

Beyond Red-Yellow-Green Portfolio Management Using Shades of Gray

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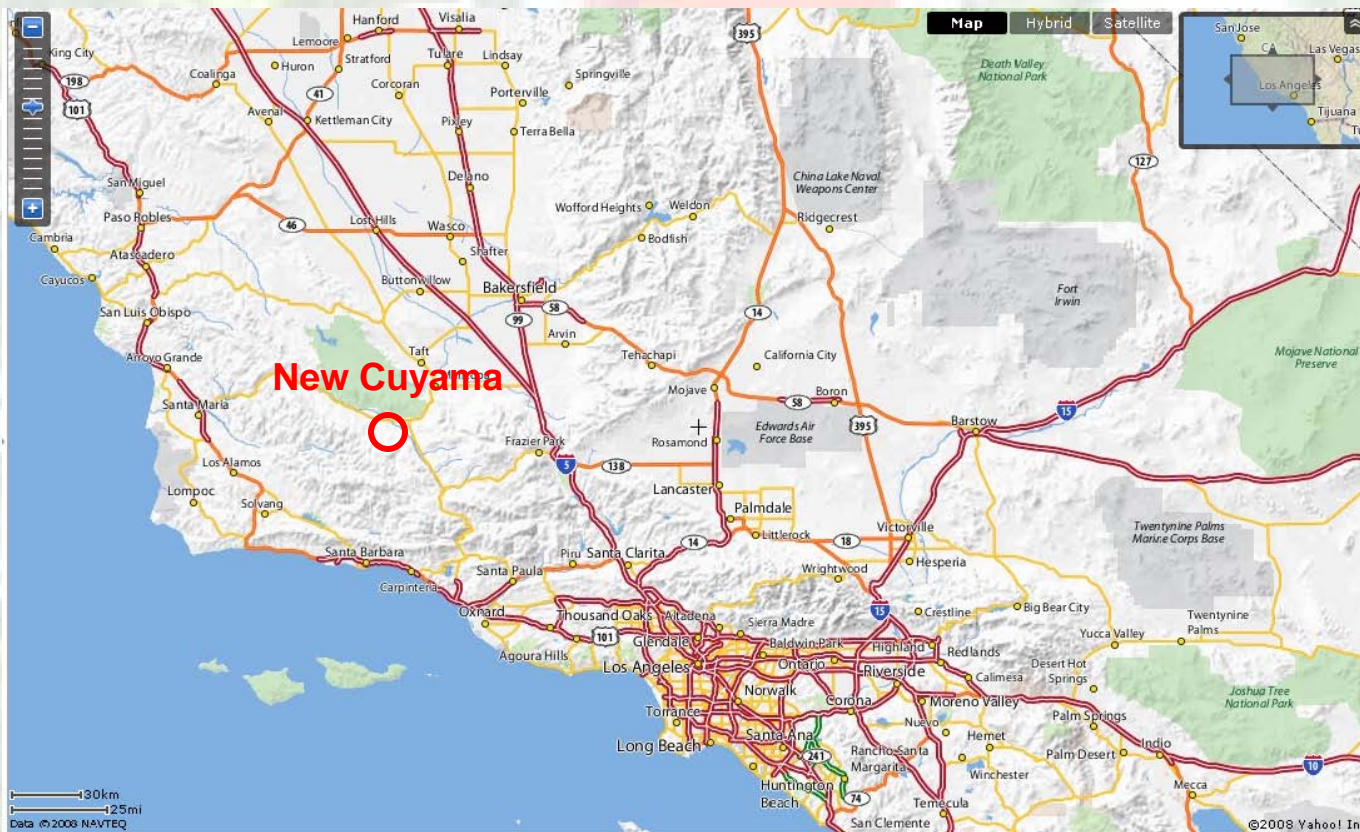
PMI – LA Chapter Meeting, September 13, 2012

Abstract: The aim of this session is to present a proposal for “better thinking about thinking” as it applies to how projects, programs, and portfolios are managed. The foundation of a radical departure from the thinking, assumptions, and limitations of “Red-Yellow-Green” dashboards (presented as “Reflexive Resource Management”) lies in a transformation of the way we think about our thinking. Beginning with a series of seemingly simple questions, the answers to which reveal assumptions made in how we allocate resources and thereby manage portfolios, this session offer insights into how Genichi Taguchi’s ideas on “Quality Loss” have been integrated with W. Edwards Deming’s “New Economics” to establish a new approach to portfolio management, termed “Purposeful Resource Management.”

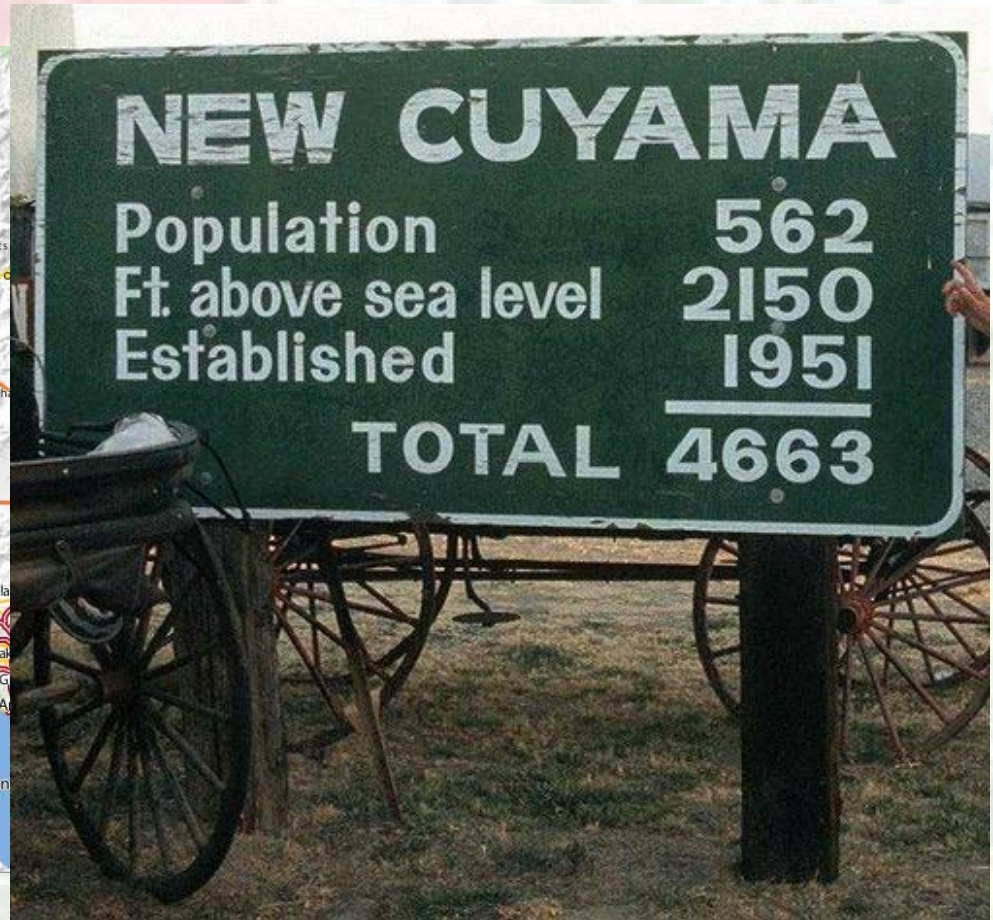
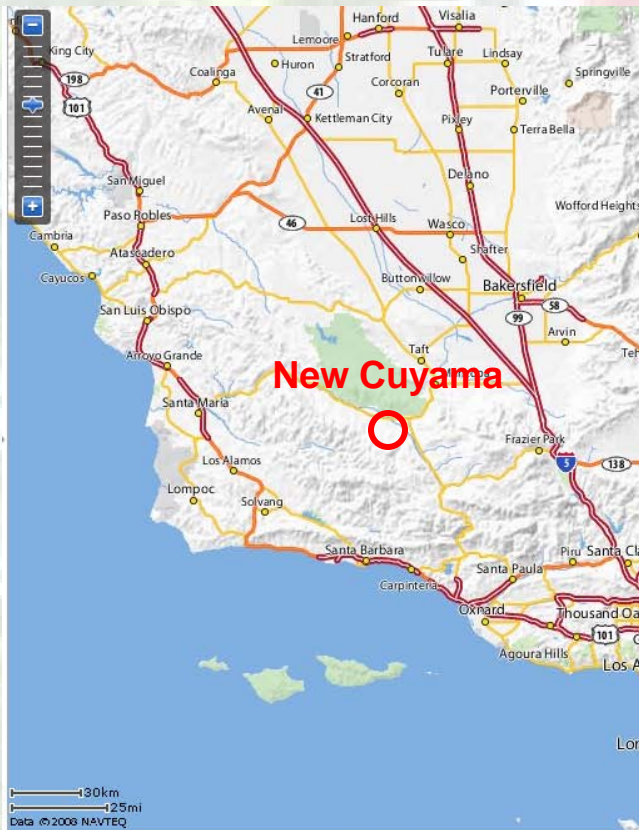
Agenda

- Introduction
- Quiz
- Modes of Thinking
- Present State Organizations
- Future State Organizations
- Imagine the Possibilities

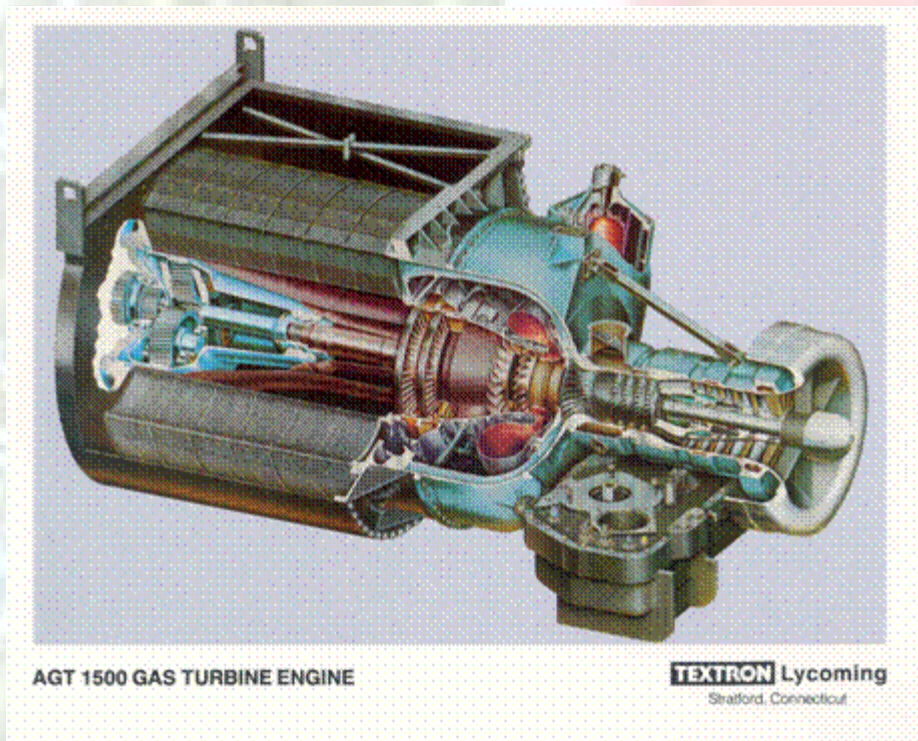
New Cuyama, California



New Cuyama, California



Tank Engines and Rocket Engines



AGT1500



RS68

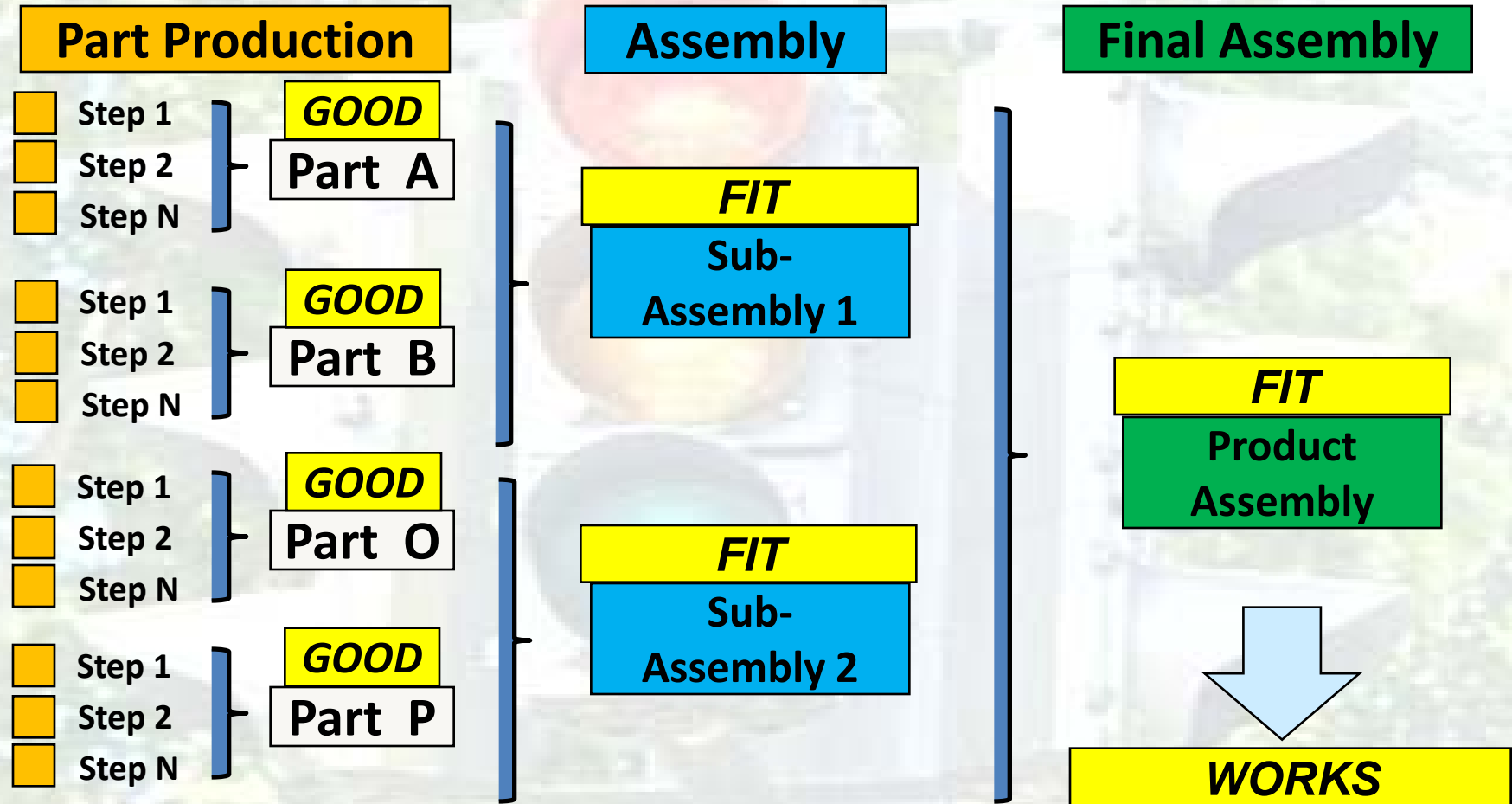
Perception & Thinking

“How the world we perceive works depends on how we think.

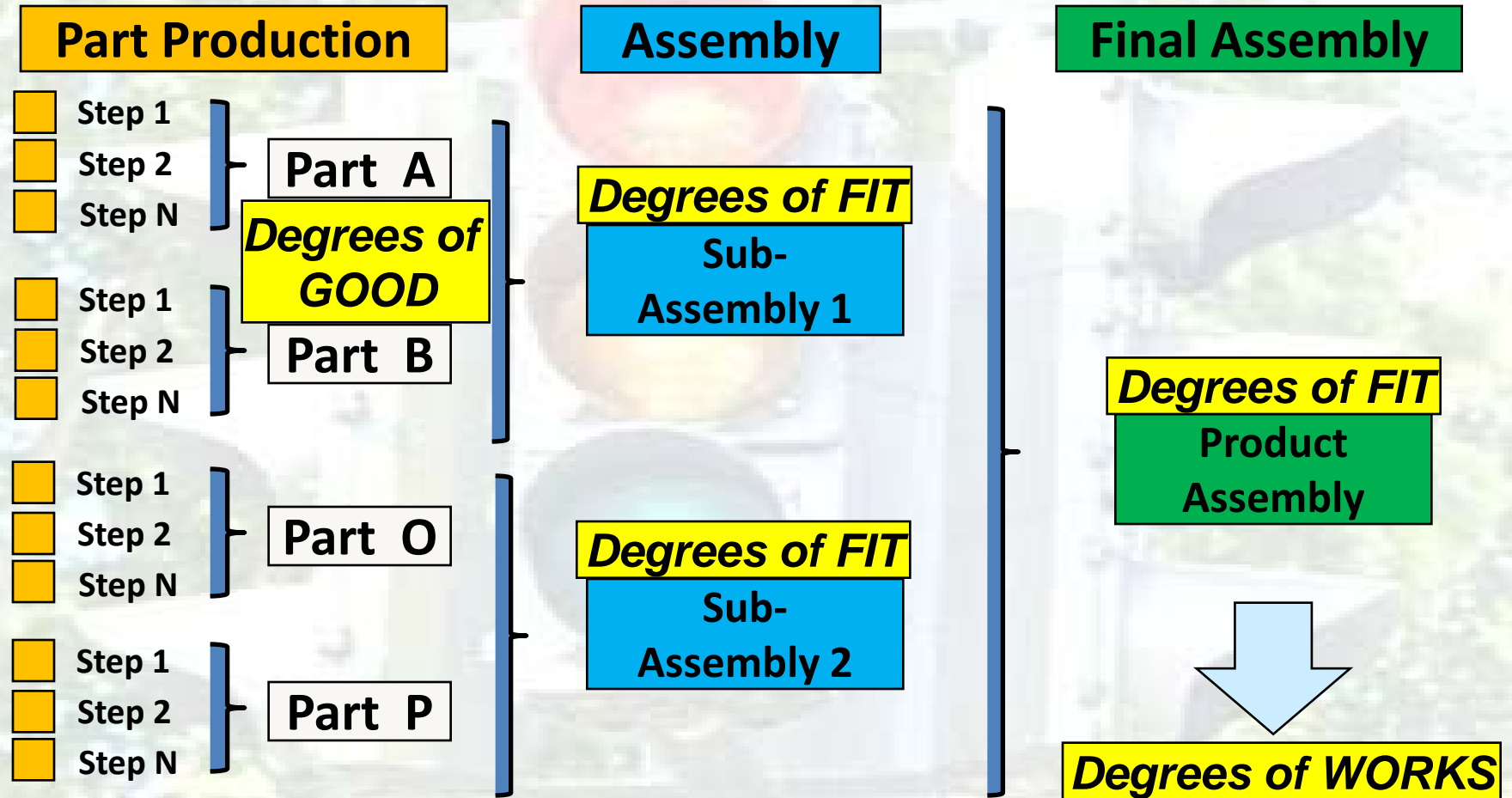
The world we perceive is a world we bring forth through our thinking.”

H. Thomas Johnson

Macro System Model



Micro System Model



A photograph of a traffic light and a pedestrian crossing sign. The traffic light is in the center, with red, yellow, and green lights. To the left is a white pedestrian crossing sign. To the right is a white sign with a black arrow pointing right. The background is a blurred green field.

Quiz

Q1: Alligators

What is the leading use of alligator skin in the United States today?

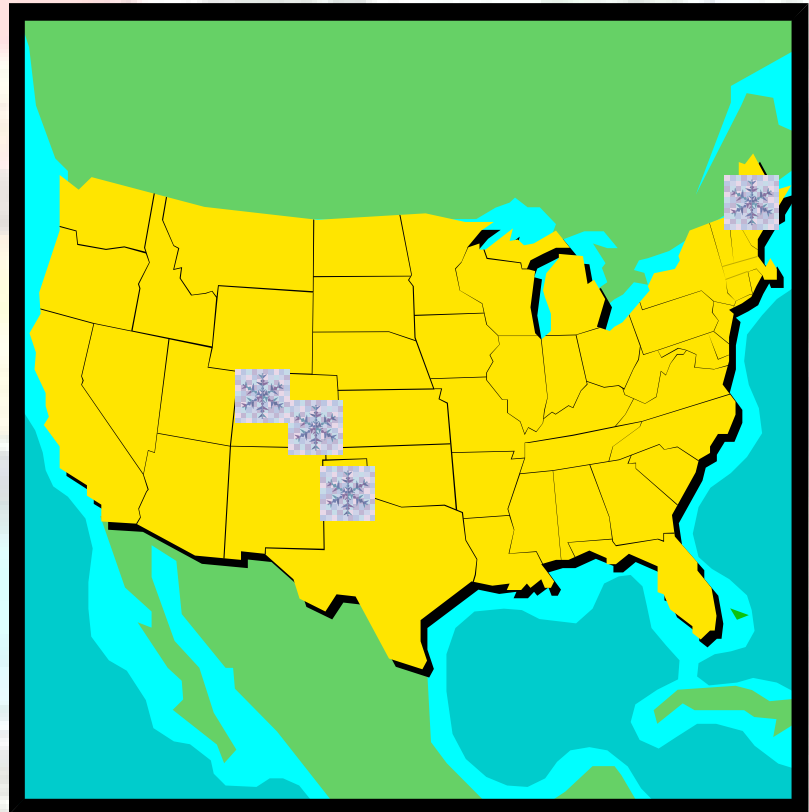
Alligator Skin



Q2: Automobile Tires

Who makes the best automobile tires in the world today?

Automobile Tires



Q3: Time Management

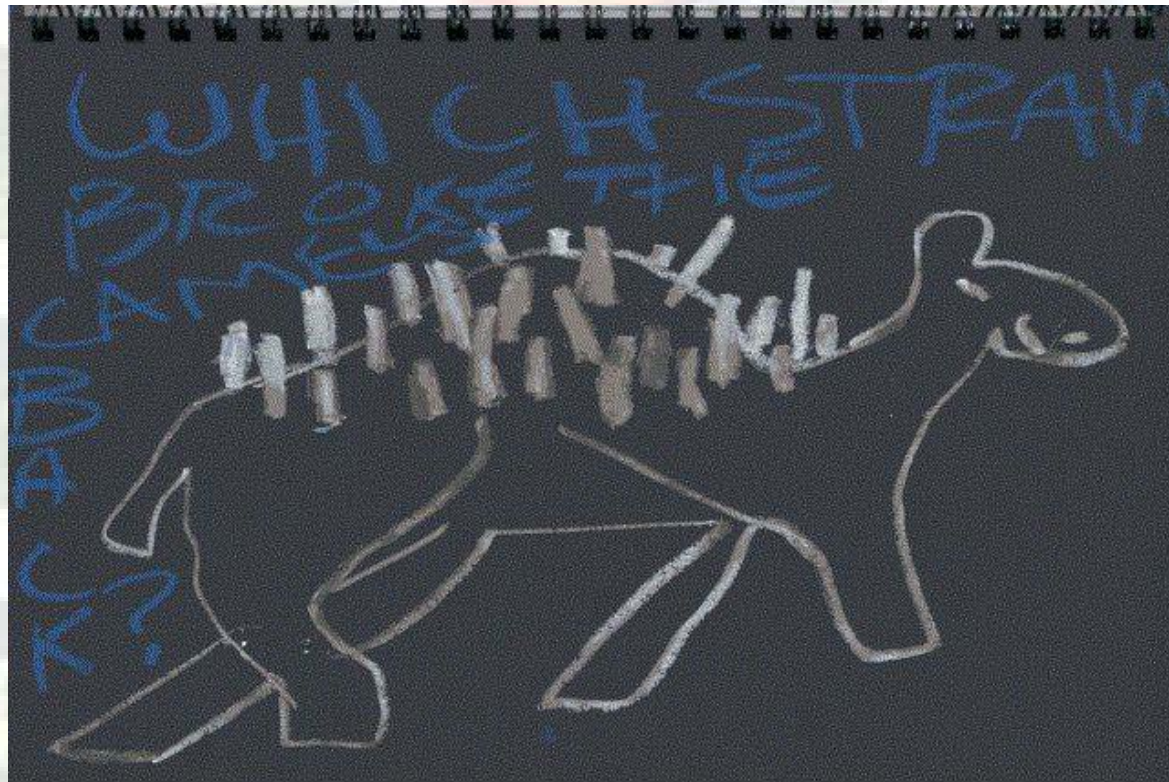
How much time is spent every day discussing parts which are good and arrive on time?

Time Management

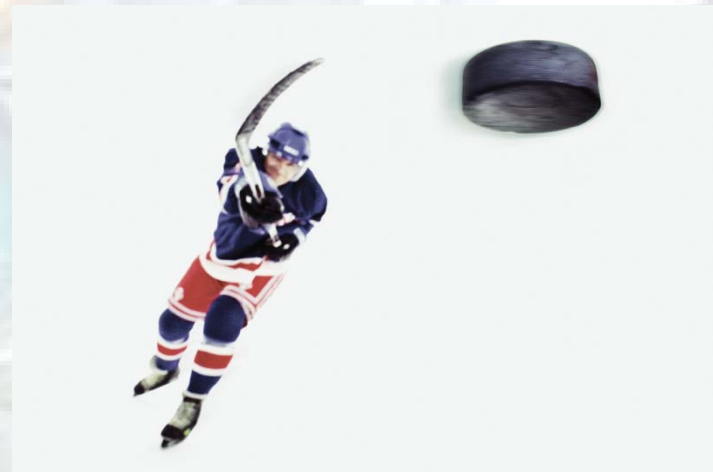


Q4: The Last Straw

Did the last straw break the camel's back?



Last Straws



Q5: Customer Satisfaction

How important is customer satisfaction?

Disappointment



Expectation Dynamics



Contextual Awareness

There are 10 kinds of people in the world.

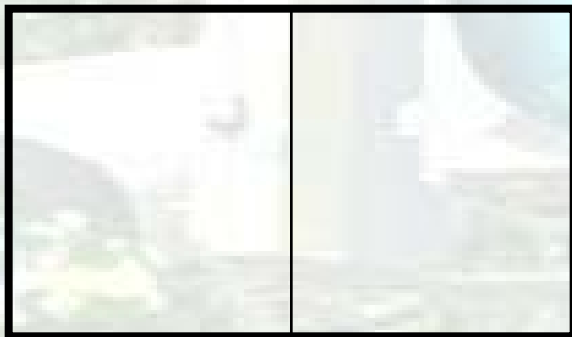
Those that understand binary and those who don't

A traffic light with three circular lenses: red at the top, yellow in the middle, and green at the bottom. The light is mounted on a metal pole. The background is a blurred green landscape with trees and bushes. The text "Modes of Thinking" is overlaid in the center in a bold, dark blue font.

Modes of Thinking

Modes of Thinking

- Categories
 - Absolutes
 - Discrete / Digital
 - Black & White
 - Good/Bad, Up/Down



Modes of Thinking

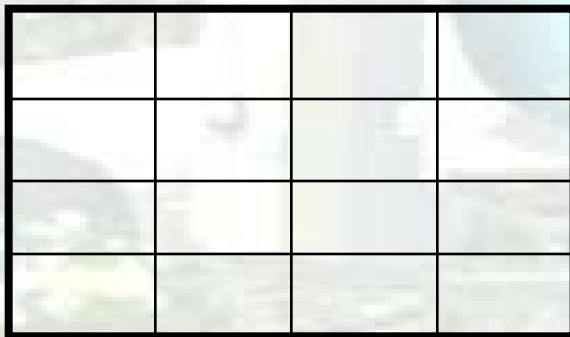
➤ Categories

- Absolutes
- Discrete / Digital
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Modes of Thinking

➤ Categories

- Absolutes
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➤ Continuum

- Relative
- Wholeness / Analog
- Shades of Gray
- Better/Faster



Assumptions

- A better way to operate an organization is to invest resources with the ability to delight and satisfy customers
- Better investment results from discovering opportunities to invest
- The discovery of opportunities for investment is limited by how thinking is conditioned

What is needed ?



Thinking that
promotes
better
discovery



Present State (*Reflexive*) *Organizations*

Resource Management

A
c
t
i
v
i
t
y

Proactive

Reactive



Resource Management

A
c
t
i
v
i
t
y

Proactive

Reactive

“Mine”

“Ours”

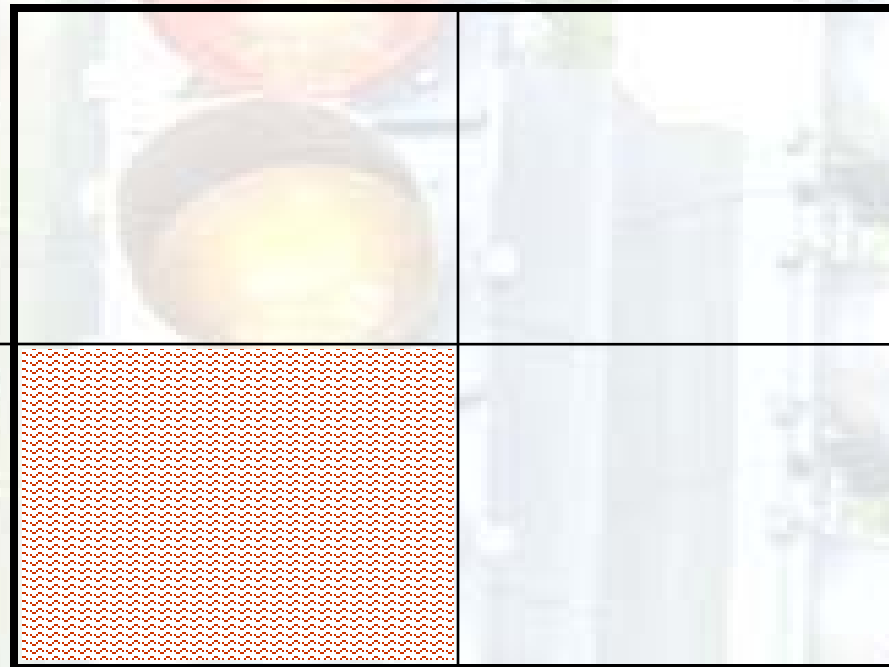
Ownership

Resource Management

A
c
t
i
v
i
t
y

Proactive

Reactive



“Mine”

“Ours”

Ownership



Future State (*InThinking*) Organizations

InThinking

The concept of “InThinking” derives from “*awareness* of our own *thinking* and the *assumptions* we make in how we act when we allocate resources, where thinking is defined as “a way of reasoning.” Fundamental to resource allocation is whether our activities are *proactive* or *reactive*, and whether the resources involved belong to the enterprise (“*ours*”) or to one's own department, function, district, part, etc. (“*mine*”).

InThinking...continued

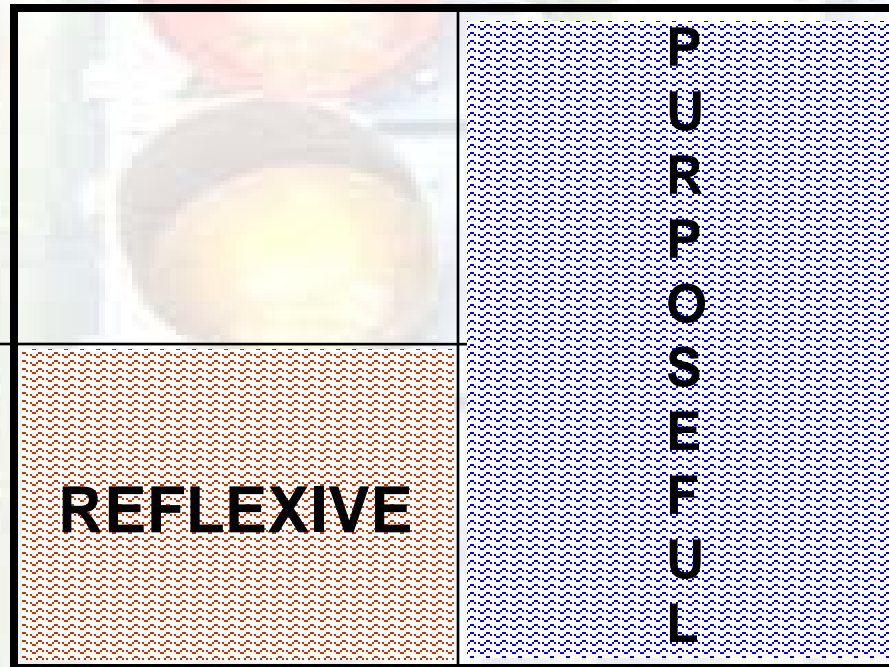
InThinking invites an individual to learn to perceive the patterns of interdependencies surrounding him or her and to reason and judge with new insight and thereby engage in the activities of *Purposeful Resource Management* and *Purposeful Resource Leadership* across their enterprise.

Resource Management

A
c
t
i
v
i
t
y

Proactive

Reactive



"Mine"

"Ours"

Ownership

A traffic light with three circular lenses: red at the top, yellow in the middle, and green at the bottom. The light is mounted on a metal pole. The background is a blurred green landscape with trees and bushes. The text "Imagine the Possibilities" is overlaid in the center in a bold, dark blue font.

Imagine the Possibilities

Imagine the Possibilities...

- when operating in an “InThinking” environment
- if we could develop a broader appreciation of “continuous and connected learning”
- if we could develop a deeper appreciation of “*working together,*” “*learning together,*” and “*thinking together*”

Imagine the Possibilities...

➤ and the markets we could create

Thinking Together

Investing Together

Designing Together

Building Together

Learning Together

Working Together

Leading Together

Opportunities to Act

(differences that make a difference)

- Category Thinking vs. Continuum Thinking
- Macro Systems vs. Micro Systems
- Attention to “Green” elements
- Customer Satisfaction vs. Customer Delight
- Purposeful vs. Reflexive Resource Management

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