

Executive Summary

Continuous improvement is the life-blood of a successful organization; improving processes and increasing efficiencies are even more important if the economy heads south. Although the current economic situation is improving, many organizations are opting to keep operational expenses on a tight leash, and some have decided to freeze hiring and re-evaluate project budgets. Stan Battelle of Standard Media stated, “We’re now in a cycle of demanded innovations. When profits are down and there is no money, you have to innovate to stay in business.”

Three Keys to Increased Productivity and Reduced Costs Across the Enterprise

Many executives are asking their employees to do more with less, but there is a fine line between increasing productivity and expecting your people to work harder, work longer, and earn incrementally less money. How can organizations maximize capabilities without doing irreparable damage to their resource infrastructure? Three keys to help maximize resources and increase profitability without crossing the line are:

1. Ensure your organization has access to accurate information
2. Focus on bottom-line activities
3. Make the organization’s vision accessible to everyone

Decision-makers challenged by shrinking budgets can still drive high performance projects. Even in a down economy, there will be organizations that view the current economic situation as an opportunity, and find innovative ways to increase market share and expand profits.

Executives Need Accurate Information to Focus on Initiatives that Provide the Most Value

Any company can keep people busy; focusing on initiatives that align with corporate strategic and financial goals allows organizations to cut through the clutter of project requests and zero in on the ones that provide the most value. Choosing the right projects to work on can make the difference between an organization that succeeds and one that fails.

“Poor decisions lead to bad investments, or an abundance of activity in one area at the expense of missing opportunities in another,” suggests project management author Patrick Gray in his article Building the Project Firing Squad.¹

Access to accurate information allows executives to make intelligent and informed decisions. If an organization’s decision-makers don’t have real-time access to a reliable picture of what’s going on in their business, it’s no better than consulting a Ouija board every time a decision needs to be made concerning

current projects, they implement new projects, or they insert an emergency project.

Executives Need Accurate Information to Make Informed Decisions

Executives need a project management solution that will give them visibility into project data that is updated instantaneously—every time a project team member updates task status. For example, wouldn’t it be valuable to know a project is struggling before it’s too late to do anything about it? Automatically calculated completion dates allow executives and managers to evaluate current projects with timely data that ensures current projects are providing real value and not sapping resources that could be better utilized elsewhere.

“Not a single day should go by without some kind of improvement being made somewhere in the company.”

—Edward Deming

Making smart decisions requires accurate information. Dashboards are of no value if the information is outdated. Decision-makers need to know that the actions taking place on the project floor—right now—are reflected in the information they are currently evaluating. Dependence on someone manually creating a report means executives are using out-of-date and inaccurate information to make critical decisions.

Projections, dashboards, and reports that include accurate and up-to-the-minute information help managers keep projects on track and organizations maximize resources.

Be More Productive

Making it easy for teams to participate in the project management process ensures executives have timely information and makes organizations more productive.

An effective project management solution needs to address the disparate needs of everyone involved. Project teams need a solution that makes it easy to manage tasks and update status.

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Forcing teams on the project to jump through hoops or navigate a maze of complicated procedures virtually guarantees executives won't have the accurate information they need.

Carving out a more productive environment that focuses on bottom-line activities doesn't require a machete when a scalpel will do. In an article published in *The Harvard Business Review*, Bill Munck, an executive at Marriott International, suggests that "...relatively small changes in productivity can have a major impact on shareholder returns."²

For example, the simple step of eliminating one unnecessary meeting a week can save thousands of dollars every year. In fact, eliminating just one hour-long weekly status meeting could save an organization \$1,250 per year per employee (given an average employee that earns \$50,000 per year). When everyone makes small changes to increase productivity, the total gain can be exponentially greater than the sum of the parts. The question then becomes, how do organizations realize these kinds of small, incremental, productivity improvements?

Collaboration Equals Increased Efficiency

Having a centralized location for managing tasks, documents, communication, and other project information fosters a culture of collaboration and team input into the project management process, which is critical for project success. Organizations that nurture communication and ongoing interaction throughout the workforce find they are more efficient as a whole, and able to build additional capacity without increasing resources.

A collaborative project management solution allows organizations to eliminate unnecessary status meetings because project status is updated in real time. This has the advantage of allowing individual project team members to do what they are really expected to do - get work done.

Establishing Evaluation Criteria Ultimately Makes Projects More Valuable

"Waiting for something to break puts you in crisis mode," says Major Dale Long, USAF. In a recent article titled, "What Drives Your Business?" Long suggests, "I prefer a more deliberate approach when I'm tinkering with anything really important. Be proactive."³

The best time to consider whether or not a particular project meets with organizational goals is before it's even started. An effective project and portfolio management tool will allow organizations to do more than simply manage multiple projects. It will provide a means for establishing and evaluating projects with a pre-determined metric. This allows organizations to appraise the potential value of any project, including current projects, against a set standard to determine if they meet organizational goals, or if they should be abandoned in favor of more profitable initiatives.

Creating a formalized approval process also protects organizations from spending valuable resources on projects of marginal value because they are the "pet" project of a powerful stakeholder. Establishing a standard for evaluating current and potential initiatives helps organizations avoid wasting time on projects that present no real value and makes it possible to get the most out of available resources.

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Doing More with Less, Not Just Doing More and More with Less and Less

Decades ago, Edward Deming advocated Lean Production methodologies to Japanese corporations like Toyota. Lean is all about doing more with less: less time, less inventory, less space, less labor, and less money. "Lean manufacturing" is shorthand for a commitment to eliminating waste, simplifying procedures, and speeding up production.

Empowering employees to improve process is more effective than demanding they do more and more with less and less. According to Toyota, "Improvements and suggestions by team members are the cornerstone of Toyota's success; every Toyota team member is empowered with the ability to improve their work environment." (Vadim Kotelnikov)⁴

Deming's philosophy encouraged organizations to reduce waste by empowering employees with the ability to positively effect process change—which requires everyone in the organization, from the project floor to the corner office, to understand the goals and vision of the organization and individual projects.

Make the Vision Accessible to All

Access to dashboards and custom reports makes it easy for executives and managers to have visibility into every project. This makes it possible for project teams to have complete project accountability from start to finish.

An established and transparent method for evaluating projects based strictly on merit allows everyone in the organization to focus on efficiency and profitability. Providing project teams with easy-to-use collaboration tools allows the people involved in every project to contribute—making projects more efficient and maximizing resources.

Organizations that critically evaluate and learn from every project are better able to maximize their resources than those that don't. Project teams need to share knowledge from the beginning of every project, and lessons learned should be captured when they occur, not later.

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In an article published by Projects@Work, Blaize Reich suggests that “Transferring knowledge from one project to another can offer enormous benefits, yet a recent survey of 961 experienced project managers found that although 62 percent had formal procedures for learning from projects, only 12 percent adhered closely to them.”⁵

Project management software must do more than allow managers to assign tasks. To provide real benefit to organizations trying to get more done with less, it needs to help executives, managers, and project teams evaluate and learn from every project—making it possible to increase the value of any project.

“Companies are looking to their business-technology leaders not only to help them do more, but also to do more of the right things—often with less: fewer people, less spending, less time, less margin for error.” (Karen Klien in an article written for BusinessWeek)⁶

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About the Author

Ty Kiisel writes about project management for @task, a leading provider of project and portfolio management solutions.

About AtTask Inc.

The @task (<http://www.attask.com>) project and portfolio management (PPM) solution focuses all knowledge workers on those activities that make them and their company more effective, innovative, and competitive. This platform-independent and multilingual solution increases efficiency for small- to medium-sized businesses and Fortune 500 companies across the globe. @task's clients include Cisco Systems, GE Healthcare, Google, Hawaiian Airlines, HBO, Interpol, Johnson & Johnson, Merck, Rawlings, Toyota, and Whirlpool.

¹ Gray, Patrick (2008). Building the Project Firing Squad. <<http://www.projectsart.co.uk>>

² Munck, Bill. (2001). Changing a Culture of Face Time. Boston, MA: The Harvard Business Review.

³ Long, Dale. (2008). Process vs. Technology: What Drives Your Business? <http://www.chips.navy.mil/archives/97_apr/file1.htm>

⁴ Kotelnikov, Vadim. (2008). Kaizen: The Japanese Strategy of Continuous Improvement. <<http://www.ventures.powweb.com>>

⁵ Reich, Blaize. (2008). Lessons Not Learned. <<http://www.projectsatwork.com>>

⁶ Klein, Karen. (2008). Globalization, Small Business Style. BusinessWeek. (1/24/2008) 18.

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