



# Value Driven Project Management

*Presented by:*

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# The Value of Project Management

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Organizations have turned to project management to deliver results consistently

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Project Mgt reduces costs, increases efficiencies and improves customer and stakeholder satisfaction

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Strong, organization-wide commitment to project management yields long-term business value and competitive advantage.

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Source: Project Management Institute



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*Project management is no longer based on a per-project approach with short-term projections, it is now becoming well aligned with the service provider's organizational strategies and business portfolios, resulting in greater business value, sustainability and long-term gains.*

”

# The Value Driven Professional

Value-driven project management is basically a mind-shift. It is important for project managers to understand that traditional plan-driven or "predictive" project management is not the only way to manage a project and there is a need for greater emphasis on producing value, not only at project completion, but during the life cycle of the project.

Today's business environment requires innovation and creative thinking and an understanding of when a predictive or adaptive approach is most appropriate to meet stakeholder expectations.

# The Value Driven Professional

Becoming value-driven involves aligning actions, choices, and behaviors with your core values to achieve a sense of purpose and fulfillment.

It's about understanding what truly matters to you and making decisions that reflect those values.

This can be achieved through mindful decision-making, self-reflection, and seeking input from trusted sources

# Value Realization

**Value realization** is the point at which a stakeholder experiences the benefits promised by a project or a product. Value is realized when the product fulfills its role in helping stakeholders achieve their specific goals— This includes improving operational efficiency, reducing costs, or increasing revenue.

Value realization is achieved when stakeholders/ customers derive continuous, impactful value from their investment.

## Managing Value Realization

1. Set clear value realization milestones
2. Product and service analysis
3. Monitor engagement and product usage
4. Continuous product improvement
5. Acknowledge value realization – Celebrate!

[Value Realization Strategy: How to Drive Customer Success](#)

# Are You “Values Driven”

- How would it feel and look to make decisions based on your values ?
- Are you making decisions that contradict your values and mission?
- What underlying factors influence how you make decisions that are not aligned with your values?

# The “New” Project Management Fundamentals

- No matter what you do, things will go wrong
- If you stay calm and break things down into pieces you can manage many situations
- There are common situations to expect:
  - Oversights
  - Being forced to do stupid things
  - Resource shortages
  - Poor quality
  - Direction changes
  - Personnel issues
  - Threats of mutiny

*The Art of Project Management, Scott Berkun, O'Reilly*





# The “New” Project Management Fundamentals

- Difficult times are learning opportunities. Take the time to examine what happened and discuss preventive actions
- Taking responsibility for a situation, regardless of who caused it, will expedite the process of resolving the issue
- Negotiation skills are essential. Work from people’s interests, not their positions

# The “New” Project Management Fundamentals

- Have clear lines of authority
- People respond to pressure differently. Be observant and flexible while helping your team deal with pressure situations

*The Art of Project Management: Scott Berkun,  
O'Reilly Media*

# The Goals of Project Management

- **Strategic Level**
  - Sustain the business / build / enhance
  - To increase business and market share
  - To prepare for disaster recovery and business continuity
  - Improve performance and reduce cost
- **Project Level**
  - On time
  - Within budget
  - According to scope and specifications
  - With high quality
  - To meet customer requirements and satisfaction
  - Deliver value



**PRICE-VALUE EQUATION**

$$\text{VALUE} = \text{PERCEIVED BENEFITS} - \text{PERCEIVED COSTS}$$

**Scope**

# Personal Value Traits

- What is one thing that people associate with you in service to your organization's mission?
  - Be excellent at it
- Make it a habit, not just a goal, to collaborate with others and exchange knowledge
- Carry a spirit of generosity into your work without undue worry that you will be taken advantage of

# Project Manager Value Attributes

- **The Professional** – Truthful, Ethical, Fair, Principles
- **The Financial** – Managing Cost, Financial Value
- **The Aesthetic** – Quality and Customer Satisfaction
- **The Social** – Team building, relationships
- **The Political** – Influencing, managing conflict
- **The Leader** – Sets an example, create confidence, motivates, builds loyalty

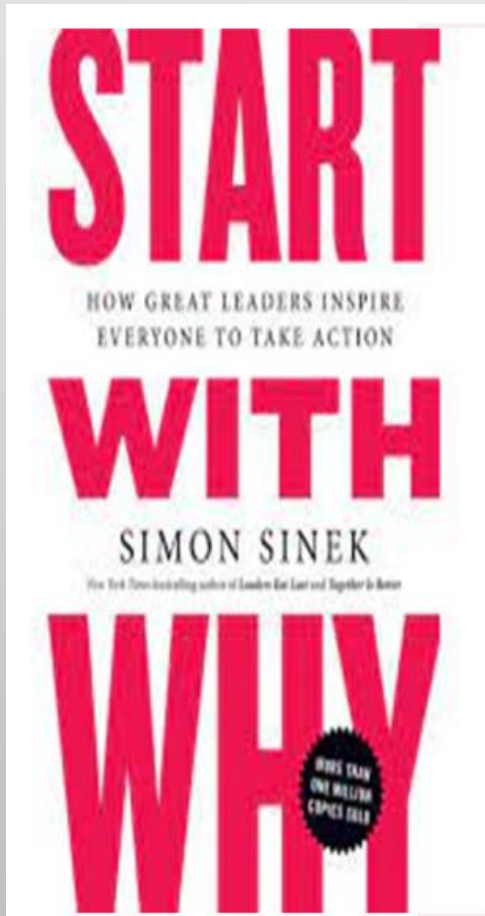


# Creating Value by “Thinking About Why”

Why ask “Why”?

- It defines success – Be clear about purpose
- It creates decision making criteria – How and where to spend money
- It aligns resources – Determine the best use of resources
- It motivates – Explain why we are doing something
- It clarifies focus – It drives you to the “real reason” for doing something
- It expand options – Encourages creative thinking

# Creating Value by “Thinking About Why” The Golden Circle



Think, Act & Communicate from INSIDE OUT !

## Clarity of WHY

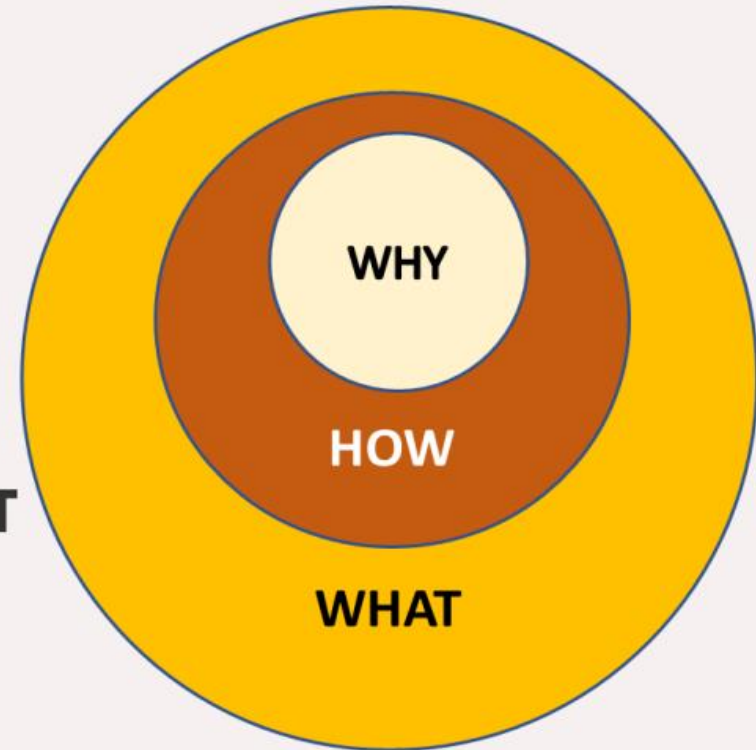
Your purpose, cause or belief.

## Discipline of HOW

Your strengths, values or guiding principles.

## Consistency of WHAT

Products sold, services offered or your role at work.



© Simon Sinek

[The Golden Circle - Simon Sinek](#)



# PROJECT LEADERSHIP

Leading Projects to Success





# Leading Projects to Success Through Power Exchange

*Information is the primary power source for successful project managers!*

*Listen, Learn, Gather intelligence, share*

*A project leader's job is to create and sustain high levels of value through other people!*

*Value is the power source that sustains an organization*

*A project leader's power alone yields no results until it is exchanged with the team!*

# Power Exchange

- A power exchange is the intentional, continuous transfer of information that boosts team member accountability and performance



# Power Converters



- Leadership steps to powering up an organization
  - Explain the game - vision and strategy
  - Ask for input and suggestions
  - Involve your team – empower
  - promote excellence in execution
  - Appreciate performance and people – Acknowledge generously!



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# Project Manager Leadership Goals

- Maintain a high level of customer satisfaction
  - Manage change effectively
  - Build high performing teams
  - Create an energized work environment
  - Improve quality
  - Increase competitive advantage
  - Create Value through benefits realization

# Leadership Behaviors

- Is there a gap between what you actually do and how you should spend your time and energy?
- What behaviors and activities are taking up too much of your leadership time?
- What strategies can be employed to move you closer to your ideal distribution of behaviors?

# World Class Learner = World Class Leader

- World class learners create extraordinary organizations.
- As a leader, you are expected to make an investment in your personal growth and in the growth of your team and your organization
- Parallel Strategy
  - Personal Growth and Personal Brand
  - Team / Organizational Growth and Value Creation

# Value Driven Project Leadership

- **Awareness** – Be prepared to change and initiate useful change before you have to!
- **Strategy** – Align projects with organizational goals and opportunities
- **Results** – Create value – The focus is on ***Outcome*** and ***Impact***

This approach emphasizes ethical and moral values such as honesty, integrity, empathy, and accountability. Value driven leadership creates a positive team culture that fosters trust, respect, and accountability, which leads to increased employee engagement and better decision-making

# Results and Value - Inseparable

- The future belongs to companies who connect with their clients, employees, and stakeholders
- The “Connection Economy” and the “Project Economy”
  - Many organizations utilize formal project management to remain competitive and to generate revenue or benefits.
  - A project benefit is defined as an outcome of actions, behaviors, products, services , or results that provide value to the sponsoring organization as well as the project’s customer or recipient of the project deliverable.





# Value Postulates

# Postulate #1

- It doesn't matter if you execute a project extremely well if you are working on the wrong project.

## Postulate #2

- Being on time and on budget is not necessarily success.

# Postulate #3

- Completing a project within the triple constraint does not guarantee that the desired business value will be achieved.

# Postulate #4

- Having mature project management practices, including an enterprise project management methodology, does not guarantee that business value will be there at project completion.

# Postulate #5

- Price is what you pay. Value is what you get.

- Warren Buffett

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# Postulate #6

- Business value is what your customer perceives as worth paying for.

# Postulate #7

- Success is when business value is achieved.

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# Postulate #8

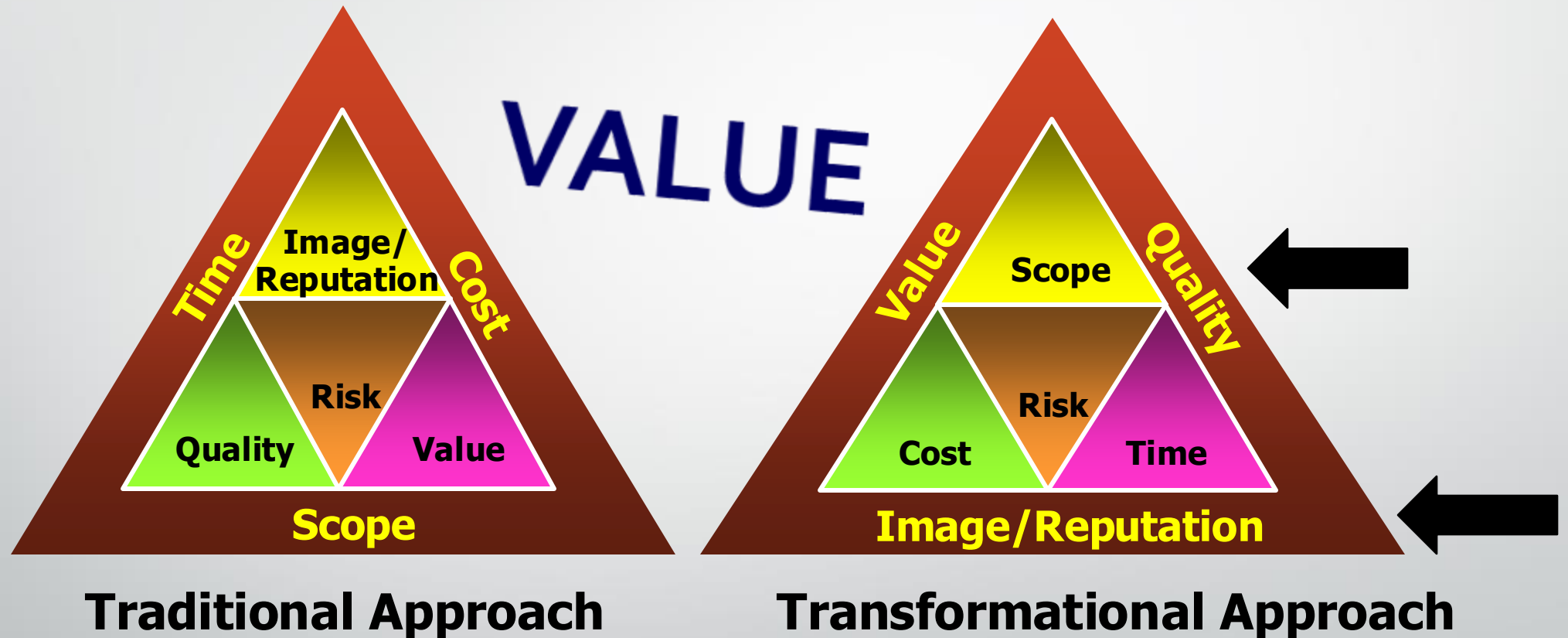
- Business value creates brand recognition.

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# Postulate #9

- Continued ***Brand Recognition*** is the driving force that produces greater value and stimulates new business.

# Changing the Model



# Value Metrics (not just KPIs)

- Stockholder satisfaction
- Stakeholder satisfaction
- Customer satisfaction
- Employee satisfaction and retention
- Brand loyalty (% retained)
- Time to market
- Safety
- Maintainability
- Identifiable, Available and Qualified workforce
- Minimal unused organizational capacity
- Reliability
- Availability
- Profitability –NPV and IRR
- Business opportunity
- Image / Reputation
- Goodwill
- Social acceptability

# Measuring Value

Performance

Value Grade

<b>20% +</b>	<b>Very Favorably Exceeding Target</b>	<b>– Superior</b>
<b>+10% to 20%</b>	<b>Exceeding Target</b>	<b>– Good</b>
<b>+10% to -10%</b>	<b>Performance Target</b>	<b>– Normal</b>
<b>-10% to -20%</b>	<b>Unfavorable</b>	<b>– Caution</b>
<b>-20%</b>	<b>Risk of project failure</b>	<b>– Urgent</b>

# Measuring Value

<b>Performance Characteristic</b>	<b>Value points</b>
<b>Superior</b>	<b>4</b>
<b>Good</b>	<b>3</b>
<b>Normal (Acceptable)</b>	<b>2</b>
<b>Warning (Troubled)</b>	<b>1</b>
<b>Critical</b>	<b>0</b>

Example:  
Performance target = ROI \$5000 USD  
Actual ROI = \$6000  
Exceeded target by 20% (Superior)  
Value points = 4

Example:  
Schedule Performance Target = 12 months  
Actual Completion 11.5 months  
Exceeded target by 5%  
Value points = 2

# Measuring Value

Weighting factor and Value Measurement are based on specific parameters established by the Organization. Weighting factor = Importance, Value Score = Performance

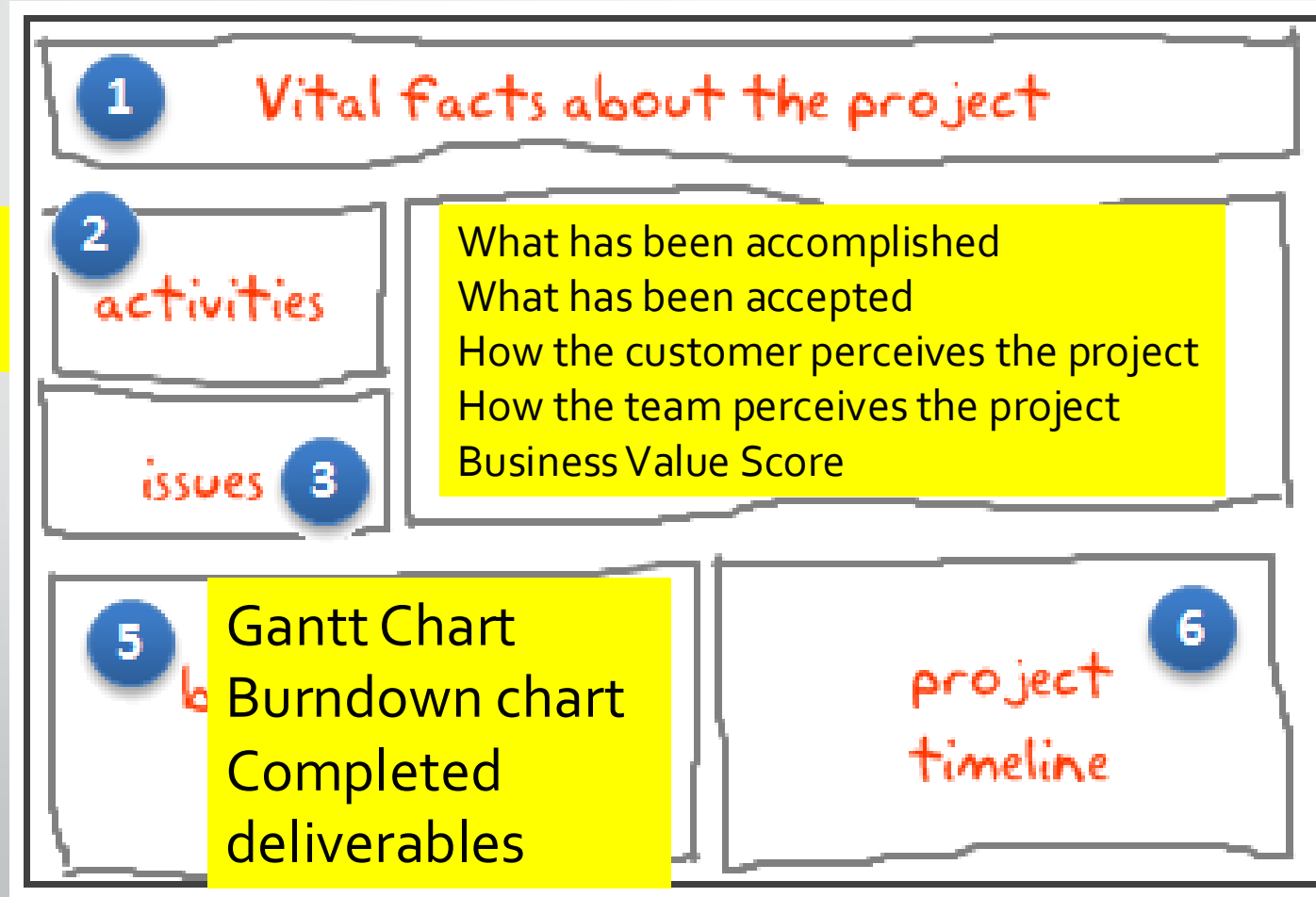
Value Attribute	Weighting Factor	Value Meas	Value Score (WF x VM)
Quality	10%	3	0.3
Cost	20%	1	0.2
Safety	20%	4	0.8
Features	30%	4	1.2
Schedule	20%	1	0.2
Total			2.7

Value score  
2= acceptable  
2.7 = more than acceptable (Note low score for Cost and Schedule)





# Assessing Value and Performance: Dashboard Example for Projects in Progress



In progress,  
upcoming work

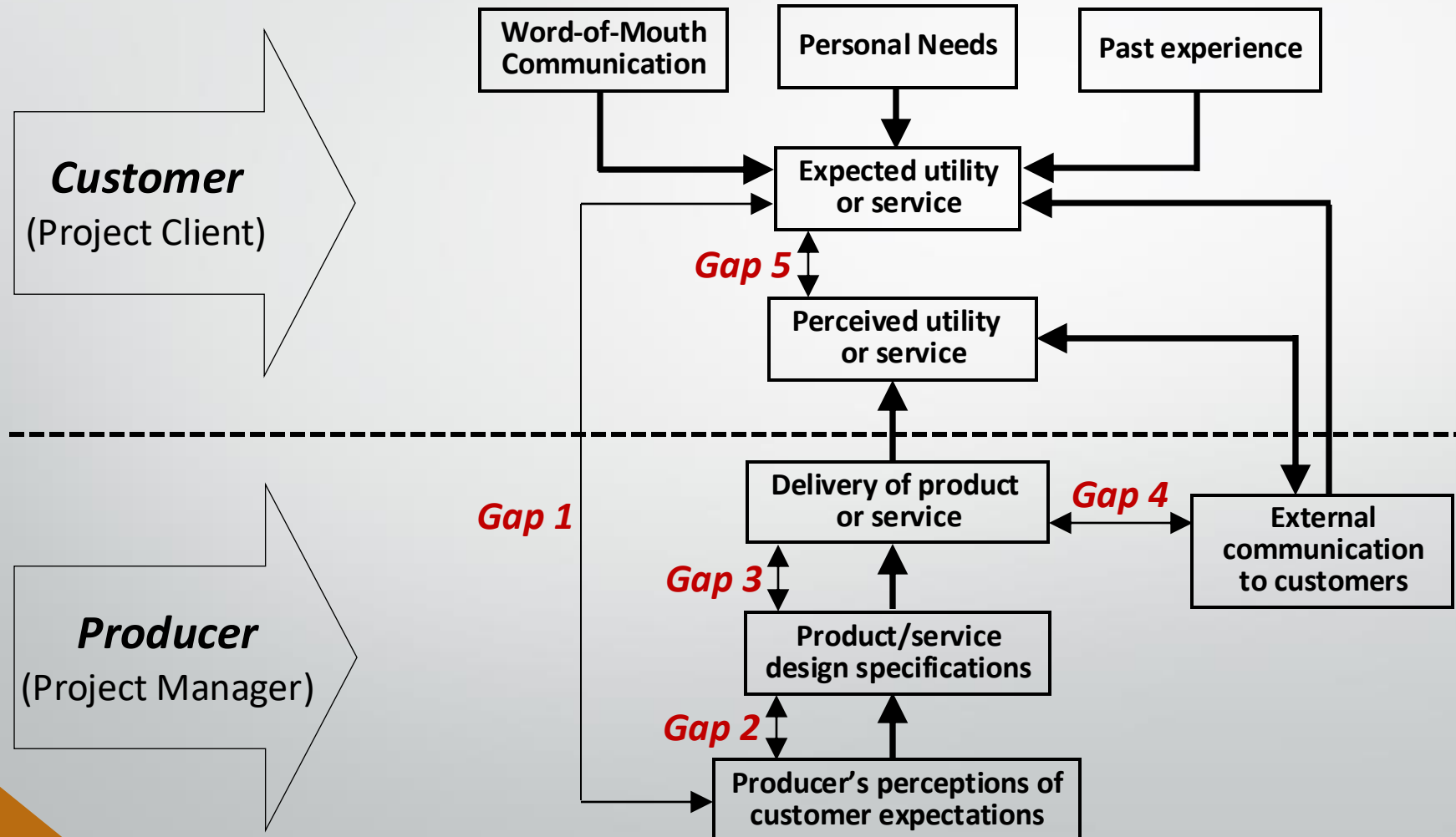
Risks

Events that are  
impacting  
the project

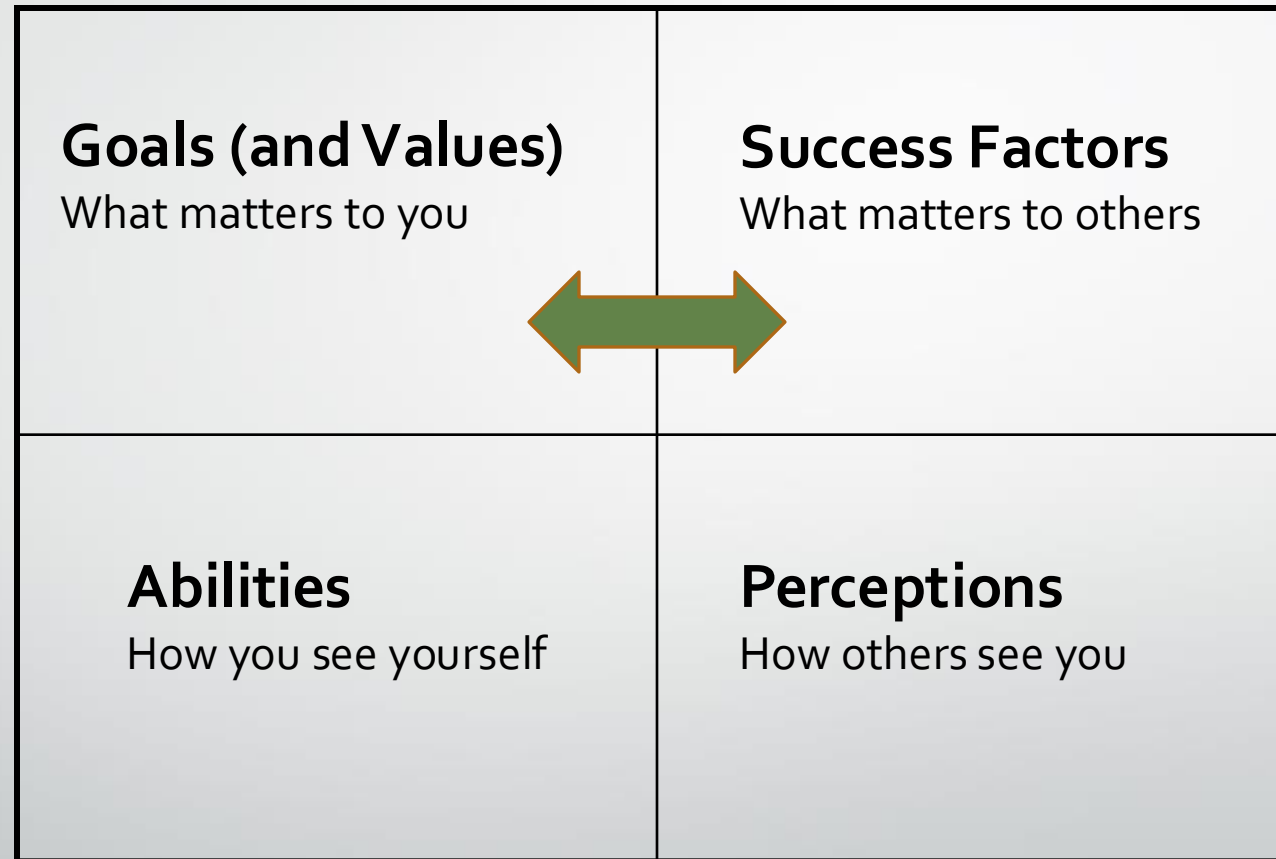
Project Objective,  
Projected Value –  
Tangible: NPV, IRR,  
Payback,  
Intangible – Brand  
Recognition

Milestones

# The Gap Model for Managing Customer/Supplier Relationships



# Focus on your priorities: GAPS



*From – Development First, Peterson, Hicks. Personal Development international*

# Value and The Law of Connection

- You can't move people to action unless you first move them with emotion
- Connecting with people needs to happen at the individual level, not just in groups
- The stronger the relationship and connection between individuals, the more likely the follower will want to help the leader

Law #10 of the 21 Irrefutable Laws of Leadership – John C. Maxwell

# 21<sup>st</sup> Century Project Managers

- Primary Skills:
  - Knowledge of the business
  - Interpersonal skills
  - Quantitative skills
  - Behavioral skills
  - Risk management
  - Integration skills



# The Transformational Project Manager

- **T** – Tireless
- **R** – Resilient
- **A** – Aware
- **N** – Necessary
- **S** – Systematic
- **F** – Forward Thinking
- **O** – Observant
- **R** – Respectful
- **M** – Mindful
- **E** – Enthusiastic
- **R** – Reflecting



# The Transformational Project Manager

- **P** – Professionalism at all times
- **R** – Respect for all stakeholders
- **O** – Ownership of each assignment
- **J** – Judicial decision maker
- **E** – Excellence in execution
- **C** – Communicator
- **T** – Team player and team builder



# The Transformational Project Manager

- **M** – Motivator
- **A** – Action oriented
- **N** – Negotiator
- **A** – Always available
- **G** – Genuine commitment
- **E** – Energetic and empowering
- **R** – Responsible for success





# MJ's Top Tips – Value Driven Leadership

Over deliver!

- 1.** Be there first
- 2.** Attitude – I'm here to win
- 3.** Go to the next level – go for the championship
- 4.** Play against someone better than you
- 5.** Do a personal SWOT
- 6.** Network
- 7.** Understand your customer
- 8.** Put your ego aside
- 9.** Uplift your Brand – Don't be "satisfied"
- 10.** Give back
- 11.** Be demanding but fair – no clock watchers
- 12.** Know your team



# The Future (now!)

- Frontloaded and phase metrics instead of completion metrics
- Fast access to project status – Dashboards
- Secure knowledge management and knowledge transfer
- Excellence in Execution
- Emphasis on Professional and Social Responsibility
- *Value-Driven Project Management*

***Thank You!***

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