

INTRODUCTION: STRATEGY EXECUTION IN A DANCE-WORLD

"The real voyage of discovery consists, not in seeking new landscapes, but in having new eyes."

Marcel Proust

Imagine your organization is a mirror. In the beginning, when you are getting started, you can look in the mirror and see; you can connect and organize various aspects of the business, and it is manageable. As the organization grows, the mirror multiplies. There is addition of new mirrors of different sizes and shapes. Soon, it starts to get muddled with multiple mirrors and, you can't see clearly anymore. It appears that everyone seems to be working hard, but there is confusion. Execution does not mirror strategy, and there is no alignment between different parts. It makes sense to organize the mirror into more manageable divisions. You reorganize and break down the mirror with good intentions to better manage it. What do you think predictably happens?

On the surface, it looks like the resulting divisions and silos are well organized and working. But you don't realize that the organization is like a mirror, and as you divide and reorganize it, it is bound to crack and fracture in unpredictable ways. It is a broken mirror, and no matter how hard you try to bring it together, it is not going to look the same again. It causes organizational dysfunction, finger pointing, mixed priorities, and confusion—far from the much-needed clarity and coherence in an increasingly complex world.

Does this sound familiar? This is far too pervasive in organizations, from start-ups to incumbent companies and government organizations only with exponential complexity.

A 100-year-old iconic company that has been a leader in its domain has enjoyed sustained growth and profitability. Over the years, they have excelled at fine-tuning supply chains and gaining efficiencies. But like many businesses, it is struggling to survive and reinvent itself as it faces declining revenues and disruption from digitization

and related competition. Recently, it reorganized into three business units to become more customer focused. There are over 100 projects and initiatives across these business units, and some of them are redundant. Each of the business heads is busy reorganizing and ramping up their areas. What is a predictable outcome? Is this going to help bring the organization together and get focused to meet the challenge head-on? What if they put together an organization like a project management office (PMO) to review and prioritize project at the enterprise level? The challenge is that they have had several PMOs over the years with marginal success. Some were perceived as the process police and others as bureaucratic overhead. How could the PMO reinvent itself and support strategy execution in a holistic way?

On the other end of the spectrum is the typically chaotic world of start-ups. Too many priorities that keep changing. Disdain for process and governance. Decisions are made, but no one knows who made them or who is in charge. Products and offerings keep changing. Frequent reshuffling and reorganizing. It seems like people are working hard and putting in a lot of hours, but there is a disconnect between strategy and execution. Culture is pervasive with heroism and firefighting as they espouse flat structures and holocracy. Too much time and money are burned in the name of failing fast, speed and agility. How could we maintain the start-up spirit of innovation and agility with some structure and discipline?

"Look out the window, not in the mirror," challenged legendary management consultant, educator, and author, Peter Drucker. As we look out the window and reflect the different organizations we have worked with over the past 17 years, crucial questions resound consistently: How can we connect the siloes and link the various execution activities with the overall strategy in a holistic way? How do we manage in a disruptive world that is constantly in flux? Are we stuck in traditional management approaches that don't work anymore? We are trying iterative, incremental, and agile approaches, but do not see the results—what do we do?

In the quest for better organization and management, many practices have continued to evolve over the past 150 years—from Fredrick Taylor's scientific principles of management to Six Sigma, to current-day lean, agile, and hordes of variations in between. These practices have been applied with varying degrees of success depending on the organizational context, culture, and time frame. Some emphasize operational efficiencies and zone-in on execution; others focus on strategy and business effectiveness, while others espouse governance and control. In the nineteenth century, management consisted of six functions, according to Henri Fayol, considered to be one of the founders of modern management: forecasting, planning, organizing, commanding, coordinating, and controlling. Toward the end of the twentieth century, business management came to consist of six separate branches: financial management, human resources, information technology, marketing, operations, and strategic management.

As organizations evolve in size, scale, and complexity, there is more and more separation between various elements. In particular, the chasm between strategy and execution grows to the point that it is hard for the people involved in executing projects to be able to connect to the strategy or be aware of the business purpose and alignment,

while the people responsible for strategy blame execution for not achieving results and vice versa.

The questions that sparked this book are: What if we could decode the DNA of effective strategy execution? Just as DNA contains the genetic instructions used in the development and functioning of all known living organisms, is there a code or blueprint containing the elements of management and strategy execution? How could the strands of the DNA be used to connect strategy and execution in a holistic way? How can we develop the next generation of practical project management and PMOs practices that can complement and enhance contemporary approaches like lean and agile? Is there a way to design an organizational mosaic and connect disparate pieces that provide sustainable results and value holistically?

This book is designed to inquire into these questions to gain new perspectives on age-old management challenges and illuminate better ways to organize, manage, and execute strategy.

The future of work is project-based, and more and more organizations are project-based. In this book we focus on how organizations can identify and develop the DNA elements to build a strategy-execution platform with next-generation project management and PMO capabilities. As we will demonstrate, the idea of the DNA of strategy execution can be applied and complemented in any organization—whether it is an incumbent company, or a startup, or a non-project-based operational environment, the DNA of management is the same and can be applied as a foundational aspect alongside other approaches.

Many organizations have implemented varying degrees of project management practices and established PMOs to coordinate and monitor projects and strategic initiatives. PMOs have become a common fixture in organizations but are not necessarily perceived as a high value, breakthrough management idea. They are typically implemented in a limited way based on traditional management paradigms. According to multiple surveys, including an ongoing survey we have been conducting at the Projectize Group since 2005, the success rate has hovered in the 50 percent range over the past 12 years.

RECOGNIZE THE DANCE: THE NEED TO RETHINK AND REDESIGN

"Any company designed for success in the 20th century is doomed to failure in the 21st."

David S. Rose, Angel Investing

How do we redesign project management and PMOs for the twenty-first century? First, we have to start by understanding the foundation from which traditional management processes have evolved. As the world was becoming more industrialized in the twentieth century, there was a need for systematic approaches and standardization to gain efficiencies. These scientific principles of management popularized by Fredrick Taylor are based on a mechanical mindset—a factory model where work is done, or

projects are completed, using structured processes in a controlled environment that can deliver predictable and consistent outputs each time. The processes, tools, and related techniques are based on a deterministic and reductionist approach. They are based on linear cause-and-effect thinking. The organization is viewed as an inanimate decision-making machine that works with process and technology designed to scale efficiency and take the human out of the process. It relies on manuals, step-by-step instructions, and detailed specifications. You determine the scope and decompose it into a work breakdown structure, which is also the core of project management techniques. This mechanical view has prevailed for most of the twentieth century, and for the most part, you can argue it has served us well. This approach has served us well, but for deterministic projects, where the problem and solution definition is known or knowable. But what do you do if the solution and related scope is unknown or unknowable, and requires learning?

The reality of the world and today's business environment can be best characterized by the acronym **DANCE**: **D**ynamic and changing, **A**mbiguous and uncertain; **N**onlinear, **C**omplex, and **E**mergent and unpredictable—dynamic and constant change, driven by disruptive factors and shifting stakeholder needs and priorities. There is ambiguity and uncertainty, the situation is ambiguous or not clear and can be interpreted in different ways, and it is uncertain which way it will go. The direction is not clear, and there is a lot of uncertainty about the future. Unlike stable environments, where things are linear and expected, in a nonlinear world it is hard to ascertain the cause and effect, the output is not proportional to the change in the input, and it is therefore, hard to plan or manage the unexpected. The environment is complex because of the multiplicity of stakeholders involved, the number of interactions, and the sheer number of linkages and dependencies. It is not clear who all the stakeholders are, and the identified stakeholders are indecisive—they do not know what they want. Scope, requirements, solutions, and stakeholders are emergent and unpredictable from the bottom-up, and it can be hard to plan top-down in a continually shifting landscape.

DANCE is similar to VUCA, an acronym used to describe the volatility, uncertainty, complexity, and ambiguity, initially used in the military in the 1990s. DANCE is broader and better reflects today's business environment. It emphasizes the nonlinear and emergent aspects, which are not called out in VUCA.

To deal with the DANCE you need a fundamental shift to an organic mindset—a deep understanding and appreciation that today's organizations are nonlinear and complex due to the multiplicity of activities and dependencies, and unpredictable due to the intricacies and overlaps among people, information, and connections.

The conventional approach to implement project management or PMO is based on the mechanical view and deterministic methods of classic project management with a heavy emphasis on the linear scope, plan, execute, and control (SPEC) processes. But reductionist plans based on sequential tasks and dependencies do not seem to hold in a nonlinear, changing, and unpredictable project reality. For example, in a project, if you have one of the aspects of a project that is not well defined and is ambiguous and has three possible outcomes, it may be relatively easy to manage. If you have

two areas of ambiguity with four possible outcomes, now you have 16 possibilities. As the areas of ambiguity increase, the possible outcomes grow exponentially—five areas of ambiguity with four possible outcomes each present 625 options. How do you plan to accommodate and deal with this many options? The challenge gets further compounded when the path forward is not clear, and you combine it with the sheer number of uncertainties surrounding the project.

The more independent steps that are involved, the more opportunities for failure. Let's say a start-up is working on a new product offering that has six steps. Each step has an 80 percent probability of success, which means 2 out of 10 times a step may not succeed. Since each step is independent the probability multiplies, and now the chance of going live with this product is only 26 percent, meaning they should expect success one time out of four. Even though it looks like an 80 percent chance of success in the beginning, each time we add a step, the probability of success reduces. It is easy to overestimate the probability of success based on the uncertainty of a number of steps, people, and decisions involved in a DANCE-world.

Which Game Are You Playing?

It is also important to distinguish the game you are playing. If you are flying an airplane, you rely on checklists and follow air safety rules and established processes. Aviation is a great example of safety and reliability based on established procedures, documentation, and learning from failures. Air travel remains the safest in terms of deaths per passenger mile. However, we must recognize that flying an airplane is different from designing and building an airplane and requires a different approach, as evidenced by the challenging development of the Boeing 787 Dreamliner project, which was \$12 billion to \$18 billion over budget and many years behind schedule. Projects like Boeing's Dreamliner are examples of the DANCE in action—the complete solution is not known at the start, there are many options, redesign of not just the structure but also the materials (use of composite materials), new and untried technology, complicated supply chains, and multitier outsourcing. See Figures 1.1 and 1.2, Building the plane versus Flying the plane.

It is important to understand the distinction between designing and building versus flying the plane as you implement project management practices. Do you recognize the need for a different approach?

It is like playing two different games—pool and pinball (Figures 1.3 and 1.4, Playing Pool versus Playing Pinball).

Pool (billiards) is based on a mechanistic model, which is based on linear cause and effect. Mastery requires understanding the rules and dynamics of the game, and with deliberate practice, you can control and master the variables and expect predictable outcomes. Pinball, however, has all the DANCE characteristics—as soon as the ball is launched, you do not know where exactly it is going to go. It may hit a target and gain momentum or slow down; it is dynamic and unpredictable. To succeed at pinball, you need to recognize that the nature of the game is different and requires a different

Selected component and system suppliers.

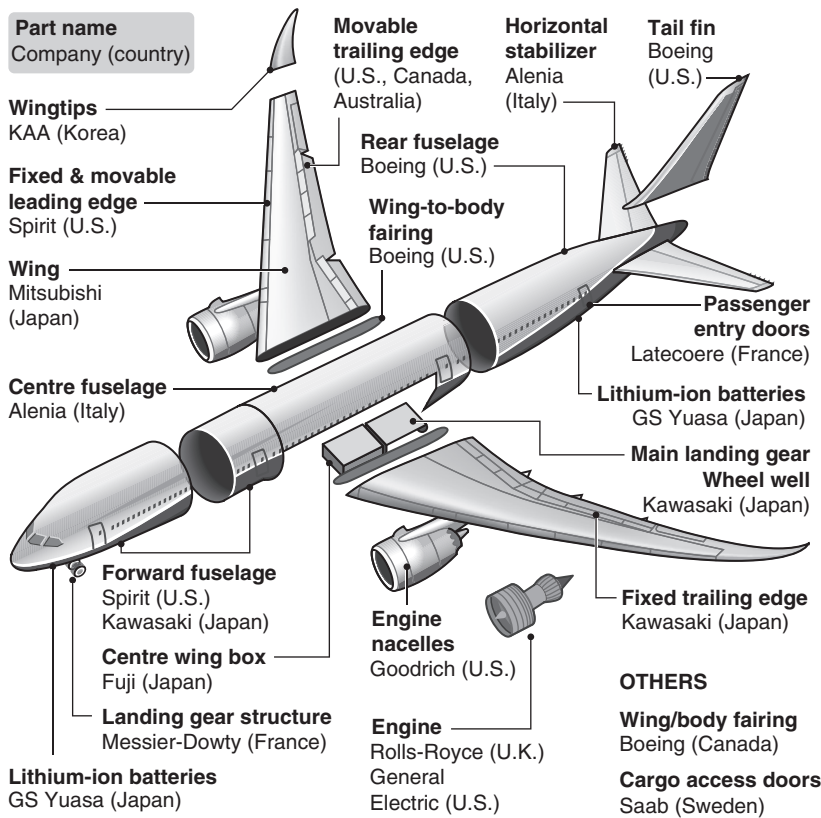


Figure 1.1: Building the Plane

Source: APG 060 – The Pilot pope – Airline Pilot Guy.



Figure 1.2: Flying the Plane

Source: José A. Montes (Flickr: Boeing 787 Dreamliner N787BX) [CC BY 2.0 (<http://creativecommons.org/licenses/by/2.0>)], via Wikimedia Commons.



Figure 1.3: Playing Pool

Source: Nic McPhee [CC BY 2.0 (<http://creativecommons.org/licenses/by/2.0>)], via Wikimedia Commons.



Figure 1.4: Playing Pinball

Source: Gregg Tavares [CC BY 2.0 (<http://creativecommons.org/licenses/by/2.0>)], via Wikimedia Commons.

approach. You can't follow a solid plan or keep flipping aimlessly. The irony is that organizations do not recognize the difference and apply the rules of pool, even when they are playing a different game of pinball. Project managers and PMOs need to understand that the mechanical mindset of traditional approaches can be limiting and insufficient to deal with a rapidly changing, uncertain, and unpredictable DANCE-world.

To play pinball, you need to constantly sense, respond, adapt, and adjust (SRAA). Over a period with practice, you can decipher the dynamics and become a pinball wizard. But organizations are far more complex and hard to decode the DANCE that impacts them. They require a nuanced and context-sensitive application of process and methods and humility to understand you cannot control everything; in fact, in pinball when you try to control, you go into tilt, and it's game over.

Traditional project management and PMOs that do not recognize the difference between the need for a different approach for the two games are set up to scale for efficiencies. They overemphasize planning, prevention, prediction, and process, which enables organizations to achieve consistent results in a mostly simple to complicated world. Pointing out the distinction between complicated and complex is important. Figure 1.5 describes the complexity continuum.

A bicycle is simple; an aircraft engine is complicated, not complex; you can rely on a manual to identify all the components and their behavior in predictable ways. Now, think of a stubborn horse, a team member, or any living thing that is hard to predict or control is complex.

Dealing with Complexity

Organizations, project environments, social networks, industries, governments, traffic flows, nature, and biological systems are examples of complex adaptive systems.

A complex adaptive system is a system in which a perfect understanding of the individual parts does not automatically convey a perfect understanding of the whole system's behavior. Complexity science is an interdisciplinary field that delves into understanding the properties of complex systems. Following are some of the properties of complex adaptive systems summarized from the work of De Toni and Comello, viewed through the lens of application to project management and PMOs:

Self-organization and emergence. Spontaneous emergence of new structures from the bottom-up; the behavior of the system differs from the simple addition of its parts; components self-organize to produce capabilities and outcomes that are neither obvious nor predictable.

The Impossibility of forecast. Boundary state between predictability and unpredictability, impossible to forecast precisely.



Figure 1.5: Complexity Continuum

Power of connections. Everything is connected to everything else; identifying and strengthening crucial connecting nodes is key.

Circular causality. The effect has a feedback on its own cause; cause and effect are nondeterministic.

Hologrammatic principle. The part is in the whole, and the whole is in the part.

Try and learn. Trial and error is the only way to learn and adapt.

Edge of chaos. State of dynamic balance between order and disorder.

The DNA of strategy execution has evolved based on these principles, and in this book, we will delve into the practical application of these properties to next-generation project management and PMOs.

Organizations and project environments are complex adaptive systems. It is necessary to create awareness and classify project complexity to determine the appropriate management approach. Projects move and shift between simple, complicated, complex, and chaos along the complexity continuum. The DANCE elements can be present on any project, regardless of size or cost or other elements and can either impact individually, or interplay in combination. What may seem like a minor element can have a ripple effect with unintended consequences on any project or program.

Key Question – How to Redesign and Organize for Increasing DANCE and Complexity?

Traditional approaches evolved to iterative and incremental with progressive elaboration and rolling wave planning, but today we are no longer dealing with waves—it is more like a tsunami. The volume, variety, and velocity of changes are intensifying the DANCE. We are in a constant state of flux, and the challenges are less predictable. Digitization accompanied by breakthrough technologies like artificial intelligence and machine learning is creating multiple inflection points. Though inflection points have always been a part of business reality, the frequency of inflection points has rapidly increased and is disrupting established businesses. Projects in today's environment are akin to building the plane while you are flying it. The path forward is not clear, and the unforeseen and unexpected are happening at a faster pace, causing a greater degree of turbulence. Earlier, you could predict the ebb and flow of order and chaos, or equilibrium and disequilibrium, but today's world is characteristic of unpredictable instability and disequilibrium.

Figure 1.6 lists the traditional approaches we have relied on for the simple to complicated. The question is, how do we thrive in an increasingly DANCE-world where the problem is unknown or unknowable? How do we deal with wicked problems that are difficult because of incomplete, contradictory, and changing requirements that are difficult to recognize, and the solution requires experimentation and learning?

This book delves into the question of what approaches are needed in the realm of complicated to complex, and how to balance between them.

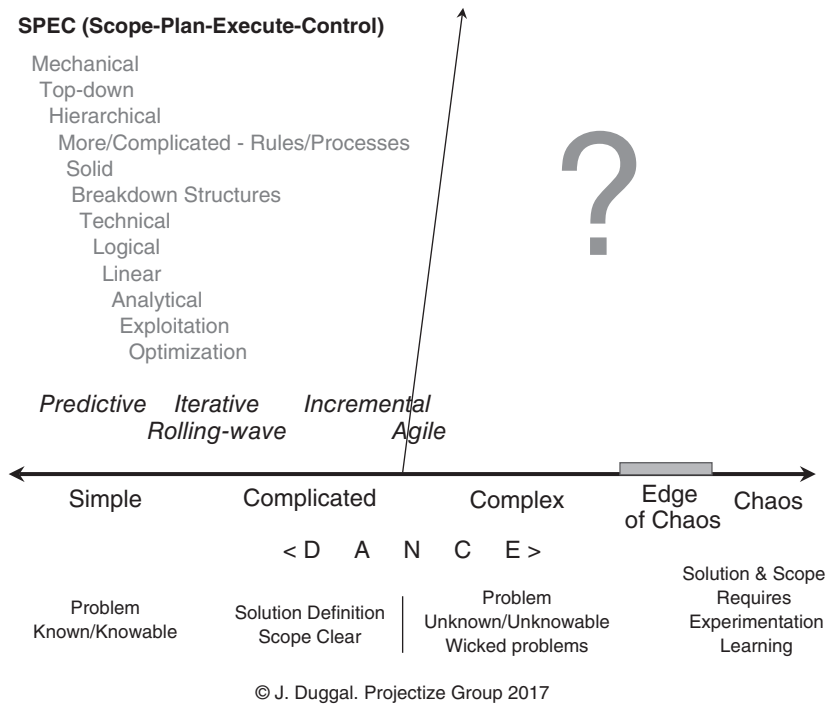


Figure 1.6: Dealing with the Simple to Complex

THE EVOLUTION OF MANAGEMENT FOCUS

The evolution of management focus can be traced in three paradigms, starting with efficiency—faster, better, and cheaper processes, products, and services for most of the nineteenth and twentieth centuries. In the latter part of the twentieth century in the 1980s and 1990s, the focus shifted toward effectiveness—extracting value and benefits, instead of efficiency for the sake of efficiency. Today’s digital and hyper-connected world is based on experience—starting with the end user and customer experience, it builds on the optimization of efficiency and effectiveness. The next generation goes beyond with a focus on the transformative purposeful impact of the whole. Figure 1.7 highlights the key distinctions between efficiency, effectiveness, experience, and the next-generation evolution of project management and PMO.

Which category does your organization reflect? In our observation, many project management and PMO approaches are still stuck in efficiency, and some are moving toward effectiveness, while the awareness and practice of experience focus are rare. This book will delve into the above characteristics and discuss how all three are

	EFFICIENCY Traditional/ Foundational	EFFECTIVENESS 2 nd Generation Project Mgt. & PMO 2.0	EXPERIENCE 3 rd Generation Project Mgt. & PMO 3.0	IMPACT Next Generation?
Mindset	Mechanical (factory-oriented views organization as complicated machine; linear, siloed thinking)	Systems (connected, integrative thinking)	Organic (views organization as complex adaptive system; non-linear, adaptive and holistic thinking)	Intuitive (hybrid of organic/ mechanical- augmented with automation and intelligence)
Purpose & Focus	Execution and delivery	Results, benefits and value Strategic decision-support and prioritization	Strategy- execution – linking strategy and execution, with a stakeholder and customer focus – customer first, customer experience, customer success, and customer creation, and retention orientation	Strategic- execution – long-term gaze; shift to network benefits, from individual customer benefits; greater value and impact, while maintaining customer commitment and loyalty; sustain- ability and legacy
Role	Scope, Plan, Execute, Control (SPEC) Standardize (do it right and consistent)	Service, support, coaching, consulting Strategic decision-support Prioritize (do the right things)	Force multiplier - facilitate, expedite, connect and link; Enable agility and innovation;	Sense, Respond, Adapt, Adjust (SRAA)
Approach	Controlling and planning (Top-down) Predictive and analytical Risk intolerance Failure is not an option	Collaborative Iterative and incremental Agile/Lean methods Risk tolerance to a degree	Adaptive Experimentation (trial & error) Sensing & perceiving (new & different lenses) Customer engagement and collaboration Smart risk-taking	Integrative, intuitive and emergent (bottom-up - self-organization) Designing, architecting, and choreographing
Governance	Compliance orientation (monitoring and control – rigid processes; forced compliance)	Delivery orientation (support and collaboration – flexible processes; voluntary compliance)	Business and customer orienta- tion (responsive & adaptive processes; self-regulating and desire based governance)	Network orienta- tion designed to optimize the whole (intuitive, automated, and augmented governance)

Figure 1.7: Management Evolution—From Efficiency and Effectiveness to Experience and Impact
Source: © J. Duggal. Projectize Group.

	EFFICIENCY Traditional/ Foundational	EFFECTIVENESS 2nd Generation Project Mgt. & PMO 2.0	EXPERIENCE 3rd Generation Project Mgt. & PMO 3.0	IMPACT Next Generation?
Measurement & Success Criteria	Compliance and certification Deliverables and outputs On-time, on-budget delivery	Benefits and outcomes Customer satisfaction	Business value and impact Customer creation; retention; Net promoter score (NPS) Learning and innovation	Long-term impact; sustain- ability and legacy
Ownership & Accountabil- ity	Tasks, outputs, and deliverables	Delivery of benefits, and outcomes	End-to-end customer success and impact	Long-term impact; sustain- ability and legacy
Mantra	Faster, better, cheaper	Optimization of benefits and value	Agility and adaptive	Intuitive and intelligent

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Figure 1.7: (Continued)

important, but it is crucial to balance and evolve. Each generation builds on the previous, to evolve to the next generation.

AGILE DANCE AND BEYOND

Recognizing the limitations of traditional approaches and the inability to manage the DANCE effectively, the software development community developed agile. Agile resonates with many who are engaged in DANCE type of projects and understand they are playing a different game and need a different approach. Agile has become mainstream and is spreading outside of software development into other areas of management as well.

To apply agile effectively, you must rewire the organizational mindset and culture to understand and practice the agile manifesto—individuals and interactions over processes and tools; working software (products) over comprehensive documentation; customer collaboration over contract negotiation; responding to change over following a plan (agilemanifesto.org). And the agile principles—highest priority is to satisfy the customer; welcoming changing requirements; delivering working products (software) frequently; simplicity; self-organizing teams; reflection among others. While agile has been an antidote and has transformed many teams and organizations, there are many who continue to struggle. The challenge is as many have jumped on the agile

bandwagon and they are doing agile; they are not necessarily prepared for it. They are excited about trying agile methods and techniques, but the way they practice them is with an old mindset. As a result, they get more of the same. As Stephen Denning and others have pointed out, there is a difference between “doing agile” and “being agile.” Before you can do agile, you must be agile; otherwise, it is faux agile.

The application of agile is primarily focused on execution and process agility. What about the other aspects of strategic agility? Besides agile methods and processes, project management and PMOs have to address multidimensional and contextual agility in other areas of linking strategy, governance, measurement, connection and communications, organizational change management, learning, and innovation.

This book aims to link execution to strategy and focus on both execution agility and strategic agility. The ideas on these pages will help you with agile transformation and to integrate agile in a holistic way. This book goes beyond, and looks at the nature of complex adaptive systems and complexity to prepare your organization for true agility. It will challenge you to anticipate what’s next after the predictive, iterative, incremental, and agile approaches to be better prepared for the persistent DANCE and turbulence.

APPROACH

Question Everything

In the world of efficiency and effectiveness, we could survive and prosper by finding many alternatives to solve problems. Techniques like brainstorming, which aim to come up with as many solutions as possible, are still popular. You can quickly brainstorm multiple solutions; the challenge is that you could be working on the wrong question. The problem is not the answers but the questions. How do we know if we are asking the right question? How do we learn to ask better questions? To get better at strategy execution, you must challenge yourself and your teams to ask beautiful questions. Warren Berger, in his book, *A More Beautiful Question*, explains, “A beautiful question is an ambitious yet actionable question that can begin to shift the way we perceive or think about something—and that might serve as a catalyst to bring about change.” Each chapter starts with leading questions. These questions will, of course, be addressed, but I hope that by the end of the book you will have more beautiful questions that provide new insights and open new doors. Like Larry Page, CEO of Alphabet, we need to learn to ask 10x questions that require answers that have 10 times the impact of previous solutions. You will learn to frame your challenges with better questions and continue to challenge the status quo and seek new perspectives with the power of questions.

“Problems that remain persistently insoluble should always be suspected as questions asked in the wrong way.”

Alan Watts

Focus on the Purpose of Business

How would you respond to the question, “What is the purpose of business?” Most people respond, “to make money ... increase shareholder value ... to provide customer value ... to make a sustainable impact ... etc.”

Way back in 1954, Peter Drucker responded:

“There is only one valid definition of business purpose: **to create a customer**. The customer is a foundation of a business and keeps it in existence. The customer alone gives employment. And it is to supply the customer that society entrusts wealth-producing resources to the business enterprise.”

He wrote these words in his book *The Practice of Management*, as far back as 1954, it is only now we are seeing that organizations are getting this. Think about it: if you don’t have a customer, you don’t have a business. That’s why we use the services of companies like Google, Facebook, and many others for free; their job is only to create new customers. Once you have loyal customers, there are many ways to monetize. Drucker’s words are echoing as the Copernican revolution in management is shaping up. As observed by author Stephen Denning, in the nineteenth and twentieth centuries, the firm was in the center, and the customer was on the periphery, just as before Copernicus in 1543 it was believed that the Earth was the center of the universe. With increasing choices and open access to products and information, it is hypercompetitive, and businesses can’t succeed without putting the customer at the center, to make their products and services go viral, and to create and keep customers.

We hear strategy execution leaders like Jeff Bezos of Amazon say, “We see our customers as invited guests to a party, and we are the hosts. It’s our job every day to make every important aspect of the customer experience a little bit better.” Shifting to a customer-centric perspective can have a profound impact, as one of the nonprofit healthcare organizations we worked with started referring to patients as customers. This simple change precipitated a mind shift, and instead of viewing people as a set of symptoms, it began treating them differently.

The approach in this book is to start with the customer at the center of everything you do from a strategy execution standpoint in project management and PMO. Start with the question, “Who are our real customers, end-users, and stakeholders?” and develop deep customer first, customer experience, customer success (helping customers easily adopt and succeed with our products, services, and systems), and customer creation and retention orientation. The questions we will be looking at are, how do you better organize and manage projects in this customer-centric, customer-first, customer-success world? Is it possible to create a project management and PMO platform that connects, facilitates, and enables an end-to-end customer experience?

Apps versus Operating System

We are constantly looking for the new cool app, the next shiny tool, template, or best practice that is perhaps the silver bullet that is going to solve our problem. The

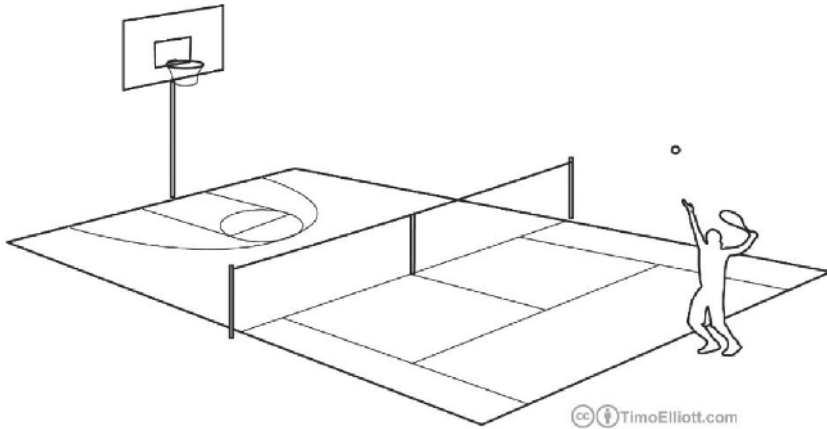


Figure 1.8: Which game are you playing?

Source: © TimoElliott.com.

challenge is that we can acquire the app, but it might not work because the operating system (OS) is incompatible. You cannot run an iOS app on Android or vice versa unless it is designed for both. It is important to understand this distinction between apps and OSs. Before you can acquire or use the app, you need to prepare the organization with the right OS. Unfortunately, we see a rush for the next app, method, tool, or technique, without consideration for compatibility with the organizational OS—the prevailing mindset and related context and culture that is needed for it to flourish. It is like rolling out the latest tennis gear, without realizing that your organization is designed for basketball—it is only going to add to the confusion as illustrated in Figure 1.8. Next-generation leaders focus first on the operating system of the organization, preparing and rewiring the mindset of the players, before implementing the methodology, tools, templates, or best practices. This book aims to do that by focusing more on the OS level, besides providing the apps.

Process versus Behavior

Based on a mechanical factory mindset, most organizational efforts are geared toward processes and systems and not the people who use them. Our ongoing project management and PMO survey since 2005 highlights the fact that PMOs spend 85 percent of their time on developing, documenting, standardizing, refining, training, and measuring process and methods. Less than 10 percent proactively plan for the impact of organizational and behavioral changes that these processes cause. As some have quipped, that process is fine until people get involved because it is the people who are involved in designing, executing, misusing, or subverting the processes. Wherever it is possible, strive to remove the human from the process with automation of repeatable processes. For the rest of the processes, our approach in this book is to focus on the human, and the interaction between process and behavior. For each process, we will consider the

behavioral aspects and emphasize the balance between the two. While process and methods are important, it is the people who have to adopt the processes, and adapt to benefit from them.

Simplicity

“Our enemy is not the competition; it is the unnecessary complexity in our processes,” remarked an executive. This observation is a reality that resonates with many, as in the project management and PMO world we are guilty of making things more complicated than they need to be. As Einstein noted, “It is easy to make things complicated; it is hard to make them simple.” We will strive hard to simplify and exploit unrecognized simplicities. As Andy Benoit observed, “Most geniuses—especially those who lead others—prosper not by deconstructing intricate complexities but by exploiting unrecognized simplicities.” This is the heart of our approach, and simplicity is the foundational theme that will echo throughout the ideas, models, methods, and tools discussed in this book. In Chapter 11 we take an in-depth look at this topic.

Holistic

In an ideal world, the organizational mirror would be whole, in which you could see a coherent corporate strategy and structure, mission, vision, values, strategies, and objectives. The strategy is linked to execution and operations. There is an aligned and prioritized portfolio, with well-defined programs and projects, and everything is linked and transparent. But the reality is messy, and typical organizations are fractured and not as coherent and organized—even more so in today’s DANCE and disruptive world.

To execute strategy effectively, you have to think holistically. As Peter Senge, author of the seminal book, *The Fifth Discipline*, in his work on systems thinking wrote, “Business and human endeavor are systems ... we tend to focus on snapshots of isolated parts of the system. And then wonder why our deepest problems never get solved.” The role of project management, PMOs, and strategy execution leaders should be to connect and build bridges, find commonalities, reduce redundancies, and spread ideas that work.

The project world is characteristic of reductionism and breaking things down, and the heart of the project management approach is breakdown structures. While it makes sense to break things down to better plan and manage, the challenge is bringing them back together. Even when you try to integrate, due to the cracks caused by the breakdown, it is hard to patch and get a holistic perspective to optimize the whole.

Identifying the foundational DNA elements across the management of business and related projects, programs, portfolios, and PMOs provides insights and opportunities to connect and optimize the whole. It provides the opportunity to leverage the complex systems property: *the part is in the whole, and the whole is in the part*.

In this book, we will take a holistic perspective; instead of separating things, we will try to bring them back together. While there is value in separating portfolios, programs,

projects, PMOs, and organizational project management (OPM), we will look at them holistically by looking at the DNA level and identifying the common characteristics and themes that apply across the board. In the spirit of the 'whole' we will use project and program, and project management (in a broad organizational context) and PMO interchangeably; many of the ideas overlap and apply when you look at things at the foundational DNA level.

BACKGROUND

The ideas and insights discussed in this book are based on over 17 years of experience in designing and implementing organizational project management and PMOs in different organizations around the world. In our practice at the Projectize Group, we have worked with a few thousand people from hundreds of organizations since 2000, in leading Next-Generation PMO and Portfolio Management, Managing the DANCE, and Leadership seminars for the Project Management Institute (PMI) and various organizations and governments around the world. As facilitators, consultants, participant observers, and curious practitioners in the pursuit of next-generation approaches to strategy execution, we have not only observed, researched, discussed, and debated these ideas from multiple perspectives but, more importantly, implemented them. As best-selling author and scholar, Nassim Taleb said, "Instead of putting theories into practice, create theories from practice." We have applied, learned, and evolved these practices in many organizations in different industry verticals.

The stories and examples highlighted in the book are from established Fortune companies to Silicon Valley start-ups, and government organizations and nonprofits around the world. Also, we have continued to conduct and compile survey-based research since 2005 that continues to provide rich data from a highly selective sample of over 1600 managers, executives, and PMO leaders. Ongoing interviews with executives and PMO leaders have provided deeper insights and validation of the ideas.

This book will provide new perspectives and related tools for project, program and portfolio managers, PMO leaders, product owners, and executives, and anybody interested in the next generation of strategy execution.

How Can You Use This Book?

The impact of digitization and disruption and the intensification of the DANCE requires a rethink and reset of how we organize and manage. This book will present a holistic approach by decoding the DNA of strategy execution and provide new perspectives and practical applications, tools, and examples for each of the DNA elements. This book can be used to:

- Develop a playbook for effective strategy execution.
- Improve your effectiveness as next-generation managers, leaders, owners, and executives.

- Gain new perspectives and insights to develop skills necessary to thrive in today's turbulent world.
- Build a next-generation project management and PMO platform for strategy execution.
- Decode the core elements of the DNA of management and strategy execution.
- Prepare your organization to lead and implement agile transformation in an effective way.
- Redesign and transform project management and PMO, and apply next-generation ideas to take your PM capabilities and PMO to the next level.
- Balance the need for foundational management discipline with the need for agility, creativity and innovation, and achieve the rigor but without rigidity.
- Evolve to an organizational project management (OPM) and PMO Center of Excellence (CoE).
- Foster effective measurement, feedback and learning for continuous improvement and innovation.
- Find ways to connect and bridge the gaps across organizational silos.
- Challenge conventional and unproductive management practices.
- Change negative project management and PMO perception.
- Measure and increase business value and impact, and gain buy-in, with raving customers and promoters for project management and PMO.
- Improve organizational project management (OPM) and PMO maturity by developing intelligence in each of the DNA areas of strategy execution.
- Improve overall organizational effectiveness and innovation capabilities.

The next chapter will start by providing the context as to why and how to reframe the organizational operating system and mindset for agility, why project management and PMO efforts fail, and what are the next generation ideas to evolve and adapt. In Chapter 3 we will decode the DNA of strategy execution. In the following chapters, we will look at each element of the DNA in detail, starting with strategy in Chapter 4, and execution in Chapter 5. The other elements—governance, connect, measure, change, and learn—will be covered in Chapters 6 through 10. Chapters 11 and 12 focus on enabling aspects to apply the DNA of strategy execution with simplicity and balance to thrive at the edge of chaos.