THE 18 RAYS OF PROJECT MANAGEMENT

by Staffan Canback

This document summarizes aspects of my 40 years of experience as a strategy consultant. First at McKinsey decades ago, later as a leader and partner at my own global firm

This is not an exhaustive manual, but rather personal reflections

The core premise is that project management is more than putting together a deck with solid analyses
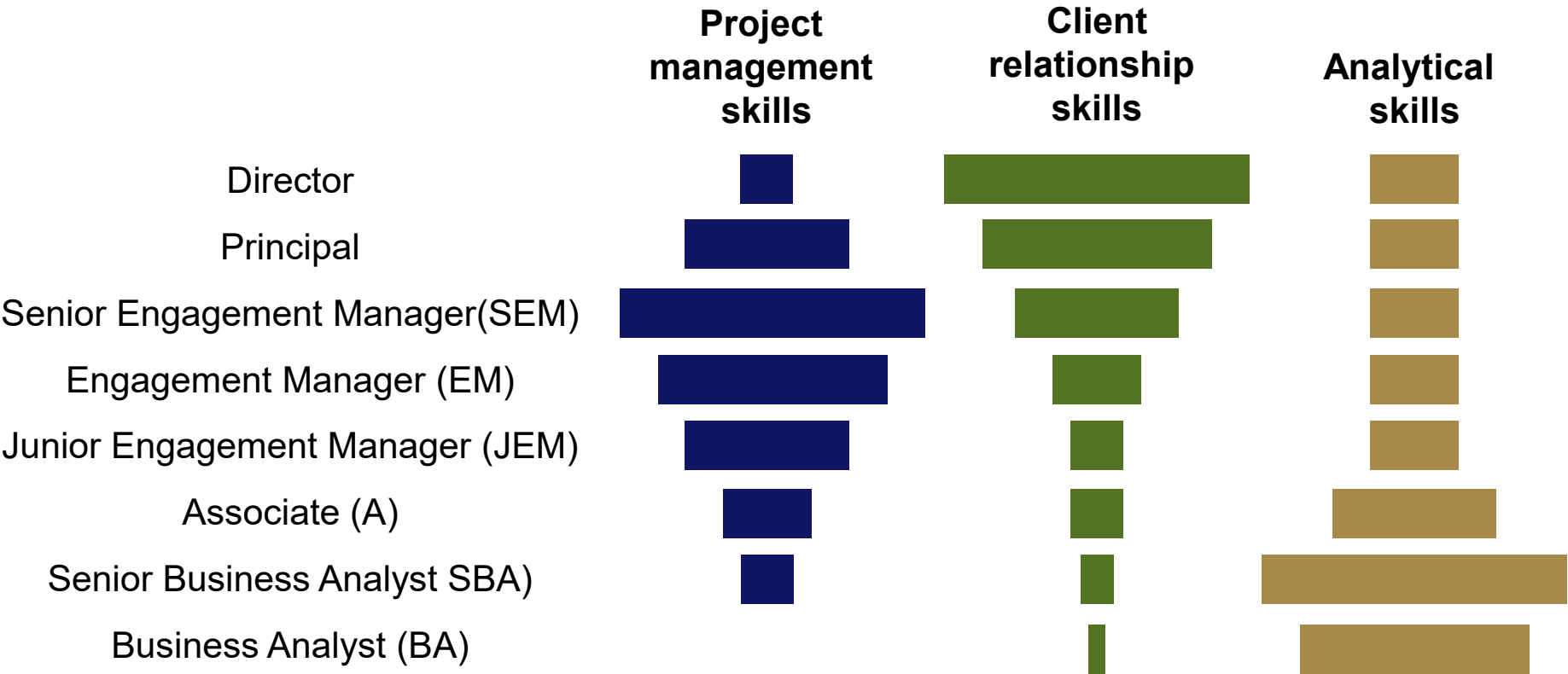
The **18 rays** discussed do not all apply to every project. Rather, they **are an à la carte menu to choose from**

None of the rays are VRIO individually. But they are collectively VRIO* since only three management consulting firms (MBB) in the world have the institutional ability to deliver on them holistically

The 18 Rays of Project Management

VRIO: Valuable ━ Rare ━ Inimitable ━ Organized (see, e.g.,Wernerfelt, Barney)

Introduction

Project management skills are about how you manage the client and internal resources in an effective way to deliver maximum positive client impact

	Project management skills	Client relationship skills	Analytical skills
Director			
Principal			
Senior Engagement Manager(SEM)			
Engagement Manager (EM)			
Junior Engagement Manager (JEM)			
Associate (A)			
Senior Business Analyst SBA)			
Business Analyst (BA)			

McKinsey roles when I was at the firm. Today, Director is called Senior Partner, Principal is called Partner

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It is important to build and deploy a multi-faceted skill set to be an effective project manager—the 18 rays of skills
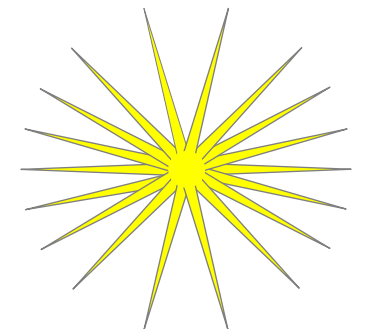
PROBLEM SOLVING
1. Client context
2. Client start-up interviews
3. Problem statement
4. Issue analysis
5. Storyline
6. Recommendations

CLIENT MANAGEMENT
7. Stakeholder analysis
8. Collaboration
9. Travel optimization
10. Kick-off meetings
11. Intermediate updates
12. Final deliverable

INTERNAL MANAGEMENT
13. Team member contracts
14. Team member roles
15. Managing upwards
16. Project plan
17. Billing
18. Time allocation

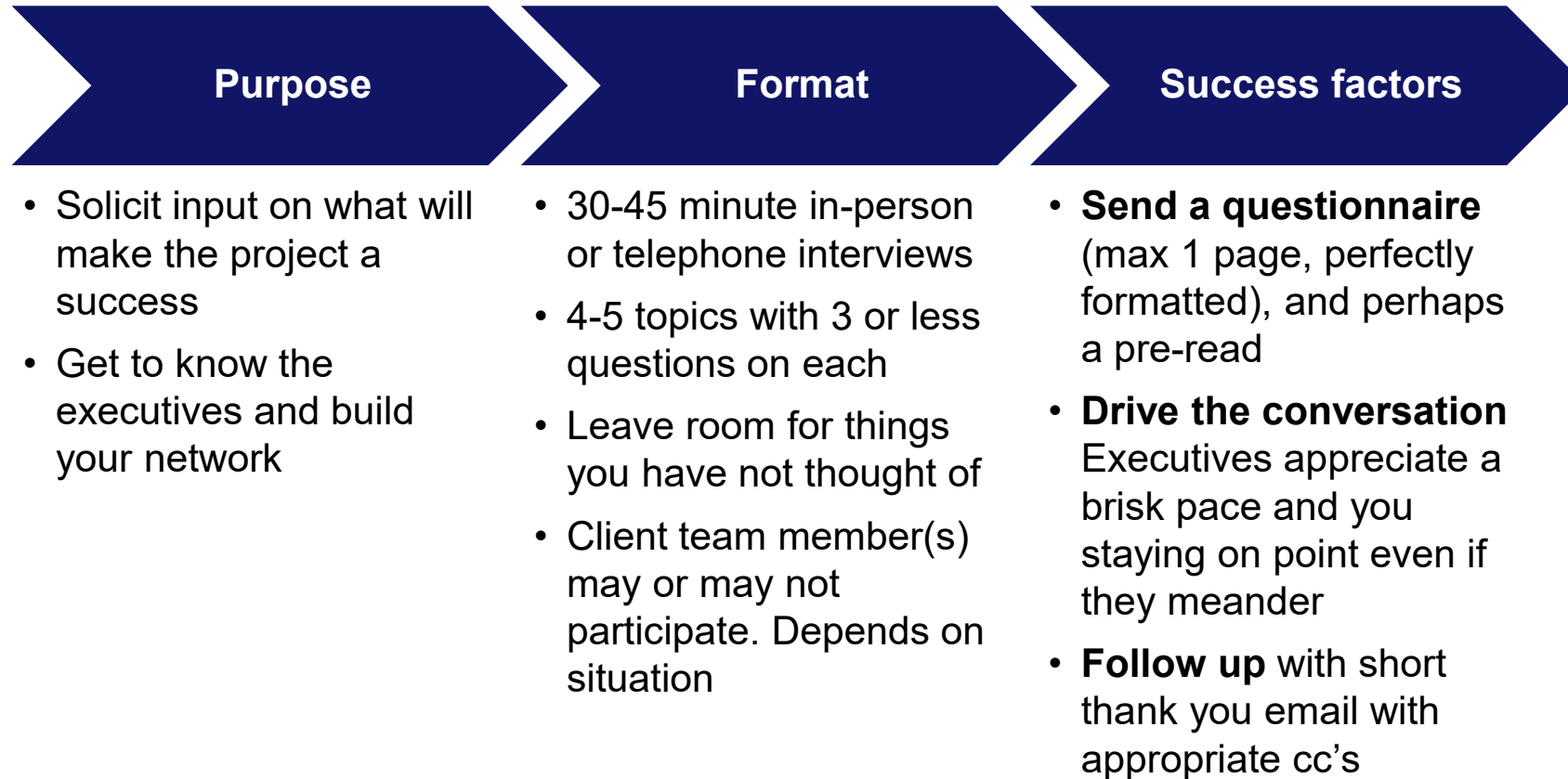| **1. Client context**	Make sure you understand the broader context of the client. A project without context is a dangerous project

CORPORATE CONTEXT

- How has the corporation performed over the past 5 and 10 years?
    - In the marketplace
    - Financially
- What do analysts say about the future?
- How long have executives been around?
- How impressive is management?
    - Education
    - Global experience
    - Functional experience
- How important does your project appear to be to the corporation?

BUSINESS UNIT CONTEXT

- How has the corporation performed over the past 5 and 10 years?
- Who are the main competitors and how have they performed?
- What do analysts say about the future?
- How impressive is management?
    - Education
    - Global experience
    - Functional experience
- How important does your project appear to be to the BU?
- Can we make an impact?

Source: Staffan Canback thought

2. Interviews

Conduct stakeholder interviews at the client as soon as possible. Ideally, some of them should be done in the proposal stage

Purpose

- Solicit input on what will make the project a success
- Get to know the executives and build your network

Format

- 30-45 minute in-person or telephone interviews
- 4-5 topics with 3 or less questions on each
- Leave room for things you have not thought of
- Client team member(s) may or may not participate. Depends on situation

Success factors

- **Send a questionnaire** (max 1 page, perfectly formatted), and perhaps a pre-read
- **Drive the conversation** Executives appreciate a brisk pace and you staying on point even if they meander
- **Follow up** with short thank you email with appropriate cc's

Source: Staffan Canback thought

| **3. Problem statement** | Write up a lucid problem statement as early in the project as possible. This will sharpen the project focus and reduce scope creep: higher impact, less work |

What is the fundamental problem to be solved?

State the problem and what the solution will bring:

- **Vigorously**: Use action language and make it exciting

- **Precisely**: Be as specific as possible

- **Holistically:** Make sure you cover organizational and people issues beyond the technocratic problem

- **Measurably**: Quantify the problem <u>roughly</u>

- **Beneficially**: How will the client organization and executives be better off after the project

Two paragraphs with in total six sentences should suffice.

4. Issue analysis

The problem statement is always broken down into an issue analysis. It is damn hard to write a good issue analysis. You will fail for the first 3 years, but keep trying
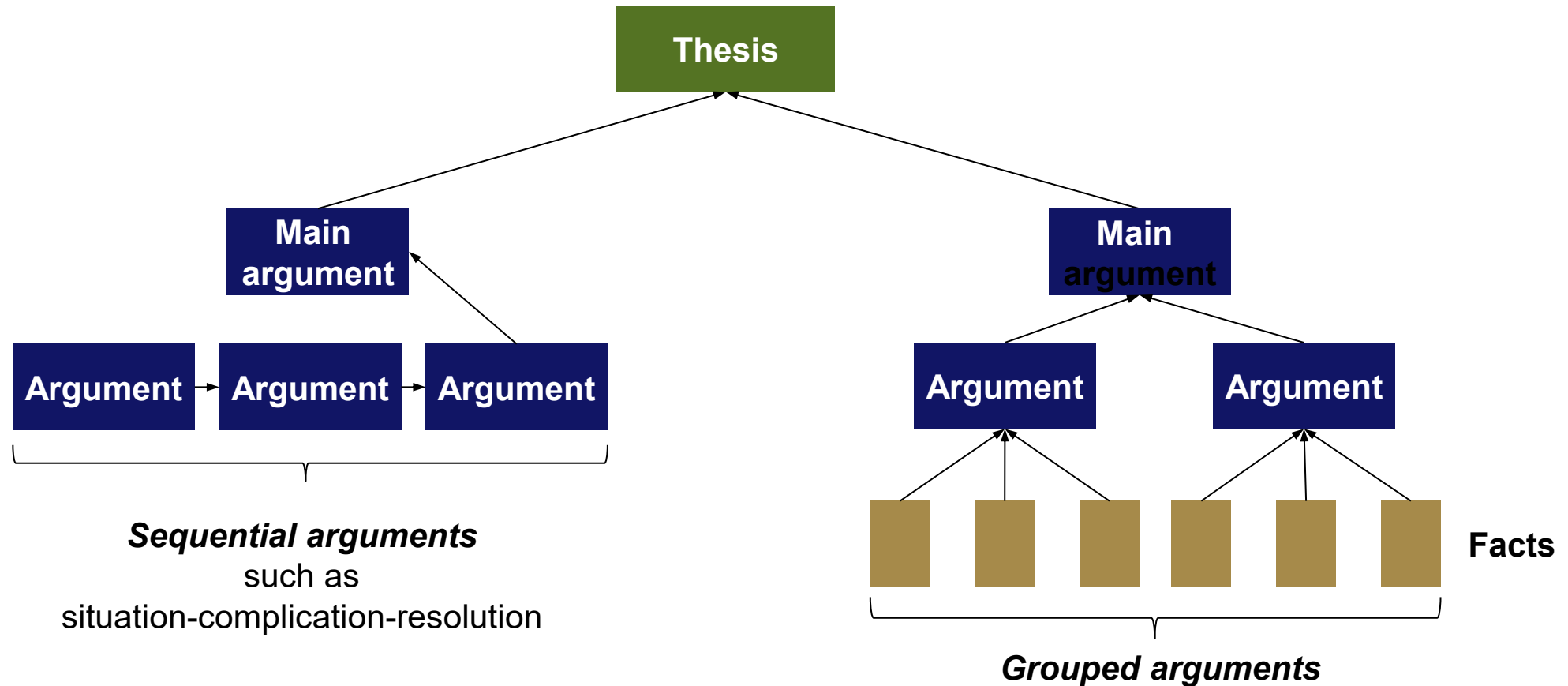
Issue → **Hypothesis** → **Analysis** → **End product** → **Sources** → **Responsible**

EXCERPT FROM ISSUE ANALYSIS (Page 4 of 6)

Issue	Hypothesis	Analysis	Source	Respon-sible
What role do RBs play within the overall strategy?	RBs are an integral part of building the profile, especially the mid- and top-tier RBs	Description of stated strategy and RB's role within this	- Press clippings/conference calls - Annual reports, 10-K's - Analyst reports - Tesco (as model for Kroger)	CH
	RBs have higher gross margins but are only slightly more profitable on a fully loaded basis than NBs with significant variation by category	Category profitability from HEB case overlaid on KR and SWY (may be impossible to do)	- Harvard HEB case - Category gross margins from Optura/dunnhumby - Category gross margins in academic papers	CH/SC
	RBs are used to put price pressure on NBs	War stories combined with lagged price comparison	- Executive interviews - Optura/dunnhumby	SM
	Strategically, RB growth has slowed over the past 5-10 years at both chains. They are a crucial part of their profiles, but not to the increased extent anticipated 10 or so years ago	Era analysis of corporate priorities 1998-2008	- Press clippings/conference calls - Annual reports, 10-K's - Analyst reports	CH/FD
How well-entrenched and developed are RB's at KR and SWY	RB's make up 24% of KR revenue. The share has been stable for several years, but has started increasing again in the last year	RB sales / total sales	- Annual reports 1998-2006 - Nielsen data 2007-	CH/FD
	RB's make up 22% of SWY sales and 20% of Kraft's category universe at SWY. RB share has increased steadily over the past 2 years in both value and volume, and jumped in value since end of '07	RB sales / total sales	- Annual reports 1998-2006 - Nielsen data 2007-	CH
	KR manufactures around 50% of its RB volume with a heavy emphasis on cheese & dairy; SWY around 22% with cheese & dairy and bakery as leading categories	Summary of manufacturing facilities	- "Kroger 101" - "Safeway fact book 2007"	CH
What are the key trends in RB's at KR and SWY	KR has exploded the number of SKU's since 2004 to 15,000, leading to decreasing sales per SKU	SKU's over time	- Annual reports, 10-K's	CH/FD
	SWY has a lower number of SKU's than KR (4,000?) and has higher sales/SKU	SKU's over time	- Not yet identified (perhaps summary of SKUs from Optura but this only covers '07-'08)	CH

Source: Staffan Canback thought

The Minto Pyramid Principle is used by every premiere management consulting firm to structure the logic flow of decks. A good pyramid is fiendishly hard to construct, but try

Thesis

Main argument

Main argument

Argument → Argument → Argument

Argument

Argument

Sequential arguments
such as
situation-complication-resolution

Grouped arguments

Facts

Source: Staffan Canback thought

6. Recommen-dations

At the end of the project, make sure the recommendations are clear and powerful. A client in Tanzania still refers to our recommendations in Ecuador from 2009

EXCERPT FROM PREMIUM BEVERAGE RECOMMENDATIONS

Theme	Action	Rationale
Premium beverage portfolio	Introduce a highlands beverage that builds on the cultural legacy Focus the beverage on urban higher SELs (ABC, maybe D+)	Premium penetration is low in Quito and Sierra, in part because of lack of local heritage. Yet, the premium market should be largest in Quito. Thus, a new premium brand made in Quito for the highlands makes sense
	Introduce line extensions, such as a darker variant	Line extensions help reinforce the core attributes of premium brands. They do not often generate a lot of volume, but they reinforces the story and brand appeal
Pricing	Increase price gap to mainstream offerings by 3-5 percentage points once the recession ends	Price point runs the risk of getting to close to mainstream price. The superior performance of the brand suggests it can sustain a slightly higher price premium and the price elasticity is low enough that lost volume is more than made up for by margin
	For the suggested new Pichincha brand, step up one level in the price ladder and peg it at 135% of mainstream and make it a "city beverage"	Experience from Brazil and other countries shows that it is possible to succeed with a premium brand at a fairly high price point. Once small volume has been built in its city market, it can gradually diffuse into other urban markets
International brands	Maintain a low profile import activity from the US focused on premium restaurants and bars in Quito, Cuenca and Guayaquil	The IB market cannot be expected to reach significant volumes in the foreseeable future
		US brands has the benefit of being dollar denominated, avoiding exchange rate shocks

SUCCESS FACTORS

- Make sure recommendations are practical and specific
- Make sure they add up to a substantial improvement
- Make sure they reflect your point-of-view but make them "client realistic"
- Do not create too many recommendations. A business unit can at the most deliver 2-3 significant initiatives per year
- Vet the recommendations with the most senior, experienced members of the team
- Make sure they are nontrivial

Source: Staffan Canback thought

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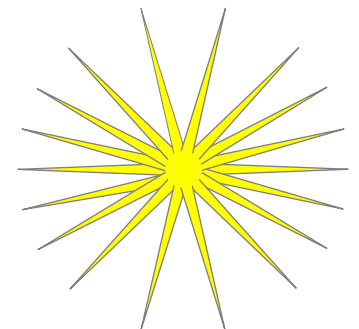
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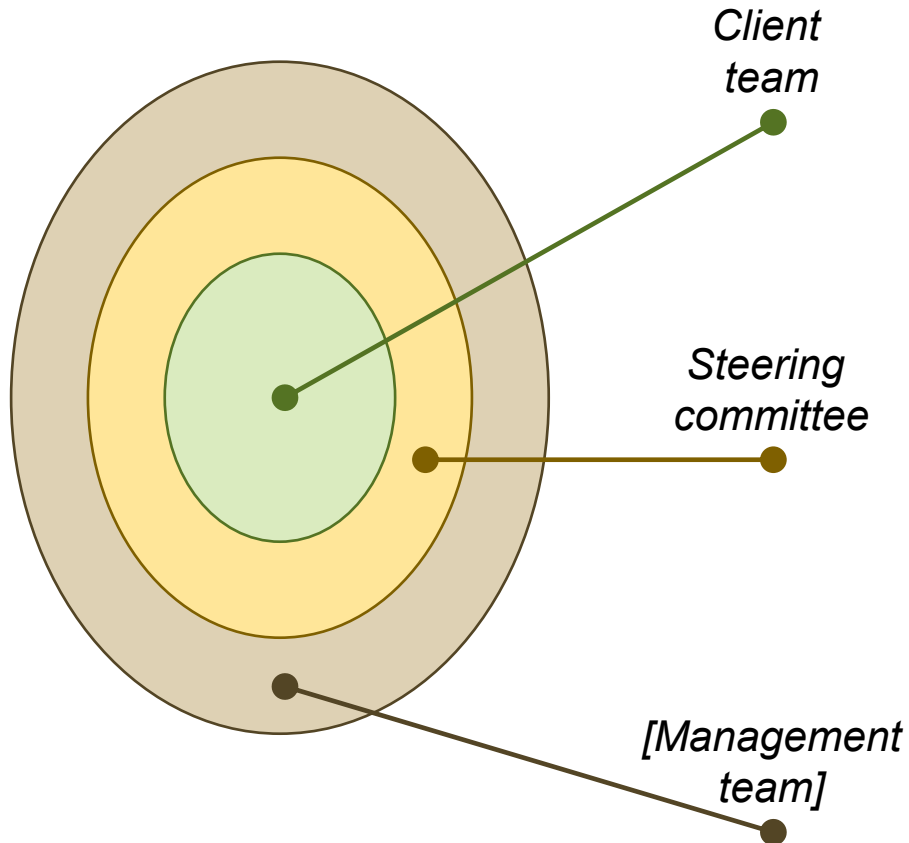11. Intermediate updates
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7. Stakeholders

To work with client executives requires an understanding of them. Their background, their preferences, their learning styles as well as their priorities

Client team

Steering committee

[Management team]

Who are they?
- Careers
- Education
- Interests
- Family

How do they want to interact?
- Polished product vs iterations
- Visual or numbers/text
- Quick or deliberate
- Large or small meetings

How safe are they in their positions?
- All figured out or insecure
- Promotion expected
- Financial pressures
- Passion for job or just a way to make a living

What are their priorities?
- Importance of current project relative to other tasks
- Appetite for risk, need for stability
- Interest in learning vs doing the same as ever

You should focus primarily on client team members and secondarily on steering committee members

What do we have to offer them? ⬅️➡️ **What do we need from them?**

Source: Staffan Canback thought

8. Collaboration

As a project manager, a large part of your success depends on how you collaborate with the client organization

A. CALIBRATE YOUR PERSPECTIVE

Consultant's Perspective

3-month project

| Beginning | Middle | End |

| Past efforts | Future efforts |

5-year effort

Client's Perspective

B. SOLICIT CLIENT'S INPUT

- Without recognizing it, most of what you do as a consultant has been learned from clients
- Clients also offer alternative perspectives, sometimes right, sometimes wrong
- Assume you are always wrong until the opposite has been affirmed
- But do not back off when you have a strong belief. Instead, "unscramble the egg" for the client

C. MEET WITH CLIENT IN VARIOUS SETTINGS

- Not every session has to have a deck to flip through
- Meet over lunch or dinner occasionally (and do not hesitate to go to a concert if you fancy it)
- Do quick meetings. Clients love not to have to spend the full time allotted

Source: Staffan Canback thought

| **9. Travel optimization** | Travel is an integral part of what consultants do. You should spend one week per month on the road (this can be part of the team). You have three main reasons to travel |

Visiting client at their premises	You visit clients to jointly work on presentations and to deliver them. This is of incredible value both to the client and to our consultants. Clients have the opportunity to give feedback in real time and to learn from our consultants. For our consultants, nothing accelerates learning and career progression more than these visits.	• (Director) • (Principal) • **Project manager** • Select team members
Conducting market visits	Surprisingly, many companies do not habitually visit markets. You master the science of conducting highly productive market visits. Build these into the proposal.	• (Principal) • **Project manager** • Select team members
Visiting executives for project negotiations	To visit and interview executives about their needs is the most efficient way to create effective proposals. Make this a habit and do not just discuss briefly on a video call.	• Director • Principal • (**Manager**)

Having the client visit you is an equally good or even better idea

Source: Staffan Canback thought

Always hold two kick-offs. One internal and one with the client

INTERNAL

- Review of proposal

- Project vision

- Problem statement

- Project plan walkthrough

- Team member roles and responsibilities

- Team member personal priorities (avoid sensitive issues, take those offline)

Make sure the director and principal participate

CLIENT

- Follow a typical kick-off agenda. Example:

  1. *Project overview*
  2. *Project timeline*
  3. *Project team*
  4. *Data source*
  5. *Suggested interview question*
  6. *Next steps*

  Each point has 1-2 slides

- Try to hold meeting at client, otherwise video. At client if the project is large

- Make sure team members participate. It is a good learning experience for them

Source: Staffan Canback thought

11. Progress updates	Avoid producing too much for progress updates. Make the minor (bi-weekly) updates short and simple. Major (e.g., mid-point) updates require mid-length decks

MINOR UPDATES

- Clients seldom expect a deck for the weekly or bi-weekly update. Write a bullet point memo and attach a few slides if necessary

- Recognize that new clients inevitably are nervous early in the project. They have a lot at stake and want to look good. So invest more then

- Involve the project director in the early updates. Later, as trust is built, run the update yourself

MAJOR UPDATES

- Limit the length of the deck to 24 substance slides plus divider slides

- Try to meet in person at the client's offices or invite them to our offices. If this does not work, try video. Never use telephone

- Think through who presents. Being the project manager, you may be best suited. However, if the audience is senior it is probably better that the project director presents

- Make sure the pre-read goes out at least 24 hours before the meeting

Source: Staffan Canback thought

12. Final delivery

The final delivery is a big deal. It must be <u>perfect</u> and <u>memorable</u>. Make sure you hit these points

Syndicate	Make sure drafts are syndicated well in advance. The draft does not have to be a polished product as long as you explain that it is preliminary
Limit	Limit the deck to maximum 36 substance slides plus lede, dividers and summary
Pre-read	Always have a pre-read even if no one asks for it. 24 hours before the presentation is sufficient. Some clients say 3-4 days. Push back on this
Sleep	Try to sleep well the night before
Thursday a.m.	When possible, schedule the final meeting for late in the week to reduce weekend work. Thursdays are ideal. Mornings are better than afternoons
Rehearse	If you present, rehearse beforehand. You may want to use the "intro-3 points-outro" (I3O) technique
Update	Plan for a week of updates/edits after the delivery
Relax	Make sure you hold a social team event that the client pays for. It should be soon after the delivery so that it goes into the expenses promptly

I3O: print and mark up each slide with:

- Intro: what is the slide about
- 3 points: what do I want to explain (never more than 3 items)
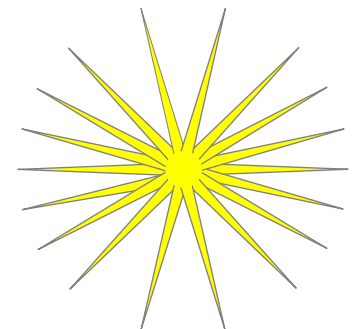- Outro: Where am I heading next

Source: Staffan Canback thought

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13. Team member contracts	Before the kick-off, it is useful to sit down with the team members individually and discuss their development needs and the "contract" between you and them: the give and take

EXAMPLE OF GIVE AND TAKE STATEMENT FOR A BUSINESS ANALYST

Development Needs

- More hands-on work with Stata
- Opportunity to present to client
- Responsibility for a work module rather than individual slides
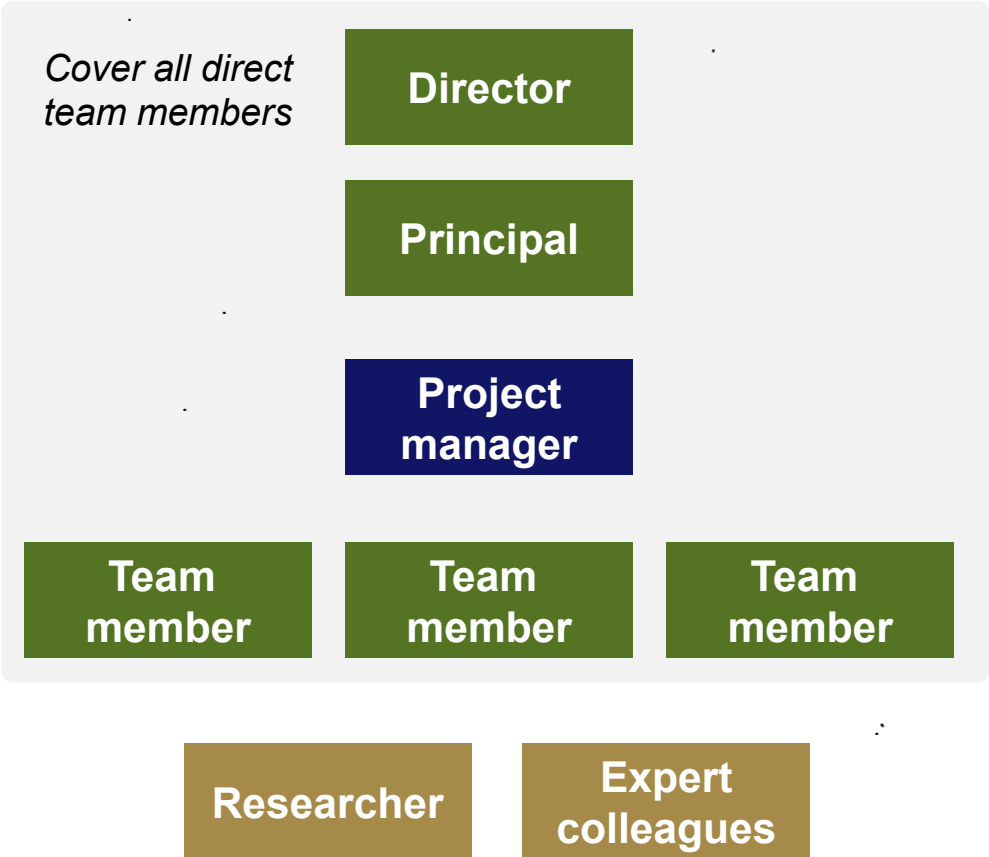
Project Gives

- Module leader for statistical analysis of consumer segmentation dataset
- Work at client premises at middle and end of project
- Thoughtful review of progress against goals at end of project
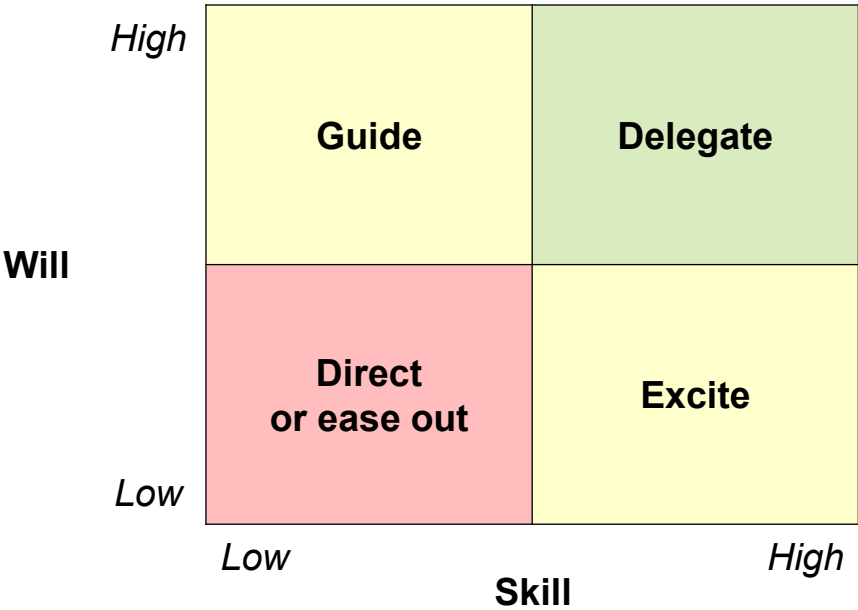
Project Gets

- Commitment to understand and be able to do consumer segmentation by end project
- Commitment that BA flags opportunities to present and does not wait for it to happen
- Commitment to put in the effort to make the module a success and to accept negative feedback

Source: Staffan Canback thought

14. Team member roles

It is important that every team member understand their role. (But remember, if a team member underperforms, he/she will likely complain that their role was unclear or fluid)

Cover all direct team members

Director

Principal

Project manager

Team member

Team member

Team member

Researcher

Expert colleagues

- Make sure project director spends time on the project
- Determine roles after the Give / Take Statement. Accommodate what is feasible but remember, client comes first
- Use the will / skill matrix to determine what the role of each team member is and how you manage them

Will

High

Guide

Delegate

Direct or ease out

Excite

Low

Low **Skill** *High*

Source: Staffan Canback thought

15. Managing upwards	An important aspect of project management is to manage upward towards project director. Their expertise and judgment is what the client pays for, not the deck

HINTS

- Project directors have different styles. Assess his or her style and explicitly ask how he / she wants to be involved in the project

- Use the project director mainly for kick-off, brainstorming, storylining, and recommendations

- Find the balance between showing the deck when it is finished (bad idea) or only a rough draft (also bad idea)

- Use the project director for quality assurance

- If the presentation is important, the project director should give it (the exception is when the project manager is more competent)
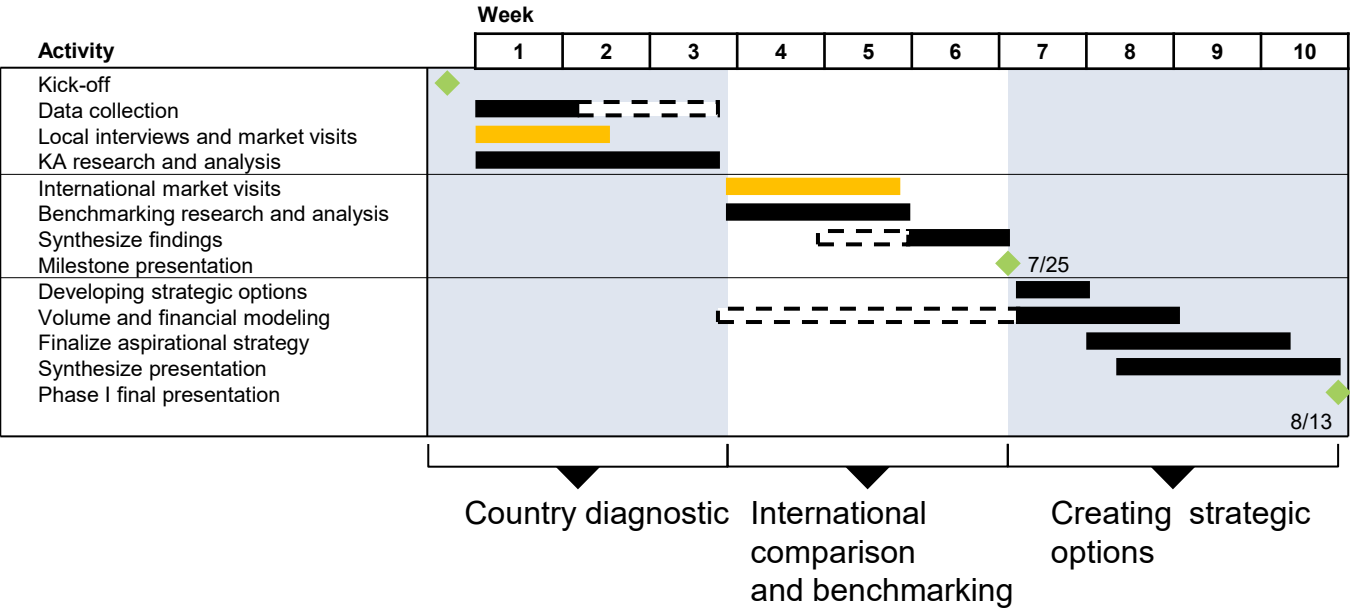
Source: Staffan Canback thought

A good project plan is important and progress should be reviewed every week and also be compared with the proposal. Its intent is to create <u>common understanding</u>

TIPS

- Make the project plan weekly, not daily. Use Gantt

- Do not go into too much detail. Details are covered in the issue analysis

- Do it by task, not by team member. They will in turn decide what it means for them

- Be explicit about meeting dates

- Do not use specialist software. Excel or PowerPoint are good enough

- Adjust the plan as you learn more

EXAMPLE OF GOOD ENOUGH GANTT CHART
It may be useful to go one level below this
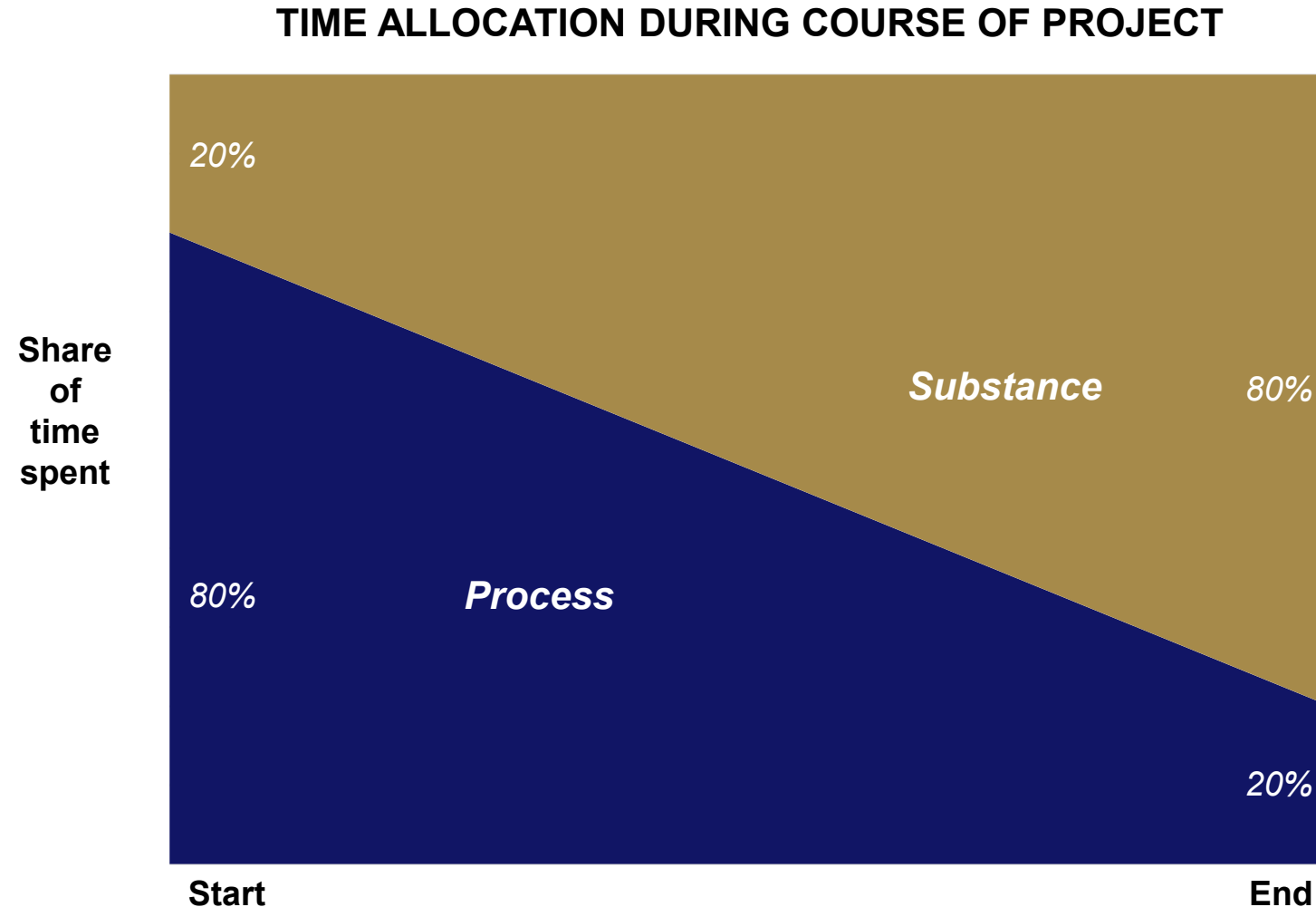

Source: Staffan Canback thought

17. Billing

A project is not over until the money is in the bank. This is the responsibility of the billing director, but you can help

- The billing director is a principal or above. It is never the project manager

- Invoices are sent monthly for all projects longer or equal to 2 months

- You can help prepare for invoicing by

  – Making sure all team members enter expenses promptly

  – The pre-work such as MSA and purchase order are created (still the billing director's responsibility)

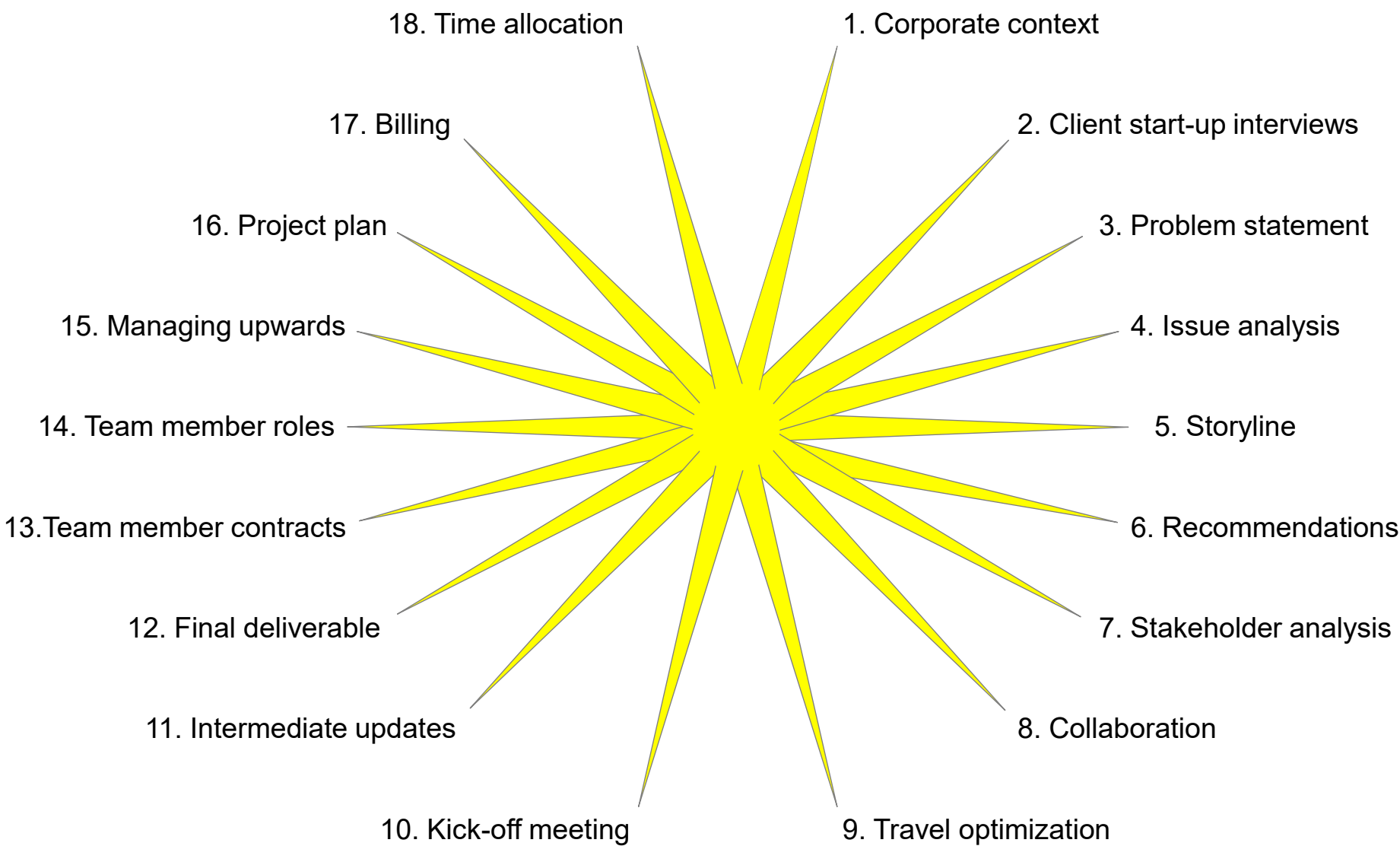- Flag if invoices are not sent

Source: Staffan Canback thought

How do you find time for all of this? Over the course of the project, you will focus on different things. Avoid getting into substance too early

TIME ALLOCATION DURING COURSE OF PROJECT

Share of time spent

20%

80%

Substance

Process

80%

20%

Start

End

Avoid "I'll do it myself because I'm faster and better"

This is usually true, but you need to build on each team members comparative advantage, not your absolute advantage

Source: Staffan Canback thought

The 18 Rays of Project Management

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9. Travel optimization

About

Dr Staffan Canback is Executive Chairman of Tellusant, the world leader in strategic prediction applications. He is based in Boston.

He is the former Managing Director of Canback Consulting, a global management consulting firm. He successfully sold the firm to The Economist Group in 2015.

Earlier he was a partner at McKinsey & Company and Deloitte Monitor.

Dr Canback has worked on the ground in 82 countries and is a man of the world. His 40-year experience spans strategy development, M&A, market entry and development, and more. He is a frequent academic writer on business topics.

Dr Canback holds a doctorate from Henley Business School, winning 1st prize in the 2002 European Doctoral Business Dissertation competition. He earned an MBA from Harvard Business School and an MSc from the Royal Institute of Technology. He is a Fulbright and Wallenberg Scholar.