It Takes Two to Tango – When Organizational Strategy and Project Management Collide, It Can Produce Great Results

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Abstract

Vision and mission are two elements that explain the purpose of the organization. Without a strategy, the organization may drift away from achieving its purpose. The organizational strategy usually defines the direction in the short and long term to meet stakeholder expectations.

As a project management professional, my best interest focuses on project execution and how the product or service delivered by the project will best produce benefits for my organization. When I worked for the global leader in logistics, I had the opportunity to be a member of the cross-functional team that aligned projects with organizational strategy and helped to achieve and exceed the strategic goals.

The content of this paper paper is based upon my professional experience as a project management professional and practitioner, as well as several volunteer experiences in different capacities with PMI.

A couple dancing tango depicts the passion and synchronization in their performance. When strategy and project management synchronize the same way as the tangistas, it can produce great results.

Keywords: Vision, mission, strategy, strategic plan, strategic objectives, strategic alignment, strategic pillars, planning, business challenges, execution, organizational project management, project, program, project portfolio, portfolio, project management, program management, project portfolio management, organizational governance, project governance, business IT, talent triangle, strategic and business management, leadership, as is, to be, gap analysis, priority matrix, implementation roadmap, benefits, benefits management, harvest benefits

It Takes Two to Tango

“It takes two to tango” is an idiomatic expression that has primarily been used in a metaphorical sense to suggest that more than one person or entity is essential to an accomplishment. In tango, two partners move in relation to each other, sometimes in tandem, and sometimes in opposition.

1 Second Editions are previously published papers that have continued relevance in today’s project management world, or which were originally published in conference proceedings or in a language other than English. Original publication acknowledged; authors retain copyright. This paper was originally presented at the 8th Annual UT Dallas Project Management Symposium in Richardson, Texas, USA in August 2014. It is republished here with permission of the author and symposium organizers. For more about the annual UT Dallas PM Symposium, click here.
Perhaps it became more popular in the early 80s when President Ronald Regan, in a news conference, made a joke about the Russian-American relationships in which Mr. Regan urged the Russians to work together. The expression “It takes two to tango” may well describe the organizational need for executives to work together with their project management team as partners, since success for either of them is dependent on each other.

Executives’ performance puts them in the crosshairs of the members of the management board and major stockholders. With the turn of the century, and organizational results being available 24/7, executives are seemingly at risk of losing their positions in matter of seconds.

The main reason executives may fail is not getting things done. The "honeymoon" period for executives has shrunk, and in order to deliver commitments they need to have a sound execution of their strategy.

Many executives have found that when portfolios, programs and projects are aligned with the organization’s strategy, those may be used as enablers to achieve organizational goals and support the strategy execution.

This paper’s intent is to familiarize project management professionals with:

- vision and mission as the essential elements of strategy;
- the importance of the project management professional’s role in the execution of the strategy; and
- the achievement of organizational goals through project execution and its alignment with strategy

**Vision, Mission, Strategy**

Strategy, organizational strategy and corporate strategy are terms that are commonly used in business. For the purpose of the paper, I will refer to them all as strategy. In recent years, strategy has been repeatedly mentioned in both the printed media and television. Investors and people interested in a particular organization want to know how its strategy intends to achieve its goals, and what its contributions will be to shareholders and society.

There are many definitions and schools of thought surrounding strategy. I, in particular like Kenneth Andrews’ definition in the book *The Concept of Corporate Strategy*:

“Corporate strategy is the pattern of decision in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving this goals, and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities. (pp. 18-19)”
Andrew’s definition describes where the company wants to go and why the company exists; how to move from their current state (“AS-IS”) to the future state (“TO-BE”) and address any gaps by taking actions that will lead to strategy modification as required, in order to be back on track.

The strategy is supported by two elements:

- Vision; and
- Mission.

The vision statement is one of the elements that supports the strategy and describes the aspirations of the organization. It must describe a picture of the organization in the future, and therefore the framework for all the organization’s strategic planning. The vision statement should answer the question, "Where do we want to go?"

The mission statement is the other element, which describes the purpose of the organization and should answer the question, “Why do we exist?” The mission statement articulates the organization’s purpose for those within the organization and for the public.

For an organization to achieve its vision and mission it will require some time and its strategy will define the path to achieve both. The strategy's outlook is usually multiannual and will require frequent checkpoints to verify and ensure that the correct path to the "TO-BE" state is followed. Internal and external factors may impact the strategy and may trigger contingency actions to be taken.

To avoid the chasm between strategy and results, the strategy needs to be communicated clearly to all levels of the organization. The communication must be understandable for every member of the organization so that each person can picture a mental model of it. It needs to identify accountable parties and describe what needs to be done. These actions will ensure the strategy will produce the expected results.

**Strategy and Project Management**

In the last decade, the project management profession has been the focus of attention of professional associations and executives from profit, non-profit and government organizations. Several studies and research works have been developed to measure the value of project management for organizations and its contributions to achieving organizational goals.

Project Portfolio Managers, Program Managers and Project Managers are the main categories included in the project management profession. Project management professionals may be eager to start working in portfolios, programs or projects, but in today’s world, project management professionals need to “run the extra mile” and understand the purpose of the organization they work for and how portfolios, programs, and projects will contribute to achieve the organization’s goals and focus their efforts only on those.

Many organizations still work in silos and much project inception happens in the functional areas (i.e. sales, marketing, operations, finance) to satisfy their own
needs. Working in silos may trigger conflict among functional areas competing for resources and funding that will divert resources instead of focusing on the real needs of the organization. This may hinder the achievement of organizational goals.

The work in silos may be the result of functional area employees, at all hierarchical levels, not being familiar with the strategy. To avoid this situation, the strategy must be spread across functional areas at all hierarchical levels to have a holistic understanding. This helps define the alignment of projects with the strategy and assigns the proper resources to projects that will produce benefits to the organization as well as contribute to the achievement of the organization's objectives.

Organizations usually hold strategic planning sessions that involves the organization's executive management, key functional area employees, and in some cases external consultants that will moderate the sessions; where the strategy is the outcome which will delineate the framework to follow to achieve the aspirations defined in the vision and mission statements. In the event of not including the project management team, the framework defined may not include all the projects required, the alignment of projects with strategy may not happen and the execution of the strategy will not produce the expected results.

Frequency of strategic planning sessions will depend on the organization but they will usually be held on an annual basis where checkpoint reviews of strategy execution and the organization's performance (actual vs. planned) reviews will be conducted to identify gaps and update the strategy as required.

Regardless of the resources an organization may have, the organization may not survive and compete if there is no strategy in place and projects are not aligned with the strategy. When planning the strategy, organizations need to analyze the internal and external environmental factors that would impact the strategy and project alignment. The analysis of the external environmental factors will support the creation of scenarios the organization may face and what projects need to be executed to face those challenges as well as taking advantage of opportunities and threats. The analysis of internal environmental factors will discover the strengths and weaknesses of the organization, identify projects to start, cancel or postpone and determine what project resources' competencies and capacities are required.

In recent years, the concept of Organizational Project Management (OPM) has been introduced. The Project Management Institute's (PMI) definition in the book Implementing Organizational Project Management: A Practice Guide reads:

"OPM is a strategy execution framework utilizing portfolio, program and project management as well as organizational-enabling practices to consistently and predictably deliver organizational strategy leading to better performance, better results, and sustainable competitive advantage(pp. 11)."

PMI in Implementing Organizational Project Management: A Practice Guide suggests that the approach for organizations to deliver the needed results is to translate the organizational strategy into a portfolio's components (i.e. programs, projects, operations, initiatives, etc.) and align them to the overall strategy. This alignment can create the required synergy to produce the products, services, and benefits to achieve strategic goals and meet or exceed the stakeholder's expectations.
OPM may be in the early stages of adoption for some organizations, but so far those organizations have seen it provide value to their organizations and have experienced some of the following results:

- Project management expanded its coverage and reached business functions
- Cross-functional communications are improved
- OPM facilitated the identification of dependencies between business processes and portfolio components
- Stakeholders became fully engaged when they saw projects as strategic enablers to achieve strategic goals

Organizational success requires the right combination of many factors — a well-designed strategy, consistent execution, product and services, talented and informed employees, and projects that will enable the required change and produce the benefits that will fulfill the strategic goals and milestones that will position the organization on the right path.

So, if *it takes two to tango*, perhaps OPM is the tune that will motivate executives to work together with their project management team as partners and become successful.

**A Real Story**

**Company Profile**

The global logistics world leader is present in over 220 countries and territories across the globe, making it the most international company in the world. The 220 countries are organized in five geographical regions described in Exhibit 2 below.

Exhibit 1 - Geographical Regions

With a workforce exceeding 285,000 employees, the global logistics world leader provides solutions for an almost infinite number of logistics needs.

The global logistics world leader is part of the world’s leading postal and logistics group headquartered in Germany and has three divisions: Express, Global Forwarding and Supply Chain.

Vision:
• We want to be The Logistics Company for the World.

Mission, which has four main elements:

• We want to simplify the lives of our customers
• We make our customers, employees and investors more successful
• We make a positive contribution to the world
• We always demonstrate respect when achieving our results

Strategy

The global logistics world leader global strategy had an outlook of five years; in order to realize its mission, the global logistics world leader employed a holistic advocacy strategy that was based on four strategic pillars:

• Profitability
• Loyal Customers
• Motivated People
• Great Service Quality

Exhibit 2 - Quinquennial Strategy

The global strategy was shared by all three divisions, every division had specific areas in which they were expected to contribute therefore their objectives could differ but all were aligned to achieve the global logistics world leader strategy.

Regional Scope of the Strategy

This paper focuses on the contributions of the Express division in Latin America (Exhibit 4) to the global strategy of the global logistics world leader.

The scope covers all four pillars of the global strategy and specific objectives were assigned to the region in order to contribute to the regional goals and to produce the contributions required by the global strategy.

The LATAM region included:

• 49 countries and territories
• 5 sub regions:
  o Brazil
  o Mexico
  o Central America
  o Caribbean
  o Southern Cone
• 5 Languages
  o Dutch
  o English
Exhibit 4 – International Americas Region

**Strategic Alignment Framework**

The strategic Alignment framework depicted in Exhibit 5 was the annual cyclical framework in which the execution of the strategy was based. It includes four stages where execution was analyzed, gaps were identified, and performance and results were assessed. The framework includes all the functional areas and all the levels of the organization.

Exhibit 3 - Strategic Alignment Framework

**Strategic Management**

The global logistics world leader's strategic alignment framework established annual meetings by region in which the executives of each division met with the regional executive team and all the country's executive teams. The annual meeting agenda
included the discussion of the global state of the company, contributions per region, actual vs. plan variance, and discussion of the regional strategic objectives.

These meetings served as checkpoints to assess the effectiveness of the strategy execution and to define the required corrective actions to pursue the goals of the quinquennial strategy.

The main focus of annual meetings was to communicate the strategy to the executive teams in order for them to gain understanding, identify inter and intra regional dependencies and define a plan to disseminate the strategy to all the levels of the organization, and to identify the strategic objectives that would be covered by the region or the country as well as the specific actions to be taken as depicted in Exhibit 6.

![Exhibit 4 Translations](image)

Exhibit 4 Translations

Exhibit 5 Translation of Strategy to Specific actions

**Program Selection**

After the strategy was explained during the strategic alignment annual meetings, cross-functional workshops to define the portfolio and program selection took place. The purpose of the workshops was to identify stakeholders, members of project portfolio review board and define the portfolio and program charter, benefits metrics as well as the communication plan.

At the time, I was responsible for the Order to Cash program that was aligned with the business process that started with customer acquisition and ended with customer payment. Sales, Operations and Finance were the functional areas covered by the program. To achieve the LATAM strategic objectives and to contribute to the global strategy, the regional program included several global projects in different functional areas as depicted in Table 1.
The definition of the preliminary project portfolio included the selection of candidate programs and projects, prioritization criteria, and expected benefits.

At the end of the workshops, regional and country stakeholders were identified and levels of accountability and macro-activities were defined ensuring that all of those were aligned with the regional strategy.

**Project Management**

This stage was focused on the execution of the strategy. All of the accountable parties identified in the previous stage agreed to assign resources to the high priority projects of the final project portfolio. The Project Portfolio Review Board was established and was formed by the heads of the functional areas (Finance, Sales, Marketing, Operations and Informational Technology). A Project Portfolio Review Board meeting was scheduled every month to review the progress of the projects and to approve, cancel or postpone projects based on the performance of the project execution. It also acted as the governance body.

The Information Technology (IT) area was responsible for the project execution. As the regional strategy was implemented in LATAM, the role of the IT area transformed to become more strategic and business oriented. The IT program and project managers learned to execute projects with a focus on achieving strategic objectives and being more adaptable to strategic change.

During the project execution, external factors impacted the original implementation plan. For example, new fiscal and currency regulations were introduced in Brazil and Venezuela respectively. The Venezuelan currency regulation required re-expressing all of the financial statements and using the new Venezuelan currency: Bolivar Fuerte. This regulation also required diverting resources from other projects to work on updating existing applications in Finance to meet the government requirements by specific dates. Fiscal regulations in Brazil required attaching fiscal invoices to every shipment whereby the amount of the fiscal invoice would match the amount of

<table>
<thead>
<tr>
<th>Sales</th>
<th>Motivated People</th>
<th>Great Service Quality</th>
<th>Loyal Customers</th>
<th>Profitability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Acquisition (Global)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Contracts (Regional/Country)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Tariffs (Regional)</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Shipments Capture (Global)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Customs (Regional/Country)</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Billing (Global)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Accounting (Global/Regional/Country)</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collections (Regional)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

Table 1 - Project Alignment with Pillars of Strategy

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the final invoice. This was a complicated process since the fiscal invoice should be produced before the shipment delivery, essentially two steps before the final invoicing would take place. Not complying with the regulations would put the country’s branch in jeopardy of paying fines or even being closed down.

In 2010, several events impacted the operation of the global logistics world leader. Eruptions of Eyjafjallajökull were volcanic events in Iceland which, although relatively small for volcanic eruptions, caused enormous disruption to air transportation across western and northern Europe. This event threaded to impact the Great Quality of Service pillar. Several contingency plans had to be implemented to create new flight routes to North Africa and enable the ground fleet in the south of Europe to transport the shipments to their final destination. As customers experienced minimal disruption, the Profitability pillar was impacted.

Other events impacting the LATAM region in 2010 were geopolitical risks that slowed down the execution of the strategy. In many countries in the region, 2010 was a presidential election year. This event contracted economic activities months before the election and sometimes even after. As elections impacted different countries at different levels, at the regional level we had to define and implement contingency plans for some; for others, we accepted the risk, and yet for others, we didn't accept the risk and suspended the project execution temporarily.

**Benefit Management**

The Project Portfolio Review meetings were the first checkpoint for monitoring the benefit realization. Based on the products, services, and contribution to particular benefits, the progress of projects were assessed. Those benefits were the foundation and building blocks to support the achievement of the quinquennial strategy. Any variance to the contribution of benefits was reviewed and actions were taken to address the variance.
Table 2 lists selected benefits produced that supported the pillars of the quinquennial strategy in LATAM

<table>
<thead>
<tr>
<th>Functional Areas Impacted</th>
<th>Benefit</th>
<th>Benefit Description</th>
<th>Strategic Pillars</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>Strategic Alignment</td>
<td>All functional areas welcomed their participation in the execution of the strategy. With the understanding of the strategy the working environment turned more collaborative and employee commitment to achieve strategic objectives improved.</td>
<td>X    X    LC    P</td>
</tr>
<tr>
<td>All</td>
<td>Integration of functional areas</td>
<td>The strategy provided a roadmap where the inter and interdependencies between regional and country functional areas was displayed. This enticed employees to work in a coordinated way with other functional areas. The work in silo approach was gradually eliminated.</td>
<td>X    X    X    X</td>
</tr>
<tr>
<td>All</td>
<td>Standardization of processes</td>
<td>Centralizing functions helped to eliminated non-value-added processes, which helped to expedite support to other areas and provide a better service to customers.</td>
<td>X    X    X</td>
</tr>
<tr>
<td>Sales</td>
<td>Updated customer acquisition process</td>
<td>The new process established new metrics to acquire customers based on their credit history and previous history with the company. The same metrics were applied to existing customers and sales team focused on those with better profitability potential.</td>
<td>X    X    X</td>
</tr>
<tr>
<td>Financial</td>
<td>Improved Invoice quality</td>
<td>A major improvement in producing invoices helped to improve business relationships with customers, expedite payment, reduce the number of rejected invoices and overwork at the billing center.</td>
<td>X    X    X    X</td>
</tr>
<tr>
<td>Financial</td>
<td>Improved billing process</td>
<td>The billing process was the source of information for many month-end reports. The process was broken before the centralization of functions causing delays in accounting month end process and reporting. The new centralized process provided all required reports within the first 2 business days of the month.</td>
<td>X    X    X    X</td>
</tr>
<tr>
<td>Finance</td>
<td>Reduction of account receivables and bad debt</td>
<td>As a result of the implementation of the updated customer acquisition and collection management process; and improvement in invoice quality the number of days debt outstanding was reduced improving the company's cash flow.</td>
<td>X    X    X</td>
</tr>
<tr>
<td></td>
<td>Changed revenue recognition rules</td>
<td>The new rules recognized revenue once the service was render (shipment delivered) this improved financial reporting accuracy and eliminated non-value-added tasks</td>
<td>X</td>
</tr>
</tbody>
</table>

MP - Motivated People     GSQ - Great Quality of Service     LC - Loyal Customers     P - Profitability

Table 2 - List of Selected Benefits that supported Strategy Pillars

Conclusions

Organizational success requires the right combination of many factors — a well-designed strategy, consistent execution, product and services, talented and informed employees, and projects that will enable the required change and produce the benefits that will fulfill the strategic goals and milestones that will positioned the organization in the right path.

Project management professionals need to get involved with strategy and understand what, when and where projects will happen. This knowledge can pave their career path within the organization when involved in strategic projects. When
involved with strategy, the project management professional business acumen will expand and they will be able to articulate projects in business terms that will capture the attention of their business counterparts as well as executives.

References


About the Author

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**Conrado Morlan**, PfMP, PgMP, PMP, CSM is a global portfolio, program and project manager with more than twenty years of experience aligning projects with organizational strategy for multinational companies in North America, Mexico, South America and Europe. Mr. Morlan experience spans the Information Technology, Retail, Logistics, Transportation, Finance and Telecommunication industries and he has a wide breath of knowledge in portfolio, program and project management topics including leading and managing multi-cultural and multi-generational teams.

Mr. Morlan was one of the first 150 individuals to achieve the PfMP credential in the world and was the recipient of the PMI 2011 Distinguished Contribution Award for his activities and influence in championing Project Management to Spanish-speaking practitioners and organizations. Mr. Morlan was a member of the Core Team responsible for developing PMI’s *Implementing Organizational Project Management: A Practice Guide*.

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