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The Discipline of Getting Things Done

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Summary: Why do so many companies have great strategies, but still fail? One reason is that they don't know how to execute. At this session we discuss the best-selling book "Execution: The Discipline of Getting Things Done," by Larry Bossidy and Ram Charan. Successful actuaries share how they have been able to get things done in their own organizations. Attendees learn what it takes to go from good ideas to great results. At the conclusion, attendees understand how to turn strategy into success, the building blocks of execution and the three core processes of execution.

MR. DANIEL SHINNICK: Our purpose is to help actuaries develop skills to make them more valuable in their organization, beyond the technical skills that they already have and develop. How do you get things done? How do you communicate? How do you write?

My presentation is based on the book, "Execution: The Discipline of Getting Things Done," by Larry Bossidy, who is the chairman and CEO of Honeywell International, Inc., and by Ram Charan, who is a consultant to executives.

I want you to think about a strategic initiative in your organization. Why do so many strategic initiatives fail? You can ask this question of any kind of group, and you'll see that half of the people will say that their strategic initiative didn't work. Did it not work because it was a bad idea? Probably not. The strategic initiative was probably a good idea. Did it not work because you're not very competent or intelligent? Probably not. When people research why projects don't work, it's not

that the strategy was bad or that the people were incompetent. It's that the execution didn't happen. We're going to talk about execution, why people don't do it very well and how you can do it better.

What is execution? Disney is unbelievable at execution. My definition of execution is taking fantasy and turning it into reality. Disney does that better than any other company. I don't know if you've been to the parks yet or not. I went to "Mission Space," the new ride at Epcot Center. A few years ago, the Disney people said, "We need some new rides at Epcot Center to make it fresh and exciting. Let's brainstorm some good ideas." Now, if we divided the 200 of you into 20 groups of 10, 20 of you would have said, "Let's do a space ride. Let's do a ride that simulates a mission to Mars that's realistic and that people will enjoy." It's a good idea, but it's not an idea that no one else had.

Disney had their fantasy. Then they talked to people who know what a space ride is like. They talked to Buzz Aldrin and other astronauts. They talked to NASA and found out what it was like.

Then, they needed to build the ride. They have historically hired the best engineers that they can find for building rides. They got the people that they needed to get the work done.

Then they figured out how they could make it work. "How do we adjust the lines so that people can get into the ride without waiting forever, keep the people happy and keep the kids from screaming and crying?" People get on the ride and they enjoy it. They don't get off and throw up.

They figured the operations out. They figured out the "how." It's that simple. You start out with your idea. You link it to the people, and you make sure that you have the right people and the right kind of skills from those people. Then, you figure out the "how," and you do that. That's what execution is. It is not rocket science. It's not that difficult, and that's one of the reasons that companies don't do it very well. Leaders think that they're supposed to be doing the really hard work. They don't realize that this is the hard work.

This applies to you, whether you're leading a project or process, or you're a unit leader or a department head or a division head or a president or a chairman. These are the essential behaviors for a successful organization.

You need to know your people and your business. If you have a senior leadership team that is aloof and disengaged, it's unlikely that your organization is going to be successful. That's a mistake that we often make as we move up in management. I know that I did this the first time I got into a management role. I thought that my job was to think deep thoughts. I was supposed to strategize, set vision, point people in the right direction and get out of the way. Sometimes I got too disengaged. When that happened, things didn't work right and we didn't execute. I

am supposed to have deep thoughts. I *am* supposed to strategize. I *am* supposed to set vision. I *am* supposed to empower people. But I'm also supposed to be engaged in the business and know what works and what doesn't. That's important. You need to know your people. You need to know your business. You need to know how you make money. You need to know what satisfies your customers. You need to know what works with your employees and what doesn't.

Just think about very successful business leaders. They know their business, they're visible, they're active and they stay involved in what's going on. That's why those companies are capable of executing.

Insist on realism. There's a lot of pressure to shade reality and shade the truth. But you don't get better if you don't know that something is wrong. In your work unit, make sure that people are talking about the bad as well as the good. Make sure that you're not trying to spin the news so that people think that it's better than it is. You can't fix a problem if people don't know that there's a problem. It works best if it starts at the top of the organization and works down. But if you're not at the top of the organization, you can at least have your part of the organization insist on realism.

Set clear goals and priorities. I have, for a long time, been a proponent of the balanced scorecard. But I think that the balanced scorecard gets misused by a lot of people who think that there are 10 or 15 goals that are important to your organization. If you have 10 or 15 goals, you're not going to succeed. You need one or two or three goals that are clear, that people understand and that people can move toward. You have these other measures to tell you whether you're doing it right or wrong, but you have only a few goals that are clear to your organization.

Following through is very important. After I read this book, I did something that probably improved my efficiency by 20 percent. Walking out of a meeting, I always ask the question, "Who's doing what and when?" If you have a meeting and you're not walking out knowing who's doing what and when (or if it's a decision meeting, what was decided and what's the next step), then there's something wrong. Think about how many meetings you've been to where you have walked out and had no idea who's doing what and when, what you decided, and what you agreed to. In my notebook, I have a little three-column table that I fill out at the end of each meeting. Now, as an actuary, I then put that into an Excel spreadsheet. I use pivot tables. I have little reminders that come up. I go back and ask those people two weeks later if they did these things. I also send an e-mail to people that were at the meeting and other people that need to know that says, "Here's what we agreed to. Here's what we're going to do." Something that simple will improve your productivity and effectiveness significantly.

Reward the doers. It's hard to reward doers unless you know who they are. That goes back to knowing your people. You can reward people through money. People do like to get paid. Pay effective people more. Public recognition is important. If

someone has done a good job, recognize that person, because he or she did act. Tell your company the things this person did that you liked. That person will feel good because the whole company will know that he or she did a good job. Also, the whole company will know your expectations and the types of things that get rewarded, and that's effective too. I need to know that the person that I'm rewarding is a good person. I don't want to make the mistake of holding this person up as an example when my employees all know that this person is a jerk. That happens when senior managers don't know their people. They see their project, they hold somebody up, and it's really not somebody they should be rewarding. So you should know your people, reward them and do it publicly.

If you're managing people or a project, one of your primary roles is to expand the capabilities of the people that work for you. You do that in a number of ways. You give them assignments. You don't hold the best assignments for yourself and then give them the work that you don't want. You give them a challenging assignment. You give them things that stretch them. You ask questions. If somebody comes in with a proposal, and all the numbers are lined up and it makes a lot of sense, but no stakeholder analysis has been done, have the person find out which people should approve it. Who are the people that should be informed? Who are the people that the person should talk to? If those people haven't been talked to about the proposal yet, have the person go out and do that. Now the person will know that stakeholder analysis is important. Spending time thinking through which people you're going to talk to and what questions you're going to ask them is important. The next time the employee does a project, that's just going to be a normal part of what the employee does. Instead of saying, "Marketing is going to hate this idea," have the employee talk to someone in marketing to find out why marketing hates this idea. You can help people learn by asking them questions.

Know yourself. The higher up you get in the organization, the more difficult that is. Because people are afraid of you, you get more isolated. Get out, be with people and talk to them. Skip levels. Create intentional feedback loops. Don't shoot the messenger. When somebody is telling you that you're doing something wrong, firing that person is probably not the right thing to do. There are other things that you can do to "shoot the messenger." You can embarrass that person in public. If that person makes a point in the wrong situation in front of 50 people and you blast that person, you're telling 50 people not to say anything bad to you in public. You don't want to do that. It's very important for you not to shoot the messenger. You would talk to that person later and say that a better way to talk to you is in private.

Let's talk about the framework for cultural change. "Execution: The Discipline of Getting Things Done" has two or three chapters on robust dialogue, and that is the most important thing that you see in companies that are good at execution. When they're having a decision meeting or a meeting about a proposal, their goal is to turn that proposal into the best proposal they can. They ask how this is going to happen. What's going to be done? I think that the absolute worst kind of strategic meeting is a two-hour meeting with a one-hour-and-45-minute PowerPoint

presentation, with 15 minutes left over at the end for questions. It's horrible because you don't get any dialogue, you don't get any feedback and you don't get anything that improves it. It just shows how good you are at making presentations. That doesn't make your company better, and it doesn't help you identify places where you need to change. A much better format is a 15-minute presentation and a one-hour-and-45-minute discussion. That's what happens at the organizations that execute. If you're working in a unit, your unit can do these things. It doesn't have to happen only at the senior-executive levels.

Leaders get the behavior they exhibit. If you're disengaged, your people are going to say that it's not important. If you shoot the messenger, you're never going to hear the truth. So if you want different behavior, then you have to behave differently first.

People are tremendously important. I once saw a cartoon in which a boss said to the employee, "We found out that people aren't the most important people. You're actually 17th on the list, right after staplers." That's not true. People are tremendously important. I've had 20 years of experience. In those last two or three assignments, I have had unbelievably good staff. It is so easy to work when you have people who are aligned and who know what questions to ask. You have people who you know are going to get things done. You control that. You control whom you have. If you want to have the best people and you're willing to fight with human resources to do it, then you're in a great position. Your job is to get yourself the best people.

I have found it most difficult when I have a good person, a really nice person, who has been there for a long time, but the person is not a great person. How do you make that change? I don't want that person to leave the organization, because the person has been a good, loyal employee. But there's somebody else in the organization that can do the job better and make the organization more successful. I need to find a better place for the underperforming employee within the organization if I can, or help the employee find a better place outside the organization. The right thing for the organization is to get the best people in the best places for them to be successful.

Know what you need in a job. A pricing actuary is different than a product development actuary, is different than a valuation actuary and is different than an experience studies actuary. There are different skill sets. If you take a person who is a great product development actuary and turn him or her into an experience study actuary, it's not going to work. The skill sets don't match. When you're interviewing for a job, you need to know what skill sets you're looking for.

Also, there is a set of skills you want all of your people to have, and that's what I call the characteristics of the right people. You want people who energize others. If you're going to be in a work group, you don't want the person who tears everybody else down. You want people who energize people. You want people who have a

history of getting things done. You can find that out. You don't just interview; you go and talk to their references. If they're from your organization, you can find references out easily. If they're not, you still need to talk to their references. A big mistake that a lot of people make when they hire outside is that they don't talk to references. When you don't talk to references, you only get one side of the story. It's not necessarily the right side of the story. You want people who can get things done through others, who work well with other people. Those are the characteristics you want everybody to have when you're hiring.

Regular, candid assessments are important. A lot of organizations don't do them. You need to do them at least annually. I suggest that you do them semi-annually. It works best when the management from a particular department gets together and talks about all of its people, what their skills are and where the development needs are. Are there individuals ready for promotion? Do they need to be moved to another job? With each person, the manager prepares a list of things they're going to do between now and six months from now when they get back together. That way, you're continually improving your staff and everybody knows. Now I can find out that my four colleagues have 15 great performers. So when I have an opening, I know that there are people that can do the work. That's something that a lot of cultures don't have. If there's any way that you can do that in your culture, it is very effective. It's much more effective if it's an open process. When we get done talking about somebody, we go and talk to that person and say, "Here's how we see you, and here's what we think the right opportunities for you are." If it's not right, that person can disagree. That is an open process, and it's more effective.

The reason that there are not a lot of books on execution is that it's not sexy and it's not rocket science. It's simply linking the core processes of your business. The strategy process asks where you want to go. The people process decides who you need to get there. The operating plan provides the path for those people. It really is that simple. But it is hard work. It is not easy to make sure that all of those things happen. But if you do, it can be very successful.

MR. STEVEN WEBER: I will talk about people management and its processes. Why don't people get more things done? I think that the reasons fall into three camps.

First, it is very hard to do. You must expose reality, and then act on it. How many people like to expose reality? How often is reality good news? When you act on it, that means that you often have to confront things. Maybe you have to do things differently. You know that somebody is not going to like what you're doing. Being a leader is such an important job. That would imply that that's where we should be spending our time. But what about e-mails, meetings, voice mails, etc.? How do you have time to keep up with all of this? You must link strategy, operations and people. Everybody would agree with that. It is not rocket science, but do you know how hard it is to actually get them all linked together and pointing in the same direction? I've seen it happen, and it's a beautiful thing to watch. But I often think that it's even harder to *keep* them linked. All you have to do is change people,

change strategy or change the way you operate, and you have to re-link and realign, which is very hard to do.

Essential behaviors are not optional. Many of us can adopt one, two, three or four easily. But when we're really talking about getting things done, you have to treat them as essential across the board.

People are critical, and you need to make candid assessments. How many of you like to make candid assessments? How many of you like to make candid assessments with people that were, just a couple of weeks ago, your peers and your friends, and now you manage them? How many of you like to make candid assessments for people who have never received a candid assessment before? That's why this is very hard to do.

Another reason that it is difficult is that there are a lot of subtleties in the whole people-management process. This is something that we don't talk about much. If we're talking about how something is getting done, many people immediately do something themselves. Look at your job descriptions. There's a lot of "doing" in your job descriptions. "Contribute to this. Conduct this. Analyze that. Coordinate this." In the context of getting things done, the critical part of doing is "making sure." Make sure that something happens. Make sure that a problem is solved. Make sure that some sort of decision is made. Make sure that some issue has been resolved. It's an accountability statement. It's not a series of steps. In the context of the "how," you need to keep track of what you're trying to accomplish in the end. Many people get caught up in the steps, not in making sure that something happens.

Unfortunately, many people have different definitions of business results. How many times do you talk to people about the status of something and they say, "I'm working on it"? How many times have you heard people say, "I coordinated this with so-and-so," or "I got so-and-so involved"? That's their status comment, as if those are business results. Business results have nothing to do with that. It is subtle, but people use that kind of language all the time.

Changing behaviors is great, but that's only one-third of the equation. In order to get things done, you need to change behaviors to what? What's desired and what's tolerated? The third part is, what are we personally exhibiting? Unless you change your behaviors to something that's desired and tolerated and you personally exhibit those, there will be a problem getting things done.

Finally, get the right people in the right place. I think that our job, as people managers, is to make sure that everybody that works for us and with us is successful. That sounds very simple, but it may have nothing to do with jobs that people had in the past or messages that may or may not have been sent. Just because someone has been a manager in the past doesn't mean that the person was successful. It may have been the same experience every year for the last 20

years, and the person didn't get any better. Part of putting people in the right spot and the right place may mean a totally different job and a lower-level job, maybe something the person has never done before.

The third point related to why more people don't get things done is it requires daily attention and time. We need time to clarify expectations. This whole issue of clarifying expectations is pretty easy if nothing ever changes. But we know that our business changes, our industry changes and our profession changes all the time. People get confused because they try to follow some formula that worked two weeks ago, but something changed. You need time to clarify expectations.

You also need time to reinforce good performance. To do that, you have to define what good performance is. Don't assume that people know what it is. In our organization, we define good performance as "achieving desired results following an efficient, effective process, and exhibiting our desired behaviors." If they do all three of those things, that is good performance. If they just got great results, have a crummy process and exhibit terrible behaviors, then that's not good performance. On the flip side, if they have great behaviors, but crummy process and crummy results, that's not good performance. I find more often than not that people have great results and exhibit great behaviors, but a poor process wastes their time and other people's time. Also, what you'll hear from many people, if you don't define good performance, is that they'll use the "hard-working" definition of their performance or "I'm very experienced at what I do." That may not be your definition of good performance.

You need time to always follow the process, but do it efficiently. How many people are involved in planning processes, budgeting processes, human resources processes and technology processes? Maybe some of them are ones that you create. Often, people don't like to follow those. They may take too long, they're too bureaucratic or whatever. What you've found over time is that you need to follow the process. If it's an ugly process, fix it. But when you start skipping steps because you are impatient or because you think that it's wasting our time, you obviously miss things. Our job is to make sure that we do follow these processes that are in place. But make sure that they're extremely efficient in doing that, because those are our means to an end.

You need time to spend with your high-performing people. How many people think that they spend too much time with their low-performing people? We spend our time on our low performers. Many studies have shown that our high-performing people are at least 12 times more productive than our average performers. That sounds like a pretty good return on investment to me. Yet, how many of us spend a lot of time with our top performers? You have to have time for ongoing feedback, both feedback you provide and feedback given to you. That minimizes surprises and makes sure that you stay aligned on a day-to-day basis.

You need time for teaching. As people managers, that's what we do. We help

people determine how they should think, how they make decisions, what they should worry about and what questions they should be asking. Given that, what are some of the common pitfalls in people management? First, people are not solving the same problems. That may seem strange to you, but there are many examples of that. How many times have you been in a meeting where someone just wants to get a project done by a certain date? The person sitting next to him could care less about the date and just wants to get the business benefits. The person sitting next to *them* just wants to make sure to be involved in this project so that, whatever happens, his or her life is made easier. This person doesn't want to do anything manually. What about the person that's coming there just to protect his or her area, to make sure that nobody does anything bad to that area? What about the person that comes because there are donuts? Then there's the person that comes because he or she wants visibility. Now, each one of those people is solving a different problem. One of the suggestions that I have for you , when you go into situations like that, is to ask a very simple question, "What problem are we trying to solve?" You'll be surprised at the answers you'll get.

The second pitfall is that we tend not to identify or manage risk. People in many organizations are risk-averse. They will do many things to avoid risk, particularly in technology. None of those people want to take risks. They'll never tell you that. They'll say, "We don't have enough resources." What they're really telling you is that they don't want to take the risk. It's okay to take risks in getting things done. That's how you get some of the creativity that you can use to solve problems. The key is (as we know as actuaries) to identify the risk, understand the magnitude and then take steps to mitigate it.

The third pitfall is the inability to make tough decisions. Many times, we've been in sessions in which people have come to an absolutely beautiful business analysis, but then nothing ever happens. There are political reasons, a big change in culture or a big change in how they personally have to operate. Our job, as people managers, is to make sure that people have the courage to make those decisions on a day-to-day basis. There's a saying, "Courage is not the absence of fear, but the ability to act in its presence." I think that applies to people managers and how they deal with their staff. They focus their time and energy in the wrong areas. That's another pitfall. We talked about the people issue. We said that you need to spend time with your top people, not your lower performers. On the process side, spend time fixing the process, as opposed to getting around it or living with it. Spend time managing costs, not dealing with cost allocation. Spend time working on the right projects. Figure out what projects to work on, rather than creating lists of them.

Not recognizing that people use different logic is another pitfall. This is really tough for high-performing, logical people. Actuaries are classic this way. You get into a session or into a meeting, and there are a number of people who are expounding facts. They are facts, but the reason that we're not getting to any resolution or understanding is because the facts have nothing to do with the problem you're

trying to solve. They're expounding logic that says one plus one is going to equal something. It doesn't solve any problems; it's just a series of facts. You find that in meetings like this, people do have a logical stream, despite the fact you may think that they do not. They just have a different set of logic tied to the problem that they're trying to solve. Unfortunately, this creates tremendous inertia when you're trying to get things done. People talk past one another, and you get conflicts that can be avoided.

Another pitfall is not paying enough attention to the inertia of culture. Many of us spend time doing analysis and implementation. We spend a fair amount of time on that. We deal with culture when we have time. Many times, people will say that they didn't get things done because they didn't spend enough time dealing with culture. Those organizations that have been around for a long time, or people doing a lot of the same things over the years, will have culture. The point is, reduce your analysis time, reduce implementation time and make sure you spend enough time helping people through the culture change. Don't give up on your objectives, but spend enough time to deal with that issue.

The final pitfall is thinking that structure is a solution. Many times, people restructure. Did the results get any better? Did the operations get any better? No, because they didn't deal with the root cause. It could be a people issue. It could be a process issue. It could be a strategy issue. Unless you deal with the root cause, structure is not going to help you. In fact, I would submit to you that it often makes it worse.

Let me give you some tips. Make sure that you've documented desired behaviors. As I said before, people do not know. Until you write it down, it is not real. Look at your top performers and see what kind of behaviors they exhibit. Use them as a guide. Put that down on paper. What is it about them that you appreciate that helps them get things done?

Second, make sure that you provide feedback. It has to be written down, either on paper or electronically. Make sure that your feedback is a function of how you define good performance. Don't put down, "This is a good person," or "This is a team player," or "This one gets along well with people." On our feedback forms, we have a slot for results achieved, processes followed, and behaviors exhibited. Feedback is given in that context.

You need to get feedback on your behaviors. Everything that we do on a day-to-day basis—because of these subtleties—gets magnified, because we're managing people. People notice. Because of that magnification and the message you send—both positive and negative—you need to get feedback on that. You cannot shoot the messenger, because it doesn't affect just the messenger. Once the messenger leaves that room, it will be reverberated throughout the halls of your organization.

You need to openly and frequently share the context that you're operating in. Just

like expectations, that is changing all the time. People have a hard time with this, because they're trying to hang on to something that they knew three weeks ago or three months ago, and the context may be totally changed. It may be obvious to you that the context has changed. Maybe you have less money or less time. Maybe you don't want this extensive analysis; you just want a gut feeling. Unless you tell people that the context has changed, they don't know that. Help them understand what questions to ask. They're going to try to come across as being very knowledgeable and skilled, but it's often more important that they know what questions to ask.

Have a clearly defined business problem and business date. This goes back to what I said before. If you have a clearly defined business problem that people are aligned around, you can get a lot of things done. But what is a business date? It's the date upon which you need to have something done so that the business benefits that you want can be achieved. For example, if you took $200,000 out of your budget next year, and you did this project to achieve that, and typically it cost you $400,000 a year, you need to have it done by July 1, not October 1, November 1 or December 1. Please be explicit in terms of what success is and how you will know that. A classic example on the technology side is, if you put an image-process system in place, many people think that success is getting the system installed. Image processing scans documents and routes them around the organization. So what is success? Success is changing the workflow to make it a lot easier—getting rid of all that paper, freeing up all that floor space. Until you get to that point, it's not successful because you haven't gotten any benefits. We don't talk about that enough when we put projects in place or try to change processes.

You need to assess your time model and assess where you spend your time. Believe it or not, you actually can free up time. My company is moving toward a 60/10/30 model. We spend 60 percent of our time with our people, 10 percent in operations, and 30 percent to 40 percent on strategic imperatives. Once again, when you spend time with your people, make sure that you're spending most of your time with your top people. When you're doing that, display active career management. Make sure that their self-development plans are focused on the things that will help them get better. It's not a laundry list. You don't get extra credit for having 10 things in your self-development plan. You have to be focused on the things that help people get better. Make sure that you're doing a lot of mentoring, coaching and counseling of people, not only in their current jobs, but where you see their strengths for future opportunities.

Finally, make sure that you are extremely passionate about process improvement. I'm underlining the word "passionate." If you come across processes that have too many steps, too many people involved, too many hand-offs, too much cost or take too much time, please try to solve something there. Reduce one of those; reduce all of them. If you don't, you are creating a lot of extra time and opportunity costs for those people who have to use the process or are customers of that process.

In this day and age, when each one of us is being asked to do more, the primary question is, "How can I keep doing more?" Well, you can't if you keep doing the things the way you always have. You need to free up time to do this. Part of it is that we can't live with these crummy processes. We need to reduce all of that time so that we have time for the fun stuff, the challenging stuff and the stuff that is going to help our organizations move forward.

MR. DIKRAN OHANNESSIAN: One of the things that I've learned from project management is to learn continually. Getting things done is not theory; it is reality. I will focus on the practical side of project management.

I've been very fortunate in my career to be involved in numerous interesting assignments. My project management experience dates back to the mid-1990s, when I was given the task of addressing the premium offset issue. That is the vanishing premium issue here in the United States. When I was asked to do this, I was managing the individual business. With an actuarial background, I didn't bring many project management tools or knowledge to the task. In effect, being very driven, we completed our task. Soon, I was given another assignment. Basically, I got suckered into being a project manager. I love it. It's a different set of tools and activities than managing people, but it is very challenging.

When I look at the projects that I've managed—whether it's small or large; regional or international; an actuarial, legal or general management project; whether it involves internal politics or real politics, as was the case with the China project—each is different, but they all come back to the same principles that I practiced in getting things done. Now, all of the projects that I've tackled haven't been equally successful. You learn from that. You take the lessons and improve your processes. When I talk about the practice, I'll share some examples from these projects so that you can relate to the things that have and haven't worked.

Let's start with the key elements in the project. First and foremost, I clarify what has to get done. It is so important to know exactly what has to get done. This is the destiny of the project. Where do we want to end up? How am I going to get there? How's it going to get done? What is the road map to reaching the destiny? When I have the road map, what is the framework that I need to get there? In essence, if it's a destiny and I have the road map, what is the car that I need to drive to get there? The execution is getting into the car and driving there, but the completion is not just getting out of the car. You have to know what the end state is. When I get out, I close the door and I park it properly. There are things you need to do at the end to bring proper closure to a project.

Let me start with establishing objectives. I spend a lot of time here. People are amazed sometimes at how much energy I put in up front. Sometimes, a project sponsor will give me a clear set of objectives that need to get done. Other times, they just say, "Make the problem go away." Those are tougher to start out with. It is my job to insure that there is a clear set of objectives. Through the process, I

make sure that they are realistic objectives. At times, management might give you objectives that are not realistic. You have to assess, analyze, determine and set realistic objectives.

When I get the assignment from a sponsor and I start identifying the objectives, I meet with all the stakeholders involved or affected. I meet with them to understand what their objectives are. What I'm also testing is their alignment of objectives. Sometimes, there isn't alignment of objectives. If there isn't alignment, I try to bridge the gap and insure that there are common objectives. In one project that I mentioned earlier, shared services, I encountered many competing objectives. It was very tough to bring everyone onto the same page. I was tempted not to take on the challenge. But I did take on the challenge. It's one of those projects that I look back on and say that it didn't realize its full objectives. Because there were too many competing objectives, I wasn't able to bridge the gap at the beginning. So the lesson is to make sure that there is a clear set of objectives that are realistic. Identify your stakeholders, and make sure that everyone shares those objectives. If there isn't a common vision, there will be hurdles along the way that could derail the project.

Once I know the landscape and I've made the realistic objectives, I look at how I am going to realize these objectives. What is the work that needs to get done to attain the objectives, to reach that destiny? For example, in premium offsets, there's a stream of legal work and actuarial work. You must understand policyholder commitments and manage the sales force during this issue. There are communication needs and public-relations issues. I visualize all of these streams of work that need to get done and determine how they relate and interrelate. Are they sequential or are they parallel to work that has to be done? I start forming the project plan that I need to execute.

When I believe that I have a doable plan, I start bringing the key resources together. I start forming the team of key players that will help me realize objectives. I go through the same process of visualizing with the team. I try to build a shared vision with the team. How do we get it done? This time, I will go one level deeper. We start analyzing the project, understanding all of the nuances and details. As we go through, objectives do change. On the China project, we were asked to complete the project in six months. The regulations in the Chinese framework stipulated that the project had to be completed in six months. When we did the planning, it was an 18-month project. We squeezed the time frame, but we could not reach six months because it was not realistic. So we researched what other companies had done. Lo and behold, we were not the only ones in this situation. Every company faced that. Some companies took up to two years, some even took three years and some did it in as short as 12 months. But no one accomplished it in six months. The task then was to talk to management, realign their objective and assure agreement that it could not be done in six months, but rather it could be done in 18 months, or whatever we felt was appropriate. We also met with the regulators to insure that there were no surprises. As we're getting

deeper into the project, we're always testing the objectives, insuring that it's realistic and doable. While we're changing things, we make sure that changes are accepted by management. There is continual alignment of objectives. The thing here, though, is managing expectations. Whether they are your own expectations or your team's, proactively manage expectations.

Now, I still haven't developed a detailed plan. We need to drill down and develop the detailed plan because that's what becomes executed. We can assign tasks and resources. People ask me at times, "How long does it take you to get to that detailed stage? What time have you spent?" I say that it could take 20 percent to 30 percent of my time up front—not in the execution, but in the development phase still. Some people are amazed that I would spend that much time, but it is beneficial. Just to give you an example, on our integration project we announced integration at the beginning of the year. We completed our detailed plans at the end of May. It's a two-year project, so it's a 20 percent investment of time.

Now, the project plan obviously will include all of the elements of the tasks required to be done. It should also include all the assumptions. I know that I don't have to say this to actuaries, but it is important to identify the dependencies and constraints in your projects. You've heard of the critical path, and if you don't manage constraints and dependencies, you will not manage your critical path.

The next most important thing that I do is identify the driver of the project. Is it scope? Is it time? Is it cost? It is important to identify this. For example, on the China project, time wasn't going to be the driver. Scope was the driver because of the approval process. The regulator comes to your operations and inspects all aspects. Your distribution system, the training, your systems—are they all functional? We needed to insure that scope was the defining driver because we needed to have that inspection. That doesn't mean that time and cost were ignored. They were very effectively controlled and monitored closely, but scope was the driver.

On shared services, we determined that time was going to be the driver. We were going to finish this at this specific date, no matter what. The issue here was that there wasn't going to be a lot of discussion, a lot of dialogue or a lot of back and forth. I didn't want to get into a never-ending process, so we had to bring closure. We made time the driver.

We also had projects for which cost was the driver. I've been asked to set up meeting room facilities. I know that it's not actuarial science, but we had a tight budget. We set a budget and we drove everything according to that. You have to determine the driver of your project—scope, time or cost. When you determine it, you have to insure agreement with your sponsor and stakeholders because at the end, you don't want to have different objectives and different drivers.

Now, having done all this, I'm still not ready to start a project. There are certain

things that have to get done. One of the most important things is how decisions will be made in the project. Is the decision maker a person or a group? How will the decisions be made? How will you escalate issues when they arise? How will you bring closure? What tools are you going to use to manage your project? How often are you going to report? On a simple project, you can have very loose processes to do these things. On a complex project, I get structured weekly reports and very comprehensive monthly reports. Again, you have to fine-tune the requirements of the project. Also, you have to get into the nitty-gritty details of how often the team will meet and where.

You have to manage changes to the project plan. The environment changes, issues come up and different things hit you. If you don't have a process to change the plan, you will suffer. Establish a rigorous process to change plans and projects or project mandates. I do this in a structured way, not only from a project-team perspective to know what we're doing, but also in the selling process to the project sponsors and communication to stakeholders. We're on a journey, not only the project team, but stakeholders and sponsors. We must all be on the same page at all times. Your project plan has to be viewed as a living document, but it has to be very structured for it to be effective.

Now is the time to execute. From my perspective, this is the easiest phase. Execution usually is done through people. As leaders, you do need to know the details of what's going on. As a project leader, I view myself as a "subject matter expert." You have to know, in detail, what's going on to effectively manage a project and to make good decisions. Without the facts, you cannot make good decisions. On large projects, though, it's very tough for a leader to be the subject matter expert. In that case, I try to have only one team member reporting to me as the subject matter expert, because you need to insure close-knit knowledge, full-detail knowledge within the key members of the team. For example, on premium offset, I was the subject matter expert. Many times I thought that I knew more than the lawyers on what issues were going on. You have to be in that position so that communication documents that are prepared or other aspects of the project are all done properly. If one of those gets out of line, it could jeopardize the whole project.

Now, our case involved international demutualization in about seven countries. It's not a simple project on which one person could be the subject matter expert. The lead actuary was the subject matter expert on the structures, distribution formula and so on. There were subject matter experts on investments, lawyers and logistics. We had a whole team. To insure that the right decisions were made, we made a steering committee. As a group, team leaders continually met to discuss proper alignment with all elements of the project.

I firmly believe that this is a crucial element. Know aspects of your project in detail because that's one area to drive performance. During the implementation/execution phase, a lot of issues will surface. At all times, when issues come up, we make sure

that we address them with the end result in mind. I try to avoid getting into theoretical discussions that are intellectually very stimulating but don't bring closure to the issues. You have to focus on bringing closure. When issues come up, you have to research, discuss and bring closure. The sooner it's done, the better for the project. Again, as the issues come up, expectations have to be managed. How you resolve an issue and how you communicate your theory to your plan sponsor and to your stakeholders is crucial. Be very proactive on these points.

I'd like to say a few words on people. Execution is all about people knowing what they have to do and getting it done. It is important that they feel part of the team. Their opinions are heard and acted upon where appropriate. Their work is appreciated and valued. We have project team members. We have good, rigorous meetings. At times, I've come out of meetings and people outside the room have asked, "Were you guys fighting in there?" We were having good discussions. I try to bring the passion of the people to the project. If there are issues and values and opinions, we fight for what we believe, but we bring closure quickly so that we can move on. It's important to have this passion among all of the team members. As was stated earlier, we try to bring the best people on the project, but at times, you will encounter team members that are not delivering what is expected. At that point, you have to act decisively. Sometimes it's brutal, but you have to manage that situation carefully and swiftly.

I do a lot of things to motivate people on our teams because the motivated people are the most productive on a project, or in any circumstance. As project manager or project leader, I don't have a team that's ready to act on a project. I make my team from people from around the organization, so I don't have a direct reporting structure. I use other motivational tools to make sure that they're working effectively and at the right level. I look at how I can make their lives easier because I'm imposing, and sometimes they've got other things to do. How am I making their life easier so that they enjoy working on it, and so I get the most from their time? The little things count, and we talked about donuts before, but it works. I structure breakfast and lunch meetings during which we have project team-member updates and discussion, because, again, it makes their life easier. They appreciate it. The bottom line is, I drive the people hard. As project leaders, you have to. But I drive them in a sense that they know where they're going. They have passion. I try to make it as fun as possible. Believe me, they do appreciate it.

Once we've done all these tasks required in the project plan, that's not the end. The project, for me, is completed when we capture learnings. There is a lot of learning that goes on. As a caution, I don't wait until the project is ended before we start considering the learnings. Our integration project is scheduled for completion at the end of this year, but we have already started the process of capturing the learnings. If you wait until the end of the project, you lose their mind space. The project is complete, they move on and they don't want to go back and rehash. Now is the time when they're still excited and there's still passion. They see the end and they're still committed to putting out what is required.

Some of the projects require that you transition to an ongoing operation. We insure that the transition is effective and ongoing to the operations. Next, we celebrate the completion. We celebrate our successes. We communicate the success to the organization. We acknowledge the team members who have done the work. They, in turn, appreciate the acknowledgement, and that way they'll want to join the next project that I take on..

FROM THE FLOOR: How do you help people recognize that different logic is being used? What are the steps involved in working through the logic differences, especially in situations where people are not thinking "win/win"?

MR. WEBER: There aren't a lot of canned approaches to that, because people have tremendous ownership of their logic process. It has probably served them well in a number of different circumstances. If you suddenly start intervening in that thought process, you're going to get natural resistance to that. Probably the thing that you can do is make sure that everybody is working off of the same information and solving the same problem. That's the best thing that you can do in terms of getting them all to think along the same lines.

That's the thing that you find more than anything else. When people are using these different processes, they're solving different problems, and they have a whole different context that they're using to go through that thought process. Quite frankly, they may have different information. Often, one of the best things that you can do when you're trying to solve problems or get people aligned on things is make sure that everybody has the same information. That seems like a fairly simple step, but there are a number of people in organizations who have different sets of reports, which don't have the same numbers and whose numbers don't balance. They might have a different set of industry reports. There are all sorts of things that drive people along that line.

FROM THE FLOOR: Often, project success is measured by completion due date, coming in under budget, and readily identifying deliverables. What is often left off are project benefits that are anticipated to be realized in the coming months and years. Do you have any examples of how to manage these somewhat delayed benefits, and how to reward and define success based on their achievement?

MR. OHANNESSIAN: It's called commitment. For example, on my China project, after we had it up and running, they didn't let me walk away from it. I sit on the board now, so I have to measure the results. To me, it's a project *and* a transition to operations. Operations ownership has to survive, and someone has to become accountable. On that China project, I got direct feedback and direct accountability of the results. Normally, that's not the case. It's important that management continue to challenge the expectations of your ongoing operations to insure that the expected results are delivered.

MR. WEBER: We always think we spend too much time up front, but it pays dividends down the road. Articulate what success is for that project. Don't say that you want to get this system in or something done by March 31. If success for that project is to achieve benefits, then the dates and everything else falls out of that. Often, people flip that around. They lead with the dates; they lead with getting the plan set up. You've got to start with the benefits because that's the reason you're doing it, even if it's two or three years down the road. You need the commitment of regular employees once a project is implemented, but you know that the reason that project is successful is because those benefits are achieved, either right after it gets in place, or somewhere down the road. Obviously, there are tactics that people can use. Once something gets in, they can take the benefits out of people's budgets. That also works . But I think that you get a bigger bang for your buck if you define the project. Then everybody gets aligned around that, and they get committed to it. As they go forward, they try to achieve those objectives.

FROM THE FLOOR: Can you remind us of what the 50/10/40 breakdown is?

MR. WEBER: That means that you spend 50 percent of your time with your people, 10 percent is the amount of time you spend on operations and 40 percent of your time is spent on your strategic initiatives.

FROM THE FLOOR: How do you manage projects with multiple sponsors who are not aligned in their objectives?

MR. OHANNESSIAN: Turn down the project. On the shared services project that I took, I did have multiple objectives and I tried to avoid it but I couldn't. I tried to bring them on site; I couldn't. I took the project, and nonetheless, brought some success to it. But I defined success differently. At first, the definition was full implementation. I said that there was no way that I could take that on because there were just too many issues from a project perspective. So I defined the objective as research, investigation and, where feasible, implementation. It narrowed the scope from about seven initiatives to two, and we implemented those two. But again, it was alignment of objectives up front from full, broad objectives to what was realistic. We brought all the different opinions, views and agendas on the same page. It's not easy; it's challenging. Make sure that when you do have competing objectives, find the common objectives among all, and tackle those.

FROM THE FLOOR: Can you give an example of a time when you managed a project to completion despite resource challenges created by changes in corporate priorities? Assume that all continue to agree that completion is necessary, but budget, programmers, etc., were not available as expected. How did you handle that change in your resources?

MR. OHANNESSIAN: On the integration project, when we did our resource plan, it far exceeded our ability to deliver. We ended up going to outside resources because we were fixed on time. We were fixed on scope. We had some budget, and we went

outside and brought in the resources, particularly on programming and project management.

FROM THE FLOOR: I would assume that, to save time, one would have to embrace new technology, or at least have a good use of technology. That being said, and assuming that you believe that too, where do you think programming skills belong? Should it be isolated within the IT area or should it be somewhat diluted throughout operational areas? This is an issue that we're definitely struggling with in my organization.

MR. SHINNICK: It's a very interesting question. The benefit of having resources in a centralized IT area is that you get consistency in your programming. If you're dealing with customer information or other types of things that require a set of skills and checks and balances, then that's the best place for it. I've had actuaries program for me, but that's not their skill set. Their skill set is manipulating data. We had a situation in our organization where we were sending out notices to dead people because the person sending out the notices was not a programmer and didn't know how to find out whether the person on the database was alive or dead. It's clear that you need to have good rules and regulations. That happens best in a centralized location. But if I want information on how many people did "X" last year, and I've got a fast programmer on my staff that can do that in a day, I don't want to go through a three-week prioritization process to get my resource from IT. I think you need both. You need to decide what needs to be centralized and why. You need to decide what you can have decentralized and why.

MR. WEBER: It gets down to what you're trying to accomplish. Each area does have a specific set of skills that are very important. I think that sometimes we can trivialize that. I'll give you a good example. I don't think that anybody in IT should be writing any type of report or analysis. They can get the data supplied to them so that they can do that, but they will never be able to keep up with the pace of business people in doing that. That's not a good use of their skills and abilities. There are tremendous tools out there right now that allow people to slice and dice the information every which way. There are specific jobs in the central area that require such an amazing amount of technical skill that to try to disburse that, you lose the skills that are needed to do that, especially given the complexity of the systems that you have. You have to look at your situation, know that there are appropriate skills in each area and make sure that you make the right choices.