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FIFTH PRINCIPLE: PLANNING

*Plan your work ahead of time in order to
address problems when they're small.*

Well, I'm not excusing the fact that planning and preparedness was not where it should be. We've known for twenty years about this hurricane, this possibility of this kind of hurricane.

—MICHAEL CHERTOFF,
on hurricane Katrina preparedness

The future ain't what it used to be.

—YOGI BERRA

People generally agree that planning—and specifically project planning—makes sense.¹ However, in a majority of companies people don't invest adequate resources or time in project planning, and they don't really follow the plans they create. Why is that?

Two major factors are at work here. First, while planning is generally deemed important in an abstract kind of way, there's always something urgent that can be done now. Stephen Covey discusses the “Time Management” matrix, which shows the

difference between importance and urgency.² Urgent things typically get our attention, even if they're not very important. Meanwhile, the important things, such as planning, take a back seat. In a sense, we're too busy fighting fires to invest in fire prevention. We justify our lack of planning by pointing to all of the urgent things that need to be dealt with.

Second, project plans are often either obvious or not credible. A typical planning process consists of a project manager going to various functional managers, asking what they have to do and how long it will take, and stitching those responses together somehow to create a schedule. Often, project managers create schedules that no one believes except, sometimes, the project managers themselves.

Even large, highly successful companies frequently have very undisciplined and unsophisticated approaches to creating project plans. Sometimes important projects have no plans because the project manager recognizes the futility of creating one. In such cases it doesn't help for senior leadership to mandate that "each project shall have a plan," because the result will be a plan that no one believes in and therefore that no one uses. And data that people collect but don't use are worthless.

The "No Planning" Loop

The result of this tendency not to plan is a reinforcing loop, shown in figure 6.1 with the arrows representing "if-then" causality. Starting in the lower left of the figure, people frequently have trouble finding a good way to create credible plans. That means planning isn't valued, which means people don't generally spend much time planning and they therefore get other work to fill their time. This means they no longer have a lot of time to spend planning and so even those who value planning can't spend time on it. Over time, as planning atrophies, the logical "ready-aim-fire" impulse changes to a "ready-fire" culture. The loop in this picture shows that the ready-

fire culture is self-reinforcing. Once the culture has taken hold, even if people are given a good way of creating credible plans, they won't have the time or desire to plan unless there's some external force or urgency to motivate them.

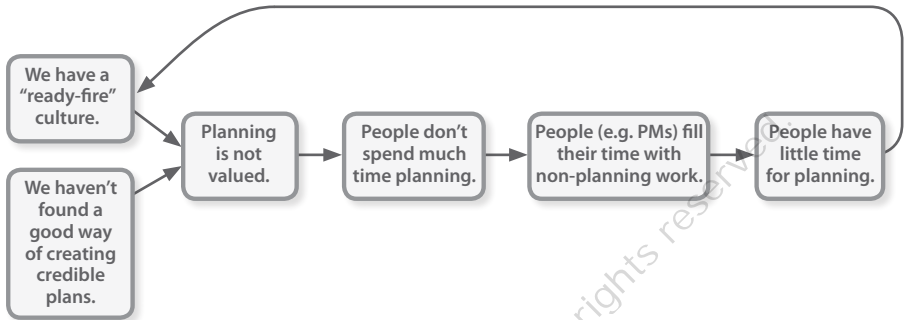


Figure 6.1. “No Planning” loop

Consider this statement: “If you follow this diet for three months, you will lose 50 pounds.” The first part, “follow this diet for three months,” is a prescription. “You will lose 50 pounds” is a prediction. For prescriptions to be followed, they must be credible.

Imagine that you have tried this diet for a month. If you followed the prescription and you’ve lost no weight, you will not believe the statement and will therefore stop following the prescription. If you’ve lost (say) ten pounds or more, chances are you’ll continue. If you don’t know whether you’ve lost weight or not, it will be difficult to justify continuing the diet.

Now consider this statement: “Follow this plan, and this project will finish on January 1, 2012.” “Follow this plan” is a prescription, the remainder is a prediction. If you want your plan to help you address problems when they’re small (i.e. a prescription that’s used), it needs to be credible. To have it useful over time, it needs to be kept credible. So a good project plan, one that helps you to address problems when they’re small, needs to be credible and up-to-date. It should say, “Here’s what I plan on doing, here’s what I

expect to get from it.” Without that, the plan won’t be used and does not contribute to following the Planning principle.

Without good, credible planning, project teams will respond only to urgent events. They can’t look ahead reliably. It’s kind of like a situation in an old comic book, in which a character runs into the woods with a pot over his head. After smacking into a tree, another character asks, “Why are you running through the woods blind like that?” The response: “I missed every tree but the last one, didn’t I?” Every tree we don’t run into validates the lack of need for a plan. In some cases, with very experienced project teams and/or managers, their experience will help them avoid obstacles. They know the path through the forest. But heaven help them if the path changes. Commitments based on experience are better than commitments based on wishes; commitments based on experience and planning are best.

Exponential Levers

The rotational force delivered by a lever depends linearly on the length of the lever. Double a lever’s length on one side of the fulcrum and you have twice the rotational force. Planning—especially project planning—is what I call an *exponential lever*. The benefits of planning are not linear relative to time; you get much more than twice the value if you go twice as far back in time to start planning. There is tremendously more value in deciding correctly whether or not to do a project than in doing it well after the commitment is made. And there is much greater value in planning how to do a project well before the major work starts, than in trying to figure out how to clean up the mess when you’re partway through it.

Certain types of exponential levers are clear. For example, if you work for \$15 per hour and put your money in your mattress, the increase over time is linear. But if you invest that money and get (say) 8 percent interest, the lever is exponential; interest compounds.

Project planning is not as obviously exponential. It's clear that early course corrections are simpler to make than later ones, but the main reason planning has an exponential impact is that projects build a kind of momentum over time. Various assumptions and decisions are made, vendor and distributor contracts signed, product decisions locked in. In much the same way that invested money works for you, and therefore accumulates interest exponentially, these assumptions and decisions build momentum in a particular direction. For better and for worse they inhibit your ability to change. Barry Boehm notes that reworking software at a later stage can cost 200 times as much as reworking it earlier in its life cycle.³ Similar issues exist with the design of manufactured products.

Why plan? I once wrote, "The purpose of a project plan is to develop and/or communicate understanding of the project."⁴ But I now believe it's much more than that. Planning sets and maintains your course, so that the momentum you build is in the right direction. Planning isn't putting a bunch of boxes into Microsoft Project, even though that may sometimes be part of it. Planning is a mental exercise of analysis, prediction, and communication that should happen constantly. Ultimately, good planning is a GPS system in a field where dead reckoning is commonplace. You can look at it as a tool that helps to convert the Zone of Reconciliation into a Zone of Facilitation.

Very often people think of project planning as something you do only at the start of a project. After that you start tracking. First plan, then track. This attitude destroys much of the value of planning. As you learn more, your expectations change and your plans should get better, meaning they are more useful in making predictions and decisions. As time goes by and work gets done, you should develop better estimates of how long tasks should take and what's most important. If you're not evaluating and refining your plans on a consistent, ongoing basis you miss much of the exponential value of the lever.

Here are some of the wins we've seen people achieve through ongoing, credible project planning involving all the major functions working on projects:

- Priorities that people will follow, both for individual projects and for the organization as a whole.
- Better coordination of resources, including people. (“Wow, you’re doing that? I had no idea.”)
- Detecting roadblocks while there’s still time to remove them, without slowing down the project. (“The CCONS group is going to be a problem in six months. We’d better start working with them now.”)
- Much better responses to unexpected changes. (“The regulations changed? What will be the impact of that? What do we need to do now in response?”)
- Rational, data-driven justification for additional resources. (“If we had another engineer for February, we could shave an additional month from our delivery.”)
- Better planning for additional people. (“I’m glad you told me this early, it’ll take us six months to bring on board another person.”)
- Vendor contracts that align with organizational needs. (“We need to give this vendor an incentive to finish early.”)

Exercises

1. Think through the characteristics that make a lever exponential. Would you consider the discovery of antibiotics to be an exponential lever relative to growing the earth’s population? Under what circumstances does the creation of intellectual property create exponential returns for a company?
2. Decide what information you would bring back, if you could look into the future. Many people, presented with such an

opportunity, would try to make money. For example, they might bring back winning lottery numbers. Project planning is a way of looking at those future lottery numbers. How clearly can you see the winning numbers for your projects?

3. We've seen that the more tasks you are trying to work at the same time, the worse your performance. Evaluate the extent to which multitasking might be considered a bad exponential lever in the way it saps your speed and productivity.