The threats and actions taken were effective, and eventually a different tugboat was sent from Italy to Africa to execute the other mission.

The crane relocation project was successfully completed. The entire project took only about four weeks and was cause for celebration by all parties. The client saved about 50 percent of his budget (direct cost) and additional sums due to the shorter shutdown time of the cranes and the quays. The contractor made a higher profit than he had originally planned because of the significant expansion of the work at a relatively low marginal cost. Last, but not least, the workers received high premiums for their outstanding performance.

Both Ofer and Amos agree that their rich experiences with "out-of-the-box" projects, their company's flat organizational structure, the quality of the people they recruited and developed throughout the years, and the norm of working closely with their staff in the field contributed to the success of the project. Regarding the flat organizational structure, they pointed out that when the heads of the organization are also the heads of the project, their ability to make decisions and quickly implement them is enhanced. Even more importantly, it enables them to tailor their decisions to the context, for example, to hire a consultant and, if needed, to pay him twice the going rate. Amos adds to this list boldness and systematic planning, while Ofer adds building trust and leadership, in particular leading the client. Finally, both Amos and Ofer agree that the most crucial weapon they brought to a dynamic environment was the fact that they complemented each other and created a dynamic harmony.

5

A Successful Downsizing: Developing a Culture of Trust and Responsibility

by Alexander Laufer, Dan Ward, and Alistair Cockburn

My Engineering Staff Shrunk from 80 to 12

Judy Stokley recalls the challenges she faced when she took over as program director of the Advanced Medium Range Air-to-Air Missile (AMRAAM) at Eglin Air Force Base in Florida:

> "Talk about a difficult start. The program was rife with problems when I arrived, not the least of which was the mandated drawdown plan that had not been met. The Air Force had issued a mandate to draw down the workforce, and everyone on the program knew about it—civil servants, military personnel, and support contractors. A lot of these people had been on the program for the full 20 years it had existed, and many thought they were going to stay there until they retired.
>
> "The program director before me had not been able to face letting people go. 'I would rather retire than let that many people go,' he had said, and that's exactly what he did—so there was a perception in the program office that perhaps we would be able to 'escape' compliance with the directive."

Judy called a meeting of all 200 workers who were assigned to the AMRAAM program in order to explain the drawdown plan. It was a daunting task to tell them that in less than a year, more than half of them would no longer be working in the program office. She tried to make it clear that she did not intend to just pass out pink slips, and she reassured them that they would receive assistance in finding new jobs. The initial reaction was dead silence. After the meeting ended, people rushed to gather around her, competing for her attention to convince her that their particular positions were indispensable.

> "It was neither pleasant nor easy. On a personal level, I had never experienced anything like it before. I had to deal with disgruntled people whispering behind my back when I walked past them. It was the first time in my life that I had experienced being disliked and gossiped about, and let me tell you, there is no pleasure in knowing that you are being blamed for other people's pain. One thing that I worried about was that somebody in the program office might take that frustration to an extreme. By that, I mean walk into the office with a gun and start shooting people. All you have to do is watch the evening news to realize that it would be foolish to write such things off as impossible."

In order to defuse the tension, Judy provided them with an outlet to express their frustration. She held monthly meetings where she gave everyone note cards to anonymously write down complaints or recommendations. The cards were deposited in a box at the end of the meeting. Every constructive recommendation—no matter how mundane—was actually implemented, and a report was given each time to explain what had been done to address the concerns expressed at the last meeting. The process moved forward, and the program office team was reduced to just 68 by the end of the fiscal year.

George Sudan, AMRAAM's chief engineer, was among the few people in the program who supported Judy's efforts:

> "I was glad when Judy arrived at AMRAAM. She seemed to understand that acquisition reform—*real* reform—entailed something more significant than the cosmetic changes I had seen thus far. Still, I wondered whether anyone, no matter how dedicated a leader, could change the status quo and bring about serious reform. In the end, she proved that acquisition reform doesn't have to be a pipe dream. After the six-month process was completed, my engineering staff had shrunk from 80 to 12."

Likewise, Dennis Mallik, AMRAAM's chief financial officer, recalls:

> "We talked about acquisition reform in the AMRAAM program office for some time before Judy took over as program director. In the early 1990s, her predecessor asked me to do a cost study on how to save money. I did it and produced a report, but he told me to take that report, lock it up inside my desk drawer, and make sure it stayed there until our base commander either transferred or retired.
>
> "When Judy became program director, I understood immediately that it was time to open up my desk drawer and dust off that report. Her reaction was very different than her predecessor's. 'Why, we've got to get this information out to people,' she said. To many of us who had given up hope that real reform was possible, we knew that we had seen the dawn of a new day."

No one needed a study to see that the AMRAAM program was spending too much money. There were five separate simulation models checking the performance of the missile, including two contractors (Hughes and Raytheon) with their own simulation models, the Navy with its model, and two independent simulations conducted at Eglin Air Force Base. The government simulations might have been necessary during the research and development stage, but the need for that much expensive redundancy had to be called into question after the production phase started. The contractors were the ones who needed the data, and they were already getting that at their own facilities.

Sometimes it might appear that government engineers are too busy telling the contractors how to do their job rather than doing their own. George Sudan, AMRAAM's chief engineer, claims:

> "We don't do engineering very well in the government anymore, but we do have a lot of people who like to dabble in it. Engineers need to get out of the meddling business and into the specifications and verification business, but that requires the support of management.
>
> "Unfortunately, the attitude of management at AMRAAM was that: 'You can't trust these dirty contractors. They're all out to take advantage of you.' They expected us to line up with the contractor as though it were a basketball game. Here's their radio frequency guy, so we've got to have a radio frequency guy. Here's their software guy, so we've got to have a software guy. If he fakes left, you fake left. For our part on the government side, we were harassing our 'opponents' all the time. 'Let me see your documents. Let me review this. Let me see how you did that.'"

AMRAAM was the largest program on Eglin Air Force Base, with various stakeholders receiving AMRAAM money each year and viewing that as their right. Thus, the reforms being introduced would be expected to have a tremendous impact on a number of parties involved.

Judy Stokley personally experienced the weight of what was at stake, starting with a call one day that the base commander at Eglin wanted to see her:

> "Some of my people got wind of what was coming and warned me that the base commander was furious about not being funded for this, that, and the other thing. He had apparently already complained about me through his chain of command.

"I heard that he had gone all the way to my bosses in Washington, where he was told, 'We pay her to execute efficient and effective programs. We don't pay her to shore up work forces at the product centers.' After that, he had to figure out how to deal with me on his own, so he demanded a face-to-face meeting.

"In the Air Force, it's a big deal to meet with a base commander, especially when it occurs in a public forum. By the time I arrived at his big, beautiful conference room, people were already seated all around the table. Suddenly, the commander flung open the door to his private office and strode into the conference room, red in the face and with eyes bulging. He sat down without speaking, making it clear that he felt no need to be civil."

Throughout the meeting in his conference room, he attacked every word out of Judy's mouth with caustic remarks along the lines of how contractors are out there making millions off the government and how he didn't have any use for industry. Still, she remained courteous.

Judy understood that many people in the government, especially in the Department of Defense, have a problem with the idea that a contractor should make a profit:

"They think that they need to go to the negotiating table having gotten the contractor down so low on his cost that if he has one problem, he's going to be in the red. I always shock them when I remark, 'Sure, I want him to make a profit, and I want to help him make it.' To me, the worst thing in the world is to do business with a contractor in the red. That way, he can't get out ahead of the problems and can't invest in my products.

"At the end of the briefing, I said, 'I will proceed as planned with this program. Thank you very much for your attention today and all the time you have given me.'"

Partnership

The downsizing was painful, both for many people in the base as well as for Judy herself. Although she was authorized by the Pentagon to proceed with the downsizing and knew fully well how to achieve it, she also knew that downsizing alone was a necessary, but insufficient, condition for lasting success. She believed that without a radical change in the culture of the organization, involving a shift from control to trust and responsibility, her mission would not be truly accomplished.

So Judy took it upon herself to change the project culture. However, it would prove to be an arduous and complicated task to create a relationship of trust, mutual support, and teamwork between the government and the contractors. Acquisition reform was difficult to grasp for many people involved with AMRAAM, and Judy struggled to sell it both to government and industry. Not long after she announced the drawdown plan in the program office, she hosted a meeting with several of the key members of Hughes and Raytheon, the two contractors building the missile.

> "I wanted to talk with them about our 'partnership,' what was wrong with it, and what we were going to do to improve it. To make my point, I brought a copy of the 'spec tree' that governed the program at the time. The document was hundreds of pages thick, and it illustrated all that was wrong with AMRAAM. Over the years, people had added endless low-level specs, and it was a disaster. I don't think anyone could make sense of it.
>
> "If something needed to be changed for any reason, like for instance if a part went obsolete or there was a problem with a vendor, then the contractor had to submit an Engineering Change Proposal and the government had to approve it. The contractor documented every change in parts, down to the lowest-level nut, bolt, or screw, and sent those change proposals all day long. The government paid the contractor to make

the changes or else they didn't get done. I used to say, 'If I want my contractor to flush the toilet in Tucson, I have to write him a contract letter and pay him to do it.'"

Judy wanted to change that mindset and get the contractors to develop what she referred to as a "heart and soul" relationship with their products. She was striving to create a win-win situation for both sides by taking an unwieldy spec tree and writing a good, simple set of performance specifications that the contractor could control, while paying a fair price for the product on the government side.

"Coming together in a partnership meant more than just saying, 'Starting Monday, we're a team.' I told my counterparts on the contractor side: 'I'm going to help you pay for everything, I'm going to help you make a decent profit, and you are going to make sure that we have a good product out there.'

"I laid all this out at the meeting I held with the contractors. All of a sudden, Raytheon's chief engineer stood up and spoke across the room to his vice president: 'Boss, I've got to make sure that before you agree to this, you understand what she's saying. Because if you do, I don't think there's any way you'll agree to it.'

"Everyone looked at him, and then back at me. To say that things got tense is putting it mildly. 'Today,' he continued, 'if we change something here, the government pays; but what she's telling you is that with this deal, if we change something, we pay.'"

This was a perfect expression of what was holding them back. They couldn't see opportunity; they could only see risk. It was indicative of the way in which they had managed their business for years. They were used to doing things a certain way, and change—regardless of how necessary—made them jittery.

"'Oh man, we don't want any part of this,' said the Raytheon vice president. I realized that I wasn't going to convince him

to embrace reform if he fundamentally didn't want to change. They were so cynical about working with the government that they had a hard time believing I could offer any kind of deal that would be good for them. The best I could hope for was that he would go along with it until he saw that the reforms worked. He could only see where we had been, and he feared the problems that could befall us if we wavered from that."

As it turned out, Chuck Anderson, the head of the AMRAAM program at Hughes, had a past experience with Judy and was much closer to her management philosophy than his superiors, even prior to her initiation of the drawdown:

"Back when Judy Stokley was Deputy Program Director, we had a problem—a big problem—with the control section of the missile. It was a design issue, and it was our problem. We at Hughes needed to fix it. It was only my second week on the job, and I went to Eglin Air Force Base to discuss the issue.

"I walked straight into the program director's office and said, 'We're going to fix the missiles, and we're going to do it at our company's expense.' That was a $3-million decision. His mouth hung open in disbelief. My company wasn't obligated to do a darn thing, but that's not the way I thought we should do business."

Chuck believed that his company had a responsibility to take care of its customers and live up to its agreements. Judy saw that, and when she took over as the program director, she understood that she had a teammate ready and willing to reform a troubled program.

Realizing the huge impact that Chuck would have on the success of the change, she recounts:

"Fortunately, it was a different story with the Hughes vice president, Chuck Anderson. Chuck not only knew where we had been, but he could also see where we might go and what we

could become. I was fortunate to have someone like him on the industry side.

"When Raytheon and Hughes merged, Chuck stayed with the program and the Raytheon vice president left to tend other patches of status quo. The merger created lots of other issues to deal with, but the fact that we had the right person in place on the contractor's side and a meeting of the minds was a tremendous help in implementing the needed reforms."

Chuck Anderson recalls the crucial meeting when Judy's team came out to Tucson to work with them on staffing and initially proposed drawing down the workforce to as low as 30 positions. He knew that he could not get the job done with so few people and warned that the program would not be the same in that case. They went through the staffing requirements, position by position, but still could not come to an agreement.

"Finally, Judy and I went into my office, apart from everyone else, and she said, 'Chuck, tell me what you need to do this job.' I told her, 'I think I can do it with about a hundred people.' At the time we had around 400 people working on AMRAAM, so we would still need to displace a significant number of people. We shook hands on the number.

"When we rejoined the group, Judy announced that we would keep 100 people on the program. I remember the look in my team's eyes. They knew that many of the people who had worked on the program for years would lose their jobs and that the rest of them would have to figure out how to get the job done with one-quarter of the former workforce. They also knew that a handshake was our only assurance that our customer was going to live up to the agreement. 'Look, we have to trust the customer on this,' I said to them. 'We have to trust that they understand what kind of risk we're taking in signing up for this.'"

Chuck was no stranger to taking risks:

> "I decided that we were going to open our books to the Air Force, prompting a swift visit from the Raytheon corporate police. They came to my office and told me that I was breaking the rules. 'That's confidential data! You're not allowed to show that kind of data to the government.'
>
> "I told them, 'Go to hell,' literally, and then threw them out of my office."

It wasn't the first time he had been told that he had no authority to make an agreement with a customer:

> "They'd try to tell me, 'That has to go to Lexington' (home to Raytheon's corporate headquarters). Anything over a dollar had to go to Lexington for approval. As such, I was on report a lot.
>
> "At the time I entered into this agreement with Judy, I still had a Hughes badge on. I actually had to get Raytheon's chief operating officer to approve it. How did I get it done? I said we could pull it off, and I was believable. My prior track record probably had something to do with it, too. The bottom line was that I had run successful programs all of my career, and it's hard to argue with success. Beyond all that, we definitely benefited by being in Tucson, Arizona—a long way from Lexington."

When it became obvious to Chuck that Judy was trying to seize the merger between Raytheon and Hughes as a catalyst for real reform, he knew that the outcome would be worth the risk:

> "The biggest reform of all was getting government out of the way to allow the contractor to do the job of designing and building better missiles. We called it Total System Performance Responsibility, or TSPR. Officially, this meant that the contractor would accept responsibility to do what was necessary and sufficient to develop, deliver, warrant, and support missiles that would be affordable, combat capable, and readily available. In

layman's terms, it meant that the government would trust the contractor to decide when the product successfully met performance requirements. This was a unique approach in government contracting. In fact, it was exactly the opposite of what government employees and contractors were used to doing."

One welcome change of TSPR would be to eliminate the long waits required for government approval on simple spec changes: "I had to have a whole bureaucracy in place just to substitute a round capacitor for a square one on a circuit board. As ridiculous as it may seem, changing a capacitor required a four-month approval process up to that point."

But as Chuck knew all too well, change doesn't always come easy: "With this merger, I would come under more scrutiny by my corporate office. All my freedom to make decisions and 'do what's right' would disappear if I didn't make reasonable profits. This was a new way of doing business, and I had to sell it to my people."

And a hard sell it was. Tom Gillman, the contracting officer for Raytheon, recalls:

> "Judy Stokley's intentions were good, no doubt, but I had been burned in the past by people with good intentions. Good people in the government have made commitments to me as a contractor that they have been unable to fulfill. Likewise, I have made commitments to the government that I have been unable to fulfill. In both cases, it hasn't been for lack of trying.
>
> "I have to admit, I was skeptical that the government was capable of living up to the commitment they made. Try telling your bosses, 'I'm going to do several hundred million dollars worth of business on a handshake. Don't worry, I trust my customer and they trust me—so you should trust both of us.' Most contractual relationships in this industry revolve around legalistic interpretations of big, thick documents called contracts. Usually, whoever has the best lawyer wins.

> "One thing that Judy did to win my trust was to eliminate the bureaucracy on their side. A large staff on the customer's side is disruptive to work. We had to be staffed in such a way as to take care of our customers, and so we had a lot of hand-holders. I used to have one person in my organization for every person that the government was going to assign to a project, plus the people to do the work. The bigger their bureaucracy, the more feeding it took. Suddenly, we didn't have to put as much into care and feeding, and that freed us up to pay more attention to building missiles. That went a long way in proving that the commitment was for real."

Several key people on Judy's team came up with original steps aimed at enhancing the understanding and acceptance of the new culture. Following the meeting where Chuck and Judy made their handshake agreement, a "mirror exercise" was conducted, with a facilitator asking each side—government and contractor—to make one list of its most important issues and another list of what it thought was the other side's most important issues. When the two sides shared their information, it became immediately apparent that there was little trust between them.

Dennis Mallik, AMRAAM's chief financial officer, describes the sense of mutual distrust:

> "The contractor's side thought that the government wanted the product for the lowest price, and they thought that the government team was willing to suck our company dry if that was what it took to get a low price. On the government side, some of the team thought that the contractor only cared about a big profit and didn't care about quality. One thing was clear from the process. Everyone needed to work to dispel these toxic stereotypes, or else we were never going to be an effective team."

Dennis decided to apply his own experience to solving the problem and put together a presentation for the contractor's financial managers and program managers:

> "I had worked for a contractor for 12 years before I entered the government. I believed that the contractor's people would do the best job they could for us. What I didn't understand was how little they understood us. It occurred to me that if I educated the contractor about government program planning and budgeting, I might be able to help the situation."

He learned quite a bit from that visit:

> "They explained that Raytheon had gone deep into debt to buy Hughes Aircraft. Profit wasn't their main concern; it was cash flow. They thought that all I had to do was ask for money today, and it would be available tomorrow, so I helped them to understand that I had a two-year delay before I could get anything written into the budget. One of the things that we worked on was figuring out how I could improve cash flow on the program."

The visit also netted him a better rapport with his contractor counterparts: "We continued to meet face-to-face once every couple of months, and we kept in close contact the rest of the time, with frequent emails and telephone calls. I went out to Raytheon and asked for everything I thought I needed to know—and they gave it to me."

As Dennis explains, open communication between the government and the contractor was not the norm on other Air Force projects:

> "When some of the people working on other programs came by to ask me for advice, they were stunned to learn how open my relationship was with Raytheon. They had been told that they couldn't ask their contractors for information, but they saw that I didn't operate that way. 'You'll be surprised by how much better you do once you get to know the people you're working with,' I explained."

In another attempt to promote the new culture in AMRAAM, Col. Wendy Massielo, contracting officer for the U.S. Air Force, came up with the idea of a coffee mug with the slogan, "TSPR Is *Not* a CLIN," as a way of helping to embed this change in philosophy in people's minds:

> "In the government, our traditional way of operating is to ask, 'Well, what does that cost?' no matter what 'that' is. The way we account for each of these costs on a contract is through a line item: a Contract Line Item Number (CLIN). People were trying to apply that same CLIN approach to understanding what we were doing on AMRAAM.
>
> "I found that I had to answer the same question all the time: How much was this Total System Performance Responsibility going to cost? Many people from both the government and the contractor were at a loss to understand what TSPR meant. I wanted people to stop thinking of it as a line item, as a number, and instead look at it as a philosophy. When you embrace the TSPR concept, it means so much more than the cost of delivering a missile. Cradle to grave responsibility, that's what we were trying to instill in the contractor."

Jerry Worsham, chief of logistics for the U.S. Air Force, describes the waste involved in the process prior to implementing the new TSPR approach:

> "Certain roles that were traditionally performed by the government now made sense for the contractor to do, and one of those was the repair of damaged missiles. The way it worked was that damaged missiles still under warranty were sent to the contractor's facility in Tucson, while those with an expired warranty went to government depots for repair.

"The more depots you have, the more expenses they incur for the program because every location has to have spare parts in inventory, plus management and maintenance facilities. It made sense that if you could combine those depots, you could streamline the operation and save money. We looked at what it would cost for the one location at Tucson to do all the depot work, and the cost savings were substantial—approximately $10 million worth of savings in spare parts alone.

"Some of the depots resisted giving up their work to the contractor. As soon as I started talking about the contractor having total system responsibility for the life of the missile, they only saw that to mean jobs flowing from a military depot to a contractor facility."

In addition to repairing the missiles, one of the other things slated for reform was sustainment engineering:

"Certain elements of the missile had a history of breaking, which compromised reliability. Who better to keep the engineering up-to-date than the contractor who designed, built, and knew the missile better than anybody else?

"The way I saw it, I was there to try to make the most of taxpayer dollars. They thought that I was there to shut down jobs. Each time I talked with someone who was stubbornly opposed to reform, I became more convinced of the need for reform. It was a difficult task at times, but it was necessary work."

Increasing the responsibility on the contractor also enhanced its sense of ownership. Brock McCaman, program manager at Raytheon, demonstrates how being innovative and initiating change also allowed it to save money:

"Traditionally, when a missile arrived at our depot, the clock started ticking, and we had exactly 60 days to do whatever was

necessary to repair the missile and make it available for shipment again.

"When Judy came to us and said, 'Here's my budget,' our collective response was, 'Yikes!' We realized immediately that we couldn't keep repairing missiles the way we always had—the money wasn't there.

"This is the conclusion I came to: Let me decide what to work on and how to work on it, and I can provide you with more missiles per month than I can with 'turn-around time.' We said to Judy, 'Want to save money?—then let's forget about turn-around time,' and she agreed. Now we're measured on field availability. Because of this, we can take the contract for less money and deliver more missiles.

"For example, sometimes a missile is returned so broken that it isn't worth repairing, what we call 'beyond economical repair.' From a customer's point of view, there's no such thing as beyond economical repair. Everything is economical if you've already paid the contractor to do it. Suppose that I receive one missile that's smashed up. After that, I receive five others that just need simple repairs. Because the clock is ticking on each unit, I have to throw all kinds of people and resources to get that first, smashed-up missile fixed so that we can send it out before the 60-day deadline. Give me the flexibility to push that one aside and work on those other five missiles, and I can get them out with the same amount of energy and for the same cost as the single missile that needs more work.

"Here is another way we're saving money on repairs: Before TSPR, we had to tell the government about every nut, bolt, and screw we replaced on a missile, how much it cost, who worked on it, and how many hours it took to repair the unit from the day it came in until the day it went out—and we were required to file reports with all that data. Today, we send them a bill once a month for a fraction of the cost of what we were doing

before, and we get the missiles back into the field sooner. This way of contracting works better for us, for the government, for the taxpayer, and especially for the war fighter."

Constancy of Purpose

Jon Westphal, an engineer with the U.S. Air Force, differentiates between roles and describes his role as an "enabler":

> "The government is not in the manufacturing business; the contractor is. Judy Stokley and George Sudan were adamant about this. 'Let them do their job. We'll work with them to provide insight—not direction, not oversight.'
>
> "The best way to do that was to be on site, working side-by-side and supporting open communication between the contractor and the government. That was the role of an 'enabler,' and that was what I did."

The enablers had to have a broad background because they were not experts in any one field per se, but rather dealt with everyone—contracts people, finance staff, business reps, program managers, and engineers. They knew enough across the board to communicate with people and get them in touch with whoever was needed to help solve their problems. Probably more important than anything else, the contractors had to feel comfortable that the enablers understood what they were talking about.

> "The first thing I had to do was try to convince the contractor that even though I was from the government, I was there to help in whatever capacity I could. The contractor's employees wondered how safe it was to tell this government guy anything and how much they should keep secret. I had to reassure them that whatever we talked about would remain confidential until

we had identified the potential impact of a problem and created a plan to overcome it. Once I got past their initial suspicions about me, it was easier to forge relationships because more and more people understood my role.

"About nine months after I started going out to the contractor's site in Tucson, I needed to check something with the director of operations. I walked down to his office, where there were five or six engineers standing outside waiting in line. I walked up to the front of the line and was about to stick my head in the office and ask my question, when the guys in line jumped on me, 'Hey, what do you think you're doing?' I said, 'Look guys, I'm just going to ask Rick a quick question.' They objected, 'Come on now, there's a line here.' I said, 'Yeah, but I'm the customer.' And they said, 'You're an enabler. Get in the back of the line.' Right then, I knew that I had been genuinely accepted!"

For Brock McCaman, program manager at Raytheon, it took some time to get comfortable with the notion of a government representative being an asset rather than a liability:

"The government thought the enablers were absolutely necessary, but I was skeptical at first about the whole idea of using them. These guys had complete exposure to all our dirty laundry. And I don't care how good you are; you still have some dirty laundry hanging around. I figured that this would be just another bunch of government guys watching over us, reporting every little thing.

"It turned out I was wrong, and that's because AMRAAM became an altogether different program under Judy Stokley. Before TSPR, government reps would get big points for sniffing out problems in our organization. Now reporting problems was no longer considered as good behavior because it violated trust.

"Each enabler had different strengths, and yet they never tried to give us contract direction. There were times during meetings when I would turn to one of them and say, 'Hey, what do you think about this?' And he would come back with some real jewels.

"At one point down the road, we had a program-wide discussion about whether or not to continue using the enablers. I said, 'Are you kidding? They're too valuable not to have around.'"

One of the things that Judy wanted to do was establish a long-term pricing agreement with the contractors so that their vendors, many of whom are small businesses, would not be forced to provide certified cost or pricing data every year. Operating under verbal approval for Price Based Acquisition (PBA) from her boss in Washington, she pitched the plan to Hughes and Raytheon before the merger as one of the benefits of reforming their old way of doing business. Then a month before they were supposed to award the contract to Raytheon as the sole source provider, her boss in the Office of the Secretary of Defense told her that they would not be allowed to go forward with PBA, claiming that a lot of people in the political system weren't happy about the merger.

"I was crushed. I got the call on my cell phone as I was leaving Eglin. She went on to tell me that PBA was a 'dead issue.' She said, 'Don't come to Washington to try and revisit this.' I was so upset that I had to stop driving, and I pulled off the road. That was probably as down as I have ever been about my job.

"But I pulled myself together that weekend, and I called Chuck Anderson at home on Sunday. 'Chuck, I can't deliver on Price Based Acquisition,' I said. 'I'm sorry, I thought I could do it, but I can't. I can't get approval for it.' 'Well Judy, if that's the way it is, I guess that's the way it is,' he said. 'Let's have a video conference on Monday, and get everybody together to figure out what to do.'

> "On Monday, when we brought the team leaders together for the video conference, I explained the situation. At first there was a lot of venting, and then Tom Gillman, the contracting officer, spoke up: 'I never thought the Price Based Acquisition mattered anyway. We have to get cost data from all the same vendors on our other programs, so unless the entire department goes Price Based, it really doesn't help us that much.'
>
> "I still remember that Friday night after the phone call and how I felt like driving off the road. I thought so much depended on getting Price Based Acquisition. Part of the hurt was that I thought it would damage the business, but the other part was that I took it too personally. I had gotten too full of myself. I was focused on implementing all these great reforms and strategies, and I expected every part of the process to fall into place. I came to understand that my pride had been hurt because I had promised people something I couldn't do. I was embarrassed—but, more importantly, it was all perfectly workable."

"I learned something extremely valuable from this teamwork," explains Judy. "When you've got a strong team, they will figure out how to overcome the little barriers that pop up along the way. By the second year, there were no barriers anymore. They did miraculous things, things no one would have believed they could do when we first started working together. Anytime we had a problem, they had it worked out before I even knew it was a problem."

Tom Gillman, the contracting officer for Raytheon, highlights the importance of trust in his working relationship with Dennis Mallik on the Air Force side of the AMRAAM team:

> "The fact that Dennis invited me to his internal budget meetings and wasn't afraid to publicly display the openness that existed between the Air Force and Raytheon was not only remarkable, it was unprecedented in government-contractor relationships. I had been part of trusting relationships with my government

aders together for
tion. At first there
n, the contracting
Based Acquisition
from all the same
the entire depart-
us that much.'

)hone call and how
) much depended
he hurt was that I
:he other part was
'ull of myself. I was
rms and strategies,
) fall into place. I
1urt because I had
/as embarrassed—
)rkable."

n this teamwork,"
1ey will figure out
1g the way. By the
ey did miraculous
ould do when we
oblem, they had it

eon, highlights the
Dennis Mallik on

l budget meetings
nness that existed
t only remarkable,
ctor relationships.
h my government

counterparts before, but these were one-to-one relationships that we kept quiet, lest our leadership get wind of them and scold us for setting such a dangerous example for others.

"It was the trust to be able to share with your counterpart what is really going on rather than some version that's been smoothed over by your leadership. It was the trust that your counterpart is going to listen to you thoughtfully and try to help you come up with a solution, but never use it against you. Because I wanted to honor this trust, I never used any of the data that I saw at these meetings for business purposes at Raytheon outside of the AMRAAM program.

"Dennis never told me I couldn't, but I understood why I was there. He regarded me as a member of 'his' team as much as anybody who was in the room wearing a government badge. He asked me only once, 'Do you see anything limiting our abilities to get the job done?' After that, whenever I saw anything that could impact the AMRAAM program, it was expected that I would speak up and not wait to be asked for my input. It was all about our abilities to get the job done. I have to emphasize that word again: *our*."

Sustaining a major cultural change may require constant maintenance. Chuck Anderson describes a practice that he instituted to sustain change:

"All of my team members, approximately 80 of us, met for half a day off-site at a hotel. We did this every month. We rented a ballroom, and the whole purpose of that meeting, every month, was constancy of purpose. It was to get everybody aligned—or brainwashed, as some said.

"My message was: 'Let's do what's right. Let's make sure that we deliver on time, make sure that the design is right, make sure that we meet every requirement. Our customer will help

us in every way possible, and then by definition we'll succeed and we'll meet our financial targets.'

"During our open discussions, members of my team brought up examples of how the government wasn't living up to their end of the deal: 'I still have to do this.' 'I've got to write a report for these guys.' That sort of thing. 'There are probably always going to be problems,' I said, 'but we've got to have faith in the leadership there. They are committed to this, so let's try to work through it.'"

Ultimately, most of Chuck's team members had faith in him as a leader, and the ones who did not "get it" were eliminated from the team: "I was the one whose job was on the line if we screwed up, if it didn't work out—and I did my best to make it clear that I knew we were doing the right thing."

"But, you can't do it on your own. That's why I made sure to surround myself with a team of effective leaders. I'm talking about six or seven people, all hand-selected by me. I knew every one of them. You need to have real leaders on your team when you're doing something like we set out to do on AMRAAM. These were people willing to make decisions, take risks, get on with it, and not study a problem to death.

"We've got so many smart people in this business who can't bring themselves to make decisions because they're afraid of failing. I selected people who could make swift decisions if that's what was required. And that's what they did, proving themselves time and time again."

Tom Gillman, the contracting officer for Raytheon, concurs:

"All programs have problems. In the normal mode of government contracting, everybody runs to the contract and says, 'What does it say on paper?' Not us. The first thing we did was

ask what the best thing was for the war fighter. Once we determined that, then we decided on the best way to solve the problem, given our resources.

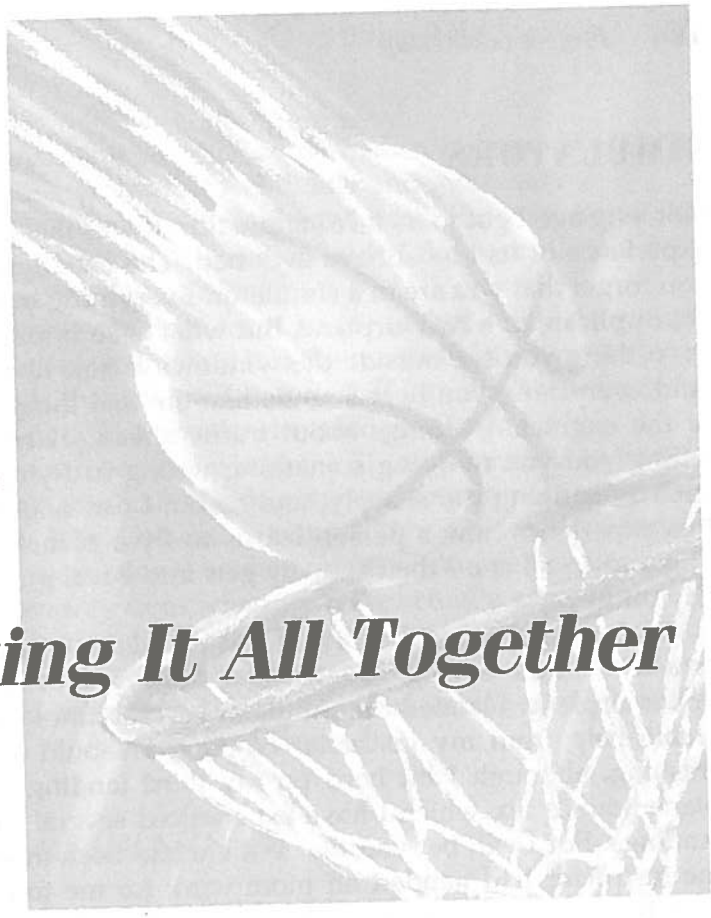
"When people asked me about the impact of TSPR, I used to say that it was like buying a Sony TV. They say that Sony technicians never turn the televisions on when they put them together. Because of their quality control system, they know that they're going to work. What the government tried to instill in us was that same kind of pride in our work."

Tom recounts a story of how his people were doing just that:

"For example, on a particular piece of missile hardware that had to work only 90 percent of the time, it was determined that failure occurred less than one percent of the time. Contractually, they were not required to resolve that one percent, but instead, they decided that it was the right thing to do to see if they could figure out what was happening.

"We locked some engineers in the lab for six months and had them duplicate that failure. They determined that with a simple modification of the missile, we could eliminate it. We ended up spending a couple of million dollars to fix 5,000 missiles that weren't under warranty. We could have hidden behind the specifications. Nobody paid us to do the extra work, but it was the right thing to do for the war fighter, and that typifies what this kind of business relationship can offer."

In the end, the AMRAAM program received the DOD Life Cycle Cost Reduction Award. The average unit procurement cost for the program decreased from more than $750,000 to under $400,000, saving the Air Force and Navy $150 million over the course of four years.



14

Putting It All Together

So you've read it all and are wondering, "Now what?" How do I put all of this in context? Most importantly, how do I learn to be a leader? If all I had to do was pass a written test, that would be hard enough—though I'm sure I could do it—but I actually have to behave in ways that I don't feel comfortable with. What do I do?

My first suggestion is that you recognize how skills are developed. You certainly don't learn them through reading a book. You learn them by practicing them. You also learn by failing.

That itself is a scary thought, but it is true that we learn very little from our successes, and a lot from failure. I know, I hear you. You're saying you can't afford to fail. If you screw up you may get fired or at least penalized on the job. That's why you have to fail in a way that doesn't count toward your job evaluation.

SIMULATORS

Not long ago I got to fly a 767 simulator. It was the most fantastic experience of its kind I have ever had. The experience is so real you forget that you are in a simulator. Everything inside is an exact duplicate of a real airplane. But what is so impressive is that everything you see outside the windows is also absolutely real. And everything you hear sounds like the real thing—the sound of the engines, warnings about traffic ahead, alarms going off telling you you're doing something wrong in flying the plane, such as banking too sharply, and so on. I can understand after this experience how a person learns to fly a plane without getting into a real one—then actually gets into a real plane and actually pilots it.

Of course the real beauty of the simulator is that you can "crash" without killing yourself and destroying a multi-million dollar airplane. I landed the simulator several times (with considerable help from my instructor co-pilot, I should say) without crashing, although I hit hard on my third landing and felt the plane bounce up, which I have experienced several times in real landings. But I will bet you that if there had been more time and the instructor had handed off more work for me to do, I would have become overloaded with the complexity of it all and crashed. And still "walked away."

So you have to find a way to crash without getting hurt. You have to be able to fail without having it count against you. And the best way to do this is through simulation. You play-act various scenarios. You try out the behaviors described in this book. You get comfortable with them. Then when the time comes to actually engage in them back on the job, you will find them easy.

I was telling a pilot about my simulator experience, and he said that the real airplane is actually easier to fly than the simulator. He said the actual airplane is more responsive than the simulator. I don't know if this is a deliberate design element, though I suspect that it is. I know that athletes practice more strenuously than they think they will have to play in competition, so that the "real event" seems easier. Michael Flatley, the Irish dancer, practices

with shoes containing weights, so that when he goes on stage in front of an audience, his feet feel lighter and more nimble.

So practice some really difficult situations. Have someone else play the other parts in the situation and make your life difficult. Then the real event will be a breeze.

This is the way children learn to play adult roles. As we get older, we quit play-acting, but it is the most effective way to learn behavioral skills that you will ever find. If you don't like the term *role- playing,* call it skill practice, because that's what it is.

You may remember that one of the EI components is to be able to control your emotions. During my training in neurolinguistic programming, John Grinder suggested that we learn to appear outwardly angry while we were inwardly calm, and vice versa—to appear outwardly calm when we were actually angry. I can do the first one pretty well, though I confess I have more trouble appearing calm when I'm angry. My face gives me away most of the time. This may be in part because it is hard to make oneself angry so that appearing calm can be practiced.

MENTAL REHEARSAL

You also gain tremendously from mental rehearsal. Just sit down and imagine a scenario and how you will behave in it. Go through it a number of times. Imagine variations, so that you develop flexibility. Try to imagine what you would see, hear, taste, touch, and smell in the actual situation. This engages all five senses.

Studies have found that mental rehearsal can be almost as effective as physical rehearsal—even for such things as sports and playing musical instruments. (I'm sure if any children get their hands on this book there is going to be a lot of mental practice of their instruments and not much of the real thing!)

I have found myself doing this when I am faced with an unpleasant situation—such as having to council or terminate an employee. It helps a lot. I also read a book by Larry Wilson, who founded Wilson Learning Systems, and was the youngest person ever to be inducted into the Million Dollar Club for insurance

salesmen. He was 23 years old when he sold his first million dollars of insurance in a single year. The club officials were so impressed that they asked him to give a speech to the annual convention. The audience would consist of several hundred, and it would be the first speech he had ever had to give to an audience that large.

He was terrified. He found himself imagining a disaster in which he got on the stage and fell flat on his face.

Then it struck him: that was exactly what would happen if he kept imagining failure.

So he turned it around. Every day he spent time visualizing success. He imagined giving his speech to an audience of interested, friendly people who were eager to learn how he had been so successful. After all, that was why he had been asked to speak in the first place, so why not? He imagined that people from the audience would come to the stage to congratulate him.

Finally the big day arrived. He gave his speech.

And it was almost deja vu! People actually did come to the stage to compliment and congratulate him. He was comfortable while giving the speech and noted that the audience was paying rapt attention.

This experience formed a core component of how he later trained salespeople. They had to visualize, to imagine selling successfully. And it will work for you too.

FIND A ROLE MODEL

One of the things children do to learn skills is imitate others. In fact, this is how athletes and musicians learn their skills also. Modeling mastery and excellence helps one develop one's talent. Very little can be learned about excellence by studying pathology.

So find someone who already has a skill that you want to develop and imitate that person. Do be careful about one thing. Some components of skill can be gender specific, so if you are a woman and you imitate a male role model, you may come across as too "masculine" in your own performance, and vice versa.

FIND A COACH

As you practice your learning, you need feedback. You need a person who can help you overcome your problem areas. Videotape may give you good visual and auditory feedback, so that you know where you should focus, but you may not always have a good idea what to do to correct for any difficulties you are having. A coach can help.

A coach must be able to give helpful, constructive feedback to be effective, so select someone who will do so, and if you find that your coach is only giving you negative feedback without giving you help, find another coach.

ENJOY THE JOURNEY

You may remember that one of Mulally's principles is "Enjoy the journey and each other." I enthusiastically recommend this principle to you as you pursue your career as a leader. Have fun. Don't take *yourself* too seriously, but take your goal very seriously. Remember, laughter is the best medicine, and the more fun you can have with your learning the more effective it is likely to be. Really!

CHAPTER 5

Project Closing

Closing is the final stage of the project leadership responsibilities model, as highlighted in Table 5-1. Closing is a fundamental element of the management of any project. By its very definition, a project is a temporary endeavor so there must be an ending. Despite the obvious importance of project closing, the specifics are often not performed well and sometimes not performed at all.

TABLE 5-1 Project Leader Responsibilities: Closing

Category of Project Leadership Task	Project Leadership Stage			
	Initiating	**Planning**	**Executing**	**Closing**
Project Priorities	Align project with parent organization	Understand and respond to the customer	Authorize work	Audit project
Project Details	Perform risk analysis	Oversee detailed plan development	Monitor progress and control changes	Terminate project
Project Integration	Justify and select project	Integrate project plans	Coordinate work across multiple projects	Capture and share lessons learned
Human Resources	Select key project participants	Select remainder of project participants	Supervise work performance	Reassign workers
Human Relations	Determine team operating methods	Develop communications plan	Lead teams	Reward and recognize participants
Project Promotion	Develop top management support	Motivate all participants	Maintain morale	Celebrate project completion
Project Commitment	Commit to project	Secure key stakeholder approval	Secure customer acceptance	Oversee administrative closure

As in the previous stages in the project lifecycle, seven project leadership tasks are involved in this stage:

- Audit project
- Terminate project
- Capture and share lessons learned
- Reassign workers
- Reward and recognize participants
- Celebrate project completion
- Oversee administrative closure.

AUDIT PROJECT

At CSM, the project office had an audit team that reviewed all projects. The audit team evaluated the financial schedule and the quality of the project results. The audit team found that the project was a week behind schedule. The audit report noted that for IT projects dealing with online transactions, stress testing is very important. The audit team suggested that the reasons for the success of this project were senior management support and the consistency of project priorities. It was also found that not all consultants hired were highly successful and that some of them had to be changed in the course of the project.

Project Leadership Considerations

The B2B audit report summary included reasons for the schedule slippage as well as reasons for the overall project success. While there is not enough detail to comment on the completeness of the project audit, at least it was performed and it addressed several areas.

The purposes for conducting project audits are to determine: how well the project priorities (scope, quality, schedule, and cost) were achieved; the reasons for the success (or lack of success) in achieving each priority; and any corrective actions that are needed.

The project audit serves a very useful function if it is performed in a positive manner. That is, it should be used to look for solutions, not to place blame. Project audits provide a thorough and methodical review of all aspects of a project and can be implemented in various ways. Some companies have a quality assurance group that performs the project audit, some have project audit teams as a function of the project office, and yet others have an auditing function in their accounting group.

Project audits are a useful tool for gathering the information needed to ensure that all deliverables are complete, quality is acceptable, and all open

contractual issues are resolved. Project audits are normally performed at the end of the project, but can occur at any time during the project lifecycle. Project audits that occur earlier in a project can provide a measuring stick to see how a project is doing and, if necessary, make recommendations for corrective actions. Project audits performed during closing do not help the current project, but they capture lessons learned for future projects and also serve as a performance measure for the project manager and the project team.

Informal methods of conducting project audits include:

- Mutual nonthreatening review of each other's project by two project managers
- Requesting a review of your project by an independent consultant or the project office staff
- Internal team review to walk through the project and determine how it is progressing.

The project audit activities cover all aspects of project leadership. The project leader needs to take an active role in the analysis of the results of the audit and, if changes are required, take a positive approach to communicating and effecting the changes. The core team members need to look at the project audit in a positive light and assist in making any needed corrective actions now or on future projects. The organization needs to support this effort and assist by providing adequate resources to successfully complete the project audit and take any necessary corrective actions.

Project Leadership Lesson: Closing—Project Priorities
A Project Leader Needs to:
Accept that all projects can be improved through timely and thoughtful audits
Have the courage to learn from project audits
Exercise the wisdom to look for solutions instead of culprits.

TERMINATE PROJECT

Rob was working on a project to put business processes in place for a customer, SOTA. After a couple of months of work, SOTA was acquired by North Central Corp. and there were strains in the business relationship with the new owners. CSM's executive team decided to stop all internal projects dealing with North Central Corp. until they improved the business relationship. The executive team felt it was not wise to spend money on projects unless the customer relationship was solid.

Project Leadership Considerations

CSM's executive team appears to have made a sensible decision in stopping internal projects involving their customer, North Central Corp. They have learned that without positive business relationships, joint business ventures often fail. However, nothing is said about their plan to build this relationship. A corollary challenge to the executive team is to look internally for systematic issues that led to this situation.

One responsibility of project leaders is to be a strong advocate for their project, especially in difficult times. A contrasting responsibility, however, is to recommend project termination when it is appropriate.

Terminating a project is a very difficult task. Responsible project termination decisions require a detailed understanding of performance as well as an understanding of the personal and organizational impact of a termination. In some organizational cultures, terminating a project is tantamount to terminating the careers of the individuals involved. Frequently, projects need to be terminated for reasons that have nothing to do with the project leader or the project team, such as:

- Changes in technology have rendered the product obsolete
- The business need that caused the project charter to be written is no longer valid
- Technological difficulties make the approach to the problem difficult or impossible or the cost is too high
- The market has changed and the product is no longer needed or economically feasible.

One essential project leadership skill is to have the courage and foresight to terminate projects when necessary. For example, many research and development organizations expect to terminate many projects before one is commercially successful. These organizations often encourage early project termination since the later a project is terminated, the more money, personnel, and other resources are wasted. It is also not uncommon that the thought of terminating a project is much worse than the results of actually doing it. Although this seems to be a task-oriented issue, it affects all aspects of project leadership. Virtually all the stakeholders need to be informed and involved in the decision. The responsibility to recommend that a project be terminated rests with any one of the stakeholders that feel it is justified. The project leader should not have to bear the full responsibility of making the recommendation.

In Western culture, people often think in terms of completion with winners and losers. Terminating a project in this context appears to be losing. In

fact, leaders who, by virtue of their termination recommendation, display the ethical wisdom of minimizing organizational waste and the value of honest and open communication should be rewarded. They are taking the long-term view of doing what is best for everyone.

Project Leadership Lesson: Closing—Project Details
A Project Leader Needs to:
Accept that some projects should not be completed
Have the courage to make a decision in the best interest of the organization
Exercise the wisdom to know whether to continue or to terminate the project.

CAPTURE AND SHARE LESSONS LEARNED

After the audit was performed, Gary asked Uma how lessons learned were captured. Because CSM hoped to have more B2B projects, these lessons would be helpful. The team went through the entire project structure and captured lessons learned from each stage. The team also captured the stakeholders' reaction.

Project Leadership Considerations

One method of integration is to capture and use project lessons learned. These enable project teams to perform better in subsequent project stages and on future projects.

Most organizations do not handle lessons learned very well. Sometimes the information is never gathered. Sometimes the information is gathered, but very few, if any, have access to it. Frequently, the information is gathered, organized, and available, but no one looks at it. Organizations will unfortunately tend to make the same mistakes repeatedly because they do not learn from their prior mistakes.

Another issue with lessons learned is the timing of when they are captured. If a project leader and the team decide to wait until the end of the project to gather all the lessons learned information, a number of things can impede the process or the quality of the results, such as:

- Team members with knowledge of the events may have departed to work on other projects
- On long projects, the project team members may have forgotten key points that occurred early in the project lifecycle
- At the end of the project, there may be insufficient time or budget left to capture lessons learned effectively.

The project leader needs to include capturing lessons learned as a task in the project plan with resources assigned. Lessons-learned tasks, including gathering, compiling, analyzing, and disseminating information, should take place at the end of each project lifecycle stage.

Project leadership considerations related to the capturing and sharing of lessons learned include:

- Project leaders should develop learning organizations
- Project leaders should set the example of using continuous improvement
- Project leaders should actively listen
- Project organizations should develop and use a methodology to consistently gather, share, and benefit from the lessons learned
- Project leaders should incorporate previous learning so that the project can be "jump started"
- Project leaders should discover innovative ideas that can be pursued to improve the processes.

Project Leadership Lesson: Closing—Project Integration
A Project Leader Needs to:
Accept that it is often difficult to capture project lessons
Have the courage to insist that lessons learned are captured
Exercise the wisdom to actually use the lessons learned on future projects.

REASSIGN WORKERS

Uma and Bob worked with the functional managers to reassign team members back to their respective functional departments. Some consultants would continue maintaining the system for a period of time and others would be leaving CSM. By identifying the new projects or roles for the team members even before the project went into production, Uma and Bob were able to decrease the stress that project closure often causes for team members. Bob arranged for Uma to manage a larger project that he would sponsor.

Project Leadership Considerations

Reassignment of personnel is the responsibility of the project leader. The project leader must care for and see that the team members are reassigned in a manner that is helpful to each team member's career and professional development. In a large organization, the project leader may need to work with many people such as the human resources department, the project man-

agement office, other project leaders, and functional managers in an effort to make the best fit possible. The team members are assets of the company and the project leader has a responsibility to develop and protect them.

The reassignment of the project team to a new project or other assignments should be considered renewing as opposed to ending. It may be necessary to place some team members outside of the company or even with a competitor. It is the project leader's responsibility to see that the team members are taken care of and to find appropriate new assignments for them.

Project Leadership Lesson: Closing—Project Human Resources
A Project Leader Needs to:
Accept that project participants will move on to other work
Have the courage to help them secure appropriate assignments
Exercise the wisdom to balance making a positive impact on their careers with project needs.

REWARD AND RECOGNIZE PARTICIPANTS

This project was considered successful since Buslog was very happy with the results. Bob convinced senior management to permit the team to have a big dinner party to celebrate the success. All project participants, including consultants and senior representatives, were invited. Mark (CSM's CEO) congratulated everyone on the team for their success and asked for their continued support in future projects. Bob congratulated Uma and her team for making this project a success. He also announced that the bonus would be paid in the next month. Uma had gifts for team members who went beyond the call of duty for implementation. The event was a mixture of joy and sadness as team was being dispersed.

Project Leadership Considerations

B2B project leaders did a good job recognizing and rewarding their participants. Recognition included the dinner, with each participant congratulated by Mark. Rewards included both across-the-board bonuses for everyone and individual gifts for superior performers. While there are many advantages and disadvantages of both across-the-board and targeted incentives, the B2B project leaders attempted to reach a balance. Project leaders define, develop, review, and reward performance.

Recognizing and rewarding accomplishments is a very important, but sometimes neglected, aspect of project leadership. It is appropriate to thank the team members when they do well. This informal approach to recognition is important, but it is not enough. Formal recognition is very important and can include the following:

- Recognition in the company newsletter
- Recognition in a company news release
- Recognition through a picture or article in the business section of the hometown newspaper
- Recognition at professional association meetings or in industry trade journals or magazines
- Recognition at a special end-of-project celebration
- Recognition at a company function, such as an awards dinner, company picnic, or holiday party.

There are no doubt other creative ways to recognize teams and team members for their contributions and achievements. As mentioned, providing higher levels of empowerment for the team or team members, such as a higher level approval authority or setting of the project team work timeframes, could be a way to recognize achievements. Basically it can be anything that the project team members and others will perceive as being of value to them.

Rewards do not have to financial, but cash bonuses are always a nice way to reward high achievement. People seem to work harder when they feel their compensation is tied to their performance. Some other ways to reward team members might include:

- A promotion or pay raise out of the normal cycle to reward superior initiative or performance
- Use of a company vehicle for some period of time
- Use of a special reserved parking space for some period of time
- Tickets to a sporting or entertainment event
- Use of a company recreational facility
- An expense-paid trip to a nice vacation spot
- An expense-paid weekend away for two at a nice hotel or resort.

The thing to remember is that recognition and rewards are another form of investment in your most valuable asset as a project leader: your people.

Project Leadership Lesson: Closing—Human Resources
A Project Leader Needs to:
Accept that project participants' contributions may vary considerably
Have the courage to recognize the good and reprimand the bad contributions
Exercise the wisdom to know when to reward and when to reprimand.

CELEBRATE PROJECT COMPLETION

CSM combined the dinner to celebrate project completion with the individual recognition of project participants.

Project Leadership Considerations

End-of-project celebrations can serve several functions. They can relieve the stress participants may have felt in a highly charged project. Celebrations are also a wonderful opportunity for project leaders to remind the participants how important their work really was. Most people are energized by performing worthwhile work.[1] Participants thus energized will be eager to work with the same project leaders and teams on future projects.

A celebration is the perfect forum for the project leader to reward and recognize participants. Make it an important event that is fun and something that people will remember and want to do again.

CSM's decision to combine participant reward and recognition with the ending celebration makes sense. However, they missed an opportunity to energize their project participants by reminding them of the importance of their results.

Project Leadership Lesson: Closing—Project Promotion
A Project Leader Needs to:
Accept that both teams and individuals need celebration
Have the courage to promote future project teamwork
Exercise the wisdom to know when to celebrate project accomplishments and when to look toward the future.

OVERSEE ADMINISTRATIVE CLOSURE

The project team was dispersed. The order processing system was turned over to the operations department. Uma met with the accounting department and handed over all the financial documents of the project so that accounting could close the books on the project.

Project Leadership Considerations

Uma correctly had someone from accounting close the books; however, she is still responsible for ensuring that this is done correctly and should verify the work. Uma should also have ensured that other items were completed as part of project administrative closure.

One of the final responsibilities requiring project leaders' commitment is to oversee project administrative closure. This is largely a communications function, but also involves some specific tasks that need to be accomplished, such as ensuring that:

- All the work packages in the WBS structure are completed
- All the account codes for the project in the accounting system are closed so people can no longer charge to the project's accounts
- All final reports are prepared and distributed
- All vendors, suppliers, and subcontractors are paid
- All final invoicing is performed and payments are received.

Project Leadership Lesson: Closing—Commitment
A Project Leader Needs to:
Accept that there are many administrative details that must be accomplished at project closing
Have the courage to insist that these details get completed
Exercise the wisdom to know when to move on.

NOTE

1. Ken Blanchard and Sheldon Bowles, *Gung Ho: Turn On the People in Any Organization* (New York: William Morrow and Company, Inc., 1998).