Commitment-based Project Management

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Abstract

Commitment-based Management is emerging as a response to concerns about employee engagement and the need for increased innovation. A recent Harvard Business Review article by London business school professor Donald Sull, and relatively recent books by others are bringing these concepts into the mainstream. The basic notion is that things get done because individuals make promises to each other and keep them. This is the case whether organizations deliberately manage these promises or not, and most organizations do not.

In 1993, just prior to the scheduled release of the Pentium Processor®[2], one of Intel's Corporation's companion products was delayed, pushing the whole product launch 3 months. This paper describes what went wrong and the commitment-based practices that emerged to turn performance around. It is worth revisiting this case in light of the new focus on commitment-based management, engagement and innovation.

Keywords

Commitment-based Management, personal commitments, vicious cycle of projects under pressure, Map Day, Performance Against Commitments (PAC) Chart

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1. Background

As global competition and the pace of change increase, organizations will need the full talents of their members to succeed and thrive. Donald Sull, Professor of Management Practice in Strategic and International Management, and the Faculty Director of Executive Education at the London Business School has pointed out that organizations can choose to manage by power (command and control), by process or by promise (commitments). While there is a place for each of these approaches, he asserts that the first two may actually impede innovation and engagement. The alternative is commitment-based management (Sull and Spinosa,2007; Sull online video).

Sull and Spinoza (2007), drawing on the work of Fernando Flores[3] and others, outline the principles and some rules for practicing commitment-based management. They also explain how the principles derive from Speech Act Theory. Brothers (2005) and Hanson and Hanson (2007) have recently defined models and provide additional advice on putting commitment management into practice. But none of these provide a step by step method for managing projects with commitments. In the early 1990's, an organization within Intel, stumbled upon a commitment-based approach to project management that fits elegantly with the principles and practices that are now beginning to emerge.

2. The Vicious Cycle of Performance Under Pressure

In December of 1993, weeks before Intel Corporation was about to launch its Pentium Processor®, it suddenly became apparent that a companion product was not nearly ready and would hold up the launch. The department responsible for this companion product spent months trying to understand not only what went wrong, but why management didn't realize there was a problem until so close to the launch date. What emerged was evidence of a vicious cycle of unproductive behaviors on the part of both managers and team members. This vicious cycle of projects under pressure turns out to be quite common for teams operating in an environment of relentless market pressure plus uncertainty – i.e. not knowing all you need to know to complete the project, when you start the project (Esque, 1999).
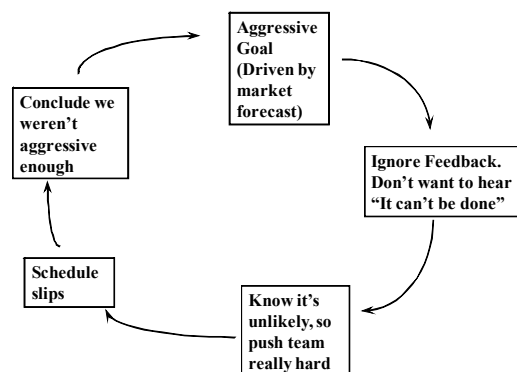

Figure 1. Vicious Cycle of Performance Under Pressure from Management Perspective

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[3] The author did not find publications by Fernando Flores specifically about commitment-based practices, but his pioneering work in the field is referenced by Sull, Hanson and Hanson and Brothers. Fast Company published an article about his involvement – "The Power of Words" by Harriet Ruben, December 31, 1998 which can be found at http://www.fastcompany.com/magazine/21/flores.html.
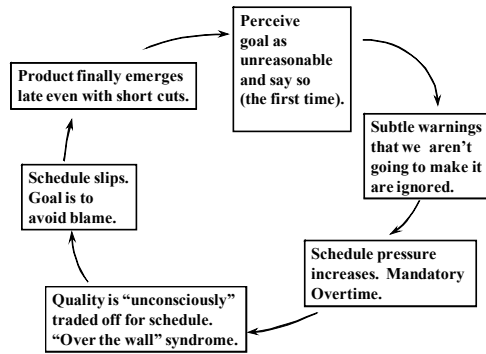
Figure 2. Vicious Cycle of Performance Under Pressure from Team Member Perspective

The vicious cycle does not appear in organizations overnight. The inquiry into what went wrong on the Pentium Processor® launch revealed that schedule performance on the three recent generations of this particular companion product had been consistently unreliable. However, getting out of the vicious cycle took only one product generation, once the vicious cycle and its root cause were understood. The Figure below compares performance before (average of 3 consecutive product generations) and after addressing the vicious cycle.

Indicator	Performance Before	Performance After
Performance against top-down deadlines	30-50% slip	10% slip
Performance against team commit date	Didn't have one	0 slip
Design revisions prior to hi-volume production	4	1
Bugs discovered by customers	2	0

Figure 3. Performance Before and After Addressing the Vicious Cycle.

The above performance indicators reveal a relationship between schedule and quality performance. The primary driver of schedule slippage was extra design revisions. The plan was always to "tape out" and begin volume production of the product after one design revision. But because of hidden quality trade-offs, the product was averaging 4 design and debug cycles. Note that quality was still not high when the product finally did begin volume production as evidenced by significant bugs discovered by customers.

How was a department with such deep problems able to turn their performance around from one project to the next? The project team that accomplished this did not know it at the time, but they were discovering through trial and error some little known principles that have come to be called promise based or commitment-based management, based on a branch of linguistic philosophy called speech act theory (Sull, 2007).

3. Commitments Focus a Team on the Future

Estimating has historically been a crucial building block of project planning. In speech act theory, an estimate would be a particular type of speech act called an assertion. When someone makes an assertion, they are implying that validating evidence exists to support their statement (Scherr, 1990). Examples would include "we should be able to complete this task in 3 weeks" or "the project is currently on track". When an assertion turns out to have been false, if there is any examination of it at all, it is often a discussion about the evidence that existed for the assertion, and how that evidence was unfortunately wrong or incorrectly interpreted. For example, " we had no idea we wouldn't have full access to the workstations", or "The last time I did that task it took half that long".

In a relatively stable environment, estimates (and other assertions) get tested over and over and can become quite reliable. But many projects today are operating in environments that are full of change and uncertainty. As a result, plans based on estimates can become a very poor representation of what is likely to happen very early on in a project. The unfortunate result is often too much time spent in project review meetings discussing what went wrong and why, and poor to mediocre performance against stated goals.

Scherr (1990) explains that "because they are based on evidence, assertions are always about the past or extrapolations from the past". Commitments are a different class of speech act. When someone makes a commitment, they are telling you what you can expect in the future, regardless of what has occurred in the past. Commitments are personal promises from one person to another that put ones personal reputation at stake. For example, " I will have that report you requested on your desk at noon today", or "I will never let that happen again". Also unlike estimates, commitment requires individual choice (Sull, 2007), so people can only make commitments for themselves, not for others.

When a group of people are operating from commitments, their conversations tend to orient around bringing about the future they have committed. So when a project team operating from commitments goes into a project review meeting, instead of discussing what went wrong, they are inclined to discuss what needs to happen now to make sure this week's commitments are met.

4. Simple Rules and Simple Tools

The turnaround in performance described earlier occurred when key players were confronted with the vicious cycle depiction of their behavior. There was a recognition that they had stopped being honest with each other about what was really going on and that nothing would change until they could re-establish honesty and trust. They needed to stop pressuring each other to make more aggressive estimates, and stop blaming each other when these unrealistic estimates were missed. They needed to start operating from commitments.

A veteran project manager initiated the change with a request and promise something like – "you tell me what this project is really going to take, and I will get you what you need to succeed". In speech act theory, this type of statement is called a declaration. Like commitments, declarations are also always about the future. They are not based on evidence, in fact they often ignore past evidence and create new possibilities (Chalmers, 2005).

The author helped facilitate a full day planning meeting with the entire team using a technique Intel calls Map Day. The technique had been around for awhile, but this was the first attempt to use it to build a commitment-based project plan. Map Day involves creating a high level map of who needs to deliver what to whom throughout the project. The map identifies all the internal customer/supplier relationships (dependencies) important to project success. Once ownership and "usership" of deliverables is clear, the quality of upcoming deliverables is defined and agreed to by owners and users. Finally, owners are asked to commit to completion dates for their deliverables.

When the time came to apply dates, the project manager was taken to task on his declaration. If he really wanted to know what it would take to meet the project goals, he'd have to wait for awhile to get commit dates. The team simply did not know enough to commit to the end of the project, only to the end of the first project milestone. The team adopted the rule that *deliverable owners will only be asked for commit dates as far out as they can see*. Then the team proceeded to deliver on its first major milestone right on time. It is true that on the failed projects, teams had also reported that the project was on track early on. But this was different, the team members were confident that adequate quality had been built in to the early deliverables, and that the project was now set up for success.

Instead of the typical Gantt chart software the team tracked progress simply using the list of deliverables, owners and users. Another rule adopted (learned from an external consultant, Daniels, 1995) was that in progress reviews, *deliverables would only be graded as done or not done*. As a result of this rule, each function would break their deliverables into weekly sub-deliverables (also tracked in simple lists) so there could still be a clear picture of

progress each week. Progress review discussions began to focus primarily on deliverables due in the coming weeks, while there was still time to adjust if needed to make sure they got done on time.

Deliverables	Owner	User(s)	Quality Req's	Commit Date	Done?
Project Plan	Jake	Debra, Lee, Bill, Jenifer	Y	WW10	
Architecture Doc.	Debra	Bill Jenifer	Y	WW13	
Product Specification	Debra	Bill, Jenifer	Y	WW15	
Demand Schedule	Lee	Jake	Y	WW15	
1st Prototype	Bill	Jenifer	N	WW18	
Test Plan	Jenifer	Bill	Y	WW17	

Figure 4. Simple List of Deliverables

Another simple tool developed at this time is now called a Performance Against Commitment (PAC) Chart. A PAC chart shows a team's cumulative number of deliverables committed each week (see goal line with dots on Figure below) and cumulative number of deliverables completed each week. At a glance, this chart shows the extent to which the team is doing what they said they would. In the beginning of the project, this made it very clear which subteams were bought into the commitment-based approach and which needed more attention. Later in the project, the PAC chart turned out to be a reliable predictor of future performance. Teams that met past commitments consistently, continued to do so in the future.
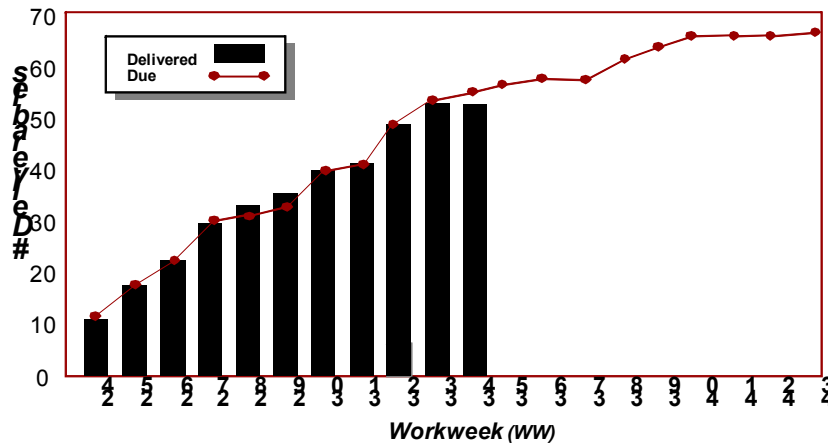

Figure 5. Sample of a Performance Against Commitment (PAC) Chart

Maybe the most important reporting rule that evolved was in regard to the timing of reporting problems. It was agreed that all *team members would make it known immediately if one of his/her commitments was in jeopardy*. And at the same time, managers and team leaders agreed that *whenever a team member made an "early warning", the response would be supportive and focused on helping to get back on track*.

5. Conclusions

One of the most noticeable benefits of these new rules and tools was the how effectively problems were surfaced and decisions made to help the team stay on track. First of all, the team was always using clear and reliable

information. Status was typically about work committed in one or a few week intervals, and always stated in terms of what was done and not done. This made it quite easy to verify what was being reported and removed any incentive to stretch the truth**.** Because management had reliable information about the status at all times, they could make timely tradeoff decisions that allowed the team to stay on track to the most critical project goals.

Another interesting observation was that the successful team actually worked fewer hours than the struggling teams. This was revealed in data from focus groups with team members before and after the successful project. The team members described one of the symptoms of the vicious cycle as "going into panic mode" which meant from now until the end of the project, dinner would be provided and people would be expected to work past dinner time. However, in the commitment-based mode, the team members said they never went into panic mode. Rather, they said it was typical for people to voluntarily work longer hours a few days before each major milestone to ensure that things went as planned (Esque, 1999).

Although they didn't know it at the time, this organization was discovering an effective way to apply commitment-based management to projects. While the players involved and the challenges at hand remained about the same, operating from commitments rather than estimates led to significantly different results (per Figure 3). Engagement and innovation were not measured directly in this case; however, it is clear that there was a much greater return from a very similar set of resources under the changed (commitment-based) conditions. There would seem to be lessons here for any project oriented environment interested in execution, engagement and innovative management practice.

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