

## **New in Kind: The Post 9/11 World of Projects <sup>1, 2</sup>**

**John Schlichter**

It began as an ordinary day. Israel had surrounded another West Bank city. Michael Jordan was coming out of retirement for “love of the game.” Outside the weather was 72 degrees and sunny, but inside the headquarters of The Weather Channel (TWC) in Atlanta the mood turned dark before 9AM. Stacks of monitors at the international television network switched from images of complex weather systems to images of The World Trade Center in Manhattan as word spread that a plane had flown into one of the twin towers. Chaos unfolded on TV’s throughout TWC’s Information Technology department, where I was implementing a Project Management Office on behalf of the Chief Information Officer. Gasps erupted as a second plane appeared on banks of screens and crashed into Tower Two.



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<sup>2</sup> Editor’s note: This article was submitted by the author for publication in 2018; it was deferred to October 2019 so as to be published closer to the anniversary of the September 11, 2001 attacks against the United States. It is being included this month for that reason, even though the author already has another article in the PMWJ this month.

My phone rang with a call from the Project Management Institute to discuss the situation unfolding in New York. A number of people in cities throughout the world were scheduled to fly to my location in Atlanta for a meeting later that day to continue developing the OPM3 standard, work that I had conceived and proposed to PMI several years earlier and which I was leading on PMI's behalf. No sooner had the members of our team decided not to fly than all US flights were grounded. The forecast had changed.

Seven years to the day after the Twin Towers fell on 9/11, accelerated computer-based trading caused a \$550 billion draw-down of American money market accounts, nearly crippling the global economy in less than 24 hours. When the crisis hit historic projects like building the Hoover Dam (\$78 million) and the Panama Canal (\$790 million) were eclipsed by a \$29.5 billion dollar bailout of Bear Sterns, followed by \$97.2 billion for Bank of America, \$97.4 billion for the American automobile industry, and \$112 billion for AIG, which was almost as much as the \$115 billion spent on the Marshall Plan to rebuild Europe after World War II. This was followed by \$139 billion for GE and \$235 billion for Citigroup. Although the role of a healthy financial sector is to support the “real economy,” Americans began to wake up to the fact that the opposite had become the case with the tail wagging the dog (Figure 1).”

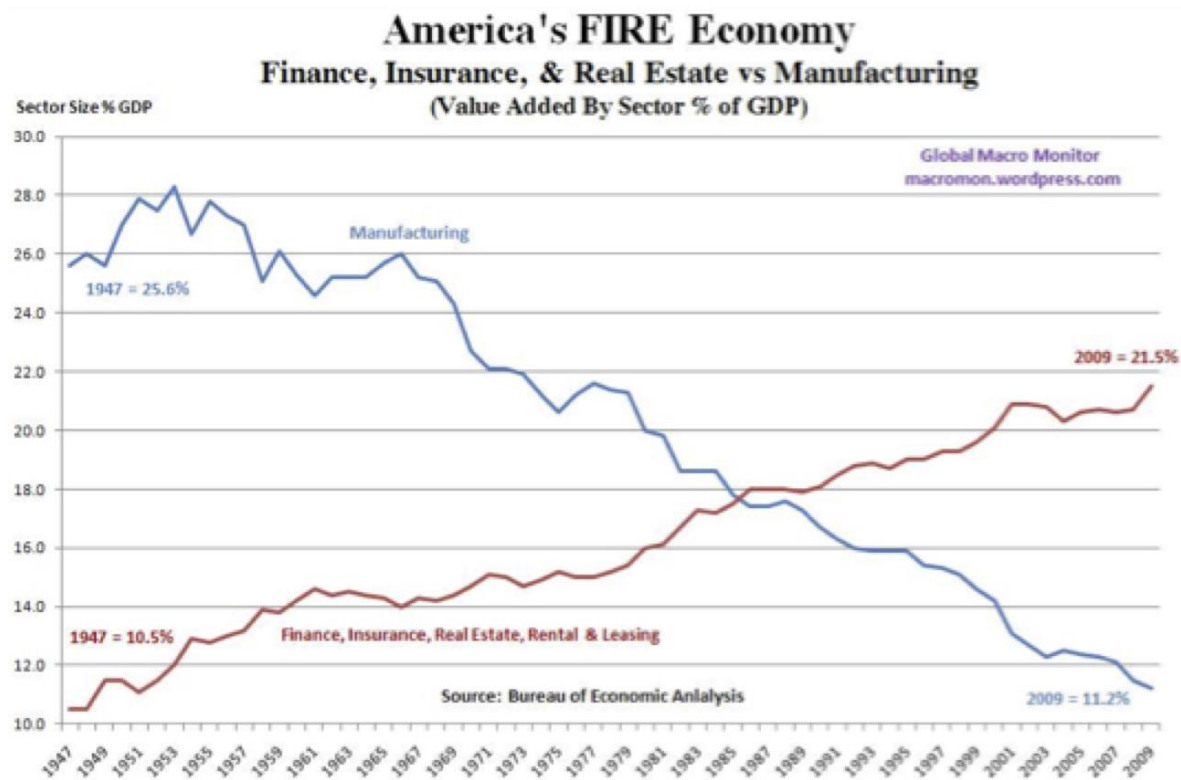


Figure 1: The financial sector toppled the economy in 2008.

Then came \$300 billion for American homeowners who could not pay their mortgages, which was slightly less than the cost of World War I (\$324 billion) but not as much as the \$400 billion to bail out Fannie Mae and Freddie Mac. On their own any one of these projects would have ranked among the largest in US history, falling just behind record holders like the New Deal (\$500 billion) and the Iraq War (\$597 billion). But then one must add the \$700 billion used to buy additional

bad loans through TARP and a \$787 billion stimulus package. In no time, the American government spent over \$4 trillion on the crisis (costing more than World War II, the previous all-time record-holder). Unfortunately that \$4 trillion was just the beginning, as an additional \$7.8 trillion was committed, bringing the total to over \$12 trillion. That is three times the cost of World War II and 24 times the cost of the New Deal, making it the largest spending program in history by far.

The tragedies of 9/11 quickly became a hallmark of our place in history: uncertainty. Dominated by globalization, almost ubiquitous connectivity, exponential increases in access to data, information and knowledge, speed, and a rich and evolving mix of partners and competitors, executives have learned that uncertainty is one of two key challenges driving the evolution of management and decision making in the 21st century. The second is the ongoing transformation of institutions and actors in organizations of all types. Riding a Khunian wave of change, executives have found themselves in an environment characterized by dynamic and high risk, which has required that they continually be able to transform and adjust to remain highly effective in extremely fluid environments. The emphasis is on acquiring, managing, sharing and exploiting information, and supporting individual and collective decision-making. In particular, executives must mature their organizations to have the ability to recognize situational change and adopt the correct management approach required to meet that change.

A new normal has emerged. We are faced with a host of so-called “third wave” and “wicked” problems, ill-defined challenges where both the problems and the solutions are unknown at the outset. The deep structures that produced this environment were long in the making, but now they unfold in the blink of an eye. Having moved from the Industrial Age to the Digital Age and into an environment characterized by uncertainty, our imperative is to cope with change and deliver change capably despite this new normal. We do this by assembling diverse capabilities into projects, projects that produce things new in kind each time, and we must do so successfully, consistently, and predictably. The process for choosing and for delivering projects to advance your organization’s strategic intent must be predictable precisely because the external environment is complex, volatile, and uncertain. The implementation of strategies through temporary endeavors has become our dominant management paradigm for the foreseeable future.

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## About the Author



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**John Schlichter** coined the term "Organizational Project Management" or "OPM," which is the system for implementing the business strategy of an organization through projects. OPM became a global standard and is how companies throughout the world deliver projects valued in billions if not trillions of dollars. "John has contributed greatly to PMI," Greg Balestrero, CEO, PMI Today, 2002. "In John's role as the leader of PMI's OPM3 program, he has immeasurably contributed to the growth of the profession," Becky Winston, J.D., Chair of the Board of Directors, PMI Today, 2002. Having created OPM3© (an international standard in project, program, and portfolio management), John founded OPM Experts LLC, a firm delivering OPM solutions and a leading provider of maturity assessment services. Industry classifications: NAICS 541618 Other Management Consulting and NAICS 611430 Training. John is a member of the adjunct faculty of Emory University's Goizueta Business School.

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