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Strategy Essentials for Project Managers

Howard Rohm, President and CEO
Wes Balakian, Director Project Management Group

NC PMI Chapter Meeting
April 2019

Strategy Management Group



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Your Presenters



Howard Rohm, SMP, BSMP
Co-Founder & President

- Four decades of international training and consulting experience in industry, government and non-profit strategic planning and management systems in over 40 countries
- Consultant, Booz, Allen Hamilton and Adjunct Professor, Univ. of Maryland
- Executive Director, Advanced Nuclear Energy R&D, U.S. Dept. of Energy
- Author: *The Institute Way*, *Balanced Scorecard Institute*; *the Strategic Planning Body of Knowledge*, *Association for Strategic Planning*; *First National Energy Plan*, U.S. Department of Energy
- Developer: *Nine Steps to Success™* planning and management framework
- Board of Directors, *Association for Strategic Planning*
- Bachelor's and Master's degrees in Engineering and Administration
- Research Triangle Top 50 *Entrepreneurs*, 2010 *Business Leader* magazine



Wes Balakian, PMP
Director, Project Management Group

- Founder and CEO of True Solutions, Inc., a Global Project Management Training and Consulting firm
- Author of 8 books on Project Management Training, delivery, value and use
- International speaker, consultant, and enterprise solutions delivery professional
- Various leadership positions held over the past 15 years in Project Management
- Masters in Project Management from George Washington University
- Graduate of the Project Management Leadership Institute Masters class, Budapest 2008
- Institute Global Operations Centre --Over 200 presentations and webinars delivered in the past ten years



Basis For This Presentation

- 20+ years' experience in training and consulting in Strategy, Performance Measurement, and Project Management in over 40 countries
- Balanced Scorecard, KPI, and Project Management certification course authors, with over 18,000 people trained from over 80 countries
- Project Management experience as a PMI® REP and author
- Strategic Planning & Management and certification experience as an Association for Strategic Planning (ASP) REP
- Upcoming “Strategy Essentials for Project Managers” training course this June in the Triangle

Poll Questions

From your smart phone, tablet, or computer, go to:

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Enter Code: 890012

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The Strategy Management Group/Balanced Scorecard Institute
Cary, North Carolina
(919) 460-8180



Background

“Fifty-nine percent of senior executives say their organizations struggle to bridge the strategy-implementation gap.”

(Source: Brightline Initiative & the Economist Intelligence Unit, PMI)

“Only 56% of strategic initiatives are successful.”

(Source: PMI Pulse of the Profession: The High Cost of Low Performance, February 2014)

“Only 9% of companies are rated excellent at execution.”

(Source: PMI Pulse of the Profession: The High Cost of Low Performance, February 2014)

- Connect projects to organization strategy, mission and vision
- Select and prioritize projects and portfolios based on contributions to strategy
- Draw a distinction between *strategic initiatives* and *operational projects*
- Think and contribute strategically
- Measure the important stuff – “measure what matters”

Becoming more strategic is a good career move!

Strategy Primer



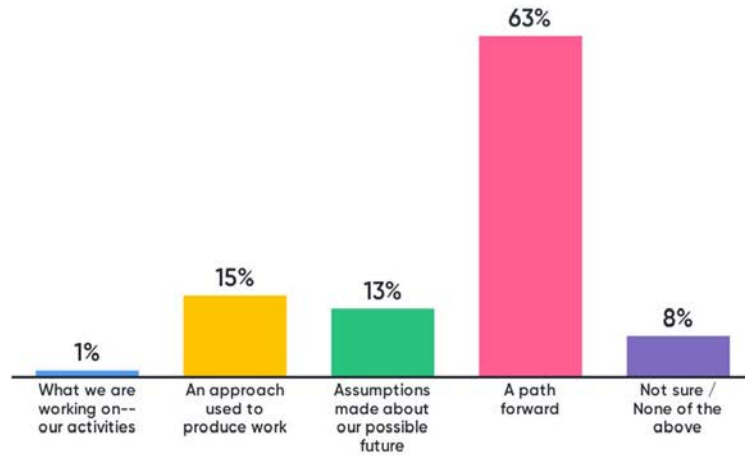
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1. Poll Question:
What is "Strategy"?



Strategy is...



79

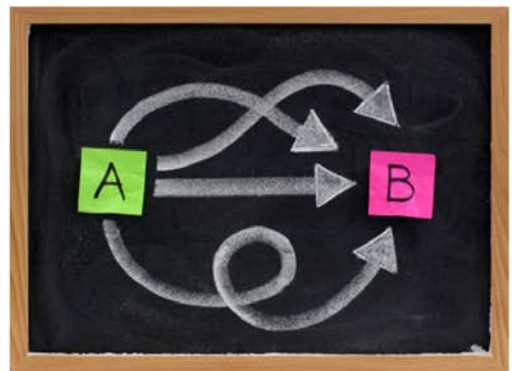
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What is Strategy?

“Positioning choices made (the path) and actions taken (the plan) to move the organization from its current state to some future desirable state.”

The Institute Way: Simplify Strategic Planning & Management with the Balanced Scorecard



12

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When Strategy is Everyone's Job



When Strategy is Not Everyone's Job



**“This is not in my job description...
I draw lines; I don't
remove trees”**

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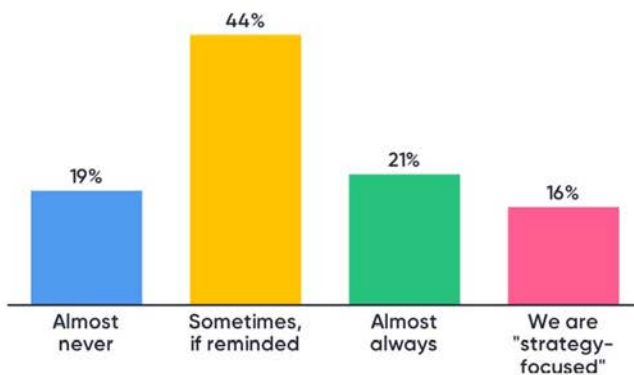
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2. Poll Question:

How often is Strategy part of your Project Management conversations?



How Often Is "Strategy" Part Of Your Project Management Conversations?



75



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Make Strategy Actionable — the Balanced Strategic Plan

Vision:

Be a world-revolutionizing provider of energy products

Strategy Map

Efficiently deliver the highest standard of service providing energy products and expertise to our customers

International Growth

Increase in size and shareholder value through acquisitions, organic growth and asset optimization.

Operational Excellence

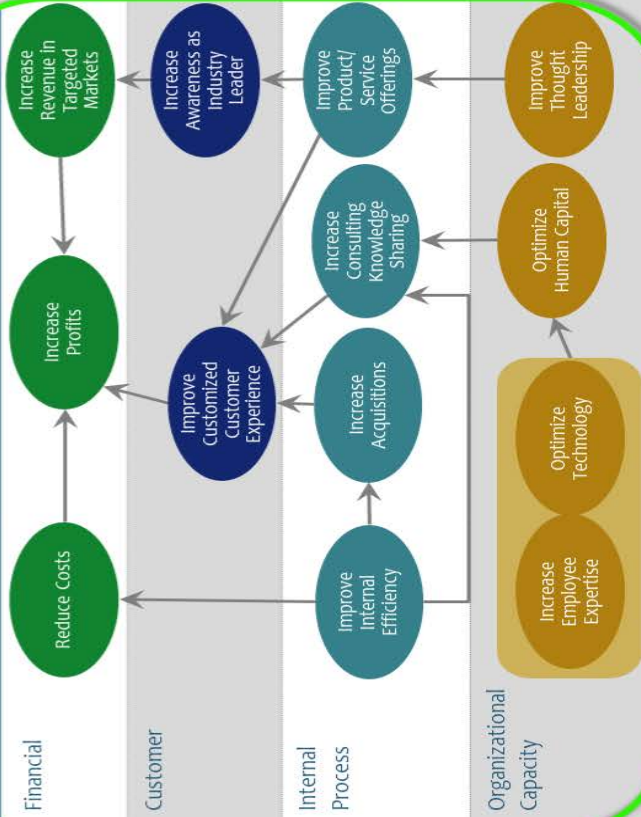
Process and services are executed in a timely, accurate, value-added and cost-effective manner that exceeds stakeholder expectations.

Energy Leadership

Worldwide recognition for thought leadership and energy services expertise.

Strategic Results:

Strategic Objectives and Strategy Map



Measures

- Profit
- Operating costs
- Revenue in targeted markets
- Customer experience score
- % of customers with CK charter
- Awareness and leadership score
- References in media
- Efficiency index
- EBIT from acquisitions
- Time to post
- % of transactions in CRM
- New products/SVCs as % of sales
- % employee development plans in place
- % systems automated
- Operating cost/FTE
- Articles published

Targets

- ↑15% per year
- ↓7% per year
- ↑5% per year
- ↑5% next period
- ↓8% next period
- ↓98% next period
- ↓15 new references
- ↑15% per year
- ↓\$15M this year
- ↓5 business days
- ↓65% next period
- ↓14% this year
- ↓70% this year
- ↓72% this year
- ↓\$3350/FTE
- ↓125 this year

Strategic Initiatives

- Implemented new financial system and benchmark results
- Marketing campaign in new target markets
- Develop customer knowledge (CK) charter
- Establish acquisition integration team
- Establish Business Process Reengineering (BPR) team
- Formalize new product development cycle
- Formalize CRM qualification process
- CRM system training
- Redesign employee certification process
- Establish thought leadership committee
- Formalize research expertise strategy

Core Values:

- Integrity • Commitment to Excellence • Customer Focused • Diversity of Knowledge • Honesty • Teamwork/Collaboration • Entrepreneurial • Thirst for Knowledge

Tool: A Strategy Profile Helps Visualize Market Differentiators (Performance Drivers)

Use a Strategy Profile to:

- Develop your organization's competitive business strategy
- Evaluate how well you implemented your strategy compared to competitors
- Identify the most strategic areas to focus on in the future



Source: Adapted from *Charting Your Company's Future*, W. Chan Kim and Renée Mauborgne, HBR, June 2002.

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19

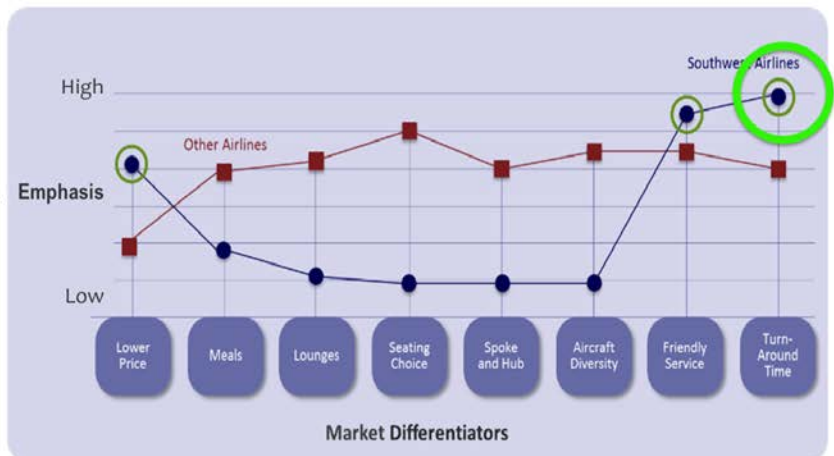
Exercise: Strategic Initiatives Create Strategic Initiatives

Using the Market Differentiators to organize your thinking, each table develops one or more Strategic Initiatives:

- Choose one Market Differentiator
- Discuss possible Strategic Initiatives (Projects) for the Market Differentiator
- Select one or more Initiatives

Examples for "Meals":

- *Customer Survey: Importance of meals to air travelers*
- *Cost Analysis: Cost of different meal options*

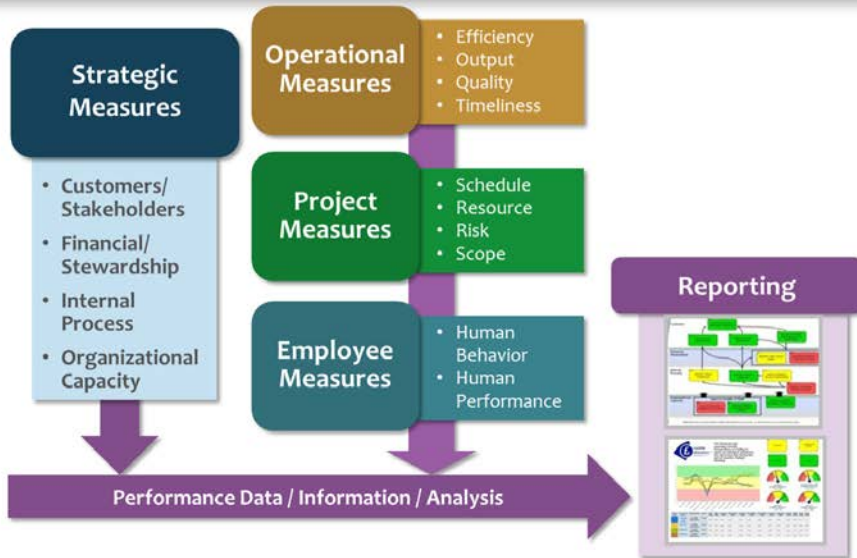


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20

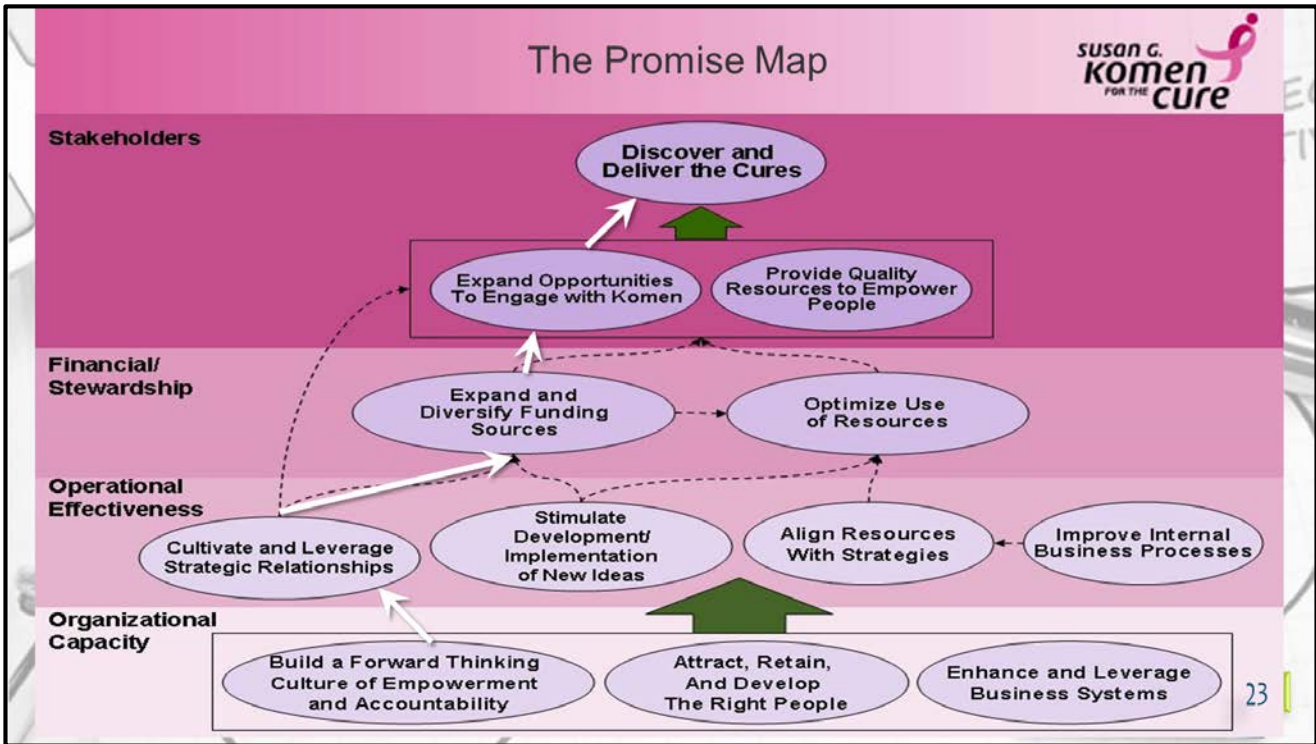
Strategic, Operational, Project and Employee KPIs Measure Progress Toward Goals



Strategy Summary: Why is Strategy Important? Alignment, Clear Communications, Selection & Prioritization, Measurement, Transformation, Accountability, and Clarity of Purpose



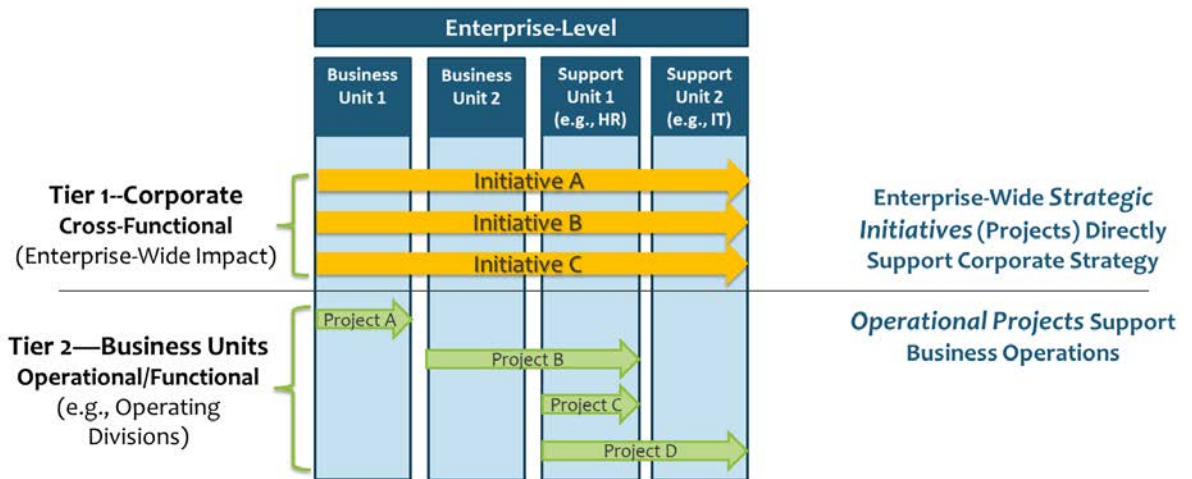
The Promise Map



Practical Strategic Project Management



All Projects Support Strategy



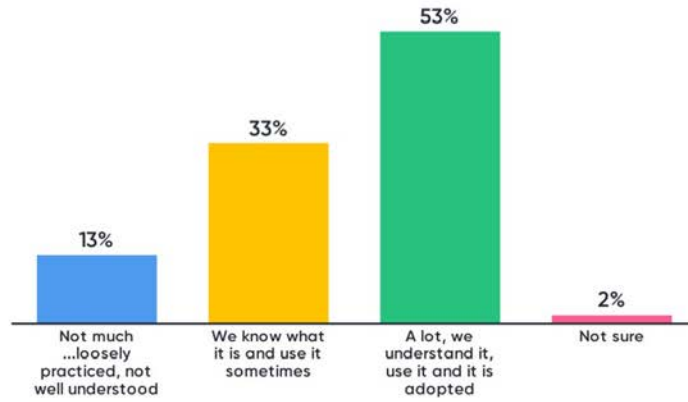
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3. Poll Question:

How is Project Management used in your organization?

How is Project Management Used in Your Organization?



64

27

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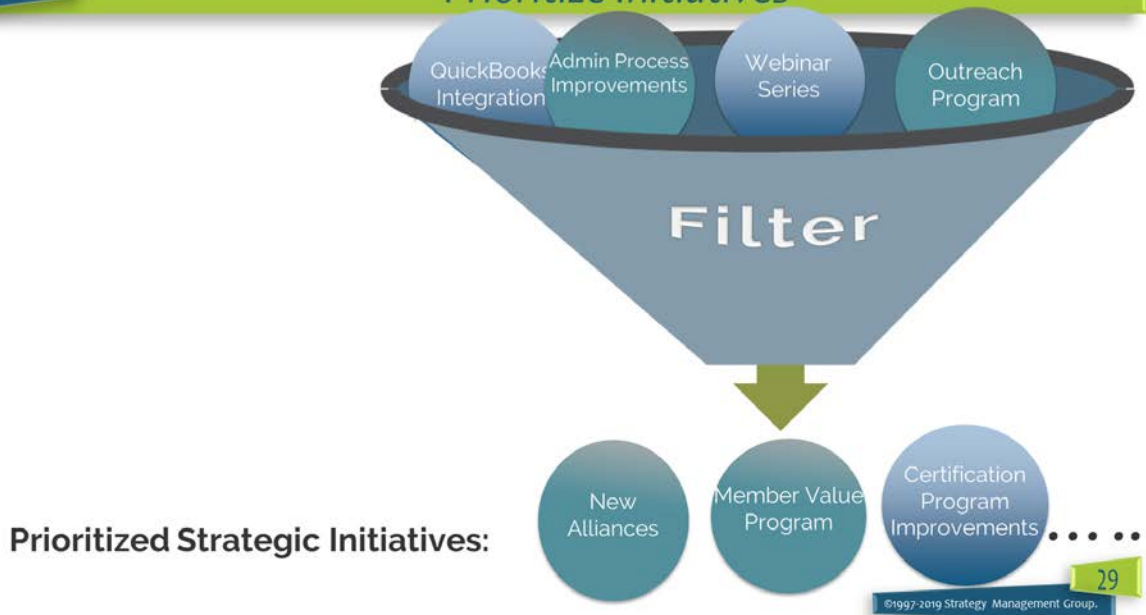
What is a “Strategic Project Manager”?

- PMs who contribute to corporate strategy discussions
- PMs who manage projects with strategy in mind
- PMs who “start with the end in mind”
- PMs who put their individual projects in context with the “greater good”
- PMs who coordinate results across department boundaries

28

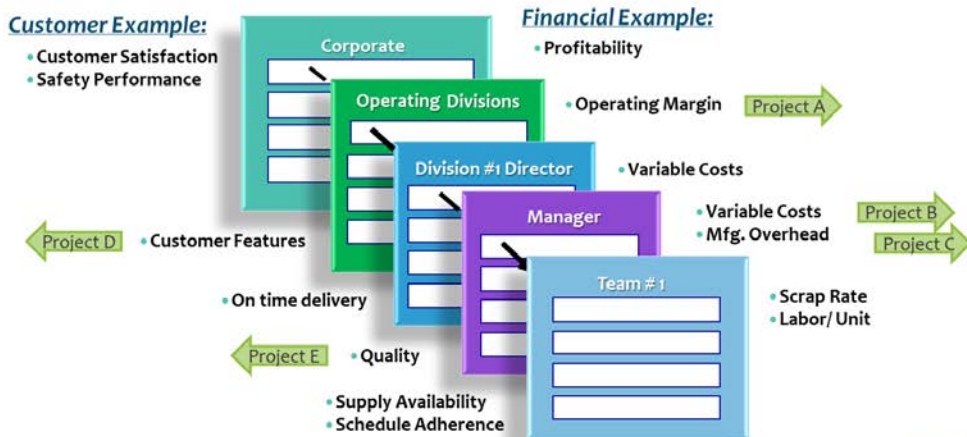
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Strategy-Focused Project Managers: Prioritize Initiatives



Strategy-Focused Project Managers: Help Support Alignment

Aligned business units, projects, and employees



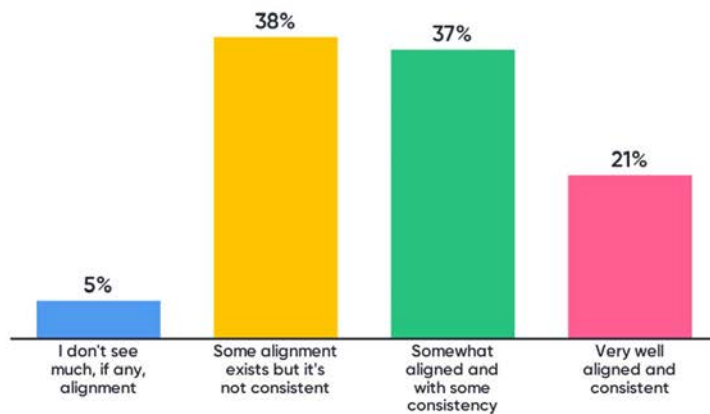
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4. Poll Question: How well do your projects align to Strategy?



How Well do Your Projects Align to Strategy?



63

32

Roles and Responsibilities of the Strategic Project Manager's Office

Contribute to Strategy Reviews



Strategy Execution



Strategic Analysis



Strategic Initiative Portfolio



Goal / Target Setting

Manage Strategy Execution



Manage Strategic Resources



Logistics Management



Monitor & Report Performance



Schedules & Milestones



Employee / Culture Dynamics

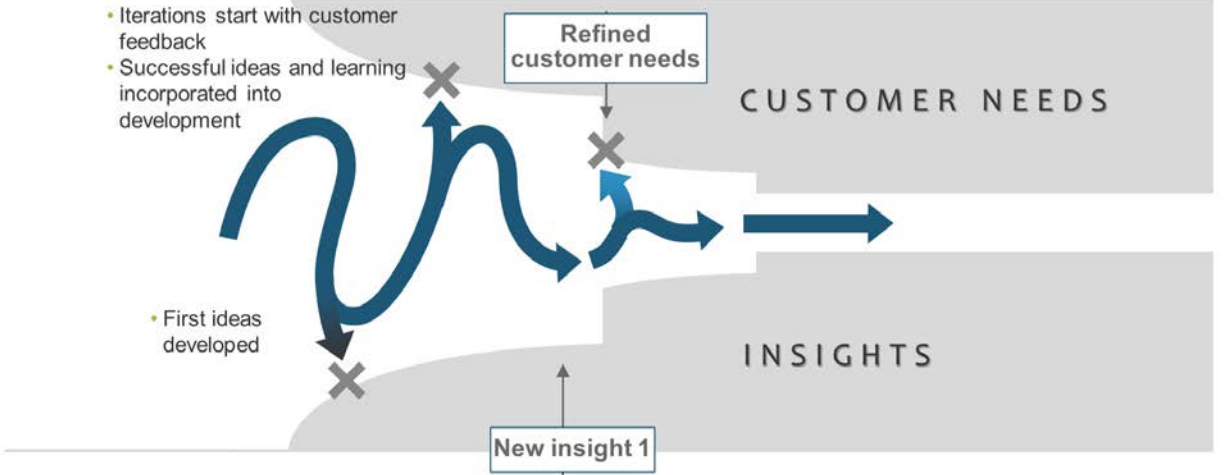
Strategy-Focused Project Managers: Help Create Competitive Advantage



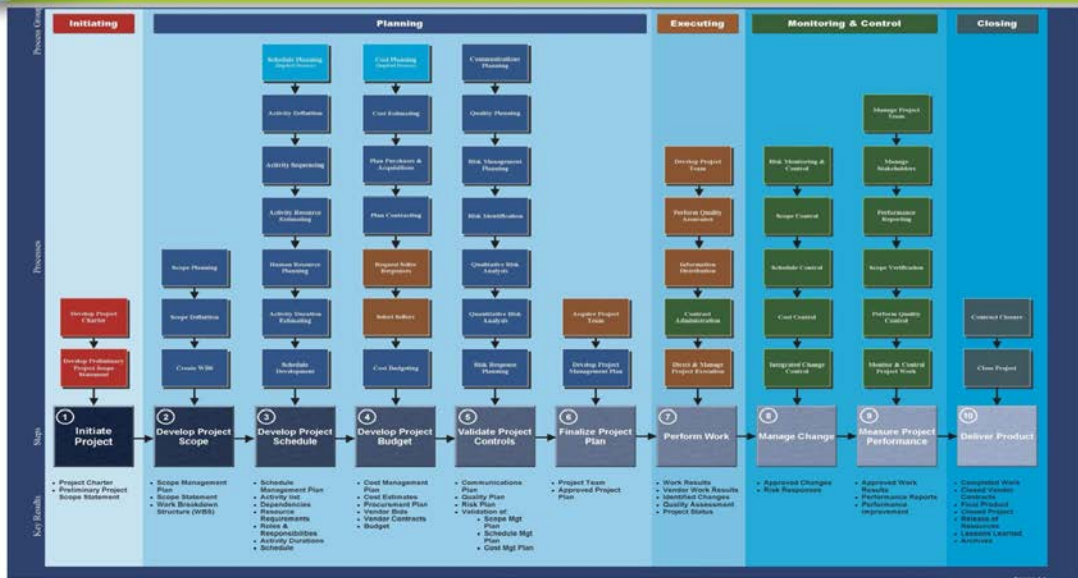
Agile Project Development

- Iterations start with customer feedback
- Successful ideas and learning incorporated into development

- First ideas developed



Practical Project Management



Agile Principles Adapted for Strategic Planning and Strategy Execution

1. Welcome and adapt to changing strategic assumptions
2. Work closer with customers to understand their needs, and aim to deliver early and continuous value
3. Iterative and tangible progress is delivered (and measured) frequently, with continuous attention to quality and meeting customer needs
4. Strategy is developed and executed by motivated individuals working in teams, who should be trusted
5. Focus and simplicity—the art of maximizing the amount of work not done—is essential



Agile values *responding to change over following a plan*

Sources: Kent Beck, James Grenning, Robert C. Martin, Mike Beedle, Jim Highsmith, | Steve Mellor, Arie van Bennekum, Andrew Hunt, Ken Schwaber, Alistair Cockburn, Ron Jeffries, Jeff Sutherland, Ward Cunningham, Jon Kern, Dave Thomas, Martin Fowler, Brian Marick (2001). "Principles behind the Agile Manifesto". Agile Alliance. Archived from the original on 14 June 2010.

Critical Success Factors For Long-Term Success: *Create a High Performance, Strategy-Focused Organization*



Nine Steps To Success™ Strategic Planning & Management System Framework



About Us

We help organizations:



Formulate, communicate, and focus on **Strategy**



Alignment of day-to-day work to vision and strategy



Prioritize and manage projects, services, products and resources



Measure, analyze, and improve **Performance**

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Strategy/Project Management Training:

- *Strategy Essentials for Project Managers*
- *PMP® Exam Prep Guide*
- *Balanced Scorecard Professional Certification*
- *KPI Professional Certification*

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References:

- *Brightline Initiative, PMI*
- *Learning to Think Strategically, Julia Sloan of Columbia University*
- *Blue Ocean Strategy, Chan Kim and Renée Mauborgne*
- *The Institute Way, BSI*

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Contact Us:

Howard Rohm, President and CEO
hhr@balancedscorecard.org

Wes Balakian, Director Project Management Group
wbalakian@balancedscorecard.org

Cary, North Carolina
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