

# Galloping to Greatness in Strategy Implementation<sup>1</sup>

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The verb "to manage" was originally derived from the Italian word "maneggiare," meaning to handle and train horses. This interesting bit of etymology got me thinking that one could demystify the way that capabilities in strategy-implementation are created by talking about it in terms of horse-racing. We are interested in how to help organizations become capable of choosing good projects and delivering them well to implement the organization's strategies. But pretending that horse racing is our interest can be a useful thought experiment. Secretariat, Man o' War, Phar Lap, Black Caviar, and Native Dancer are some of the legendary horses from world-class racing teams. One should learn from these examples that world-class management capabilities aren't built in a day. Every photo-finish of competitors galloping across a finish line was a journey that began well before they set foot on the track. There are agendas that one must progress through.

## Standardization

The first agenda or level of maturity in horse racing is called "Standardization," and it requires us to do the following:

- Establish "process governance." This means we must engage the team's owners (executives) and coaches and riders (process owners) and enroll them to help us lead the transformation of the horse racing team's capabilities.
- Articulate policies. This means that we must identify what is important about the performance of the horse racing team, including which processes are most important for the horses to be able to perform in the way that their owners want them to perform.
- Document processes. This means that we need to write down the steps of the important processes so that both the practitioners and the owners agree to them.
- Train stakeholders. This means that we need to train all the necessary stakeholders in the things listed above, including the process governance structure, the policies, and the documented processes. We need to train them in a way that enables them to experience their own competence.
- Establish oversight. This means that we need to implement roles and protocols that ensure consistent implementation of work methods.

These things (above) are necessary to create the foundation for building a world class horse racing team. You can see that there are aspects pertaining to the riders and aspects pertaining to the horses. The same is true for building world class performance in your project, program, and portfolio management systems. To become capable of implementing your organization's strategies successfully, consistently, and predictably, start with standardization.

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## Measurement

Standardization is *consistent implementation of work methods*. To enact standardization fully, one needs to pursue the next level of maturity, which is called “measurement.” Measurement includes the following things:

- Identify critical characteristics of the horse racing process. We must articulate what is critical or essential for the process to produce a quality result.
- Document "Results Measures." We must document the expected outputs and outcomes of the process and how those outputs and outcomes will be measured.
- Document the measurement system. We must document how measurements will be taken.
- Train stakeholders. We must train members of the organization in how to collect and analyze measurements.

Both the riders and the horses have roles in this. The riders must support each of these things and the horses must be trained in what to expect, learning how their performance will be measured. For example, they may be measured for "speed," and they may be measured for "safety." They will learn that these metrics are important and that the organization is tracking them closely.

The organization may already know intuitively that the performance of their horses occurs within a range that they expect. Or they may see that the range of variation in performance varies widely, and they will begin to uncover the reasons why.

Let's talk about the sequence for doing these things. Much like the age old question “Which came first: the chicken or the egg?” we have to ask what comes first in terms of measurement and standardization. For measurements of a process performed by people to be meaningful, the process must be performed consistently first. If we are going to measure the horse-racing process, it must be comparable each time the process occurs.

For example, it must involve a horse each time. It can't be horses one day and mules the next. It must be the same kind of run, not a steeplechase one day and a jaunt through the park the next, not endurance racing one day and jump racing the next. When differences become too great, it is no longer the same process, and measurements are meaningless.

But teams are unlikely to perform a process consistently until it's measured. Why would they perform a process the same way every time unless they were convinced they needed to? We should not assume that they would. Horses may not want to race every time they come out of the stable. If we need them to race every time (if speed is what matters every time), we must train them that this is how their performance will be measured, i.e. time-to-finish-line (or in the case of new product development projects, for example, time-to-market).

So, which do you do first: standardize the process (i.e. document it, train practitioners in it, and establish oversight) or measure the process (i.e. decide what's critical, define metrics, document how measurement will occur, train everyone in measurement, and monitor it)? The answer is that you should enact both the standardization agenda and the measurement agenda at the same time. Document the process for horse-racing so everyone is on the same page, i.e. the owners,

the riders, or newcomers who may show up to be part of the horse racing team. But when you document the process, document how it will be measured too. Train everyone and establish oversight for consistency, but show everyone up front what's critical about the process and how they will be measured.

When you train them in the process, train them in how they will be measured, and do these together every time. As soon as you roll out a process, start measuring it regularly. If you don't implement these two agendas of standardization and measurement together, then you will find it challenging to achieve either. If you don't do them together, then an assessment is likely to find that you have not achieved standardization, and if you haven't achieved standardization then you will not have achieved measurement.

Here's a quick word about the sequence for assessing these things. There's a difference between doing something and assessing that it has been done. Although we should implement standardization and measurement simultaneously, we should *assess* standardization first and assess measurement second. The relationship between assessing standardization and assessing measurement is finish-to-start. But as explained above, the relationship between *implementing* standardization activities and *implementing* measurement activities is not finish-to-start. It's finish-to-finish.

Standardization and measurement are the necessary foundation for choosing good projects and delivering them well to implement your organization's strategies. To become capable of implementing your organization's strategies successfully, consistently, and predictably, you must standardize and measure the processes for translating strategies into projects and delivering them.

## **Control**

After standardization and after measurement, one can establish "control," which is the pay-off. Standardization and measurement are pointless without control. Control is the goal.

To establish the "Control" level of maturity in horse racing, we must do the following things:

- Define capabilities. This means we must articulate operational definitions of process stability for the processes that were identified as important. If "speed" is important to us, then we must define what "speed" means, including what speed is too slow and what speed is too fast. If processes X, Y, and Z are essential for "speed," then we must articulate how they impact speed.
- Document critical control points. We must identify the essential points in processes that must be controlled to produce speed in the manner that the organization requires speed to be produced.
- Develop monitoring systems. We must develop a system for monitoring speed.
- Develop process control plan. We must develop a plan for identifying when horse racing teams are not performing within the range of speed that is required. The plan must specify what will be done when this occurs and how performance will be reformed to expectations.

In addition to speed, I suggested “safety” as a possible metric. If the organization’s leaders decided that safety is an important metric, we would define what safety means, including minimum and maximum safety thresholds. For example, we might define safety as “avoiding serious injury,” where “serious injury means death, significant disfigurement, dismemberment, a fracture, a permanent loss of use of a body function, significant limitation of a body function, or a non-permanent injury preventing the person from performing his daily activities for not less than 90 days within the 180 days immediately following his accident.” This is called an *operational definition*, and its clarity makes evaluating safety easy. We would create operational definitions for each performance metric.

We would articulate how key processes impact the metric, in this case “safety,” e.g. warming up the horse, checking the saddle. We would identify essential points in the process that must be controlled, why, when, and how, e.g. checking the saddle to ensure it is secure before the horse leaves the paddock by reviewing the straps and buckles to ensure they are not loose, where "loose" is when straps shift more than 3 inches or buckles do not close fully.

You should notice that capabilities were not distinguished until the third level of maturity (per figure 1). If we could define these things in terms of the outcomes the organization wants and not simply in terms of process KPI’s at the beginning of the first level of maturity (instead of waiting until after our second maturity assessment to define these things), then we could develop capabilities faster. We recommend establishing control limits for *outcomes* in level 1. The reason that this nuance is important is because it focuses practitioners on the performance outcomes and discourages bureaucracy.

<b>Continuous Improvement Maturity Level</b>	<b>Capability Level N+</b>
<b>Control Maturity Level</b>	Capability Level N
	Capability Level 5
	Capability Level 4
	Capability Level 3
	Capability Level 2
	Capability Level 1
<b>Measurement Maturity Level</b>	<b>No Capability Established Here</b>
<b>Standardization Maturity Level</b>	<b>No Capability Established Here</b>

Figure 1: Capabilities do not occur until the Control level of maturity.

You should also notice that the organization's leaders can change their minds regarding the range of performance that is acceptable to them. If the maturity framework is in place, leaders may decide either to relax performance against a metric within the framework or to increase the rigor of performance that is required for a metric.

Leaders may change their minds about these things over time depending on developments in the organization's external environment. For example, if speed is important, and if competitors are getting faster, then leaders may decide that the speed of their own horses must increase to a level that addresses the new competitive environment.

## **Continuous Improvement**

After “Control,” to establish the final level of maturity in horse racing, which is called “Continuous Improvement” or simply “Improvement,” we must do the following things:

- Cultivate widespread and decentralized participation in process improvement activities. This means that everyone from the owners of the horse racing team to the riders to the people who clean the stables are continuously looking for opportunities to improve their performance. It also means that these persons self-organize to experiment with improvements.
- However, it also means that these self-organized teams must demonstrate that their experiments do not result in a loss of control or a lower capability than what was established in the previous level of maturity.

Executives may experiment with giving the riders more decision-making authority, or the riders may experiment with new equipment or tools, or the stable hands may change their own schedules in ways they believe will improve performance. Continuous improvement is encouraged at all levels of the management hierarchy and across all functions if these efforts do not decrease capabilities. Participants are rewarded when capabilities increase. At the highest level of maturity, capabilities can continue to increase to any extent required by your organization. For this reason, an organization at the highest level of maturity may not be as capable as another organization at the same level of maturity.

Standardization, Measurement, Control, and Continuous Improvement are the four maturity levels of OPM3, a PMI standard that gives users the option of progressing through these maturity levels in any combination of three domains: the project, program, and portfolio management domains. The idea is that you must combine these three domains to turn ideas into results or to convert strategies into outcomes, and to be able to do that capably you must progress through the agendas (or maturity levels) of standardization, measurement, control, and continuous improvement.

## **Fill in the Blanks**

I have explained the detailed aspects of each of the maturity [levels](#), which I know intimately because they are details that I personally authored and wove into the original OPM3 standard, and they are what made that model work. Unfortunately, those essential details have become lost to most users over time, which is one of the critical weaknesses of the way that PMI standards

are created and managed, i.e. centralization. PMI extracted the important details from OPM3 and repackaged them as software which they rented to users for many thousands of dollars, eventually [pricing themselves out of the market](#). Hopefully PMI will correct the situation by making that content available to users again. When PMI does that, users will need to know that there are things that OPM3 does not prescribe which they will need to decide. In other words, there were some spaces that were intentionally left blank for you to fill in.

For example, above I wrote about “speed” and “safety.” But OPM3 does not prescribe either “speed” or “safety” as aspects of performance that must be measured. In fact, *OPM3 does not specify any metrics*. When I led the program to create OPM3, I ensured that OPM3 was agnostic regarding metrics. I did this because PMI’s policy when our team created OPM3 was that PMI standards must be generic enough to be applicable to most organizations most of the time. For years I have been outspoken that [standards are maps](#) and that the world needs many of them (not simply one generic map that is abstract enough to be applicable to everyone but customized for nobody). Indeed, the creation of industry standards should be decentralized through emerging technologies that include [blockchain](#) and allow the proliferation and customization of all kinds of maps. But that’s a story for another day.

The point about metrics is that every organization is different. The leaders of each organization should have the freedom to decide how their project, program, and portfolio management processes shall be measured. While this is a “feature” of OPM3, it might also be viewed as a “weakness,” depending on your perspective. To ensure it is a strength and not a weakness, you must choose an OPM consultant who has demonstrable expertise in Organizational Project Management metrics.

After OPM3 was published, OPM Experts LLC created a tool for identifying, developing, and implementing the correct OPM metrics in any organization. That proprietary tool is called the *Strategy Implementation Maturity Protocol for Learning Enterprises* (SIMPLE®). See <http://www.opmexperts.com/simple>. SIMPLE® has been used in many organizations to help them focus on the aspects of Organizational Project Management performance that are most relevant to their own environments (per figure 2).

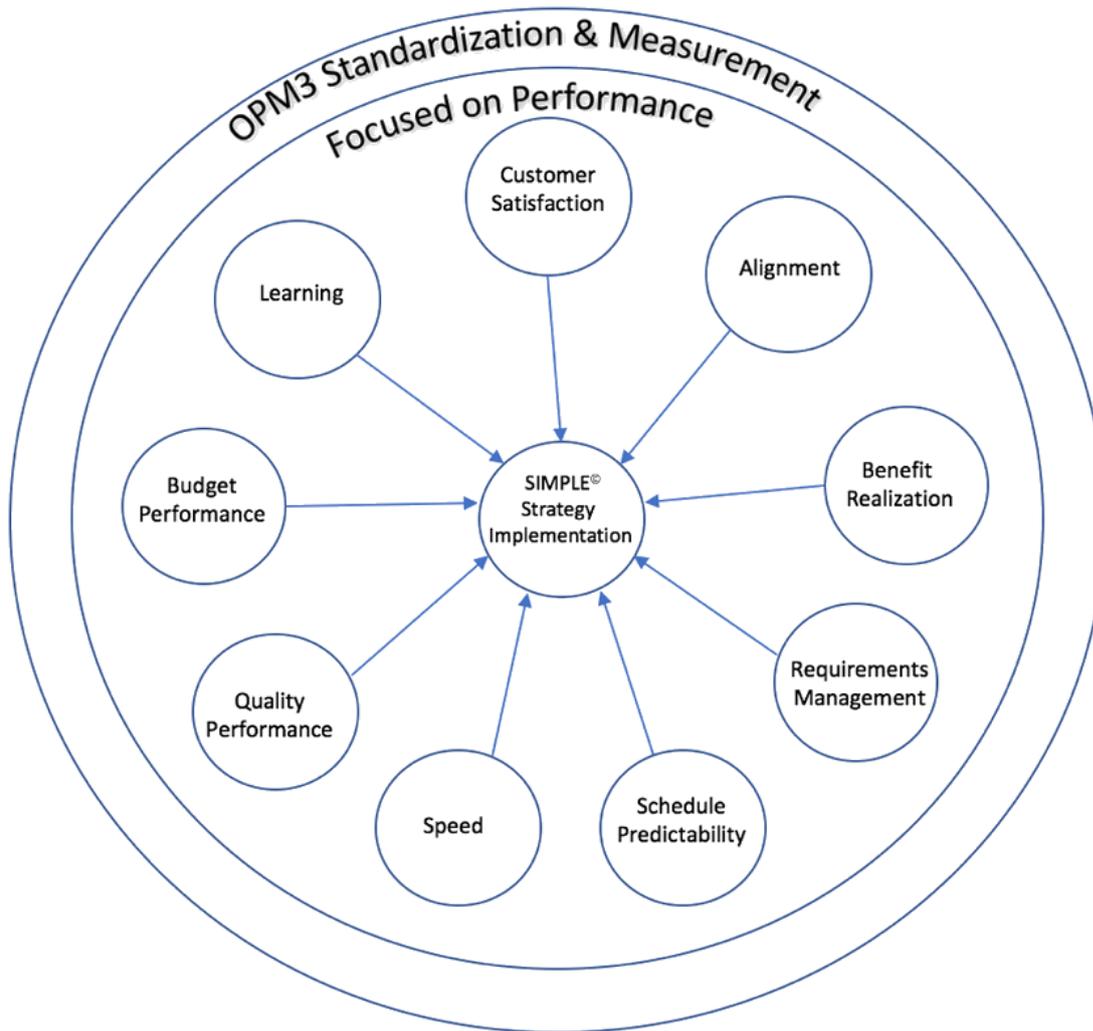


Figure 2: SIMPLE® helps you improve performance.

SIMPLE® helps to accelerate the creation of capabilities via your OPM3 implementation. We supplement OPM3 with SIMPLE® to create a database that is custom designed for collecting the metrics most relevant to your organization. Contact us today to learn more about ways to take your organization to the highest levels of maturity and capability in Organizational Project Management. You can be a champion. You belong in the Winner's Circle.

## About the Author



### **John Schlichter**

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**John Schlichter** coined the term "Organizational Project Management" or "OPM," which is the system for implementing the business strategy of an organization through projects. OPM became a global standard and is how companies throughout the world deliver projects valued in billions if not trillions of dollars. "John has contributed greatly to PMI," Greg Balestrero, CEO, PMI Today, 2002. "In John's role as the leader of PMI's OPM3 program, he has immeasurably contributed to the growth of the profession," Becky Winston, J.D., Chair of the Board of Directors, PMI Today, 2002. Having created OPM3© (an international standard in project, program, and portfolio management), John founded OPM Experts LLC, a firm delivering OPM solutions and a leading provider of maturity assessment services. Industry classifications: NAICS 541618 Other Management Consulting and NAICS 611430 Training. John is a member of the adjunct faculty of Emory University's Goizueta Business School.

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