimately this can lead to disastrous impacts for a corporation and its executives if a significant project is delayed, the scope increases or costs escalate. Re-visiting of decisions and the likely resultant rework, may well add a degree of value, but this additional work could be otherwise avoided by conducting the right activities at the appropriate time.

### **Performance and Value**

Value is determined not solely by the producer or promoter, but in concert with the customer / user. Nor is value related solely to money, as value criteria may include, for example: aesthetics, ease of operation & maintenance, fastest time to market, environmental friendliness and provision for longer-term needs. Clients are really seeking to buy overall performance improvement, not just a sequence of traditionally practiced, project development activities. Good project performance includes satisfying a range of stakeholders who may have differing views, values and thresholds of tolerance for perceived risk. All too often, capital projects have been planned and implemented with too little consideration for how they would be operated and maintained efficiently, or interface with other programs. Similarly, operational improvements may not fit with strategic aims.

Key requirements for success are:

1. Provision of strategic direction
2. Ensuring sure key objectives are achieved
3. Ensuring risks are managed appropriately
4. Verifying that the organization's resources are used responsibly
5. Delivery of the promised results—predicted performance gains achieved on time and within the forecast return on investment.

### **The Value Gap**

The performance of programs, projects, products and services is inextricably linked with quality, value and risk. Despite the availability of an abundance of project management techniques and training, together with a plethora of professionals in most large organizations, many projects fail to satisfy all shareholders and users. There is often a missing link between the day-to-day administration of projects to satisfy institutionalized procedures and the objective, strategic thinking required to achieve best overall value and stellar performance for the corporation, stakeholders and external partners. Missed deadlines, overspent budgets, reduced functionality, commissioning and operational “hiccups”, together with shareholder dissatisfaction and other stakeholder concerns are all part of an unacceptable value gap. It is clearly inappropriate for management to deny the problem or to shuffle the problem off to the next phase of the project development and execution. A comprehensive, but easy to interpret, system of “cradle to grave” checks and balances is required to maximize corporate performance. Thinking outside their comfort zones requires people to be receptive to new ideas and to those of others. This calls for broader and less defensive thinking, such that the end result is not merely “more of the same”. Re-skilling of organizations and individuals may be necessary to produce the dramatic improvements in value that major corporations are demanding. A thorough understanding of the value chain (or value stream) and functional requirements is necessary.

### **Managing “the Gray”**

Staff are often trapped in a world of tight timelines and high expectations of output. Yet so often they are judged on how well they “manage the gray” (i.e. undefined) areas. Staff are expected to be adept at alternating their focus back and forth from “big picture” to detailed “nuts and bolts” issues, as well as deal well with a range of immediate and longer term priorities. They have to manage the dilemma of dealing with the conflicting demands of interpreting “fuzzy” and intangible direction versus controlling performance

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tightly and reporting factually.

Deep within many organizations there are key persons who have the capacity to a) accelerate progress and contribute significantly to the corporate good, or b) obstruct progress and delay anticipated performance gains, thereby reducing the real return on investment. Senior management makes recommendations for investment decisions only to be surprised many months or perhaps years later that things did not work out as expected. We have probably all seen and heard of excellent ideas that have been thwarted by lack of testing, follow through and loss of individual sponsors, champions or key designated project staff.

Management of interfaces, wider communications and succinct reporting, as well as dealing with “fuzziness” and uncertainty are areas for particular attention. The fundamental issues of project need, scope, exclusions, values, priorities, constraints, organization, roles, responsibilities and control procedures should be addressed early, with a robust framework in place to ensure strategic performance alignment and delivery to plan. Due to tight time pressures, the application of many of today's management practices can be compressed to the point of becoming dangerously ineffective. The key to proper time allocation is to demonstrate that defining and enhancing value is not a “quick fix”, but an integral part of the project initiation and continuing development process.

### **Value Search Approach**

Good program and project planning starts with clear definition from the outset and a holistic framework supported by senior management. This involves issues such as commercial strategy, financing, inter and intra organizational arrangements, emerging technology, contract philosophy, socio-economics, environment, resourcing, etc. All this can be outside the range of training, expertise and experience of many project managers. Clear project definition and adjustment of a plan to changing conditions seems to be a particularly difficult challenge for many organizations. An additional consideration is that

program processes and procedures must be able ultimately to pass the scrutiny of an audit. By far the most suitable situation is for a management improvement process to be introduced at the highest level in an organization. This normally requires it to be seen as non-threatening and compatible with ongoing processes and for there to be little upheaval to daily routines. This can truly be a conundrum for a change management process.

The following considerations are important in obtaining substantial and long-lasting performance improvement.

#### ***Create the Conditions for Success: Align Expectations***

Theme 1: Plan Ahead (and Maintain a Tight Rein)

Theme 2: Define Functions, Costs Interrelationships and Long-term Implications

Theme 3: Understand the Real Issues and Uncertainties; Develop Synergy

#### ***Assure Best Value & Manage Uncertainty***

Theme 4: Facilitate Innovation (Don't Accept “More of the Same”)

Theme 5: Build Consensus and Balance Opportunities

#### ***Make the Results “Stick” for the Long Term***

Theme 6: Keep a Close Eye on Implementation (Don't Let it All Slip Away)

Theme 7: Encourage Continuing Performance / Value Improvement.

Most value and performance enhancement gains are made through strategic decisions and in conjunction with stakeholder input. This typically involves the pro-active management of several interfaces and complex relationships. Each of these aspects involves its own set of considerations. Effective interfacing and issues management requires recognition of these considerations, together with the need for good communication and consultation with a wide variety of project stakeholders. While neglect to identify a risk can be expensive, so can unnecessary allowance to avoid each and every possible risk that

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may be foreseen. Further, once identified, risk may be examined creatively and turned into a scheduling or economic opportunity. A balanced approach is advocated to identifying and specifying methods to address risks.

Value Search provides an efficient management framework for strategizing, conceptualizing, developing, executing and for continuous performance/value improvement. Maximum effectiveness requires completion of the whole program. This overcomes the most commonly observed corporate problem of lack of follow-through (caused typically by lack of continuity and

emerging higher priorities of the day). Immediately noticeable benefits are clarity of purpose, a positive impact on product or service performance / quality and improved projections of capital and / or operating costs.

### **Value Search Training**

Team Focus conducts Value Search improvement programs and staff training at various levels from executive level to middle / technical management. A training series on achieving best value programs, projects, products and services is shown listed below.

### **“Closing the Gap” Series on Achieving Best Value Programs, Projects, Products & Services**

#### **Value Search: The Road to High Performance**

##### **Volume 1 - Aligning Expectations**

*Part 1 - Understanding the Conditions for Success*

*Part 2 - Assuring Best Value & Managing Uncertainty*

##### **Volume 2 - Fieldbook: Sharpening the Performance Edge**

#### **Value Solutions: Creating & Delivering Better Solutions In Less Time**

##### **Value Methodology Training Manual**

Suitable for SAVE International Modules I and II Certification Training, re. AVS, VMP and CVS designations.

The **TEAM FOCUS Group** specializes in Advanced Management techniques to assist Businesses, Programs and Projects to achieve “Best Value” and to deliver Sustainable Results within an Optimized Timeframe.

The Group’s skilled specialists work closely with their client organizations, providing a working environment that is non-confrontational and consensus building to create better ways of working towards the development of their business case and a finished product that the client organization really needs and can afford.

#### **For further information, contact:**

[mphillips@teamfocus.org](mailto:mphillips@teamfocus.org)

tel. +1 780 460 1625 (Canada)

[mthompson@teamfocus.org](mailto:mthompson@teamfocus.org)

tel. +44 7768 890044 (United Kingdom)