The Elephant in the Executive Suite – Project Management

Presented By
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TOUR CONO SUR

AGENDA

- **Why is the Elephant in the Executive Suite?**
- **What is the Elephant in the Executive Suite?**
  - ➢ **How are enterprise Stakeholders involved?**
- **How does Project Business Management (PBM) make the Elephant more visible and understandable?**
- **What types of Stakeholders are there?**
  - ➢ **How do Enterprise Stakeholders relate to PBM?**
- **What are the Roles and Responsibilities of Senior Management Stakeholders in PBM?**
- **Conclusions:**
  - ➢ **PM & PMO issues created by Executive Stakeholders**
  - ➢ **Executive Stakeholder Road-Blocking with Sandboxes & Rice Bowls**

This Is Why The Elephant Is In The Room!

Inadequate Executive Stakeholder Involvement

"**C-suite executives are often missing in action**. Survey respondents say the number-one reason for the success of strategic initiatives [*over all Project Management*] at their organisation is leadership buy-in and support.

Nevertheless, only half of those surveyed say that strategy implementation as a whole receives appropriate C-suite attention.

Moreover, 28% admit that **individual projects** to implement strategy do not typically obtain the necessary senior-level sponsorship. Such **a lapse in leadership inevitably decreases the ability to implement strategy.**"

Survey Published by The Economist Intelligence Unit Limited 2013
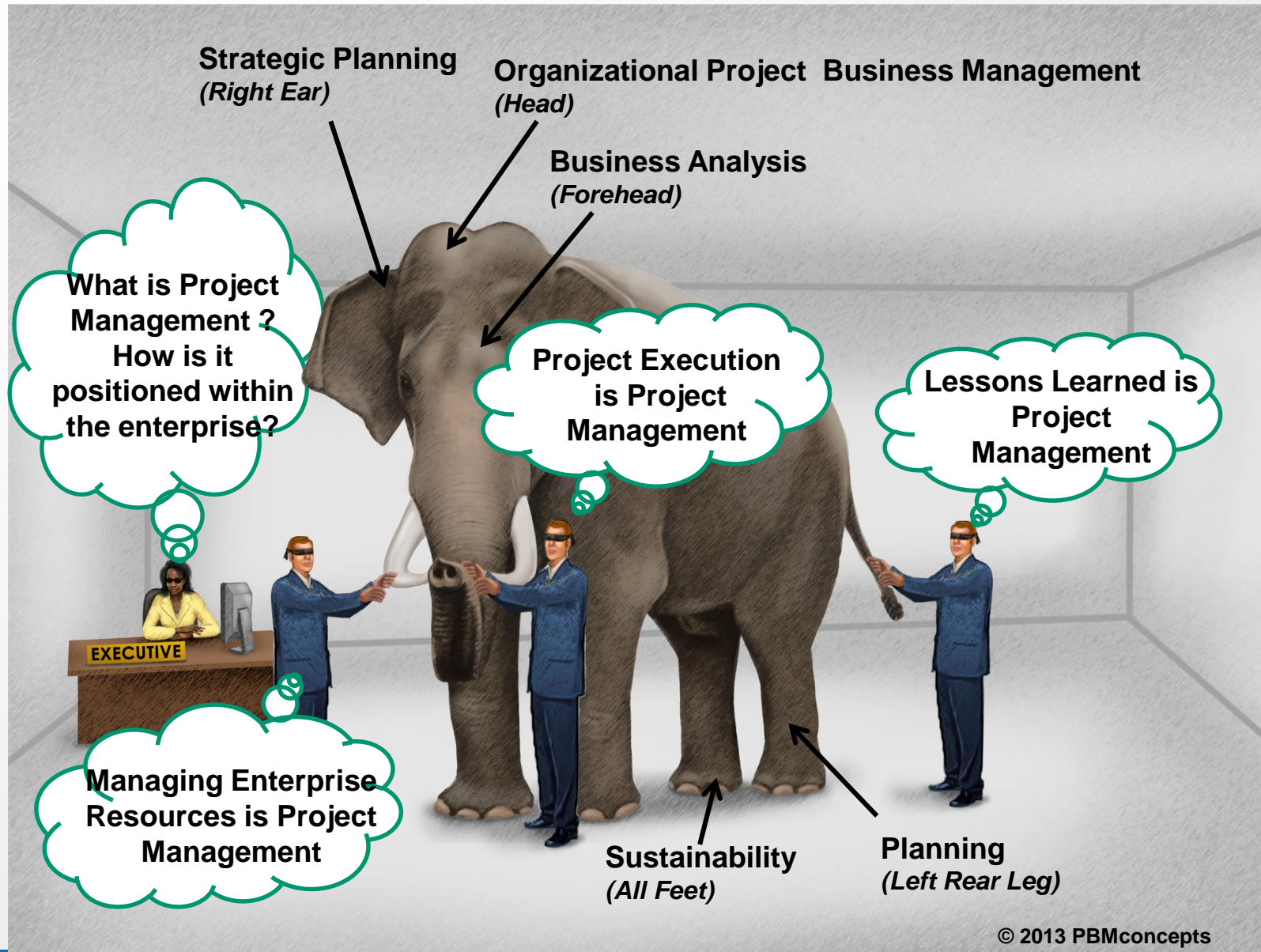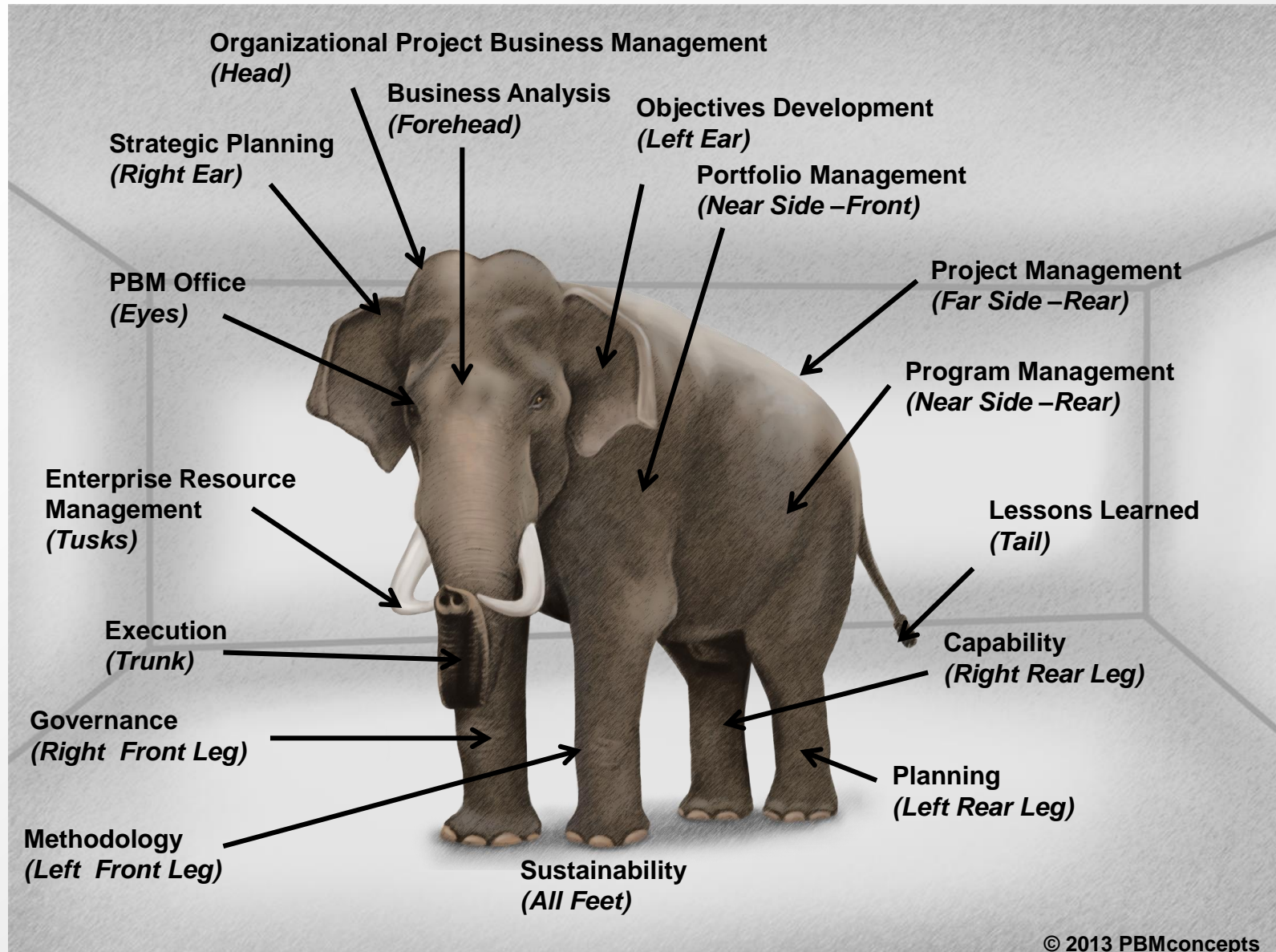Distributed by PMI to its members 25 July 2013
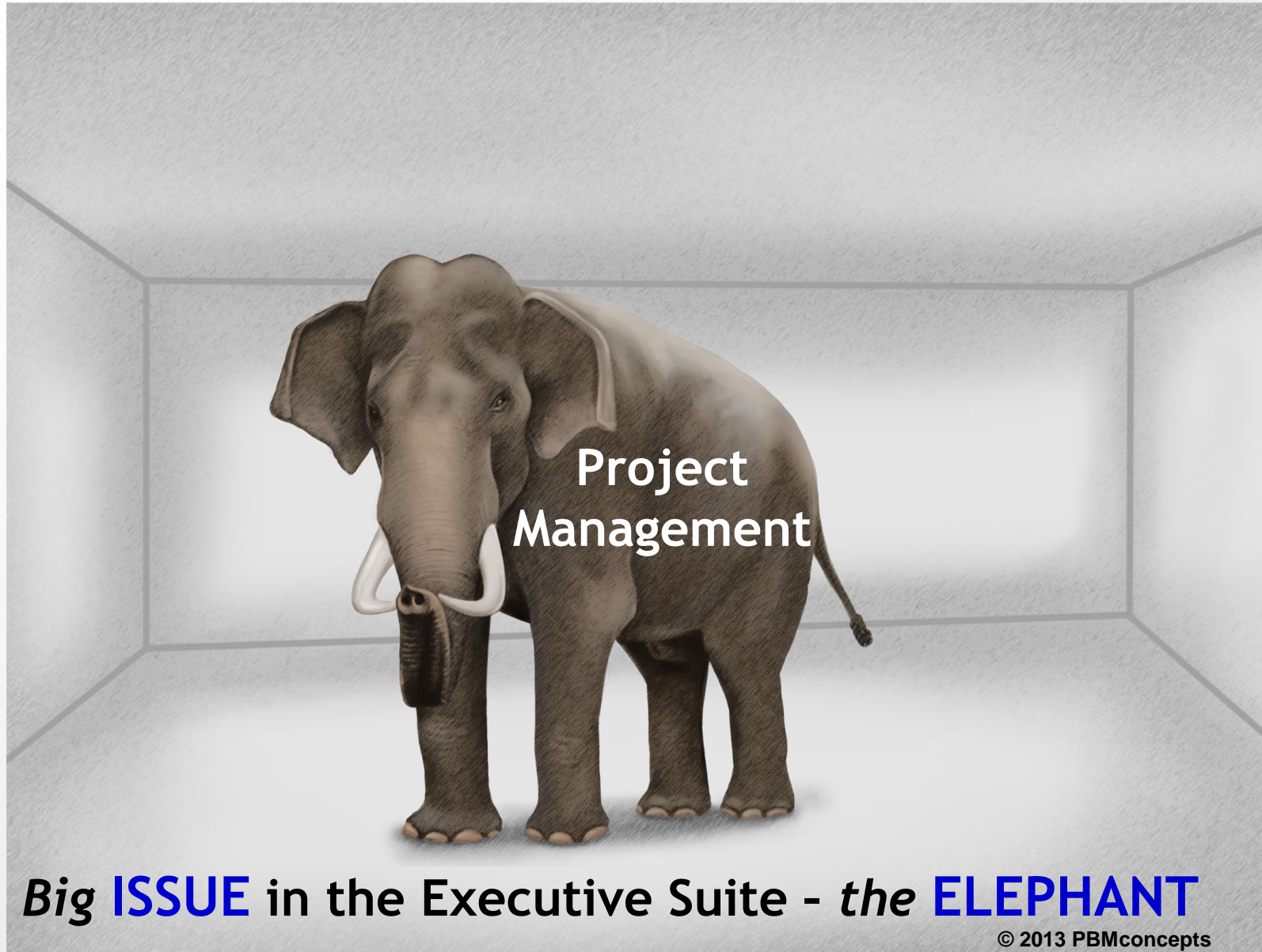
Big ISSUE in the Executive Suite – *the* ELEPHANT

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WHY is the Elephant an Issue ? – Understanding

HOW is Elephant an Issue? – Many Parts

Organizational Project Business Management *(Head)*

Business Analysis *(Forehead)*

Objectives Development *(Left Ear)*

Strategic Planning *(Right Ear)*

Portfolio Management *(Near Side –Front)*

Project Management *(Far Side –Rear)*

PBM Office *(Eyes)*

Program Management *(Near Side –Rear)*

Enterprise Resource Management *(Tusks)*

Lessons Learned *(Tail)*

Execution *(Trunk)*

Capability *(Right Rear Leg)*

Governance *(Right Front Leg)*

Planning *(Left Rear Leg)*

Methodology *(Left Front Leg)*

Sustainability *(All Feet)*

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WHAT Causes Elephant Issue? – Numerous Pieces

Project / Project Program / Project Portfolio Management
Knowledge Areas and Sub-Disciplines

|	
▪ Agile/Lean Project Management	▪ Objectives Management
▪ Capacity Management	▪ Organizational Project Management
▪ Change Management	▪ Outage Management
▪ Communications Management	▪ Performance Management
▪ Configuration Management	▪ Procurement Management
▪ Constraint Management	▪ Quality Management
▪ Cost Management	▪ Release Management
▪ Demand Management	▪ Requirements Management
▪ Expectation Management	▪ Resource Management
▪ Financial Management	▪ Risk Management
▪ Governance Management	▪ Scope Management
▪ Information Management	▪ Stakeholder Management
▪ Integration Management	▪ Strategy Management
▪ Maintenance Management	▪ Time (Schedule) Management

Promoted Solutions for Project Management

Various "Key Solutions" promoted to Executives for managing projects

▪ Management by Objectives (MBO)	▪ Total Quality Management (TQM)
▪ Six-Sigma	▪ Strategic Management
▪ Management by Projects (MBP)	▪ Governance Management
▪ Scrum Project Management	▪ Business Management Analysis
▪ Management by Walking Around	▪ Management by Tools/Technology

➢ **Do not address all of the parts, pieces, and components of the Project Management Discipline**

➢ **Do not provide an integrated solution for the management of projects, project programs, or project portfolios**

PBM – Holistic Application of the Whole Elephant
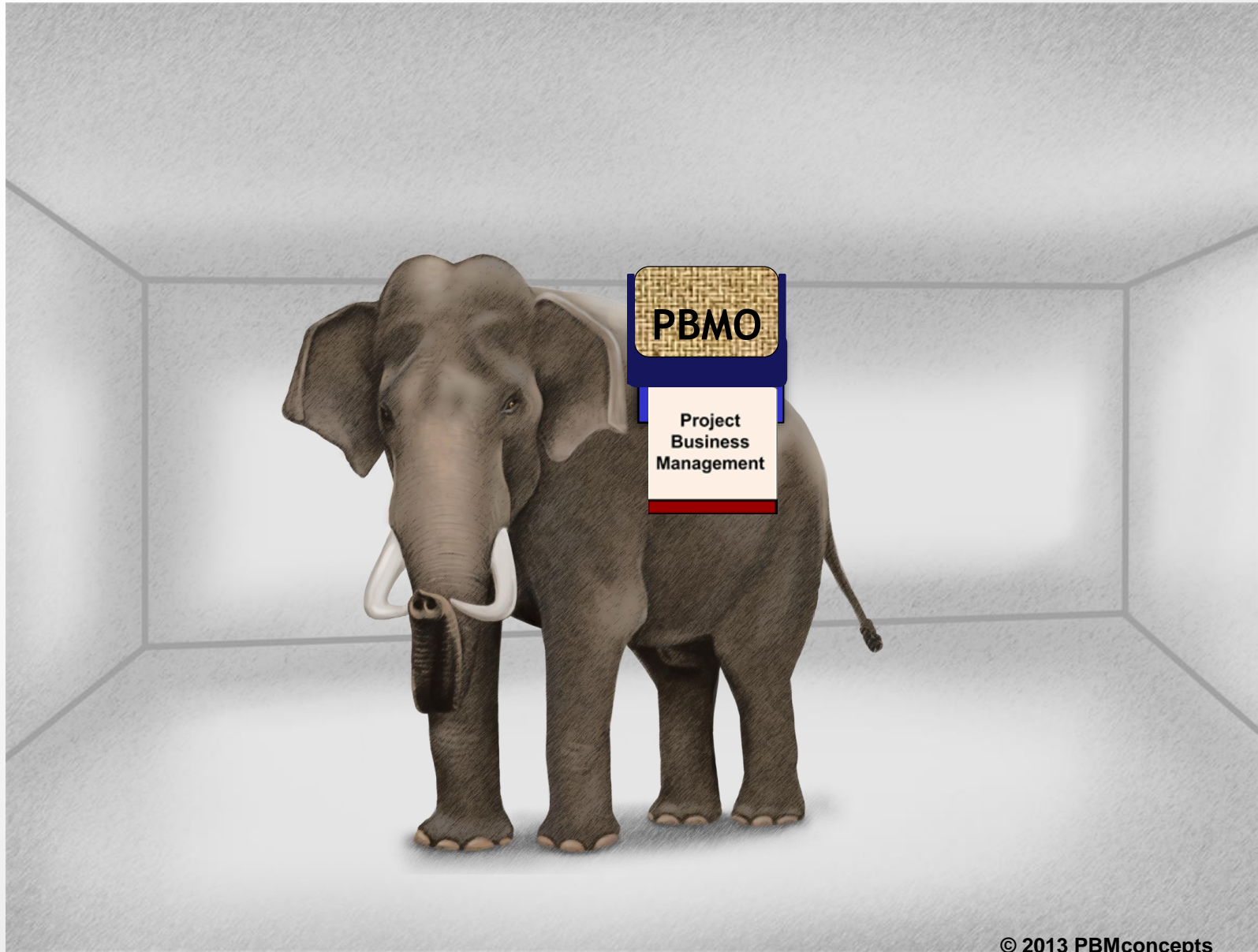
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Project Business Management *Construct*

Project **Business** Management (P**B**M)
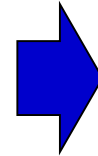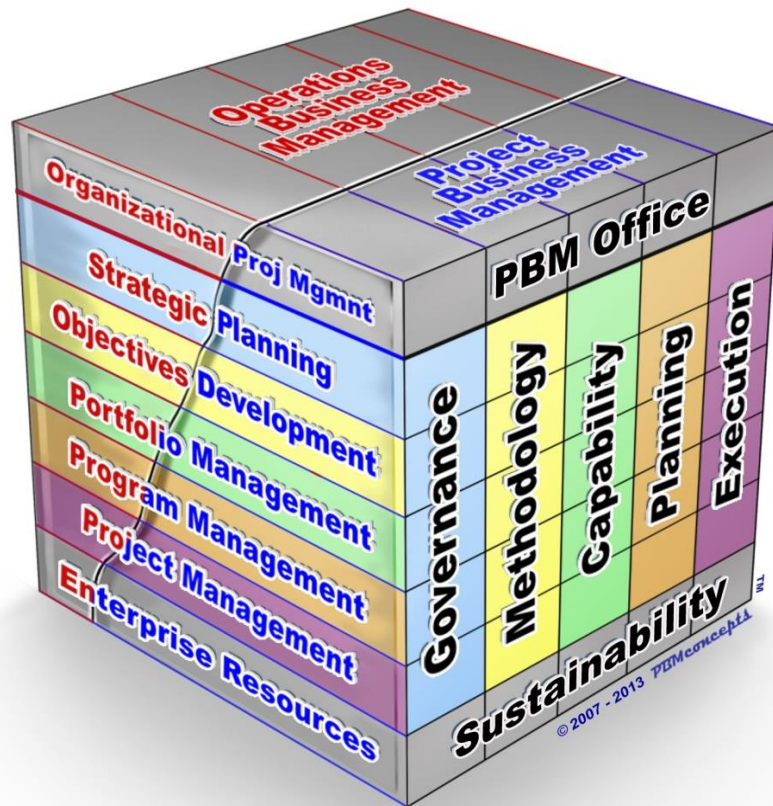
***Delivers* business benefits**, and

***Captures* business value** through …

Managing project-related actions and activities –

- *to **fulfill** related **business strategies** and*

- *to **accomplish business objectives***

Project Business Management

Project Business Management Model

© 2007-2013 DLB Associates, LLC and D.G.Hubbard Enterprises, LLC

Project Business Management Organization Model (*House of Excellence*)
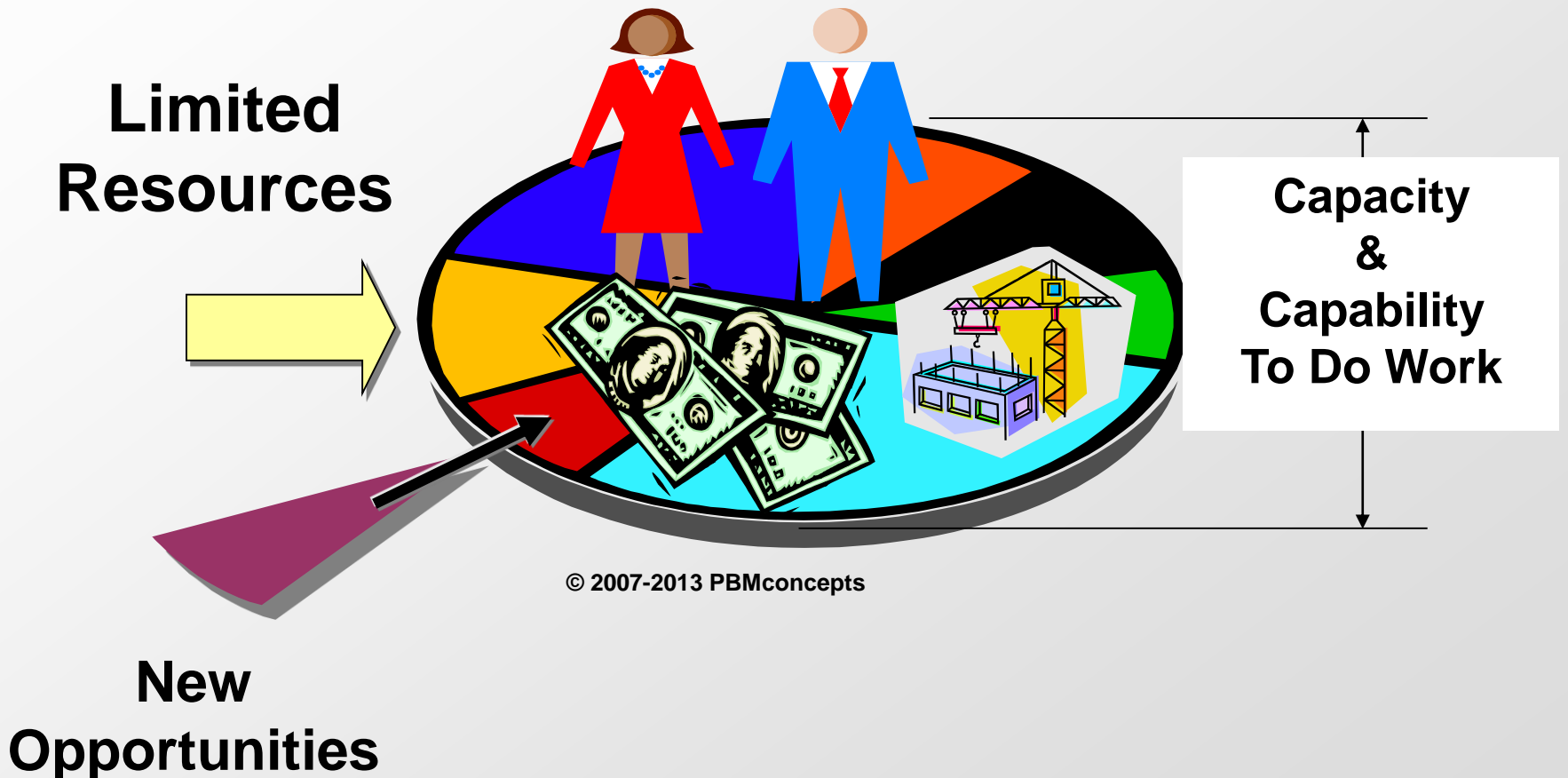
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Why is a PBMO needed?

- ✓ **Produce** *right projects* at *right time* **–** to survive today's economic downturns

- ✓ **Optimize** reduced project *resource availability*

- ✓ **Meet** tighter project *delivery schedules*

- ✓ **Address** business focus for projects **– to** deliver *business objectives* and *value*

- ✓ **Utilize** *business oriented* PMO Case Study *research results*

- ✓ **Apply** project management *discipline* enterprise-wide

- ✓ **Address** major business *challenges*

A PBM Organization is the Business Solution

Major Business Challenges

Business Changes and Fluctuating Constraints Require Reprioritizing Portfolios, Programs, & Projects at the Executive Level

Limited Resources

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Capacity & Capability To Do Work

New Opportunities

Stakeholders: Within Businesses

- ***Secondary Corporate Stakeholders***:

  - ➢ Governmental / regulatory / taxing / legislative agencies, non-governmental organizations

  - ➢ Labor unions, trade associations, professional associations, business support groups, research groups, or centers

  - ➢ Advocacy groups, community activists groups, public media, media analysts, and the general public

- ***Primary Corporate Stakeholders***: two types –

  - External Primary Corporate Stakeholders

  - Internal Primary Corporate Stakeholders

"Primary" Corporate Business Stakeholders

- *External Corporate Stakeholders* – primarily affect operations management:

  ➢ Owners

  ➢ Stockholders (investors)

  ➢ Customers

  ➢ Suppliers

  ➢ Creditors

"Primary" Corporate PM Stakeholders

- *Internal Corporate Stakeholders* – also affect the business of project management:

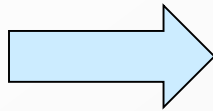 ➢ **Directors (the investors' representatives)**

  ➢ **Senior Executives**

  ➢ **Executives**

  ➢ **Line Managers**

  ❖ **Employees**

  ❖ **Sometimes Labor Unions**

Specifically for project management:

  ➢ **PBM Organization Senior Executive**

  ➢ **Sponsors of projects, programs, and portfolios**

  ➢ **Associated Project/Program/Portfolio Managers**

INTERNAL Corporate Stakeholder Chart

RASIC

PBM Model *Components*

Positional Power
Direct
Delegated
Indirect

Business Role

Role Responsibilities
Responsible
A₁uthorize
A₂pprove
Supply
Inform
Consult

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| ❖ RASIC LEGEND – Role Responsibilities	Board of Directors	Senior Executive	PBMO Senior Executive	Functional Executive	Line Manager	Sponsor	Project/Program Manager
<<<<< POSITIONAL POWER <<							
R = Responsible – Ensure Task is done; manager role may contribute to Task							
A1 = Authorize – Permit Task to be performed and Resources to be used							
A2 = Approve – Sign off on Task scope, initiation, & completion - or resources							
S = Support – Supply effort and resources; work the Task							
I = Inform – Give others progress on Task status and results							
C = Consult – Provide Task input and recommend solutions							
Project Business Management Organization (PBMO or PMO)							
PBM Office – Develop {Senior Executive is manager}	A1	A2	R/I	S/C	S/C	C	C
PBM Office – Implement {Senior Executive is manager}	A1	A2	R/I	S/C	S/C	C	C
PBM Governance – Develop	A1	C	A2/R	S	S/C	C	C
PBM Governance – Implement	C	S	A2/R	S	S/C	C	C
PBM Methodologies – Develop	C	A2	R/I	S	S/C	C	S/C
PBM Methodologies – Implement	C	A2	R/I	S	S/C	C	S/C
PBM Capabilities – Develop	C	A2	R/I	S	S/C	C	S/C
PBM Capabilities – Implement	C	A2	R/I	S	S/C	C	S/C
PBM Planning – Develop	C	A2	R/I	S	S/C	C	S/C
PBM Planning – Implement	C	A2/R	R/I	S	S/C	C	S/C
➤ PBM Strategic Planning – Develop	C	A2/R	S/C	R/I	S/C	C	S/C
➤ PBM Strategic Planning – Implement	C	A2/R	S/C	R/1	S/C	C	S/C
➤ PBM Tactical Planning – Develop	C	A2/R	S/C	R/I	S/C	C	S/C
➤ PBM Tactical Planning – Implement	C	A2/R	S/C	R/I	S/C	C	S/C
➤ PBM Based Planning – Develop	C	C	A2/R/I	S/C	S/C	C	R/I
➤ PBM Based Planning – Implement	C	C	A2/R/I	S/C	S/C	C	R/I
PBM Execution – Develop	C	C	A1/R	S/C	S/C	A2	R/I
PBM Execution – Implement	C	C	R/I	S/C	S/C	A/2	R/I
PBM Sustainability – Develop	A2	R/I	R/I	S/C	S/C	C	S/C
PBM Sustainability – Implement	A2	R/I	R/I	S/C	S/C	C	S/C
Operations Management & Project Management Integration							
Organizational Project Business Management – Responsibilities of role	A1	A2	R/I	S/C	S	C	C
Strategic Planning – Responsibilities of role	A1/A2	R/I	S/C	S	I/C	S/C	C
Objectives Development – Responsibilities of role	A1	R/I	S/C	S	I/C	S/C	C
Portfolio Management – Responsibilities of role {Executive is manager}	C	A2	R/I	R/I	S/C	R	C
Program Management – Responsibilities of role	C	A2	A2/R	R/I	S/C	R	S/C
Project Management – Responsibilities of role	C	A2	A2/R	R/I	S/C	R	S/C
Enterprise Resources – Responsibilities of role	A/1	A2	A2	A2	I/C	A2	R

Each Stakeholder Controls Their Sand Box

Position Power Authority Budget
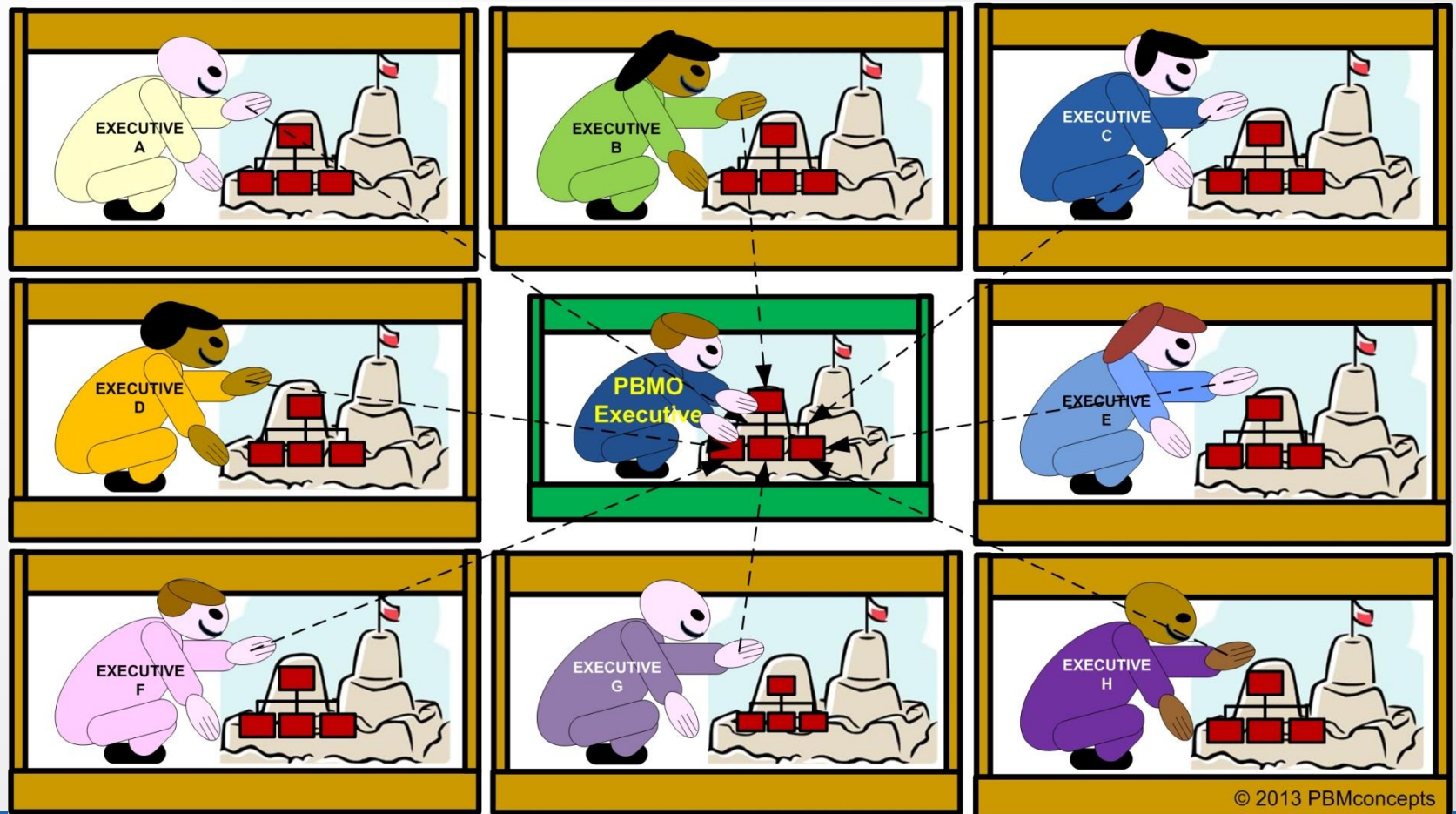
Sandbox

Before Having a PBM Organization – *Organizational Control* Not Shared
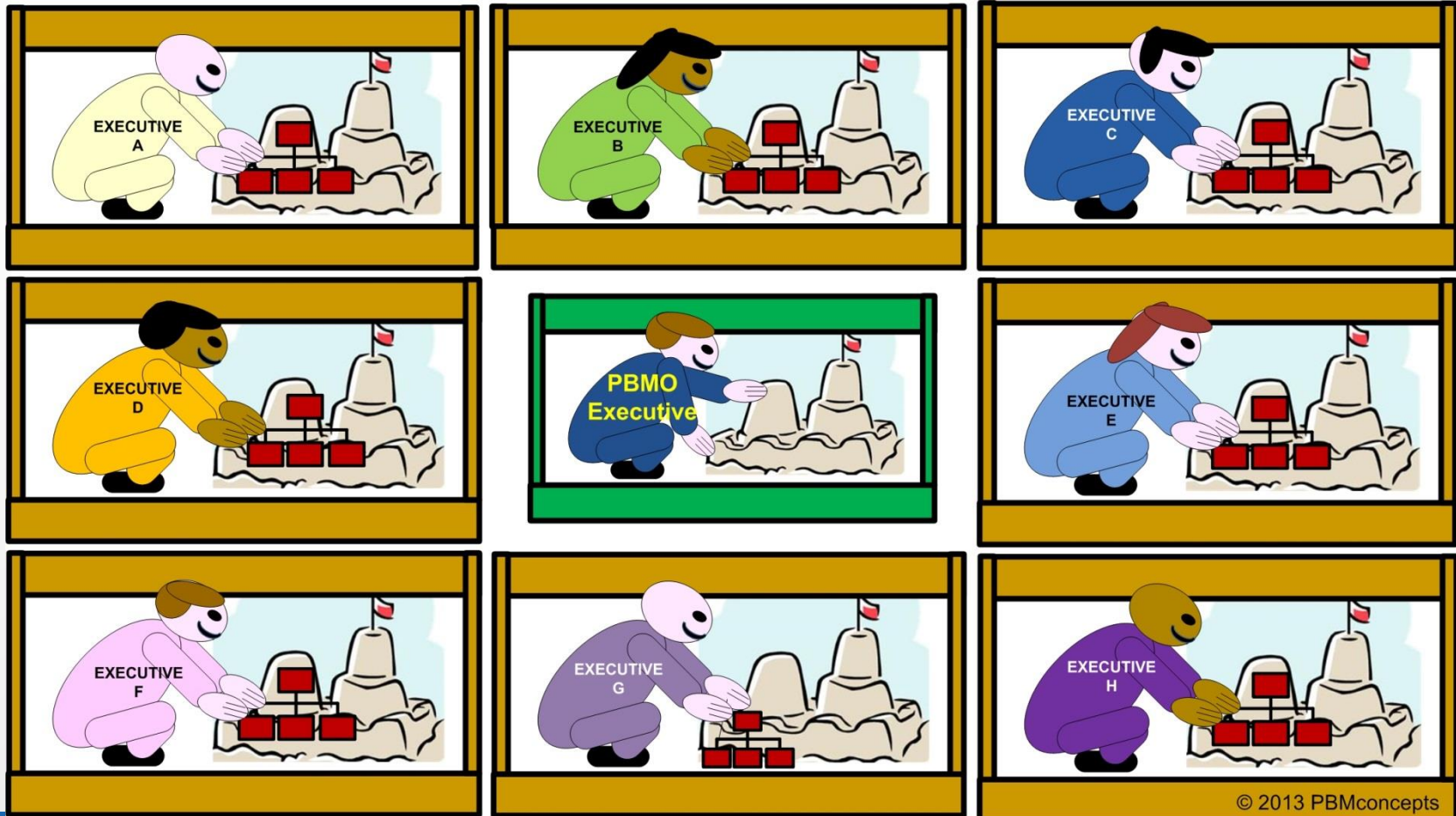
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Stakeholders Share from their Sand Boxes
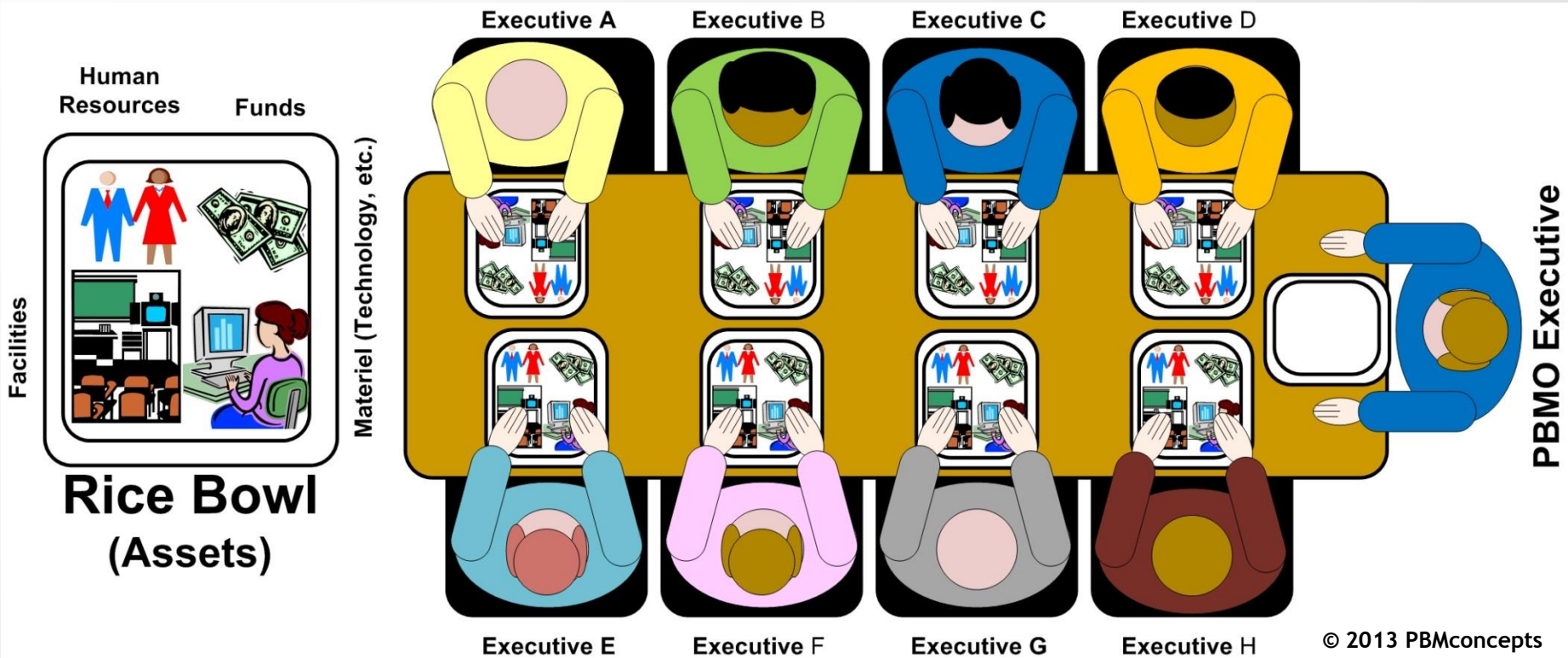
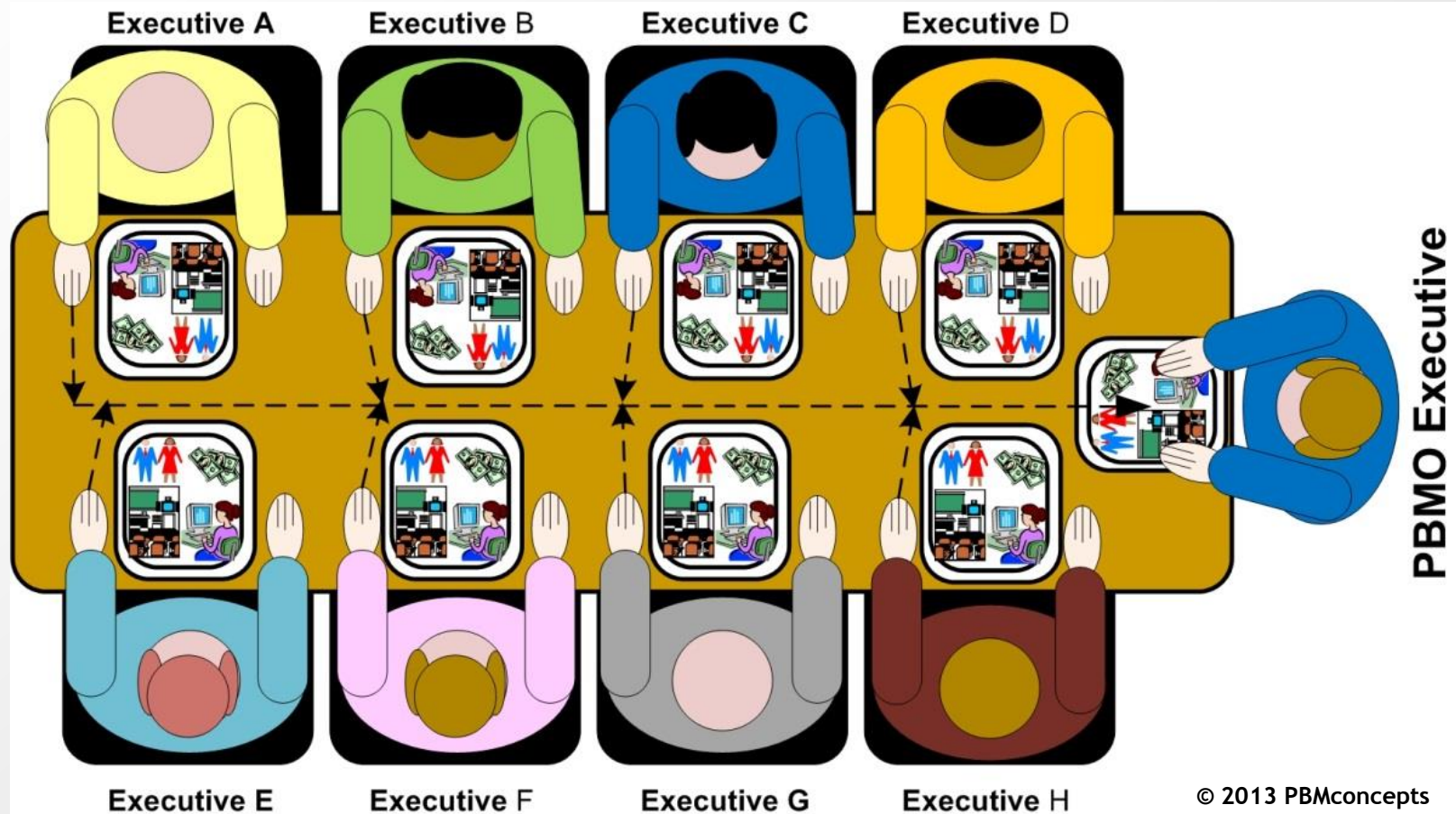## After Implementing a PBM Organization – *Organizational Control* Must Be Shared

Each Stakeholder Controls Their Rice Bowl

Before Having a PBM Organization – *Organizational Assets* Not Shared

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Each Stakeholder Shares Their Rice Bowl

After Implementing a PBM Organization – *The PBMO Must Be Given Asset Ownership*

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Stakeholders Drive Business Sustainability

Proven Premise: Business driven research on –

- ➢ Project Portfolio Management Organizations
- ➢ Project Program Management Organizations
- ➢ Project Management Organizations

 Shows PMO's deliver business benefits and capture value

Proven by Application:

- ➢ PMOs are valuable functions within an enterprise
- ➢ Discipline of Project Business Management is effective
- ➢ Project Management and PMOs support ROI

Continuing Issues: PM and PMOs are not Sustained

- ➢ PMO life expectancy still averages ~ 3 years
- ➢ Stakeholder is "My" project focused – versus seeing an enterprise-wide view of business needs and Project Management
- ➢ Project Management still not adopted on an enterprise-wide level

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Executive Stakeholders Create the Issues

The PM Elephant **is** in the Executive Suite, because Executive Stakeholders –

➢ Do not *understand* Breadth and Depth of the Project Management field

➢ Do not *value* Project Management as a Discipline

➢ Do not *support* separate organizations doing Project Management on a continuous basis

➢ Do not effectively *communicate* and *motivate* within Project Management arena

➢ Have "Myopia" in *managing projects* {key factor in failed projects (30%) and underperforming projects (40%)} [ONTONIX complexity Research]

➢ *Rely too little* on people skills needed in Project Management, and *too much* on *technology*

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Stakeholder Road-Blocking

Executive Stakeholders Road-Block Project Management's broad application and PMO executive-level implementation by:

➤ **Limiting** PMO **Authority** — Reduces **Decision Making**

➤ **Keeping** PMO at low organization level — Limits *Acceptance* and questions *Credibility*

➤ **Suppressing** PM enterprise-wide *Adoption* — Minimizes *Business Value*

➤ **Restricting** level of PMO *Autonomy* — Impedes *Self Direction*

➤ **Assigning** minimal PMO direct *Human Resources* — Affects chartered **goal accomplishment**

➤ **Controlling** use of PMO *Facilities* — Makes tasks **completion difficult**

➤ **Withholding** PMO *Budget* control — Creates **dependence** on other functional organizations

➤ **Denying** PMO ability to spend authorized *Funds* — Causes constant **approval seeking**

➤ **Establishing** outside-control of needed PMO *Resources* (technology, equipment, material, supplies, etc.) — Allows others to **determine usage**

Major Change Challenge: "Belling the CAT"

Enterprise

PBM Organization

Historical tale – 3 providential conclusions:

➢ **"It is one thing to propose, another to execute** [1]**."**

➢ **"Good council is easily given, but the effect Oft renders it uneasy to transact** [2]**."**

➢ **"It must be considered that there is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle than to initiate a new order of things** [3]**."**

(1) © Aesop's Fables collection – Grosset & Dunlap 1947
(2) © Francis Barlow's Fables collection/Aphra Behn verse 1687
(3) © Niccolo Machiavelli *The Prince – Prohyptikon Value Classics 2009*

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Top Executive Stakeholder Ballmer "Bells-the-Cat"

Microsoft reboots with sweeping reorganization
– 11JUL2013 San Francisco (Associated Press) By Michael Liedtke and Barbara Ortutay

"CEO Steve Ballmer is restructuring the company to cope with a quickening pace of technological change that has left the world's largest software maker a step behind its two biggest rivals, Apple and Google." ...

... "Colin Gillis [a BGC Financial analyst] views the changes [belling-the-cat] as Ballmer's tacit acknowledgement that Microsoft had become bogged down in bureaucracy and second-guessing — and an admission that there was too much internal strife as various factions formed [road-blocking] to protect their turf [Sandboxes & Rice Bowls]."... [words and color emphasis added]

PBM Organizational Positioning

Establishing PBM Organization as a <u>Business Function</u> and its <u>Positioning</u> are <u>Critical</u> to <u>Sustainability</u>

Position **equates** with *<u>Authority</u>:* Decision Making

Position **establishes** level of *<u>Acceptance</u>:* Ensures Credibility

Position **enables** enterprise-wide *<u>Adoption</u>:* Business Function

Position **defines** level of *<u>Autonomy</u>:* Self Direction

Position **provides** *<u>Power</u>:* Organizational Influence

Position **controls** *<u>Budget</u>:* Asset Allocation

Position **sets** *<u>Organizational Reach</u>:* Span of Control

Questions?

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The PMO'S of TODAY and the FUTURE

A COMPENDIUM OF PMO
CASE STUDIES:

REFLECTING

PROJECT BUSINESS
MANAGEMENT CONCEPTS

A Validation of Project Business Management (PBM)
and the PBM Organization Model for
Driving Business Benefits and Value

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