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The Strategic Project Manager

By Morris Panner

In the typical organization, the project manager is like a sergeant in the army – a noncommissioned officer. This person has the most salient knowledge of what’s happening on the ground, yet it so often seems the big decisions are made from above.

Forward-thinking organizations would be wise to commission those sergeant PMs. Strategically, the PM occupies key ground within the organization: the intersection between planning and fulfillment. From this vantage point, the PM has the best insight into which plans deliver the most bang for the buck – and which ones suck the lifeblood from the company, being far more bother than they’re worth.

Reality is that few project managers take the time to strategize – mostly because they can’t. In today’s overbooked world, most projects are fulfilled in a to-do list way. The goal is finishing the project successfully and meeting the basic project goals. It’s tactical.

As a result, strategic thinking is something PMs don’t do because they don’t have the resources, or the organization’s stamp of approval.

That is a big organizational error.

A Strategy for the PM

As the first step, project managers must start thinking like upper-level managers. They have to extend their core leadership skills and start building great data communication skills.

We all know great PMs create great teams. Their stock in trade is leadership. They bring people together to achieve great things.

These are critical skills, but for inspired upper-level management, these are table stakes.

Organizational management involves something more. It requires the PM to abstract from the tactical considerations the data needed to drive executive decision making.

Tactical victories need to be translated into the language of strategic corporate governance. How does what you do tie into profit and loss? How does each project impact the organization’s bottom line? If you want to make an impact in the board room and influence the direction of your company, you’ll need to know these things.

The second step, then, is to invest the time into understanding organizational financials. This is more complex than simply subtracting payment received from time plus resources spent.. There is no question that running a profitable project is a prerequisite to success. But there is more.

The impact to the bottom line involves things like lead generation, client loyalty, up-sell opportunities, marketing and branding, limiting the scope of underperforming projects, and more.

The third step is to expand your arsenal of project-related tools. Milestone managers like Microsoft Project are common, but adding interactive collaborative tools and automated project management software is well worth the investment. These tools will help you gather the raw data coveted in the board room.

The fourth step, since most PMs won't be purchasing these tools themselves, is to convince the organization that these tools are worth the investment. Financially driven software tools, such as Professional Services Automation software suites, are the easiest to justify. These tools give each and every project its own profit and loss statement. They create visibility where before there was only confusion and best guesses.

A Strategy for the Organization

Not surprisingly, the organizational strategy mirrors the one that PMs themselves should follow. The first step is one of awareness. Realizing that PMs present a unique opportunity for the organization is valuable in and of itself.

Each and every service project is linked to opportunities. If PMs aren't aware of this, because they're too busy trying to bring projects in on time, those opportunities may be missed. After all, word of mouth is still one of the best forms of marketing, and those PMs out in the trenches can cultivate leads for up-sells, for future engagements, and for new customers from contacts through existing ones (a six-degrees of separation approach to sales).

PMs need to have a voice within the sales team. Although the relationship between services and sales is a column in and of itself, suffice it to say that there is ample reason and opportunity to work closely with sales to drive opportunity for the whole organization.

The next step is to educate. Invest in your PMs and teach them to understand the financial aspects of projects. The value to the organization is obvious. Financially savvy PMs focus on opportunities and profit-generating projects and avoid black-hole projects that consume too many resources and expenses that don't deliver much by way of profits or new opportunities.

A high-revenue project may seem on the surface like a profit center, due to the high-dollar revenues it generates, but does it still look that way when the resources devoted to the project are accounted for? What about when you account for the opportunity cost of passing on other projects?

This may seem like basic accounting and business management, but since services are so notoriously difficult to measure, it's anything but basic.

Listen to that PM when he or she asks for new tools. Service professionals are often the most talented, educated, and nimble employees in an organization, yet they're expected to make do with general-purpose tools that don't really match what they do. As a result, services are incredibly hard to measure and quantify.

The truth is, service professionals are not all that different from other customer-serving employees, such as sales or customer relations people. Forward thinking organizations have invested in SFA and CRM applications, giving their teams the right tools for the job.

The same should be true for project managers and the service professionals they lead. With a strategic PM in place, the company has created an elite corps of commissioned officers who turn every new customer into a passionate repeat customer. The PM can deliver metrics and insight into what works and why.

The strategic PM can also act as an early warning system for the product and service teams. As customer problems are addressed and solved, these experiences should influence future product releases and service delivery.

Service automation tools help PMs to recognize that many projects have goals beyond straightforward profits. It helps them to see related projects that their team can help with during downtime. It helps them match the right service professional with the right project.

Bringing a project in on time and under budget is a sergeant's way of thinking. Investing in lead generation, employee satisfaction, customer loyalty, up-sell opportunities, branding and other broader organizational goals is how a strategic PM should examine each and every project.

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