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Title of the Paper:
Converging themes of Innovation and Project Management

Theme:
Project Management Leadership > In a Rapidly Changing World

Keywords:
Start-up landscape; Innovation; Blue Ocean Strategy, Org. change and behavior, Project Management Principles and tools

Abstract:

Purpose –

As the old saying goes 'Change is the only constant', we are living in a hyper-volatile environment. Whether its socio-economic, socio-political, business, technology all aspects of our life are being touched by a new concept, new idea regularly. This paper explores amalgamation of innovation with Project Management Principles/Methodology & Knowledge areas for a more innovative, viable & successful business model.

Approach –

Technology is on the fore-front to support new ideas, concepts, innovation & new business models. These new age businesses, concepts have changed the definition of competition as they are creating their own market space, creating demand for their solution and not fighting the competition but making the competition irrelevant. To a great extent adopting blue ocean strategy. Blue ocean strategy is all about creating new demand and making the competition irrelevant. This paper suggests adoption of blue ocean strategy for innovation/creativity & project management principles for successful execution & sustainability.

Findings –

There is a need to marry innovation with project management leadership skills so that success which has been achieved by innovation can be scaled up at organization level. It is very important that start-up landscape/eco-system should make use of project management principles/methodology/knowledge areas for planning, execution and management of this whole journey. As part of this paper I'll be proposing common successful principles or framework combining fundamentals from Blue Ocean Strategy and Project Management principles/methodology. This common framework is agile in nature and can be used across businesses, across verticals and industries.

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Introduction

'Operations keeps the lights on, strategy provides a light at the end of the tunnel, but project management is the train engine that moves the organization forward'

Joy Gumz

This decade has seen entrepreneurial spirit in the air like never before and in the Indian context it is ever rising. Start-up landscape is evolving like never before. As per Indian Start-up Ecosystem Maturing – Edition 2016, India alone harbors 4750 plus start-ups along with 140 plus incubators/accelerators. But do all these start-up ventures succeed or sustain and if sustain for how long?

90 percent of the start-ups fail and 10 percent which succeed find it very difficult to sustain and to scale up in the long run. We'll discuss about different reasons of primarily entrepreneurial spirit, start-up boom, adoption of blue ocean strategy for value innovation and project management methodologies, approach and tools for sustainability.

Start-up landscape –

As a new-age thinker we can trace back the history of entrepreneurship and evolution over a period of time but tracing back the history of start-ups will be little difficult. We have not heard of any start-ups in 90's but all of a sudden we are in the midst of start-up boom. What are the reasons behind it? Are people coming up with new ideas now only or the earlier generations were not innovative enough? As per my opinion environment is more conducive now for budding businesses and millennial generation is more risk-taking. If there is a new concept, new idea let's go for it and face the music. Music will be soothing or harsh will be challenged later. So when young entrepreneurs started taking bold decisions of commencing their entrepreneurial journey and some of them succeeded big time they found evangelist. Evangelists in the form of venture capitalists and journey took off. I would like to highlight one another aspect of start-up boom, rather I would say curiosity and that is amalgamation of successful start-ups into established businesses. Budding entrepreneurs always have this on back of their mind that successful start-ups have been acquired by companies like Apple, Google, Facebook, Intel etc. on eye-popping valuations. So this aspect is also quite encouraging and motivating factor in pursuing start-up journey.

Adoption of Blue Ocean Strategy –

Blue Ocean Strategy emancipates from the basic fact that there is no competition and prima facie if competition exists it is irrelevant. Traditional businesses have always worked in red sea and tried to outshine the competitors by adopting different strategies. It's not that traditional businesses have not tried to do something different from their traditional line of business but that was more from diversifying the business into other businesses so that holistic risk of the conglomerate or business house is diversified. They have not tried out rightly or altogether new businesses, new concepts or new technologies for value innovation. New age businesses or start-ups have focused on idea creation, idea generation, new concepts and in turn value innovation. Start-ups have exploited on buyer value by offering and providing services which industry has never offered. No. of start-ups coming up in emerging technologies like Artificial Intelligence, Block chain, Machine Learning, IoT platform, 3d printing stands testimony to this fact.

Till the point where value innovation is created by offering superior buyer value, blue ocean strategy is practiced and adopted. Once the idea has been conceptualized, subsequent step is the commercial viability and sustainability. As per blue ocean strategy buyer utility is the first step in the sequence of successful

business model. If buyer utility has exceptional potential it will reach to masses and further, entrepreneur needs to work on other different aspects like pricing, cost etc.
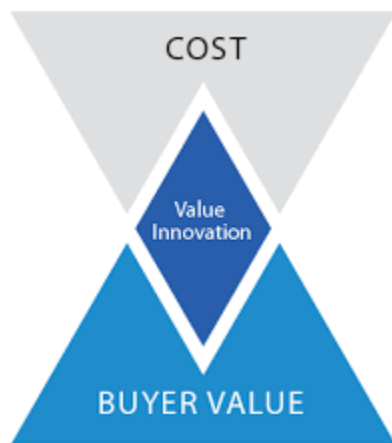
Once the idea has been generated and has been conceptualized on the principles of value innovation, next step is to make it a commercially viable blue ocean product or service offering. The journey from concept to product/service and adoption of product/service by masses is long and entrepreneur has to take each step with great caution. As the stepping stone has been laid the complete structure needs to be constructed with full planning and this is the right juncture where project management leadership can play a pivotal role. If we analyze sequence of blue ocean strategy there are intermediate steps where project management leadership can pitch in and provide strategic guidance.

Figure 1: Value Innovation

Project Management Methodologies –

If we analyze this whole gambit in terms of different project life cycle phases we can identify how project management leadership can contemplate and improvise the journey from concept to product/service offering. In the tabulation below, I have drawn parallels of start-up life cycle with project life cycle phases and what are the key strategic decisions which an entrepreneur needs to make. Further I have jotted down what difference project management leadership can make in all these key decisions and what will be the strategic impact of all these decisions on start-up journey. As capital requirement is always a critical factor in start-up journey, I have added start-up funding stages also as part of start-up life cycle stages and we'll analyze both the stages in conjunction.

Author has suggested application of PMI global standards in the below tabulation which can be used by project management leadership during the course of start-up journey. PMI global standards provide guidelines, rules and characteristics for project, program and portfolio management. These standards are part of PMBOK Guide & Standards. Different Guide & Standards provided by PMI are as below:

- *Foundational Standards*
- *Practice Standards & Framework*
- *Practice Guides*

**Terms Cow & Cash Cow has been used in reference to BCG-Matrix. BCG Growth-Share matrix is a portfolio planning model developed by Boston Consulting Group in the early 1970's. As leaders in a mature market, cash cows exhibit a return on assets that is greater than the market growth rate, and thus generate more cash than they consume.*

Table 1: Project Management Body of Knowledge across different stage of Start-up life cycle, Decision/Guidance & Strategic Impact

Start-up life cycle	Funding stage	Project life cycle Phase	Decision/Guidance	Project Management Leadership attribute	Project Management Knowledge Body Methodology \Principles /Tools	Strategic Impact
Discovery	Pre-Seed Capital/ Self-funding/ Bootstrapping	Conceptualizing	Problem Statement Vs. Opportunity	Identification of opportunity in the terms of industry need or offerings which has never been offered by the industry, Organization Strategic Alignment	Practice Standards & Framework; Project Manager Competency Development Framework – PMCDF*	Opportunity identification
			Project evaluation and selection	Evaluation of different opportunities on the basis of buyer value and value innovation; Organization Strategic Alignment, Cognitive Ability of Organization leader	Practice Standards & Framework; Project Manager Competency Development Framework – PMCDF; Scoring Model, Decision Tree, Feasibility Analysis	Selection of optimal and sustainable opportunity for further pursue
			Funding |Investment |Project Cost	Initial investment requirement. Budget Program Cost	Practice Standards & Framework; Project Manager Competency Development Framework – PMCDF; Project Cost Management; WBS	Ascertaining budget requirement for initial phase 0-1 years

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			Organizational project resource planning	Capacity planning	Practice Standards & Framework; Project Manager Competency Development Framework – PMCDF; Project Human Resource Management, Scope Statement, Org chart & position description	Initial resource requirement. Initial team of founder, co-founders with project management leadership attributes
			Approve next phase of the project	Postmortem Analysis – Have we achieved as per plan in this stage in terms of product development/% growth?	Postmortem review, Expert Judgment	Next logical step
			Terminate the project	Cognitive ability to take realistic hard decision	Variance analysis, Cost-benefit analysis, Sustainability analysis – Economic & Financial Viability – Environmental Sustainability	Conscious decision due to change in environmental factors – regulatory, market conditions turn hostile
Seed & Development	**Seed**	**Planning|Execution**	Product Development | Service Offering Development	Concept to Build, Concept to Execution quality	PMI Talent triangle – Technical Project Management, Leadership, Strategic & Business Management, Agile Project Management	Development of Minimum Viable Product (MVP)

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			Product Market Fit	Industry & Market knowledge for competitive advantage	SWOT Analysis, PMI Talent triangle – Technical Project Management, Leadership, Strategic & Business Management	Pricing strategy in line with the competition, cost arbitrage and break-even of the product/service offering
			Funding| Investment |Project Cost	Seed Capital Requirement	Practice Standards & Framework; Project Manager Competency Development Framework – PMCDF, Project Cost Management	Guidance on seed capital requirement based on product/service offering & collective vision
			Project Budget	Regular Operational Model providing governance on day-to-day operations	Practice Standards & Framework; Practice Standard for Project Estimating, Project Cost Management	Guidance in revenue model and consistent stream of revenue flow for the given horizon
			Project Resources	First Key Hires	Project Human Resource Management	Building Core team
			Tasks and Activity Scheduling	Projectized approach	Practice Standards & Framework; Practice Standard for Scheduling; Practice Standard for Work Breakdown Structures, Project Time Management, Critical Path Method (CPM),	Break-down of tasks and activities to the minute details so that tasks are completed on time and as

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					Program Evaluation and Review Technique (PERT), WBS	per the schedule
			Identification and mitigation of high threat potential problem	Risk mitigation	Practice Standards & Framework; Practice Standard for Project Risk Management, Project Risk Management	Identification and contingency approach for established constraint – Scope, Cost and Time
			First Paying Customers	Customer Segmentation, Customer base	Stakeholder Management, Project Quality Management, Project Communications Management	Identification of target customers, stakeholders
			Approve next phase of the project	Postmortem Analysis – Have we achieved as per plan in this stage in terms of product development / % growth?	Postmortem review, Expert Judgment	Next logical step
Growth and Establishment	**Growth/Early Stage**	**Execution | Monitoring & Controlling**	Customer Acquisition	Increased customer base by refining value proposition based on initial feedback	Stakeholder Management, Project Quality Management, Project Communications Management, Feedback loop	Adoption & adaption of changing customer requirement
			Product Refinement / Service revamping	Refining value proposition based on	Stakeholder Management, Project Quality Management,	Time to market strategy, Launching new

				customer feedback & interaction	Project Communications Management, Feedback loop, Agile Project Management	product features incrementally in short iterative cycles based on feedback loop
			Pivot	Do we need pivot at this stage?	PMI Talent triangle – Technical Project Management, Leadership, Strategic & Business Management, Agile Project Management	Direction in terms of product, service, strategy, growth considering current status & growth & future potential
			Funding |Investment |Project Cost	Ascertainment of funding requirement & sources of funds/funding options	Strategic & Business Management; Project Cost Management; WBS	Strategic guidance on funding requirement & options
			Analysis of project progress	Variance Analysis	Practice Guides – Managing Change in Organization: A Practice Guide, Program Integrated Change Control, Quality Control, Monitor & Control Risks	Current assessment. Setting up future direction of the company

			Necessary adjustments to cope up with the variance	Deviations	Variance Management	Corrective action
			Decision to adjust targets	Prioritization according to environmental factors	Strategic & Business Management	Strategic alignment with the market & other environmental factors
			Technology landscape	Assessment of Product/Service technology, Cognizance of current & future technological trends	Technical Leadership	Keeping an eye on changing face of technology gives direction – 1. Opportunity to provide better customer experience by adopting & improvising on new tech. 2. Cognizant of competitive threats in the form of superior product offerings.
			Org. Structure	Org. Restructuring, Realignment	Foundational Standards – Organizational Project Management Maturity Model (OPM3), Project	Reorganizing & realignment of org structure,

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					Human Resource Management	resources & roles – Founder/Co-founder >> Core Team >> Expansion
Expansion	**Expansion**	**Execution | Monitoring & Controlling**	Customer Base	Massive customer acquisition	Stakeholder Management, Project Quality Management, Project Communications Management, Feedback loop	Adoption & adaption of changing customer requirement
			Product Refinement / Service revamping	Refining value proposition based on customer feedback & interaction	Stakeholder Management, Project Quality Management, Project Communications Management, Feedback loop, Agile Project Management	Time to market strategy, Launching new product features incrementally in short iterative cycles based on feedback loop
			Pivot	Do we need pivot at this stage?	PMI Talent triangle – Technical Project Management, Leadership, Strategic & Business Management, Agile Project Management	Direction in terms of product, service, strategy, growth considering current status & growth & future potential

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			Funding |Investment |Project Cost	Ascertainment of funding requirement & sources of funds/funding options	Strategic & Business Management; Project Cost Management; WBS	Strategic guidance on funding requirement & options
Maturity & Possible Exit	**Mezzanine**	**Execution | Monitoring & Controlling|Closure**	Expansion	Sustainability of further growth	Strategic & Business Management	Feasibility & viability of growing top line @ decent pace
			Opportunities for expansion	Opportunity evaluation for expansion	Strategic & Business Management	Organic or Inorganic growth, New product or service line
			Financially sustainability for expansion	Financial credentials of the organization for expansion	Strategic & Business Management; Project Cost Management; WBS	Strategic guidance whether business financials can withheld expansion
			Funding |Investment |Project Cost	Going for the kill? Decision for expansion.	Strategic & Business Management; Project Cost Management; WBS	Evaluation of funding options, Cost arbitrage, Venture capital, Corporate venture capital
			Org. Structure	Org. Restructuring, Realignment	Foundational Standards – Organizational Project Management Maturity Model (OPM3), Project	Reorganizing & realignment of org structure, resources & key roles.

					Human Resource Management	Ascertaining change in leadership.
			Pivot	Do we need pivot at this stage?	PMI Talent triangle – Technical Project Management, Leadership, Strategic & Business Management, Agile Project Management	Direction in terms of new product, service line as engine for growth
			Robust & Adaptive Organization	Robustness of the organization in case of an expansion failure	Strategic & Business Management	Careful evaluation of consequences in case of an expansion failure & recourse
			Stick to your knitting	Hold the ground	Strategic & Business Management	Keep milking the cow**. Delay expansion & exit decision for a while
			Exit	Optimizing a good situation, aligned with goals and objectives	Strategic & Business Management	Exit strategy >> M&A| IPO |Cash Cow** |Liquidation

Innovation & Scalability Framework -

Innovation & Scalability Journey | Strategy Tools
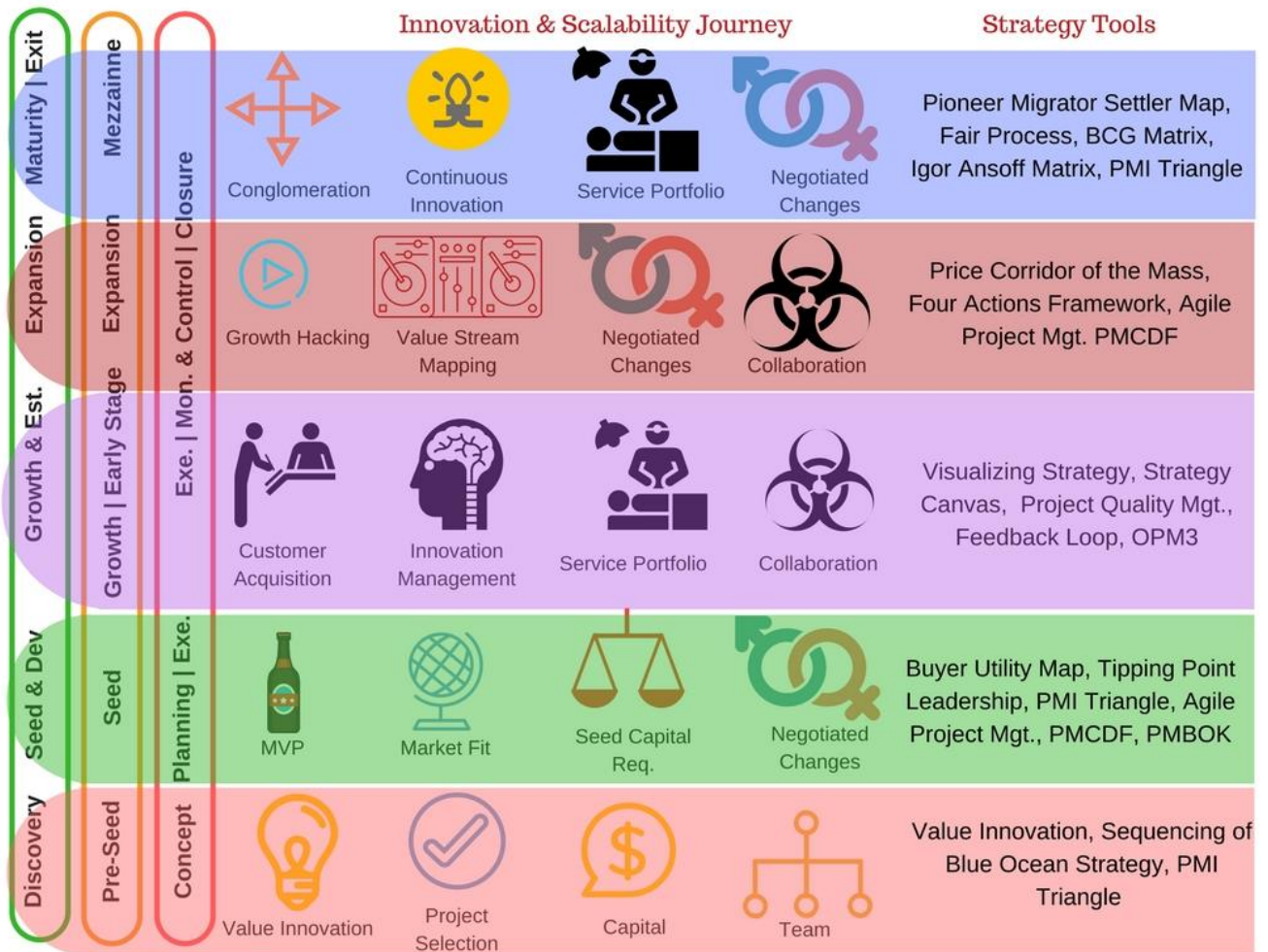
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This framework provides guidance on complete start-up journey from Discovery phase to Maturity | Exit phase. On the left-hand side of the framework life-cycle stages of Start-up, Start-up funding & Project Management life-cycle stages have been depicted. What are the different key decisions an entrepreneur needs to take during this journey has been shown in the main body of the framework. On the right-hand side strategic & project management tools available for guidance per stage have been shown. Specific blue-ocean strategy tools for different purposes have been mentioned for strategic & tactical guidance like Strategy Canvas, Tipping Point Leadership etc. If an entrepreneur combines these tools with project management leadership tools it will be a win-win situation.

Adoption of the framework: Conclusion –

Innovation & Scalability framework presented as part of this paper is industry & vertical agnostic. This framework can be used as a strategic guidance tool by start-ups. For e.g. in the *Growth* stage entrepreneur needs to scale up customer acquisition. Framework provides guidance in the form of Strategy Canvas & from organization perspective Maturity Model. Similarly for growth hacking in *Expansion* phase, Price Corridor of the Mass assists in formulating pricing strategy & implementation. Similarly in all stages of a start-up journey this framework can be referred.

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