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Project Management 2.0

Blending Bottom-up and Top-down Approaches



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In order to survive and thrive in the present market situation, a company has to be capable of rapidly and cost-efficiently recognizing changes and adapting to them. The key to obtaining enterprise agility lies above all in leveraging the collective intelligence of employees and at the same time keeping a tight control on operations. Having a real-time picture of all your projects and getting immediate updates on their progress is crucial to increasing the velocity of internal management processes.

This guide explores how small start-ups, midsize businesses and global companies can gain competitive power by uniting top-down control with bottom-up collaboration in project management.



Enterprise agility

The ups and downs of our economy are enough to make any executive dizzy. Just look at U.S. Steel (X). In the second quarter of 2008, the company achieved record profits, yet in November, executives laid off 675 workers and postponed the construction of a new \$450 million plant.

When the economy weakens, leaders are forced to link expenses to revenues. To accomplish this, they instinctively impose top-down, across-the-board solutions. Unfortunately, the latest research¹ shows that this common strategy results in a 50-50 chance of damaging the company's long-term ability to thrive.

Nevertheless, there are organizations that shine in changing financial conditions. The most agile companies that are able to quickly shift resources and employees to meet changing demands find millions of dollars in savings and often emerge stronger.

The meaning of “agility”

First of all, what does it mean to be “agile”? Enterprise agility is a company's ability to rapidly and cost-efficiently recognize changes and adapt to them. In short, to be “agile” means to be able to make the right decisions and implement them fast. Making the right decisions is impossible without having real-time visibility into your company and the complete picture of your projects. Without this visibility, it would be like driving in the fog. You're not sure what's ahead of you, but you have to keep driving. That's why you need the information that is in the minds of the employees dispersed across the organization. You need the knowledge coming from bottom-up. A constant dialogue between leaders, team members, stakeholders and clients is crucial. This fact is proven by the research conducted by Joseph Grenny, the co-author of three immediate New York Times bestsellers: “Influencer,” “Crucial Conversations,” and “Crucial Confrontations.”

Teams that foster focused, unified dialogue are **250%** more likely to survive.

Less agile teams are **360%** more likely to miss millions of dollars.

During the last quarter of 2008, in the thick of the financial downturn, Grenny and his colleagues studied more than 2,000 managers and executives from more than 400 different companies. The results were remarkable. The researchers found that teams that foster focused, unified dialogue are 250% more likely to survive. Less agile teams are 360% more likely to miss millions of dollars in lost opportunities.

Is bottom-up the right solution?

So if an enterprise wants to be agile, should it use bottom-up management? Indeed, besides being a great way to get knowledge from the experts at the team level, the bottom-up approach to management on the whole, and to project management in particular, has a number of advantages. One of them is that it empowers team members to think more creatively. They feel involved into the project development and know that their initiatives are appreciated. The team members' motivation to work and make the project a success is doubled. Yet, we all know that the bottom-up approach is often criticized for a lack of clarity and control. To be able to execute your decisions fast, you need to keep a tight, top-down control on operations.

What's the right solution then? The best way is to find a balance between the two and take the best practices from both of them. So to be agile, you need to be able to blend top-down control with bottom-up agility in a “Ying and Yang” style. Today, you'll hear about how this can be done by upgrading your project management practices to “Project Management version 2.0.”

¹ Leaders' Behavior in Four Crucial Moments Determines Survival in the Recession, <http://bit.ly/PM2-1>

The Background of Project Management 2.0

The idea of constant interaction and collaboration between managers, team members and stakeholders is not new, however. It surfaced in 2001 as one of the principles of so-called agile software development and is written in the Agile Manifesto (agilemanifesto.org). According to evangelists of agile methods, cooperation is crucial for the success of a project. Among other key principles of agile management are:

- Clear vision of the project
- Fast pace
- Self-organizing teams
- Leadership philosophy that encourages teamwork

These principles easily took over the software industry in several years because of the major benefits they bring to companies:

- Increased productivity
- Early return on investment
- Responsiveness to changes in the business environment

Perhaps the brightest examples here are Google¹ and IBM². Among others are Verizon³, GE Mobile, HP and Rackspace⁴. Sounds great, but can agile methods, or any other type of bottom-up management, be instantly adopted in your company?

To answer this question, let's have a look at the three basic aspects of project work: tools, processes and people.



To ensure project success, these three aspects of a project should be in perfect balance. People, processes and tools are equally important in project management, and the weakness of one element will have an impact on the whole project. Agile methodology promises to help you take advantage of your employees' working potential, as well as improve the project processes. Still, there's one aspect left.

Traditional software flaws

If you have tried introducing the best bottom-up practices to your organization, you have probably found it difficult to do that while utilizing traditional tools for project management. It turns out that technology plays a big part in setting up your internal operations.

When researching the enterprise agility, Gartner found⁵ that the most popular question they were asked about this phenomenon was: "How does agility relate to my technology choices and IT best practices?" At the end of the research, the analysts concluded that "IT investments can be prescriptive to agility — that proper doses of the right technologies and IT best practices can increase an enterprise's agility potential."

But what are these right technologies? It's simple. They are the ones that improve your team members' productivity instead of putting more pressure and jobs on them.

Traditional project management software applications, like MS Project, are file-based. All the data on different projects is stored in various disconnected files and is usually accessible to the team members in read-only mode. The existing combination of processes and tools does not encourage the team to contribute to project plans directly on a daily basis. With these solutions, someone has to connect all the pieces and bits of information into a bigger picture, and this person is the project manager. Traditional project management applications also are rarely suitable for distributed teams that work in a heterogeneous environment of multiple operating systems. This software is focused on the project manager and places him or her in the center of the project communications.

¹ Sutherland, Jeff (2008) Agile Project Management: Lessons Learned at Google <http://bit.ly/PM2-3>

² Ambler, Scott (2008) Agility@Scale: Strategies for ... <http://bit.ly/PM2-4>

³ Wailgum, Thomas (2007) How Agile Development Can Lead to Better Results and Technology-Business Alignment <http://bit.ly/PM2-5>

⁴ Vaughan, Jack (2008) Case study: Agile development moves at Rackspace <http://bit.ly/PM2-6>

⁵ McCoy, David; Plummer, Daryl (2006) Defining, Cultivating and Measuring Enterprise Agility <http://bit.ly/PM2-2>



This often means the project manager must collect all the data and put the information manually into the project plan. All these routine procedures lead to a situation where the project manager's talents often are buried by the routine work. The huge amount of mechanical control/synchronization work often leaves very little time for leadership from the project manager. Therefore, instead of helping project managers, these systems make the manager's workload even bigger. This process also is subpar in terms of harnessing the information from the field. Because of the middleman, information travels slower, and a lot of things are just left off the radar.



All process improvements are driven by people, but tools can inhibit or catalyze them. Traditional PM tools are clearly not catalyzing agile processes.

Project Portfolio Management software was meant to address the problems with file-based systems. Indeed, it has a lot of extensive scheduling options that can help a manager to align several project schedules. However, such systems are not focused on collaboration and are hard to get adopted across the company by regular business users. It was mostly designed to fit the top-down management approach and is not meant for the bottom-up management style. Hence, many PPM implementations don't go beyond PMO, while for true agility, the supporting processes and tools should leverage the collective intelligence of all employees. Again, the use of such software creates an enormous workload for project managers, who turn into project secretaries instead of motivating and leading their teams to successful project completion. This brings us to the conclusion that the real power is in people, not in tools. A good tool should leverage

the collective intelligence of the whole team, catalyzing project management 2.0 practices.

What if managers could bring this "project secretary" job to a minimum and concentrate on the leadership part of the management job? How much more efficient and productive would the whole team become as a result? Experts say this is possible.

The change in communication

The situation is changing, thanks to the transformations going on in how people share and receive information. More methods for the successful implementation of the bottom-up management best practices have emerged. During the past few years, analysts, the business community and the media talked a lot about the companies that try to boost the productivity of their employees by adopting tools like blogs, wikis, podcasts, social networks, etc.

It's not surprising that tech companies lead the way here. For instance, Intel was one of the first enterprises to utilize internal blogging. As far back as 2003, Intel began encouraging employees to communicate with each other by running their own internal blogs. These quickly gained a large following. In 2006, Intel launched IT@Intel pilot blog, and in 2007 rolled out a full blogs program, Blogs@Intel. Today, through self-managed blogs and networking profiles, employees are encouraged to provide their own views on what's going on at Intel and in the computer technology world.

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Intel is not the only example. Non-tech companies caught up very quickly. In April 2006, Intrawest Placemaking, a real estate development firm that operates in North America and Europe, undertook a bold technical initiative focused on empowering individual employees. Today, Intrawest Placemaking's wiki intranet allows practically unrestricted editing

for all 250 employees. This has led to a tenfold increase in use over the previous intranet, and some excellent examples of knowledge sharing: One manager created a page with an idea that saved the company \$500,000¹.

Web 2.0 for the enterprise

Enterprise 2.0 gives people the capability to create, modify and manage information with ease.

This trend was recognized by technology and business experts, and in 2006, Andrew McAfee, an associate professor at Harvard Business School, coined the term “Enterprise 2.0.” The essential element of Enterprise 2.0 is freeform collaboration. Enterprise 2.0 gives people the capability to create, modify and manage information with ease. Using simple, Web-based tools, relevant and up-to-date knowledge within your organization can be found, tracked and shared efficiently. Leveraging the collective intelligence of your employees brings real competitive advantages to organizations. It increases innovation, team productivity and agility. Does it work in the real world? It does, and there are hundreds of examples proving it. Here are some of them:

- *Simon Sproule*, Nissan’s corporate vice president, is convinced that corporate social networking pays off. He recognized that Nissan’s internal social networking site “makes it easier for employees to tap into the expertise they need to do a better job.”

- *Euan Semple*, former head of knowledge management for the BBC, claimed the organization was getting “enormous benefits” from Enterprise 2.0. He reported to Forrester that BBC had 23,000 bulletin board users, 4,000 wiki users and over 400 people blogging.
- *General Electric*, the venerable multinational corporation that was founded in 1878 in New Jersey, has at its core a hugely sophisticated enterprise collaboration system that is arguably the largest in the world. GE’s ‘SupportCentral’ users have created over 50,000 communities with over 100,000 experts signed up to answer questions and manage information. The experts are GE workers with full-time jobs who use the system because it helps them do their jobs better.



Now, thanks to the influence of Enterprise 2.0 practices, Web 2.0 tools and agile methods, project management is evolving on a broader scale in a diverse set of industries that range from professional services to manufacturing. This evolution is often called Project Management 2.0.

¹ IntraWest Wiki Intranet <http://bit.ly/PM2-7>

² McAfee, Andrew (2006) Enterprise 2.0, version 2.0 <http://bit.ly/PM2-8>



Project Management 2.0 – a way to blend the top-down and bottom-up approaches

Can these tools and practices influence a process and accelerate change? What are the main advantages of the new-generation tools over the old ones? Why are more and more companies adopting these tools? What are the results of this adoption? To answer all these questions, we'll need to examine Project Management 2.0 tools and find out what they have to offer.

Better project communications

There are more than 60 billion e-mails sent each day. Many of those e-mails contain tasks, status updates, change requests and task discussions, so it's hard to overestimate the knowledge buried in e-mail mailboxes every day. This knowledge often bypasses project management tools like Microsoft Project, making plans in static files outdated and thus useless. Somebody has to connect the dots in order to see where a project stands. Today, project managers take a hit and assemble e-mail pieces into a project picture on a daily basis.

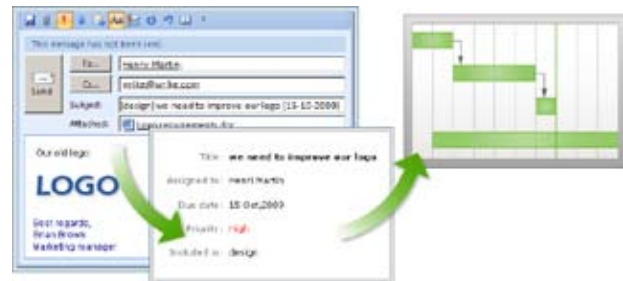
Tools like blogs, wikis or social networks can energize project communications and help your team members to share and store knowledge more effectively than e-mail.



Yet many organizations today are just not ready to abandon e-mail communications. The good news is there are collaboration platforms that can help you leverage this ubiquitous tool. Some innovative project management applications are integrated with e-mail.

They are capable of tapping into the team's knowledge and boosting the manager's productivity. It becomes obvious that

even the simplest tool that is integrated with e-mail is more powerful than traditional project management tools focused on individuals and complex schedules. With a good project



management 2.0 tool, plans emerge from separate e-mails in the course of continuous interactions among many people.

Clear vision

Project management 2.0 tools enable team members organize their daily tasks in to-do lists, which the tool merges into a bigger picture that is aligned into an organized plan by project managers. Project plans become part of a bigger picture that is aligned by upper management. This structure reflects the bottom-up field knowledge brought in by the people on the team level. It also shows the real-time state of things in an organization, giving you a clear vision of your resources. At the same time, this structure is easy to coordinate and adjust from the top, as it is totally transparent to managers. The flexibility and openness of Project Management 2.0 applications allow organizations to harmoniously combine the field knowledge coming from the bottom up with the leadership and guidance coming from the top down.

Views from different perspectives

Besides giving an up-to-date picture of internal operations, the new-generation technologies enable managers and other members of the project team to view projects differently. People can pick any reasonable sub-set of tasks, create a view with these tasks and share the view with someone who needs it. It means that more people can collaborate and con-

tribute to the project work productively. Each of these views can be changed by team members as the organization and its environment change. The whole structure evolves with time. Managers, who have access to more views with a wider perspective, can avoid scheduling conflicts, set priorities and align multiple projects. Flexible, many-to-many structures that allow creating, sharing and easy merging of views are an important part of the Project Management 2.0 approach. This approach enables the wisdom of the whole team and leads to collaborative planning. In turn, collaborative planning makes organizations more agile, productive and transparent.



Less routine work

Yet another advantage of the new software is that it eliminates a great amount of routine work that distracts project managers from important things like leading and motivating their teams. There is less need to manually copy information from e-mails, pull information from employees, update plans for somebody else, notify people about updates and remind people about deadlines. Tools like blogs or wikis help people on the team to exchange information faster and store data more effectively. Besides, the information is always available online, and every team member can access it at any time.

With more sophisticated collaboration management solutions, it's possible to eliminate more routine operations. Such collaboration software applications allow team members to contribute directly to project plans, so that the manager doesn't have to pull the information out of them and manually update the schedule. Not only that, but some software



solutions may retrieve information from various sources, like e-mail, removing the duplicate copy-pasting work.

When all the important data, including files, individual to-do lists, project schedules and strategic plans is in one place and accessible to the right people on the team, you get a clear picture of your whole business. The real-time visibility increases velocity in decision-making, helping organizations move faster and respond to changes quickly.

Project leadership and communities

Tom DeMarco and Timothy Lister, authors of "Peopleware: Productive Projects and Teams," say that "the managers' function is not to make people work, but to make it possible for people to work." After all, your greatest asset is your team, and you need to leverage its full potential.

By transforming the way people work on projects, Project Management 2.0 transforms the role the project manager plays in the project. Project Management 2.0 software facilitates delegation. Employees become less dependent on the project manager as a to-do generator. His role is to facilitate the team communications, provide a creative working environment and guide the team. He or she becomes a visionary able to leverage the team strengths and weaknesses and adjust the project development, based on various external changes.

The key part of Project 2.0 leader's role is to motivate his or her team and make the team members more productive, in order to complete the project on time and on budget. The project team then becomes a real project community, which unites people who share the same passion. Motivation plays



an important part here. You need to reach people on the emotional level and make them passionate about a project for the simple reason that the more committed one is to a project's success, the more likely the project will be a success. Experts say that to make this happen, you need to strengthen the social bonds between the team members. Here's where Web 2.0 tools like blogs, wikis and social networks can be of great assistance. They create a collaborative environment that lets everyone on the team share knowledge and relevant information. Thus, everyone on the team can be heard and

The managers' function is not to make people work, but to make it possible for people to work.

can introduce ideas about the development of the project. While they are constantly interacting, introducing their own ideas, and getting feedback and help from other team members, people on the team level become socially connected to each other. That's collective intelligence in action.

The manager turns from a project secretary into a project leader.

So to summarize, improving real-time visibility into your company and keeping tight control over operations is gained in Project Management 2.0 by:

- Enhancing project communications and integrating them into project planning.
- Gaining a clear visibility into your organization.
- Being able to see your projects from multiple points of view.

At the same time, Project Management 2.0 tools and practices rely greatly on the bottom-up knowledge that comes from the team. The new approach to project management lets your company successfully blend top-down control with bottom-up creative efforts and helps your company to become more agile and competitive as a result.



Conclusion

All the above listed Project Management 2.0 tool benefits become a catalyst to important innovations. But you should never forget that the real driver here is you, and the goal is a better process. Software will not do the whole job alone, but it empowers people and multiplies their efforts. Project Management 2.0 democratizes project management, bringing it outside of enterprise project management offices to other departments, as well as to small and medium businesses. It makes companies more agile, projects more controllable and people more productive.

Next Actions

What should you do to adopt Project Management 2.0 and make your company more agile?

- Innovate and leverage the opportunities. The present economic situation forces companies to do more with less. A recession is a great push for innovation. Be open to new ideas, as they can make a big difference. Find better ways of doing things and of communicating with people, of sharing your information and of managing your teams. Only then you can stay competitive and become a leader in your sphere.
- Evaluate the possibilities. There are various technologies out there, and before adopting one of them, you need to carefully examine what benefits it will bring you. Companies of different sizes have different project management needs and will need various PM 2.0 solutions. There's no perfect tool that suits any company. Read case studies, talk to people who have experience in the Project Management 2.0 field and see what's better for your organization.
- Don't be afraid to try. PM 2.0 applications are inexpensive in comparison with traditional enterprise software. They are usually delivered as software as a service. You pay as you go, and there's no need to make painful upfront investments. PM 2.0 tools are offered on a per project or per user basis, so you can start by introducing a solution to just one small team and then, if the software feels right and brings real benefits, roll it out company-wide.





About the Author



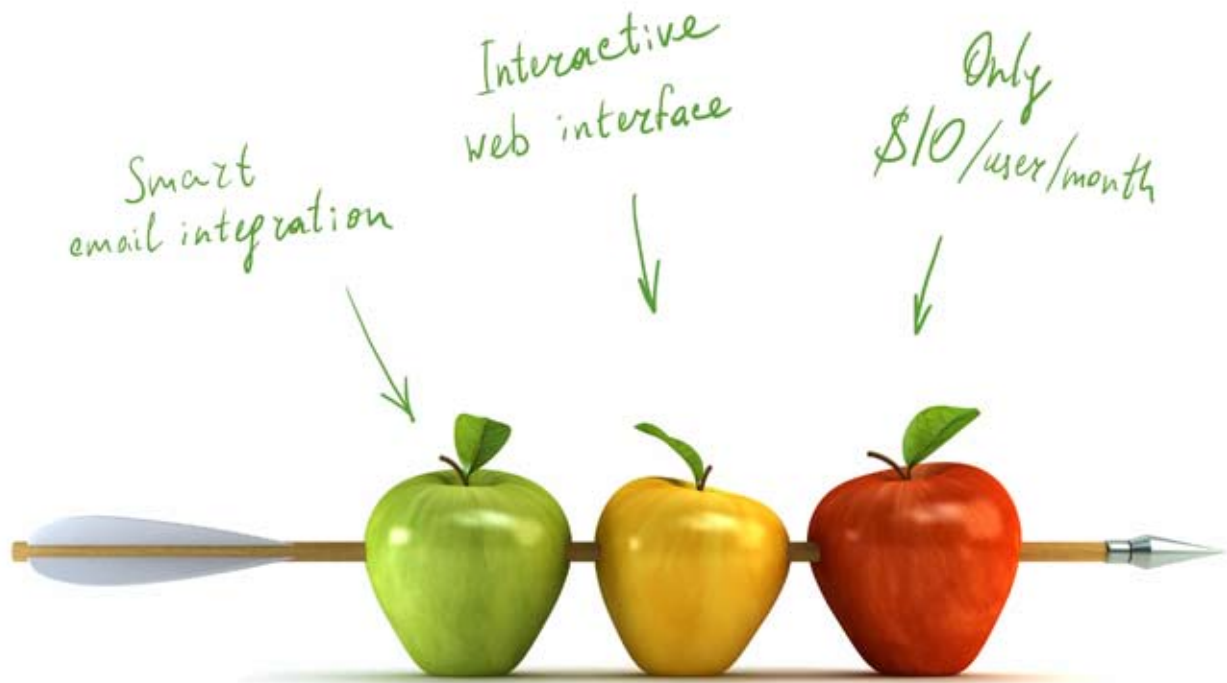
Andrew Filev has been managing software teams in a global environment since 2001, Andrew Filev. His technical expertise and his management vision are reflected in online and offline articles that have had hundreds of thousands of readers. His ideas on new trends in project management are published in the Project Management 2.0 blog. Andrew has given speeches on new trends in project management and deployment of the next-generation, Web-based applications on deferent events, including the UTD PMI Symposium, PMI Silicon Valley Tools and Techniques Forum, Office 2.0 Conference (Project Management panel), Enterprise 2.0 Conference and many others. Articles by Andrew Filev were published in many influential media, such as Cutter IT Journal, Web 2.0 Journal, etc.

Andrew's innovative ideas and passion to improve project management tools and practices are applied in Wrike, a leading online project management solution. Andrew now leads the company as a founder and CEO.

About Wrike

Wrike Inc. (www.wrike.com) is a provider of an award-winning, on-demand, online project management solution. It offers executives a unique platform for gaining productivity for the whole team and getting things done throughout the company. Wrike helps hundreds of companies from SMBs to global corporations, like Capgemini, Hilton, Cisco and many others stay in control of their business. Its email integration is the most advanced in the project management space. Wrike Inc. has patents pending. Wrike was named a winner of Red Herring's Top 100 Global Company Award and a winner of eWeek's Excellence Award. Founded in 2003, Wrike Inc. is a privately held corporation located in California.

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