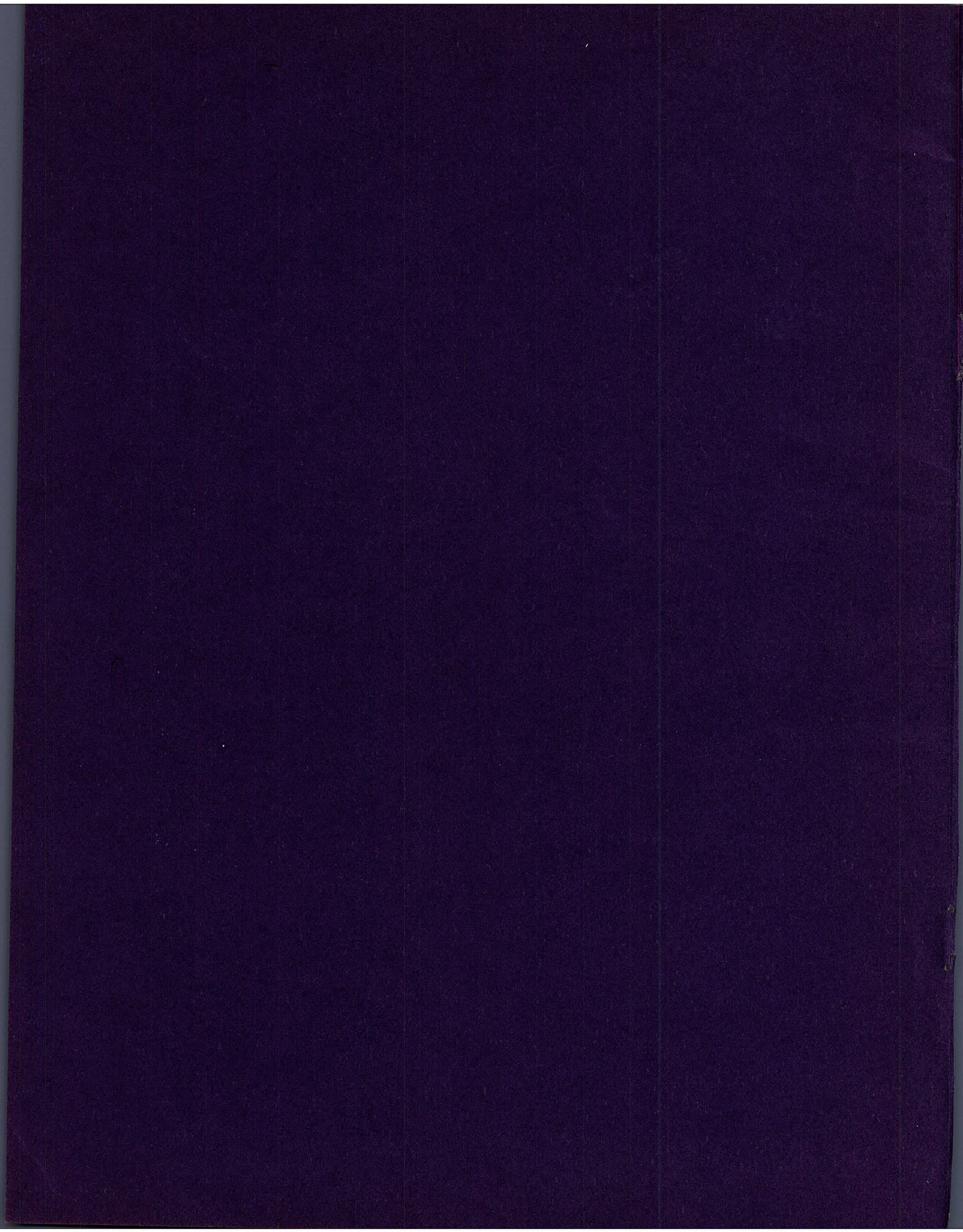


IMAGE

AN ACTION RESEARCH JOURNAL
ON
PERSONAL AND ORGANISATIONAL TRANSFORMATION

THE INSTITUTE OF CULTURAL AFFAIRS and LENS INTERNATIONAL



IMAGE

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The Action Research Journal is written to communicate designs, formats and ideas of transformational processes which promote the human factor in private and public sectors. It is published by the Corporate Services Division of The Institute of Cultural Affairs: India for distribution through the Asia Network of ICA and affiliated organisations. These include ICA: India (Bombay, Panvel and Pune), LENS Services Pvt. Ltd. (New Delhi), LENS International Malaysia Sdn. Bhd., ICA: Australia, ICA: Philippines, ICA: Taiwan, ICA: Hong Kong and LENS International Japan.

The Action Research Journal draws on a variety of sources including other ICA worldwide offices and affiliated professional consulting organisations to provide a spectrum of practical tools and constructs that facilitate individual and organisational transformation. We welcome comments and articles from our readers.

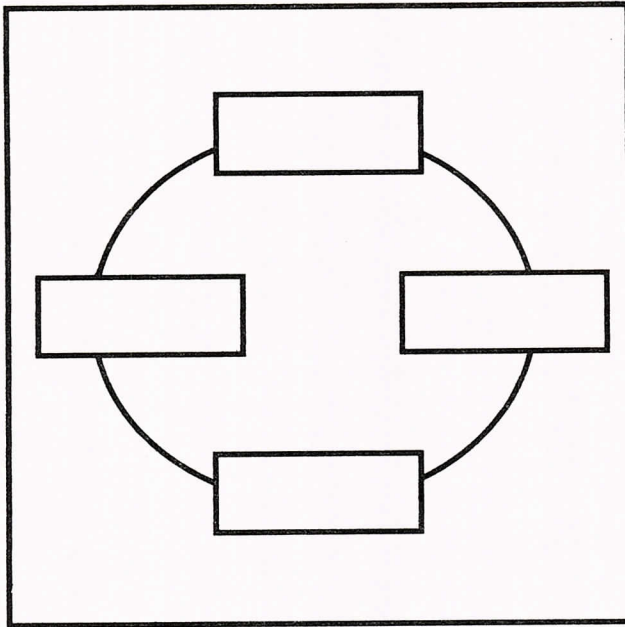
ISSUE TWENTY-SEVEN MAY 1996

"PROJECT DESIGN AND IMPLEMENTATION"

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JOURNAL OVERVIEW



Recently, I have published several Image Journals on teams and empowerment. However, an organisation that promotes teamwork and empowerment must also understand the need for teams to work effectively together on projects. Projects create a different reality which needs to be appreciated when an organization is moving towards team centered working. The need for this understanding is what prompted this issue of the Image Journal.

In our Transformational Leadership Lab (TLL), one of the fundamental tenets has been the need for the change agent to build a core (team) around some needed change project. What we have discovered is that although the idea is understood, the ability to effectively design and execute a project is not. They are often too vague in their focus or they lack the sense of urgency needed to motivate the team. It has been our experience that a project, well designed and executed can be critical to bringing about change within an organisation.

A similar conclusion was reached by Peter Senge and his associates when they established the Organizational Learning Center at MIT where they work on the various dimensions of systems thinking. Membership is from a variety of companies and they come together periodically to explore the learning organisation. One of their key learning's comes through the establishment of "learning projects", real issues of change or innovation that face these companies. These laboratories give them focus areas in which to develop the concepts of the learning organisation disciplines.

Today, companies are trying to increase speed, improve service and produce quality through teams. Reengineering efforts have enabled companies to shift their operating structures from

department centered to process centered. Self managed teams are in vogue and they are being required to make more and more decisions, including the design of projects around performance goals. It is assumed they know what all this involves, but more often than not they do not.

There are many different kinds of projects. Some are massive efforts and require a prolonged time to accomplish. An example would be the NASA moon project which took almost ten years to accomplish. Some companies, principally engineering ones, have a whole department devoted to Projects. There are special projects, such as safety campaigns, crisis mobilisation and new product launches that engage a group of people for a limited time around a specific time-bound goal, after which they return to their normal responsibilities.

But more and more, organisations are beginning to realize that all work can be seen as "project", activity organised around a short term goal with a self managed team dedicated to its success. This is not easy to accomplish when the organisation is structured around departments that pass work on after doing their part in the flow. But even in these companies a project mindset and execution is possible.

There are three parts to any project; the design, the team and the execution. Design begins with an understanding of the nature of the focus, its relationship to the larger reality (how it fits into the larger picture) and a clear sense of timing and strategy. The team requires not only the gathering of critical skills and competencies, but the fostering of commitment and the sense of mutuality, or respect and trust among the members. Execution requires the careful monitoring of progress and the ability to make mid-course corrections. A keen sense of timing and effective feedback systems are also needed for success.

All of these skills are not taught in schools and are not part of most company training programmes. They are mostly acquired by trial and error. And because most organisations do a poor job of post-execution analysis due to their rush to get on with the next pressing assignment, the learning curve is very slow.

As we begin to understand our organisations in the light of energy management, we will come to see that projects are a means of mobilizing and focusing that energy. In a deeper sense, our whole lives can be seen as a series of projects, each giving us the energy of participation in the creative process. With this view, each day becomes a mini-project, a learning lab, an intentionally orchestrated whole. This is the ultimate discipline of a life of fulfilled living.

This Issue

We begin this issue on Project Design and Execution with an article that outlines the concept of a team/project based organisation. This is a good overview of the need to carefully consider the structure in which project teams will be operating. We are publishing a part of a chapter we called Team-Based Organizations from the book Designing Team-Based Organizations by Susan Albers Mohrman, Susan G. Cohen and Allan M. Mohrman, Jr., Jossey-Bass, San Francisco, 1995. This is the best book I've read on this topic. Most books focus on the formation and operation of the team. This gives you a feel for the implications for the whole organisation.

Tom Peters has been a long-time advocate of project centered organisations. Drawing from his experience at McKinsey & Company, where projects are a way of life, he has explored the concept better than anyone I know. Our case study example, Oticon, is taken from his book Liberation Management, Macmillan, London, 1992. The book has a wealth of examples and tips for project management. We have pulled out some tips for operating a project and called them Caveats for Project Teams.

Projects are a way to mobilize energy when designed properly. Robert H. Schaffer has done a superb job in outlining what he calls the "Zest Factors" in his book The Breakthrough Strategy, Ballinger Publishing Company, Cambridge, Massachusetts, 1988. We published these factors in the Image Journal on "Strategic Thinking" (No. 13, January 1992). This time we take his wisdom on project design parameters. We call the article Breakthrough Project.

Our cover symbol comes from the next article The OODA Loop. The OODA Loop (Observe, Orient, Decide, Act) is a way to get maximum speed when executed by self managed teams. Incorporating the element of surprise, it gives an organisation a way to use projects to both get speed and innovation into their actions. The article comes from the book Competing Against Time, by George Stalk, Jr. And Thomas M. Hout, The Free Press, New York, 1990.

For some time now we have been exploring the design of projects as energy systems. This is ongoing research and is certainly not complete. We have adopted the term Vahana Projects, from the Indian term for "vehicle". In the Hindu religion, the vahana is the term for the animal that freights, or carries the god. Each god has his/her own vahana that enables the god to be effective. Likewise, the vahana project "freights" the energy of the change desired in the project.

Another way to "package" energy is through what the ICA has termed The Maneuver Method. This is usually a short term focused activity in

which the various factors affecting the potential outcome are analyzed and incorporated into a concerted strategy. It is based on the ancient wisdom of Sun Tzu as outlined in his book, The Art of War. The Indirect Action Method is taken from LENS International Malaysia's newsletter.

Image Journal Feedback

We have received many written and verbal feedback's regarding the Image Journal. I want to especially note the helpful comments from Mr. V. S. Mahesh and Mr. Ernie Kuechmeister. Ernie suggested possible dialogue through e-mail on articles. We would love to do this. Our e-mail address is icabombay@igc.apc.org. Ms. Carol Sanford is much appreciated for sending me several of her articles and a nice note giving permission to print her article in Image Journal No. 26.

We continue to get requests for back issues of the Image Journal. The cost per issue is U.S. \$5 for international subscribers and Rs. 50 for India. For those interested in getting sets of similar topics we have grouped them in like topics.

Personal Mastery - #26, "Motivation and Work", Feb. 96. #21, "Mind-Body-Spirit Connections", July 94. #15, "Personal Mastery and Vocation", Aug. 92 (out of print-Xerox copy). #12, "The Feminine Principle", Sept. 91. #11, "Whole Systems Transition" (Dr. Jean Houston), May 91. #5, "Dr. Jean Houston's Transformation Processes", May 89. #4, "Creativity and Innovation", Oct. 88. #3, "Developing Human Potential", June 88.

Structural Change - #25, "Decentralization and Empowerment", Nov. 95. #22, "Change and Strategy", Nov. 94. #20, "Enterprise Empowerment", March 94. #8, "Implementation", June 90. #6, "Service", Sept. 89. #2, "The Journey of Transformation", Dec. 87 (Out of print-Xerox copy). #1, "Transformation Constructs", Apr. 87 (Out of print-Xerox copy).

Teams - #24, "Building Community", June 95. #23, "Collective Creativity", Feb. 95. #19, "Facilitation", Dec. 93. #16, "The Team and Community", Dec. 92 (Out of Print-Xerox copy).

Learning Organisation - #18, "The Transformational Leadership Lab" (No. 2), Aug. 93. #17, "Mental Models and Behavior", Apr. 93. #14, "Systemic Integrity", May 92. #13, "Strategic Thinking", Jan. 92. #10, "The Transformational Leadership Lab" (No. 1), Feb. 91. #7, "The Learning Community", Jan. 90.

Jack Gilles
Editor

TEAM-BASED ORGANIZATIONS -

The Team's Relationship to the Formal Organizational Structure

Teams can be formal units that appear on an organization chart and report as a unit to the next level of the organization, or they can be "overlay" structures that include individuals who are members of various formal units and who report various places. The difference is shown in Figures 1 and 2.

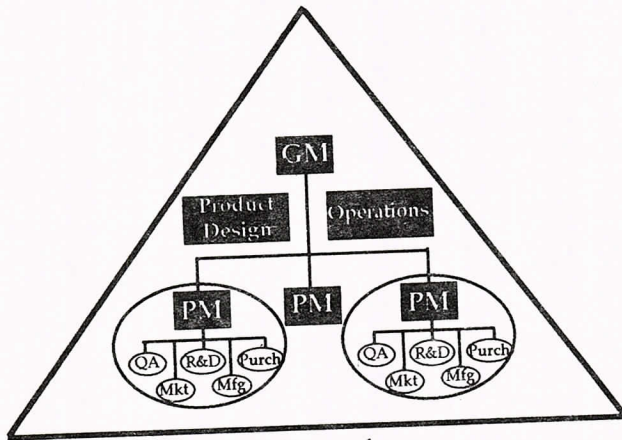


Figure 1

These figures illustrate project teams, but they could just as easily illustrate customer teams or product teams. Figure 1 depicts an organization in which the project teams constitute the formal operational structure of the organization. Even though the members of each team represent different functions, they all report to a common manager. In this structure, the functions are not line but staff units whose responsibility is to maintain and enhance the functional capabilities of the organization. They may operate through overlay councils that link together functional experts from different projects.

In Figure 2, the formal structure of the organization is functional, and the projects are overlay teams. That is, they are composed of members who are formally located in different functional groups. One can conceive of the team structure as being "laid over" the formal

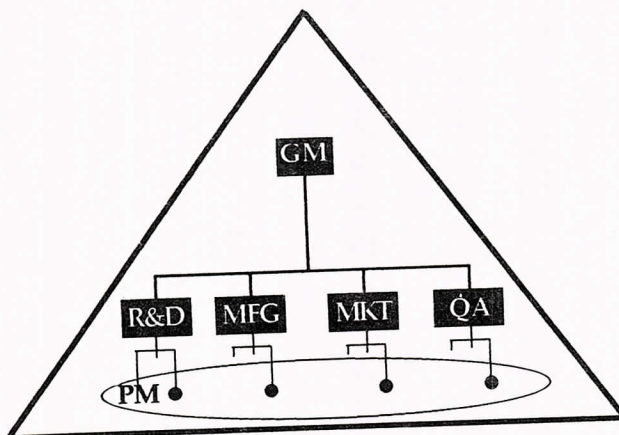


Figure 2

organization structure. Members of the project teams report to their different functional managers. Functional managers have responsibility for maintaining and enhancing functional capabilities, but they also have review and perhaps operational authority over functional contributors.

In a third type of organization - the matrix organization - project team members report to both their project and functional managers.

The differences between these three approaches are substantial. In the project organization, the challenge is to find ways for the functional perspective to be strong enough to ensure technical excellence and technical learning. The organization may want to create a technical council with responsibility for these issues. In the functional organization with overlay teams, on the other hand, the challenge is to create sufficient focus on the given project despite the fact that members report to different bosses (who themselves may have conflicting priorities). Meeting this challenge may require a cross-functional management team to align the different functional bosses on the goals and priorities for the project.

Figure 3 illustrates the situation in which cross-functional project teams report to cross-functional management teams. The advantage of this design is that the management team is able to manage the various teams from a cross-functional perspective and is composed of managers who have functional management responsibility as well. If the management team is effective in providing integrated leadership, alignment can more easily be achieved between the priorities and expectations of each team and the functional requirements, even if individuals continue to report to their functional managers.

Improvement teams are often overlay team. They draw from various organizational units in order to have the multiple perspectives required to deal with systemic problem and processes. They are often described as "parallel" structures, because they are envisioned as outside of and supplementing the organization's operating structure. The use of parallel structures has been advocated as a way to permit and stimulate creative and innovative approaches that might otherwise be snuffed out by the operating structure, with its preoccupation with operations (Stein and Kanter, 1980; Zand, 1974). Unfortunately, such structures are also sometimes treated as "extra"; as a result, their activities may be seen as low priority and the implementation of their recommendations may be considered burdensome or optional (Lawler and Mohrman, 1985, 1987). Here, improvement teams will not be treated as parallel. They and other overlay teams will be treated as performing units that are part of the integrated system of teams that compose the organization.

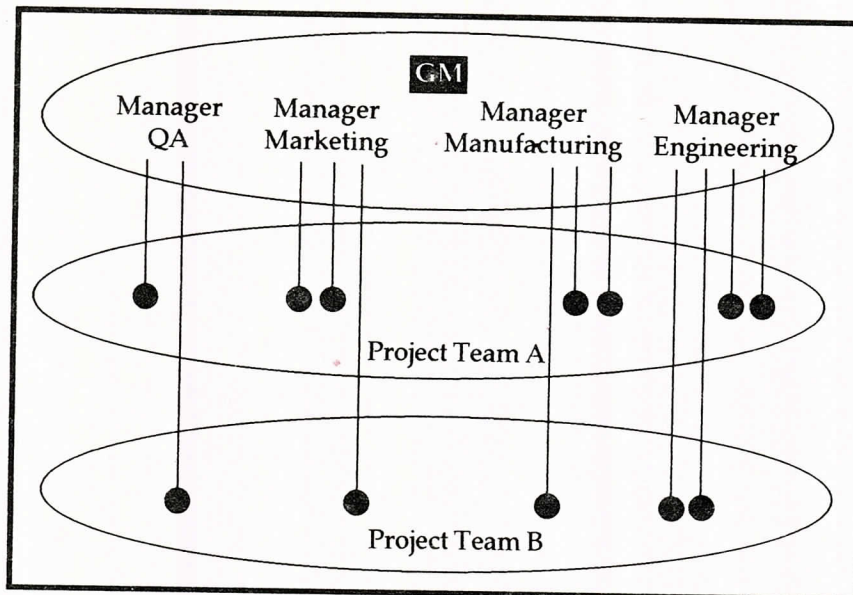


Figure 3

The Team's Duration

Teams vary along a continuum from permanent (at least as permanent as any structure can be in today's world) to temporary. An industry-oriented customer-service team that is set up to service all hospital accounts through time would be viewed as an ongoing structure, designed to handle an ongoing flow of business. On the other hand, a proposal or bid team established for a particular opportunity might have an expected life span of only several months. In between these extremes are program teams or project teams that handle the life cycle of projects that could be several years in duration.

This distinction is important. Permanent structures can be managed within the normal periodic framework for goal setting, review, and reward. Temporary structures, on the other hand, often have a life cycle that is not congruent with the normal business and performance management cycle. Their projects may have milestones that reflect completion of a phase or step and that may not neatly fall into a calendar year. During the year, individuals may serve on a number of teams that are assigned a task, complete their task, and are sunsetted. Managers cannot rely on the normal performance management cycle to manage these teams; rather, they must develop performance management practices that fit with the life cycle of temporary teams to the consequences experienced by the individuals. If performance on temporary teams is to be considered a serious part of one's job, it must be formally recognized as part of one's performance.

An additional issue concerning time frame relates to the organization's investment in team development and self-management. It is very sensible to invest a substantial amount of time and

energy in the development of permanent teams and those that have a limited but substantial duration. The organization will benefit greatly from the ability of these teams to manage themselves effectively. For teams with a short life - especially those with a technically complex task - it may not make sense to invest a great deal of time and energy in making them self-managing. Leadership, facilitation, and management may be needed to efficiently provide such teams with structure and to help team members develop strategies for task accomplishment. These

supports may be just as important to long-term teams at the outset; but there the goal might be for the teams to gradually require less ongoing external or hierarchical support, eventually becoming self-sufficient. It will become easier for an organization to establish relatively self-managing short-duration teams as it becomes more proficient in the teaming process, because members will be experienced in self-management tasks. In the early stages of the transition to teams, however, short-duration teams may need more formal leadership.

The Organization as a System of Teams

Figure 4 illustrates a team-based organization - an organization in which teams are the core performing units. Rather than depicting the organization as a line-and-box diagram, we have chosen to depict it as a system with performing units nested within one another. This figure allows for all the types of teams that have been discussed above: the process teams depicted can be integrating or improvement teams, for example. By process teams we mean teams that are focused around a central business process, either to achieve the ongoing integration of its subprocesses and to make sure the business process is functioning as needed or to improve the business process by its redesign.

Figure 4 graphically illustrates several important features of the team-based organization. First, performing units are nested in each other; consequently, an individual who is part of a performing unit at one level (for example, a team) is also part of the larger performing unit (for example, a business unit). The performance of the individual has to be judged in the context of the team of which he or she is a part. The performance of the team has to be judged in the context of the business unit of which it is a part. Performance out of context is of no value to the organization. For example, a

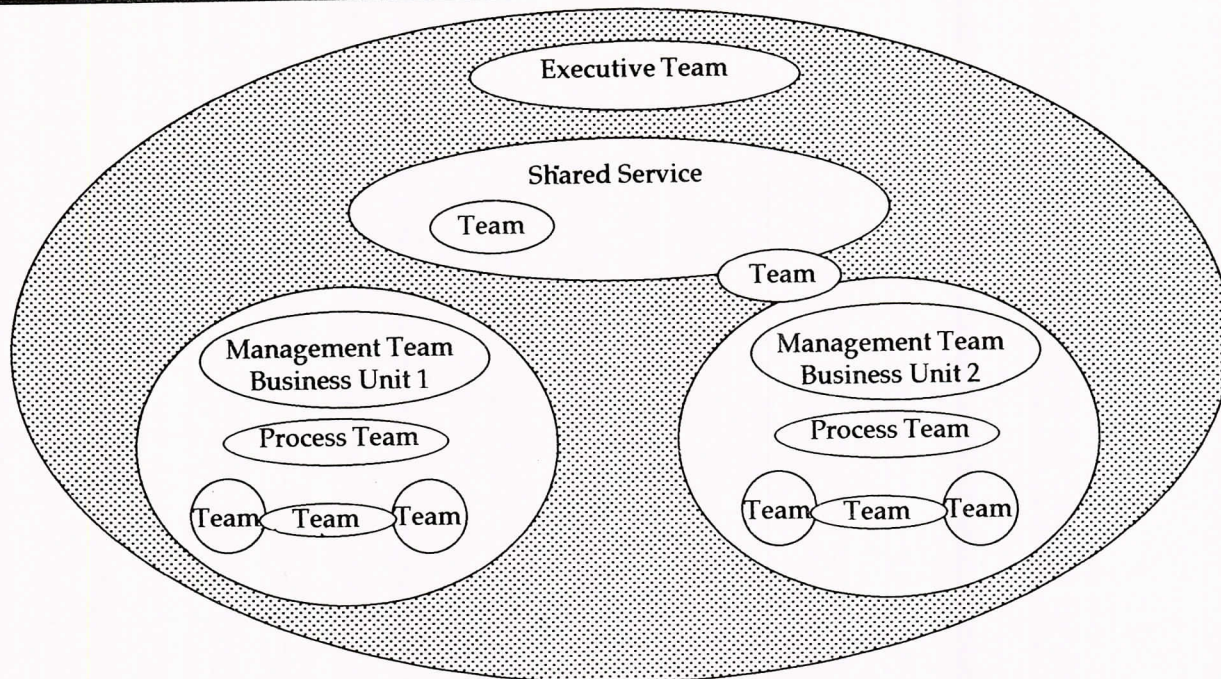


Figure 4

team that does an excellent job of developing a price/performance product may have contributed little to a business unit whose strategy is to manufacture and sell commodities. Second, the figure implies the domain of authority of each performing unit. When a team is considering an issue that has implications beyond its bounds, the resolution of that issue must occur in a forum that has a broader scope than the team. That forum may be informal; that is, representatives of all affected groups may be informally convened to resolve a particular issue. On the other hand, there may be a formal structure, such as an integrating team or a management team, whose job it is to resolve recurring broader-scope issues.

An important issue for the team-based organization concerns the composition of management teams and integrating teams (such as process teams that cut across units). The scope of decisions that are in the purview of these teams is such that the teams need to be composed of individual who can represent the perspectives of the various units that they are managing or integrating. A management team that is managing a number of cross-functional teams will be called on to give direction to and resolve issues concerning multiple functions. It must include people able to represent, speak for, and exert influence on those functions. Likewise, other integrating teams whose work will impact multiple performing units have to include individuals who can represent the perspectives of those performing units.

Depicting the organization as a team-based system enables the separation of scope of authority from our traditional notions of hierarchical levels or grades of jobs in a bureaucracy. For example, a

process integrating team has authority to make decisions that result in the integration of the work of various teams. However, the members of the team do not necessarily have job grades and positions at a higher hierarchical level than the members of the teams they are integrating. In fact, the members of the process integrating team may be peer representatives from the teams that are being integrated. Nevertheless, in a systemic sense, the process integrating team has authority at a broader scope than the teams it is integrating. Continuing this line of thought, it is not necessary even for the members of a management team to be at higher hierarchical job levels than the members of other teams in the unit. It is necessary only that the team have authority to provide overall direction, to determine the overall design of the unit, and to carry out performance management responsibilities. Thus an organization can place individuals in those teams where their skills and knowledge can best be used, irrespective of what rung on a bureaucratic hierarchy they occupy. In fact, it becomes unnecessary to think of people as occupying a certain rung. *In essence, hierarchy is redefined in terms of the scope and domain of the decision-making authority of a team within the system rather than in terms of a chain of individual reporting relations.*

CASE STUDY: OTICON - Tom Peters

Enter Oticon! Founded in 1904, the Danish hearing-aid manufacturer Oticon was No. 1 in the world in 1979. However, though widely admired, the company "had become self-satisfied and lost its flexibility," according to president Lars Kolind. Market share plummeted, and by 1987 Oticon was losing money.

Coming aboard in 1988, Kolind hacked away. By the end of 1989, the company was solidly in the black. Still, as Kolind saw it, Oticon was far from energetic enough to regain its premier position.

Kolind Tries Spagetti

"On New Year's Day 1990," Kolind told us, "I sat down and tried to think the unthinkable: a vision for the company of tomorrow" - a tomorrow that would require dramatically improving all aspects of marketing, getting more creative, and doing things faster.

His solution: a complete overhaul of the organization, aimed at "shaping jobs to fit the person instead of the other way around. Each person would be given more functions and a 'job' would be developed by the individual's accumulating a portfolio of functions." A research and development engineer, for example, "should be able to do sales or even answer the phones. He gets a total view of what's going on, and ends up designing better microprocessors if he knows the big picture."

To get there from here meant going from a "command structure" to a "problem-solving structure." In short, functional departments were abolished, and a project-based free-for-all took their place. Kolind tagged it a "spaghetti organization." In late 1991, when we talked with him, it covered all 130 people at headquarters and included administrative activities, R & D, sales, and marketing; some overtures had been made in manufacturing.

The greatest transformation has taken place in R & D, which has quickly shifted from a "new products for the sake of new products" attitude to a much stronger market orientation - Kolind's chief aim all along. With no R & D department, Kolind reported to us, former staffers are now much more willing to take an expanded view of their role.

The basic idea: Everyone is responsible for filling his or her own days with useful projects. "If people don't have anything to do," Kolind said, "they need to find something - or we don't need them." Self-responsibility, then, is the new name of the new game. "The understanding is that you must complete projects you have accepted," said Kolind. "Initially we thought we'd have a complex computer system to keep track of everything, but it was going to cost so much money that we decided to muddle through. Now we can see that we

probably don't need it. The individual employee keeps track of his projects himself. If you want to know what he's involved in, ask him." (It has been easier to projectize some jobs than others. "The receptionist still really just answers the telephone," Kolind admitted. "We haven't worked that one out yet.")

Roller Derbies and Shredder Wars

Physical changes were of great importance. The "traditional structures limited communication," Kolind asserted. "The offices and long corridors created emotional barriers. We took down the walls and liberated everyone from having to sit in the same space day in and day out." Now all members of the headquarters contingent gather where they wish to work with whomever on their self-selected projects. "The 'mobile office' means that the R & D engineer who likes marketing can join the marketers, and the same for the administrative person interested in sales," Kolind said. "You can't get the process started if the employee can't move to see how things work in other groups."

Each workstation (desk!) in the giant, undivided space is identical. No workstations are assigned. Instead, employees roll their personal "caddies" to the spot where they'll work for the day. These mobile carts contain 10 or so files pertinent to their current project and whatever else they can squeeze in - a picture of the children, the dog, etc. If you're away on a long business trip, you stow your caddie in a storage area.

The paperwork setup was also radically revised to support the new structure. In the mailroom, for example, all incoming material is scanned each morning by an expensive new system, especially created for Oticon by Hewlett-Packard. The originals go to pigeonholes from which the addressees can retrieve them. After something is read it's thrown away - the contents are already stored in the computer's memory.

Employees stand at counters - by design, there are no nearby chairs - to go through their mail. There's also an obtrusive paper-shredding machine at the entrance to the mailroom. It's connected to a transparent chute which passes through the company cafeteria directly below. Each morning, a snowfall of paper can be seen floating past.

Behind the antipaper campaign is the idea that the more paper you accumulate, the harder it is to move around, and less open you are to taking on new projects. Kolind estimated that the new scheme has reduced circulating paper by 80 percent. Wastepaper baskets are objects non gratae - using the shredder is "in."

Kolind added that his own style has changed dramatically. Communication is much faster. There are no bosses' secretaries to slow things

down. (Secretaries, like everyone else, choose projects to support.) Kolind estimated that he has "two to five times as many conversations per day as before." But, he quickly added, "I seldom tell anyone to do anything. People take action themselves. If someone comes to me with a problem or an idea, I ask him what he wants to do. Usually I tell him, 'Decide for yourself.'"

The Project Process

There is a formal "computer job offer board." Switch on any terminal (each workstation has one) and use the "Jobs" icon to scroll through different projects "on offer." You'll also find the project leader's name, a description of the job with a list of some of the tasks the leader thinks will be involved, and the project's expected duration. Usually, though, project leaders informally search out key people for their tasks. And vice versa: If a "secretary," for example, wants to tackle a marketing project, then she or he is wisest to informally chat up the appropriate project leader. Theoretically, a person could write an application, but, said Kolind, "It's so much easier just to walk across the room and ask."

Some projects are initiated by a member of top management, who then appoints a project leader. But any employee can propose a project. If the proposal gets a green light from one of five members of top management (orally, no paper), then that employee may become project chief and organize the task.

Anyone can be a project leader. In fact, Kolind insisted that he doesn't know how many project leaders there are. The most dynamic staff members wear many hats, he said - at the same time heading one project, acting as sub-project leader on another, working as a team member on a third.

Project leadership also tends to shift over time. A technical leader may be more active in the initial stages of a new-product effort; later a marketing or sales member may come to the fore.

Project leaders have official decision-making authority, but rarely use it. Project leaders also have financial responsibility for their jobs, and spending authorities are liberal. Individuals make their own assessments of what makes sense. Some project leaders we talked with are comfortable making expenditures of, say, 10,000 Danish kroner, while secretaries seemed at ease spending only a few hundred kroner. If a project leader feels like it, he can clear an expenditure with Kolind or another member of top management.

Manufacturing is physically separate from the rest of Oticon. Nonetheless, production boss Svenning Thomsen is enthusiastic about the projectization of the head office - and is moving toward a somewhat similar structure in manufacturing. While there was no formal project scheme

in manufacturing when we talked, all production activities had been molded around nine-person groups. Members routinely move from one group to another - monthly shifts are common. The aim (consistent with a fast-changing market) is to keep "production as flexible as possible," Thomsen told us, adding that employee transfers from team to team are voluntary and, contrary to conventional wisdom, "very few choose to stay in the same team for a long time."

A Day in the Life of Inge Christophersen

Consider 37-year-old Inge Christophersen, who's been a secretary at Oticon for 15 years. "I used to say I was a secretary," she told us, "but now I suppose I'm more like an 'octopus.'" (The Danish colloquialism roughly translates as "jill-of-all-trades.") Christophersen said she "used to work for fixed people, doing only a limited number of things. Now I work for a lot of people." She added that she has "more responsibility. I take care of more things. When I worked for one boss, I only saw certain types of documents. Now I work for a project leader in the legal department, for example. That can be exciting. I do 'investigative' jobs for him, not just typing." She's also begun to teach advanced word processing - on her own initiative.

Christophersen admitted that when the new scheme was introduced a year and a half ago, "it was a shock. Some people thought 'Not on your life.' About half were scared of using computers. But there's no way back now, and no one would want to go back to the old way."

In fact, the adjustment hasn't been all that traumatic. Asked how she works with multiple bosses, Christophersen nonchalantly replied, "They tell me when they need the job done and I tell them whether I can manage it. It's my obligation to keep the jobs organized, and get done what I promised on time."

"People talk much more to each other," Christophersen went on, explaining benefits to the new system. "Different groups get to know each other better." And surprisingly, more "talk" has been accompanied by less "gossip." Greater openness and quicker communication mean less sniping, less office politics.

If problems do arise in this departmentless society, there is a scheme to sort them out. Each employee has an officially designated leader "who looks after you," Christophersen told us. "You may not work under him normally, but you can go to him if you have an office or personal problem."

Is the sky the limit? To listen to Christophersen, you'd think so. Asked if she planned to try other activities, she immediately replied, "I'd like to do something in advertising. In fact, I'm looking out for a project I can join."

The shift to projects has also changed the

structure of Christopherson's typical day. Part of this was due to the introduction of flex-time when the organization structure was revised. But that's not all. Formal coffee breaks have disappeared, Christophersen told us. People take breaks now "when it makes sense." So, too, lunch: "You take your lunch when you finish a piece of work. Before, you'd fit work around lunch." She added that most people tend to do to lunch with project groups now, rather than with those of "the same rank or from the same (former) department."

When she gets a free moment, Christophersen usually works on new tasks which she hopes eventually will become project assignments. At the end of the day, everything on her desk-for-the-day goes into her personal file caddy. Wastepaper is tossed into the mail-room shredder on the way out. (To be sure, there are still "unprojectized" chores that are less than scintillating. The 12-person secretarial contingent does the new scheme's mail scanning on a rotational basis. Christophersen said that it's "boring work" which eats up an entire morning when her turn comes.)

A Day in the Life of Soren Holst

Thirty-year-old Soren Holst, trained as an economist, specialized in logistics during his first three years at Oticon. He bubbled about an expanded view of life in the spaghetti organization. "Logistics planning is still my main current project," he told us, "but I'm also a sub-project leader on an engineering part of a large R & D

project aimed at developing a new product for a narrow customer segment. I've always been interested in mechanical engineering, but I ended up as an economist. So I'm really excited by this chance to get close to the subject again. I don't know as much as the engineers, but I look at a problem and ask, 'Why can't we do it this way?' because I don't know any better. And the engineers in my group say, 'Well . . .' but then they think about it again. I'm the one who asks the stupid questions!"

As to the business of cobbling project teams together, Holst acknowledged that there is "competition among project leaders for the best staff. I know who I want for a particular project, and I go out and try to get them interested when the time is right." And it can cause problems. "The original staff at Oticon were not recruited for this type organization," Holst said, "so there are people who have trouble with project management skills." Overall, though, he added, "the pulse has quickened. People talk with each other more now. When a customer has a question, we get the right answer faster."

All in all, the transition at Oticon to a radically new form of organization has been smoother than almost anyone would have imagined. People have taken a shine to this crazy organization - economist, engineer, manufacturer, and secretary alike. The whole report card isn't in by any means at this writing, but first signs are encouraging indeed. Oticon, de facto, reinvents itself each morning.

(The OODA Loop, continued from page 18)

expect their field repair to be made and what the benefits will be. The company has reduced the average fix cycle from 18 months to 6 months.

This core concept of compressing cycle times by more carefully defining and then closing loops is implicit in a number of new approaches inside faster-moving companies today. Focused factories, for example, are emerging within some large, aging manufacturing plants that make several different product lines. The plants build each self-contained factory around one product family or one set of processes. Then someone with the powers of the old plant manager manages the focused factory, controlling all support functions as well as actual production. The idea is to create several closed loops inside a large complex to simplify management. As a result, plant cycle times have improved. Global companies are also finding faster ways to transfer a successful product innovation from one country to another. Markets and company cultures across different countries have always made transplants difficult, even when they were a good business idea. More closed-loop approaches - in which people from both the sending and receiving country's organization get involved in the other's

operation well before the product transfer is attempted - usually work better than the traditional "missionary" approaches.

Closed loops don't just happen, however. They can either be cultivated over long periods or created with some architectural preparation. Japanese companies in general tend to place a high value on networking and on maintaining diverse communication channels both inside and between companies. This improves the chances of loops forming around problems and opportunities that weren't recognized before, and it may help account for the Japanese competitive success. Because of the Japanese business culture, informal, semistructured channels have long existed in Japan between suppliers, neighbors, industry associations, and of course customers. It's interesting to compare, for example, how Japanese companies decide where their headquarters should be. In the last 15 years, urban cost pressures have prompted many American headquarters' moves to suburbs or to the South. Costs are lower in these areas, but information density and networking opportunities are thinner. By contrast, Japanese companies have invariably stayed in Tokyo or Osaka. They focus on time more than on cost. The creation and flow of information move faster because these channels are in place.

CAVEATS FOR PROJECT TEAMS - T. Peters

Project structures aren't new. "Task forces" were the rage for a while. The matrix structure was an effort to create more fluid, responsive enterprises - but committee-itis and a lack of accountability caused it to misfire. The project structure's key success variables turn out to be outward focus, autonomy / accountability, and dependence. The McKinsey project team, with just three people, is focused on the customer; it's unmistakably accountable; and, thanks to the nature and intensity of the work, each team member depend upon the others for personal and company success. That's no committee!

Here's some must-do's to keep you on the straight and narrow:

- **Set goal/deadlines for key subsystem tests.** Committees deliberate. Project teams *do*. Successful project teams are characterized by a clear goal - though the path from here to there is not specified, to induce creativity. Also, most effective teams set three or four inescapable due dates for subsystem technical tests/ market test/ experiments and adhere to them religiously.
- **Keep team members' destiny in the hands of the project leader.** The project boss, rather than a functional boss (if there is one), has primary responsibility for evaluating team members - period.
- **Aim for full-time assignment to the team.** Highly committed members are the hallmark of effective project teams.
- **Give members authority to commit their functions.** Members must be able to commit substantial resources from their function without second-guessing from higher-ups. Top management must establish - and enforce - this "rule" right from the start.
- **Allot space so that team members can work together.** The most effective project teams are sequestered away from headquarters and everyday affairs.
- **Remember the social element.** High spirits within a project team are not accidental - frequent milestone celebrations, humorous awards for successes and setbacks alike, are essential.
- **Allow outsiders in.** Outsiders not only contribute directly, but also add authenticity and enhance the team's sense of distinctiveness, urgency, and task commitment.
- **Construct self-contained systems.** The engaged team needs its own workstations, local are network, database, etc. You're trying to create an "it's up to us and we've got the wherewithal" context for the team.
- **Let teams pick their own leaders.** The most successful project teams often select - and shift - their own leaders, or even choose to be officially leaderless. You should expect leadership changes over the course of the project, as one role and then another dominates the particular stage you are in.
- **Let teams spend/approve their own travel, etc.** Spending authority need not be limitless, but team members must be able to visit a key customer, dealer, or competitor at the drop of a hat, or outfit a small lab on their own authority.
- **Honor project leadership skills.** Projects become "the way we get things done around here." Horizontal (multifunction) project leadership skills therefore become the most cherished in the firm, rewarded by applause, promotion and increments.
- **Honor project membership skills.** Good team-member skills (e.g., how well you support teammates), for junior participants, are also cherished and rewarded.
- **Make careers a string a projects.** A career in the "project-minded company" is a string of multifunction tasks - i.e., projects. Success equals project success, no more, no less.

This list as a whole is daunting. Can you realistically leap all 13 hurdles? Review professional service firms. Each one comes close to a "straight A" report card. These traits are musts, not just nice-to-do's for professional service firms who must live or die by project effectiveness. The rest of us must learn from them.

BREAKTHROUGH PROJECT - Robert Schaffer

What is a Breakthrough Project?

A **Planned** Project that uses the Zest Factors to achieve a tangible, bottom-line result in a short period of time - and that is carried out in ways that generate the new management confidence and new management skills essential for further progress.

BREAKTHROUGH PROJECT SELECTION GUIDELINES

To assure success, select a goal that:

1. Is **urgent and compelling** - a real attention-getter.
2. Is a **first-step goal** achievable in a short period of time - in weeks rather than months.
3. Is a **bottom-line result**, discrete and measurable.
4. The responsible participants feel **ready, willing, and able** to accomplish.
5. Can be achieved with **available resources and authority**.

A Pennwalt Plant at the Brink

In January 1986, Pennwalt Corporation's headquarters informed Wayne O'Quin, manager of its Calvert City, Kentucky plant, that a corporate study to evaluate the plant's future had been initiated. The cost of the plant's key Isotron products - refrigerants used in automobile air conditioners - was too high, and its market position was seriously eroding. After thirty-seven years of operation, the future of the plant and the jobs of its 400 employees were on the line.

No Way Out But Up

Well before this critical point, O'Quin had organized some work teams to study ways to improve operations, but these groups had not as yet produced significant gains. Aware that other Pennwalt managers benefited from using the breakthrough strategy, O'Quin decided to apply it in getting some fast results from his teams.

He met with the teams, and with the assistance of consultants who had worked with the other plants, described the approach. It was hard to imagine a goal more "urgent and compelling" (Guideline 1) than keeping the plant in business. O'Quin told his people, "Remember, we are on trial. We can't expect approval for any new investment. We have to focus on what we can do better with what we already have" (Guideline 5).

They decided that reducing the cost of hydrofluoric acid, the key feed stock in their Isotron products, was the first priority. Hydrofluoric acid was formed by feeding the mineral fluorspar into a heated kiln with sulfuric acid. In this fiercely competitive business, the costs for hydrofluoric acid at Calvert City were running well above industry standards.

One manager expressed the skepticism they all shared: "We've had eighteen task forces working

on hydrofluoric acid production for months, and they haven't made a dent. What are we supposed to do?" That was O'Quin's cue. "That's exactly the problem!" he said. "We've got all these groups looking at too many different aspects of production. Why don't we set a short-term goal for hydrofluoric acid cost reduction and choose just a few projects that could really have some impact."

Cliff Adams, manager of Operations, was given overall responsibility for organizing the effort. To become competitive, he had to reduce the costs of their hydrofluoric acid by at least 18 percent - a huge gain - and do it quickly. Adams worked with the managers of Engineering and Technology to select a few key projects from among the great many already under way. They reviewed progress with all the task force leaders; they went over production cost data; and they estimated the potential savings from each project.

Of all the projects, the one with the biggest potential was the effort to increase the feed rate of raw materials into the kilns. Raising by 20 percent the rate at which raw materials were fed would accomplish half the overall required savings. Cliff Adams thought it could be done and decided to put the main effort here (Guideline 2: a first-step subgoal). The managers who ran the kilns were hesitant to take on the goal. They had tried it a few years back, but the equipment had malfunctioned and they had been forced to slow the feed rate back down. Adams acknowledged their concern by emphasizing that any increase in feed rate would have a significant impact on cost, and that they should try to select a goal as close to the 20 percent target as they felt they could possibly meet. (Guideline 4: based on existing readiness).

Moving Into Action

When the feed rate-increase team met, with representatives from Operations, Maintenance, Engineering, and Technology, skepticism was the dominant theme. Sonny Rommelman, the sub-project leader, urged them not to "get caught up in what we can't control." He asked the group to identify some ideas for steps they could take. Slowly the ideas started to come out:

"Let's make an appointment with the equipment manufacturer to determine exactly what happens metallurgically to the kilns when they are operated at the higher temperatures."

"We'll have to reschedule our preventive maintenance at the higher feed rates. We didn't do that last time."

"We have to make some modifications to the instrumentation so it can handle the increased flow rate."

"We better identify any safety problems and make sure we deal with them."

Rommelman, standing at the front of the room with a newsprint flip chart and magic marker,

noted all the suggestions as they emerged. "Keep putting out your ideas," he said. By the time all the initial ideas had been shared, sheets of newsprint covered most of the meeting room's front wall.

The team then reviewed all the suggestions and narrowed them down to the ones they thought were the most feasible and could be accomplished in the near term. "Now comes the hard part," said Rommelman. "For each of these tasks, we have to assign one person to make sure it gets done, and then we have to get a commitment for a completion date." When this was done, the team had made a first cut at a plan for reaching their goal. Although the plan was to be modified later as more ideas arose and some steps proved to be unworkable, when they left the room at the end of that first meeting, everyone knew exactly where to begin.

The previous attempt to operate at higher feed rates had included all six kilns. This time the team started with only one kiln, to learn about the effect of temperature increase, to recalibrate the instruments, and to make a variety of small improvements. (Here's Guideline 2 again - an even smaller, first-step subgoal - and Guideline 3: aim for measurable, bottom-line results.)

The team slowly began to jack up the feed rate on the one selected kiln. After only two months, they achieved the 20 percent increase, with all operating and maintenance factors under control. All the elements of careful preparation had come together to make it happen. The narrowing-down process and the focus on a very sharply defined goal helped to concentrate everyone's efforts. The short time frame provided an extra sense of urgency. The day-by-day measure of progress provided the drama. And the sweet pleasure of success provided a psychic reward that had been virtually nonexistent in that chronically high-cost operation. In the following weeks, they moved on to the five other kilns, all of which were soon operating at the higher rate. Production costs declined significantly.

The feed rate project success provided the impetus for the other breakthrough projects. Over the course of several months, a series of projects resulted in an overall reduction in hydrofluoric acid manufacturing costs even greater than the necessary 18 percent - with no new investment. With this new cost structure, the demand for Calvert's Isotron products increased rapidly.

And as one participant put it, "I enjoyed the fact that a lot of folks thought it couldn't be done. That's what was best about the hydrofluoric acid effort - beating the old, so-called 'great' production rates."

Breakthrough Project Design

Let's see how to use each of the five guidelines in selecting projects that are "loaded for success."

1. Focus on a Urgent and Compelling Goal

There is no way to arouse energy and enthusiasm from people who are working on goals they

don't feel a sense of urgency about. "Important" and "urgent" are not the same. It may be very important for a company to speed up its pace of bringing new products to market; but the sense of urgency may exist only around a few key products that are being overwhelmed by the competition. Similarly, overall cost reduction may be very important to a company. But no cost reduction program can ever generate a sense of urgency to equal what the Calvert City managers brought to reducing hydrofluoric acid costs, with the "life-and-death" implication for the plant. Any quality improvements project would be focused on an *important* goal; but a breakthrough project focuses on an *urgent* goal.

One final point: while "excellent quality" or "superb customer service" may be urgent goals from top management's point of view, the sense of urgency surrounding a breakthrough goal must be felt by those who must make the project succeed.

2. Set a First-Step Subgoal to Achieve Quickly

Many important business goals are so big, so complex, and so far out in the future, there's almost no hope that they could provide the zest that spontaneously occurs in crisis situations. In order for a goal to be stimulating, its achievement must be within sight. When I first started running, my first target was to do a mile. If I had aimed at competitive marathoning - which became possible much, much later - how long would that goal have sustained me during the early days?

Thus an important part of selecting an achievable breakthrough goal is to stop focusing on the entire situation in all its discouraging complexity and to find a subgoal that you have some chance of accomplishing soon.

A manageable first breakthrough can be extracted from a large, general improvement goal in a number of ways. You can start with one plant, one branch, or one department. Or it might make sense to zero in on one line of business, one category of customers, or even one important customer. Perhaps the project can focus on completing one aspect of a complex organizational change, with other aspects left until later.

Managers are often anxious about focusing this way: what if other performance goes to seed while we concentrate on one goal? Or they worry that the short-term effort may produce no lasting improvement. As we will see later, these fears are ungrounded. By focusing on a discrete first step, managers become able to see much more clearly the linkage between the steps they must take today and the results they want to achieve tomorrow. As a result, they begin to gain greater control over all their responsibilities.

The management of Motorola's Mobile Division wanted to speed up its new product development process. In this business, which manufactures two-way radios used in trucks, ambulances, police cars,

and other vehicles, the development cycle for a new product was typically eighteen months or more. How could the short-term subgoal guideline be applied to such a situation? Some of the most challenging steps of a new product's development came in the final stages - the transfer of the product from the laboratory into full-scale manufacturing of top-quality, reliable products. This division's breakthrough project focused on three products that had fallen behind schedule. The goal was to meet target dates in the final stages of development and introduction for those three products. By focusing the breakthrough project on the final stages of development work, it was possible to achieve a short-term goal as a step in improving product development, which is a long-term process.

3. Make the Breakthrough Goal Bottom-Line and Measurable

To overcome the entrenched "preparations-first" habit and reinforce the "results-first" habit, it is essential that the breakthrough goal be bottom-line and measurable.

If the aim is to improve the quality, then the goal must be an actual reduction of defects or scrap or an actual increase in yields of real products, parts or service. Similarly, in a productivity improvement or cost reduction project, the goal should be a certain number of dollars saved, or units produced, with the same resources. Many managers are so deeply rooted in the preparations-first mentality that, even when they agree to select a "measurable, bottom-line goal," their idea of such a goal is "training a certain number of managers in statistical quality control," or "analyzing the problems of quality on a certain number of parts."

Managers often delay improvement efforts because they are convinced that, if measures of performance are weak or nonexistent, good measures must be created before performance can be improved. The experience of the Philadelphia Electric Company shows that this assumption isn't true. This company took a first step in creating a performance improvement effort with a project in the maintenance area of its highest cost generating station. When asked to select a measurable breakthrough goal, the maintenance supervisors explained that definitive measures of performance did not exist: "So many factors affect our results that it's almost impossible to measure our performance accurately."

The station manager did not want to invest a lot of time and effort establishing a new measurement system - the pressure was on for results. When pressed for more detail, the supervisors acknowledged that basic data was in fact being kept on one aspect of performance: delays in the start-up of scheduled work. When maintenance or repair jobs started later than scheduled, operating equipment and employees, as well as maintenance personnel, sat idle, at great cost to the company.

The plant established a first breakthrough goal of reducing maintenance job start-up delays. This goal required collaboration by the people who operated the equipment. To prevent accidents, no maintenance job could start before the operating people had provided a "job permit" certifying that it would be safe to work on the equipment. Delays in providing these permits were prime culprits in job start-up delays. As soon as permits began being issued on time by operators, maintenance was able to do the rest. Within a few months, they had made a significant reduction in delays. With this start, they then identified some possibilities for staff reduction, and implemented them for savings of over \$2 million a year in payments to a maintenance subcontractor. Thus, they were achieving results from the start, and simultaneously, they were able to work on developing the necessary measurements for further progress.

4. Exploit Existing Readiness - Don't Try to Create New Readiness

Once a short-term, zesty, urgent, and achievable goal is in sight, we need to make sure that the participants say, "It's about time we did this," and not, "Oh no. Not this again." Working with people's readiness often does not coincide with the cold logic of technologists or senior management - but it makes for a lot more enthusiasm.

For example, a 20 percent increase in the rate of feed into the kilns was the goal that top management at Calvert City wanted to reach, but they would have agreed to a smaller first step if that was all the team felt they could achieve. Their aim was to generate forward momentum - not to argue over what the ultimate goal ought to be.

To identify readiness, you need to ask the right kinds of questions of the people who are going to be responsible for success. Consider the following approaches to assessing readiness: "There are a number of ways to get started on a goal like this. Which steps do you think will be easiest to take and will have the highest payoff in the shortest amount of time?" Or, "Which steps do you think you can carry out successfully, right now, with the people and resources in place? These questions keep the focus on the participants themselves and on what they can accomplish, and discourage them from pointing fingers at other people or at outside conditions. In contrast, questions such as, "What do you think has been causing this problem?" or, "What do you think will solve it?" encourage such shifting of responsibility.

Senior managers often worry about limiting improvement goals to only what the participating managers say they are able to achieve. "What happens if the goal they select is too easy?" they ask. That could be a problem if you are setting goals for a year. The advantage of the breakthrough goal is that it is short-term. Zestful success in a short time is the aim, not endless debate about the

ultimate "right" goal.

That point was demonstrated dramatically to Francois Fleury, the superintendent of the Mount Wright iron ore complex of USX Corporation's Quebec Cartier Mining Company. Judging from his previous experience, Fleury was certain that the maintenance on the mine's heavy equipment - particularly five "Michigans," huge bulldozers used to move massive rocks - was being done poorly.

Fleury called together the top production and maintenance managers and told them that they had one year to get the Michigans' in-service time from 38 percent up to 65 percent. But after Fleury left the meetings everyone agreed that the goal was impossible. This was reported to Fleury.

At the next meeting with his people, Fleury took a new approach. He asked them what improvement they thought was possible. They said they could probably go from 38 percent to 50 percent in-service time. "I'll agree to that," said Fleury. "We'll set the goal at 50 percent, but you have to get there in four months, not one year." They accepted the challenge.

Organizing the work as a series of breakthrough projects, they reached the 50 percent in-service level by the end of four months. But by that time their confidence had grown. They kept moving on the improvement steps they had inaugurated, and by the end of six months they reached 72 percent, surpassing Fleury's "impossible" one-year goal.

Tom Fogarty, an executive in Chase Manhattan's Metropolitan Community Bank, describes another benefit of step-by-step goal adjustment:

"One of our breakthrough goals was to go from an average downtime of 90 minutes on our automatic teller machines, due to one particular malfunction, to 35 minutes. When we succeeded, we decided to go for 10 minutes a goal. The team actually got it to 15 minutes, but couldn't cut it down any further. We considered the project a complete success and accepted 15 minutes. After living with 90 minutes for so long, you have to reevaluate what is really achievable and adjust.

5. Use Available Resource and Authority

The perfect excuse for every manager who has failed to meet an expectation is, "I did my part, but . . ." something or someone prevented success. A *Forbes* Magazine reporter asked Roger Smith, chairman of General Motors, why a reorganization to eliminate Fisher Body and the General Motors Assembly Division (GMAD) had been necessary. The reporter asked Smith why he didn't try to solve the problems by calling in the boss of Fisher Body and saying, "If I get one more complaint about your division, you and the top three guys are finished." Smith responded:

Okay, we could do that, and it's the way we used to do it. But he (the Fisher man) says, "Wait a minute. I did my job. My job was to fabricate a steel door, and I made a steel door, and I shipped it to GMAD. And it's GMAD's fault." So you go over to

the GMAD guy and say, "Listen, one more lousy door and you're fired." He says, "Wait a minute, I took what Fisher gave me and the car division's specs and I put them together, so it's not my fault." So you get the Chevrolet guy, and you say, "One more lousy door, and. . ." "Wait a minute," he says. "All I got is what GMAD made." So pretty soon you're back to the Fisher guy, and all you are doing is running around in great big circles.

Every president has spent endless hours in such conversations. In launching a breakthrough project, a new message is delivered: each of us will begin accomplishing what can be accomplished by ourselves with whatever is at hand - and we're going to start right now. We are not going to select a goal that requires changes by another department (unless they indicate that they are willing collaborators in the project). We will not select a goal that requires additional people or additional equipment or additional space or new systems or measurements. Nor will we select a goal that requires senior management to excuse us from another commitment, or a goal we can achieve only after some other function has accomplished its goal.

The shutting down of these escape routes requires a firm weaning away from the comfortable patterns of rationalization. The Bonaventure terminal managers provide a clear example of this shift. Since their transportation department always delivered their box cars late, they protested, how could the terminal itself improve service? Every manager who attempts to achieve performance improvement meets this kind of rejoinder. The way to respond is not to challenge the validity of such protests. You must ask this kind of question: "Is there anything, *anything at all*, that can be done within the department itself to improve reliability?" The answer that almost always comes back is, "Well, maybe a few things." That is where to begin. Once people are willing to give up the security blanket of, "It can't be done until...," a transformation has begun. It may be a mere spark - but it has the potential to ignite a raging brushfire of progress.

"Pick a Winner"

The breakthrough strategy advises managers to bypass all of the preparations and excuses and to get going directly, at once, toward a short-term result, a success. The aim is to permit managers and their people to enjoy the same soul-satisfying, empowering, zestful experience that they typically enjoy only in those rare moments of crisis when everyone pitches in to achieve an urgent result. The breakthrough project is a liberating experience because it can provide, in an orderly and controlled fashion, a breakthrough to a new level of achievement and a new way of working.

THE OODA LOOP - George Stalk Jr. & Thomas Hout

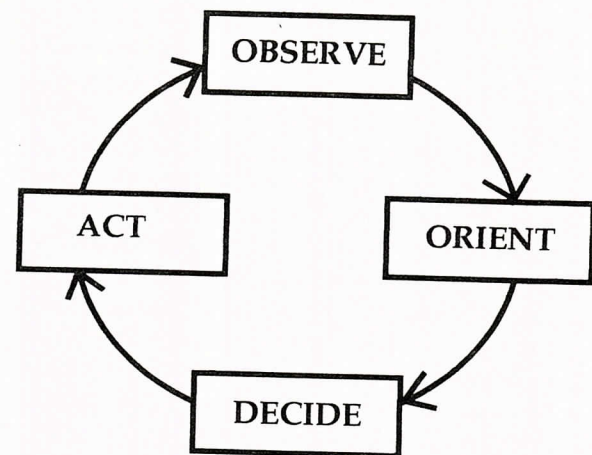
Time-based companies create more information and share it more spontaneously. For the information technologist, information is a fluid asset, a data stream. It is an object itself, something to be carefully measured and handled. But to the manager of a business, information is something less elegant, less separate from the employees who create and carry it. Information is fuzzy and takes many forms - knowing a customer's special needs, learning what works and what doesn't, seeing where the market is heading, knowing where to go to get the answer and so on. Companies that win in business are those that keep generating new information about these concerns and share it with as many employees as possible. Companies that want to compress time have to be especially good at it.

A company wanting to provide fast response for its customers has to start by creating, inside the organization, fast response among employees. Work of any kind, whether it's in the laboratory or on the shipping dock, is essentially the same in terms of information processing. People process and share information for the purpose of taking actions. Then after seeing the results of those actions, they go through the cycle again. For example, the output of new product development work is information - what the product will do and how it will be made. The faster this product gets to market, the sooner feedback from customers will be available to help the designers in their next round. The value of such a fast information cycle is more clear in a money management company. The faster the portfolio manager and account rep can read the market, make a buy/sell decision, and execute the trade, the higher return they will make for their accounts.

These cycles of creating information, then acting and acting again, are the heart of business, and time-based companies push hard so that everything they do - staffing the organization, choosing technologies, making decisions - will be geared to collapsing these cycles.

The OODA Loop

The model to keep in mind here is that of a fighter pilot competing against another pilot in a dog fight. Given fighter planes of roughly the same capability, why do some pilots consistently win? The U.S. Air Force has studied what winning pilots do differently. The answer they found is that winning pilots compress the whole cycle of what happens in a dog fight and keep repeating it faster than their adversary until he is in a weak position and can be shot down. The cycle is called the OODA Loop - for observation, orientation, decision, and action. The best pilots quickly size up the situation in any new encounter - observation - and read the opportunities and hazards that it presents - orientation. The pilot then decides what move he wants to make against his enemy - decision - and proceeds to execute the maneuver - action. Each dog fight is a highly compressed series of OODA Loops, with each



The OODA Loop

pilot playing off the other's moves and trying to get into an advantaged position. The movie *Top Gun* portrayed all this very dramatically. The pilot tries to take control of the dog fight by sizing up and acting before the competitor, preempting the advantaged moves. The object is to get the enemy pilot reacting to you and eventually get him into a confused reactive spiral and a vulnerable position.

A time-compressed company does the same thing as a pilot in an OODA Loop. In business, the contests last longer and are played by organizations. But it's still the competitor who acts on information faster who is in the best position to win. Surprise is part of the OODA Loop dynamic. It's companies that can pull all parts of the organization together quickly and act on an idea before others can who win. A pilot can surprise his opponent in a dog fight by executing a series of moves faster than the opponent thought possible. Fast-moving businesses are like dog fights. Apple's Macintosh and Ford's Taurus and Sable had tremendous impact because their competitors did not think Apple and Ford could move new concepts through an organization to fruition that fast.

Companies that work like OODA Loops describe themselves differently. One senior manager who left a more traditionally managed organization to join a time-based management company says he could tell the difference as soon as he asked his new colleagues to describe the company over lunch. His former company used conventional organizational charts with hierarchies of boxes and levels to describe itself to new employees or outsiders. The company listed its departments and buildings - its structures. In contrast, his new colleagues talked mainly about how the company works and who works with whom. They sketched out on a piece of paper a picture of the company that was basically a set of loops. The loops were small boxes representing functions connected by arrows. Some loops overlapped. Process and interaction were the main points he remembers from the discussion. And, as it turned out, the new company is faster than the old one.

It is one thing to develop a fast-cycle organization when your people know exactly what the product will be because customers keep asking the same thing from you. Henry Ford got a huge organization at River Rouge to take in iron ore and coal at one end and to turn out sheet metal on a fully assembled automobile at the other end in less than four days but limited his customers to one product. The real difficulty in designing fast-cycle organizations comes when complexity grows - different customers start to want different things, and the product line needs changing continuously. Now, fixed information channels and established lock-step routines don't work so well. Some functions in the company, especially those located farthest from the customer - such as a design engineer or a data systems specialist - do not see what is happening. They stop creating useful information, and they no longer understand the signals they are getting from others.

Companies as Communications Networks

A company that works well is something like a communications network, with each station performing a particular role and each sending and receiving messages continuously. A room of interconnected foreign currency traders is an example. They will usually outperform a group of independent, isolated traders even on a quiet day. But on fast-moving days full of complex events, they will *always* perform better because they learn quickly from each other. As the world changes, the networked traders see more patterns and are then able to get into and out of positions faster. Variety and complexity compound the amount of information flying around and the combination of actions that can be taken. A closely connected room of traders will sort through it and make more of the right moves than the isolated trader can.

Many companies, however, instead of allowing the network to speed information flow, take the opposite approach in trying to cope with variety and complexity. They rely less on network learning and more on additional structure, and they end up short-circuiting the network. If, for example, new technologies are emerging, they specialize their engineers by technology. If a product is getting more complex and more and more employees have to work on it as it moves through the company, they will increase the number of formal control points. And, when greater variations in the mix of orders show up as they try to increase product variety to the market, these companies will typically build more inventory and put slack capacity into the system to handle the overload.

All of this is costly and will slow the company down. The marketplace demands for variety are real and growing. But additional structure and buffers are not the answer to meeting them. The buffers break up and slow down the OODA Loop. In

contrast, time-based organizations cope with variety directly, by building up their flexibility and greater capacity for creating and sharing information. One way they accomplish this is through closed-loop teams.

Closed - Loop Teams

For years, banks have taken several days to get a decision to a personal loan applicant. The application would be passed around the various departments, traveling at its own pace. A series of supervisors, clerks, and internal mailpeople handled it. Today, aggressive banks take the application directly into a focused, coordinated group - a credit analyst, a collateral appraiser, and a senior personal banker - who decide and respond to the customer sometimes in thirty minutes and always inside a day. This is a small closed-loop team.

A closed-loop team includes everyone who is necessary to make the deliverable flow. The team includes all the needed functional people and decision-makers and is self-scheduling. Everyone on the team is working for the same objective - to provide the deliverable on time. The team is empowered to make decisions and to act. It has all four OODA Loop functions inside it with short lines of communication. Its leader is responsible for its overall performance and for seeing that it gets all the capability, both technical and human, it needs. All of these are essential to flexibility.

The old bank loan approval process was open loop. There was no continuity in the process, no visible standard, little learning between the principals, only occasional feedback on the process, and no one responsible for making it better. The OODA Loop was long and broken. In order for the loop to close on a process it must be tightly organized around the deliverable; the same core group must be involved in the process every day; and there must be a working leader on the team.

Naturally, small teams work better than large ones because large groups create communication problems of their own. It's best to include only essential functions and to exclude people whose job is peripheral to the deliverable. For example, the bank loan team excludes accounting and record people. However, teams have to be self-managing and empowered to act because referring decisions back up the line wastes time and often leads to poor decisions. So the team includes a bank officer because if the officer were not on the team, he or she would be prone to second-guess the group's decisions. It's better if all the questions are asked and answers are exchanged just once.

Handling An Order Entry Problem with a Closed Loop Team

As we've said, closed-loop teams handle variety better than open-loop teams because they can create new information and flexibility. For example, one

manufacturer of custom-designed jet engine parts realized that its order entry process was taking anywhere from two to ten weeks. The order-processing task is basically to record the order, to make sure it is properly specified, to order necessary materials from suppliers, and to schedule the order. Because this order entry process was the first stage in the company's main sequence, the wide variance in time required to complete it was creating problems downstream in scheduling and in setting a promise date to the customer. The company's order flow contained a variety of low- and high-complexity orders. So the company wanted to narrow this time range and make order entry more reliable.

Two core problems caused the time variance. One was that each of the six departments the order passed through had a queue of other work besides order entry waiting to be done. Order entry was a small part of each department's work so a new order would sometimes get last priority in the queue, especially when other, complex orders came through that took a lot of the department's time. In addition, the length of the queues varied depending on the function of the department and its current workload. No one could predict, therefore, how long a new order would take to clear these six queues in succession. The second problem was that departments often had different product codes, so that the information from one department was not always directly intelligible to the next; codes had to be translated as each order made its way through the departments. And this process took even longer on the more complex orders.

It was clear that the solution to shortening the order-processing time and reducing its variance would involve avoiding departmental queues and creating comparable codes across the departments. A closed-loop team of six individual - one from each department - was established. Their first job was to unify the product codes, which took three months. Incidentally, this job had been sitting in the data systems department for a year and had died there, because the department had no strong cross-functional sponsorship. Now, a group of knowledgeable, empowered people were in charge and could actively work on the problem, so it got done.

The next step was to set aside a portion of each team member's time twice a week to perform all the order entry work for his or her department. Capacity was not taken out of the departments but effectively dedicated, and the team could function as a stable unit. To solve the variety problem, the jet engine supplier revised the procedure for processing complex orders to balance the amount of work each department did on each order; before, a complex order would typically burden some departments more than others. Also, the team tried to even the mix of complex and simple order every time it worked on order entry. These two changes

balanced the work load associated with complex orders. They no longer choked the system when they came through.

Once this system had been established and fine-tuned with one team, each team member trained two others in his or her department. Now, order entry can be done in this more managed, focused way by several different people in each department. If total orders surge, they can still be processed without delay. The overall result is that all orders are now processed in one to two weeks, instead of from two to ten weeks. This has helped downstream scheduling and makes the company's promised ship dates more reliable. Ultimately, the total amount of labor time devoted to order entry across the six departments has declined because of unified coding and because of the even flow of complex and simple orders.

The interesting point about this is that the company had been trying to solve the order entry problem for years. It had tried hand-carrying orders around. It had tried a PC-based software to keep track of them. It had tried brute force. None of these methods worked because the problem was more complex than ordinary management tools applied from *outside* the problem could address. The problem had to be broken down and reassembled by a multifunctional team empowered *within* the departments. The key was to keep all the information and the operations inside the team so they could work out the way to get flexibility. To close the loop.

A Different Kind of Teamwork

Closed-loop teams work in product development as well as in production. At&T, for example, now uses a variant of the self-managing team concept to develop new telephones, and Deere & Company does the same in designing new construction equipment. By bringing people from product engineering, manufacturing, marketing, and purchasing together throughout the development process and by giving them authority to make real technical and business decisions, these companies have cut significant time and expense out of bringing new products to market.

A warning is in order, however. Simply forming teams will not produce time compression in companies. In most businesses today, teamwork still means something less rigorous than what is described above. It usually means simply closer, better interaction among individuals and more awareness of common goals but not necessarily a structure functionally different from that of traditional firms. Many companies like to think they are working in multifunctional groups when they form special task forces that cross organizational lines. They encourage managers to wander around informally and to share observations across the company. These are a useful but very limited step.

Putting together teams without changing the embedded work routines and management practices will not compress time. Time compression demands that old habits change fundamentally. For example, companies that believe in functional heads playing a strong role in day-to-day operations will have trouble truly empowering self-managing, cross-functional teams. Functional heads will find it hard to resist getting involved. Also, companies that can't resist rotating project heads every three years will never develop team leaders who are experienced enough to manage an empowered, closed-loop group. Closed-loop team leaders are principal contributors to their teams, not just administrators. Finally, a word to the wise: Companies that have a habit of lengthy project reviews in large rooms will find that time doesn't compress.

Ultimately, senior managers can make or break how well the closed-loop concept works. Senior managers typically have good ideas to contribute to teams, and there is always a constructive way to do it. But their intervention can also carry disproportionate weight and often comes at awkward times in a project's life. Moreover, their calendars are so crowded that the more they get involved in a project, the harder it becomes to schedule meetings and to keep decisions on track. Senior executives in fast-cycle companies understand this problem and appreciate the way they can bottleneck a team and hurt motivation among junior people.

Skunk Works

Skunk works are an example of the kind of ad hoc, closed-loop experiment that will not make a company time-based. While they can reduce the time some kinds of development projects take, skunk works bypass the organization's regular practices. They circumvent the rules rather than rewrite them so they don't do the rest of the organization much good. In fact, because many of the best people are pulled out into the skunk works, the rest of the organization further slows down. In addition, because a lot of these experiments fail, their members may come back to the regular organization highly stressed. Basically, skunk works are unsustainable organizations. In contrast, time-based companies try to raise the capability of the entire system and put people in a position to make continued improvements.

Extended Process Cycles

The closed-loop concept is useful not only in organizing routine operations like order processing and product development, but also in solving more diffuse, long-term problems in a company that show up as extended process-time cycles. Automobile companies, for example, all face the problem of correcting original design problems once a new model is out in the field. Some working components like brakes or suspension may begin to incur

well-above-warranty expense. If the problem goes untreated, it costs the manufacturer dearly in lost earnings and customer goodwill. A long string of functions spread over considerable distance has to focus jointly on this problem to solve it. Dealers have to get data to the manufacturer's regional field office, which brings the problem to headquarters. Product engineers then work on the problem and issue engineering change notices to the tooling people at the plants that manufacture the redesigned parts. Finally, the service parts organization restocks its shelves. Eventually, the bad parts in the field are all replaced.

How long this cycle takes from first detection to field fix determines what the total cost to the company will be. The longer the cycle, the more cars with bad original parts will be made and the more customers will be unhappy. Yet, despite the value of fast response here, this difficult loop is one that many auto companies don't manage well. To begin with, the players - field offices, engineers, plant tooling people, and service - are far apart and in different organizations. Parts nomenclature and numbering systems are not the same in engineering as they are in service. Moreover, no one is responsible for this cycle. It is just layered over the regular lines of organization. The complete cycle is not visible to any one of the functions that are a part of it, so none are aware of how their policies and actions influence the others. This is mainly because the cycle takes so long - sometimes up to 18 months - that there is no feedback or sense of completion of any specific component's fix cycle. The cycles of different components overlap each other, with each player in the loop just doing its work and passing its product on. The whole problem becomes a serial open loop.

One company decided to try to close the loop. Their first step was to follow one component through an entire fix cycle to capture a picture of the whole, which was then shown to all players to allow them to see what actually happens and how long it takes. Although no new formal organization was developed, an able middle manager took charge of the cycle, and each player became accountable in terms of new time standards. The manager closed the major gaps in the process, such as the delay between field office recognition and engineering action. Then the firm developed software to connect the different numbering systems. Through feedback loops for sharing information about performance by component, everyone could see what was going on where.

All of this allowed the players to understand the system they were a part of, and they started to create and share better information about how it worked and what would help. The loop began to tighten over time. Eventually the customer became part of the loop - owners are now told when to

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VAHANA PROJECTS - Jack Gilles

We have conducted 10 Transformational Leadership Labs (TLL's) with over 150 participants from 40 plus companies. Each participant selected a change project as a learning experience for applying the lessons and processes communicated in the TLL. From this work we have discerned some of the ingredients and processes for the successful design and implementation of change in an organisation.

One of the learnings has been that Indian executives are not well skilled at thinking through change for their organisations. We found that most came to the TLL with only a vague idea of what change they would undertake and few of the ideas were readily identifiable as "projects". They were often stated in general terms such as "creating a team culture" or "improving sales in the South Zone". Part of the learning process and journey of the TLL over a three month period was to enable the participants to sharpen the focus of their projects. In many cases, as the TLL revealed what transformation involved, the entire focus of the project changed. This was encouraged and led to some real change projects.

We used as our guide, the work of Dr. Roger Harrison, an American consultant who has done an excellent job of outlining the change project journey. His work is based on his analysis of organisational cultures and how each of these responds differently to change initiatives. Therefore, a careful analysis of the existing culture is a prerequisite for formulating a change strategy. In addition, he has devised a "Change Readiness Questionnaire" to assess the state of being of the organisation which gives a sense of how readily the change will be welcomed. He also designed an "Organisational Stressionnaire" to assess the degree of stress present. His experience is that organisations under high stress may not have "free energy" to devote to a change process and those of low stress will not feel the need for change. Several other instruments that he has developed were modified for use by us in India. All in all we found the process journey helpful in concept, but it lacked the kind of specifics for actually designing and executing the project.

The Vahana Concept

Throughout the TLL's we have stressed the need for the development of Indian based imagery and concepts to foster the power of the Indian ethos in the emergence of learning organisations. As long as the corporate cultures are conceived as western models, the transformation power will not be there. India has a strong sense of spirituality in its culture, but it is not seen as applying to a business organisation. Yet across the world today, there is an emerging sense that spirituality (meaning) in the workplace is a missing ingredient. The focus on

Personal Mastery and corporate value systems (a la Stephen Covey) are but two areas that are getting a lot of attention these days.

One way to evoke the Indian ethos is to use terms that carry deep meaning from the culture. *Vahana* is such a term. Literally it means vehicle, but in the Hindu understanding it applies to the animal each of the gods rides. Animals such as the tiger, mouse, bull and peacock are used by the various gods. Since each god is in reality an energy force available to us through prayer and devotion, the animal becomes a "carrier of the energy". It is understood that the right animal is needed for each energy, that in some way the animal allows the potency of the energy to be manifest.

With such an understanding, we used this *vahana* concept to communicate that the "Change Project" needed to "freight" the energy of the desired change for the organisation. Each desired change required a well designed vehicle to ride so that the change energy could be effective.

Besides the language of the Indian ethos, we chose a symbol for the *vahana* that is meaningful for the expression of sacred energy.

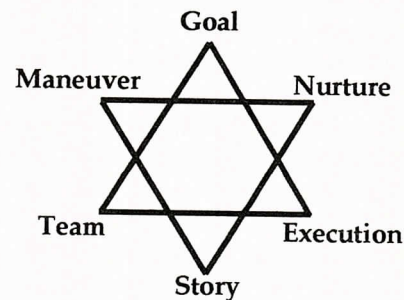


Figure 1

The symbol is actually two interwoven triangles, one green (pointed down) and one red (pointed up). The green triangle represents the feminine principle, the conserving and energy giving element. The red triangle is the masculine principle signifying the outgoing thrust of energy. Together they represent the creative process of complimentary opposites. This is similar to the Yin-Yang symbol of the Chinese. The Yin-Yang is the basis of much of the oriental business culture.

In our *vahana* project design understanding, this symbol was meant to convey that a project represents both the expending of energy and the replenishment of that energy. That in designing a project one must pay attention to both aspects, the energy needed to launch, execute and complete a change effort and the energy needed to sustain and empower the project.

Most people, when conceiving a project, only consider that effort needed to complete the project. They give little or no heed to that which is needed to sustain the action.

Let us look at the energy of the upward pointing triangle.

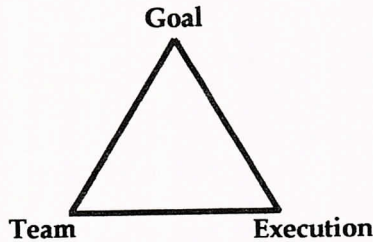


Figure 2

The three "energy consuming" components of the project design are:

1. The Goal. Each project begins with a well stated goal. This goal needs to be stated in quantifiable language with a clear understanding of what is to be accomplished or changed. A project needs to have a sense of beginning and end to it, a discreet, focused target for energy mobilisation. It will acquire more energy when the goal is not only a felt need, but is meeting a critical need or gap in the present operation of the organisation. Many new product designs or launches get great energy when they are seen as a window of opportunity. Projects that are out to simply improve a present performance parameter tend to be of much lower energy.

2. The Team. A project needs a team committed to accomplishing the goal. We found that getting people "on board" was a critical step in the design of the project. Each person needs to feel that they have a critical contribution and role to play in the projects execution. It takes a lot of energy to build a team. Books have been written on the stages of team development (forming - storming - norming - performing). The key is to see the team as self-managing. When the team is involved in all the decisions regarding the project the commitment is there. No involvement, no commitment.

3. The Execution. The third dimension involved in designing the project is to carefully map out its time bound execution. This means not only a week by week plan of action, but an analysis of what kinds of effort will be required. It is like a road map of energy utilisation. Just as every project will have built a budget of money, materials and time, so too it needs to consider the energy factors involved. Some actions will be intensive, needing a lot of focused energy. Some will be more extensive, needing a prolonged expenditure of energy. "Long marches" tend to tire the troops, says Sun Tsu. So with projects, prolonged or extensive coverage requires careful planning.

One such example was a project focused on improving customer service and feedback. In this case, the company relied on dealers for sales and feedback, and, handling many of the companies products, there was not a lot of attention to this group's particular needs. The project needed an

extensive coverage of all the key dealers by the team to get their new product line "up front" in the dealer's mind. Every team member did visits and then reported back on issues discovered. It was highly unusual for the engineers to visit the dealers, as this had been the job of only the sales department. It required a lot of effort, but it not only got the dealers aware and committed to the new product, it highly motivated the team to actually be in contact with the customers.

Tom Peter's, in his video "Get Fast or Go Broke", reports on a team formed at Ingersoll-Rand that had the job of producing a new hand-held grinder. The team combined representatives of all the critical departments to produce the new product in one year. Previous efforts had taken up to four years. It was the first time that all the critical players were on the same team, working together in face-to-face contact. The critical step in their success was when they visited the end-users at various companies to hear first hand what was needed in the new tool. When critical decisions were needed to be made, these contacts by all the team made the difference.

Usually a project will have several phases. We have found that it helps a great deal to map out these phases beforehand. We have the team intuitively indicate the phases, giving each a name. The beginning and ending activities are marked for each phase and the critical decisions, results, key factors and potential blocks identified for each phase. A time is assigned to each phase, and then a challenge is made to see "What would it take to dramatically reduce the time of this phase?" This "pre-thinking" can get the creative juices flowing and result in substantial savings of time. This is not a detailed planning session. It takes about two hours to complete.

In one factory we were doing this with a team working on changing over a production line. One of the vice-presidents was sitting in our session and when a particular block was identified as being the key to shortening the instillation time, he took an immediate decision that removed it entirely!

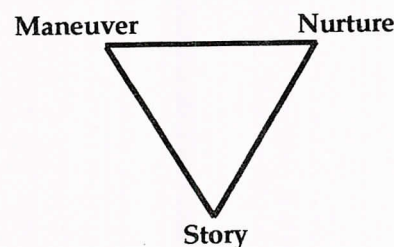


Figure 3

The three "energy giving" components of the project are:

1. The Story. The story of the project is the key to success in achieving the goal of the project. By

story we mean "How does this project contribute to the aim and purpose of the organisation?" "How is it an expression of our deeply held values?" Most goals have a "why" inherent in their selection. But goals that can be seen to be linked with the purpose and values of an organisation can be a source of inspiration and meaning. Great projects have great stories. These stories, rehearsed and told, can energize a team to high performance.

But not all projects have a profound sense of meaning in them. It is important then for the team to create the meaning of the project. It can be "How this effort will demonstrate a new level of achievement for the organisation". Or perhaps it is "How it will embody a great sense of service to the customer". Whatever it is, the story needs to be there for the team members to know. A good leader will see to it that the story of the project is never forgotten.

2. The Nurture. Teams need care. People get worn out, frustrated and sometimes on each other's nerves. This is especially true when the project is one of critical importance and/or there is a pressure deadline involved. Nurture is more than careful listening, although that is important. To give energy to a team requires the care of space and time as well as relationships.

Space involves creating an ambiance whenever and wherever the team gathers with significant charts, records and other marks of the team's accomplishments and task. Team slogans, motivating quotes and symbols can give a strong sense of identity and strength to a team.

Time is energy giving when milestones are reached and noted and when the vision is rehearsed. Energy is generated when accomplishments are recognised. Most important of all is the need to celebrate together. One TLL participant noted recently that the one thing that has made his team effective is that he has found numerous reasons and ways to celebrate together. He had never done that before and was testifying to the power of that one dimension taught in the TLL.

Teams need time to reflect. One hour at the end of each week can be enough. At that meeting, spend time getting people to talk about the week's activities. Not so much as accountability, but as a time to honor the expenditure made and the life given. Even failures and frustrations become times of learning and healing when given a chance to be voiced.

Bonding happens when a team learns to appreciate the contribution each member is making. By rotating some leadership roles this appreciation can grow. Although personal issues are not a part of projects, care and concern for individual problems can be helpful for a team. Build trust with open agendas and by making available all information to all. With a deep sense of trust comes team energy.

3. The Maneuver. Execution receives energy by designing it into mini-projects which we call maneuvers. Maneuvers are developed by breaking down the tasks into a variety of "wins" or victories. Each one is designed to give the team a steady stream of accomplishments which energize the team. This process is spelled out in the next article.

These six factors constitute the design of the *vahana*. Each of the three energy using parts are matched with three energy giving dimensions. Together they enable a project to balance its energy resources.

Additional Vahana Points

We feel the following points are helpful in designing and executing a project.

The Six Operating Factors.

1. Cultural Compatibility. Projects need to take into account the culture of the organisation. Although they can point to new ways of doing things, they need to not alienate the existing culture. An example would be the development of the Macintosh computer. The group that was set aside to do this created a new culture and in doing so caused others in the organisation to see them in a negative light. They even flew a pirate flag over their team headquarters.

2. Feeds on Symbols. Projects need lots of symbols to work well. An example is when Ingersoll-Rand named their effort Project Lightening.

3. Strategic Contradiction. Build your project through the identification of key contradictions in the system. The greater the contradiction, the more powerful the project.

4. Beginning and Ending. Every project has a life and death. Pay attention to beginnings and endings. When it's over it's over. Don't let the project drag into an endless task force. Stop, and if necessary reform and start again.

5. Elegant Simplicity. Great projects are felt to be basically simple. Even when they are complex in their design, by keeping the story and goals clear they will be easier to manage.

6. Mini-Learning Organisation. Every project is an opportunity make the learning organisation manifest. Use the project to practice and demonstrate the disciplines of the learning organisation. Find ways to foster Personal Mastery, Team Learning, Mental Models, Shared Vision and Systems Thinking.

The Six Success Factors.

1. Change Readiness. Carefully note the environment within which the project is operating. Failure and delay can occur if the potential resistance is not factored in to the project strategy. Not everyone will have the same point of view that the team has.

(continued on page 23)

THE MANEUVER METHOD

The concept of maneuvering comes from Sun Tsu, an ancient Chinese general who saw the role of spirit and energy in winning battles. He documented his insights in a book called The Art of War. This book is studied by the Japanese and others in the East and is credited with enabling much of the winning strategy employed by Japanese business houses. He lists six factors that need to be discerned before entering into battle. Although these terms are military in nature, they can be transposed into business understandings. The Institute of Cultural Affairs (ICA) uses this method in much of its work in sustainable development, life-long education programmes, organisational transformation consulting and human development research.

The Six Maneuver Factors

1. Know Your Enemy - This means knowing the real problem in any change process. Many times what seems to be an obvious change objective is but a symptom of a deeper underlying contradiction. I believe that this is what Peter Senge is pointing to with his category of systems thinking. Careful thought will yield key leverage points for change action.

2. Know Yourself - Typically, SWAT analysis uncovers much of what is needed to be known about one's self and situation. But Sun Tsu was pointing to deeper introspection. Knowing yourself means being aware of your propensities, your biases, your assumptions and values. Most of these are unquestioned and can lead to failure. Perhaps the toughest attitude to become aware of is a "failure mentality". This is not just not succeeding, it is a pervasive attitude to settle for something less than total commitment and victory. It shows up, for instance, in quality endeavors that allow sloppy work to continue. It is not caring for every detail in executing action. It is allowing routine to take over one's daily activities.

3. Terrain Discernment - For Sun Tsu, choosing and knowing what type of "ground" one is going to fight on is crucial to winning. He outlines several different kinds of terrain and how each should be addressed by strategy. For business, terrain can mean the environment in which the change is going to take place. The degree of urgency, the culture and mood, the economic situation and the market place are all dimensions of terrain.

4. Deployable Forces - Sun Tsu says, "Battles are fought with ordinary forces, wars are won by the use of special forces." Regular tasks are done by individual assignments. Projects are won through using a team in a variety of configurations. Get people working together in two's and three's on special assignments. Promote multi-skilling. Don't always rely on the same people for the same things.

5. Weapons Utilisation - Project teams need to know and be skilled in a variety of methods. Of these, the skills of facilitation are foundational. A good working knowledge of the quality tools is also necessary. "Clout" and position are also "weapons". Knowing when to use them is part of successful maneuvering.

6. Timing Patterns - This is perhaps the most critical skill, and the least appreciated. All actions need to be timed for their effectiveness. When to launch something, when to stop activity, when to intensify effort, when to avoid confrontations, when to confront a situation; these are some of the timing decisions that occur in any project. The most important timing is what Sun Tsu calls the "timing of the Void". This is very difficult to describe, but it is having an intuitive sense of how the whole situation is ready for something to happen. All great leaders know this. Gandhi was a master at the element of surprise. Timing of the Void will usually have this surprise factor as part of the action. The master stroke, the right word at the right time are examples of timing. It only comes with deep discernment and awareness. It requires practice and reflection.

Maneuver Building

Maneuver building is an art, not a science. It is based on intuition rather than rigorous planning and analysis. It is used to accomplish major changes, not for routine work. The task is two fold. First the maneuver is built, then one applies the process of indirect action in key areas.

There are eight steps to building maneuvers.

1. Naming the Victory. This is similar to goal setting but with a difference. The process is to "stand in the victory circle" and describe how it was accomplished. Using imagination and as much detail as possible, describe the obstacles faced, the different parts of the project, how it was approached, the allies and skill it required and as much of the new results and consequences as you can imagine. It is winning the battle before the battle. It is not critical that all the steps be known, but it is important to create the deep sense of resolve required to win. Always speak from the perspective of the future. Use terms such as "we did..." rather than "we will...".

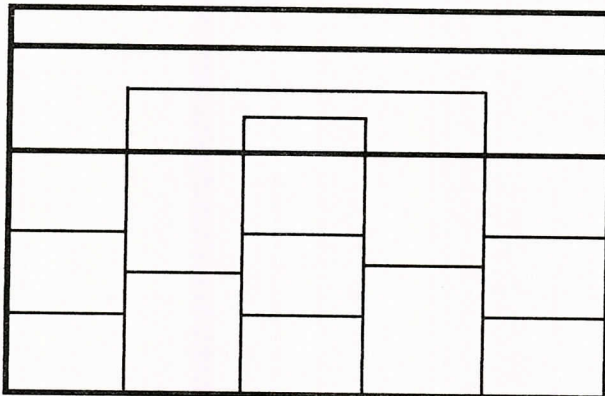
2. Discerning the Situation. List on a board the areas of unclarity, the points of advantage and the points of vulnerability. Don't spend a lot of time discussing them, just list them.

3. Listing the Do's. Have members of the team list 15-20 things to do, and then have them star their key five concrete needed accomplishments. Brainstorm the list on the board. It is not uncommon to have 50-100 different activities listed.

4. The Intuitive Gestalt. Have one person read aloud rapidly all the list. The rest of the team

individually write down 3 arenas of action. Have a couple of sample lists read and allow quietness. Get up 4-5 complete lists of arenas and consense on a final list of 5-15 arenas.

5. The Reflective Chart. Build a rational chart of 3, 5 or 7 columns that holds the action arenas in a symmetrical form. Put the key actions in the center and those supporting on the sides. Each arena will be seen as part of a whole plan and how it relates to the other parts. Connect the columns with a title phrase, beginning with an ...ing word (Building, Forming, Creating etc.). List the four components under each arena.



6. The Corporate Talk-through. Assign a different scribe to each maneuver area and have them take notes. Select one person to talk through the specifics of how to do the maneuver, including its intent, team involvement, timing etc. Get the whole team to respond to capture key insights to each maneuver.

7. The Maneuver Write-up. Assign a team with each scribe to write up each maneuver. Aim for not more than one page per maneuver. Create a large timeline calendar and place the key actions of each maneuver on the timeline. Look for overlap and timing issues and make adjustments. Give the whole project a poetic title and try and give each maneuver a poetic name or phrase that builds on the theme of the whole action. Reproduce the entire document and print copies for all.

8. Prepare the Launch. Discern how the whole maneuver will be launched. Plan something that will give it a real sense of momentum. Gather the team and celebrate the work of preparation.

Indirect Action

"The direct method may be used for joining battle, but indirect methods will be needed in order to secure victory. Indirect tactics, efficiently applied, are inexhaustible, unending as the flow of rivers and streams; like the sun and moon, they end but begin anew." - Sun Tzu

According to Sun Tzu's Art of War, indirect action is greatly preferable to direct action. It

provides surprise, generates momentum and ensures victory. So how does it work?

1. First, **develop the direct action plan**, i.e. the specific steps necessary to reach the objective.

2. Second, **identify the critical point in the plan**, i.e., the point at which the project could be halted for lack of approval either from the top or "buy in" from those whom you hope to help carry out the task.

3. Third, **build in several indirect approaches to ensure victory:**

- › **Identify the advantage** to the other party for approving your proposal or participating in the project, and find ways of presenting those advantages indirectly before submitting the request for approval/buy in.

- › **Use third party advocates** who are highly regarded by the one(s) with power to refuse your request.

- › **Highlight and demonstrate the fun** of supporting the project; keep an enthusiastic, confident style. If one indirect tactic does not work as anticipated, use another, but be sure to avoid the all-or-nothing decision until you are certain of approval.

- › **Direct praise for the project** both to the one(s) who approved the project as well as to those who implemented the action. Do not neglect the wisdom behind the saying: "You can accomplish anything, if you don't mind who gets the credit."

(The Vahana Project - continued from page 21)

2. Frame. Frame is the support the team needs from others to succeed. Sometimes this is a champion at a higher level. It may be a key person in a supporting service area. Take care to identify key players and get them on board. Also, keep them informed.

3. Leadership. If possible, let the project team select its own leadership. Let everyone possible take some leadership role. Create the image of facilitation for the team's leadership requirements. Skills in conducting workshops, structured conversations, meeting design, maneuver creation and reflection are crucial for effective operations.

4. Communication. Do it often, both within and without the team. People kept in the dark will create their own information.

5. Leverage. Identify your key leverage points and concentrate your energy there. Remember that 80% of the results come from 20% of the effort.

6. Skill. Carefully audit the skills necessary for the project team's success. If not available from somebody on the team, build in skill by careful on-the-job training.

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