

Know Your Operations:
SEE YOUR CULTURE

THE RED PILL EXECUTIVE
WORKBOOK

CHAPTER 10



WORKBOOK INTRODUCTION

Now you know our secret... You know that there is a Red Pill way and a blue pill way. You might have had a feeling all along that something like this was true. Maybe you've butted up against blue pill thinking and wondered why it was so hard to drive projects that succeed by the "Iron Triangle" measures. Perhaps knowing that a Red Pill approach exists was novel and inspiring to you. Either way, after reading the book, the next question becomes, How do I navigate my own Red Pill journey? This workbook can serve as a guide, prompt valuable reflection, support your own and your team's Red Pill development, and drive Red Pill conversations and practices.

You'll find exercises and tools to help you think through Red Pill operations in relation to:

- Yourself
- Your Team
- Your Organization

Leverage the Workbook

Roll up your sleeves and dive into this work. This exercise will do very little if you skim over it. Think deeply, write down your thoughts, be brutally honest in your assessments, make Red Pill choices and learn from the results.

Make the workbook work for you. This chapter is part of a larger series, you can download the full workbook here: <https://www.thinkconsulting.com/wp-content/uploads/2021/06/Red-Pill-Full-Workbook.pdf>. The work is not meant to be completed sequentially. Use the tools in the order that makes sense for you, your starting point, and your journey.

Re-use the tools and exercises. This exercise can and should be used more than once. Assess and reassess over time. Use the completed exercise as a reference point to measure growth and adoption or as justification for making new choices.

Enlist others. Gain valuable insights by having colleagues, peers or subordinates complete part or all of a tool/exercise. Use the workbook to develop Red Pill thinking in others.

KNOW YOUR OPERATIONS, SEE YOUR CULTURE

To learn more about these concepts, review Chapter 10: Throw Out Your Old Yardstick

*Red Pill operators have cultural awareness, but Blue Pill operators never see culture.
-The Red Pill Executive*

Introduction

The diversity in issues that top executives face is expansive. Breaking-down and inspecting these issues is probably something that you do intuitively, though perhaps not specifically through the lens of how they impact operations and company culture. Difficulties in implementing changes can often be traced back to how your culture will impact any plans you've made. This worksheet will guide you through looking at what you would like to accomplish from several new perspectives. Think routinely conducts such analysis to develop options for action that can be successfully executed and, perhaps even more importantly, understand how company culture will embrace or reject those plans. Follow this simple process to better understand one key aspect of your current operations. Once you've accomplished that, you can learn more about a framework that will help you better understand the totality of your operations.

1

Let's start by identifying the most important issue you are facing. What is keeping you up at ight?

Examples:

- I am about to lose a major customer
- I cannot attract the right talent
- I am afraid we will be breached
- Consumer habits are changing, and we cannot keep up
- My budget won't support my departmental goals
- We need to reduce costs significantly now
- We cannot keep up with the demand for our department's services

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Now, let's put your top issue into an operational category.

Placing your issue into an operational category will enable you to attach operational traits to it more easily. It may seem like you're just restating the issue, but we are shifting our focus to those things that occur during daily operations that are relevant to your top issue.

Issue	Category
We are about to lose a major customer	Customer retention
We cannot attract (or retain) the right talent	Requirement and employee retention
I am concerned we will be breached	Cybersecurity
Consumer habits are changing, and we are not adapting quickly enough	Research and Development / Innovation
My budget can't support my department goals	Budget Management / Planning
We need to reduce costs significantly now	Operations Management
We cannot keep up with demand for our departments services	Demand Management

3

Next, ask "Why are we having problems with (insert category)?" Enter the top three reasons and link each reason to an operational category.

Reason	Category
1.	
2.	
3.	

You may have guessed that we are going for a little root cause analysis here. The operational category you came up with may be a bit too broad to evaluate easily. Sometimes, asking "why" a few times can get you down to the main issue. If you come up with a new main issue, repeat the categorization exercise like you did in the previous step.

When you are satisfied that you are focused on an issue category that you can directly relate operational practices to, continue.

Examples:

Reason	Category
A competitor is providing a better product	Product Research
Our customer service needs improvement	Customer Relationship Management
Customers don't like our policies	Legal and Regulatory Enforcement

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Rate it! Use the ratings and guidance below to further assess your issue.

Reason	(from Step 3)
Category	(from Step 3)
Importance	(from Importance scale below)
Effort	(from Effort scale below)
Maturity	(from Maturity scale below)
Cultural Alignment	(from Cultural Alignment scale below)

Examples:

Reason	A competitor is providing a better product
Category	Product Research
Importance	Level 2 (Secondary)
Effort	Medium (size 2)
Maturity	25%
Cultural Alignment	+1

The following section provides details on how to rate importance, effort, maturity and cultural alignment

Importance:

- **Level 1 (Core)**
- **Level 2 (Secondary)**
- **Level 3 (Tertiary)**

Importance should be thought of in terms of importance to the successful delivery of your products or services. Things that are secondary or even tertiary (e.g., think of back-office activities) can still be needed in the grand scheme of things.

Importance:

- **Level 1 (Core)** – represents the highest importance. If you stopped working on this area, everyone would notice, and daily operations would be affected greatly.
- **Level 2 (Secondary)** – represents a secondary process that is considered important to daily operations but is not necessarily required to achieve success.
- **Level 3 (Tertiary)** – represents a process that is not considered essential to the success of your daily operations. Few people would notice if you stopped doing it.

Effort:

- **None (size 0)**
- **Small (size 1)**
- **Medium (size 2)**
- **Large (size 3)**

The amount of Effort expended to perform activities is a simple relative measure that should be used to reflect on how resource intensive an activity is in your operations.

Effort:

- **None (size 0)**– represents that there is no time or thought given to this node.
- **Small (size 1)**– representing little effort. Very little time is spent working on or thinking about this node.
- **Medium (size 2)**– representing an average effort. A moderate amount of time is spent working on or thinking about this node.
- **Large (size 3)** – representing a large effort. A significant amount of time is spent working on or thinking about this node

Maturity:

- **0%**
- **25%**
- **50%**
- **75%**
- **100%**

Maturity – This is where we incorporate the good aspects of things like the Crawford Model and CMMI standards. We often find that maturity needs to be managed to a “Goldilocks Zone” where practices are mature enough to valuable but not overly mature to restrict nimbleness. This too is a subjective measure so don’t overthink it.

Maturity:

- **0%** – There is no evidence a process exists for this node.
- **25%** – A process exists but is not well documented and/or followed
- **50%** – A process is in place, documented, and followed with varying levels of adherence and consistency.
- **75%** – A well-documented process exists. In most cases, the process is followed and executed consistently.
- **100%** – Process adherence is universal, and the process outcomes are consistent. The process is well-managed and continually improving.

Cultural Alignment:

- -2
- -1
- 0
- +1
- +2

Cultural alignment, or misalignment, becomes obvious when considered at this level. If the culture perceives value in activities associated with a category, then we consider them well-aligned. Once we understand how well each category aligns, options for making the activities more effective become easily recognizable. Misalignment, or disruption, may require modifying activities so the culture views them as valuable. It may also require modifying the culture so it recognizes the value provided (much more difficult but often needed).

There is also the option to enforce the performance of activities that the organization does not find valuable, but that requires constant expenditure of resources and should only be seen as a short-term strategy.

Cultural Alignment:

How does your organizational culture accept these practices? In terms of operational disruption, ambivalence, or value, how do the people who perform these activities feel about them? This has little to do with how valuable these activities are to you, it's about how they disrupt or bring value to the people who fulfill your products and/or services.

-2 There is significant misalignment to the cultural acceptance of activities resulting conflicting operational objectives and priorities; a great deal of disruption to the organization.

Example: Leadership requires highly detailed reporting, analysis and high levels of predictability, but these activities have no discernable benefit to actually getting the work done by levels below leadership.

-1 Activities are viewed as unproductive by the culture, but are not worth expending energy to correct.

0 Activities are not seen as disruptive or valuable. Whatever is being done, if anything, is accepted as is. Cultural alignment is neutral or the culture is indifferent to the activities.

+1 Activities are viewed as helpful but may be sacrificed to support other operational or organizational needs.

+2 Activities are seen as highly valuable to the organizational culture and to the success of operations.

Example: Activities have a direct and noticeable impact on operational stability, thereby enabling the organizational culture to focus on getting work done with minimal operational disruption, negotiation, or re-planning.

Key Takeaway

In this exercise, you have:

- identified a top issue,
- created a category for operational activities related to it,
- assigned operational attributes to the category in terms of importance, effort, maturity, and
- have considered how well aligned those practices are to your organizational culture.

In all likelihood, you'll recognize that you need to make some changes. You may decide that you need to increase effort in a specific area or may want to push the organization to more mature processes. Even better, you may have recognized some activities are too mature or rigid and you can save some effort by balancing them within your organizational culture.

If you do want to make changes and you are already culturally aligned, how is the culture going to respond to the changes? You could find a sweet spot and enhance cultural alignment with the changes, but if you believe change will cause disruption, you'd better have a plan to deal with it.

You've now worked through considering just one operational area (i.e., category). It was one that we walked you through identifying on your own, so its relevance should be obvious. There is another way to approach this type of operational assessment, but it involves looking at many more aspects of your operations, rather than just one, as you just did in this exercise.

When Think goes into an organization to help with strategic planning, especially for assessing how well a PMO is performing, we often reference a core set of operational categories (we call them nodes in our framework). These include:

- Active Project Management
- Reporting
- Governance
- PM Team Training and Coaching
- Organizational Change Management
- Performance Management
- Methodology
- Planning
- Risk Management
- Resource Management
- Portfolio Management
- Financial Management
- Communication
- Project Change Control
- Project Manager Cultivation
- Configuration Management
- Quality Management
- Vendor Management
- Tools
- Level of Service
- Infrastructure Management
- Project Integration and Control
- Business Analyst Cultivation

Other times, we are more focused on technology, regulatory compliance, business process innovation, or any number of other operational needs. In those cases, we have found that using a different set of nodes is necessary, but that considering the current state of operations through the perspective of importance, effort, maturity and cultural alignment is always valuable. It helps us "see" the current state, prioritize activities to reach a future state, and always keeps one eye on cultural alignment.

To learn more about Think's Operational Effectiveness Model (OEM) and how it may be used to assess your operations, visit our website at <https://www.thinkconsulting.com/white-paper-modernizing-the-pmo-maturity-assessment/>

EXERCISE CREATED BY:



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