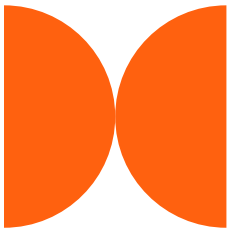




Ahead of the Curve: Forging a Future- Focused Culture



A New Way Forward

Call it disruption—or just the new normal.

At a time of extraordinary change driven by new technologies, executive leaders from across business, government and nonprofit organizations know that success depends on big, bold ideas. And they need people with the skills and mindset to deliver on those ideas with big, bold projects—or risk being left behind. The survey results for this year's *Pulse of the Profession*[®] revealed an average 11.4 percent of investment is wasted due to poor project performance. And organizations that undervalue project management as a strategic competency for driving change

report an average of 67 percent more of their projects failing outright.

With so much at stake—and so much in flux—organizations must rethink some fundamental questions: Why do we exist? What do we offer? Who will be tasked to do the work?

The 2020 *Pulse* reveals a new way of doing business. The beginning of a new decade is ushering in a world full of complex issues that require organizational leaders to reimagine not just the nature of work, but how it gets done.

For the first time for *Pulse*, executive leaders identified which factors they see as the most important to achieve success in the future. The top three were: organizational agility (35 percent), choosing the right technologies to invest in (32 percent) and securing relevant skills (31 percent).

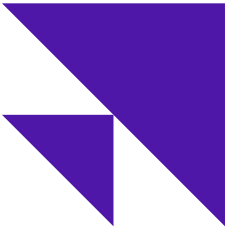
Future-fit organizations are not only willing to reimagine their vision and purpose, but also eager to adopt new ways of thinking that will allow them to thrive in The Project Economy.

Work has changed. So must the way the world thinks about projects.

Welcome to The Project Economy

Change is as relentless as it is pervasive—from the impact of technologies like artificial intelligence to the clamor for greater social accountability to customers' ever-evolving expectations. Organizations that stick with the status quo risk not just treading water, but sinking.

Now an essential business asset, change happens through projects. Organizations are undergoing a fundamental paradigm shift in which projects are no longer adjacent to operations but instead primary to how work gets done and problems get solved. In today's C-suite—and tomorrow's—it is the portfolio that disrupts, that innovates, that expands and thrives. In many ways, the organization is its projects—led by a variety of titles, executed through a variety of approaches, and focused unwaveringly on delivering financial and societal value. This is what we call The Project Economy.



Ready, Set, Change

Executive leaders are no longer simply bracing for change. Instead, they're rebuilding their organizations to make agility and creativity part of the organizational DNA. More than half (53 percent) of organizations surveyed in *Pulse* say they place a high priority on building a culture receptive to change.

At Nutrien, a leading provider of crop inputs, services and solutions in Saskatoon, Saskatchewan, Canada, the company's technology and transformation project team operates with a startup mentality.

"The technology group needs to be the incubator of innovation, trigger disruption to reimagine business and drive implementation with agility," says Debasis Bhau-mik, PMP, vice president of IT at Nutrien. "The approach should be to fail fast, learn and move on."

Yet many organizations cling to a cautious approach regarding their cultural transformations—which only delays acceptance and might trigger even greater reluctance from team members, says Bob Roark, PMP, executive solutions strategist, Cherwell Software, Denver, Colorado, USA.

"The first stage is denial," he says. "I don't want to do this; I'm not going to do this. Why do you guys always do this to me?' That kind of stuff. Then, over time, it becomes, 'Okay, fine. I'll do it.' Then, finally, they'll start to understand this new thing, and all of a sudden it becomes the norm."

To secure buy-in, executive leaders need to clearly articulate the vision for the changes—including the benefits to come. "If people start understanding 'what's in it for me,' then they'll get there faster," Mr. Roark says. And that case needs to be made right from the start. "If you [communicate] behind the change, it's an uphill battle no matter what you do."

Much of the change ricocheting across the business

world is fueled by the massive shifts in technology, which are sparking concern in the C-suite. According to PwC's *23rd Annual Global CEO Survey*, the speed of technological change ranked among the top eight threats—with 29 percent of respondents saying they are extremely concerned.

Yet leaders also realize they can't simply ignore the coming wave. When *Pulse* asked senior executives what area they expect to make the most considerable investments in over the next three to five years, the top responses were technology advancements (49 percent) and digitalization (44 percent).

To maximize the benefits of disruptive technologies, project professionals must embrace how artificial intelligence and game-changing tools can empower them for the future. Accenture, for example, focuses on increasing the data fluency of its team members. "We're making sure that everyone in a project role will be able to understand the core metrics from the different project tools at their disposal and use these metrics to track decisions, rather than just rely on their experience," says Luca Giraud, PMP, senior manager, Accenture, London, England.

These digital skills are no longer perceived as merely an added benefit. Although project leaders need not engineer new solutions, they must have enough technological know-how to assess progress, review deliverables and advocate for the customer.

That doesn't diminish the need for strong people skills, though—quite the contrary.

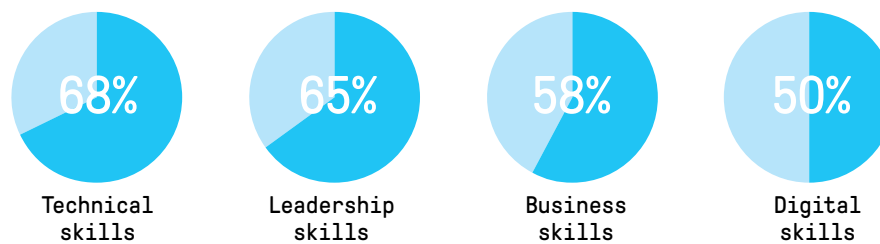
"In the future, artificial intelligence will be doing a lot of the reporting and administrative work," says Priscila Duarte, PMP, technical delivery manager, Microsoft, São Paulo, Brazil. "So it will be important for project managers to invest in their leadership skills and other people skills because those will never go away."

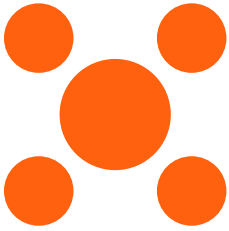
"The technology group needs to be the incubator of innovation, trigger disruption to reimagine business and drive implementation with agility."

—Debasis Bhau-mik, PMP, Nutrien, Saskatoon, Saskatchewan, Canada

In-Demand Skills

Pulse data show organizations are placing a high priority on the following aspects of talent development in support of successful projects:





Expanding Skill Sets

“There is a lot of focus on building new skills alongside the existing ones.”

—Luca Giraudo, PMP, senior manager, Accenture, London, England

Even the most forward-looking organizations won't be able to reach the next horizon if their teams are struggling to execute. Organizations are creating future-ready talent by prioritizing technical proficiencies, leadership acumen, business strategy and digital skills, per the *Pulse* findings.

Project professionals will be required to ace far more than the triple constraint of scope, time and budget. *Pulse* data show most organizations place nearly an equal emphasis on developing leadership skills as they do technical skills (65 percent and 68 percent, respectively).

That's leading to a new set of power skills focused on building strong relationships. Take empathy: 91 percent of U.S. CEOs believe the skill is directly related to a company's financial performance, according to a 2019 Businessolver study. Leaders who take time to view challenges through the lens of team members can help foster stronger collaboration and reduce conflicts.

“There are a set of competencies we have to develop outside of the technical skills and tools that we've traditionally focused on as project managers,” says Dev

Ramcharan, PMP, management consultant, City of Toronto, Toronto, Ontario, Canada. “One of the things that is really becoming apparent worldwide is the importance of people skills—interpersonal proficiency.”

Project managers are leading cross-functional teams, with the authority to “self-govern, define their own objectives and deliver independently without dependencies on other areas of the business,” Mr. Giraudo says. “Project managers of the future will not be mere executors of project management approaches.”

As last year's *Pulse* reported, there's a fundamental shift in how work is getting done. More people in all roles will be hired to manage a portfolio of projects, and increasingly, those projects will be tied to technology. That means people and companies must build their TQ, or Technology Quotient—the capacity to adapt to the constant whirl of change brought on by advances in technology. Coupled with the arrival of The Project Economy, there's an even greater demand for TQ combined with Project Management, or PMTQ.

“There's a lot of focus on building new skills alongside the existing ones,” says Mr. Giraudo.



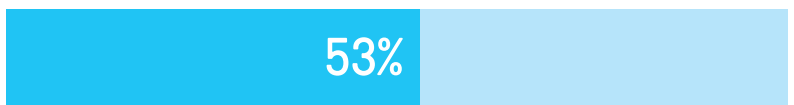
Culture Counts

Percentage of organizations placing a high priority on a culture that:

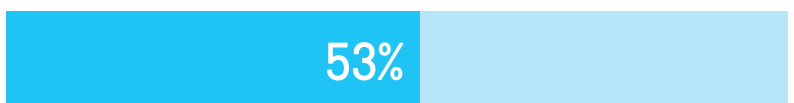
Centers on delivering customer value



Is receptive to organizational change

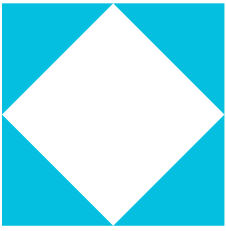


Invests in technology



Values project management





New Ways of Thinking

“A great value proposition for project management is to find ways to reduce pain points within the organization and for customers.”

—Matthew Klein Jr., PMP, Farasis Energy, Half Moon Bay, California, USA

In an era where the customer is king, executive leaders are taking the needs of the users to heart. *Pulse* data show that 70 percent of organizations place a high priority on creating a culture centered on delivering customer value.

“A great value proposition for project management is to find ways to reduce pain points within the organization and for customers,” says Matthew Klein Jr., PMP, senior director of the enterprise project management office (EPMO) at Farasis Energy, Half Moon Bay, California, USA.

That is why project professionals are incorporating a mix of project practices. For example, 59 percent of organizations report using design thinking at least some of the time to explore and solve problems, according to *Pulse*.

“We embedded design thinking in our way of working as part of a human-centered approach to solve problems with our clients,” Mr. Giraudo says. In the past, if a

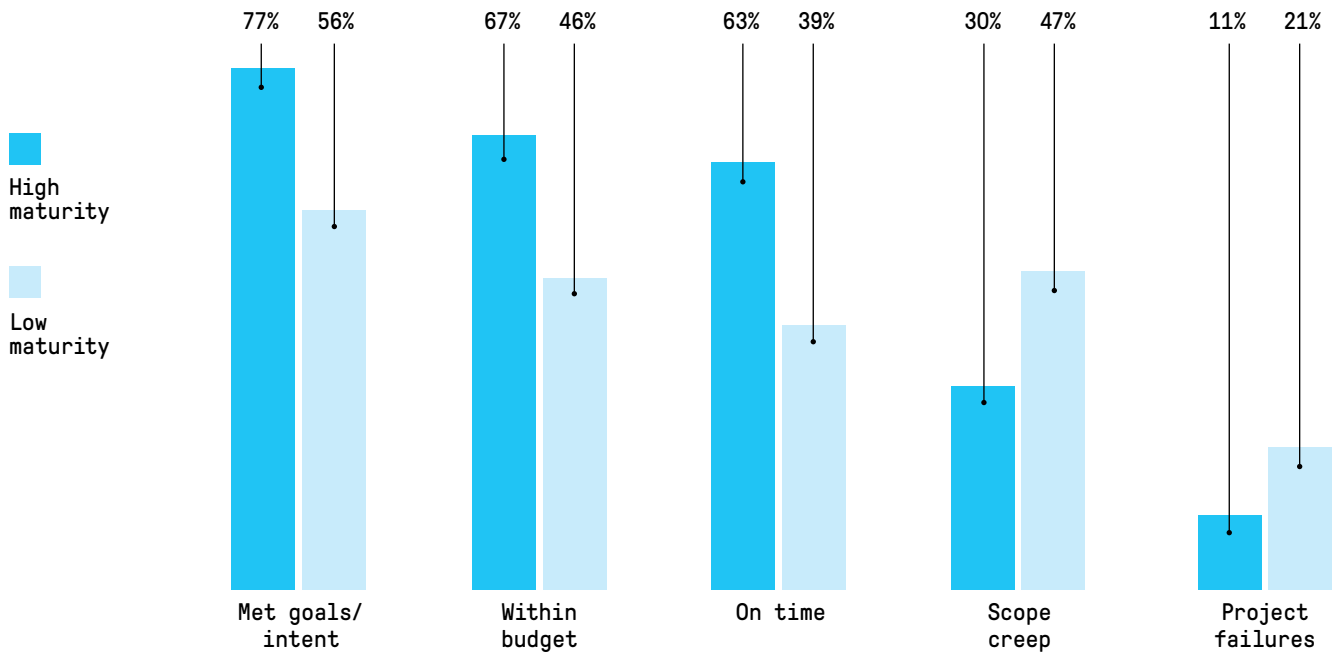
client sought help boosting revenue, Accenture might turn to tried-and-true solutions that weren’t necessarily tailored to address that organization’s specific challenges, he says. That’s no longer the case, however.

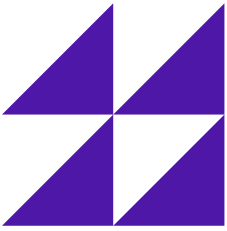
“We look at every single challenge from a design-thinking perspective,” Mr. Giraudo says. “We observe the challenge from the point of view of different stakeholders, understand the key pain points and generate ideas to address these challenges together with our clients. Then only at that point in time do we define the solution.”

Yet whether it’s design thinking or agile, organizations must take a strategic approach to incorporating new processes, says Viviane de Paula, PMP, project manager, PMI volunteer, São Paulo, Brazil. “Many organizations are rushing to implement agile approaches without even thinking clearly as to what makes more sense in the reality of their organization,” she says. “There is no such thing as a silver bullet.”

The ROI of Maturity

Pulse data show that when it comes to value delivery, organizations that are highly mature in their capabilities outperformed those that are not, across a number of key project metrics:





Empowered From the Top

“Projects were really done by the heroics of individuals with no standard methodology.”

—Robert Tresente, PMP,
Moda Health, Portland,
Oregon, USA

In the quest to get ahead, senior executives are increasingly recognizing the need for highly skilled project leaders. More than two-thirds (69 percent) of project professionals say their senior leadership highly values project management, and nearly half (46 percent) of organizations prioritize developing a culture that values project management.

Take Moda Health. Three years ago, the insurance company had no formal governance.

“Projects were really done by the heroics of individuals with no standard methodology,” says Robert Tresente, PMP, director of the EPMO, Moda Health, Portland, Oregon, USA. “The company didn’t have a way of prioritizing its projects or deciding what it was going to do or not do. It had just so many troubles getting stuff done.”

Looking to establish structure and accelerate maturity, the company brought in Mr. Tresente, who established an EPMO and a portfolio council with the authority to decide which projects to fund and which to scrap.

Moda also began investing in its talent pool. It offers

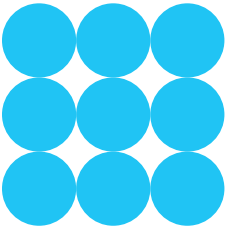
project management training and pays for Project Management Professional (PMP)[®] certification preparation courses and exam fees, for example. “We need to ensure that we have career development plans for project managers, that we have a career path for them that’s established.”

Moda isn’t the only one investing in its project professionals: 61 percent of *Pulse* respondents report their organizations provide project management training, and 47 percent have a defined career path for project professionals.

Organizations are also raising the bar on expectations: *Pulse* data show that more than half (51 percent) of organizations require project professionals to hold some type of certification for their role.

The ROI? “Now [Moda] has these project managers who can lead large, complex efforts in the enterprise consistently, and we can get those things done,” Mr. Tresente says. “We’re executing on our strategies and we’re delivering to our strategies.”





The Future Starts Now

There's no standing still in today's warp-speed world. And no single project, business deal or big idea is enough to keep an organization on top forever. But leaders who look at the world through the future-focused lens of The Project Economy can prepare teams, organizations and society to make the most of the inevitable changes.

Our 2020 *Pulse of the Profession*[®] report shows leading-edge organizations adopting three tenets:

- **Ability Is Agility:** It doesn't matter how brilliant a strategy might be or how amazing a product idea is if it's rendered moot by a supply-chain disruption or a new technology. Organizations that can fail fast and pivot to what's next are best positioned for the future.
- **Technology Rules—But People Influence:** Most executive leaders understand that emerging technologies might be the difference between a breakthrough year and just an okay one. But disruptive technologies like AI and machine learning are only as smart as the people behind them. Executives and project leaders must have the training, processes and talent to get the job done right.
- **It's a Project Leader's World:** With so much change, executives are increasingly turning to project leaders to help them turn ideas into reality. And that often requires mixing tried-and-true skills with emerging ones. So, yes, project professionals must be up on automation and design thinking, but they won't get far without people skills.

With so much change, no one can predict the future. But in the coming year, PMI will examine the trends driving business in our disruptive age. And, armed with that information, project leaders will be ready to deliver real benefits to their organizations and society as a whole.

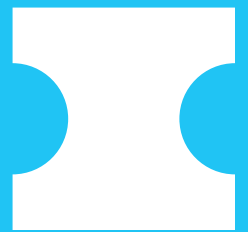
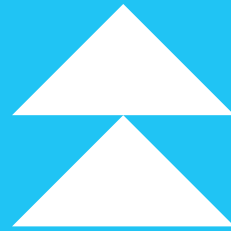
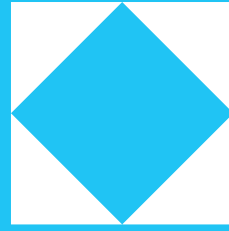
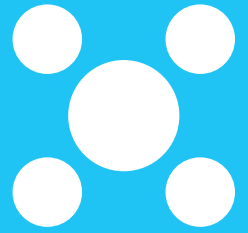
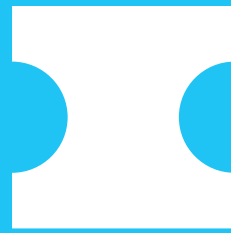
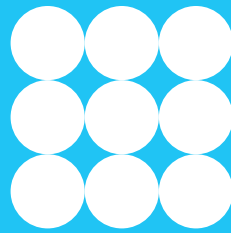
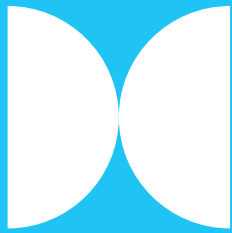
“We're executing on our strategies and we're delivering to our strategies.”

—Robert Tresente, PMP

About This Report

Conducted since 2006, *Pulse of the Profession*[®] is the premier global survey of project management practitioners. *Pulse* tracks major trends in project management now and in the future. It features original market research that reports feedback and insights from project, program and portfolio managers, along with an analysis of third-party data.

The 2020 edition of *Pulse* highlights feedback and insights from 3,060 project professionals, 358 senior executives and 554 directors of project management offices from a range of industries, including IT, financial services, government, manufacturing, energy, construction, healthcare and telecom. Respondents span the globe including North America, Europe, the Middle East, Africa, ASEAN (Association of Southeast Asian Nations), China, India, and Latin America and the Caribbean.



Powering The Project Economy®

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