Driving Project, Program, and Portfolio Success

The Sustainability Wheel

Richard Maltzman
David Shirley

*Winners of the 2011 David I. Cleland
Project Management Literature Award*

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Writing a book could be considered a project, except that without proper discipline it may not have that *definitive end* that is supposed to be characteristic of a project. So, I'd like to start by thanking my coauthor David Shirley for ensuring the book's quality content and schedule. As usual, it was a pleasure to collaborate with Dave. Without Dave, the book may not have ended, but without the support and encouragement of my dear wife Ellen, my daughter Sarah, and son Daniel, the book would never have been started, so it's with much love that I dedicate this book to them. And, although she sometimes (literally) consumed a few pieces of draft material for the book as she went through puppyhood, I also want to acknowledge the companionship and "opinions" of our Beagle/Brittany-mix, Maisie, who often reminded me that writing a book requires hound-like determination.

Richard Maltzman

First, I'd like to thank my coauthor Rich Maltzman, without whose creativity I doubt if this book would ever have been written. He could see the vision from a back-of-an-envelope sketch to a complete book. My creative process involves walking with a companion. In this case my walking companion is my Golden Retriever Odin. I'd like to thank him for listening to my ideas on our walks across the beaches of Cape Neddick. Most importantly, I thank my wife Judi for all the unconditional support she has given me over the last 36 years and for her incredible work ethic. Her unswerving dedication and perseverance for doing the right thing has set the standard for me.

David Shirley

Foreword

The dissemination of innovation is always a challenge. We know far more than we apply, summarized as the knowing–doing gap. As a practicing social scientist specializing in leading change and transformation, I have had many opportunities to see the best ideas go unused because of lack of attention to the human factor. This human factor is often left out because it is hard to measure and is messy to navigate through. People are amazingly innovative in avoiding doing new things, partly because change "hurts" their brains, requiring the establishment of new neural pathways and using precious attention to adapt to new patterns.

For the last six years, I have focused my change efforts on bringing sustainability focus and engage the behavior change it requires to large groups of employees at Wal-Mart, Frito, AT&T, and Austin Bird. It has been exciting to see thousands of people take up personal practices, which support social, economic, cultural, and environmental sustainability efforts. These efforts incorporated learnings from positive psychology and communication to go beyond shame and blame, focusing people on what makes them happy and then connecting their efforts to actions that have a personal meaning to their lives. Addressing the personal threats to personal autonomy, sense of certainty, and disruption of relationships—before heading into planning

and execution—will save time and leave people more renewed at the end of a project, and truly ready for another.

For the past five years, I have been a core faculty in sustainable leadership at Presidio Graduate School, where I have the privilege of working with MBA and MPA students who are committed change agents. The tools and models offered in this book draw on the theories/approaches we use to develop the personal and organizational change capacity.

I have watched Rich and Dave develop this book with the focus on project managers, with excitement, because they are the pivot point in translating new ideas into action and often the first to experience the normal resistance that our brains are hardwired to exhibit when a novel way of doing something is approached. Equipping project managers with the increased insight and well-developed tools/models to approach the reduction of human process loss that often affects projects will reduce the cycle time of implementation and release full commitment to action.

They have built a strong bridge between project management and the introduction of sustainability focus, giving access to critical teams, where thinking about interactive relationships can yield greater impact and momentum for sustainable change. To create an environment where nine billion people can thrive requires project managers who take a sophisticated approach to engaging themselves and the people they work with to do new things, in new ways. I welcome project managers into the league of change agents, who will affect the ability of organizations to be better stewards of our environmental and human resources.

Cynthia Scott, PhD MPH
Core Faculty
Presidio Graduate School
San Francisco, California

Introduction: The Sustainability Wheel™

Rubber Meets the Road

When we wrote *Green Project Management* in 2010, we aimed it at project managers. We discovered, through our research and inspiration from books like *Green to Gold* (Esty and Winston 2009) and *The Necessary Revolution* (Senge et al. 2010) and heroes like Ray Anderson of Interface/FLOR and Steve Howard of IKEA, that business appears to have not only bought into integrating "triple-bottom-line" (we'll call it *sustainability*) thinking into their business plan but also have started profiting from it–see MIT and Boston Consulting Group's *Sustainability's Next Frontier* (Kiron et al. 2013). These books and studies are outstanding. However, they had little or no mention of projects, project management, or project managers. Similarly, it confounded us that *project managers*, those who bring the ideas of enterprise to reality, are seemingly unaware of the level of buy-in being given to sustainability by their own enterprise's leaders, and as a result, their project charters (a source of power and authority for the PM) and plans (the engines that runs their projects) often have little or no mention of sustainability.

In other words, there's a huge disconnect between what we call "the rubber" (ideas, mission, vision, values, and strategy) and "the road" (the day-to-day operations of an enterprise).

For what we can only call *geometric* reasons, let's flashback to 1999 for a moment. In that borderline millennial year, the authors had just completed a presentation to The Conference Board in Mexico City on the relationship between project and quality management. After the presentation, we decided to head to Teotihuacán to climb the 248 steps and 170 steps of the Pyramids of the Sun and Moon, respectively, and to sample tequila. Luckily, we did it in *that* order (climb first, drink afterward). So, we can say, with the benefit of physical exertion if nothing else, *we know our pyramids*.

Now let's flash forward to the present day. Here we were, stymied by the lack of buy-in by project managers to integrating sustainability thinking into their projects. So, like the steep steps of those pyramids in Teotihuacán, we took it up a notch, to do what we could to fix this disconnect.

Key Role of the Program and Portfolio Manager

By a *notch*, we mean that we have elevated our target to the individuals and organizations that manage *groups* or *collections* of projects (you'll learn more about this in Chapter 1 and in our "Project" dimension). We've moved up the pyramid of project, program, and portfolio management to the PMO level. Note that by *PMO*, we are referring to whatever entity in the enterprise oversees projects from a program and portfolio perspective. The names could vary considerably and could include PM Best Practices Office, Project and Program Management Office, or PM Center of Excellence. We are seeking out project managers as well as those who *oversee* project management as an operation or a discipline and are aiming to improve conditions not only for the project managers in their organizations but for better steady-state results and increased benefits realization.

Indeed, we've found that these ideas seem to get more traction, as we assert that projects, programs, and portfolios are the place where *strategy* (the action-oriented stepchild of mission, vision, and values) meets *operations* (see Figure I.3). While we have noticed that this

gains more traction at the program and portfolio level, this book is certainly *also* aimed at the individual project manager, a change agent if ever there was one.

However, a funny thing happened as we thought about the pyramid and the idea of "rubber meets the road." We realized that we could express what we were saying, and even build a logical and productive assessment with a model that looked quite like a *wheel*. Talk about the rubber meeting the road!

Getting in "Shape"

Going back to Mexico for a moment, where did we head off to after our presentation? We were drawn inexplicably to the pyramids. And, as we climbed each (rectangular) step, we got closer and closer to our goal (the view from the top of the Pyramid of the Sun is outstanding). Stop for a moment, though. For who were the pyramids built? The Moon and the Sun. Spherical shapes. But project managers don't *like* circles and spheres.

Think about it. Project managers are constantly using triangles and pyramids.

For example, consider the following:

- Many PMs relate to the planning, construction (and ironically, the long-lastingness) of the Egyptian pyramid-building projects, often thinking of them, even idolizing them, as the predecessors of modern project management. We have the project–program–portfolio pyramid (Figure I.1):
- There's the triple constraint concept, which is often shown as a triangle or pyramid.
- And there's many more, some borrowed from other fields, such as the pyramidal Maslow's hierarchy, and the data–information–knowledge–wisdom pyramid.

And if it's not triangles we're drawing or referring to, we are also partial to rectangles, straight lines, arrows, and squares. We have risk maps, 2 × 2 matrices, network diagrams, inputs—tools and techniques—outputs, plenty of tables, and the list goes on and on. Then there's the Work Breakdown Structure, which we really like, because it sort of looks like a giant triangle made from rectangles, like the Pyramids of the Moon
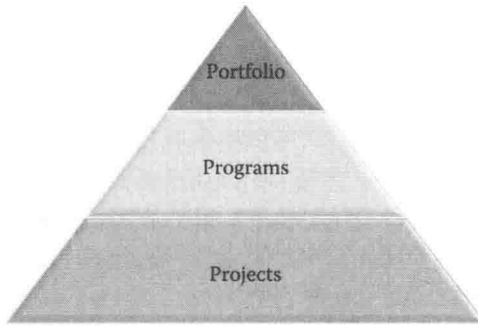
Figure I.1   The PPP pyramid.
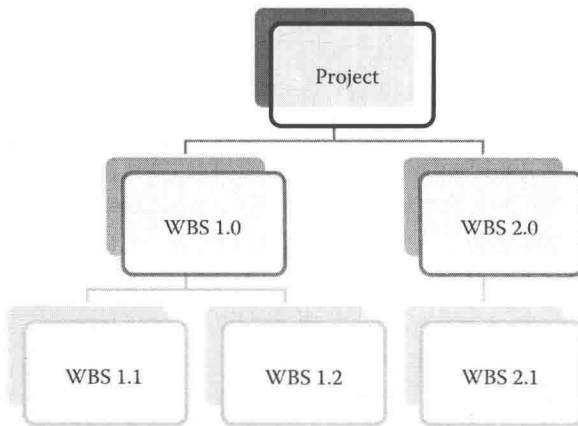
Figure I.2   Typical work breakdown structure: a pyramid built from rectangles.

and Sun, now that we think of it (Figure I.2). A triangle made from rectangles? That's project management *Nirvana*!

Not So Good at Circles

But circles...and spheres—we project managers rarely do well with them. Perhaps it's because they imply *endlessness*, where we crave *finality* in our projects. Perhaps it's because there are no corners in which to hide. In any case, they're a little uncomfortable for us project management types.

And perhaps that's just why a wheel (a sort of circle) is just *perfect* for conveying this message. We need a little "out-of-the-triangle" thinking!

A circle does indeed represent endlessness. This is the theme of Braungart and McDonough's *Cradle to Cradle—Remaking the Way We Make Things* (McDonough and Braungart 2009). It's used to describe situations where the end yields a beginning—the circle of life. And indeed, it has no corners—no places to hide. These are attributes we wanted from our model, attributes that would help transform project, program, and portfolio managers and to help them "get" the ideas that their business leadership colleagues, in increasing numbers, already "get."

We also chose a wheel to remind us that all of the necessary connection project, program, and portfolio managers have to bridge between strategy and operations. We *are* where the rubber hits the road—where ideas become reality—and in the case of this book, where a circle becomes a tire.

These are the wheels and cogs that mesh to drive things forward—to move ideas to reality (Figure I.3).

And we've chosen a wheel, because after all, the wheel can be looked at as one of the first inventions; it's a pragmatic, hands-on, real-world adaptation of a shape to serve a purpose and realize a benefit. The car
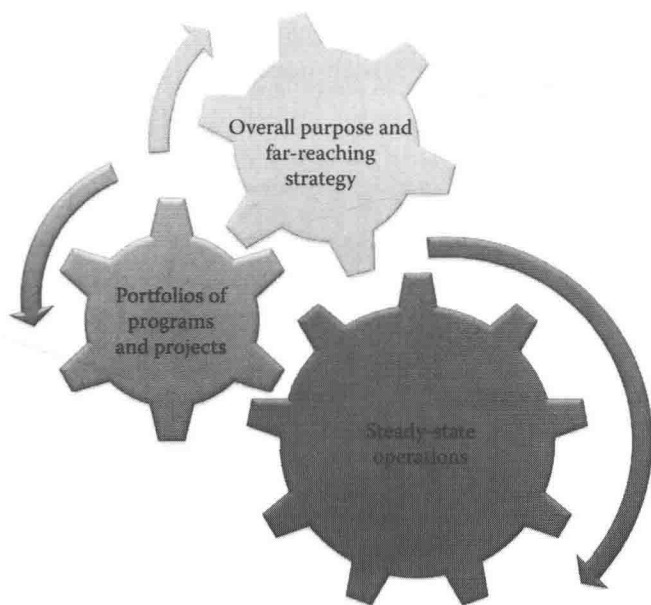

Figure I.3 Connection wheels/gears.

with circular wheels will win any race in which its rivals have triangular or square wheels, right?

Sustainability Wheel™

So, we've written this book for you "pyramid people," to help your enterprise succeed not only on individual projects, but in the world of programs and portfolios in the broader context of the enterprise, as well as the surrounding atmosphere in which the enterprise lives.

We hope that at a minimum, it strengthens your ability to make the connection—and we firmly believe it will help you transform that connection into a source of improvement for you, for your enterprise, the community, and the planet (Figure I.4).

The Sustainability Wheel identifies six interrelated dimensions of sustainability integration. It is composed of a *hub* (*Respect*), the sustainability philosophy of the organization, an adjacent ring (*Reflect*), which describes how that philosophy is conveyed internally, and the outer ring, containing the external facing dimensions. The outer ring (or tire) contains *Connect* (how external stakeholders view the organization), *Detect* (how the organization identifies, analyzes, and responds to sustainability threats, *Reject* (how the organization eliminates inefficiency and waste), and *Project* (how the organization identifies, develops, and measures their opportunities and converts them
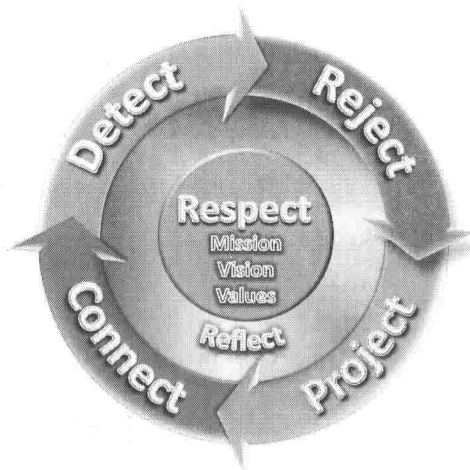

Figure I.4   The sustainability wheel.

to projects and programs aligned with their central mission). Armed with valuable feedback on how an enterprise is doing in each of the dimensions, any business leader (consider that the project, program, or portfolio manager is a business leader) can determine which areas need improvement to help balance their sustainability efforts. The Sustainability Wheel can

- Evaluate existing sustainability programs and efforts
- Provide a baseline to measure present sustainability efforts
- Help determine priorities for the improvement of sustainability
- Validate that present sustainability efforts are within the organization's mission/vision
- Provide a mechanism to integrate sustainability into everyday operations
- Help convey the important role of project, program, and portfolio managers in the integration of sustainability at the strategic level of the enterprise

How to Use This Book

This book is organized to help you understand all of the organizational connections to sustainability, to determine where an organization is on a sustainability scale related to each of five dimensions: Respect, Connect, Detect, Reject, and Project, as well as to use the sixth dimension, the ability to Reflect, on the other dimensions. It can be used at all levels of the organization, but as we know, unless there is a commitment at the highest level of an organization, the message doesn't have the force it should. However, this tool is meant not only to be provided as a tool to measure an organization's connection, but as an easy-to-use artifact that can positively influence organizational leaders.

Chapter 1 is an important orientation for the reader. It provides the context of the intersection between projects, programs, and portfolios and the rationale and imperative to make that connection.

The context: Projects, Programs, Portfolios, and Strategic Implementation Management

- Findings from PMO Symposium
- Connection to Benefits Realization
- Gear Model

- PM Maturity (Bannerman Model)
- What is Success?
- Harry Mulisch *The Discovery of Heaven*—The beginning of the beginning, the end of the beginning, the beginning of the end, the end of the end.
- Project Success > Project Management Success (Drucker chart)
- 2 × 2 Matrices (Big Dig, Sydney Opera House, Edsel, Projects of the Year)
- Head, Hands, Heart
  - The wheel itself is change
- PMs like projects because they're *where the rubber hits the road*

The tool contains a set of questions designed to determine the measure of an organization's sustainability in each dimension.

The majority of the remainder of the book is the introduction to the Sustainability Wheel model and the assessment and coaching capability that it yields. As you read the chapters that make up the Sustainability Wheel (Chapters 2 through 4), consider the questions in those chapters at a high level, perhaps taking some notes in the margins about your own enterprise. We've written these "thinking questions" so that they provoke and focus your own considerations of the dimensions—and we've taken the next step as well, which is to explode or, to use a word we love as project managers, *decompose* them into a set of more concrete questions that you can use to actually derive an assessment of your enterprise along the six dimensions of the Sustainability Wheel.

The following is a list of the chapters, mainly devoted to the elements of the wheel. For illustration, we have also added the high-level question that is associated with each element. These will in turn yield the individual assessment questions.

- Chapter 2—The Hub: The Respect Dimension
  Have we clearly, accurately, and concisely stated our business case for sustainability in a way that is fully integrated into our raison d'être ? (or substitute mission/vision/values for the French phrase).
- Chapter 3—The Spokes: The Reflect Dimension
  How well have we conveyed our mission/vision/values to our workforce?

- Chapter 4—The Tire
  Connect
  What do *others* think of our CSR/sustainability efforts, especially relative to others in our industry or practice area?
  Detect
  How well do we identify, analyze, and respond to sustainability-oriented threats?
  Reject
  How well do we deal with process and product waste? Are we efficient in what we do?
  *Project**
  What is our level of project management maturity?
  How well do we identify, analyze, and respond to sustainability-oriented opportunities?

High-Level Questions from the Sustainability Wheel

Example high-level questions from the Sustainability Wheel—Chapters 2 through 4 (each category will have multiple questions, weighted to generate an overall score per category):

Respect: Does the organization's mission statement explicitly cover elements of social and ecological responsibility as well as financial responsibility?

Reflect: Do statistically significant polls of the organization taken at least annually indicate that employees are aware of and understand the triple-bottom-line nature of the organization's mission statement?

Connect: As measured by independent sources (such as the Newsweek Green Index or Climate Counts), does the organization consistently score in the top 20% of peers in its industry?

Detect: Does the organization explicitly list sustainability risks on standard risk register templates?

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* *Note*: This particular dimension works off of two different meanings of the word project—project, as normally used in project management and, to project, a verb meaning to use a forward-thinking philosophy.

Reject: Is there a corporate Lean Six Sigma program in place?

Project: Does the organization have a Program Management Office (PMO) or Project Center of Excellence (COE) organization? Is it geared to identifying the possible opportunities available by considering all three elements of the triple bottom line?

Once the sustainability score for each dimension is determined, a "spider" chart can then be generated to visualize an organization's overall sustainability. Examples of the questions as well as examples of spider charts for a generally balanced organization (left) and one that needs to better balance their sustainability efforts (right) are included in the following. The spider charts were created by the authors for illustrative purposes only (Figure I.5).

Once the spider charts are generated and it is determined that some balancing of the organization's sustainability is suggested, the tool contains specific recommendations to move the organization toward a more balanced—and effective—sustainability effort. For example, the Bald Mountain organization results given earlier indicate a solid mission, a vision, and a set of values and that the company has conveyed this to the world; however, they have not yet engaged their employees—in particular, their project managers–to get traction in implementing sustainability in projects and operations.

The book provides specific coaching for various combinations of results. The "shape" of the radar chart is a signature of the organization's
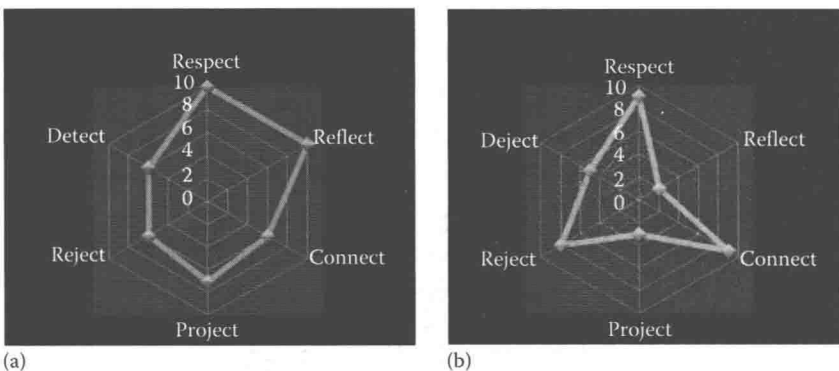

(a)   (b)

Figure I.5 Two example Sustainability Wheel™ signatures: (a) Interfact global and (b) Bald Mountain.

sustainability behavior allowing directed feedback depending on that signature.

- Chapter 5—The Road
  This chapter is about putting the integration of sustainability into practice, fully engaging with your real-world stakeholders. In this chapter, we'll cover these aspects:
  Dialect: Setting up your enterprise for success by establishing a sustainability vocabulary and by expressing success in ways that powerfully convey your commitment to the long term, both inside and outside of your enterprise.
  Intellect: Benchmarking with other leaders, sharing common wisdom, understanding local, national, and global regulations—in general getting smarter about triple-bottom-line issues.
  Circumspect: The "feedback" loop of sustainability—in which we think about ways to continuously improve our performance. Reading this book and assessing your level of integration of sustainability into your portfolio is a big step forward here.

- Chapter 6—Interpreting the Sustainability Wheel
  Here, you'll find the condensed questions, instructions on how to approach the answers and scoring for your particular enterprise, and some sample results to show how to assess your results, including "signatures" of about 20 types among which you may recognize your own enterprise. Specific coaching is provided for these types.

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