When and How PM Change Agents Add Business Value

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Abstract

What parts, which actions, what results, of your projects add the greatest value? Which are you missing? Whose responsibility is to assure this project value? And, if value does not just mean *on time, within budget, and acceptable quality*, how do we manage to our stakeholders' expectations? These are the questions executives, functional managers, market leaders and great project managers have asked—and answered—hundreds of times in our experience as a Change Agent.

The Challenge: The most effective project managers have always known that you provide the greatest value when you move beyond merely managing "the triple constraint." Now that this insight is *(finally!)* going mainstream, how will you stay ahead of the stampede? Many will clearly show how you have been leading the way all along. But it is often the newcomers who think they created each innovation.

A Solution: It's all about the timing and nature of Stakeholder Engagement. This is a key insight, because without the right stakeholder engagement, needed business change does not occur, and the project's value is diminished. Given that insight, the proper timing and processes for achieving early engagement can easily follow. Of course, the right roles must take responsibility for needed actions, and the ongoing care of those results, all the way through Benefits Realization.

The Result: Imagine a world where all projects succeed; where all Stakeholders are satisfied; where all project-oriented enterprises thrive. This is the value of competent and performing project managers, who seize your role as a Change Agent for your organization.

Key Topics

A. Five Crucial Value-add Timings and Results
B. It's All About Our People, Isn't It?
C. Defining and Measuring Value
D. The Change Agent's Leadership Role

A. Five Crucial Value-add Timings and Results

Managing a project is much like piloting an aircraft. There are several crucial timings where deft leadership, talent, quick reactions and redirection are essential for success. There are other timings when we can run on "cruise control" and perhaps, even take part in completing project work packages or other actions.

And just when are those crucial timings?

Clearly, as illustrated in the photo above, take-off (and landing) are among the crucial timings. And how does our piloting analogy relate to projects? Project take-off must begin with an effective **Kick-off** meeting—the first get-together of the team. And the landing? That has to be the **Project Closure & Review**, with review of results, then reallocation of the team to new projects. The results of these two crucial timings may be obvious, but in projects they include, for Kick-off, all stakeholders safely aboard the project, buckled in, and with a clear sense of direction, timing, commitment, and intended result.

Ok, two of your five crucial timings identified so far; when is the third? Our answer: Those ad-hoc periods when you encounter **Project Execution Turbulence**. This occurs when unanticipated issues arise, and you must act—showing your leadership and communication skills under pressure. These might occur when key stakeholders realize their requirements will no longer be met. Or when your team discovers that the selected design solution will not scale to accommodate your latest scope discovery. Or, when any of the early-identified risks strike, and the response manager fails to respond. So far, so good!

Next, at journey's end, all stakeholders must be satisfied with their experience of the journey, the correct destination, their timing, scope (their baggage also arrived), and **most-importantly**, the contribution of this part of the journey to their **overall trip objective**. After all, the project was just a means to a *greater business purpose*. (This is beginning to sound like a portfolio, isn't it!)

So far, we understand three crucial project timings, and have a hint to the fourth: **Benefit Realization**; achieving the intended business purpose —for all our stakeholders. This next timing depends on the same factors that our stakeholders constantly monitor and evaluate during all projects. They are verified when we prove final benefits: The right business results, including all needed scope, at the right level of quality, in acceptable time and cost, and with appropriate risk mitigation, and proper use of talent.

What is the remaining project timing? We did say five, after all—or was that *just an early estimate?* Oops, we just gave you another hint! When are those early estimates made, and who makes them? On what information are they based? How reliable are they? At that Kick-off meeting, the new project team hears about a number of constraints that have *already been set*. And this hints at the most important of the value-adding crucial timings. The period from **Inspiration** until Kick-off has the greatest impact on project and business success—given PM competence in those who complete the needed results.

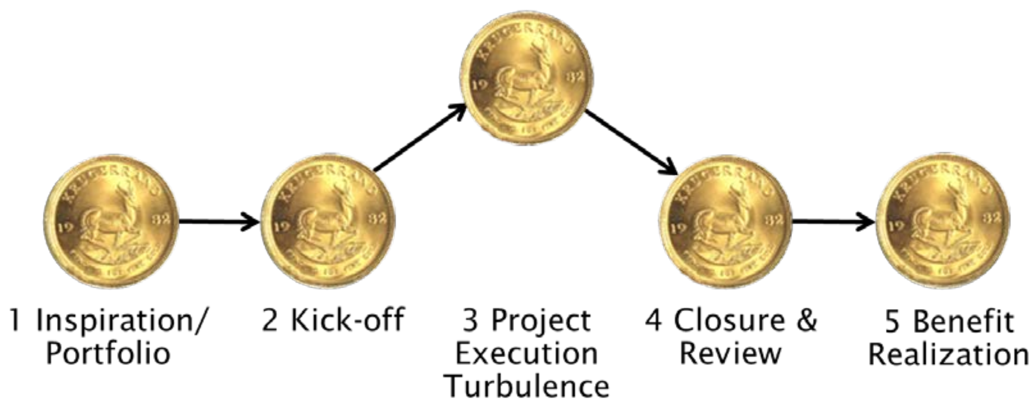
Many people call these actions pre-project, but those are people who don't really understand *where start starts and end ends*.[i] For the project's customer, your stakeholders, **this project starts with Inspiration**. We said above and we'll repeat it: It is the effectiveness of those who complete the needed actions between Inspiration and Kick-off who have the greatest impact on your total project and business success.

In the piloting analogy, just what are the actions that preceded this particular take-off? We will ignore, for now, the building of the airport, buying the plane, training the pilots, and so on. For just this flight (or project), we need to consider our decision to travel, the options for getting to the destination, the price and schedule comparisons of the alternatives, the commitment of funds before the project even started, and then the safe travel to the airport, check-in, getting through security, and so on. We've seen cases where the entire journey was irretrievably destroyed before those pre-flight actions finished.

Could those pilots successfully complete that take-off if all the customers, and all the other participants in the flight value chain, had not successfully become engaged? Those parties include all stakeholders—participants who are affected by, or can affect, the success of the project. And here is an irony… Some pm standards have posited that the period between Inspiration and Kick-off is out of the control of our profession. ***Au Contraire!*** The most effective project managers I've worked with always ***manage that initial period best!*** Similarly, the most competitive companies (especially of those that specialize in projects) are strongest in this initial period. They know when start ***starts!***[ii]

It is not just a matter of our project manager guiding us through the turbulence. This ad-hoc period also relies on executives and managers who understand rolling-wave planning, and the need to change early project estimates and constraints; it also relies on their leadership and maturity in managing a project oriented enterprise. This is a key aspect of managing change, and managing for success.

Question: Given these five crucial timings, rank-order them on the list below, indicating where you are most competent and effective, and where you are least so (on a 1-5 scale, where 1 is best):



Don't worry, you don't need to show this to anyone. And then, what should you with this information?

B. It's All About Our People, Isn't It?

Of course, you have known this all along. Different people have different strengths, interests, and patience for different parts of a project's life cycle, and for different types of project work. No one person is great at every timing throughout the life cycle. Some are better at the execution part; some better "up front." This is beyond the leadership, interpersonal and communication skills you demonstrate. This aspect is not just based on talent; instead, it is related more to the personal style of each stakeholder.

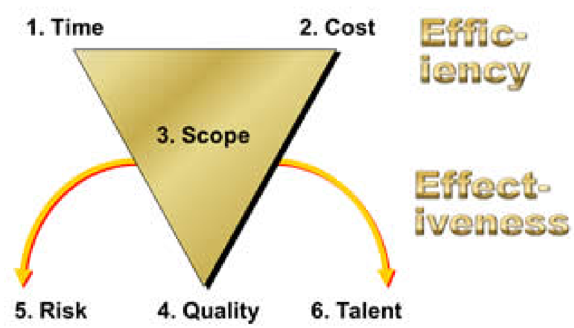
And so you succeed by *leveraging personal styles*. We have long known about differences in preferred styles. It was Socrates, in ancient Greece, who first described his contemporaries as "people-oriented, versus task-oriented." Other style preferences include pro-active versus reactive (inclined to recover, rather than prevent). Some people are thinkers; others are do-ers: Ready-aim-fire or fire-ready-aim? Some are results-oriented, others are process-oriented. And this is just a sampling of style differences. Clearly, the way for you to compensate for your lowest crucial timings is to *lead others to fill in*. It does not matter who achieves the needed results for each timing, as long as it gets done. If it does **not** get done, then it matters very much. One challenge: If you join the project six months after Inspiration, and find that work to be incomplete, everyone *thinks* you should be ready for Kick-off. Should you jump into your Kick-off activities, *or instead*, delay Kick-off and ask 10-20 key questions? You may get the project results you need to begin Kick-off, *and* get the stakeholder engagement that may be missing!

There is a secret (one of many): You can get away with ***anything*** on the first day of a project. *Corollary:* You can get away with *almost* anything on the first day **you** are on a project. Ask the obvious questions. Ask for impossible-to-obtain talent. Move immovable deadlines. Flex inflexible budgets. Request executive support—you will need it later, but you will never have a better chance than now. And, instead of just relying on written notes from stakeholder interviews (they did give you interview notes, right?) go talk to them. Ask what they need from this project. Ask them what success looks like to them; what *done* looks like. Define your role as a change agent for success—one who clearly adds business value.

If you understand the five crucial timings, understand your stakeholders (a key differentiator of competent and performing project managers), and lead others to contribute their greatest talents and styles where they are most effective, you: 1) Increase stakeholder engagement; 2) Increase success rates; 3) Reduce cost, project duration and risk, and 4) Work smarter, not just harder. Of course, you know that.

C. Defining and Measuring Value

Some project stakeholders (and too many pms!) think value is a function of *efficiency*. And, they mistakenly believe that project time and cost are the most important contributors to value. Those are important, but it is the *effectiveness* drivers, on the bottom of the chart at the right, that are the true drivers of value. Our challenge is that most project customers and executives define value in different ways than the majority of project managers do.



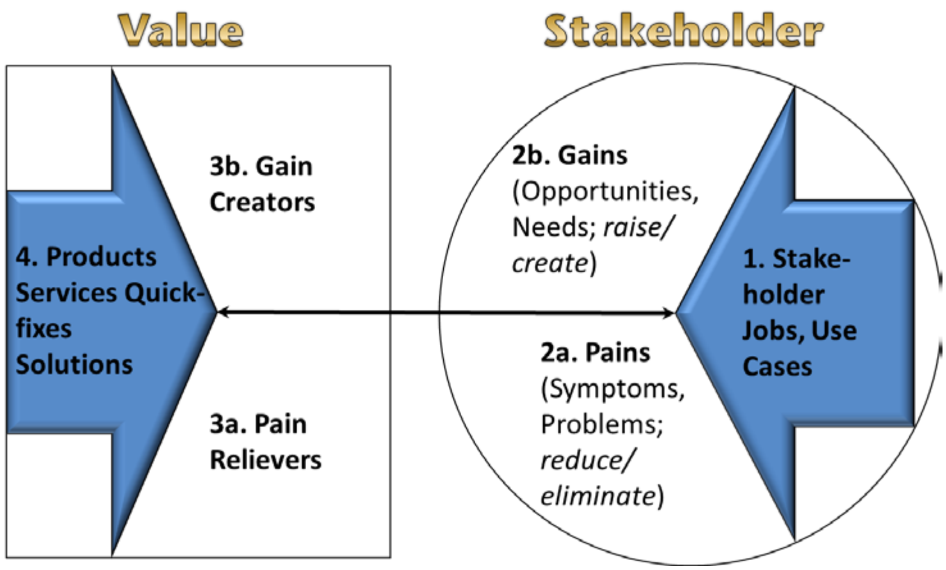
One challenge is timing: When in the project are value expectations set? Who sets them? Who measures resulting value? What involvement and control do most project managers have over the value of the project results? Who *does have* involvement and control? That's right: *Stakeholders*. And this is most-often set at that first crucial timing, then either reinforced or damaged at each of the timings after that. In last year's UTD Symposium we presented stakeholder engagement exercise we use during timing *1 Inspiration,* in all important projects. See: *Goff -- Navigating the Ss*[iii], in the 2013 UTD papers.

Some project teams can't even identify what *done* looks like. And chances are, their stakeholders likely would not agree with them if they could. Value is even tougher. And, the more stakeholders you have, the more difficult it is to get agreement about value. One stakeholder is easy. Five is difficult. 25 across multiple organizations is nearly impossible. But it is not just your problem. It is also a problem for your

sponsors. Take advantage of that! After all, it is primarily your sponsor (or should be) who completes or ratifies that 5th crucial timing, Benefit Realization. S/he might as well begin as early as possible.
A tool that all project managers should understand comes from Marketing Strategy. Of course, project managers are not necessarily marketing experts. But those who are most effective demonstrate several differentiating strengths that come from marketing:

1) Know Your Customer;
2) Know their greatest needs and challenges;
3) Learn their key influencers, their sources of information, and how they make decisions;
4) Learn how they measure results—especially learn what they value most;
5) Prove you delivered to their expectations.

Your Stakeholders are customers; would the above strengths be useful for you? When you demonstrate these strengths in your projects, you gain committed stakeholders. A **Value Proposition** is a framework for showing these strengths. There are many variants of a value proposition. A very useful one is the Value Proposition Canvas, based on the work of Alex Osterwalder, www.businessmodelgeneration.com.



A complementary approach is Value Engineering, another competence that most project managers are not well-known for. It is ironic, because to a great extent, this is the whole purpose of managing a project. Peter Morris' great book, *Reconstructing Project Management*[iv], resonates with many of the themes in this paper, and ends with a discussion on Building Sponsor Value that should be read by all practicing project managers. And by all project executives… The key point is this: Project Managers should move away from a focus on the technical processes of PM and start engaging, managing, and leading. Of course, this audience (UTD and PMI Dallas) already knows that. Right?

D. The Change Agent's Leadership Role

In the 1970s and early 80s, the most effective, the most successful project managers were Change Agents. They managed the **entire** life cycle. They managed to and aligned with strategic objectives. They focused on business outcomes, not just pm tools and techniques. They embraced the challenges of helping the organization prepare for the changes their initiatives would cause. They engaged their stakeholders early in each project, understanding that *"people don't resist change; they resist being changed."* I know this because I learned from some of the best, and coached many of the rest.

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Some pm methods[v] established "laddering" of life cycles, work packages and activities, identifying where and when key organizational change actions needed to integrate with the development project. These efforts often resulted in a paired "shadow project," that prepared the organization to embrace the project's results. There were early checks and verifications of organizational readiness, with shared sponsorship of the projects, and sharing of some of the key business team members.

That shadow project started at inspiration, and ended at benefit realization, just like the primary project. These *project managers as change agents* earned the business value their stakeholders expected. Many still exist. Today, they still achieve their business and project goals and objectives.

What changed for the rest? In the process of codifying a PM body of knowledge, some organizations left out the "stuff" that is difficult to teach, test, and demonstrate. They focused on the parts that could be crammed and tested in a week. Meanwhile, the best leaders continued to develop the performance competences that make a difference in project and business success: Interpersonal skills and leadership; strategic alignment and leveraging the context of the permanent organization; moving beyond know-ledge and tests to professional assessment of competence. This began in the 1980s, and continues today.

For the laggards, Organizational Change Management groups, coming mostly from a Human Resources Development perspective, began to fill the void. They are doing a good job, but it is often *despite* the project efforts. This is one outcome of PM practices that focus on the easy parts and ignore the valuable parts. There may be an opportunity for recovery, but 20 years of project managers who are not yet value-adding change agents may be too much to overcome. The good news: In many organizations, HR works with the project manager or project sponsor to assure that projects' organizational changes succeed.

Summary

Being (or becoming) a successful, value-adding Change Agent requires a number of insights, competences and actions. Many project managers demonstrate these today, but these are not a set of strengths our profession is known for. Key points that we have covered in this paper include:

- The **five crucial timings** for project value engineering. This is all about the timing *and application* of Stakeholder Engagement. This is a key insight, because without the right stakeholder engagement, business change does not occur, and the project's value is diminished—or non-existent.
- The understanding that it's **all about peop**le. As we said in our interpersonal skills development workshops in the 1980s (a hard sell, even then), "Projects aren't successful—people are!" And leveraging the strengths and styles of your stakeholders is the smartest form of leadership.
- **Defining value** in effectiveness measures, not just easy-to-track efficiciency measures. Given that insight, the proper timing and processes for delivering their value proposition more easily follows.

- Of course, the right roles must lead the way and take responsibility for needed value-adddding **Change Agent** actions, assuring the ongoing care of those results, all the way through Benefits Realization.

See our presentation, that accompanies this paper, for more insights. And, thanks for reading our paper!

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STACY A. GOFF, *the PM Performance Coach*, is President of ProjectExperts®, a USA-based global Program and Project Management consulting, tools and training company. A Project Management practitioner since 1970 and consultant since 1982, he helps improve Enterprise, Department or Project Team PM Competence, effectiveness and Performance.

In addition to years of service to PMI, he is also co-founder and past president of IPMA-USA, and was Vice President of Marketing & Events for IPMA, the International Project Management Association, 2011-2014. In 2015, he was named an IPMA Honorary Fellow.

An insightful consultant and dynamic speaker, Mr. Goff provides program and project consulting, training and coaching services. He presents at major industry conferences, and offers workshops of interest to Executives, Managers, Program and Project Managers and leaders, technical staff, and individual contributors. By 2000, he had exposed over 45,000 people to Project Management. Today, and his tools and methods are used by government agencies, Enterprises, consultancies and individuals on six continents.

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[i] See *Let's Start at the Start, and Finish at the Finish*, at http://IPMA-USA.org/chgagent/start-at-the-start/. Part of the Change Agents blog series; we discuss this issue, where many project managers focus on just part of the life cycle.

[ii] Ibid.

[iii] *Navigating the S's: Engaging Stakeholders for Project Success*, is available in the UTD collection of papers for the 2013 Symposium. It is also available at the ProjectExperts website, in the Articles section: http://projectexperts.com/our-articles/. And an adjusted version of the presentation was the September 2013 featured Webinar for PMI's IS Community of Practice. See: http://pmi.adobeconnect.com/p44x47uy66s/.

[iv] *Reconstructing Project Management*, by Peter W. G Morris. Editorial comment: This is a must-read book for anyone who is interested in the future of project management. Published 2013 by John Wiley & Sons, Ltd. ISBN 978-0-470-65907-6.

[v] In the 1980s, the ProjectExperts' Project Management and Systems Engineering method, THE Guide, provided Organizational Change Management laddering just as identified in this section. Key activities and results at Initiation, Requirements, Design, Testing and Closure were tie-points to needed organizational change activities. And, engagement of the right stakeholders in these activities assured organizational readiness, while managing project and organization risk.