

**THE REASON WHY TRAINING YOUR MANAGERS
IS SMART BUSINESS
BY JOHN SIMONDS**

At the first sign of a downturn, A/E firms look at nonessential overhead costs and apply the axe with almost frightening dispatch. One of the first line items to fall victim to the guillotine is any plan for training and developing managers; this activity is viewed as a luxury item like attending a conference in Switzerland.

We take an entirely different point of view and offer it here for your consideration. We argue that downturns are perhaps the ideal times to invest in training managers to perform certain tasks essential to improving profitability.

Improving Profitability by Improving Project Managers' Performance

Our long years of experience in this industry have convinced us that those responsible for managing project managers are in a state of partial denial over a simple fact. Some project managers consistently fail to meet budget and profit objectives, yet these project managers continue to be rewarded the same as those who consistently meet the targets. The failure to differentiate between the successful and the unsuccessful is costing you a lot of money.

Our research, and the research of others, shows that the key variable in the project profitability equation is the competence of the project manager. To test this assertion, go back three years, examine all the projects that lost money, and see if the same project manager's name appears next to the losses. The familiar 80/20 rule is likely to apply here: about twenty percent of your project managers are likely to be causing about eighty percent of your overrun problems.

To get at the real cause of the problem instead of just the symptom, look no further than the people responsible for managing the project managers. What you are likely to find is a group of department, unit, or division managers who are technically strong, exceptionally conscientious, and too busy to really manage the project managers. Someone might ask: What is wrong with this picture?

What is wrong is so obvious and fundamental that it probably escaped your notice. You have failed to include performance management in the job duties of your department manager's job description. Staffing—yes; client management—yes; reviewing technical work—yes; recruiting—yes; overseeing utilization—yes, identifying and addressing performance problems—probably, the answer is a resounding no; coaching project

mangers to improve their performance—probably no. You may be the exception, but trust me when I say that quality performance management among A/E firms is as rare as finding a liberal democrat in Crawford, Texas.

The real problem may be with the people managing the project managers. Managers assigned to manage the performance of professionals do not suddenly acquire the skills, knowledge and ability to perform this often daunting task by mystic osmosis upon ascending to a management position. Otherwise, why would the Fortune 500 require a standard eighty hours of training in supervision before an individual may be assigned a role in management? Not training managers to manage people is like giving a novice a new thirty-foot sailboat and telling that person, “Good luck, and make sure to avoid the hazards of the sea.”

If you want to improve the efficiency and effectiveness of your project managers, train their managers first and foremost in the art and science of managing professionals.

Improve Profitability by Reducing Voluntary Quits and Bad Hires

According to the Gallup Survey, the cost of replacing the average employee is 1.5 times burdened salary. This equates to about \$75,000 for the average professional in the A/E business. Thus, if you reduce your attrition rate from ten percent to six percent and you have a hundred people, you would realize a savings of over \$250,000 in replacement costs plus the psychic energy of the manager who has to replace a hiring mistake or a valued person who quit. As we learn from reading *First, Break All the Rules*, people do not quit organizations; they quit poor managers.

Unless you have invested in training your managers to be good managers, you should not expect them to perform the difficult task of making consistently good hiring decisions nor to do the right things to keep top talent from leaving the firm.

It is far more difficult to manage professionals than members of any other occupation. First, they are usually not really motivated by money. Secondly, they are highly mobile and carry a high market value. Third, they tend to be highly independent in spirit and desire. It really does take a special talent, as Tom Peters claimed, to get the herd moving roughly west.

If training is expendable, why is it that top firms invest up to three percent of their revenue on this activity?

Getting a Top ROI on Your Training Dollar

Managers do not acquire essential people skills from reading a book, listening to an audiotape, or watching a video. They may acquire some knowledge through these media, but not the people skills of performance management. Like learning to sail, play tennis or golf, skill is learned by demonstration, practice and coaching and lots of repetition until the skill becomes second nature. This is why we make a distinction between training and education.

The methodology for training managers in essential skills is well established in the corporate world, and the curriculums are familiar: coaching, communication, conflict management, performance reviews, behavioral interviewing, motivation, and interpersonal skills. These are a part of any respectable curriculum with which we are familiar. As a friend likes to say, "It ain't rocket science."

Our experience over many years has taught us a valuable lesson about training. Schedule groups of about fifteen professionals for one training module quarterly over an eighteen month time span and you get the best return for the dollar. You also get a lot of bonding and team-building as a side benefit of the investment in training and development.

"The best way to begin is to begin."

-Benjamin Franklin

If you can take on face value whatever pearls of wisdom are buried in this article, then you may want to move to action. In that case, there are several routes to the gold lode. You may wish, for example, to speak with some of our clients who have implemented the recommendations offered in this article. You may wish, on the other hand, to have a demonstration before swallowing the whole enchilada. Or you may wish to see more detail and a specific outline of how performance management might fit into your scheme of things.

We have always said, "There is never a good time for strategic planning and never a good time for training," but somehow, the most successful firms in this business have had the courage and fortitude to beat off the alligators, set priorities and have decided that investing in planning and training are just smart business.

MARTIN-SIMONDS ASSOCIATES, INC.

*For more information about Martin-Simonds Associates
Consulting Services:*

John M. Simonds
(800) 543-6524

P.O. Box 35818, Albuquerque, NM 87176

(877) 640-5175 Fax

jsimonds@martin-simonds.com

www.martin-simonds.com