

Enterprise Project Governance¹ *How to Manage Projects Successfully Across the Organization*

Transformation & Change

By Paul Dinsmore & Luiz Rocha

This is the last article in our EPG series. We will explore the transformation and change resulting from the EPG initiative and wrap-up what we have discussed during these 12 months.

Transformation and change is the seventh and last phase in our framework. All the work so far had the main objective of delivering results. However, when we move to a new desired state a certain transformation has to occur. Since transformation normally affects the stakeholders involved, the process has to be carefully thought. It is useless to have a fantastic methodology and amazing supporting systems if all the human idiosyncrasies involved are not considered.

Transformation is driven by change. It is focused on the internalization of change by the stakeholders affected. For such it is necessary to pro-actively understand the process of EPG transformation and establish how to manage it along three key stages:

Break with the past – the past must be acknowledged as the heritage that brought the organization to its present state. The lessons learned must be well understood and everything that worked must be used. The past may be glorious but it is not a guarantee of future success. The direction to navigate from the present to the desired new state must be explained and well communicated;

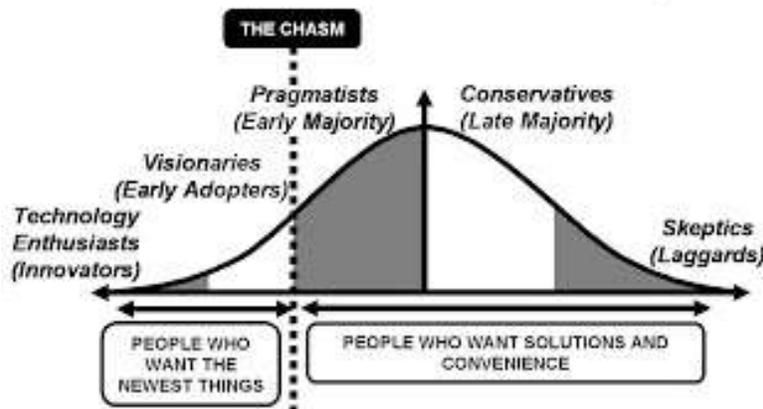
Manage the transition – be aware that people do not internalize the need for change in the same way. They have different timings which means that you do not implement change by simply snapping a finger. Understand that change takes time and do not fall in the trap of “having everything done for yesterday”. Everett Rogers in his 1962 book *Diffusion of Innovations*, explained that a target population for change management presented the following protagonists: Innovators (2.5%), Early Adopters (13.5%), Early Majority (34%), Late Majority (34%), Laggards (16%). The consequence of his discovery is that change has a life cycle for people to adopt it.

¹ This series includes articles by Paul Dinsmore and Luiz Rocha, authors of the book *Enterprise Project Governance*, published by AMACOM in the USA in 2012. The articles are extracts and summaries of key topics from their book, providing information and guidance on one of the most important aspects of portfolio, program and project management today – governance. For information about the book, go to <http://www.amacombooks.org/book.cfm?isbn=9780814417461>.

Geoffrey Moore in his 1999 book *Crossing the Chasm* expanded Rogers' insights observing that groups adopting changes have different characteristics:

- Innovators are visionaries and explorers. They want to use new approaches;
- Early Adopters are more geared towards exploitation. They are willing to make new approaches to work;
- Early Majority is very pragmatic and want a product that works. They have a very important role in spreading the news about the importance of the new desired state;
- Late Majority buy ideas and products after being fully tested and implemented;
- Laggards are the skeptic ones. They resist for a long time before adopting new ideas.

All these target groups need guidance while, at the same time, the work needs to get done. An overdose of patience is required and be prepared to evangelize again and again. These groups have different momentum to buy-in and take ownership. Luc Gallopin in his blog (www.reply-mc.com/2007/03/08/why-marketeers-outperform/) presents a good figure to explain these ideas:



The first two groups adopt new things very quickly, and on impulse while the last three, much more pragmatic, rationalize the adoption of new ideas and concepts. They have different mindsets and are separated by what is called chasm. This is a very critical period involving great effort to move from the innovators and visionaries to the pragmatists since you will move from a phase of challenging the *status quo* to a phase of adoption and implementation. In reality, implementing an EPG change effort, as in any organizational change program, may resemble the myth of Sisyphus who was doomed to roll a rock up a hill forever. Whenever he was just short of the top he would watch the boulder roll back down again. Until you cross the chasm, implementing EPG change may resemble a sisyphian task. You will have the impression to make a 90% effort to get a mere 10% result. It does not mean that it will be easier afterwards but once you cross the chasm the implementation of changes will be facilitated.

Sustaining change - The pattern of dynamic relationships at the organization level is culture. As defined by Schneider in his 1994 book *The Reengineering alternative*, culture is how we do things in the organization in order to succeed. Culture is an organization's way, identity, and pattern of dynamic relationships. No matter how good a management idea may be, it will work if it does not fit the culture. An organization can have the most superb strategy, but if its culture is not aligned with and promotive of that strategy, the strategy will either stall or fail. Schneider's research pointed to four core cultures: control; collaboration; competence; and cultivation.

Control - This culture is all about certainty. It fundamentally exists to ensure certainty, predictability, stability, and standardization. The fundamental issue in a control culture is to preserve, growth, and ensure the well being and success of the organization per se. It is centered on organizational goal attainment;

Collaboration - This culture is all about synergy. It fundamentally exists to ensure diversity and involvement. The organization moves ahead through the diverse collective experience of people from inside and outside the organization. This culture is centered on unique customer goal attainment;

Competence - This culture is all about superiority. It fundamentally exists to ensure pursuit of excellence, autonomy, the accomplishment of unparalleled, unmatched products or services. This is the culture of uniqueness, one of a kind product or service. This culture is centered on conceptual goal attainment;

Cultivation - This culture is all about enrichment. It fundamentally exists to ensure the fullest growth, purpose and meaningfulness, realization of ideals, values, and higher order purposes. The key emphasis in this culture is the connection between what is espoused and what is put into operation. This culture is focused on value centered goal attainment.

In order to implement EPG change you need leadership, a strategy and the understanding of the culture you are working with. If the core culture is one, the leadership style is based on a different core culture and strategy on another, there will be a misalignment. Sustaining change will be very difficult and most likely the accomplishments will be lost and there will be a return to the original state. That is one of the main reasons why great management ideas fail.

Challenges and Roadblocks

The implementation of EPG is bound to face bumps in the road, and in some cases, major roadblocks. The reasons vary, but any one may be sufficient to scuttle a well-intentioned EPG initiative. Lack of awareness about the topic at various levels in the organization is a factor. Or not enough *buy in* to the concept by the right stakeholders for significant action to happen. And finally, lacking resources and structure can keep such a program from happening.

Challenges are bound to appear along the pathway to EPG. Challenges to overcome include: the justification factor, motivation for change, and how to organize and prepare people. To get around roadblocks, displaying the facts is not enough since organizational change is strongly affected by tradition, opinions and politics. Ways to prevent potential challenges involve situational analysis, planning and carrying through with a change program.

The EPG series

The Evolving Nature of Project Management (Foreword by David Pells)

<http://pmworldjournal.net/wp-content/uploads/2013/01/PMWJ6-Jan2013-PELLS-Intro-Enterprise-Project-Governance-Series.pdf>

What is Enterprise Project Governance?

<http://pmworldjournal.net/wp-content/uploads/2013/01/PMWJ6-Jan2013-Enterprise-Project-Governance-DINSMORE-ROCHA-SeriesArticle.pdf>

Letter to the Editor

<http://pmworldjournal.net/article/on-the-subject-of-the-january-series-article-enterprise-project-governance-how-to-manage-projects-successfully-across-the-organization-what-is-enterprise-project-governance-by-paul-dinsmore-luiz/>

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EPG and Corporate Governance

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Principles and Framework

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Project Portfolio: the right combination of the right projects

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The Execution Gap

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Organizing for EPG

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Performance Based EPG

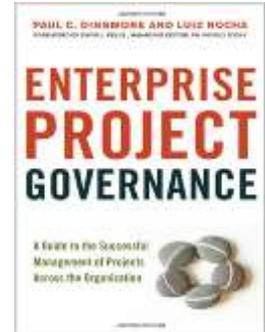
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Transformation and Change (the present article)

Book review by Max Widerman

http://www.maxwideman.com/papers/book_reviews_3/book1.htm

Enterprise Project Governance describes proven techniques for dealing with simultaneous initiatives and ensuring that programs and projects align with the priorities, resources, and strategies of the organization - and ultimately create value. Containing examples and case studies, the book provides readers with practical methods for incorporating enterprise project governance into their organization's culture, synchronizing it with corporate governance, and maximizing efficiency and results across departments.



Whether one's view is from the boardroom, the executive suite, the project management office, or the project trenches, this is an important guide for anyone managing multiple projects. For more about the book, go to <http://www.amacombooks.org/book.cfm?isbn=9780814417461>.

About the Authors



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Paul Dinsmore is board chairman of DinsmoreCompass, and a highly respected specialist in project management and organizational change. A certified project management professional (PMP), he has received the Distinguished Contribution Award and Fellow Award from the Project Management Institute (PMI®). He regularly consults and speaks in North America, South America, Europe and Africa. Paul is the author and / or editor of numerous articles and 18 books, including the *AMA Handbook of Project Management*. Mr. Dinsmore resides in Rio de Janeiro, Brazil.



Luiz Rocha



Luiz Rocha has 35+ years of experience in the industry and business consulting. Luiz worked with Andersen Consulting and Deloitte in the USA and Europe when he had the opportunity to manage multi-cultural and geographically dispersed projects in Latin America, North America and Europe. In Brazil he worked with Dinsmore Associates and Petrobras. Luiz is an engineer by background, MSc. in industrial engineering from UFRJ – Brazil, and certifications PMP, IPMA-C, and Prince 2 Practitioner. He is also a published author with two previous books, *Business Metamorphosis*, in Brazil, and *Mount Athos, a Journey of Self-Discovery*, in the USA.