Michel Thiry’s reflections on Professor Peter Steyn’s paper

I fully agree with the ideas put forward by Professor Steyn in the first part of his paper, particularly his view that program management is an integrative concept for the organisation, as well as with his supply-chain approach to portfolio. He is right to worry about the executive’s capability to deal with change; other known authors and surveys have confirmed this (Moss-Kanter 2006; KPMG 2005). The business environment is changing fast and organisations need to adapt (Hamel 2000; Siggelkow & Rivkin 2005). Many prominent project and business figures have also advocated the need for a project management approach at organisational level (Karlgaard 2008; Balestrero 2010). As Steyn rightly points out, there are many types of organisational activities that need to be harnessed. But, since the title of the paper is: “The need for a chief portfolio officer (CPO) in organisations”, I feel compelled to question the need for another “C” level position. Every time an organisation struggles with a number of processes, they create another C“X”O.

It seems to me that the initial “Learning organisation value-chain schematic” proposed by Steyn would have warranted a greater development in the paper. This concept is really interesting and is aligned with the current thinking in organisational management literature as well as project management literature. But I also find that it is in contradiction with the more traditional concept presented in Figures 2 and 3, which promotes the CPO concept. In fact, the statement concerning the approach presented in Figure 1, with which I completely agree — “As the entity matures towards a learning organisation the tasks of this office progressively diminish. Eventually, the strategic transformation program structure can be phased out and revived only when the organisation is in need of more strategic review.” — directly contradicts the title and conclusion of the paper.

Steyn’s argument is that the chief executive officer, who is already “bombarded by change” and “struggling to cope”, should not shoulder the additional work of being in charge of projects. I would argue that this depends on the way projects are handled in the organisation. In many organisations project and operational processes are clearly separated and managed quite independently, as advocated, for example, in the Project Management Institute’s Standard for Portfolio Management (PMI 2006). In such a case, it would be appropriate to have an organisational model that reflects this dichotomy through a CPO (chief program, project or portfolio officer) and a chief operation officer. But most organisations are not structured that simply; they have a number of C-level executives with distinct roles and responsibilities. To mention just a few, consider the CSO (strategy), CSO (services), CIO (information), CTO (technical), CLO (logistics), CMO or CPO (manufacturing or product), CHO (human resources), etc. All these executives sponsor or run projects in their departments and, as stated in the next paragraph, will be wary of this new CPO role that they will see as encroaching on their authority and resources. If the organisation is very top-down and its control systems are extensive, the role of the CPO could be justified, but most progressive organisations favour empowerment and innovation over control and conservation.

I firmly believe that a project approach is a way to enable organisations to be more responsive and dynamic in today’s turbulent environment. As pointed out in Steyn’s paper, projects often promote a cross-functional culture; they also display a mastery of change and a focus on results; all necessary to stay competitive. Steyn’s model (Figures 2 & 3) is theoretically appealing, but, like the repeatedly promoted matrix, how does it really work in organisations? Steyn links the need for a CPO to the expansion, in number and breadth, of the PMO (program offices and the like). I have already argued that: the stronger the PMO, the more the rest of the organisation resists it (Thiry 2006). A well-documented case from a large Australian financial services organisation (Dovey & Fenech 2006) reported that, “as [functional managers] began to
understand the implications of the PMO for their personal and functional power bases, they increasingly reverted to covert and sectarian strategies — recreating an atmosphere of secrecy and mistrust in the process”. Resistance went as far as encouraging their staff to refuse to cooperate and unilaterally re-allocating project resources under their authority. Matrix organisations blur lines of authority and repeatedly create conflict for both the resources and top management. Top management are always faced with the dilemma of having to choose between giving power to the project management function or the line managers, which usually ends in power struggles as described above. Steyn’s model (Figures 2 & 3) does not resolve these issues. What I fear is that, by promoting the idea of a CPO set in a matrix environment, we are just replicating the current business model that has been proven wrong instead of using the characteristics of project management to develop new models. In such organisations, the focus will stay on the management of single independent projects rather than move towards a program approach where interdependence between projects and with strategic objectives is recognised. My view is that the project management approach, which includes projects, programs and portfolios, should be fully integrated in an organisational value chain, as displayed in Figure 1 of the paper, the objective of which is to sustain the organisation’s competitive advantage. Projects and programs are means to achieve business objectives and are at the service of operations. It is the operations that drive the business, it is the strategy that steers it, and projects and programs are the fuel that propels them.

References

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