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STAND FIRM

More Projects, More Business

Grow Your Business by
Getting More Projects Done

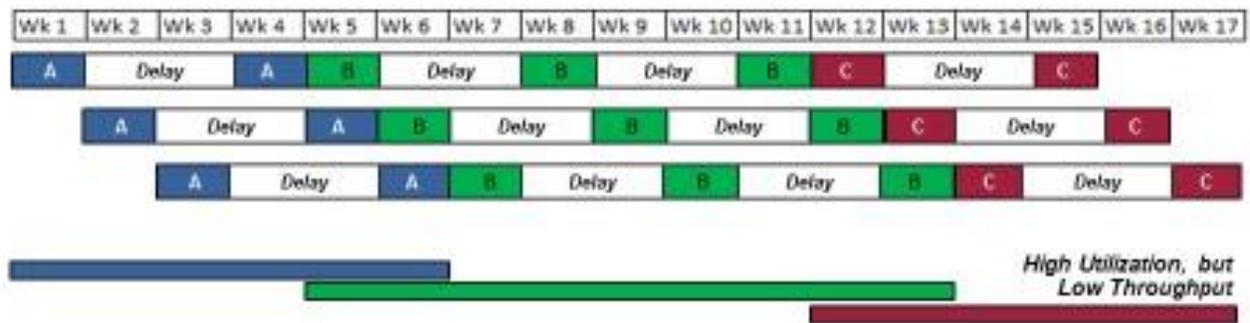
16 May 2016

Introduction

Any deliberate growth pursuit that any business has ever undertaken is, by definition, a project—it has a defined start and an end, a scope of work with tasks and task assignments, and an upfront investment period before the hoped-for payback period. Therefore, all else being equal, the better you are at planning and executing projects, the faster and more reliably your business will grow.

This presents a particular challenge for small businesses, even those that feel that they focus well on their top priorities. The graphic below illustrates why. Imagine that a small business has three key resources, and that each has an assigned task that must be executed in sequence in order to complete a project. For example, a marketing campaign might require Resource A to conduct market research, Resource B to design an effective campaign based on that research, and Resource C to execute the campaign as designed. If this is the only project, then it can be executed with complete focus and effective coordination, and completed in a minimum amount of time. But this is rarely, if ever, the case—much more likely, these same three resources are juggling multiple projects simultaneously. In the example below, imagine there are just three simultaneous projects. Even if we assume that each resource can focus exclusively on just one task for an entire week, each project ends up taking more than twice as long to complete.

Simultaneous Projects

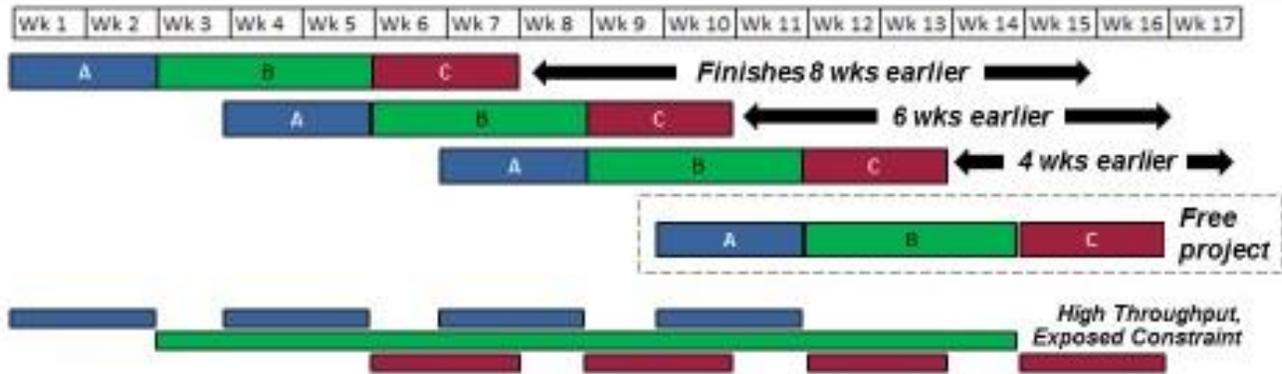


If you consider the low likelihood that any of the three resources can actually focus on just one task for an entire week, that many small businesses are juggling a lot more than just three simultaneous projects, that many organizations have fewer than three key resources to divide up the work, and that switching from task to task typically reduces productivity by at least half, it's no wonder why small business leaders feel like they're super-busy, yet projects seem to take so much longer than they should.

Project Staggering

Compare this with an approach that staggers project starts according to the capacity of the organization's most constrained resource—"Resource B" in this example.

Staggered Projects

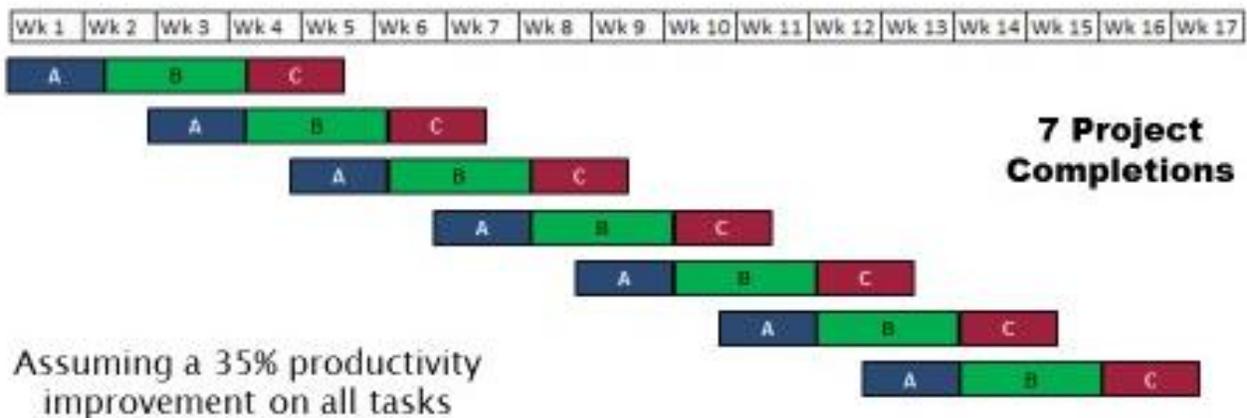


Not only does the staggered approach result in early completion of all projects, it also exposes capacity to complete an additional "free project" without adding any resources. Better still, staggering removes one source of interruption—the constant switching from one project's tasks to another.

Single Tasking

A growing body of knowledge on the productivity hit from task switching indicates a loss of almost half, and the more complex the task, the greater the loss when interrupted—I've seen productivity gains of 5X or more with my clients' most senior technical staff working complex tasks with maximum focus. Even if we assume just a 35-percent productivity gain from single-task focus, we see from the below graphic what impact this can have on the throughput of project completions—more than double the original three projects.

Project Staggering + Focused, Single-Task Execution

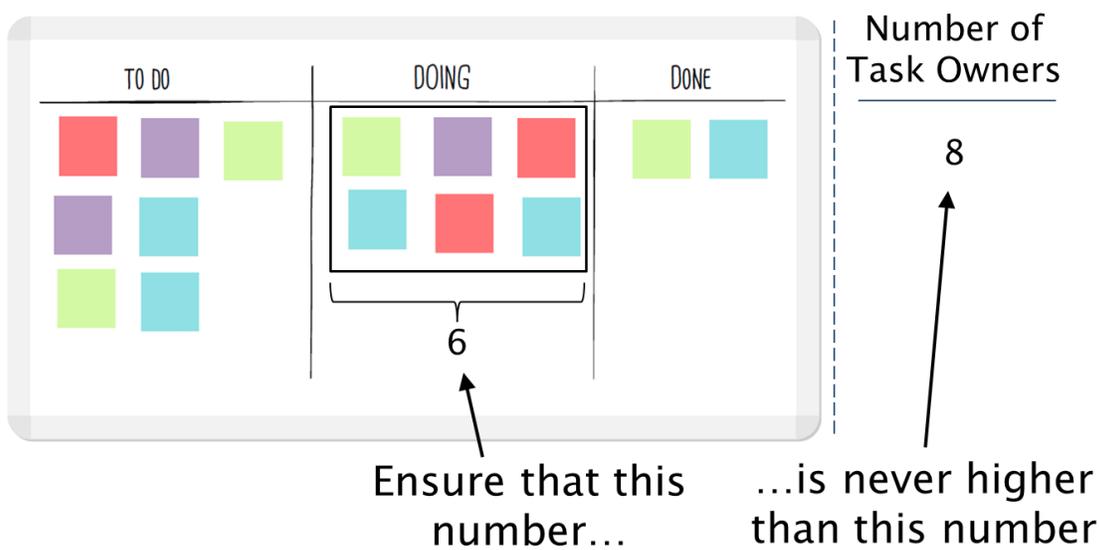


Of course, achieving such a high-throughput result requires discipline—it’s hard to put off the start of new projects that we might feel are just as high priority as the ones already being worked. It also requires good planning, strong expectation-setting, and careful coordination among the key resources, especially given that real-world projects never flow quite as cleanly as shown in the graphics here. But the payoff is simply too enormous to be ignored. And as the business grows and adds resources to the mix, the organization will know exactly what resource constraint is limiting further throughput gains—in this case, Resource B. So rather than simply adding more of all resource types to continue up the growth curve, the business has a much easier time knowing what specific resource type will result in more project completions—and thus, higher ROI generated in a shorter payback period.

Task Boards

If you’re with me so far on the concept here, you might be thinking, “Sounds good, but the realities of my day-to-day environment are simply too chaotic to make this feasible.” Fair enough. But as you seek to stabilize and mature your environment, there’s an additional technique I encourage you to try. Many small businesses are making increasing use of task boards—sometimes referred to as “Kanban” boards—to visualize, prioritize, and flow tasks to completion. These task boards can either be physical—think color-coded sticky notes on a wall—or virtual, with a variety of free low-end options such as Trello available.

While there are lots of benefits that come with better visualization of tasks, of their relative priority, and of any impediments to their flow, there is one major benefit that is nearly always overlooked—the ability to promote single-task behavior. As shown in the following graphic, a simple comparison between the tasks being worked in the “Doing” column and the number of task owners on hand can expose just how bad the task-juggling is, as well as which task owners are most affected, while allowing leaders to inquire what the primary causes might be. If the culprit is too many simultaneous projects, we know that staggering will help; if the root cause is too many ad-hoc requests coming from all directions, we can explore more effective ways to channel those requests. Task owners will be encouraged to see that their leadership is trying to protect their ability to focus, and to remove impediments to their productive flow of work.



The reason I'm showing fewer open tasks than task owners is the simple fact that some tasks may be better handled by more than a single individual. So while the ideal ratio of tasks to individuals may vary from one context to another, that ratio should never be higher than 1.

The Multiplier Effect

One final, crucial item to keep in mind—a doubling of speed at the task level can sometimes result in a tripling of project throughput under a staggered approach, so there's a wonderful amplifying effect. Similarly, a tripling in project throughput can lead to a quadrupling in ROI, as a result of the “pure profit” impact of additional project completions without any additional resources. In other words, any improvement in task-level productivity can have a dramatic effect on profit. See the example below for an illustration of this.

	<u>Current</u>	<u>Future</u>
Total Annual Investment Cost of Project Portfolio	\$10M	\$10M
Total Number of Projects Completed per Year	10	30
Typical Impact (Return) of a Successful Project	\$3M	\$3M
Total Impact (Return) of Project Portfolio	\$30M	\$90M
Net Impact of Project Portfolio	\$20M	\$80M
Impact per Dollar (ROI) of Project Portfolio	200%	800%

2X Speed = 3X Projects = 4X Impact

Concluding Remarks

I hope this white paper has given you some practical, common-sense techniques for growing your business, especially given that such techniques are far from common practice—and thus unlikely that your competitors are applying them. Please let me know how they work for you, and feel free to drop me a line at Mike@FortezzaConsulting.com with any quick questions as you pursue “More Projects, More Business!”