

1

Innovation in the World of Projects

This first chapter is focused on the understanding of the typical innovation in the project ecosystem. It is intended to highlight foundational innovation success principles that help the leader to design experience-driven future work environments with the diverse stakeholders' views and inputs in mind. This is intended to enable setting the stage for the *Experience-Driven* way of innovating to be built as a natural muscle for operating in such a project economy of today and into the future.

In a world that demands excellence in innovation and in delivering digital transformations, where digitalization continues to scale, the return on experiences (ROEs) that we create could directly contribute to the aspirational growth targets and the achievement of the most impactful missions.

Key Learnings

- Understand the value of how developing a holistic view successfully supports innovation.
- Explore a case study that looks at the critical people and behavioral shifts.
- Understanding the new strategist leader and its impact on successful transformation.
- Learn from a movie example how to develop the critical views that expedite your movement toward being an impactful, experience-driven conductor.
- Start addressing how this work's hypotheses link to driving innovation and aligning around the dynamic needs of customers and stakeholders.

1.1 The Holistic View

What makes committing to continual innovation challenging is sometimes linked to the short-term lens that organizational leaders possess. For impactful and sustainable innovation, the focus needs to be holistic in order to see the potential

over the horizon. The commitment and investment required to incubate ideas that ultimately could create the next unicorn is a difficult one. This is where being holistic comes in.

One of the critical reasons why holistic view matters is the fact that we can see beyond what is in front of us or what is obvious. It requires us to be obsessed with the problem. It is the commitment to slow down to go faster. By thinking holistically, we uncover every angle that has a strategic impact on where the innovation projects could take us and the surrounding assumptions and constraints that could hinder their success. Holistic also means that we consider the entire ecosystem that will be the birthplace for these projects.

1.1.1 Developing the Holistic View

Understanding innovation portfolio interactions complexity and finding ways to simplify it is critical. Having a holistic view has continued to be one of those most talked-about capabilities for leaders involved in managing portfolios of programs and projects. In describing an affective project manager, this quality is usually listed among the top ones. Yet, although commonly mentioned, it is seldom well practiced, nor properly invested into.

Ways to describe this capability could be big picture, end-to-end thinking, stepping outside the box, and seeing beyond the obvious. Developing the holistic view is an intentional practice. It requires us to first recognize its importance and then dedicate relentless focus to building it.

As highlighted in Figure 1.1, the abovementioned ways of describing the holistic view could be highlighted by the picture in the figure, especially the balloons



Figure 1.1 Holistic View Sample. Credit: KELLEPICS/Pixabay.

floating on the top of that busy city that seems to have been built at the foot of a mountain range or something similar. Being in the balloon allows the leader to see holistically. By stepping away from the details on the ground, the leader can see the effectiveness of the city design, or the lack hereof, and could see opportunities to innovate solutions to problems that might not have been seen before, while you are so close and are in the midst of the many busy landscapes of high-rise buildings. This capacity of stepping away and zooming out sounds simple, yet it becomes more and more challenging in today's busy and noisy work environments.

The figure also shows the importance of sharpening the focus from multiple angles. Having multiple balloons reflects viewing a given scenario from different angles and possibly creating a mix of objective ideas for the beginnings of innovation. This will remain an increasingly important power in the future of work.

1.1.2 Connecting to the Movies

Strategy for executing change is difficult. In **Remember the Titans**, Denzel Washington had to exercise being holistically strategic in building a true integration culture that was lacking, yet necessary for inspiring a joint view of success for that true story Virginia school football team.

Figure 1.2 shows the stakeholders that Denzel (Coach Boone) had to work across and align as a true holistic leader should. The figure reflects the potential complexity in maintaining the strategic clarity for the football team across such diverse body of stakeholders. Denzel had to continually adjust his lens and update what the next strategic move looked like while reflecting that in necessary big-picture directional changes.

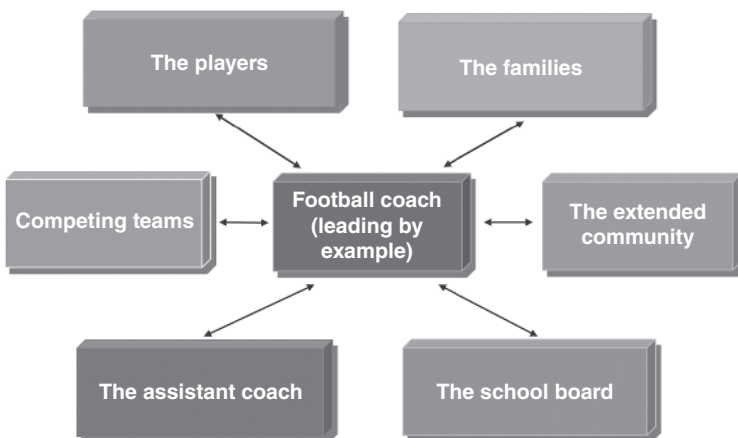


Figure 1.2 Holistic Leader's Stakeholders Strategic Links.

The sample of key stakeholders shown is all part of Coach Boone's portfolio. Handling each of these stakeholder entities was almost like an individual project for him. Building an integrated culture and overcoming racism required a natural cascade of consistent behaviors in his interactions with the players and others in the stakeholders group.

As an example, the players' grouping required him to exercise discipline and resilience on the path of building a strong team. He had to overcome personal limitations and biases and find creative ways to build critical trust and bonds among the players. This is an example of an experience-driven culture where the players had to experience what it takes to live in the world of another player of a different skin color. These rich experiences enabled the building of a well-knitted team.

Coach Boone had to maintain a holistic view that drove his season's success and supported the critical integrator role that was required to break down the team's and other stakeholders' silos.

Tip

Invest in developing a holistic view that enables the teams to experience better understanding of how their roles contribute to innovative outcomes across the portfolio.

1.2 Portfolios of Projects Matter

Although most organizations understand the importance of viewing their business in the form of a portfolio, not many excel in applying the principles of portfolio management and seeing this as a strategic competency. This assumption could limit the organizational ability for achieving the balanced use of resources across the portfolio. It could directly affect the scaling of innovation if we miss out on including the right projects in the portfolio mix. If handled positively, designing and executing against the right portfolio becomes a natural organization muscle that is to be matured over time and that brings the data, people, and technology in alignment with critical choices and their associated priorities.

In an interview with **Mary Palmieri, with Amazon, Principal PM, AI Content Thought Leader**, she shares the following views about building the portfolio management muscle:

It's almost business fundamentals you're looking at then, it's what levers can you pull to drive top line and bottom-line growth and how can you improve operations and performance to move quicker and better. I mean that's just like about iterating the view of success.

Talking about portfolio management the same way, like the Project Management Institute (PMI) away, which is a portfolio of initiatives projects, is a best practice because you do need to all be speaking the same language and getting alignment on the inputs and the outputs. For maturing Key Performance Indicators KPIs, I think it's diving deep into the use case and really getting present to what you're trying to accomplish.

On my own program, I'm owning the content acquisition program, so I've almost had to define a language for the organization on what it means to acquire content, how to measure the success of digital assets and content management, and all that stuff that's almost like it's a new language. I think there's the common business framework, but then it's like you're in your own little country, you're making up your own little tribal language that you and your team need to start speaking, and you also need to educate senior leaders on that language.

Tip

Portfolio management is a strategic muscle. Executives have to grasp its language to ensure that strategic choice-making becomes an attribute of the organizational culture.

1.3 The Speed of Innovating

Clock speed is the norm in industry today. This means that the demand for fast innovation and creation is only increasing. The good news is that computing capabilities and the advances in artificial intelligence (AI) and other simulating capabilities are all contributing to our ability to adapt facts and predict what's coming.

Time is not our friend when it comes to major climate and environmental changes, which places more pressure on the critical importance of innovation.

As in our article, Kerzner and Zeitoun (2023), even though the hot topic of AI based on large language models (LLMs), such as ChatGPT, is gaining major attention, the concept of AI itself was first proposed by British mathematician, Alan Turing, in his 1950 paper "Computing Machinery and Intelligence." We reached a state where the education of AI that we achieved, coupled with the massive amount and higher quality of data, got us to a point of impact creation on initiatives delivery that is meaningful and disruptive.

To support the future of project management and the new ways of achieving excellence, AI-enabled project work:

- Creates efficiencies that were not possible previously
- Levels the playing field where the basics of planning and executing projects can easily and quickly be covered

- Expedites the onboarding of project teams to get them to perform faster and more smoothly
- Creates a heavy focus on understanding the customer's definition of project business value
- Enhances the quality of decision-making and turns the supporting processes to a highly data-driven approach
- Opens the door for new skills and roles for the project managers and teams of the future

1.4 Managing Transformation Matters

In this section, I will use an example of a case study to highlight what an organization could experience as it goes through transformation. As in any successful transformation, it should combine a good balance between **people, process, and infrastructure/technology** to ensure a balanced and efficient progress of the transformation program toward achieving its benefits to the organization.

Case Study

Honicker Corporation¹

Background

Honicker Corporation was well recognized as a high-quality manufacturer of dashboards for automobiles and trucks. Although it serviced mainly U.S. automotive and truck manufacturers, the opportunity to expand to a worldwide supplier was quite apparent. The company's reputation was well known worldwide, but it was plagued for years with ultraconservative senior management leadership that prevented growth into the international marketplace.

When the new management team came on board in 2009, the conservatism disappeared. Honicker was cash-rich, had large borrowing power and lines of credit with financial institutions, and received an AA-quality rating on its small amount of corporate debt. Rather than expand by building manufacturing facilities in various countries, Honicker decided to go the fast route by acquiring four companies around the world: Alpha, Beta, Gamma, and Delta companies.

¹ Kerzner, 2022/John Wiley & Sons.

Each of the four acquired companies serviced mainly its own geographic area. The senior management team in each of the four companies knew the culture in their geographic area and had a good reputation with their clients and local stakeholders. The decision was made by Honicker to leave each company's senior management teams intact, provided that the necessary changes, as established by corporate, could be implemented.

Honicker wanted each company to have the manufacturing capability to supply parts to any Honicker client worldwide. But doing this was easier said than done. Honicker had an EPM methodology that worked well. Honicker understood project management and so did the majority of Honicker's clients and stakeholders in the United States. Honicker recognized that the biggest challenge would be to get all of the divisions at the same level of project management maturity and use the same corporate-wide EPM system or a modified version of it. It was expected that each of the four acquired companies might want some changes to be made.

The four acquired divisions were all at different levels of project management maturity. Alpha company did have an EPM system and believed that its approach to project management was superior to the one that Honicker was using. Beta company was just beginning to learn project management but did not have any formal EPM system, although it did have a few project management templates that were being used for status reporting to its customers. Gamma and Delta companies were clueless about project management.

To make matters worse, laws in each of the countries where the acquired companies were located created other stakeholders that had to be serviced, and all of these stakeholders were at different levels of project management maturity. In some countries, government stakeholders were actively involved because of employment procurement laws; in other countries, government stakeholders were passive participants unless health, safety, or environmental laws were broken.

It would certainly be a formidable task to develop an EPM system that would satisfy all of the newly acquired companies, their clients, and their stakeholders.

Establishing the Team

Honicker knew that there would be significant challenges in getting a project management agreement in a short amount of time. Honicker also knew that there is never an acquisition of equals; there is always a "landlord" and "tenants," and Honicker is the landlord. However, acting as a landlord and exerting influence in the process could alienate some of the acquired

(Continued)

Case Study (Continued)

companies and do more harm than good. Honicker's approach was to treat this as a project and to treat each company, along with its clients and local stakeholders, as project stakeholders. Using stakeholder relations management practices would be essential to getting an agreement on the project management approach.

Honicker requested that each company assign three people to the project management implementation team that would be headed up by Honicker personnel. The ideal team member, as suggested by Honicker, would have some knowledge and/or experience in project management and be authorized by their senior levels of management to make decisions for their company.

The representatives should also understand the stakeholder needs of their clients and local stakeholders. Honicker wanted an understanding to be reached as early as possible that each company would agree to use the methodology that was finally decided on by the team.

Senior management in each of the four companies sent a letter of understanding to Honicker, promising to assign the most qualified personnel and agreeing to use the methodology that was agreed on. Each stated that its company understood the importance of this project.

The first part of the project would be to come to an agreement on the methodology. The second part of the project would be to invite clients and stakeholders to see the methodology and provide feedback. This was essential since the clients and stakeholders would eventually be interfacing with the methodology.

Kickoff Meeting

Honicker had hoped that the team could come to an agreement on a companywide EPM system within six months. However, after the kickoff meeting was over, Honicker realized that it would probably be two years before an agreement would be reached on the EPM system. Several issues became apparent at the first meeting:

- Each company had different time requirements for the project.
- Each company saw the importance of the project differently.
- Each company had its own culture and wanted to be sure that the final design was a good fit with that culture.
- Each company saw the status and power of the project manager differently.

- Despite the letters of understanding, two of the companies, Gamma and Delta, did not understand their role and relationship with Honicker on this project.
- Alpha wanted to micromanage the project, believing that everyone should use its methodology.

Senior management at Honicker asked the Honicker representatives at the kickoff meeting to prepare a confidential memo on their opinion of the first meeting with the team.

The Honicker personnel prepared a memo including the following comments:

Not all of the representatives at the meeting openly expressed their true feelings about the project.

It was quite apparent that some of the companies would like to see the project fail.

Some of the companies were afraid that the implementation of the new EPM system would result in a shift in power and authority.

Some people were afraid that the new EPM system would show that fewer resources were needed in the functional organization, thus causing a downsizing of personnel and a reduction in bonuses that were currently based on headcount in functional groups.

Some seemed apprehensive that the implementation of the new system would cause a change in the company's culture and working relationships with their clients.

Some seemed afraid of learning a new system and being pressured into using it.

It was obvious that this would be no easy task. Honicker had to get to know all companies better and understand their needs and expectations. Honicker management had to show them that their opinions were valuable and find ways to win their support.

Review Questions

- 1 What are Honicker's options now?
- 2 What would you recommend that Honicker do first?
- 3 What if, after all attempts, Gamma and Delta companies refuse to come on board?

(Continued)

Case Study (Continued)

- 4 What if Alpha company is adamant that its approach is best and refuses to budge?
- 5 What if Gamma and Delta companies argue that their clients and stakeholders have not readily accepted the project management approach and wish to be left alone with regard to dealing with their clients?
- 6 Under what conditions would Honicker decide to back away and let each company do its own thing?
- 7 How easy or difficult is it to get several geographically dispersed companies to agree to the same culture and methodology?
- 8 If all four companies were willing to cooperate with one another, how long do you think it would take to reach an agreement and acceptance to use the new EPM system?
- 9 Which stakeholders may be powerful and which are not?
- 10 Which stakeholder(s) may have the power to kill this project?
- 11 What can Honicker do to win their support?
- 12 If Honicker cannot win their support, then how should Honicker manage the opposition?
- 13 What if all four companies agree to the project management methodology and then some client stakeholders show a lack of support for use of the methodology?

1.5 The New Strategist

Looking back at the Honicker case study mentioned above and reflecting on the three transformation pillars confirm that transformation matters:

- 1) **People:** There were gaps in alignment on the purpose of the transformation across the four companies. There were also signs of leadership weaknesses, in

addition to ego issues on the part of one of the companies that could jeopardize what is in the best interest of all companies combined. The commitment and motivation for the transformation were lacking.

- 2) **Process:** The change management aspects of this integration of companies around a common system and achieving a joint focus were underestimated.
- 3) **Infrastructure/Technology:** With the gaps in readiness across the four companies in maturity and commitment, one would assume that their further system and digital capabilities would vary tremendously. This is also coupled with the laws in the different countries that could have an impact on data regulation adherence and other legal aspects that would hinder the fast movement toward achieving the transformation outcomes.

In addition, at the center of the success of the transformation is a new form of a leader in our organizations, the **Strategist**. With successful transformation and advances in technology and LLMs, and as AI understands the physical world better, the leader will adapt and will have more time to think again for a change and become the new strategist.

Having such a form of a leader would have tremendously contributed to the possible success of the Honicker coloration transformation. This kind of a leader would have been able to articulate a connected strategic vision that inspires all four companies' leaders and teams. The leader would have been able to anticipate the human dimension complexities better and could have positively empowered the core selected team on behalf of each company.

It is important to mention that this new strategist view of tomorrow's leaders comes with a high expectation of intense collaboration across organizational boundaries and groups of stakeholders. Similar to the classic analogy of the music conductor, as seen in Figure 1.3, the new strategist plays a role in the transformation excellence of tomorrow's organization.

In the world of transformation, this also includes the right fitting processes, as in the orchestra plans coming together, which is what a conductor needs to ensure in order to create the expected harmony, including all the prep leading to the final initiative. And then finally the technology as in the case of the conductor, as in real-world transformation, sensing how to bring the different instruments in and when, to create the magical anticipated outcomes at the other end.

1.6 Collaborating Across Diverse Views

The Honicker case used in this chapter exemplifies the diverse views of the four companies and their leaders and teams. It was likely a missed opportunity on behalf of Honicker management to make the most out of proper collaboration across these diverse views. In a highly digital universe ahead, it is more critical that

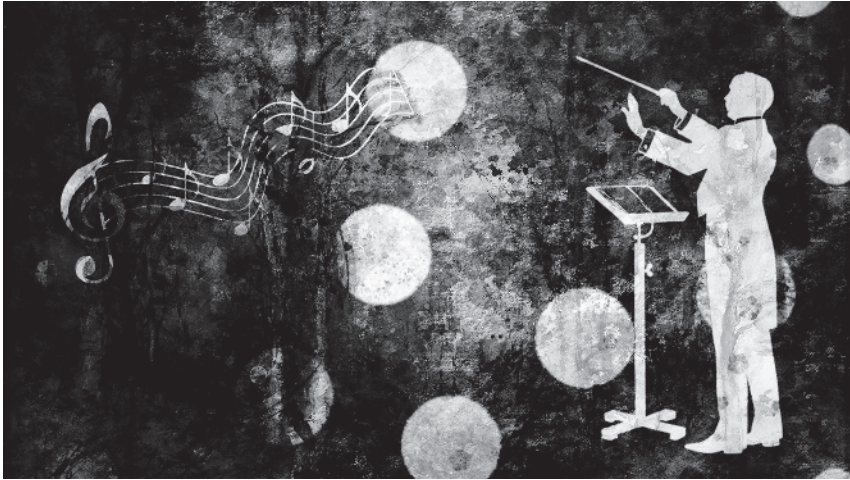


Figure 1.3 The New Strategist. Credit: chenspec/Pixabay.

the utilization of diverse views, backgrounds, and expertise are mixed together in a pot that produces the secret sauce of the experimenting cultures of the future.

This is especially more valuable since Honicker management has realized and was already looking at each one of the four companies as a project and that their task was to integrate these four projects within an integrated portfolio of these companies. To a great extent, Honicker had already realized that the project economy was upon them and that the ideal use of diverse views was to focus on the four projects, their stakeholders' alignment, and the steady movement on the strategic objectives behind the integration of the four companies.

In an era of high experimentation, the value placed on where we spend our time comes at a premium. It is no longer acceptable that we don't do proper stakeholders' analysis, planning, and clear communications strategy and plan for how we work across stakeholders' groups. The strength of a newly transformed organization lies in its ability to capitalize on all the pieces of its portfolio, especially the diverse views of the holistic sum of people's views. As was highlighted in the background section and in the overall Experience-Driven Culture Model, the Human-2-Human building block is critical in creating this necessary experience.

One of the eight hypotheses that are driving this work is: ***Leaders' top priority is adapting to customers' interests.***

To investigate this and other hypotheses, I have conducted open LinkedIn research within my network and indicated to the willing participants that their responses will provide input to this work. Most of the hypotheses received between 400 and 900 impressions. The number of votes on the driving questions was typically a small sample of about 25 votes. The intent of these questions was

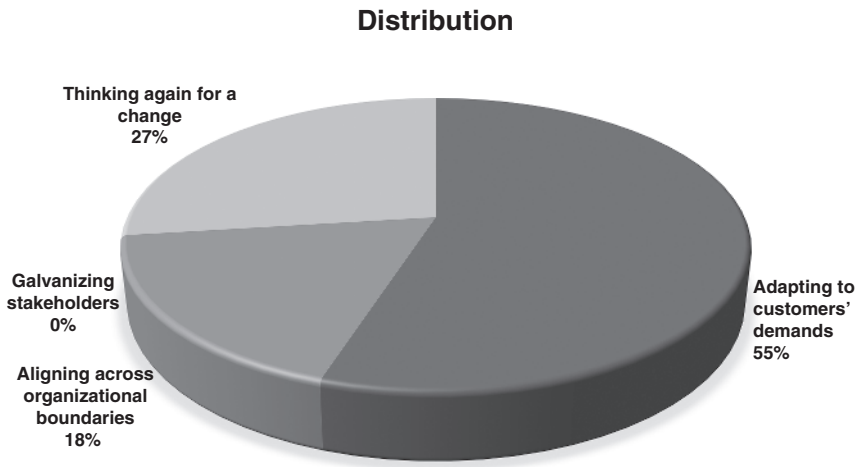


Figure 1.4 The Leaders' Priorities Hypothesis. *Note:* Based on LinkedIn Open Polling, April 2024.

to get an overall pulse of the professionals on culture, portfolio management, project management, people, digitalization, and ways of working topics.

For this hypothesis on customers, the question used was: *In your opinion, where will leaders in the future organization increasingly spend their time?*

The distribution of the answers is shown in Figure 1.4.

It is becoming increasingly valuable in this experience-driven organizational culture, the degree of focus on how to build agility and adaptability. This has been a steady muscle to grow since the time of the COVID pandemic and has only connoted to increase in importance with the number of uncertainties that surround our organizations and the demands of the markets and customers where we operate.

Tip

Adapting to customers' demands could benefit from an international collaboration across diverse views of stakeholders.

1.7 Aligning Stakeholders

As was highlighted in the Honicker Corporation case study, management and the core team that was established have not succeeded in aligning across the key stakeholders. Getting to that alignment is a core capability of successful cultures.

Honicker management could have capitalized on the early stages of this transformation initiative to ensure alignment on the reasons behind the transformation and uncover the risk appetite of each of the four companies. It is also critical to identify which stakeholder group has the highest likelihood of influencing the change and building the needed momentum to increase their interest in the transformation initiative.

In the interview with Mary Palmieri, as mentioned earlier in this chapter, she highlights multiple elements about the importance of culture in innovating and accomplishing the work of transformation initiatives. A number of the points she makes highlights the importance of aligning across stakeholders' groups:

- I do think the culture is crucial for delivering success.
- I think you always have to reward risk taking because I believe that's the difference making. I've found, in at least innovation programs, it's the willingness and the ability to take risks, and it's almost a mindset of not being afraid to fail.
- I think it's important for any company to create a safe space for innovative minds to try things and they could be calculated risks.
- I think that's the biggest challenge for sure is to get the organization there.
- I think it's about aligning to what their vision and objectives are.
- I would almost argue nowadays every company should have an innovation program like it's a mindset, it's a skill set, and it's more creative.
- I feel like there's the engineers' group, there're finance people, and others that should be like an innovation team whose job is to talk to customers, whether it's internal stakeholders or external consumers or whomever.
- The project teams should do the analysis and continuously identify problems to solve that align with the greater organizational mission.

Tip

In the right fitting culture for executing on organizations' complex initiatives, it is crucial to align across key stakeholders.

1.8 Championing Innovation

As a final key priority point in this chapter, it is critical to remember the fundamentals around the importance of the champions. Such as in the case of programs seeking to achieve value, having the right champion for innovation is critical. Innovation is a major organizational commitment. It does require us to embed

creativity in what we do and how we do that. It also requires a gut check when it comes to the risk-taking muscles of the organization. A cross-executive team understanding of the delicate balance between opportunities and threats is essential, and the champion brings that clearly forward.

In the interview with **Mary Palmieri**, she continues by highlighting some important attributes for the innovative cultures of the future. Mary indicated attributes and examples that are a string direct reflection of how to thrive in building the innovation mindset and how to support and champion the consistent growth of this innovation muscle.

I think the top three attributes are:

- 1) Just being open-minded and having the ability to think outside the box very often. This is especially the key in larger organizations, where we're a cog in a wheel, which is great operationally, yet when you need to come up with new product solutions or program ideas, there needs to be that flexibility or innovative mindset.
- 2) I think the culture also needs to be data driven, so really putting the appropriate mechanisms in place to measure success and getting into the practice of defining success and working iteratively.
- 3) Then lastly, the talking to customers thing, just really interviewing your customers, understanding your customers, and learning the data around your customers.

Speaking of customers, you have to balance what the customer is telling you and what the problem is with what they really need. It's a chicken and an egg thing you need to achieve that product-market fit to win, yet they're going to tell you what that is.

We were pitching an AI-driven marketplace in 2016 when only 9% of the beauty industry was online, way above their heads right, but now AI is a thing people are coming around. We're the experts on that, but we had to meet them where they were, so it's like that in every situation, you almost have to meet the customer, meet the stakeholders, meet whenever where they are, and then level them up slowly but surely. Sometimes it's like little crumbs, like breadcrumbs; it's like when you're first meeting a partner, you're not going to let all the little mystery out at once!

Tip

The innovation champion plays an instrumental role in connecting the organization around what is critical to innovate: mindset, data, and customers' deep understanding.

Reference

Kerzner, H. and Zeitoun, A. (2023). Cracking the excellence code, the great project management accelerator, series article, *PM World Journal*, Vol. XII, Issue XI.

Review Questions

Parentheses () are used for Multiple Choice when one answer is correct. Brackets [] are used for Multiple Answers when many answers are correct.

- 1 How do you best describe the holistic view of portfolio leaders?
Choose all that apply.
 - Able to see beyond the obvious.
 - Are liked by many people.
 - They possess big-picture understanding.
 - Capable of end-to-end thinking.

- 2 What supports new ways of achieving excellence?
 - Tackle as many priorities as possible.
 - Ensure tighter governance.
 - Create a heavy focus on understanding the customer's definition of project business value.
 - Focus mainly on implementing agile practices.

- 3 The Honicker Corporation management invested properly in stakeholders' management.
 - Yes.
 - No.

- 4 Which of the following provides a good analogy for the role of the new strategist leader?
 - Being at the center of solving every portfolio issue.
 - Ensures the team follows directions without any deviations.
 - Creates a connected team similar to the music conductor analogy.
 - Strong central leadership.

- 5 Which of the following is the building block in the experience-driven culture model that most supports the importance of stakeholders' alignment?
 - Enterprise Project and Portfolio Muscles.
 - Human-2-Human.

- Innovation Drive.
- Adaptive Ways of Working.

6 What are the findings that most support leaders' top priority in better connecting to what is critical for transformation success?

Choose all that apply.

- Ability to say "yes" to new demands.
- Ensuring that scope of transformation is frozen early in the program lifecycle.
- Thinking again for a change.
- Adapting to customers' demands.

7 How do you summarize key attributes of innovation champions?

Choose all that apply.

- Being open-minded.
- Data-driven decision-making.
- They spend their time thinking.
- Deep customers' understanding.

