

12 ?

TWELVE TOUGH QUESTIONS

FOR BETTER MANAGEMENT

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Version see File Name.

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Intro or elevator talk

You have been granted power,
and corresponding responsibility.

But that does not help, if your communication channels are bad, and you *really do not know* what is happening, in time.

Would you like to know what's *really* going on?

Your CFO *cannot* tell you, in time.

You might need a 'Chief Value Officer' (CVO) to keep track of the critical factors.

There is one simple key idea, that will enlighten you, about your organization: **all 'critical stakeholder values' need to be as 'clear to you and others, as money' is 'clear' to your CFO.**

Non-financial Values are what customers *experience* from your services and products. 'Values' are also what your employees, suppliers and managers *experience*.

And, you had better believe it, values are **more important** to all of *them*, than mere money. As they say '*Your money or your life!*'

Good delivery of values, *should* result in good finances, and in satisfied employees, customers and managers.

Yes, I help heroes
clarify critical values,
To improve their force

Do you work in
The Force ?



Most people do not know how to clarify values. Most people do not even know what a 'clear value idea' is. They *never saw* one.

If you think 'value clarification' sounds like a reasonable strategy, to make your organization a better one, a more valuable one, the **good news** is *you can easily change to a clear value culture.*

It might be the best investment you ever made, and the best strategy that you ever *used*, to *really* transform your organization.

Here are the rough economics of serious value management.

1. You can teach people to do quantified values, in a day to a week. Top managers can learn to do it in half-a-day.
2. You can apply 'value clarity' *anywhere* in your organization, from the top, to small projects, and to any working processes. You can lead by example, by *doing* it in your area.
3. Experience says, everything will get 2-to-10 times better.
4. If you act quickly, you will have a 'competitive advantage'.
5. You will 'look good as a manager', because of impressive results, quantified, in critical areas.
6. You can try out the 'value clarification' ideas, experimentally, with very low risk, until you are confident enough, to spread them further.
7. You can take the honors for *innovative management*, or your successor might do it, and make you look primitive.
8. Unlike many organizational changes, this one is 'self-measuring'. That means *success can be measured* in small early increments. It means you can *really* be agile, in changing, before it is too late. It means you can see the correlation between 'value improvement' and 'financial improvement'. It means everybody is motivated, to be able to take credit for their improvements.

This can be simple, few clear top goals, one page control

Few Clear Top Goals

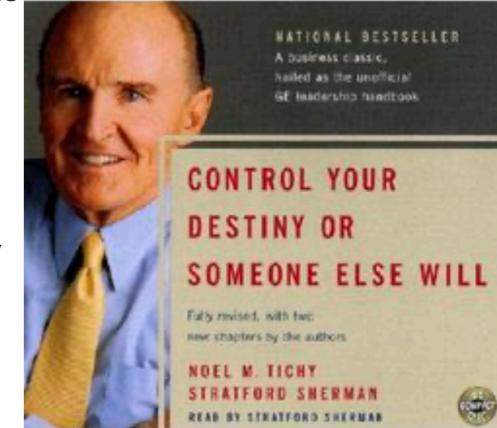
•Instead of directing business according to detailed...strategic plan,

- [Jack] Welch [General Electric CEO]
- believed in setting only a few clear, overarching goals.

•Then, on an ad hoc basis,

- his people were free to seize any opportunities
- they saw
- to further those goals. –

- Noel Tichy and Stratford Sherman, "Control Your Own Destiny or Someone Else Will"



Source: slide 5, Top Level Critical Project Objectives 2008,
<http://www.gilb.com/dl180>
(lots of practical examples and cases here)

The basic 'Value Clarity' ideas.

1. VALUE CLARITY: Absolutely all 'critical stakeholder values' can and will be clarified, using the following tactics:

- 1.** They will be quantified, with a defined scale of measure.
- 2.** They will contain definition of 'all practical dimensions of consideration' (who, where, when, why, what)

2. VALUE TRANSPARENCY: Funding, investment, and operational financing will only go to projects and processes where the critical values are *clarified, approved, and where frequent change is tracked.*

3. ROI IS KING: the basis for power, for funding, for priority, for advancement, recognition, and job evaluation will be

values-delivered for budgeted-resources-expended (near-term and long-term considered).

12?

The '12 Tough Questions' (below) is a simple tool to help you manage 'value clarity'

1. NUMERIC CLARITY

Why isn't the suggested value-improvement quantified?

We are quick to quantify those precious resources “money” and “time”.

But ‘competitiveness’ is not ‘reducing cost or time’ alone. Cost reduction is only useful if the “right” product or service is also delivered first.

The ‘right stuff’ is the critical question. The right stuff can be classified as ‘qualities’ , ‘values’ and ‘benefits’ , or ‘advantages’ , for a wide range of your critical stakeholders.

Practically every ‘value’ can be *ultimately* evaluated in terms of money. But most values, need **direct measures** of their own, so that we can *directly manage* them.

How often do you read the words: ‘improved’ , ‘better’ , ‘enhanced’ . Fuzz-words, like those, should be forbidden, in serious management planning.

Fuzz-words need to be replaced by ‘two numeric points on a scale of measure’ , (1) your **current** level of value performance, and (2) your **planned** level of value performance in the future. *That* is a clear value idea.

So, for example, the phrase ‘*leading to a substantial increase in product reliability*’ should be replaced by, for example, ‘reaching 99.9% uptime during customer use, by next year, as opposed to less than 85% this year’ .

I have found that *all critical* ‘intangibles’ are quantifiable. I have found that ‘qualitative ideas’ can be quantified, almost without exception. If you know how [Q]. Most don’t!

The concept that management ‘must quantify’ , to get control is not new. But most managers today, still have a large number of *value concepts*, important to their daily work, which they, incorrectly, do *not* view as quantifiable.

Can you think of some ‘soft’ critical stuff in your area? Do you want to bet with me that they *cannot* usefully quantified? You would lose the bet.

Neither do a manager’s immediate surroundings (their boss, the Board) set a ‘quantification example’ either. This is a combination of lack of leadership, and lack of training.

Here are objectives set by the CEO personally for a corporate-critical service-product improvement
Do you see any clear ideas?

1. *Central to The Corporations business strategy is to be the world’s premier integrated_<domain> service provider.*
2. *Will provide a much more efficient user experience*
3. *Dramatically scale back the time frequently needed after the last data is acquired to time align, depth correct, splice, merge, recompute and/or do whatever else is needed to generate the desired products*
4. *Make the system much easier to understand and use than has been the case for previous system.*
5. *A primary goal is to provide a much more productive system development environment than was previously the case.*
6. *Will provide a richer set of functionality for supporting next-generation logging tools and applications.*
7. *Robustness is an essential system requirement (see rewrite in source below)*
8. *Major improvements in data quality over current practices*

Source: Top level Critical Project Objectives, <http://www.gilb.com/dl180>,
Case slides 18-37, with ‘how we saved the failed project’,
Which initially lost \$100,000,000, was 8 years late, had 80 people full time on it.

Chicken-feed money for them,
but an 8 year delay, with a bad major product,
was very threatening to their competitiveness.

Notice that money is not mentioned here, just critical values.

All these values can be quantified, and we did. 1 Days work.

<domain> in point 1, means I have not repeated their industry area.