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Project Hiring, Staffing, and Management— The Big 3 Mistakes

"It must be remembered that there is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage, than the creation of a new system. For the initiator has the enmity of all who would profit by the preservation of the old institutions and merely lukewarm defenders in those who would gain by the new ones."

- Machiavelli

Along with placement and executive search, we have staffed and managed more than 1,000 projects. These range from a single interim CFO engagement to deploying over 900 professionals on a high-profile, governmental, regulatory compliance initiative. We have Big 4 pedigree and have performed multiple engagement partnerships with each of them. Our team also serves as industry specialists, nationally recognized subject matter experts, and project managers for a wide variety of clients ranging from venture-backed start-ups to Fortune 500 companies and non-profits. We team with clients in numerous and varied industries throughout North America.

We're often asked before engagements about the biggest mistakes clients make in hiring, staffing, and managing projects. No project is completed perfectly. Hundreds of mistakes are made by all of us, no matter how many initiatives we have under our belts. But of all the mistakes that are made, we see the following Big 3 errors as both the most common and the most costly.

#1 Misalignment of internal and external resources

Whenever management puts outside consultants entirely in charge of a project, leaving their internal personnel out of the most mission-critical decision and management phases of the project there is

a misalignment of internal and external resources that is both costly and troublesome.

Best practices have long demonstrated the value of using outside resources. Outside consulting and project resources alleviate excessive pressure on internal staff and bring much needed objective, professional insight and perspective to many complex projects. This is a good thing. However, on their best day, most outside consultants—including us—typically catch only about 95 percent of the most important nuances of a client company's day-to-day operations or specialized business transactions. The other 5 percent represents a knowledge gap that is not completely understood by any outside consultant. This gap will make big, troublesome things fall on the floor and break most chances of a reliable outcome. That is not good.

This 5 percent knowledge gap can easily wreck the flow, the efficiency, and the post execution success of the entire initiative. Even a relatively small 5 percent misunderstanding can derail your targeted outcomes and deliverables. Imagine, for example, what would happen if a major airline put a consultant who knows 95 percent of the job of landing a Boeing 747 in charge of advising and deciding on major landing procedures. Not only would this not end well, but your entire team would wonder why you trusted the outsider over those who have intuitive knowledge of and heavy day to day experience with your most important processes and procedures.

Since your long-term internal employees know your business best, you would be wise to use, leverage, and trust their judgment and expertise. People generally do best what they practice most. Assigning the best, *most practiced*, internal people—those with proven track records and possibly years of experience in dealing with specific transactions or operational functions to the forefront of your project will eliminate that 5 percent knowledge gap. Unlike the outside consultants, your best internal people deal with your key issues each and every day. They have overcome knowledge gaps via years of service

and practice inside your business. Consequently, using these internal resources will significantly minimize the chance of project disaster.

The final consequence of this mistake is revealed by the most common question asked by management and their teams after completion of a major project. *"Why did we set the system (or procedure) up this way?"* If the answer is "Because the consultants told us to set it up this way," You have a problem! Your organization now has a system, process or procedure that the consultants (who are now gone) loved, but doesn't meet your needs, and no one in your organization owns the consequences. *Don't let this happen!*

#2 Trusting your team to assign the best resources to the project

When a Project Leader tells your Manager, *"I want you to assign your best (insert a role or title here) to this project."* You should know that, no matter how much the Manager likes or respects the Project Leader, that Manager will never assign the best person to the project. She can't. That best person is too valuable to the day-to-day operations and too important to the monthly close or other critical missions in the manager's department.

Consequently, the Manager will most likely assign the second, or worse yet, the third best person to the project. The second or third best person will lack the training, the knowledge, and the experience needed to make the right decisions about critical project issues and initiatives.

The solution is to allow the Manager to backfill his or her best person's role with an interim subject matter expert (SME). The ideal backfill is someone who the manager can personally vet as being as good, or maybe even better, than their best internal resource. The chosen SME should also be someone who will fit seamlessly into your team and its culture.

Encourage brief weekly touch points, such as issue and problem resolutions, with the interim consultant and your internal person(s) serving on the project. The manager will then have the confidence to release his or her best person for the project without disrupting the critical flow of their department. An added benefit is that your internal people will know, understand and feel good about the project. They will appreciate knowing that their job is waiting for them when they've completed the special project initiative. More importantly, they will have the opportunity to show they can do far more than their daily roles allow, often providing them excellent new technical skills and making them great candidates for promotions. This approach gets people involved at all levels, giving your team high levels of motivation and ownership of the special project and its outcome.

#3 LITTLE OR NO RESOURCES ARE DEDICATED TO CHANGE MANAGEMENT

Imagine spending $1.5 million on upgrading to a new system. Yet, over a year later, none of the promised efficiencies or economies have materialized. When someone finally looks under the hood to see what went wrong, the answer is clear and simple: people are trying to make the old inefficient processes and procedures work on the new system. Simply put, they're using the new system in the old ways, thus eliminating any hope of efficiency or economy. In this situation, there is a need to address and take ownership of the *"change management"* issues.

We recently witnessed this kind of mistake with a client that is a global Fortune 100 company. The client implemented one of SAP's self-service HRIS modules to eliminate the need for each of its 100+ regional divisions to have their own HR Manager.

Most of the HR Manager's time was spent doing administrative duties, such as new-hire on-boarding documentation, termination

paperwork, changes in employment and payroll status, and personnel updates. The new system was designed to allow the Regional Presidents and/or their assistants to handle nearly all administrative HR duties online, eliminating more than 80 human resource manager positions, hundreds of hours of "busy work" and a seven-figure piece of overhead.

The problem was that the Regional Presidents never showed up for the training, never used the self-service module, and never eliminated any of the "busy work" or reduced any of the targeted HR Manager positions! Despite having spent a fortune on a new system, they never changed their way of doing things.

Two years later, the company did engage a change management team that implemented the much needed changes and hoped for outcomes. They did this by communicating the new rules around using the new system, which eliminated thousands of hours of non-productive HR busy work, and made the benefits and cost-savings visible to everyone throughout all levels of the company. The change management team put recurring training and measurement processes into place to ensure that both the system and its expected efficiencies were optimized.

The old adage, "Organizations don't change, individual's do", applies perfectly.

No matter how large or small a project is, the success of that project ultimately lies with each employee doing their work differently, multiplied across the employee spectrum impacted by the change. Effective change management requires an understanding for and an appreciation of how one person makes a change successfully. Without an individual perspective, we're left with meaningless activities and no idea of the goal or outcome we're trying to achieve.

Multiple tools and organizations exist that specialize in change management. They offer a lot of value. However, change management is most effectively achieved by ongoing project endorsement and empowerment given by leadership and a small team of internal or external resources that can cut through the noise and get everyone on board and focused. Their focus should be on desired deliverables and outcomes and how to achieve buy in and adherence to needed change.

Machiavelli explained the issue of change management the best. Go back and read the quote at the beginning of this chapter. He clearly understood the need for change management. Providing change management the attention and resources it deserves can make many big problems go away and save you lots of time, trouble and money.

In summary . . .

The Big 3 project mistakes listed here are a drop in the bucket of hundreds we've seen. We have seen or made just about every kind of mistake there is and learned from each of them—not just ours, but those made by many, many others, as well. Always remember…

"A wise man learns from his mistakes. A wiser man learns from the mistakes of others."

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