



**The PM Podcast™ - Episode 158
Premium
Project Managers are Agents for
Economic Growth
Transcript**

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Page 1

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Episode 158 Premium: Project Managers are Agents for Economic Growth

Podcast Introduction

Cornelius Fichtner: This is The Project Management Podcast™. We bring project management to beginners and experts. Find us on the web at www.pm-podcast.com or send your emails to info@pm-podcast.com.

Cornelius Fichtner: Hello and welcome to this Premium Episode #158. I am Cornelius Fichtner. This is The Project Management Podcast™ and it's nice to have you with us.

And because this is a premium episode it means that only you, our premium listeners have access to it. Thank you very much for your support.

Mark Phillips, Lead Evangelist of Vertabase, is our guest today and he makes an interesting statement. He claims that all project managers are agents for Economic Growth. Really? Because I've managed mostly small and medium-sized project throughout my career and I didn't see myself as an economic growth agent. And most of the companies that I've worked for also didn't have the appropriate corporate culture to make me one.

So you can guess that I was a bit skeptical when Mark first suggested this topic. So let's hear what he has to say about the arguments that I've just made and what skills and mindset such a Project Management Agent of Economic Growth needs.

So, put on your dark sunglasses, stick in your earpiece, holster your Walter PPK and then, your project, should *you* decide to *accept* it, is to enjoy the interview.

Podcast Interview

Female voice: The Project Management Podcast's feature Interview: Today with Mark Phillips, Lead Evangelist of Vertabase.

Cornelius Fichtner: Hello Mark, welcome back to the program.

Mark Phillips: Thank you, Cornelius. Pleasure to be here.

Cornelius Fichtner: You argue that project managers are agents for economic growth. What exactly do you mean by this?

Mark Phillips: First, I mean that any project manager should really instantly get a raise because of the importance of the work that they do.

Cornelius Fichtner: Okay! Everyone who's listening to this now loves you.

Mark Phillips: So seriously, what I mean by that is when you look at an economy, the factors that contribute to growth, one of the prime factors that

contribute to growth is innovation or change. It is because it's innovation and change that brings something new to the market in terms of a product or that allows an organization to find a new and more effective way of delivering the product or service that they provide.

And project managers are experts at change and change management. And this can be through different skill sets. Everyone has a different skill sets on the spectrum of what they're doing in the change process. But project management in its strictest and more classic sense is about managing something that's new and something that they're managing change.

Cornelius Fichtner: Are there any specific industries where you see this happening today?

Mark Phillips: It's happening across industries and really across the world particularly in this economic environment and it even happens when things might be growing more robustly. There is always a drive to innovate and a drive to change whether that's being driven by wanting to capture and maximize profits or whether it's being driven by needing to survive and reinvent oneself.

Certainly here in Detroit, we've seen it in the auto industry over the last 5 years, the need for project manager specifically to kind of retool the process of what it means to produce a car. Besides industries where it's being forced upon them, there's a cycle that comes out every 10 years or so but it's certainly very strong right now where there is a renewed focus on how to deliver innovation within the enterprise.

And there was recently an article on the Wall Street Journal about it and certainly it's something that corporations, big corporations, small organizations and non-profits are always striving for is how do we create a culture and an enterprise of innovation. Google has their famous 20% rule or the 20% time that they allow people to play around with different projects. Certainly, companies like 3M and General Electric are known for carving out time and spending a lot of money on R&D in order to spur innovation.

So this kind of drive fits in and I think dovetails very nicely in what a project manager can bring to the table in the innovation cycle and in fostering an atmosphere of innovation.

Cornelius Fichtner: Do you maybe have a project up your sleeve one that listeners may have heard of where the project manager was such an agent of economic growth?

Mark Phillips: It's very hard to pinpoint a specific project manager because for better or for worse, many of us are behind the scenes a lot of the time. What you can see in general is when a quality process like an ISO or the such is working properly. And what I mean by that is where it's not a bureaucratic or paperwork burden but is actually a process of quality and continual improvement where you see those happening. That's where you see this kind of growth.

And I guess going off on that angle, when you see General Electric six sigma kings that they are, when you see them functioning at the highest level and succeeding when it was let's say underneath Jack Welch not to say that they're doing a bad job now but this was kind of his bailiwick, where regardless of the industry that the corporation went in to, whether it be medical devices or aeronautics or light bulbs, there was a drive to be number one or two. You can't get there just by always wanting to hire the best subject matter expert in that particular area because managing an organization like that is a complete nightmare. You can't do it underneath one roof. But managing it by setting up a quality process or a supercharged PMO that can set up processes that foster innovation and processes that allow the flow of information and the proper metrics up the ladder as it were through the subject matter expert then up to that project management or PMO or then quality office, that's where you can see that they can set up a structure and really succeed in a whole wide variety of industries.

Another great example that I'll pull is currently the richest man in the world is a guy named called Carlos Slim Helu, he's from Mexico. Now in a former life, I used to work on Wall Street and I used to analyze his companies there. And you would see that no matter what industry he went in to whether it be mining, producing [indistinguishable] whether it be telephony, whatever industry he would go in to, he would target an 18% operating margin.

Now, it wasn't to say that he was an expert in each one of these industries and it wasn't to say that he only hired the experts to manage these industries. I think the reason that you were able to see it. As an analyst we were able to say, really with high degree of certainty with an x number of quarters of him acquiring company, their operating margin would be 18% is because he had the processes in place to track the metrics that drive that kind of innovation and that kind of growth to hit those targets and that's something that project managers are expert in.

Cornelius Fichtner: Yeah! Let's talk about these processes because one of your arguments about innovation is that what needs to be taught is how to develop processes that maximize innovation. Is your example that you've just given is that exactly what you mean by that?

Mark Phillips: That is one example. If the key performance indicator or the goal that you're trying to accomplish is an operating margin, that's certainly a great example of it.

Another idea behind that is creating a culture where it's okay to take risks. I think a lot of project management has come out of engineering. And you see many project managers coming from engineering and certainly a lot of the more traditional tools are built on an engineering process whether it be building a military weapon system or an aerospace project or a large construction or energy project, so they're very exact and the whole goal of project management tools and methodology from that point and the philosophy is let's quantify as much as

we can, let's measure and let's control to the greatest extent we can those variables that we can quantify and let's also then have repeatable processes where the goal is to have zero or near-minimal defect rate.

You know when you look at the history even of the PMBOK and when you look at things like CMMI, all of these processes all come out of the Department of Defense in a very real sense or in England when you look at Prince2 and they come out from the drive to be able to track vendors and be able to track work product really to achieve a near zero level of defect and then obviously to control budget and scope but the defect and the quality of the output and the vendors ability to do that was tantamount because you were dealing with development of weapon systems or energy projects like a nuclear plant where the outcome of anything north of zero in terms of risk is catastrophic in terms of human life. So out of that has come then a lot of project management methodologies.

Now, what's happened is project management is thankful in our creeping into all different areas. And what needs to happen to develop it and to turn it into a process of innovation is to remove yourself from that, to recognize that many of these projects are not life and death projects. There is not a catastrophic outcome if a risk appears and the project isn't necessarily delivered. And obviously there are ones whether bad things do happen. But whether that be to a balance sheet or to God forbid to safety. But the mindset of many project managers and certainly many organizations that adapt formal project management is we want to minimize risk. We want to control as much as we can and that stifles innovation. So by creating processes that maximize innovation, it means creating a culture where risk taking is rewarded and where being creative in solving a problem is recognized.

In one of my recent blogposts on something I called Linchpin Project Management which is a concept pulled from Seth Godin's recent book on being a linchpin is that project managers may not have a lot of formal authority sometimes and the org chart would kind of sometimes dotted lines or even just floating bubbles somewhere. They get to roam around. But there is so traditionally people will try to get power or authority by being nice through coercion, through politics, through having a project sponsor, somebody authorizing them to use resources on a project and the such. But really what I argue for is innovation-based authority. So authority that's based on innovation. When you see somebody investing themselves in a project, a project manager and when they try to invest themselves to really come up with a creative solution, I think that should be recognized and really become a source of authority in an enterprise and in the process then that will help foster an overall culture of innovation and of risk taking that can then drive this kind of innovation and economic growth.

Now on the subject of risk taking, I do want to point out that one of the things that makes a project manager uniquely qualified to be this agent of change and to be the person who can implement this culture is again that we recognize risks and

know how to deal with risks and at the very least know how to set up touch points where we can check back in on the process or the project and say: “You know what? The risk is now too high, we either have to course-correct or kill the project.” So it’s that skill set that combines the ability to envision, lead and execute change with a skill set that says: “Not everything that’s going to happen here is going to be necessarily good. And if it gets too crazy, we can always throttle it back.”

Cornelius Fichtner: Okay. Let’s talk about the project managers for a moment here because not every project manager who’s listening to our interview right now here, they’re going to go: “Oh yeah! That’s me! I can see myself in that role. There’s a mirror in front of me right now.” Because some of us, we manage small, medium-sized projects. “I’m implementing SharePoint. We’re making a small incremental change to our operations here in the company.” How do those project managers fit in to the picture of the agent for economic growth? How should they see themselves?

Mark Phillips: I think every individual has something unique to contribute in the world in a larger sense, but certainly in their workplace. Today’s market and the economy as a whole rewards things that are unique, I used the word pulling from Seth Godin that are remarkable, that stand out.

And this is not to say that everybody has to invent something brand new and that everybody have that capability but everybody has a unique contribution to make on a project in those things and those people that they come in contact with. So even if it’s a very small project that you’re working on, you’re still working on something where you can put yourself into that project. They just don’t mean the sweat and tears part but the blood part of it as it were of really pulling that part of you that’s unique or your unique perspective on it giving yourself the permission to do that and putting that little spin which is uniquely you into that project.

So it’s not just that you happen to be the person that’s being in that cog in the machine and that anybody could do that but that you have something unique to contribute to it and in even in a very small way, you can give yourself, give of yourself in that project and that little spark that is you will make it unique and will start to drive that kind of change in the organization because what you’re talking about here is you’re not relying on the brain power or the ingenuity or good fortune of one or two particular inventors or entrepreneurs. What you’re relying upon here is the uniqueness of each human being and the creativity that each person has.

And again, by creativity, I don’t mean that composing symphonies or putting pain onto a canvass, I mean that which is what differentiates one person from the next is you’re tapping into that creativity and that uniqueness of each individual and allowing that by being the project manager opening and doing that, you’re opening the door saying: “It’s okay to do this. It’s okay for us to not be the cog. It’s okay for us to be remarkable and unique and that will create little by little, can

create both that innovation-based authority, as well as can start to drive innovation as a whole in the organization.”

Cornelius Fichtner: Earlier on, you talked about mindset. And in an earlier conversation before the interview that you and I had, you mentioned the term ‘disruptive mindset.’ What did you mean by that?

Mark Phillips: Innovation is a disruption or change in the status quo. And if you back to some economic theory to the Austrian School of Economics, a gentleman names Schumpeter, you could probably pronounce that much more actually than I could, is you need to have creative destruction as it were.

In a cycle of innovation or of economic growth, there is disruption and there is what can be looked at as a destruction of the way things used to be and then a creation of the way things will be in the future that lays the ground work for an economy in the future in your industries. And I am not talking about fomenting religion or messianic apocalypse or any kind of destruction in that sense. It’s just the little changes that happen every day where: “Huh! We used to do things this way. Now, let’s try doing them that way in a new way.” So it’s that disruptive mindset that permission to experiment and to disrupt what has been a status quo, that’s what I’m referring to.

Cornelius Fichtner: On top of being a project manager, listeners probably realized, you are also a trained economist. So you bring both these skill sets to the table. So what kind of skill sets do you think a project manager needs in order to become such an agent of change?

Mark Phillips: Confidence in themselves to do things differently.

Cornelius Fichtner: That’s it?

Mark Phillips: I think that is the first thing. Very often, people don’t give themselves the permission to be creative and they don’t give themselves the permission internally to let themselves try new ways of doing things.

Cornelius Fichtner: Okay and how do you get there if you don’t have that?

Mark Phillips: How do you get it? You have to believe in yourself. I mean you can have it from any level or any kind of school of thought that you would subscribe to through personal growth or empowerment. There are a whole industries on doing that but I think it’s just very simply, the first step is try a little thing that’s new and see how it goes. Just by trying and actually doing it, not by planning. I know many people who spend a lot of time thinking about what they’re going to do, envisioning all the consequences of what’s going to happen and decide whether they should do it or not. It really is just do it.

There’s an adage I forgot who it comes from that says, I think it’s actually from Apple that says: “Real developers ship.” And I would say that about almost any person who can do this and feels empowered to do this and one of the traits that you’ll see is that people will try new things that will ship. When we look at the big examples that we all see in history and the such, every entrepreneur, every

successful, a most successful business people have failed more often than they've succeeded and it's that permission and ability to say: "Okay! Failure is just a learning process. It's just the next step in the continual path." I always find it remarkable, I don't know if this is a true story or not, but it's something that's certainly they're around, when Netscape first came out, Bill Gates himself started walking around to every single department regardless of what the project was it they were working on, I mean, I'm sure he picked and choose which ones he did this to but he went to specific projects and says: "I don't care what you are doing right now. Stop! We need to be doing that. We need to come up with a browser."

And actually you just saw this happen right now with Microsoft and the Kin and their cellphone effort. I don't know how much money they put in to developing their own hardware, the Kin mobile phone. Two years worth of development and a big marketing campaign, all of these kinds of things, 30 days after launch, 30 days which is a blink of an eye, for less than a blink of an eye for a company of that size and certainly for a market place, they canned the whole thing.

So that ability to change then recognize that failure is okay, failure is okay. And I would underline that and highlight that even more by if you look at just at the economy as a whole and the way that economy functions, capitalist economy functions, a free market and certainly what we've seen over the last couple of years or anytime you see a downcycle is anything unremarkable doesn't survive.

So whether you are going to have a job or not, very rarely depends on whether you fail in one small area or not; obviously, I'm not talking about things like negligence or blowing off your responsibility or doing something careless but more often than not those people who are unremarkable who don't have a unique contribution to make in a workplace and this can be down from working at a fastfood store and up, those are the people whose jobs will be lost. So really, there is just as much if not more risk in not taking chances and not allowing yourself to be a unique individual as there is in doing so.

Cornelius Fichtner: In our first interview, we talked about Vertabase, your company, the tool that you manufacture and how it helps contextualize communication. But you not only manufacture this web-based project management tool, you also provide project management services to your clients. How do you see this agent of change being required by your customer? Do they expect this of you?

Mark Phillips: We certainly have engagements where we are brought in specifically to try to drive innovation. There's a defense hardware manufacturer for example that we're working with where we are there to help drive innovation and it's very interesting when you look at defense contractors because you have to walk the line between compliance with the numerous DOD or DCAA regulations and then trying to have a culture that facilitates innovation so that is certainly something that we can be drawn into, I think or engaged to do. I think also just when we having this philosophy means that when we come to the table, we're bring something unique as a project manager and it's not just 'let me

execute your project on time, on budget, within scope.' It's having this understanding that: "Okay, let's try to do something innovative here while we're meeting those goals. Let's dig a little bit deeper."

Cornelius Fichtner: Okay! Let's end our interview. It's been rather theoretical so far. Let's end our interview here with something actionable. What are the first maybe 2 to 3 steps that you could recommend a project manager can take tomorrow when she or he walks into her or his office to become an agent for economic growth?

Mark Phillips: Sure. It very much depends on where they are in an organization, again, the kind of scope of the projects that they are in. but the best way to make a step is this is our project management, is break it down --- and find out where you are in the process and break it down --- until you can get to a work package or something that's actionable.

And when you look at being an innovator or agent of economic change, there are many phases to change. There is being a leader to change, leadership through a change, there's planning change, there's envisioning change, there's executing change, there's controlling risk on change and different people have different skill sets across that spectrum. Some people are outstanding planners, some people are great leaders, some project managers are great at executing.

So the key in terms of making an actionable step is saying: "Okay! What am I really good at? Am I good at planning? Am I good at executing? What am I really good at? Okay! So that thing that I'm very good at, let me try doing it a little bit differently. Let me try doing it a little differently." And the key is let people know that you're doing it differently, not only is it good project management communication to convey, to give people accurate expectations of what's happening but it also can create this culture of innovation and economic growth and economic change that have the project manager being agent of change to say: "Look, I know we've done it all of this way all the time. Let's change it up. I'm going to try doing it another way and I'm going to tell you, I'm trying a new way of doing it right now and I want you to know that it's fine if you'll do it as well."

Cornelius Fichtner: Alright, perfect! Mark, thank you so much for being on the program with us today.

Mark Phillips: Thank you, Cornelius.

Podcast Exit

Cornelius Fichtner: And that was Mark Phillips on how all project managers are agents of economic growth.

That's it for today. Thank you very much for listening.

As always, you can find us on the web at www.pm-podcast.com.

If you are a Project Manager who wants to become a PMI certified then the easiest way to do so is with our sister podcast, The PM PrepCast and study for



the PMP® or CAPM® exam by watching over 38 hours of video training from www.pm-prepcast.com.

Please send your emails to info@pm-podcast.com and when you write, yeah, yeah, yeah, you know what's coming right? Please tell me where in the world you are writing from.

And finally, we have this almost philosophical statement:

Project managers will not get the staff they need as long as they muddle through with overtime, ulcers and superhuman effort. Only when the deadlines are missed will senior management approve the staff, who had they been available at the outset, would have prevented the missed deadlines all along.

Until Next Time.