

2. IT Strategy

2006

Strategy According to Henry Mintzberg

Henry Mintzberg, in his book, *The Rise and Fall of Strategic Planning* [1994], points out that people use "strategy" in several different ways, the most common being these four:

1. Strategy is a plan, a "**how**," a means of getting from here to there.
2. Strategy is a **pattern** in actions over time; for example, a company that regularly markets very expensive products is using a "high end" strategy.
3. Strategy is **position**; that is, it reflects decisions to offer particular products or services in particular markets.
4. Strategy is **perspective**, that is, vision and direction.

Strategy According to Treacy and Wiersema

- Treacy and Wiersema [*The Discipline of Market Leaders*] assert that companies achieve leadership positions by narrowing, not broadening their business focus.
- They assert that companies achieve leadership positions by narrowing, not broadening their business focus.
- Treacy and Wiersema identify three "value-disciplines" that can serve as the basis for strategy:
 - Operational Excellence
 - Strategy is predicated on the production and delivery of products and services. The objective is to lead the industry in terms of price and convenience.
 - Customer Intimacy
 - Strategy is predicated on tailoring and shaping products and services to fit an increasingly fine definition of the customer. The objective is long-term customer loyalty and long-term customer profitability.
 - Product Leadership
 - Strategy is predicated on producing a continuous stream of state-of-the-art products and services. The objective is the quick commercialization of new ideas.

Three Forms of Strategy



Strategy in General

- Strategy, in general, refers to how a given objective will be achieved.
 - Consequently, strategy in general is concerned with the relationships between ends and means, that is, between the results we seek and the resources at our disposal.
- Strategy and tactics are both concerned with formulating and then carrying out courses of action intended to attain particular objectives.
- For the most part, **strategy** is concerned with **deploying** the resources at your disposal whereas **tactics** is concerned with **employing** them.

Strategy in General

- The concept of strategy has been adopted from the military and adapted for use in business.
- In business, as in the military, strategy bridges the gap between policy and tactics.
- Strategy is a term that comes from the Greek *strategia*, meaning "generalship."
 - In the military, strategy often refers to maneuvering troops into position before the enemy is actually engaged.
 - In this sense, strategy refers to the deployment of troops. Once the enemy has been engaged, attention shifts to tactics.



- Strategy is the bridge between policy or high-order goals on the one hand and tactics or concrete actions on the other.
- Strategy is a term that refers to a complex web of thoughts, ideas, insights, experiences, goals, expertise, memories, perceptions, and expectations that provides general guidance for specific actions in pursuit of particular ends.
- Strategy is at once the course we chart, the journey we imagine and, at the same time, it is the course we steer, the trip we actually make.

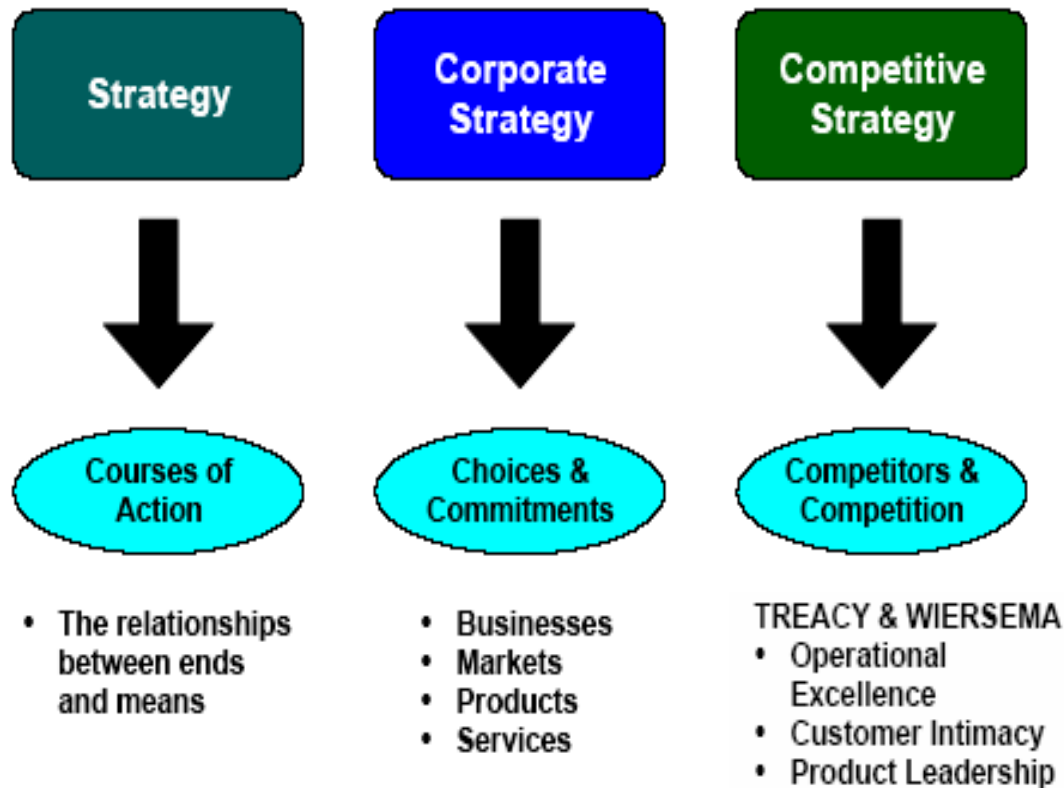
Strategy in General

	<i>Strategy</i>	<i>Tactics</i>
<i>Scale of the Objective</i>	Grand	Limited
<i>Scope of the Action</i>	Broad & General	Narrowly focused
<i>Guidance Provided</i>	General & Ongoing	Specific & Situational
<i>Degree of Flexibility</i>	Adaptable but not hastily changed	Fluid, quick to adjust and adapt in minor or major ways
<i>Timing</i>	Before Action	During Action
<i>Resource Focus</i>	Deployment	Employment

Corporate versus Competitive Strategy

- **Corporate strategy** defines the markets and the businesses in which a company will operate.
- **Competitive or business strategy** defines for a given business the basis on which it will compete.
- **Corporate strategy** is typically decided in the context of defining the company's vision, that is, saying what the company does, why it exists, and what it is intended to become.
- **Competitive strategy** hinges on a company's capabilities, strengths, and weaknesses in relation to market characteristics and the corresponding capabilities, strengths, and weaknesses of its competitors.
- **Competition** within an industry is driven by five basic factors:
 1. Threat of new entrants.
 2. Threat of substitute products or services.
 3. Bargaining power of suppliers.
 4. Bargaining power of buyers.
 5. Rivalry among existing firms.

Basic Points About Strategy



Three-layer framework to define the components of a strategy – a strategy's **structure**

- Statement of **end point** (that is, the vision, objective or goal)
- Statement **bounding the range of options** for getting there (the core strategy)
- The **steps to take** (that is, tactics and projects)

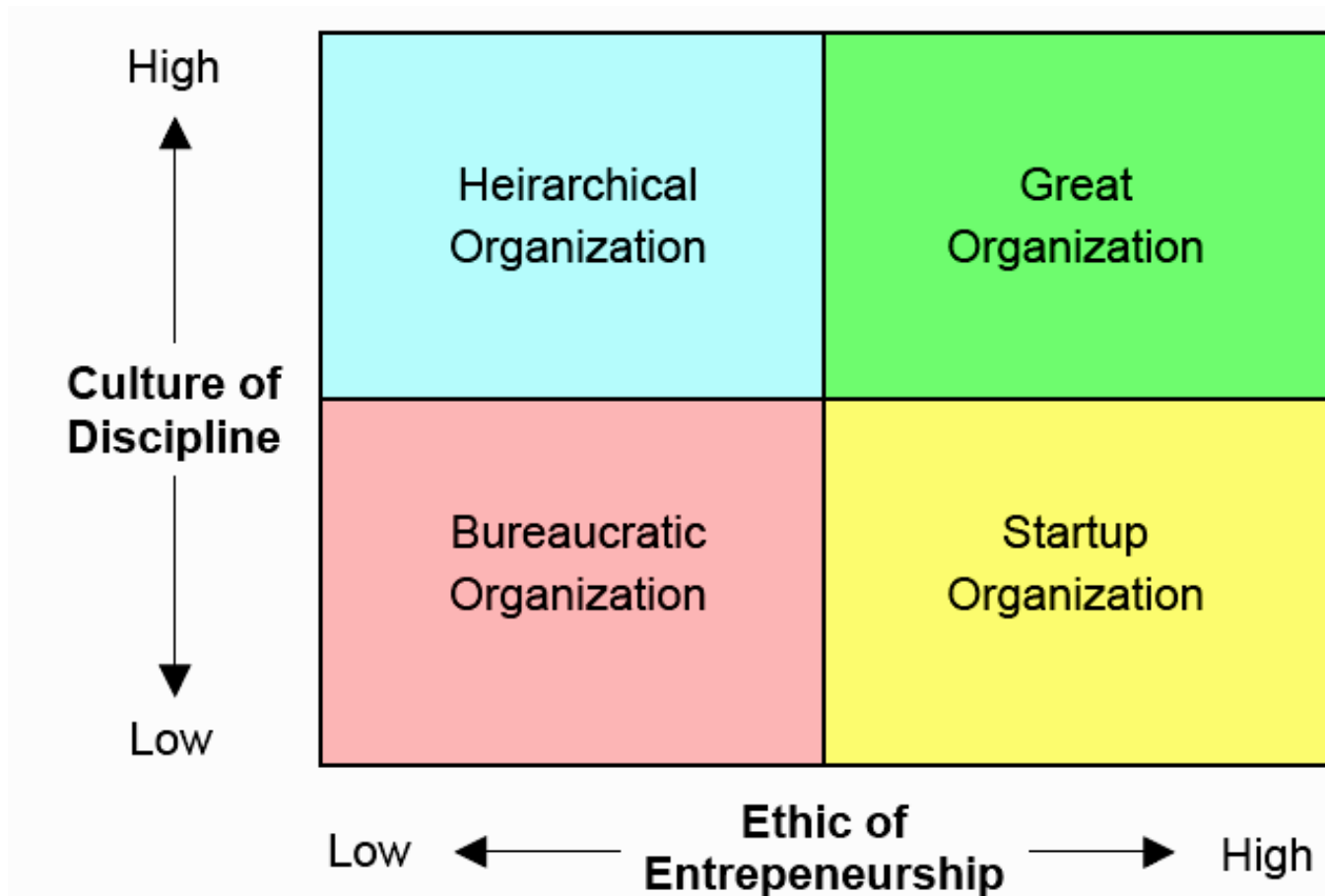
“Mission statements” and “core values”

- “Mission statements” and “core values” are not included.
- The “strategy definition” framework is about action — what to do.
- Mission statements and core values are about how employees and their leaders should behave while taking those actions.
- They add style to a strategy, not substance. Because these statements and values could exist without a strategy or in support of a strategy, they should not be misconstrued as a strategy definition by themselves.

Building a Great Strategy – **capabilities**

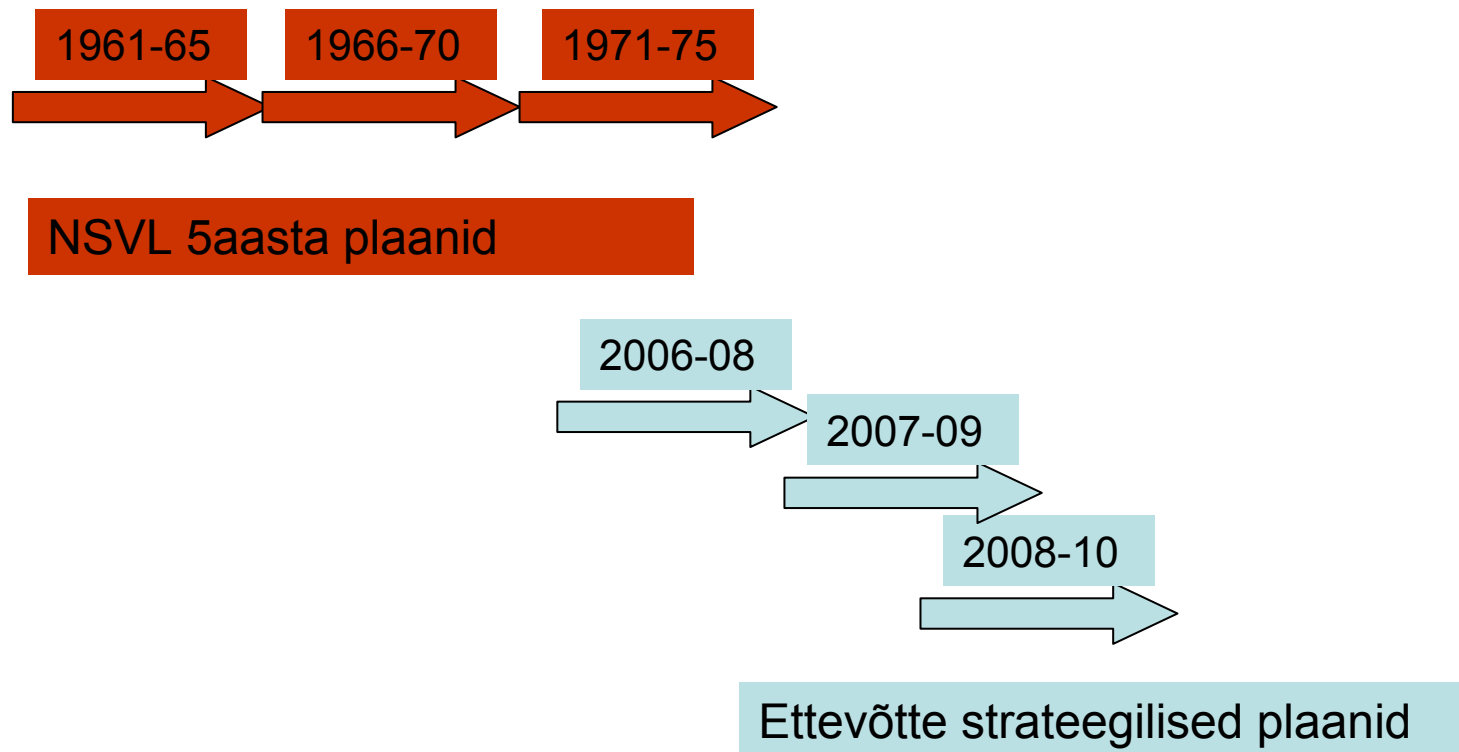
- Beyond structure, another dimension is needed to build and execute a great strategy: **capabilities**.
- The structure of a strategy can be viewed as a two-dimensional map that shows where an enterprise is headed.
- By adding the next element, capabilities, a third dimension emerges, which identifies the more subtle people- and process-related aspects of how a strategy is created, executed and modified to reflect changing realities.
- An enterprise's capabilities are bound up in its
 - **employees** —talent and skills
 - as well as its **processes**.
- In the context of a great strategy, these capabilities are brought to bear to ensure survival and growth.

Matrix of Creative Discipline



Business Strategy

NSVL strateegiline plaan vs. ettevõtte strateegiline plaan

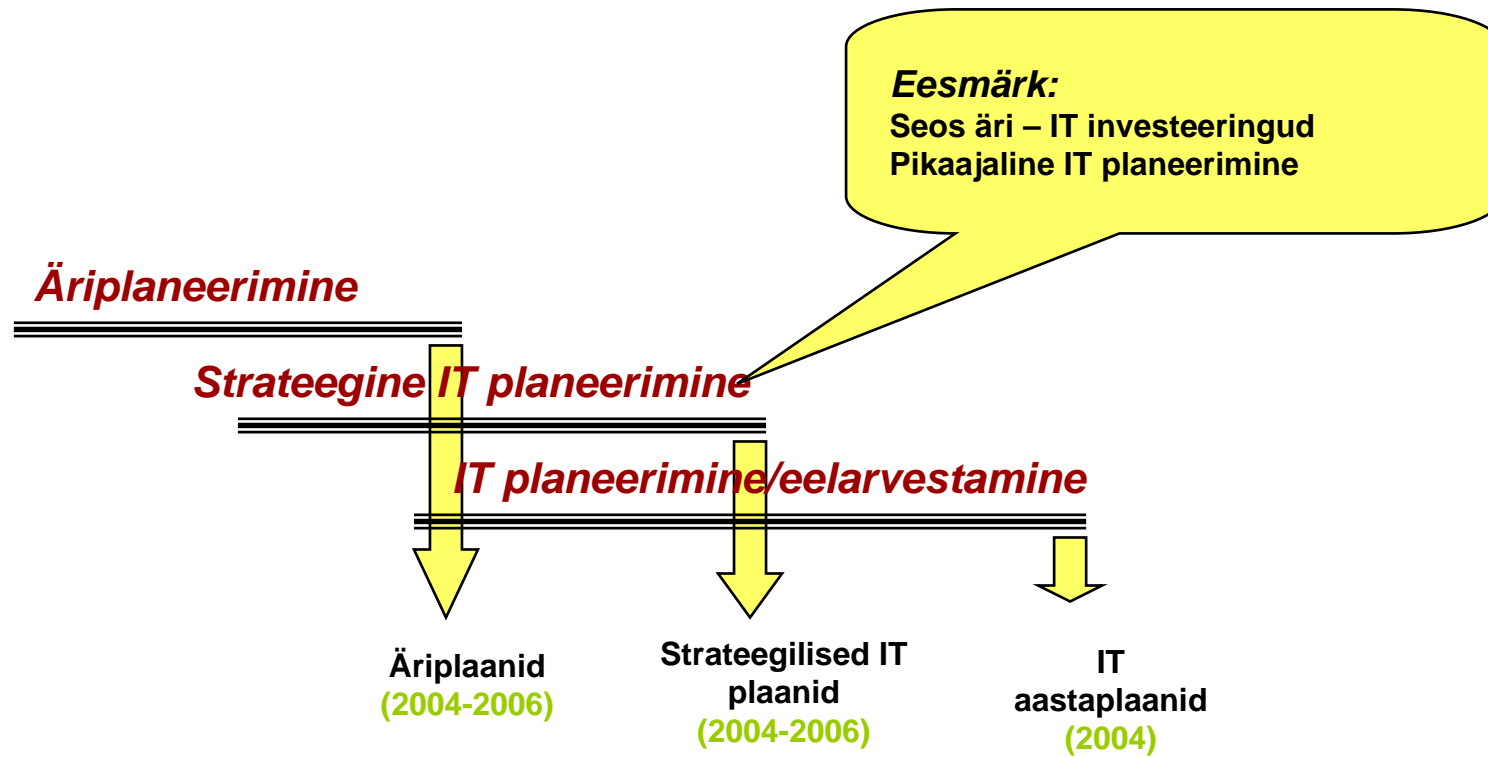


The seven business strategy factors

- Geographic
- Governance
- Future
- Existing IT
- Virtual
- Customer
- Funding

IT planeerimine

IT planeerimise kontekst



Pikaajaline “IT plaan”

- Tuleneb äriplaanidest ja äriarhitektuurist-sihist
- Visandab sellel baseeruva IT sihtstsenariumi
- Strateegia määratleb, kuidas sihi suunas liikuda
- Finantspiirangud ja investeerimisstrateegiad määratlevad plaani karkassi.

Sisend äristrateegiast

Näited:

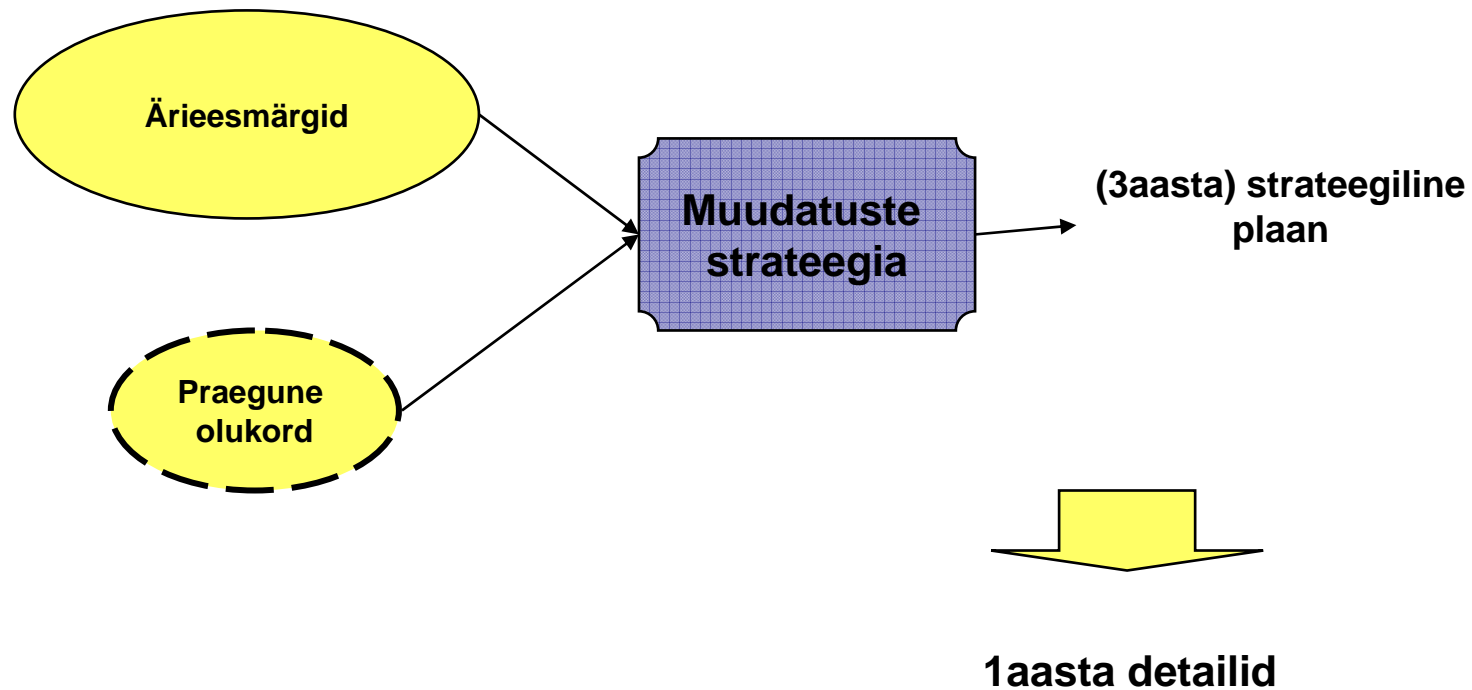
- ***Meie eesmärk 2006.a. on “madalaim hind”. Saavutamise: iseteenindus, suured mahud, automatiseeritud operatsioonid. IT arhitektuur on optimeeritud madalale hinnale, mitte paindlikkusele.***
- ***Tahame olla tooteliidrid: lühim aeg toote turule viimiseks, kõrge kvaliteet. IT arhitektuur optimeeritud paindlikkusele, mitte operatsioonide hinnale.***
- ***Peaesmärk: kliendisuhete arendamine. IT strateegia fokuseerub kliendisuhete haldamise funktsionaalsusele (CRM, Customer Relationship Management).***
- ***Kas on kavas siirdada äri uutesse regioonidesse? IT arhitektuur fokuseeritud liidestele, integratsioonile.***
- ***Kas äri kasvab?***
- ***Kas äriprotsessid muutuvad?***

3aasta IT plaan

- Siht (aastaks 2006)
 - Ärisihid
 - IT tugistruktuur
 - Rakendused
 - Infrastruktuur
 - Operatsioonid
 - Rakenduste strateegia
 - Pikaajalised
 - “Selleks, et jääda ellu”
 - Investeerimisstrateegia
 - Finantspiirangud
 - Ressursid
- Olemasolevad süsteemid
 - Seisund
 - Väljakutsed
 - Nõutavad muudatused

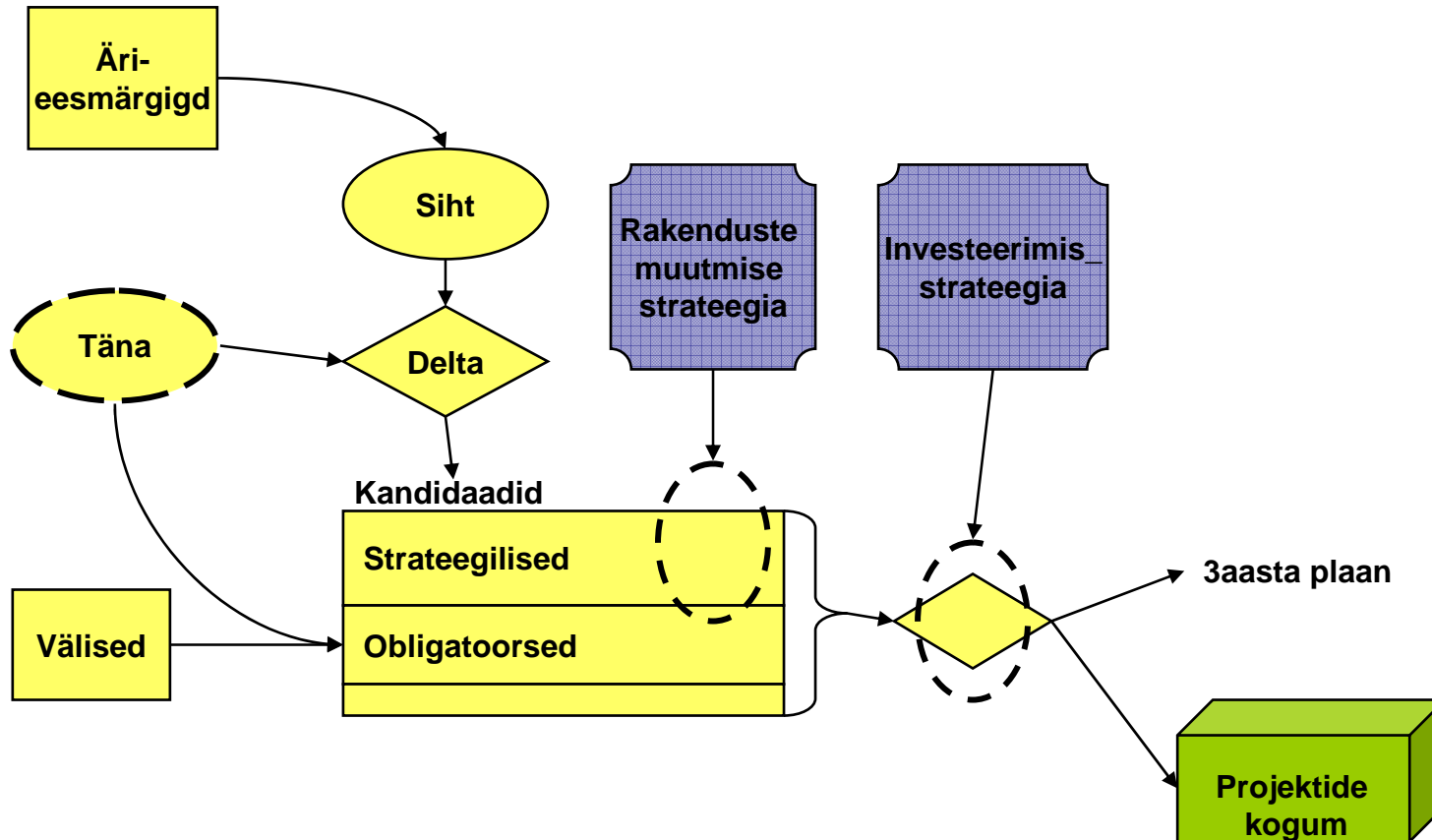
IT planeerimine

IT strateegia määratlemine

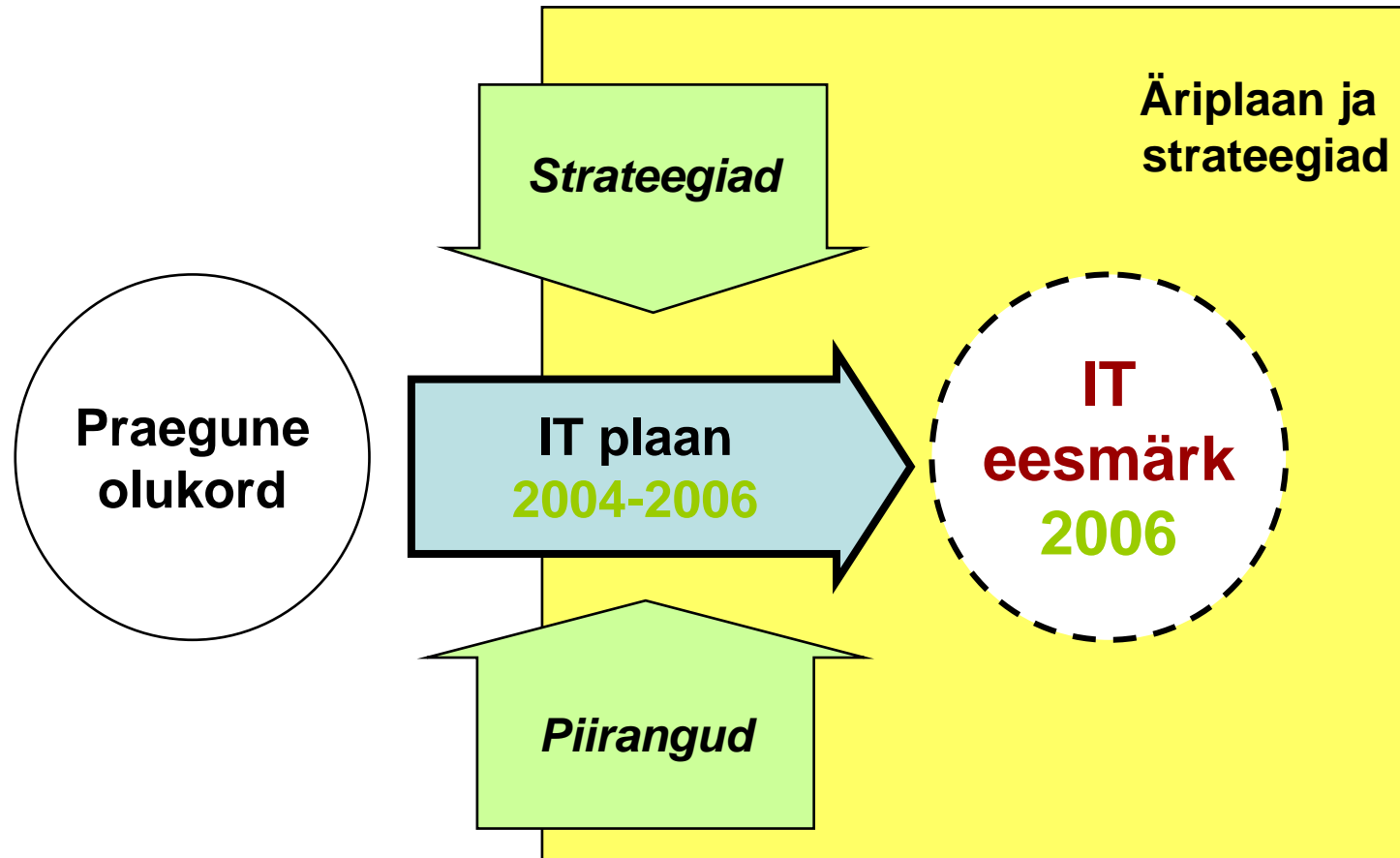


IT planeerimine

IT strateegia määratlemine

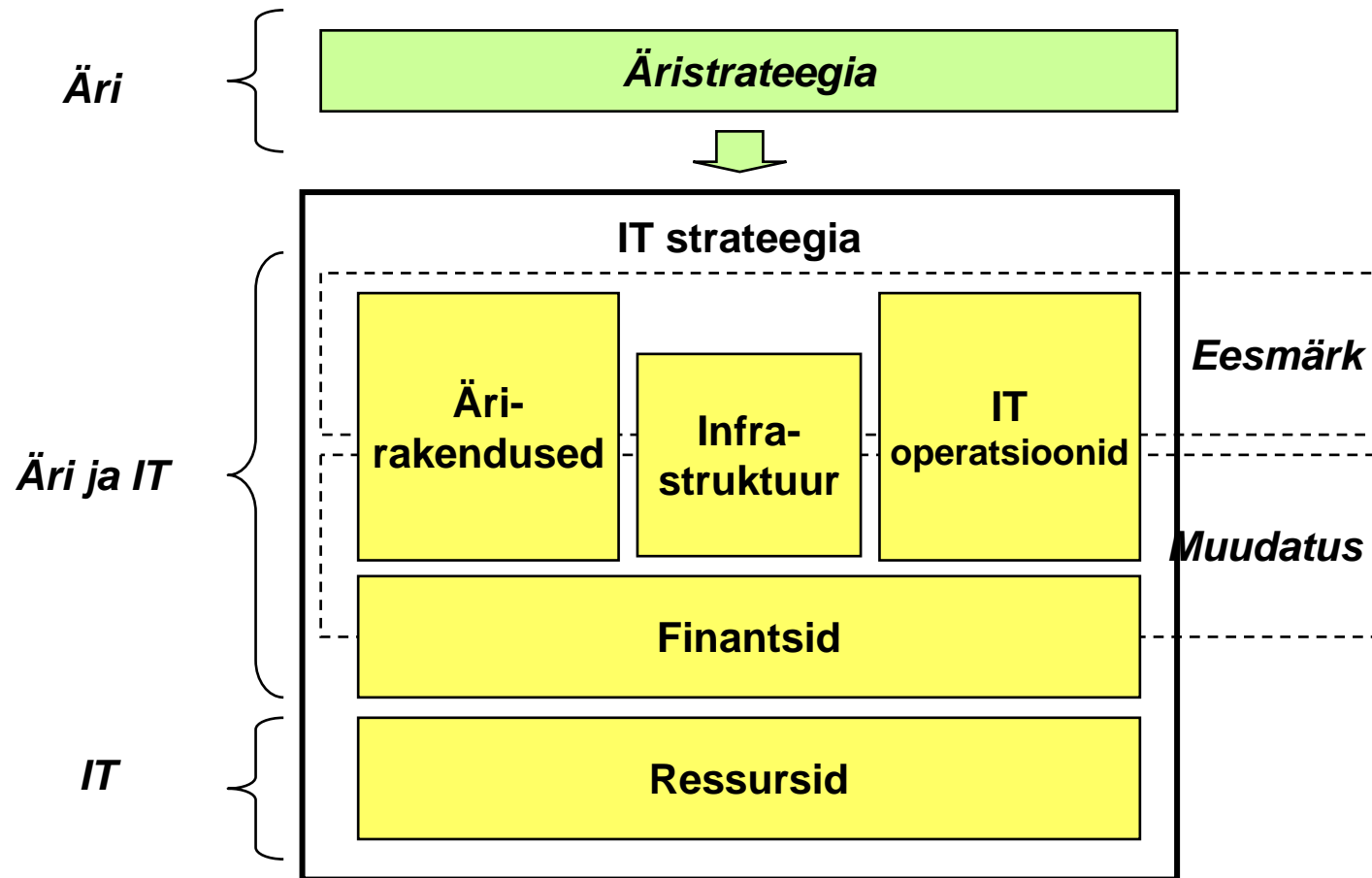


3aasta IT plaan



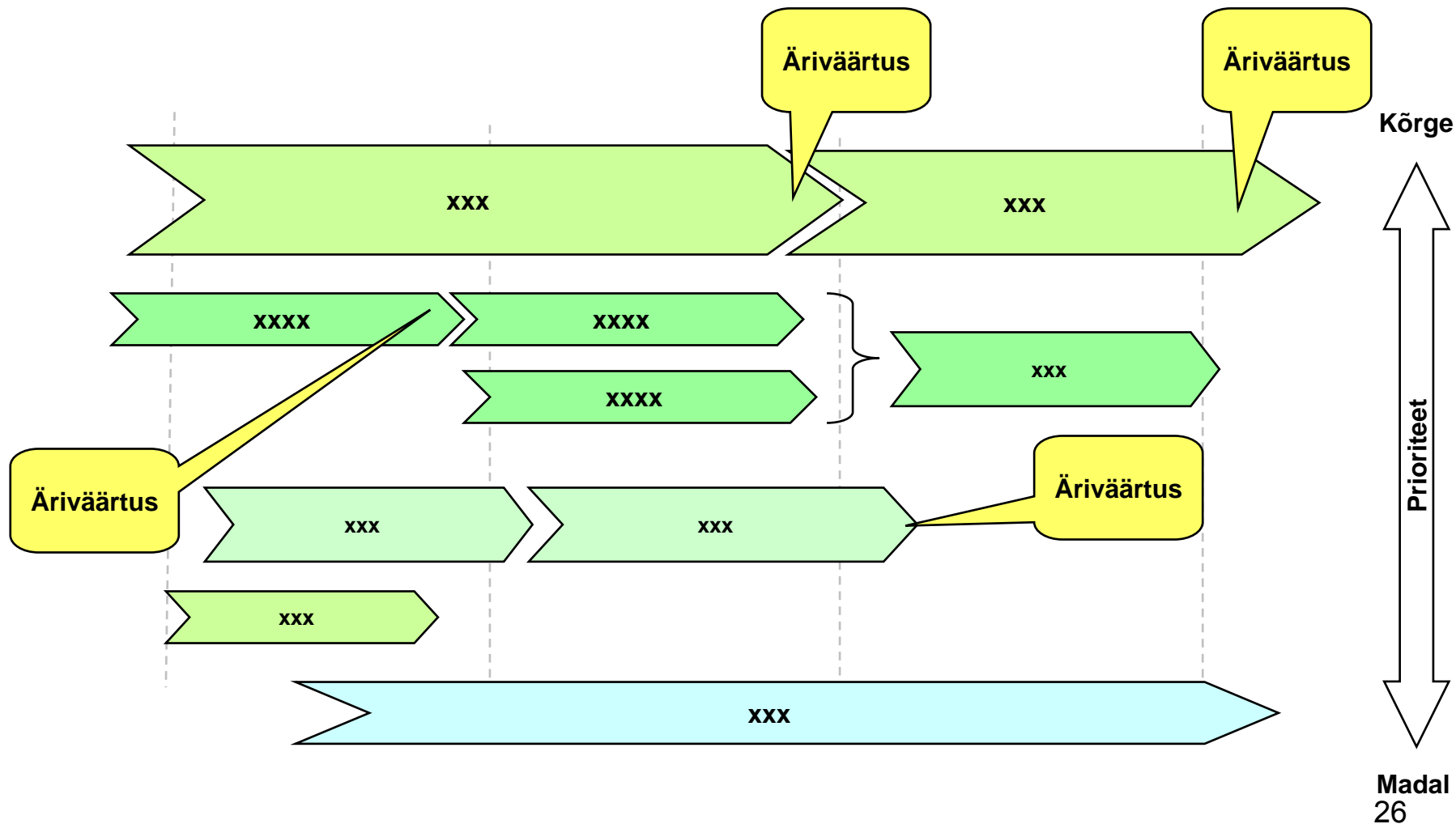
3aasta IT plaan

Elemendid



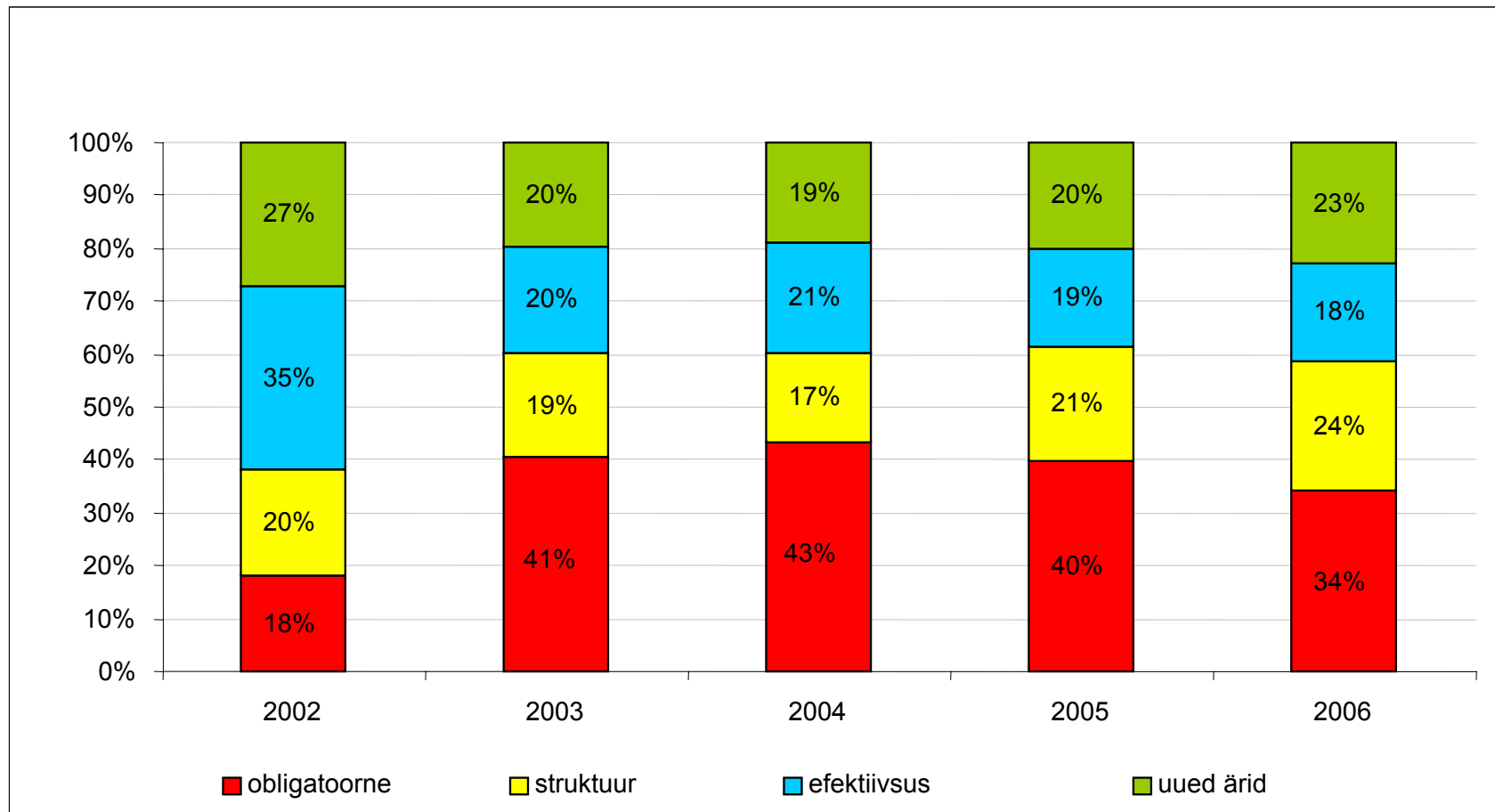
3aasta IT plaan

Strateegilised arendused

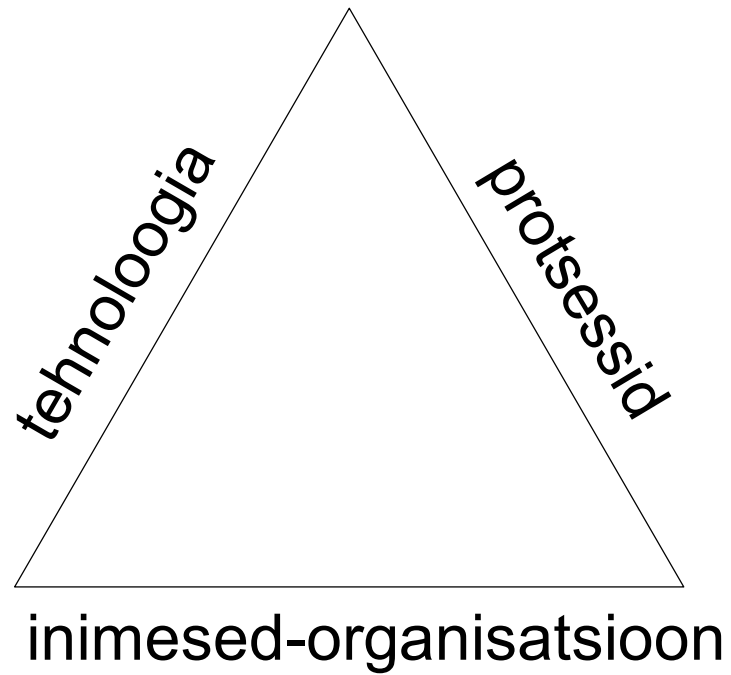


3aasta IT plaan

Arenduseesmärgid



Strateegia komponendid



Strateegiline eesmärk

- Pikaajaline eesmärk konkurentsieelise saavutamiseks
- Taktika on määratletud projektidega selle eesmärgi saavutamiseks
- **Programmihaldur** määratleb ja algatab projektid strateegiliste eesmärkide saavutamiseks

Program and Project

- The *Project Management Institute's Project Management Body of Knowledge (PMBOK)* määratleb **projekti** “*kui ajaliselt piiratud ettevõtmise toote või teenuse loomiseks*”
- PMBOK määratleb **programmi** kui “*kooskõlastatult hallatavate projektide rühma*”
- **Äri vajab programme strateegia elluviimiseks**

Projektihaldurid (-juhid)

- Haldab (juhib) ühte projekti;
- Juhib projektimeeskonda (ei sisalda teisi projektihaldureid(-juhte))

Funktsionaalhaldurid

- Haldab (juhib) mitmeid projekte
- Võib juhtida teisi projektijuhte
- Fookus: igapäevased operatsioonid (toimingud) – personal, finantsid, probleemid, efektiivsus

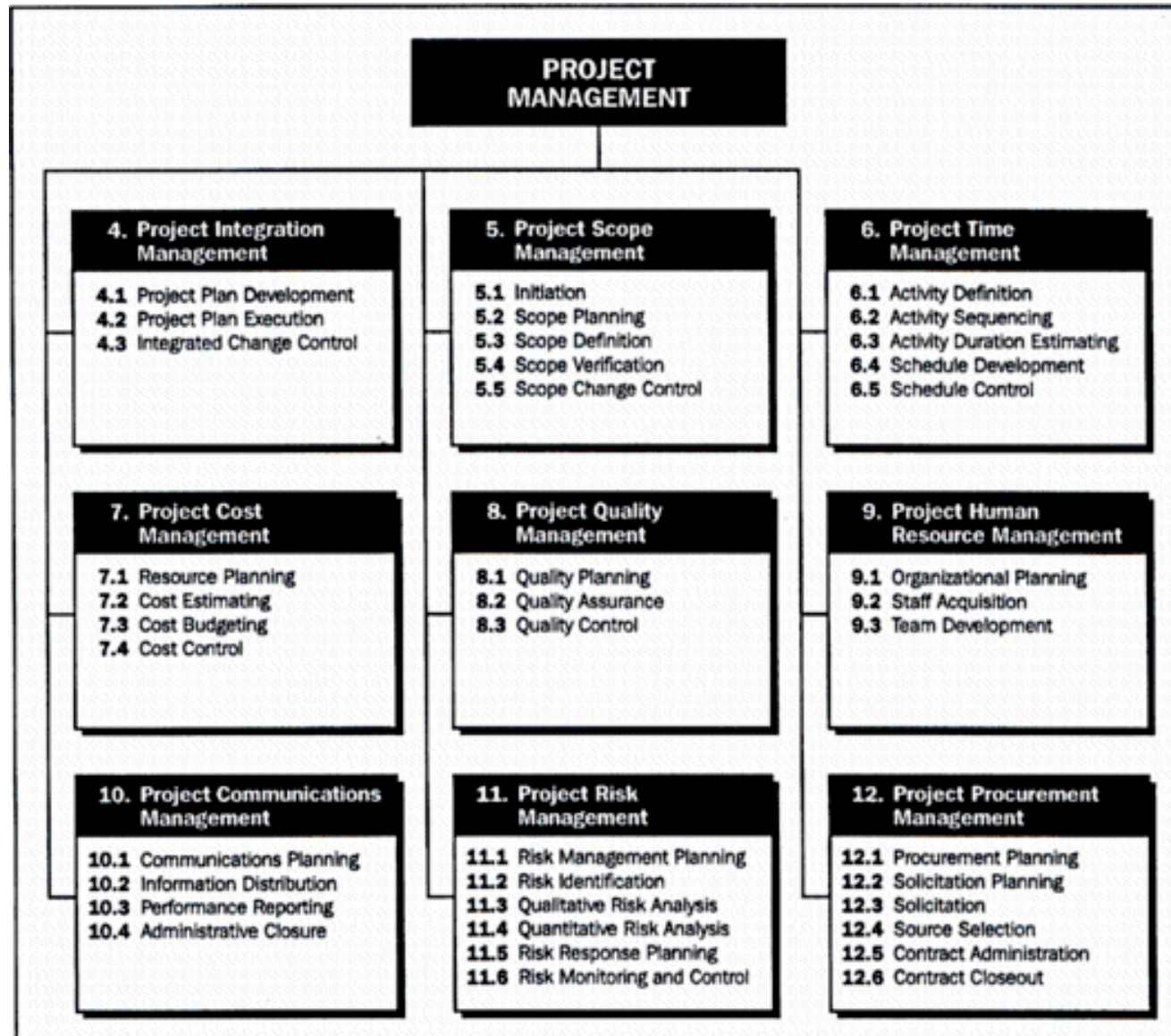
Programmihaldurid...

- haldavad strateegilise eesmärgile vastavate projektide kimpu
- Juhivad teisi projektijuhte, kes peavad saavutama mingi osa strateegilisest eesmärgist

Fookus: suhted

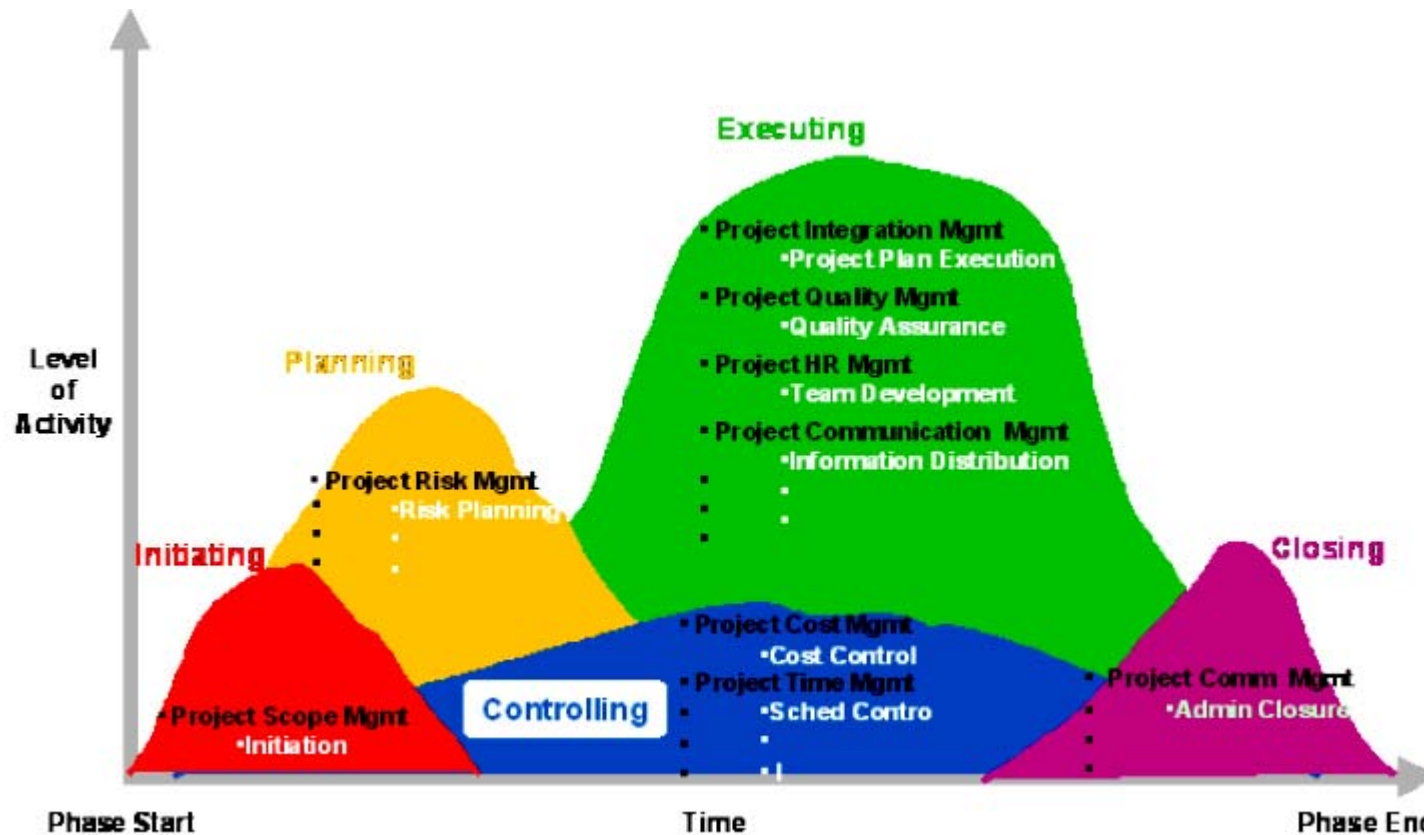
- *Suhted inimestega*
- *Programmisuhted*
- *Projektisuhted*

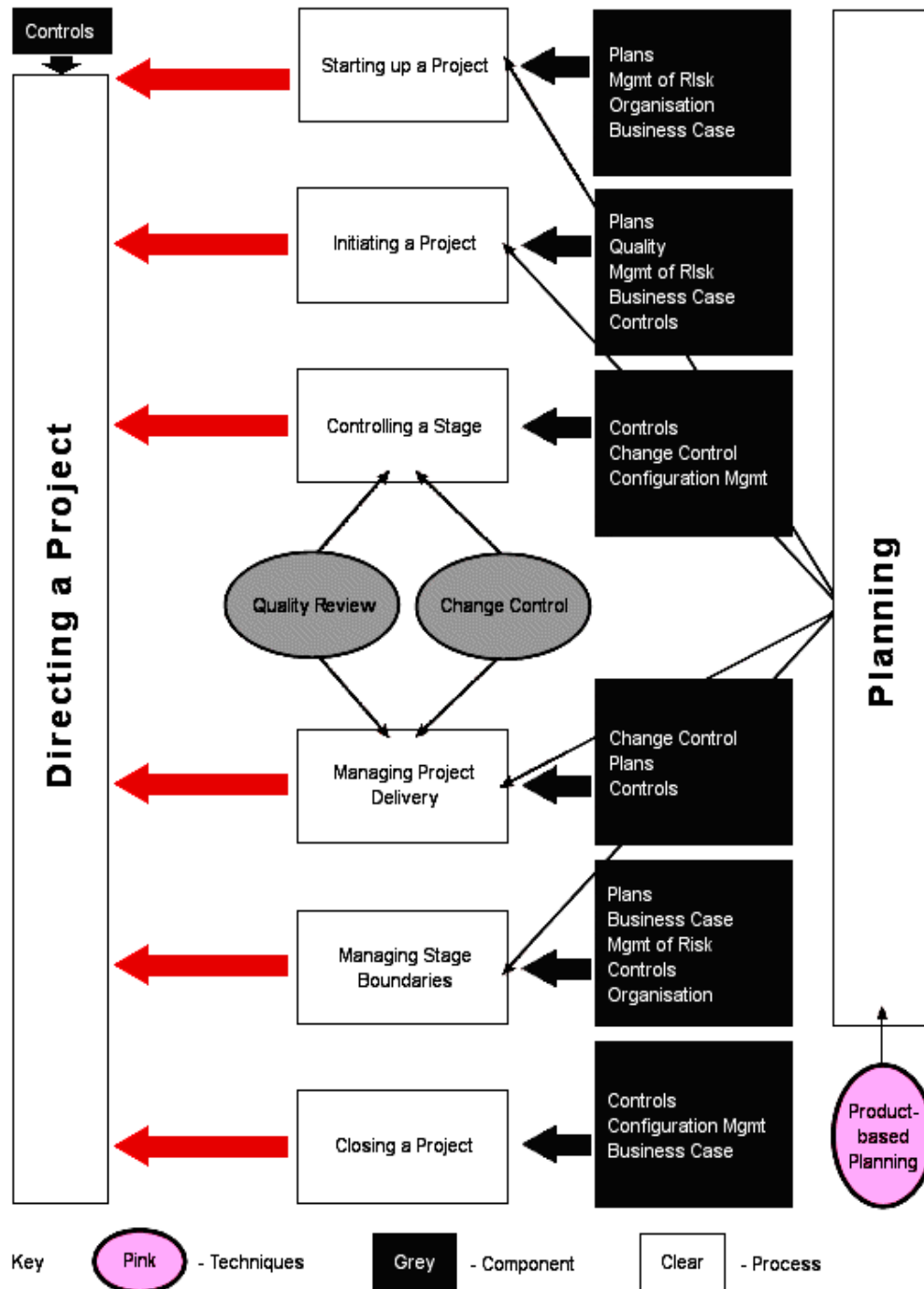
PMBOK (lihtsalt illustratsiooniks)



- Project Management Institute's so-called "PMBOK" which actually refers to their publication "A Guide to the Project Management Body of Knowledge"

PMBOK framework





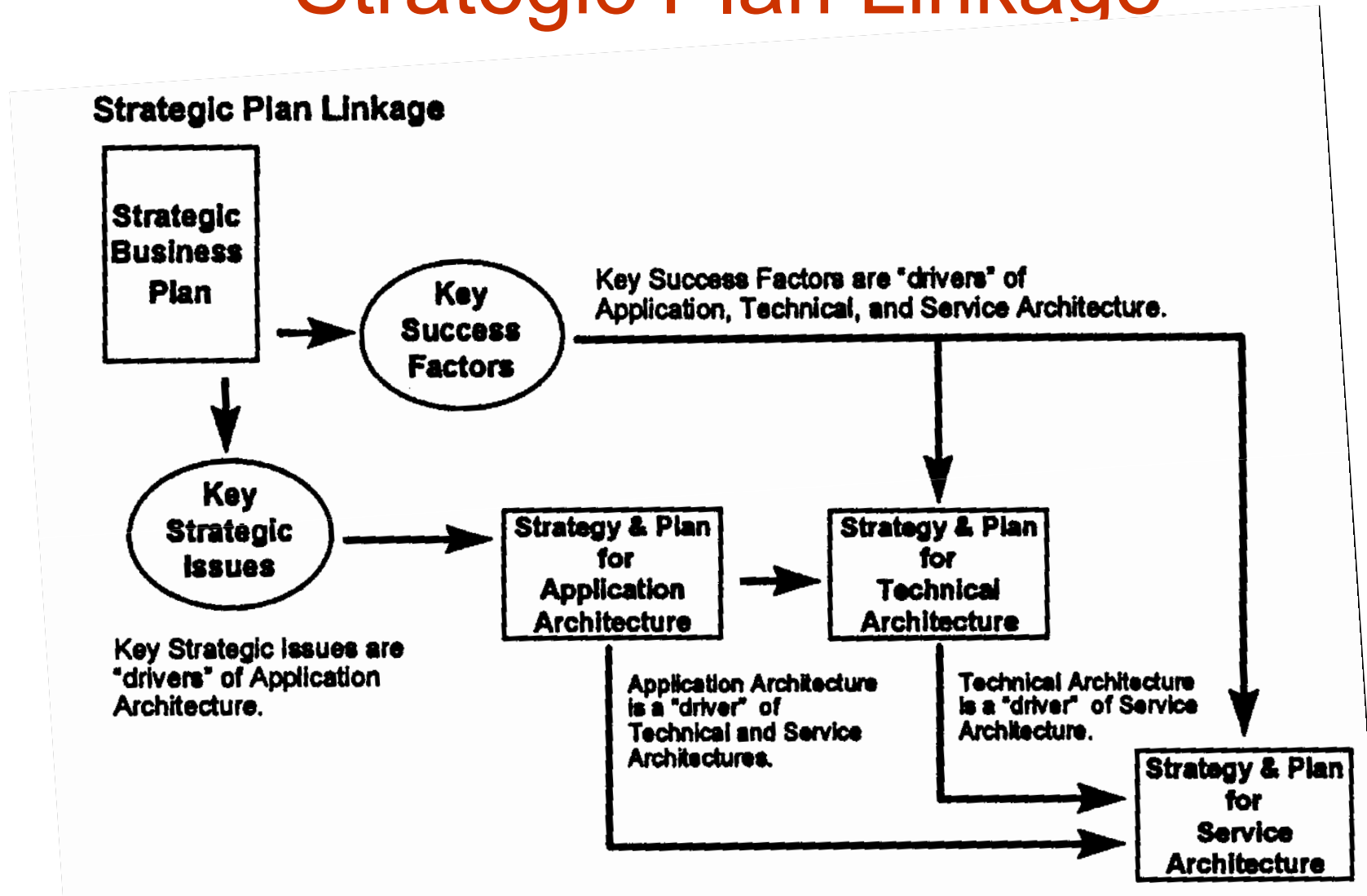
PRINCE2 (lihtsalt illustratsiooniks)

- "PRINCE" stands for **Projects IN Controlled Environments** and is described as a structured method for effective project management.

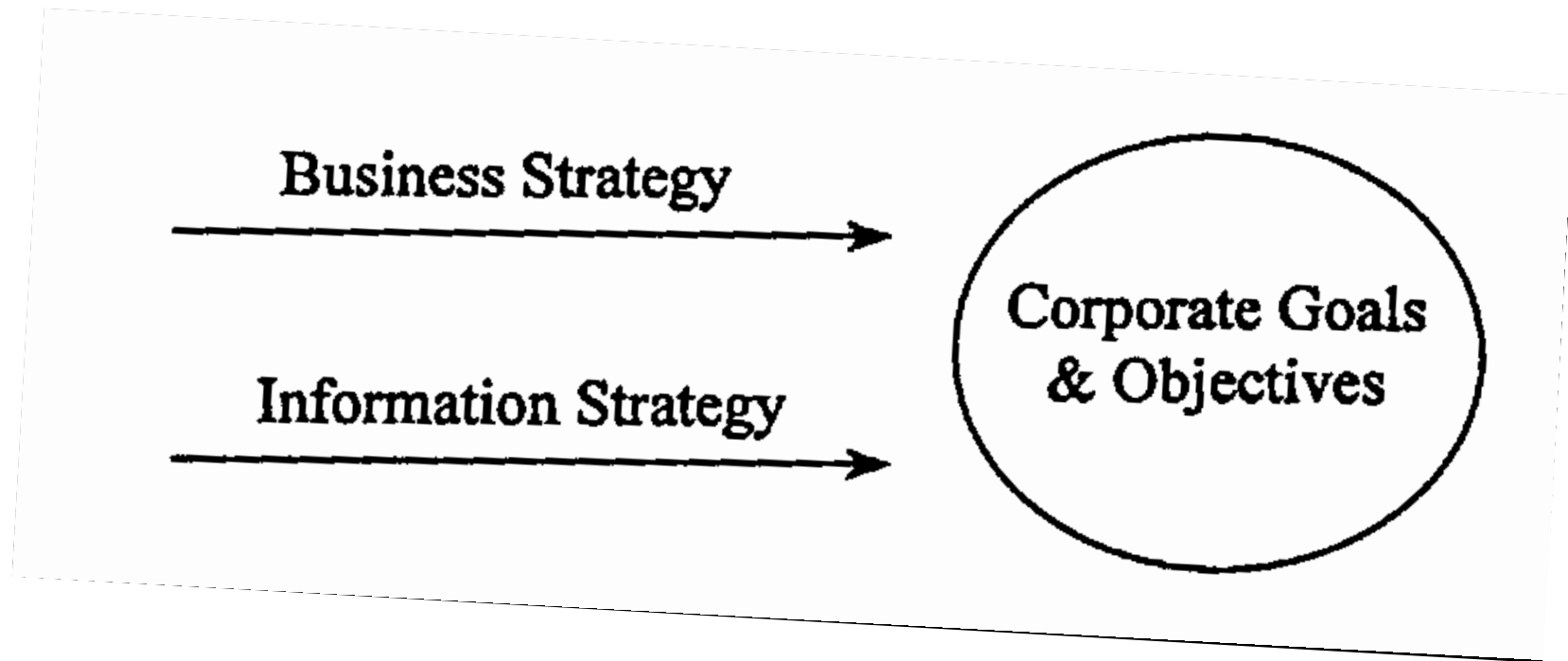


IT Strategy Planning Process

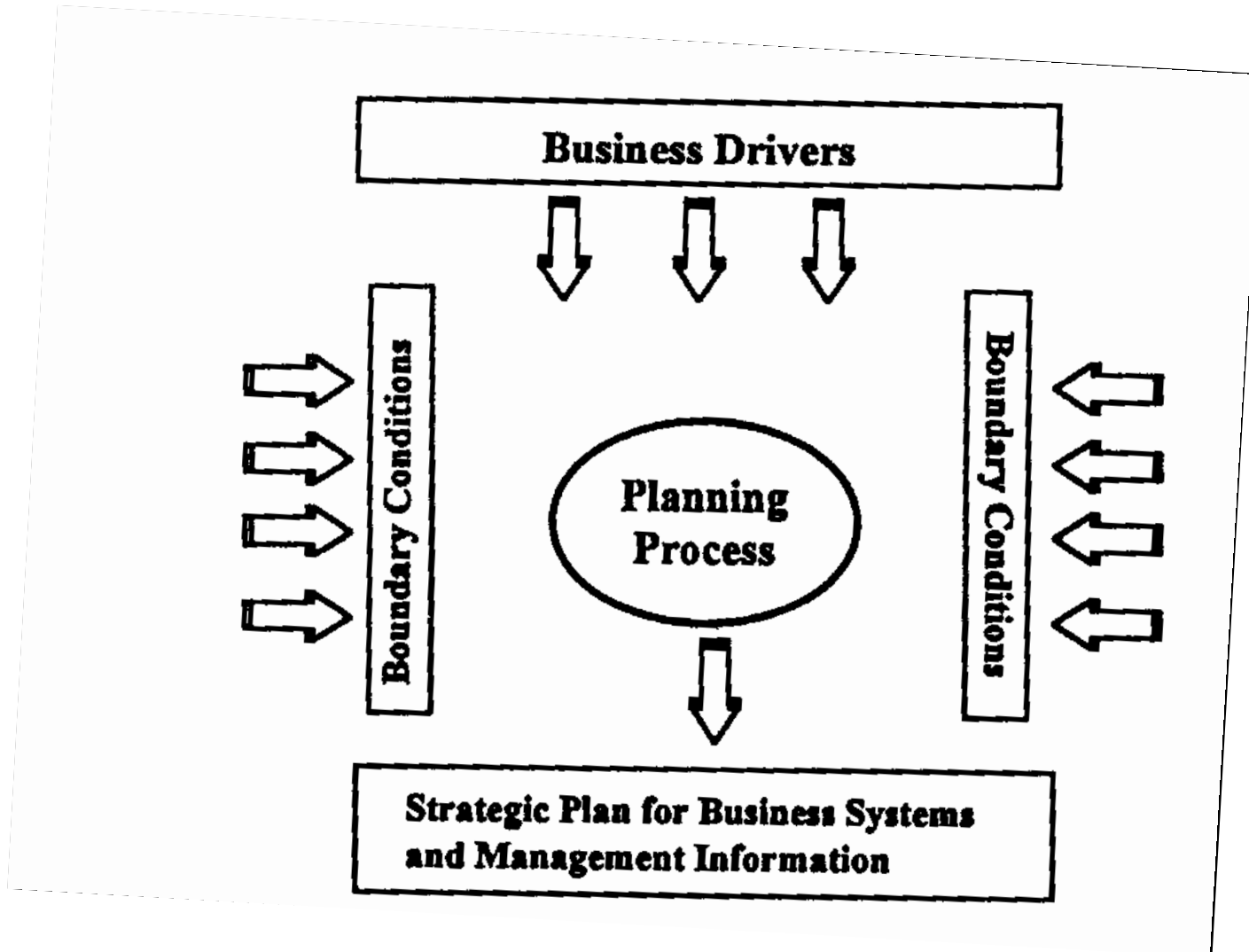
Strategic Plan Linkage



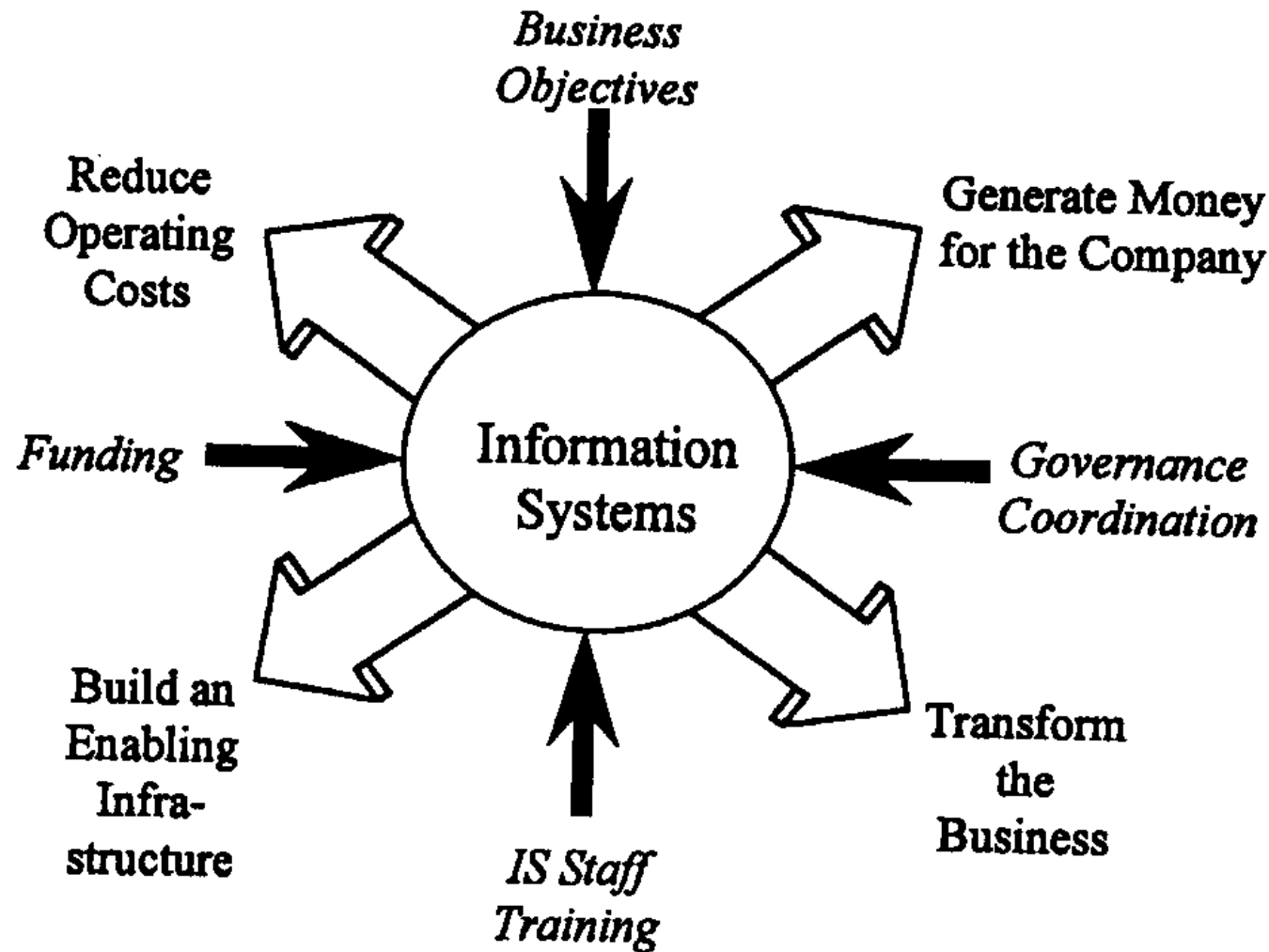
Business Strategy – Information Strategy



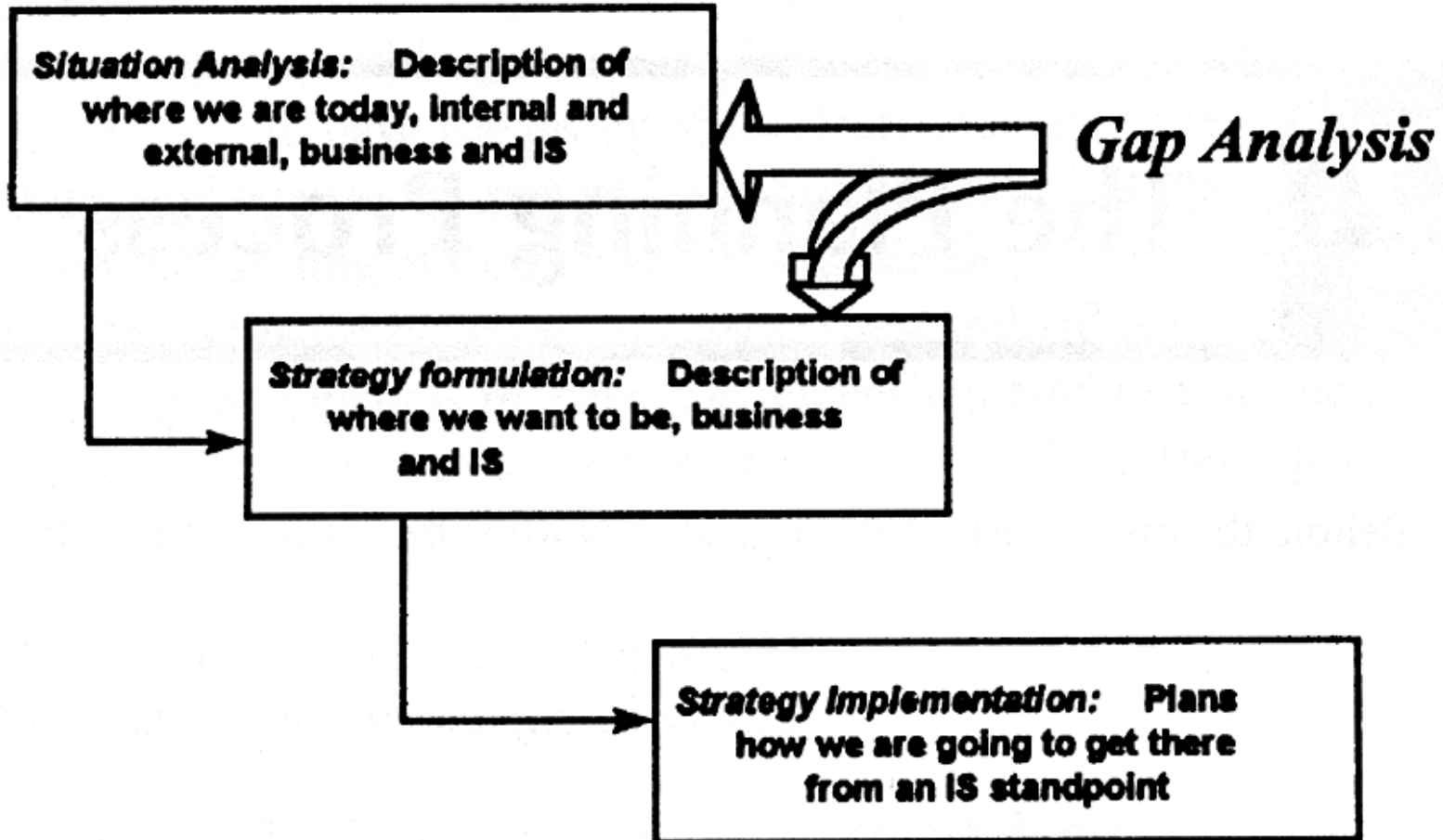
Planning Process



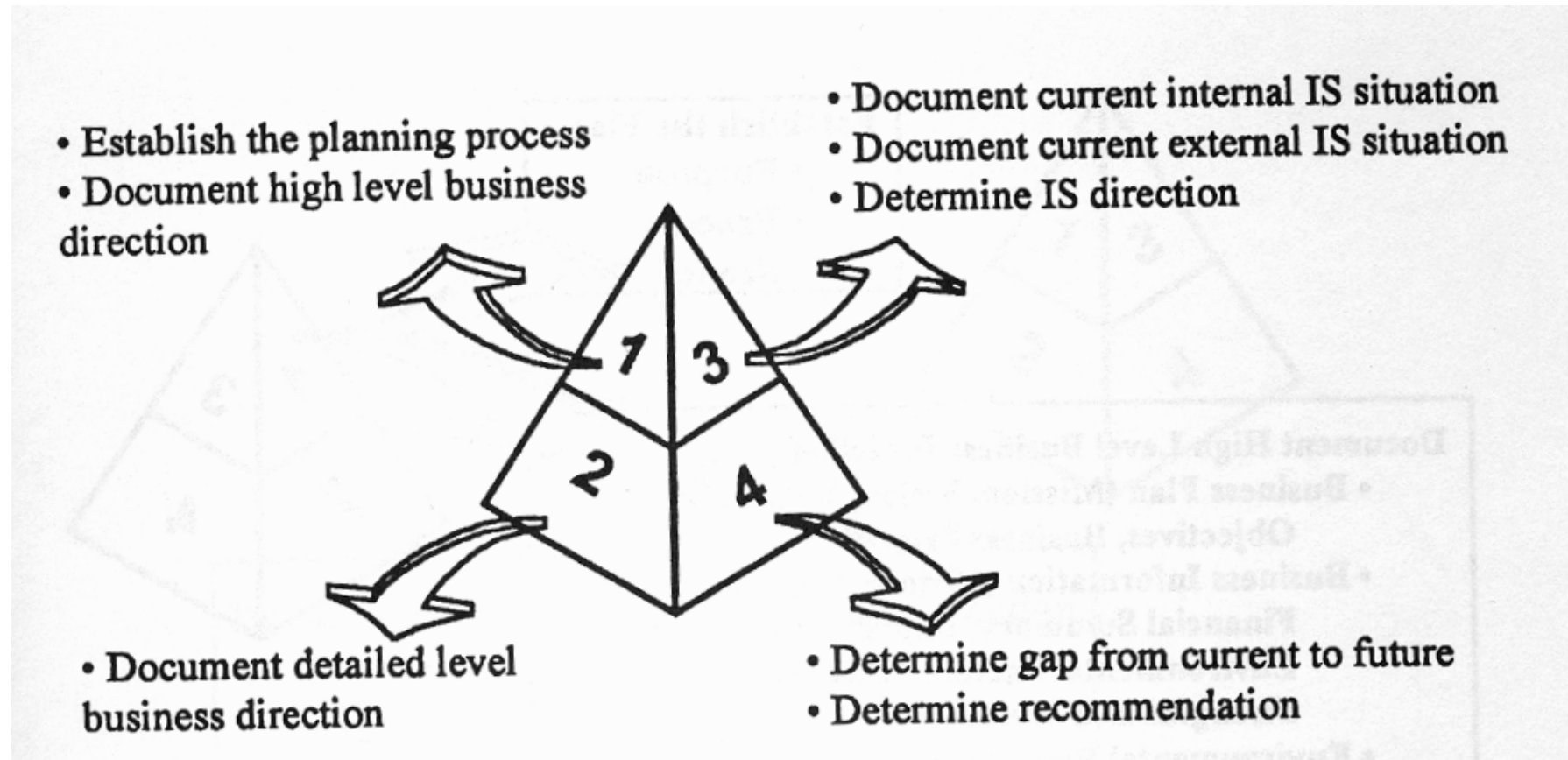
Information Systems: Inputs and Outputs



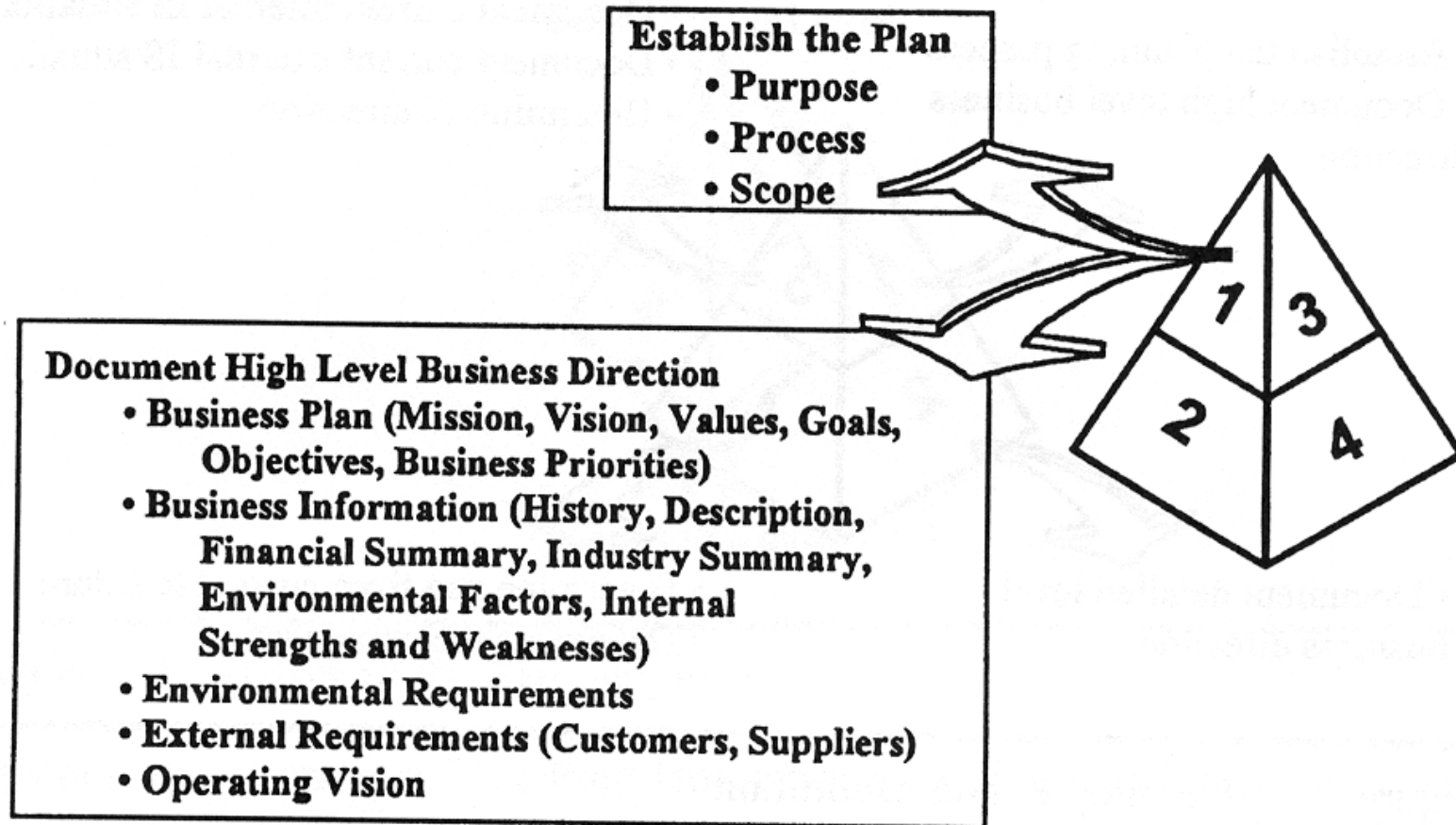
GAP analysis



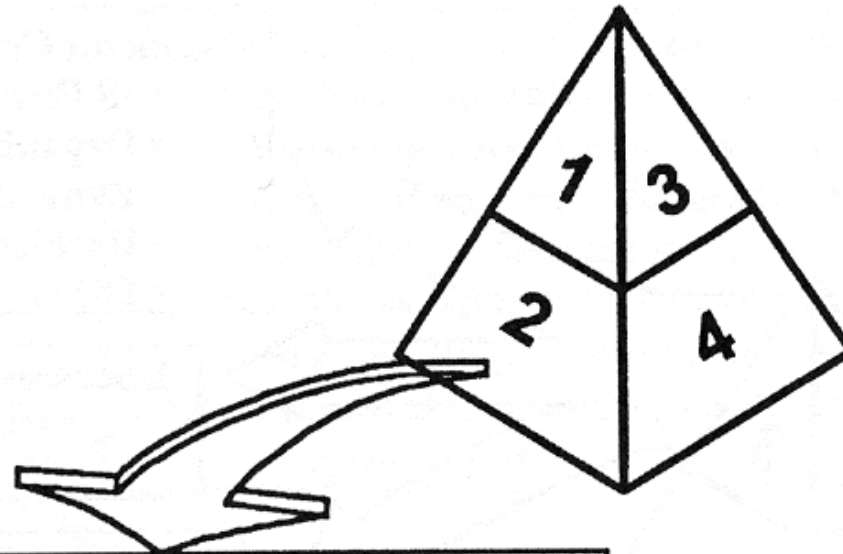
Planning Process – more detailed level



Establish the Plan



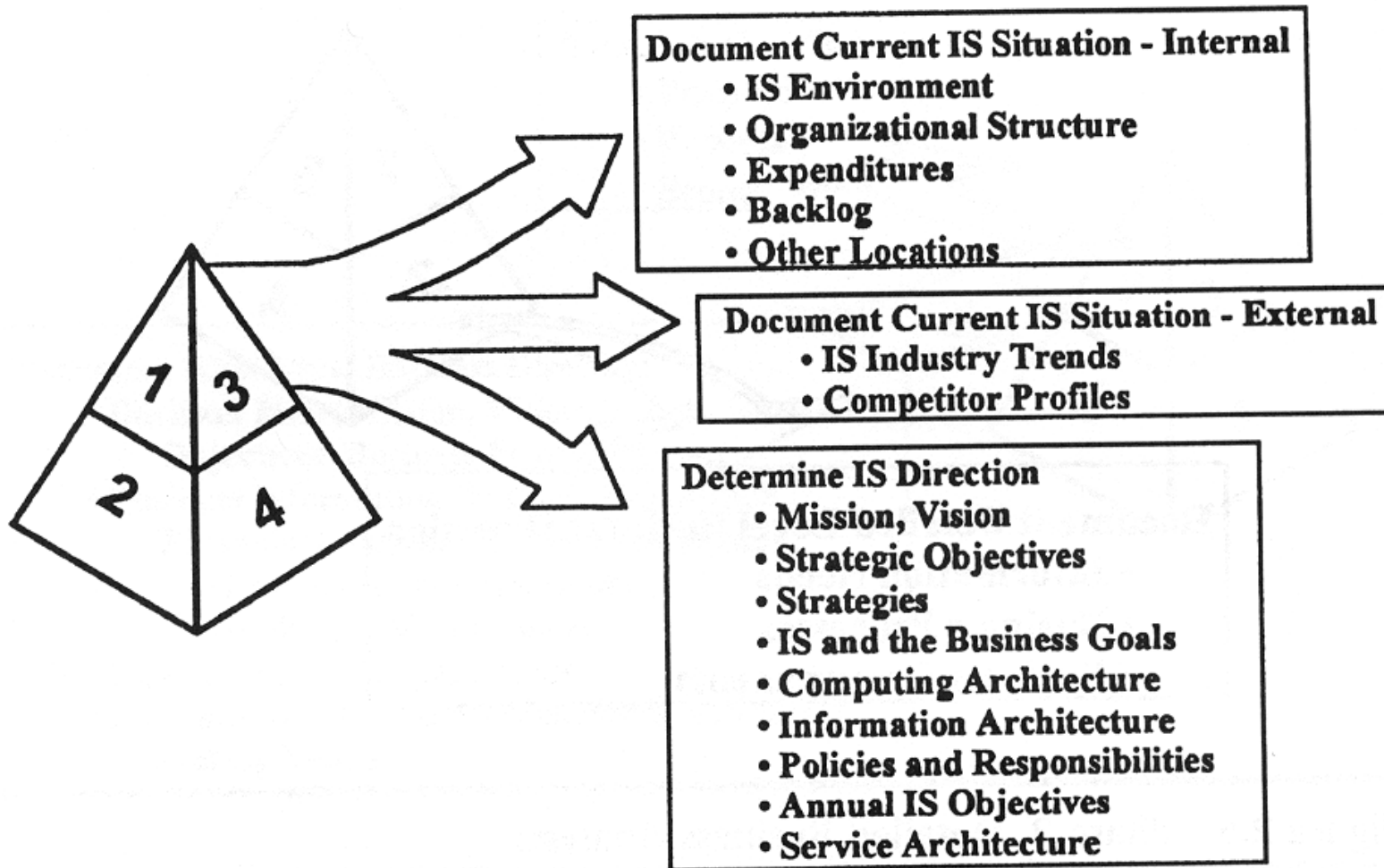
Document Detailed Level Business Direction



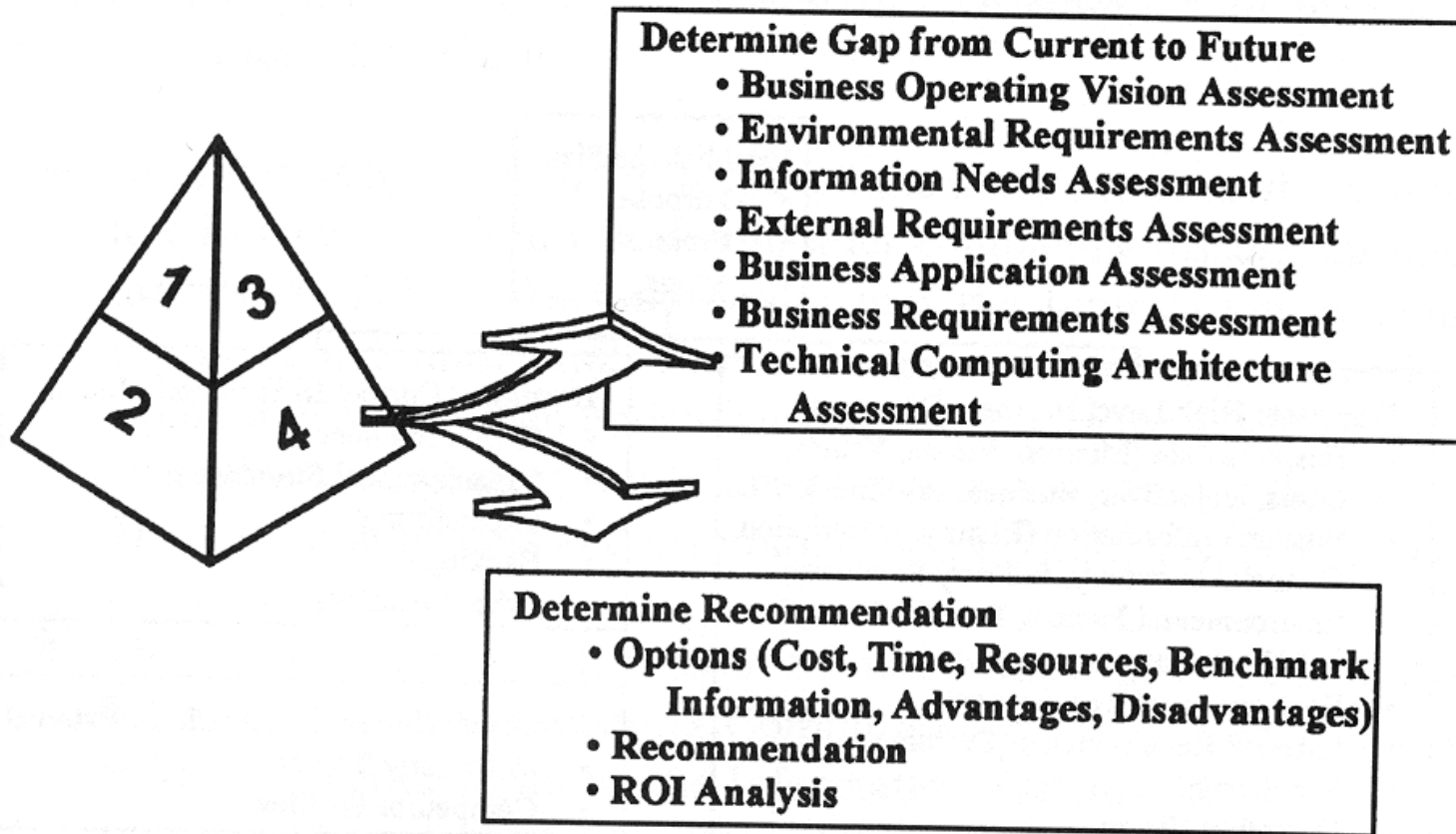
Document Detailed Level Business Direction

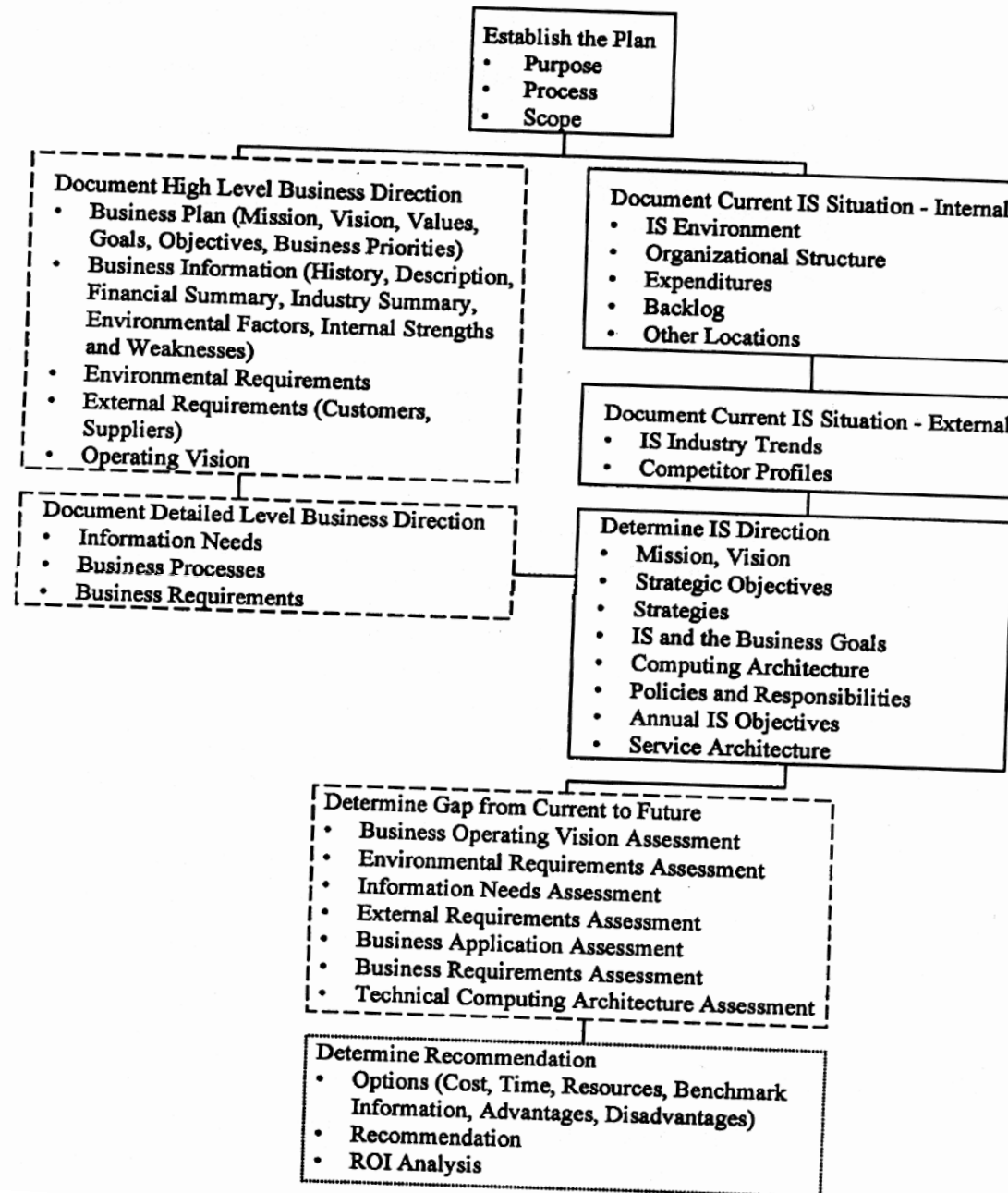
- **Information Needs**
- **Business Processes**
- **Business Requirements**

Current IS Situation – IS Direction

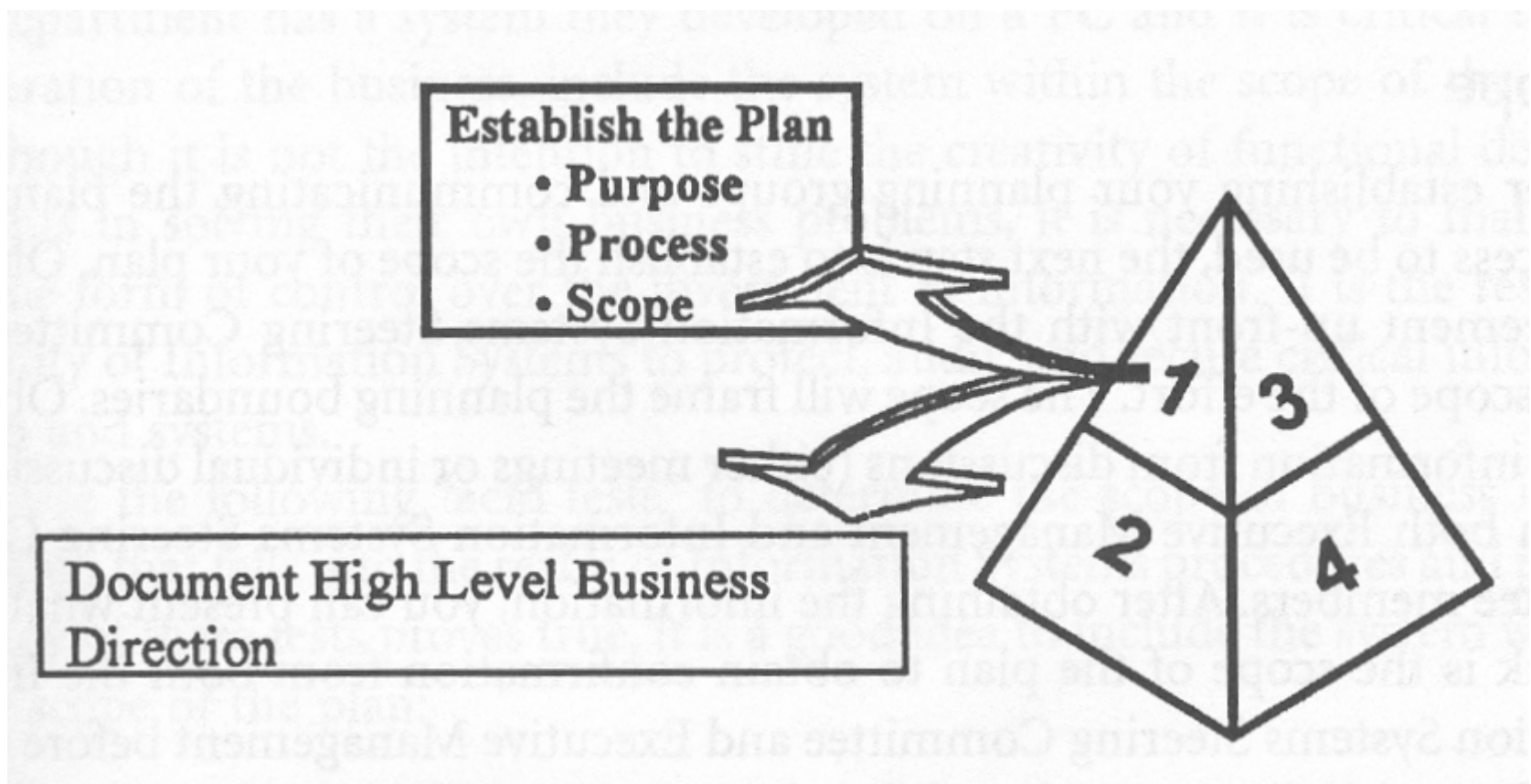


Determine Gap





Summary of Planning



I.	Management Overview	Phase 1,2,3,4
II.	The Plan	Phase 1
	A. Purpose	Phase 1
	B. Process	Phase 1
	C. Scope	Phase 1
III.	High-Level Business Direction	Phase 1
	A. Business Plan (Mission, Vision, Values, Goals, Objectives, Business Priorities)	Phase 1
	B. Business Information (History, Description, Financial Summary, Industry Summary, Environmental Factors, Internal Strengths and Weaknesses)	Phase 1
	C. Environmental Requirements	Phase 1
	D. External Requirements	Phase 1
	E. Operating Vision	Phase 1
IV.	Detailed Business Direction	Phase 2
	A. Information Needs	Phase 2
	B. Business Processes	Phase 2
	C. Business Requirements	Phase 2
V.	Current Information Systems Situation — Internal	Phase 3
	A. Information Systems Environment	Phase 3
	B. Organizational Structure	Phase 3
	C. Expenditures	Phase 3
	D. Backlog	Phase 3
	E. Other Locations	Phase 3
VI.	Current Information Systems Situation — External	Phase 3
	A. Information Systems Industry Trends	Phase 3
	B. Competitor Profiles	Phase 3
VII.	Information Systems Direction	Phase 3
	A. Mission	Phase 3
	B. Vision	Phase 3
	C. Strategic Objectives	Phase 3
	D. Strategies	Phase 3
	E. Information Systems and the Business Goals	Phase 3
	F. Computing Architecture	Phase 3
	G. Information Architecture	Phase 3
	H. Policies and Responsibilities	Phase 3
	I. Annual Objectives	Phase 3
	J. Service Architecture	Phase 3

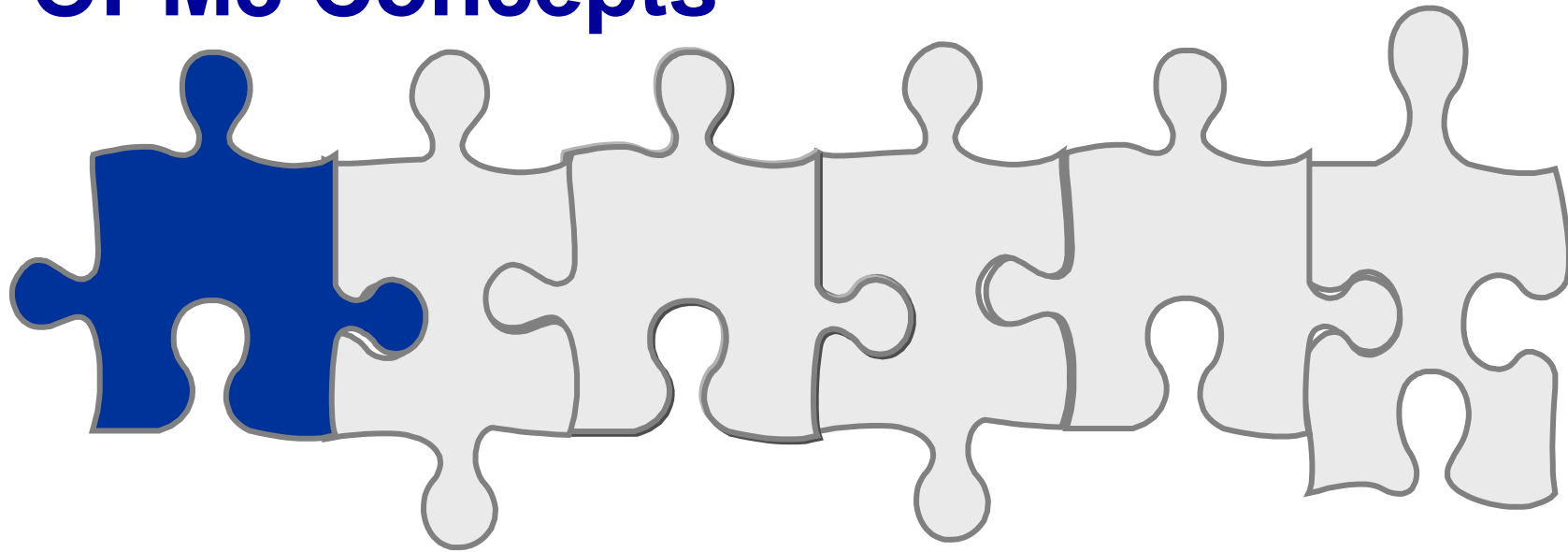
The Contents of Plan

The Contents of Plan

VIII. Gap Analysis	Phase 4
IX. Recommendation	Phase 4
A. Options	Phase 4
B. Recommendations	Phase 4
C. Return On Investment Analysis	Phase 4
X. Appendix	
A. Planning Groups	Phase 1
B. Planning Process	Phase 1
C. Business Direction	Phase 1
D. Detailed Business Requirements	Phase 2
E. Roles and Responsibilities	Phase 3
F. Information Systems Backlog	Phase 3
G. Information Systems Industry Technologies	Phase 3
H. Competitor Profiles	Phase 3
I. Business Application Assessment	Phase 4

Organizational Project
Management
Maturity Model (OPM3)

OPM3 Concepts



OPM3 Concepts – Introduction

- **Maturity** implies a state of being fully developed
- A **Model** is a framework organizations may use to identify, establish, and maintain required capabilities

OPM3 Concepts – Introduction

(continued)

- This **maturity model** includes:
 - methods & tools to facilitate assessment
 - methods to identify deficiencies
 - representations of improvement paths
 - Improvement element differentiates OPM3 from other models by providing information, opening the way to development of specific paths to achieve increased maturity in specific areas

OPM3 Concepts – Introduction

(continued)

- OPM3 enables you to do the right projects the right way, supporting organizational strategies
- OPM3 may be applied to organizations of diverse industries, sizes, geographical locations
 - Based on generally accepted Best Practices from experts through a Delphi Process
 - OPM3 team development of a Process Model

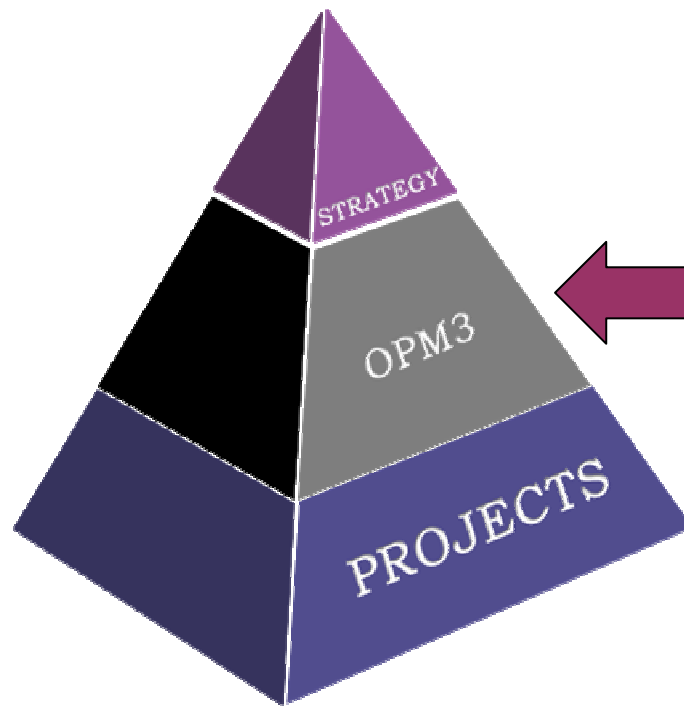
**• “Strengthens the link between strategic planning and execution,
• so project outcomes are
• predictable, reliable, consistent and correlate with organizational success.”**

OPM3 Concepts – Beyond Single Projects

OPM3 defines organizational project management as:

“the consistent application of knowledge, skills, tools and techniques to organizational and project activities to achieve the aims [strategic objectives] of an organization through projects”

OPM3 Concepts - Connecting the Gap



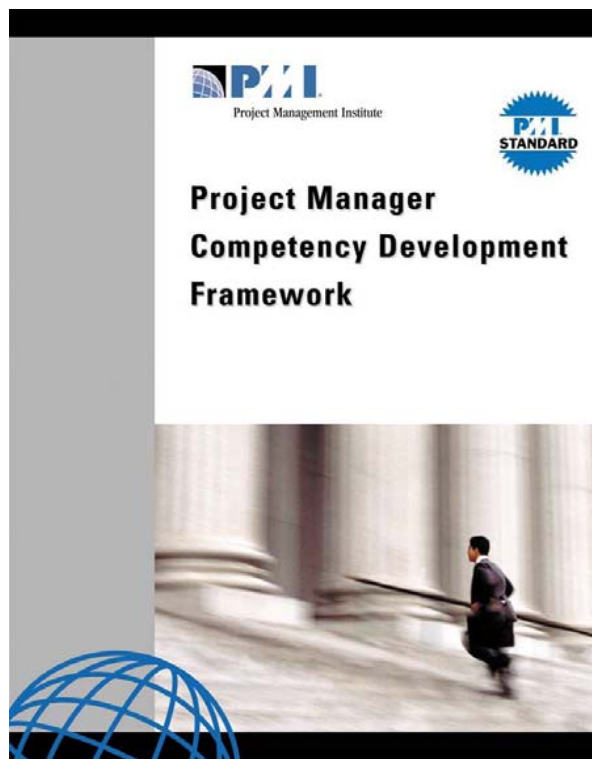
BP 1540 - "Include strategic goals in addition to time, cost, quality"

BP 3060 - "Select projects based on organizational best interests"

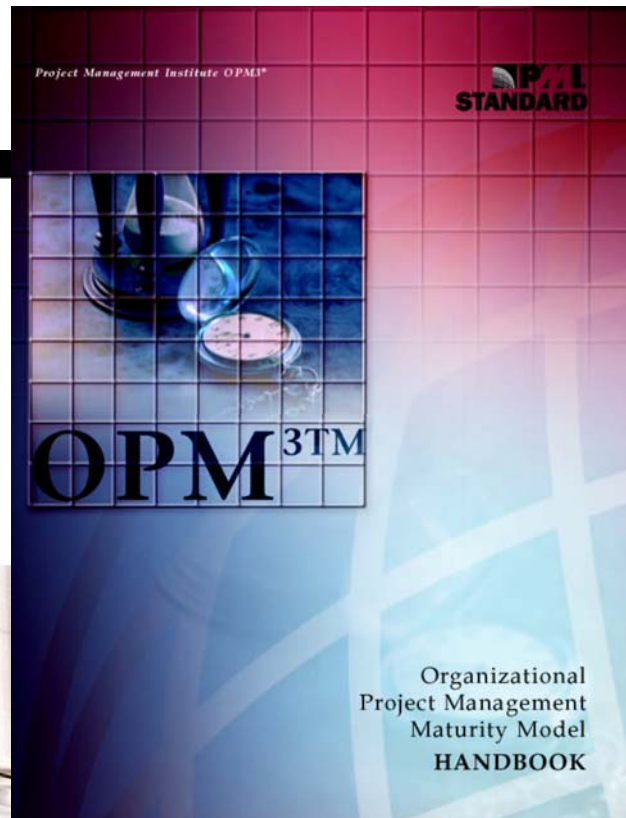
BP 5640 - "Balance the portfolio"

It is widely known that projects aligned with organizational strategies and effectively executed, are more frequently successful.

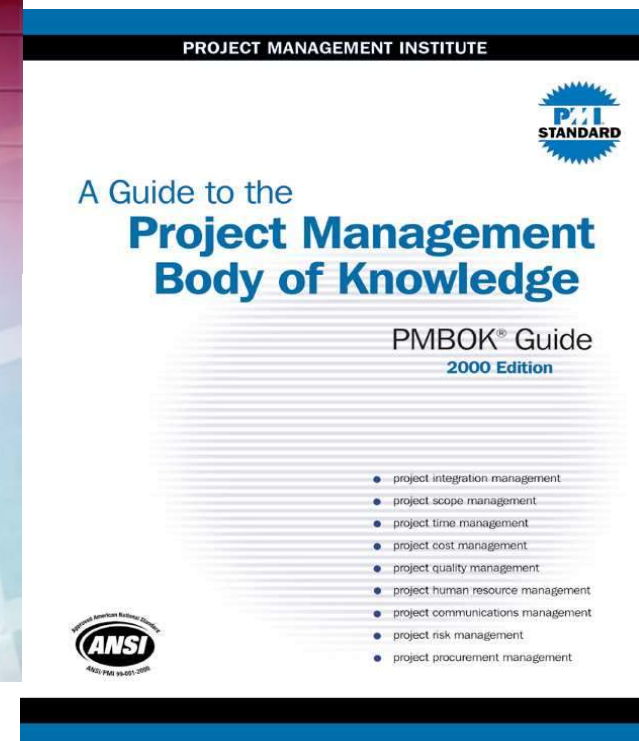
OPM3 Concepts - PMI's 'Suite' for organizational Improvement



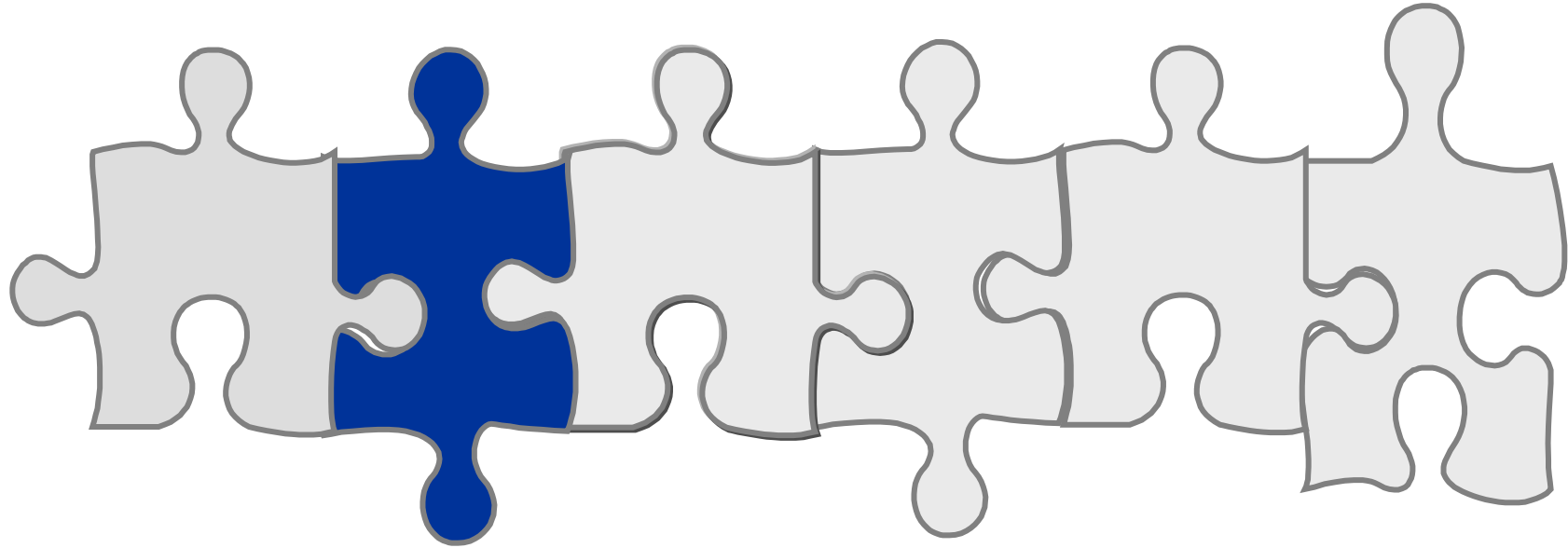
People



Organizations

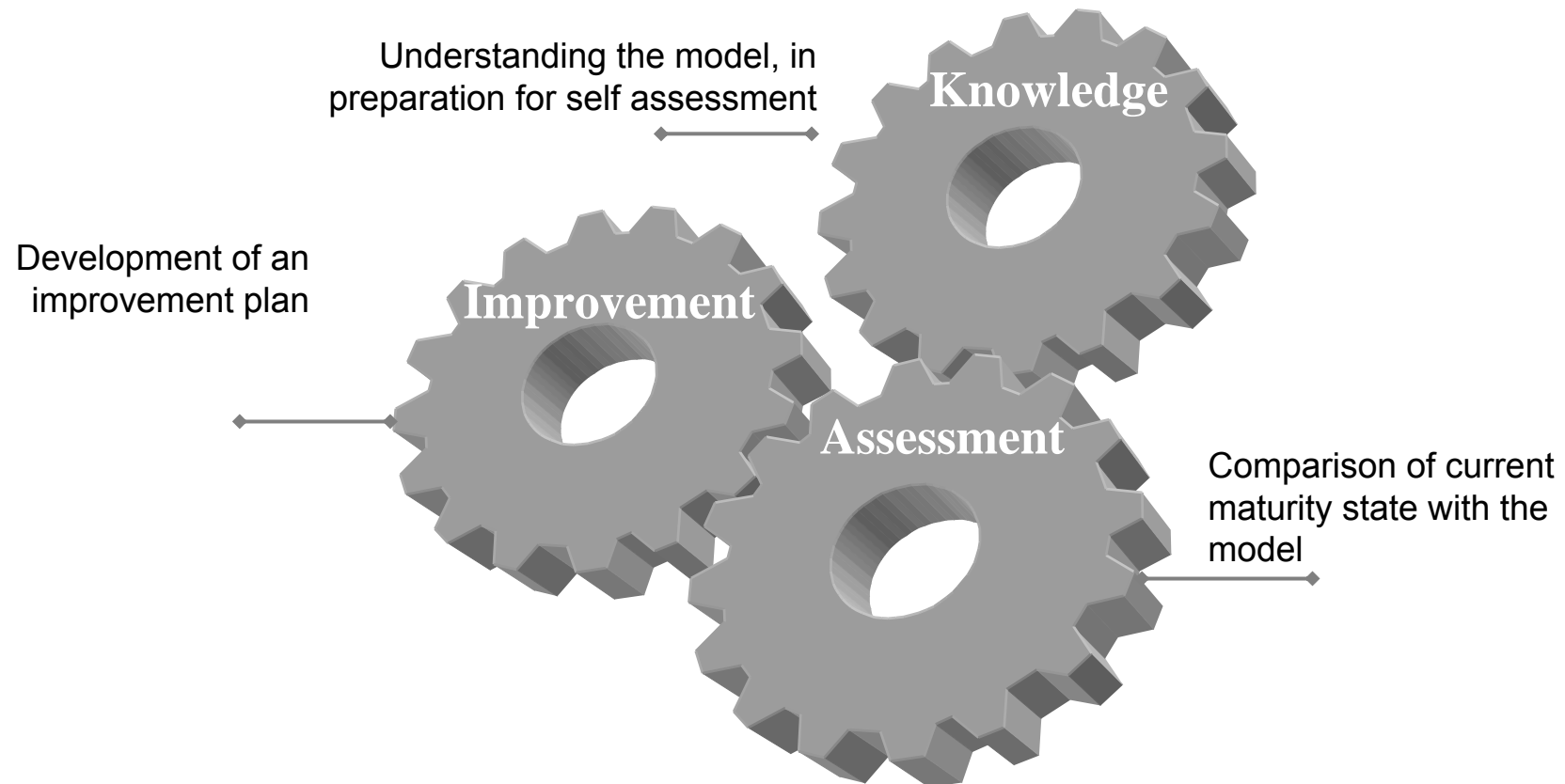


Projects



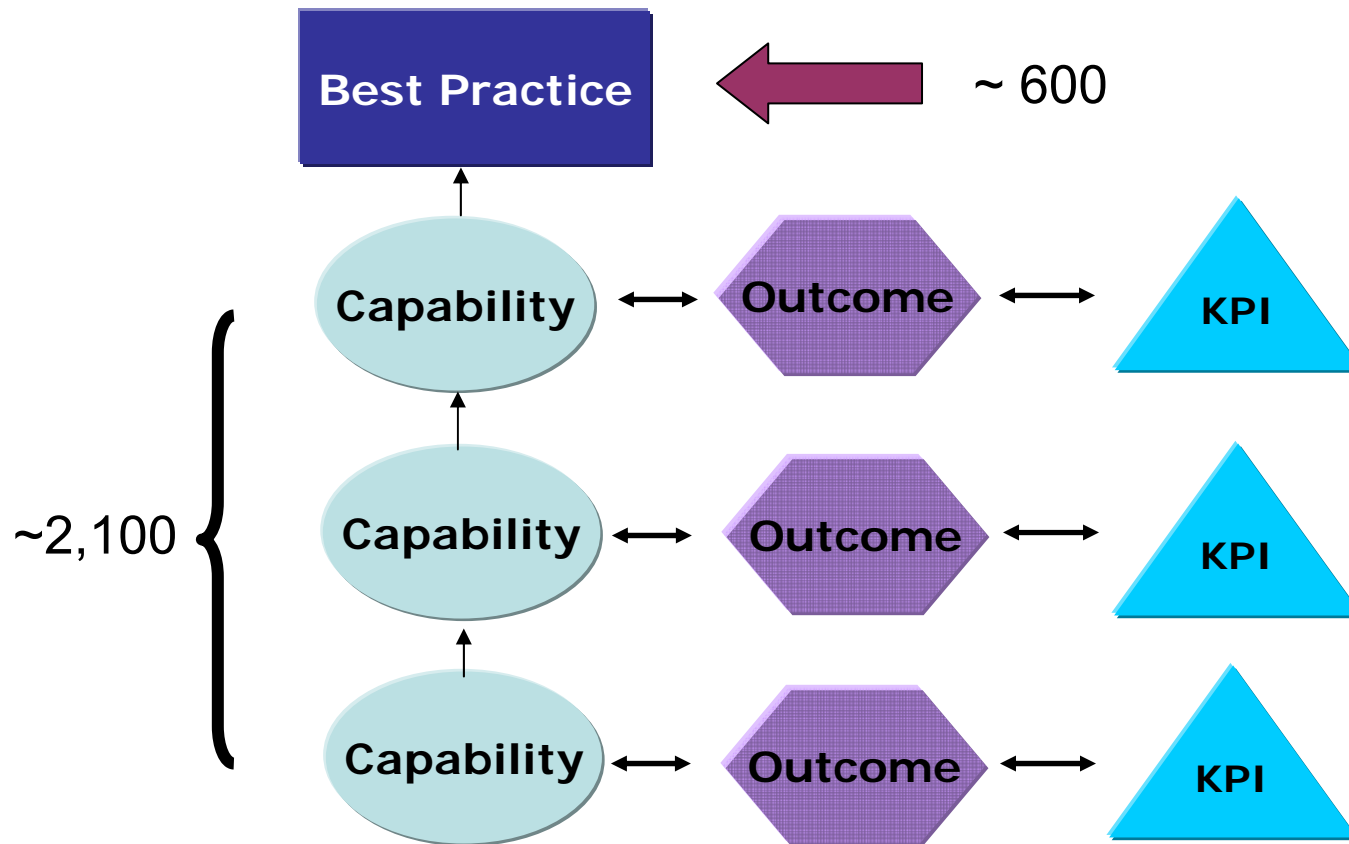
OPM3 Standard

OPM3 Standard – Dimensions



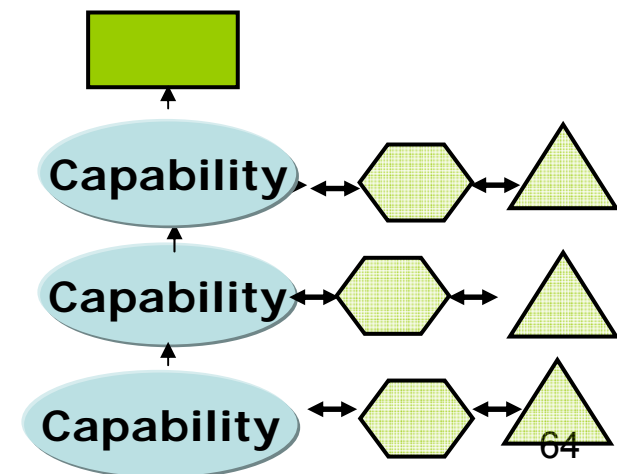
The essence of OPM3 is the blending of knowledge, assessment, and improvement.

OPM3 Standard - Understanding Model Components



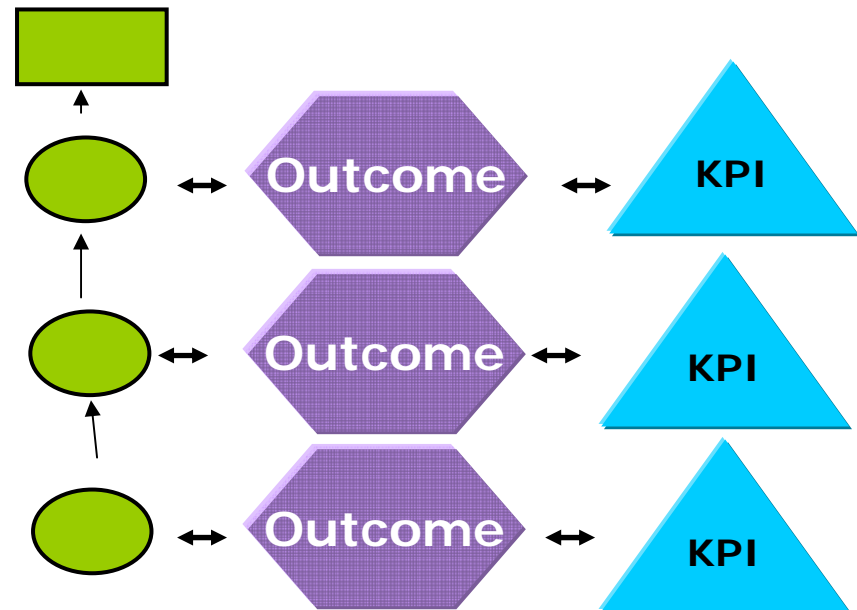
OPM3 Standard - Capabilities

- The incremental steps along the path to increased maturity
- A set of Capabilities supports the achievement of a Best Practice
- The existence of a Capability is demonstrated by the existence of its corresponding Outcome(s)
- Capability Directory
 - Lists Capabilities and corresponding Outcomes and KPIs for each Best Practice

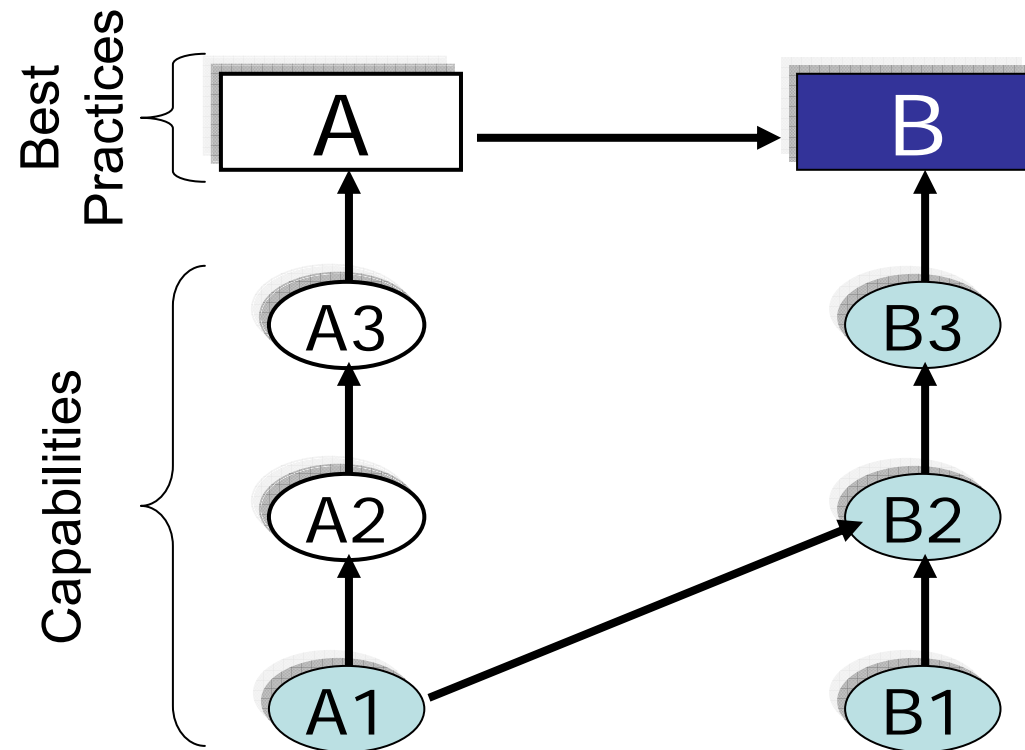


OPM3 Standard – Outcomes & Key Performance Indicators

- An **Outcome** is the tangible or intangible result of demonstrating or applying a Capability
- A **Key Performance Indicator (KPI)**, represents the means to measure an Outcome through a Metric



OPM3 Standard – Dependencies

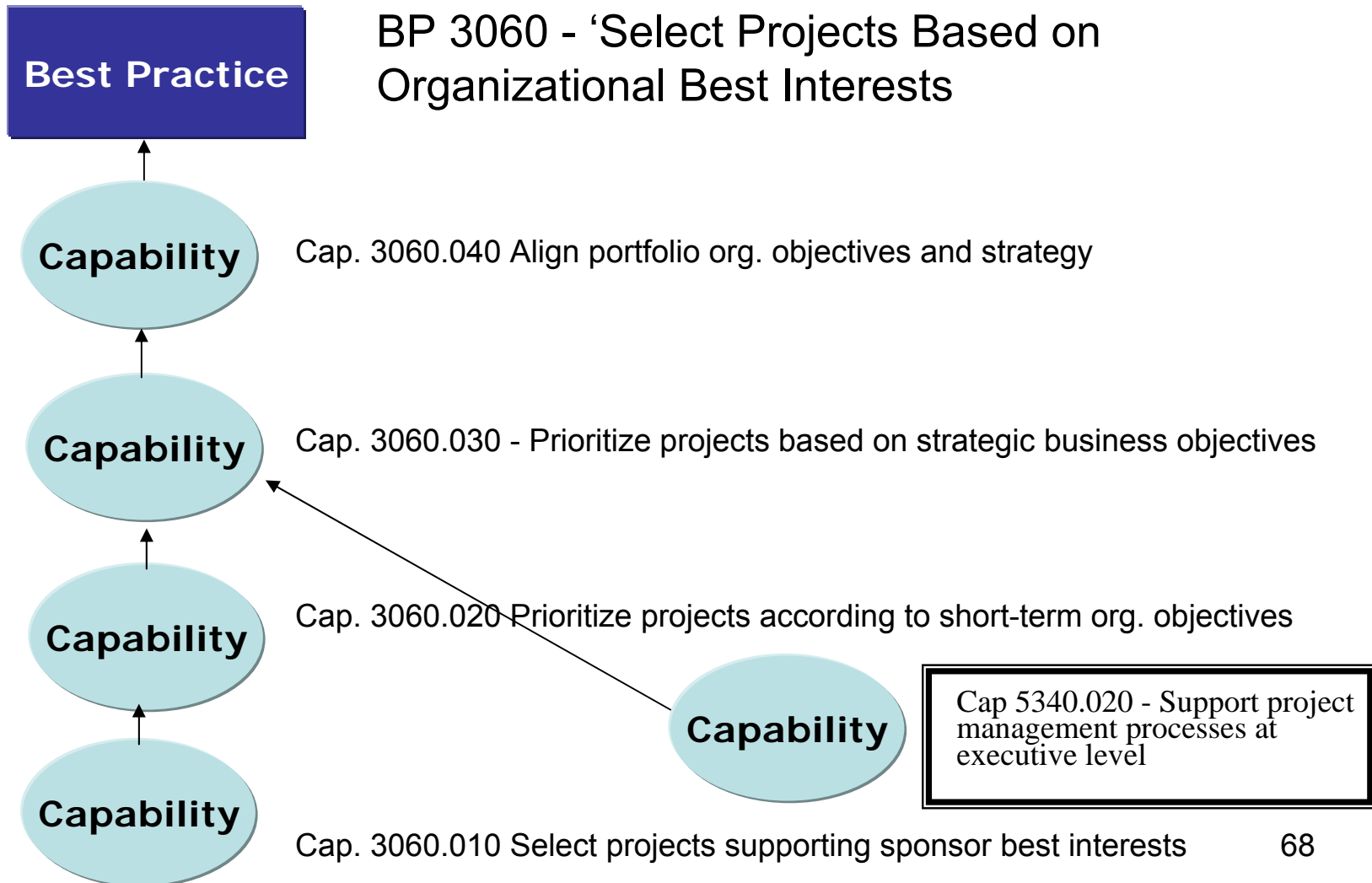


- Improvement Planning Directory
 - Lists all of the capabilities required for each Best Practice, Including ones from other Best Practices

OPM3 Standard - Components - Example



OPM3 Standard - Components Example

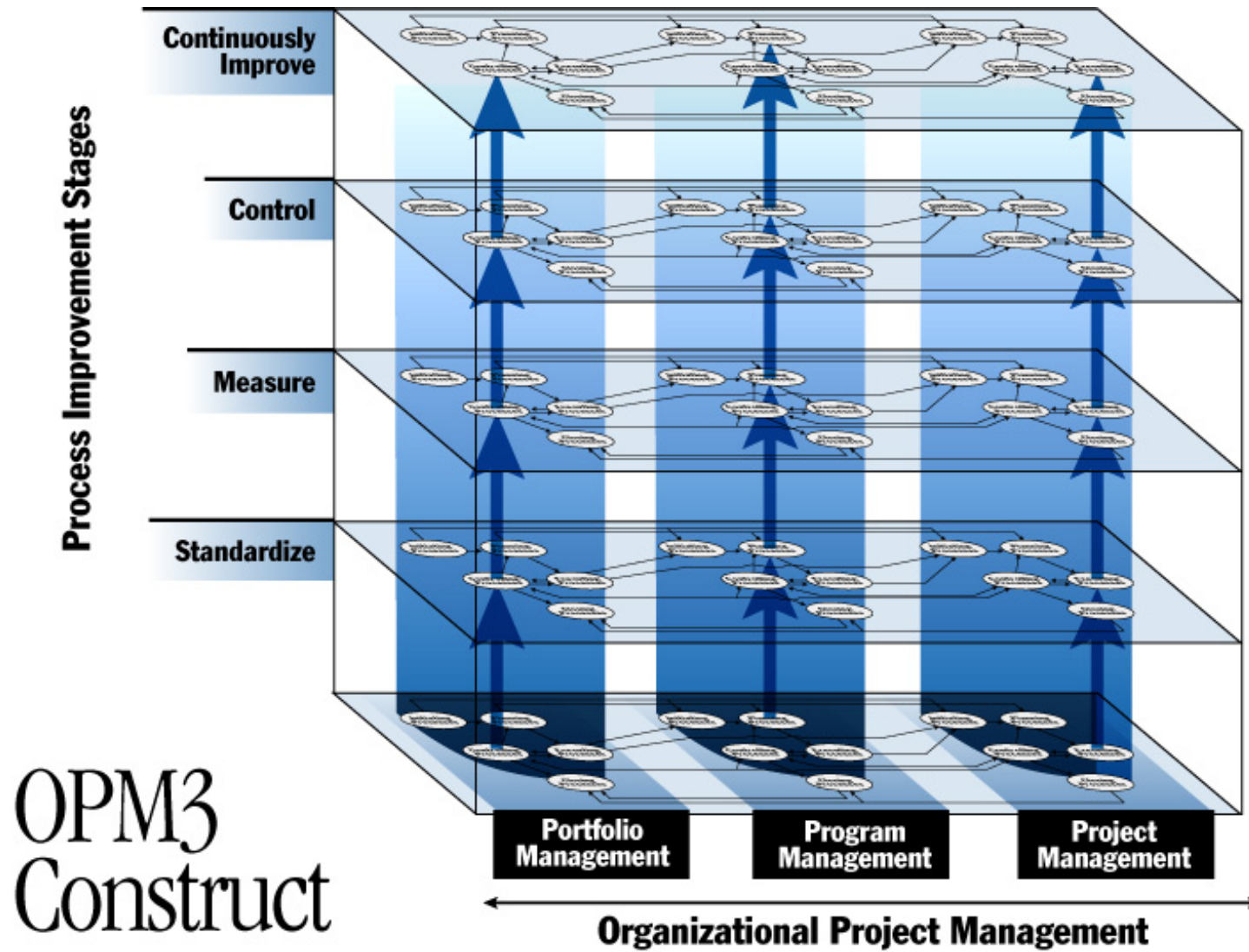


Categorization - Overview

Methods for Categorizing Best Practices and Capabilities are:

- The Capabilities are categorized by the Process Groups - Initiating, Planning, Executing, Controlling and Closing Processes (IPECC), PPP, SMCI
- Best Practices are categorized according to the Organizational Project Management Domains - Project, Program, Portfolio (PPP)
- Best Practices are also categorized by the Stages of Process Improvement - Standardize, Measure, Control, Continuously Improve (SMCI)

Categorization



The Edge of Chaos

Nature is Non-linear

- Most of nature is non-linear in the same sense as most of zoology is non-elephant zoology.
- The situation that most of traditional science is focusing on linear systems can be compared to the story of the person who looks for the lost car keys under a street lamp because it is too dark to see anything at the place where the keys were lost.
- Only recently do we have access to methods and compute power to make significant progress in the field of non-linear systems.
- Mitchell Feigenbaum established that chaos is a feature of all non-linear dynamical systems.

Chaos

- One whole class of phenomena which does not exist within the framework of linear theory has become known under the buzz-word of **chaos**.
- The modern notion of chaos describes irregular and highly complex structures in time and in space that follow **deterministic** laws and equations.
- This is in contrast to the **structureless chaos** of traditional equilibrium thermodynamics.

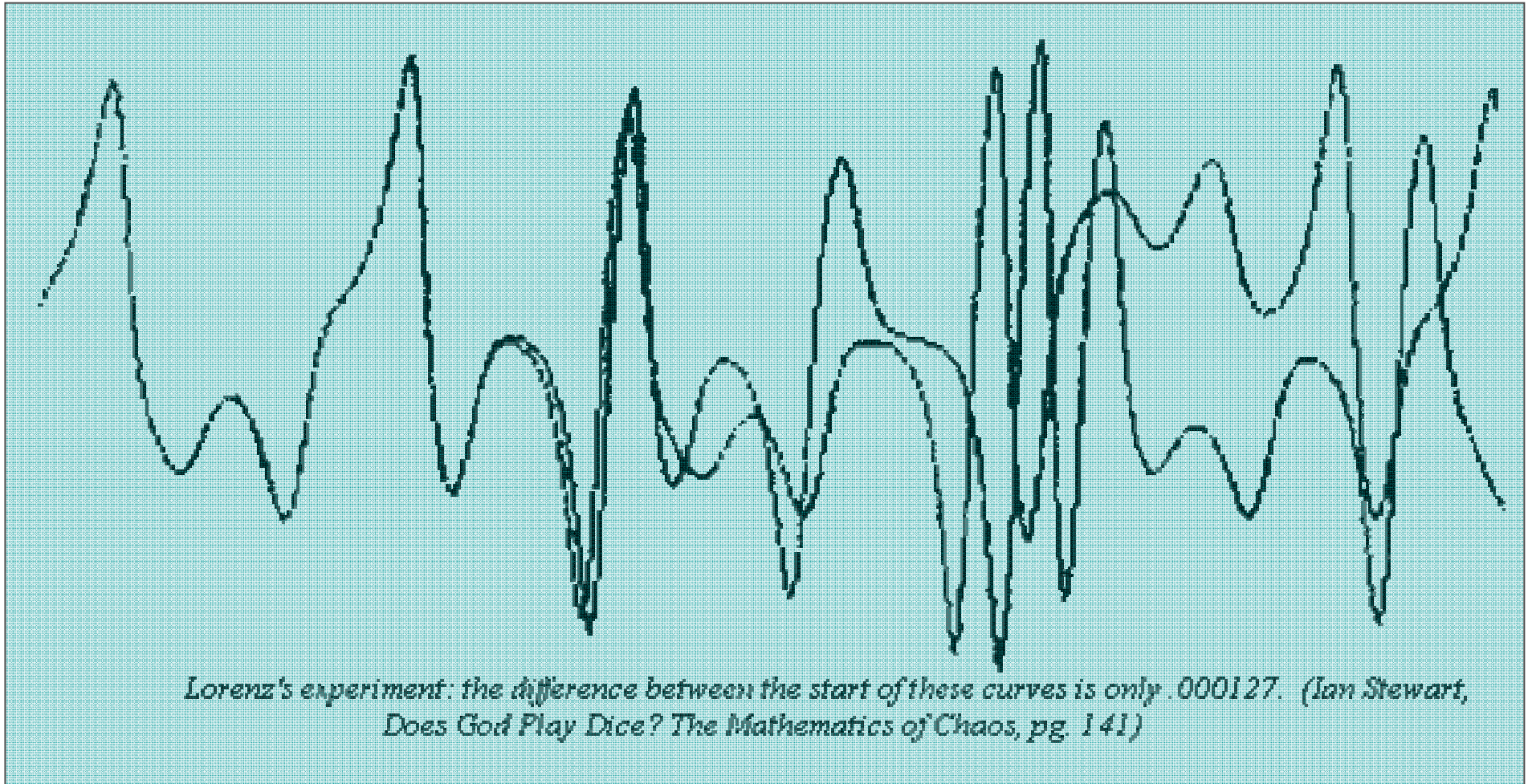
Chaos

- **Chaos** derives from the Greek **Χαος** and typically refers to unpredictability.
- In the metaphysical sense, it is the opposite of Law and Order: unrestrictive, both creative and destructive.
- An oft-made assumption is that the metaphysical **Chaos is Evil** and that **Law is Good**, however it should be noted these are different concepts, and it is quite possible for **Chaos to be Good** and **Law be Evil**.
- Mathematically **Chaos** means an aperiodic deterministic behavior which are **very sensitive to its initial conditions**.
 - As a result of this sensitivity, the observed behavior of physical systems that exhibit chaos appears to be random, even though the model of the system is 'deterministic' in the sense that it is well defined and contains no random parameters.
 - Examples of such systems include
 - the atmosphere,
 - the solar system,
 - plate tectonics,
 - turbulent fluids,
 - economies, and
 - population growth.

Butterfly Effect

- **Edward Lorenz**, a meteorologist was one of the first contributors to the concept of **unpredictable determinism**.
- He was working on a model of atmospheric convection when noted a strange effect.
- The same model, the same equations and the same numbers were giving wildly different results.
- The only difference was that the numbers in one data had **six decimal points**, and with the other only **the first three decimal points** had been used.
- Small differences in initial conditions had led to vastly different results.
- This, the so-called '**butterfly effect**' was a key discovery in chaos theory.

Lorenz' experiment

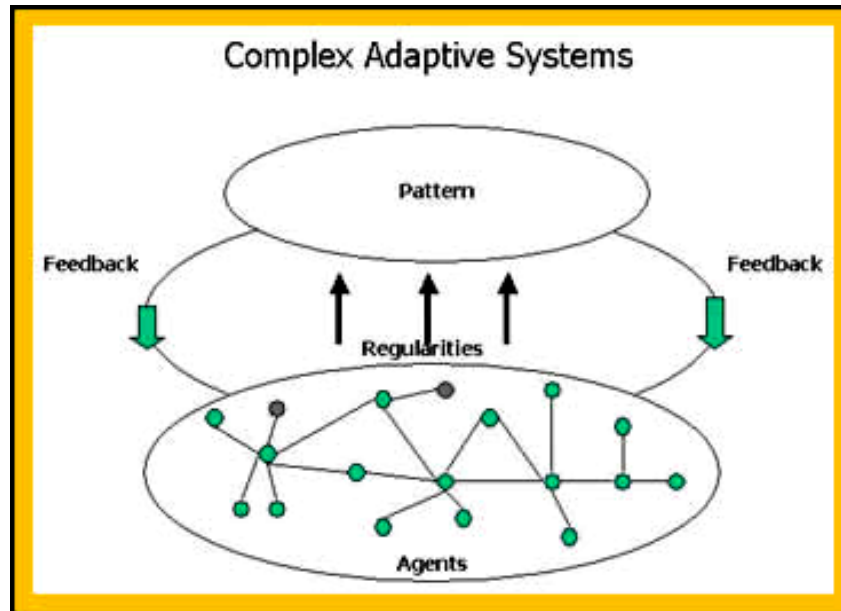


A Few Basic Tenets Of Chaos Theory

1. Sensitivity to initial conditions
2. The real world comprises dynamic, non-linear systems that interact with each other and exchange information and energy
3. Self-organising systems have numerous parts
4. For systems to grow and develop they should exist

'on the edge of chaos'

Complex Adaptive Systems



- The agents in the system are all the components of that system.
 - For example the air and water molecules in a weather system, and flora and fauna in an ecosystem.
- These agents **interact and connect** with each other in unpredictable and unplanned ways.
- But from this mass of interactions regularities emerge and start to form **a pattern which feeds back** on the system and informs the interactions of the agents.
 - For example in an ecosystem if a virus starts to deplete one species this results in a greater or lesser food supply for others in the system which affects their behaviour and their numbers. A period of flux occurs in all the populations in the system until a new balance is established.

Novel Behaviors

- The behavior of a CAS emerges from the interaction among the agents.
- A CAS can, and usually does, exhibit novel behaviors.
- Because of the interaction, the behavior of the system is also non-linear; seemingly small changes can result in major swings in system behavior.
- If you reflect on this, you can probably recall many examples of these behaviors in human systems.
- We are usually surprised when they happen.
- However, when we learn to view systems through the lens of CAS, these behaviors become expected, not surprising.

A CAS Can Learn

- Agents can share mental models, or be totally individualistic.
- Further, agents can change their mental models.
- Because agents can both change themselves and share mental models,
 - a CAS can learn;
 - it's behavior can adapt over time.
 - Again, we clearly know that human organizations change over time and are capable of progress.

Self-organisation

- Self-organisation is a dynamical and adaptive process where systems acquire and maintain structure themselves, **without external control**.
 - The ‘structure’ can be a spatial, temporal or functional structure.
 - ‘No external control’ refers to the absence of direction, manipulation, interference, pressures
 - or involvement from outside the system. This does not exclude data inputs
 - from outside the system as long as these inputs are not control instructions.
- Organisation can be looked at as an increase in the order of the system behaviour which enables the system to acquire a
 - spatial,
 - temporal, or
 - functional structure.
- The local actions and interactions of individuals generates ordered structures at higher levels with recognizable dynamics.

Emergent structures in Nature

A biological example is an [ant colony](#).

- The queen does not give direct orders and does not tell the ants what to do.
- Instead, each ant reacts to stimuli in the form of chemical scent from larvae, other ants, intruders, food and build up of waste, and leaves behind a chemical trail, which, in turn, provides a stimulus to other ants.
- Here each ant is an autonomous unit that reacts depending only on its local environment and the genetically encoded rules for its variety of ant.
- Despite the lack of centralized decision making, ant colonies exhibit complex behavior and have even been able to demonstrate the ability to solve geometric problems.
 - For example, the ant colonies routinely find the maximum distance from all colony entrances to dispose of dead bodies.

Emergent systems in Culture and Engineering

- The **stock market** is an example of emergence on a grand scale.
 - As a whole it precisely regulates the relative prices of companies across the world, yet it has no leader; there is no one entity which controls the workings of the entire market.
 - Agents, or investors, have knowledge of only a limited number of companies within their portfolio, and must follow the regulatory rules of the market.
 - Through the interactions of individual investors the complexity of the stock market as a whole emerges.
- Popular examples for emergence are **Linux** and other open source projects, the **World Wide Web (WWW)**.

Complexity at the Edge of Chaos

- Intuitively, complexity lies somewhere **between order and disorder**, between the glassy-calm surface of a lake and the messy, misty turbulence in gale-force winds.
- One way to talk about complexity is to describe the boundary between order and chaos - where complexity would feasibly reside - as **the edge of chaos**.

Agile Management –
*management on the
edge of chaos*

Flawed Assumptions

- ? “The first flawed assumption is that it is actually possible to plan such a large project well enough that success is primarily determined by degree of conformance to a plan.
- ? “The second flawed assumption embedded in planning-intensive approaches is that it is possible to protect against late changes to a large system project.
- ? A third flawed assumption is that it even makes sense to lock in big project decisions early.”

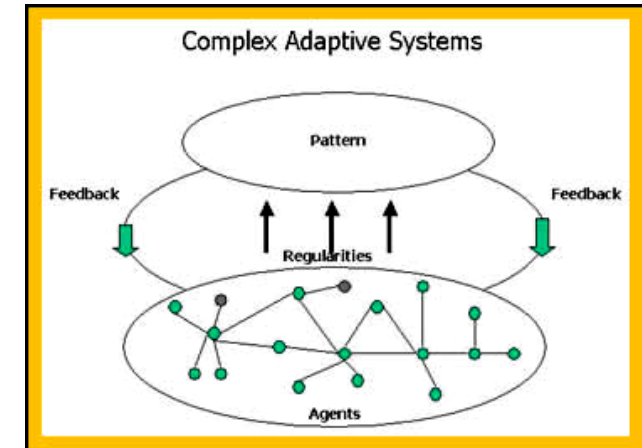
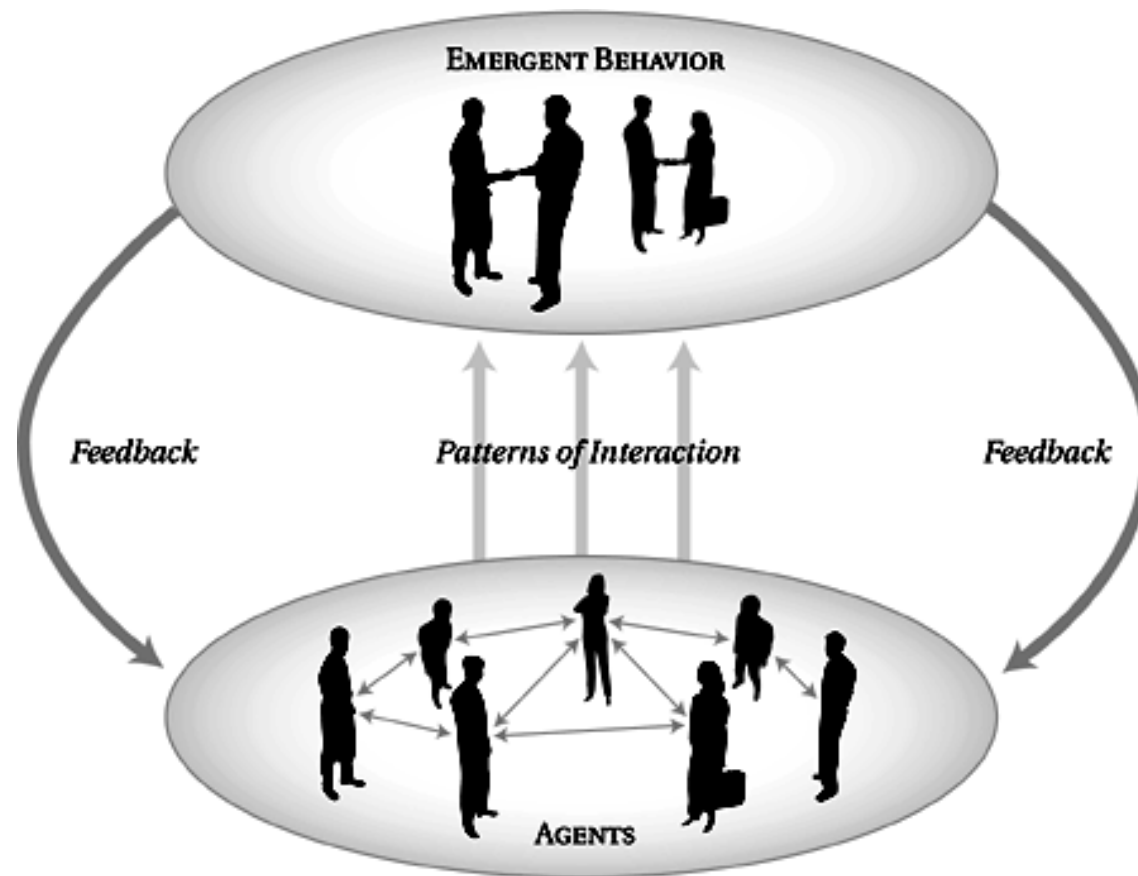
The Principle of Uncertainty

- The principle of uncertainty has been known in physics for some time, having been postulated by the nuclear physicist Heisenberg.
- The science of physics learned to live with uncertainty.
- The **Theory of Agile Management** teaches the business systems methodologist how to live with uncertainty in other fields, such as production, project management, and enterprise resource planning.

Planning and Prediction

- Basic assumption is that planning and prediction are possible **within some bounds of uncertainty**.
- Financial predictions for the performance of a software development business are possible, but must always be couched with **a degree of tolerance**.
- Agile management is all about being able to cope with uncertainty.

Projects as Complex Adaptive Systems



CAS and PM

Autonomous, intelligent agents form the basis of CAS.

Interactions between these agents result in selforganization and other emergent phenomena.

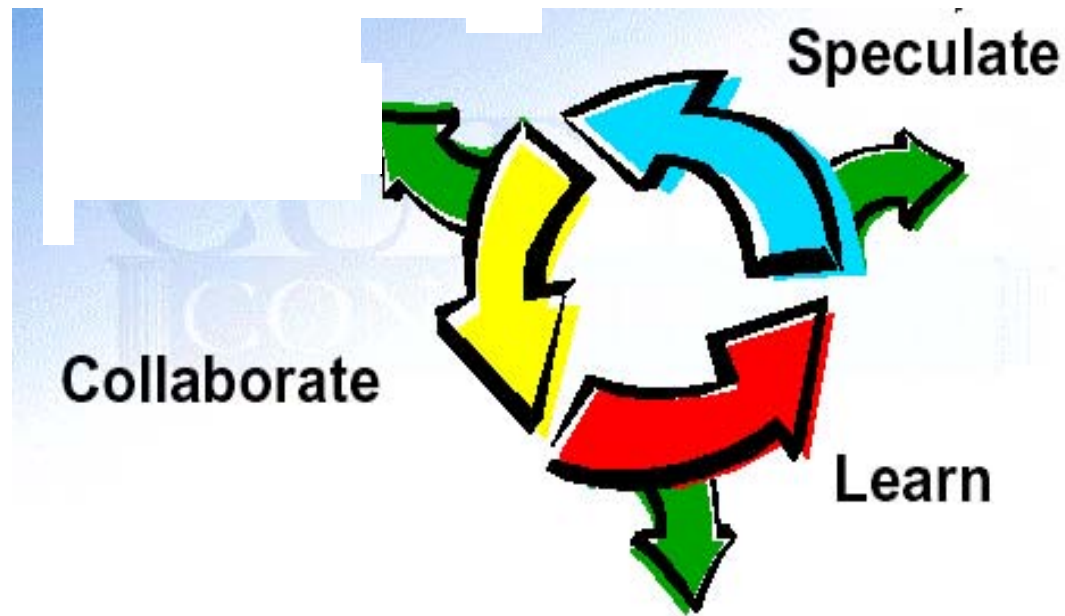
Teamwork and Collaboration. Recognizing individual team members as intelligent, skilled professional agents and placing a value on their autonomy is fundamental to all other practices.

Teamwork and Collaboration form the basis for rich interactions and cooperation between team members.

Emergent order is a bottom-up manifestation of order, while imposed order is a top-down manifestation.

Intelligent control of teams requires a delicate mix of imposed and emergent order.

The Adaptive Life Cycle



Simple rules =
simplicity

- **Rule No 1.** *Use your good judgment in all situations.*

There will be no additional rules

Chaordic World

- Former Visa International CEO Dee Hock (1999) coined the word "**chaordic**" to describe both the world around us and his approach to managing a far-flung **enterprise—balanced** on the precipice between **chaos** and **order**.
- Our sense of the world dictates management style.
 - If the world is perceived as **static**, then production-style management practices will dominate.
 - If the world is perceived as **dynamic**, however, then exploration-style management practices will come to the fore.
 - Of course, it's not that simple—there is always a **blend of static and dynamic**, which means that managers must always perform a delicate balancing act.

Production-style vs APM

- Production-style project management begins with **deterministic, predictive plans** and then exercises **control over those plans**, so it can be characterized as having a "conformance to plan" control mentality.
- APM begins with **project plans that adapt** over time to **changing conditions**.

Agility and Discipline

- Every successful venture in a changing world requires both agility and discipline.
 - This is as true in business and software development as it is in sports and art.
- Thousands of organizations have embraced the SW-CMM and have found that their software development became less chaotic.
- **But:** *"It feels like we're spending more time writing documents than producing software. Can't we get along with less?"*
 - *"The world is changing so fast, it seems like there's a cost of trying to be repeatable or too optimized.
That's what the dinosaurs were, and where are they now?"*
- Certainly a CMM can help add discipline to an organization, but it is primarily a set of criteria and a map for process **improvement—not a software development approach.**

Leadership-Collaboration Management

- Without adequate management (administration), complex projects rapidly descend into chaos.
- Plans, controls, budgets, and processes help project managers stave off potential project-threatening complexity.
- However, when uncertainty, risk, and change are prominent, these practices are insufficient.

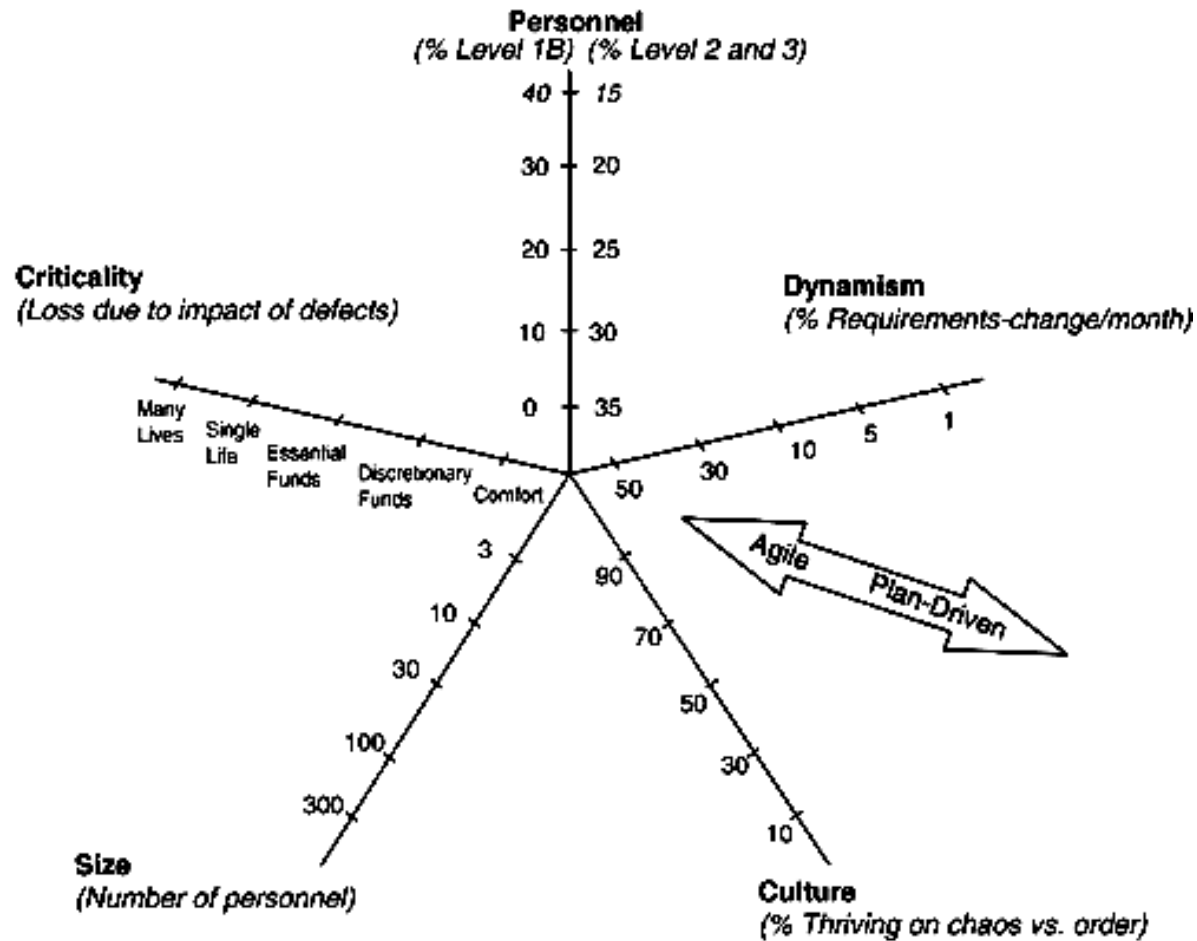
Leadership-Collaboration Management

- Project managers should be both managers and leaders, with the importance of the latter escalating rapidly as the exploratory nature of projects increases.
- Leaders are leaders not because of **what they do**, but because of **who they are**.
- Leaders depend for the most part on influence rather than power, and influence derives from respect rather than fear.
- Leaders are part of the project team, and although they are given organizational authority, their real authority isn't delegated top down but earned bottom up.

Steering, Not Controlling

- Leaderless teams are rudderless teams. Managers who want to create an adaptive, self-organizing project teams steer rather than control—they influence, nudge, facilitate, recommend, assist, urge, counsel, and, yes, direct in some instances. They view themselves as teachers.
- **Micromanagers** will always have to micromanage, complaining the whole time about staff members who are unwilling to take responsibility.
- To achieve an adaptable, self-organizing team, the project manager grants the team **as much autonomy as possible**, destructures to the extent possible, and then coaches individuals and gets rid of those who don't fit.
- Steering means the manager makes unilateral decisions at times and makes decisions with team involvement at other times, but **primarily delegates decisions to the team.**

Dimensions Affecting Method Selection



The Top 4 Conclusions

1. Neither agile nor plan-driven methods (**read: STANDARDS**) provide a silver bullet.
2. Agile and plan-driven methods (**read: STANDARDS**) have home grounds where one clearly dominates the other.
3. Future needs both agility and discipline (**read: STANDARDS**).
4. Methods (**read: STANDARDS**) are important, but potential silver bullets are more likely to be found in areas dealing with
 - **people,**
 - **values,**
 - **communication, and**
 - **expectations management.**