The Real Solution to Successfully Execute a Powerful Business Strategy

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Agenda

Issues and Business Drivers
Winners in Business
Today’s Business Context
Seven Challenges
13-Point Solution
Strategy Realization – Conclusions
Action Plan
Questions and Answers
Audience Participation and Sharing

**Focused Questions on Successfully Executing Strategic Initiatives**

Picture Yourself as your company’s CEO

- Do executives recognize project management as a business function?
- Is Organizational Project Management employed and promoted?
- Does an enterprise-level PMO exist?
- Is the Enterprise PMO headed by a C-level executive?
- Is the Enterprise PMO tasked with strategy realization?
- Does the enterprise have a formal innovation process?
- Does the company’s leadership actively manage culture?
Business Is Competitive – Marketplace Situation

80% of project management executives don’t know how their projects align with their company’s business strategy.

33% of projects fail due to lack of senior management involvement.

89% of projects initiated are successfully completed by high-performing organizations; while only 36% are completed by low performers.

New businesses usually fail within 5 years.

New PMOs fail to exist within 3 to 5 years of being created.

Innovation in business today is half of what it used to be, as measured by the number of business start-ups.

From: http://blog.capterra.com/surprising-project-management-statistics/
Driving Forces – Business Context (1 of 2)

- Marketplace competition presents:
  - Opportunities,
  - Threats and
  - CHALLENGES

- Desperate need: Ability to nimbly and flexibly (Agilely) make the necessary strategic changes to overcome identifiable challenges

- Business necessity: Having an Enterprise-level PMO structure and supporting culture, systems, and processes
Driving Forces – Business Context

Financially **competitive enterprises cannot** afford to:

- **Authorize, fund, or execute a project** ...
- **Without a clear and controlling strategy**

Strategic business investments **include projects, programs, and portfolios**—they **must be properly managed**

Business-focused executive-level **PMO** is critical, but **not sufficient** to be successful

- **Innovation and culture must also be managed**

**Implemented** Organizational Project Management (OPM) now provides **executive-level focus** on **Strategy Realization**, including benefits and value
10 Related & Entangled Organizational Challenges
Seven Challenges – Impeding Strategy Realization

- Accelerating Innovation
- Possessing Organizational Agility
- Becoming Organizational Adaptive
- Cultivating Systems, Processes, and Tools to provide more useful decision-making information

- Implementing Organizational PBM and a PBMO
- Shaping and Managing Organizational Culture to drive performance
- Shifting and Modifying Organizational Structure to drive performance
Challenge #1 – Innovation (1 of 3)

Where does Innovation happen?

New or Modified – Device, Product, Service, Process, System, Software Application, Structure, Culture, Strategy,

Losing: taxi, Blockbuster Video, Sears

Winning: Facebook, Netflix
Challenge #1 – Innovation

- **Developing** innovation – An idea in the mind – conceiving, creating, and inventing something
- **Innovating** consistently – Separates the market winners from the market losers
- **Converting** ideas into reality – Surplus of ideas *not turned* into products, services, or new or improved business models
- **Knowing** innovation is critical – 84% of executives agree it’s critical, yet lack processes to develop and convert ideas into reality
Challenge #1 – Innovation

- **Lacking** innovation performance – 94% of executives are **unhappy** with their innovation performance

- **Declining** innovation – **Innovation today is half of what it used to be** as measured by new business start-ups

- **Having** a **disciplined** and **repeatable approach** to innovation

- **Being unable** to innovate – Directly affects organizational **agility**, organizational **adaptability**, and **leadership effectiveness**
Challenges #2 & #3 – Agility & Adaptability

- **Having** organizational business **agility** – determined by an enterprise’s ability to **adapt or conform** to new conditions with nimbleness, flexibility, efficiency, and effectiveness.

- **Being agile** – requiring the enterprise to **rapidly, proactively, and reactively respond** and adapt to marketplace changes.

- **Intertwining** of organizational **agility**, organizational **adaptability**, and innovation. Any change in **one area requires changes in other areas**.
Challenges #2 & #3 – Agility & Adaptability

- **Having** the ability within the enterprise to adapt to change, or be changed, to fit changed or changing circumstances

- **Maintaining** an organizational change management process supporting organizational culture and structure changes

- **Developing** a business culture and organizational structure able to respond in a flexible, pliable, and adjustable manner to changes in marketplace conditions and competition
Challenges #2 & #3 – Agility & Adaptability

- **82%** of CEOs worry their offerings will be irrelevant to customers within 3-years [1]
- **41%** of CEOs expect to be running significantly transformed companies within 3-years [2]
- **50%** of CEOs believe that their industries will be almost unrecognizable within 5-years [3]
- **31%** of CEOs see customer focus as their 2nd strategic business priority [3]
- **54%** of CEOs see enterprise growth as their 1st strategic business priority [3]
- **Only 12%** of companies today remain from the 1995 Fortune 500 list

Challenge #4 – Systems, Processes, & Tools

- Upgrading and Replacing systems, methodologies, processes, tools, and procedures that are either:
  - not efficient, not effective,
  - not mature, not accepted,
  - not delivering useful information in achieving an enterprise’s tactical objectives or strategic initiatives

- Needing dynamic systems that can anticipate and shift in response to changes – not complicated or rigid

- Needing systems, processes, methodologies, policies and tools that are simpler, flexible, nimble, adaptive, efficient, and effective
Challenge #5 – Implement OPM and PMO

- **Employing OPM** as a framework of organizational strategies utilizing a *Project Business Management Framework* and *Project Management Organization (PMO) Models* providing systematic, business-oriented management of project-portfolios, project-programs, and projects.

- **Having limited, inconsistent, or non-existent** executive and senior management **support** for OPM and PMO.

- **Lacking** a usable consensus on what **values and benefits** that OPM or a PMO should provide.

- **Making culture and organizational structure changes** necessary to support implementing and operating OPM.
Challenge #5 – Implement OPBM and PBMO

Organizational Process Assets
- Policies
- Methodologies
- Procedures
- Technologies
- Lessons Learned

Operational Project Business Management (OPBM) Framework
- Organizational
- Project
- Business
- Management

Project Business Management (PBM) Framework
- Requisite Capabilities
- Organizational
- Strategies

Operations Management & Operations Organizations

Enterprise Environmental Factors
- Culture
- Infrastructure
- Stakeholders
- Org Structure
- Power Structure
- Resources
- Languages

PBM Model

Your Enterprise's SPECIFIC Implementation of PROJECT BUSINESS MANAGEMENT
Challenge #5 – Implement OPM and PMO

- **Needing** “PMO of PMOs” designed to manage the **delivery of business value** in alignment with business strategies

- **Structuring** OPM to:
  - *Organizationally facilitate* business-based selection, prioritization, and **execution of projects**
  - *Achieve* the enterprise’s related **business objectives**
  - Effectively and efficiently **accomplish** the enterprise’s **strategic initiatives**

- **Managing** OPM to support a **sustainable and competitive**:
  - *Business posture*, and
  - *Organizational culture*
Challenge #6 – Shape & Manage Org. Culture

- **Realizing** the extent to which organizational **culture drives** performance and results
- **Using culture** as a **strategic lever** to improve performance and results
- **Knowing how to** shape and shift culture to be an advantage on a sustained basis

- **Understanding how to** Manage and **Shape** organizational **culture** to **affect interaction** and **cooperation of personnel** and **functional organizations** with each other, **stakeholders**, and internal and external clients
Challenge #6 – Shape & Manage Org. Culture (2 of 2)

- **Needing** to maintain a business culture and project management culture to be competitive

- **Eliminating Subcultures** associated with specific functional organizations that conflict with each other, and **broader company culture**

- **Shaping** and **Managing** organizational culture, **thereby affecting interaction** and cooperation of personnel and **functional organizations** with each other, **stakeholders**, and internal and external **clients**
Challenge #7 – Shift & Modify Org. Structure

- **Changing** organizational **Structure** to respond to and support strategy
- **Knowing how to** shift and modify **Structure** for sustained business advantage
- **Using** **Structure** as a **strategic lever** to improve performance and results
- **Integrating** stove-piped business units – **driving** coexistence of disparate organizational **functions** to create cross-functional synergy
- **Understanding how to** shift and modify structure to **affect** interaction and cooperation of personnel and functional organizations
Conclusion – Getting to Win the Gold

- Implementing OPBM and an enterprise-level PBMO is not sufficient. To be successful, you must address innovation, culture, and structure.

- Enterprises not managing innovation will recede and die.

- Enterprises not managing culture and execution will never consistently perform at a high level.

- Strategy is dynamic – structure and culture must also be dynamic.

- Outperforming competition requires leadership-directed, innovative changes to the organizational culture and structures.
Conclusion – Getting to Win the Gold

Future marketplace **Losers** will be those enterprises that produce piece-meal, non-integrated solutions to our seven marketplace challenges.

Future business **Winners** will be those enterprises who can:
The **Solution** – To Strategy Execution & Realization (1 of 3)

- **Refine** and **clarify** your enterprise’s vision, strategies, culture, and supporting tactical objectives
- **Document** and **effectively communicate** your Vision and Strategies
- **Develop** and **implement** a business focus to operating the project management discipline
- **Tailor** or **Modify** systems, processes, methodologies, and tools to be simple, flexible (agile), nimble, adaptive, effective, efficient, and **aligned with** your business strategies
The **Solution** – To Strategy Execution & Realization (2 of 3)

- **Shape culture** to improve performance and business results
- **Adjust** organizational **structure in response to** documented strategies
- **Modify** organization’s **culture in response to** documented strategies
- **Implement** Organizational Project Business Management (OPBM) to accomplish **project-based strategic initiatives**
- **Establish** an Executive-Level Project Business Management Organization (EPBMO)
The **Solution** – To Strategy Execution & Realization (3 of 3)

- **Align** all project, program, portfolio, and operational **work to accomplishing** objectives and **strategies**

- **Assess** the **pace of innovation** – if too slow, then **develop and employ** a **disciplined and repeatable approach** to accelerate innovation

- **Make** leadership-directed, **innovative changes** to:
  - Business models
  - Organizational structures
  - Systems and processes
  - Products and services

- **Respond and adapt to changes** and requirements in **flexible (Agile), nimble, productive, efficient, and effective manners**
"In Memoriam"
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