



From Mexico to New Zealand—  
and all points between—  
companies are using project  
management to deliver results.  
Take an insider's look at  
four enterprises where project  
management is driving a  
competitive edge.



# Around the World

BY MATT ALDERTON

# Investing in the Future

Kiwibank, Wellington,  
New Zealand

*For one upstart bank,  
expansion is about trusting  
people as much as  
sound process.*

**SOMETIMES A COMPANY** has to shake things up, even if it seems like things are working perfectly fine. Tapping into New Zealand's existing postal network, Kiwibank started opening branches in post offices across the country in 2002, beginning with seven pilot branches and adding 25 to 30 branches a week during its first two months of operations. Although it started with zero customers and only 100 staff members, its strategy instantly gave it more locations—at a lower cost—than any other bank in the country. Today, Kiwibank has more than 700,000 customers, more than 900 staffers, and branches in more than 280 post offices.

Much of the growth spurt came from adhering to project management principles, which the company has used since its founding. But to maintain that upward trajectory, Kiwibank's leaders realized they needed the right structure.

"Kiwibank has always had a zero tolerance for bureaucracy, and because of this, very little focus was on how we delivered projects, as long as what we released was quick, cost-effective and of high value to our customers," says Cillín David Hearn, project governance manager.

Cutting through bureaucracy is still part of the company's philosophy, but over the last 18 months, Kiwibank's project management practice has evolved considerably. The company has implemented a structured-but-flexible framework, which is based on PMI's *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)* and aimed at putting the trust in its people and retaining the entrepreneurial ethos more commonly found in smaller organizations.

Kiwibank has always relied heavily on its people to make strategic decisions without having to follow a rigid set of policies and procedures. "This hasn't changed," Mr. Hearn says. Employees are expected to deliver on quality, cost and schedule. And they're expected to use their individual knowledge of the customer and the company—versus sticking to a strict methodology—to solve problems. "We get out of the way as much as possible, but we do need to ensure that the decisions

being made at critical milestones are the right ones, and the methodology captures these," he adds.

To maintain the delicate balance between people and procedures, Kiwibank advocates "right practices," as opposed to best practices. "We provide our project managers guidance in choosing the right execution method depending on the characteristics of the project," Mr. Hearn says. "We provide guidance around the usage of standard waterfall, phased, spiral or Scrum."

Every step in the organization's methodology includes tools and templates that support project managers through each project phase. Every six months or so, the organization reviews and adjusts the tools as necessary. In the meantime, project leaders and team members can bend the processes when needed, albeit with approval.

"Many large organizations introduce processes and methodologies that are inflexible and constraining," Mr. Hearn says. "The sole purpose of a methodology or process is to influence the right behaviors. We expect it to be followed 80 percent of the time but to deviate, with full visibility, when it makes sense to do so."

At the organizational level, an enterprise portfolio manager ensures the bank is pursuing the right projects, while the project governance manager focuses on the planning and execution.

"The command-and-control philosophy has truly taken its last breath," he says. "And for any organization wanting sustainable growth into the future, a new philosophy of trust must be embraced."

#### **Executive Takeaways**

- Although rapid growth demands flexibility, sustained growth requires structure. At its best, project management delivers both.
- Project management should empower people, not restrict them.
- More than "on time" and "on budget," project management can help organizations deliver projects "on mission" in accordance with their goals, values and culture.

**SOFTWARE MAY BE SAP'S** biggest moneymaker, but project management is what really sets it apart from the pack.

Companies are looking to ensure their investment in SAP's software will meet their needs, and "our project management capability helps us achieve that," says Jan Musil, global head of project management practice in SAP's field services division, which helps customers put the software into operation.

"We start each software implementation project with a value case, and we're constantly checking against that to make sure we're delivering on it," he says.

This strategy seems obvious, but it wasn't always so. To respond to client demands for clearer and faster ROI, SAP redesigned its project methodology, shifting the focus from the entire enterprise to more specific business functions.

"We had to revise our methodology to make it scale better for incremental implementation projects and to place a greater emphasis on value management," Mr. Musil says. "We started with a methodology that was pretty sizable."

#### **Executive Takeaways**

- By focusing on key deliverables, project management helps organizations deliver greater value, thereby achieving greater ROI.
- Project management is more effective when it is scalable to a project.
- Project management facilitates not only efficiency, but also quality, allowing organizations to improve customer satisfaction.

Since SAP slashed deliverables from 1,400 to 300, project managers no longer have to customize the methodology to fit each project's scope.

"It's a significant reduction in complexity that improves the team's visibility over progress and highlights the key deliverables of the project," Mr. Musil says.

Simply put, project management helps the company reach its top strategic goal: satisfied clients.

"We achieve customer success if we deliver not only on schedule and on budget, but also on value," Mr. Musil says. "That's something that distinguishes the SAP way of managing projects."

SAP America,  
Newtown  
Square,  
Pennsylvania,  
USA

*A global  
software giant  
carves out a  
competitive edge  
with its project  
management  
practices.*

# For Client and Company

# Creative Control

MRM, London, England

*A marketing agency uses project management to foster creativity—without going over budget or out of scope.*

**MRM IS PROOF** that project management doesn't stifle creative genius. In fact, the interactive marketing agency finds it actually helps.

"Only through effective teamwork and shared vision can teams create the kind of innovative work clients require, and project management is central to this," explains Ian McDowall, the company's head of project management and production operations.

Clients are increasingly demanding in terms of creativity, quality, business benefits and overall value for money. And the careful planning, resource management and risk mitigation built into MRM's project management approach help the agency fulfill its clients' marketing objectives while still protecting its own financial interests.

"At MRM, project management is focused on the successful delivery of our projects based on the traditional metrics of scope, time, quality and cost," he says. "The project management function also adds a level of reality to projects when working with disciplines such as planning and creative, which are often more focused on the outcome than the budget."

And Mr. McDowall says it's that combination of ambition and realism that allow the agency to deliver groundbreaking work on time and budget.

The very nature of MRM's work often calls for working in cutting-edge, beta technologies. To help the agency—and its clients—adapt to rapid and frequent change, MRM project teams draw heavily from agile practices. In the case of very large clients such as General Motors or Dell, MRM tailors its approach to integrate with the client at key contact points or adopts its methodology entirely.

And of course, all this must be accomplished while trying to stay within the constraints of annual marketing budgets.

"Through tight management of cost and ultimately project scope, the project management department adds significant value," Mr. McDowall says.

#### **Executive Takeaways**

- Project management can bring "a level of reality" to projects with a more creative bent.
- Project management encourages innovation by facilitating teamwork and collaboration.
- Project management helps organizations fulfill client objectives without risking their own profitability.



**THE MEXICAN BUREAU** of global commercial real estate services giant Jones Lang LaSalle (JLL) didn't start out with any huge stake in project management.

"Our first approach was to act as a general contractor or a construction manager," says Arturo Banuelos, JLL's executive vice president, project and development services. "Later on, we realized that the best way to complement our other business units was acting as a project manager. That way, we could become the client's technical adviser from day one."

Eight years after setting up shop, JLL started its project and development services division in 2000—opening up a wealth of new opportunities and efficiencies.

As a general contractor, the company had been limited to executing projects planned and scoped by others. By bringing project management in-house, it could also help clients integrate front-end design, budgeting and scheduling with back-end construction and delivery. The goal: a more fluid and effective design-build process.

"You have to look at the forest, not only at the tree," Mr. Banuelos says. "Project management is now an overall regulator of all the entities that take part in a project or development as the project manager coordinates the client, government agencies, general contractors, designers, and furniture, fixtures and equipment suppliers."

Its holistic approach to project management has become a valuable competitive advantage.

"We are the first ones in and the last ones out," Mr. Banuelos says. "Whenever an analysis is being made for a client regarding their strategic occupancy plan, project and development services are there from the beginning, advising various groups on cost, schedule and current trends."

The division's 100 employees manage a project portfolio worth more than US\$1 billion, representing approximately a quarter of JLL Mexico's business.

"Whenever there's a request for proposals requiring several services, such as tenant representation, disposition and project management, a key differentiator is the [company's] size, capability and experience in project management," Mr. Banuelos says. "This has [pointed] the client decision toward JLL Mexico on several occasions."

Even other Mexican companies are starting to take notice—to the benefit of the entire Mexican construction industry.

"Executing a project in Mexico on time and budget was not an industry common practice," Mr. Banuelos says. "Project management is now fundamental in a successful project in Mexico."

#### **Executive Takeaways**

- Implementing robust project management practices from day one improves the chances of delivering a project on time and on budget.
- A dedicated project management practice serves as a valuable competitive advantage, especially in less mature industries and regions.

Jones Lang LaSalle, Mexico City, Mexico

*Project management helps a real estate services firm maximize its business opportunities.*



# Developing Opportunities