# THE FUTURE CALLS FOR INNOVATION AND AGILITY

**1**

# DON'T LOOK BACK

YOU'RE NOT GOING THAT WAY!

# THROUGHOUT HUMAN HISTORY, GREAT PROGRESS HAS BEEN MADE EVERY TIME WE QUESTIONED OUR BASIC ASSUMPTIONS ...

... WHO SAYS WE CAN'T FLY TO THE MOON?

... WHO SAYS WE CAN'T CURE CANCER?

... WHO SAYS WE CAN'T PRODUCE ENERGY FROM ATOMS?

This triggered our curiosity, and we asked ourselves the following questions in our quest for radically improving the way we work:

# WHAT ASSUMPTIONS HAVE LED TO OUR INCREASE IN PROSPERITY?

# DO THESE ASSUMPTIONS STILL HOLD IN TODAY'S FAST-PACED SOCIETY?

# COULD NEW PRINCIPLES ACCELERATE PROGRESS AND GROWTH GOING FORWARD?

# The past was built on efficiency, optimization, and perfection in operations

For thousands of years, the human race lived as hunter-gatherers, and the simple notion of agriculture didn't dawn on anyone. It was a giant leap when we stopped living like nomads and started staying put. We went from short-sighted thinking and eating everything here and now to gathering reserves, sowing and cultivating, and keeping and breeding animals. This "stage change" multiplied our production by the hundreds. Today, a relatively small percentage of the world's population feeds the rest.

Henry Ford's transformation of car manufacturing from workmanship to industry marked the beginning of the efficiency-driven era. Industrialization was founded on four simple principles: Standardization, reproducibility, specialization, and the division of labor. Throughout the 60s, quick changeovers became increasingly important because multiple suppliers offered similar products.

During this period, Toyota factories developed what is now known as Lean. Lean was based on five principles: 1. Identify the value, 2. Map the value stream, 3. Create flow, 4. Establish pull, and 5. Seek perfection. Once again, the principles were very simple, but throughout the 80s, they formed the basis for the superiority of the Japanese automakers, which outmatched their American colleagues. It took the US factories 240 days to produce one car, whereas it only took the Japanese 24 hours![1]

The Japanese production costs were half of those of the US, and the quality was better. Today, these principles of focusing on value-adding time, cycle time, lead time, and waste reduction through continuous improvements are well-known best practices in all areas of production management. The Japanese mantras of small batch sizes and flow struck a responsive chord all over the world. The procedure is clear: Sense the situation, categorize the problems, analyze possible improvements, and respond – which is referred to as the efficiency paradigm.[2] This worked wonders in the past. But how is further optimization possible when product lifecycles have already been drastically reduced and the problems are not only complicated but have also become complex and chaotic?

**IN THE LAST 50 YEARS, WE HAVE SEEN A 2-3% INCREASE IN PRODUCTIVITY IN OPERATIONS EACH YEAR. NOW, THE CURVE IS FLATTENING IN THE WESTERN WORLD**[3]

# What does the future look like?

Strategies that were once needed and that worked in the past won't accommodate the needs of tomorrow's fast-paced environment. We're headed for a world with no speed limits. A life where new products, technologies, and needs wash over us like a tsunami. In an effort to optimize our products and processes, all these changes can feel like a never-ending sea of interruptions. This is what is referred to as the innovation paradigm, where the preferred methods are act, probe, sense, and respond.[2]

We're in a position where optimization and perfection are growing increasingly desperate as service life is continually declining. Creation is outpacing optimization. We need to understand that the efficiency paradigm is water under the bridge and that we now live in an innovation-driven reality where a transformation of organization, processes, and behavior produces greater benefits than perfection. It's essential that we learn to exploit the accelerating flow of opportunities rather than viewing them as interruptions. We cannot make the necessary adjustments solely with continuous perfection; we must master real transformations at a high pace. These transformations include organization, products, processes, competences, and new behavior.

In the US, Japan, and Canada, highly educated employees represent 42%, 45%, and 51% of the workforce, respectively.[4] This suggests a shift from a workforce based primarily on blue-collar workers to a workforce comprising mainly white-collar workers. In other words, many of us today find ourselves working with more complex problems and developments than in the past. And this work is often carried out as one-off assignments: projects. But while the number of projects is drastically increasing, our efficiency within this workform has stagnated.

> **"**
> # QUICK CUSTOMIZATION OF WORKFLOWS, PROCESSES, PRODUCTS, AND SERVICES IS ESSENTIAL FOR SURVIVAL. IT IS VITAL THAT WE LEARN TO EXPLOIT THE ACCELERATING FLOW OF OPPORTUNITIES RATHER THAN VIEWING THEM AS INTERRUPTIONS, WE MUST LEAD REAL TRANSFORMATIONS AND NOT JUST PERSISTENT PERFECTION.
> **"**

SNOWDEN
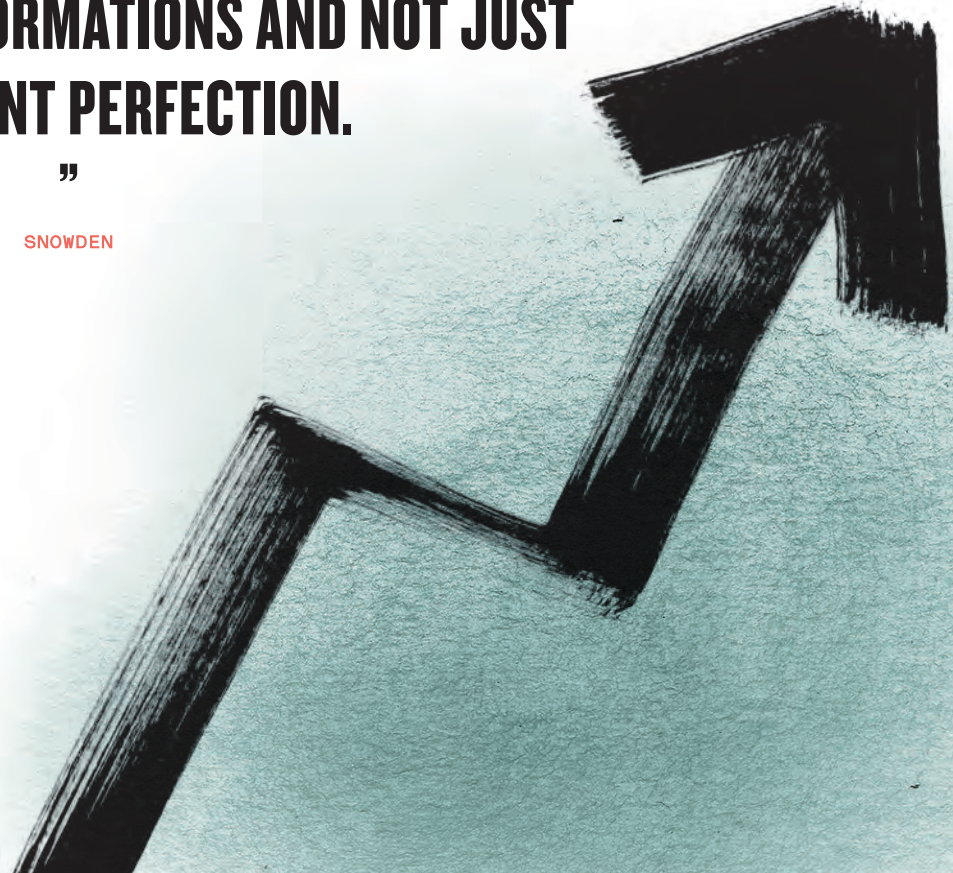
**GOING FORWARD, THE NUMBER OF PRODUCTS AND TECHNOLOGIES INCREASES VERTICALLY, WHILE LIFETIME DECREASES DRASTICALLY**

In 1982, 33% of revenue and 22% of profits came from new products. Just ten years later, these figures had risen to 50% and 40%, respectively.[5] The majority of HP's profits today come from products that didn't exist a year ago. Cell phones generally have a commercial lifetime of just three months, and new software updates are released on nearly a monthly basis.[6]
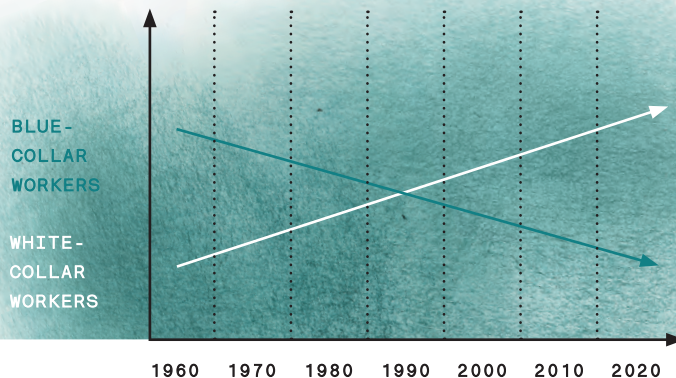
THE LIFETIME OF NEEDS, TECHNOLOGIES, PRODUCTS, AND PROCESSES DECREASES

THE TECHNOLOGICAL POSSIBILITIES INCREASE. THE AMOUNT AND THE DEGREE OF NOVELTY WILL CONTINUE TO ACCELERATE
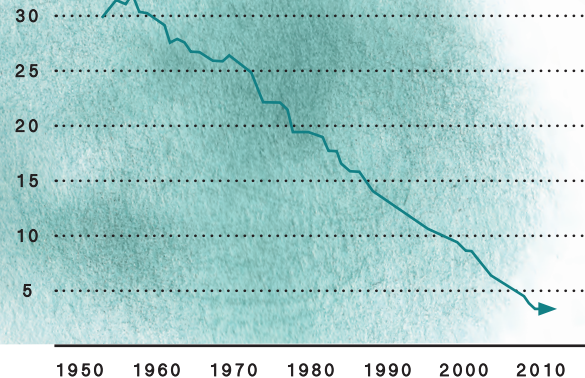
EVOLUTION OF THE WORKFORCE

BLUE-COLLAR WORKERS

WHITE-COLLAR WORKERS

1960   1970   1980   1990   2000   2010   2020

PERCENTAGE OF AMERICAN WORKERS ENGAGED IN PRODUCTION[7]

30
25
20
15
10
5

1950   1960   1970   1980   1990   2000   2010

**MICRO-MULTINATIONAL COMPANIES**
are gaining ground with few or no employees

**THE LIFETIME OF A MULTINATIONAL COMPANY IS 40-50 YEARS**[6]

**THE WORLD IS CHANGING VERY FAST**
Big will not beat small anymore. It will be the fast beating the slow
— RUPERT MURDOCH

**THE BEST WAY TO PREDICT THE FUTURE IS TO INVENT IT**
— ALAN KAY

**COMPANIES ARE EVOLVING INTO SMALLER UNITS WITH HIGHER SALES**
In the US, the average company has gone from 25 to 10 employees in the last 25 years[6]

**HALF OF ALL S&P 500 COMPANIES DISAPPEAR EVERY 20 YEARS**[6]

**INFINITE KNOWLEDGE**
Our knowledge doubles in volume every 8-9 years[6]

**EASY ACCESS TO KNOWLEDGE**
The value of your network increases exponentially with the number of users
— METCALFE'S LAW

**THE COMPANY LIFE EXPECTANCY IN JAPAN AND EUROPE IS 12.5 YEARS**[6]

**TECHNOLOGICAL DEVELOP-MENT IS EXPONENTIAL**
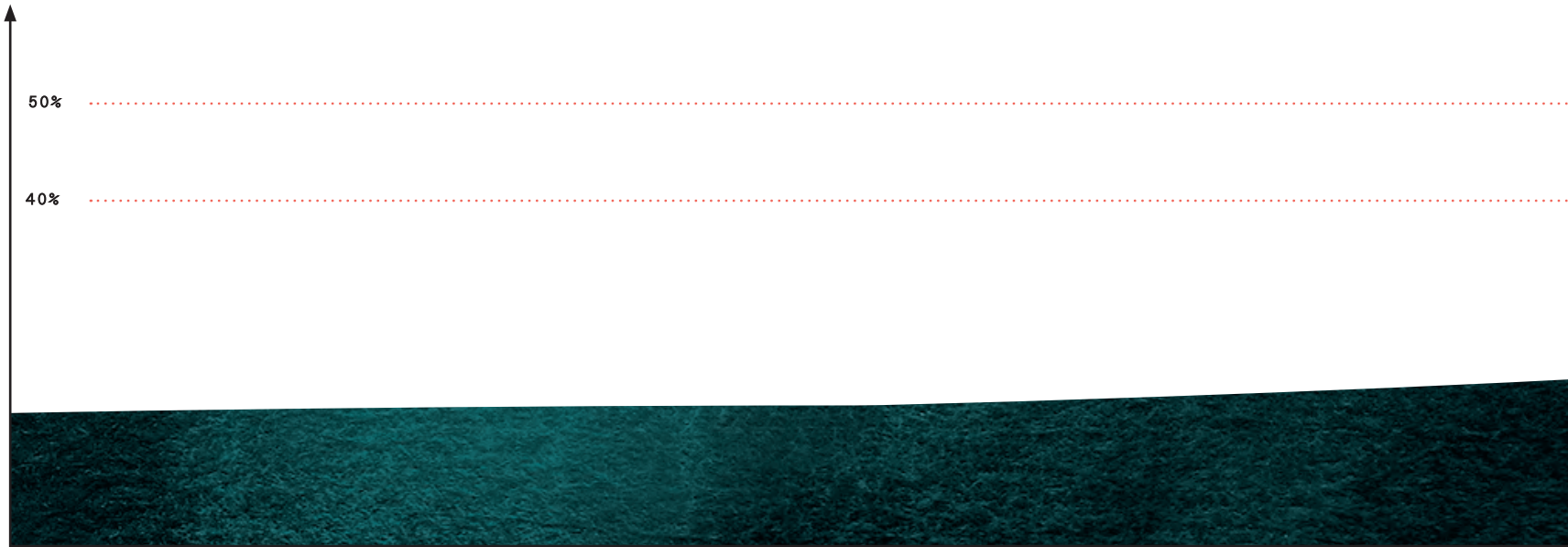Information technology doubles its performance every 18 months
— MOORE'S LAW

The project society

# IN LINE WITH THE INCREASED FOCUS ON INNOVATION, COLLABORATION, AND AGILITY, MORE AND MORE WORK IS BEING EXECUTED AS PROJECTS

% OF A COUNTRY'S GNP
INVESTED IN PROJECTS[8]

50%

40%

1960          1970          1980          1990

Every year, USD 48 trillion is invested in projects. Only 1/3 of all projects are successful — a mind-boggling waste! Imagine if we could improve our project performance by just 10%. We could save hundreds of trillions of dollars in 20 years — exactly the amount Wharton School of Management predicts it will cost to convert the whole global energy system into wind, solar, and water!

PROJECTS USED TO BE TEMPORARY TASKS, WHILE OPERATIONS WERE PERMANENT. NOW, CHANGES ARE PERMANENT, AND OPERATIONS ARE TEMPORARY TASKS UNTIL THE NEXT CHANGE. AND THERE ARE NO INDICATIONS THAT THIS TREND WILL CHANGE ANYTIME SOON.
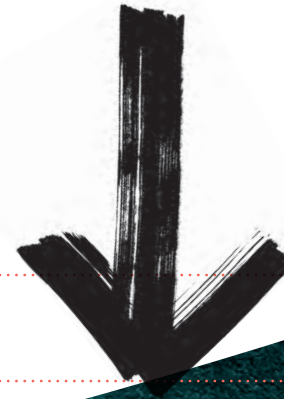
IN OTHER WORDS:

# CONGRATULATIONS!

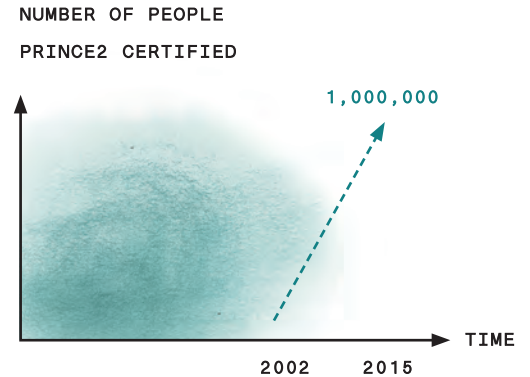YOU'RE IN THE RIGHT PLACE!

2000　　2010　　2020　　2030

# The response to increasing project volumes has been an explosion in concepts, certifications, and methodologies

NUMBER OF PEOPLE
PRINCE2 CERTIFIED



1,000,000

2002    2015    TIME

## PRINCE2 CERTIFICATES[9]

PRINCE2 FOUNDATION

PRINCE2 PRACTITIONER

MANAGING SUCCESSFUL PROGRAMS (MSP)

MANAGEMENT OF RISK (MOR)

PORTFOLIO MANAGEMENT (MOP)

VALUE MANAGEMENT (MOV)

PORTFOLIO, PROGRAM AND PROJECT
OFFICES (P3O)

## PROGRAM MANAGEMENT[9]

OGC, MSP, MANAGING SUCCESSFUL PROGRAMS

OGC, MOV, VALUE MANAGEMENT

PMI, STRATEGIC CHANGE MANAGEMENT

PMI, PGMP, PROGRAM MANAGEMENT PROFESSIONAL

OGC, PORTFOLIO, PROGRAM AND PROJECT OFFICES (P3O)

TOC, THEORY OF CHANGE

(IPMA LEVEL A, CERTIFIED PROJECTS DIRECTOR)

More and more work is being conducted as projects, and there has been an explosion in concepts, training, and certifications since 2000.

Several universities offer master's degrees in project management, and the number of project management programs and courses is rising rapidly. In fact, project management has become so widespread that it has evolved into a basic product offered by most suppliers.

The three major certification organizations – Project Management Institute (PMI), TSO and International Project Management Association (IPMA) – are growing constantly and have expanded with several specialist certifications, some of which are listed to the right.

Besides certifications, project managers are moving into all organizational levels. A multitude of concepts for program management, portfolio management, and organizational maturity assessment have been launched.
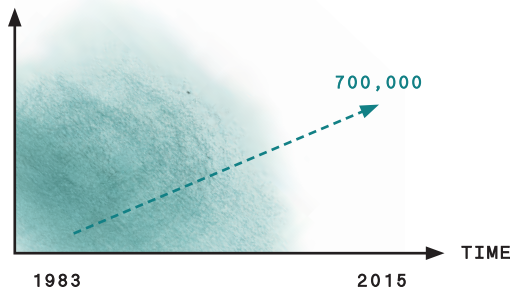
NUMBER OF PEOPLE
PMI CERTIFIED

700,000

1983                    2015                    TIME

NUMBER OF PEOPLE
IPMA CERTIFIED

250,000

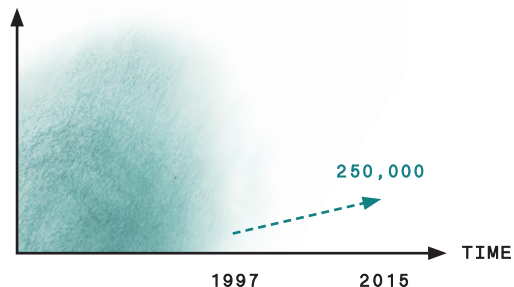1997        2015                    TIME

## PMI CERTIFICATES[10]

PMP PROJECT MANAGEMENT PROFESSIONAL

PGMP PROGRAM MANAGEMENT PROFESSIONAL

PFMP PORTFOLIO MANAGEMENT PROFESSIONAL

CAPM CERTIFIED ASSOCIATE IN PROJECT MANAGEMENT

PMI-PBA PMI PROFESSIONAL IN BUSINESS ANALYSIS

PMI-ACP PMI AGILE CERTIFIED PRACTITIONER

PMI-RMP PMI RISK MANAGEMENT PROFESSIONAL

PMI-SP PMI SCHEDULING PROFESSIONAL

## PORTFOLIO MANAGEMENT[10]

PMI, STRATEGIC CHANGE MANAGEMENT

OGC, MOP, PORTFOLIO MANAGEMENT

PMI, PGMP PROGRAM MANAGEMENT PROFESSIONAL

PMI, PFMP PORTFOLIO MANAGEMENT PROFESSIONAL

OGC, PORTFOLIO, PROGRAM AND PROJECT OFFICES (P3O)

(IPMA LEVEL A, CERTIFIED PROJECTS DIRECTOR)

STANFORD UNIVERSITY, CONVERTING STRATEGY

INTO ACTION

## IPMA CERTIFICATES[11]

LEVEL A (CERTIFIED PROJECTS DIRECTOR)

LEVEL B (CERTIFIED SENIOR PROJECT MANAGER)

LEVEL C (CERTIFIED PROJECT MANAGER)

LEVEL D (CERTIFIED PROJECT MANAGEMENT ASSOCIATE)

## PROJECT MATURITY[11]

2002 CMMI VERSION 1.1

2003 PMI PROJECT MATURITY ASSESSMENT

2006 CMMI VERSION 1.2

2006 "P3M3" OGC (PORTFOLIO,

PROGRAM AND PROJECT MANAGEMENT

MATURITY MODEL)

2010 CMMI VERSION 1.3

## IN 2007, LEFFINGWELL PUBLISHED THE AGILE MANIFESTO AGILE METHODS[12]

AGILE PROCESS MANAGEMENT

AGILE MANAGEMENT

AGILE X TECHNIQUES

SCRUM

EXTREME PROCESS
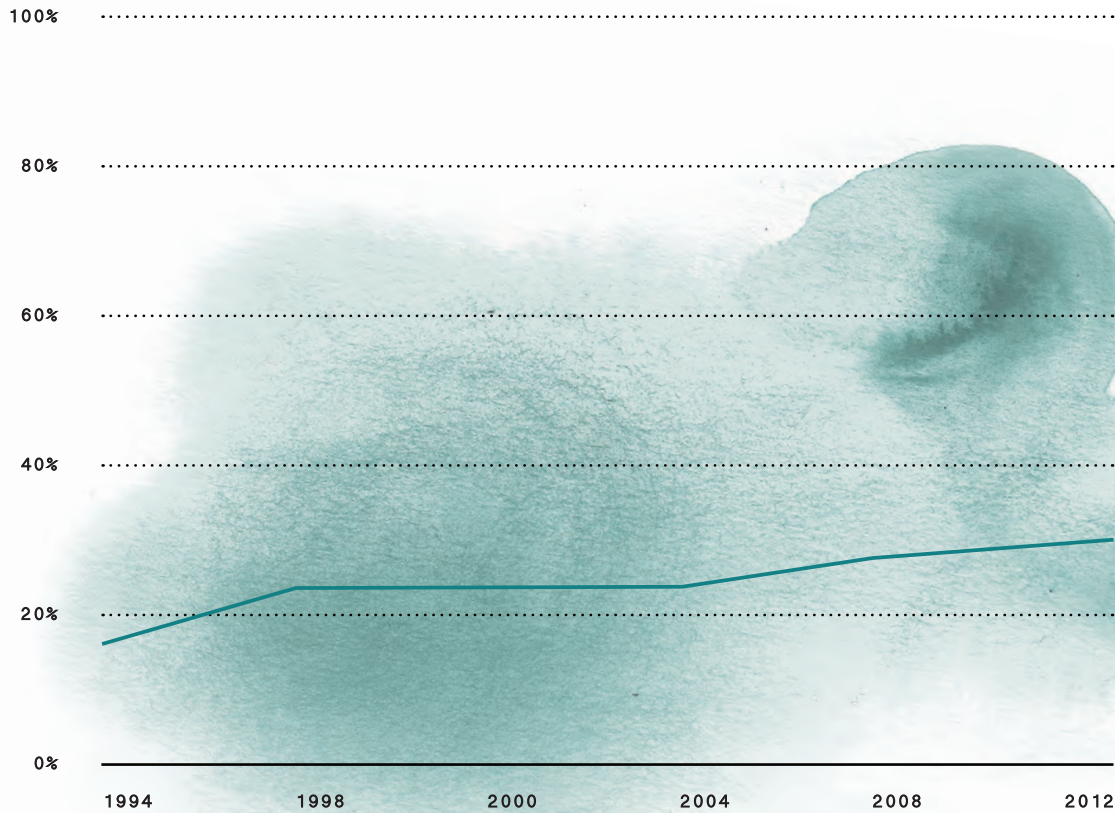
SAFE MANAGEMENT

ITERATIVE LIFECYCLE

However, research suggests that the foundation of the certifications, programs, and courses is insufficient when it comes to managing projects successfully.[13] And the success rate is still considered to be 35%.[14] Most of these concepts are based on the assumption of rationality. But this assumption doesn't consider the complexity of projects, their unpredictability, and human nature.

Traditionally, there has been little or no focus on the impact which projects are set in motion to create. One notable exception is program theory, which has begun to focus on business impact at program level. At project level, however, the focus is still on deliverables and not on impact. The sum of your projects may not entirely reflect your written strategy, but that sum does reflect what you end up executing. Consequently, if your projects don't create the expected impact, you will never meet your strategic goals.

While there has been some focus on the human aspect in project leadership, it has traditionally been framed as something that must not be overlooked rather than as something that must be addressed in a conscious and structured manner. In fact, stakeholder management wasn't even included in the Project Management Institute's (PMI) Project Management Body of Knowledge (PMBOK) until 2013. So, when it comes to how to lead an array of stakeholders to create motivation, buy-in, and commitment, the project management domain hasn't provided many answers.

SUCCESS RATE (STANDISH GROUP) [14]



100%

80%

60%

40%

20%

0%

1994      1998      2000      2004      2008      2012

WE HAVE NEVER BEEN BETTER EDUCATED IN
PROJECT MANAGEMENT — YET THE SUCCESS
RATE IS STILL 35%

"

# THE PMBOK GUIDE DOES NOT REPRESENT THE KNOWLEDGE THAT IS NECESSARY FOR MANAGING PROJECTS SUCCESSFULLY.

"

PETER MORRIS

"

PROJECT SUCCESS CANNOT BE JUDGED BY THE TRIPLE CONSTRAINT
ALONE. TIME, BUDGET, AND PERFORMANCE ARE SHORT-TERM
DIMENSIONS THAT DO NOT REFLECT LONGER-TERM SUCCESS.
PROJECT SUCCESS IS A MULTIDIMENSIONAL, STRATEGIC CONCEPT.
IT SHOULD FOCUS ON BUSINESS SUCCESS AS WELL AS THE EFFICIENCY
WHEN THE PROJECT IS RUN, AND IT SHOULD CONSIDER DIFFERENT
STAKEHOLDERS' POINTS OF VIEW.

"

AARON J. SHENHAR AND DOV DVIR

## AGILE METHODS HAVE TAKEN US SOME OF THE WAY

Agile project management has long been perceived as the solution to how to improve on the 35%. The number of different agile methods has exploded, all created with the aspiration of counteracting increasing uncertainty. Like Lean's reduced cycle times in production, agile methods propose executing projects as a series of short sprints. In addition, the contract should be replaced by a backlog, which the product owner can prioritize. However, this has only improved the success rate to 42%.[14] It is substantial progress, but it is not the entire solution.

Why?

First, many agile methods are still based on the notion of the triple constraint – the iron triangle of time, cost, and scope, rather than impact. The triple constraint still holds within each sprint.

Second, they do not consider the stakeholders' multiple points of view. While concord is required when product owners prioritize, we rarely see an emphasis on co-creation, and consciously establishing organizational concord as the primary focus and emphasis is based on the product owner's priorities alone.

And third, they tend to decrease the emphasis on project leadership in favor of team autonomy.

TO GO ALL THE WAY, WE NEED A:

# STRONGER FOCUS ON IMPACT

RATHER THAN SOLELY ON WORKING
SOLUTIONS (DELIVERABLES)

# BROADER FOCUS ON STAKEHOLDER SATISFACTION

NOT JUST PRODUCT OWNER
SATISFACTION

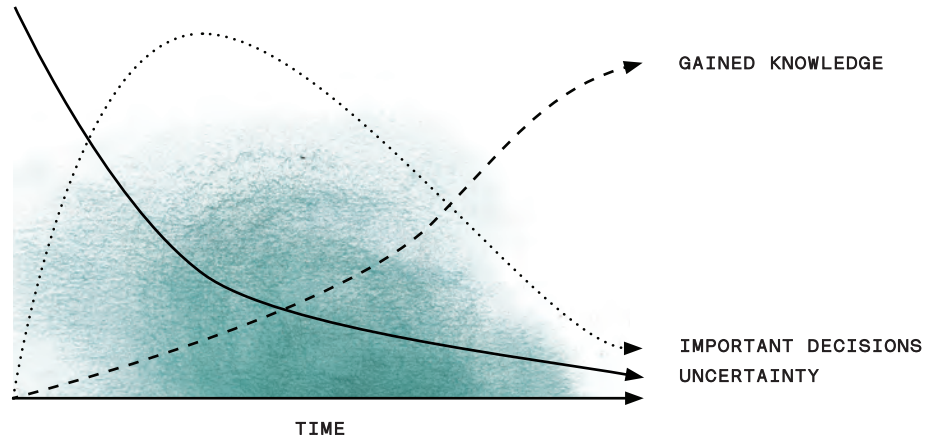# CLEARER FOCUS ON HIGH-LEVEL OWNERSHIP OF THE PROJECT

RATHER THAN "JUST" A NORMAL
PRODUCT OWNER

# On the bright side:
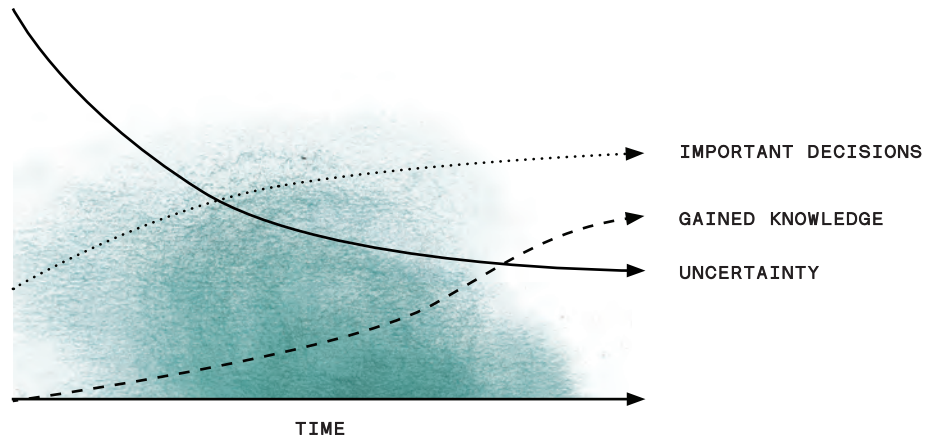# There is still a huge potential to be realized

The conventional perception of project uncertainty and the importance of decisions has its foundation in the domains of engineering and construction. Contracts and predictability are based on the triple constraint and considered to be stable elements. The core idea is that it is possible to reduce internal project risk from project start to the final deliverables. All conventional project management literature aims at reducing this risk through defined methods and a consistent focus on risk management, defined processes, and front-loading of information, as illustrated in the top graph.

However, with the acknowledgment that the project's overall purpose is to achieve an impact comes the understanding that the risks are only reduced once that impact has been achieved. At the same time, new possibilities keep hitting the project, making knowledge obsolete and demanding the continuous reconsideration of decisions and the overall purpose. This scenario is illustrated in the bottom graph.

TRADITIONAL VIEW OF UNCERTAINTY

GAINED KNOWLEDGE

IMPORTANT DECISIONS
UNCERTAINTY

TIME

UNCERTAINTY IN THE REAL WORLD

IMPORTANT DECISIONS

GAINED KNOWLEDGE

UNCERTAINTY

TIME

# WHAT ARE THE IMPACT OBJECTIVES FOR YOUR PROJECT?

It is necessary to create direction in this increased complexity. In many transformation projects, employees and outside parties constantly seek to influence management's perception of the project.

This calls for leadership – project leadership. A person who maintains a continuous focus on making sense of the project in its current state and on its stakeholders. Someone who focuses on creating a shared vision that everyone should aim for, and who is able to create a flow of impacts in close collaboration with the people who are to own and work with the solution and change going forward.

In this setup, if you have a choice between a certified project leader with a complete understanding of all the tools and models and a person with highly developed relational competences and the right mindset, the latter should outweigh the prior. The mindset and focus needed entails that the project leader and his or her team:

● Ensure that projects are carried out in order to achieve an impact and that deliverables are simply a means for reaching this goal.

● Accept that in a turbulent world, we need to create a flow of impacts, so the transformation of products, services, and processes becomes as painless as the most streamlined production process.

● Understand that in a world with easy access to infinite knowledge and highly trained employees, it takes a new kind of leadership to create a common vision, backing, and stakeholder satisfaction.

As a methodology, Half Double attempts to work with instead of against this new understanding of our society and the projects we work with and in. It builds upon research and experience, and helps us capture the untapped potential through concrete principles, methods and tools. To succeed with this endeavor, Half Double expands on both classical and agile project methods – and is thus an agile hybrid.

# The Half Double sweet spot: Innovation and transformation projects

The Half Double methodology is built upon what research and experience tells us is needed to capture the potential. It can be used in all project types but has its strength in projects with relatively high uncertainty and many divisive interests. These terms are often applicable in transformation projects that include internal processes, organization, competence development, change of behavior, IT systems, new services, and new products. Such projects are not predefined, and their objectives are ambiguously defined. This type of project often has a holistic concept with the implementation of many qualitative measures. The work requires extensive stakeholder involvement and is  carried out with many co-created solutions – a perfect fit for transformation projects.

# EFFICIENCY PARADIGM

# INNOVATION PARADIGM

| HARD | PARAMETER | SOFT |
|---|---|---|
| OBJECTIVES CLEARLY DEFINED | ← GOAL CLARITY → | OBJECTIVES HIGHLY AMBIGUOUSLY DEFINED |
| PHYSICAL ARTEFACT | ← GOAL TANGIBILITY → | ABSTRACT CONCEPT |
| ONLY QUANTITATIVE MEASURES | ← SUCCESS MEASURE → | ONLY QUALITATIVE MEASURES |
| NOT SUBJECT TO EXTERNAL INFLUENCES | ← PROJECT PERMEABILITY → | HIGHLY SUBJECT TO EXTERNAL INFLUENCES |
| REFINEMENT OF SINGLE SOLUTIONS | ← NUMBER OF SOLUTION OPTIONS → | EXPLORATION OF MANY ALTERNATIVE SOLUTIONS |
| EXPERT PRACTITIONER, NO STAKEHOLDER PARTICIPATION | ← PARTICIPATION PRACTITIONER ROLE → | FACILITATIVE PRACTITIONER, HIGH STAKEHOLDER INVOLVEMENT |
| VALUES TECHNICAL PERFORMANCE AND EFFICIENCY, MANAGES BY MONITORING AND CONTROL | ← STAKEHOLDER EXPECTATIONS → | VALUES RELATIONSHIPS, CULTURE AND MEANING, MANAGES BY NEGOTIATION AND DISCUSSION |

PREDEFINED PROJECTS
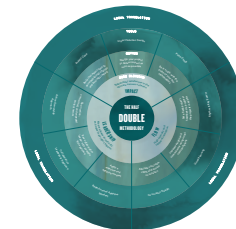
TRANSFORMATION PROJECTS

INSPIRED BY ATKINSON, CRAWFORD AND WARD, 2006[15]

How Half Double expands on both
traditional and agile methods

... LEADERSHIP IS
DOING THE RIGHT
THINGS.
"

ORGANIZATION AND SURROUNDINGS
ARE CONSTANTLY CHANGING

LEADERSHIP

HALF
DOUBLE

SCRUM AND
OTHER AGILE
METHODS

FOCUS ON
OBJECTIVE
DELIVERABLES

FOCUS ON
STAKEHOLDER
SATISFACTION

TRADITIONAL
PROJECT
MANAGEMENT

MANAGEMENT

ORGANIZATION AND SURROUNDINGS
ARE STABLE
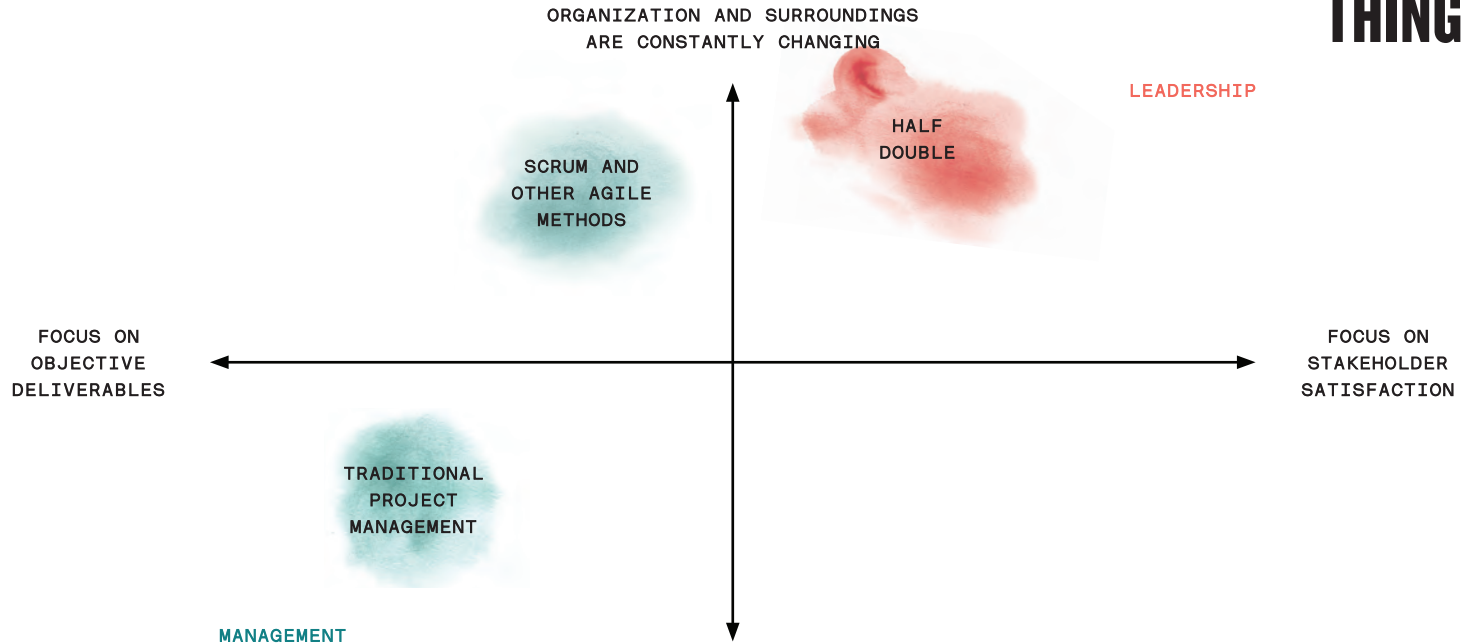
"
MANAGEMENT IS
DOING THINGS
RIGHT ...

PETER DRUCKER

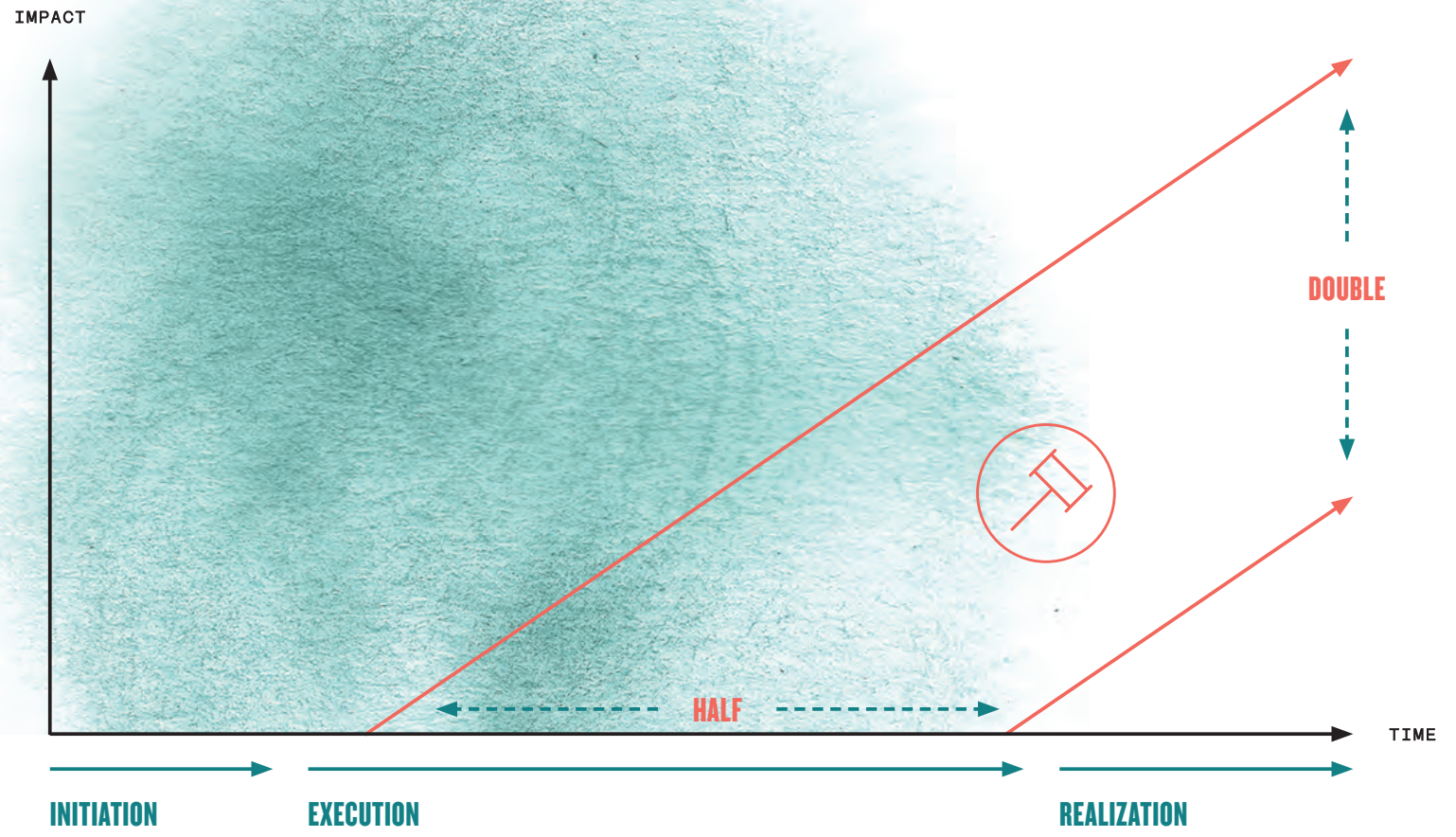# "73.9% OF PROJECT FAILURES ARE DUE TO LACK OF LEADERSHIP."

ANDY CROWE

# THE HALF DOUBLE METHODOLOGY — UNFOLDED

2

The core idea of Half Double:
To create a flow of impact throughout
the project's lifecycle

IMPACT

TIME

DOUBLE

HALF

INITIATION

EXECUTION

REALIZATION

## The three core elements of Half Double

In order to achieve double the impact in half the time, you have to work with three core elements. The focus is on the impact of the project. More accurately, a series of impacts. To achieve these impacts as quickly as possible, you must ensure a smooth flow in the project. This flow is created by the project manager's leadership in the project. The project's flow of impacts is realized in the organization by the project owner's leadership. Therefore, these three basic elements: Impact, Flow, and Leadership.
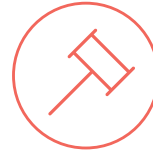


# IMPACT

**FROM THE TRIPLE CONSTRAINT TO FOCUSING ON IMPACT**

Projects are not delivery machines but endeavors set in motion to leave a lasting footprint in the world. The deliverables are not the end goal but merely milestones on the road toward impact realization.

Half Double puts forward a change of emphasis from deliverables specified to perfection in a fixed contract to impact. From only focusing on the cost side of the business case to following up on and tracking revenue. The core idea is to take home the winnings continuously throughout the project, thereby reducing the time to impact and boosting the overall effect, sense of achievement, and stakeholder satisfaction.

# FLOW

**FROM RESOURCE OPTIMIZATION TO FLOW OPTIMIZATION**

Projects are not just random tasks but demanding efforts in need of focus and energy. The work to be done is often unique in character and requires creativity, collaboration, and rapid feedback loops. The people involved and their sense of progress benefit from uninterrupted reflection and action.

With Half Double, we acknowledge the demanding nature of projects. Flow functions like an engine, providing the power to drive and realize the desired impact. We prioritize the project's speed and progression. Rather than scattering resources across the portfolio, the right people are carefully selected and heavily allocated to allow for and ensure focus, intensity, and frequent interaction.

READ MORE ABOUT FLOW ON PAGE 130

# LEADERSHIP

**FROM THE MANAGEMENT OF SYSTEMS TO THE LEADERSHIP OF PEOPLE**

Rather than merely viewing projects as carefully planned efforts set in motion to achieve a particular aim, we view projects as temporary organizations comprised of people. People with shifting agendas, motivational drivers, and preferences. Individuals with unique needs who operate in a highly unpredictable world. The project — like any other organizational unit — therefore requires a leadership that embraces uncertainty while still ensuring alignment and progress.

Half Double proposes a shift from contract management to trust. From compliance to commitment. From viewing change as a cause of frustration to embracing it as an opportunity. And because we work in a world with easy access to infinite knowledge and highly trained employees, we need to shift from control to facilitation, involvement, and ownership.

READ MORE ABOUT LEADERSHIP ON PAGE 178

# Moving your family to New York

**LET'S DO A LITTLE THOUGHT EXPERIMENT**
Imagine that you have just landed a great and well-paid job in New York, and you want to bring your family with you. The challenge now is to successfully move your family from your hometown to New York, assuming that your key stakeholders in this project are your family.

You gather your family, and everyone specifies their wishes for housing, schools, sports, and social interactions. You compile it all in a detailed specification that everyone agrees on before you embark on your adventures abroad.

When you get to New York, you deliver on the set requirements as specified. But your wife is unhappy with the house, your kids don't like their school, and making new friends has turned out to be harder than anticipated.

## WAS THE PROJECT A SUCCESS?

# STAKEHOLDER SATISFACTION IS THE ULTIMATE SUCCESS CRITERION

— IMPACT PRINCIPLE

### WE CONDUCT PROJECTS TO ACHIEVE A DESIRED BUSINESS IMPACT

In classic project management theory, the project is designed to accommodate the iron triangle, consisting of the three constraints: time, cost, and deliverables. The project is a success when the deliverables are delivered on time and within the set budget. Normally, every project method stops at the deliverables, assuming that the business impact will materialize as a consequence of delivery within the triple constraints. How a project's deliverables are transformed into impacts is in many ways a mysterious black box.

### HOW DO WE DEFINE IMPACT?

Traditionally, impact has been viewed as a result of the deliverables. Impact is therefore assumed to be realized after the deliverables have been delivered. For instance, new organizational approaches, new procedures, and a new IT system will result in shorter lead times and fewer mistakes.

In contrast, Half Double focuses on the flow of impact throughout the entire duration of the project. The project's impact can and should be defined initially and realized at different points during the process.

In this context, impact corresponds to value creation, which again describes the relative relationship between both benefits and costs.

The ultimate success criterion from this perspective is stakeholder satisfaction. Each stakeholder's subjective perception of the project influences the pace of behavioral change, commitment to new solutions from the rest of the value chain, and whether or not our solution succeeds in the market. In effect, the project can deliver perfectly on the business case but still fail to live up to expectations, because the expectations have changed over time.

Therefore, there is a higher degree of complexity. Impact becomes a multidimensional, strategic concept requiring that we always consider the points of view of the different stakeholders. Needs that constantly change over time due to contextual turbulence such as competitor

behavior, new legislation, market trends, conflicts, and new roles and preferences, as well as effects that do not materialize until long after the project has been concluded.

Consequently, it is important to keep the following questions in mind: Who is the project customer? Who is the end user? What creates value for them? What can you and your project offer that underpins the advantages that the users experience while also minimizing the disadvantages?

The most successful projects constantly follow up on both deliverable and customer value. In terms of customer value, this can be tested well in advance before the final solution is operationalized. The customer can simply test prototypes so that the end product is based on genuine user feedback and not merely on internal assumptions about user needs.

**CASE**

**DARPA CREATES A FLOW OF IMPACT WITHOUT SPECIFIED DELIVERABLES IN THE URBAN CHALLENGE**

Crowdsourcing competitions have been used in development projects with great success. DARPA, a US research agency, held a competition where companies, individuals, and students submitted entries for a functioning driverless car. None of the cars succeeded. Just three years later, the more challenging Urban Challenge race took place, where 11 robotic cars raced for 96 km in an urban environment. Six cars completed the race. In 2011, the winner of the competition introduced driverless cars in a real urban environment in Nevada in cooperation with Google. The interesting point is that these extraordinary results were achieved without any central plan for the progress. Instead, there was a clear impact-driven incentive to succeed and a platform to organize the process.[1]

DELIVERABLES

THE MYSTERIOUS
BLACK BOX OF
IMPACT CREATION

LONG-TERM
BUSINESS
IMPACT

THE WAY A PROJECT WILL TYPI-
CALLY LOOK FROM A TRADITIONAL
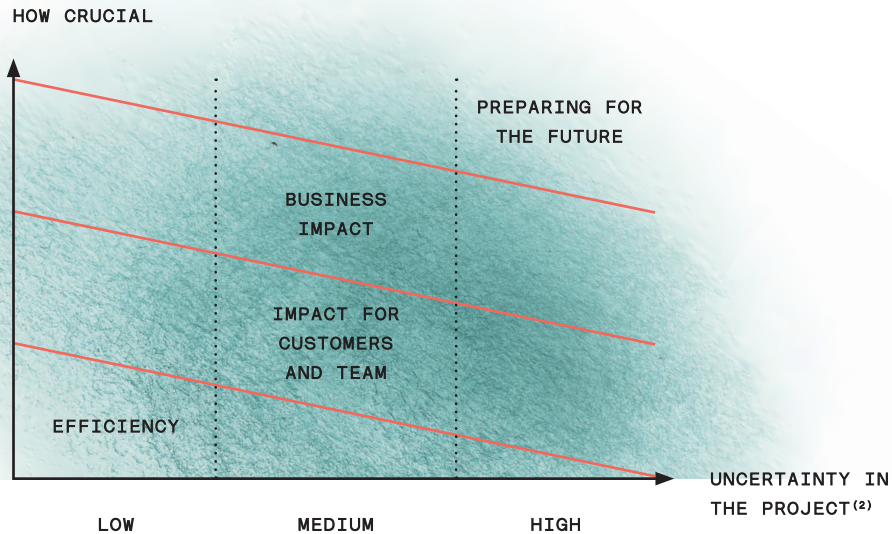PROJECT MANAGEMENT PERSPECTIVE

VALUE $\quad \alpha \quad \dfrac{\text{BENEFIT}}{\text{COST}}$

IN A HALF DOUBLE CONTEXT,
IMPACT CORRESPONDS TO VALUE
CREATION, WHICH AGAIN DESCRIBES
THE RELATIVE RELATIONSHIP BETWEEN
BOTH BENEFITS AND COSTS

HOW CRUCIAL

PREPARING FOR
THE FUTURE

BUSINESS
IMPACT

IMPACT FOR
CUSTOMERS
AND TEAM

EFFICIENCY

UNCERTAINTY IN
THE PROJECT[2]

LOW          MEDIUM          HIGH

The impact mindset corresponds very well with Aaron J. Shenhar and Dov Dvir's theory that project success depends on the level of insecurity in the project and the point in time when the success is measured.[2] In the bottom left corner of the above figure, we see reality as it looks in a classic construction project. These kinds of projects are characterized by relatively insignificant uncertainty and single-piece production. Here, it is possible to describe the triple constraints as a legal contract between the customer and the project early in the process. Compliance with the budget is crucial, and the focus is mainly on efficiency. In the upper right corner, we find very uncertain business development projects, which include new business models, new technical platforms, or products that are new to the world. Here, it is all about the satisfaction of the various stakeholders. The focus is on creating something new. We are in an innovation-driven paradigm, focusing on future potential. These types of projects are often a combination of internal and external projects. To succeed, it is vital to adjust management's expectations over time as people working on the project gain more insight.

**IMPACT**

# Methods we use to ensure a consistent focus on impact

As stated earlier, impact should be realized as quickly as possible in the project process to ensure the impact of the project as well as to account for different stakeholder points of view. This is why we work with three basic methods which are to define a detailed impact goal, design the project to deliver impact as soon as possible and for the entire duration of the project, and help us to continuously monitor the satisfaction of key stakeholders.

## 1

**USE THE IMPACT CASE TO DRIVE BEHAVIORAL CHANGE AND BUSINESS IMPACT**

In the beginning of the project, we define a hierarchy of goals for the desired business impacts. We then ask ourselves which key stakeholders need to change their behavior to realize the aspired business impact, and we define the behavioral impact which the project needs to address. We define few, but critical leading and lagging key performance indicators to track and ensure an ongoing flow of impact realization throughout the project's lifecycle.

TOOL: THE IMPACT CASE        READ MORE ON PAGE 76

## 2

**DESIGN YOUR PROJECT TO DELIVER IMPACT AS SOON AS POSSIBLE WITH THE END USERS CLOSE TO THE SOLUTION**

In close collaboration with users, customers, and other key stakeholders, we design the project to realize impact-driven solutions faster. Through five key workshops and with the help of seven defined roles, a core idea to reduce time to impact is identified, the project organization is designed, and an overall road map for impact realization is in place with key stakeholders committed — right from the start.

TOOL: THE IMPACT SOLUTION DESIGN      READ MORE ON PAGE 94

## 3

**CHECK THE PULSE OF YOUR KEY STAKEHOLDERS ON A BIWEEKLY BASIS**

Key stakeholders are identified through the Impact Solution Design process. Key stakeholders expect various impacts to be realized at different points in the project process. Therefore, we initiate and continuously check the pulse of the team, the review group, the project owner and the steering committee, the end users, and others involved in the project's process and/or impact. As we realize both behavioral and business impact on an ongoing basis, it is essential that we monitor the satisfaction levels of our key stakeholders in real time in order to take action and adjust the project process as key insights and learning emerge.

TOOL: PULSE CHECK        READ MORE ON PAGE 114

# DO YOU MEASURE THE OUTPUT OR THE IMPACT OF YOUR PROJECT?

Creating flow in a
soccer game

## WHAT ARE YOUR FIRST STEPS TOWARD CREATING FLOW IN YOUR PROJECT?

**LET'S DO A LITTLE THOUGHT EXPERIMENT**
Imagine that a project is like a soccer or a hockey game. The team has been formed, and everybody knows their place and understands the rules of the game. Everybody knows the goal and the strategy for winning. The game has a certain rhythm with half-time breaks and changes every time a goal has been scored.

The game is fast-paced and intense, making it impossible to use resource optimization and plan for exactly when the goal keeper, for instance, will be needed. Everybody is on the field at the same time, and they have to improvise based on strategy and on what is optimal in each situation. It is important that the team can quickly assess where and how the opponent is weak and where new opportunities will emerge. Any opportunity to score must be seized upon immediately. The winning team is the team that has control of the ball, which flows freely from player to player, and that effectively exploits opportunities to score.

CASE

# HIGH INTENSITY AND FREQUENT INTERACTION IN PROJECT WORK, LEARNING, AND IMPACT

— FLOW PRINCIPLE

**SPOTIFY CREATES A FLOW OF IMPACT THROUGH FREQUENT RELEASES**

Spotify has grown exponentially since 2006. Their focus has always been on minor but frequent releases. Releases are a routine, not a drama. In some areas, the releases are monthly or sometimes quarterly. The idea is that releases should be as regular as a production process. If a component is not ready by the release date, it will still be launched but not made visible to the customer. This allows Spotify to test the component's qualities in operation with other parts of their service without disrupting the customer. [3]
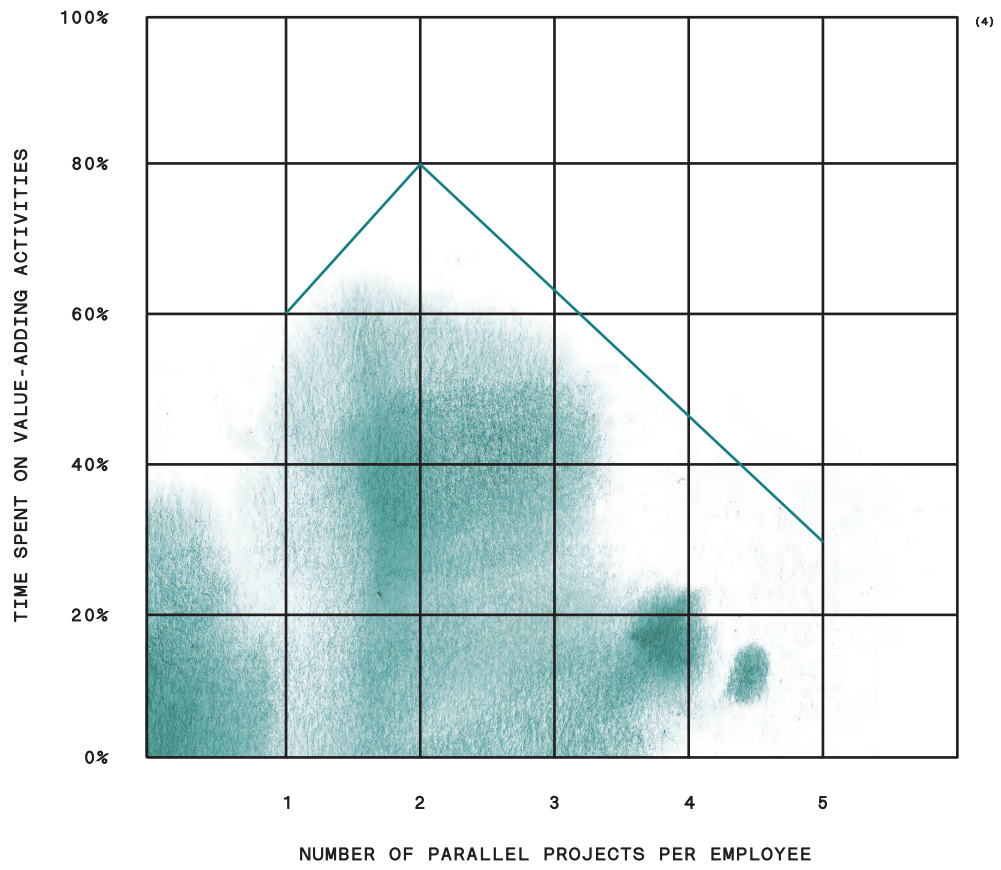
In traditional project and portfolio management, there is a tendency to emphasize resource management in order to optimize the portfolio and deliver on each project's set contract. To avoid unnecessary lag time, people are scattered among numerous projects, with work being done here and there when time allows. However, recent studies show that each individual team member creates more value and works more effectively if he or she is able to concentrate on one task at a time. Having people working together in a focused manner enables shorter feedback loops where solutions and ideas are frequently prototyped with keystakeholders, generating quick insights and learning. →

TIME SPENT ON VALUE-ADDING ACTIVITIES

100%
80%
60%
40%
20%
0%

(4)

1    2    3    4    5
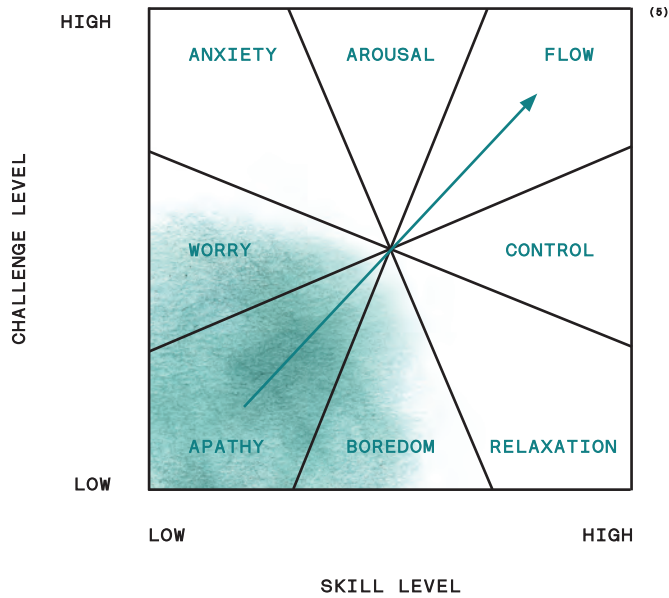
NUMBER OF PARALLEL PROJECTS PER EMPLOYEE

A PERSON'S ABILITY TO WORK EFFECTIVELY IS DRASTICALLY REDUCED WHEN THEY ARE REQUIRED TO WORK ON MORE THAN TWO PARALLEL PROJECTS AT A TIME DUE TO TRANSACTION COSTS[3]

HIGH ALLOCATION, FOCUS, AND CO-LOCATION ARE ALL ELEMENTS OF THE SAME SOLUTION

≈ **FLOW**



The state of flow is achieved when we find the perfect balance between the complexity of the challenge and your ability to solve the task.

Being co-located with other skilled people helps us quickly overcome impediments. Working visually creates overview and meaning. A fixed rhythm enables us to make fast decisions, which also strengthens our sense of mastery and control of the situation.

In Half Double, work is planned with the number one goal of optimizing a project's flow of results, learning, and impact. The resources must be available when needed and when learning emerges. In a turbulent world with great uncertainty, it isn't possible to plan in detail when each individual team member should contribute and with what. Thus, the team needs to act as an autonomous unit that is free to carry out the task in the most optimal way.

### HOW DO WE DEFINE FLOW?

Inspired by Mihaly Csikszentmihalyi, who originally coined the term in 1990, we define flow as a project state in which the people involved find themselves in a state of high intensity, frequent interaction, energized focus, and enjoyment in the process they are currently engaged in.[5] It is a frictionless stream of results and impact.

# "IT IS A GREAT ADVANTAGE TO MAKE MISTAKES YOU CAN LEARN FROM QUITE EARLY."

WINSTON CHURCHILL

≋ **FLOW**

# The methods we use to ensure a flow of impacts

We create flow by focusing on three areas: We bring together the right people, establish a common rhythm for collaboration and involvement, and provide a visual overview for the team and the individual.

**ALLOCATE CORE TEAM MINIMUM 50% TO THE PROJECT AND ENSURE CO-LOCATION**
First, we make sure that we allocate the core team and the project leader at least 50% to work intensively on the project. Second, we ensure co-location to help the project reduce complexity in time and space and thus free up time to solve complex problems. Co-location provides the appropriate working conditions for high-intensity, accelerated learning loops and anchors the desired working culture.

TOOL: CO-LOCATION DESIGN

## 2

**INCREASE INSIGHTS AND COMMITMENT USING VISUAL TOOLS AND PLANS**

We use visuals for fast prototyping, facilitation of group sessions, and sprint planning. The visual sprint plan is a detailed plan for the next month that is used for team work coordination, tracking progression, and ideas improvement. The plan can also be virtual. Furthermore, it is used for detailed planning of each sprint. The plan is a short-term breakdown of the Impact Solution Design or overall milestone plan leading to a tangible project output to create value.

TOOL: VISUAL PLANNING AND PROJECT VISUALS

READ MORE ON PAGE 148

## 3

**DEFINE A FIXED PROJECT HEARTBEAT FOR STAKEHOLDER INTERACTION TO PROGRESS THE PROJECT IN SPRINTS**

The project should define and follow a set rhythm comprised of six key events: sprint planning, daily visual status, weekly solution feedback, plan next week, review sprint solution, and pulse check feedback. All with a focus on achieving the desired impact.

TOOL: RHYTHM IN KEY EVENTS

READ MORE ON PAGE 162

# DID YOUR PROJECT PROGRESS LAST WEEK?

## Leaving the project owner on the quay

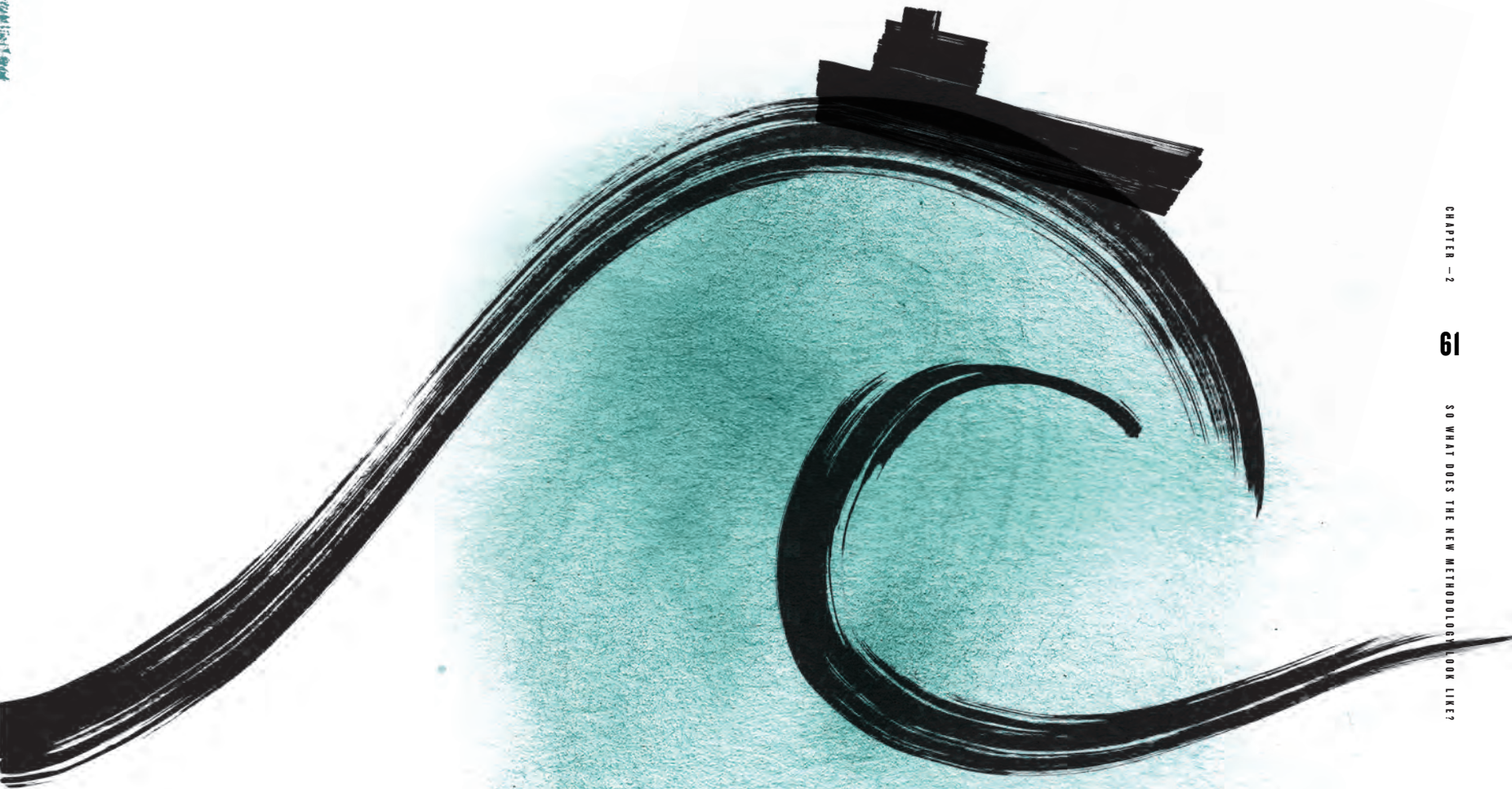# HOW DOES LACK OF OWNERSHIP IMPACT YOUR PROJECT?

**LET'S DO A LITTLE THOUGHT EXPERIMENT**
In many traditional project organizations, results are presented to the steering committee and the project owner. During these brief meetings, vital decisions are made, and the project moves forward. Now, imagine that the project owner is standing on the quay, and when the project ship arrives, he or she is only in contact with it until the gangway is retracted and the ship sets sail again. Sometimes, another ship arrives half an hour later, which also requires his or her attention.

Ideally, the project owner should be able to go on board whenever the project ship is in need of him or her. Consequently, there is a limit to how many ships the project owner can serve. Instead of having a multitude of ships at sea at once, the number of ships at sea should be minimized so that the project owner can board and follow each ship to help ensure that it arrives to port safely and more quickly.

# EMBRACE UNCERTAINTY AND MAKE THE PROJECT HAPPEN

— LEADERSHIP PRINCIPLE

**LEADERSHIP CREATES A COMMON VISION AND UNLOCKS PEOPLE'S POTENTIAL**

In traditional project management, the focus of upper management tends to be on predictability, contracts, optimization, and administrative routines. True commitment and ownership are reduced to formalized gate and status meetings on a monthly or bimonthly basis far away from where the action takes place. In a dynamic world, leadership needs to embrace uncertainty and be capable of handling unexpected changes and misalignment among a large number of stakeholders on a more frequent basis. We need a leadership approach that encourages and enables bold, on-the-spot decision-making right where the action is.

The project solution also depends on the contributions of many different highly qualified participants. A project leadership methodology must provide inspiration for how to unify different points of view and promote commitment to a shared vision. Furthermore, it must account for the considerable change management task inherent in many projects, where multiple stake-holders are required to change their behavior. Behavioral changes do not emerge through administration. They require followership — the ability to make people want to be part of the project and to be led by you.

**HOW DO WE DEFINE LEADERSHIP?**

From a Half Double perspective, project leadership is not exclusively the domain of the project

> ## "THE TEST OF A FIRST-RATE INTELLIGENCE IS THE ABILITY TO HOLD TWO OPPOSED IDEAS IN MIND AT THE SAME TIME AND STILL RETAIN THE ABILITY TO FUNCTION."
>
> F. SCOTT FITZGERALD

**CASE**

**NETFLIX — A REFLECTIVE AND ADAPTIVE MINDSET**

Both Hollywood Video and Blockbuster lost to Netflix due to a lack of customer understanding and a lack of an adaptive mindset. In the beginning, Netflix offered the same products but at lower prices. However, Netflix started gaining market share as they made it more convenient for consumers by delivering DVDs by standard mail. Netflix built a large customer base and aggregated online data on customer behavior and preferences. In 2007, Netflix expanded its business with streaming movies. Initially, their stock price plummeted, but management insisted on continuing in that direction.

They embraced the uncertainty and made the strategy happen, ultimately creating strong stakeholder satisfaction.

In 2016, Netflix was made available in the UK along with 190 other countries.

leader but takes place to a great extent as a close interaction between the project owner and the project leader. It takes a shared leadership responsibility to ensure that all the new solutions work well within the organization and that the necessary competences and behavioral changes are implemented in daily operations.

To do this, they both need to be capable of creating a common vision that key stakeholders and team members find appealing and wish to engage in. Leadership is about facilitating the journey toward the goal through close collaboration with everyone involved, ensuring that everyone is happy with the results and how they were achieved.

More specifically, we believe that project leadership takes place at three levels:

**1. THE PROJECT LEVEL** Leading the project to impact, executing on the organization's strategy.

**2. THE TEAM LEVEL** Creating a flow of results using domain knowledge and facilitation skills to create agreement and acceptance of solutions in spite of different opinions and approaches as well as to energize interactions.

**3. THE INDIVIDUAL LEVEL** Creating a feeling of autonomy, mastery, and purpose as well as providing continuous feedback.

# The methods to ensure a consistent focus on leadership

Close interaction between project owner and project leader facilitates a strong leadership team with strategic insight, energy, and focus on the work needed to achieve impact, participant motivation, and stakeholder satisfaction.

## BE AN ACTIVE, COMMITTED, AND ENGAGED PROJECT OWNER

We need project owners who support the project and ensure stakeholder satisfaction. The active project owner works closely with the project leader and the steering committee to ensure project success – at least half a day every two weeks. He or she establishes a strong and trust-based relationship with the project leader. The owner also embraces uncertainty and is adaptable to changes with on-the-spot decision-making. And finally, he or she is able to let go of control and predictability to ensure that impact creation and stakeholder satisfaction drive decision-making.

# WHY SHOULD PEOPLE WANT YOU AS THEIR LEADER?

## 2 BE A COLLABORATIVE LEADER WITH A PEOPLE FIRST ATTITUDE

Collaborative project leadership is about leading a complex system of human beings, embracing the inevitable uncertainty, and making the project happen. A collaborative project leader has the ability to use domain knowledge to provide some of the answers in the project and to ask the right questions. At the same time, the collaborative project leader is capable of facilitating a people process with high energy in interactions in order to utilize knowledge from cross-functional experts, solving complex project problems in the process.

TOOL: COLLABORATIVE PROJECT LEADERSHIP BEHAVIORS

## 3 APPLY A REFLECTIVE AND ADAPTIVE MINDSET

When we move away from the assumption of predictability, we simultaneously accept the premise of uncertainty and constant change. To operate and succeed in such an environment, the project leader and the project owner must be able to say yes to the mess and adapt to the changing environment. Consequently, the ability to understand and act on shifting stakeholder behavior on an ongoing basis becomes key. Furthermore, they must recognize that each new situation requires a tailored approach, which calls for a high degree of self-awareness.

TOOL: REFLECTIVE AND ADAPTIVE MINDSET

## Putting a square object in a round hole

# ARE YOU STRONG ENOUGH TO FORCE YOUR PROJECT THROUGH A FIXED MODEL THAT DOES NOT FIT ITS UNIQUENESS AND PARTICULAR NEEDS?

**THINK ABOUT YOUR PROJECT AND THE CONTEXT YOU WORK IN**

We all know the children's toy where the aim is to place different shaped objects in different shaped holes. The toy is designed to teach children how to select the right shape to suit the situation at hand. According to one story, a university somewhere in the world allegedly used this type of test as an admission criterion. Candidates were asked to sort 12 different shaped blocks in 12 corresponding holes. Candidates who managed to sort all the blocks correctly within a set time limit were admitted to the university. This test method enabled the university to categorize upcoming students into two groups: the smart students and the strong students.

So how does this story relate to projects? Many projects struggle with unsuitable reporting routines and rigid decision-making processes that do not support the project's actual needs. Like the different shaped blocks, it is not ideal to force a project through odd-shaped governance systems. It is better to be part of the smart group of students – to recognize the project's needs and choose solutions that support the project and the desired impact.

# THERE IS NO ONE-SIZE-FITS-ALL!

We need to think in a project approach that includes the influence of the surrounding organization and its history. Organization theory has always said that organizations are affected by the environment and adapt to the environment. The classic project theory regards the project as a temporary organization in the surrounding organization. But the project is not affected by the surrounding organization. This assumption is of course problematic.

Mats Engwall describes in the article "No Project is an Island: Linking Projects to History and Context" how two projects develop paradoxically contrary to our expectations and their odds of succeeding.[6] The two projects are comparable in many ways with industry, scope, and period.

The well-run project with a competent project manager has big problems, whereas the other project with a very weak project manager becomes a great success. The differences are due to the circumstances of the two organizations.

Mats Engwall breaks away from the assumption that a project is a unique time-limed task. Looking at a larger time perspective, you discover that projects are often not as unique as assumed. Many previous activities and projects have had elements and experiences used in the project. There has always been something before the project which defines the project. Throughout the project, the project is an open system that interacts with the environment.

The project does not stop when deliverables are delivered. The perception of successful projects is a matter of time. When do we rate the success? Right when the deliverables are delivered, the effectiveness of the project seems to be the most important. We ask ourselves: Did the project meet budget, time, and quality? But it does not take long before the impact for teams

and customers becomes the most important. Later, you will look at the business impact, and in the longer term, it is the strategic effect that is crucial.

We must change our mindset from considering a project as a single closed system to an open system influenced by organization and time. Therefore, in the implementation of the Half Double approach, a local translation must be done so that the approach and organization play together.

**HOW DO WE DEFINE LOCAL TRANSLATION?**
Local translation is a process that helps us adapt the organization to the Half Double mindset, as well as tailor the methodology to the organization's unique culture and structures. The first prerequisite to succeed is that there is executive level courage, commitment, and willingness to think differently. It takes courage to shift away from a focus on early predictability in costs and specifications to focusing on early impact creation and stakeholder satisfaction. It takes commitment to give up the idea of placing

CHAPTER — 2

69

SO WHAT DOES THE NEW METHODOLOGY LOOK LIKE?

operational needs and hierarchies before the project, and to allocate the space and resources needed to ensure high intensity and weekly progression. And last but not least, it takes a willingness to move away from placing rules and standardized best practice before the needs of the specific project. We must allow for flexibility in the governance and execution model to empower people and enable early impact realization in gate decisions. The second prerequisite to succeed is that the methodology is tailored to the structural, cultural, and project-specific context. We must tap into what's already there, such as existing language, practices and tools to ease implementation.

# The methods to ensure local translation

Maintaining current practice will lead to the same results you always get. New results require a new practice. We need to engage key stakeholders early on in the project to align and adjust how they lead projects in their organization.

## BUILD A HALF DOUBLE MINDSET

It is necessary to create a strong coalition that supports the integration of a new project mindset and practice. Based on the context in which we are operating, we consider which people should support the change and help make it sustainable. These are the people who need to adopt a common mindset and vision from the outset.

TOOL: THE HALF DOUBLE MINDSET

## 2

**CUSTOMIZING GOVERNANCE**

The uniqueness of the project must be handled at a broader organizational level to ensure the freedom to maneuver and progress. The local governance and project execution standards should therefore be assessed to identify whether there is a fit or whether it would be beneficial to deviate from certain standards to ease progression and realize the Impact Solution Design. Having this dialog in advance is crucial to delivering on the project's Impact Case.

TOOL: CUSTOMIZING GOVERNANCE

READ MORE ON PAGE 246

## 3

**ANCHOR THE HALF DOUBLE PRACTICE TO PAVE THE WAY FOR NEW RESULTS**

When change is introduced, habits will be established that are difficult to alter. We therefore reflect on how radical the changes should be, and together with key stakeholders, we regularly assess how far we have come in terms of realizing this change.

TOOL: THE REFLECTIVE MAP

READ MORE ON PAGE 262

# DID YOU SPEND TIME ON REPORTING THAT DID NOT CREATE ANY VALUE IN YOUR PROJECT LAST WEEK?

IF YOU WERE TO WRITE AN OBITUARY FOR YOUR LAST PROJECT, WHAT WOULD YOU SAY WAS THE CAUSE OF DEATH?

... LACK OF IMPACT?
... LACK OF FLOW?
... LACK OF LEADERSHIP?