

Value Creation Is the Core of Management

Interview with Olivier Lazar^{1,2}

Managing Partner & COO
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Introduction to the interviewee

Olivier Lazar, PMP, PgMP, PfMP, PMI-PBA, PMI-RMP, PMI-SP, PMI-ACP, CAPM, is currently the Managing Partner & COO of the Palatine Group / Management Worlds.

Olivier has maintained his competencies through a continuous path marked by the singular achievement of holding each of 8 PMI certifications. His expertise includes Project, Program and Portfolio Management, Organizational Architecture, Change Management, Organizational transformation, Strategy.

Olivier held various Board positions in the PMI Switzerland Chapter, including President in 2014. He sits currently on the Board of Directors of the PMI Educational Foundation (PMIEF).

Olivier has had numerous publications and presentations, has contributed to recent editions of several PMI Standards, and sat at the core committee for the upcoming PMI Risk Management Standard.

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As a distinguished expert in the fields of Program, Project, Portfolio Management and Organizational Development, Olivier consults, trains and speaks at events across the globe. He is the author of the book “The Four Pillars of Portfolio Management” published in 2018 by Taylor & Francis.

Interview

Part I: Professional Journey

Q1. Please use several phrases to introduce yourself as a PM professional to readers.

Olivier Lazar: I'm a citizen of the world. Originally French, I live between Switzerland and the USA and I work globally. I've been involved in project management for the past 20 years or so in various industries, countries and contexts. Even if I've managed projects and programs for a long time, my main focus is now to develop effective working environments, support my clients in their transitions and transformations towards the creation of value for their stakeholders. I have a background in electronic engineering, but also a Master's degree in Project Management and an MBA with a major in strategy. I've always tried to keep my personal development up-to-date and I hold all of the current PMI certificates, and I'm working currently on expanding my scope with new challenges.

Q2. As a member of the PMI Educational Foundation Leadership Society, you are actively promoting PM as a skill for life. Do you use PM skills in your personal life?

Lazar: Project Management as a skill for life is a strong statement. It means that in fact what is often considered as a professional framework is underlying in all aspects of our daily lives. If we look at the definition of project management competences as described by PMI in its Talent Triangle, it's said that PM is the combination of organizational skills, leadership competences and strategic awareness. We use these skills in any initiative, activity or endeavor we undertake. The Foundation is striving to bring these competences to youth to enhance their potential in harnessing the opportunities presented to them and taking control of their lives.

Indeed I use many of the same tools and techniques and approaches in my personal life to organize and prioritize, to define my personal objectives and my personal strategy, to interact efficiently with the people in my environment and seize my own opportunities.

Q3. Having been in this profession for over 20 years, how will you conclude your 20-year journey? What are the driving factors that make you stay in this field for so long? What are the things that you are most proud of?

Lazar: First, I hope being far from a conclusion. I wish it's only the beginning of the journey.

It's important to understand that Project Management is actually just a tool, supporting the achievement of one's own objectives. I hope that I'm able to bring some ease and clarity to people

in their working environment and in their lives, which will allow them to do the same for others and unleash the potential of any group of individuals or organization to create value for the society. I believe it's the purpose of existence to create value, to enhance our environment, our lives and the ones of others. An organization's real survival factor is its ability to create value for the people within it and surrounding it.

I'm proud of my work and contributions when I see I've been able to influence others positively. Horace Mann said, "Be ashamed to die until you have achieved a victory for humanity." I keep that sentence in my email signature as a reminder. We all have really the power to build a better world. Isn't that the aim any of us should pursue?

Part II: Training and Certification

Q4. From the recommendations on LinkedIn, I notice that your PM training course is quite popular and impressive. What are your secrets?

Lazar: That's maybe because I don't do training. What I try to do is a global competency development. I try to make sure that not only they know something, but they can actually understand it and use it not only in the context of their projects and programs, but in any aspects of their lives. We talk about leadership, ethics, personal strategies and human aspects. I try to make people understand that it is actually not the tool that is important, but how you use it. Also, I don't put myself in the position of a teacher. I have as much to learn from the trainees, so we establish a dialogue.

Q5. As one of the very few to hold all of the PMI credentials (8 ones), how do you view the value of certification in PM?

Lazar: Actually, it depends what you do with it and what's behind it. Being a PMP has never made anyone be a good project manager. But being a good project manager could make one be a PMP.

Unfortunately, we see many people and organizations that put the certification first and consider then that this apparent knowledge is sufficient. A certificate is here to validate an existing practice and experience, but the aim of a certificate is not to develop competences.

I have personally used my certification path as a set of milestones to mark the evolution of my personal evolution and competency development. Each credential is a marker of an achievement and formalizes something that already exists.

Then if you use it as such as markers, they are a clear demonstration that at least, you know what you're talking about and you're capable of using it. If you expect a certification to be a guarantee of success, it's a misunderstanding.

Part III: Portfolio and Program Management

Q6. You've written a book titled "The Four Pillars of Portfolio Management". What's the book mainly about? What are the four pillars of Portfolio Management respectively?

Lazar: This book is about overall organizational governance. It's aimed at giving hints on how to establish a governance model that will be value and people focused, and that will be competitive, performant and sustainable, instead of having a human crunching system doomed to disappear.

It covers the four pillars of that sustainable value-driven organizational governance. The first pillar is the “Strategy” of the organization, which gives a purpose, a meaning for the very existence of that organization. Meaning and purpose are what makes the difference between a company which is attractive and retains people and the one that is simply a revenue generation machine, which is especially true with the “new” generations, who need a purpose that gives sense to their engagement. The second one is “Organizational Agility”, meaning, based on the strategy, giving the organization the ability to embrace the evolutions and changes of its business environment and adapt to these changes. That requires us to be able to put in place principles to anticipate these changes and not only react to them. This capacity to anticipate is mainly addressed in the third pillar “Risk Management”. Basically, the statement is that if you don't manage your risks, you don't manage anything at all. Corporate management is nothing else than managing the exposure to risks of the organization. I will certainly dig deeper into that aspect of risks in the second edition of my book, aiming at the positive aspects of risks: opportunity management. Value lies within your ability to exploit opportunities, not to counter threats. And finally, the fourth pillar deals with the management of “Resource Allocation” within an organization, taking into account the previous factors, aimed at optimizing the usage of resources (and not reducing it) and maximize the creation of value, which is the real competitive factor for a company in today's business world.

Q7. You've stated that portfolio management doesn't need to be complicated. Why?

Lazar: The more you complicate the system, the more energy you spend into feeding it and the lower the level of accuracy you can get from it is.

It's a basic phenomenon of entropy, which describes the natural tendency of any system to go from order to chaos. It's important in an organization to put in place systems that measure in priority what is done, and not only how things are done. Very often we see that companies measure processes, follow rules and guidelines because it gives them the illusion of control over their mechanisms. In fact, by doing so they put their people in positions where they are like rats in a wheel, running constantly but going nowhere. A simple system is one that measures the real outcomes, not solely the process to develop it.

St Exupery said, “Perfection is achieved not when you can't add anything any more, but when you can't remove anything anymore.” Simplicity facilitates giving sense and purpose to the work and focus on the creation of value, instead of simple conformity. People are then more motivated, engaged and more performant as a consequence.

Q8. You've said, “Stop reacting; it's too late. Is it about risk management? What are your tips or cautions about risk management in VUCA era?

Lazar: Environment has always been uncertain and ambiguous, meaning complex. From the moment you introduce a human factor, you introduce complexity.

Project Management, in its generic meaning, is an activity of anticipation, if you can't anticipate, if you have to react, then it means it's too late. But as I said before, if you don't manage your risks,

you don't manage anything. In fact, beyond project, program and portfolio management, or even value management, what it is all about is risk management, or more precisely "Opportunity Management".

Managing risks is also about developing the ability to face change in a dynamic environment, and you'd better be prepared and welcoming toward change, because it's the daily life of a project manager. But change on a project is by mistake often perceived as a threat to the project. In fact, it's even the opposite. Change has to be perceived and considered from the angle of an opportunity. But though much change is welcome, not any kind of change in any situation. When the level of ambiguity is high, anything that will allow us to clarify the outcome, the scope or how to obtain that result will be welcome, anything affecting quantities such as modification of time and resource or cost parameters will have to be taken with caution. If the level of uncertainty is high, then any change helping in refining time, cost, resources or eliminating risks will be welcome, but anything modifying scope and the definition of the outcome of the project will be suspicious. Depending on these factors, the same event of request can be considered either like an opportunity and embraced, or be avoided like a threat.

Q9. What problems have you observed in worldwide practice of program management?

Lazar: Often people confuse programs with large projects. It's not a matter of size but a matter of complexity and the nature of the expected outcome. Also it's common to see benefits to be expected from projects. Actually a project doesn't create any benefits. Programs do that. A project is something that produces a benefit and a change trigger. Programs press that trigger and actually generate benefits and establish change. The confusion between projects and programs trigger the application of the wrong tool kit, the wrong approach and wrong appraisals, which sometimes might lead to counterproductive decisions.

Another rather common mistake is to be willing forcefully to implement program management when there is no need for it. A company that sells directly the outcomes of its projects to clients such as a service company has a limited need for an elaborated strategy, and a short-term strategic horizon doesn't need to have a program management governance layer that will in fact add an unnecessary complication to its systems.

Part IV: Value Management

Q10. In our interview, value is frequently mentioned. So in your opinion, what is the significance of value management?

Lazar: As I define in my book "The Four Pillars of Portfolio Management", what we have to manage in fact in any organization is not so much a particular project, a program, a specific portfolio, or a set of portfolios but creation of value. Organizational governance is about integrating all of these layers into a unified framework of Value Management. What we have to manage at the end is the creation of value for our stakeholders (and not only the shareholders). The real competitive differentiator on a market today is the perception you give to your clients, employees, partners, and so on, that you create value for them. And it's complex, because value has a very different meaning for each of your stakeholders. This is what we have to manage today in reality: value creation. Projects and programs are just the means to achieve that.

Q11. So what is value-driven stakeholder management?

Lazar: It's exactly what I described earlier when talking about Value Management. Stakeholders define value, not the project manager nor even the project sponsors. Value driven stakeholder management consists in involving and engaging your stakeholders as exhaustively as possible and as early as possible to extract the common ground of their definition of value and manage then the generation of that value.

Part V: PMOs

Q12. As far as your experience is concerned, are PMOs necessary?

Lazar: We don't have to see the PMO has an entity within the organization, a box on the organizational chart, but rather as a role, a set of functions to be performed.

Often it's said that the absence of a PMO in an organization is the sign of a low level of maturity; it can be true. But it can also be the sign of a high level of maturity, when all of the functions which are part of a PMO framework are diluted within the organization and part of the very DNA of that organization. When the project managers and their team are trained, experienced and capable of applying proper project management, when the performance consolidation is covered by a finance or accounting department, when the quality assurance part is addressed by a quality or operations department and the development of project management competencies is fulfilled by the HR, then you don't need any more to have a formalized entity (PMO) covering that.

Actually it might even be an overburden to increase the entropy and the inertia of the organization and harm its efficiency and effectiveness. But any way these functions need to be performed; this is what needs to be sustainable, not the entity itself. The evolution of a PMO needs to follow the evolution of the organization's maturity. When it's not creating additional value, then don't keep it.

Part VI: Trends

Q13. According to Gartner, by 2030, 80 percent of the work of today's project management (PM) discipline will be eliminated as artificial intelligence (AI) takes on traditional PM functions such as data collection, tracking and reporting. Do you agree? What should PMs do to stand out in the future competition?

Lazar: First, I'd say that this claim is misleading in the way that it reduces project management to drawing Gantt charts, calculating critical paths and consolidating earned value indicators. It's of course much more than that. These activities don't represent 80% of project management.

I think most of the elements corresponding to the "Technical Project Management" will be transferred to AI (or simili AI), so the importance of that dimension will decrease in terms of competency to absolutely possess, but then the other dimensions of Leadership Competences (meaning managing people and human group dynamics) and Strategic and Business Management (meaning understanding of why we're doing things) will grow at least proportionally. The emergence of automation, AI and "Big Data" processing is no threat, but an opportunity. It's an opportunity to concentrate on human aspects, to focus on the creation of real value for our

stakeholder and our organizations. I think as we are progressively freed from the “hard” parts, we have to develop the soft parts of our competences, and concentrate on why we’re doing things, for whom and with whom we’re doing them. That is what matters the most.

Q14. In the context of globalization, virtualization and digitalization, what do you believe are the top leadership competencies? What challenges will organizations face?

Lazar: Definitely human related competences. Managing the human dynamic as the rate of change in the business is increasing is a key differentiator nowadays in any market. That includes change and stakeholder management, ethical and servant leadership and strategic sense making.

The globalization raises the complexity of the business environment, and we have to consider broader ranges of stakeholders with a wider range of expectations, both local and global constraints and larger scope of regulations. The combination of Big Data, AI and sustainable Program Management as integrated approaches is key in today’s success for any organization. More and more, organizations will be challenged in their ability to adapt, adjust their products and services faster and faster, and they will need to be more Agile in their governance and in their strategic approaches, which will call for longer-term perspectives and more global and value oriented strategic visions. The integration of the different layers in organizational governance, operations, projects, programs, portfolios and strategy will be the next challenges.

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About the Interviewer



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Yu Yanjuan, Bachelor's Degree, graduated from the English Department of Beijing International Studies University (BISU) in China. She is now an English-language journalist and editor working for Project Management Review Magazine and website. In the past, she has worked as a journalist and editor for China Manned Space Agency website and *Student English Times*. She once worked part-time as English teacher in training centers. For work contact, she can be reached via email yuyanjuan2005@163.com or Linkedin <https://www.linkedin.com/in/yanjuan-yu-76b280151/>.