A brilliant strategy is useless if it isn't understood throughout the organization. Three project professionals discuss how to get the word out.

Extending the Vision

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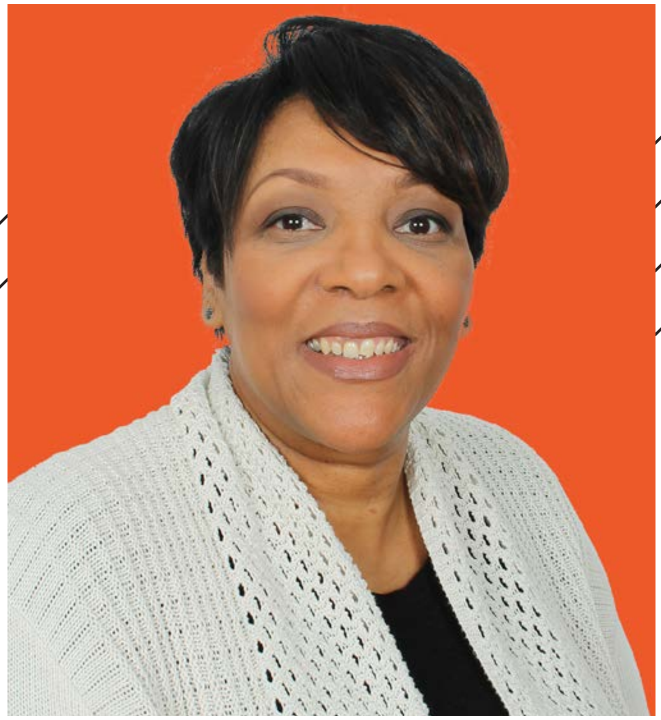
The ancient Greek dictum seems wiser each year: Change is the only constant in life.

In 2014, the pace of change accelerated yet again, with global mergers and acquisitions hitting a seven-year high, IPO activity around the world soaring and R&D spending by the world's largest organizations reaching record levels. New players are upending old markets as tech advances create new opportunities. In most sectors, the cost of complacency is rising.

To survive in this rapidly changing environment, organizations must gain the competitive edge. That means developing a smart strategy—and executing the projects that will bring it to life.

Yet even at high-performing organizations—those that achieve 80 percent or more of projects on time, on budget and meeting original goals—only 57 percent of projects are highly aligned to strategy, according to PMI's 2015 *Pulse of the Profession®: Capturing the Value of Project Management* report. Almost one-third of practitioners surveyed for the same report said inadequate or poor communication is a primary cause of project failure.

Liaising between executives and project teams, portfolio and program managers play a vital role in translating the strategy into action. Below, three global project professionals discuss their approaches to strategic alignment and communication. Mohannad Amr is a project management officer at the data storage and security firm STME, in Dubai, United Arab Emirates; Jennifer Buchanan, PMP, is product director (PM/PMO) at consultancy Vantage Business Group Inc. in Toronto, Ontario, Canada; and Amany Nuseibeh, PMP, was until recently the portfolio project manager/program manager at the University of New South Wales in Sydney, Australia.



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—Jennifer Buchanan, PMP, Vantage Business Group Inc., Toronto, Ontario, Canada

PM Network: Let's start at the beginning. What's the business case for the strategic alignment of projects?

Ms. Nuseibeh: Strategic alignment is all about adding value, delivering capability and, of course, achieving strategic objectives via projects, programs and portfolios. A misalignment means a loss of investment. It can mean a financial loss or a loss in terms of time and capabilities.

Mr. Amr: If a project portfolio fails to meet business goals, no matter how successful individual projects are, business and subsequent projects will likely suffer.

Ms. Buchanan: Strategic alignment is a foolproof way for a company to track the achievement of its vision and goals through the projects undertaken. If a company does not understand how its activities tie to its overall strategy, it is very difficult, if not impossible, to assess the value it receives from the investments made via projects. For me, the lack of strategic alignment is akin to flying blind. You can only fly for so long before you crash.

How important is communication of strategy to the success of strategic initiatives?

Ms. Nuseibeh: The strategy has an impact on every single employee's daily work and activities, so it needs to be well understood by every single person within the organization.

For me, communication is the oxygen that an organization's strategy breathes in order to grow and prosper into execution and success. It enables it, from inception to execution. Unfortunately, most strategies are not communicated well. Often, they're just stuffed in a drawer or put on a website.

Ms. Buchanan: Strategy depends on people to be executed, so if you don't communicate it you have no chance of achieving it.

What does successful strategic communication look like?

Mr. Amr: Overall business strategies are usually

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—Mohannad Amr, STME, Dubai, United Arab Emirates

broken down to smaller strategies, or missions, at the division or department level. Those sub-strategies, in turn, need to be broken down to objectives for teams and groups. Heads of those teams have to also break down their groups' goals into tasks that can be assigned to individuals.

This is an effective way to communicate strategic alignment with all staff, so that everyone knows what contribution is expected from him or her to realize the overall strategy of the company. The performance of each team member is measured based on her ability to achieve her own tasks.

Ms. Nuseibeh: Every single person within the organization must understand the organization's strategy and embrace it in order to execute on it. Therefore, I communicate as often as possible in as many different ways as possible—face-to-face, workshops, meetings, emails, text messages, chat, social media—because different people have different preferences. Even if you communicate the same message more than once, people understand it in their own ways according to where they are on their journey.

Who typically executes an organization's strategy? How can gaps between strategy and execution be filled?

Ms. Buchanan: Often, the gap between strategy creation and execution is substantial if there is a lack of engagement with those impacted and little or no strategic leadership within the company. To successfully close the gap and move strategy from creation to execution requires leadership that is intentionally focused on aligning individual goals with strategy and company resources.

Once the strategy is set, priorities are funneled to the broader organization to execute. Execution of strategic priorities occurs through a fusion of projects, company initiatives, operational activities and business targets via frontline workers and other stakeholders.

Mr. Amr: Once the CEO and other executives develop a strategy, making it happen is the responsibility of hundreds or thousands of people behind desks and in the field. They are the muscles that the company brain needs to move.

Because it is almost always easier said than done, additional work is needed to overcome the practical difficulties such as gaps between theory and execution. Directors and their staff need to exercise adaptability to bridge the gap between strategy and practice. Although change doesn't happen overnight, the good news is that strategies are long-term plans, which make them tolerant to gradual amendments until everyone is moving in the same direction.

People naturally resist change. How do you gain team member buy-in for strategic change?

Mr. Amr: Decisions on strategy changes usually happen at executive levels that project teams are not part of. As these changes land on lower levels, it is paramount for any head of group to ensure that his or her team knows why they do what they do.

Keeping everybody informed at all stages makes them lean and more flexible when a change in direction is inevitable. In other words, proactive communication about strategy changes starts way before the changes take place. Project teams should always be encouraged to challenge the reasoning behind what they do. But when a decision is made, they are also expected to execute it as if it was their decision.

Ms. Nuseibeh: You always need to be clear and honest while communicating strategic change messages, and seek feedback. If you involve your team, they're more likely to embrace it and take ownership of whatever they're executing. Of course, sometimes you might not be able to influence a person directly. In that case, you should find someone who can influence them—it could be a team member or a supervisor.

Ms. Buchanan: Identify tangible quick wins for team members and answer "what's in it for me" before it is asked. Engage trusted and respected change ambassadors in key areas to communicate the change vision to team members.

How important are metrics to achieving and communicating strategic change?

Ms. Buchanan: Metrics and other measurement approaches help to track the progress of the portfolio against strategic targets and goals to determine if they are achieving the expected benefits. Using them gives a clear message to internal and external

Mixed Signals

Nearly four out of five CEOs aim to transform their organization in response to strategic challenges. But they're worried their teams aren't getting the message.

FAULTY CONNECTIONS

55% of executives believe their organization is not focused on strategy execution

42% of executives say parts of their organization don't understand or resist the strategy

37% of executives believe there are consequences for not exhibiting the defined critical behaviors that align with strategy

DOWN WIRES

The top three things preventing the strategy gap from closing are:

- **21%** Organization is not aligned with the strategy
- **14%** Team members work on too many conflicting priorities
- **12%** Culture holds back the team

THROUGH THE STATIC

Executives who say their organization is successfully navigating change attribute the ability to:

- **27%** Great leadership
- **25%** Powerful and distinctive capabilities
- **20%** Favorable market conditions
- **18%** Successful strategy

Sources: *Closing the gap between strategy and execution*, PwC, 2014; *Strategy-execution survey*, Strategy&, 2014 stakeholders about what the organization values, as well as its critical success factors.

Some types of metrics I have used are capacity versus demand—for example, resource utilization, or project take-on rate versus production capacity. Then there are more financial metrics such as ROI, net present value, cost-benefit ratio and cost not to do. Another metrics area is portfolio health—for example, progress made in terms of KPIs.

Ms. Nuseibeh: Things that don't get measured don't get acted upon. If we think about strategy as a journey from a departure point to an arrival point, at any milestone you need to have an indication of where you are and how likely you are to reach your destination on time.

Personally, I love earned value metrics and earned value management metrics—planned value, earned value, actual cost, schedule performance index, cost performance index, estimate to complete (time and cost)—which are very important in terms of trying to assess whether you're going to get to your destination. Other metrics include the turnaround in employees who work on the project—a telltale sign of how likely the project will be able to deliver.

Whatever metrics you use, however, you want to make sure they are a combination of leading and lagging metrics that are well understood by your team and your stakeholders. If everyone knows the significance of the metrics, then everyone can interpret them the same way. And then you have already established a baseline against which to measure progress. That allows you to establish a trend moving forward.

How does standardized project and program management help support organizational strategy?

Mr. Amr: It is imperative for each project management office to define their own form of standardized project management methodology that suits their line of business. Once they have a standardized project management methodology, project managers should then cook by the book, which among many other things secures the alignment of projects' output with the strategic objectives of the company, enhances program controlling and monitoring, unifies team terminology and increases predictability.

Ms. Nuseibeh: It's about speaking the same language and driving toward the same destination. If you follow a standardized project or program management approach, you're more likely to succeed than with an ad hoc approach. An ad hoc approach might get you there, but it might not give you the same value and the same benefits at the same speed.

It's like having a car built by someone whose

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—Amany Nuseibeh, PMP, formerly at the University of New South Wales, Sydney, Australia