



VitalSmarts™

The Concours Group

# Silence Fails

Five Project Killers Every Leader Should Address



*October 10, 2006*

*Presented by:*

*Andy Shimberg, President, Advisory Services, The Concours Group*

*Joseph Grenny, President, VitalSmarts*

## Exciting Strategy Opportunities Exist

- We work with more than 300 of the Fortune 1000 in sharing executive insights and next practices that are key for strategy formulation.



VitalSmarts™

The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## Exciting Strategy Opportunities Exist

- We work with over 300 of the Fortune 1000 in sharing executive insights and next practices that are key for strategy formulation.
- Our observation is that there is no shortage of successful strategies in organizations today:
  - Back to Growth
  - “One Enterprise” - Leverage the synergies
  - Globalization - “The World is Flat”
  - Speed, Agility & Innovation
  - Capability on Demand - Variable Supply



VitalSmarts

The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## Exciting Strategy Opportunities Exist

- We work with over 300 of the Fortune 1000 in sharing executive insights and next practices that are key for strategy formulation.
- Our observation is that there is no shortage of successful strategies in organizations today:
  - Back to Growth
  - “One Enterprise” - Leverage the synergies
  - Globalization - “The World is Flat”
  - Speed, Agility & Innovation
  - Capability on Demand - Variable Supply
- There is a fundamental flaw in the ability of these organizations to effectively execute these strategies.



VitalSmarts

The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## Portfolio of Strategic Initiatives is Full

Senior leaders are launching an unprecedented number of cross-functional initiatives, projects and programs in order to take advantage of all of these opportunities...



 VitalSmarts  The Concours Group © 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## Portfolio of Strategic Initiatives is Full

Senior leaders are launching an unprecedented number of cross-functional initiatives, projects and programs in order to take advantage of all of these opportunities...



**And yet more than three-fourths of these projects will disappoint or fail. Why?**

 VitalSmarts  The Concours Group © 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## Why Persistent Poor Performance?

### When they get into trouble:

- Projects go over budget
- Projects miss deadlines
- Projects fail to meet quality and required functionality
- Team morale is damaged
- Work-life balance suffers



VitalSmarts

The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## Most focus on the “Written Rules”

- Strategy
- Structure
- Systems
- Processes
- Resources

Results

The image shows a large iceberg floating in a blue ocean. The tip of the iceberg, which is visible above the water line, is labeled 'Results'. The vast, dark blue portion of the iceberg that is submerged below the water line represents the 'Written Rules' (Strategy, Structure, Systems, Processes, Resources) that are often overlooked in favor of focusing only on the visible results.

© 2006 VitalSmarts & The Concours Group.

# What's below the waterline?



© 2006 Vilalmsarts & The Concours Group.

# What's below the waterline?



© 2006 Vilalmsarts & The Concours Group.

## What's below the waterline?



## The Silence Fails Study



### "Silence Fails"

#### The Five *Crucial Conversations* for Flawless Execution

- More than 150 hours of observation
- Surveyed and interviewed more than 1,000 project managers and executives at 40 organizations from a wide variety of industries
- Examined 2,200 projects ranging from \$10,000 IT projects to billion-dollar organizational restructuring efforts



VitalSmarts



The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## Key Questions

1. What are the top reasons projects get into trouble?
2. How likely are you to encounter these problems?
3. When you encounter them, how likely are you to speak up effectively?
4. When people don't speak up and resolve them, what kind of damage do they cause?



VitalSmarts

The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## The Five Crucial Conversations

### Crucial Conversations

- Fact-Free Planning
- AWOL Sponsors
- Skirting
- Project Chicken
- Team Failures

### Results

- Projects go over budget
- Projects miss deadlines
- Projects fail to meet quality and functionality specs
- Team morale is damaged
- Work-life balance suffers



VitalSmarts

The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

# 1. Fact-Free Planning

**Project is set up to fail by setting deadlines or resource limits with no consideration for reality.**

“We’ve had major deployments where an estimate was made, let’s say, for \$60 million. Leaders say we can’t afford that. So it gets cut back to \$45 million. They put a plan together, and we pretend it will work. Then we come back later for two supplementary appropriations and guess what? The project costs \$60 million.”

**85% of leaders routinely experience this problem.**

**Only 14% are able to hold this crucial conversation in an effective way.**



VitalSmarts



The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

# Silence Fails

**When Fact-Free Planning is not addressed effectively, projects fail:**

**82%** of these projects

- » went over budget
- » missed their deadline
- » failed to meet quality or functionality

**73%** of the time team morale was damaged



VitalSmarts



The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## 2. AWOL Sponsors

**Sponsor doesn't provide leadership, political clout, time, or energy.**

"I was working with people I've never met in another country, and basically I was trying to drive something that the CIO wanted. I tried to get people to understand this was a directive, not a choice. I finally had to talk to the CIO and explain to him, 'I need help, you need to explain why we need to do this. You need to get people's buy-in and support.' He didn't. And the project died. But not for another year."

**65% of leaders routinely experience this problem.**

**Only 11% are able to hold this crucial conversation in an effective way.**



VitalSmarts



The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## Silence Fails

**When AWOL Sponsorship is not addressed effectively, projects fail:**

**75%** of these projects went over budget

**85%** missed their deadline

**74%** failed to meet quality or functionality

**69%** of the time team morale was damaged



VitalSmarts



The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## 3. Skirting

**Powerful people skirt or manipulate the priority-setting process.**

“When a project manager says, ‘No,’ to a customer, here’s what will happen: The customer will call the president of our company and say, ‘You need to do this,’ and he says ‘Yes.’ Then we get horrible scope creep because after we make agreements, people hang things on the project like a Christmas tree without adding any resources. When we fail to make schedule or budget, they don’t say anything immediately, but then they badmouth us later for generally being over budget and past due.”

**83% of leaders routinely experience this problem.  
Only 13% are able to hold this crucial conversation in an effective way.**



VitalSmarts



The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## Silence Fails

**When Skirting is not addressed effectively, projects fail:**

**78%** of these projects went over budget

**87%** missed their deadline

**80%** failed to meet quality or functionality

**66%** of the time team morale was damaged



VitalSmarts



The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## 4. Project Chicken

**Team leaders and members don't admit when there are problems with the project.**

"We launched a major transformation initiative that would completely change the way we delivered services across the world. We had monthly status meetings that were like watching a version of the 'Emperor's New Clothes'- people knew that everyone was 'playing chicken,' but no one would speak up about it because they didn't want to be the first to admit slippage in their areas. After close to 18 months, when it finally became clear to everyone that the program wasn't working, there was a massive effort to try to announce what success it had achieved and why we now needed to head in a different direction. Stupid!"

**55% of leaders routinely experience this problem.  
Only 13% are able to hold this crucial conversation in an effective way.**



VitalSmarts

The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## Silence Fails

**When Project Chicken is not addressed effectively, projects fail:**

**78%** of these projects went over budget

**86%** missed their deadline

**74%** failed to meet quality or functionality

**54%** of the time team morale was damaged



VitalSmarts

The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## 5. Team Failures

**Team members are unwilling or incapable of supporting your project.**

“Sometimes you’ll get a resource for your team, but in the resource’s mind, all they’re doing is attending your meetings; they are not really doing any work. At some point in the project they have to do the work, and that is when they get their head around the project for the first time. That’s also when they discover it’s not three steps, it’s twelve.”

**80% of leaders routinely experience this problem.**

**Only 14% are able to hold this crucial conversation in an effective way.**



VitalSmarts

The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## Silence Fails

**When Team Failures is not addressed effectively, projects fail:**

**73%** of these projects went over budget

**82%** missed their deadline

**77%** failed to meet quality or functionality

**69%** of the time team morale was damaged



VitalSmarts

The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## What Happens if People Speak Up Skillfully?

	Cut Dollar impact	Reduce cost overruns	Reduce schedule delays	Improve quality & functionality	Less likely to damage team moral
<b>Fact-Free Planning</b> - The few who are able to address this problem...	47%	29%	17%	69%	47%
<b>AWOL Sponsors</b> - The few who are able to address this problem...	41%	33%	33%	50%	66%
<b>Skirting</b> - The few who are able to address this problem...	39%	35%	28%	44%	64%
<b>Project Chicken</b> - The few who are able to address this problem...	47%	55%	69%	56%	66%
<b>Team Failures</b> - The few who are able to address this problem...	55%	64%	60%	64%	66%

*These differences are all statistically significant,  $p < .05$*

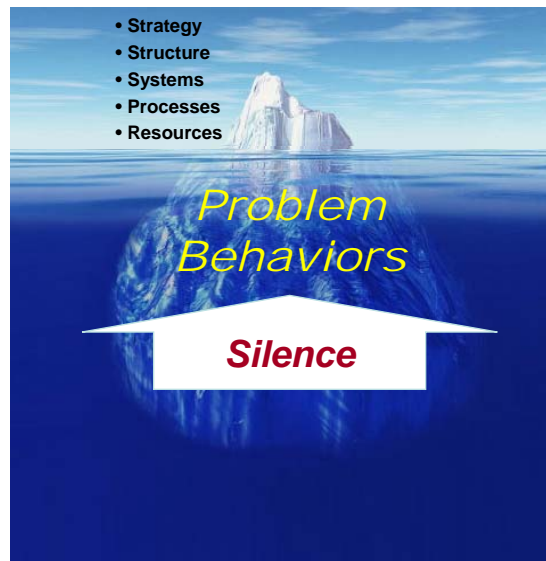


VitalSmarts

The Concoors Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## The Problem is Not That We Have Problems



**P&G**

## ***Project Management -*** **A Critical Functional Competency**

### **P&G At a Glance**

- Founded 1837
- HQ in Cincinnati
- \$57 Billion 2005 sales
- 140,000 employees
- More than 300 brands sold in 160 countries
- Operations in 86 countries
- Gillette Expansion: October 2005



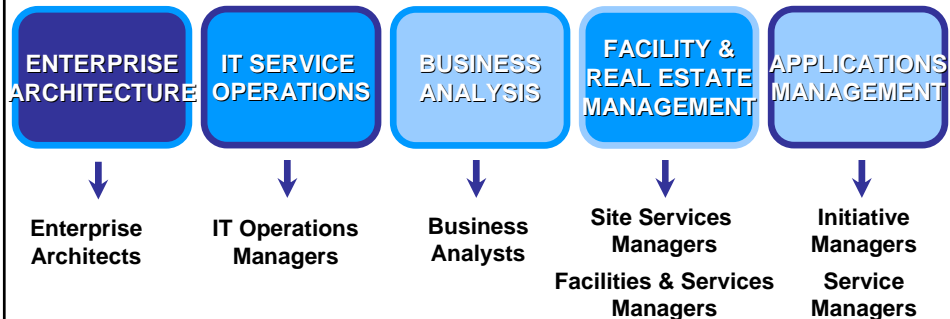
## A Quick Shared Services Overview:

- We formed a global shared service unit (**GBS**) to support the entire company in 1999
- One of the largest shared service organizations in the world
- Exceeding goals of cost savings, service, innovation and quality
- An innovative model that challenges our thinking, processes...and *us* to continue to evolve and improve
- Integrated all of IT (2400 people) into GBS

## IDS Competencies Architecture

BUSINESS PROCESS TRANSFORMATION

PROJECT MANAGEMENT



## Project Management at P&G - Background

⇒ ***Project Management is a core competency...***

- Over 1500 IT projects each year
- Over 60% of projects are global in nature
- The vast majority of our projects requires at least one external supplier
- Our P&G business partners are looking for ways to increase initiative excellence

⇒ ***Project Management has become one of our Shared Services offerings to the P&G business...***

## Project Management at P&G - Background

**Our Project Management Competency offers:**

- PM methodology, tools, templates & techniques
- Learning and Development experiences
- Subject Matter Expert coaching
- PM Key Element Assessment
- PM individual assessment

**Our Project Management Service Line offers:**

- Project Managers to run non-IT business initiatives

## The “Silence Fails Project” at P&G

- A great complement to our PM “technical” curriculum
- We expect this to induce a step change in PM proficiency at all level of management (versus just at the PM community level)

### **Our involvement so far...**

- 58 IT PMs participated in the Crucial Conversation survey
- Preliminary results presented at our annual PM symposium

## The “Silence Fails Project” – Future Plans

### **Focus for the coming year...**

- Executive Awareness
- Test a Pilot course
- Workshop or presentation at our Annual symposium.

### **Rationale**

- We just launched our new PM proficiency path with updated training, linked to our new career system – a foundation for PMs
- We want to start at the top with the right executive support to create a supportive environment for Project Manager success.

## Keys to Rapid Improvement

### How Leaders Can Use the Silence Fails Data:

#### 1. Diagnose and Predict Problems

- a. Distribute the *Silence Fails Assessment* – individual survey ([www.silencefails.com](http://www.silencefails.com))
- b. Conduct organizational survey to create baseline

#### 2. Upgrade Project Execution Competence

- a. Shine a light on current project performance
- b. Commit to a bold improvement goal
- c. Measure behaviors
- d. Change behaviors
- e. Hold senior management accountable



VitalSmarts

The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## Diagnose and Predict Problems

- a. Use the *Silence Fails Assessment* to predict project risks at key intervals in a project life cycle.
- b. Conduct organizational survey to create baseline.



VitalSmarts

The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## Upgrade Project Execution Competence

### **a. Shine a light on current project performance**

Set project performance improvement goals to develop valid and accepted ways of measuring current project execution results.

### **b. Commit to a bold improvement goal**

Get senior leadership commitment for specific improvement goals over the baseline measures.



VitalSmarts

The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## Upgrade Project Execution Competence

### **c. Measure behaviors**

Use the Silence Fails Assessment at [www.silencefails.com](http://www.silencefails.com) to measure current project-related behavior.

### **d. Change behaviors**

Train project participants in skills for addressing the five crucial conversations.

Space training out over time – avoid the urge to “check the box.”

Make leaders the teachers – training sticks when leaders do the teaching.



VitalSmarts

The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## Upgrade Project Execution Competence

### e. Hold senior management accountable

Measure project results and behavior change three times per year.

Tie senior management evaluations and variable pay to achieving behavior change goals as well as project execution improvement.



VitalSmarts

The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.

## Change the World



“Give me a lever long enough and  
I shall move the world.”

- Archimedes



VitalSmarts

The Concours Group

© 2006 VitalSmarts L.C., VitalSmarts and the Vital Head are trademarks of VitalSmarts L.C.