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## **1.3. ABC MODEL**

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### 1.3.1. HOW YOU SPEND YOUR TIME

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**As practitioners and researchers evaluate how managers spend their time, a simple model helps identify problems and develop solutions.**

What do managers do? By our definition they make decisions. And they need information to make decisions. But not just any information. They need relevant information and just the right amount of it. Managers make decisions, not for the heck of it, but, rather to accomplish something through actions resulting from the decisions. In getting the decisions to become actions, managers play many different roles. Matter of fact, being an actor and being able to switch from one role to another rapidly as the need arises, isn't a bad idea. Playing different roles at the same time isn't bad either. By roles I mean things like spokesperson, leader, coordinator, figurehead, and many others.

Remember the actions resulting from your decisions affect the what is managed component of the Management System Model (MSM). Remember also the what is managed component, or operation, includes capital, people, equipment and facilities, materials, and energy. Mostly people! And it's mostly these people (and also people outside your domain) who'll respond to your decisions and actions through their perception of you through the role you're playing.

Another way to look at management is through the function you're carrying out. Basically, a manager plans, executes, and compares. You plan what you and your organization are going to do. You do what you planned to do and then see if you did it. The better you plan it, the better you'll do it. So, it makes sense to analyze (separate into tractable pieces) what a manager does, and simply say you plan it, you do it, or you see if you did what you planned.

The words commonly used for planning, executing, and comparing are plan and control, where control implies both executing and comparing. Note before we go any further that the word plan can be either a verb or a noun. You can plan (verb) and you can generate a plan (noun) or a procedure or a budget or whatever. Generally speaking, a plan (noun) doesn't always result from planning (verb). Sometimes, planning will produce a policy or a procedure.

As you plan or control, you'll want to organize your resources to do so. As we look at our domains, we'll find different endeavors. Each type of endeavor is really different complexities of assemblages of very simple, automatable actions. So, the more complicated part of management is just organizing very simple actions. For strategic endeavors, the number of actions is so great and the arrangement of them into functioning entities so cumbersome, our ability to organize the actions or to understand how they've been organized is crucial to our management. Now, we have three things managers do: plan, control, and organize. These are the most universally accepted three.

But, if we look at the word control a little closer, we find it has at least two meanings. We've considered the idea of channelling resources against time to meet an objective when we thought of execution. Another meaning of control is to direct. That is, to orient or to point. And, the main recipient of this directing is our people. And we want to direct the right people. We have to staff our organization with the people we need to help do our work. So, commonly we find five things managers do:

plan, control, organize, direct, and staff. Managers do these things regardless of pursuit, endeavor, decision type, or stage of maturity. (Pursuits, endeavors, decision types, and maturity stages are the frameworks for diagnosing a domain of responsibility I'll describe soon.)

A good manager does planning, controlling, organizing, directing, and staffing well. Excellent managers excel at one or more of these. I show the five things managers do in Figure 1.3.1. as five undertakings: plan, control, organize, direct, staff. I use the word undertakings so I don't use function to mean two different things in this book. The sixth undertaking, executing, is a doing undertaking rather than a managing undertaking. The endeavors on the left side of Figure 1.3.1. are three managing endeavors and one doing endeavor. I'll describe the endeavors later in the endeavors framework.

Managers need many skills to be good at or to excel at the things a manager does. But, clearly, the most important skill of all is that of communicating. We can communicate in many forms: spoken, written, body language, etc. All forms have a sending and a receiving side to the transfer of information, or communication. So, once again, we find managers' jobs rotating around information. They need information to make decisions with and they have to be good at transferring information. Considering just the spoken and written forms of communication, managers must be good at speaking and listening and writing and reading. Many experts will argue the most important management skill is listening. Other skills are obviously important, such as interpreting what you hear. But the communication skills are a good starting point—and one you can do a lot about.

Since Henri Fayol introduced the management functions (undertakings) of plan, orga-

nize, coordinate and control in 1916 and Henry Mintzberg contrasted the functions with management roles in 1975, many authors have supported, criticized, or integrated these landmark studies. (H. Fayol, *General and Industrial Management*, translated by Constance Storrs, Pitman and Sons, London, 1949; H. Mintzberg, *The Managers Job: Folklore and Fact*, Harvard Business Review, 53 (4), pp. 49-61, 1975; J. C. Carroll and D. J. Gillen, *Are the Classical Management Functions Useful in Describing Managerial Work?*, Academy of Management Review, 12 (1), pp. 38-51, 1987; L. B. Kurke and H.E. Aldrich, *Mintzberg Was Right: A Replication and Extension of the Nature of Managerial Work*, Management Science, 29(8), pp. 975-984, 1983.) Mintzberg lists as a fact that "Study after study has shown that managers work at an unrelenting pace, that their activities are characterized by brevity, variety, and discontinuity, and that they are strongly oriented to action and dislike reflective activities." He says "The manager is simply responding to the pressures of his job." and "the manager is a real-time responder to stimuli, ..." Kurke and Aldrich say that "These diary and observational studies together reveal a general portrait of managers who are very busy, frequently interrupted, and have little control over what they do." Catering to crises isn't new.

Mintzberg has identified three types or groups of roles managers play in their organizations. The first is a group of interpersonal roles managers play to work at relationships in their domains and among related domains. The second is a group of informational roles managers play to get and transfer information in their domains and among related domains. The third is a group of decisional roles managers play to choose from alternatives they've identified for solving their problems or making the most of their opportunities.

The manager's interpersonal roles arise through

his or her authority. As a figurehead, the manager performs duties of a ceremonial nature. As a leader, the manager motivates and encourages their people. As liaison, he or she makes contacts outside his or her chain of command.

The manager's informational roles arise from his or her contacts and through his or her network. As a monitor, the manager perceives unsolicited information. As a disseminator, the manager passes information directly to the people who work for him or her. As a spokesperson, the manager informs and satisfies influential people inside and outside the organization.

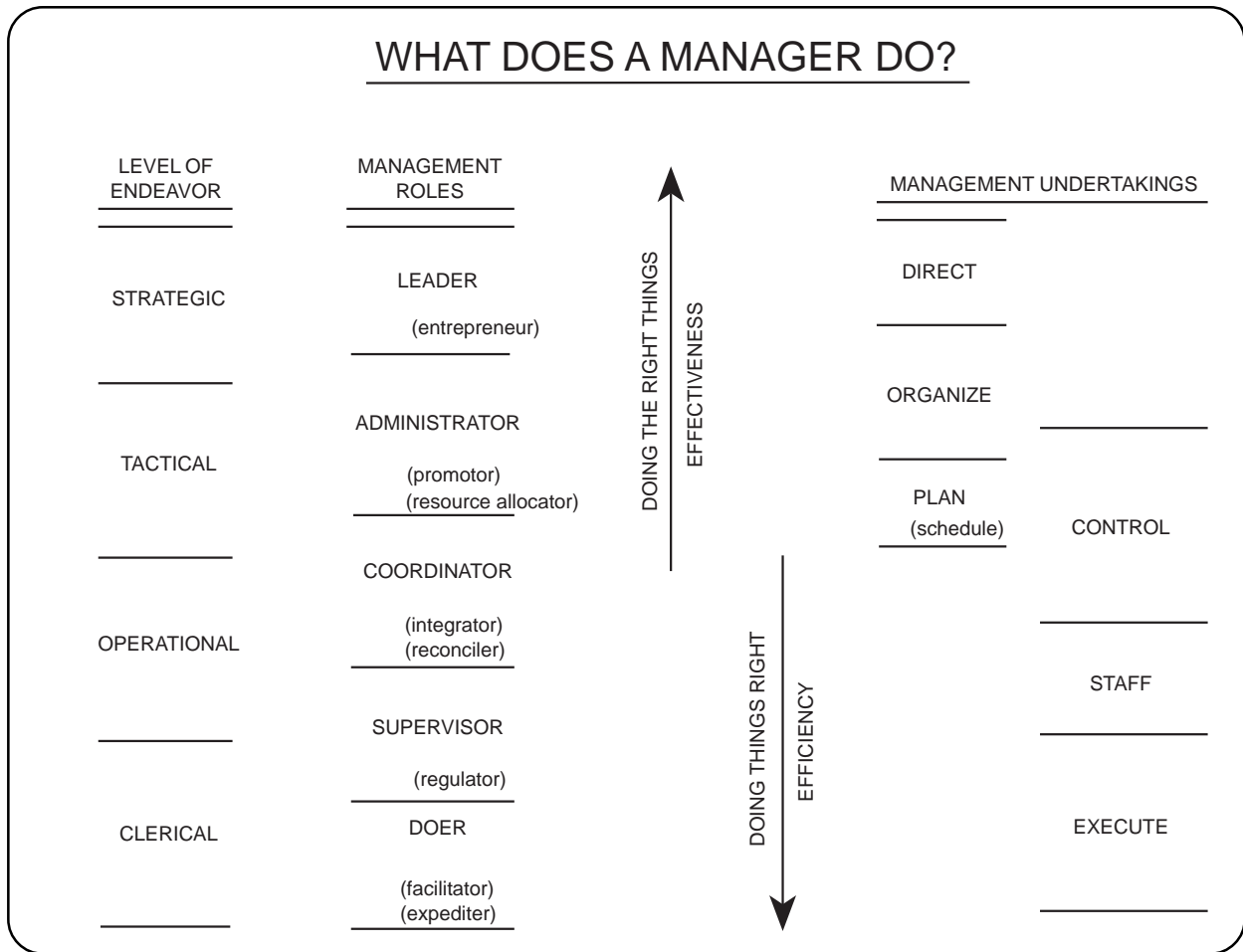
The manager's decisional roles arise from his or her position. As an entrepreneur, the manager initiates development projects. As a disturbance handler, the manager responds to pressures and crises. As a resource allocator, he or she authorizes important decisions. And as a negotiator, the manager resolves contracts and grievances.

The decisional roles have to do with choosing from alternatives, which is another way of saying solving problems. Simon says that problem solving includes three phases: intelligence, design, and choice. All three phases are important, but each gets more demanding as we step through the phases. First, we must gather information about the problem. Then we must develop a number of feasible alternatives for solving the problem. Finally, we choose the best alternative. This choice results in a decision.

I show some of Mintzberg's roles in Figure 1.3.1. Roughly speaking, you can trace endeavors, roles, and undertakings across the

diagram. For example, when doing the strategic endeavor, you tend to play a leadership role and be in the mode of directing the organization. Also, in Figure 1.3.1. I've shown that at the strategic level, you'll be contributing to effectiveness, or doing the right things.

Now, I'll compare Mintzberg's roles to the activities of the ABC model. In Mintzberg's terms, his entrepreneur role is clearly building the business, or B, and disturbance-handler role is clearly catering to crises, or C. I described A, B, and C activities briefly in Module 1.1.7. I'll describe the activities in more detail in Modules 1.3.3. and 1.3.6. His resource allocator role is clearly administer the process, or A. Certainly for internal needs, the interpersonal roles of figurehead, leader, and liaison are more A activities, as are his informational roles of monitor, disseminator, and spokesperson. The manager plays negotiator in all activity types. Carroll and Gellen fault Mintzberg because they recognize that much of what we do is based on "unplanned conversation with a subordinate, resulting from an accidental meeting" and that many of us "... work many hours even before coming in to the office." The telling blow to the Mintzberg approach is that much of management activity is mental and not physical and that "mental time is not the same as physical time." So, how can we use the long lists of five functions, ten roles, nine activities, and so on these authors argue will help us prescribe what we should be doing as managers? I believe a valuable alternative to these lists is a simple model—A-B-C. And the effort to figure out what we do and what we should do is complicated. The uniqueness of the ABC model is it recognizes the importance of dealing with C—catering to crises.



**Figure 1.3.1.** *Roughly speaking, you play different roles and participate in different undertakings while doing a given endeavor.*

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### 1.3.2. KNOW YOUR ABC'S FOR GETTING CONTROL OF YOUR DAY.

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**By successfully implementing your management process and continuously improving your work process, you'll reduce daily crises and have more time to build the business.**

Figure 1.3.2. implies that managers spend their time doing only three different types of activities: 1) doing the routine work of the business, administering the work process and the management process; 2) extending and improving the unit's product or service to its stakeholders, building the business; and 3) dealing with disruptions, catering to crisis. Recognizing that for many years scholars have studied and hypothesized the many things managers do, as discussed in Module 1.3.1., the model in Figure 1.3.2. has a good combination of simplicity and robustness. By considering everything that managers do in one of the three slices of the pie, researchers and practitioners alike can effectively audit the manager's time.

When you do A, or administer your work process, you look inward at the organization to make it do what it's supposed to do as well as possible. You focus on getting visibility of the organization and gaining control so you can manage change initiated within your internal world. You do whatever improvement is necessary to do your job better. You need a structured management process to help and guide your efforts in your work process.

A activities are process focused. They look at the quality of the input and output of your unit; but, most of all, they look at your unit's work process and they include all activities of the management process. *A activities keep the organization stable and functioning day in and day out.* They address more immediate needs and have more short-term effects.

When you do B, or build your business, you look outward at your external environment to

be competitive in your industry and to manage change initiated by the outside world. You focus on improving your product or service, customer base, and competitive position. You do whatever visibility and control are necessary so you can be in tune with your external environment.

B activities are results or outcome focused. They look at quality outside the boundaries of your unit; but most of all, they look at your unit's customers. *B activities move the organization forward.* They address more distant needs and have more long-term effects.

You want the right mix between A and B activities, and you want to increase the amount of time you spend on B activities without abusing your A activities. A big question is: How do you allocate your time to A and B activities when you seem to be consumed with C activities?

When Deming runs the funnel experiment, he shows that if you focus on the outcome, or result, of a system, you get problems, or crises. I translate that to mean if you focus on B you get C. Deming shows that you want to focus on the process to get the best out of the system. I translate that to mean if you focus on A, you reduce C to get time to improve the organization's product or service for the stakeholders.

When you do C activities, or cater to crises, you deal with good or bad surprises—the bane of management. When you go home at night and haven't accomplished what you set out to do, most likely, you've spent your day dealing

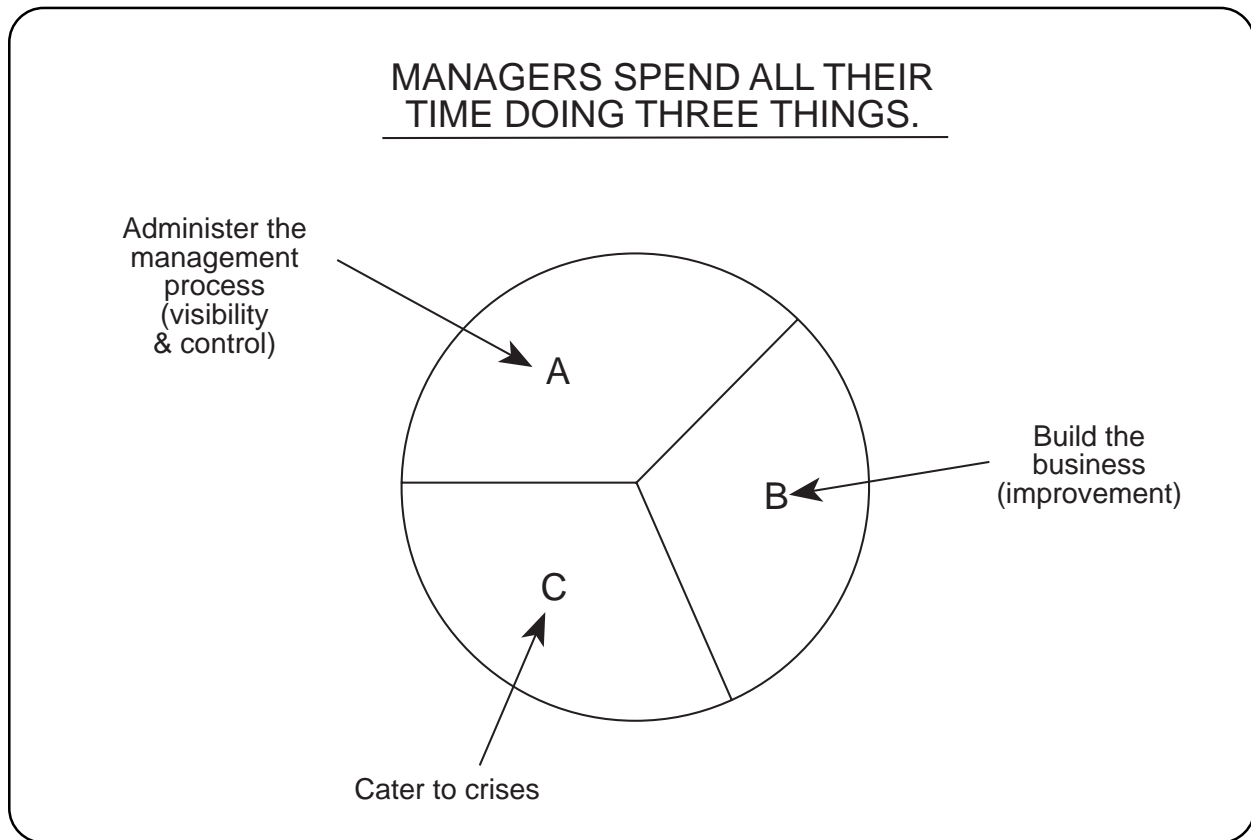
with issues you didn't expect—surprises. By catering to crises and putting the urgent before the important, you neglect your work and management processes, your world becomes more unstable, and you never have time to move the organization forward. The greatest number and most crucial surprises are of your own making. Some are outside of your control.

C activities are disturbance focused. They destroy quality, productivity, and morale. *C activities attack the stability of the organization and keep you from moving forward.* They appear to be immediate and hurt you in both the short-term and in the long-term.

One way to look at A, B, and C activities is that A activities are process oriented, B activities are outcome oriented, and C activities are in

response to unexpected situations.

You want a good mix of A and B activities to keep your organization stable *and* moving forward. You want to reduce C activities so you can spend more time on A and B activities. Consider the analogy of your organization as a ship on a journey across an ocean. Your job is to move the ship toward its destination while keeping the ship upright. Meanwhile, forces from within the ship and from outside the ship can move the ship off course or capsize the ship. B activities move the ship forward. A activities keep the ship upright. C activities react to the forces acting to disorient or capsize the ship. If you spend all your time upside down or going in the wrong direction, you'll fail.



**Figure 1.3.2.** *The ABC model classifies all your time into categories you can use to discover how to get control of your day by getting control of yourself.*

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### 1.3.3. OUR CRISES ARE OF OUR OWN MAKING.

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**We spend the vast majority of our time dealing with crises we made for ourselves.**

As you consider your surprises, focus on their source. Organizations in the United States, on average, spend 40 percent of their time doing rework. Service organizations spend this much time on correcting errors.

Add to this 40 percent the time lost in making up for doing work at the last minute. You spend additional time walking documents through the approval chain or explaining to customers late products and services because you did the work at the last minute.

Add to this amount of time the frustration, spinning wheels, and time lost because of miscommunication. As a sending and receiving process, communication can fail at many points.

How much time do you spend looking for a document you need? Do you ever receive a notice, follow up on it, and find you already took care of the situation when you received the original notice a month ago? In the case of this last question, you wasted your time and the time of the person you interacted with to follow up on the notice a second time. Meetings are terrible time-wasters. We put up with the waste of time because we need meetings for communication and to set expectations and review status and progress. How many times do you wait for late meetings? For that matter, how much time do you spend waiting for late people?

Setting expectations is an important function in the management process. When we have no expectations or perceive the wrong expectations, we scurry around doing things that aren't needed or are counter productive. We work hard on the wrong things. In the end, someone

still expects somethings of us. We'll waste time doing the wrong thing, re-establishing what the right expectations are, and rushing to meet that expectation at the last minute.

If you aren't yet convinced the C slice of the ABC pie is huge, consider this. Stephen R. Covey, in his book *Principle-centered Leadership*, (Simon & Schuster, 1990) talks about the destructiveness of time spent on gossip, "politicking, defensive communication, protective communication, interpersonal rivalry, interdepartmental contests, positioning, and manipulating." He says, "I ask you: what percent of the time and energy in your family or business is spent in some kind of defensive or protective communication? What percent of the energy is spent on things that do not contribute to serving your spouse, your children, or your customers—wasteful things like internal squabbling, interdepartmental rivalries, politicking, and interpersonal conflicts? Most people admit that 20 to 40 percent of their time and energy is spent in these destructive ways." (p. 117.)

You can think of other time wasters that aren't an act of God or an unexpected opportunity for the customer. What percentage of your day is spent catering to crises of your own making?

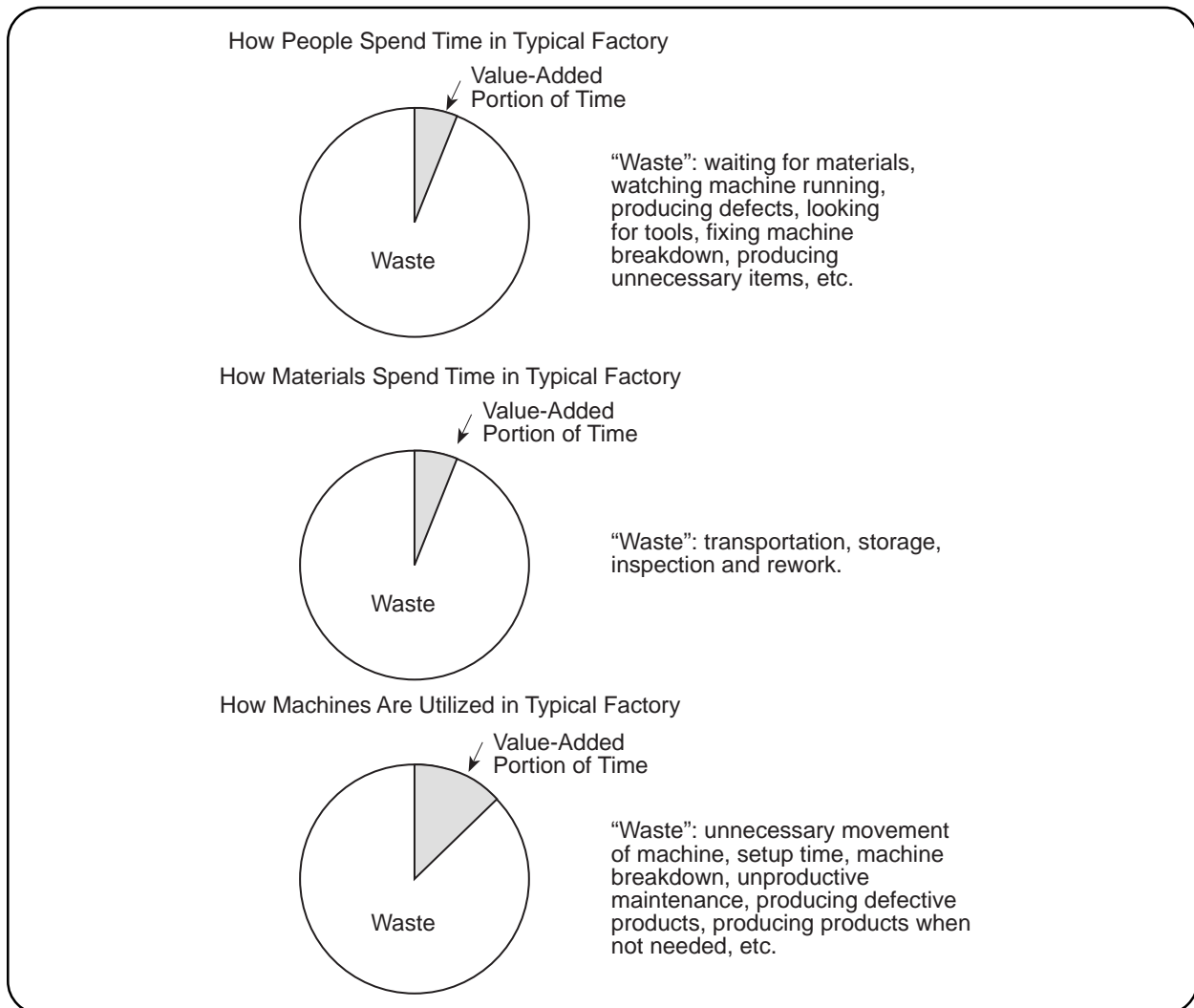
The roots of much of the destructive behavior described by Covey stem from our penchant for competition over cooperation. We need both focus and spirit. To reduce C, we need to focus on A with a spirit of cooperation. Then we get to enjoy doing B.

Even people whose job is to prepare for and respond to emergencies find the vast majority of their surprises are internally driven. An

ABC Audit is one way to give physical evidence on what the percentages are in your unit and to monitor your improvement as you work to reduce crises. I discuss the ABC Audit in Module 1.3.7.

In his book *The New Manufacturing Challenge: Techniques for Continuous Improvement*, (The Free Press, 1987), Kiyoshi Suzuki says, "...we often find that more than 95 percent of an operator's time is not being utilized to add value to the product." (p. 10.) His Exhibit 1.2 (my Figure 1.3.3.) shows how people, machines, and materials spend time in a factory. His drawing shows about 5 percent as value-added time for people and materials

and about 10 percent for machines. The rest of the time he calls waste. Waste for people includes "waiting for materials, watching machine running, producing defects, looking for tools, fixing machine breakdown, producing unnecessary items, etc." Waste for materials includes "transportation, storage, inspection, and rework." Waste for machines includes "unnecessary movement of machine, setup time, machine breakdown, unproductive maintenance, producing defective products, producing products when not needed, etc." You get the picture. It's not pretty. But look on the bright side. The leverage is huge. For Suzuki's exhibit, improve people's waste by 5 percent and double the value added.



**Figure 1.3.3.** *How Man, Machine, and Material Spend Time in the Factory.* (taken from Kiyoshi Suzuki, p. 11)

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### 1.3.4. DISTINGUISHING THE IMPORTANT FROM THE URGENT.

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#### **You want to work on the important before the urgent.**

As we spend our most valuable and nonrecoverable resource—time—we not only need to think about how much time we spend but our priorities for spending time. We tend to spend time on crises before we spend time on making sure we don't have so many crises. That is, we tend to spend our valuable time on crises and then see if we have time for anything else. The ABC Model suggests that we consider crises on a par with how else we can spend our time and often put aside the crises to spend time on eliminating future crises. Without so many future crises, we can consider which of the old crises still exist in the time saved.

Putting aside crises is hard for some people to do. I believe many people and organizations become addicted to crises. Even though they know crises are bad for them, they have to have their crises anyhow. Many people and organizations get their self-worth from handling crises. They won't admit it, but they look forward to crises so they can make what they believe is their contribution. Unfortunately, they don't realize the real contribution is heading off crises. But heading off crises doesn't bring the attention solving crises does. How many times do we reward people for dealing with crises by working long and hard—often to the detriment of their health and their families? When we reward solving crises, we promote more solving of crises; *but*, usually at the expense of not working at eliminating future crises. How many times do we search out and reward instances of making improvements in our work that will keep the little, self-inflicted crises that eat up our days from happening? When people keep crises from happening, they keep themselves from making the

contribution they've been led to believe is so valuable.

Covey calls heading off crises putting the important in front of the urgent. When describing his third habit of highly effective people, he says, "*Put First Things First* is the endowment of *will power*. .....a highly disciplined life that focuses heavily on the highly important but not necessarily urgent activities of life. It's a life of leverage and influence." (Stephen R. Covey, *Principle-centered Leadership*, Simon and Schuster, 1990, p. 44.) In describing the effect of his first three habits, Covey says, "On the continuum, you go from being driven by crises and having *can't* and *won't* power to being focused on the important but not necessarily urgent matters of your life and having the *willpower* to realize them." (p. 44.) The concept of the important before the urgent relates to time management, personal effectiveness, discipline, and willpower—all part of the eighth function in the management process described in Module 1.1.21.5.

In discussing the four generations of time management, Covey says, "...the best thinking in the area of time management can be captured in a single phrase: Organize and execute around priorities." (Stephen R. Covey, *The Seven Habits of Highly Effective People*, Simon and Schuster, 1989, p. 149.) He describes the generations as: "The first wave or generation could be characterized by notes and checklists, an effort to give some semblance of recognition and inclusiveness to the many demands placed on our time and energy.

The second generation could be characterized

by calendars and appointment books. This wave reflects an attempt to look ahead, to schedule events and activities in the future.

The third generation reflects the current time management field. It adds to those preceding generations the important idea of prioritization, of clarifying values, and of comparing the relative worth of activities based on their relationship to those values.” (pp. 149-150.)

Covey adds, “But there is an emerging fourth generation that is different in kind. It recognizes that ‘time management’ is really a misnomer—the challenge is not to manage time, but to manage ourselves. .... Rather than focusing on *things* and *time*, fourth generation expectations focus on preserving and enhancing *relationships* and on accomplishing *results*—in short, on maintaining the P/PC Balance.” (p. 150.) [“P stands for *production* of desired results ..... PC stands for *production capability*, the ability or asset that produces....” (p. 54.)]

Covey introduces Figure 1.3.4. by saying, “The essential focus of the fourth generation of management can be captured in the time management matrix [in Figure 1.3.4.] Basically, we spend time in one of four ways. .... Urgent matters are usually visible. They press on us; they insist on action. .... *Importance*, on the other hand, has to do with results. .... We *react* to urgent matters. Important matters that are not urgent require more initiative, more proactivity. We must *act* to seize opportunity, to make things happen. .... Quadrant II is the heart of effective personal management. It deals with things that are not urgent, but are important. It deals with things like building relationships, writing a personal mission statement, long-range planning, exercising, preventive maintenance, preparation—all those things we know we need to do, but somehow seldom get around to doing, because they aren’t urgent.” (pp. 150-154.)

Covey adds, “To paraphrase Peter Drucker, effective people are not problem minded; they’re opportunity-minded. They feed opportunities and starve problems. They think preventively.” (p. 154.)

Before I relate Covey’s four quadrants to the ABC Model, consider this story. “One of my favorite essays is ‘The Common Denominator of Success,’ written by E. M. Gray. He spent his life searching for the one denominator that all successful people share. He found it wasn’t hard work, good luck, or astute human relations, though those were all important. The one factor that seemed to transcend all the rest embodies the essence of Habit 3—putting first things first.

‘The successful person has the habit of doing the things failures don’t like to do,’ he observed. ‘They don’t like doing them either necessarily. But their disliking is subordinated to the strength of their purpose.’” (pp. 148-149.)

The C activities in the ABC Model fall more into Quadrant III and somewhat into Quadrant IV than into Quadrant I. Only when the crises of our own making get quite out of hand do they become pressing. They are in Quadrant I. The A activities in the ABC Model fall into Quadrant II. The key issues here are: 1) Focus on Quadrant II activities (A activities) and 2) Reduce Quadrant III and IV activities (C activities).

To make matters worse, because we have a tendency to put the urgent before the important, we do C (cater to crises) first and foremost. In many cases, that’s all we do all day. We try to do A (administer the process) by taking our work home at night. When we neglect A, we make C worse and B (build the business) is out of the question. We must recognize the importance of doing A, discipline ourselves to do A well, and reap the

rewards of being able to do B when C eventually diminishes.

I find that when we build and use good management tools in an effective management process, we don't change the fraction of time we spend on A much. As we increase the amount of effective time we spend on a good management process we reduce the time we spend on the work process. We reduce time on our work process by streamlining and upgrading the work process and gain approximately the same amount of time we increased for the management process. After some transition, the upshot is that we don't change A much. What good tools and processes do in terms of the fractions of A, B, and C in the figure is to reduce C to make room for more B.

If you spend six hours of each eight-hour day unproductively (75% on C), then you double your productivity by regaining one-third of the time you spend on crises. Use the leverage associated with the unfortunate amount of waste in our professional lives to your advantage and make dramatic improvements in your productivity, the quality of your work, and the dignity, meaning, and community (Weisbord) of your workplace. Later, we'll recognize this activity as an example of the rule: make lemonade out of lemons.

We all want to be creative and gain the joy of doing good work in a productive workplace. We do that by reducing rework, noncompliance, poor communication, waiting around, and other wasteful activities.

The potential for making a difference is huge.

	<b>Urgent</b>	<b>Not Urgent</b>
<b>Important</b>	<b>I</b> ACTIVITIES: Crises Pressing problems Deadline-driven projects	<b>II</b> ACTIVITIES: Prevention, PC activities Relationship building Recognizing new opportunities Planning, recreation
<b>Not Important</b>	<b>III</b> ACTIVITIES: Interruptions, some calls Some mail, some reports Some meetings Proximate, pressing matters Popular activities	<b>IV</b> ACTIVITIES: Trivia, busy work Some mail Some phone calls Time wasters Pleasant activities

**Figure 1.3.4.** Covey's time management matrix stresses the importance of important, yet not urgent activities. (taken from Stephen R. Covey, *The Seven Habits of Highly Effective People*, Simon and Schuster, 1989, p. 151)



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### 1.3.5. ORIGINS OF THE ABC MODEL

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**Government agencies eaten up with brush fires settle into addictive behavior feeding on the excitement of the crises and their ability to cope rather than standing back and getting control of their processes to ultimately be more responsive to their stakeholders.**

In working with government agencies in 1981-1983, I found oversight agencies spent most of their time dealing with what they called brushfires and very little of their time (perhaps 10% or less) dealing with what they perceived as their real work. I found two associated problems. First, the agencies spent their time trying to build or select management tools to help them do what they perceived as their real work, when they'd get more leverage if they focused on reducing brushfires. Second, the agencies didn't face up to what their real work was. They were organized like they manufactured a product rather than brokering information. In fact their mission was to broker information and much of what they perceived as brushfires was really their work process. The result was frustration and waste. The lesson learned is that to distinguish A activities from other activities you must tangibly define your work process and your management process. These ideas were included in workshops and presentation to DOE in 1985.

You might consider unexpected requests for information as a crisis. However, to these agencies, dealing with information requests is their business. Information requests should be A activities. By realizing their work was information brokering, they could focus on the information process not the manufacturing process they were brokering information about.

People in government and industry who are good at coping with crises gravitate to organizations working in the more-uncertain business environments (e.g., journalists, police, etc.). The crisis behavior becomes addictive;

and refocusing from crises to processes seems mundane and boring. However, the excitement returns when we get time to build the business. Then the excitement is more proactive than reactive.

In working with Max Gould of Citibank during 1985 and 1986, Pamela Kurstedt and I were taught two important concepts. First, the management process could reduce internally-caused waste and brushfires. Second, the objective of working the management process is to gain time to be creative and build the business. Pamela and I put Max's ideas in the form of a pie chart illustrating all of a manager's time and named the slices A for administer the process (at that time not distinguishing the management process from the work process), B for build the business, and C for cater to crises. The model was included in an internal Citibank book in 1987. The lesson learned was that to gain time to be creative and build the business you had to focus on the management process to reduce crises to make room in the pie for more B. We hadn't distinguished the effects of management process or work process affecting the fraction of A in the pie. Also, we hadn't distinguished the difference between internally-caused crises and externally-caused crises.

We first disclosed the ABC model in a panel presentation at the Fall IIE meeting in Nashville in 1987 and published the model in the 1988 IIE meeting proceedings in Atlanta. In 1989 we confronted internally versus externally caused crises in doing a workshop for the U.S. Navy and recognized that in maintenance

or emergency environments externally-caused crises could be part of the work flow. This isolated the crises we cater to in the model as being primarily those of our own making.

The ABC model has been modified a number of times to make a variety of points. The

original point was to focus on process A as opposed to result B and thereby reduce waste and frustration C. This point isn't new in that the point parallels the lessons of the funnel experiment taught by Deming. The model is simple and visual, and thereby aids understanding.

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### 1.3.6. HOW MUCH TIME SHOULD YOU SPEND ON A, B, AND C ACTIVITIES?

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**If you spend more time on A activities, you'll get time for B activities by reducing C activities.**

Practically speaking, most managers feel they spend more than a reasonable amount of time catering to crises. Managers feel the time they spend on crises is spent at the expense of the things they need to do to get the most out of their responsibilities.

Everyone is eager to be creative and build the business. They're focusing their quality and productivity efforts more on moving the organization forward than on stabilizing it. I believe we're looking at things out of sequence. We're so busy working on building the business, we're neglecting our work and management processes. And, we must have our processes working well before our efforts to build the business will work. As a consequence, our productivity and quality efforts aren't reaping rewards as advertised.

If your other efforts are competing for time for crisis efforts, crisis efforts will win. You can either ignore the crises (Put the important before the urgent.) or you can reduce them. Only after we reduce crises enough to make time for productivity and quality efforts can we use these techniques to our advantage. The crux of the matter is how we spend our time, how we should spend our time, and how that changes as we spend our time doing the right things.

Based on observing many organizations, I'm convinced most of us spend too much time tending to brush fires—catering to crises. And it doesn't have to be that way. Most of us want to spend as much time as possible building the business. But, the harder we try to spend time on performance improvements, the more we seem to get crises. Apparently, we're missing

something. That something is the time we spend on administering our management process and our work process. Until we get good at administering our management process, nothing much will help eliminate the crises that steal time from building the business. So, administering our management process and our work process comes first.

To reduce most surprises—at least those you have some effect on—look internally at the organization; increase visibility and control; and focus on A, administering the work and management processes. The amount of time you spend catering to crises is inversely related to the amount of time you spend administering a comprehensive, structured management process. You spend less time with crises if you spend more time on a good management process. The amount of time you spend building the business is inversely related to the amount of time you spend catering to crises. You have more time to build your business if you have fewer crises to deal with. Then the amount of time you have to build the business is directly related to the amount of time you spend on your management process. So, to get time for building the business, focus on administering the management process.

How do you distinguish among the slices of the pie? When you administer a management process, you look inward at the organization. When you deal with disruptions, you face surprises (both good and bad) that disrupt the workflow. Many brushfires pose immediate needs and cause the organization to focus short-term. You need to reduce the number of internal disruptions and improve the way you handle external disruptions so you have time

to concentrate on extending and improving the service to your stakeholders.

What A activities are and what B activities are is a function of your unit of interest, or your domain of responsibility. For example, the Assistant Dean for Enrichment Programs in the College of Engineering develops and implements an MIS from a database to monitor graduate student support for the Associate Dean of Research and Graduate Studies in the same college. Is this an A activity or a B activity? It depends on the domain of responsibility. If the domain is the Office of Enrichment Programs, the activity is a new service to support graduate studies, and is therefore a B activity. If the domain is the College of Engineering, the activity is improving the work and management processes already part of the set of responsibilities of the college, and is therefore an A activity. The point is that the Assistant Dean for Enrichment Programs wouldn't have time to offer a new service or to contribute to the improvement of the work of the larger organization if the Office of Enrichment Programs was consumed with crises.

Today, you may consider the time you spend on C activities of your own making to be part of your day-in, day-out work. Don't! Distinguish unnecessary work from the necessary work on a task. Focus on this distinction so you work to reduce rework and other unnecessary work. From this idea comes the slogan "Do it right the first time." As Deming says, you can't do it right the first time without a method. The method for reducing unnecessary work is the management process. Consider your original work on a task to be A activities. All unnecessary work on that same task is C activities. Now, you'll find you don't spend as much time on A activities as you thought. As you add management process activities to your work, you'll increase A activities, but decrease C activities more. You'll also find ways to streamline your work process

and to reduce frustration so you spend less time doing right what you did wrong before.

You have a finite amount of time, and the time spent on disruptions is taken off the total reservoir of time you have. Brushfires can be important, but often they are urgent, rather than important. To gain more time for improvement, managers must reduce the time spent on disruptions. The way to reduce time spent dealing with disruptions is to spend more time (and do a better job of) administering a management process.

Figure 1.3.6. suggests that without a good management process you spend half your time or more on crises, and you spend a relatively small amount of time on building the business. Figure 1.3.6. further suggests that after you install the management process, you'll find you spend about the same amount of time on both your work and management processes as you did on your work process without the management process before. The time you spend in maintaining the management process will save an equivalent amount of time in doing the work. The management process overlays the work process and becomes integrated with it. But the significant result is that you switch the amounts of time you spend between B and C activities. You'll spend half of your time, or more, on your customers and orienting your product or service toward the customer and a relatively small amount of time on crises. The difference between the before and after figures is that after you install the management process, work is less stressful and you're moving a more-stable organization forward to better meet the needs of the customer.

Ultimately, administering the management process has diminishing returns. If you spend 100 percent of your time administering the management process, you have no time for anything else. You should, at first, spend 50 percent or more time, if necessary. Start with

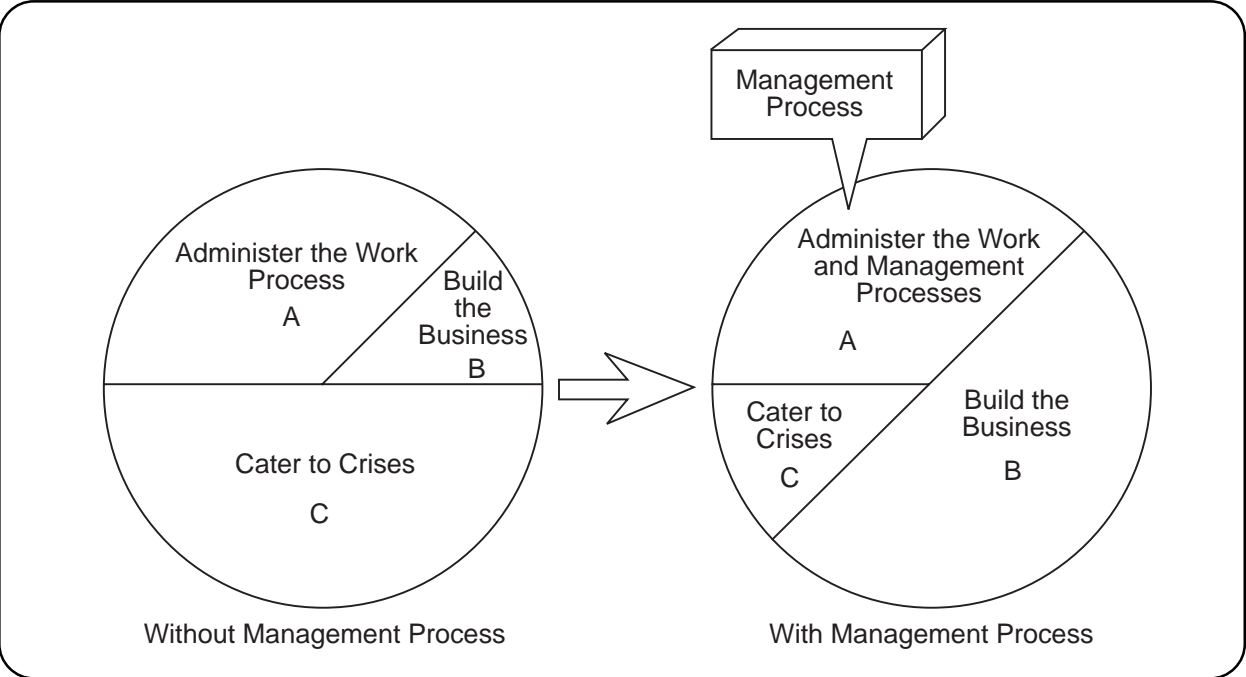
key using-management-tool-management-process functions (refer to Module 1.1.21.5.) such as reviewing, logging data, and setting expectations. If you do these functions right, within two or three months you'll see a dramatic decline in C. Don't rest on your laurels. Continue through the functions until you can do them all well within the time you spend on your work process. When you're good at the management process you should spend *no less than approximately 25 percent* on A activities involving the tools and methods of the management process. (Of course, you'll spend more time on the work process.) Otherwise you'll get C. The management process activities get integrated so tightly with your work process activities, you won't be able to separate out the time you spend on them.

When you consider the time you spend on A, include three factors: 1) the amount of time, 2) doing the nine using management tool functions (doing the right things), and 3) doing the nine functions well (doing things right). Consider the following as an indication of how well you're doing. Low C implies good A.

Then you should review A, get into B, and not let time on A activities involving the management process fall below 25%. High C implies lax A. Then you should spend as much as 50%, or more, on A and forfeit whatever of B is necessary.

In the beginning, how much time can you afford to spend on A? Depending on how much your organization's goals are survival-related, you should spend as much as half your time coming to grips with what you do with the other half of your time.

A startling implication of Figure 1.3.6. is that if you truly want more time for extending and improving service, you must do something different from what you might expect. You should focus on visibility and control of your work process. Visibility and control help reduce brushfires and thereby gain time for improvement. In an ideal situation, this figure suggests that you should set aside an overflowing in-box, install an effective management process, then work off the in-box as backlog to make time for building the business.



**Figure 1.3.6.** Applying the management process to routine activities pays immediate benefits in reducing surprises and leaves more time for managers to focus on growth and improvement.



### 1.3.7. ABC AUDIT

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**Once you know how you spend your time, you can change what you do and spend your time more wisely.**

You want to measure performance so you can make your performance better by managing better, know you made it better, and know what you did to make your performance better. My performance measurement is simple and global. I call it an ABC Audit. The ABC Audit is based on the ABC Model from Module 1.3.3. The principle behind the ABC Audit is that if you do your management process well you'll reduce and manage your crises (surprises). So, we equate good performance to few surprises. Any action you take to reduce crises improves performance.

#### **A-B-C Audit Categories**

On the next page, you'll find an ABC Audit form for logging data on how you spend your time during each day. As opposed to a time log where you monitor specifically what you do in 15-minute blocks (This is also a good idea.), in the ABC Audit you'll monitor generally what percent time each morning and afternoon you spend on A, B, and C activities. You don't have to be perfect in how you distinguish A, B, and C activities. You don't have to define or distinguish A, B, and C activities just like another person does. You, however, must be consistent over time on how you categorize your activities into A, B, and C. If you're not sure how to categorize a particular activity, make your best estimate and leave that activity in that category for the duration of your audit. Remember, you want to estimate how you spend your time and how the amounts of time per category change as you improve your work.

The following three paragraphs briefly describe the A, B, and C activities for the ABC Model. Please refer to these descriptions as you audit the types of activities you spend your time on during the day.

“A” activities are administering your work process using the management process. These activities keep the organization stable and reduce surprises. For example, a routine meeting to evaluate the day's production or backlog is A.

“B” activities are building the business. These activities move the organization forward. A strategic planning meeting or a meeting to change the organization's niche is a B activity.

“C” activities are catering to crises. These activities are the good and bad surprises you experience as you manage. A surprise meeting to figure out what to do with unexpected profits (or budget funding) or a subordinate's unexpected absence is an example of a C activity.



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### 1.3.8. EXERCISE ON ABC AUDIT

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**You can review your day and estimate how much time you spend on A, B, and C activities.**

#### **Explanation**

One way to record A, B, and C activities is to recall what you did over a period of time and estimate how much time you spent on each type of activity. Recording what you do and how much time you spend on each task, interruption, question, or whatever as the day proceeds is a better way to keep track of what you do. One problem with any recording of your time is in distinguishing what you do physically from what you do mentally. Talking to someone on the phone about plans for the future while thinking about your current personnel problem could be called either a B activity or a C activity. Looking back over a time period, for example a day, has the advantage that you can surface the dominating concurrent activity. Being able to recall your actions in terms of dominant activities without overlooking tasks takes a bit of skill.

#### **Exercise**

With Module 1.3.7. as a guide, look back over your day and identify everything you did. Don't ignore short tasks. Separate what you

did into A, B, and C activities. Make a table showing time and duration and activity by type. Tally up how much time you spent on A, B, and C activities.

You should describe (short phrase) each of your activities so you (and I) can see how you type (A, B, or C) the activity. Your classification into A, B, and C activities doesn't have to be perfect. Once you determine your classification, you want to place activities into your classification consistently.

You may want to separate out domains of responsibility. By that, I mean you may want to look only at school-related tasks, work-related tasks, or family- (or personal) related tasks. You'll find that the proportions of C could be greater for family-related tasks, then work-related tasks, and finally school-related tasks. The difference is in the amount of structure and certainty in each of your domains, or subdomains—depending on your unit of interest. Your school work tends to be relatively well structured and certain.

