

TRANSFORMING THE PROJECT MANAGEMENT STATE OF PRACTICE

Elevating project management from task management to
project value stream management

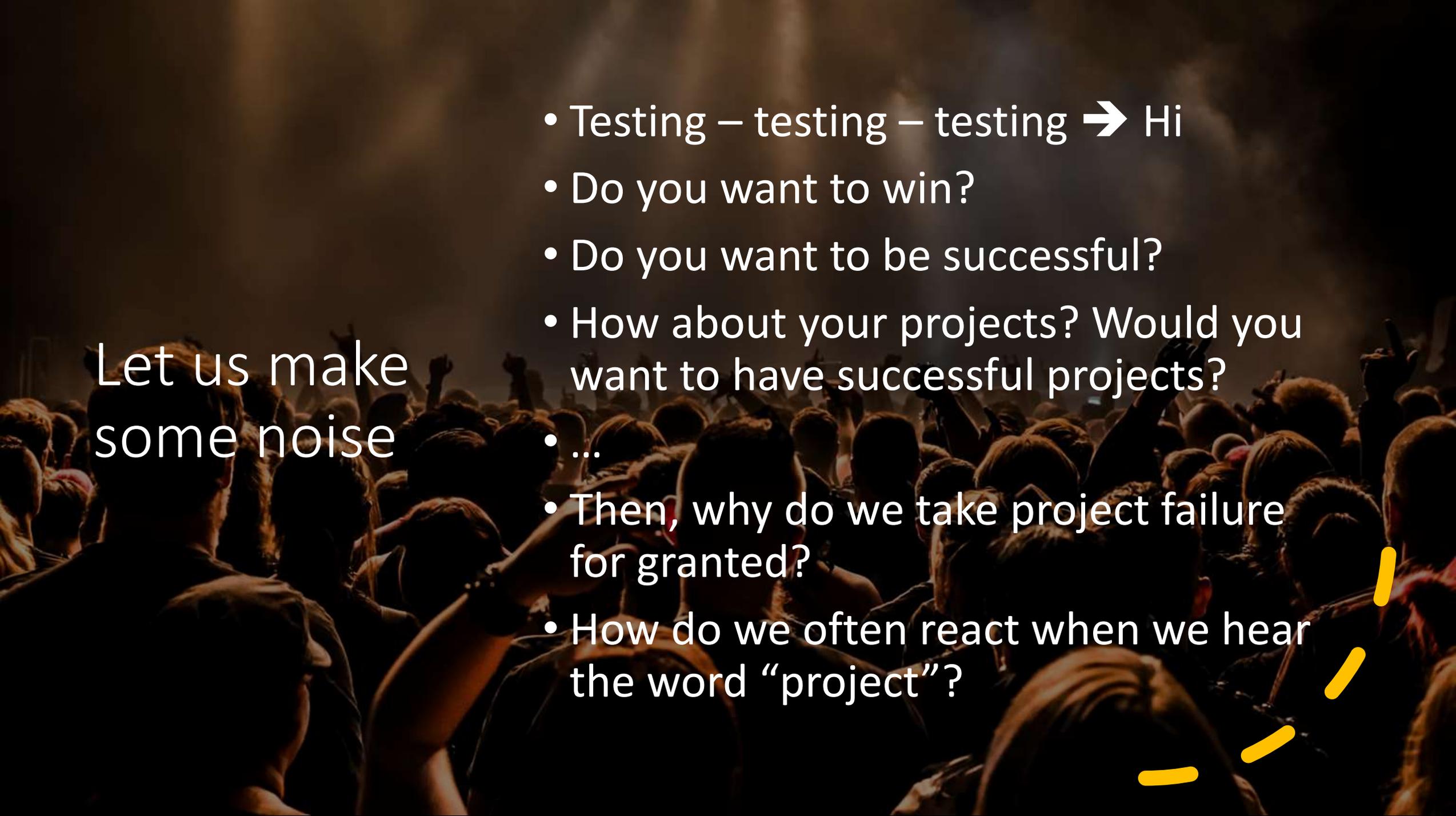
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Our Purpose

A project **methodological** process
where organizations **lead projects**
from **idea to market** to initial operations,
and ultimately **objective success**.

The focus is on value delivery!





Let us make
some noise

- Testing – testing – testing → Hi
- Do you want to win?
- Do you want to be successful?
- How about your projects? Would you want to have successful projects?
- ...
- Then, why do we take project failure for granted?
- How do we often react when we hear the word “project”?

Agenda

The current reality

Respecting our diversity

The journey to product delivery

Why it matters

Current Reality

Project & project management failures

Gaps in the project management practice



Projects & PM failure

- We separate projects from project management failure and success
- The Stats
 - Technology projects, about 1/3rd of projects are successful
 - Megaprojects,
 - Independent Project Analysis → 35% success on these \$1+ billion-dollar projects
 - Oxford University claims that 0.5% of projects achieve their cost, schedule, and objectives targets
 - Capital projects
 - Independent Project Analysis claims about 60% success (**but with challenges**)
 - PMI says 70% of these projects suffer from cost or schedule problems



Projects & PM failure

- Unfortunately, we do not have clearly defined project or project management success (or failure) definitions/criteria
 - We have too many ambiguous reports and statistics
 - The Four Dimensions of Project Success (Uruk PM work)
- We still find that failure is too common
- Sadly, many do not know or agree with the root cause(s)



Root causes (opinion)

- The absence of effective organizational project management systems & methods (in many organizations)
 - If they exist, then they require improvement and digitization
 - *Often, project management is not recognized as a core organizational function*
- Lack of integration of project management with the rest of the organizational functions
 - Leading to overdependence on outsourcing rather than building internal capacity and competence

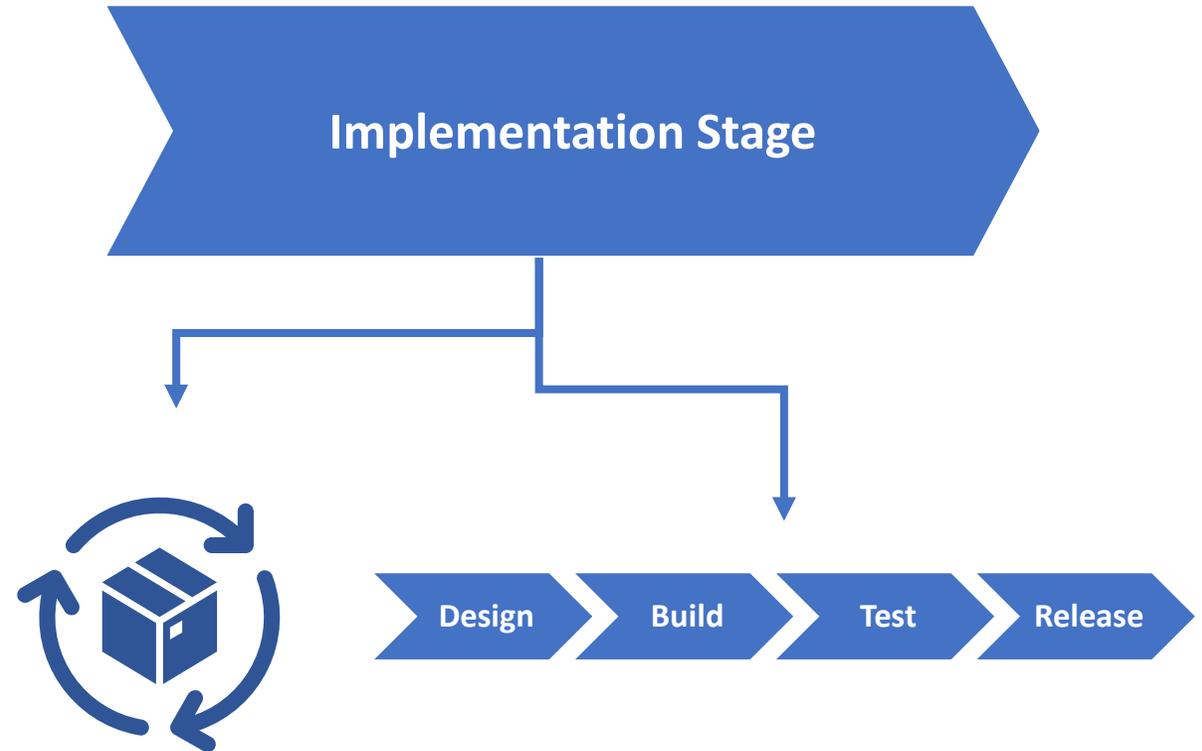
Some gaps & symptoms

- Gaps in the application of project management in the real world due to common misunderstandings, among other things
- Organizations with good project management maturity have developed their OPM systems and methods,
- Whereas other organizations still depend on accidental project managers or outsourcing and with no systems or methods
- A focus on tasks management, stage management, or technical project management
- Confusing the process groups with project life cycles
- Lack of clarity on what a PM method is



Task management

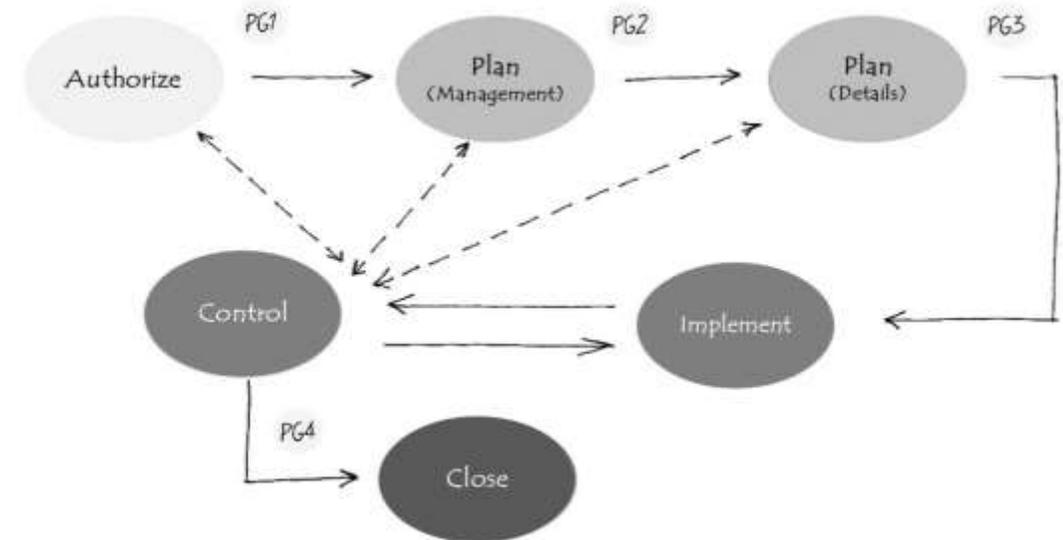
- The focus is on managing tasks
- Typically used in “small” projects
- Often within a stage of a project
- Also, often used by a service provider or an “implementation unit” within a project owner
- Could use agile development or sequential development
- Many PPM tools support this work



Stage management

- This level is broader than task management
- However, we are still **managing within a stage** (the implementation stage), or
 - Sub-stages within the implementation
- Often used by a service provider working under contract from a project owner/operator
- Typically, we use this approach on “large” projects leading to a “facility.”

Implementation Stage (Product Development)



© 2017 Mounir A. Ajam | The revised process groups (main processes) per the CAMMP™ Model

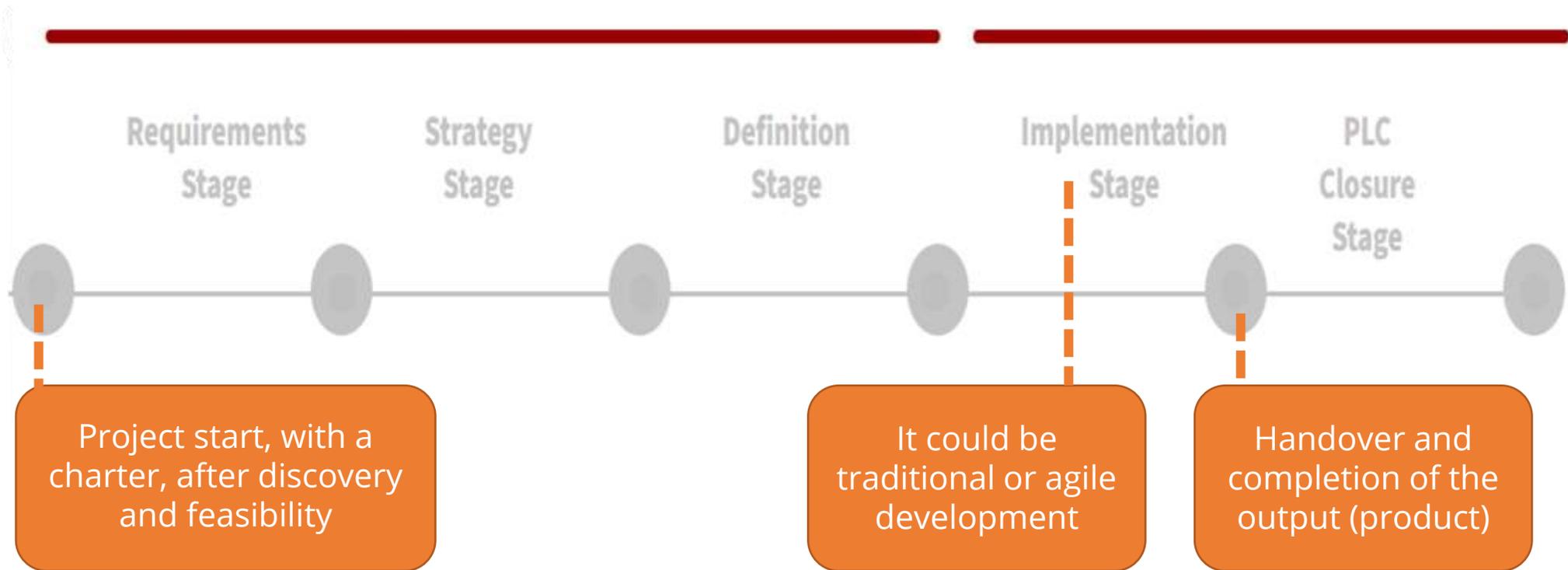


Technical Project Management

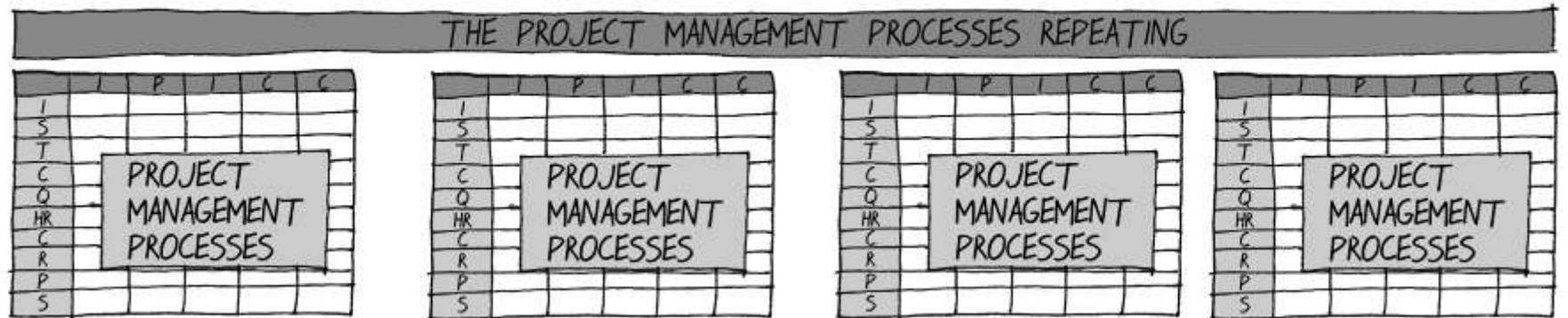
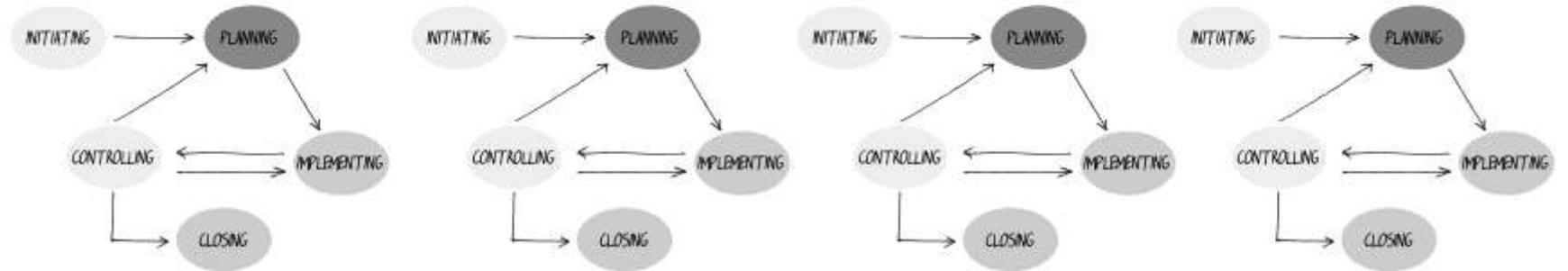
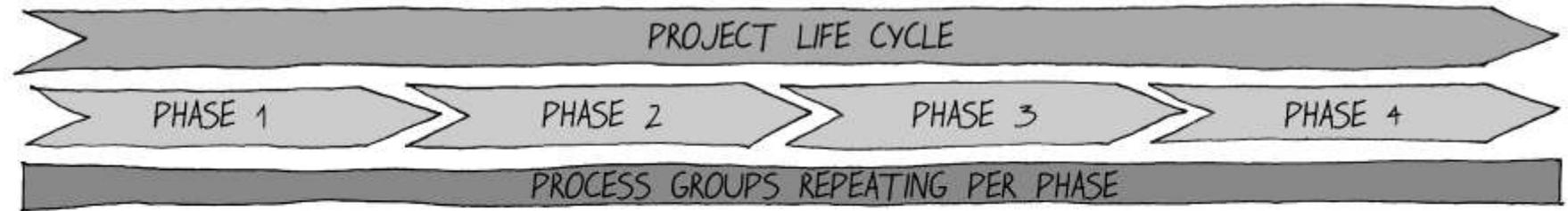
- Technical project management focuses primarily on delivering an output
- Project managers are not typically involved in a project's business discussions or discovery—and—they are not likely involved in the operational readiness
- Project managers are not responsible for the outcome and benefits realization
- This style of project management is most common in practice today
- The challenge with this approach is that it indirectly (or directly) encourages organizational silos



An example



Process groups Vs. Project phases



© 2017 Mounir A. Ajam | Mapping the process groups to a generic project life cycle

Agile, agile, agility

- Agility is a necessity in organizations and on projects.
 - Agility is about being flexible, dynamic, and responsive to change.
 - Agility is not about project management methods!

I am sure that we have many opinions here. So, can we agree that we do not have a common understanding?

How about Agile Project Management:

- Agile Manifesto for Software Development,
 - Agile is about software development or product development, not management

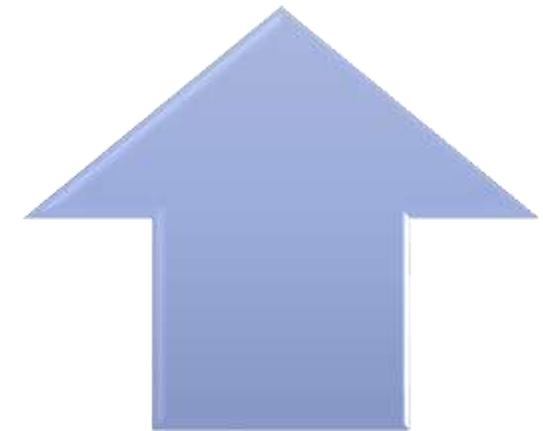
PM Method?



An approach, technique, or “method” that we use while managing a project



A method to manage the entire project across the project life cycle



Respecting our Diversity

The focus is on the diversity of sectors and domains using project management

Respecting our diversity

- Most projects might share a set of processes,
 - However, a project management method depends on the project parameters
- Therefore, we must
 - Distinguish between projects for service providers versus project owners
 - Consider the project type, size, and complexity in the definition of the project management approach

Respecting our diversity

- Clearly understand the difference between task, stage, and technical project management tools & methods versus product delivery management solution
- Consequently,
 - Do we genuinely understand what a project management method is?
 - How about the components of such a method?

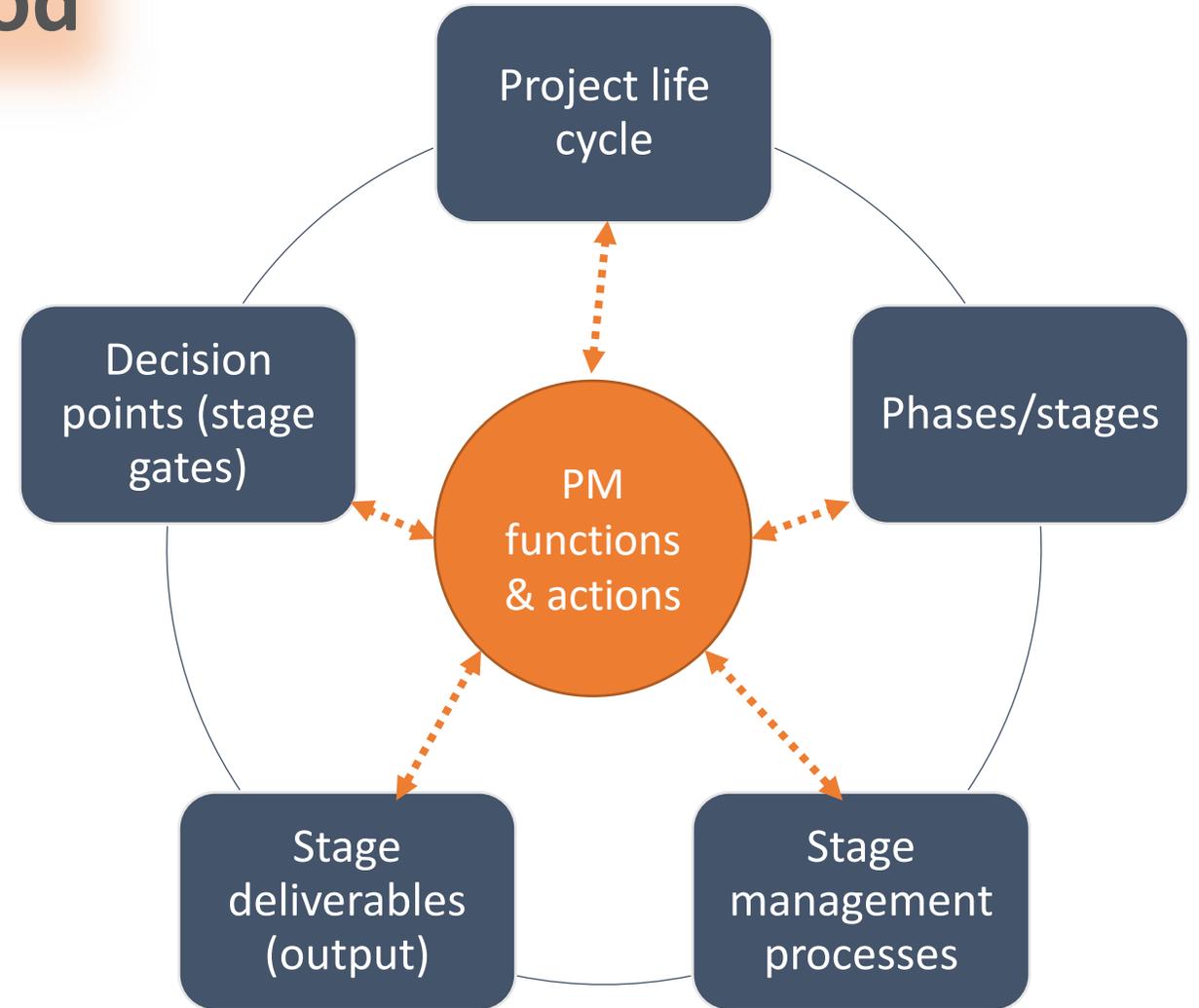
The journey to product & value delivery



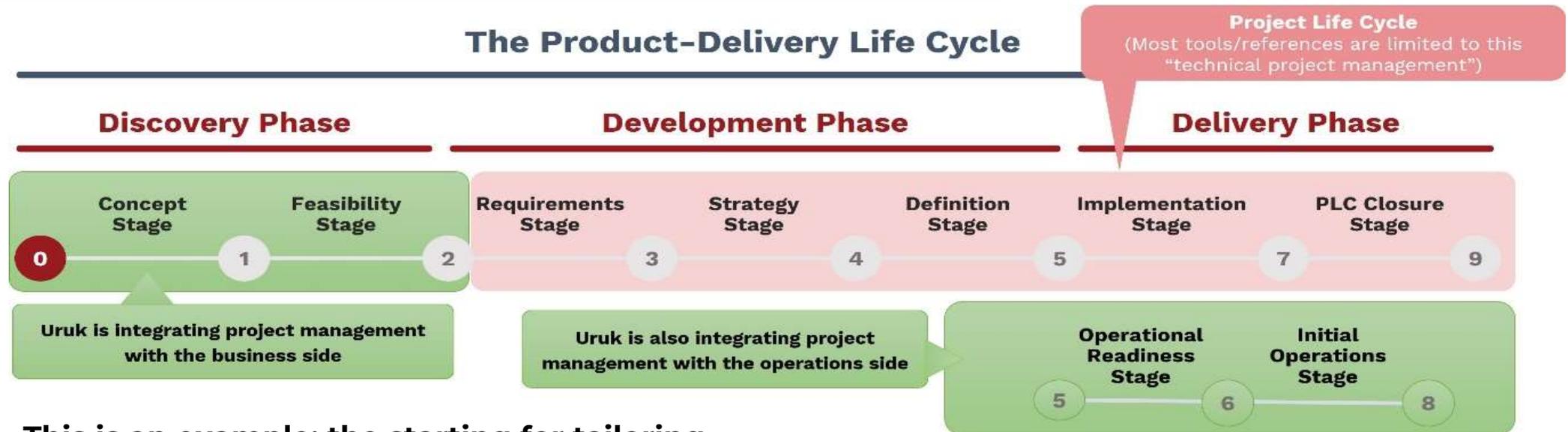
Components of a PM method

All projects must have a project life cycle as the foundation of the methodological process.

However, the critical aspect is that these must be **customizable and adaptable methods.**



The Uruk Value Delivery Model



This is an example; the starting for tailoring

Tailoring includes:

- Number of stages, stage deliverables, stage gates, and their names
- Content of every stage deliverable + the criteria for the stage gates
- The sequence and degree of overlaps between the stages

Etc.



Importance of the discovery phase

- There are two stages in this phase, so we need to manage them
 - Concept includes the business case and strategic alignment
 - Feasibility study is the first major business risk assessment
- Business unit personnel managing the discovery stages might not have project management experience
 - Yet, they are making decisions that would become “set in stone.”
 - Therefore, they are locking a commitment that might not be readily undone later if proven deficient.
- Various studies have shown that the success and failure of projects are often pre-determined in this phase
 - The feasibility study is the primary contributor even when a project fails during the implementation stage



Importance of operational readiness

- There is a need for integration between PM and operations
 - We call it operational readiness
 - While the development team is building the product, another team needs to get ready to accept and use the product efficiently
- If these things are not happening in parallel, we might end up with a completed product, but the organization is not ready to release or use it
- On capital projects, where the engineering and construction team completes the physical entity
 - Operations are not ready to accept or operate it if they did not start their change management early

Integrating change management

- Establish clear project objectives,
 - Establish acceptance criteria and project success criteria,
 - Identify all relevant stakeholders,
 - Frame the opportunity through proper feasibility,
 - Conduct a change impact assessment, which could also be part of the feasibility study
- Develop a change management plan,
 - Develop an operational readiness plan,
 - Monitor and evaluate progress,
 - Assess project success in line with the defined criteria, and
 - Capture lessons learned for future enhancements.



Breaking the silos

- Build relationships with stakeholders, especially in the areas that are traditionally outside project management scope,
- Facilitate requirements gathering workshops,
- Conduct research and analysis,
- Collaborate with cross-functional teams,
- Communicate clearly, and often, with an understanding of the audience diversity,
- Excellent knowledge of the organization's strategic direction,
- Also, know the industry and trends affecting the industry,
- Determine if the project aligns with the strategy; if not, have the courage to stop the project.



Why it matters

Value of this model

By the Numbers

As independently benchmarked by a third-party.

30 %

Increase in speed to market

2 x

More revenue and profit

2.5 x

More likely to be on budget and on time

<https://www.stage-gate.com/>



Well-defined PLC Model

Experience about 5% NPV increase



PLC Model, but not well-defined

Experience ~22% NPV reduction



Not using a PLC Model

Experience up to 45% NPV reduction

Based on the book Capital Projects, using benchmarking data from 1000s of projects



Call to Action

- Organizations must have OPM systems and methods,
- OPMS should be based on the three pillars of people (competence), processes (methods), and tools (technology),
- An adaptive methodology is customizable and adaptable, producing unique tailored methods,
- If your project can be successful with task management, stage management, or technical project management, that is OK,
- However, we advise using a product delivery approach for project owners to maximize the chance of success,
- An effective change management process will minimize the resistance to change and break the organizational silos.



Closing remarks

Summary

- We discussed project and PM success and the need to have formal definitions
- We addressed the current reality and gaps in practice, such as the definition of a PM method and its components, process groups versus project life cycle, task, stage, and technical PM
- We emphasized the need for respecting our diversity,
- We shared our model, which we are using in the Uruk Platform,
- Time for closing comments

Closing remarks

- Establishing project management as a core organizational function
- How? A PMO would be the first step in recognizing the value of project management in organizations
- However, can we elevate the PMOs to PMUs?
 - PMU: project management division, department, or business unit
 - Making PM an equal function to IT, HR, Finance, and other organizational function

Get in touch!



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