

# What's the difference between your projects and the Invisible Man?

(The Invisible Man may be doing something right now. Your invisible projects aren't.)

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## Key Points:

- If you can't see it you can't measure it (and if you can't measure it, you can't manage it)
- Metrics drive performance improvement behaviours
- Publish and respond to strategic and tactical key performance indicators

# 1. The Invisible Man might be doing something

Are you familiar with the H.G. Wells novel, "The Invisible Man", a science fiction classic from 1897? In this famous story the main character makes himself invisible, and is unable to become visible again. Not surprisingly, no one can see the Invisible Man, so no one knows what he's doing. Is he stealing food? Is he robbing the bank? Is he shooting someone? Well, maybe its time to dig out a copy of that book to find out.

But should you have to dig for information on your projects and portfolios?

Many project organizations run highly labour-intensive processes to assemble the status of projects and portfolios to provide a manicured report to Executives. This process provides a snap-shot that is highly error-prone, instantly out-of-date, and inaccurate. The outcome may be a pretty-looking report, but it doesn't provide the important spring-board that drives action to deliver projects better and faster.

If you don't have visibility to your projects, there are typically three outcomes for any project:

- 1) You'll have a project where progress is happening, and everything is green. Happy day. This project will finish on-time, on-budget, and on-scope, and you'll get to enjoy the ROI you planned. (How many *really* go this way throughout the entire project?)
- 2) Your project is coming off the rails. Progress is slow, spend is high, scope is being deferred, and it is glowing red. Your ROI will be delayed, or may never be realized.
- 3) Your project isn't happening, and it doesn't even have a colour (but if it did, it would be brighter red than the one that is off the rails). You'll never see your ROI. Just as bad, your investment will be wasted entirely as the spend won't happen and will probably evaporate from our budget.

Especially for the latter two cases, invisible projects are a major pain point for executives. It keeps them up at night, it worries them when they can't trust the reports they get, and it frustrates them when they find out that ("surprise") a project is failing.

Invisible projects also allow project teams to shirk responsibility and accountability, and ultimately avoid bringing the project to a disciplined and successful completion. The squeaky wheel gets the grease. The stake that sticks up gets hammered down. Tall trees catch loads of wind. Pick your proverb. An executive can only focus on the projects to which they have a line of sight. Everything else is in the shadows. They can only create a squeaky wheel for projects they see. So, it isn't surprising that project teams will only focus on the projects that have an Executive's attention. Everything else – all the invisible projects – falls by the wayside.

The Invisible Man might be doing something. The invisible project isn't.

## 2. Two Management Principles

There are two management principles to consider with respect to the need for better and timely reports on project and portfolio status.

**The first is the classic statement: “What gets measured gets managed.”** (Attributed to business guru Peter Drucker.<sup>1</sup>) This management principle means that simply having visibility to key metrics forces you to pay attention to the underlying activity that drives the metric, and in doing so it gives you the ability to control and improve the performance of the activity.

For project and portfolio management, this means that critical project Key Performance Indicators must be reported in real-time for all projects. Further they must roll-up to the portfolio level. KPIs that demonstrate problems must be easy for a responsible party to spot quickly and drill-into. They must also help the person to take action. The “responsible party” should be people who are responsible and accountable for work being accomplished. This includes the assigned team member, the project manager, the project sponsor or director, and the executive that owns the project.

**The second principle, and one that is related to the first, is that a team will perform better if they believe that someone is paying attention to it.** If you look back almost 100 years to a classic experiment performed at Western Electric's factory at Hawthorne, scientists examining manufacturing productivity used a control group and a study group. For the study group they turned up the lighting. Productivity improved. Then they turned the lights down. Productivity improved. They varied other conditions, including work hours, rest breaks and more. In each case, surprisingly, productivity improved. Ultimately, the experimenters concluded that the physical changes weren't improving performance, but rather performance improved due to the workers knowing that they were being watched.<sup>2</sup>

For project and portfolio performance this means that it is important to track *all projects* regardless of size or complexity. Additionally, all project team members – from the worker assigned to an activity to the Executive overseeing the projects and portfolio – must know that performance is being observed.

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<sup>1</sup> As an interesting side-note, it seems Peter Drucker never actually said this. The quote can more accurately be traced to William Thomson, Lord Kelvin from 1883: "If you can not measure it, you can not improve it." (<http://billhennessy.com/simple-strategies/2015/09/09/i-wish-drucker-never-said-it>, and <https://athinkingperson.com/2012/12/02/who-said-what-gets-measured-gets-managed/>)

<sup>2</sup> The Economist. “The Hawthorne effect”, Nov 3<sup>rd</sup>, 2008. <https://www.economist.com/news/2008/11/03/the-hawthorne-effect>.

### 3. Making the invisible visible

At the end of the H.G. Wells' "Invisible Man" story, the invisible man is shot, and as he dies he becomes visible<sup>3</sup>. Another good likeness for a failed project. Too often invisible projects don't get attention until too late. The project is already well on its path to failure when an Executive suddenly sees a progress report or budget report that shows the project is far gone. The invisible project becomes visible as it bleeds an unhappy project team, angry project sponsor, burned budget, and failing status.

Experience shows that simply by measuring something, and letting people know that those measurements are visible, performance will improve. How much? Perhaps at least 10%<sup>4</sup>. What would a 10% improvement on your project and portfolio delivery mean for your company and your career<sup>5</sup>?

Stretch from there. If you can measure project and portfolio performance **and** take action to improve it, what would that mean for your company and your career?

Here are three steps you can take to make the invisible visible.



<sup>3</sup> Apologies on the plot spoiler on this 1897 classic. You can find it here: [https://www.amazon.ca/dp/0486270718/ref=rdr\\_ext\\_tmb](https://www.amazon.ca/dp/0486270718/ref=rdr_ext_tmb)

<sup>4</sup> Anecdotally, that's by my own experience, with a customer that started tracking projects from an enterprise perspective. Their results were potentially as high as 20%, but they weren't quite willing to commit to that in front of their VP.

<sup>5</sup> Moskowitz, Jeff. "Part 1: What Gets Measured Gets Done - Performance Measurement."

<https://finance.toolbox.com/blogs/jeffmoskovitz/part-1-what-gets-measured-gets-done-performance-measurement-022411>

## What should be made visible?

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Determine the key project and strategic metrics to track. For example, the “low hanging fruit” like project-specific metrics such as like schedule variance, cost variance, number of risks found vs. mitigated, number of issues experienced vs. addressed vs. closed, number and cost of changes, and resource allocation. You might also want to track others such as percentage of selected projects that have high strategic alignment, percentage of projects that target key strategies like innovation or growth, or percentage of projects with over-allocated resources, or unassigned activities. All of these should be measured across time, and against a goal<sup>6</sup>.

You must also track key tactical metrics that drive many of those strategic metrics. For example, you might want to track the performance of business processes, such as the time-to-resolution. This would have impact on the schedule and cost variance. Another example might be to track the number of ideas submitted by key strategic areas, or even the number of ideas submitted by individual.

As far as which projects should be made visible, the answer is easy. All projects should have these key metrics published.

## How should they be made visible?

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Ideally all metrics should be automatically pulled, in real-time, into simple to read and understand dashboards. “Real-time” is open to some subjective interpretation. Maybe “Real-enough-time” is more accurate for the purpose. Depending on the audience, the metric may only need to be published daily (e.g. for overall project statistics, targeted at executives) or it may need to be published hourly (e.g. for tracking change orders, targeted at the PM and involved parties).

For metrics that need some manual intervention and calculation, these must have easy to find and reliable inputs, easy to calculate outputs, and they must have easy to interpret results. It should be feasible to create these metrics daily or weekly – with an understanding that the more frequently they are created and viewed, the more meaningful and powerful they will be.

The metrics must be available to the people who can react to them. For example, a business process owner must be able to see tactical metrics on their key business processes, and to understand which work items may be stuck, and consequently to take action to un-stick them. In

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<sup>6</sup> Do check in with Lars Mieritz of Gartner for more ideas. Gartner has a Toolkit with Sample Key Performance Indicators and Metrics for PMO organizations. See [www.Gartner.com](http://www.Gartner.com).

the middle of the spectrum, the PM must have detailed metrics about the project. How is it performing on tactical metrics, and also how is the project being seen by executive stakeholders looking at the strategic metrics? At the top-end, the executive stakeholders must have easy access to find and use the strategic metrics. Other views may be required for other stakeholders. For instance, an engineering company may want a set of meaningful metrics available to their customers, which might show something like the number of engineering packages delivered.

Projects and portfolios may contain proprietary and confidential information. So, metrics must be tightly controlled by permissions, so that only people who need to see the metrics see them, and they only see metrics for projects and portfolios to which they have access. But, it must still be easy for each person to find and use the information. The reports and dashboards should be available in the format that the user needs – such as available as a live dashboard on a tablet, published in PDFs on a secure intranet, shown in a presentation, or even printed.

## What should happen?

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It's true that some performance improvement will happen just because projects are being watched, and people respond to metrics, especially if they know those reports are being watched by their boss, and the Executive team<sup>7</sup>. But the biggest performance improvements will take place as a result of:

- Meaningful dashboards and reports ...
- That are targeted to people who can take action ...
- Who review the dashboard and easily understand it and what they need to do, and ...
- Then they take action to drive change that ...
- Helps to deliver the project on-time, on-budget, and on-scope.

Again, various metrics get targeted at multiple people in multiple roles on a project – ranging from a worker who has assigned task responsibilities, to another worker who needs to analyze a change request, to a cost controller who needs to monitor budget versus committed versus change requests versus actuals, to a project manager who needs to manage progress and resource allocations, and the Executive Sponsor who needs to understand alignment with strategy and delivery forecasts. Every person who receives their own metrics must be able to interpret

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<sup>7</sup> Schrage, Michael. "Why Keeping Score Is the Best Way To Get Ahead." Harvard Business Review. May 5, 2010. <https://hbr.org/2010/05/charles-schwab-the-pioneering.html>

them, and understand how they can impact the metric, through actions. Then, each person must take action. For Executives, this involvement in understanding and actioning metrics is even more important than for individual team members. When leadership gets involved – reviewing, challenging, suggesting, and driving action on the work being done – the project team members will care more about their own results and metrics.<sup>8</sup>

Along with various styles of dashboards and reports, you might also have alerts. An alert is a special type of report that “pings” a person to tell them that something is awry and needs their immediate attention. For example, it may be a text message to the PM that a critical hurdle has just been passed, such as a new change request that will push the project over budget. Or it could be an email to a process owner to tell them a work request has been stuck in a queue for too long. Alerts get configured to draw a team member’s attention to particular work or issues that need immediate attention.

As a final bonus point on this, consider some wisdom from the famed business guru Tom Peters. His advice is to solve problems and celebrate successes. “There should be at least ten celebratory acts each month, no matter how small – for example, coffee and danish for a project team that completed its work on schedule.”<sup>9</sup>

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<sup>8</sup> Slater, Jeff. “What Gets Measured Gets Done.” <https://www.isixsigma.com/community/blogs/what-gets-measured-gets-done/>

<sup>9</sup> Peters, Tom. “What Gets Measured Gets Done.” (C) 1986, Not Just Another Publishing Company. <https://tompeters.com/columns/what-gets-measured-gets-done/>



## 4. Your next step

Act now to make visible your projects and portfolios, and to drive their performance. Put a metrics solution in place for your project and portfolio management world, to improve your delivery performance and improve the return on your project and portfolio investments:

- 1) Determine key strategic metrics that reflect your strategic goals, and also key tactical metrics that affect project delivery performance. Who needs to see these and when? What are critical benchmarks? What action should be taken, when, and by whom? Are there different hurdles or alert-levels based on different roles and timing?
- 2) Determine how you can collect, calculate, and effectively show those metrics. Will your existing systems support the measurements? How and when is the key data updated and how accurate is it? Can you pull necessary data from other systems? Do you need to change processes or technology to get the data you need?
- 3) Plan how you will publish and communicate dashboards, reports, and alerts. When do people need to see the information? How often? What about escalations? How will people know what to do with the metrics, and how will they be trained?

As an outcome from your evaluation, you will appreciate the gap between what you have, and what you need to help your organization make projects and portfolios visible, and to drive successful deliveries.

Western Principles can help you with your assessment of your current project and portfolio management and analytics system, and create a plan to help you improve your ability to manage with metrics.

## 5. About Western Principles

- ▶ Western Principles is Canada's most experienced partner for the Microsoft Project & Portfolio Management suite, SharePoint, UMT360, and FluentPro.
- ▶ We have been in business and helping our customers with their PPM implementations for 13 years, and have done over 100 implementations of Microsoft Project.
- ▶ Ensuring client success in their project endeavours is our primary goal. Whether your PPM journey is just beginning or needs to be guided towards a positive completion, our team has the skills and experience required to deliver results.
- ▶ We partner to reduce risk and deliver great solutions:



- ▶ We are a Gold Partner for Project & Portfolio Management. Even for the largest firms in the world, Microsoft works with customers directly through their Partner Network, and relies on partners to help deliver better solutions to its customers. Microsoft Gold Certified Partners are Microsoft's most highly accredited independent solution providers.



- ▶ We are a Gold Partner of UMT360 (and the only Gold partner in Canada). UMT360 provides a series of solutions that extend the value of your Microsoft Project Online or Project Server investment. Western Principles sells and implements UMT360 solutions.



- ▶ We are a FluentPro Preferred partner and reseller, and the only Preferred Partner in Canada. FluentPro provides a suite of administrative solutions that improve the capabilities of Microsoft Project Online – such as your own backups and migration between environments, as well as FluentPro PMO.



- ▶ We are a customer and participate regularly with Gartner – a research and advisory firm. We use the Gartner team to provide us with an understanding of the PPM market and customer needs. This helps us shape our offering and bring our customers the best set of consulting practices available in the space.

- ▶ Western Principles offers a variety of services, including:
  - ▶ Microsoft Project Online/Server implementation
  - ▶ Partner product implementations
  - ▶ Strategy Consulting
  - ▶ Operations Assessments
  - ▶ Project & Portfolio Visibility
  - ▶ Cost & Change Controls
  - ▶ Project Scheduling
  - ▶ Portfolio Selection & Management
  - ▶ Project Risk Analysis
  - ▶ Resource Optimization
  - ▶ Migration to Microsoft Project Online
  - ▶ Change Management Consulting
  - ▶ Training and Support
  - ▶ Staff Augmentation

