Increasing Your Return on Failure: How After Action Reviews Make the Difference

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Remember the legendary story about Tom Watson, first CEO of IBM. It's about a junior executive at IBM who had made a huge mistake and caused IBM to lose a huge chunk of money. The employee was called into Tom Watson's office ready to be fired. The employee said," I guess you want my resignation?" Watson said in a surprised voice, "You can't be serious. We've just spent $10 million educating you."[1]

Watson and other like-minded managers believed that "the fastest way to success is to double your failure rate."[2] The idea is to create a positive return on failure in order to prevent failures from destroying your entire project.

Return on Failure (ROF) is measured by how quickly your organization can identify its mistakes, learn from those mistakes, and disseminate that knowledge to others. If used consistently, improved ROF can make huge impact on the success rate of information technology (IT) projects.

This idea seems counter intuitive. Ever fail a math test? Did you brag about it, thump your chest, and tell your parents that you were failing your way to success? And, with the high corporate failures in 2002, did any one of them mention how much this failure will help them be more successful?

Introducing the term Return on Failure will be a challenge. People who work on Information Technology projects-- where 70-80% of all major projects fail to be delivered on time, within budget, on scope, or at all--will need a massive mindset change. They certainly are not interested in advertising failures. However, IT is the area that can profit the most by using an organized effort to learn from its failures.

How do you begin working on your ROF? We recommend following a deceptively simply process developed by the US Army after the Vietnam War. It's called the After Action Review (AAR).

An After Action Review is a way to gather information about a project while the project is "in action."

In an AAR, lessons learned are identified immediately after the action is completed. The idea is to learn quickly from mistakes and move forward to use them in the next "action." Lessons are captured and distributed to all teams involved in the project.

[1] **Leaders: Strategies for Taking Charge.** **Warren Bennis and Burt Nanus. Harper and Row, 1986, p.70.**
[2] **"The Failure-Tolerant Leader," Richard Farson and Ralph Keyes. Harvard Business Review; Special Issue- The Innovative Enterprise, August 2002. p. 64.**

AARs drive the development of lessons learned so all teams in the organization can avoid making the same mistakes over and over again. AARs also identify successful actions so that those positive lessons can be maintained. Disseminating lessons learned about successful and unsuccessful actions allow teams to reuse that knowledge as they continue working on a project.

AARs are deceptively simple, because it looks as though someone just asks a few basic questions, gets answers, records the answers, and disseminates them. However, AARs are complicated in that they call for a complete change in most organizations' cultures. And, the first cultural change begins with the leadership.

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In AARs, the organization's leaders have to admit that they themselves sometimes fail. Leaders also have to be ready and receptive to their own teams telling them what mistakes they make as the leaders. The AAR becomes a true dialog and exchange of ideas among the leaders and all team members. It's a difficult dialog, because most employees are not accustomed to having such open, honest conversations with leadership. In fact, in the US Army Training Center, a person called an "Observer/Controller" leads the AAR. The leader focuses purely on participating in the AAR as one of the active team members. This structure ensures that the leader and team are seen as equally contributing members.

The AAR process requires that employees and leaders change the way they view their roles. All employees have to be made aware that their specific knowledge is valuable, because it contributes to the overall success of

the AAR, the project, and the entire organization. Leaders will also have to demonstrate their belief in this idea. In the Information Age, it is the new job of leaders to "get everyone to contribute to the collective knowledge" of the organization. [3] An organization is effective because of its collective knowledge, not just the knowledge of its leaders.

In the US Army, that collective knowledge is a matter of life or death. So it's easier to risk criticizing the General when everyone understands that looking at failures may save both the General and the troops when they fight other battles. In an AAR, fear of truth telling, or at least opinion-giving, has to be eliminated. A leader that "kills one messenger" will never get this process to work.

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To change the mindset (or more specifically the behavior) of your organization, you have to explain the ROF concept and AAR process to employees, engage them in the discussions, and then set the expectations on how you expect employees to proceed. Even those employees who disagree with the process must agree to support it.

The goal of AARs is to have leaders and their employees identify what actions make them successful in accomplishing their goals and what actions prevent them from meeting their goals. The idea is to discover which actions sustain good practices and which actions prove to be ineffective. It requires that the ideas from the AAR be put into action

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[3] **"Launching Cycles of Leadership,"** Noel Tichy and Chris DeRose, Optimize, August 2002, p . 24.

and tested again and again. AARs, in effect, embed continuous improvement processes (CIP) in the organization and assist in maximizing ROF.

In some organizations, there is a push to use expensive, complicated IS tools to implement an ROF process. Sometimes those ROF tools can be more expensive than the errors you are trying to correct. They can cause an organization to spend more on internal resources and consultants than it receives in useful information.

However, AARs are very cost-effective, requiring relatively little time and simple tools. Most

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organizations already have an operating structure (weekly staff meetings) and tools (web sites and email) to capture, disseminate, and reuse the AAR actions. As the organization practices using AARs, those practices will become an inherent part of the operating procedures. Knowledge will continually transfer among team members and eventually become just part of the day-to-day procedures.

InfoSENTRY Services, Inc. has developed a procedure for incorporating AARs into its project management practice on IT projects. We set up an AAR process for your projects to use as part of your internal quality assurance (QA) procedures. If you prefer to have an independent, third party actually administer the entire AAR process in your IT project, we have developed a web-based procedure to implement AARs throughout your IT project's lifecycle.

We have used AARs with our clients in improving user acceptance test procedures, business continuity test

procedures, project management for enterprise resource planning (ERP) implementations, and maintenance operations of election management applications.

Of course, **InfoSENTRY** uses AARs internally to ensure it captures and documents its lessons learned in the management and recovery of IT projects.

Here are examples of how InfoSENTRY has used AARs in two very different organizations and different IT settings.

Business Continuity Test AAR

In 2000 InfoSENTRY designed and administered a disaster recovery test for a newly implemented State Legislative document management system.

Following the test, InfoSENTRY carried out an AAR to capture lessons learned for the disaster recovery planning and testing processes. The Legislature used the results to make modifications in its backup and recovery processes for the document management system. It also modified its disaster recovery planning and testing processes for other critical legislative systems.

Emergency Application Maintenance AAR

In 2002 a local board of elections (BoE) in a jurisdiction with over 400,000 registered voters found that a critical program for producing its poll books would not operate. The discovery came with less than a week prior to the deadline for printing the poll books. A staff member had failed to perform necessary application maintenance procedures over the years to ensure the program would perform its required operations. InfoSENTRY worked with BoE staff and BoE's maintenance programming vendor to make the application changes required to produce the poll book file.

Following the episode, InfoSENTRY conducted a single AAR to capture lessons learned from the emergency application maintenance situation. The BoE used the results to design more permanent solutions to the applications maintenance requirements.

Conclusion

Using the After Action Review process will help you increase your organization's Return on Failure. To embed AARS into your organization's operating process and culture, practice is key. After all, where do you think best practices come from? It's the same answer the cab driver gave to the musician who asked, "How do I get to Carnegie Hall?' The cabbie answered, "Practice, practice, practice.'

Of course, a major goal in a project is to succeed, not fail. However, the ROF concept and the AAR tactic lead to maximizing the information from both the successes and failures that accompany all IT projects.

In order to maximize ROF, we need to continue using the AAR process and the resulting lessons learned. When it comes to obtaining a high Return on Failure in your organization, After Action Reviews can make a major difference.

For more information on using AARs in your information technology projects and to learn how you can get under way immediately, please contact Helen Sims at helen_sims@infosentry.com .