

“The only thing worse than putting some good ideas on the back burner is to keep everything going and not having time to get to the great ideas ...”

When leading new product development at a medical devices company, I made that comment to one of our most creative groups. They loved every good idea, and wanted to work on all of them. They tended to complete the quicker, modest value projects but often failed to tackle the complex, high potential projects. When I struggled to convince them to change their behavior, it made me ask whether my statement was really true and whether there was any evidence to prove it.

Optimistic Perceptions Are Part of the Problem

Daniel Kahneman, in his book “Thinking Fast and Slow,” related a story of a team estimating how long it would take to complete a new textbook. A group of experts was called together to build a work plan, ultimately producing a detailed plan with a two-year schedule. When the schedule was challenged, it led to even stronger conviction by the team that indeed, they had thought through all the details and were pretty confident in their estimate.

When Kahneman asked the team to look into other similarly big projects, they came back with a very different conclusion. They found that 40% of the other projects had failed to finish, and the teams who actually finished the work took an average of seven years. They also realized that their team had no special advantage when it came to their skills and resources, compared to those other big projects.

You might think that this would have opened their eyes, but in fact, they didn’t alter their plans or schedule from their original estimate. They got funding approval and eventually completed the textbook, but it took them eight years instead of two. By then, it was out of date and was never used.

So, if you have a major initiative or project, it’s a good bet there is unanticipated work under the surface that will add substantially to the schedule and resources it will take. If your team is stretched at the beginning of a new project, it will most likely become worse as things move forward.

Interruptions and Switching – What’s the Cost?

For those individuals and teams with more than one project or initiative, the challenge is compounded. Many leaders take pride in their ability to multi-task and often feel compelled to live in a culture of long hours at work. I had a unique experience once managing two similar product development projects, one in the U.S. and one in Germany. In the U.S., people didn’t take vacation days because of all the work that would pile up when they were gone. Also, there was peer pressure to work very long hours each day. During meetings you could see people working on other projects or answering mail.

In Germany, the first task of each new year seemed to be planning all the vacation time the team members had, whether it was 6 weeks, 8 weeks, or even as much as 12 weeks. And, they took every bit of their vacation, leaving a deputy from their group in charge of handling any work that needed to be done in their absence. Each day, people would arrive at 8 AM, take a one hour lunch away from their office, and head home at 5 PM. What happened in between was very interesting. They were highly focused on the tasks they had prioritized for that time period. Interrupting them for a meeting or a purpose they had not planned as a priority met with fairly strong resistance.

Can you guess the result of this natural experiment? It was the German team who completed their project a few weeks ahead of the U.S. team. Both had done great work, but the U.S. team essentially required 30% more FTE-months, after accounting for the unused vacation and overtime. Also, the U.S. group had a high turnover, with many individuals deciding to move on to other types of jobs. The team group lost a lot of talent from stress and burnout, while the German team's focus on priorities and healthier work-life balance retained the full group, ready for their next major project.

Priority Traps – It's No Better for CEOs

The importance of Strategic Priorities is reinforced in each McKinsey annual survey of CEOs. But the data is pretty discouraging when one measures how little time these CEOs actually spend on the things they have said are critical for the success of their business. One key conclusion is that a lack of strategic focus leads to handling every activity as equally important and spending a lot of energy switching between activities. The result can be firefighting a lot of problems that were not resolved.

Research studies done on the real cost of switching tasks have shown what it does to brain function and the level of stress people experience. One study, reported by Prof. Gloria Mark at the UC Irvine Department of Informatics showed that it takes 23 minutes to get back to the same level of thinking on a task that you had prior to an interruption or a switch from one task to another. For many senior executives, task switching happens multiple times each day, resulting in a huge productivity loss. With email, texting and other media, many people find themselves switching tasks multiple times each hour. No wonder leaders get to the end of the day and wonder what happened to their time. Or, they get to the end of the quarter without really moving the needle on those strategic priorities that they set.

What Does it Take to Clarify and Act on Priorities?

To win the battle on setting and acting on strategic priorities, the critical starting points are:

1. have a real dialog about the strategic objectives of the organization,
2. establish an agreed upon set of criteria and model for evaluation of all initiatives,
3. engage stakeholders and experts in a valid, quantitative comparison of all your initiatives.

The understanding and confidence in these steps is often quite a challenge, but it's just the starting point. The real challenges can be:

4. holding a transparent discussion among decision makers on resource allocation decisions,
5. engaging stakeholders who are impacted by such decisions to enable behavior change, and
6. conducting regular reviews to hold the organization accountable to the decision that are made.

As Ross Perot used to say, "It's as simple as that." And, with some dedicated work and about 2-3 years of persistence, a new culture can get developed that runs circles around the old way of doing things. From what I've seen, it's worth it on a business, human and social level for organizations of all types.

Author

Gerald A. Bush is the Strategy Executive and Principal of Innolect Inc. a global WBENC-certified leadership and organizational development firm with a passion for "Growing Leaders and Building Creative, High Integrity Workplaces". Gary's mission is to teach and coach businesses around the world in how to design their strategic decision processes, optimize their resource allocation and confidently navigate the culture change that strategic decisions require to achieve lasting success.

(Write Gary at GaryB@innolectinc.com or visit www.innolectinc.com.)