“Echi dal PMI® Global Congress EMEA 2006”

Presentation

BPM06

The “Missing Manager” syndrome: how to bridge the managerial gap between strategy and projects

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Echi da Madrid, 9 giugno 2006
Presentation summary

Introduction: *is there a gap between strategy and projects?*

Diagnosis: *what is the cause and the nature of this gap?*

Therapy: *which practices can we change to fill in this gap?*

Case-study: *can we furnish evidence of this “syndrome”?*

Conclusions: *is this theory well-founded or is it visionary?*
Project performances survey

The Standish Group

Project Resolution History

<table>
<thead>
<tr>
<th>Year</th>
<th>Succeeded</th>
<th>Failed</th>
<th>Challenged</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>28%</td>
<td>23%</td>
<td>49%</td>
</tr>
<tr>
<td>1998</td>
<td>26%</td>
<td>28%</td>
<td>46%</td>
</tr>
<tr>
<td>1996</td>
<td>27%</td>
<td>40%</td>
<td>33%</td>
</tr>
<tr>
<td>1994</td>
<td>16%</td>
<td>31%</td>
<td>53%</td>
</tr>
</tbody>
</table>

The Standish Group
Chaos Research (2004 3rd quarter)

Resolution of Projects

- Failed: 18%
- Succeeded: 29%
- Challenged: 53%

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### CIO strategic priorities survey

#### Gartner - Delivering IT’s Contribution: The 2005 CIO Agenda

<table>
<thead>
<tr>
<th>Priority</th>
<th>Rank 2005</th>
<th>Rank 2004</th>
<th>Rank 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivering projects that enable business growth</td>
<td>1 ▲ 18</td>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td>Linking business and IT strategies and plans</td>
<td>2 ▲ 4</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Demonstrating the business value of IS/IT</td>
<td>3 ▼ 2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Applying metrics to IS organization and services</td>
<td>4 ▲ 14</td>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td>Tightening security and privacy safeguards</td>
<td>5 ▲ 6</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Improving business continuity readiness</td>
<td>6 ▲ 12</td>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td>Improving the quality of IS service delivery</td>
<td>7 ▼ 1</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Consolidating the IS organization and operations</td>
<td>8 ▼ 3</td>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td>Developing leadership in the senior IS team</td>
<td>9 *</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Improving IT governance</td>
<td>10 ▲ 11</td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>
The “gap” within strategy deployment

Corporate strategy

Business strategy

Portfolio strategy

Program strategy

Project strategy
The gap “structural” causes

• Lack of visibility and integration of project front-end processes
• Lack of systematic use of Business Case as a project key input
• Distance in organisation between Strategy Planning and PMO
• Prevalence of a “project-based” view of Program Management
Further cause: the “managerial gap”
Recurring perceptions among Managers

- Project management = delivery process
- Project Manager = single discipline specialist
- Project constraints = obstacles to business

- Relegation in a technical role
- Lack of authority and real autonomy
- Business needs are a destabilization factor

Source: M. Thiry, *Breaking the glass ceiling*

*PM Network – PMI December 2005*
The “missing manager” syndrome

Funct./Exec. Managers

“Missing Manager”

Project Managers

Business vision

risk

uncertainty

business value

cost

scope

time
From diagnosis to therapy

• **Basic assumption**: the origin of the syndrome is “endemic”

• **Therapy focus**: on the whole organisation including “culture”

• **Therapy goal**: create “relational know-how” among Managers

• **Process focus**: selection, education, enrolment, incentives

• **Organisational approach**: “management by projects” model
Best practices to be applied: selection

😊 New criteria for the identification of “respons-able” professionals

<table>
<thead>
<tr>
<th></th>
<th>Evaluation of best-in-class PMs</th>
<th>Evaluation of other PMs</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>To have a sound technical knowledge</td>
<td>21</td>
<td>1</td>
<td>-20</td>
</tr>
<tr>
<td>To be conscious of the political aspects within relations</td>
<td>4</td>
<td>21</td>
<td>17</td>
</tr>
<tr>
<td>To pay attention to detail</td>
<td>22</td>
<td>7</td>
<td>-15</td>
</tr>
<tr>
<td>To be imaginative and creative</td>
<td>15</td>
<td>3</td>
<td>-12</td>
</tr>
<tr>
<td>To be persuasive in order to overcome obstacles</td>
<td>14</td>
<td>23</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: P. Gardiner, Project Management: A strategic planning approach - 2005
Best practices to be applied: education

😊 Investment in increase of “relationship professionals”
Best practices to be applied: enrolment

😊 Projects as the best “training ground” for the Managers
Best practices to be applied: incentives

😊 Better balancing of elements for project performance appraisal

Short-term benefits
- Within budget
- On time

Medium-term benefits
- Value of innovation
- Business profit
New organisational approach

Management by projects: strategy + organisation + project mgmt.

1. Change the organisation culture and way of working to a PBO
2. Develop and emphasise the link between strategy and projects
3. Understand and correctly address upper management influence
4. Develop a core team process integrating all the functions
5. Set up organisational structures supporting successful projects
6. Develop an integrated project management information system
7. Develop a plan for project manager selection and development
8. Develop a learning organisation applying the “five disciplines”
9. Develop and keep improving project management maturity
10. Keep looking for new ways of applying project management

Source: Graham & Englund: Management by project approach in Hewlett-Packard

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Cure and recovery: two case-studies

• Witness and inspirer (or provocer?)
• Project Manager, Marketing Manager or the missing one?
• Circles or straight lines?

Source: P. Senge: The Fifth Discipline - 1994
Case-study #1: company and target

- The industry: domestic leader in paint production
- The threat: growth hindered by market saturation
- The opportunity: set-up and develop export market
Case-study #1: origin of the gap

- Projects though successful restrain to Italian context
- Functional Managers distinctively task-oriented
- Business vision not made clear inside the company
Case-study #1: Recovery undertakings

- “Full-immersion” workshop for business case
- Reusable “start-up kit” for international projects
- Marketing structure responsible for such projects
Case-study #1: Output example

- Stakeholders inventory
- Local regul. boards links
- Standard PBS/WBS
- Cultural habits & rules
- Budgeting cost model
- Project templates

Industrial Start-up Kit

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Case-study #1: lessons learned

- Direct commitment as an antidote against conditioning
- International open-mindedness is the winning “virtue”
- Lack of incentives related to business performance
Case-study #2: company and target

- The industry: newly founded OEM mechanics construction
- The threat: tough competition and low profits
- The opportunity: niche strategy on the tool machine market
Case-study #2: origin of the gap

- Entrepreneur strongly committed to innovation
- Inclination towards short run undertakings and profit
- No strategic and organizational planning
Case-study #2: Recovery undertakings

- Simplified workflow for program/project management
- A “Case for Change” provided for everyone involved
- Engagement of young Managers as Project Leaders
Case-study #2: Program life cycle

Program Sponsor

Program Kick-off

Business vision

Program Initiating

Program Planning

Case for Change

Master Plan

Program Approval

Project Charter

Project Plan

Operative Planning

Execution & Delivery

Project Deliverables

Project Review

Program Update

Program Review

Program Closing

Program Closing

Program Sponsor

Program Manager

Program Manager & Project Leaders

Steering Comm.

Project Teams

Program Kick-off

Business vision

Program Initiating

Program Planning

Case for Change

Master Plan

Program Approval

Project Charter

Project Plan

Operative Planning

Execution & Delivery

Project Deliverables

Project Review

Program Update

Program Review

Program Closing

Program Closing

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Case-study #2: lessons learned

- Project management as “core process” for profitability
- “Project networking” between technical & sales office
- Skill for “system thinking” as the winning “virtue”
Conclusions

• “Managerial culture” must be thought over again as the main road to value creation

• PMs must be selected and trained in order to become “relationship professionals”

• A “relational know-how” must be provided for effective collaboration between Managers
Is this notion disturbing or utopian?

• If human behaviour is based on socialization, why is it so difficult to build relationships within organizations?

• Is people generally change resistant? Or is the fault to be found in organizations which lead to conformism?

• How can companies and institutions thrive in such a controversial context?
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