

PM WORLD TODAY – FEATURED PAPER – NOVEMBER 2008

Project Management 2.0: The Ultimate Benefits of the New Approach to Project Management

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*Editor's note: This paper was originally presented at the **2nd Annual UT Dallas Project Management Symposium** in Richardson, Texas, USA (<http://pmsymposium.utdallas.edu/>) in August 2008. As a Media Partner for that event, PMForum agreed to republish selected papers in PM World Today. This paper is included here with the consent of the author and permission of the Graduate Program in Project Management at The University of Texas at Dallas School of Management, who is the copyright holder of the conference proceedings. All conditions and disclaimers of the copyright holder pertain.*

Contemporary project management is undergoing significant changes. Teams find other ways to manage projects, ways that differ from the traditional waterfall methodology. Today, more and more people are using blogs, wikis and collaboration planning tools to work together. These applications represent a significant opportunity for organizations to introduce more efficient collaboration and increase productivity.

Traditional project management relegates all the responsibilities to one person - project manager. He acts as a proxy in all project-related communications. The result is formidable personal and team's productivity reduction. The change in project management comes with a change in tools. The new wave of project management applications puts an emphasis on collaboration and makes teams much more productive. These applications use the power of two simple practices - collective intelligence and emergent structures. The software industry was the first to adopt these new practices. Agile project management, as it is called in software development, easily took over the software industry in several years because of the benefits it brings to companies. These practices, supported by tools, processes and people, bring a dramatic increase in key performance indicators for companies. Today they are used by successful teams ranging from two individuals to thousands of people. New generation tools are not only incredibly helpful in managing distributed teams in today's global environment, but also able to take care of a lot of routine operations for you.

How do the new generation tools influence contemporary project management? What makes them so effective? How can you get the most out of them? Why should you join the project management evolution? This paper will tell you how companies and teams can benefit from the new technologies and practices, and how these technologies can make your job easier and more pleasant.

ENTERPRISE 2.0 BRINGS NEW OPPORTUNITIES FOR BUSINESS DEVELOPMENT

The social network phenomenon has marked a turning point for the web. Now so-called “Web 2.0” is affecting business processes in thousands of organizations by offering incredible communication and collaboration opportunities known as “Enterprise 2.0.” The famous research company, [Forrester, reports](#) that consumer giants such as General Motors, McDonald's, Northwestern Mutual Life Insurance and Wells Fargo Bank have already embraced Enterprise 2.0 technologies. Procter & Gamble has been using blogs and wikis for seven years to create and maintain collaborative environment. The corporation's strategic goal is clear: fully realize the company's 100 000 people potential instead of working like 1 000 companies of 100 people. This and many other examples prove that what we are witnessing now is the transformation of traditional ways of doing business, and this transformation is caused by the new-generation applications.

Andrew McAfee, an associate professor at Harvard Business School, coined the term [Enterprise 2.0](#) and described the use of emergent social software platforms within companies, or between companies and their peers (partners or customers).

“Weapons of mass collaboration,” such as social networks, wikis and blogs, transform collaboration patterns in today's organizations. They help to facilitate all aspects of the business by energizing product development, marketing, sales and customer service. Enterprise 2.0 software and business practices provide managers with access to the right information at the right time through a system of interconnected applications and services. Examples of thousands of small companies as well as giants like Microsoft, Toyota, HP and many others show that Web-based Enterprise 2.0 applications let businesses obtain a huge competitive advantage in the form of enforced innovation, productivity, and agility through access to the collective intelligence of many professionals.

Connection of narrow and scattered expertise; facilitated communications within enterprises; improved customer interactions; and efficient gathering and sharing of information are not the only benefits that Enterprise 2.0 software delivers to businesses. These tools also can help to solve problems connected with project management.

A FUNDAMENTAL CHANGE IN MANAGING OF PROJECTS

The changes brought by Enterprise 2.0 movement are naturally affecting project management in organizations. Blogs, wikis, and other second-generation tools stimulate communication and collaboration. Thus they provide an enormous potential for improving existing project management practices.

Traditionally, project management discipline and software create a huge onus for project managers. Managers have to collect information, build and update project plans, communicate changes to team members and report to executives. This seriously decreases productivity on all levels in the organization, including top managers' productivity. The reason is popular tools, like Microsoft Excel spreadsheets, email and Microsoft Project, are not focused on collaboration.

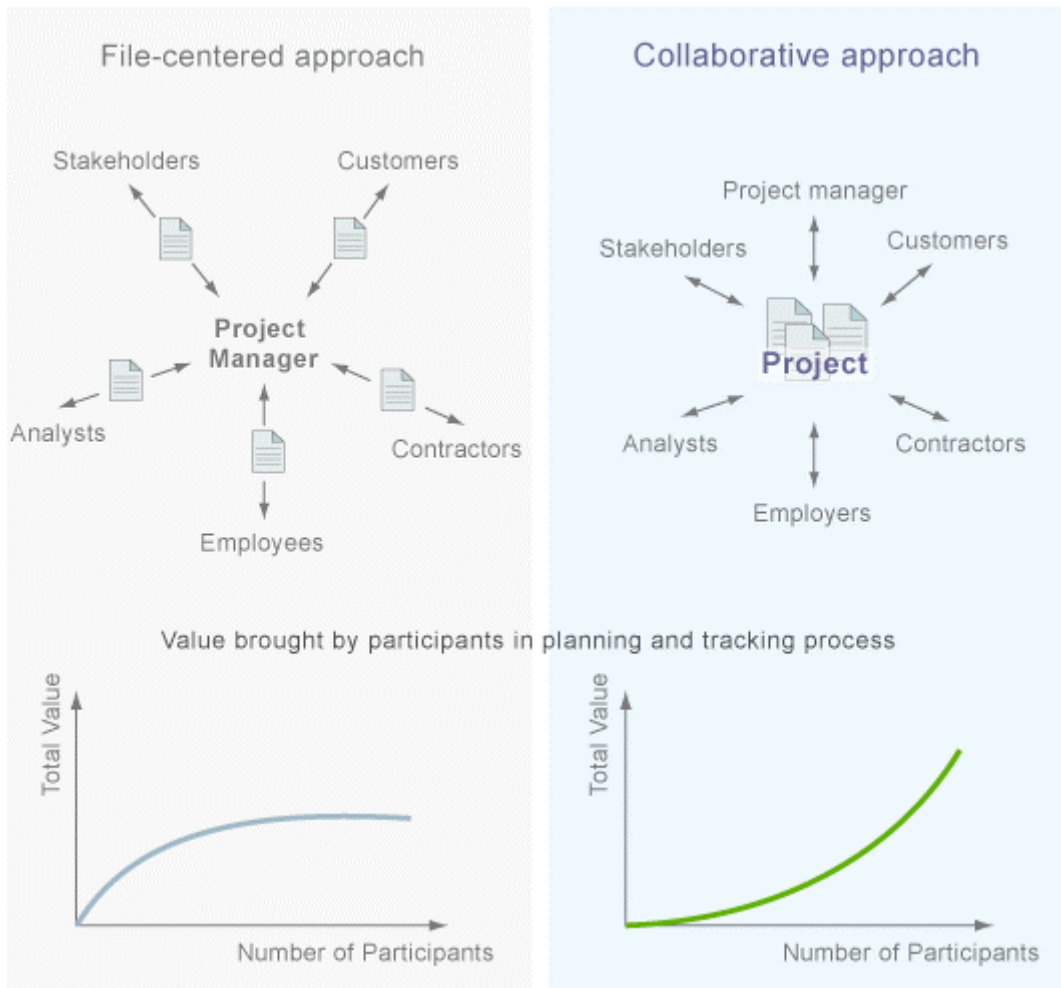
Let's have a look at email. It's a useful tool, but it's a closed communication medium. It does a poor job of capturing and sharing knowledge. Many companies confirm that collaboration by email produces unnecessary work and delays the exchange of information. E-mail buries a lot of valuable data.

Then, project management applications like Microsoft Project were mostly designed for the top-down management approach and are not meant for open collaboration. These tools make project manager the core element of the project communications. He first has to pull facts out of employees through meetings and e-mails, then put them together like pieces of a puzzle, manually update plans, and communicate the updated version to team members and report the progress to the upper management and clients. The process is then repeated every time something changes. Does this look familiar?

The project manager also needs to play the role of an alarm clock, reminding employees of their deadlines and overdue tasks. The whole process turns out to be time-consuming and effortful. Routine work often leaves little time for leadership and strategic thinking.

Now, thanks to the influence of Enterprise 2.0 technologies and practices, project management is evolving on a broader scale. This evolution can be called [Project Management 2.0](#). The term highlights a new approach to project management, characterized by a dramatic shift toward having collaboration as the heart of managing projects.

The new-generation tools take care of the routine part of a project manager's work: reminding team members about deadlines, merging status updates into a single master plan, and communicating changes. This could not be done without leveraging the collaborative power of the whole team. New tools also let people collaborate and share information easily. The role of the project manager is changing; he is becoming a project visionary, instead of a taskmaster. New-generation tools give him more space for being a project leader.



Why are new technologies so effective in project management? Five key benefits are listed below.

1. Easy Collaboration vs. Complexity

One of the major constraints associated with traditional project management software was its complexity. Traditional tools have hundreds of features, which take months to master. Adoption of traditional project management software is always connected with spending precious employees' time and the company's money on training. In contrast, the second-generation project management tools are lightweight and easy to use. They represent an opportunity to start collaborating immediately, without any delays for extensive learning and initial set-up.

New project management tools can be easily utilized even by unskilled computer users, making it possible to involve more people in project collaboration. A well-known example is blogging. It is very simple to share ideas in a blog and get feedback in comments. Simplicity drives adoption. When people like the software, they use it more often.

A much better user experience provided by the new software tools helps to solve one of the biggest challenges of traditional software packages. This challenge is the users' unwillingness to update data regularly. It resulted in outdated and therefore useless plans. New tools simplify the updating process. For example, they let you create tasks in the system by sending e-mails from their Blackberry or iPhone devices. This level of convenience and simplicity engages users and thus becomes a critical component for successful project management software implementation. The power of new tools comes to the surface when they turn simple actions of individual users into a great product of collective work. In Enterprise 2.0 terms, it is called collective intelligence and emergence.

Collective intelligence is the capacity of human communities to evolve to higher order complexity and harmony, through differentiation, integration, competition and collaboration. In other words, it is a form of intelligence that emerges from the collaboration and competition of many individuals. This notion is closely connected with the term "emergence."

Emergence is the way complex systems and patterns arise out of a multiplicity of relatively simple interactions. In plain terms it is a form of collective behavior, when parts of a system do together that they would not do by themselves. Enterprise 2.0 analysts often use the term "emergent structures". These are the structures that appear as a result of multiple, relatively simple interactions of a number of individuals. The interactions are uncontrolled, but are purposeful. Hallmark of the new project management solutions is that they are emergent — that they are not handed down from on high through the traditional IT or management channels — that instead they are introduced by people in an effort to solve their problems.

Together emergent structures and collective intelligence make project management 2.0 tools powerful instruments for improving teams' productivity.

2. Wisdom of the Whole Team vs. Single Mind

In his book *The Wisdom of Crowds*, James Surowiecki states that "groups are remarkably intelligent and are often smarter than the smartest people in them. Groups do not need to be dominated by exceptionally intelligent people in order to be smart." He also underlines that "decentralization's greatest strength is that it encourages independence and specialization while still allowing people to coordinate their activities and solve difficult problems."

With the new technologies, people get a more efficient working environment where they can gather and share knowledge from different fields that each project team member is an expert in. The new-generation, Web-based tools give team members an easy way to contribute to the common repository of tasks and plans. These tools unleash the power of collective intelligence and let teams participate in managing or projects. At the same time, the new-generation tools let project managers control changes and the progress of the project work. The tools let easily combine benefits of the top-down and bottom-up approach to management for the best results. The project manager guides the team's work and chooses the right direction, based on the information received from the individual employees.

Collective intelligence goes hand-in-hand with emergent structures, another practice that has a great impact on contemporary project management.

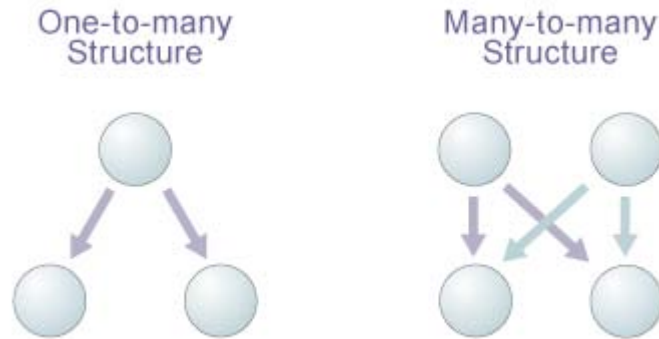
3. Many-to-Many Structure Flexibility vs. Stiff One-to-Many Hierarchies

Tools like email are characterized as "one-to-one" applications, because they are primarily communication means from one individual to another. Microsoft Project and many other traditional management tools may have collaborative add-ons, which make project information accessible for many people related to the project. These are "one-to-many" applications that allow you to have only a strict, one-to-many work breakdown structure of tasks (and other similar items). This type of structure creates several negative factors. First, there can be only one view of the project. In real life any employee has his own view on the ongoing projects. This means different perspectives and different access for project marketers, business analyst, engineers, testers, etc. Often, even the same person needs different views — for example, by release and by feature. This inconvenience makes the software less usable and thus people become hesitant to check plans and update them regularly. On one hand, these factors lead to obsolete and useless project plans. On the other hand, the necessity to select one work breakdown structure greatly increases the cost of mistake for the project manager.

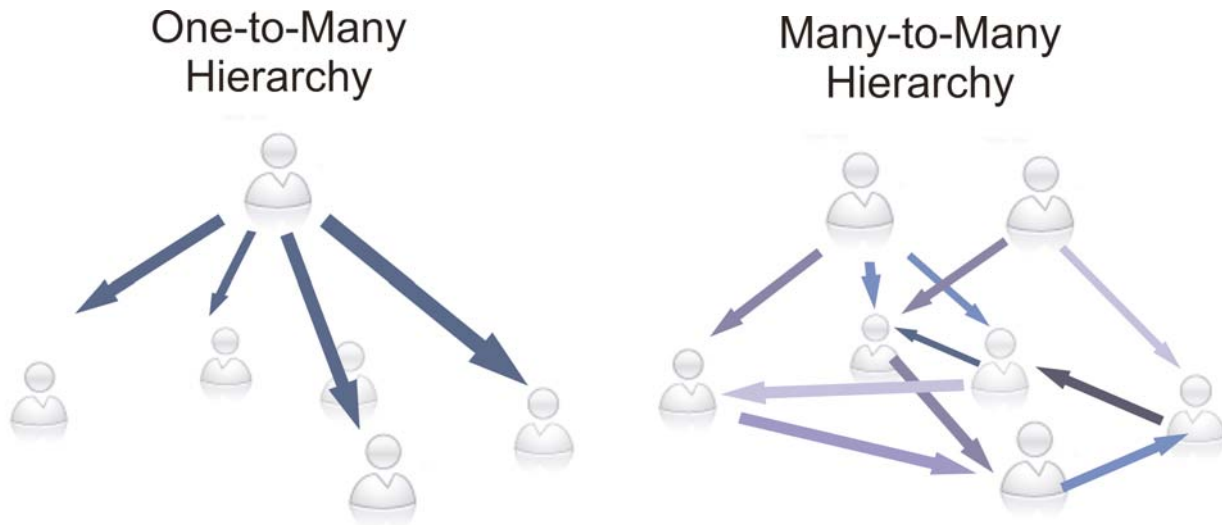
The whole process becomes very tricky and requires a lot of up-front thinking, predictions, and responsibility for the project manager.

Project management 2.0 tools are built according to a different principle. They let structures emerge, without strong central control. For example, collaboration planning tools, like Wrike allow work to be conducted using a decentralized pull-based model that's more scalable, efficient, and leads to increasingly innovative outcomes. What employees design as the best work-breakdown structure for their tasks becomes a part of a bigger picture seen by the manager.

In project management 2.0 tools hierarchies are many-to-many, in contrast to the one-to-many hierarchy in Microsoft Project. With the evolution to the "many-to-many" paradigm, people can input and receive information to and from the system. Team members are able to connect and communicate dynamically within a flexibly formed scope; there are no artificial boundaries between information and collaboration tools. The definition of "many" can go well beyond team members to include entities such as organizations, teams, products, processes, and so on.



This means with the help of project management 2.0 tools project managers can pick any reasonable sub-set of tasks, create a view and share it with someone who needs this view. It is not like all-or-nothing sharing of a file. At the end of the day more people can collaborate and contribute to the project work. As the new tools allow team members to make changes to the initial structure simultaneously, more people can organize and reorganize their views, and more structures emerge. The resulting structures fit project participants much better than one-to-many stiff work-breakdown structure.



This agility helps to bring iterative and incremental practices into project management without giving away the control. The project manager’s job becomes more about coordination, guidance leadership than routine manual updates. The whole team and even the whole business can react to changes much faster.

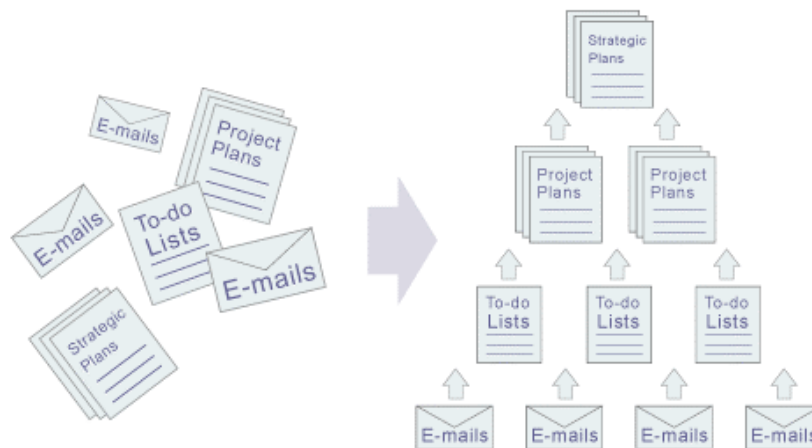
With project management 2.0 tools you can start with one task, add fifteen more, organize them, add more tasks, reorganize them, and repeat the process on a daily basis if you need to. When seven employees share their daily to-do lists with a team leader, the team leader gets a bigger picture. When five team leaders share their teams' plans with project managers, the picture gets even bigger. When it goes through directors and the vice president to the CEO, the whole

structure evolves from what was one task into a big ecosystem that perfectly suits the organization. Everything happens with the help of very simple tools and very powerful principles - collective intelligence and emergent structures - that stay behind those tools.

Empowered by emergent structures and collective intelligence, project managers can combine field knowledge coming bottom-up with the guidance coming top-down. There is also a significant benefit for executives: emergent structures allow you to get complete visibility that bridges the gap between strategic corporate plans and daily to-do lists of employees.

4. *The Bigger Picture vs. Narrow Scope View*

Full insight into what is going on in the organization is vital for aligning internal business resources with the requirements of the changing environment. For example, if we speak of software development, the bug fixing schedule may affect the next release schedule. The next release schedule in its turn may affect the marketing campaign, which may affect sales plans. Sales plans will naturally have an impact on financial plans. Having the comprehensive view helps corporate executives to make a wiser choice for allocating internal resources, when there is a need to react properly to the changes in the business environment. Project management 2.0 tools empowered by emergent structures and many-to-many hierarchies are naturally able to provide this big picture view. The to-dos of all the team members are automatically merged into project plans. These plans become the part of the strategic plan. Thus separated emails, tasks and plans are collected by the software into a bigger picture that becomes a master plan or a multi-face work-breakdown structure of the whole organization. Many-to-many hierarchies let corporate executives see each project and their whole organization from different points of view. Many-to-many paradigms and emergent structures allow managers to drill down to each team member's tasks and follow the work of the whole enterprise at the same time.



When project managers can easily view every detail of their project development, and corporate executives are able to use their business resources most rationally, projects bring value faster.

5. Productivity Boost vs. Team's Reluctance

With new tools, project managers save hours on routine operations related to aggregating the information from e-mails and meetings and keeping it up to date. The new tools solve the problem of reports. The whole reporting procedure becomes highly automated on all levels, as part of it can be easily accessed by sharing the related part of the collaborative workspace. Corporate executives get their view of the project automatically. The reports are pulled on the fly from real data, so they are up-to-date. Second-generation project management software gives every team member an opportunity to be aware of the changes in the project without unnecessary meetings, e-mails, and phone calls. The collaboration becomes much faster and much more productive. It results in faster project delivery and faster return on investment.

Starting innovation and improvements in your organization is easy. As was already mentioned above, new tools are very user-friendly and easy to adopt. You just have to pick the right ones for your project.

PROJECT MANAGEMENT 2.0 TOOLS: ENERGIZING COLLABORATION

Perhaps the most popular of the new-generation applications that companies can benefit from are blogs, wikis, and collaboration planning tools.

Blogs

Project managers can take advantage from both internal and external usage of blogs. Internal blogging gives the opportunity to facilitate direct communication between various layers of an organization. Blogs allow team members who otherwise would not have been aware of or invited to participate in a discussion to contribute their expertise and ideas. Thousands of companies now use blogging tools like Blogger, LiveJournal, Typepad, Movable Type, WordPress or Radio UserLand. One of the most striking examples is [UNIQLO](#)'s experience with Movable Type blogging service. UNIQLO is a global clothing retail company with 760 Stores worldwide. Retail industry is always characterized by significant employee turnover, which means knowledge was frequently being lost. The biggest problem was that email conversations about best practices and successes weren't accessible by new staff. After implementing Movable Type blogs through our international chain, teams in each location got an opportunity to document what works for them and share their experience with other teams inside the corporation. Now even part-time employees are able to access the blogs using cell phones and PDAs. No important information is lost.

Another interesting example is British Library and University College London collaboration on a project called the LIFE (Lifecycle Information for E-Literature) through a [blog](#). A blog is a way for these two organizations to work together more efficiently and keep all the project information in one place.

External blogging helps to encourage the strongest community goodwill, and this goodwill, in turn, promotes significant marketing and sales gains. Thousands of companies are already reaping the

rewards of their investment in external project blogging. For example, companies like Microsoft, IBM, Google, Sun Microsystems, and SAP write project blogs on a regular basis. The number of non-technology organizations that have their own project blogs is rapidly growing, too. One of the most prominent examples is the From Edison's Desk blog — a blog for the GE Global Research project. It offers an opportunity for technology enthusiasts around the globe to discuss the future of technology with top researchers from one of the world's largest and most diverse industrial research labs.

Another great case is GM [Fastlane Blog](#). This blog has already become an important unfiltered voice for the company, its customers and car enthusiasts. Most posts attract scores of comments from visitors, creating a dynamic and vibrant community of conversation. GM also invited people who left the best comments to become “GM Insiders”, with access to designers and marketing programs. It provides GM with invaluable and direct feedback from customers and car owners on what they think about GM's products and services - feedback the company would not otherwise obtain in such a direct manner.

Wikis

A wiki is another technology that can be successfully applied to managing projects. Its basic advantage is that it lets users to create, edit, and link Web pages easily. Wikis usually have very few restrictions, thus they tend to accumulate a shared knowledge that was traditionally kept out of stiff corporate enterprise software and intranets — the knowledge that was usually buried in e-mails. Wikis will help you plan meeting agendas, brainstorming presentations, keeping documents up-to-date and so on. A good example of wiki usage would be [Dresdner Kleinwort](#), the investment banking division of Dresdner Bank AG that gained an e-mail traffic volume reduction by 75%. They also slashed meeting time in half. Another example is a Linux-based operating system called Fedora, which uses a project wiki to bring the end user's point of view into the product development. There are a lot of wiki solutions that are be successfully used by many companies. The most well-known is an open source wiki called MediaWiki, the one that is used by Wikipedia.

Wikis and blogs are useful generic tools that can help to share knowledge much more effectively than e-mails. However, to gain visibility and control over operations, companies also need to empower their managers and employees with collaboration planning solutions.

Collaboration Planning Tools

New collaboration applications and platforms combine the level of control associated with traditional project management software with the benefits of Web 2.0 applications to give a productivity boost to companies and bring better visibility. The best tools in this field are integrated with e-mail, easy-to-use and inexpensive to adopt.

Collaboration planning tools democratize project management software. They bridge the gaps between employees' to-do lists, project plans, and strategic goals. With the help of these tools, a project manager gains complete visibility of all the projects he or she is responsible for. The upper management knows what is going on inside of every project and gain valuable insight into

all realms of their business. The software takes a lot of routine operations on its shoulders — turning e-mail mess into a nice-looking timelines, reminding people about overdue tasks and building reports. These tools help to collect information and make it accessible to any team member anywhere. This expedites information sharing and accelerates decision making.

Governmental, educational, commercial, and non-profit organizations all over the world are embracing project management 2.0 tools to improve their project management. Corporations like McDonalds, Walt Disney, Apple, Toyota and Capgemini utilize second-generation project management applications within their departments.

CONCLUSION

Project management 2.0 should be viewed as a tool that helps organizations to execute designated projects effectively and efficiently. The use of this tool does not automatically guarantee project success. People, processes and tools should be in balance. Tools alone can hardly do the whole job, but they can make people's job easier, and they can catalyze changes in processes.

The use of innovative project management technologies promises to have a profound and far-reaching effect on how projects are managed today. These technologies let companies acquire the key ingredient to success in any business — they help companies make better decisions faster. Project management 2.0 gives a great productivity boost to project managers and their teams.

Today, the project management landscape is changing, opening new competitive advantages for companies. While some companies are struggling with the pains of traditional project management tools and e-mail, others are becoming more efficient and innovative by leveraging the benefits of the new technologies. Those who have already adopted the new tools feel they are indispensable for the business success. I hope this article will help you adopt some of the Project Management 2.0 tools and practices for the better productivity in your organization.

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