



www.wrike.com

***Project Management 2.0:
The Ultimate Benefits of the
New Approach to Project
Management***

Article at a glance

The old models of how people interact and collaborate have been radically transformed in recent times. People are using blogs, wikis and collaborative planning tools to work together. All these applications represent a significant opportunity for organizations to create new social and Web-based collaboration and increase productivity. Project management is undergoing significant changes due to the introduction of the new technologies for managing project teams.

Traditional project management implies a project manager acting as a proxy in all project-related communications, thus reducing his productivity and therefore curtailing the efficiency of the rest of the project team. The new wave of project management tools puts an emphasis on collaboration and makes teams much more productive. These applications go hand-in-hand with modern practices like collective intelligence and emergent structures that empower agile project management. These practices and tools are now used by successful teams ranging from two individuals to thousands of people. They are not only incredibly helpful in managing distributed teams in today's global environment, but also able to take care of a lot of routine operations for you.

Wikis, blogs, collaboration tools, Web 2.0 technologies... How do these tools influence contemporary project management? How do they help you manage your projects? What makes them so effective? How can you get the most out of them? This article will help you to learn how companies and teams can benefit from the new technologies and practices, and how these technologies can make your job easier and more pleasant.

Related articles at <http://www.wrike.com/projectmanagement>

[Bridging the Three Gaps in Project Management](#)

[Top-down and Bottom-up Project Management: Leveraging the Advantages of the Two approaches](#)

Contents

1. New opportunities for businesses brought by Enterprise 2.0

2. The new approach to managing projects

- *Making It Simple to Collaborate*
- *Taking Advantage of the Wisdom of the Whole Team*
- *Many-to-Many Structure Benefits*
- *Productivity Boost*

3. Project management 2.0 tools: a new collaborative space

- *Blogs*
- *Wikis*
- *Collaboration planning tools*

NEW OPPORTUNITIES FOR BUSINESSES BROUGHT BY ENTERPRISE 2.0

The social network phenomenon has already transformed the consumer Web into so-called “Web 2.0.” Now Web 2.0 is affecting business processes in thousands of organizations by offering incredible communication and collaboration opportunities known as “Enterprise 2.0.” “All these things that are thought to be consumer services are coming into the enterprise,” [says former Oracle Corp. President Ray Lane](#), now a general partner at the venture capital firm Kleiner Perkins Caufield & Byers. Major corporations all over the world, such as IBM, Procter & Gamble, and Walt Disney, have embraced Enterprise 2.0 technologies. We are witnessing the transformation of traditional ways of doing business, and this transformation is caused by the new-generation applications.

The term [Enterprise 2.0](#) was coined by Andrew McAfee, an associate professor at Harvard Business School, in spring 2006. Professor McAfee introduced this term to describe the use of emergent social software platforms within companies, or between companies and their peers (partners or customers).

Through the adoption of wikis, blogs, collaboration planning tools, social networks, and other “weapons of mass collaboration,” as Don Tapscott calls them in his book *Wikinomics*, collaboration patterns are changing in today’s organizations. Enterprise 2.0 software and business practices provide managers with access to the right information at the right time through a system of interconnected applications and services. Examples of thousands of small companies as well as giants like Microsoft, Toyota, and many others show that Web-based Enterprise 2.0 applications let businesses obtain a huge competitive advantage in the form of enforced innovation, productivity, and agility through access to the collective intelligence of many professionals.

Efficient gathering and sharing of information, facilitated social connections within enterprises, and improved customer interactions are not the only benefits that Enterprise 2.0 software delivers to small companies and huge corporations. Let’s see how these tools can help to manage projects.

THE NEW APPROACH TO MANAGING PROJECTS

The Enterprise 2.0 movement is naturally affecting and captivating project management in organizations. Blogs, wikis, and other second-generation tools offer better opportunities for communication and collaboration. Thus they provide a great potential for improving existing project management practices.

Traditionally, a project manager is the major link in all project-related communications. This directly influences the efficiency of the team, as well as the manager’s own productivity. Nowadays, many companies still utilize Microsoft Excel spreadsheets or traditional project management applications, like Microsoft Project, for tracking their projects. E-mailing text documents and spreadsheets is still very popular, despite its many shortcomings.

E-mail is a closed communication medium, and many companies confirm that it does a poor job of capturing and sharing knowledge. For example, if you e-mail a document to two

people, you then have three copies of this document to manage, merge, and differentiate. It is hard to work on this document simultaneously. This is not the only problem. Knowledge is buried in e-mails, as it is available only to the sender and the recipients, so all the other team members cannot benefit from it. For example, if an employee e-mails a status update to his manager, the change will only be visible to other people after the manager manually updates the schedule. This produces unnecessary work and delays the exchange of information. There is little visibility and control over the project if all information is buried in thousands of e-mails residing in employees' mailboxes. The list of disadvantages could go on.

Traditional project management tools are not focused on collaboration, either. They were mostly designed with the top-down approach in mind and are not meant for open collaboration. These tools are focused on a project manager and make him the core element of the project communications. He first has to pull facts out of employees through meetings and e-mails, then put them into a file and communicate the project plan to upper management and clients. The process is then repeated every time something changes. The project manager also needs to play the role of an alarm clock, reminding employees of their deadlines and overdue tasks. The whole process turns out to be time-consuming and effortful, and it results in a heavy burden for a project manager. The amount of routine work sometimes does not leave the manager time for leadership.

Enterprise 2.0 technologies catalyze innovations in project management. These innovations can be called Project Management 2.0. The term highlights a new approach to project management, characterized by a dramatic shift toward having collaboration as the heart of managing projects. The new-generation tools take care of the routine part of a project manager's work: reminding team members about deadlines, merging status updates into a single plan, and communicating changes. New tools also let people collaborate and share information easily. The role of the project manager is changing; he is becoming a project visionary, instead of a taskmaster. New-generation tools give him more space for being a project leader.

What makes the new technologies so effective? I will list the five key benefits below.

Making It Simple to Collaborate

One of the major constraints associated with traditional project management software was its complexity. Traditional tools have hundreds of features, which take months to master. Adoption of traditional project management software is often connected with spending a lot of the employees' time and the company's money on training. In contrast, the second-generation project management tools are lightweight and easy to use. They provide an opportunity to start collaborating immediately, without any delays for extensive learning and initial set-up.

New project management tools can be easily utilized even by unskilled computer users, making it possible to involve more people in project collaboration. A well-known example is blogging. It is very simple to share ideas in a blog and get feedback in comments. Simplicity drives adoption. When people like the software, they use it more often.

New software tools provide a much better user experience, which helps to solve one of the biggest challenges of traditional software packages. One of the major problems with traditional tools was the users' unwillingness to update data regularly. Plans often got outdated and became useless because of that. New tools are much more convenient to use. For example, they let you create tasks in the system by sending e-mails from their Blackberry devices. This level of simplicity and convenience engages users and thus helps to keep information up-to-date. This is a critical component for successful project management software implementation. The power of new tools comes to the surface when they turn simple actions of individual users into a great product of collective work. In Enterprise 2.0 terms, it is called collective intelligence and emergent structures.

Collective intelligence is the capacity of human communities to evolve to higher order complexity and harmony, through differentiation, integration, competition and collaboration. In other words, it is a form of intelligence that emerges from the collaboration and competition of many individuals. This notion is closely connected with the term "emergent structures."

Emergence is a way complex systems and patterns arise out of a multiplicity of relatively simple interactions. In plain terms it is a form of collective behavior, when parts of a system do together that they would not do by themselves. Therefore, emergent structures are the structures that appear as a result of multiple, relatively simple interactions of a number of individuals. The interactions are uncontrolled, but are purposeful.

Together these two powerful principles make project management 2.0 tools powerful instruments for improving teams' productivity.

Taking Advantage of the Wisdom of the Whole Team

The new-generation, Web-based tools give team members an easy way to contribute to the common repository of tasks and plans. These tools unleash the power of collective intelligence and change the pattern of project management.

In his book *The Wisdom of Crowds*, James Surowiecki states that "groups are remarkably intelligent and are often smarter than the smartest people in them. Groups do not need to be dominated by exceptionally intelligent people in order to be smart." He also stresses that "decentralization's greatest strength is that it encourages independence and specialization on the one hand while still allowing people to coordinate their activities and solve difficult problems."

With the new technologies, people get a more efficient working environment where they can gather and share knowledge from different fields that each project team member is an expert in. The project manager guides the team's work and chooses the right direction, based on the information received from the individual employees. The tools even help the manager to merge this information, turning an e-mail mess into well-organized timelines.

At the same time the new-generation tools let project managers control changes and the progress of the project work. Reporting is highly automated on all levels, including corporate executives, who get their view of the project automatically.

The reports are pulled on the fly from real data, so they are up-to-date. All these factors boost the team's productivity and help the company make the right decisions at the right time.

Collective intelligence goes hand-in-hand with emergent structures, another practice that has a great impact on contemporary project management.

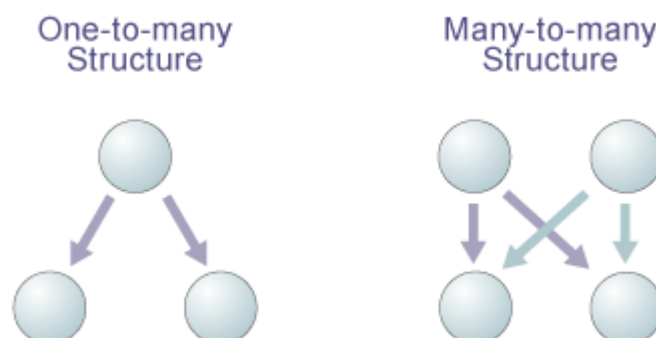
Many-to-Many Structure Benefits

Microsoft Project and many other traditional management tools allow you to have only a strict, one-to-many work breakdown structure of tasks (and other similar items). This creates several negative consequences. First, there can be only one view of the project, while in real life there might be a need to have many different views of the same project. Project marketers, business analyst, engineers, and testers might want to slice the project in different ways. Often, the same person needs different slices — for example, by release and by feature. This inconvenience makes the software less usable and thus people become hesitant to check plans and update them regularly. On one hand, these factors lead to obsolete and useless project plans. On the other hand, the necessity to select one work breakdown structure greatly increases the cost of mistake for the project manager.

The whole process becomes very tricky and requires a lot of up-front thinking, predictions, and responsibility for the project manager.

Project management 2.0 tools have fewer restrictions. They let structures emerge, without strong central control. These structures are born from lots of little interactions that are designed to solve specific problems. For example, collaboration planning tools, like Wrike allow work-breakdown structures to emerge from the bottom up. What employees design as the best work-breakdown structure for their tasks, becomes a part of a bigger picture seen by the manager.

In these tools hierarchies are many-to-many, in contrast to the one-to-many hierarchy in Microsoft Project. This effectively means that you can pick any reasonable sub-set of tasks, create a view and share it with someone who needs this view. It is not like all-or-nothing sharing of a file. At the end of the day more people can collaborate. As the new tools allow team members to make changes to the initial structure simultaneously, more people can organize and reorganize their views, and more structures emerge. The resulting structures fit project participants much better than one stiff work-breakdown structure.



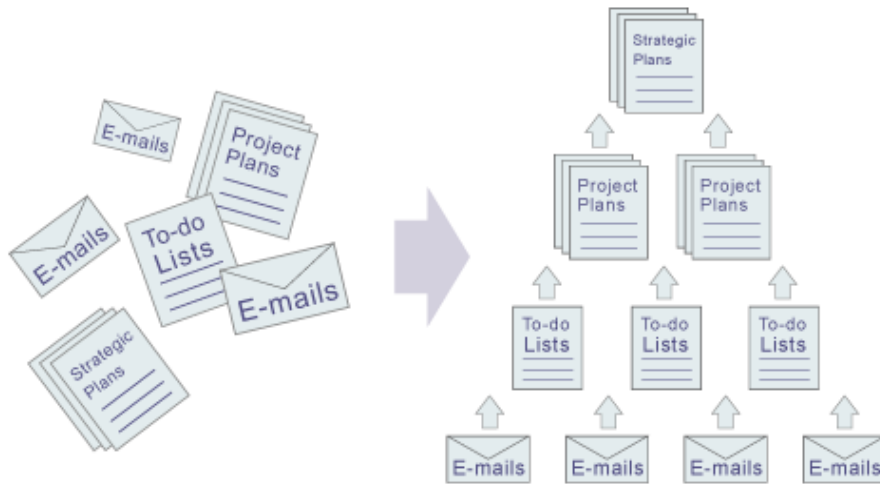
This agility helps to bring iterative and incremental practices into project management without giving away the control. The project manager's job becomes more about coordination and guidance than routine manual updates, and the whole team can react to changes much faster.

Project management 2.0 tools allow you to start with one task, add twenty more, organize them, add more tasks, reorganize them, and repeat the process on a daily basis by many or your employees and managers. When seven employees share their daily to-do lists with a team leader, the team leader gets a bigger picture. When five team leaders share their teams' plans with project managers, a picture gets bigger. When it goes through directors and the vice president to the CEO, the whole structure evolves from what was one task into a big ecosystem that perfectly suits the organization. All this with a help of very simple tools and very powerful principles that stay behind those tools - collective intelligence and emergent structures.

Empowered by emergent structures and collective intelligence, project managers can combine field knowledge coming bottom-up with the guidance coming top-down. There is also a significant benefit for executives: emergent structures emergent allow you to get complete visibility that bridges the gap between strategic corporate plans and daily to-do lists of employees.

Getting the Bigger Picture

Full insight into what is going on in the organization is vital for aligning internal business resources with the requirements of the changing environment. For example, if we speak of software development, the bug fixing schedule may affect the next release schedule. The next release schedule in its turn may affect the marketing campaign, which may affect sales plans. Sales plans will naturally have an impact on financial plans. Having the whole picture helps corporate executives to make a better choice for allocating internal resources when there is a need to react properly to the changes in the business environment. Project management 2.0 tools empowered by emergent structures and many-to-many hierarchies are naturally able to provide this big picture view. Emergent structures help to turn separated strategic plans, quarterly plans, project plans and daily to-do lists of team members into one business development master plan. Many-to-many hierarchies let corporate executives see each project and their whole organization from different points of view. These two powerful principles allow managers to drill down to each team member's tasks and follow the work of the whole enterprise at the same time.



When project managers can easily view every detail of their project development, and corporate executives are able to use their business resources most rationally, projects bring value faster.

Productivity Boost

With new tools, project managers save hours on routine operations related to aggregating the information from e-mails and meetings and keeping it up to date. Reporting is simplified on all levels, as part of it can be easily achieved by sharing the related part of the collaborative workspace. Second-generation project management software gives every team member an opportunity to be aware of the changes in the project without unnecessary meetings, e-mails, and phone calls. The collaboration becomes much faster and much more productive. It results in faster project delivery and faster return on investment.

To start innovation and improvements in your organization is easy. As was already mentioned above, new tools are very user-friendly and easy to adopt. You just have to pick the right ones.

PROJECT MANAGEMENT 2.0 TOOLS: A NEW COLLABORATIVE SPACE

Perhaps the most popular of the new-generation applications that companies can benefit from are blogs, wikis, and collaboration planning tools.

Blogs

Both internal and external use of blogs can be advantageous for a project. The major benefit of internal blogging is that it gives the opportunity to facilitate direct communication between various layers of an organization. Blogs allow team members who otherwise would not have been aware of or invited to participate in a discussion to contribute their expertise. Thousands of companies now use blogging tools like Blogger, LiveJournal, Typepad, Movable Type, WordPress or Radio UserLand. For example, British Library and University College London collaborate on a project called the LIFE (Lifecycle Information for E-

Literature) through a [blog](#). A blog is a way for these two organizations to work together more efficiently and keep all the project information in one place.

External blogging helps to encourage the strongest community goodwill, and this goodwill, in turn, promotes significant marketing and sales gains. Thousands of companies are already reaping the rewards of their investment in external project blogging. For example, companies like Microsoft, IBM, Google, Sun Microsystems, and SAP write project blogs on a regular basis. The number of non-technology organizations that have their own project blogs is rapidly growing, too. One of the most prominent examples is the From Edison's Desk blog — a blog for the GE Global Research project. It offers an opportunity for technology enthusiasts around the globe to discuss the future of technology with top researchers from one of the world's largest and most diverse industrial research labs.

Wikis

A wiki is another technology that can be successfully applied to managing projects. Its basic advantage is that it lets users to create, edit, and link Web pages easily. Wikis usually have very few restrictions, thus they tend to accumulate a shared knowledge that was traditionally kept out of stiff corporate enterprise software and intranets — the knowledge that was usually buried in e-mails. A good example of wiki usage would be [Dresdner Kleinwort](#), the investment banking division of Dresdner Bank AG that gained an e-mail traffic volume reduction by 75%. They also slashed meeting time in half. Another example is a Linux-based operating system called Fedora, which uses a project wiki to bring the end user's point of view into the product development. There are a lot of wiki solutions that are being successfully used by many companies. The most well-known is an open source wiki called MediaWiki, the one that is used by Wikipedia.

Wikis and blogs are good generic tools that can help to share knowledge much more effectively than e-mails. To gain visibility and control over operations, companies also need to empower their managers and employees with a collaborative planning solution.

Collaboration Planning Tools

New collaboration applications and platforms combine the level of control associated with traditional project management software with the benefits of Web 2.0 applications to give a productivity boost to companies and bring better visibility. The best tools in this field are integrated with e-mail and easy and inexpensive to adopt. They democratize project management software.

Collaboration planning tools bridge the gaps between employees' to-do lists, project plans, and strategic goals. With the help of these tools, a project manager gains complete visibility of all the projects he is responsible for. The upper management knows what is going on inside of every project and has the whole picture. The software takes a lot of routine operations on its shoulders — turning e-mail mess into a nice-looking timeline, reminding people about overdue tasks and building reports. These tools help to collect information and make it accessible to any team member anywhere. This expedites information sharing and accelerates decision making.

Governmental, educational, commercial, and non-profit organizations all over the world are embracing project management 2.0 tools to improve their project management. Corporations like McDonalds, Walt Disney, Apple, Toyota and Capgemini utilize second-generation project management applications within their departments.

CONCLUSION

The use of innovative project management technologies promises to have a profound and far-reaching effect on how projects are managed today. These technologies let companies acquire the key ingredient to success in any business — they help companies make better decisions faster. Project management 2.0 gives a great productivity boost to project managers and their teams.

Today, the project management landscape is changing, opening new competitive advantages for companies. While some companies are struggling with the pains of traditional project management tools and e-mail, others are becoming more efficient and innovative by leveraging the benefits of the new technologies. I hope this article will help you adopt some of the Project Management 2.0 tools and practices.

About the author

Since 2001, Andrew Filev has been managing software teams in a global environment. 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 Project Management 2.0 blog. Mr. Filev has given speeches on new trends in project management and deployment of the next-generation, Web-based applications on deferent events, including the PMI Silicon Valley Tools and Techniques Forum and the Office 2.0 Conference (Project Management panel).

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

Mr. Filev graduated from St. Petersburg State University and the Stockholm School of Economics. He also received the honored award of Microsoft Most Valuable Professional.

About Wrike Inc

Wrike (<http://www.wrike.com>) is the leading on-demand, online project management solution. It provides executives with a unique platform for managing many projects in one workspace and easily getting reports across all projects. Wrike's collaboration features give a significant productivity gain to diverse small and midsize companies around the world (<http://www.wrike.com/stories.html>). Its e-mail integration is the most advanced in the project management space. Wrike Inc. has patents pending. Founded in 2003, Wrike Inc. is a privately held corporation located in California.