

Projects are the Economic Engine of Our Times

Interview with Antonio Nieto-Rodriguez^{1,2}

Author, International Executive, Thought Leader
Former Chair, PMI Board of Directors



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Introduction to the interviewee

Antonio Nieto-Rodriguez (antonionietorodriguez.com), a thought leader, author, practitioner and professor. He is the creator of concepts such as the Hierarchy of Purpose, featured by [Harvard Business Review](#), or the Project Manifesto, which argues that projects are the lingua franca of the business and personal worlds from the C-suite to managing your career or relationships.

He is the author of "[The Project Revolution](#)" (LID, 2019). "[Lead Successful Projects](#)" (Penguin, 2019) and "[The Focused Organization](#)" (Taylor & Francis, 2014). His research and global impact in modern management been recognized by Thinkers50 with the prestigious award "[Ideas into](#)

¹ This interview was first published in PMR, Project Management Review magazine, earlier this year. It is republished here with the permission of PMR. The PM World Journal maintains a cooperative relationship with PMR, periodically republishing works from each other's publications. To see the original interview with Chinese introduction, visit PMR at <http://www.pmreview.com.cn/english/>

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[Practice](#)".

Antonio was the Chairman of the Project Management Institute (PMI) in 2016, where he co-founded the Brightline Initiative. He has recently launched the Strategy Implementation Institute. Antonio has held leadership positions in PricewaterhouseCoopers, BNP Paribas Fortis, and GlaxoSmithKline. He is a visiting Professor of Duke Corporate Education, IE Business School, and other prestigious business schools.

Antonio is also a much-in-demand speaker at events worldwide. Over the past 15 years, he has presented at more than 160 conferences around the world. Born in Madrid, Spain, and educated in Germany, Mexico, Italy and the United States, Antonio is an Economist with an MBA from the London Business School and Insead's International Director Program. He is fluent in five languages.

Interview

Definition of “Project Revolution”

Q1. You’ve written a book titled “Project Revolution”. What does “Project Revolution” mean?

Antonio Nieto-Rodriguez (Nieto-Rodriguez): Over the past decades, organizations have made their operations extremely efficient, reaching levels where finding additional efficiency improvements is no longer possible. At the same time, the number of projects in organizations, the amount of resources dedicated to them and the size of projects have all increased year after year.

Projects are on the march and established organizational and management models are under threat as never before.

Yet, according to my latest research, more is to come. Disruptive technologies will accelerate this trend. Robots and artificial intelligence will take over almost all the traditional administrative activities and operational work. Some of these roles have already disappeared or been completely reshaped. Organizations will shift their focus more than ever to projects and project-based work. Projects are the new norm for creating value and, indeed, for staying in business – leading to what I describe as the Project Revolution.

Influences of “Project Revolution”

Q2. What changes or influences will “Project Revolution” have on organizations and individuals?

Nieto-Rodriguez: The emergence of projects as the economic engine of our times is silent but incredibly disruptive and powerful. And this massive disruption is not only impacting the way organizations are managed. Every aspect of our lives is becoming a set of projects. The main implications are as follows:

- **Education:** For centuries, learning was achieved by memorizing hefty books and mountains of written material. Today, the leading educational systems, starting from early ages, apply the concept of teaching projects. Applying theories and experimenting through projects has proven to be a much better learning method, and soon it will become the norm.
- **Careers:** Not so long ago, professional careers were made in only one organization. Throughout the 20th century, most people worked for a single company. Today we are likely to work for several companies, and at some point we will most probably become self-employed, working primarily on projects. This sort of career is best approached as a set of projects in which we apply the lessons we have learned from previous jobs, companies and industries while developing ourselves for our next career move, often not known in advance.
- **Corporate governance:** Boards play a critical role in value creation and long-term organizational success. In the current turbulent times, providing direction and prioritizing initiatives have become essential competencies for boards. When organizations execute too many strategic projects without clear prioritization from the top, they will be spread too thinly: teams will fight for resources, commitments to contribute to certain projects will not be respected, and most projects will fail to meet their initial cost, time and benefit estimates.
- **Democracy:** The current crisis that we are seeing in political systems around the world has led academics and others to propose new ways of governing countries. One of the most revolutionary experiments was carried out in Ireland. The Convention on the Constitution, established by the Irish government in 2012, addressed a number of potential constitutional reforms, including whether to change the electoral system or to reform the parliament. The novelty is that each topic is being tackled through a project.
- **Economic theory and prosperity indicators:** Progress has traditionally been measured based on purchasing power or per capita income. But what really marks progress is something else in the background: throughout history, both societies and individuals have gained a greater capacity to carry out projects. Traditional indicators, stemming from economic theory, were fine when the world was more predictable, but that is no longer the case. In the near future, we might be looking at economic indicators based on the real capacity of a country, or company, to carry out its projects. That could be a more suitable indicator of economic and social power.

Leaders in “Project Revolution”

Q3. You believe that “Project Revolution” will be led by humans not robots even in the technology disruptive era; why?

Nieto-Rodriguez: That is correct. Project-based work is human-centric. My belief is that project-based work will increase the focus on people. Projects cannot be carried out by machines; they need humans to do the work. Humans must gather together around the purpose of the project, dividing up the work, bonding, interacting and addressing emotional aspects to create a high-performing team. Technology will of course play a role in projects. It will improve the selection of projects and increase the chances of success. But technology will be an enabler and not the goal. The Project Revolution will be led by people, not robots.

Q4. What are the top skills of project leaders in “Project Revolution”?

Nieto-Rodriguez: Consistently excelling in the Project Revolution and project execution requires strong project management capabilities. Resources dedicated to leading projects have to be trained and certified, with the role considered as a profession. A career path and a training development programme are also musts.

Being a successful project manager in the Project Revolution does not only require strong project management capabilities. Technical skills, such as planning, scoping and risk management, are a given but are not enough.

Due to the increase in the complexity in organizations, project managers need to develop all of the following:

- solid leadership capabilities, such as communication, persuasion, an executive mindset and negotiation skills;
- a good understanding of the business and the environment the organization is operating within; the strategy of the firm, the competition, the products and/or services, operations and technology, which are all important elements that the project manager should be aware of. Basically, project managers are becoming project and business leaders.

Project Success in “Project Revolution”

Q5. How should we measure project success in the era of “Project Revolution”?

Nieto-Rodriguez: Project performance indicators should focus on outcomes (benefits, value creation, impact, opportunities and risks) instead of inputs (costs, time, material and scope). I propose two new triple constraints: the value triangle (benefits, risk, sustainability and impact) and the engagement triangle (purpose, passion, dedication, engagement).

Prioritization of projects is essential for increasing the success rate of project execution.

And projects cannot go on forever; they have to be closed, even if sometimes not all tasks are fully completed. However, many projects seem to last forever. A good example is the canal of Panama, which took 33 years to be completed after construction began. One of the key characteristics of projects is that they have a beginning and an end, yet, in reality, both points in time get a bit blurry and unclear.

It is important to know when to finish a project, which is often a challenge. I think one of the reasons for this is the fact that in current project management theories, they claim that projects have to be completed 100% of the tasks, specifications, deliverables, functionality, before they can be considered as closed. In reality, many projects complete 80% of the work rather well and on time, yet they struggled with the last 20%, which sometimes takes longer than the majority of the work. So my recommendation is to anticipate the closing date of the project. Even if there are still tasks to be done, transition them to the operations team so that they can take care of concluding the project. This will increase the number of projects that are completed on time.

Q6. What are the major barriers to project success in the era of “Project Revolution”?

Nieto-Rodriguez: My experience and research suggest that in the era of “Project Revolution”, many organizations:

- lack information on how well they are implementing their projects and their overall strategy;
- lack visibility about the number of projects they are running as well as those projects’ status, actual cost, estimated completion cost, benefits and business case;
- lack data about the status of their projects – status reports take weeks to produce and never show accurate information;
- initiate projects without proper analysis or a clear business case;
- continually increase the number of company-wide projects, with many more projects being started than completed;
- have unclear ownership of many projects, including some of the most strategic ones;
- don’t have a cross-departmental governing body that decides in which projects to invest and ensures that projects are correctly executed;
- display poor communication and collaboration between the business and functional departments;
- simply don’t have an integrated tool to manage projects;
- suffer increasingly long lead times to develop and to launch new products to market.

Little wonder, perhaps, that many projects fail.

Defining a Project

Q7. You've said, "Always begin by defining what exactly a project involves. Meaning is the root of achievement." Would you please explain it?

Nieto-Rodriguez: In order to allow leaders and management to define a project in a simple yet comprehensive way, I developed a framework - The Project Canvas – which is based on years of studying of thousands of projects. The Project Canvas is composed of 14 dimensions – the ones that research has proven to influence and determine project success. These are grouped into four major domains. Each domain or area of expertise, has a specific weight in the success of a project, which is indicated by a percentage. The four domains are:

- Why: the rationale and the purpose and passion for launching and implementing the project successfully (~20%);
- Who: the accountability and the governance that will ensure the project is resourced and delivered (~20%);
- What, How & When: the hard aspects of projects (definition, design, plans, milestones, cost, risk, procurement) as well as the soft aspects (motivation, skills, stakeholders, change management, communication) (~50%);
- Where: the organization, the culture, the priorities and the context (internal and external) in which the project is being carried out (~10%).

Q8. Defining is hard for innovation projects as we can't define an innovation project clearly from the beginning. Do you agree?

Nieto-Rodriguez: I suggest applying the concept of the S curve for learning, to projects. Projects, when they start, are at the bottom of the side, which means that there is an exploration and ideation part. The idea is still half-baked to start a project and establish a project team, yet, most organizations I know start a project as soon as they have their idea, which most likely will lead to failure, or important delays at the minimum.

Only once you have narrowed down the options and you have built the knowledge, then you should establish a formal project with a project team. A great example for this is the launch of the first iPhone, the project purple. The idea of working on a smartphone was shared with Steve Jobs in 2001. They explored the idea for three years, in only 2004, they decided to launch a project that will deliver the first iPhone in 2007.

Rise of Project Economy

Q9. "Project Economy" has been a hot topic and trend. What's your opinion on it?

Nieto-Rodriguez: According to recent research, the number of individuals working in project-based roles will increase from 66 million (in 2017) to 88 million (forecast 2027). And the value of economic activity worldwide that is project-oriented will grow from \$12 trillion (in 2013) to \$20 trillion (forecast 2027). Those are millions of projects requiring millions of project managers per year.

My prediction is that by 2025, regardless of the industry or sector, senior leaders and managers will spend at least 60% of their time selecting, prioritizing and driving the execution of projects. We will all become project leaders – despite never having been trained to be so!

In this new landscape, projects are becoming the essential model to deliver change and create value.

In Germany, for example, approximately 40% of the turnover and the activities of German companies are performed as projects. This is only going to increase. In fact, similar percentages can be found in most Western economies. The figures are even higher in China and some of the other leading Asian economies, where project-based work has been an essential element in their economic emergence.

The so-called gig economy is driven by projects. Make no mistake, we are witnessing the rise of the Project Economy.

Q10. What risks and benefits will the Project Economy bring?

Nieto-Rodriguez: The foremost risk that the project revolution will bring is that we are not prepared to deal with Project Economy. Mainly, that leaders don't take action to transform their organizations, and remain running their organizations as they have done in the past decades. There is no doubt that there will be more projects. That's what many indicators are telling us. Yet, if organizations don't adapt, the success rates of projects will decrease even further than the current 50%, creating more waste, more frustration and losing huge amount of value for organizations, individuals and society at large.

On the other hand, the opportunities are vast. Imagine for a second if we start delivering projects much more fruitfully, reaching an 80% or 90% success rate; this is a huge amount of value that we will be generating. Project managers will be in high demand, more than ever before. Yet, there is a crucial pre-requisite: project managers will need to adapt. The old project management approach doesn't work anymore in Project Economy. Project managers will need to be able to start a project much before than what they do today, be involved from the innovation or discovery phase, need to be able to carry out the project according to the plan, but also have the agility to adapt when changes are needed, and finally, they will need to run what the project has produced. Whether it is a new organization, a new product, a new website, project managers will need to be able to run it successfully and deliver the initial benefits. Not just handing over, but be accountable for delivering the value of the project.

I say they will need to become the CEOs of their projects.

This is a significant change to the way project management has been done so far. But if the changes are done, the future is bright for project managers and the project management profession.

Welcome to the Project Economy!

Q11. Why did you advocate the creation of “The Project Manifesto”?

Nieto-Rodriguez: Despite this surge in project activities and project spending, the risk of project failure continues to be huge and will continue to increase unless organizations and governments embrace advanced project leadership practices.

Widely used management disciplines are often linked to a few simple frameworks that can be easily understood and applied, not only by managers but also by the majority of individuals. Porter’s Five Forces is a great example. In contrast, project management methods have tended to be too complex to be easily understood and applied by non-experts.

Under these circumstances, it is not surprising that we saw the rise of agile, triggered by the “Agile Manifesto”, in February 2001 by 17 independent-minded software practitioners.

Considering that 2019 was the 50th Anniversary of the creation of PMI, I firmly believe that it is time that we co-create “The Project Manifesto”, which consists of 12 guiding principles. You can [read about it here](#), feel free to comment and share.

To read the original interview and to learn more about PMR magazine, visit
<http://www.pmreview.com.cn/english/>



About the Interviewer



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Yu Yanjuan (English name: Spring), 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* (PMR) Magazine and website. She has interviewed over sixty top experts in the field of project management. Before joining PMR, she once worked as a journalist and editor for other media platforms in China. She has also worked part-time as an English teacher in training centers in Beijing. Beginning in January 2020, Spring also serves as an international correspondent for the *PM World Journal*.

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