

PMI NJ Chapter  
Seminar at Sea 2009  
29 August – 3 September 2009



# Project Strategy

## Cruise to Project Success



**Michael Poli Ph.D.**

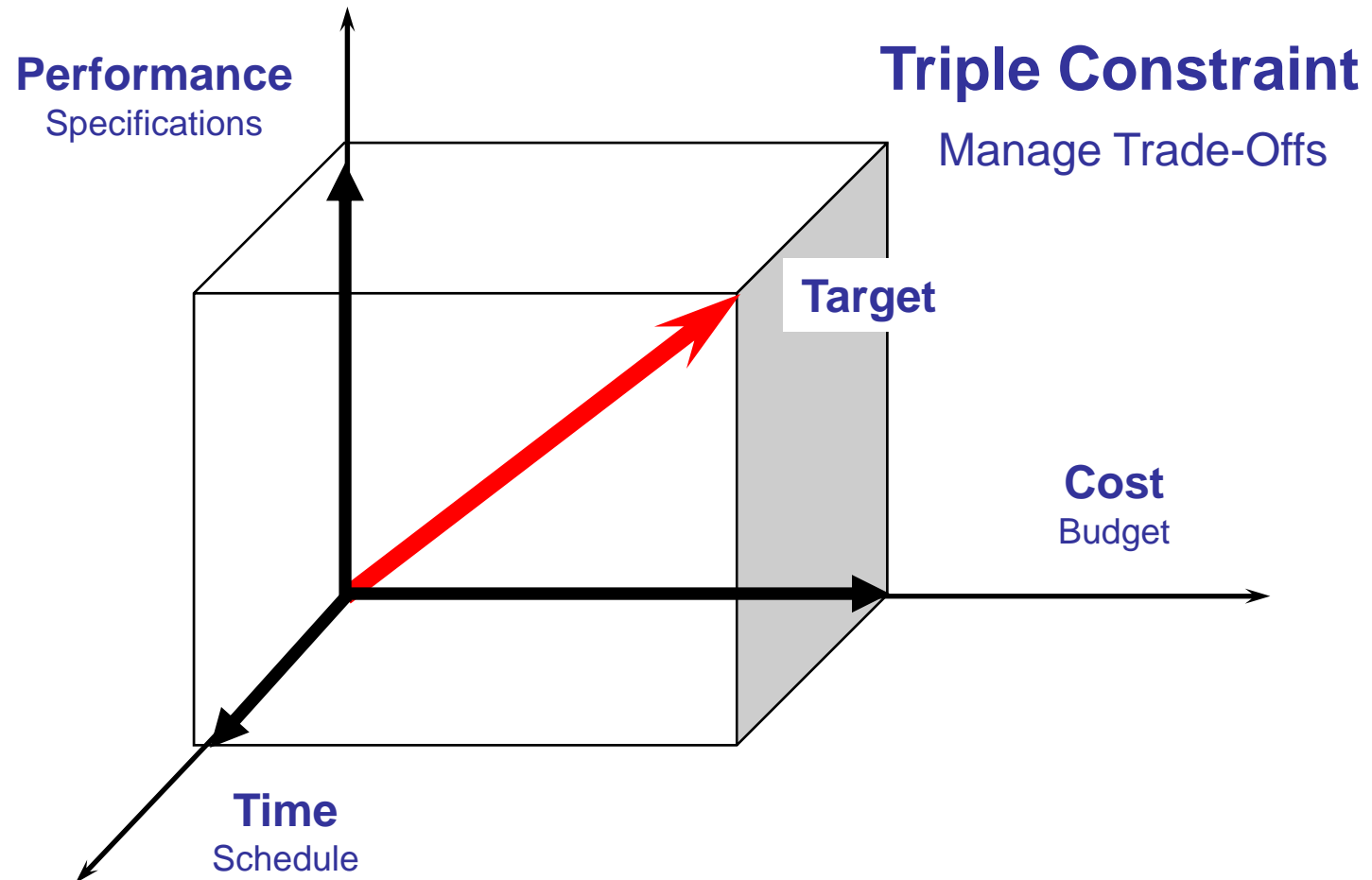
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**Stevens Institute of Technology**

**Project Management Program**

Wednesday September 2 @ 7:30am – 9:45am

# Traditional Project Success



# Traditional Project Management

## Short Term

- On Time
- Within Budget
- To Specification

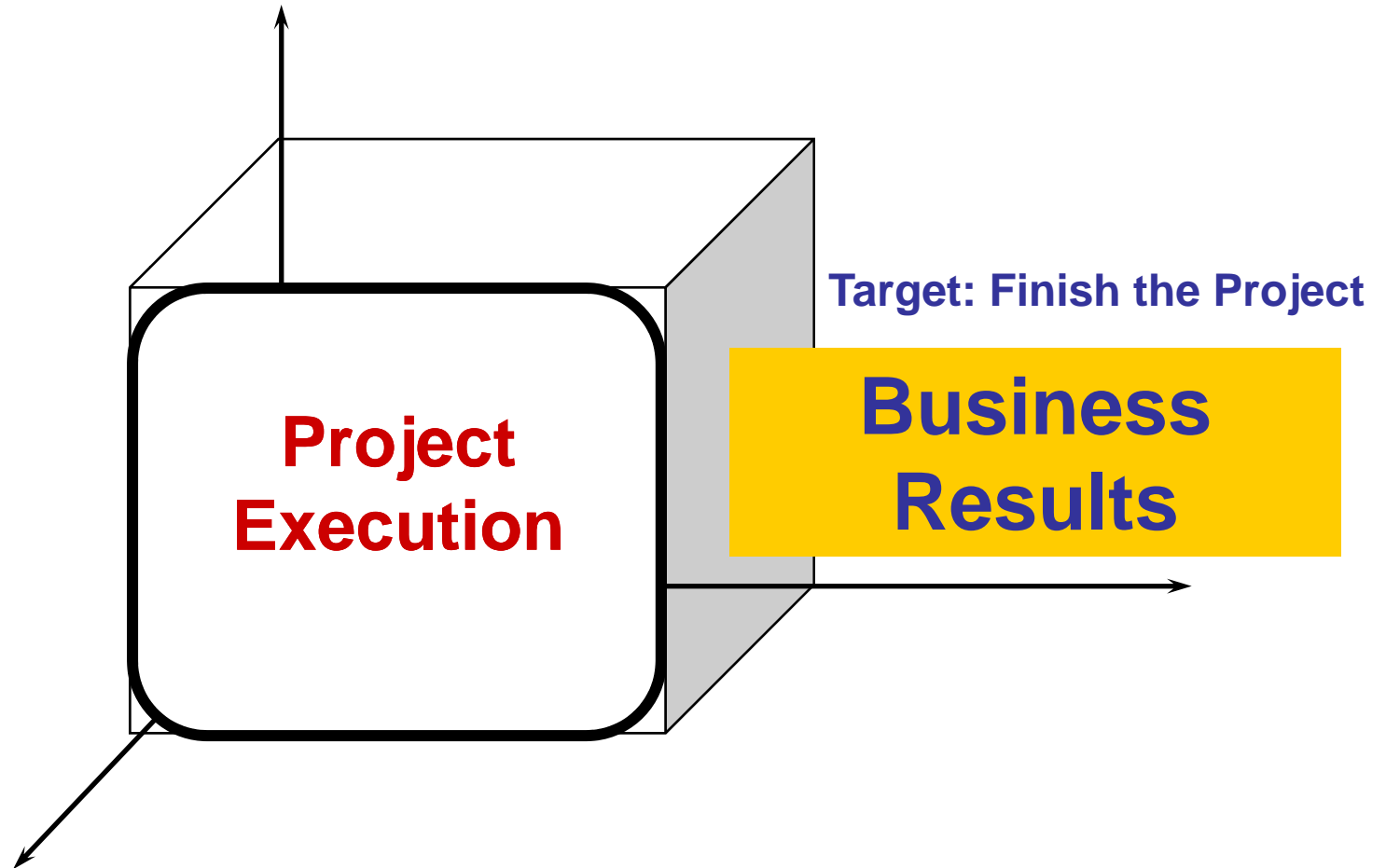
**“Just Do It!”**



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Negative  
Be a Robot  
Don't Think  
React

## Start Thinking Out-of-the-Box



## New Project Management

### Short Term (Traditional Measures)

- On Time
- Within Budget
- To Specification

### Long Term (Additional Measures)

- Achieve Business Results
  - Competitive Advantage
  - Profitability
  - Strategic Intent

## Project Strategy

*Cruise to Project Success*

Positive  
Be a Leader  
Think  
Act

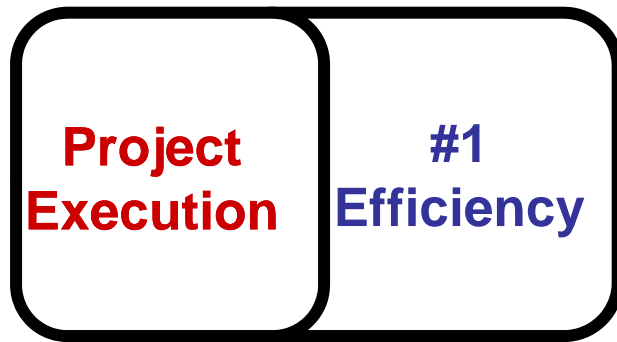
## New Success Dimensions



**Time (Post Project)**

**It Takes Time to Measure Success!**

## Success Dimension #1



Time (Post Project)

**I asked a student  
to develop a Project Plan**

**WHOOOPS!**

**He delivered two weeks late**

**Success Dimension #1**

**FAILURE**

**He failed to deliver on time!**



# His project name?

Improvements  
in Express Mail Service

# His project motto?



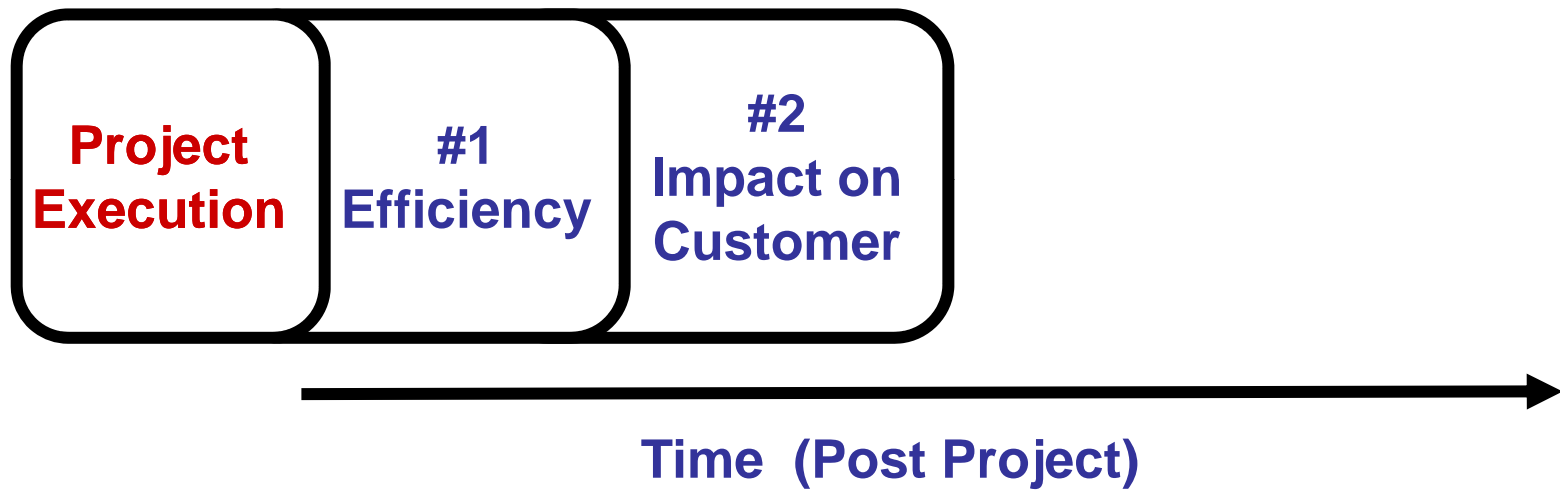
Team BlueBox  
We deliver when we're good and ready!

**“A” for creativity  
for thinking Out-of-the-Box!**

**WHOOOPS!**

**Final Grade “C”!**

## Success Dimension #2



**A large company promised  
to deliver a new product**

**WHOOOPS!**

**The product didn't work Out-of-the-Box!**

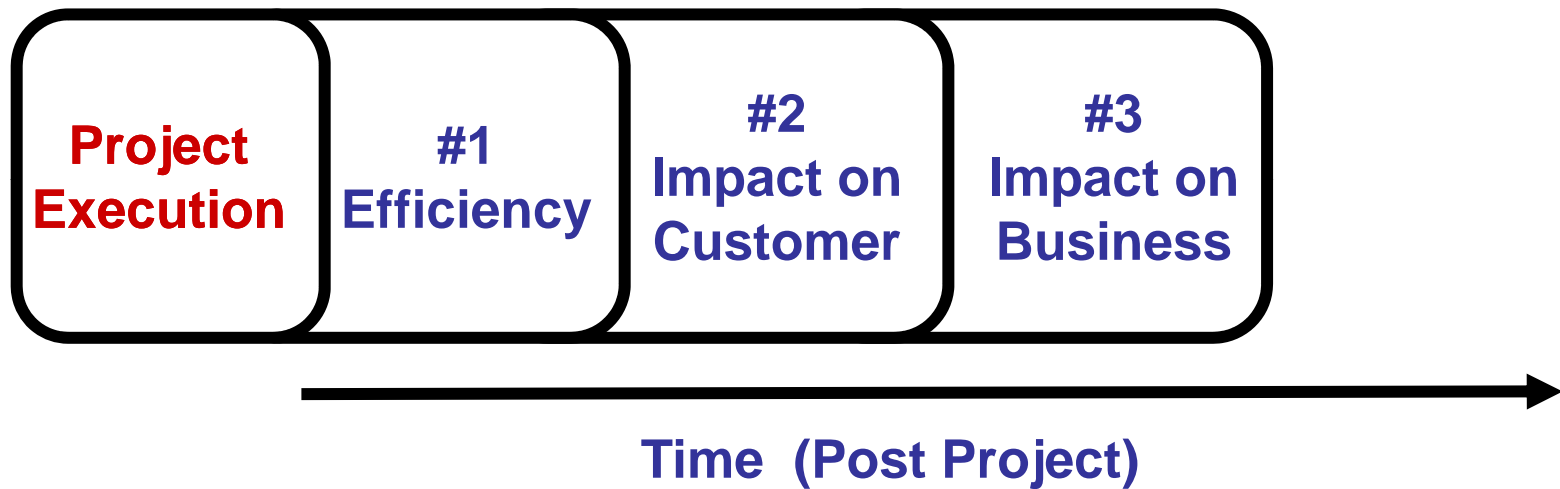
**The product was dropped!**

**Success Dimension #2**

**FAILURE**

**They failed to satisfy the customer!**

## Success Dimension #3



**The project was to  
replace a large workforce**

**WHOOOPS!**

**The workforce no longer existed!  
There was no box!**

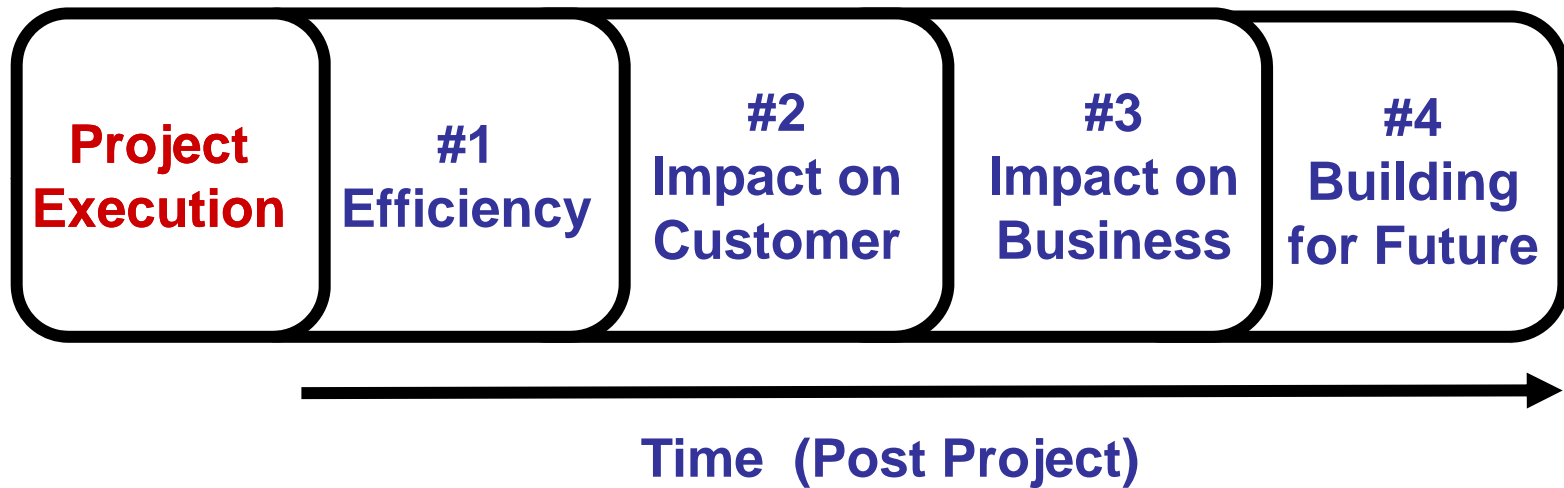
**They closed the project!**

**Success Dimension #3**

**FAILURE**

**There Were No Cost Savings!**

## Success Dimension #4



**A hospital built a 200 bed facility**

**WHOOOPS!**

**There were not enough beds!  
In 2 years they needed 400 beds**

**They had to build an extension!**

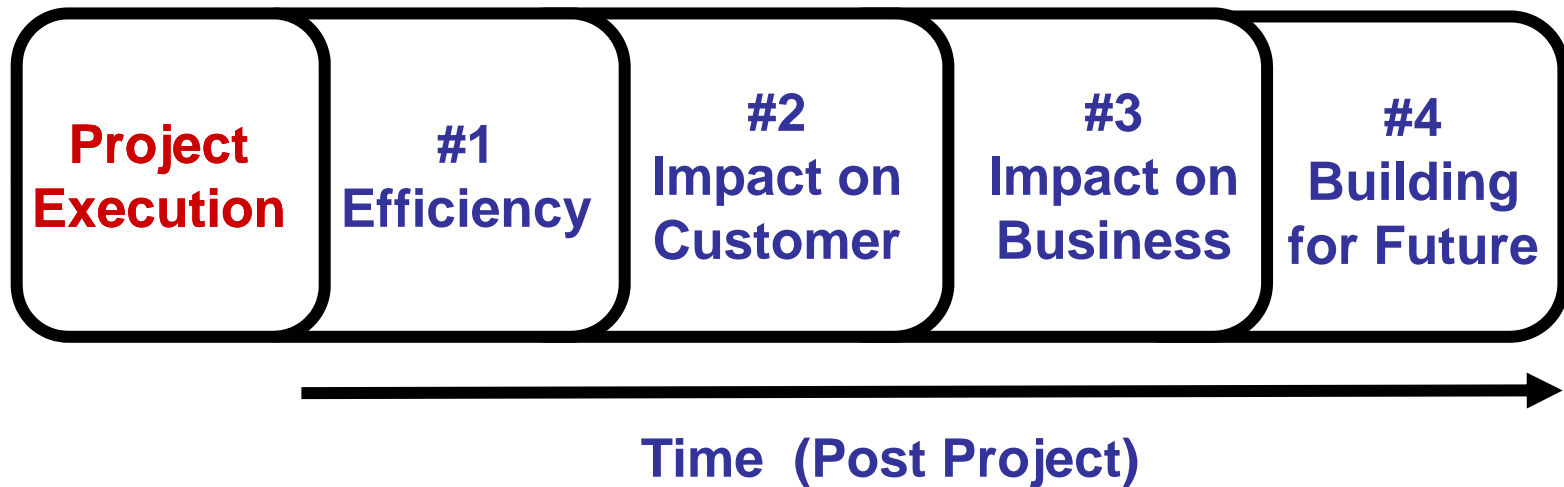
**Success Dimension #4**

**FAILURE**

**They failed to build for the future!**



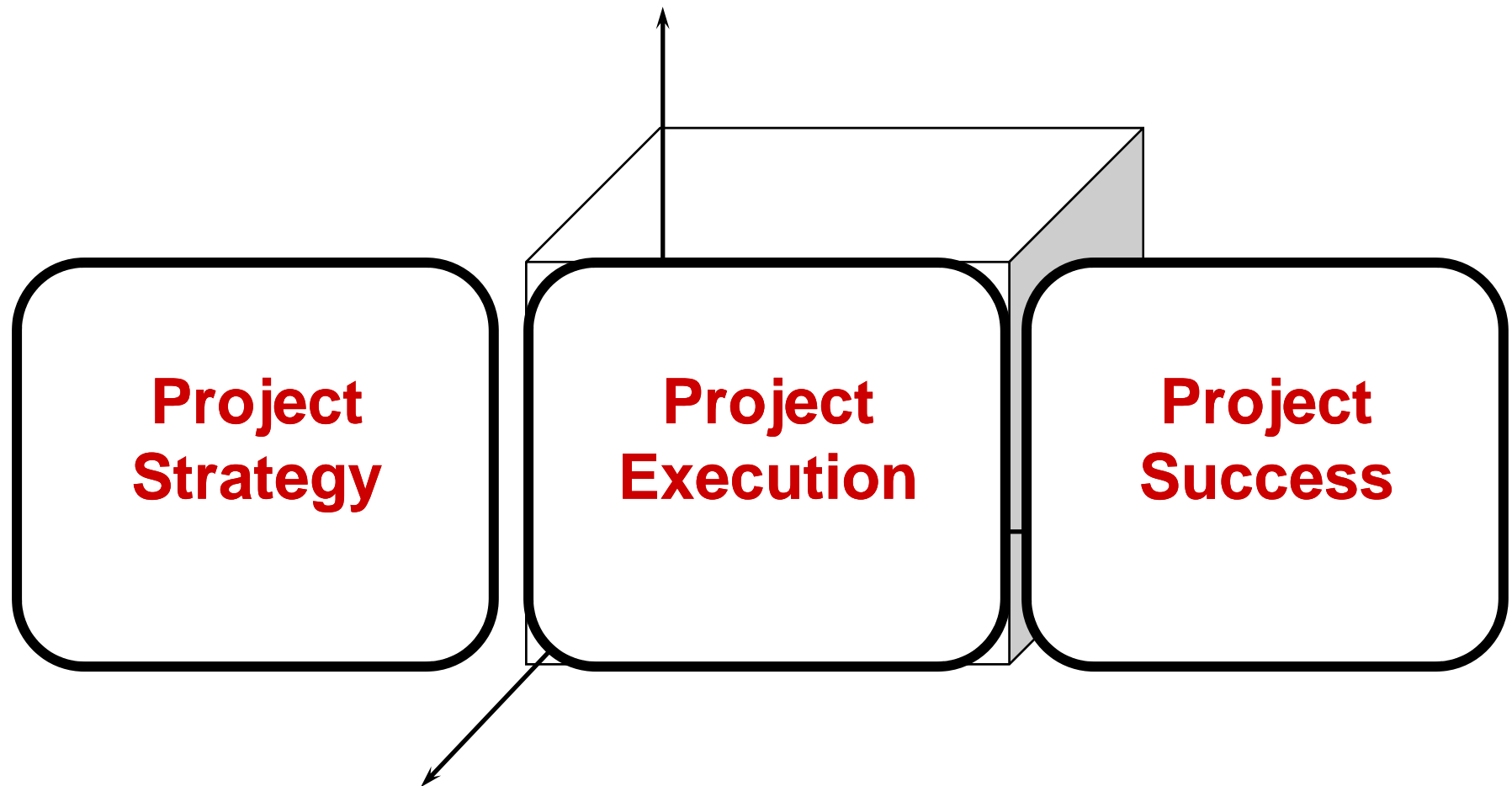
## New Success Dimensions



**It Takes Time to Measure Success!**

Do **NOT** Have To Be Successful On **ALL** Dimensions

## Thinking Before-the-Box



# Why Project Strategy?

- Managers at all levels of the organization are dissatisfied with project results
- Projects are not achieving the desired competitive advantage/value
- We need to do more!
- We need a Project Strategy!

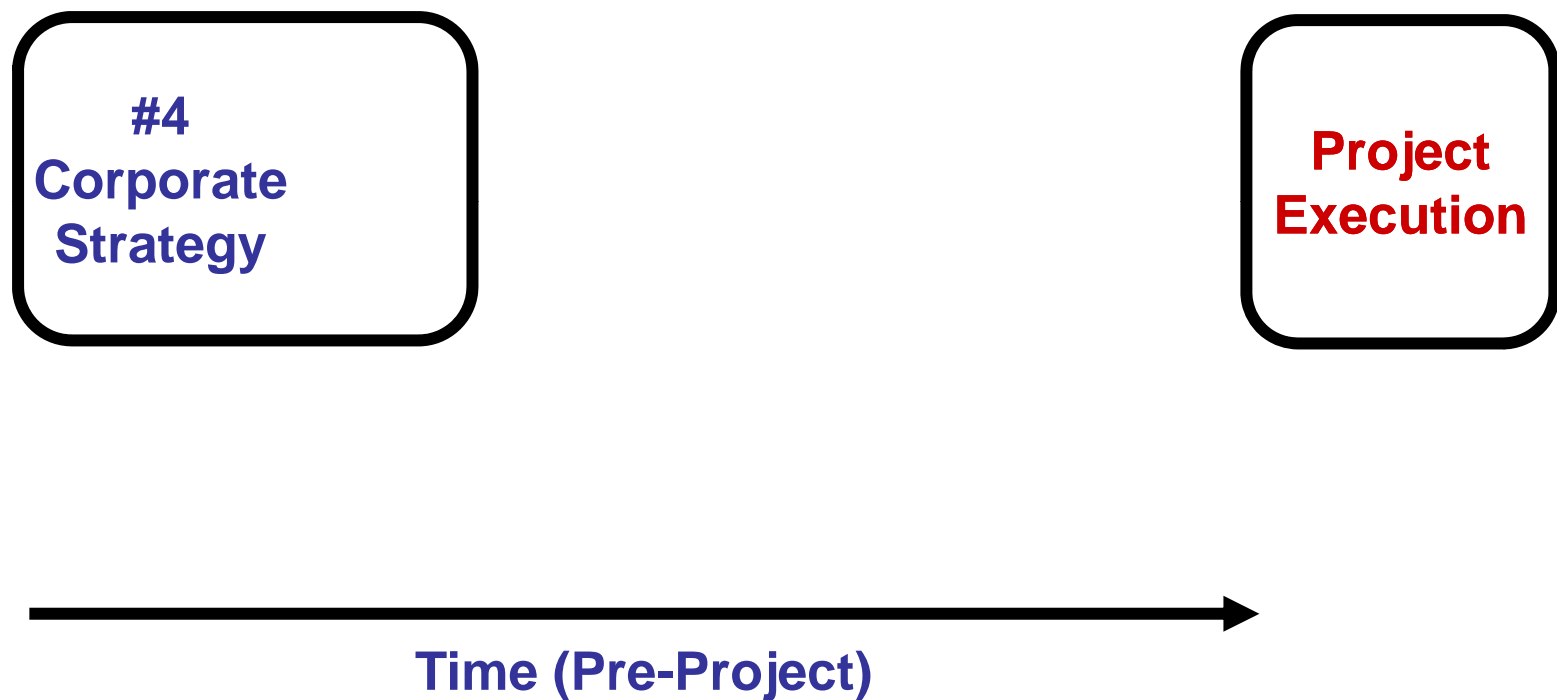
# What Is Project Strategy?

- Project Strategy sets a unified, integrated set of expectations to improve project success
- It is an overarching set of guidelines to help the project make decisions and take action
- Alignment with corporate, business, marketing, and operations strategies and plans
- Asking and answering at a high-level  
Why? What? How? Who? When? and Where?
- A focus on the desired strategic results

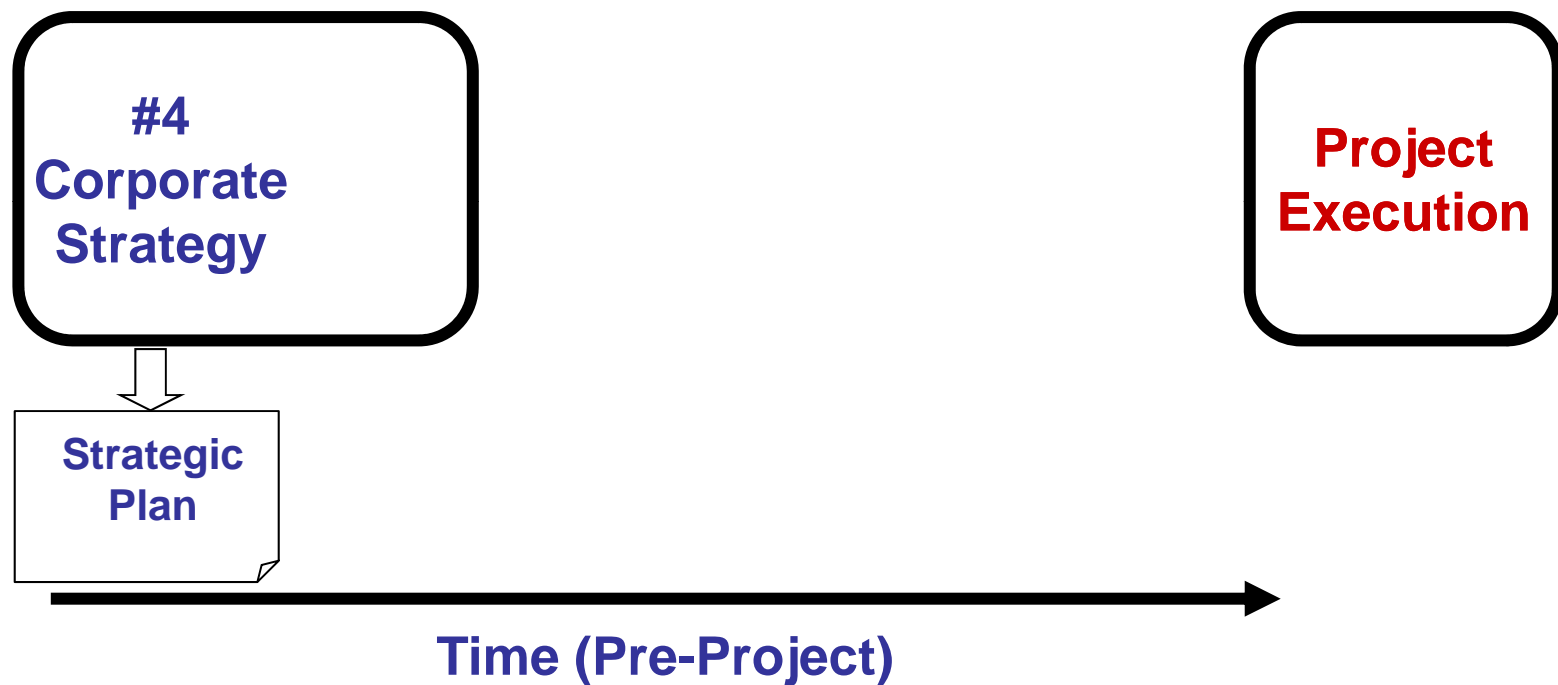
**Assume that the strategy process  
mirrors the Success Dimensions**



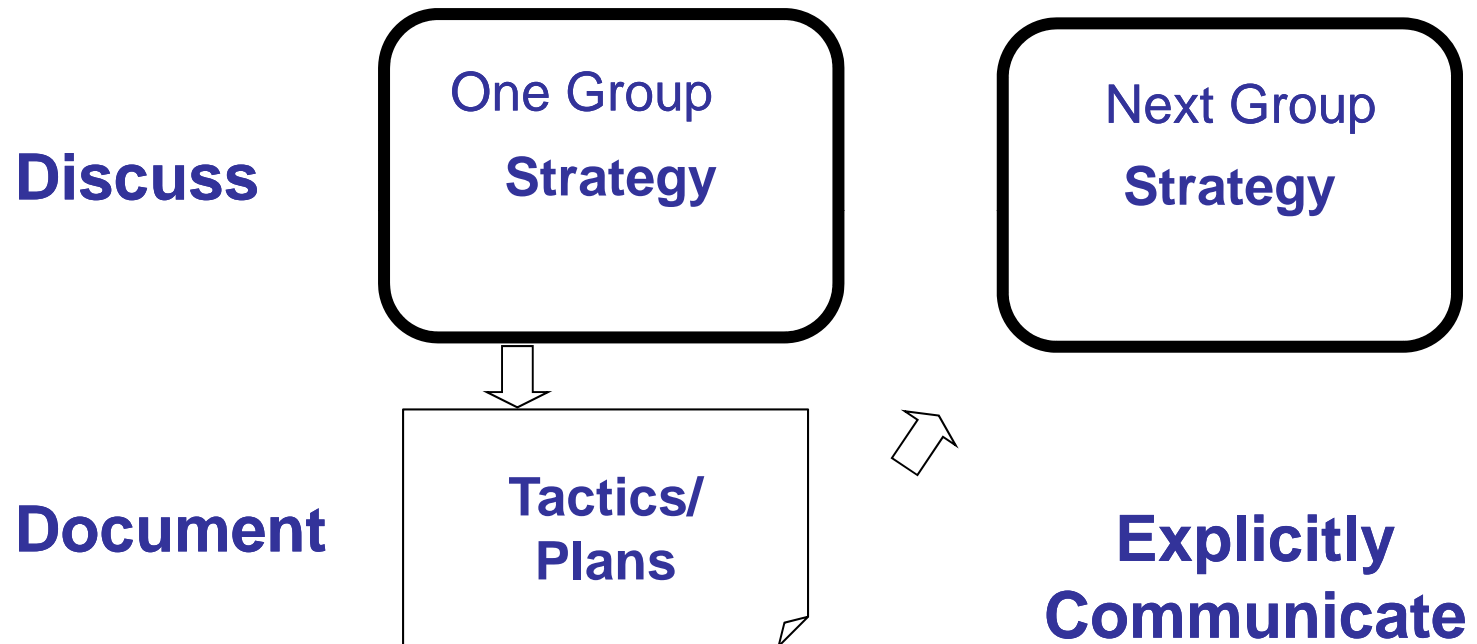
## Flip Success Dimension #4 Building for the Future



## Flip Success Dimension #4 Building for the Future

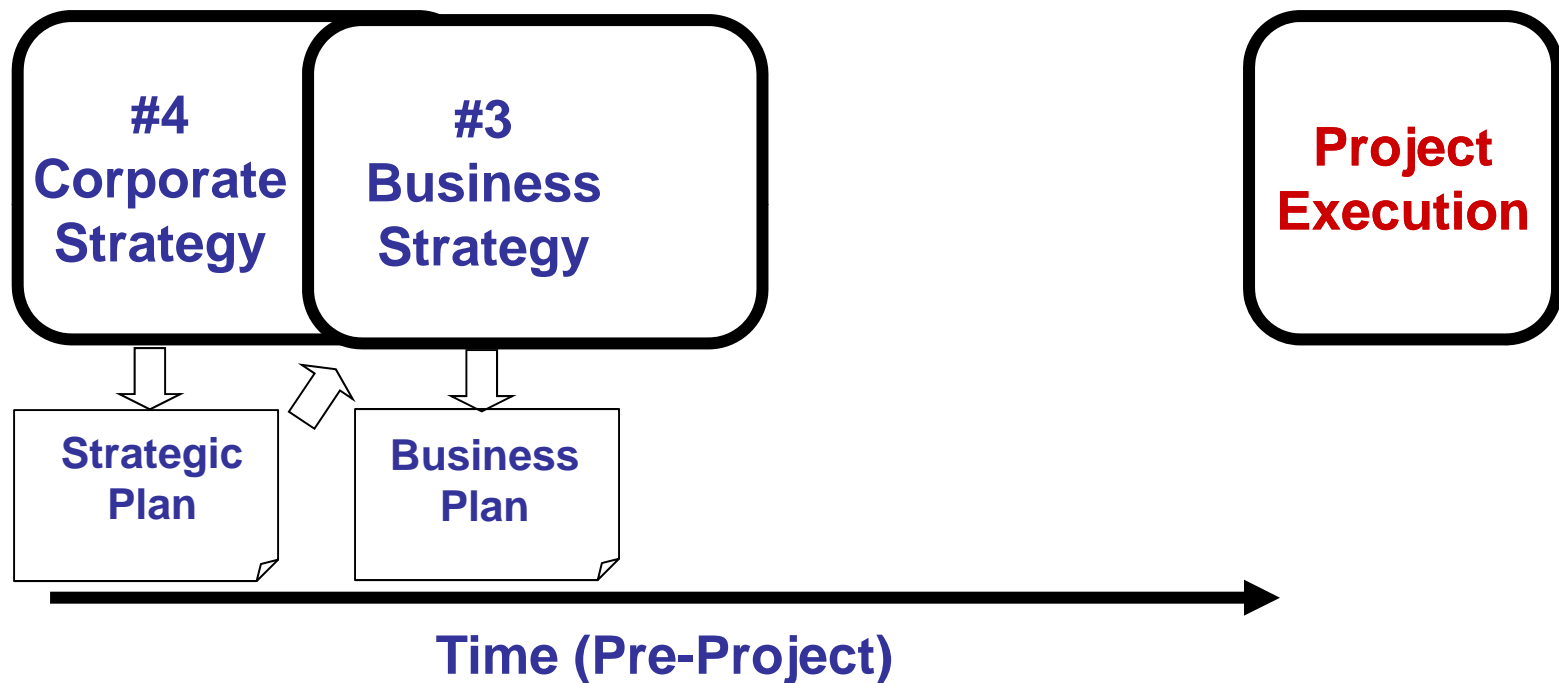


## Cascading Strategies and Plans

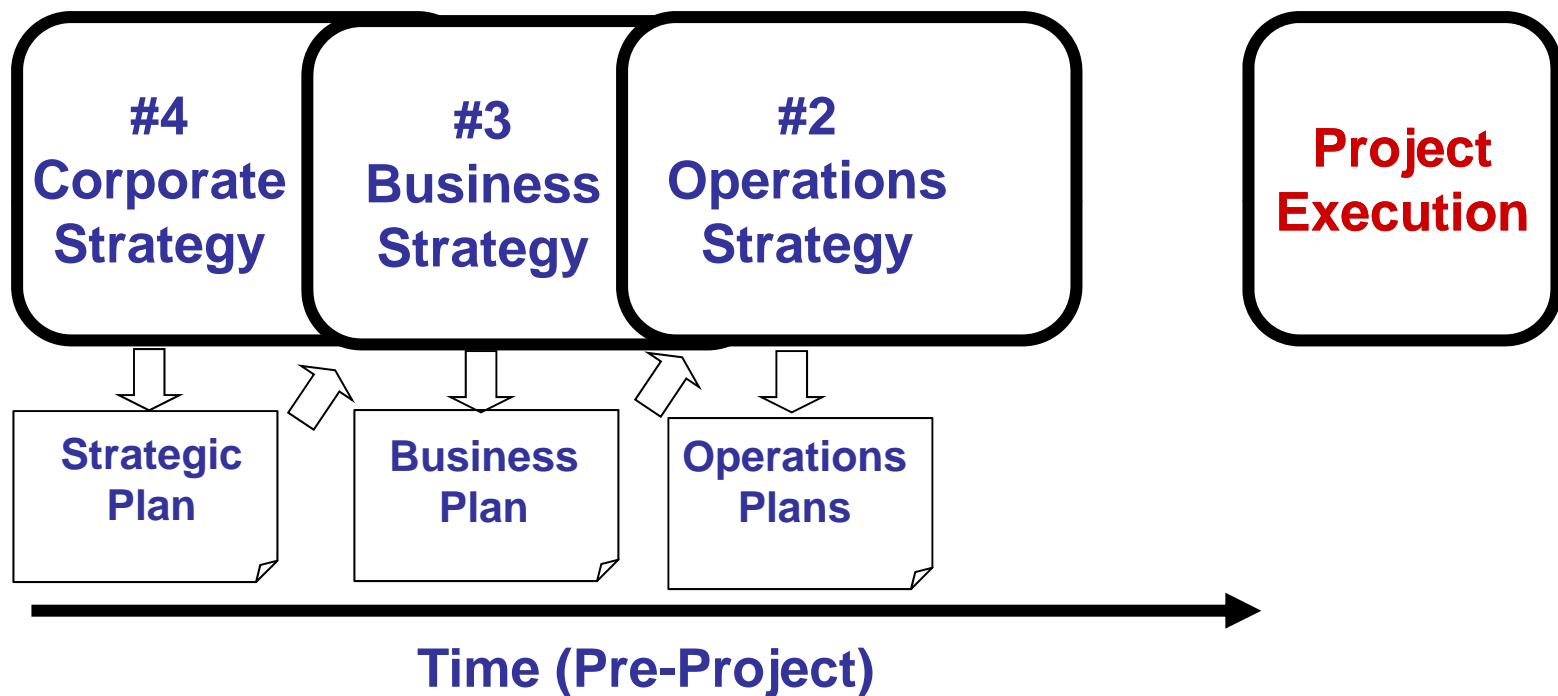




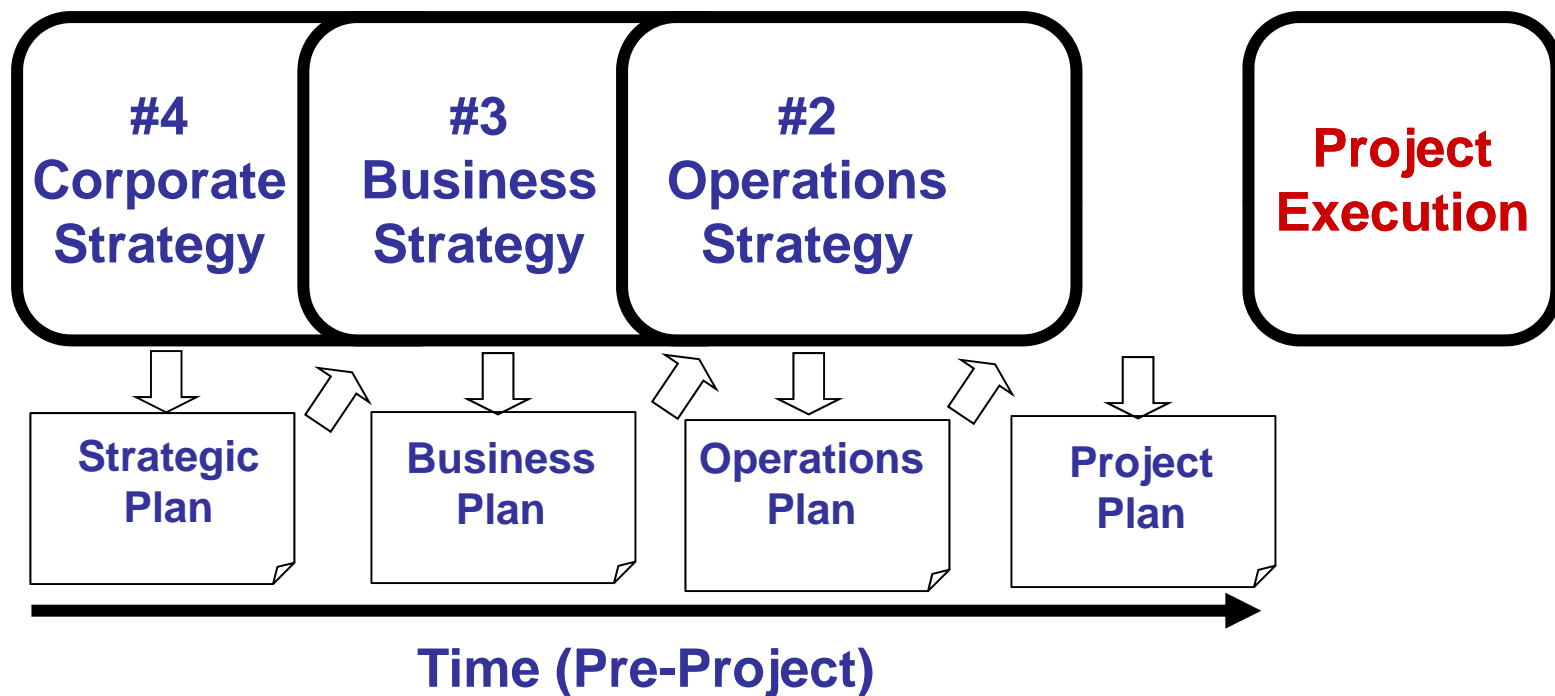
## Flip Success Dimension #3 Impact on Business



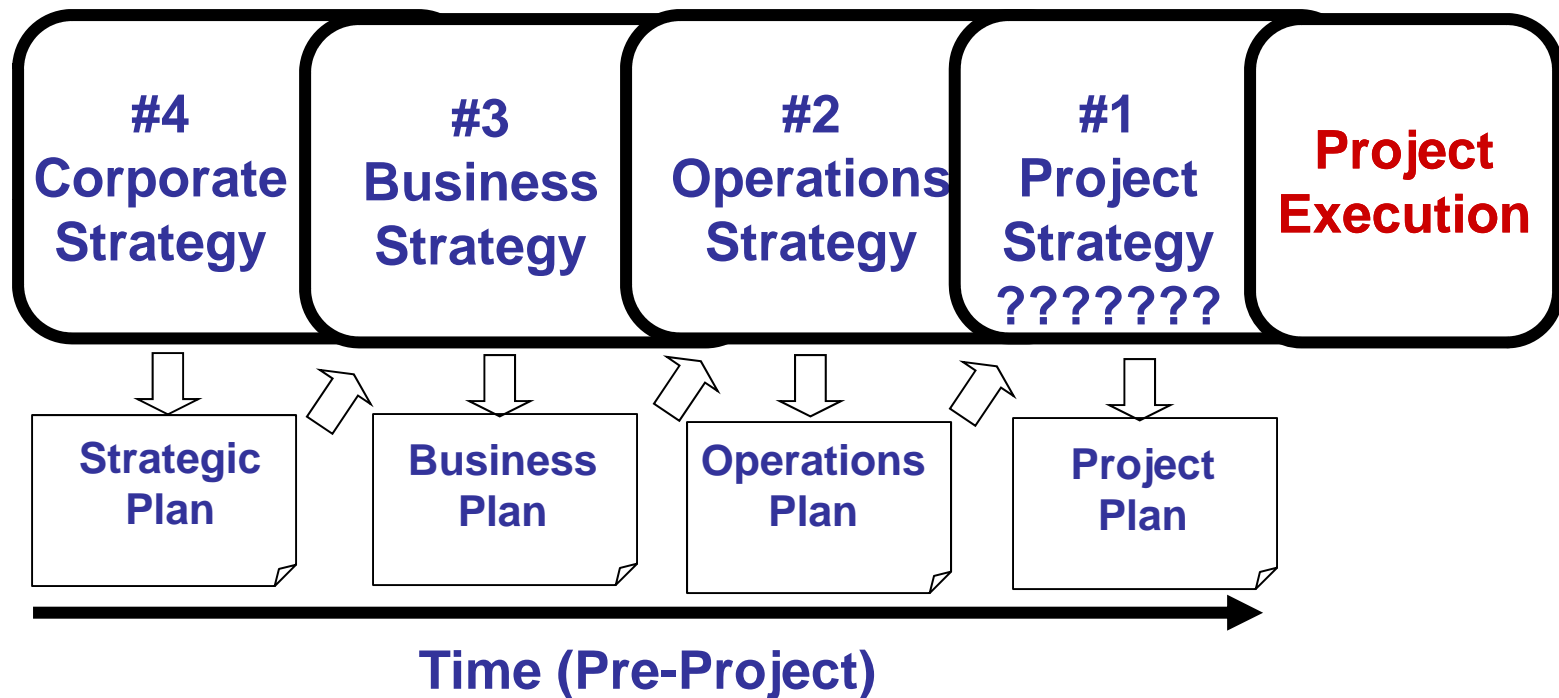
## Flip Success Dimension #2 Impact on Customer



## Straight to the Project Plan



# Project Strategy Missing!



# Why Is Project Strategy Missing?

It is missing because Project Managers are:

- Not involved early enough in the project
- Not allowed in Definition and Design phases
- Only brought in to manage the work

**“Here’s the Budget!”**

**“Here’s the Schedule!”**

**“Here’s the Spec!”**

**“Just Do It!”**



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# What Project Strategy Is Not?

Project Strategy does not replace

- Corporate Strategy
- Business Strategy
- Operations Strategy
- Marketing Strategy

Project Strategy is aligned with and implements the strategic intent of the project stakeholders



# **GlobalPharma Inc. Company**

Manufactures Pharmaceutical drug products  
and prescription medical devices

Six geographically widespread facilities

Separate documentation and inventory systems  
modified by language, culture and content

Frequently resulted in excess inventory, waste,  
and increased disposal costs for expired materials



# GlobalPharma Inc.

## Annual Cascading One-Pagers

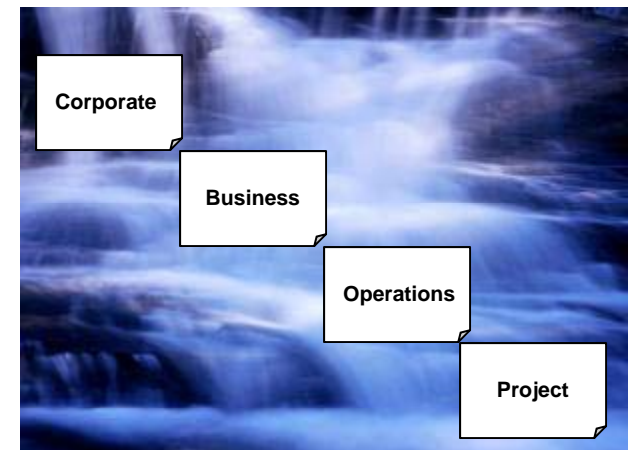
Communicated at formal meetings

Designed to publicize, clarify and connect strategies.

Strategic Imperatives

- Compliance
- Manufacturing Efficiency
- Supply Chain Excellence

**EXPLICIT LINKAGE**  
**of STRATEGIES**







# **GlobalPharma Inc. Project Schema**

## **Corporate Strategy**

One year to initiate Project Schema

Objective: to upgrade documentation and inventory systems

Senior management decreed that higher-level business practices would be harmonized across divisions

Decided on an aggressive venture



# **GlobalPharma Inc. Project Schema**

## **Business Strategy**

### **Schedule**

Initial timeline of 21 months

### **Budget**

Initial budget of \$40 MM

### **Project deliverables**

Purchase off-the-shelf systems



# GlobalPharma Inc. Project Schema

## Operations Strategy

Total quantity of documents exceeded 25,000

Inventory items numbered more than 12,000

Central server hardware/software for each system – two servers

Average 1,000 users per site for both systems

Client hardware/software installed for each user - 6,000 users

Prior to each system's rollout, comprehensive training for system trainers, maintenance support staff, and users



# GlobalPharma Inc. Project Schema

## Project Strategy

Initial Users - “Super Users”  
Innovators and Early Adopters

Then deploy to the Primary Users -  
Early Majority and Late Majority

New Core Product Change  
New Core Process Change  
Project Schema mapped to a Breakthrough Project

They employed a Pure Project Organizational Structure



# GlobalPharma Inc. Project Schema

## Project Strategy

Hired “professional” project management contracting firm  
One Senior level Project Manager  
Three mid level co-Project Team Leaders  
One for supply, one for Compliance documents  
and one for Compliance change management

Between 200 and 300 people dedicated to the project full-time  
~ 100 were employees, rest were contractors

Compliance team outnumbered supply team by a 2:1 ratio

About 20% were shared between the two sub-teams



# GlobalPharma Inc. Project Schema

## Project Execution

Map the existing systems for the six sites

Harmonize business policies and standard operating procedures

Load the information and configure the systems

Inventory System was implemented six months late  
new system was more complex and required more training  
and in some cases, a more skilled operator



# GlobalPharma Inc. Project Schema

## Project Execution

Time to harmonize the business practices  
(critical for the Documentation System)  
had been significantly underestimated

“First wave” of user training for “Super-Users”

Departments were asked to send business critical, computer-proficient employees – Innovators and Early Adopters

Super-Users provided front line support to Primary Users  
Especially important to get Early and Late Majority on board

Laggards were dealt with as individual performance issues



# GlobalPharma Inc. Project Schema

## Success Dimension #1

### Schedule

**FAILURE!**

Almost one year for the project to be initiated

Over three years for the results to be fully implemented

Initial timeline of 21 months

Completed fifteen months late at 36 months

**71% over schedule**

### Budget

**FAILURE!**

Initial budget of \$40 MM

Actual expenditures of \$57 MM

**43% over budget**





# GlobalPharma Inc. Project Schema

## Success Dimension #2

Delivered two fully functional, ready-to-use, Internet systems

- supply for inventory administration

Met customer requirements for function and quality

**SUCCESS!**

- Compliance for documentation and change management

Not user-friendly, had operating problems

- Only marginally harmonized business practices
- Human discontinuities led to *Business Process Meetings*

**PARTIAL SUCCESS!**



# GlobalPharma Inc. Project Schema

## Success Dimension #3

Return on Investment (ROI) was conservatively projected at 43%, \$17.2MM, assuming an 11.5% Cost of Capital and a five year horizon

Actual resource and cost savings resulting from Project Schema implementations were never publicized

# SUCCESS!



# GlobalPharma Inc. Project Schema

## Success Dimension #4

New systems provided a harmonized infrastructure which could be further expanded and developed to meet future business needs

- Reduced resources/time required for new product introductions
- Increased contract manufacturing by over 30%
- Minimized compliance costs
- Minimized exposure to non-compliance regulatory actions

# SUCCESS!



# GlobalPharma Inc. Project Schema

## Overall Project Results

**supply** is roundly viewed as successful.

Site inventories are contained in a single, accessible system

**SUCCESS!**

**Compliance** has had mixed reviews

Accomplished document harmonization within a single system

Business practices took much longer to harmonize

System plagued with crashes and slowdowns

Much improved but still viewed as slow and unfriendly by users

**PARTIAL SUCCESS!**

**Bottom Line** - both systems achieved

the harmonization required by senior management

to better oversee the corporation

**SUCCESS!**



# GlobalPharma Inc. Project Schema

## Overall Project Results

Success Dimension #1

**FAILURE!**

Success Dimension #2

**PARTIAL SUCCESS!**

Success Dimension #3

**SUCCESS!**

Success Dimension #4

**SUCCESS!**



# **GlobalPharma Inc. Project Schema**

**Was Project Schema a Success?**

**Overall?**

**YES!**

# Using Project Strategy To Cruise to Project Success



# Questions



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