

Performance and the Twin Engines of Work

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About this Paper

The authors Doug Smith and Saad Allawi have been friends and colleagues for 25 years. Both have a long-standing interest in performance management.

Doug is the author of numerous books on the topic, and has helped clients in dozens of industries use performance to drive strategy, innovation and change (www.douglasksmith.com).

Saad has worked with healthcare organizations for nearly 20 years on the same topic, as a consultant and more recently as a software entrepreneur, having co-founded Performance Logic (www.performancelogic.com).

After a recent conversation about viewing an organization as a portfolio of process and project work guided by performance scorecards, Doug and Saad decided to write this white paper on the topic.

This paper has three sections:

- I. Work and Performance
- II. Examples from Industry and Government
- III. Examples from the Healthcare Industry

I. Work and Performance

No one reading this is a stranger to the relationship between performance and work. Most of us know that the clearer the link between performance and work, the better. Such clarity starts with understanding:

- What do we mean by performance?
- Where and how does work happen in our organization?
- How do the two connect?

Pretty simple questions, you might say. Well, hold on a moment. Have patience. When it comes to performance and work, more than six decades of combined experience have taught us that enterprise after enterprise routinely make crippling mistakes¹:

Confusing activities with outcomes. Activities are the engines – the work -- of performance. How can we accomplish anything in the absence of activity? Indeed, activity is just a different word for work. Activities are work. Outcomes are the results of activities -- of work. Outcomes are performance. Far too many folks in far too many organizations set goals that merely describe work instead of outcomes expected *from* that work. For example, “By June, we will take steps to improve service quality in our 12 service centers.”

This is an activity-based goal. It describes work to be done in pursuit of an admirable objective. But it does not answer, “How would we know that work has produced results?” It tells us improved service quality is important. But that’s not a particularly useful description of performance.

Performance goals should answer, “How would we know we succeeded at improving service quality in our 12 service centers?” That requires goals that are *SMART outcomes*: Specific, Measurable, Aggressive yet Achievable, Relevant and Time-bound *outcomes*. For example, “By June, errors in each of our 12 service centers will drop 50% while the time to serve customers will also be cut in half.”

That’s an outcome. And it makes it clearer for the folks responsible how to identify and undertake the work required to achieve

¹ For a complete discussion of using performance to drive your organization, read and use *Make Success Measurable* by Douglas K. Smith. <http://www.douglasksmith.com/makesuccessmeasurable.htm>

performance. *Clarity.* Clarity in the relationship between work and performance starts with distinguishing activities from outcomes instead of muddying them up.

Equating performance strictly with financial measures. Do costs, revenues and profits matter to performance? Of course! But far too many organizations obsess over costs, revenues and profits so much they lose sight of other performance outcomes that matter just as much – outcomes critical to customers, to employees, to joint venture partners, to vendors and suppliers and more.

Imagine you and a group of friends are at a restaurant. After you've read through the menu and heard the specials, the waiter smiles and says, "The food you're about to order has as high a price as we can get away with and as low costs as possible – including as low wages for me and the chef as the market will bear. As far as we're concerned, you the customer and we the employees are here to build wealth for the owner. Now what would you like to order? And, by the way, speed it up so that I can get over to the next table."

As New Yorkers might say, 'Fuhhgeddaboutit!' Here's the deal. Performance must blend outcomes that matter to employees, customers and shareholders. It's a balancing and blending act. Indeed, look at the previous point regarding activities and outcomes. The outcomes describing success at service center improvement are about quality and speed – not nickels and dimes.

Confusing the organization chart with where and how work happens. Thinking about organizations as 'pyramids' is as engrained as smiling when we see others smile. In this view, there's a boss at the top. That boss has direct reports responsible for major functions – line functions such as manufacturing, operations, marketing, and sales – and staff functions such as finance, technology and HR. Each function head has department heads who, in turn, have sub-department heads and so on until we get to *the* modular unit of work – the individual.

Very nice. And entirely out of date. In the 21st century, organization charts better describe the reporting relationships among people than the work done by those people. Even then, the charts are *always* incomplete and out of date. Does the performance of organizations require individual performance, department performance and function performance? Yes. Does any organization's performance in our

chaotic and dynamic 21st century equate entirely with work done in this way? *Not a single one.*

Welcome to the 21st century – a century in which the work done in organizations has been reengineered, downsized, strategically allied and outsourced – that is, changed from anything that has come before. In our *new world of work*, you will get a more pragmatic handle on relating work to performance if and when you recognize there are only two kinds of work that produce performance: repetitive versus non-repetitive. Or, if you prefer, *process* versus *project* work. For your organization to succeed, you and your colleagues must learn the difference between these two kinds of work and how to demand and deliver – how to manage -- performance in each.

The Twin Engines Of Work

People in their 30s and 40s have not experienced a world in which folks worked in organizations ruled by stability -- a world of work characterized by lifetime employment, uncreative oligopoly competition, and extensive government regulation. In other words, the world of work as it existed in the era of black-and-white TVs. A world when “9-to-5” described our work lives instead of “24/7”.

“Organization-chart-as-work” served well for that world of stability. But it misrepresents how and where work happens in our 21st century of chaos and change.

Today, there are two kinds of work: repetitive and non-repetitive. Repetitive means just that -- work described by a set of tasks that a certain set of people repeat over and over again for some reasonably sustained and open ended period of time. Sales can be repetitive work. So can much of marketing. And there are major aspects of operations, manufacturing, finance, HR, technology, service, distribution and logistics that demand repetitive work.

When doctors diagnose, much of what they do is repetitive. When pharmacies fill out prescriptions, much of what they do is repetitive. When the driver for your rental car company picks you up at the gate and drops you off at your rental car, much of what he or she does is repetitive.

Repetitive does not mean boring work. Yes there can be boredom in some aspects of repetitive work. When field hands pick strawberries,



one imagines boredom relieved mostly by daydreaming about things other than picking strawberries. But, in a world demanding speed, quality, insight and continuous improvement, equating repetitive to boring is a non-starter. Hence, you might prefer the word “process” to repetitive.

In contrast, non-repetitive work – or, if you prefer, project work – matters to performance *specifically because it is not going to get repeated*. It is work that has a custom aspect to it. Finding a new strategy. Re-designing a compensation system. Installing new software. These and a zillion other projects happen in organizations specifically because folks want some new or better path to performance.

Note that project work can aim at improving process work. Reengineering is a classic example. It is likely, for example, that efforts to improve service at the 12 service centers mentioned above will require project work aimed at improving process work – non-repetitive work aimed at improving repetitive work.

Another way to think about this distinction is to contrast continuous work with discontinuous work. For example, dramatically and radically improving performance at the 12 service centers is likely to demand a discontinuous look (project and non-repetitive) at continuous work (process and repetitive).

Not entirely though. And so, having described the two basic kinds of work, here are some subtleties:

The 'learning curve'. When people do repetitive work, they get better at it. The core meaning of 'continuous improvement' comes from the learning curve. A person picking strawberries for the hundredth time picks more strawberries than someone doing it for the first time. A person answering customer inquiries for six months does better than someone on their first day.

Performance delivered through repetitive, process, continuous work can improve in two ways: (1) by setting and achieving SMART outcome-based goals demanding results from the learning curve; and, (2) by using project/non-repetitive/discontinuous work aimed at rethinking process/repetitive/continuous work.

Second order perspective. The classic is project management. Is that repetitive or non-repetitive work? Project managers do many

things over and over again – establishing project objectives, pulling together and managing teams, laying out project schedules. Through repetition, project managers get better over time. Yet, it's also true that each project differs in important ways; that is, to be a good project manager it is critical to understand that projects themselves are non-repetitive work.

The difference between job title and work. A doctor does repetitive as well as non-repetitive work. So do lawyers, carpenters, managers, technologists, sales folks, and teachers – indeed, zillions of jobholders in our complex 21st century. Yes, the ratio of non-repetitive-to-repetitive work is higher for a CEO than a customer service representative. But managing performance demands that we avoid silly 'either/or' assumptions equating job titles with *either* repetitive *or* non-repetitive work. Indeed, this subtly but powerfully illustrates the folly in confusing work with organization charts – *and it helps managers avoid yet one more pitfall, namely investing too much decision-making authority in 'higher ups' who are not well positioned to improve performance in the work itself.*

If we could take a 'time and motion' snapshot of *all* work in today's typical organization and compare it to an analogous snapshot from fifty years ago, we'd see this: *The ratio of non-repetitive/project work to repetitive/process work has skyrocketed. And that means managing performance – clearly linking performance to work -- is more difficult than it's ever been.*

Managing The Performance Of A Portfolio of Process & Project Work

The performance of any organization – governmental, not-for-profit or for profit – arises from the process and project work going on in that business.

Here are questions you can use to maximize the performance of your organization:

- **Do you know the most critical repetitive/process work going on in your organization, and why/how that work contributes to**

performance? Such work might be functional (e.g. sales) and cross-functional (e.g. supply chain). The work might demand contributions from multiple individuals and teams collaborating together. For all process work of any significance, you and those doing the work should have the answer to, “How will we know this process work is succeeding?” Performance outcomes for repetitive/process work are measured in financial terms (revenue, cost, profit) and non-financial terms (speed, quality, and ‘positive yields’ such as numbers of customers and so forth). For work done by multiple subgroups and individuals, it is typically straightforward to disaggregate overall performance outcomes into a subset of outcomes for these contributing groups – and to manage them accordingly.

- **Do you know the most critical non-repetitive/project work going on, and why/how that work contributes to performance?** Projects might encompass multiple teams collaborating together (e.g. a major reengineering initiative) or only a single team (e.g. a task force reviewing health benefits). For each project, there should be SMART outcome-based goals that answer, “How do we know this project has succeeded?” The best goals for project work – just like process work -- include financial as well as non-financial outcomes. You should have a clear, complete and current picture of *all* critical projects in the organization and how/why they matter to overall success.
- **Do you know how project work relates to process work?** *Most importantly, what and how will performance expectations of process work change as a result of existing project work?* Some project work is not directed at process work (e.g. a change in health benefits). But project work often anticipates important changes in process work. Consider a new strategy. Unless you and others translate new strategies into new, different and better ways to do process/repetitive work, the strategies will fail. Say the new strategy emphasizes customer relationships over product volume. That has significant implications for repetitive work by sales and service people – and those implications will not happen unless the performance contributions expected from those folks change.

Management software enables you to have a complete and current picture of how performance and work connect. As you pick, choose, use and modify such software, remember the following success factors:

- Can you and others articulate the most critical performance challenges facing your organization?
- Does your strategy speak to those challenges?
- Can you answer, “How would we know we succeeded at such challenges?”
- Does the process and project work going on in your organization align with your strategy and the key performance challenges you face?
- Do the people in your organization contributing to process and project work have the skills, behaviors and working relationships required to deliver the SMART outcomes needed?
- For any performance challenge and its related process and/or project work where the folks lack the required skills, what are you doing about it?
- Does your software give you a current picture of performance broken down by process and project? Can you answer – right now! – “how are we doing?”
- Do you and others use the software? (Silly question? No, you’d be amazed at what sits on the shelf or in dead space in the computer!)
- How do you use it? Do you integrate the information – including not just performance, progress, skills and staffing information, but also critical conversation features such as threaded discussions – into routine progress and operating reviews? How? How well?
- Have you answered, “How do we know we’ve succeeded at using our management software? Do you have SMART outcomes for *that*?”



In the following examples, we provide highlights of how managers have used a portfolio view of SMART outcome goals to link process versus project work to overall organization performance.

The industry and government examples are drawn from published sources².

The health care examples come from interviews and conversations with the players who were involved.

² “Project Management Success Stories”. Alexander Laufer and Edward J. Hoffman. Wiley Operations Management Series for Professionals; “Advanced Project Management and the PMO”. Gerald I. Kendall and Stevens C. Rollins. International Institute for Learning.

II. Industry & Government Examples

1. Effective management of individual projects within an overall portfolio view of projects helped the Coast Guard significantly reduce costs.

Federal budgetary pressures in the mid 90s required the Coast Guard to reduce expenses by \$100 million, or 12% of its annual budget. \$60 million of the required reduction was identified and approved through the normal budgetary process. The other \$40 million had to come from eliminating or reducing system redundancies in process work. To add to the pressure, results were expected in two years.

Priorities using project portfolio management

In the summer of 1994, a team of Coast Guard managers began evaluating options for eliminating or reducing redundancies. Fifteen months later, their plan of action called for five teams to use an overall portfolio view of projects within which they narrowed project selection and used personnel skills and availability to assign project responsibility.

Disciplined project management

The projects were assigned to field civil engineering offices based on current workload, willingness to accept extra work, prior performance and geographic familiarity. Each project team spent three days developing detailed project plans. All participants, including senior managers from headquarters, were involved in these sessions. This changed the role of senior managers from that of review/approval to advisor/participant. *Decision-making belonged to those participants directly involved in the projects, thus bypassing the normal organizational hierarchy.*

Ultimately, a single approval document was submitted for each project and each office was given five days to review and make a decision. A non-response by senior management within the five days meant that the project was approved for implementation. To ensure timely and accurate communication for all projects being implemented, key players were issued notebook computers and networking equipment as well as pagers and cell phones. A mini phone directory and a bulletin

board type computer system were developed to pass information further along to team members.

Appropriate software tools

Project directories were created and placed on the network. Microsoft Project was used to create project schedules. These decisions ensured that all team members received timely project implementation reports and that all issues were dealt with in the appropriate manner.

Outcomes

The results were remarkable. The Coast Guard not only achieved the targeted \$40 million in savings, but managed to find an additional \$5 million. The projects were completed within 10% of budget and in accordance with the schedule. While this was a one time project, the learning became the basis for new ongoing work practices.

2. Tessco Technologies used project portfolio management to implement its strategy and substantially increase revenues, earnings and cash flow

Tessco Technologies is a leading worldwide supplier of integrated products and supply chain services to the wireless industry. In early 2001, the CEO initiated “fast-track” strategic planning to ensure consistent growth and productivity improvements. First, Tessco’s leaders developed a shared understanding of all aspects of operational (i.e. repetitive/process) work in the organization. Then, they chose a portfolio of projects that had specific goals, timelines and commitments most in line with Tessco’s strategy. Those closest to the work did the analysis and took the initiative instead of “bosses” with ‘organization chart’ authority. Projects ultimately fell into two categories: (1) Marketing Innovation and New Business Generation; and, (2) Operational Excellence and Process Improvement.

Appropriate software tools

In order to track project implementation in an accurate and timely fashion, the company used the Oracle-based Concerto multi-project planning and tracking software. All projects are now tracked in the same tool.

Outcomes

Revenues grew at 15% over the same quarter in the prior year and 12% over the prior quarter. The operational improvements generated \$5 million in cash flow to pay down virtually all short-term debt. All of this was achieved during turbulent market conditions. The Tessco staff learned as they went along. For example, the effort did not begin with all aspects of SMART goals because Tessco invested in some learning up front. But, the effort soon found its way to a portfolio view of process and project work with SMART outcome-based goals.

3. Attention to good project management within a portfolio of projects in IT significantly contributed to Arlington County's goal of more transparent government.

Arlington County in northern Virginia is a 26-square mile urban conclave with about 190,000 residents. County government consists of 20 departments providing a wide variety of public services. The government employs around 3400 workers. In 2001, the County embarked on an eGovernment Initiative aimed at enabling residents, businesses and visitors to engage in government functions and services over the Internet. The objective was access "anytime, anywhere, with no wrong door". The County government chose to measure success based on the perceived quality of its services and committed to demonstrable improvements in departmental and functional performance – many of which were, in turn, dependent on a major step up in IT effectiveness.

IT Project Portfolio Management

The County government established a Project Management Office (PMO) to manage all IT projects, working with a Technology Leadership Committee comprised of department heads and led by the Chief Information Officer. The PMO had three key tasks: (1) develop a standard project management methodology; (2) provide project management consultancy; and, (3) use a portfolio approach for project selection and monitoring.

Over 65 projects were proposed from various departments to compete for the \$3 million IT capital budget. The projects were evaluated against five criteria using point scores and weights: (1) Mission



Effectiveness (8 points, 20% weight), (2) Strategic Alignment (12 points, 20% weight), (3) Organizational Impact (8 points, 20% weight), (4) Risk (20 points, 20% weight) and (5) Benefit to Cost impact (4 points, 20% weight). After several working sessions, 11 projects were granted capital funding, forming the IT investment portfolio for the year. This portfolio management approach became the standard process by which IT prioritizes all projects.

Outcome: Solid Project Management

The PMO initially developed a standard project management methodology and applied it to all new projects. The methodology included templates for project justification, project charter, detailed task plan, spending plan, status reporting, a 6 month post-implementation review, and an asset management policy. For example, one priority project regarded PC replacement. The PC replacement program manager used the methodology to help design and implement an automated asset management solution to identify replacement candidates, set standards for minimum PC adequacy levels, define scope required and define replacement procedures – all of which resulted in a substantial increase in performance (from replacing 61 PCs out of 600 to 200 out of 600). Other projects achieved similarly impressive outcomes. But perhaps the most significant outcome was in building project management capabilities – and confidence -- throughout the organization as a cornerstone of the transparent government goal.

III. Healthcare Examples

Healthcare enterprises have also used project and process portfolio management to improve performance. Below are examples from three Healthcare service providers and one medical supply company:

1. SCVMC used project and process portfolio management to institutionalize organizational values, improve process performance, and develop leaders

Santa Clara Valley Medical Center (SCVMC) is a hospital and clinic system serving the County of Santa Clara in California. Beginning in 1995, SCVMC has used organization-wide reengineering to reduce costs and improve service in many aspects of repetitive/process work. Along the way, SCVMC management asked the Director of Performance Improvement to work with project team leaders to provide overall direction and coordination of the work. She turned to project and process portfolio management. We have chosen to highlight three initiatives:

(1) The Organization Values initiative had the widest impact. In 1999, SMART qualitative objectives were established to ensure that within three years employees and staff “lived” the values in their day-to-day activities. A 30-person high-level project team articulated the first draft of an Organizational Values Statement. With the help of a consultant, the team developed a six-point statement that was then reviewed and revised by several hundred employees, physicians, and volunteers from throughout SCVMC. The Executive Management and the County Board of Supervisors endorsed the final Statement.

Interestingly, two of the six values were given highest priority: “One team working together” and “Patients are a priority”. And, literally thousands of employees were asked to propose ways to make these real. Eventually, hundreds of initiatives were grouped into a variety of categories (e.g. communications and equipment) that, in turn, were prioritized and tackled.

One of the more intriguing projects sought to reduce/eliminate gossip. The team researched the impact of gossip in the workplace and

developed an entertaining video on the destructiveness of gossip in a hospital. The video was a box-office smash, with many departments requesting copies. In short order, the staff shared an understanding about the negative consequences of gossip on teamwork and performance.

Eventually, a survey of employees testified that the Organization Values effort achieved many SMART goals such as:

- Reenergizing employees after a tense re-engineering effort
- Substantially improving the quality of interaction among employees
- Empowering employees
- Developing a shared understanding of SCVMC's long term vision
- Building employee belief in SCVMC's commitment to employee input on work quality and customer service

(2) A Pediatric Team initiated a project to improve the performance impacts of a repetitive work process. By streamlining the conscious sedation procedure, the team reduced a 5 to 9 month lead time for accepting patients to *one week*. This improvement, in turn, helped achieve related qualitative and quantitative SMART goals, including new business for the department, improved physician satisfaction with service delivery, enhanced family involvement in appointment scheduling, and increased revenue through improved billing processes.

(3) SCVMC management used a combination of classroom training and "on the job" opportunities to develop leaders. During the Organizational Values project, senior management saw a direct link between success and a combination of formal and informal leadership. By observing staff performance, they were able to identify people who could rapidly develop leadership skills if given a performance-based opportunity to do so. Management then designed a repetitive process approach to leadership development, one that combined typical classroom based training with "on the job" project and process responsibilities in order to continuously cultivate and develop leaders throughout the enterprise.

Appropriate software tools

SCVMC used the Performance Logic software tool to manage the portfolio of initiatives and is relying on the tool to help develop the necessary leadership skills in performance improvement ("on the job training"), data management, and project management.

2. By investing in project management skills and using project and process portfolio management, Via Christi Health System Wichita Network, improved the performance of the IT Department.

Via Christi Health System Wichita Network is a large regional system of two hospitals, a rehabilitation facility, a Health Plan and other medical facilities serving Wichita, Kansas. In 2002, the Chief Information Officer (CIO) wanted to improve the management of IT projects (project management), better manage scarce IT staff resources (process management) and improve project prioritization (project portfolio management). A variety of issues existed within the department, including a lack of standard project management methodology, limited ability to share experience among projects, a shortage of project management skills, no effective way to inventory staff resources, and no methodology for effectively prioritizing projects.

Eventually, IT management used Performance Logic portfolio management applications to address these issues. Among other things, a project management methodology was identified. Software tools such as templates that contained checklists of common mistakes were made available to all involved. Prioritization approaches were standardized and applied, and authorization schemes were adopted to ensure that costly projects gained appropriate review. SMART outcome goals reflected the interests of both providers and consumers of various services. In just one indicator of effectiveness, the IT department was completing close to 90% of its projects on time by 2005 – a 40% improvement over its performance three years earlier.

3. A project to streamline recruitment and retention at Carondelet Health Network reduced turnover among critical staff

Carondelet Health Network is a three-hospital system and physician network serving more than a million people in southern Arizona. CHN went through a major financial turnaround between 1999 and 2002. To build on the performance gains, CHN needed to reduce turnover

among critical staff – an effort that, in turn, demanded focusing on the process of recruiting and retention.

Standardized documentation of initiatives through both individual project and overall project portfolio management
The Vice President (VP) for Human Resources (HR) had overall responsibility for leading the effort to improve staff recruitment and retention. She asked a team of human resources and patient care staff to develop initiatives to positively impact the recruitment process while simultaneously lowering employee turnover. Over 40 different initiatives were created. The documentation for each was located in separate folders and at different physical locations. Most were documented using manual media, whereas those documented electronically utilized a variety of software packages.

The VP for HR consolidated all the initiatives electronically using one software package which could be accessed by all users at any time and from any location, at work or at home. Each initiative contained all relevant information about that initiative including funding, history and documented results.

Prioritization of initiatives and tracking of results

From the total list of initiatives, the team identified two that would have the fastest impact on recruitment and retention: (1) increasing the relocation reimbursement for new RN recruits; and, (2) increasing the funding for nurse education.

The VP developed a scorecard for tracking the status of each initiative as well as the results achieved on an organization-wide basis. This meant collecting organization-wide metrics located in different files, and consolidating them into one place.

The VP established 17 metrics for measuring recruitment and 18 for retention – all of which are now updated monthly. The VP also posts monthly scorecards on the HR department bulletin board. The senior leadership team at Carondelet Health Network can now also review the scorecards and project plans to ensure that all stakeholders have knowledge and access to the HR team's recruitment and retention initiatives.

Performance accountability

Managers in the HR department track their specific initiatives regularly, using them to highlight individual results and achievements. The VP uses this historical record to assist in reviewing performance of the HR managers. At some time in the future, the historical record

could be used in developing MBOs (Management By Objectives) for those managers.

Appropriate software tools

CHN uses the Performance Logic software tool to manage the portfolio of initiatives and the scorecards, leveraging its web-based platform to access the tool from anywhere and at anytime.

Outcomes

The overall staff turnover was 24% in 2002 with nursing staff turning over at 21%. By 2005, nursing turnover declined to 13%, a significant achievement given today's acute nursing shortage. This is again an example of SMART goals achieving results.

4. Common project and process standards help Owens & Minor achieve profitable growth

Owens & Minor, a Fortune 500 corporation, is a leading distributor of national name-brand medical/surgical supplies to hospitals and integrated healthcare systems. Over the past year, O&M has successfully applied project management to improve process work linked to profitable growth in two areas: the OMSolutionsSM consulting services, and the SurgiTrackSM program.

Project to improve staff utilization at OMSolutionsSM
OMSolutionsSM provides supply chain consulting, outsourcing and technology solutions to healthcare providers. OMSolutionsSM has experienced rapid growth in both revenues and numbers of projects managed between 2002 and 2005, with consulting services driving a significant portion of this growth. The rapid growth required OMSolutionsSM to (1) develop standardized tools for consulting work; (2) achieve consistency in the skill levels and methods of its consultants; and, (3) improve its ability to share best practices with clients. Management also sought to improve consulting staff billable utilization to levels considered best practice in the industry – which, in their case, meant double digit percentage gains. *With that in mind, management undertook a project to streamline the day-to-day activities of managing consulting assignments and staff utilization - in effect reengineering the core business processes for OMSolutionsSM*

This involved:

- Decentralizing responsibility to field directors who, under the direction of consulting vice presidents, became directly responsible for the day-to-day management of all supply chain and purchasing consulting projects.
- Developing a detailed staff resource plan at the beginning of each consulting project with clearly defined project start and end dates
- Identifying non-core staff (both internal and external such as nurses and logistics experts) who were required for each project
- Standardizing the consulting methodology for all projects
- Holding staff allocation meetings weekly
- Using a standard web-based software tool where all plans, best practices and methodology resided
- Using the same web-based tool to allocate individual resources to projects and to predict utilization

After six months of applying these processes, OMSolutionsSM achieved its consulting utilization targets – and, because the economics of consulting are sensitive to utilization, this achievement went straight to the bottom line.

Project to grow the SurgiTrackSM program profitably
The SurgiTrackSM program is one of O&M's major product offerings. It involves preparing and distributing surgical packs for the operating rooms of O&M's hospital clients. The newly appointed director for the area discovered three main issues that hampered profitable growth: (1) lack of standard approach for taking orders at the 27 distribution centers supporting the SurgiTrackSM program; (2) lack of standardized surgical packs; and, (3) storage of packs in rooms lacking a standardized set of requirements. Success in resolving these three issues would standardize a repetitive process across the national network. *In essence, management used a re-engineering project to redesign the core processes of the SurgiTrackSM program.*

The Manager for Process Improvement applied best practices to improve the performance of the SurgiTrackSM program by standardizing order taking, pack preparation and distribution, including:

- Standardizing best practice for order taking from among the 27 distribution centers
- Developing a clean storage room environment based on hospital best practice

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- Standardizing templates for pack preparation using three sizes.
 - Using a standard software tool for storing best practices and managing process and program performance

As a result of standardized processes, the SurgiTrackSM program had double-digit revenue growth in one year with virtually no cost increase, resulting in a substantial margin increase.

Appropriate software tools

O&M utilizes Performance Logic's software tool (scorecards, project and portfolio management) to manage staff utilization at OMSolutionsSM, ensure consistency in consulting project management, and manage the SurgiTrackSM program.

Conclusion

Managers who persist in confusing job descriptions, job titles, organization charts, reporting relationships and hierarchy with the work of the organization risk hurting instead of helping performance.

Clearly *seeing* where and how work happens – and why and how that work contributes to performance – is among the most powerful steps toward performance itself.

Enterprise software provides unprecedented capacity to see the links between work and performance. Using it, though, depends on recognizing the two most basic types of work in today's organizations: repetitive/process work versus non-repetitive/project work – and then using SMART outcomes as the link between that work and performance.

For more on project and process portfolio software, please contact Saad Allawi and/or Performance Logic [www.performancelogic.com].

For more about using performance to drive change in your organization, contact Doug Smith [www.douglasksmith.com].