



MAY 2015

PMI Western Australian Chapter NEWSLETTER

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NEXT CHAPTER MEETING

13 MAY 2015
@ 5:30pm

City West Receptions, Plaistow
Mews, West Perth.

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PMI Australia Conference

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What's On
May 2015

An interview with Antonio
Nieto-Rodriguez

Abridged from Strategic Planning
Society interview—forthcoming
speaker at PMIAC 2015

GENERAL

[Webcast](#)

Catch up on what you
missed or see again

An Interview with Antonio Nieto-Rodriguez

From **THE STRATEGIC PLANNING SOCIETY (SPS)**

Antonio Nieto-Rodriguez, author of *The Focused Organization*, explains his approach and the current state of strategy in an exclusive interview with SPS.



the right place there needs to be something more to make it happen. In an attempt to get to the deeper reasons for this gap, I sought answers to the following questions:

Do the theories of the most highly regarded business management gurus – those who influence the way businesses are managed (e.g. Taylor, Drucker and Porter) – mention project management and/or the importance of its link with strategy execution?

Have the top business schools, those that train most senior executives and future leaders, been teaching the value of project management and its link with strategy execution?

Do the most prestigious strategic consulting firms advise chief executive

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Why do you think there are so few books on strategy execution/implementation?

To better understand why strategy execution was such an unknown topic, I looked into different areas and came to the conclusion that this is a very complex topic – a combination of sciences – because it touches upon all the fundamental elements of business management (such as marketing, finance, operations, HR and so on) and art. Even if you have all the elements in

WA PMI Board Sponsor

The WA PMI Chapter board would like to acknowledge the sponsorship of Fujitsu who are our kind hosts for the monthly board meeting attended by the elected directors.



WAPMI Chapter Meeting

WA Police Computer Aided Dispatch (CAD) System Project

Superintendent Lance Martin Australian Police Medal (APM) - Project Director has overseen the development and implementation of the Computer Aided Dispatch (CAD) System, the primary operations management tool used throughout Western Australia and later, the technical infrastructure of the new purpose built Communications Centre. As the Project Director for the Police Metropolitan Radio Network, he delivered secure voice communications, in-vehicle mobile data and global positioning linked to the CAD system.

Lance is going to present the CAD System Project and the challenges it faced and what the project has achieved to WA citizens. [\[Book Now\]](#)

Where: City West Receptions, Plaistowe Mews, West Perth
When: Wednesday 13 May
Time: 5:30pm for 6pm start

WAPMI PD Workshop

LinkedIn for Project Managers - The Art of Creating and Managing your Professional Digital Footprint

This hands-on workshop will help you understand the value of LinkedIn, with strategies that can be implemented straight away, to make a big impact on your career. Jo will cover how to set up your LinkedIn Profile effectively to get more exposure, and how to use it as a networking and personal marketing tool to increase your opportunities and stand out from the project management crowd.

With over 7 million Australian professionals currently leverage the communication power of LinkedIn and over 364 million users around the world, if you are not there, or have an incomplete or dormant profile, you are missing out on opportunities! [\[Book Now\]](#)

Where: City West Receptions, Plaistowe Mews, West Perth
When: Wednesday 20 May
Time: 9:00am—12:30pm

WA PMI Chapter Webcasts

Of course, WA PMI have been filming the many excellent presentations that are given at our Chapter meetings for quite some time now. The back catalogue of these is available to chapter members via the [website](#).

This facility is not only excellent if you want to hear the presentation again or missed some point on the night, but also if you are unable to make a chapter it is not only a fantastic way to catch up on what you missed but also to earn that PDU too.



WA PMI Volunteering

Who can volunteer?

To be able to volunteer for the PMI WA Chapter, you must be a current member of the chapter.

How do I get started?

Create your volunteer profile and start searching for volunteer opportunities in the Volunteer Relationship Management System (VRMS).

Contact **Ilkay Dere** - HR Associate Director [email](#)

Alternatively, catch up with any of the Board members at the next Chapter meeting. We'd love to speak to you.



What's on in May

13 MAY 2015

WA PMI Chapter Meeting

[\[Book Now\]](#)

13 MAY 2015

Project Managers Toastmasters

[\[More Info\]](#)

20 MAY 2015

WA PMI Chapter PD Workshop

[\[Book Now\]](#)

27 MAY 2015

Project Managers Toastmasters

[\[More Info\]](#)

An Interview with Antonio Nieto-Rodriguez Continued

officers (CEOs) and other senior executives on the advantages of linking strategy execution with project management?

Surprisingly, none of the most influential business management gurus referred to strategy implementation or the need for project management as a critical component for successful strategy execution.

When I looked at the top 100 business schools in the world, I was surprised to find that none of these schools teach a course in “strategy execution” or project management. I also looked at the top strategic firms, such as McKinsey, BCG and Bain & Co, and found that none of them actually provide services on strategy execution as such.

When I looked into the number of articles published on the topic of strategy execution in Harvard Business Review (HBR), probably considered as the most prestigious and trendsetting management publication in the world, I made a very interesting and revealing finding. In their history HBR has published:

- 1,790 articles related to IT
 - 1,527 articles related to strategy
 - 946 on marketing
 - 881 on leadership
 - 862 on human resources
 - 672 on operations
 - 603 on innovation
 - 569 on finance
 - 325 on project management
- and only 87 on strategy execution!

I believe all the findings above are related, and are linked to the complexity of the topic of execution.

You suggest that companies are taking on too many projects, are managing them badly and rarely align them to an overall strategic framework. For these reasons they often fail. Could you explain the issues that need to be resolved?

Good question. During the past century, companies’ efforts to achieve their strategic initiatives have led to the relentless improvement, and thus constant reduction, of operational work (run-the-business activities) and to an unstoppable increase in projects (change-the-business activities). This slow but inevitable trend has had a significant impact on strategy

execution. Unfortunately many companies remain ill-equipped to manage this shift.

In addition, if you look at any ranking or research on what are the most strategic decisions top management makes, you will see that most of the answers are along the lines of new market entry, new product development, acquisitions, business transformation, IPO, outsourcing and other similar responses. These are all initiatives that in the end, companies will need to execute via projects; there is no other way.

During my presentations, I often ask senior managers where they would use a suddenly-received one million euros – in operations or in projects. Ten out of ten say that they would invest the money in a project because the expected return value is always higher. Therefore, as the number of projects multiplied, the rate of strategic failures increased. My research shows that the traditional company’s poor project management skills – and the resulting difficulties in executing its strategy – can be linked to seven main obstacles:

1. omission of uniform methods and standard processes
2. misalignment of organisational structure with the company’s changing reality
3. absence of appropriate governing structure to support strategy execution
4. lack of project execution culture, skills and leadership attention
5. complexity of tracking and forecasting project costs, financials and benefits
6. inadequacy of systems and tools for monitoring strategy execution
7. a lack of focus

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An Interview with Antonio Nieto-Rodriguez Continued

But companies' failure in project execution is not only related to the number of projects they launch. To be honest, I think that this is partially due to the human nature. Many people I know have multiple private projects, frequently starting new ones but hardly ever finishing them. This happens in companies too. If we accept that it is with projects, like a successful new product or a strategic acquisition, that a company can make the big leap, we often see top management launch more projects than they can actually execute. Also, launching a project is always exciting, while executing requires discipline and follow-up which is significantly less so.

You say that traditional company structures, based on functional departments, need to change, as do processes, tools, skills, governance and performance metrics. What implications does this have for business, and what challenges does it pose for business schools?

One of the things that surprised me most was the lack of adaptation of many companies over the past few decades. The world, the markets, the consumers and the technology have constantly changed, and while many large organisations have evolved, some of their fundamental aspects have not changed that much. Many are still organised like they were in 1980 and are struggling to adapt to the new world. It is what I call a very strong dominance of the 'run-the-business' dimension legacy. This has massive implications for businesses.

As regards the elements you mention in your question, for example company

structures, you can see that many companies are still organised in an old way, with functional, top-down departments based on the traditional value chain as we learned from Michael Porter. Yet, today the world is different; companies need to be more agile and react faster to changes in the market if they want to survive. The most important projects a company runs, which are often crucial for their future, are transversal across the entire company, meaning that they require resources and skills from every single department. And that is where the issue starts: who leads the project? Are the resources allocated full time to the project? To whom they report? How are they compensated? All these questions must be applied to each project – just imagine the chaos that it is created when companies run hundreds of projects.

The same strong run-the-business dominance and misalignment happens when you look at the processes and the tools of the organisations – these are very suitable for running day-to-day operations but much less so to manage the projects. And this also happens with skills, the performance metrics and other elements of the organisation.

The impact of this shift on business schools also has dramatic consequences. Business schools' structure is strongly oriented towards operations (run-the-business) and that too has not changed much in decades. I also see that lots of money is spent in new improvement projects but very few are finished successfully. The lack of focus on key initiatives and follow through is something I often see

missing.

The second big impact is on the content of the programmes, both at MBA and at the executive level. In my research I found out that only two of the 100 top MBAs in the world offer project management as part of their core courses curriculum. I didn't see any that would offer lectures on strategy execution. The same applies to executive education – there are very few programmes on strategy execution. But this could be easily solved: the bigger problem is that many of the current core courses, such as marketing or finance, should be revised to incorporate the shift and the complexity between the run-the-business and the change-the-business dimensions.

You can read the rest of this interview on the SPS Website [\[here\]](#).

You can also hear Antonio Nieto-Rodriguez speak in person at the PMI Australia Conference



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