

PRODUCT DEVELOPMENT

BEST PRACTICES REPORT

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EXPERT COMMENTARY

This Month: Don Reinertsen, President of Reinertsen & Associates

DON'T ASK, DON'T TELL

Among the traditional rituals of product development, one of the strangest is the checkpoint review. The stated purpose of this review is to determine whether a project is ready to pass into the next phase. The checkpoint is manned by management, playing the role of astute border guards with unlimited power. They carefully assess whether projects have met the demanding entry criteria for the next phase. Unworthy projects are prevented from accessing generous funding available on the other side of the checkpoint. Travelers, played by project team members, produce colorful documents for the border police. If they are found worthy they are permitted to cross the border.

Officially, the checkpoint stops unworthy projects from entering the next phase. In practice, in most companies, all travelers eventually cross the border, but some are delayed more than others. Or at least, they appear to be delayed. The secret of this ritual is that work almost always begins on the next phase before the checkpoint review is completed. Team members pretend to wait for the approval of management. Management pretends not to notice that work has already begun on the next phase. The border guards threaten to stop unworthy projects, but never use this power. The travelers pretend to wait at the border, but actually do not.

What is really going on? It is important to understand the real purpose of the ritual. It has nothing to do with decision-making and everything to do with power. The ritual is designed to reinforce the belief that management is in control. Travelers show respect to the border guards. The border guards behave gruffly, but do not obstruct passage. As long as everyone follows the unwritten rules, out-of-phase activity is tolerated.

What are the benefits of this ritual? My surveys of product developers suggest that at least 75 percent of the companies that claim to work in one phase at a time actually permit out-of-phase work. They do so for good reason. When time-to-market is valuable, the benefit of overlapping phases far exceeds its cost.

Is this ritual simply a harmless fantasy, or does it have a dark side? I believe it is dangerous for two reasons. When actual behavior in an organization differs from its rules, people are confused about the importance of following the rules. New members of the organization become productive slowly, since they must decode which rules count and which can be safely ignored. They tread this minefield with care, assuming there are more mines than there really are. This undermines initiative, which is so vital to success in product development.

Second, any distortion of reality is potentially dysfunctional. If we attribute product development success to the wrong cause, we may optimize the wrong thing. If we believe the good haircuts cause good product development, then we will hire engineers with good haircuts. However, in most companies it is possible that hairstyle has little to do with product development success. If we believe that management makes all important decisions, it follows that only management

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needs access to quality information. If we recognize that all team members make important decisions on when to engage in out-of-phase activity, it follows that they need the right decision support information to make these decisions. Out-of-phase activity works when team members understand what is on the critical path, and when it makes economic sense to move forward. They must be able to quantify the costs and benefits of out-of-phase activity. Unfortunately, in many organizations low-level team members have no knowledge of these economics. The members of an average development team have no quantified understanding of what time on the critical path is worth. You need to put the information where the decision-making is and if you delude yourself as to who makes decisions you will inevitably put the information in the wrong place.

What can we do about this? Keep your eyes open for the invisible path around the check-point. Try to understand why competent, motivated people sometimes choose to take it. Ask yourself whether this path should remain dangerously unmarked or whether it should be legitimized as one more tool in our toolkit. ^P_D

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