

Delivering business strategy to gain competitive advantage

There is opportunity for programme and project managers to create 'Change Directorates' within their organisations and become 'Chief Creators of Competitive Advantage' says **Paul Major**



The most pressing question facing businesses is how to create competitive advantage by selecting and delivering business change successfully. As a project or programme manager, questions of successful business delivery and project selection are familiar. Could it be that after many years of asking, 'What's the relevance of project management to real business?' we have found ourselves actually holding the key to the next wave of business thinking?

The problem

How do we react to the pace of change in our working environment? Usually by trying to get better at what we already do - improving operational efficiency by a fraction of a percentage point, cutting costs, doing more with less; basically driving up the 3E's - efficiency, economy and effectiveness.

We relentlessly apply approaches like Six Sigma and Just in Time in a drive to improve operational efficiency, but in a dynamic and fluid world this alone is just not a good enough formula for success.

In reality, the fundamental challenge facing business is a strategic one, namely, what step changes in capability must be deployed to ensure sustainable competitive advantage?

The relevance

Business thinking is usually advanced through the application of new business models or ways of working. These often take ideas that we intuitively know are right, but can never systematically apply or create a framework to follow. Think of Six Sigma: until this model was proven, businesses did not have a structured, systematic way of verbalising and applying the principle of reducing variability.

There has been much written on how to develop business strategy and strategic planning at a macro level. But until now there was no commonly adopted, clearly articulated model for how to deploy chosen strategies - especially

where these strategies themselves may be subject to rapid change!

So, if you accept the premise that the ability to create and deliver change, rather than simply react to it, is a key factor in delivering competitive advantage, you might well ask, 'Why is this relevant to me?'

Enter the 'chief creator of competitive advantage'

'Change management' has often been perceived as too inconsistent, unpredictable and fluid to be managed and controlled effectively; organisations often only focus on the 'soft' areas of people, training and organizational behaviours.

As organizations begin to understand the need to improve the way they create and manage the changes required to bring about competitive advantage, they are recognising an increasing need for a focused, dedicated, qualified role targeted at ensuring the desired changes take place. This role involves creating visibility and control over change and implementing a consistent process by which change is effected.

When we want to design products we appoint a chief engineer with a background and qualifications in the process by which products are designed; similarly for increased sales we

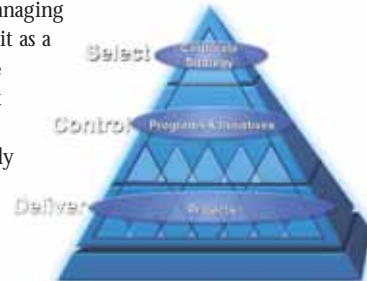
appoint a sales director with a background and qualifications in the process by which products are sold. So why, when we want to deliver change, wouldn't we appoint someone with the background and qualifications in change management processes? Hence the chief creator of competitive advantage.

Introducing the change directorate

Already a large UK-based financial services organization has created a board-level role tasked with creating a systematic capability for deploying and managing change. Think of it as a corporate 'change directorate'. What

does a **Change Directorate** actually do? Critically a business has to put in place a set of processes that enable the organisation to:

- Select** the changes that will most effectively deliver the chosen strategy
- Control** the progress and interrelationships between changes
- Deliver** the actual work required to execute these changes.



Russell Hudson, financial director of The Caravan Club comments: 'Business change can arise for many different reasons including acquisition or take-over, change in product technology, competition or change in management. Although these appear to be obvious events that will occur in most businesses from time to time, frequently, the change comes as a surprise and is not welcomed by the employees. Change simply does not happen unless people change as well. So, overcoming the surprise, resistance and occasionally, hostility, to the proposed change is why successful change is difficult and more often than not, fails to deliver the desired results.'



This model and the accompanying processes will probably be familiar to most experienced project and programme managers, but critically, are not common currency in many board rooms.

So here is a real opportunity, driven by a tangible business need, for the skills and experiences bound up in the discipline of project management to find an application in the boardroom - beyond just being a cost centre in the CIO's monthly report!

Creating a capability to manage change

Can we not use a proven model for deploying large projects and programmes and establish it as the *modus operandi* for creating an organisational capability to deploy change consistently, quickly and accurately? This approach, however, is more than just teaching someone how to use Microsoft Project or rolling out a PRINCE2 aligned methodology.



It is built on three fundamental pillars: *people, process and technology.*

People

Perhaps the easiest area in which to gain agreement is the need to consider the impact of change on people. For effective change within organisations their people need to evolve; something they often don't want to do!

To change, people need to:

1. Understand the reason for breaking the *status quo*, experience a sense of urgency or pain!
2. Have a compelling vision of a superior future with reasons why the future would be better for them - the 'what's in it for me' effect.
3. Have processes and approaches, leadership and motivation to sustain them when the pain has decreased, but the vision isn't close enough to be tangible!

Creating an environment where these needs are addressed is a critical task for the change

director and can be provided by implementing some consistent approaches to managing change.

Process

People (and organisations) need to see a clear road map for the change ahead and have confidence that someone knows where and how to get there. Deploying a formal governance structure that creates confidence and reassurance, is both key to stakeholder buy-in but also to successful deployment.

At the same time it is critical that the processes used to manage and execute change combine rigour with pragmatism rather than being all about bureaucracy. Ask a business manager or team member to build and track a project plan and there's trouble ahead. Ask instead for progress on a key deliverable or a milestone and you have a reasonable chance of success.

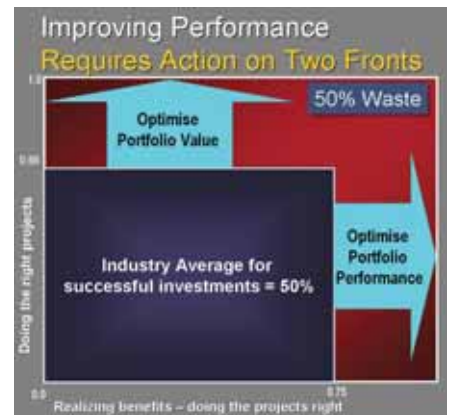
Given that our standard programme management toolkits provide many of the skills and processes described above, why shouldn't the change director embed these as business tools for managing business change?

Technology

Often technology is seen as a deliverer of change (which it rarely is) as opposed to a supporter of change. While technology may drive a need for, or indeed be a key component of, the change being deployed, it will never, on its own, actually deliver change.

When an organisation looks to deploy major change it often tries, in vain, to understand how existing systems can help to control these deployments. The challenge is that a finance system will only tell you the cost of the change, not how far you have progressed. The latest collaboration technologies allow people to share information and communicate more easily, but don't tell them what to do next.

More appropriate tools, such as enterprise project management systems, can give visibility over critical areas such as what needs to be accomplished and how much progress is being made. Equally, a similar tool can be a mechanism for aggregating information from many areas such as risks, issues, costs and resources which



can easily present a holistic picture of progress to key stakeholders.

It is by creating visibility and enabling control, that the latest technologies can really support change, introducing, for example, the concept of 'joined up' project management.

Solutions such as Microsoft's Project Server based Enterprise Project Management Solution (reviewed in July PMT) mean organisations can now track progress easily and effectively and allow stakeholders access to this information through web-based portals and dashboards.

Introducing these tools is a key to creating an effective change management capability, but only when they support the deployment of suitable process and the engagement of empowered people.

New models for a changing world

Rapid, constant change is here - companies can choose either to spend their efforts constantly striving to react to change, mitigate its impact and seek only to survive - or to embrace change, create new capabilities and deliver sustainable success.

This, however, will require new thinking and a new business model for managing change. Its basis lies in the experiences and skills of a new breed of business managers who will be capable of creating, managing, and delivering change consistently, predictably and effectively.

So, is your organisation ready to establish a change director and do you have the skills to become its first chief creator of competitive advantage? If so, what are you waiting for?



Juliet Laroque-Strong, product & solution manager – EPM, Microsoft UK, says: 'A change management system is effectively about the successful identification of areas for change and the implementation of those changes, as a proactive rather than reactive process. In many organisations, this change process can translate into a number of projects which may be managed individually, but for a common goal. Integrating and managing these projects as a whole is paramount to ensure that they are aligned with the overarching business goal. Technology is one of the facilitators in this – by enabling business leaders to make informed decisions based on real-time information. Enterprise project management tools can help businesses gain complete visibility of this information and ensure that projects are focused on the ultimate change goal.'

Paul Major is the founder of Management Framework, an organisation that coaches business leaders in creating and sustaining organisational change and business transformation, and a director of Program Framework – a Microsoft Partner and specialised Enterprise Project Management solutions deployment consultancy.

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