

# OPENING THE DOOR:

10 Predictions on the Future  
of Project Management in the  
Professional Services Industry





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# INTRODUCTION

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What's in store for the realm of project management? A lot, according to our contributors. Over the summer, ProjectManagers.net teamed up with project management software experts, Mavenlink, to ask thought leaders a simple, but important question: "What's your prediction for the future of project management, especially as it pertains to the professional services industry?"

The answers we received cover a wide spectrum. Bob Erickson of Avanade suggests that project managers will soon become "profit managers"; Jon M. Quigley of Value Transformation LLC sees distributed teams becoming the new normal in project management; and Bo Di Muccio of the Technology Services Industry Association believes that project managers are headed "back to the future," with SaaS products growing more complex instead of simpler.

But these are only a taste of what our 10 thought leaders shared with us. The predictions in this book touch on everything from technology, to processes, to methodologies, to ideologies, and beyond.

So sit back, relax, and find out what today's project management experts think tomorrow holds for us all.



# FROM PROJECT MANAGERS TO PROFIT MANAGERS

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**BOB ERICKSON**

Professional Services Consultant,  
Former Partner at Accenture,  
and General Manager of Avanade

The best-run services companies today manage every project as a distinct profit and loss statement (P&L). P&Ls provide details about a project's revenues, costs, and expenses, revealing the ability of each project to generate profit for the company.

When you have this

level of insight into every single project, you can predict outcomes that will positively impact your business. For example, you can see what projects regularly meet or exceed margin targets, as well as which ones are routinely unprofitable.

Today, the best practices of established, successful services firms are being cascaded around the globe through SaaS technology. Now, all project managers

are able to think like profit managers. Accountability for the financial performance of a project – in addition to exceptional delivery and execution – is becoming commonplace.

The key enabler is to provide project managers with real-time visibility into project financial information, including resource availability and utilization, time and expense, rates, and budgets. This level of distributed accountability is a shift from previous practices, in which project profitability was the domain of the accounting department. Now, project managers make informed decisions in real-time to improve their projects' financial performance.

High-performing companies have demonstrated that it's insufficient to know the profitability of your department, practice area, or office. A successful services company operates by looking at the margins of each individual project. This leads to predictable and profitable projects, and it's the basis for scaling your business confidently.

# PROJECT MANAGEMENT: AN OPEN DOOR TO INCREASED COMPETITIVENESS

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**TIM WASSERMAN**  
CLO, IPS Learning, and  
Program Director,  
the Stanford Advanced Project  
Management Program

Project management is driving a client services revolution. As the project management profession has matured, particularly in North America, a follow-on result has been the increased exposure of non-PM professionals to its practice and principles. Because most professional services drive outcomes

through project-based work, non-PM professionals are seeing the value of applying project management tools and methodologies in order to better exceed client expectations.

Professional services firms that are leading the PM trend understand that:

1. Project management approaches and tools related to stakeholder management, the requirements of gathering documentation, and project plans ensure greater transparency between the services team and the client. With everyone on the same page, client satisfaction is higher and teams are better able to manage engagements, helping to increase profitability.

2. The increased efficiencies that are derived as a benefit from good project management practices translate into increased team productivity, allowing client teams to take on more work, increasing worker productivity.

3. A key challenge to success is the ability to close the strategy-execution gap for the firm as well as for client engagements. Investing in project management and execution training for the firm – and its people – creates well-skilled teams prepared to align strategy with execution by being masters of project execution.

Certainly there are many organizations and professions beginning to catch on to the idea that excellent project management plots the path to excellent project execution, which in turn delivers improved performance. However, truly forward-thinking professional services firms are embracing PM tools and methodologies for all their project-based work much more aggressively, providing them with a strong competitive advantage. Those that fail to embrace PM will find themselves quickly falling behind.

## GROWTH OF THE TRUSTED GLOBAL NETWORK

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**RAY GRAINGER**  
CEO and Founder  
of Mavenlink

*A business without boundaries* approach is required to capitalize on the profound shift in the economy and business landscape taking place today. Organizations are transforming their processes and structures to align with a global, networked landscape. Work is being

delivered in open and collaborative environments, with large groups of people from both inside and outside the organization. On any given project, you may be working with internal talent, external service providers, specialists, and clients from around the world. In fact, today more than 30 percent the workforce in an average business consists of resources outside of the company.

These shifts have a significant impact on project managers. You will increasingly need to deploy resources that are not owned by your organization, requiring a much higher degree of control in the environment than ever before. You will also need to engage and mobilize larger and larger numbers of participants, and facilitate much more complex coordination of expertise and activities. This means higher risks associated with your project delivery.

It is paramount that you establish a trusted global network of providers and can dynamically locate and leverage this talent. In the future, this process will be enabled by market network technology that facilitates commercial relationships, partnerships, connections and collaboration. Ultimately, your project's success will be dictated by the strength of your network, and these connections will be your currency.

# DISTRIBUTED PROFESSIONAL SERVICES COMPANIES AND THE ADAPTIVE APPROACH TO PROJECT MANAGEMENT

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**JON M. QUIGLEY**

Founder, Value Transformation LLC;  
Follow Value Transformation  
on LinkedIn

Cloud-based computing is a growing force in the business world. With seemingly ubiquitous connectivity and the power of remote computing platforms, we can expect this trend to increase in the professional services industry.

There is an increasing trend in favor of remote workers, who are presently estimated to account for between 30 and 45 percent<sup>1</sup> of the workforce. This is true for corporations as well as professional services businesses. In fact, the ability to respond quickly to customer concerns and make the most of any immediate opportunities may make a distributed professional service organization even more desirable than a single-location organization. Imagine being able to quickly respond to an opportunity in Colorado or Texas with local talent when the company's headquarters is in North Carolina.

Putting aside technology, experience suggests that many non-software or embedded organizations do not employ agile techniques in their work. Experience also suggests there is a movement toward employing agile methods even when a company uses primarily Stage-Gate or conventional project management methods. We have seen businesses adopt a mash-up of conventional project management with elements of agile, or an entire shift to an agile approach when appropriate.

We can expect to see the projects managed in different ways, and one of the enablers for this is the connectivity and quick responses that are possible. We anticipate organizations will continue moving from "one way of managing projects fits all," to an adaptive approach that will likely consist of this hybrid or mash-up of conventional and agile practices.

<sup>1</sup> <http://www.forbes.com/sites/meghanbiro/2014/01/12/telecommuting-is-the-future-of-work/>  
*last accessed July 11, 2015*

## HEADING 'BACK TO THE FUTURE'



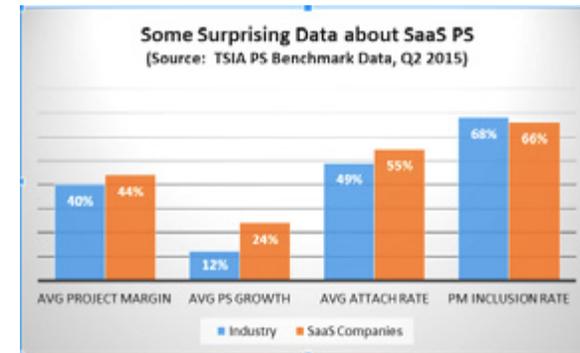
**Bo DiMuccio, Ph.D.**  
Vice President,  
Professional Services, TSIA

For technology professional services, the Technology Services Industry Association (TSIA) believes that it's "back to the future" where project management is concerned.

Despite the early promise of SaaS companies focused on engineering complexity

(and services) out of their products, for a great many SaaS players, it's very nearly the opposite that is happening. Simple, narrow platforms are becoming broad, highly complex platforms as SaaS players expand their portfolios and land their solutions with increasingly large enterprises. We do believe that software will eventually "eat" services, but that's not happening yet in the SaaS realm – and certainly not for more traditional tech firms.

In fact, the actual services profiles of such firms may come as a surprise to many:



*As the above figure shows, SaaS PS is growing faster (partly because of higher attach rates), has higher gross margins, and has roughly the same PM inclusion rate.*

In short, the premium being placed on PM capabilities is increasing, not shrinking, particularly for SaaS firms. Project success around complex solutions requires excellence in project management. Consequently, we are seeing that every measure of project success improves with the inclusion of PM in the engagements.

So the very tech companies that thought they could engineer services out of their models and get away with minimal investments in PS and related PM capabilities have so far been exactly wrong. Where PM is concerned, it's "back to the future" for sure.

## THE ROLE OF PROJECT MANAGER SHIFTS TO THE TEAM

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**GARY SZENDURSKI**  
Founder, SZEN Marketing

The way business is conducted is undergoing major transformations. Macrotrends, such as the frenetic pace of technology change, the globalization of the workforce requiring collaboration with distributed teams, and the need for organizations to manage specialized

resources in an agile way, are all transforming project management. To compete, the roles of the visionary, decision maker, organizer, and lead communicator need to be embodied by every team member.

A primary project manager will always be required for direction and accountability, but to be effective, they

also need to empower each member of the team to make strategic decisions.

This allows the project as a whole to be nimbler and to make many small, distributed pivots that will ensure the overall success. This also means that each individual on the team will need to have the authority to make decisions within their branches of the project.

The challenge for project managers is to shift to a model of distributed accountability more closely aligned with today's networked economy, with clear roles and parameters among the team. When accomplished, you create an agility and speed in delivery that allows you to scale and deliver high-performance outcomes.

## PROJECT MANAGERS: LIKE CHEFS WITH SIGNATURE DISHES

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**TREVOR EWEN**  
Computer Scientist and  
Software Engineer,  
Neosavvy

“Latest and loudest,” the famed David Allen says of our natural gravitation in the absence of systems. Project management systematizes the business of creation so that individualistic technicians are not left to the chaos of competing methodologies. But what does the project manager respond to?

In my business, project managers deal with all things “latest and loudest.” Project managers do the “grunt work,” as some of my colleagues take for granted. They remove road blocks, attend agenda-less status meetings, and answer emails with no selfishness or demands for

their own productivity. This system works because resources are tight, and systems poor.

One day, project managers will be known for more than grunt work. They will be known for their unique systems, like chefs with signature dishes. PMs will manage via agile, but with their own accents and alterations. The best project managers will differentiate themselves through their written work, media, case studies, and personally gathered data. Thought leaders will optimize their projects for both quantitative and qualitative success. The best teams will produce positive metrics, but also host the best happy hours. Project managers are the key motivators for cohesion and success, recognizing the mechanical and the personal aspects of human teams. The greatest managers will be like the stage managers of the project theater, unseen but experienced for the duration of the show.

## TECHNOLOGY DRIVES ALIGNMENT BETWEEN SALES AND DELIVERY

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**CHRIS SCALIA**  
Senior Vice President of  
Professional Services,  
Mavenlink

One of the biggest challenges for project managers today is that the company's sales organization and its delivery team are often out of sync because of fragmented processes and technologies. The sales process is handled in one system, proposals in another, and project

delivery in yet another. It is inefficient to move project details and requirements between systems, and small variations create misalignments that result in unhappy clients. When a client is unhappy, the project will almost certainly become unprofitable for the business; non-billable time is wasted in the back and forth, and project managers need to write off additional work required to get the project completed to satisfaction.

High-performing professional services businesses think more broadly by looking across the entire customer experience, aligning their sales and delivery early in the implementation lifecycle. Visibility into an accurate pipeline is critical for the appropriate planning of resources required for successful projects. In addition, leveraging both services resources and assets such as best practices and domain expertise can be the differentiator that helps close the deal.

Alignment of sales and delivery also enables tightly scoped projects that meet customer expectations. Technology solutions are driving powerful integration between sales and delivery systems that improve your project and business performance. With carefully designed projects from "proposal" to "project complete," you can control margins and optimize resource utilization.

The combination of happy clients and profitable project delivery creates real opportunity for growth.

# THE DIVERSIFICATION OF PROJECT MANAGEMENT

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**MARK WOEPPEL**  
Founder and President,  
Pinnacle Strategies  
and author, *Projects in Less Time*

The services segment of the economy is changing, and the business processes that make those sectors run – including how projects are managed – are changing with it. Globalization and increased competition in the services sector are forcing services firms to become more efficient. Couple that with

changing consumer expectations for a more personalized experience and an increased consumer reliance on technology, and firms are now pushed to innovate faster to hold on to those customers. The Internet has disrupted nearly every industry; services are no exception.

Now, more than ever, managers of projects are pushed out of their comfort zones – forced to up their games, apply best practices, and become more disciplined in their approaches to delivering projects. Some executives realize that most of their work is a project. To find a bellwether, we can look to the IT services industry. It is miles ahead of others in the services sector when it comes to adopting (and creating) project management practices and technology.

**Here are three significant trends I see:**

**1. Increased PM Maturity:** There will be more opportunity and demand for best project management practices. More managers will realize that traditional project management skills are the same ones that can streamline their new service offerings and improve their customer experiences. Overall technical project management skills will improve.

**2. New Specialties:** As the practices mature, differences will emerge. Every subsection of the service economy will have its own PM specialty. We're seeing this now in the IT and legal sectors, so expect it to continue in other areas, such as media and financial services.

**3. Technology Enhances Collaboration:** As technology changes, the need for better, more streamlined collaboration tools will change the faces of the tools project managers use.

Watch for tools that move beyond task lists and document sharing, tools that support genuine collaboration in problem solving, task completion and ideation.

## PROJECT MANAGEMENT SOFTWARE LEARNS TO ADDRESS THE C-SUITE

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**MATT BOAMAN**  
Programmer, EZSolution

Project management software packages will continue to evolve to meet the increasing demands of both project managers and C-level executives.

Management solutions need to allow projects to be both flexible and structured at times.

Certain flow processes

might require actionable items to be completed in a series before moving on, whereas other tasks can happen in any order. What applies in one industry might not be applicable in another.

It's important that constant efficiencies are being made, not only to decrease the amount of project overhead and

improve communication gaps, but also to make sure that important data is being tracked. In a world of "big data," giving executives access to valuable metrics in a format that is understandable will allow them to easily view ROI information per project and make high-level business decisions.

The software suites that will survive will likely have figured out the best ways to address big data and ROI challenges and solve communication gaps between team members and customers, allowing projects to become more scalable and be completed in shorter time frames. In any industry, time is money and is the one element that can't be replaced. When every project can be created, managed, and completed in slimmer time periods, then more simultaneous projects can be executed by a single team.

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