

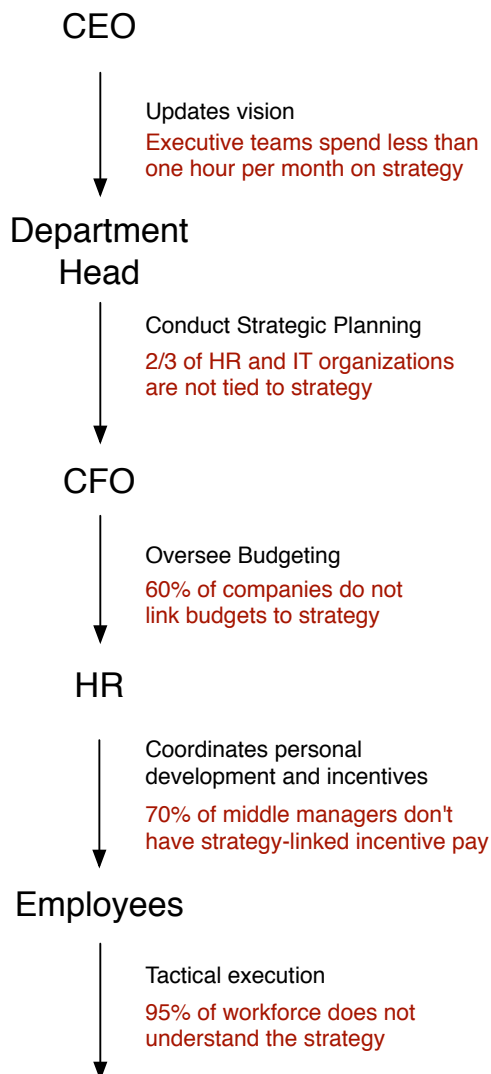
Getting Your Projects to Meet Strategic Goals

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Agenda

- I. Introductions and Overview
 - A. Definition of "Strategy"
 - B. Case Study - PMI Chapter
- II. How to get projects to meet strategic goals
 - A. Project Charters
 - B. Project Goals and Measures
 - C. New Project Portfolios
 - D. Canceling Projects
 - E. Maintain Project Portfolio
- III. Key Benefits and Wrap Up

Why Strategy Doesn't Reach Employees



*The Office of Strategy Management
Robert S. Kaplan and David P. Norton
Harvard Business Review, October, 2005*

The preceding chart demonstrates how data is lost at every step in the process of bringing strategy down to the employee level.

Employees need to understand organizational strategy in order to see how their work contributes to results, and make decisions in line with strategy.

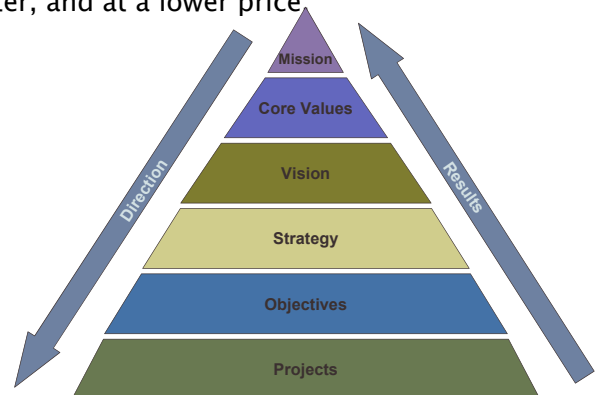
What is Strategy?

There are many different definitions of strategy. For the purpose of this presentation, we will use the definition of Michael Porter, professor at Harvard University:

The essence of strategy is choosing to perform activities differently than rivals do.

Therefore, it's different from long-term planning, which often assumes that the situation tomorrow will be similar to the situation today.

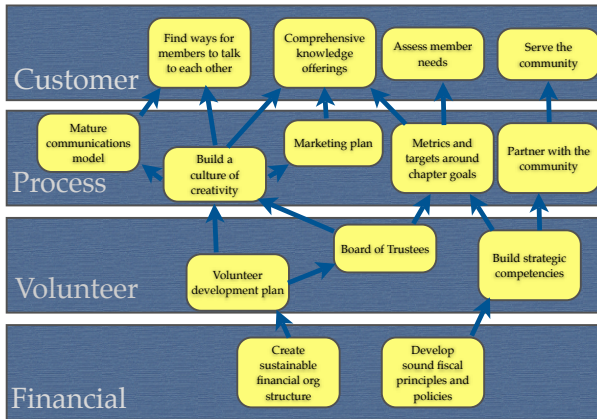
It's also different from operational efficiency, which is doing the same thing your rivals do, but better, faster, and at a lower price.



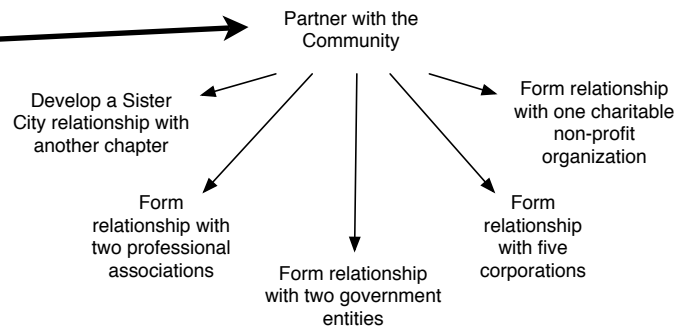
While Mission and Values don't change much over time, a Vision is temporary - looking 3-5 years in the future. The Vision should be as concrete a picture of the desired end state as possible, providing a basis for formulating strategies and objectives.

Underlying this explicit Vision are strategies, which tie directly into portfolio management. The strategy map on the next page example demonstrates how strategies, linked together, comprise the organization's vision.

PMI-SFBAC STRATEGY MAP



Each strategy serves as a portfolio, with projects supporting each strategic objective.



With strategy, an organization is trying to move from its present position to a desirable but uncertain future position, the Vision. Because the organization has never been to this future state, the pathway to it consists of a series of linked hypotheses. Strategy maps create a logical, visual depiction of the overall vision, and how the organization will achieve it, by linking the strategies together to tell a story.

When each of the projects in the portfolio are complete, the strategic objective is achieved. When each strategic objective is achieved, the Vision of the organization is achieved.

Ultimately, being more closely tied to strategy can help with tactical decisions of scope control and change management. Rather than focus entirely on impacts to cost, schedule and resources, every change proposed is an opportunity to measure against strategic objectives, to determine whether this change will bring the organization closer to its goals, or merely serve as a distraction

Selected Resources:

- Dinsmore, P., Cooke–Davies, T. (2006). *The Right Projects Done Right!* San Francisco: Jossey–Bass.
- Heerkins, G. (2006) *The Business–Savvy Project Manager: Indispensable Knowledge and Skills for Project Success.* New York: McGraw–Hill.
- Niven, P.R. (2002) *Balanced Scorecard Step–by–Step* New York, NY: John Wiley & Sons
- Porter, M. (1996, November–December) *What Is Strategy?* Harvard Business Review, Reprint 96608, 61–78.
- Project Management Institute. (2006) *The Standard for Portfolio Management.* Newtown Square, PA: Project Management Institute.

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