



Harvard Business Review

Project Management Handbook

How to Launch,
Lead, and Sponsor
Successful Projects



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Introduction

Welcome to the Project Economy

The world is undergoing a massive series of disruptions. From the sustainability movement going mainstream to the rise of artificial intelligence (AI) to the maelstrom of the Covid-19 pandemic, tectonic shifts are reshaping businesses and societies. Projects are now the most important method we have to turn these challenges into positive change. Projects change the world. They make impossible dreams possible. In my quest to learn more about what really makes projects succeed—and fail—I have come across some incredible achievements.

In 1961, the prime minister of a ruined former British trading colony envisioned a project to build an economically sound country that would be robust enough for future generations. It included establishing the rule of law, efficient government structures, overall stability, and a continuous fight against corruption and the development of human capital as the country's key competitive advantage. The project set uncompromising standards for a universally accessible, top-flight public school system and applied rigorous meritocracy to education and hiring in the public sector. Today, Singapore is one of the most competitive economies in the world.

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In 2010, a biotech company in San Diego began distributing the first commercially available body-part printer after a project conducted at the company transformed a breakthrough innovation into a revolutionary product. Regenerative medicine laboratories around the world have since relied on Organovo's printer to generate pieces of skin, muscle, and blood vessels.

An aging software giant made one of the most compelling turnarounds in recent history after a new CEO took over in 2014. The company had been unable to take the smartphone market from Apple, the cloud sector from Amazon, or search from Google. Five years after Satya Nadella's transformation project began, Microsoft's share price had tripled, restoring it to the position of world's richest publicly listed company. The list goes on: General Electric's spree of growth through six hundred seamless acquisitions in the 1980s and 1990s under Jack Welch's leadership; Amazon's introduction of Kindle, an affordable paperlike display device, with access to the world's largest bookstore in 2007; or the journey of DBS, the largest bank in Southeast Asia, to become world's most innovative bank. All of these have been born from an extraordinary vision, clearly articulated, and methodically implemented through projects.

Think of the rollout of the euro in 2002 or the moment on the night on September 3, 1967, when Sweden switched traffic from driving on the left side of the road to the right. Or the small Danish city of Odense, which, through an ambitious project, transformed itself into a leading innovative robotics hub in Europe. Or Curitiba, Brazil's green capital and one of the most environmentally friendly and sustainable cities in Latin America.

Some remarkably fascinating technological achievements in the past hundred years have been brilliant projects: John F. Kennedy's vision to send the first man to the moon by the end of the 1960s; the creation of the Boeing 777, a technological masterpiece in the aircraft industry; and Project Purple in 2006, which built the first iPhone and transformed the telecommunications industry.

Finally, there are countless amazing personal projects—achievements reached under extremely adverse conditions or simply personal dreams that become reality through a project. Consider twenty-seven-year-old

Brazilian entrepreneur Elisa Mansur, whose startup won the 2018 World Bank Youth Summit project competition. Recognizing the chronic shortage of nursery care in her home country, which sees around two million infants and toddlers yearly denied access to this critical start in their lives, Mansur set up a network to provide community mothers with training, organization, daily schedules, and a rating system. In doing so, she established a process for improving early childhood education and created a brand-new Brazilian job market. Or Boyan Slat, who, as a sixteen-year-old from the Netherlands in 2010, took his first scuba dive off the coast of Greece and saw more plastic than fish. Three years later, he launched the Ocean Cleanup project with just €300 in seed money with the goal of removing 90 percent of marine plastic pollution by 2040. Stories like these show the impact that the younger generation can have through projects to transform their world.¹

Project-based work is the engine that drives change and progress. Projects generate the major accomplishments of our civilization. They stimulate society to advance beyond what things are and how they are done and even to surpass long-established scientific and cultural limits.

Even so, until recently, projects have often been invisible, and project management has been unappreciated. This below-the-radar character changed in 2020, when the global pandemic brought projects to center stage (the most amazing of which was the development of Covid-19 vaccines in less than a year, a process that usually takes more than a decade). But closer to home, countless change efforts were taking place. At work, in our personal lives, and on the news, projects were suddenly everywhere, and we were part of them. Projects were hidden no more: the pandemic made clear that we are all project managers, and leaders are all executive sponsors.

From a world driven by efficiency to a world driven by change

Do you have any doubts? Are the various products, initiatives, and transformations just mentioned truly projects? They have more in common than meets the eye. Projects are limited in time; they have a start and an end.

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They require investments, capital, resources, and human resources. They are made up of a series of activities included in a plan designed to generate a deliverable (a product, a service, an event) that will ultimately create value, benefits, and other impacts. Some elements of each project are unique—every project contains something that has not been done before.

Now think about how projects differ from operations. In 1908, Henry Ford transformed car manufacturing from mere skill to industry with the launch of the Model T, perfecting the mass production of automobiles. Three years later, mechanical engineer Frederick Winslow Taylor presented his theory of how to improve worker productivity by determining how a task could be performed more efficiently. Together, these are the landmarks of the beginning of the efficiency-driven world of operations. Higher volume, lower costs, increased speed, reduction through specialization and division of labor, and standardization determined how businesses were run throughout the twentieth century. The chief operating officer (COO) emerged as a preeminent leadership role in most organizations. According to Robert Gordon, US productivity grew the fastest between 1928 and 1950, a phenomenon he dubbed the “one big wave.”² In the fifty years that followed, productivity in operations continued to increase by 2 or 3 percent each year.

Right after the turn of the new century, however, something flipped. Since 2007, productivity growth has been almost flat in the Western world, despite the explosion of the internet, shorter product life cycles, and exponential advancement in AI and robotics. Productivity stalled because *change* cannot be implemented with traditional efficiency methods. Change must be implemented through projects, and the world is starting to take notice.

The rise of the Project Economy

Projects are now becoming the essential model for creating value. Among German companies, for example, approximately 40 percent of the revenues and other activities are done as projects. Similar percentages can be found in most Western economies, and the figures are even higher in

China and other leading Asian economies such as Taiwan and South Korea where project-based work has been an essential element in their economic emergence.

Since around 2010, amid the increasing “projectification” of work, project management has grown into one of the United Kingdom’s largest areas of business. With an estimated £156 billion in gross value added to the UK economy by project management and with 2.13 million full-time equivalent workers, this trend is likely to continue. Research carried out by PricewaterhouseCoopers and the Association for Project Management concluded that the profession makes a more significant contribution to the UK economy than does the financial services sector or the construction industry.³

The same trends are occurring in the public sector. In 2016, the US Senate unanimously approved the Program Management Improvement and Accountability Act, which was signed into law soon after.⁴ The act aims to enhance accountability and best practices in project and program management throughout the US federal government and to reform federal program management policy. The following year, the queen of England awarded the Association for Project Management a royal charter, which recognizes the project management profession, rewards the associations that champion its cause, and provides opportunities for those who practice its disciplines.⁵

The pace of the Project Economy is only going to accelerate.⁶ According to recent research, the value of project-oriented economic activity worldwide will grow from \$12 trillion (in 2013) to \$20 trillion by 2027.⁷ Add to that the trillions spent on Covid-19 pandemic recovery projects. These are millions of projects requiring millions of project managers and executive sponsors per year.

Throughout industry, forward-looking companies and individuals are preparing for a massive growth of projects. One senior IBM talent executive told me, “Soon in IBM, we will no longer have job descriptions. We will have only project descriptions.” Mohamed Alabbar, chairman of Emaar, the Dubai-based giant, announced that his company would abolish all the traditional job titles, as part of the company’s shift to focus on “talent, not

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titles” and increase project-based work.⁸ The decision was outlined to staff members in an internal email: “When you reach the end of this email, you will notice something different. I have no job title. And from this moment onwards, nor do you.” The implication of this change is that individuals are no longer defined by the department to which they belong but on the projects on which they work. The Richards Group, the largest independently owned ad agency in the United States, removed almost all its management layers and job titles, leaving only that of project manager.⁹

A study from Microsoft, using “LinkedIn’s Economic Graph,” analyzed “all the data on LinkedIn that shows available jobs, their required skills, and the existing skills job seekers have.”¹⁰ The graph revealed the current ten most-in-demand jobs that, LinkedIn predicts, will have staying power into the 2030s. Among these jobs is project manager.

Executives are aware of the increasing importance of projects in their organizations. In a survey my colleagues and I conducted with 556 senior executives for this book, 78 percent of the respondents reported they plan to invest and build their project management competencies in their organizations over the next five years.* Soon, senior leaders, managers, and employees, regardless of their industry, will spend at least 60 percent of their time selecting, prioritizing, and driving the execution of projects. All of us must become project leaders—despite never having been trained to do so!

The path to becoming a project leader

The emergence of projects as the economic engine of our times has been little noticed but is incredibly disruptive and powerful. We are witnessing an unprecedented transformation with profound organizational and cultural consequences.

*During 2020, and in collaboration with HBR, we conducted the survey to help us better understand how organizations are using projects now, where people are finding success with projects, and where they are struggling. The survey had 1,284 participants: 556 senior executives and 728 project experts. Some of the findings will be shared throughout the book. The full results of the survey can be found at

Imagine the benefits, both for organizations and for society, if we could raise the current low success rate of projects. Consider the additional trillions of dollars and the social, environmental, educational, and other benefits this improvement would represent. And the impact could be almost immediate.

What's more, bold projects can give work meaning. Behavioral and social science show that working and collaborating on projects can be particularly motivating and inspiring for team members. When a project has ambitious goals, a higher purpose, and a defined deadline, people tend to remember them more clearly than they remember anything else in their careers. The moments they feel most proud of are the projects they work on—often the successful ones, but also the failed ones.

I hope you'll walk the path of becoming a project leader with me. The idea that eventually became this book first came to me more than a decade ago, when I was fired from my job as a project management expert. I soon realized that senior executives didn't understand or appreciate the value of project management. They saw it as a technical discipline for IT and engineers, one not worthy of their time and attention. *This attitude couldn't be more wrong.* When executives ignore project management, their projects are less likely to succeed. Products launch late. Strategic initiatives don't deliver. Business transformations fail. The key to project success is having executives and project managers sharing the same goals, working together, and speaking the same language. This realization set into motion my quest to simplify the methods of project management and bring them up to the leader's-eye view.

Throughout this book, I draw on my experience as a leading practitioner in several global corporations, such as PricewaterhouseCoopers, BNP Paribas Fortis, and GlaxoSmithKline. I am also a former president of the Project Management Institute and am an adviser and academic at several top business schools, where I have taught thousands of senior leaders, managers, and project managers. I have worked on and examined projects from every point of view, and I want to share that exceptional mix with you in this book.

I believe that anyone can learn to be a project leader and that people of any nature and background can persevere against the worst conditions

to make their dreams a reality through projects. Projects inspire us all. My plea for society—and the purpose of this book—is that organizations, leaders, politicians, and everyone else will build the competencies required to transform and thrive in the new digital and project-driven economy.

The first project management book for everyone

As both a practitioner and an educator, I can do real-world testing to see what works and what doesn't. In my teaching, I have learned which concepts resonate with both executives and project managers. I've learned that if I wanted to keep everyone engaged and interested, I had to dispense with project jargon. I had to simplify the language and the project management tools and techniques to allow people to see how they could apply these approaches in their own organizations. This book not only provides you with a broad view of project management but also gives you practical skills you can use today to move your own projects forward.










Traditionally, books about project management have been complex and technical, developed by deep project experts and written for project management professionals, often ignoring the wider population that must deal with projects. The more arcane these books become, the more that project managers and executives retreat to their separate camps. This book, instead, addresses the topic from an outsider's perspective in a pragmatic, case-illustrated, and hands-on way. It presents a shared outlook, a simple framework, and a common language for every stakeholder, regardless of your role or any project. It teaches project managers to think like executives and executives to think like project managers.

Another shortcoming with the existing methodologies is that they tend to stop at the project's deliverables, assuming that the benefits, value, and impact will materialize when the deliverables arrive within the budget, on time, and per requirements. In many project management methodologies, how a project's deliverables are transformed into benefits is a black box. This book starts with a project's purpose and benefits as the foundation on which everything else is built.

I built this book on one more premise. Every project—regardless of the industry, the organization, the sector (public, private, or nonprofit),

FIGURE I-1

The Project Canvas

| Foundation | People | | Creation | |
|---|---|--|--|--|
| <p>Purpose</p>  <p>Why are we doing the project?</p> | <p>Sponsorship</p>  <p>Who is accountable for the project?</p> | <p>Stakeholders</p>  <p>Who will benefit from and be affected by the project?</p> | <p>Deliverables</p>  <p>What will the project produce, build, or deliver?</p> | <p>Plan</p>  <p>How and when will the work be carried out?</p> |
| | <p>Resources</p>  <p>Who will manage the project, and which skills are needed to deliver the project?</p> | | | <p>Change</p>  <p>How are we going to engage stakeholders and manage the risks?</p> |
| <p>Investment</p>  <p>How much will the project cost?</p> | | | <p>Benefits</p>  <p>What benefits and impact will the project generate, and how will we know the project is successful?</p> | |

the methodology (agile or traditional), or whether it is personal or professional—is composed of the same elements that will determine whether the project is a success. These building blocks of projects are all captured in the central framework of the book—the Project Canvas (figure I-1). If organizations, leaders, and other individuals focus on these elements and apply the associated techniques, project success will be almost guaranteed.

This is the first project management book intended for everyone, no matter your level of experience with projects. The book addresses the

challenges faced by both senior leaders and project managers, providing practical approaches and adapted tools for each role. It provides a new perspective on the Project Economy, shows you how to use some of the new opportunities offered by a changing world, and suggests how the future of work will be driven by projects.

If you are an executive or another leader, this book will help you better understand project fundamentals. You will learn how to ensure that projects have a strong foundation and the importance of your role as a project sponsor. You'll learn how to increase alignment and buy-in from project stakeholders and how to best support the project managers to deliver the projects successfully. If you are a CEO, this book will help you weigh the importance of the projects and strategically align and prioritize your project portfolio. You'll see ways to better support your project teams, to create a more agile and project-driven organization, and to be more successful altogether in a continuously evolving world.

Finally, if you are a project manager or if you work on projects, this book will teach you how to elevate your work to become more strategic and how to make senior leaders see the value of projects and project management. You will learn how to work with the Project Canvas to define projects more clearly. The canvas will also help you learn a less technical language to communicate about the project with the executive sponsor, the project team, and other stakeholders, increasing their buy-in and motivation. The canvas will also help you keep the project sponsor engaged, often a determining factor in project success.

The book is composed of twelve chapters in four parts. Part 1, "Project Fundamentals for Everybody," sets the context and provides universal basics and definitions. Chapter 1 explores the concept of organizational ambidexterity and how organizations are shifting from a world driven by efficiency to a world driven by change. In chapter 2, we'll look at what a project is—its definition, origins, and different characteristics and how to differentiate projects from the more traditional tasks. Chapter 3 describes the different techniques in project management (including agile methods, program management, and the megaproject approach) and explains how to determine which approaches and tools to apply.

Part 2, “The Project Canvas,” is a step-by-step introduction to the main framework of the book. Chapter 4 introduces the Project Canvas and its three domains and nine building blocks. Chapters 5 through 7 cover the three domains in depth: the foundation, the people, and the creation. Finally, chapter 8 describes how to analyze projects using the canvas and how to adopt the framework in your organization.

Part 3, “Individual and Organizational Project Competencies,” explores the capabilities needed to succeed in the project-driven world. Chapter 9 discusses project leadership, particularly the competencies for effective project management and sponsorship. Next, chapter 10 explores the selection and prioritization of projects through a process and a governance structure that help increase transparency and control in your organization’s portfolio of projects. Chapter 11 examines why organizations must become more agile and project-driven and how they can do so.

Finally, part 4, “A Better Future through Projects,” explores how project management will intersect with the megatrends that all organizations and societies are now facing: crisis management, AI transformation, diversity, and sustainability. As each of these trends asserts itself in the near future, the opportunities and challenges will be resolved in the world of projects.

Projects are designed to deliver benefits; that’s the whole point. Every year, \$48 trillion is invested in projects. Yet, according to the Standish Group, only 35 percent of projects are considered successful.¹¹ The wasted resources and budgets and unrealized benefits of the other 65 percent are mind-blowing. Imagine a world in which most projects deliver the outcome that is intended. Or imagine if we could just improve the success ratio by 25 percent. This improvement would equate to trillions of dollars of value and benefits to organizations, societies, and individuals. The purpose of this book and the framework it proposes is to close that gap and to increase overall project success for organizations, governments, and individuals.

Are you ready to take back some of that lost value? Are you inspired to launch a project to create to a better world? Or do you simply want a way to make better sense of the countless projects your organization is running? If you answered yes, read on.