Taking Your Seat at the Strategy Table: The Training and Skills Project Managers Need to Engage at a Strategic Level

Summary

The correlations between project success and business success are clear. As a result, organizations are investing more in projects, which can present both challenges and opportunities for project managers and project-based workers. The greater in scope and scale these projects go, the more apparent skills gaps become in the workforce. To set themselves up for career advancement, project leaders must take control of these transformational initiatives by acquiring a strong grasp of both technical and relational skills.

Key Takeaways

- While technical skills continue to be critical to successful project execution, relational skills are needed for strategic project leadership.
- Successful project leaders look beyond “on time” and “under budget” to make sure their projects deliver against business strategy and objectives.
- Being able to tie project KPIs to business results is crucial for project leaders managing more complex initiatives.

Audience

This white paper is intended for individual project, program and portfolio managers, as well as non-certified project-based workers.
According to Gartner, senior executives in most of the largest companies in America will rely on enterprise program management offices (EPMOs) to implement company-wide strategies by 2017.¹ This comes as no surprise considering research by the Project Management Institute (PMI)² shows that the success rates of higher-performing project management offices (PMOs) also align with a company’s financial performance.

As a project, program or portfolio manager (PM), it’s critical to your individual success and the success of your organization that you are able to lead initiatives with an eye toward strategic value. As a practitioner in today’s complex work environment, it is key to move beyond traditional project management and move toward strategic project management.

**Strategic vs. Traditional Project/Program Management**

Traditional project/program management calls upon a conventional toolkit. However, strategic project and program management requires a different set of skills and a different mindset. Consider the example of how marketing and sales think about their objectives.

Marketing thinks long-term about trends, competition, and the industry. Sales is often thinking about customers and how to meet their immediate needs in order to close a deal. In fact, sales reps might achieve this goal in a way that might not benefit the overall organization, such as agreeing to terms that are difficult for the organization to meet.

It’s akin to thinking tactically about a program or project and getting it done within the triple constraints of cost, time, and scope, while meeting stakeholder expectations. A strategic approach would also consider whether or not the initiative is right for the organization.

**Why Project Managers Must Sync with Business Strategy**

Strategic thinking is paramount to ensuring initiatives are contributing to organizational goals, which means someone needs to be in charge of doing that. The trouble is that many initiatives are led by line-of-business leaders who lack project or program management experience, and are unable to connect the dots between projects and strategy.

Inexperienced leaders risk making tactical decisions that could impact the organization at a broader level. A more subtle risk is when project leaders invest in “the wrong” initiatives, but still manage them very well. Unless the project leader can assess whether or not it makes sense to pursue a project or program, the initiative could prove to be of little value in the long run.

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¹ The Impact of PMOs on Strategy Implementation, PMI
² According to Gartner, senior executives in most of the largest companies in America will rely on enterprise program management offices (EPMOs) to implement company-wide strategies by 2017.
Without an awareness and understanding of the big picture, it’s challenging to identify potential issues, opportunities or trends as they arise.

Some initiatives may be viewed as successful when they truly aren’t. Projects and programs could be completed on time, within budget, and according to documented scope, but fail to deliver the intended benefits. Or perhaps the deliverables are not accepted or acculturated throughout the organization, or potential opportunities that could benefit the organization are never uncovered.

As a result, funds that could have been used elsewhere might end up used on non-performing initiatives. The effects ripple down further: lacking strategic skills, project and program teams could flounder, not really understanding how their work matters to the organization or to its customers. In the end, if one initiative after another fails to deliver the promised output, the PMO is likely to take the fall and the organization could be affected in the marketplace.

**Think Big Impact**

Some PMO leaders think of their PMs as order takers, assuming their role is to simply execute on a project that is already defined. A good PM thinks strategically, asking questions that help determine whether or not it makes good business sense to invest in an initiative. In fact, organizations look to hire talent that challenges assumptions.

Better understanding the organization’s vision, strategy, and processes enables PMs to become more strategic. To move into a more strategic position, you must first understand and embrace your organization’s vision, mission, and objectives. Only then can you apply this understanding to every initiative to help validate the priority, importance, and investment. Knowing exactly how projects and programs map to strategic objectives also helps rally the entire team behind the importance of the initiative.

The first step is understanding why the organization is pursuing this initiative at this time to determine how it ties into the company’s strategic goals. Simply put, PMs must understand the difference between a “need-to-have” and a “nice-to-have” initiative. If a project or program doesn’t serve the strategy that has been designed to support the organization’s goals, it will not provide meaningful value in the long term. This requires an understanding of the business case from every angle.
Rather than simply think about the deliverable and scope, focus first on the business problem and performance potential—this can even trigger ideas for alternative solutions.

An effective PM also thinks beyond budget to look at the full financial picture, asking themselves:

- What is the total cost of the initiative?
- Are benefits being realized?
- Are deliverables being fully utilized and in the way intended by end-users?
- Although the initiative met its tactical goals, do post-project/program assessments deliver against organizational metrics?
- Do the assessments show realization of long-term benefits for the organization as a whole?

Remember: It’s not about challenging the business case, but instead about further understanding it in order to better lead the project or program. This knowledge also empowers you to confidently push for time and budget overages toward the effective completion of a strategic initiative the first time around.

**Essential Project and Program Manager Skills**

The role of the PM is dynamic. You need more than technical skills to do your job well. PMs must move seamlessly across organizational boundaries and “get things done” using their influence, relationship-building abilities, and a deep understanding of organizational culture and processes.

These are all relational skills, which are equally critical to successful program and project management. To that end, the most effective PMs possess the following skills:

1. **Mastering Peripheral Vision**

To succeed on a strategic level, PMs should learn everything they can about the organization. They should look outside their domains and industries, and across the organization, to truly grasp the big picture.
Here are the questions they must be able to answer:

- Why are we in business and in this industry?
- What makes our organization different?
- What about our culture makes us unique?
- What do we value within this organization?
- What would make marketing, R&D, and others sit up and listen?
- Are we structured to complete projects and programs successfully?
- Do program and project managers know the key organizational processes and process owners?
- Do we have systems in place for better decision support moving forward?
- Where is the organization today?
- Where does it envision itself in the future?

An effective tactic is to invite stakeholders from across the organization to present their strategic objectives, plans, and priorities. This empowers you to smartly run projects and programs, and be confident about contributing to strategic goals.

In 54% of businesses, PMOs are not clearly focused on companywide performance as a whole, and only 42% of businesses find their projects align with their strategy.

— The Impact of PMOs on Strategy Implementation, PMI®

Once they gain insight through discussion within the organization, experienced PMs turn that insight into action. It’s not enough to conduct stakeholder analysis and figure out that certain people wield influence and power. Effective PMs know what to do with that insight, which is ideally to align with those that can help ensure project/program success. This is not a one-time activity, but is conducted iteratively throughout large initiatives and with great vigilance.

Rather than simply understanding expectations through the project or program charter, strategic PMs should develop a sponsor charter that outlines what the PMO needs from the initiative sponsor. This helps determine if the sponsor believes in the initiative, and is actively engaged or hands-off.
It also provides a good sense of whether the sponsor will be more of a mentor and coach or will maintain distance.

If it appears the sponsor will not be engaged and supportive, you should find out who influences this sponsor, investigate why there is a disconnect, and humbly and confidentially ask for their advice in better engaging the sponsor.

### Excelling at Risk Management

When taking on a new initiative, the best PMs conduct a solid assessment to identify what could go wrong. It’s important to answer questions such as:

- What are the organizational risks if the company decides to staff differently?
- What if there’s a downturn in economy?
- What if the organization brings in a new leader?
- How will all of these impact the project or program?
- What happens if the organization restructures, changes, or adds new processes?
- What happens if these new processes must comply with a whole new set of regulations?
- What training and structural changes would be necessary in the short- and long-term to ensure continued success?

With a solid understanding in place, a strategic PM can present the assessment to the executive team.

### Communicating Effectively

To engage, motivate, and satisfy a range of participants—including executives, team members from across the organization, and end-users—PMs must be adept at communicating clearly and effectively. The most effective PMs master written and verbal communication, and understand the most appropriate form to use for each situation.
Hand-in-hand with effective communication, the best PMs present relevant messages about the initiative at different levels of the organization, and can stand up to criticism. Rather than starting with a project- or program-requirements document, they first outline the major topic and theme of the project, with consideration for what each stakeholder cares about. When presenting to executives, smart PMs focus on what the initiative is meant to help accomplish at the organizational level. Asking themselves:

- How does it move the organization forward?
- How does it link to the organization’s mission and objectives?
- How does this make the company more competitive or more efficient?

Inevitably, problems will occur and the PMO must adapt. Knowing what to do, and taking immediate action when the time comes, is critical to success. Effective PMs know how to perform a rapid assessment of a project or program in trouble and develop a recovery, stabilization, or exit plan to transition to an improved state.

**Tying Initiatives to Business Value**

In positioning themselves strategically, the best PMs measure and report on the metrics that matters to the business. At the end of each project, they quantify project/program success as relates to strategic company-wide objectives. They’ll use metrics such as “increase revenue eight percent within three years (or by year-end 2019),” or “improve operational efficiencies by 12%.”

Because it’s difficult—or may seem impossible—to immediately evaluate the impact of an initiative after completion, successful PMO leaders evaluate various sets of metrics along the way to monitor and demonstrate the realization of benefits. Early on in the project, they’ll develop a roadmap with key stakeholders to ensure agreement on those metrics, often captured in the business case.

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These include deliverable-acceptance and metric-fulfillment at key milestones throughout the initiative. It also includes benefits-realization upon completion of the strategic initiative, and even beyond for some time into the future.

Conclusion

PMs that achieve the greatest success share a key trait: They think big and recognize they can play a key role in helping to drive company success. By embracing the best practices presented in this paper, and upskilling, you can become a vital contributor to helping your organization determine sound investments and enhance its project and program portfolios.

References


2 PMI’s Pulse of the Profession In-Depth Report: The Impact of PMOs on Strategy Implementation, November 2013