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*New knowledge is the most valuable commodity on earth.  
The more truth we have to work with, the richer we become*

*Kurt Vonnegut*



For four years now the editorial team of "Strefa PMI" has strived to deliver interesting and up to date content for its readers. We have given you practical advice, reflections on strategic approach, case studies, tools, book reviews

and many more. All of this would not be possible without the authors, who value knowledge-sharing and want to contribute to the development of the project management profession. Although the magazine publishes mostly in Polish language, we already had the pleasure of having some international experts writing for us or sharing their thoughts in interviews. Our horizons broaden as the project management profession in Poland reaches further abroad. We want to be a part of this exciting endeavor and help to connect diverse locations, cultures and approaches through project management – our passion.

This special English edition is a step towards strengthening international cooperation, eliminating the language barrier for our colleagues and reaching professionals from other PMI Chapters who might benefit from our work and knowledge-sharing.

In this issue you will find a selection of articles and interviews from our archives, which have already been published in the regular, Polish edition. We decided to group them according to the PMI's Talent Triangle areas, for your convenience. As such, you will find experts like Darryl Booker, Virginia A. Greiman and Arie van Bennekum in the **Technical Project Management** section. Next, Harley Lovegrove, Ricardo Vargas and other renowned professionals will tackle the **Leadership** area. Finally, the **Strategic and Business Management** section will provide you with a glimpse of data, experience and approaches from experts like J. Kent Crawford, Beth Partleton or Tore Rasmussen.

Since we would also like to motivate you to take some action and develop the project management profession with us, you will also find an article about PMI Poland Chapter and its activity. Join our community as a reader, volunteer, member or expert and get to know other dimensions of project management!

*Paulina Szczepaniak*

Editor of the Issue

*Szymon Pawłowski*

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**Strefa**   
POLAND CHAPTER

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Photo: David Kaliszowski

# Get to know PMI Poland Chapter and engage!

Paulina Szczepaniak

History of PMI in Poland dates back to 2003 when a group of project management enthusiasts, top managers, independent consultants and members of academic organizations founded the association. Since 2007 it operates as PMI Poland Chapter (PMI PC) and has transformed its structure setting up initially 6 branches in: Gdansk, Krakow, Poznan, Warsaw, Wroclaw and Lodz. In 2010, a branch in Lubuskie was founded, In December 2013 two new branches were established: Kujawsko-Pomorskie and Slask and in 2015 another two branches were founded: Szczecin and Lublin. Currently, PMI Poland Chapter consists of 11 regional branches.



PMI Poland Chapter pursues its mission – **promoting project management professionalism in business, academic centers and organizations, in cooperation with PMI**, through its diverse activity in Poland. Our work is carried out by hundreds of volunteers who share organization's passion and values.

We strive to continuously develop the best center of project management practices in Poland while simultaneously delivering val-

ue for local communities. Our core activities support association's mission and strategic goals but we still find the time and energy to realize CSR projects.

I invite you to a short journey through some of PMI Poland Chapter's current activities in hope that they will inspire you to engage and become a part of our community or to take on a challenge to initiate them in your own Chapter.



# Values of PMI Poland Chapter

- ✓ Professionalism
- ✓ Professional and personal development
- ✓ Volunteering
- ✓ Passion
- ✓ Cooperation



PMI PC Board. Photo: David Kaliszowski



Photo: Anna Kopec

## Seminars

Each of PMI PC's regional branches organizes seminars for the project management community. Most of them are regional monthly events which gather tens of professionals and some have grown to large events with over 300 participants! The topics vary from traditional methodologies, through agile approach to the development of soft skills. But there are always a few things in common – great atmosphere, new people and lots of knowledge-sharing and networking. All PMI PC's events can be found in our online calendar:

<http://pmi.org.pl/kalendarz-wydarzen/>



Photo: David Kaliszowski

## Workshops

In order to share knowledge and experience in a more practical way, we also conduct workshops or invite special guests who prepare them for our members, volunteers and interested professionals. Their form and length varies so that everyone can find something suitable for themselves. We invite you to come to one of our short evening ones, those organized during the working hours from Monday to Friday or to spend a Saturday with us, full of interesting topics in a relaxed atmosphere. A special type of workshop is dedicated to PMI PC members. Those *Premium meetings* are free of charge, all day long meetings, where you can not only get to know new things but also immerse in the PMI PC member's community.

# Conferences



In 2017 we have the pleasure to organize the 6<sup>th</sup> edition of this conference. It takes place in a beautiful seaside location in Tricity and the team responsible for its success is from PMI PC Gdansk Branch. This two-day event brings together international and national speakers and a few hundreds of participants who can choose from diverse topics and workshops to attend to.  
[ntpm.pl](http://ntpm.pl)



Fourth edition of this conference will take place in May and year by year the event becomes more prestigious, well known and larger. The project management community in Wrocław, one of the largest Polish cities, looks forward to meeting the invited, renown speakers, the surprises prepared by the PMI PC Wrocław Branch, the organizer, and the evening gala.  
[pmi.wroclaw.pl](http://pmi.wroclaw.pl)



This new initiative from PMI PC Lodz Branch is dedicated to all interested in mega projects. This years' first edition was a chance to immerse into the regional infrastructure projects and meet their project managers and teams responsible for the growth of the region.  
[megaprojects.pmi.org.pl](http://megaprojects.pmi.org.pl)

PMI Poland Chapter is constantly growing thus the need for bigger events increases. We are proud that our conferences gather so many passionate people who want to share their national and international experience. All events are organized by our volunteers, who are mostly project management professionals themselves or strive to become ones. The themes and programs vary, depending on current trends and preferences of the participants. Let us have a look at what the chapter is working on.



The conference had its first edition last year and it was a great success. The need for better understanding the behaviors, relationships and causes of what we deal with on everyday basis at work and in projects guaranteed a large audience not only from the project management community. PMI PC Wrocław Branch plans to continue this interesting journey in the following years by organizing next editions.  
[psychologia.pmi.org.pl](http://psychologia.pmi.org.pl)



This unique event is organized by PMI PC Krakow Branch in cooperation with regional partner – IIBA Poland Chapter. It has a form of an open space conference or un-conference. The organizers combined business analysis and project management and created a vibrant mixed community of professionals. The event is accompanied by related workshops.  
[www.facebook.com/PamSummit](http://www.facebook.com/PamSummit)



PMI PC Kujawsko-Pomorskie Branch initiated earlier this year *Challenges of Project Management* for the community of project management professionals. The conference is organized in central Poland and deals with three aspects of contemporary management: Psychology, Team and Agile. Participants can benefit from speeches, workshops, networking, and discussion panel.  
[pta.pmi.org.pl](http://pta.pmi.org.pl)



PMPIADA is a special event, unique in form, organized by the team from PMI PC Poznań Branch. It is a whole day dedicated to presentations based on PMBOK® *Guide* and the presenters compete for the Best Speaker award. A day full of knowledge and an opportunity to familiarize oneself with PMI's standard from various angles and approaches.  
[pmpiada.pl](http://pmpiada.pl)



Organized annually in autumn by PMI PC Śląsk Branch, the conference gathers a large community of project management professionals and adepts. Great atmosphere, networking and interesting case studies from experts are certainly reasons to attend.  
[www.facebook.com/slaskipmi](http://www.facebook.com/slaskipmi)



The oldest and most known event of our chapter is the International PMI Poland Chapter Congress. Its 12<sup>th</sup> edition will take place in November 2017 in Warsaw, the capital city of Poland. The congress is organized by a national team of volunteers, from various branches and offers a 3-day experience. Most of the speakers are internationally renowned and the workshops are led by experts with extensive experience. The event is accompanied by an evening gala, where we also award the most engaged volunteers (PMI PC Volunteer of the Year Award) and the best projects (PMI PC Project of the Year Award).  
[congress.pmi.org.pl](http://congress.pmi.org.pl)



# CSR Projects



This initiative, organized by PMI PC Gdańsk Branch, celebrated its 20<sup>th</sup> edition last year. Depending on the year, the volunteers organize it in a form of English Winter Camp, English Summer Camp, or both. Its goal is to fund and organize 2-weeks camps for children from orphanages and foster families where they can have fun, actively rest, and learn English.

[english-camp.pl](http://english-camp.pl)



Together with PMI Educational Foundation (PMIEF), PMI Poland Chapter carries out PM@Schools initiative. PMI PC's volunteers who are project management professionals act as trainers for public school teachers and their pupils and deliver a project management learning program, free of charge.

[pmi.org.pl/projekty/pm-at-schools](http://pmi.org.pl/projekty/pm-at-schools)

We believe that great things happen when you immerse in the volunteer culture. A lot of people engaged in our statutory activities also take on additional projects, those that more directly add value to local communities and focus on social support. PMI Poland Chapter develops those initiatives together with local partners to help those in need and to bring happiness where it is needed the most.



Junior Camp is our newest CSR project, led by PMI PC Kujawsko-Pomorskie Branch. It encompasses delivering English language lessons, learning basics of project management and having fun while resting during holiday camps. The participants are children from poor families, orphanages and foster families.

[junior-camp.pl](http://junior-camp.pl)



Project Management Kids Camp is a charitable initiative enabling children from poor families and orphanages to get to know project management basics in a fun and interesting way while participating in a summer 2-weeks camp. The project was initiated by PMI PC Warszawa Branch and now finds its way to other branches through volunteer co-operation.

[kidscamp.pl](http://kidscamp.pl)



Source: Project Management Kids Camp



The quarterly which you are reading now is our chapter's publication, delivered online and in print to project management community and all PMI PC's symphatizers. It has been a source of knowledge, good practice, new trends and news regarding chapter's activity for 4 years now, and we are very proud of it. It is published by a volunteer team with financial support of our sponsors who contribute to the development of the PM profession in Poland. It is also the only printed project management magazine in Poland.

[strefapmi.pl](http://strefapmi.pl)

PMI Poland Chapter also engages in many projects and programs in cooperation with student organizations, like ENACTUS or other national NGOs and local initiatives. All of the above would not be possible without our volunteers, partners and sponsors, who like us, feel passionate about project management, development and working as a community.

I hope that you will find time to come and take part in one of our initiatives. We will be happy to have you as a participant or volunteer who builds this amazing community with us!

More about PMI PC:

[www.pmi.org.pl](http://www.pmi.org.pl)



**Paulina  
Szczepaniak**

Project management passionate and professional, specializes in HR, marketing & communications projects. Promotes project management and human capital management best practices. Leads and supports national and international initiatives as a freelancer and volunteer. Vice president of Marketing and Communication for PMI Poland Chapter, Deputy Editor in Chief of "Strefa PMI".

# True Agile is who you are

Interview with Arie van Bennekum, Agile Manifesto co-author, conducted by Mirosław Dąbrowski



Arie van Bennekum presenting „Agility in business” during 9th International PMI Poland Chapter Congress. Photo: Obiektywni

**Do you enjoy your stay in Poland? Your are not the first time here, are you?**

I've been in Poznan, twice in Cracow and this is my second time in Warsaw.

**You had an opening talk on Agile here during 9<sup>th</sup> International PMI Poland Chapter Congress. How do you feel about the conference? Do you think PMI becomes more aligned with Agile principles?**

I think PMI will adapt, they are already in the process of adaptation. I think that someone was asking the question: is PMI waterfall? PRINCE2 used to be waterfall as well but now PRINCE2 can be perfectly adapted to work Agile, because PRINCE2 is about agreeing on how to work and working accordingly. And when you can work Agile, work accordingly – that's fine. I think PMI will be the same because I think all the time, every project we do, like Virginia's talk about BIG DIG this morning, it has a lot of Agile in this mega, 20, 40 or even 60 billion dollar project. There is a lot of Agile, because these days we talk about complex solutions and I have three steps: from simple, through complicated to complex. Complex means there are a lot of different factors and the outcome cannot be predicted... And I think that's what life is all about these days. Giving technology, politics environment, education, people, marketing, there are so many factors in there that the outcome is not predictable. So you have to be able to adapt, and that's what Agile is.

**In case of PRINCE2 are you aware that AXELOS is going to publish PRINCE2 Agile qualification?**

The DSDM Community is the one community that has not been afraid to look behind small efficient functioning teams which is for

example in Scrum very important. And behind it you see a bigger perspective. Agile project can be done including PRINCE2.

There was already a PRINCE2 and DSDM whitepaper in 2000. So it's already there. I've worked for years in DSDM and PRINCE2. Then it became Agile.

**We clearly see that Agile is changing the world. How do you feel as Agile Manifesto co-author, do you see the difference, that you are changing the world in case of approach of people working together?**

On the one hand, Dutch culture inside me tells me that when I say “yes” – I'm very arrogant [smile]. But on the other hand, to be very honest, it has changed the world and will change more in the world to come... When I go to football game with my son, when I travel on the airport – I meet Agile people, I meet Agile coaches. When I go to average city to the conference or Agile communities meetings or gatherings there are so many people doing this. And yes, I'm proud of it, to be very honest. I've put so much time and energy in the communities – not paid work. And I'm proud that I can be the part of it.

**You surely are the part of the Agile movement, your work is defined by philosophy and style of working by Agile, not strictly defined by business or monetary focus but rather who you are and values you promote in everyday life.**

I always say that true Agile is who you are. And if you have kept this kindergarten piece of you to explore and to accept “do not know how complex solutions look like in detail”, so that you have to find out on a long way – if you can keep that, then you are Agile... and it is very good. If you are not Agile and try to

do Agile you will never get above “mechanical” level.

**Do you see a possibility of having a Project Manager with classic skills required to command and control but also with leadership/coaching skills?**

I think so. Especially when you agreed on how to work during Foundation (a specific phase in DSDM method), when you agree with the team (including the client) that you work Agile, that you know your Dailies, Heartbeats, that you prioritize work. With the quality and the discipline you applied when you use Agile techniques, values and principles. Sometimes it takes a strong, natural leader and you can name him an Agile Project Manager. A natural leader takes his team on the side and is not afraid to correct and to say “This is not the way we agreed to work in the Management Foundation”. “I need you on this process, don't step out” ... Yes, I can see the combination.

**Going back to basics, the people and interactions between them...**

When you look at group dynamics and group phase models like Tuckman's: Forming – Storming – Norming – Performing... When you are working with the group for the first time in the Forming phase, a different form of leadership is needed than in the Performing phase. There is a lot more there. You cannot just say the team is self-organising. Self-organising teams have to grow, have to develop. Until they are not developed, they do not need command and control but they do need strong natural leadership. Good Agile Project Manager and Team Leader will do this.

**Changing the topic to Lean and Kanban... Agile Manifesto was defined when**



Lean Software Development and Kanban weren't so to say broadly present in the IT market. Yet currently they are seen as complimentary or compliant with Agile principles. Do you see them Agile?

I think so. First of all, I think that Lean and Agile are not the same. Agile is rather for short cycle delivery and Lean is for more industrialized processes. We industrialized software development processes with a lot of Lean and Kanban principles and there is a lot of Agile there as well.

Lean has been developed in the Toyota factories. Lean is an efficient process for manufacturing cars – originally. For example Scrum is a very efficient process for developing software. So it is almost one on one I would say. You have a slightly different approach but there are a lot of principles you can use in order to be efficient regarding documentation, team dynamics, daily stand-ups and so on.

**You are also the chairman of Agile Consortium upon which you are promoting Agile principles and many different techniques. You also offer certification schemes. How you can distinguish them from others like PMI-ACP, Scrum.org, Scrum Alliance, DSDM AgilePM etc.**

First of all the focus is Agile. So the other might not be in there. That's one difference. When we put certification in the market, we wanted to have an independent certification, independent from methods. We believe everything in the Agile as long as it is within the value and principles is fine. Let's do something good!

The other thing is we also said: what we want is to have certification which has an independent quality label to both suppliers and clients. What we say is we do exams but not to make one but to put a quality label in the market. We don't live on our exams and there are a lot of organisations that just make one and their focus is on the revenue. I think that is not the reason to do exams.

**Do you think that the market is lacking such quality label?**

I think the market is too much laminated by commercial exams instead of quality exams. That's why we work in the Netherlands. It is also very popular in the United Kingdom and in Scandinavia. It will be popular example in the Italy, in the Romania and actually today we had the first Foundation exam in Poland. I don't know the results yet [smile]. But there is someone who wants to try without the training, a very experienced person. So we will see.

**You also offer knowledge sharing via webinars and co-join meetings with other consortium chapters spread around the world.**

We have an international umbrella architecture, we have local chapters. All the local



Right after the interview: Arie van Bennekum and Mirek Dąbrowski. Source: M. Dąbrowski

chapters have their own agile event in eight to ten weeks. They also have interactive workshops. They do all sorts of things. For example in the Netherlands we have meetings between 40 to 80 people. In Belgium – more or less the same. Italy is growing at the moment. It is a membership model, so you pay a fee as a member, you can go freely to Agile events, you can go through certification process. You can also participate in innovations. We share knowledge on those events and based on sharing we innovate and this innovation is published. If you like to participate in innovations, your name will be on the publication and everyone can benefit from it.

**Agile is spreading all around the globe. You hear Agile almost everywhere. When you open a fridge you see Agile. How do you see Agile in nearest two, three maybe five years from now?**

The biggest thing is it will be like a drop of oil into water. It will go across business. It is in progress already, as I've said during my talk this morning, in Netherlands we have hospitals going Lean and Agile, we have marketing and publication world going Agile and strongly going through Agile certification process. For example the Agile Consortium provides an Agile certification for Agile Foundation in Marketing and Communication. They have very different terminology than IT. We have our own dedicated Practitioner and Master exams, they are oral. It is something which you can do in a talk. Yes, we still see there could be more in specific areas.

**So do you see that Agile will go into specialities?**

For now it is Marketing and Communication. But the next one could be maybe Security and Education.

**One of the most visible changes in Agile is UK Government going Agile, which was presented during ABC 2014 conference in London where we both met.**

Yes, I saw the presentation. It was very impressive. Taking an organization with you on

an Agile transformation that's what they did. Very impressive.

In the Netherlands we have model with first and second chamber which makes the laws but if they doubt they have specialized institutes – it's called Chamber of State. They can check the law. The chairman of this governmental organisation said this summer: "The world is changing". These days in the Netherlands we have trouble with waste loads. You use something a couple of months and then you throw it away. This requires a lot of adoption and agility from all those involved, which means local, original and national governments.

We will build a total change in time. This is the world as we know it today and I don't think that the rate of change will slow down. I think it will be faster, driven more by the technology. ■■■

*The interview was conducted by Miroslaw Dąbrowski during 9<sup>th</sup> International PMI Poland Chapter Congress, November 24<sup>th</sup>-25<sup>th</sup>, 2014 in Warsaw*



**Arie van Bennekum**

Arie is a pragmatic who embeds his pragmatism in structure, discipline and common sense. This eventually led to being one of the authors of the Agile Manifesto and expert in the area of Agile Project Management, agile in the core and user involvement. The real fundament and objectives of Agile have his focus when he speaks, presents, demonstrates and lectures about Agile as a thought leader of the European Agile coaching team Agile in the Core, as chair of the Agile Consortium International and when he lectures at universities.



Source: Fotolia.com

## Knowledge, projects and PMO.

### Practical tips for managing project knowledge

Szymon Pawłowski, PMP

Knowledge management is the practice of creating, capturing, accumulating, disseminating and reusing knowledge, information and ideas in order to achieve value for the organization through its increased knowledge quality and capacity. Knowledge management in project environment refers to knowledge that is produced, captured, used and disseminated in projects and for projects. It includes both technical knowledge (utilized to develop deliverables of the project) and project management related knowledge (associated with project management processes, methods and tools).

For knowledge management purposes it is essential that we differentiate two types of knowledge: explicit and tacit. **Explicit knowledge** is the knowledge that has been captured and is well defined and articulated for future usage. It is stored in standards, methodologies, rules, guidelines and other types of documentation. **Tacit knowledge** is knowledge that is not expressed, but stored in the minds of people, coming from their

direct experience. As such it is much more valuable but also much more difficult to share and manage.

### Why it is so important in projects?

Effective knowledge management is especially important in project environment because of the differences between projects and operations. Project usually are:

- **Temporary.** Project teams are disbanded at project completion or termination. People return to their former functions, move to other projects or leave the organization. Without organized knowledge management efforts, the knowledge generated in project is taken with them, project documentation and other valuable information are not stored properly to enable further use – they do not have an owner after the project.
- **Unique.** Each project is somehow different from other, past and current projects. Each project is performed in new environment, creates something new and thus encounters new situations and challenges. Projects cannot be executed in standard, repeatable way, basing only on long-term experience of project staff. Having possibility to take advantage of knowledge created by others – in other projects, areas of organization and other companies is crucial.
- **Multidisciplinary.** Projects, especially those large and complex, often require several professional specializations to be executed. Such projects base on collaboration between internal and external experts and professionals. Effective acquisition and exchange of knowledge and information, facilitated by knowledge management tools makes project success more probable.
- **Goal oriented.** Project participants are the most interested in project success. Due to limited resources and timeframe for project's execution, they are not eager to undertake the activities that are not strictly connected with achieving project goals. Sharing knowledge with other



people or projects has a low importance for them. Without introducing knowledge management standards and policies, much project knowledge will never be shown up to others.

## How projects may benefit?

Knowledge management provides value to the project environment by giving possibility to use relevant knowledge, offering quick and constant access to knowledge assets and enabling more efficient knowledge sharing collaboration between knowledge holders. The most important benefits of implementing knowledge management practices in projects are:

- decreasing time and cost of creating or acquiring knowledge,
- avoiding duplication of work,
- preventing similar mistakes,
- learning from others' experience,
- reduction of project risks through awareness of problems and mistakes of past projects,
- preventing tacit knowledge lost when people leave organization,
- enhancing organizational innovation potential through opportunities to cross-functional cooperation and learning,
- and finally as a result of the above: **delivering projects faster, less costly and more successfully.**

## What's in it for PMO?

PMOs are usually stable elements in project environment, among temporary projects. As such, they are the **best entities to ensure continuity and persistency of project-related information and know-how.**

As owners of project management methodology, administrators of project management infrastructure, cooperating and communicating with project on a daily basis and having main role in supporting and controlling projects in the organization, PMOs are usually responsible for facilitating or direct dealing with much project-related information. Each day PMOs capture vast collection of knowledge from many different projects. Thus, PMOs have unique opportunity to enhance organization's ability to reuse knowledge once attained sharing it among projects and throughout organization and – this way – enhance the ability to learn from previous experiences, successes and failures.

PMOs often act as centers of excellence in project management field. Performing this role, PMOs gather external knowledge about the latest developments in project management area and combine this findings with internal knowledge to enhance project management capabilities in their organization. Being keepers of project management methodology and experts in this field PMOs may also convert learnings from project to best practices and include them in project management processes. PMOs also have possibilities to disseminate possessed knowledge throughout the organization by providing training and consulting services to project participants.

**The main purpose of a PMO is to improve organization's project performance.** The way to do this usually begins with some level of standardization of project management practices across the organization. The next steps should include improvement of standards and people's practices and behaviors by taking advantage of their experience and knowledge acquired during projects' execution. Dissemination of this knowledge by supporting and facilitating active collaboration among project managers and staff who share interests and goals may contribute to the goals of PMO as well. PMO's activities in the area of knowledge management may add immense value in terms of project delivery by improving project management processes and making project participants more knowledgeable.

## Capturing and validating knowledge

Much of the knowledge produced within projects will be captured in project documents. Developed and established processes for project knowledge management should describe the way project participants submit project documents to the PMO for their future use, pointing what types of documents must be submitted to the PMO and what other types are optional for submission. PMO may update knowledge repository on its own or make project participants responsible for information they submit, provide them with the guidelines, supervise them to ensure following rules of submitting documents to the repository and finally control the quality of documents submitted.

But the main challenge in terms of managing project knowledge is **to capture and share knowledge that is not stored in documents but comes from direct experience**

**of project participants.** Such kind of knowledge is usually of the biggest value, because it shows the way how project staff deals with different problems, issues or situations. Therefore, each project should collect lessons learned, defined by *PMBOK® Guide* as „the knowledge gained during a project which shows how project events were addressed or should be addressed in the future with the purpose of improving project performance“. Such knowledge should be captured while it remains fresh in the minds of people. Therefore the best practice is to collect lessons learned throughout project life cycle with such tools as lessons learned log. PMO may support project team in gathering lessons learned during phase gate review and post project review. PMO may also collect lessons learned on its own, by reviewing project documentation or performing project management audits.

Not all knowledge that is collected in the projects and submitted to the PMO will be accurate and comply with project management methodology and other policies of the organization. Therefore, PMO should perform some verification of the knowledge assets submitted before they become reference material. Special attention should be paid to the assets that are uncommon or unique. Thanks to the process of verification, PMO ensures that the repository is filled only with relevant information and avoids sharing knowledge that is erroneous or inconsistent with practices that are promoted and supported by the PMO. Similarly, **lessons learned from projects should be revised by the PMO and those that are likely to apply to other projects in the future, should be incorporated to knowledge repository and shared across the organization.**

## How to effectively organize and distribute project knowledge

Knowledge repository will grow over time. If it is not managed and reviewed, after some time it may become "contaminated" with documents and folders not properly cataloged and named, hard to browse, taking much time to search information needed, and thus causing frustration and discouraging project participants from using knowledge gathered. Therefore, PMO should perform periodic reviews of the knowledge repository to check whether the assets are correctly named and catalogued or if the repository's structure is suitable to the needs of users. But the main purpose of repository review is to **look for**

**existing knowledge gaps** – those categories of knowledge that lack proper documents. Knowledge repository should also be periodically reviewed in order to ensure that **it contains only up-to-date and valuable knowledge**. Over time, when knowledge repository grows and contains more and more knowledge assets, some of them, that have marginal value or are no longer valid, may be removed.

Lessons learned captured in projects should be validated by PMO whether they may apply to other, current or future projects. Learnings that may be leveraged by other projects should be collected in dedicated part of knowledge repository or in common lessons learned register. Lessons learned that seem to be of most value, especially similar lessons learned that come from a few projects, should be validated by PMO if they are relevant to all projects in the organization or specific type of projects. If some learnings are valuable and may be leveraged commonly in projects, PMO may consider to treat and recommend them as best practices. **The most valuable lessons learned that become best practices, may be later made obligatory and included in project management methodology.** Lessons learned gathered in projects should also be analyzed by PMO in order to uncover knowledge gaps in the organization and areas that need improvement by training, coaching or hiring subject matter experts.

When knowledge repository is filled with proper content, no additional tasks to disseminate knowledge collected in repository must be performed by PMO, except for communicating and providing access to the repository for people in the organization. To encourage project participants to take advantage of knowledge repository, **communication activities performed by PMO are essential**. PMO should inform project participants of changes in repository and its structure and substantial updates in the content of the repository. There are many ways to communicate on knowledge repository, for example PMO's newsletter, emails, information on intranet, etc.

## The most important: knowledge sharing culture

The biggest barrier in effective knowledge management practices in almost every organization is culture that makes people keeping knowledge for themselves as their personal advantage over others. Such „knowledge is power“ attitude is no longer acceptable in

organizations that want to improve their project management capabilities. If people do not want to share their knowledge with others, even the most sophisticated processes and software solutions for knowledge management cannot help. Thus, one of the biggest challenges in knowledge management that PMOs will face is **to create culture that rewards knowledge exchange, not hoarding**.

The most important thing is to show people across the organization that top management supports knowledge management and appreciates knowledge exchange. To obtain project participants' commitment to knowledge management activities, PMO should ensure that **key managers constantly communicate the importance of knowledge sharing and its role in achieving organization's goals and competitive advantage**. People must know that their efforts dedicated to knowledge related activities will never be treated as unnecessary waste of time but on the contrary, it will be rewarded by their superiors. PMO should also ensure that different project teams not only compete against each other but perceive others as members of the community that have common goals which can only be achieved when they cooperate and exchange information and knowledge.

PMOs have many possibilities to influence the culture of organization and make people cooperate and exchange knowledge. It is very important to remember that the most valuable knowledge is that in people's minds. **The role of the PMO is to bring people who have knowledge and those who need it together**. PMO may make an inventory of competencies, expertise and experience of employees (not only project participants, but all company employees that are considered experts and have knowledge useful for projects) then publish it and this way help project teams to take advantage of expertise of people from the whole organization. PMO may also utilize some IT solutions (such as social media and other discussion tools, wikis or blogs) to enhance knowledge exchange and collaboration between people. Such tools will enable people to place requests for needed knowledge and link projects teams with experts outside of their project.

But the main thing PMO should do to create knowledge sharing culture in project environment is **to make opportunities for personal contact among people who want to acquire or share knowledge**. Only direct, face-to-face contact may build deep sense of trust, cooperation and real community. PMO

may organize different types of knowledge sharing sessions, seminars, discussions or problem solving brainstorm sessions.

PMO may also encourage and facilitate forming, development and functioning of the **communities of practice – groups of people that have common interest, experience and expertise**. Within the communities, their members discuss topics they are interested in, ask questions, share and obtain knowledge that may be leveraged in their projects. Communities of practice are the best form for extracting and sharing the tacit knowledge and innovative ideas as well.

The best way to start is to develop communities that naturally and informally exist and cooperate. The role of the PMO is to identify needs and possible communities, communicate the idea of communities of practice across the organization, provide infrastructure for them (meeting rooms, tools such as forums or virtual space for each community) and cover necessary expenses for community's activities. PMO may also look for natural leaders for communities, facilitate their meetings, session and discussions, maintain documentation of community and its activities (taking notes during meetings). In organizations that are widely dispersed, PMO may also serve the communities as a provider of solutions for virtual conferences, online discussions, etc.

Important thing to remember is that **communities of practice should not be directed in a very formal way**. The members of the community, as those who have special interest, should decide on the form, topics and schedule of community's activities. Otherwise, the community may lose its dynamics, sense of self-managing and affiliation of members. ■■■



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Photo: Paweł Lopatka (SoftServe)

# Will someone manage my project instead of me?!

Olha Moroz, Ewa Serwa

The dynamics of global business are changing, growing and transforming very fast, and outsourcing is no different. Today there is no doubt that outsourcing is a highly popular and fast-evolving trend. Many companies are looking for ways to bring more effectiveness to their business via outsourcing, not only in the IT area, but in all major business domains such as finance, manufacturing, and human resources. The projects, thus, are greatly varied and complex – technically, as well as organizationally. As a response to those changes, we experience significant shift in outsourcing business models from pure staff augmentation to the result oriented and outcome based models. In such models project management becomes more complex and more important.

Organizations are looking for true partners and more expertise from their vendors and more outcomes rather than simple input. We

experience increased services transformation to Managed Service model.

## Make-or-Buy Analysis

*PMBOK® Guide (taken from 12.1.2.1) says: "A make-or-buy analysis is a general management technique used to determine whether particular work can best be accomplished by the project team or should be purchased from outside sources. Sometimes a capability may exist within the project organization, but may be committed to working on other projects, in which case, the project may need to source such effort from outside the organization".*

Outsourcing brings a lot of challenges to organization, but at the same time it may be a huge advantage if properly established and managed. Not surprisingly, it's a complicated task – to find a person that has the experience, project management skills and interpersonal skills necessary for a particular project – a project manager.

## Should you outsource your project management or should you hire a new project manager?

Ideally, a project manager ensures a project's successful and timely completion, so in the case of ineffective management leading to a project or business failure, companies, quite naturally, start looking for ways to redeem the situation. A more productive approach, of course, is to find the right person that is able to manage a particular project before any failures take place – only then, should you begin your project. This type of individual cannot always be found within an organization. Lack of in-house expertise, knowledge, funds or availability are all valid reasons to decide to outsource project management. In case the whole project is outsourced, it is quite naturally that project manager is also a member of vendor's organization and will be responsible for leading the project.

The vendors providing outsourced project management expertise should be focused on training, development and coaching project management experts. Project managers should be trained not only to follow the standards and best project management

practices, but also the very important thing – a collaboration with client, understanding the client's business, domain, market, project goals, product and end user's needs.

What is important to remember that project management is not only about completing the project on time, on budget and on scope, it is about building a long-term and result oriented collaboration between the two organizations working towards the same goal.

## Advantages of outsourcing project management, which motivate you to think about it. What are some of real benefits?

**Experience, knowledge, best practices, availability.** The organization may have its own expertise in-house, but there are no available project managers to do the actual job. External specialists can have the time to invest more into project management research, new technologies and methodologies. Consultants use best practices developed during their previous experience and assignments. By using external expertise, organizations will gain the necessary knowledge to be able to drive the project themselves.

**Timely support.** Project managers from vendor's organization usually know how to use better the services provided by their organization. In case of some risks, they may use not just internal to project assets, but also request proper support from the entire organization.

**Objectivity.** All organizations have their own politics and negotiations behind final decisions. This takes a lot of time and attention of the internal personnel as most of the employees within the organization have their own interests in many of the decisions. An outside person is less likely to fall under the influence of office politics and may bring an independent and more objective view of what is better for the organization.

**Cost savings** is also an important issue on the list of outsourcing advantages. Cost saving was always in a list of most important reasons to outsource, though the situation changes more and more. Currently many organizations are looking for true experienced, reliable partners and cost is not the most important question.

## Be well prepared for the challenges

**Culture and Processes.** Each organization has its own culture that has been developed, as well as established processes and procedures. The bigger an organization, the harder it becomes for every new employee to adjust to all the processes and rules within the company. For a project manager who is external to the company, the period of adoption may be much shorter as the project manager should concentrate on the ongoing project rather than on learning and understanding the company. The important fact that project manager should be well informed and familiar with both organizations, with practices and processes. Key to success for project manager would be a quick adaptation to the environment, learning and ability to react to the change.

**Gaining Knowledge and Experience.** One of the most popular reasons why project management is outsourced is that organizations may not have people with the appropriate knowledge and experience. On the other hand they may never gain this expertise while outsourcing the project manager role. This is why most organizations outsource project management, while additionally developing the necessary skills inside the organization. In such cases outsourcing may become a valuable educational experience for the organizations' employees working alongside an external project manager.

**Dependency on Vendors.** Many organizations see some risks in long-term dependency on one vendor when all the knowledge and experience is collected within another company, including the project management

expertise. On the other hand, the long-term relations may become a basis for a solid and mutually beneficial partnership, since there is no need for additional period of adoption and the client organization's culture, as well as processes are already familiar to the vendor. If building a partnership is not possible, clients can avoid outsourcing the most important and valuable tasks, choosing to outsource smaller portions of the project.

**Access to Internal Information.** Another extremely important part of the relationship is between the client organization and the external project manager. The person taking the leadership position will have access to internal information that may be sensitive or confidential. It may also make the collaboration between the two companies more complicated. A solution is to establish a good and formal process of collaboration right from the beginning and ensure that it is followed.

## Nothing is ever completely outsourced

To understand this, the project manager consulting for your organization should work on a few important hard and soft skills:

**Contract Management.** The project manager is the key person who should possess complete knowledge of the contract and manage the relationship according to it. In a current changing environment more and more organizations try to shorten the contract duration as much as possible to be able to switch to another option if the current one is not quite acceptable. Under such conditions project manager should quickly react to the change and be flexible enough. Also



Photo: Paweł Lopatka (SoftServe)



need to keep in mind that contract brings additional limitations and constraints like less flexibility in scope or cost management which should be taken into consideration and followed by project manager.

**Managing Relationship.** In outsourcing, the project manager is managing not only the technical aspects of a project, but also the business components, the business relationship between two companies in particular. It requires key skills that may be weaker in the case of managing a project in-house. It is advisable to focus upon the art of negotiation and the business relationship.

**Cultural Background.** Outsourcing already implies the collaboration between people from different cultural environment. Every project manager should have strong knowledge of the traditions of the client's company. This knowledge could be gained while performing company research, communicating with the employees inside the company, by asking questions, socializing and establishing a relationship with co-workers.

**Communications Management.** It is often said that communication is the glue connecting all the parts of a project together. Being external to your organization, the project manager should never let their communication management skills get rusty, always maintaining them on a very high level.

**Time Zones.** It probably worth saying that in majority of cases project manager operates in a different time zone than the client organization. This brings additional set of challenges to the communication process, need to adjust to find period of time overlap, organize good quality communication tools, video sessions, often visits.

**Distributed Teams.** Often project manager is responsible for the project success, having team members from both sides – internal to his/her organization and from client's organization. Such distribution is an additional reason to be good in communication, building relationships and team building skill. Project infrastructure should be in place to support multiple locations. The challenge of distributed teams is also in a processes alignment between two organizations. Project manager in outsourcing should learn new processes typical for client organization and teach them the entire team.

**Strong People Skills.** Ability to build effective project team and ensure a successful project completion while at distance also requires a strong ability to find a personal approach to each team member.



Photo: Paweł Lopatka (SoftServe)

**Being Adaptive.** In most cases an external expert should be able to adapt to the internal rules, processes and traditions of the organization in a very short period of time. While the ability to adapt is important, it can also be an acquired skill, which is especially important if you have to adjust to the working conditions existent in the client organization that may not be comfortable. Your main focus should be on achieving a positive project outcome.

**Flexibility, Mobility.** It is very likely that traveling and an intensive schedule will be unavoidable during the project period. The project manager should be able to react to the changes and adapt to any circumstances.

**Language.** It is obvious that the knowledge of foreign languages would be absolutely necessary to be successful as project manager in outsourcing.

## What options are better? These, what are available

When considering your options, make sure if this is a good move for your company. Outsourcing project management may be a great experience with an added value. An external support saves the money, your time and stress and in fact, it can be your business model. Many vendors offer outsourced project management expertise, but one thing should be clear: finding the right one can be challenging. Just be aware of risks involved in this. You have specific projects and you need the expertise and resources and understands your needs and expectations, to lead to the success of your projects. ■■■



**Olha  
Moroz**

Olha has been working in SoftServe Company for more than 12 years. She started from the position of QC engineer, then worked as automated testing engineer, QA Manager, has significant experience in Project Management. On her R&D Manager position Olha was managing Research project in the most cutting edge technologies and business domains. Now Olha is Delivery Director at SoftServe, leading the Delivery Unit focused on the Networking and Security solutions. Olha is a corporate trainer in many areas like Project Management, Agile/SCRUM, communication and professional relationships. Olha loves traveling, sports, skiing, mountains, sea and outdoors recreation, books and movies in the style of fantasy, fairy tales and cartoons. Life motto: Be yourself; everyone else is already taken.



**Ewa  
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Professor Virginia Greiman giving her keynote speech at 9th International PMI Poland Chapter Congress, Warsaw, November 2014. Photo: Obiektymni

## Megaprojects should focus on sustainability

Interview with Virginia A. Greiman, Professor of Megaprojects and Planning at Boston University, conducted by Szymon Pawłowski

**You played a very important role in managing of Boston's Big Dig megaproject. Could you describe this project for Polish people interested in project management?**

The Big Dig was the largest project in the United States, it was 15 billion dollars. Upon completion, although originally estimated at 2.5 billion. And the primary reason for the growth was the fact that design development had not evolved until later on in the project. The Big Dig was a concept that was originated by 2 designers in the Massachusetts State Transportation Authority who had a vision about the future of Boston. In the 1950s when the interstate system was being funded in Massachusetts by the federal government they were funding 90 percent of our state highway projects. Unfortunately, when the interstate reached Boston it went above ground, because we did not have the

technology in the 1950s to put highways underground through an inner city.

So consequently, from the 1950s till the mid-1980s we had this viaduct cutting this city in two, and it did not provide any access to the waterfront. It was called the ugly green monster and it was constantly congested on a daily basis for traffic moved very slowly, sometimes taking up two hours to get through the city. In the 1980s when this vision was realized, the idea of putting the viaduct underground, there were many meetings that were held with the stakeholders to discuss how the city would change. And it took a long time to get the funding. So it was from about 1975 until about the late 1980s before the first funding was committed through the federal government. At that point the federal government was still funding some highway projects at 80 or 90

percent. But it was not clear at that point how much they would fund this project. So the project visionaries worked on their plan, including an extensive environmental study, and around 1988 the initial funding was approved.

The construction actually did not begin on the project until about 1992. So it was almost twenty years in the planning from the concept to the actual beginning of construction. When construction began there was concern about the impact on the city, so the business community became very active and actually became a strong supporter and ally of the project. Without the support of the small business community, I am not sure if the project would have ever been realized. So between the support of the residents of the city and the business community, our own legislature and the federal government the project began.

**The BIG DIG was very complex also in terms of technology. What were the main technological challenges you faced?**

The project was a first of its kind because we had never built the project through an inner city in Boston. Highway projects were always well removed from cities. And the fact that Boston was a city built off of the colonial shoreline on filled land and not consolidated soil made it technologically very com-



plex. The tides moved in and out of the city and consequently, when we were excavating it impacted the movement of the buildings. This was also a project that was very new in terms of the various technologies that we used. Never before had ground freezing been used on such an extensive basis, nor have we used slurry wall construction to such an extent. In addition we were building in very congested areas within feet of very large buildings including Gillette World headquarters and The Federal Reserve. The concern was that if business was disrupted, either The Federal Reserve or Gillette World headquarters or the United States Post Office or AMTRAK, our major train which runs from Boston all the way to Washington DC, the damages could be very severe. So we had to work with insurance companies and reinsurers in London, particularly Lloyds of London, who assisted us in developing a program which became known as the world's largest wrap-up insurance program. It originally was to be a one billion dollars insurance program, but due to good planning and a program that returned premiums based on a low-loss ratio, the ultimate insurance program was reduced to about 600 million dollars. Lloyds of London in about 2002 declared it the most successful insurance program they had ever been involved with. The reason for that was that safety was always the first priority of the project. Safety and risk management really led the project and that meant every single incident had to be reported and studied for its root cause. When the root cause of the accident was determined, we would then adapt processes and procedures.

**So, as we can see, the BIG DIG was a multidimensional project and it surely involved many parties. Could you tell us how the BIG DIG was organized and managed?**

The BIG DIG was a public-private endeavor, although it was 100 percent publicly funded, the program manager was the joint venture consisting of Bechtel/Parsons Brinckerhoff. The construction was led by Bechtel – San Francisco Corporation, and the engineering was led by Parsons Brinckerhoff, actually a Massachusetts design firm. Both of these firms were giants in their fields. Bechtel having worked on Hoover Dam and the Hong Kong airport and numerous other large projects, and Parsons Brinckerhoff having worked on the New York Electric Subway System, were both very prominent in their fields. However they also acknowledged the

challenges of this project, things that they have never done before. The project success rate in terms of safety and health was quite extraordinary, except for the very sad death of a pedestrian at the very end of the project. This was due in part, in accordance with The National Transportation Safety Board report, due to a lack of knowledge in the industry about epoxy when it is being used on tunnel roofs. The overall safety record of the project however was extremely well regarded and recognized by many awards, both within and outside of the insurance industry. There were also many construction recognitions, particularly for the complex new bridge that was built which was a state of the art, cable stay, asymmetrical, concrete-and-steel bridge. The community was very involved in the project throughout its long life. We had stakeholder committees that represented the project that reported to us and shared information with us.

**Let's stop for the moment on project's stakeholders, their concerns and the way you managed their expectations and engaged them.**

To manage our stakeholders on the BIG DIG we spent a lot of time identifying our stakeholders, understanding what their needs were, what their concerns were and developing stakeholder groups that would hold weekly meetings in the communities, with the businesses and then they would report back to us their concerns. We would appoint representatives for each of our stakeholder groups. We had a stakeholder environmental group; we had a stakeholder community group for the residents that was called the North End Pilot Project, because most of the residents lived in the North End. And then we had a business community group and their concerns were primarily about access to businesses, the ability to keep businesses going during the very key years of construction. Traffic was also a major concern, so we partnered with both our Boston police, our state police and our local fire departments. They assisted us in containing the traffic in addressing local concerns of the citizens, so that everybody could go about their business despite this major project taking place within feet of their buildings and within feet of their residences. Without this constant communication I believe the project would never have continued. But it was so important to have the stakeholders as our friends and our allies and as participants in the project. We also in about 2000 established regular meet-

ings that were open to the public on the financial condition of the project. This included presentation of budgets. Every month we presented a Project Management Monthly which included where we were in the project in terms of our financing and in terms of our cost and schedule. And it also included the look at the future, the forecast of the project through completion. We would present our critical exposures – areas where we felt costs were rising and explained why – we talked about risks and our risk management program and they had an opportunity to ask questions. For the first year or so of these open meetings the room was always filled, sometimes with press, sometimes with local citizens, sometimes with the visitors to the project. After that year we noticed the meetings got smaller and smaller, and the reason for that was they felt that the project was very transparent and that they were getting the information they needed, we were posting it online. And it was a very important part of the project to have an open, transparent, sharing process, so we could learn from our stakeholders and our stakeholders could learn from us.

**So, now we know more about probably the biggest project you took part in. Now I would like to switch into more general, theoretical subjects. So, what is so special in megaprojects that make us distinguish them from projects, ordinary project management?**

Yes, that's an excellent question. Project management has been around for a long time, PMI has been establishing standards since the 1970s. But program management is still in the very early days. PMI and other project management organizations have standards for programs, but they are not very well understood. The program management standard rather than being described in terms of processes and procedures is described in terms of domains. Programs are much larger of course than an individual project, they can encompass multiple projects. You never want a program unless you can prove to your sponsors that the program will add value. So if you have more than one project and you think, centralizing your management and having uniform standards for all your project and uniform processes and procedures is beneficial, then you should establish a program. Almost every megaproject I have been involved with, whether at home, whether in the United States or around the world, has had a program manager as well as multiple

project managers. On the BIG DIG, our program manager was our joint venture and it was managed primarily by Bechtel. Bechtel Corporation was very experienced in program management so it meant we needed to focus on what I call mini-programs, integrated, centralized programs. These mini-programs included stakeholder management and engagement, governance, alignment of the program with the sponsor's intent and, most important, it included a very detailed cost-benefit analysis. And that is what distinguishes programs because programs focus on sustainability – the ability to deliver the benefits promised but also to seek out new opportunities as the program progresses. So, for example at the BIG DIG, new opportunities included conservation – developing a home for the shellfish population in New England to protect them. It included building an island in the middle of Boston harbor, where people can spend time enjoying nature and wildlife. Much of the dirt that was excavated from the BIG DIG ultimately was taken and deposited in this island. So we had to be very innovative and creative in finding ways to benefit the local community. And that included training local labour, supporting minority and women owned businesses, and building institutions, building better government agencies based on the knowledge we were gathering from this mammoth project.

**Do you think that the knowledge that we have now as well as standards such as the PMBOK Guide and the Standard for Program Management are enough for managing megaprojects or should we try to build new domains of knowledge for megaprojects and develop some standards for managing them or is it maybe too early for this? What is your opinion about the state of the knowledge about megaproject management?**

I am often asked about the difference between projects and megaprojects and when I explain the standards for program and project management people begin to understand there is a difference. But in terms of megaprojects they are all unique and they have to be studied in context. So what applies to one megaproject may not apply to another. The standards we have for project management, program management and portfolio management are all used on megaprojects. So we draw upon different standards and different methodologies, we even incorporate elements of improvisation



Professor Virginia Greiman and Szymon Pawlowski (Strefa PMI)  
Photo: Obiektywni

and elements of agile project management, because much of what you do in a megaproject is iterative. You're developing your project as it moves along, and the reason for that is you are constantly identifying new stakeholders and these stakeholders have different expectations. So as you develop new stakeholders as your program progresses, you have to be adaptive to their needs. Your question is very good about whether megaprojects need their own standards. I think we do need a better understanding of how megaprojects are structured and governed. And I think for those two areas, we certainly need new knowledge areas for megaprojects. Based on the new knowledge areas, we do need to develop standards that are more applicable to the changing needs, as we progress through the phases of a large scale program.

**Do you plan to build a framework for managing megaprojects?**

I am working on it, I have talked to PMI about it, and they are very interested. They are engaged now in learning about megaprojects also. And I expect in a couple of years we will have a clearer understanding on what is needed. And I think we need to keep the conversation going and engage those project managers and program managers that work on megaprojects and identify their needs. For example, one unique aspect of megaprojects that is not talked about so much in project or even program management is the fact that you have multiple governance structures. So much of the work on megaprojects and much of the governance is bottom up, because that's where your experts are. And it is very difficult to have a top-down approach

on megaprojects, because those at the top don't often have the experience to know what should be implemented. So the decision-making and authority is often delegated downward and horizontally. So you could have as many as two or three boards of directors involved in the megaproject. For example, on the BIG DIG we had a joint-venture board of control, and at the sponsor level we had oversight by the federal government and a board of directors for the state government. So that's three governing boards. And then for the program itself, the program management of the engineering and construction we had a fourth – a Program Management Office. It did not have a formal board but it was run like a PMO. So when you have multiple governing structures and then you have all of your standards, your processes and your procedures and your controls that's another part of the architecture. So they are very complex structures, they are all different and I think it is hard to find one governing structure that would work for all megaprojects. So a more adaptive, flexible approach to megaprojects and an understanding of their complexities in terms of the people, the processes, the project methodologies and the integration that you need to develop more successful programs. This is not talked about too much in the literature.

**And how does it look in terms of competencies of people? What special competencies should managers have that are managing megaprojects? Are the competencies described in PMBOK and The Standard for Program Management enough? What skills are needed to manage megaprojects?**



That's a good question. Project managers are trained to manage results. And they're trained to understand the tools and techniques necessary to monitor these results. Whereas program managers I would classify more as transformative, or as change agents and they need very different skills. If you would contrast managers and leaders I would say leadership is needed for programs whereas managers are needed for projects. And characteristics of leaders to manage large scale megaprojects would include an ability to manage change, an ability to manage transformation. In other words, understanding how one creates opportunities from megaprojects, not just adapting what you are handed, but looking for opportunities that will arise throughout the life of your megaproject and understanding how to use these opportunities for the betterment of the megaproject and the communities and sponsors that are involved in megaprojects. You also have to be a motivator, you have to understand the importance of incentives and recognition. You have to be able to work in a political environment, since many of these megaprojects are very public, so I think good political skills and understanding how to manage changing political environments and governmental environments is a very key aspect.

**You have said during your session at the PMI PC Congress that for megaprojects sustainability is much more important than the Iron Triangle of project management – scope, time, and budget. Why is sustainability so important and what about the Iron Triangle – should managers of megaprojects forget about the Iron Triangle?**

That's a good question. Program managers have to be very reliant on their project managers. Their project managers should be focused on the Iron Triangle. The program manager really does not have the time to get into the nuts and bolts of schedule management or the day-to-day operations in the projects. They have to look at the big picture. And in the end what's important is what have you delivered, and is what you have delivered sustainable. In other words, megaprojects take years to build, 10-20 years, their benefits may last as long as 60-70 years. Not just the infrastructure they build, but also the opportunities that they create for the people and the communities in the cities where these projects are being built. And opportunities would include training, training

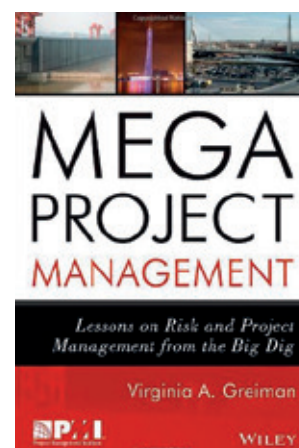
labour, training managers, but also building the institutions, the governmental institutions, the private companies sharing lessons learned for the future, so that the projects of the future will be that much better off. There are other benefits, such as social benefits, in the developing world you want to deliver to provide for a better community or a better city. So the focus on sustainability is really by the program manager to overall enhance the program. It is not that you don't focus on Iron Triangle but your focus on that is really more at the very high level. And you need to know of course that all your projects within your program are staying on time and budget but, again, in measuring success of megaprojects you are not just looking at cost and schedule but you are looking at the value of what you are delivering, and that value can be far greater than any cost or schedule. As we've seen in California with the San Francisco Bay Bridge, it was 5 billion dollars over budget, ten years late, but they built a bridge to last 150 years, that's double the life of a normal bridge. If we were to calculate the benefits of that plus the benefits to the local communities, it would far exceed even this additional cost.

**I would also like to ask about the concept you've introduced during PMO Symposium 2013 and here in Warsaw at PMI Poland Chapter Congress – the concept of Integrated Project Organization. What is it and what is the main value of an IPO?**

Integration is a Knowledge Area that PMI has incorporated in its Body of Knowledge (PMBOK). It is a very important aspect of project management. But it is defined to just include unifying and harmonizing processes and procedures. I believe integration in megaprojects is much broader than just processes and procedures. We are looking at integrating the people in the megaproject, developing better partnerships between the public and private sector. We are looking at integrating goals and expectations of our multiple shareholders. We are looking to integrate and develop smaller programs within the megaproject that will provide overall better economies of scale, better returns on investment. So we are not just integrating our claims and our changes, but we're integrating every aspect of the project that would be beneficial. That means an Integrated Project Organization where the people become one entity rather than separate silos of companies. We are integrating methodologies, we are combining methodologies, and we are

integrating our risk programs so that we don't have 135 risk management programs for every project, but we have one risk management program for the entire megaproject. Quality needs to be integrated as well as safety and health. It is very important that there is this harmonization of all these disciplines in the megaproject if we want to build a sustainable and lasting megaproject for the future. ■■■

*The interview was conducted by Szymon Pawłowski during 9th International PMI Poland Chapter Congress, November 24th-25th, 2014 in Warsaw.*



**Professor  
Virginia A.  
Greiman**

Virginia A. Greiman is Professor of Megaprojects and Planning at Boston University and holds academic appointments at Harvard University Law School and Harvard's Kennedy School of Government. She is a recognized scholar on megaprojects, public private partnerships, and international law and development. She served as a diplomatic official to the U.S. Department of State and the U.S. Agency for International Development in Eastern and Central Europe, Asia and Africa. She has held executive and advisory positions with several of the world's largest megaprojects including Boston's Central Artery/Tunnel Project, California's High Speed Rail Project, the UK's Cross-rail Project, and development in the South China Sea. She has published extensively on megaproject complexity and governance, and international development and project finance. Her recently published book is entitled: *Megaproject Management: Lessons on Risk and Project Management from the Big Dig*, John Wiley & Sons, Publisher © 2013 London, New York, Hoboken.

# Project and Program Integration as a Concept for Achieving Success on Megaprojects

Virginia A. Greiman

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## Abstract

The subject of integration is rarely discussed in the project and program management literature, yet it is essential to complex public projects, commonly known as megaprojects. Since trillions of dollars will be spent globally over the next decade on public projects, it is essential to evaluate the importance of integration in managing these mammoth structures. This article looks at how the interface between the various components of a project drives project outcomes and consequently the return on investment to society. The current article summarizes part of a larger ongoing research study of integration mechanisms and outcomes from integration as a project management concept for achieving success in large scale public projects. Future research will examine the development of integration mechanisms that will offer frameworks for integrating the people, the processes, the project and program methodologies and the project and operational phases of project delivery.

## Introduction

Project integration management is one of the Project Management Institute's ten knowledge areas (PMI PMBOK 2013), yet the literature is scarce on integration management in terms of its application to large scale projects. Much has been written about the other nine knowledge areas, particularly scope, cost, schedule, risk and communications management, but integration may be one of the more significant knowledge areas in terms of achieving success on large scale projects.

PMI in its *Standard for Program Management* defines project integration as "the processes and activities needed to identify, define, combine unify, and coordinate multiple components within the program. It coordinates the various program management activities across the program life cycles" (PMI 2013). Coordination of the "multiple components" of a project has been interpreted in different ways. The coordination of program management activities can be complex on a small one-off project, let alone a megaproject with hundreds and sometimes thousands of smaller projects to coordinate. For example, on the Big Dig there were more than 9,000 processes and procedures that required coordination among 135 major contracts and thousands of sub-contracts.

The question of integration management raises the following four key questions that all project and program managers must answer (Greiman 2013):

1. What types of functions or activities require coordination in projects?
2. How does integration add value to projects?
3. What is the best way to achieve this integration?
4. How may these needs change over time?

While most traditional theories on effective project management emphasize cost and schedule controls, quality control, risk management control and scope control, there has been little discussion on what is meant by integration management and how it might benefit projects.

## Implementation of Project Integration

To truly integrate a project one must look not only at the processes and procedures that require integration but also other factors. In particular, a key element in integration that is often overlooked is the integration of the project team with the organization that will eventually operate the project. As an example, Heathrow Terminal 5 (T5) was a mega-project that was on schedule and on budget since construction had begun, defying all the trends of previous mega-projects in the UK (Davies et al 2009). T5 was seen as the first step in the regeneration of London's main airport in preparation for the 2012 Olympics. However, on the day the Terminal opened in what was to be a grand celebration, instead turned into a national disaster due to baggage delays, temporary suspension of check-in, and the cancellation of 68 flights. This failure has been attributed to among other things a lack of systems integration and coordination between the project and the operating organization each operating as separate systems. Once project management on Terminal 5 thought they surmounted the considerable issues related to building such a vast and technologically sophisticated terminal they suffered from technological hubris and forgot about the people issues related to the successful functioning of any large technical system (Brady & Davies 2010).

What really failed in the Heathrow Terminal Case Study was Integrated Project Delivery (IPD). The concept of IPD as defined



by the American Institute of Architects (AIA), is a project delivery approach that integrates people, systems, business structures, and practices into a process that collaboratively harnesses the talents and insights of all participants to optimize project results, increase value to the owner, reduce waste, and maximize efficiency through all phases of design, fabrication, and construction (AIA 2007). If there is little integration between the project and operations the final outcome is most certainly to fail. Ironically, Heathrow Terminal 5 was a model in systems integration in many ways, yet the outcome was a failure due to the discontinuity in one of the most important areas of integration, project delivery. Integration is important in all aspects of a project because it fosters collaboration and collaboration fosters knowledge and trust, key elements of project success. In every megaproject there is a need to integrate the processes and methodologies required to deliver the project with those involved in the operations of the project's end result (Davies 2009).

Project integration has also been discussed in the literature in terms of teamwork effectiveness and scholars have found that integration is useful for improving the effectiveness of teamwork, which is a very important tool for project delivery (Baiden & Price 2010). Practices that meet the various requirements of integration either complement or increase the likelihood of fulfilling the key elements of effective teamwork. A common issue in large megaprojects that sometimes operate nationally or even globally is helping teams collaborate across projects to ensure better interfaces, and sometimes it requires collaboration across disciplines such as merging the expertise of designers, contractors, risk managers, economic experts and other disciplines.

Often defined as a criterion for project success, project integration essentially means achieving coordination and collaboration among project teams, internal and external stakeholders, project controls and responsibility centers, and the entire organization. The coordination needs of a megaproject may create unique interdependencies between the larger organization, and the numerous separate projects and programs that comprise the organization.

The question of how one achieves integration in large scale projects must be understood in the context of the project's internal and external environment. Complex megaprojects require not only the integration of processes and procedures but also integration of the people, the integration of communities of knowledge including business process integration, strategic management and methodologies, and project activities and

programs (Greiman 2013). For instance, integration of the people dimension requires an understanding of the relationship between the resources dedicated to the project and the people impacted by the project.

Since megaprojects often involve the use of multiple standards and methodologies, operating at the same time, the integration of these standards and methodologies has been an important area of interest to practitioners around the world. To address this concern, in January 2011, the International Council on Systems Engineering (INCOSE) and the Project Management Institute (PMI®) formed a strategic alliance to advance the integration of the systems engineering and program management disciplines. In October 2012, the organizations conducted a joint survey to better understand the roles of program manager and chief systems engineer and to gauge their current level of integration. The Consortium for Engineering Program Excellence (CEPE) at the Massachusetts Institute of Technology (MIT) provided strategic support in analyzing, reviewing and finalizing the survey results with INCOSE and PMI. The results of the analysis resulted in the development of key requirements in improving the integration of Systems Engineering and Program Management which included the following: (1) using standards from both domains; (2) formalizing the definition of integration; (3) developing integrated engineering program assessments; and (4) effectively sharing responsibility for risk management, quality, lifecycle planning and external suppliers (Conforto et al 2013). This alliance of two major project and program management methodologies is a giant step forward in project integration and perhaps will serve as a model for improvement of all aspects of integration in the projects of the future.

## Conclusions

Developing strategies for maintaining complex projects like the Big Dig over a long period of time requires a shift from implementing a plan of action to establishing a sustainable structure that integrates the people, processes, systems and programs. The benefits of integration include increased efficiency, reduced costs and reduction in redundancy, improved data integration, better procedures, continuous relationship building, and the development of a sustainable project (Greiman 2013). To achieve these benefits will require a much broader view of project integration management from the initiation of the project to the ultimate operation of the project deliverables. ■■■

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Photo: Obiektyni

# Agile or not – it is still a project!

The interview with Darryl Booker conducted by  
Mirostaw Dąbrowski

## What is the difference in project vs. product thinking?

It all depends on the perspective. Product thinking mindset focuses on “WHAT” needs to be developed; project thinking mindset considers “HOW” to deliver the product. Project thinking encourages innovative solution to be done on time according to Clients requirements, in ideal world beyond Clients expectations. Product thinking mostly should focus on product functionality for the end user, UX cases and optimized business benefits both for Client and Company.

## Where Agile fits in between those two?

Agile works between and for both – either Product and Project – and works very nicely. Agile approach allows the product to be developed in small increments and with close cooperation with Client (through Product Owner role) thus making more improvements

to “what” will be delivered along the way. We can say that “Project” is driven by requirements and quality is a kind of exam for it and “Product” is based on design and testing is the final exam of a solution.

Agile fosters a collaborative team environment that allows team members and customers to plan “how” the product will be delivered.

## In Agile do we still manage requirements, needs and client’s wishes?

In an Agile project you absolutely need to manage requirements which are evoked from Client’s needs, wants, wishes or even dreams. Agile enable to accomplish Client’s requirements without having to use “heavy duty methodologies” and “extensive requirements documentation”. Most important thing which shouldn’t be forgotten is having customer reviews of the product – incre-

mentally, it allows the agile team to improve the product through customer feedback and experiential knowledge. That’s the thing which is lacking massively among the skills or talent of Agile team members – Client communication and feedback sessions. From my experience, I’ve met some Agile teams that do not need a Client – they keep on developing the solution for a... solution itself. We need to remember that 45% of all approved requirements are never actually being used – if Agile project team do not track requirements in a solution.

## Is Project Manager a good candidate for a Product Owner?

Anyone can be a good candidate for being or becoming a Product Owner but needs to build up a skillset before it happens. From my consulting perspective, the challenge for most project managers is their prior experience and mindset. For example, PMs are used to working with people to do things and telling them what and when to have things completed, sometimes in a very directive way. POs are focused on getting the right solution with all requirements tracked, letting the team determine how they work with backlog to accomplish the solution.





Photo: Marek Darmikowski / foto77.pl

to the food court in the mall. You stop at McDonalds and order a sandwich – you tell them what you want on the sandwich, and you wait 5 minutes for it to be “delivered” – once you get your sandwich, you notice that it has more of what you are not fond of, and less of what you are fond of – you ask if they can make a change and give you more of this and less of that – you have to wait another 5 minutes, and hope that they make it “right” this time. Your friend goes to Subway and orders a sandwich. You and your friend are standing at the counter watching their sandwich being made; as it is being made, your friend asks for more of this and less of that, and then asks to add something not originally made on the sandwich (a change), no problem. You get what you want and you see it as it is being made.

In the end, both of you got what you were hoping for – a sandwich. One scenario required you to wait for the delivery and re-work, the other received what was asked and changed “on-the-fly”. This signifies the difference between traditional and agile project approaches – McDonald’s is traditional, Subway is agile. ■■

### How is the Product Owner role associated with business analysis?

The Product Owner role is associated with business analysis because one of the main focuses for business analysis is to determine “what” the challenge is for an organization and “what” solution can best fit the challenge and bring value to the organization. The PO’s heaviest duty is the whole solution and how requirements are reflected in it – let’s say the “wholeness” of delivering solution and especially focuses on bringing value.

### How can we distinguish characteristics of good vs. bad characteristics requirement in Agile?

The basic elements of any good requirements are that they are justifiable and accepted by the business and bring value to the business. They are also feasible and can be delivered within project constraints. Requirements should also be measurable and testable – need to be shown and proved in delivery, traceable – most commonly forgotten – need to be shown both to-from and from-to path of delivery. They should also be documented – sad but true – online repository or real-time collaboration tools should help.

### Can you use some of our techniques taken from traditional projects in Agile projects?

Yes, you need to use most of “same old” techniques from traditional projects and use them in Agile projects. Some of these are stakeholder analysis, project duration estimation techniques, risk identification and management, kick-off meeting best practice, leadership and communication management and lesson learned debriefs.

There are countless other techniques that can be used in Agile as well as traditional projects. One of the main points I make sure my clients understand about Agile is that – IT IS STILL A PROJECT – so you need to apply and utilize “same old, same old” project management techniques.

I would like to emphasize one message – PROJECT MANAGEMENT IS PROJECT MANAGEMENT – whether it is a traditional or agile project – one goal remains: to deliver value to the customer; the simple difference is in the methodology. So, if you like to be a good at Agile first you need to be at managing the projects.

Consider this, you and your friend want to eat sandwiches for lunch. You decide to go



**Darryl Booker**

PhD, MBA, PMP, CBAP, CSM

A renowned international trainer, consultant and professional speaker, CEO of the consulting firm Booker Incorporated. In Poland he cooperates with Management Training & Development Center (MT&DC) as a senior trainer in the field of business analysis and project management. He has worked in the IT field since 1983.

He focuses on strategic business intelligence: CRM, PRM, ERP, knowledge management, and project management. He gained his knowledge and experience from years of working at IBM in various capacities, including: performance consulting, requirements gathering and analysis, skills analysis and assessment, application design and development, sales and marketing, and process and project management. He is an active member of IEEE, ACM, and PMI®.

Atos



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## Project management in an international IT company

The interview with Mirosław Mąka, the Tower Country Manager of the Cross-Functional Services in Atos.

**Project management is a concept which is getting more popular these days – why?**

For many years, project management has been popular in developed countries, i.e. the United States and Great Britain. This is due to the fact that good project management is the key for receiving products quickly and increasing a company's profits in parallel. Thus, it is currently a very popular branch and certainly will be in the future.

**How has the role of Project Manager changed in the IT world?**

IT systems, which are created for both medium-sized and local organizations, as well as large and global ones, are integrated, modified and implemented in accordance with the

project philosophy. Most of the IT companies in the area of creating value for customers are also 'project-oriented'. Recently, the role of Project Manager and project management itself has evolved significantly. They should be considered in the context of widely understood dynamics of change and its management. Gone are the days when a PM was treated as the person performing 'every task' and having only coordination functions. We also started our career with these roles in the Atos Global Delivery Centre in Bydgoszcz, Poland. Currently, many Project and Program Managers manage projects and programs of implementation of services and infrastructure for global customers. In their teams, there are high-level managers who they manage within projects. Despite looking through the prism of a silo company, there are many

organizational levels above PMs and they often manage hundreds of people individually. Agile approaches are well known and applied in IT software development. Currently, these methodologies are also being applied to IT services, especially for new IT services development so our PMs start new roles working either purely as SCRUM masters or still holding PM positions in a mixed environment of Agile and waterfall.

**How does the increasing importance of outsourcing trends in business influence the development of project management?**

According to the recent research, Poland is one of the most attractive locations in the world in terms of the provision of IT services outsourcing. Project management is the integral part of delivering this type of services, especially in the area of implementation of products, changes in technology and their effective management. The IT industry itself is extensive and includes many job positions – from strictly technical, through analytical to managerial ones. This is the reason why we observe dynamic development of project management in our company as well as the Tower itself. The number of employees has



increased by more than 2000 within the last 3 years in GDC Bydgoszcz, and in PMO/PPM sub-towers only – by more than 200. That is why we have such an extensive recruitment needs for professionals.

### **PM is a strategic position in Atos. Why?**

Project Management is largely independent on the interests of individual sub-towers and technical solutions. PM agrees on strategic goals on a business level. In a managed project, he or she uses available resources, competences and solutions in order to accomplish these goals. The people, who manage the company on a strategic level, are ensured that they maximize the effectiveness of a company. Furthermore, operational departments, which deal with networks, servers and cloud computing solutions, may focus on developing their technical competences by leaving project management in the hands of a PM. Project Management allows the most effective use of resources by relevant departments. PM's responsibility is using the utmost potential of a team and organization, and providing a customer exactly what he expects, in a defined timeline and at specified price.

### **You manage the xFS (Cross-Functional Services) Tower – What do you do?**

xFS is the Tower which provides support in business activities, we ensure packages of services in the area of project support and project management, as well as managerial support i.e. reporting, data and financial analysis, solutions adjusted to every business need. Within xFS, there are 4 sub-towers: Project & Program Management, Project Management Office, Business Operations Management and Solution & BiD Management. All sub-towers are mutually complementary areas of support services for business activities.

### **What possibilities/challenges await PMs in xFS in Atos?**

The global service delivery center in Bydgoszcz, part of which is xFS, is highly appreciated. The scope and level of services delivered by us is being constantly expanded. Expectations and challenges are also growing. We are looking for specialists in many areas, especially Project Managers. We are searching for Project Managers, Senior Project Manag-

ers and Program Managers of international class with a level of competencies that are comparable to standards e.g. in the UK. Interesting and international projects await PMs. Every project, team and relation with a customer is unique and brings a new and developing experience. It gives a chance and even a guarantee of continuous development. Most of the projects which are managed by our Project/Program Managers are new services and infrastructure projects, which enable us to provide services to our external customers. Similarly to the non-IT world, it is like participation in projects of creating new technologies, building new factories and communication infrastructure which enables products and services delivery to final customers.

### **What about Training? – Can employees look forward to them?**

The Training program is precisely specified and depends on a competence profile; there is a dedicated set of trainings for each specific career development path. Within PPM/PMO, training includes knowledge on project management and soft skills. We pay attention to courses conducted by the best training companies, alongside the possibility to acquire certification which gives additional motivation for acquiring knowledge and using it in practice. As an example, I can say that our teams can obtain certification in PMP®, Prince2®, Prince2Agile®, MSP®, P3O®, ITIL®. We also offer the unlimited access to e-learning Training. In case of long-term development plans for employees, we prepare individual development plans.

### **You have mentioned development plans. – How does an exemplary career development path look like in this area?**

In the Project & Program Management sub-tower, Project Leader is a basic position. However, it is not a junior one. Project Leaders have proven experience and business maturity in this area but the scale of projects they have managed, branch in which they have worked and lack of established methodology have placed them within our nomenclature on that position. Project Manager is on the next level. Project Managers have rich and longstanding professional experience; they are fully independent, mature, certified in PM methodologies and work with external customers and high-level managers in the

company. Senior Project Manager is the next step. As the job title suggests, it is a senior employee in the area of PM who is responsible for projects of the highest importance. He or she is a mentor and coach for less experienced colleagues. They can not only manage a project in accordance with methodologies, but also help a project to move from status 'red' to 'green'. In the area of project management in Atos, you can start your career from one of the above mentioned positions – everything depends on the level of competencies and skills which are verified during the recruitment process. Further development is feasible within a specific job position, moving on a career ladder within a given field and other sub-towers in the company. ■■■



**Mirostaw  
Mąka**

Experienced manager, both on a strategic and operational level, with over 20 years of practical experience. He has been specializing in technical and business management, project management in the area of telecommunications and IT, in the scope of transformations, migration and introduction of new services. Currently, Mirostaw works as Tower Country Manager in Atos Poland Global Delivery Center in Bydgoszcz, where he manages the Cross-Functional Services Tower. In the past, he also worked for AT&T, Lucent Technologies and Alcatel-Lucent. Mirostaw likes innovative ideas, seeks new challenges and opportunities of making interesting contacts and exchanging experiences.

**Atos**

### **Information about the company**

Atos is the international leader in the IT services market. It employs more than 100,000 employees in 72 countries. In Poland, the branches of the company are located in Bydgoszcz, Warsaw, Wrocław, Gdańsk, Toruń, Łódź, Cracow and Rzeszów. There are circa 5,000 employees. According to the ranking Great Place to Work, Atos is among the Best Places to Work in Poland. More information: [kariera.pl.atos.net](http://kariera.pl.atos.net)



Photo: Marek Damikowski/foto077.pl

# Are you implementing SCRUM in your company? Don't miss it!

The interview with Hans deVries, Project Management and Agile expert and instructor at MT&DC, conducted by Szymon Pawłowski

**Why do some companies face challenges or even have problems when they introduce Agile Project Management with SCRUM?**

Scrum is a framework that allows an organization to improve their project development and delivery significantly. In order to achieve that it requires most organizations to change their approach towards software development. A cultural change is needed in the way requirements are gathered, no longer all upfront, but when they are perceived to add value to the actual development effort that will deliver actual value to the end user. Many organizations are either not aware nor willing to change that approach and try to

implement Agile Scrum on top of an existing Waterfall approach. If not done carefully many organizations fall back to what they know best (e.g. waterfall) and assume that Agile is not for them.

The close and frequent interaction of the "product owner" with the team is another factor that Scrum brings to the table.

Many organizations neither have the enough people nor the right people to become product owners to work closely with the project resulting in the creation of proxy product owners who do not have the right authority and knowledge to guide the Scrum teams to success.

**What are your golden recommendations for C-suits when they think of "going Agile"?**

Any executive who is evaluating different software development approaches needs to consider the impact that "going Agile" is going to have on their whole organization. The required changes to the current approaches (JIT requirements, time boxing, daily Standups, early deliveries and value driven approaches) are relatively easy applied to a small group of projects.

It is therefore recommended to start with a set of small to medium size projects to allow the organization to learn what it means to be running Agile projects and develop a core group of knowledgeable resources who can spread the knowledge and experiences with other (new) groups.

Make sure to set the right expectations and allow teams to learn from their initial "mistakes". Agile is considered to be an adaptive approach and that means that we learn as we go and get better along the way.



**Are there specific business sectors which can easier adopt an Agile SCRUM approach for managing projects?**

In theory Agile Scrum can be applied to any project in any business sector. Research has proven however that small to medium size projects that develop online applications for tablets and smart phones are very successful in the Scrum world.

Many financial institutions are heavily investing in Agile approaches since new organizations that have built a flexible development and deployment models are gaining ground in their ability to deliver financial applications.

Many large Federal Agencies are adopting Agile due to budget cuts and the need to deliver quicker.

**What are the most important responsibilities of a SCRUM Master and how it is different from a traditional Project Manager?**

A Scrum Master is a full time facilitator who can handle 1-3 teams and is as a minimum responsible for organizing meetings (ceremonies), enforcing time-boxes and responding to reported impediments. Additional responsibilities for a Scrum Master are:

- Improving Product Owner effectiveness by finding ways to (better) maintain the Product Backlog and Release Plan.
- Working with the team to ensure they follow the Scrum guidelines but also ensure that the team is working well together and provide assistance in many project related areas like Sprint goals, Scrum Boards and Task boards. As well as assistance in the development of Stories and writing tasks
- Validate Engineering practices, using continuous integration, balancing end-to-end test and automated Unit Tests.
- Check on inter-team communication (Scrum of Scrums), are you creating a learning organization.

A traditional Project Manager has the ultimate responsibility to deliver a project as defined by the scope of the project. The traditional project manager is directing the team on who does what and when. A Scrum

Master works with a self-organizing team in a servant leader role and is really the facilitator to assist the team in achieving their goals. A Scrum Master may never commit to work to be done by the team.

**From your personal experience what are the best practices to utilize the product owner role to deliver better product?**

The Scrum product owner is typically a project's key stakeholder. Part of the product owner responsibilities is to have a vision of what he or she wishes to build, and convey that vision to the scrum team. This is key to successfully starting any agile software development project. The agile product owner does this in part through the product backlog, which is a prioritized features list for the product.

The product owner is commonly a lead user of the system or someone from marketing, product management or anyone with a solid understanding of users, the market place, the competition and of future trends for the domain or type of system being developed.

This, of course, varies tremendously based on whether the team is developing commercial software, software for internal use, hardware or some other type of product. The key is that the person in the product owner role needs to have a vision for what is to be built.

Although the agile PO prioritizes the product backlog during the sprint planning meeting, the team selects the amount of work they believe they can do during each sprint, and how many sprints will be required.

The product owner does not get to say, "We have four sprints left, therefore you must do one-fourth of the product backlog this sprint." The Scrum product owner's job is to motivate the team with a clear, elevating goal. Team members know best what they are capable of, and so they select which user stories from the top of the product backlog they can commit to delivering during any sprint.

In return for the Scrum team's commitment to completing the selected user stories from the top of the product backlog, the product owner makes a reciprocal commitment to not throw new requirements at the team during the sprint. Requirements are allowed to change (and change is encouraged) but

only outside the sprint. Once the team starts on a sprint, it remains maniacally focused on the goal of that sprint.

The product owner role requires an individual with certain skills and traits, including availability, business savvy and communication skills. First, the Scrum product owner needs to be available to his or her team. The best product owners show commitment by doing whatever is necessary to build the best product possible – and that means being actively engaged with their teams.

Business savvy is important for the agile product owner because he or she is the decision maker regarding what features the product will have. That means, the agile PO should understand the market, the customer and the business in order to make sound decisions.

Finally, communication is a large part of the product owner responsibilities. The product owner role requires working closely with key stakeholders throughout the organization and beyond, so he or she must be able to communicate different messages to different people about the project at any given time. ■■■



**Hans deVries**

MS, MBA, PMP, CSM

More than 20 years' experience as Project Manager / Program Manager / Scrum Master with proven success utilizing Project Management methodologies (Waterfall, Scrum and Kanban) to develop and implement large IT Programs in such companies as: Intel, Philip Morris, Capgemini, Capital One, NTT Data, Verizon Enterprise Solutions. Over 15 years' experience implementing and supporting SAP. Extensive experience with Web development and Program and Project Financials and in building and directing (IT)-project teams and implementing solutions on a global scale (on-shore and off-shore). Knowledgeable Project Management Instructor (PMP and Agile/Scrum classes) in the USA, Canada, Africa, South America and Europe. In Poland he cooperates with Management Training and Development Center (MT&DC) as a senior Agile instructor and an author of several Agile workshops.



From right: Paweł Łojaszczyk, Chairman of the Management Board at ABB Poland, Country Managing Director; Agnieszka Skalska, Local OPEX PMO Leader & Chief OPEX Project Manager; Aleksander Sosnowski, Country IS Manager, Country Quality & Operational Excellence Manager, Country Sustainability Controller

Photo: Obiektywni, ABB

## How to carry out a successful project?

Agnieszka Skalska

"The one who has no sense of perfection, is satisfied with peaceful mediocrity" as painter Paul Cézanne once said. That sentence can easily be moved into business reality. Recent changes, continuous improvement and operational excellence is giving power to growth, better profitability and making the business environment more efficient and pleasant for everyone.

That is why in 2013, ABB, a global leader in power and automation technologies, launched the project, 'Operational Excellence in Project Management (OPEX PM)'. The project lasted 1.5 years, its results and achievements exceeded everybody's expectations, as **Mirośław Mirośławski**, Project Sponsor and CFO of ABB in Poland said: – During months of work we conducted a far-reaching standardization of Project Manager function strengthening its position in the organization.

– It is also seen in our business results – said **Agnieszka Skalska**, Project Manager of OPEX PM. Finally, the customer satisfaction score (NPS) increased more than 23 p.p. and

the amount of Customer Complaints (CCRP) decreased by approximately 54 p.p. The Managing Director of ABB in Poland, **Paweł Łojaszczyk** summarized the project justification in a perfect way: – The best promotion to the customer is a well executed project.

The OPEX PM project received ABB's CEO Excellence Award in 2014 and it was also given an award by the Project Management Institute Poland Chapter (PMI PC) in 2015 and gained the title "Project of The Year". Both awards confirm that OPEX PM project team have made significant contributions to Operational Excellence in ABB by implementing recognizable improvements to the business and that the project was executed in accordance with global trends in project management.

### Project Organization

OPEX PM was a cross functional project conducted in a strong matrix organization. ABB in Poland has approximately 4200 em-

ployees and is organized into four Divisions which in turn, are made up of specific business units focused on particular industries and product categories. Elements such as cultural complexity, wide project scope and the necessity of the involvement of many individuals from all organization levels created a lot of challenges in the implementation phase. The direct project team involved 35 people and another 130 project stakeholders.

The project was divided into six main themes:

- Training and Certification of Project Managers,
- Control of Qualifications of Project Managers,
- Implementation of Project Management Standard,
- IT Project Management Tools,
- Organization of Project Management Communities in ABB,
- Building of Project Management Awareness.

These themes were crucial in the proper identification of core issues. By the root cause analysis we reached the core of obstacles and eliminated them entirely. ABB distinguished four groups of Project Managers, but during the project we focused only on Business Project Managers who lead, manage or contribute to ABB customer projects.





Photo: ABB; Project of The Year Award for ABB

## What did we do differently?

There are a limited amount of global project management standards so it is impossible to figure out a completely new attitude for conducting projects by keeping the methodology simple and easy to apply on a daily basis. So we haven't reinvented the wheel but we implemented project management standards in a very innovative way that added real value to the company and its customers. The following **3 elements we always kept in our minds: people, processes and value added.** We combined the PMI standard with the 'real-life' experience of our people during eight two-days workshops. We gathered around one table people who are involved in project execution or have something in common: project managers, sales, SCM, logistics, service specialists, financial controllers engineers, sales technical support, order handling and quality managers from all BU's and we discussed every activity, responsibilities, tools, triggers and expected outputs. The workshops also had a hidden goal – building awareness of project management and making the people owners of that solution. Finally, we spent 128 hours together on workshops, we elaborated 10 products which helped to implement the final solution, we created 51 process maps with tailored processes, taking into account the nature of the BU's/Divisions work, we described and agreed on 723 activities with RACI and nominated 7 process owners (Local Division PM Champion) which will help to implement the process within their units and we did it all without involving any external consultants. All our findings were summarized in a 10-

page procedure which is quite good compared to other available standards.

Having one common project management standard is a good start but it is not enough to ensure that people will start using it. That is why since the very beginning of the project we built people's accountability around the project results to show how to overcome the obstacles, excuses and biases that keep them from getting the results they want. We applied the "OZ Principle" and that helped us to 'see' the reality and face organizational challenges. Then to take ownership of everything that we learnt about ourselves and accept it ('own it'). Such reflection led us to look for organizational improvements ('solve it') and encourage others to follow and support the project's result ('do it'). Another key factor contributing to the project success was the fact that we linked technical project management with a pinch of leadership and a structured process for leading the people-side of change (change management). Prosci studies showed that projects using effective change management processes and tools had a much higher probability of achieving their objectives, finishing on time and staying on budget. That is also what we fully confirmed and what OPEX PM project is proving. We ran the change management programme to help the employees go through the transition process, move to new job functions and decrease their resistance to change. To sustain the change, we created two new roles in the organization: Local Division PM Champion and OPEX PM Leader who were responsible for keeping the project results in the organization.

## How does the project support the organization in building market advantages?

Implementing ABB customer projects on-time, on-budget and within the expected quality, are key elements that have a significant impact on building competitive advantages of ABB. Thanks to the OPEX PM project, the company gained an image of a reliable and credible business partner. The level of customer satisfaction increased significantly and is reflected in the NPS, but also in renewing orders or in receiving new contracts from new customers. The company has become "more perfect" internally what can be seen in the lowering costs of operations and the ability to lead more projects in parallel. We

have learned how to plan and manage risks, which eliminates most of the issues before they appear. We are using global standards and practices of Project Management to be in the lead. Employees are more satisfied with their tasks because they have clearly defined roles and responsibilities. Regardless of the BU's that are implementing the project, we are presenting the same values to our customers and the imperative "One of ABB" is visible outside the Company. To sum up, the successful implementation of the OPEX PM project in ABB, improved operating efficiency, positively influenced the trust of our customers and most importantly – the project management mindset has appeared in the organizational DNA.

## Why was the OPEX PM project such a success?

Firstly, the project management was linked with change management. Secondly, we created an open atmosphere for communication and provided frequent bottom-up and top-down communication. Another very important thing was commitment and a highly motivated and engaged team. All organizational levels including the Board supported the project and promoted the project's decisions. Finally, the project had an active and visible Project Sponsor. – Although the project is finished, the most difficult part is in front of us – to maintain implemented changes and ensure that people will not return to their old working habits – Agnieszka Skalska said.



**Agnieszka Skalska**

Project Management Professional (PMP) and PRINCE2 Practitioner (P2P). Project Management Institute member and volunteer. Experienced Project Manager, Speaker and Mentor. So far completed 13 projects for publishing, IT, financial, electric power and electrical equipment industries. Interested in soft aspects of change management and getting results through individual and organizational accountability. Since 2016 responsible for Enactus Program in Project Management Institute (PMI). When she is not working, she is travelling around the world.



Photo: David Kaliszowski Photo

## Leading Projects in Turbulent Times

An interview with Ricardo Vargas, 11th International PMI PC Congress Keynote Speaker, by Justyna Jakubów

**During the 11th International PMI Poland Chapter Congress you gave a speech titled "Leading Projects in Turbulent Times". Why did you choose this topic?**

I decided to talk about leadership in this moment because I think this is one of the things that are missing most of the time when we are leading. We usually tend to see this turbulence as an external factor that we have no control over. But in reality we can make a very proactive approach when we are talking about leadership in this kind of projects, so you can change the way you plan, you can change the way you behave in order to address this turbulence.

There are ways of how you lead and deliver in this turbulent times and this is very common that people attribute the figure of the projects in this kind of environment to the turbulence, and if we do that, then no project will be successful anywhere or anytime when there is a turbulence.

**How often do you face volatility in projects?**

I think that the volatility is increasing dramatically over time. We are seeing things changing on the political landscape, on the social landscape, on the business landscape.

**Which changes do you consider the most severe or risky for projects?**

For example, if you have international projects, so I'm talking about volatility in the way countries accept their international products, international goods and services, the movement around the working force, the changes in the workforce, so people are leaving the job, people feel much less committed. Sorry, I don't want to use the word commitment, but for example if they find a better job, they just go for it. They don't have this commitment "Oh, do I need to stay forever

here because there is a problem". So it is very easy to see this volatility.

**Are nowadays Project Managers able to face changes in their projects?**

I have my doubts. I think some yes, but the vast majority are still with the mindset of fixed environment. And this is not the fact that we are facing today.

**What skills should they develop to successfully face the increasing complexity and instability of projects?**

First, it's the ability to recognize the change fast and take decisions. And not complain or not question why does this change exist. So it's absorb the change and move on. A lot of people are still attached to the past. Instead of moving on the change process they stay and remain on the denial of the change. And then when they realize it, most of the time it is too late to recover the project.

**What was the biggest challenge caused by volatility that you came across while managing projects?**

I cannot say one, but several projects that I did for the UN they were facing volatility.





I'm talking about volatility coming from the war, coming from starvation, coming from violence, so we had to develop a very different and very quick process to absorb and change, because this challenge is permanent. I'm talking about the conflict in Syria and the way we supported Syria, the conflicts in Iraq, the situation in Afghanistan, so all very, very complex environments in terms of security, in terms of logistics. For example when you say I need to find, to connect two water fountains, maybe in Poland or maybe in Brazil, or in Denmark it's very easy, but when you are in very challenging places this means maybe to travel of 500-600-800 km in the middle of war conflict zones. So it's very challenging environment. And this requires you to change your mindset.

#### **What would you recommend to Project Managers who frequently face challenges in their projects?**

First, to internalize that change is part of the business, that change is not something abnormal. Now, today, volatility, instability and turbulence is a part of the business. It is something like the 11<sup>th</sup> knowledge area of PMI: turbulence and change. So, don't think that this is something abnormal, because this is now the reality.

#### **During your career, you have run projects in many countries and cultures around the world. Whether and how project multiculturalism affects project's complexity and volatility?**

First, multicultural environment affects complexity. I'm not saying that it increases complexity, but when you work in the multicultural environment you need to be prepared to understand what is right, what is wrong, and how to approach things. They are not mathematical answers, they are subjective answers, people understand problems in different ways. The biggest advice I can give when we are talking about multicultural environments is: first, you need to respect the diversity and second, respect does not mean to alienate yourself or annul yourself. It means: "I respect your opinion and I expect that you respect my opinion." You know, in a situation when you cancel your feelings just because you want to be nice and politically right. No. You respect all the difference, but at the same time you affirm what your principles are. And this will help a lot.

If I can tell one of the most valuable experiences I had in my whole life with the UN, during the 4 years I was at the UN, was exactly this environment. This environment

is priceless. Because you gain another dimension about life, about work and about teamwork. It's very easy to work with everybody that you know, that work together. And it's not so easy to work in an environment where people think different, they act different but in a very cordially respectful manner. ■■■



**Ricardo Vargas**

A specialist in project, portfolio and risk management with over 15 years' experience in the energy, infrastructure, telecommunications, information technology and finance sectors. He is the first Latin American to be elected Chairman of the Board of the Project Management Institute (PMI), the world's largest project management organization. He is a chemical engineer and holds a Master's from the Federal University of Minas Gerais and certificates from George Washington University, Harvard Law School and Massachusetts Institute of Technology.

# Coaching with Feedback – Helping Your Team Members to Grow

Agnieszka Maria Gasperini,  
PMP, PMI-ACP,  
SDI level2



Photo: Fotolia.com

“ Outstanding leaders go out of their way to boost self-esteem of their personnel. If people believe in themselves, it's amazing what they can accomplish.

Sam Walton

As a Leader, one of the most important roles is to coach the team to do their best as a team and individual. By doing this, Leader will help them make better decisions, solve problems, learn new skills and otherwise progress their careers. When Leaders coach their team members, this may or may not apply. It's more powerful for people to draw conclusions for themselves, rather than having these conclusions thrust upon them. On the other side, a team leader will often have expert knowledge to offer. It's the daily job to guide team members to make decisions that are best for them.

## Coaching – overview

The coaching field is the result of the convergence of several developmental strands dating back as far as the 1950's (report Results Coaching System). However, it is only in recent times that coaching has been recognized as forming a largely cohesive set of principles, knowledge and skills. The emergence of coaching as a popular profession began in the United States in the late 1980's. Since this time the proliferation of

coach training schools, close to 100 in the USA for example, and the establishment of the International Coach Federation (ICF) has led to a dramatic increase in the numbers of professional coaches worldwide. Formed in 1995, today the International Coach Federation (ICF) is the leading global organization, with more than 20,000 members (December 2012), dedicated to advancing the coaching profession by setting high professional standards, providing independent certification, and building a network of credentialed coaches (ICF website).

## Researches about Coaching

There are interesting insights from researches made by American Management Association presented in *Coaching – A Global Study of Successful Practices*: Coaching is associated with higher performance & Coaching is primarily aimed at boosting individual performance.

## Boosting Employee Engagement

Employees who receive coaching are often successful senior leaders who are facing career challenges as a result of organizational or industry changes. Many experts agree that a plan to capitalize on executives' strengths – what got them to positions of prominence in the first place – is more useful than to

focus on shortfalls (Buckingham & Clifton, 2001). So, it is not so surprising that “boosting employee engagement” is cited by about 41% of respondents as the purpose for which their organizations use coaching. Clearly, the stigma of coaching as a consequence for poor performance is changing, as evidenced by the fact that almost as many respondents view coaching as an engagement tool as they do a way to address workplace problems.

## Coaching & Feedback

**Coaching** is a useful way of developing people's skills and abilities, and of boosting performance. It can also help deal with issues and challenges before they become major problems. A coaching session will typically take place as a conversation between the coach and the coachee (person being coached), and it focuses on helping the coachee discover answers for themselves. After all, people are much more likely to engage with solutions that they have come up with themselves, rather than those that are forced upon them. Coaching can be a better way of helping people view their own actions and reactions objectively, so it's useful for helping people to build self-awareness. Developing self-awareness is important for better relationships and for a more fulfilling life, both in the workplace and at home. With a good understanding of how we relate to others, we can adjust our



behavior so that we deal with them positively. By understanding what upsets us, we can improve our self-control. And by understanding our weaknesses, we can learn how to manage them, and reach our goals despite them.

**Feedback** is information about an observed behavior that can be either appreciation or constructive. It's like holding a mirror up to your employee so he or she can see what impact a specific behavior is having, and when a change in behavior will lead to better results. Employees want to hear how they are doing and providing them with regular coaching and feedback will keep employees engaged and motivated and can increase their job satisfaction.

Feedback can be incredibly useful if people want to grow. The purpose of giving feedback is to improve the situation of performance. Similar to coaching, feedback should be part of day-to-day interaction with employees. Give feedback whenever an employee:

- Does something that is particularly "right."
- Seems to be doing something that is not quite "right" given the performance objectives and goals you've established.
- Does something that has an impact – positive or negative – on others.
- Could be doing something different to create greater or more positive impact.

**Coaching uses the feedback process** to direct and redirect work efforts and behavior.

Coaching provides this direction in the context of a relationship wherein the manager attempts to help the employee reach their full potential. Most Leaders are aware that the way they coach can play big role in ensuring their team's success. But, when it comes to giving feedback, many don't know how to

coach, and simply resort to telling others how to improve which isn't coaching.

**Combining coaching and feedback is a powerful way of motivating people to improve their performance.** Used wisely and with skill, coaching based feedback can help people reach their potential. Ongoing feedback and coaching is used to reinforce appropriate behavior, to teach the employee new skills, to motivate employee to pursue higher levels of performance, to mentor employees, as well as to correct performance deficiencies.

## The GROW MODEL – model for coaching session

The GROW Model is a simple powerful framework for structuring any coaching sessions. The model was originally developed in the 1980's by Sir John Whitmore.

The GROW Model is a simple four-step process that helps you structure coaching sessions with team members.

**GROW is acronym** that stands for: **G – Goal; R – Reality; O – Options; W – Will.** A good way of thinking about the GROW Model is to think about how you'd plan a journey.

First, you decide where you are going (GOAL), and establish where you currently are (REALITY). Then you explore various routes (OPTIONS) to your destination. In the final step, you ensure that you're committed (WILL) to making the journey and are prepared for the obstacles that you could meet on the way.

### GROW questions:

**Goal** What would you like to happen?  
How would you like it to be?  
How would it look three months from now?

**Reality** How important is this to you?  
How do you feel about this?  
What will you do differently now?

**Options** What steps could you take?  
Is there anything else?

**Will** What will you do about this?  
How will you do that?

## Conclusion

Coaching can be a better way of helping people view their own actions and reactions objectively so it's useful for helping people to build self-awareness and grow.

What the coach can bring to the learning experience is insight, a desire to help, genuine concern, and feedback.

- Coaching involves a coach who cares very deeply about the welfare and success of another person.
- An effective coach uses a wide variety of behaviors to challenge, support, encourage, enable, guide, and shape the thoughts and actions of the person being coached.
- The aim of the coach is to be there when needed but also to know when it's time for the person being coached to step out on his or her own.
- People learn from trying and from making mistakes.
- Never forget the value of offering genuine, sincere appreciative feedback and coaching. ■■■

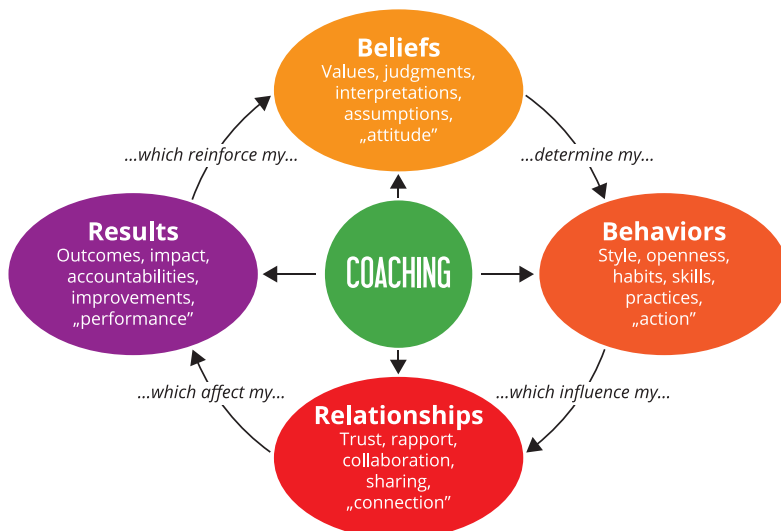


Exhibit 1. Thomas G. Grane "The Heart of Coaching".



**Agnieszka Gasperini**

Managing Director EMEA, Practical Thinking Group. Project Manager (PMP & ACP) with over 18- years of experience in multi-international projects and knowledge of 6 languages. Serves as interim Project Manager and Leader for international clients in diverse industries. Provides strategic and tactical aid with all aspects of projects including selecting and securing optimal EU assistance programme, Project Management, employee training and coaching. One of the PMI PC Founder (2002 year), she served as the President of PMI Poland Chapter. Currently, a part of PMI GOC (Global Operational Center), as PMI Region Mentor for Central Europe. International speaker presenting around the world about Leadership and Project Management.



Source: Harley Lovegrove

## Can Project Manager be effective Change Manager?

The interview with Harley Lovegrove conducted by Katarzyna Schaefer.

**Could you tell us a couple of words how you started your journey with project management?**

I started my first business when I was 21 in the high-fi world, designing loudspeakers. I have set up a number of companies over the years. Some people called me a serial entrepreneur because I've done and run so many companies and worked in so many different industries. At a certain point in my career, when I was running a fast growing international company, I suddenly realized that actually everything we do in business that is new is in fact a kind of project: Be it developing a new product, creating a new service, working for a new kind of client, in a new sector.

In the early 2000's I spent much of my time trying to fix broken software IT com-

panies, trying to save them from bankruptcy and finding innovative ways to make them profitable for their shareholders. I was called in as a problem solver which often involved having to cut them up in order to make them profitable. What I did was to ask myself three basic questions: 1) What's the problem we're trying to solve? 2) How do we know when it's solved? 3) What should be the difference between the organization today and in six months' time or a year.

Then I looked at these three questions as the basis of a project. For example, if we imagine that there is little or no new orders coming in, we could be fooled into thinking that the problem is that we need 1 million € revenue because we have costs of a 1 million €. But this is totally wrong. I mean what is the problem here? The product, the

service, the market, the sales person, production, supply chain. And just because we have costs of one million, that's just a given fact. Maybe we need 10 million € to be sustainable, or maybe the company is not worth saving because its business case makes no sense.

The project is defined as what is the problem we're trying to solve? How do we know when it is solved? At that point solving the problem becomes the project. What do we need to do to achieve this? How much will it take? How will it cost? What are the risks? What are the challenges? What if we don't do the project? What if we do the project?

Then I invented a very straightforward methodology of my own. I studied Prince2 and I looked at PMI but implementing these great guidelines and methodologies into companies from scratch takes a great deal of time and effort, and more often than not, (especially in broken companies) we just don't have that. So I invented a very simplified version based around my key questions that could be explained in just a few hours and implemented almost immediately. I come in in the morning and together with the leadership team we could brain storm in a very unique way so that by the next day we could start structuring and even implementing a project. So that was really how I started working as a director/interim manager trying to fix their

problems. And when the problem is fixed I could step out knowing that the root cause is solved and the business could run on its own again.

### **What does good project management mean for you?**

Ensuring that we solve the root cause and deliver a working, sustainable solution. And not to focus solely on the symptoms of a problem. Imagine that I have a bad cold and I am feeling very ill and cannot work. Taking a pill to relieve the symptoms is not much use. In fact I will just make everyone else sick. What I must do is go home, do nothing except sleep and drink water and fruit and the root problem will go away and the symptoms too.

A lot of time in real life we're dealing with symptoms (the runny noses, the headaches etc.) and not with the real root causes. If the sales guy is not bringing enough sales, you kick out the sales guy, and bring another. But more often than not, the sales guy is not the problem. The real problem could be (for example) that the quality of the product is not good or even if it is good and you increase sales – what if production can't follow and your quality collapses?

Life is far more complex than we like to think. And it is constantly changing. What was OK as a fix five years ago maybe totally out dated today. And this is the basis of my first book *Making a difference*. If you gonna make a difference you've got to solve the root core problem. And you do that by working in a logical and efficient way, all the time motivating others around you to play their part.

All this doesn't mean there is no room for PMI. If you've got Project Managers working in a company it's really great if you have somebody who is really experienced Project Manager who knows lots of methodologies: STLS, Waterfall, Agile etc. They can choose what is correct for the situation. But if you go for an operation you don't expect the surgeon to explain how exactly she's going to do it, you just want to know that you will still be able to play the piano again afterwards. That's kind of how I feel about project management. It's ok for project managers to talk about project management methodologies etc between each other but not with their clients. They are interested in what the project can and will do for their businesses.

Whatever needs to be done. If you need to make high level plan, you make high level

plan. If you need to prepare risk analysis, you make one. You don't need to go on and on to your client I need to make risk analysis. Just do it! And you say to the client: I've been considering the risks: what if it rains on our family fun day, we'll need a tent? So please do not bore them by talking about methodology and how you are going to do something, talk about why you need to do it. If I have to say why we need project management I just say "because good project management allows us to solve complex problems and achieve things in much simpler and more efficient way and that applies with everything."

### **You mentioned it's not your first conference organized by Project Management Institute you've been involved. How did you get involved with PMI?**

Quite simple. I wrote my first book and I wanted to promote it. I was given the chance to present Keynote Speech. Everybody loved it so I have been invited back nearly every year ever since. I gave my first speech on finding "Hidden Agenda". Since then I got to know people from PMI. Some of my employees are PMI people. I like interacting with them. I like meeting new people and showing them another way of working.

**I've been involved with PMI for three years. Based on my experience it gives you an opportunity to build your career, meet enthusiastic people, travel the world and more. It is sometimes a challenge to encourage more people and show them the value of getting involved with PMI. Unless you try it on your own.**

Ok, it's absolutely right. If we make a parallel between PMI and the church.

### **Laugh...**

Why not?! People who go to church go there for very various reasons. Imagine someone who has never been to church in his life before and his wife dies, he's very unhappy. Someone comes and says: Why don't you come to church? He goes to church because he's very unhappy, he's feeling lonely. Actually fundamentally he's going to church to meet people. If he goes to church and in the first meeting after church, people start discussing the rules of religion and the mystery of faith, he may never come back again. But if you give him a cup of coffee and a hug maybe he'll stay.

PMI is exactly the same. It's like a church. It's a group of people worldwide facing similar problems, similar challenges in their lives, in their work or careers. PMI set out a kind of framework and if you follow that framework the chances of success are higher privately for you and also for your employer.

If I gave my people a language to communicate ideas and concepts just like religious people do in the Koran or the Bible. We refer to the PMBOK as the bible sometimes. The PMBOK needs to be rewritten. It doesn't make sense any more. In 1960 and 1970 it made perfect sense but it doesn't make much sense any more. There are elements which are really basic elements as Plan-Do-Check-Act. However it doesn't really help a manager of a small company to develop their products quicker. That's why we have all those other things like Six Sigma and other methodologies being built because PMI as a methodology is actually not working. At the same time starting as a group of people who come to discuss the problems they have in their own companies, it's grown to worldwide organization. PMI is very, very useful. When I talk at PMI events I meet interesting people. I hopefully inspire them to find a new development and to help to actually improve the PMI.

So when you want to attract more people don't talk about the what's and the how's but about the why's. I joined PMI because it's great bunch of people and we have a real laugh. It gives me a chance to travel the world and I've learned these new skills which I can find useful in my career. To talk about why project management is so much fun.

I love projects, especially when they are very complex and have a very tight timeframe. 'Doing the seemingly impossible' is what gives me and my teams a buzz. Somehow they tend to just land on my desk. But by learning how to tackle these things you realize you can do it and that it's great fun! No matter if it is organizing a party in the open air in June, or developing a new product or type of car, or moving offices, or merging two radically different companies. What you soon learn, it's the people bit that is the most important and the most challenging. That's why I wrote *The Change Manager's Handbook*. Because good change management lies behind all great projects. And when you have a good people experience then project management is the best job in the world.

**During your Keynote Speech at New Trends in Project Management Conference 2016**





**you'll be talking about change management. At which point in your life did you get interested in change management? What was the driving force?**

Basically I'm a very good persuader. I think if I set my mind to it, I could persuade you to get on a plane, come over to Brussels and work with me for six months. People tell me I am a good persuader. Then I meet other people who are not good persuaders. They have a lot of problems trying to get people to behave and do things in a way that they do not want to do, at first, and we call that change management. With some people it comes more naturally than others. That's why I wrote the book because you do not have to be like me, you just have to understand the principles and find your own way of utilizing them. I wrote the book like a cookery book so that everyone can understand and follow the principles of change management. What's more I give them loads of templates and tools that they can download so they can get right on with it, right away.



At a certain point I had the company with 30 people working with me. Some of them were useless in getting people to do things, they were great analysts but not inspirers. So I started thinking about what it is that I'm doing that inspires people to adapt to change. By knowing this, I could begin to coach others to do the same. Not necessarily like I do but to learn the processes and do it in their own way. Because there are many quiet, gentle people who are brilliant at getting you to do things. Some good projects managers can make good change managers and others can't. What ever happens, you have to make sure that in your team you always have people who have the skills needed for the task ahead.

**So is it possible for a person who is specialized in particular field to become a project manager in completely different field?**

Absolutely it is and it's even a benefit. I even encourage our clients not take on a project manager with experience in the sector they are in because they don't need experts as project managers. They probably have loads of them in their companies already. They need project managers who know the problem they're trying to solve and how best to go about it.

**In your opinion which qualities make a good change manager?**

Excellent communication skills, creative thinking capability, good persuasion skills, two big ears to listen to others and

understand where they are coming from. Extremely high EQ, the ability to work in the background, confidence to challenge things, willingness to coach and be coached, good planner, good strategist, good timer, good leader, good analyst.

**You've highlighted all the strengths change manager should possess. What do you think the biggest challenge is in implementing change management nowadays?**

The biggest challenge in implementing change management is normally to put into words the 'why' so that your client can sell the change to their people. The big challenge is not to see change management as some kind of arty and philosophical thing but something pragmatic that helps organizations to achieve the changes they want to achieve much quicker they did before.

**Thank you so much for inspiring talk. I look forward to meeting you in person.** ■■■



**Harley Lovegrove**

Serial entrepreneur who set up his first business at the age of 21. He is the author of four books (*Making a Difference*, *Inspirational Leadership*, *Transition*, *The Change Manager's Handbook*). He is also a blogger and professional speaker. Harley's career has lead him to work in a wide variety of businesses from the building industry to high technology, manufacturing, clothing, photography, petro-chemical and transport.

Today he is the Chairman of The Bayard Partnership, a group practice of freelance professionals that includes a large percentage of Project and Change Managers. With offices in the UK and in Belgium, The Partnership is growing across borders and has set its sights on also reaching out into The Netherlands and Germany, to name but two.

Harley's hobbies include running the charity Young Belgian Talent, long distance motorcycle riding and co running a high end loudspeaker manufacturing company Pearl Acoustics Ltd.

See more at:  
[www.Thechangemanagershandbook.com](http://www.Thechangemanagershandbook.com)  
[www.bayardpartnership.com](http://www.bayardpartnership.com)  
[www.makingadifference.be](http://www.makingadifference.be)  
[www.harleylovegrove.com](http://www.harleylovegrove.com)



Source: Fotolia.com

## I'm Ethical – Are You?

It Depends on How You Look At It

Michael O'Brochta, PMI-ACP, PMP

I would like to provoke some critical thinking by claiming that I am ethical and, then by asking if you are. This simple statement and question can lead to complex considerations. For example, recently while attending an event with two dozen professionals, I asked each person to use a five-point scale to score their own ethical behavior and, then, to score his/her perception of the ethical behavior of others in their profession; five points was the most ethical. Interestingly, the average of the individual self-assessments for ethical behavior were quite high, an average of 4.5 on the scale. And, even more interestingly, the assessments of others in the profession were much lower, an average of 2.8 on the scale. Mind you, the same people giving themselves high ethical scores were being given much lower scores by their peers.



### How You Look At It

I have concluded that ethics is one of those subjects that can depend on how one looks at it; not unlike the duck versus rabbit conundrum illustrated in the picture. My conclusion stems from a lifelong interest in the subject of ethics; I am currently serving as the Chair of the Ethics Member Advisory Group for the Project Management Institute. My thinking

is that being ethical and being perceived as ethical are critical factors in project success; a successful project requires leadership, which requires followers, which requires trust, which requires ethical behavior.

### Cultural Influences

How people look at ethics is very much influenced by what life experiences they have had, what values they have adopted, what culture they have adopted, what their religious views are, what organization they work for, what profession they are in. For those of us in the project management profession, it is worth noting the findings from a study titled "The Ethical Enterprise," published in 2006 by the American Management Association, that found the number one reason for ethical compromise on projects was "pressure to meet unrealistic expectations." For some project managers, those unrealistic expectations involve overly optimistic schedules, increasing scope without commensurate resources, and responsibilities far in excess of authority. Recently, the Project Management Institute, together with QED Consulting, released an ethics survey focused on several of these very factors. I believe that spending 15 minutes to take the survey is a worthwhile use of time, and I encourage readers of this article to do so; it is available at: [www.projectmanagement.com/Practices/Ethics/](http://www.projectmanagement.com/Practices/Ethics/)

### Shades of Gray

Now, I want to acknowledge that relativistic views of ethics, where it depends on the way in which one looks at it, are not necessar-

ily true for all people or all situations. When push comes to shove, some find ethics to be more of a black and white affair, at least for certain situations. For them, little judgment is needed, and they can see their way clearly through ethical dilemmas. For me, shades of gray exist; and I am far from being alone. Joseph Grenny, when writing about his research in the January 8, 2014 edition of the *Harvard Business Review*, stated "two-thirds of respondents report regularly witnessing either minor or major ethical infractions." And "only half of those said they spoke up about the problem." It seems as if ethics is a gray area for many, if not, for most people.

### Help Available

To aid in cutting through the shades of gray, at least for members of the Project Management Institute, there is a Code of Ethics and Professional Conduct (Code) that members are required to follow. And, there is an Ethical Decision Making Framework (EDMF). That framework includes a five-step process for addressing ethical dilemmas and can be used to address conflicts within a team, as well as other conflicts. Moreover, leaders within the Project Management Institute, have access to an entire ethics toolkit that they can use to help promote ethics within their portions of the organization. The EDMF and the Ethics Code, which are published in eleven languages<sup>1</sup> and available to the public, as well as a host of other ethics resources, are available at: [www.pmi.org/ethics](http://www.pmi.org/ethics)

### Next Steps

So, let's think about ethics critically. Let's acknowledge that shades of gray exist for many of us much of the time. Let's help our project management profession by taking the ethics survey. And, let's help ourselves deal with ethical situations by abiding by the PMI Code of Ethics and Professional Conduct and by using the Ethical Decision Making Framework when we are confronted with ethical dilemmas. The way I see it, ethical behavior builds trust within the broad and diverse set of people upon which the project is dependent for success. That accumulated trust serves as the basis for effective leadership and project success. ■■■

1. Editors note: Already available in twelve languages - with Polish version which can also be found at [www.pmi.org.pl](http://www.pmi.org.pl)



**Michael O'Brochta**  
PMI-ACP, PMP

Chair of the PMI Ethics Member Advisory Group (EMAG) and president of Zozer Inc., Roanoke, Virginia, USA.





Photo: Fotolia.com

## Invest wisely

### Tip #1 on cross-cultural project teams

Monika Chutnik

My teammate Natalia seemed to have endless energy to chit chat on the phone with her colleagues from Spain. The atmosphere in the office seemed rather relaxed, and Natalia seemed to enjoy gossiping and letting the time flow. We were both running projects of organizing large scale learning and networking events, and at that time I was working for Germany. Needless to say, our project in Germany was already half way through with preparations, and we were getting to the point of discussing event details. Natalia was still enjoying herself...

...at least this was what I thought at that time. As the timeline was getting shorter, and the number of activities was increasing, so were the speed and stress levels. When it

came to difficult decisions and the moment when you need to push things through to get them running, I need to admit that there was hardly anyone as effective as Natalia was in making things happen. How come? By that time she knew precisely what time which people would come to the office, when someone was unavailable because they collect their child from a kindergarten, and who actually was the crucial person to take a decision. She had got to know the people from the Spanish organization, in and out. She had gathered the social capital – and now in the stressful time she was able to make the best use of this investment.

### A bit of cultural knowledge can do wonders

It became apparent that a bit of cross-cultural knowledge can do wonders. In my German project team, I was appreciated for reliability, planning, and attention to detail. Would these skills help me out if I was dropped into the Spanish project? Only if strongly combined with flexibility and the ability to build

relationships. Richard Gesteland, a seasoned international executive with thirty years of global management experience, author of a bestseller *Cross-Cultural Business Behavior – A Guide for Global Management*, highlights the difference between relationship-focused and deal-focused business cultures.

**Get an understanding what type of business culture your project stakeholders come from: deal or relationship focused.**

In deal-focused business cultures, people concentrate on what needs to be done, by when, and meeting what criteria. Who you cooperate with is perhaps a bit less important than whether a task gets done or not. Surely, email communication is popular and satisfactory, tables and charts are the favorite method of tracking project progress, and “reliable” is a word used to describe someone who delivers good quality on time. Direct communication is perceived as the most efficient, and there is little appreciation for small talk becoming long talk on personal matters. People tend to go straight to business. It is not necessary to know the person on a personal level to get things done. Some of deal-focused business cultures would be UK, Germany, Norway, or USA. Watch out: it would be very untrue to say that people from deal-focused cultures would not be interested to get to know you as a person. The trust grows in line with the time spent on working, i.e. completing tasks together. The more you



have experienced together, the stronger the bond between you, and the higher the respect and appreciation you would give to another person. When I joined an international team spread around EMEA, I set a call individually with every team member with the purpose to introduce myself and get to know them a bit. The phone call with my colleague Ansgar was the shortest of all; it might have taken less than 15 minutes. I did most of the talking. The only thing I learned about Ansgar at that time was how long he had been with the company, and what was his area of responsibility in the project. In fact, I learned little else about him afterwards. I don't even know whether he had any wife or kids – but I know that he always supported me on common deliveries, and that he was fully available for me with any advice or support I needed when I was taking over a large scale event program from another colleague of ours. In other words: the sooner you start working together, the faster you can become a good team because in deal-focused cultures trust is won through experience of mutual reliability. As a project manager, you would want to plan things ahead, get team members into action as soon as the plan is ready, and communicate precisely and directly about what needs to be done. Run your communication by email, is fast and efficient.

**In a task-focused business culture, let the team start working together as soon as the plan is ready, the trust is built through common working experience. Use email as a convenient way to communicate. In case of a problem, address it directly – it is fine to describe it in an email. “Reliable” is a word used to describe someone who delivers good quality on time.**

Relationship-focused business cultures seem to be governed by a different set of rules. First you need to know the people, only then you actually become able to cooperate. It is common to spend some time on getting to know each other before deciding on next steps. As a project manager, you would want to plan extra time for the get-to-know-each-other phase. It is necessary to create personal bonds among team members. Without developing relationships with other team members it is hardly possible to have any project run in a sustainable way. “Reliable” would be a word to describe someone who knows how to react to the issues I face, and is willing to help me. The personal connection has much more power than any list of tasks to complete. Needless to say, in relationship-focused business cultures timelines and deadlines would get adjusted to personal circumstances of team members, which does

not mean ignoring the timelines but flexibly adjusting them to the circumstances as they appear. You might have already guessed that your relationship-focused teammates would come from places like India and most Asia, Mediterranean, Middle East, South America, and Africa. Isn't it a bit surprising to see that this would mean the vast majority of the planet?

If you want to be successful in a relationship-focused environment, you might want to make your personal map of project stakeholders, and pick a few who would be crucial to the project success.

## Then, you start to invest

Trust gets derived from the time spent together, and the level of closeness created. A Polish colleague of mine collected his new Russian teammate from the airport. On the way to the office, he was told everything about her children, grandparents, her renovated flat, and current health issues of family members.

He was not ready to reciprocate with a similar story, and in fact he told me afterwards that he was shocked to hear some of the things. Why? He considered them far too private. But in relationship-focused business cultures, the more you disclose about yourself both on professional and on the private levels, the more opportunity you give to the other team member to have a feeling, a good understanding of who you are as a person, and the more trust can get created. Therefore, I would advise you to be ready to share some personal stories with your colleague from a relationship-focused country. It's up to you to decide what you want to share – just have something at hand!

Personalized communication is much more successful if it follows ‘personal’ channels: face to face meetings, phone calls, or at least chat. Email with others cc'd would be the least favorite and the least effective way to get to the next step. Therefore, if you plan a project meeting, it would be useful to plan a buffer for personal small talk in the beginning and to adjust your expectations about what realistically can be covered in the meeting time.

**In relationship-focused business cultures, plan enough time for the socializing phase. Use any opportunity for a face to face contact, and be ready to share personal stories with others. Trust gets derived from the time spent together, and the level of closeness created. Identify your key stakeholder and invest in building the relationship.**

In a production company where I have recently supported a team development project, Polish and Portuguese members of the leadership team kept convincing each other about “the right way” to approach appearing issues. Portuguese members of the team used every opportunity to highlight that personal face to face exchange is necessary to get a good understanding of any issue and it sometimes even allows solving the issue on the spot. Polish team members considered emails as an efficient way to communicate and could not understand the fuss around constantly “having 5 minutes face to face”.

## Address and Let the Team Decide

What would be the right solution for you if this was Your Project Team? My suggestion would be: let the people decide. Run a meeting where they can talk about what advantages they see of meeting face to face / emailing and why they would want to stick to this or the other option. As a result, you can all agree e.g. what types of issues should be best resolved which way, or perhaps which people need to be approached in which way (email/face to face) so that you can get what you need from them. There “right way” is right for a specific team and always gets negotiated by team members themselves. They are wise enough to decide what suits them best. ■■■



*Deal- And Relationship-Focused Cultures. Source: TargetMap.com*



**Monika Chutnik**

Leadership & Cross-Cultural Consultant, Leadership Coach, Monika keeps on transforming diversity of people into effectiveness of a team. She ran people development projects in 14 countries as well as virtually, for groups from all over the world. Managing Director of ETTA Global Leadership Consulting, a top people development company in international and cross-cultural cooperation in business. Holds Project Managers in high regard and takes delight in facilitating success of their teams.



Source: TenStep Polska

# PMOs should speak the language of business

Interview with J. Kent Crawford, the founder and CEO of PM Solutions, expert and author of many books and articles on the strategic aspects of project management

The main subject of 2013 PMO Symposium was the connection between PMOs and strategic management and planning. But because project management originates from technical fields, from heavy industries and engineering, in years past it has not been linked with strategic management. Project managers and PMO staff have not been involved in strategic planning and management. Don't you think it's too big a gap for the PMO to become a kind of strategy management office?

Well, I think the challenge is that there is a gap on many fronts. Organizational strategy is generated from vision, mission, goals and objectives. The organization that deals with strategy goals and objectives is a strategy office, and may report to the CEO.

But then there remains a huge gap between development the strategy and actually executing a strategy to deliver results. Project management covers a part of that; it covers the execution of the project we chartered, through to its conclusion.

Project management really doesn't cover the conversion of the strategy into what a project should look like. It doesn't cover the business

case of the strategy or incorporating it into the portfolio, so that's a big gap.

The other gap that is not covered by project management or the *PMBOK® Guide* is post-closure of the project – benefits realisation. Between the elements of initiating strategy execution and benefits realisation there's a huge gap that most organizations are not dealing with effectively. And that is where I think the PMO plays a very, very crucial role. Whatever we call it, whether „project management office“ is a right term or not – and there are probably many other terms we could use – I think it really covers that gap well. Because a project management and PMOs are an execution arm and not necessarily strategy formulation arm..

**In last year's PM Solutions report about project portfolio management, there was the data that in only 30% of companies that do project portfolio management, the PMO is in charge of portfolio management. So, there are other corporate entities that do portfolio management.**

Well, it was only 30% but that was double the percentage that had a PMO involved in portfolio

management in the previous study. Many of the companies that reported having a small executive committee doing PPM were very small companies, as well, a group that was overrepresented in that particular study.

Where companies are doing PPM without the PMO, I wonder: are they managing the portfolio strategy? I would contend they are not; I would contend that's part of the execution of the strategy. The strategy, the strategic objectives, the goals, for what comes in the future year, should be generating the drivers, the determinants for what then you use to structure the portfolio. Then the project management office or demand office, or whatever we call this, uses these drivers to build the business cases. Some organizations have great alignment for organizations between strategy and execution but where that is lacking, we've got to fill the gap. The steps that come after the identification of the strategy and the initiatives that will fulfill it, those steps are not really performed in a strategy office. The PMO needs to cover that.

**Isn't it too wide an area of interest for a PMO: from controlling or managing single projects to executing the whole corporate strategy?**

The PMO cannot determine the priorities of the portfolio, that is only for the governance body to determine. But managing projects is an element of strategic execution. And the execution process helps to structure the portfolio; helps to refine and rebalance it. And then the other thing, which is critical, is determining the value of what is being done, or benefits

realization, which, if it is not being done elsewhere, this is a gap the PMO can fill... The PMO does not do this alone. They are partners with many other functions in the organization.

**The number of companies that have PMOs grows year by year, now it is very huge number, but still, PMOs are challenged or their value is questioned. What do you think PMOs should do to prove their value, to demonstrate value to the company so it can become stable element of the company?**

First of all, PMOs that perform well are not usually questioned as to their value. The State of the PMO research that we perform every two years has shown that, when PMOs are mature and contribute results, upwards of 80% are highly regarded by their executives. So delivering results is what matters. After delivering results, clearly communicating those results is also critical. What is important for PMO leaders is to speak the language of business, in addition to speaking the language of projects. Most of the challenges PMOs face come from communicating with executives from primarily a *PMBOK® Guide*-based or project management standpoint. The reality is the value of PMOs can be expressed in business outcomes such as improved profitability, decreased time-to-market, reduced cost, and other business factors. If we lose the business mindset and stick to the traditional, tactical things like “on time, on budget”, well, it will be really hard to justify in the language of business, which is the language of the C-suite.

**We have many books on PMOs but we do not have a standard. Do you think it is possible to create a PMI standard for PMOs or some practice guide for PMOs? Or are PMOs too diverse to set a standard for them?**

I've heard many opinions of what standards should be. Actually PMI just produced a research standard that described five different types of PMOs. We could argue whether it is an accurate standard or not. The challenge of research is you can research and you can report what is, but that does not necessarily determine what should be. We at PM Solutions have put a lot of effort into thought leadership into how PMOs should operate. We've had many different discussions on how organization should structure those things called project offices. At the end of the day, those who are considering it should look at different options and determine what is right for them because one size doesn't fit all and there may be other options. The PMO is as individual as the company. It serves the company's needs. Trying to adhere to a general standard may not be wise.

**The concept of the PMO has changed very much in the last ten years. How do you think it will evolve over the next five or ten years and what direction it will be – strategic execution direction or maybe some other?**

It is an interesting question. In some organizations the evolution of PMO has not changed that much. From fifteen years ago, twenty years ago even, the traditional industries like aerospace and heavy construction have very highly mature PMOs and to some extent we are replicating those yet today. Now, for those organizations that were not in those industries, PMOs have changed dramatically. Part of challenge is that, we have been learning by doing. Many of those deploying PMOs started as project managers so their perspective is primarily as a project manager. So there has been evolution slower than I would have predicted, but we've begun to change.

So, what is coming with next five to ten years? PMOs tend to be much more actively involved with strategy determination and strategy formulation. The final decision makers will influence strategy more and more by using lessons learned from previous product lines and projects and using that as predictive models for what we should do when developing new products or a product line.

Another area is organizational change because – think about it – every project we deliver changes the organization in some form. I believe the next five to ten years PMOs are going to be integrating organizational change in a much larger and broader fashion.

Another thing PMOs are very possibly going to begin looking at, is implementing new approaches in vendor management. Outsourcing vendors and the ability to manage vendor contracts as an owner-manager, that's not something procurement functions are very good at right now. Managing unique contracts that have specific project and program deliverables is a unique talent where I think the PMO may move.

**How did you find last year's PMO Symposium? What is, in your opinion, the main idea or result of the symposium?**

The most positive thing that's come out of this symposium is that we've escalated the level from tactical project management and Project Management Offices to much more business-focused terminology. The PMO Symposium has done a good job of raising the level of discussion to “business speak” and changing the language of PMO Directors, or at least putting that concept out there. In 2001 I wrote the book *The Strategic Project Office*, and we talked about that connection between strategy and

execution. That message we have been talking about for 13 years now, but I think that message needs to be repeated and repeated. I think this conference did a very good job of doing that; for the first time I've really seen we've elevated the message. That's been good. ■■■

*The interview conducted by Szymon Pawłowski*



**J. Kent  
Crawford**

Kent Crawford is the founder and CEO of PM Solutions, the leader in applying project and portfolio management processes to drive operational efficiency. He is also founder and CEO of the firm's training subsidiary, PM College. In addition to his executive role, he is an influential member of the project management community, highly respected as a thought leader. He is a sought-after speaker at business conferences worldwide and the award-winning author of *The Strategic Project Office*. Crawford has infused PM Solutions with dynamic leadership, vision, and spirit. Under Crawford's guidance, PM Solutions spearheaded numerous innovations, including the creation of a unique research program that has contributed over a dozen significant studies to our understanding of project management best practices and trends.

#### **Keynote Speaker**

Crawford is a popular, dynamic speaker whose keynotes have enlightened audiences worldwide. As an advocate of the profession, he is passionate about project management, with a focus on its business value. He engages business professionals on topics such as:

- the business value of the Project Management Office (PMO)
- the synergy between good governance, resource management, portfolio management, performance measurement, and process improvement
- how effective project and program management contribute to corporate strategy execution

#### **Author**

In addition to authoring *The Strategic Project Office: A Guide to Improving Organizational Performance* (which received the David I. Cleland Project Management Literature Award from the Project Management Institute), Crawford is the author of:

- *Project Management Maturity Model: Providing a Proven Path to Project Management Excellence*
- *Project Management Roles & Responsibilities* (all now in their second editions)
- *Optimizing Human Capital with a Strategic Project Office*
- and *Seven Steps to Strategy Execution*.





# Identify Benefits to Drive Business Results

Interview with Beth Partleton conducted by Justyna Jakubów

**During the 11th International PMI PC Congress you will present the latest edition of Pulse of the Profession®: The High Cost of Low Performance. What are its key discoveries?**

The Pulse report subtitle is *The Strategic Impact of Projects: Identify Benefits to Drive Business Results*. We see fewer projects meeting original goals and business intent or being completed within budget. More projects are failing and creating substantial monetary loss for their organizations. Further discussion is needed to understand why organizations do not fully appreciate that strategic initiatives are projects and programs. We suspect this disconnect may result because so few organizations monitor and measure the benefits that projects and programs deliver across a business.

Now let's look at the key findings of the report which resulted in three practical tips.

Firstly, strengthen the conversation around project management and benefits identification. Project management is how strategy is implemented successfully. Benefits identification is determining whether projects, pro-

grams, and portfolios can produce the intended business results. When project benefits are frequently identified before the start of a project—as part of the business case—organizations experience better results: 74 percent of projects meet goals and business intent versus 48 percent in organizations that do not. And when organizations frequently use formal project management to address the benefits identification process, they experience greater gains: 80 percent of their projects meet goals and business intent versus 54 percent in organizations that do not.

Secondly, position benefits identification as a shared responsibility between leadership and project teams. Executives typically focus on organizational strategy, whereas project managers focus more on project activities. But they both have a vested interest in ensuring projects deliver the benefits critical to achieving strategic objectives—the necessary change that will advance the business. As a result, benefits identification is a shared responsibility, which extends to the business owners and executive sponsors. Yet, our research indicates that, although 38 percent of project managers are accountable for identifying project bene-

fits, just 27 percent have responsibility for the strategic alignment of those identified benefits. Meanwhile, only four in ten organizations indicate that a functional area vice president or director is accountable for ensuring that the identified project benefits are aligned with the strategic goals of the organization.

Finally, take a strategic view of benefits. Managing project benefits underpins all aspects of strategic success. When benefits are delivered, organizations achieve their desired outcomes: customers are satisfied, business owners realize the return on their investment, and project teams see that their job was done well. Yet, only half of organizations report that they frequently identify benefits that are measurable, concrete, or explicit to achieving strategic goals.

So what could one do to introduce those practices? You should link benefits identification to both project and program management. The next step could be establishing benefits identification as a shared responsibility between an organization's leaders, business owners, and project professionals. And finally, you could take actions towards aligning identified benefits to the organization's strategic goals.

**The report shows that executive leaders and PMO directors have very disparate views about benefits from improving project management. How can we reduce this gap in order to convince top management to trust and use project and portfolio management tools?**

PMI's research shows that organizations spend millions of dollars on projects that fail to meet expectations to deliver intended benefits. They may come in on time, on budget and meet original goals and business intent. But too often the business intent focuses on outputs and outcomes, and not on the benefits that will advance their business over time.

We need to learn to communicate to executives and shareholders in their business vocabulary, not in project management vocabulary. By using a business vocabulary that they understand, it becomes easier for executives and shareholders to trust.

Developing the capabilities and competencies identified on the PMI Talent Triangle™ (Leadership, Business insight, Strategic thinking) can also be very beneficial.

While talking to the top managers, share information from the PMI Pulse reports – pick one to three key points that would be important to executive leaders, such as monies wasted, or loss of market share. The Pulse and Pulse in-depth reports for 2016 all focus on benefits realization management. In an executive's vocabulary, this is essentially the return on investment (ROI).

Organizations that successfully deliver on strategy have the right tools and processes in place to monitor and measure benefits. They make an investment in benefits realization management and implement a formal approach that can be duplicated across projects. More specifically, our research confirms that organizations with certain practices in place are more profitable and efficient.

For instance, those that have a fully prescribed process for reporting benefits realization report an average of 38 percent more projects that meet or exceed forecasted ROI (61% versus 44%). Another good example is standardized documentation. Those that have fully standardized documentation for reporting benefits realization metrics report an average of 19 percent more projects that meet or exceed forecasted ROI (56% versus 47%). And last but not least, comes routine reporting. Those that fully receive information about project performance against identified metrics report an average of 28 percent more projects that meet or exceed forecasted ROI (61% versus 44%).

### **What are the biggest risks for today's businesses and how project management can help?**

It depends on the industry sector and the business/political/social climate in a particular region. However, overall, the biggest threat to business is global volatility and near constant change caused by disruption. Disruption, especially technical innovation and disruption, can make an organization's new products obsolete before they finish production. In general what experienced, skilled, and trained project, pro-

gram and portfolio managers bring is the ability to change quickly to meet the challenges of disruption. Because PPPMs have a foundation of standardized practices, they do not have to continuously reinvent practices and procedures. This allows them to change direction faster in response to change or disruption.

In addition, project managers should be the primary whistleblower (reporter) on projects that they believe will no longer achieve the project's promised intention, regardless of the money, resources, and time that have been invested to date. The ability or courage to do this falls under the leadership and business/strategic thinking aspects of the PMI Talent Triangle™.

### **What benefits can mature project management practices bring to an enterprise? In what way does the maturity in project management contribute to organization's higher performance?**

Organizations mature in PPPM practices are generally more flexible, have more projects and programs come in on time, on schedule, and within budget. They also are far more likely to realize the business goals identified by the organization as the business benefits or ROI.

Moreover, mature organizations have career paths in place for their project managers. These include additional training as well as experiences outside of their expertise.

Furthermore, organizations mature in PPPM practices make the connection between their strategic goals and the projects and programs that implement those goals.

Finally, mature organizations don't stop at implementation. In those organizations, projects continue to be monitored for their relevance and value even after they move to operations. Project managers at these organizations are on the monitoring team.

### **Are Project Managers skilled enough to be good business leaders nowadays? How can we improve our skills to serve the organization better and help to achieve its business goals?**

The PMI Talent Triangle™ was developed in response to what Mark Langley was hearing from organizations about the skills, knowledge, and expertise they needed to be successful. From those conversations, Mark and PMI identified core and essential competencies that project and program managers must have to be successful and advance their careers. Some are. More can be.

### **What else could the project management community do to improve company business results?**

John Duschinsky was a keynote speaker at EMEA 2014 in Dubai. He told the audience

that no six year old has ever said that when he or she grows up they want to be a project manager. And he said, "And that's your fault." That grabbed the audience's attention. He challenged them to "tell a different story." Set aside the data and project management vocabulary. Tell people how that bridge, stadium, hospital, road, IT platform you built benefits them. That also applies to how you talk to executives and stakeholders about your project. Always tell them a story about the project they can understand on their terms: how it benefits the company, the customer, or the community. How does it improve the business?

It is important, and beneficial, to keep your executives updated on how the project benefits the organization after it has transferred from execution to operations. Speaking up to your executive when you know that a project will not deliver the hoped for benefits; or is no longer relevant because of a disruption in your industry sector and will not meet business goals is also crucial. You should also remind them that success also requires the right resources: the right people with the right skills on the right project. Project managers should not be assigned to a project based on who is available, but instead on who is right for the project. Finally, a good practice is also initiating a process that captures, shares, and makes accessible lessons learned for each project or program\*. This provides knowledge and helps organizations to avoid repeating mistakes and wasting resources. ■■■

\* On PMI.org there is a NASA white paper that details how NASA developed its knowledge management platform to share lessons learned across the organization.



**Beth Partleton**

Beth Partleton, from Milwaukee, Wisconsin, has been involved with PMI since 1991. For six years she served on the PMI Educational Foundation Board of Directors, serving as Chair in 2006. She served on the PMI Board of Directors from 2008 to 2013 and she was elected Vice Chair in 2010 and Chair in 2011. Currently she is a member of the Certification Governance Council and chairs their Strategic Planning Committee. Ms. Partleton is an experienced consultant who provides project and portfolio management to leading organizations. During her career with Miller, she also served as head of the project management office, senior project manager, and the functional manager of architectural and civil engineering. Ms. Partleton holds a Master of Project Management degree from Keller Graduate School of Management and a Master of Architecture from University of Wisconsin, Milwaukee. She has been a certified Project Management Professional (PMP)® since 1991.





Source: fotolia.com

# Revolution at work

Jan Hogendoorn, Frank Fondse

**What if you would organize your company without any management? Without any rules? Would that work? A company, where you decide on your own salary together with your team? Utopia? It is not. At our company – Finext – in the Netherlands, we make it work for already 20 years. At the beginning of 2016, the company has about 150 employees. And about 100 owners.**

Finext, a Dutch company based in Voorburg, The Netherlands, provides consultancy services in Holland and it uses the organizational principles of Brazilian management guru Ricardo Semler. Successfully. Finext used to be a part of The Vision Web; an IT company taken over by Ordina in 2004. As off that date, Finext was an independent

subsidiary of Ordina. In 2011, 90 colleagues bought the company; probably the world's first PBO (Professional Buy-Out).

Ricardo Semler, before becoming famous for his ideas on management, took over his father's company. He says that early in his career, he was mainly concerned with the 'why' question. Why are my employees able to read their email on Sundays, but unable to go see a movie on Mondays? Why do we have these horrendous everlasting meetings? Why do employees take their work home, but they don't take their children to work?

At Finext, everything is questioned. And everything is democratic. The financial consultants that work at Finext have found their

own way in using the principles of Ricardo Semler. Each team at Finext has a team 'captain'. But this role is not a privilege, it's just part of the work that needs to be done. And next year, another team member might be the team captain.

## Values, instead of rules

From the start of Finext about 20 years ago, we have governed ourselves based on principles. No managers; because professionals are perfectly capable of running their own business. No staff departments; each team does their own HR, marketing & sales and monthly financial overview. We don't want to end up in a situation where 'somebody from HR' decides who is going to be our next new colleague. Neither do we want to be evaluated by somebody who doesn't actually work with us. So we evaluate ourselves. Talents above structures: the talents of professionals can never be less important than the structure of the company. So if professionals want to switch to another



team, or want to leave; no problem! Responsibility and freedom are very important; so everybody has the key to our office building. And of course, we breathe transparency. Why keep information on salaries, team sales turnover, costs, etc. hidden from other teams? Aren't we all here for the same goal and purpose?

## No job titles

This is not exactly a common working practice yet, so how do we like it? We have seen traditional organizations, but we are working for Finext for more than 8 years now and very happy about it. There is no job title on our business cards, neither is there on the business card of any of our colleagues. The most important values of the organization are trust, responsibility, freedom and transparency. No rules, but values, which means that we talk about what they mean in any given situation.

The Semler method has not been detrimental to us. In 1999, our organization started with 10 people and, at this moment, about 150 people work at Finext. They continued to grow during the economic crisis of the past years. Other companies tighten the rules; we try to remain flexible by eliminating them. Especially in times like these.

## Organic

There are no staff departments and all teams are completely responsible for their own business. They find their own customers and hire their own colleagues, and thus grow organically. Our company's office in Voorburg, The Netherlands, is a beautiful building with a coffee machine in the middle. That's the place where colleagues meet and create new products, new ideas. And no manager is telling them that it's a bad idea. We believe that the more you exercise control, the more people will resist. So don't do it. Give your employees trust, and let them have the possibility to do something good. Then, they will.

## Problems

Now, a big question of course: what happens in case of problems? The key criterion for solving any issue is quite easy; interact and connect. Share your values, talk about them, provide feedback, be transparent,

and continue. And another implementation must-do: buy a coffee machine, and place it in the middle of your office.

Naturally, we are bound by Dutch law. It always puts a smile on our faces, that time of the year when the accountants arrive. They find our company weird and funny. And although the Chamber of Commerce has a few Finext 'directors' listed on paper, it's not important inside our office, there are no privileges or special arrangements for them. Inside our building, they are part of a team just as any other colleague.

## Lessons

And of course, we still learn. What works, and what doesn't. Recently we have been researched by a PhD student, who looked at our level of self-organization. Yes, we can still improve. But at the same time, we are happy that more and more similar companies become well-known examples of management innovation: Semco from Brazil, Valve from the USA, Buurtzorg from Holland, and the list is growing.

## Results

Somehow, the majority of the world still believes that management is essential for getting results. They continue to search for the ultimate 'truth'. But the assumption made by Frederick Taylor that an extra layer of management would increase productivity, has been falsified. On the contrary; research has shown that there is an inverse relationship between productivity and the number of managers. This also goes for the number of innovations and the number of managers in organizations.

But what is worse than all that, is the fact that the attention for productivity has diverted the attention from what it's really about: genuine products and customers. That is where we should care about. And that is what we try to achieve at Finext. We don't use this model just because it's fun. Self-organization is a means to an end. It's not our objective to use this model. Our objective is to be flexible and provide our clients with the best we have to offer.

Would you like some old-fashioned proof? Metrics such as employee satisfaction, illness-related absence and Net Promo-

tor Score are significantly better at Finext, compared to other organizations. Furthermore, according to us, our customers acknowledge the fact that we as a company are a little different and find it something positive, often not knowing the background of it. During the years of economic crisis, Finext has managed to stay on top of things and remained profitable every year. Another indication that this flexible model provides a solution for the world in 2016. ■■■



Jan  
Hogendoorn

Jan is one of the 90 consultants that took over Finext from Ordina in 2011. Jan is a project management consultant and trainer, providing training such as value-based project management, PRINCE2®, P3O® and Agile/Scrum. He is also project management lecturer at Windesheim University in Zwolle, the Netherlands.

His background experience includes project management, PMO and portfolio management at large companies such as KPN and Philips in the Netherlands. Jan uses the ideas of self-organization at Finext to improve project teams and their way of working.



Frank  
Fondse

Frank is one of the 90 consultants that took over Finext from Ordina in 2011. He is a social innovator, portfolio management consultant and trainer of Management of Portfolios™ at Finext. Frank specializes in Value-based Project Management. One of the foundations of this scientifically proven method is self-organization.

Recently, Frank helped organizations such as RWE Essent, T-Mobile and Royal Flora Holland in the area of project portfolio management and portfolio control.



Miroslaw Dąbrowski (interviewer, ASL BiSL Foundation Ambassador Poland), Lucile van der Hagen (ABF Managing Director) and Mark Smalley (ABF Ambassador-in-Chief) during the meeting in ASL BiSL Foundation Headquarters in Utrecht / Netherlands.

Source: Miroslaw Dąbrowski

# Projects deliver no value!

The interview with Mark Smalley about scoping projects to ensure that value is realized for years to come, conducted by Miroslaw Dąbrowski

### Could you please introduce yourself to our readers?

I started in IT as a programmer in the late 70s, working for a large external IT services provider in the Netherlands. I still live there, on the southern outskirts of Amsterdam, but was born in London, where I met my Dutch wife. I've had positions in application development and management, business unit management, sales support, consultancy and training, product development and marketing.

I have been self-employed since 2012 and I work part-time for the non-profit ASL BiSL Foundation. I have two main activities at the moment: IT departments use my training and consultancy to improve their performance and the ASL BiSL Foundation sends me around the globe to generate awareness and interest for the ASL and BiSL frameworks and practices. Hopefully this also contributes to improving how IT is used.

### What are ASL and BiSL?

They are both process frameworks, supported by training and a certification scheme.

The Application Services Library describes how applications are supported, maintained and renewed, and how application lifecycle and portfolio management is executed. It also describes the management activities to facilitate and direct these activities, such as planning and control, financial management, supplier management and contract management. It covers everything after the initial development of applications, which usually only represents 20% of the total cost of ownership of application. To summarize it helps to keep an organization's application portfolio up-and-running, up-to-date, and under control.

Where ASL offers guidance how to **provide** applications and related services, the Business Information Services Library offers guidance to business people who **"consume"** IT as a business asset. Their

concerns are typically: How much budget should I allocate to information and technology, as opposed to other business assets such as people, machines, buildings? What kind of information and technology do I need to help my business both survive and succeed? How do I deal effectively with the IT department? How do I ensure that the users actually realize the value from the significant investments? How can I demonstrate that I am managing information and technology in accordance with its importance to the organization?

BiSL helps business departments with these issues, offering guidance how to manage information and how to deal with IT from a business perspective. The focus is demand and use, rather than supply. The guidance is aimed at roles in the business such as system owner, process owner, information manager, super user. In other words people who are tasked with managing information, dealing with the IT department or external IT service providers, and support users from a functional perspective.

Both ASL and BiSL are accompanied by examples of how organizations have applied them. There are also many supporting publications, plus an independent certification scheme that is executed by APMG-International. Commercial training providers offer training, which is typically a two day course for each of the frameworks.

### Why is this relevant for project managers?

Because projects deliver no value! They only deliver **potential value** (also known as capabilities). Value is only realized when the project deliverables are actually used. So it is crucial that the project scope not only includes the information system but also the organization that is needed to manage the system from both a supply point of view, and also from the demand and use perspective that the business takes.

The supply perspective is usually fulfilled by the IT department, and although there are often difficulties in the transfer of responsibilities from the project to the permanent organization, sooner or later this is sorted out. The business side, however, is frequently the weakest link in the chain. Yes, somebody is responsible for the financial aspects of the system. Yes, there is somebody who deals with the IT department. Yes, there is an experienced user who helps colleagues when asked. But is this enough? This is the area that BiSL addresses.

Organizations and their customers now depend on information systems to a much stronger degree than in the past. And because the market changes much more rapidly than previously, the business must change quickly, including the implications for use of information and technology.

Any project manager who wants to be taken seriously cannot get away with simply scoping the organizational side out of his or her project. Unless he or she is assured that somebody else is going to take care of it. If you ignore this, when things go wrong due to problems outside your formal scope, you will still be associated with a Bad Project and could be guilty of an act of omission. As a professional project manager you have an obligation to advise your client about risks and this is a Serious Risk.

### So how can project managers avoid this risk?

The easiest thing that they can do is at the start of the project. Perform a quick scan that assesses the "maturity" of the permanent IT-related roles in the business that will be responsible after the project organization has been dismantled. If the project manager does not want to take on any extra work, he or she can either just advise the customer about the kind of roles that should be in place, and the current state of maturity. If

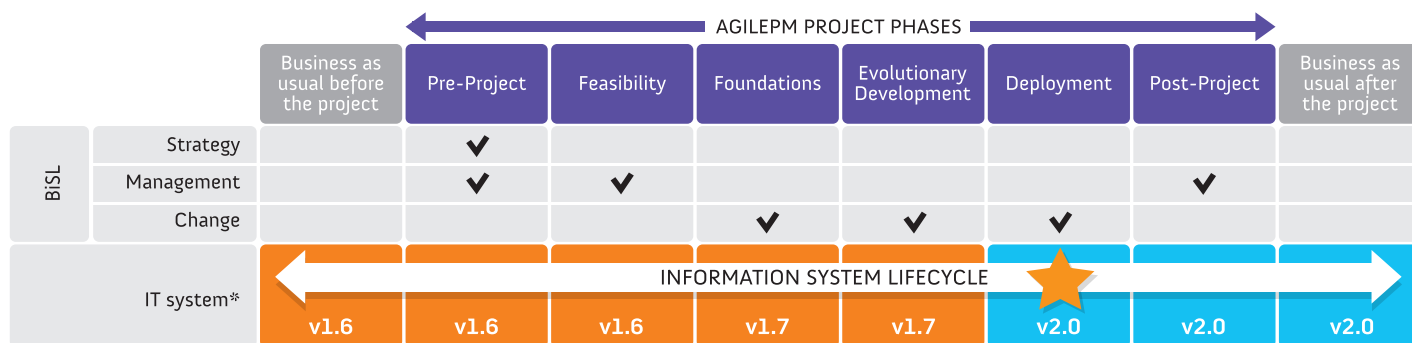


Table 1 - How BiSL process levels interact with AgilePM processes.

\* In the example mentioned in the interview, information system (e.g. web portal) v 1.6 is now running in live/production environment.

Through utilizing AgilePM method organization is planning to release major update, release v2.0.

however, the project manager is capable of dealing with organizational change, he or she can propose to include this in the project scope. Either way, the issue has been addressed, not ignored.

#### How can project managers find this quick scan?

There's plenty of information freely available on the ASL BiSL Foundation website ([www.aslbisl-foundation.org](http://www.aslbisl-foundation.org)) but it's probably easier to get in touch with a human being at the Foundation and get some free support that is tailored to their particular needs.

#### How does this all fit into modern approaches such as AgilePM?

First we have to view things from the right perspective. While AgilePM takes a project lifecycle point of view, ASL and BiSL look at the information system lifecycle. 90% of information systems live from 3 months to 30 years – on average about 12 years. And during that time 70%-90% of the total cost of ownership is spent, as compared to 10%-30% on the initial project. So on average there's a 20:80 divide between the cost of release 1.0 and everything that happens during the active life of the system. How much of the 80% is related to keeping an application up and running, and therefore two thirds is spent on change. 60% of change is business-driven, while 40% is technical change. I'd say that two thirds of the changes are straightforward enough to be dealt with as part of an ongoing maintenance process, while the other changes are financially significant or technically complex and are therefore treated as projects. So in addition to the 20% spent on release 1.0, about 25% is spent on project-based maintenance and renewal.

The way AgilePM and BiSL intersect is many places [see the attached table]. Imagine that an information system has been used for 18 months and that through routine maintenance, the system has undergone 6 minor releases, so it is now version 1.6. BiSL makes a distinction between Strategic processes in which the longer-term plans for the information systems are defined, Managing processes for the major decision-making, Change for changes to the information system, and Operations for keeping the system up and running and of course for its use.

In AgilePM's Pre-Project phase, the initiative is taken to consider a major release, v2.0. This could be part of a strategic plan for the information system, or simply some change requests from business operations that are complex enough to need more rigorous management than the regular maintenance process offers. This coincides with BiSL's managing activities, in which the business initiates the project and takes decisions.

Business people who are tasked with managing the information system from their business perspective, are the ideal candidates to fulfil the AgilePM business roles Business Sponsor, Business Visionary, Business Advisor, Business Ambassador and Business Analyst.

It is also desirable that members of the "permanent" maintenance team participate in the project. Not only to provide information about the system that they know intimately, but also to acquire knowledge of the new changes so that they can act quickly when urgent maintenance is needed long after the project is dismantled.

While the project progresses through the next phases, some urgent maintenance is needed and version 1.7 is developed and released. This obviously needs coordination with the project. During the AgilePM Deployment phase the new release is taken into production. The project is evaluated in the Post-Project phase, after which the information system continues to be used, supported, maintained and managed on a more process-oriented basis. Until the next project is needed.

So you see how the two approaches interface. ASL and BiSL recommend that complex and risky activities should be managed as projects but the frameworks do not prescribe any particular approach. This depends on the characteristics of the specific information systems, the required changes and the organization. So AgilePM not only interfaces with ASL and BiSL from a practical point of view, but it is also part of the ASL-BiSL philosophy to work in conjunction with other frameworks, standards and bodies of knowledge to form a practical way of working for each organization.

#### Can you tell us more about the ASL BiSL Foundation?

The ASL BiSL Foundation is based in the Netherlands, where it was created in 2002. ASL and BiSL are the de facto standards for many organizations

in the Netherlands, who often use a proven combination of BiSL plus ASL and ITIL to address their main IT management concerns.

The Foundation gives an annual award to the organization that has achieved significant improvement by using ASL and/or BiSL. We have recently published a book with these case studies at public and private organizations. They reported benefits in three categories and I'll mention an example in each category: **Pure business benefits** – the Dutch Police Force reduced criminality by persistent offenders by improving how they managed information across various semi-autonomous Police-departments. **IT-related business benefits** – Saxion University of Applied Sciences took control of IT by making governance demand-based instead of supplier-dominated. **Benefits for the IT department** – insurance company Achmea improved their IT services and reduced costs by using both BiSL and ASL to create a process model that connected multiple autonomous business divisions with the centralized IT department.

The ASL BiSL Foundation is a membership organization as relies to a strong degree on enthusiastic volunteers to support our interests. We now have ambassadors who represent our interests in Canada, China, France, Germany, India, Japan, Poland, Portugal, Russia, and the United States.



Mark Smalley

Mark Smalley is an IT Management Consultant at Smalley.IT. He is affiliated with the non-profit ASL BiSL Foundation, APMG-International, GamingWorks and Pink Elephant. Mark is an inaugural member of the industry initiatives Service Management Congress and Taking Service Forward. Mark is also known as The IT Paradigmologist, and has spoken to thousands of IT professionals about ASL, BABOK, BiSL, COBIT, ISO 20000 & 38500, ITIL, TOGAF and other frameworks and standards at more than 100 events on 4 continents. Connect with Mark on LinkedIn, Twitter (@marksmalley) and [mark.smalley@aslbislfoundation.org](mailto:mark.smalley@aslbislfoundation.org).



# Ventures in pursuit of startup happiness

The interview with Tore Rasmussen  
conducted by Ewa Serwa

**Could you tell me something about you?  
Who are you, what do you do?**

I currently work full-time for Playing Lean. I travel and conduct workshops and facilitate trainings all over Europe. I came into contact with Playing Lean through my master's thesis. I needed a subject to write about and I met Simen Fure Jørgensen. He had made a prototype of a game and I said ok, it looks promisingly, and basically after one or two meetings we agreed that we should work together and we also decided that we would sell the game on Kickstarter. Before I started to work for the Playing Lean I was working in sales, market and business development in different projects.

**How did you get involved in Lean Startup?**

I've read Eric Ries' book *The Lean Startup*, then I understood that is a very smart method to work on new ideas and I tried to form my own startups without this concept and it didn't work. Apparently it works better when you use the Lean Startup method.

**You are passionate about Lean Startup techniques and putting them into practical use. Could you tell me about Lean Startup and its philosophy?**

Lean Startup uses scientific method on new ideas. So, instead of writing a really long business plan that is filled with assumptions you start by addressing that all you have are these ideas and assumptions but you don't know anything. Let's try to formulate our assumptions into falsifiable hypothesis and let's identify the most critical assumption and test it with real customers. So, you don't start building. You take the minimum viable product and you try to test different aspects of your business model on real customers and you get real

feedback when you're early in the ideas. You just test with problem interviews, paper or a prototype and get feedback and you can learn from that. In comparison to Agile Software development, Lean Startup method suggests to deploy the product to production on the first day. You build something straightaway just to test it and tasks don't come from uses stories but they come from experiment. Lean Startup method doesn't use estimates to measure progress but it uses validated customers' feedback to measure progress. So if you do Lean Startup well you instead looking at the backlog you focus on validated learning and what it is the next step based on it which you have received after doing an experiment. That's the main difference in comparison with Agile.

**As an experienced innovator you have a lot of ideas to turn into reality. What do you think about innovation? Do you perceive it as an important component of a successful business?**

So, that's a really good question! I think that a company that is not willing to cannibalize itself will be cannibalized by somebody else. I know that at Apple the job of the iPad is to make MacBook insufficient. So it's like the Kodak moment analogy. The Kodak actually discovered the digital camera but did not execute on it because it would destroy the current business model. They've lost the last opportunity, so I think that it's a mindset. Innovation is a mindset. You can do continuous innovations and improve your products, but I think that all companies should develop a mindset on destructive innovation and be willing to destroy a business model and form a new business division to complete the product. I think that

mindset is very important for everybody from managers to executors.

**Do we need to focus on design thinking?**

Yes, Lean Startup is a space for Design Thinking, Extreme Programming, Agile and Customer Development by Steve Blank. I think that Design Thinking is a really good tool and sometimes when I work on a project I take a design thinking book and I just use it as a framework. It works great. Also, government agencies use waterfall planning instead of being agile which is a disaster. And most businesses use also some Lean Manufacturing principles and naturally Steve Blank's Customer Development method as a part of Lean Startup. And a fun fact is that Eric Ries was so impressed by Kent Beck's book *Extreme Programming* that he considered naming Lean Startup *Extreme Startup* instead. He considered calling the Lean Startup method *Extreme startup* but the Lean Startup refused that. So it shows how important the agile aspect is in Lean Startup method.

**Our readers are mainly project and programme managers. I have to ask, how you perceive project management vs. Lean Startup?**

I think that you need to know the difference between the search phase and the execution phase. As a project manager sometimes in the execution phase of a business idea or project you can use best practices for management and project management and during execution you can use agile method. But in the search phase you need to have a qualitative approach and learn from customers and figure out if you should build your product. Many people focus on what they should build and how to do it but



Photos: Holger Nils Pohl

it is important to look if we are actually solving a real problem our customer is facing. Sometimes the product simply shouldn't be done.

#### **How can we bring project management together with Lean Startup?**

I think we can do this by combining Agile Software Development with Steve Blank's Customer Development. If you have a project manager that knows Agile, basically bring together Agile with Lean Startup method and have a good understanding of Customer Development and customers interviews. Basically, if your boss comes to you and says "hey we need to launch on a new product to face off competition". You should say: "OK, I need two months to figure out what product to build", maybe not all managers would understand you need to take that time. It's nothing more than well spent time. You need take more time to understand customer's problem. So it is again design thinking. I think project managers need to have many hats. They need to understand when it is time to get the prototype to the market and look at agile manufacture principles, when they need to know more about the customers, look at Steve Blank's Customer Development and need to understand that their environment is changing, look at system engineering. I think that a model project manager needs more skills and take up different roles throughout the projects. So it becomes more challenging.

#### **Talking about skills. Which skills does a good manager need to have?**

To answer this question I will mention the book about leadership *Extreme Ownership* which I like a lot. It's written by Jocko Willink and Leif Babin. They define leadership and give cases how sale and conduct the business. It's not just leading the people with whom you're working with. Sometimes you need to stand up and help your boss. If you have a boss who demands to run a project using waterfall method then you are responsible for helping your boss understand that he should take agile approach instead of waterfall planning. It's simple, you are responsible for everything that you can have an impact on. It's really powerful. It creates a lot of opportunities. That approach to leadership is useful also in negotiation process, it brings a lot of benefits.

#### **Where and how can we use Lean Startup approach in traditional projects? Can we use it in a corporate environment?**

We have an example of advertisement company called the finn.no. So they did put ads in the newspapers. They cannibalized their own newspapers ads and classified advertising. This business solution had 60% of the revenues for the Newspaper house. That is one example. We also have a company, which is delivering

food door to door. They used Lean Startup approach when they learnt about their product. Definitely it doesn't have to be software driven. Let me give you one more example. Let say that you want to launch a restaurant. So what would be a Lean Startup approach to launch a restaurant? Well, the first and at the same time, the most critical is to create opportunity to test. People will test your food. Ask if people like your food. Then you can start doing corrections. When people like your food, the accept it and they are willing to pay. Later, you can make a more expensive restaurant and you should invite same people and check if they are still willing to pay for it. As the next step we can take a food truck. You will see at what time and which days and locations people would buy food. Once done, you can start providing catering. Before you will invest your money for infrastructure you need to have a data, where or if you can make a money back and earn, before you have expenses of staff, salaries, etc.. When you have a lunch restaurant, customers coming in and you know that the venue is set, the prices are ok and it is the best in town, then you will find other problems. How to sell, how to find customers who will pay for it, etc. You create a demand before having costs. In America for example food trucks are opened in front of restaurants, they can test the new venues and get real feedback or bring a really wrong reputation if somebody doesn't like the food or someone don't come because the people eat food from the food trucks. That's the part of game, food track may experiment. That's the way why people like a food truck.

#### **Does Lean Startup or Lean in general have specific branches or extensions tailored to a specific area, market or domain? If they have, what are the differences?**

Lean Startup is a method which consists of lean manufacturing, agile, design thinking, customer development. Lean Startup is a part of this. And Eric Ries shows how lean startup is being used at General Electrics, at non-profits and any different you can imagine. Basically, the only problem when you use Lean Startup is production cycle, it is very long and you need to make a big investment before can do tests. It's hard to do tests, where there is no minimum viable product. If it is that kind of industry it's really hard.

#### **What are the advantages and challenges of the Lean Startup approach?**

The advantage of this approach is that you hopefully learn faster, so you would be able to get the opportunity to get the product on market which people actually want and are willing to pay for, faster than doing traditional business planning. And it is reducing risks

a lot. The important challenge is still how to find what the minimum viable product will be, what we need to have in order to get a real customer feedback. I think that a big challenge in a Lean Startup is a good understanding of this method. People say they use Lean Startup and actually they don't understand it.

#### **You are the co-founder of the game called Playing Lean, which becomes more and more popular around the globe. Who should be interested in playing your game?**

People who show up on our workshops or become our facilitators are mostly consultants. Also some big enterprises that want to know this and use this method in-house. We should realize that innovation culture help companies. Consultants, big enterprises and startups advisors these are our clients. Some of them want to be Lean Startup coaches and want to teach others about it. We have also teachers who teach entrepreneurship in business schools. Playing Lean is a part of studies about entrepreneurship. It's safe and good for students. They can test and learn and don't care about the failure because it's a safe environment. They can learn really fast and they don't lose real money.

#### **What do you think about the future of Lean Startup and what are the areas in which lean might be developed?**

I think it will be more adapted at universities, where they will be teaching this method. I think it will be more adopted in a bigger scale in private industry and maybe in public sector.

#### **Which economic sectors should be interested in lean?**

Well for software companies, it is very logical thing, but I think everybody will do software. When we look at the brick-and-mortar stores I think that every company will have a software approach in the future. So any company which do innovative projects should be interested in this method. And of course, startups. ■■■



**Tore  
Rasmussen**

As a lean startup advisor and co-founder of Playing Lean, he works with companies, helping them teach their clients methods for disruptive innovation. For larger clients Tore and his team provide White Label Conferences, helping companies become thought leaders by assisting them in bringing in excellent speakers within their industry and setting up innovation conferences. In his free time, Tore is a volunteer in Lean Startup Circle Norway.

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