THE NEW PROJECT LEADERSHIP MODEL THE PROMISE OF THE PM/BA PARTNERSHIP



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Kitty is *the* leading expert in **Strategic Business Analysis** and

Complex Project Management

She has written nine books, dozens of influential articles, and given lectures at corporations throughout the world. She is a professor of Strategic PM and BA Practices at Villanova University and a keynote speaker at conferences around the globe.

Kitty is a Director on the IIBA Board, and is on advisory boards for Capella University and the University of California, Irvine.

Her ground breaking work in Project Complexity has earned her recognition as a recipient of the PMI's David I. Cleland Literature Award





Agenda



The Challenge



The New Leadership Model



The Complex Project Management Model



Tom Friedman, *That Used to be Us* Meet the Press, Sept. 4, 2011

Business Complexity is Everywhere

Processes

- More interconnections
- Interdependencies
- Interrelationships

Pressures

- Global competition
- Time-to-market compression
- Rapidly changing technologies



Structures

- Complex business communities
- Alliances with strategic suppliers
- Networks of customers
- Partnerships with key political groups, regulatory entities, even competitors

Projects

- Complex behaviors caused by interdependence of users, technology, and context
 - Referred to as "wicked" problems

Everyone is Creative



Edward de Bono, Ph.D.



Capitalizing on Complexity Insights from the 2010 IBM Global CEO Study – 1500 CEOs

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What Does All This Mean For BAs?

- Traditional project jobs are changing
 - BA focus: strategy, innovation, value vs. requirements management
 - PM focus: complexity management vs. project management
- Companies can't find the employees they need – critical thinkers with the ability to:
 - Adapt, invent, and re-invent
 - Collaborate, create, and innovate
 - Leverage complexity to compete



Tom Friedman, *That Used to be Us* Meet the Press, Sept. 4, 2011

Achieving Innovation

Arriving at the Creative Decision

Problem / opportunity analysis Business architecture Experimentation Solution assessment Feasibility analysis Business case analysis Benefits management Capitalizing on complexity



Implementing the Innovation

Planning Execution Controlling Risk management Conflict resolution Issue management Team management Managing complexity

Complex Project Management

Enterprise Business Analysis

The Troubling Project Performance

39% of projects delivered on time, on budget, with Required functions

CHAOS Report 2013 Standish Group

The Cause

Gaps in Enterprise BA and Complex PM

The Cost

USD 500 billion/month globally

"If we could solve the problem of IT failure, the US could increase GDP by USD 1 trillion/yr." Roger Sessions, *The IT Complexity Crisis: Danger and Opportunity*

21st Century: Complex Projects

- Too big
- Too long
- Too complex
- Too inflexible
- Not adaptive

- Too many Requirements
- Design too rigid
- Change too costly
- Focus too much on time and cost, not on value



We Need to Manage Complexity to Improve Project Performance





Complexity Management Framework



Diagnose Project Complexity

Complex Project Management Dimensions



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Complexity/Capability Model

Operations	Project	Enterprise	Competitive
Focus	Focus	Focus	Focus
LOW	MODERATELY	HIGHLY	BREAKTHROUGH
COMPLEXITY	COMPLEX	COMPLEX	INNOVATION
Business	Business	Business	New Business
Operations	Objectives	Strategy	Strategy Forged
Enhanced	Met	Executed	Business/
BAS	BAS Architects Strategic B		Technology Optimization, Innovation & Change Experts

Transition from Technical to Leadership Competencies Advancement of Competence, Credibility, and Influence

The Project Complexity Model

Complexity Dimensions	Project Profile			
	Independent - Low Complexity Project	Moderately Complex Project	Highly Complex Project	Highly Complex Program "Megaproject"
1. Size/Time/Cost	Size: 3–4 team members Time: < 3 months Cost: < \$250K	Size: 5–10 team members Time: 3–6 months Cost: \$250–\$1M	Size: > 10 team members Time: 6 – 12 months Cost: > \$1M	Size: Multiple diverse teams Time: Multi-year Cost: Multiple Millions
2. Team Composition and Past Performance	 PM: competent, experienced Team: internal; worked together in past Methodology: defined, proven 	 PM: competent, inexperienced Team: internal and external, worked together in past Methodology: defined, unproven Contracts: straightforward Contractor Past Performance: good 	 PM: competent; poor/no experience with complex projects Team: internal and external, have not worked together in past Methodology: somewhat defined, diverse Contracts: complex Contractor Past Performance: unknown 	 PM: competent, poor/no experience with megaprojects Team: complex structure of varying competencies and performance records (e.g., contractor, virtual, culturally diverse, outsourced teams) Methodology: undefined, diverse Contracts: highly complex Contractor Past Performance: poor2.
3. Urgency and Flexibility of Cost, Time, and Scope	 Scope: minimized Milestones: small Schedule/Budget: flexible 	 Scope: achievable Milestones: achievable Schedule/Budget: minor variations 	 Scope: over-ambitious Milestones: over- ambitious, firm Schedule/Budget: inflexible 	 Scope: aggressive Milestones: aggressive, urgent Schedule/Budget: aggressive

Highly Complex Project



Examples of Complex Business Projects

- New strategies
- New technologies
- New business models
- Mergers and acquisitions
- Business reengineering



- Cultural transformations
- Globalization
- New partnerships
- New lines of business
- New ways of doing busines (e-business, Service Oriented Architecture)
- New products

Activity: Diagnose the Complexity of Implementing a BA Practice





The new Leadership Model Competent Project Leaders

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Exploit the Synergies of Shared Leadership



Exploit the Synergies of PM/BA Collaboration

Project Manager

- Deliver of scope, fine, and cost objectives
- Define and improve project performance



Business Analyst

- Identify business needs business benefits Determine solutions
- Discover, define, and document requirements



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Exploit Differing Perspectives

	The Busines	s Analyst View	of the l	Project	
Requirements	Design	Construct	Test	Deliver	O & M

The Project Manager View of the Project			
Initiate	Plan	Execute Monitor and Control	Close

Adapted from: Harness the Power of the PM/BA Partnership Webinar 07/29/2008, Management Concepts

Views of Scope

Source: Harness the Power of the PM/BA Partnership Webinar 07/29/2008, Management Concepts

Project Manager

- Project scope
 - Project charter
 - Scope statement

Business Analyst

- Solution scope
 - Business case
 - Business requirements



Views of Requirements Scope



Source: Partnering for Project Success: Project Manager and Business Analyst Collaboration, co-authored by PMI and IIBA ©KHass and Associates, Inc.

Communication Channels



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Gap between Complexity and Capabilities





Select Adaptive Approach

Low Complexity

- Independent
- Predictable
- Routine

Moderately Complex

- Probability
- Messy
- Integration

Highly Complex

- Uncertainty
- Disorder
- Novel
- Intricate

Linear Iterative Adaptive Extreme

Firm Basic Requirements, Architecture Models, and Release Plans "...the nations and people who master the new nces of complexity will become the economic, and political superpowers of the next century." Heinz Pagels, Physicist

Complex Projects



Iterative Approaches: The Incremental Model The Adaptive Model The Agile Model

Traditional Approaches are not Enough

- > 21st century projects are chaotic, unpredictable
- Methods that work on small projects break down
- Combine the elements of classic PM, agile, lean

Linear	Adaptive
Structured, orderly, disciplined	Spontaneous, disorganized
Relies heavily on plans	Evolves, changes
Predictable, defined, repeatable	Surprising, ambiguous, unique
Unwavering stable environment	Volatile, unstable environment
Proven technologies	Unproven technologies
Realistic schedule	Aggressive schedule, urgent

Adapting for Creativity

- Complex systems fluctuate between states of
 - Equilibrium (paralysis, death)
 - Chaos (unable to function)
- Edge of Chaos most creative, productive state
 - Essential to survival
 - Breeds creativity



er Fryer, A Brief Description of Complex Adaptive Systems and Complexity The http://www.trojanmice.com/articles/complexadaptivesystems.htm

Why do Adaptive Methods Work?

- Iteration is the best defense against complexity
- Decompose large batches of the work into a series of small, time-boxed iterations
- Smaller batches accelerate feedback
- Produce huge benefits
 - Easier mid-course correction
 - Higher quality
 - Greater release frequency
 - Better IT/Business alignment

50% faster to market25% more productive¼ of expected defects

Source: Agile Software Requirements: Lean Requirements Practices for Teams, Programs, and the Enterprise, By <u>Dean Leffingwell</u>

Challenges Using Iterative Approaches

- Reduce *or eliminate* interdependencies
 - To reduce complexity
 - Feature-driven requirements
- Prototype visualize
 - For understanding
 - To reduce risk
 - To prove a concept
- Use integrated tools
 - For traceability
 - For integration
- Evolve the solution
 - Continuously <u>validate</u>, evolve, and improve requirements and the solution throughout the project
 - Freeze design at the last responsible moment



Complex Models Still Emerging

Combining elements of existing practices

- Iterative learning
- Adapting and evolving
- Experimenting
- Delayed decision-making
- Experimenting with contemporary practices
 - Late design freeze
 - Built-in redundancy
 - Lots of experimentation
 - Prototypes for multiple parallel solutions

Source: Center for Strategic International Studies, Organizing for a Complex World, Developing Tomorrow's Defense and Net-Centric Systems, 2009

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Challenges with Complex Models

- Knowing how long to keep your options open
- Building options into the approach without undue cost
- Bringing the right group of experts to discover, experiment, create, innovate



Questions

- What is the **value** of business analysis?
 - Small project/adaptive model
 - 50% faster to market
 - 25% more productive
 - ¼ defects
 - Business benefits realized/reported by BA
 - Value to customers
 - Wealth to bottom line
- What to do when solution is selected before analysis begins? Re-do and validate:
 - Business case
 - Solution alternative analysis
- What about PMI?
 - PMI's focus exclusively at project level on requirements
 - IIBA's focus much broader, more strategic, value-based embracing all disciplines that support business change

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