When and How PM Change Agents Add Business Value

© 2015, Stacy A. Goff

Abstract

What parts, which actions, what results, of your projects add the greatest business value? Which results are you missing? Whose responsibility is to assure project value? And, if success means more than *on time, within budget, and acceptable quality*, how do we manage to our stakeholders' expectations? These are the questions executives, functional managers, market leaders and great project managers have asked—and answered—hundreds of times in our experience as a Change Agent.

The Challenge: The most effective project managers have always known that you provide the greatest value when you move beyond merely managing "the triple constraint." Now that this insight is *(finally!)* going mainstream, how will you stay ahead of the stampede? Many will clearly show how you have been leading the way all along. But it is often the newcomers who think they created each innovation.

A Solution: It's all about the timing and nature and results of effective stakeholder Engagement. This is a key insight, because without the right stakeholder engagement, needed business change does not occur, and the project's value is diminished. Given that insight, the proper timing and processes for achieving early engagement can easily follow. Of course, the right roles must take responsibility for needed actions, and the ongoing care of their results, all the way through *Benefits Realization*.

The Result: Imagine a world where all projects succeed; where all stakeholders are satisfied; where all project-oriented enterprises thrive. This is the value delivered by competent and performing project managers, who seize your role as a Change Agent for your organization.

Key Topics

A. Five Crucial Value-add Timings and Results
B. It's All About Our People, Isn't It?
C. Defining and Measuring Value
D. The Change Agent's Leadership Role

A. Five Crucial Value-add Timings and Results

Managing a project is much like piloting an aircraft. There are several crucial timings when deft leadership, talent, quick reactions and redirection are *essential* for success. There are other timings when we can run on "cruise control" and perhaps, even take part in completing project work packages or other actions.


iStockPhoto

And just when are those crucial timings? In the example of our pilot, take-off and landing are among the crucial timings. And how does our piloting analogy relate to projects? Project take-off must begin with an effective **Kick-off** meeting—the first get-together of the team. And the landing? That has to be the **Project Closure & Review**, with review of results, then reallocation of the team to new projects. The results of these two crucial timings may be obvious, but in projects they include, for Kick-off, all stakeholders safely aboard the project, buckled in, and with a clear sense of direction, timing, commitment, and intended result.

Ok, we've identified two of your five crucial timings so far; when is the third? Answer: Those ad-hoc periods when you encounter **Project Execution Turbulence**. This is when unanticipated issues arise, and you must act—showing your leadership and communication skills under pressure. These might occur when key stakeholders realize their requirements will no longer be met. Or when your team discovers that the selected design solution will not scale to accommodate your latest scope discovery. Or, when any of the early-identified risks strike, and the response manager fails to respond. Three timings listed!

Next, at flight's end, all stakeholders must be satisfied with their experience of the journey, the correct destination, the timing, scope (their baggage also arrived), and **most-importantly**, the contribution of this part of the journey to their **overall trip objective**. After all, the project was just a means to a *greater business purpose*. (This is beginning to sound like a portfolio, isn't it!)

And we now have a hint to the fourth crucial timing: **Benefit Realization**; achieving the intended business purpose —for all our stakeholders. This timing depends on the same factors that our stakeholders (hopefully) constantly monitor and evaluate during all projects. The factors are verified when we (and they) prove delivered benefits: The right business results, including all needed scope, at the right level of quality, in acceptable time and cost, with appropriate risk mitigation, and proper use of available talent.

What is the final crucial project timing? We did say five, after all—or was that *just an early estimate?* Hmmm, we just gave you another hint! When are those early estimates made, and who makes them? On what information are they based? How reliable are they? At that Kick-off meeting, the new project team hears about a number of constraints that have *already been set*. And this hints at the most important of the value-adding crucial timings. The period from **Inspiration** until Kick-off has the greatest impact on project and business success—given PM competence in those who complete the needed results.

Many people call these actions pre-project, but those are people who don't really understand *where start starts and end ends*. For the project's customer, your stakeholders, **this project starts with Inspiration**. As suggested above, it is the effectiveness of those who complete the needed actions between Inspiration and Kick-off who have the greatest impact on your total project and business success.

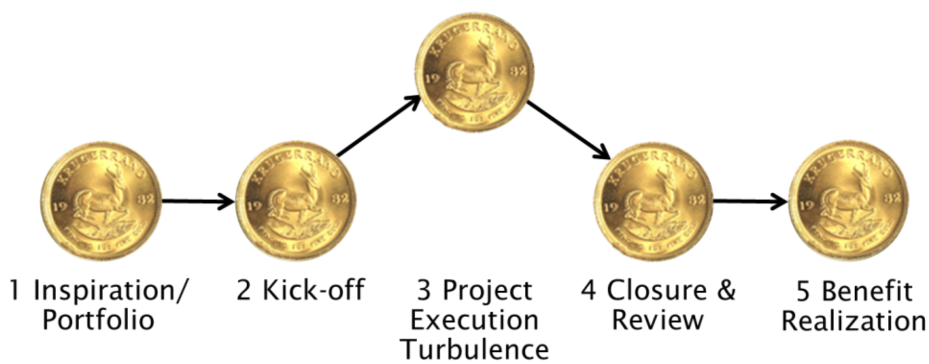
In the piloting analogy, *what are* the actions that preceded this particular take-off? For this flight (or project), we need to consider the purpose of our travel, the options for getting to the destination, the price and schedule comparisons of the alternatives, and commitment of funds before the project even starts.

Then we require safe travel to the airport, check-in, getting through security, and so on. We've seen cases where the entire journey was *irretrievably destroyed* before all those pre-flight actions finished.

Could our pilots successfully complete that take-off if all the customers, and all the other participants in the flight value chain, had not successfully become engaged? Those parties include all stakeholders—participants who are affected by, or can affect, the success of the project. And here is an irony… In the past, some standards have posited that the period between Inspiration and Kick-off is out of the control of our profession. ***Au Contraire!*** The most effective project managers I've worked with always assure that we ***manage that initial period best!*** Similarly, the most competitive companies (especially of those that specialize in projects) are strongest in this initial period. They know when start ***starts!***

It is not always our project manager guiding us through the turbulence. She may not be present yet. This period must rely on executives and managers who understand rolling-wave planning, and the need to update early project estimates and constraints. It also relies on their leadership and maturity in managing a project oriented enterprise. This is a key aspect of managing change, and managing for success.

Suggested action: Given these five crucial project timings, ***rank-order them***, indicating where ***you*** are most competent and effective, and where you are least so (on a 1-5 scale, where 1 is best):



Our experience is that the majority of project managers focus on timing 3, and their least-strong timings are 1 and 5. What are *your* rank-ordered results, and *what should you with this information?* We suggest that you *engage others who excel* in the crucial timings that are not your areas of greatest strength.

B. It's All About Our People, Isn't It?

Of course, you have known this all along. Different people have different strengths, interests, and patience for different parts of a project's life cycle, and for different types of project work. No one person is great at all timings throughout the life cycle. Some are better at the execution part; some are better "up front." This is in addition to the leadership, behavioral and communication skills you demonstrate. And, this aspect is not just based on talent; instead, it is related more to the personal style of each stakeholder.

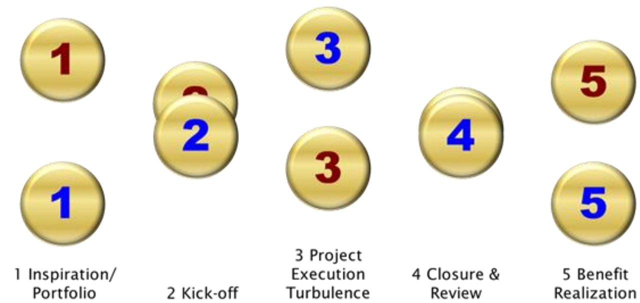
You succeed by *engaging the personal styles of others*. We have long known about style preferences. It was Socrates, in ancient Greece, who described his contemporaries as "people-oriented, or task-oriented." Other style preferences include pro-active versus reactive (or inclined to prevent, rather than recover). And, what about getting needed engagement of end-users, many of whom prefer not to get involved in the project until the changes are imminent—and then it is too late to meet their unique needs!

© 2015 Stacy Goff

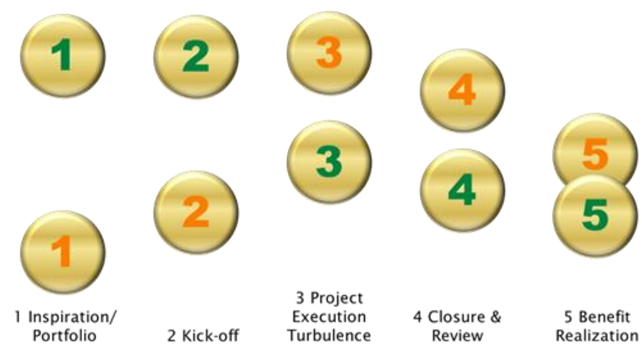
Let's explore our crucial project timings and just a few stakeholder style preferences a bit further:

a) People versus Task Orientation
b) Pro-active versus Recovery-oriented
c) End-user buy-in to the needed organizational changes

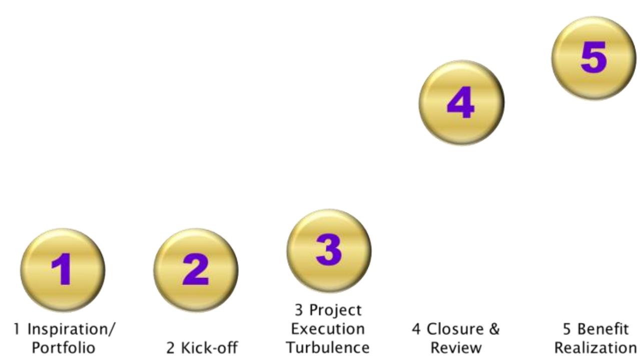
a) People versus Task Orientation. In the diagram at the right, with People-orientation in red numbers, and Task-orientation in blue, you can see that these personal style preferences are *good complements* for each other in three of our five crucial timings. Note that these diagrams are based on 40 years' use of styles instruments, and observation of tens of thousands of project managers and stakeholders.



b) Pro-active versus Recovery-oriented. The next diagram at the right shows timing strengths of Pro-active stakeholders in green, and Recovery-oriented stakeholders in orange. These styles show different strengths in four of the five crucial timings. You can already see the areas where you should seek certain style preferences for different timings. Unfortunately, we can see that we are still a bit weak at project timings 4 and 5—even with these four styles.



c) End-user Stakeholder Buy-in. Any organizational change requires buy-in of affected stakeholders. Yet, we've all seen cases where affected stakeholders prefer to focus on their "real work" until the change is imminent. Unfortunately, we know that *much earlier engagement* is essential to initiative success. The differentiating competence of the best project teams is to gain that engagement early, and then assure that it fills the gap as shown at the right.



Note that these are just three examples of different styles preferences. And with just these examples, you can see that the smart way to manage successful organizational change is to harness the interests, styles and strengths of *all* your stakeholders. Whether your role is project manager, sponsor or key influencer, your objective should be to find those who have passion for the needed actions in each crucial timing.

Clearly, if you are involved with the project from its beginning, the way to excel in each of the crucial timings is to *lead others to fill the gaps*. It does not matter who achieves the needed results for each crucial timing, as long as it gets done. If it does **not** get done, then it matters very much.

What if you are not on the project from its start? If you join the project six months after **Inspiration**, and find those results to be incomplete, everyone *thinks* you should be ready for **Kick-off**. Should you jump into your Kick-off activities*, or instead***,** delay Kick-off and ask the 10-20 key and most-important project questions? Managing Inspiration results effectively, you usually get the information you need to begin a *truly successful* Kick-off, *and* get the stakeholder engagement that you may otherwise miss

Here is a secret: You can get away with *anything* on the first day of a project. *Corollary:* You can get away with *almost anything* on the first day **you** are on a project. *Ask* the obvious questions. *Ask* for impossible-to-obtain talent. *Move* immovable deadlines. *Flex* inflexible budgets. *Request* executive support—you will need it later, but you will never have a better chance than now. And, instead of just relying on written notes from stakeholder interviews (they did give you the interview notes, right?) *go talk to them.* Ask what they need from this project. Ask them *what success looks* like to them; what *done* looks like. Define your role as a change agent for success—one who clearly adds business value.

If you understand our five crucial timings, understand your stakeholders (a key differentiator of competent and performing project managers), and lead others to contribute their greatest talents and styles where they are most effective, you: 1) Increase stakeholder engagement; 2) Increase success rates; 3) Reduce cost, project duration and risk, and 4) Work smarter, not just harder. Of course, you know that.

C. Defining and Measuring Value

Some project stakeholders (and too many pms!) think value is a function of *efficiency*. And, they mistakenly believe that project time and cost are the most important contributors to value. Those are important, but it is the other four *effectiveness* drivers, on the chart at the right, that are the true drivers of value. The challenge is that most project customers and executives define value differently than the majority of project managers do.

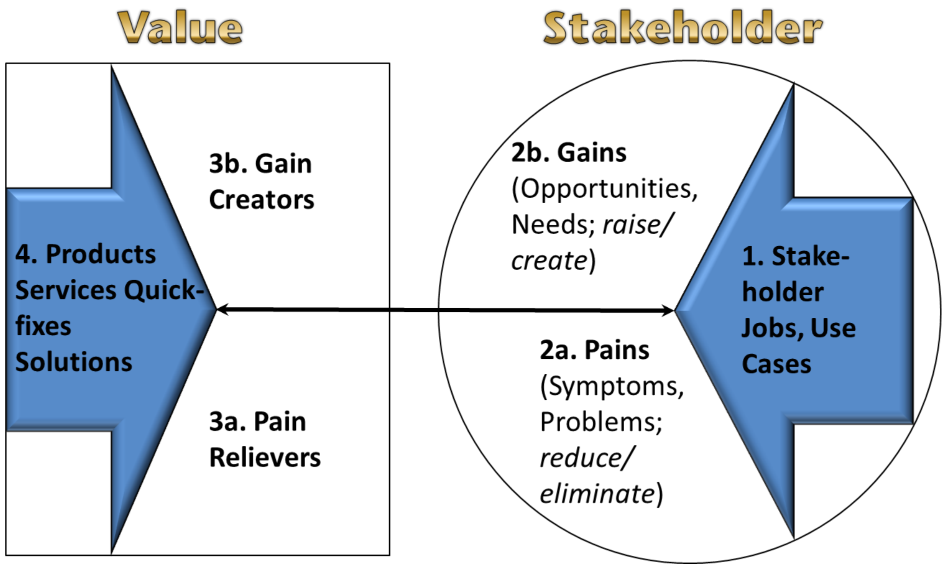
One definition dilemma is timing: When in the project are value expectations set? Who sets them? When are met, and who measures them? What involvement and control do most project managers have over the value of the project results? Who *does have* involvement and control? That's right: *Stakeholders*. This is most-often set at that first crucial timing, then either reinforced or damaged at each of the crucial timings after that. In a 2013 paper, presentation and webinar, we shared a stakeholder engagement exercise we use during timing **Inspiration**, in all major projects. See: *Goff* -- *Navigating the Ss*[i].

Some project teams can't even identify what *done* looks like. And chances are, their stakeholders likely would not agree with them if they could. *Value* is even tougher. And, the more stakeholders you have, the more difficult it is to get agreement about value. One stakeholder is easy. Five is difficult. 25 across multiple organizations is nearly impossible. But it is not *just* your problem. It is also a problem for your sponsor(s). Take advantage of that! After all, it is primarily your sponsor (or should be) who completes or ratifies that 5th crucial timing, **Benefit Realization**. S/he might as well begin as early as possible.

A helpful tool in defining Value that all project managers should understand comes from Marketing Strategy. Of course, some project managers are not necessarily *marketing experts*. But those (yes, you!) who are *most effective* demonstrate several differentiating strengths that come from marketing:

1) Know Your Customer;
2) Know their greatest needs and challenges;
3) Learn their key influencers, their sources of information, and how they make decisions;
4) Identify how they measure results—especially learn what they value most;
5) Prove you delivered to their expectations.

Your stakeholders are customers; would the above strengths be useful for you? When you demonstrate these strengths in your projects, you gain committed stakeholders. A **Value Proposition** is a framework for showing these strengths. There are many variants of a value proposition. A very useful one is the Value Proposition Canvas, based on the work of Alex Osterwalder, www.businessmodelgeneration.com.



A complementary approach is Value Engineering, another rare competence for project managers. Ironic, because to a great extent, this is the *purpose* of managing a project. Peter Morris' great book, *Reconstructing Project Management* [ii], resonates with many of the themes in this paper, and ends with a discussion on Building Sponsor Value that should be read by all practicing project managers. And by all project executives. The essence: Project Managers should move away from a focus on the technical processes of PM and start engaging, managing, and leading. Of course, you already know that. *Right?*

D. The Change Agent's Leadership Role

In the 1970s and early 80s, the most effective, and the most successful project managers were Change Agents. They managed the **entire** life cycle. They managed to and aligned with strategic objectives. They focused on business outcomes, not just pm tools and techniques. They embraced the challenges of helping the organization prepare for the changes their initiatives would cause. They engaged their stakeholders early in each project, understanding that *"people don't resist change; they resist being changed."* I know this because I learned from the best, and coached some of the rest.

Some pm methods[iii] established "laddering" of life cycles, work packages and activities, identifying where and when key organizational change actions needed to integrate with the development project. These efforts often resulted in a paired "shadow project," that prepared the organization to embrace the project's results. There were early checks and verifications of organizational readiness, with shared sponsorship of the projects, and sharing of some of the key business team members.

That shadow project started at inspiration, and ended at benefit realization, just like the primary project. These *project manager/change agents* earned the business value their stakeholders expected. Many still exist. Today, they continue to achieve their business and project goals and objectives.

What changed for the rest? In the process of codifying a pm body of knowledge, some organizations left out the "stuff" that is more difficult to teach, test, and apply. They focused on the parts that could be crammed and tested in a week. Meanwhile, the best leaders continued to develop the performance competences that make a difference in project and business success: Interpersonal skills and leadership; strategic alignment and leveraging the context of the permanent organization; moving beyond know-ledge and tests to professional assessment of competence. This began in the 1980s, and continues today.

For the laggards, Organizational Change Management groups, coming mostly from a Human Resources Development perspective, began to fill the void. They are doing a good job, but it is often *despite* the project efforts. This is one outcome of PM practices that focus on the easy parts and ignore the valuable parts. There may be an opportunity for recovery, but 20 years of project managers who are not yet value-adding change agents may be too much to overcome. The good news: In many organizations, HR works with the project manager or project sponsor to assure that projects' organizational changes succeed.

© 2015 Stacy Goff

Summary

Being (or becoming) a successful, value-adding Change Agent requires a number of insights, competences and actions. Many project managers demonstrate these strengths today, but they are not s for which our profession is well known. Key points that we have covered in this paper include:

- The **five crucial timings** for project success and business results. This is all about the timing *and application* of Stakeholder Engagement. This is a key insight, because without the right stakeholder engagement, business change does not occur, and the project's value is diminished—or non-existent.
- The understanding that it's **all about our people**. As we said in our interpersonal skills development workshops in the 1980s (a hard sell, even then), "Projects aren't successful—people are!" And leveraging the strengths and styles of your stakeholders is the smartest form of leadership.
- **Defining value** in effectiveness measures, not just easy-to-track efficiciency measures. Given that insight, the proper timing and processes for delivering their value proposition more easily follows.
- Of course, the right roles must lead the way and take responsibility for needed value-addding **Change Agent** actions, assuring the ongoing care of those results, all the way through Benefits Realization.

Thanks for reading our paper!

© 2015 Stacy Goff

AUTHOR

STACY A. GOFF, *the PM Performance Coach*, has coached and inspired tens of thousands of project and program managers, and hundreds of organizations, on five continents, for over forty years. A Project Management practitioner since 1970 and consultant since 1982, he has also been a strong contributor to professional organizations such as IPMA® and PMI® since 1983.

He is a co-founder and past-president of IPMA-USA, and 2011-2014 Vice President of Marketing & Events for IPMA, the International Project Management Association. In September, 2015, he was named an IPMA Honorary Fellow.

Goff's interest in project competence and performance began with establishing a PM Competency Center for a nuclear power plant in the early 1980s. It continued with international engagements during the 1980s and 90s as he helped organizations assess and improve their project and program performance. Today, he coaches, speaks and performs keynote speeches at major project-related events. And, he continues to pursue his interest in individual, project team, organization, and national and international PM performance.

Mr. Goff brings a results-oriented approach to Project Management coaching, consulting, and training. His insight for the needed PM Competences, and his delivery of effective training translate to improved project performance. In his working life, he combines his Project experience with sensitivity for the interpersonal skills areas—the human aspects of projects.

In his papers, presentations, workshops or in consulting, he combines his project experience with strategic linkage for all projects and programs. His insights and experience have provided competitive advantage for his clients for over 40 years. His business result: measurably increased **PM Performance.**

Contact Stacy at +1.719.488.3850, email: Stacy.Goff@gmail.com. His website is https://StacyGoff.com
All trademarks are the property of their respective owners.

---

[i] *Navigating the S's: Engaging Stakeholders for Project Success*, is available in the UTD collection of papers for the 2013 Symposium. And, an adjusted version of the presentation was the September 2013 featured Webinar for PMI's IS Community of Practice. See: http://pmi.adobeconnect.com/p44x47uy66s/.

[ii] *Reconstructing Project Management*, by Peter W. G Morris. Editorial comment: This is a must-read book for anyone who is interested in the future of project management. Published 2013 by John Wiley & Sons, Ltd. ISBN 978-0-470-65907-6.

[iii] In the 1980s, Stacy's Project Management and Systems Engineering method, THE Guide, provided Organizational Change Management laddering just as identified in this section. Key activities and results at Initiation, Requirements, Design, Testing and Closure were tie-points to needed organizational change activities. And, engagement of the right stakeholders in these activities assured organizational readiness, while managing project and organization risk.