

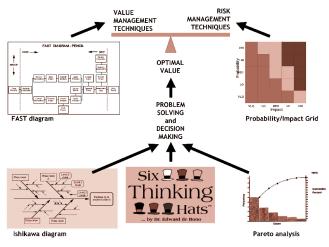
In Lucid Thought 25, we considered the roles of risk management and value management in achieving optimal solutions to both business and project challenges. We concluded that optimal value is most likely to be achieved by a combined approach that systematically integrates risk and value in a 'marriage' rather than chancing a co-habitation that may favour one or other party.

In our experience, the most likely route to optimal value requires skilled facilitators or project management practitioners, who are able to apply all the available tools and techniques but more importantly are skilled in selecting the right tools for the current situation.

So what do we mean by <u>all</u> the available tools and techniques.

All management disciplines have some techniques that sit solely within them. Qualitative risk assessment using a probability and impact grid is one example from the risk management discipline. Functional Analysis (FAST technique) for identifying functions that drive value is another example from value management. But there are many more tools and techniques with their origins in different places that nonetheless have a part to play in the drive to understand requirements and design optimal solutions that seize opportunities whilst minimising threats.

A fine example is the use of the fish-bone or Ishikawa diagram (named after Professor Kaoru Ishikawa who created the technique in 1943) as a tool for identifying the, often hidden, root cause(s) of an observable situation. The disciplines of quality management, risk management and value management would probably all lay claim to this technique. Creativity techniques such as brainstorming or those described in Edward De Bono's 'Six Thinking Hats' are similarly, and often rightly used but labelled incorrectly as a risk identification technique or a value management technique. Pareto analysis or the 80:20 rule (named after Vilfredo Pareto an Italian economist who worked in the late 19th and early 20th centuries), as a means of separating the vital few from the trivial many is a widely useful prioritisation technique. We could go on...



It has long been a 'hobby horse' of ours that the professional services sector misses two opportunities in the drive to create unique products that will differentiate them from the competition. Firstly, the opportunity to integrate ideas of different origins is often left untapped. Embracing and integrating ideas from various places while resisting the temptation to 're-invent' them as your own takes discipline, humility and clever selling, but ensures that clients get the right solution rather than the standard answer.

Creating Value by Shedding Light on Managed Change



Secondly the opportunity to make sense of jargon is often missed, so what is often called 'consultant speak' gets ever more complex with the result being even more confusion rather than the clarity that is needed. Re-labelling techniques might refresh or reinvigorate something that's old, but it can also cause unnecessary confusion.

An example is the recent emergence of 'Lean' as a label to describe the decades old discipline of systematically eliminating waste from processes, based on work done originally in the Japanese automotive industry. Another example is the re-branding of the continuous improvement aims of Total Quality Management as 'Six Sigma'. These techniques are not just applied to improve operations, but are increasingly used for project selection, project definition or to improve project delivery processes.

The logic underpinning all of these contemporary techniques is irrefutable and there is no value to be gained from arguing which technique fits with which discipline. The exciting opportunity is to embrace all of the origins and find ways of choosing the right techniques at the right time and using them well.

It is interesting to observe that of the few tools and techniques that are unique to project management; scope decomposition techniques such as WBS, critical path analysis and earned value analysis are actually all about effectively delivering a pre-defined solution rather than contributing to selecting the optimal solution in the first place. Without thinking outside of the standard PM toolbox and using tools and techniques from other disciplines, nothing innovative or of true value will ever be achieved. So our recommendation is that you look again at the approaches you are using to evaluate project options and select best-value solutions, and the roles of the people used in that process.

The most effective organisations we have seen employ facilitators who have experience of using a wide range of tools and

techniques drawn from many different places. These people are used to facilitate all project meetings where decisions about optimal value are required, whether these decisions are during early life cycle opportunity framing, or value engineering as part of design or to evaluate and act upon issues or change requests. The use of the facilitator enables the Project Manager to be part of the problem-solving and decision-making team rather than having to manage the process, and avoids the need for Project Managers to have to learn yet more tools and techniques to be effective. This facilitation role can be provided from the organisation's version of the Project Office or some other internal or external route.

If you don't do this already - give it a try - our experience is that someone with a toolbox sourced from all the different schools is worth their weight in gold.

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