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Using Organizational Project Management to Enable Sustainability
by Raju Rao

Using Organizational Project Management to Enable Sustainability [1]

By Raju Rao

Abstract

Sustainability has become a key parameter for organizations, and this means that projects and operations have to be planned and implemented with this objective.

At the project level it may be difficult to bring in sustainability initiatives because often the scope of the project is already determined, or it is contractual. To get a sustainability perspective, one has to consider it beyond a project outcome and further this needs to be addressed by senior management. Therefore, an organizational level approach would be more appropriate.

This is where the Organizational Project Management or OPM comes in. This approach would look at outcomes not just at project but also at program level. It will also consider portfolio management to effectively implement the strategy of the organization.

This paper will explore the use of OPM for Sustainability. Examples / Case Studies will be presented.

What is OPM & Sustainability?

What is Organizational Project Management?

PMI's Standard for Organizational Project Management defines it as a framework in which portfolio, program and project management are integrated with organizational enablers to achieve strategic objectives. (3)

OPM involves connecting the strategic outcomes of the organization to its projects. The gap is addressed through portfolio management when a project or program is selected. Subsequently, implementation takes place through project management or program management.

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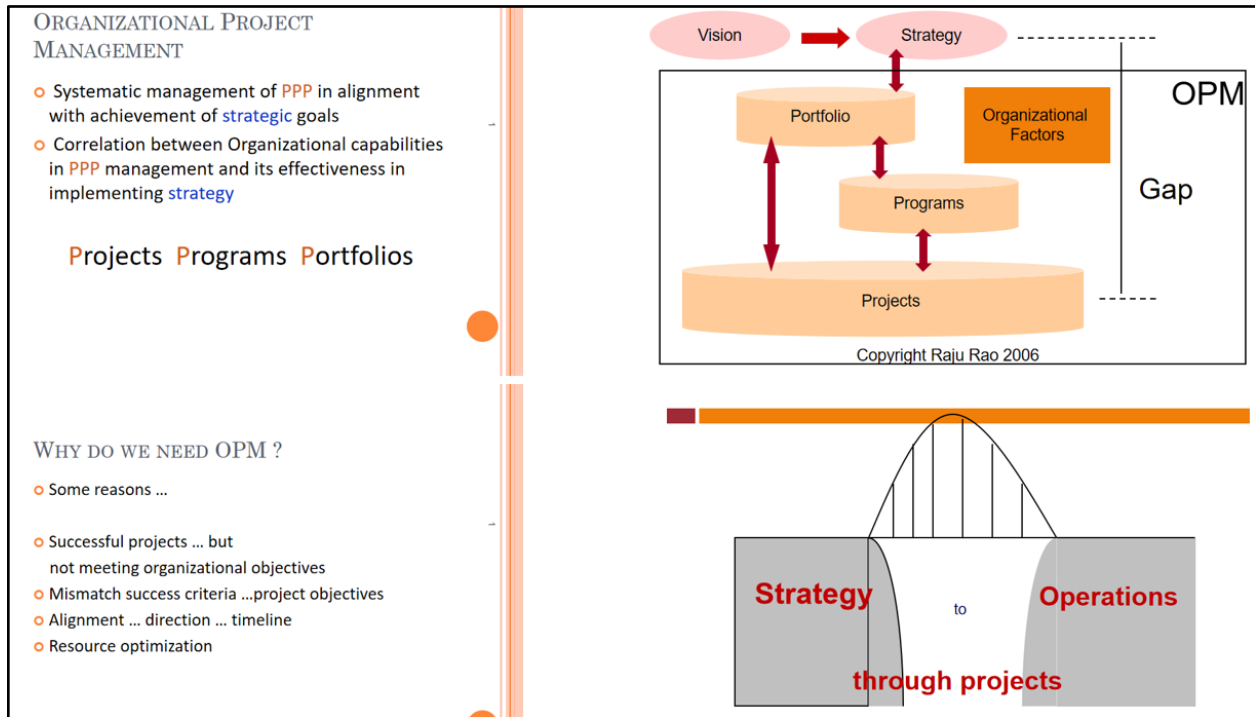
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Exhibit 1: Organizational Project Management

OPM Benefits

Use of Organizational Project Management is beneficial to an organization in multiple ways.

- ◆ Increased Cost Control & Productivity

- ◆ Predictable delivery performance

- ◆ Effective Operations & Decision making

- ◆ Customer Satisfaction & Improved communications

- ◆ Alignment of Strategy & Execution

- ◆ Competitive Advantage & Market competitiveness

To summarize OPM

- ✧ Expands principles of project management to organizational level

- ✧ Provides an organizational view for allocation of resources

- ✧ Coordinates implementation of strategy with middle and grass roots level

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Sustainability 101

"Sustainability can be defined as development that meets the need of the present without compromising the needs of the future" - UN Brundtland Commission

Sustainability is that which is environmentally sound, socially equitable and economically feasible.

The UN has also stipulated 17 Sustainability Development Goals or SDGs as shown in Exhibit 2 . This forms the basis for most of the discussions and deliberations that are taking place today.

Exhibit 2: UN Sustainable Development Goals

Projects in the sustainability domain can be broadly classified into four main and two supporting categories. These are

- Transport

- Industry

- Buildings

- Agriculture.

Projects related to Energy forms a sub-part of the above four categories

There are also two supporting categories which are

- Finance

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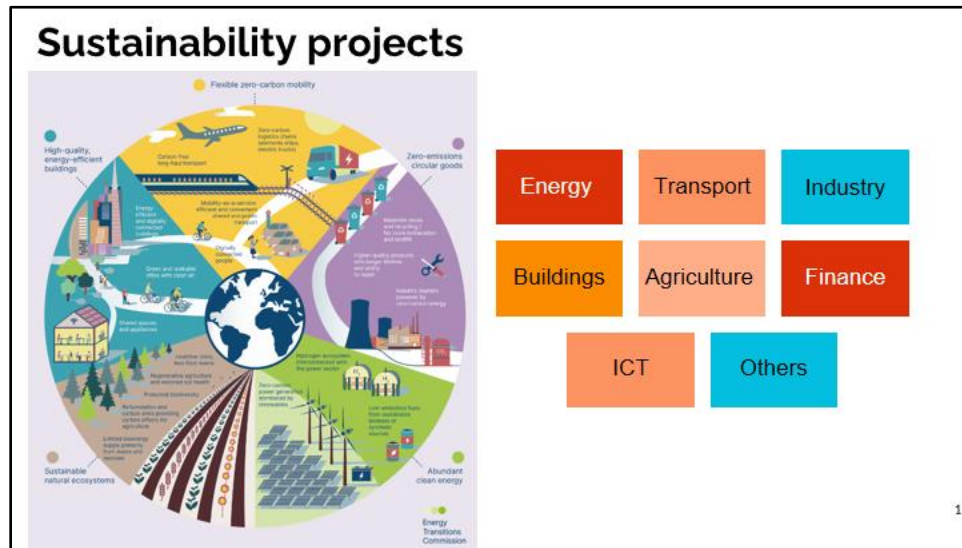- Information and Communication Technology (ICT)

Exhibit 3: Categories of projects for sustainability

The need for sustainability initiatives because of environmental reasons and optimizing resources is well founded and accepted. But, beyond these factors, the organization also is benefitted in many ways. These include reducing project risk, creating a competitive advantage, coping with complexity & crisis, maintaining public and brand reputation, alignment with strategy and the need to stay in business.

Sustainability impacts and/or influenced by various factors which include the project context, details, success, schedule, stakeholders, risk, procurement, communication and the project team.

PMI and other standards on Sustainability

The Standard for Project Management and PMBOK guide 7th Edition considers some aspects of sustainability in its principles (as part of Stewardship & Quality) and Domains (as part of Planning & Tailoring). This is shown in Exhibit 4

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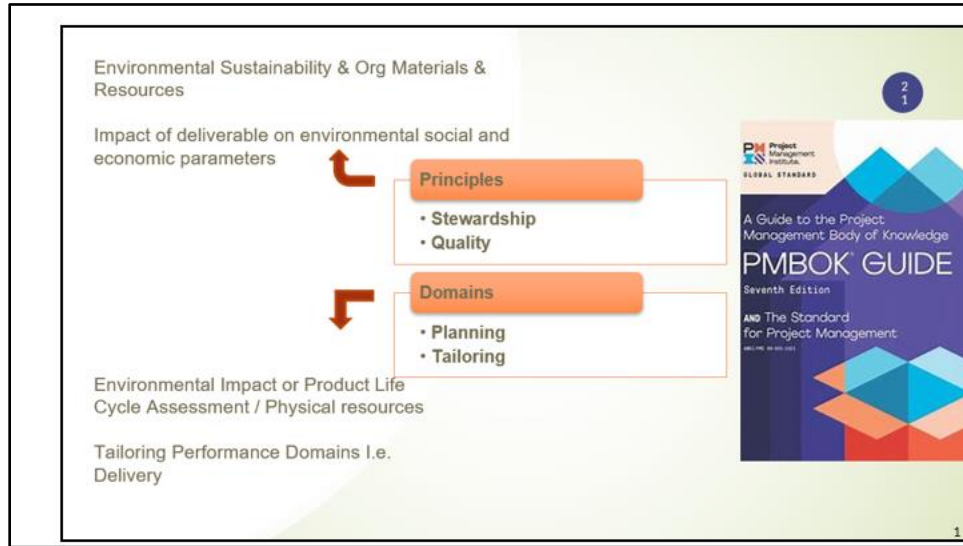to Enable Sustainability*
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Exhibit 4: The Standard for Project Management & PMBOK Guide 7th Edn

The APM Competency Framework 3rd Edn provides the knowledge and application requirements for competency on sustainability with five maturity levels and is shown in Exhibit 5

Exhibit 5: Competency in Sustainability - APM Competency Framework 3rd Edn

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The P5 Standard on Sustainability for Project Management approaches the practice directly in terms of the UN sustainability goals (SDG) and classifies under PPP or Triple Bottom Line. The impacts are shown either for product, life cycle or project management. Further each of these impacted domains, further guidance is provided on ways to implement, and the possible outcomes are stated. Refer Exhibit 6 and Exhibit 7

Exhibit 6; GPM - P5 Standard - Sustainability in Project Management :1

Exhibit 7: GPM - P5 Standard - Sustainability in Project Management

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The main standard from PMI related to OPM is the Standard for Organizational Project Management. In addition, there are other standards which can be useful which include the following.

◆ Governance of Portfolios, Programs and Projects

◆ Implementing Organizational Project Management - a practice guide

◆ Managing Change in Organizations

◆ Organizational Project Management Maturity Model or OPM3

OPM and related standards
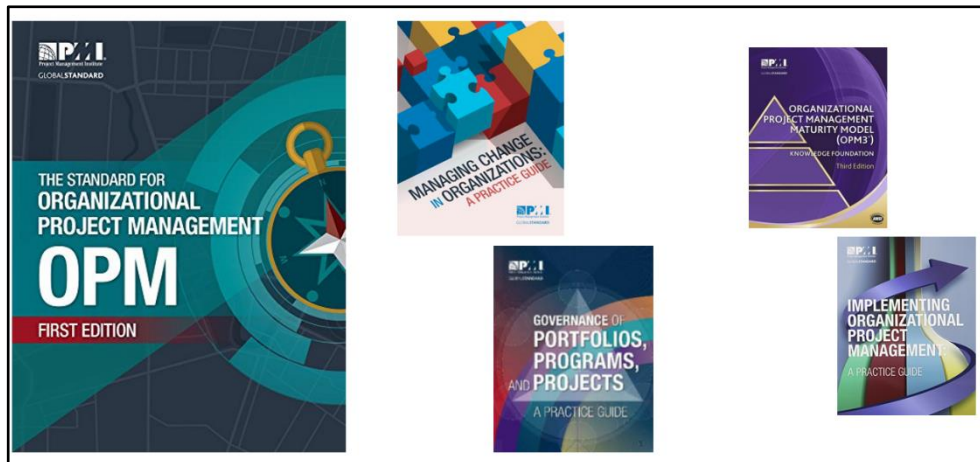
Exhibit 8: OPM and related standards

The Organizational Project Management Maturity Model or OPM3 can be used by organizations to move up on its maturity path in organizational project management. It can be tailored to specific needs of the organization depending on its size, the domain and the appetite and resources it has for organizational improvement. It lists Best Practices & capabilities for the domains of project, program and portfolio management and it also describes a set of capabilities at the organizational level which are termed as 'organizational enablers'. Refer to Exhibit 9.

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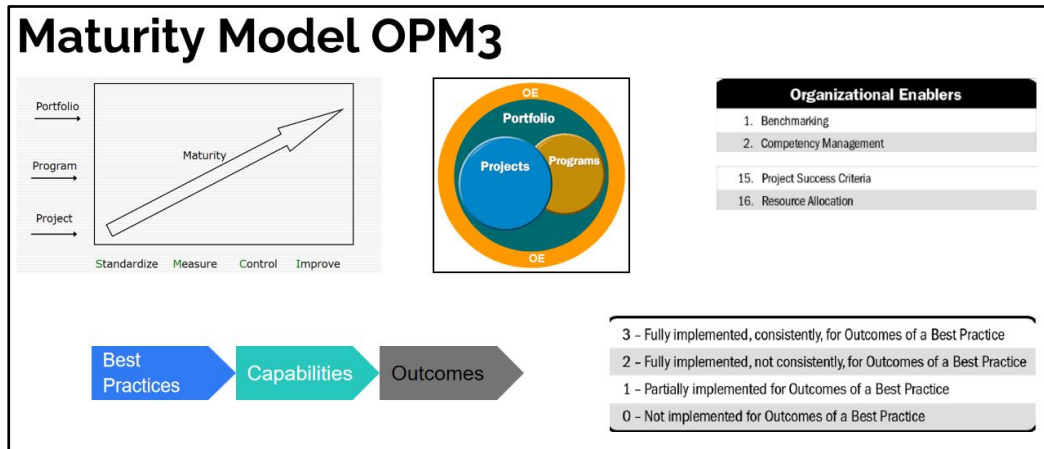
Exhibit 9: OPM3 Maturity Model

Connecting Sustainability and OPM

Why OPM for Sustainability?

Why do we require Organizational Project Management for Sustainability? There could be several reasons

1) sustainability factors are not visible at project level

2) usually, multiple projects have to be implemented to achieve sustainability objectives

3) sustainability is an operational area of work

4) sustainability issues are normally addressed at the Top or C Level

This brings us to the question of considering sustainability from the viewpoint of both projects and operations. So, while we could be responsible only for implementing projects, we have to still look the total picture and not consider only project criteria like scope, time and cost.

How to apply OPM to enable sustainability

Program /Portfolio and SDGs

To connect organizational project management to sustainability initiatives and also use it to implement it we could consider a scenario of SDGs of UN as the basis. At any moment

it is inconceivable that an organization will have the ability or consider implementing all the 17 SDGs, instead a few will be of interest.
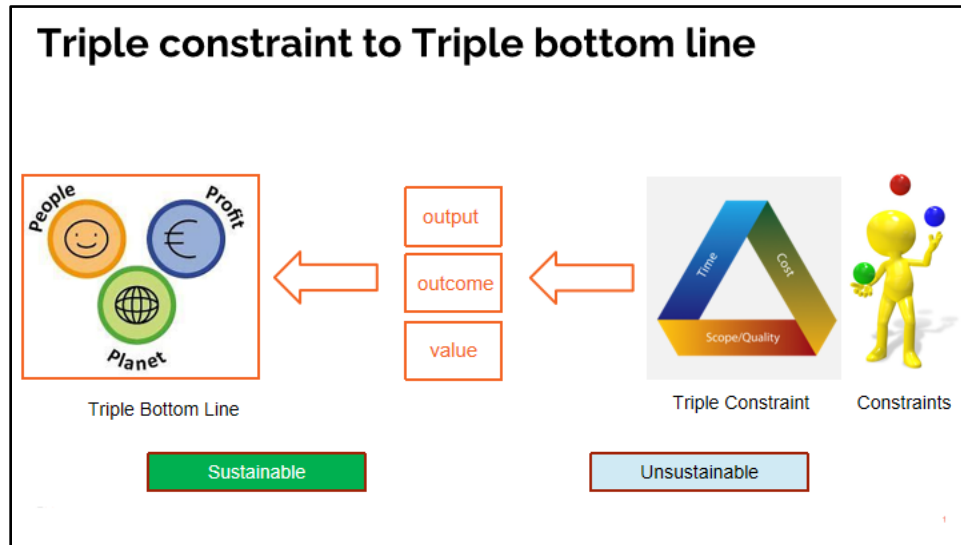
Exhibit 10: From Triple Constraint to Triple Bottom Line

Triple Constraint & Triple Bottom Line

Let us understand the way to move from the concept of triple constraint (scope/quality, time and cost, which most of us are familiar) to the triple bottom line i.e., Profit, Planet and People.

Traditionally, we have been looking at project outputs i.e. in terms of scope /quality, time and cost. This is now changing to outcomes measured in terms of business or operational parameters. This is reflected in some of the standards for e.g. in PMI's 7th edition standard for Project Management the emphasis is on outcome rather than outcome. Stretching this concept further, we could include sustainability parameters and by doing so we will be looking goals of a triple bottom line. In practice, in addition to Profit the "Planet" part of the 3P's is being addressed since a lot a deliberations, discussion and action is currently taking place due to environmental concerns. But this is not so with the "People" part which is emphasised in about half of the 17 Sustainable Development Goals (SDGs) of the UN.

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How can projects become sustainable? Creating a sustainability mindset

In order to incorporate sustainability parameters while executing projects we have to necessarily evaluate project objectives from this viewpoint or put on our "sustainability glasses". This has to be done while initiating the project preferably before the decision is made to go ahead with it. While considerably sustainability parameters and the 3Ps it is quite likely that it will not be in accordance with the requirements of top management in the organization since they would be looking at traditional parameters like profitability, market share or customer requirements. Further, there could be challenges when we consider the trade-off between the short term versus the long term. Sometimes, it may not work out as a business case and the project may be dropped.

Why OPM and not Project Management

Multiple projects - program / portfolio management

Most of the projects that we plan to achieve sustainability objectives are not single but a series or multiple and are conceived at the organizational level. For e.g. a net-zero project will involve possibly ways to save electricity by substituting with LED fixtures, implementing solar energy and forestation efforts in the campus. These have to be done not in one department, division or domain but across the organization. They need to be implemented as programs and the portfolio will decide which projects to implement and in what time frame and phase.

Scope changes are difficult at project level

Implementing sustainability initiatives at the project level will require scope changes. Often projects are contractual and if sustainability parameters are not introduced at the project initiation stage, then they do not become part of the business case and further, it is difficult to introduce them as a scope change as this would change the outcomes and they may not be acceptable.

Senior or Top management involvement

Initiatives under the domain of sustainability are often initiated and driven from the top and are seldom perceived at the project level exceptions being those for smaller organizations. These mandates applying organizational project management where the executives of the organization are actively involved thereby have a greater chance of success

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A combination of these could form a program for implementation and this would be within the broad buckets of a portfolio. For e.g. we can have one for Environment & Resources (SDGs 11,12,13,14 and 15) one for People (SDGs 1,2,3,4,5 and 10) and so on. From these portfolios one would choose projects and programs to meet the specific organizational objectives within constraints of time frame or availability of human and financial resources. Sustainability initiatives will also have to compete for resources with other projects which are part of the regular business of an organization.

As part of portfolio analysis, the choice of projects and programs will depend on the socio-economic objectives, resource availability and political within or outside the organization.

OPM Framework

The OPM Framework provides a methodology to implement it in organizations. These are available in standards and from documented experiences of implementation. This can become the organizational assets once it is tailored to sustainability initiatives e.g. SDGs

Knowledge management will be required to develop solutions in particular domain areas e.g. energy, environment and resource management. Again, this is developed and built through individual or organizational experiences and learning.

Of particular importance is the need to develop talent and competency for sustainability initiatives as a key area will be to change in mindset to incorporate it as part of the regular process of project and program selection.
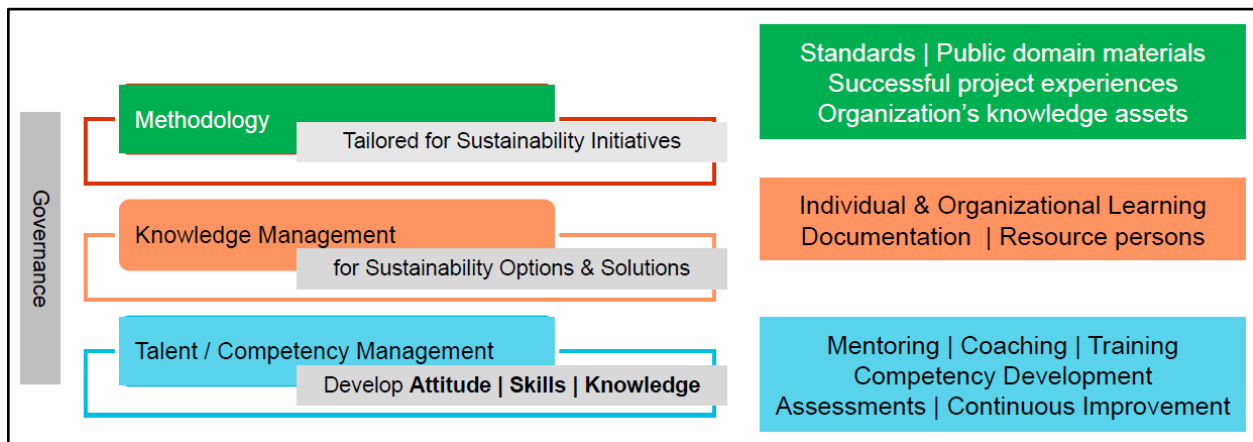
Exhibit 11: OPM Framework: Source - Standard for Organizational Project Management, PMI

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Tailoring OPM for Sustainability

The SDGs are split into targets which further delineate the domain areas. As shown in Exhibit e.g. SDG 12 which is Responsible Production & Consumption is divided e.g. 12.1 SCP Policies 12.2 Resource Use 12.3 Food Loss & Waste and so on till 12.7 Sustainable Procurement and 12a b and c. So, we can choose specific targets as projects for our sustainability initiative. e.g. within SDG 12 we can include 12.1,12,3 and 12.7.

Further, tailoring can be done to suit specific sustainability initiatives based on organization size, culture and philosophy, governmental laws and resource availability.

Exhibit 12: Methodology for Tailoring for Sustainable Projects

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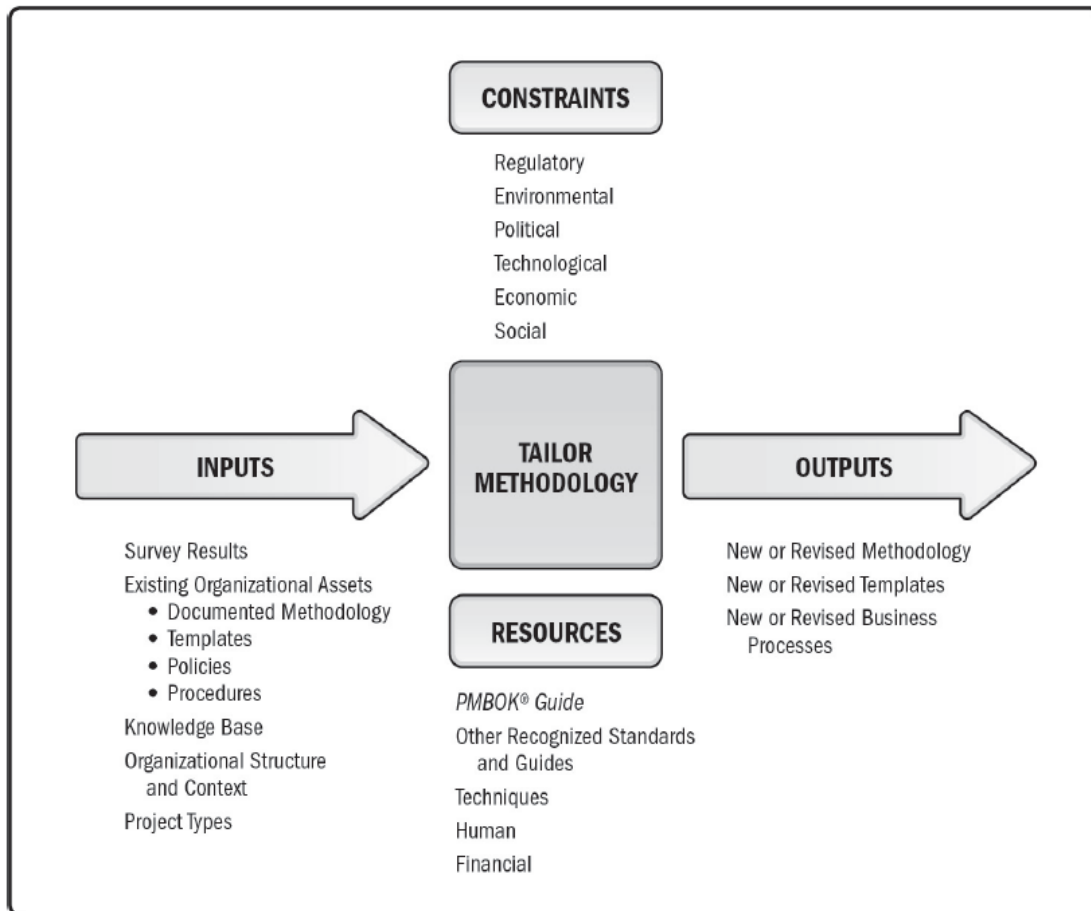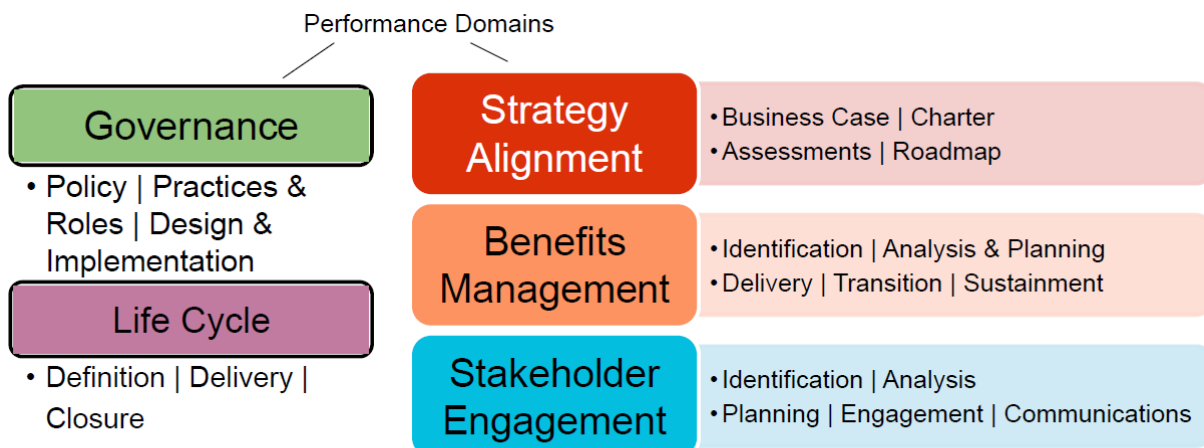to Enable Sustainability
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12.1 SCP Policies
12.2 Resource Use
12.3 Food Loss & Waste
12.4 Chemicals/Waste Mgt
12.5 Waste Reduction
12.6 Sustainable Business
12.7 Sustainable Public
Procurement
12.8 Education & Awareness
12a Scientific Tech Capacity
Developing Countries
12b Sustainable Tourism
12c Fossil Fuel Subsidies

Exhibit 13: SDG Targets for 12 Responsible Consumption & Production

Implementation as a Program

Performance Domains

Governance
• Policy | Practices & Roles | Design & Implementation

Life Cycle
• Definition | Delivery | Closure

Strategy Alignment
• Business Case | Charter
• Assessments | Roadmap

Benefits Management
• Identification | Analysis & Planning
• Delivery | Transition | Sustainment

Stakeholder Engagement
• Identification | Analysis
• Planning | Engagement | Communications

Knowledge Areas
Scope Schedule Financial Risk Resource Quality Information Communication Procurement /Contracts

Source: Standard for Program Management 4th Edn, PMI

Exhibit 14: Program Management

To implement sustainability initiatives as a program the processes as per standards can be applied. They have to be viewed over the program life cycle and deploy strategy

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alignment, consider benefits and engage stakeholders through governance to ensure the outcomes are achieved.

Prioritization, Balancing & Optimization

Exhibit 15: Portfolio Management

As seen in section on Tailoring a portfolio analysis would be the way to go forward in implementing sustainability initiatives, especially considering that we need to balance between current existing organizational projects and specific projects in different domains of sustainability. For all these the processes of standards on portfolio management as indicated in Exhibit 15 can be deployed.

As an example, we can take a large multiproduct oil company involved in both projects and operations.

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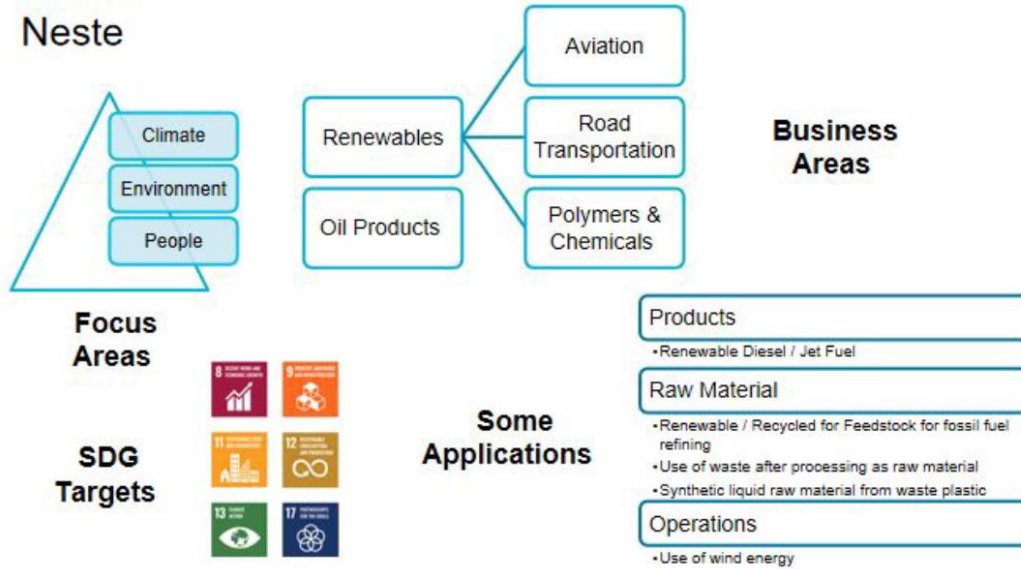Featured Paper

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Example: Neste

Exhibit 16: Example

Neste has made in-roads in sustainability initiatives in many ways, through developing jet fuel, R&D activities and is also in producing oil.
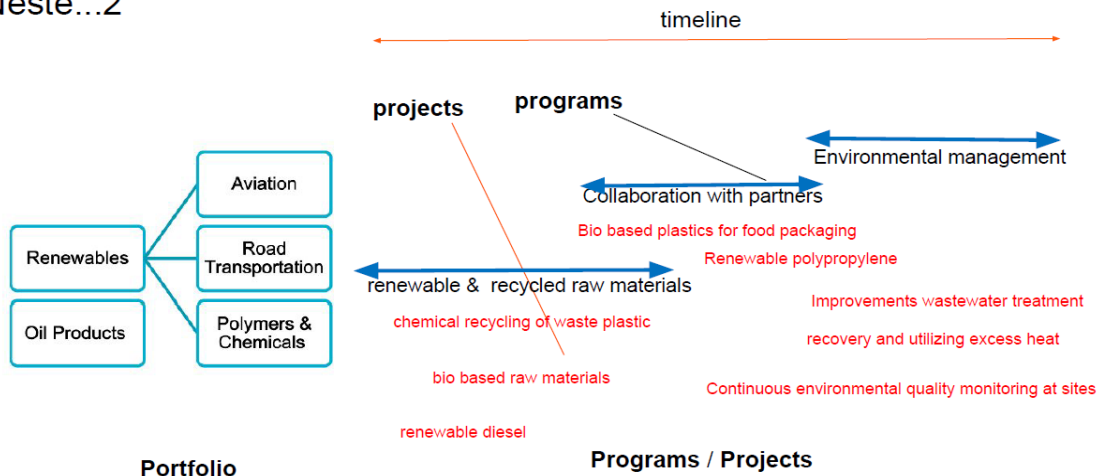

Exhibit 17: Application of Organizational Project Management

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The above example in Exhibit 17 shows a hypothetical case as to how we can implement projects, programs over different phases and timelines and how one can use portfolio management and organizational project management to implement initiatives.

Career paths for Project Managers

Considering sustainability as a discipline, knowledge and competency in this area can provide multiple opportunities for project managers to move up their career path either upwards or in lateral positions. Some of the roles that they could consider are

- Program Managers

- Positions in the PMO e.g. Portfolio Manager, Strategy Manager etc

- Sustainability professional and officers

- Operational Executive, Division heads and COO

Consulting - Sustainability and IT Solutions & App Development

A great opportunity for project managers with a sustainability background is in consulting. Many of the projects in this area require a reasonable expertise in this area for implementation.

This is particularly so when developing IT solutions and Apps which benefit from strong exposure to domain expertise.

Education & Training

There is a need for spreading awareness and developing educational programs for training in the era of sustainability. Project professionals can make a significant contribution here.

Final Thoughts

Sustainability as a subject and area of practice is slowly now being appreciated across domains. From a project perspective, it is finding its place in some standards and frameworks.

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To implement sustainability, an organizational approach to projects will be of help.

• Many such initiatives are programs or combination of projects & operations, and a portfolio analysis will help in balancing out the project mix at the organizational level.

• Some competencies need to be addressed at the organizational rather than the project or program level.

• A strategic perspective to implementation will help in achieving the outcomes of projects.

Using standards and maturity models will be helpful in implementation and improvement regarding sustainability parameters especially considering the SDGs of UN.

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Raju Rao is an author, speaker and social entrepreneur.

As the Founder of Xtraplus Learning & Consulting and has been a trainer, consultant and coach for nearly two decades. He often writes for professional journals and is the co-author of two books on project management. At many global conferences and seminars, he has been a speaker.

Raju has been involved in the development of various standards in project management. He has worked as a volunteer with PMI and similar organizations for many of their initiatives and projects. As the Founder of the not-for-profit Forum for Food Recovery, an organization involved in advocacy and education in food waste and recovery management, he is also an Ambassador for GPM Global, which is dedicated to advancing regenerative solutions and practices for sustainable project management. He is a member of the International Society of Sustainability Professionals.

Raju is a Distinguished Toastmaster and has been an active member of Toastmasters International. He also dabbles in writing fiction and is interested in cooking, running and listening to music. He can be contacted at pmorg.xtraplus@gmail.com