Executivematters

How to Make Customer Complaints Easier

1. When you have an opportunity to address a complainant face-to-face, listen. Avoid becoming defensive.

2. Use complaints about your customer contact people for problem-solving and learning, not for rebuke and judgment.

3. Be assertive in soliciting customer feedback. Nothing you or your people are doing is more important than taking care of customers.

4. Encourage your frontline people to ask for feedback. Make it clear by words and actions that you think customers can help you build rewarding, long-term, profitable relationships that benefit everyone involved.

5. When you get complaints from customers regarding your people, thank the customer involved for the information and make it clear that you will check into the problem.

6. When you meet with your frontline person, present the feedback, not in a blaming or judgmental way, but with a descriptive "Let's figure out what we can do to resolve this situation in the future" type of approach.

Find out more about AMA's course on customer service at www.amanet.org

Project Portfolio Management Could Put You in the Corporate Driving Seat

BY ANDREW BOYARSKY, PMP, MSM

Imagine for a moment that your organization's strategic objectives are broken down into nice and neat strategic projects. Now imagine that each project is a car with a select destination, a vehicle in which money is invested for accomplishing its objective. Each car has a driver (the project manager or PM); a team composed of a navigator, mechanic, and other support crew (the project team); and fuel is provided (money or resources) to reach its destination.

Let's extend the analogy further. Each car (project) heads out on a road to reach its destination. Some cars and roads may not be as safe as others; that is, they may encounter obstacles in their way. They also may not have adequate fuel (resources) to reach their destination.

Traffic Report

For now, let's say that these cars are traveling along a highway on a beautiful day and then the highway feeds onto another major highway. "Bam!"—you wind up in traffic (the vehicles are constrained by everyday, operational work). There is also road construction that causes delays (information systems repairs, reorganizations, departures, and other interruptions).

The journey is not over yet. Consider some other issues.

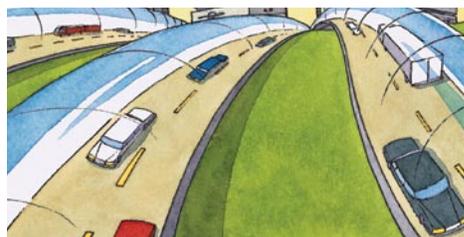Will each car have enough gas (resources)? What happens if the destination changes (strategy)? How do we deal with all of the road hazards (risks) and constraints (resources in terms of drivers and team support)? How do we manage to merge cars from the two roads into one (balance the flow of strategic projects vs. operational work)? Are we driving the right cars with the right driver and teams (right projects, qualified PMs, and sufficient team support)?

Only so many cars can travel through these bottlenecks and deal with these hazards to arrive at their destinations.

Start Your Engines

Now, let's look at this scenario in light of strategic project management. A major part of the solution to this traffic problem is to manage projects strategically as a portfolio. All projects are strategic—either delivering a new product or service, creating greater efficiencies through quality improvements (Six Sigma projects, IT projects), or complying with regulatory requirements (SOX, HIPPA projects). Some projects may be managed better as a program, coordinating projects to achieve greater benefits, than managing them alone (for example a major marketing program).

The facts supporting the adoption of a project portfolio management (PPM) method are clear. In 2005, Gartner analysts found that companies implementing portfolio management processes and

Stephen M. R. Covey on Trust

Of the many personal characteristics of a successful manager, being trusted may be one of the most important. As Stephen M. R. Covey observes in his book *The Speed of Trust,* trust makes people more promotable because "it is a measurable accelerator to performance." As Covey explained in a recent interview with us, "Trust affects every relationship, every communication, every work project, and every business venture—actually, it changes the quality of every current moment and alters the outcome of every future one." Covey goes on to suggest that "trust is a learnable core competency of leaders and managers," and defines leadership as "getting results in a way that inspires trust."
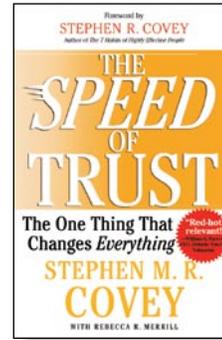
Trust is in decline—trust in our managers, our company's senior executives, in our organizations, and in our government. There is a cost to lack of it—what Covey calls "a trust tax." This tax takes the form of dysfunctional relationships; hot, angry confrontations or cold, bitter withdrawal; defensive posturing; verbal, emotional or physical abuse; and lack of teamwork and poor productivity. Covey, co-founder and CEO of CoveyLink Worldwide, observed how lack of trust

breeds suspicion and cynicism. "Within an organization," he said, "low trust creates redundant hierarchy; intense micromanagement; dissatisfied employees and shareholders; and time wasted in defending positions and decisions."

Fortunately, such a situation is reversible, Covey reassured. If trust is encouraged, effective collaboration and execution replace negative politicking; the focus is on work; and systems and structures are aligned to strategic goals. Organizationally, the speed of implementation increases while the cost of operations decreases. Communication is uplifting and positive, mistakes are seen as learning opportunities and a source of innovation; and the focus is on partnering and leveraging one another's strengths.

In his book, Covey identifies the 13 behaviors common to successful leaders around the world that can build trustworthy relationships and more trusting corporate cultures. The behaviors are:

Behavior #1: Talk straight. Tell the truth and let people know where you stand.

Behavior #2: Demonstrate respect.

Behavior #3: Be open and err on the side of disclosure.

Behavior #4: Right wrongs. Make things right when you're wrong.

Behavior #5: Don't bad-mouth others. Freely give credit to others.

Behavior #6: Get the right things done.

Behavior #7: Continuously improve. Be a constant learner.

Behavior #8: Address the tough issues head-on.

Behavior #9: Clarify expectations.

Behavior #10: Hold yourself accountable and hold others accountable.

Behavior #11: Listen before you speak.

Behavior #12: Keep commitments.

Behavior #13: Demonstrate a propensity to trust.

Project Portfolio Management Could Put You in the Corporate Driving Seat *continued from preceding page*

tools are seeing 10-25% cost reduction in project costs. Another study undertaken by the renowned project management expert Dr. Harold Kerzner found that companies that use project portfolio management processes increase the number of projects completed with the same resources by between 25-30% and cut project duration by 25-50%.

PPM is the alignment of projects with an organization's strategic objectives to ensure the efficient use of resources to accomplish the strategy. Easier said than done.

Roadmap to PPM

So now that we understand the need, how do we get started on our journey

towards PPM? Here are the major steps in developing a standard approach to managing a project portfolio:

■ Identify projects by looking at whether an endeavor requires a cross-functional team and a prolonged effort (greater than a month) to get it done.

■ If it is a major endeavor and has been identified as a strategic priority, authorize its completion under a project charter with top management sponsorship.

■ Evaluate the project by developing the scope of work, identifying cash flows, and calculating the cost/benefit analysis and how it aligns with the strategy.

■ Prioritize the projects based on the organization's strategic criteria and budget.

■ Based on the scope, analyze the resource allocation to the project and timing and then figure out resource availability.

■ Once we have a rational allocation of resources including authorized project managers, there will be an ongoing project portfolio balancing of investment based on risk and return according to the organizational strategy.

As you can see, this fine balance of PPM is part science and part art and is a continuous process. PPM can help manage the traffic flow by minimizing the risks and maximizing the opportunity. Developing a clear method to set the strategic criteria by which to prioritize and balance projects against available resources is a major step towards implementing PPM and improving your execution of strategic objectives.

Andrew Boyarsky is the AMA Portfolio Manager for Project Management. He has 16 years of project management experience in automotive, transport, U.S. Government emergency disaster relief programs, new product development, and organizational development.

Idea Activity: An Innovation Intervention
BY DR. GLENN ROTHBERG

Ideas are usually disruptive. Still, they are important to corporate competitive advantage. Consequently, idea activity within organizations needs to be measured.

Informed managers appreciate the importance for business success of bringing ideas through the stages of origin, acceptance, and implementation. And managers are in a better position to discuss what is happening to ideas in their workplace when they include idea activity as a performance indicator.

Conventional Enterprise Measures

Many aspects of traditional activity are measured in the typical enterprise—like sales, production, cashflow. Unfortunately, the equivalent measurement of idea activity is usually absent. I suspect that is because the role of ideas is a neglected, fragmented part of management. But it also may explain why, in many organizations, there is often reliance upon existing ways of doing things.

A Measure of Idea Activity

We can measure idea interaction and idea progression in our organizations by monitoring behavior toward ideas. For example, the extent of idea interaction can be assessed by whether a manager acknowledges and rewards ideas or encourages others to contribute ideas, or otherwise responds favorably to ideas.

The extent of idea progression can also be assessed by whether it is possible to have ideas considered and whether it is possible to have ideas accepted and implemented.

Idea Activity Results

A review of such idea activity will tell us about our organization's response to ideas. Idea activity information can be helpful in identifying idea-supportive and idea-toxic managers and colleagues, and even customers, suppliers, and markets. What can we do with this information?

Taking Action

Decisions need to be taken to address shortcomings. Toward this:

Coverage: Comparisons of similar and dissimilar business units for idea activity performance need to be made. Feedback discussions and reviews can be held and action plans formed to spur idea activity.

Expectations: The discussion of ideas and idea activity provides an additional dimension for dialogue about workplace productivity, as well as setting future expectations about idea activity.

Intervention: A formal requirement is set for managers to acknowledge and discuss ideas. Once these expectations are decided, idea activity can be included among performance standards against which future behavior is monitored.

Dr. Glenn Rothberg, author and speaker on idea activity, (visit www.ideaactivity.com) is managing director of Intrepid Group, which specializes in innovation management.

Americans, British Trust in Performance for Advancement

American and British employees share a similar trust in job performance as the key to advancement in the workplace.

Two-thirds of employees in both countries cited job performance as the most important reason for promotion at their organization in a study of 1,241 employees by the Novations Group. Nevertheless, sizeable minorities believe "who you know" is crucial: 20% of Americans vs. 14% of British employees.

"Employee attitudes on both sides of the Atlantic seem to converge when it comes to this core issue in today's organizations," said Novations Group Vice President Paul Terry, who oversaw the research. "Frankly, we expected the British to be less confident that performance would determine promotion. Whatever gap may have existed appears to be superseded by a common commitment to getting the job done, more of an acceptance of achievement-based policies and less on presumed rank or privilege. This would be a healthy development."

On the other hand, employee mistrust is ever present, says Terry. "One in five U.S. employees is still pretty cynical about how co-workers get ahead, and the British are only a bit behind."

Among the other survey findings:

- Americans were more than twice as likely as British employees to see seniority as the deciding factor for advancement, by 11% to 4%.

- Five percent of British employees attributed advancement to luck, 7% of men and 4% of women; by comparison, just 2% of Americans cited luck.

- Differences by sex were negligible among American employees while British women placed more faith in job performance than men, by 70% to 60%.

- In the U.K., social class has an impact on attitudes toward job advancement. Among middle and upper middle class employees, 73% trust in job performance; among lower middle class, it was 66%; among skilled working class, 60%; and among working class the number was just 58%.

- In the U.S., income levels were a good predictor of trust in job performance. Among employees earning $75,000 or more, 67% cited job performance, while among those earning less than $35,000 only 49% trust in job performance. Likewise, the higher the employees' educational level, the more likely they were to trust in job performance.

LEADERSHIP

Top Trends for 2007. Make a resolution to stay ahead of the times by preparing now for the challenges the New Year will bring. Find out what the Trends Research Institute says will be the key trends to watch for in 2007.

HR/TRAINING

Faith at Work is No Longer Taboo. Although still in its early stages, the "faith-at-work" movement is demanding serious attention from employers—and presenting some major challenges.

MANAGEMENT

Become a People Builder and Maximize Employee Performance. When employees feel that their manager truly believes in them, they begin to believe in themselves. The result? Skyrocketing productivity.

PROFESSIONAL DEVELOPMENT

Secrets of Multi-Tasking. Feeling stressed out and overworked? These strategies from a physician will teach you how to channel your energy so you'll accomplish more in less time, with less stress.

Book of the Month:

Future, Inc.: How Businesses Can Anticipate and Profit from What's Next by Eric Garland. When you can see the future, you can profit from it. Using forecasting, not predictions, professional futurist Garland provides the tools to bring the future into focus.
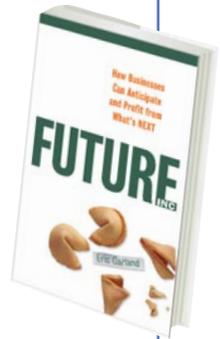
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AMA Conferences/Special Events Calendar

FEBRUARY 7 FREE WEBCAST • The Keys to Strategy Execution. This program presents results of the latest AMA/HRI global survey focusing on determining the key factors that are influencing the execution of strategy in organizations, now and in the future.

FEBRUARY 22 FREE WEBCAST • Leading Extraordinary Customer Service. This webcast shows you how to build and manage world-class service delivery within your organization. Dr. Chip R. Bell, best-selling AMACOM author of the newly revised *Managing Knock Your Socks Off Service,* will discuss proven approaches for building service excellence and practical tools, tips, and techniques you can use to have a real impact on your organization's bottom line.

FEBRUARY 28 FREE WEBCAST • The Nature of Leadership: Reptiles, Mammals, and the Challenge of Becoming a Great Leader. B. Joseph White, President of the University of Illinois, has gotten to know notable leaders—Steve Jobs, Madeleine Albright, Archbishop Desmond Tutu, and many more. In this webcast, Joe White shares what he has learned about the blend of capabilities it takes to lead successfully—and the secret to truly great leadership.

MARCH 7 FREE WEBCAST • The Successful Insider: Internal Consulting Skills for the HR Professional. HR professionals must recognize and analyze an issue and develop a plan and solution for moving forward and implementing project goals which are in alignment with the overall organizational goals. In order to do so, it is crucial to view themselves as internal consultants to the functional areas they support.

MARCH 21 FREE WEBCAST • High-impact Communications: Engaging You Audience with Storytelling. Whether you know it or not, stories are fundamental to the way we communicate, learn, and think. This webcast will touch on a few techniques for embedding the use of stories into your communications for impact, so you are heard "above the noise."

MARCH 28 FREE WEBCAST • Leadership Smarts—Hardwired for Success! Maximize potential in yourself and others! This webcast will introduce a new assessment that will help you identify any individual's top strengths and weaknesses in key management areas.

JUNE 24-26 • Consulting World: Grande Conference of the Americas. Developed with the Institute of Management Consultants, this conference focuses on the tools and techniques of being a successful consultant. It provides the perfect opportunity to learn from, network with, and share practical knowledge with consultants at all stages of practice development.

For details and to register for any of these events, go to www.amanet.org/events or call 1-800-262-9699.

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