

Projects vs. Operations

The Model and Framework
for Product-Based Project Management
(D3 for Demand Driven Design)



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*in Russian, Tolk means 'sense'



Finding Balance & Moving Forward

27th IPMA World Congress

30 September-03 October 2013, Dubrovnik, Croatia

www.ipma2013.hr

For detailed study report,
see the publication at the
Proceedings of 27th IPMA World Congress

Agenda

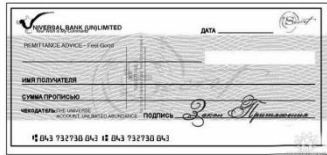
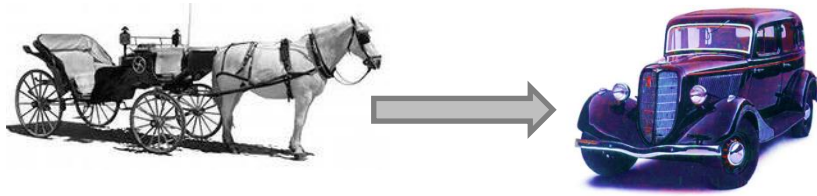
- › The Problem
- › Core Idea
- › Key Points
- › (Optional) implementation examples
- › Conclusion
- › Questions



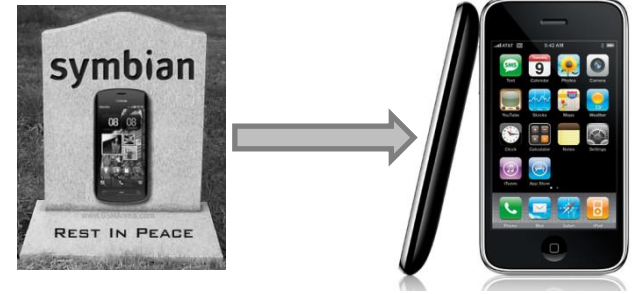
THE PROBLEM



If things go this way...



Or just like this...



Q:... what is common to the losing organizations?



... They are stuck to current Operations,
missing key moments for change

At the Management level

Daily reasons to postpone changes:

- › The sound results are often too far away,
- › Investments do decrease operational income (and bonuses of the management),
- › 'The situation is good enough for us'— just ignoring market changes,

A question of choice between what is 'good for today' and 'good for tomorrow' (preferred choice is obvious, isn't it?)

At Performers' level

Daily distracting signals:

- › Directives from a supervisor,
- › External or internal customer inquiries
- › Department plans, procedures, project plans...

Losing the focus and motivation, then narrowing down to just one plan... their operational plan.



Often, CEOs and their teams have no other choice under pressure of various stakeholders, together with biased planning and reporting



How could we change this?



Demand-Driven Design Framework for the Enterprise:

THE CORE IDEA AND HIGHLIGHTS

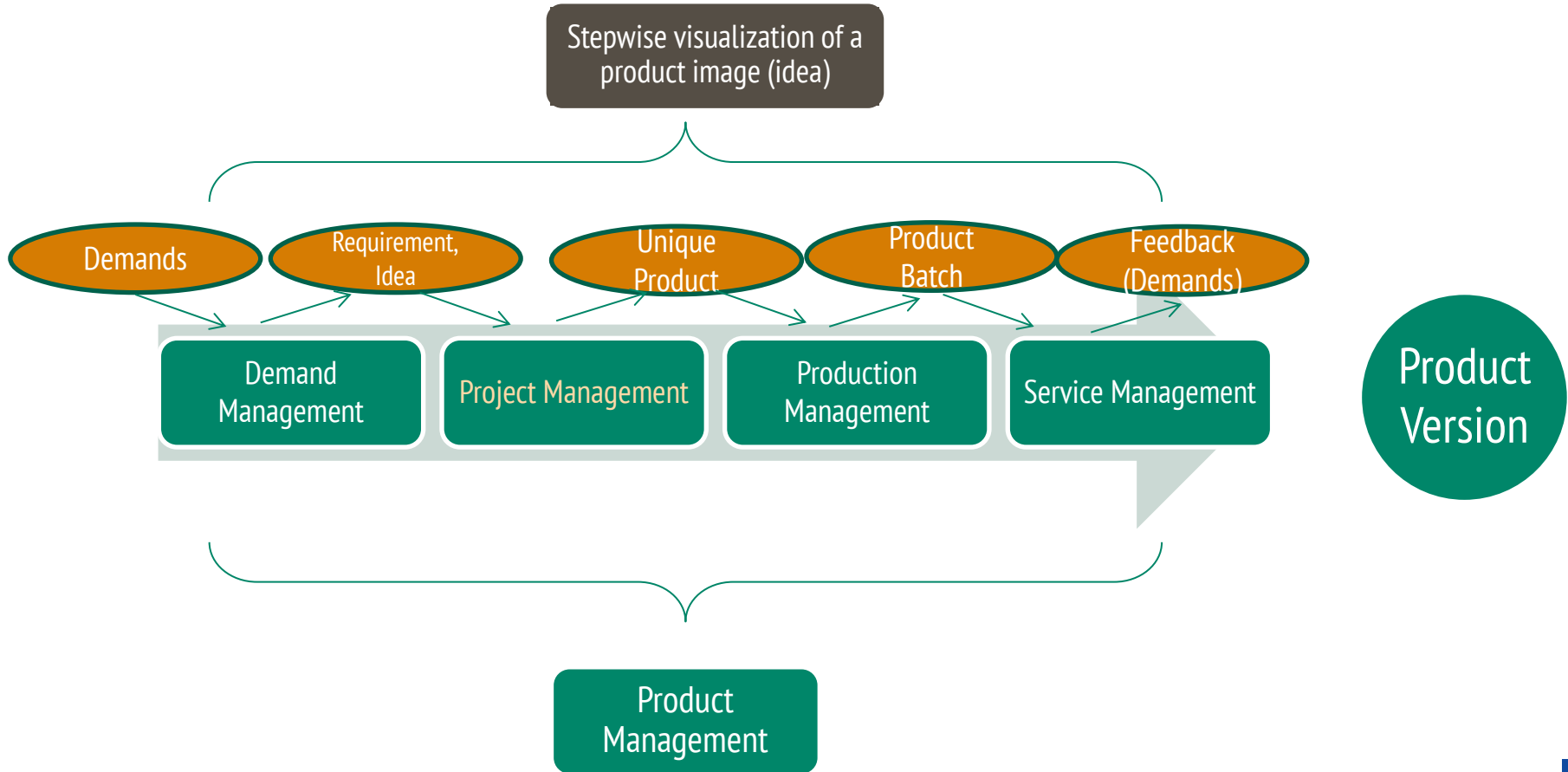


D3: Balance between a 'Cash cow' and 'Start-up' Behavior

1. Manage the organization as a **set of special product portfolios**, with product-based budgeting and configuration
2. Separate all the tasks to **3 classes of activities** (here be projects!),
3. **Commitment-based** team motivation and product configuration.



Artifact-Based Lifecycle in D3 framework (with some elements derived from P2M)



#0.

- › The **Strategy** goes first, facing current and future demands (expectations, concerns, wants and needs, etc.)
- › Together with a clear **decision-making body**.



#1. Product Portfolios in D3

1. Products **for** the customers
2. Products of departments
3. IT systems
4. Products **of** the customers
5. Products of partners and contractors
6. Corporate products
7. Social products



#2. Balancing Task Categories

Category	Meaning
Reproduction (delivery)	The tasks needed to reproduce a product according to a current process
Development	The tasks needed to change the product and connected processes, or develop completely new products, or cut deprecated ones
Promotion	The tasks needed to promote, or advertise the products and services (not adding to their production or development)

Reproduction and Promotion costs are returned with current sales,
Development costs are returned with future sales,
leading to a straight 'product cost of ownership, depreciation, and profit model'.
Internal products influence customer-oriented products.



#3. Managing Projects and Programs for Product Development

‘If we have the product, we already have a program and projects for its development.’

- **Program milestones** = product states with fixed iteration length (releases/versions, not limited to IT)
- **Mid-term goals** = traditional project management techniques
- **Simplified PM methodology** and lifecycle wherever possible:
Feasibility study–Initiation–Design–Implementation–Acceptance–Rollout–Closedown (repeating for iterative approach)
- **‘Product books’** (repositories to gather all the commitment)



#4. Commitment-Based Teams and Configuration States

- › A result (an artifact) is the driver
- › Describe expected results in JDs as 'stage gates'
- › Reflect commitment as a configuration change
- › Motivate, reward, and assess comparing 'JD stage gates' to actual results

Every development program, project, or task is updating the '**enterprise configuration**' from ideas and demands, which is 'played back' for ongoing activities.

This is also adding to enterprise sustainability.



Summing up with this formula:

**‘Tasks are part of dynamic *processes* and *projects*
to make, improve, or promote *products*,
creating *values*
while balancing *demands* of various *parties*.’**

(More on this formula and practical breakdown of all the italics—
see the study describing D3 framework)



Extras

EXAMPLES OF D3 IMPLEMENTATION



Example 1 – A Big IT Unit of an Entertainment Company

D3 Aspect	Value
Strategy	Simplify useful employee activities
Implemented Portfolios	(Products <u>for</u> the customers)–monitored (Products of departments)–IT Product = IT Strategy IT systems –3 core and 30 supplemental systems delivered Products of partners and contractors–IT-specific subset
Tasks	Reproduction = IT Operations/Service Delivery Development = IT Development Promotion = Training/Communications
Decision-making	IT Steering Committee



Example 2 – A Banking/Payment Company

D3 Aspect	Value
Strategy	The Preferred Choice for private persons (being a B2B company)
Implemented Portfolios	<p>Products for the customers – processing/issuing/transfer services</p> <p>Products of departments – 8 business unit functions</p> <p>IT systems – 2 key + 30 supplemental systems</p> <p>Products <u>of</u> the customers – banking and merchant B2C services</p> <p>Products of partners and contractors – software vendors and payment schemes</p> <p>Corporate products – the organization with M&A and P&L plans</p>
Tasks	<p>Reproduction = Business Operations and IT Operations</p> <p>Development = Business Product Development and IT Systems Development</p> <p>Promotion = Sales/Marketing, etc</p>
Decision-making	Business Steering Committees



Example 3 – An User Experience Company

D3 Aspect	Value
Strategy	Advocating the Users
Implemented Portfolios	Products for the customers – User Experience Design, Interface Testing, etc. Products <u>of</u> the customers – web systems; 3-tier systems, etc. for various segments Social products – fostering the positive user experience
Tasks	Reproduction = customer projects Development = internal product development and research Promotion = Sales/Marketing, etc
Decision-making	Development Committee



Conclusion: D3. Demand-Driven Design framework

1. An enterprise as several **Product portfolios** (both new and current)
2. **3 classes of tasks**
(development aggregated to projects and programs here!),
3. **Commitment-based** teams and configuration

- >> **unified decision-making** with no conflict between Ops and R&D
- >> **straight prioritized task flow** for every teammate
- >> value focus for both PMs and Operations




Additional Information

See Congress Proceedings for:

1. Context
2. Roles and Scenarios
3. Decision-making process
4. Project documents
5. Other changes needed
6. Limitations and implications
7. Standards Use and Mapping

Detailed information on D3 is in process of publication.

D3 derived products are currently offered to Russia-based customers by Tolk Group.



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Procedia - Social and Behavioral Sciences 00 (2014) 000–000

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27th IPMA World Congress

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for Product-Based Project Management**

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Abstract

Mature organizations get stuck to current operations, draining their competitive advantages. In unstable times, right projects are the key to success. But CEOs tend to focus themselves on 'generating current cash flow', avoiding investment and missing the opportunities. The simple yet powerful framework was discovered and implemented, allowing the real organizations balance and mix their project-based development with current operations, with affordable learning curve and initial resources.

The idea is representing an organization as 5 (usual count) specially selected product portfolios, and allocating all the tasks to

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Projects vs. Operations (the D3 integrative framework)

YOUR QUESTIONS, PLEASE!

ANY FEEDBACK, SUGGESTIONS, OR JOINT RESEARCH ARE WELCOME!
A CASE STUDY PRESENTATION IS TODAY AT 15:30

