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# ICT - ENABLED BUSINESS TRANSFORMATION

EFFECTS ON DEVELOPING FUTURE PROJECT  
COMPETENCIES

Case: UPM-Kymmene Oyj

LAHTI UNIVERSITY OF APPLIED  
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– effects on developing future project  
competencies

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ABSTRACT

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The upcoming sixth industrial revolution is based on renewable, bio-based materials. The forest industry aims to respond to this challenge by business transformation which is executed to a significant extent through ICT projects. This study examines the needs and effects of the ICT-enabled business transformation on the future project competencies.

The research was executed in order to form a view of how the case company's organization sees the current state of organization's project management competencies, and which are the development areas. The results were expected to confirm the organization's known opinions about the current state and the development areas but also to reveal the hidden opinions and to identify the project management competencies the organization considers to be relevant and therefore worth developing further.

Main source for the quantitative data of the research was the result from the survey to the project professionals participating in the Project Management Expo 2015 event. The qualitative data was collected by observing the panel discussion and the workshops during the event, and by executing some personal interviews after the event.

The results of the research support the known understanding of how the organization sees the current state of project management competencies and also gives the organization's opinion and reasoning about how the development areas should be prioritized, and which actions are seen the most critical. The research is additionally answering the question whether the Project Management Expo event is an effective forum for the project professionals' dialogue in the future.

The study shows that the agile and hybrid project methodologies are regarded as the most urgent ones to be formalized and taken into use as official project methods in the case company. Building a bi-lingual organization and tighter collaboration between the Business and the IT were seen mandatory in order to secure the successful implementation of ICT-projects in the future. Also sharing the lessons learned by building a project buddy network would intensify the knowledge transfer within the organization. Finally the study presents recommendations for developing the Project Management Expo event.

The research was executed in co-operation with UPM-Kymmene Oyj.

Key words: project management competencies, business transformation, future competencies, agile, hybrid, bi-lingual, ICT-project, competence management, strategy, leadership

Lahden ammattikorkeakoulu  
Liiketalouden laitos

WIRENIUS, LAURA

ICT liiketoiminnan muutoksen  
mahdollistajana  
– vaikutukset tulevaisuuden  
projektiosaamisen kehittämiseen

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TIIVISTELMÄ

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Kuudes teollinen vallankumous tulee perustumaan uusiutuviin biopohjaisiin materiaaleihin. Metsäteollisuus pyrkii vastaamaan tähän haasteeseen muuttamalla liiketoimintaansa, joka tapahtuu merkittävässä määrin ICT projektien kautta. Tutkimus kartoittaa vaikutuksia ja tarpeita tulevaisuuden ICT projektiosaamisen kehittämiseen.

Tutkimuksen tarkoitus oli koota organisaation näkemys vallitsevasta projektiosaamisen tasosta kehitysalueiden kartoittamiseksi. Tulosten odotettiin vahvistavan odotettu organisaation näkemys nykytilasta ja kehityskohteista sekä paljastavan mitä projektiosaamista organisaatio pitää relevanttina tulevaisuudessa, ja mitä osaamista tulisi jatkokehittää.

Kvantitatiivinen tutkimusmateriaali kerättiin Project Management Expo 2015 tapahtuman osallistujilta ennen varsinaista tapahtumaa. Kvalitatiivinen tutkimusmateriaali kerättiin havainnoimalla tapahtuman aikana paneelikeskustelua, työpajojen työskentelyä sekä yksilohaastattelemalla muutamia tapahtumaan osallistuneita henkilöitä.

Tutkimustulos vahvisti käsityksen organisaation mielipiteestä nykyisen projektiosaamisen tasosta, mutta tulokset paljastavat myös, mitä kriittisiä kehitysalueita organisaatio haluaa priorisoida. Lisäksi tutkimustulos paljastaa, kuinka Project Management Expo 2015 tapahtumaa tulisi kehittää, jotta se tarjoaisi tehokkaan foorumin projektiammattilaisille myös tulevaisuudessa.

Tutkimus osoitti, että ketterä ja hybridi projektimetodologia nähdään kriittisinä kehityskohteina, jotka tulisi virallistaa organisaation projektikäytännöiksi ja niiden käyttöönotto priorisoida. Myös organisaation kaksikielisyyden edistäminen sekä linjaorganisaation tiiviimpi sitoutuminen projekteihin nähtiin kriittisenä, jotta ICT- projekteja voidaan implementoida menestyksekkäästi myös tulevaisuudessa. Lisäksi kokemuksen ja osaamisen jakaminen projektikaveriverkoston avulla nähtiin tehokkaaksi tavaksi levittää organisaatiossa jo olemassa olevaa osaamista. Lopuksi tutkimus esittää suosituksia Project Management Expo tapahtuman kehittämiseksi.

Tutkimus toteutettiin yhteistyössä UPM-Kymmene Oyj:n kanssa.

Avainsanat: projektiosaaminen, liiketoiminnan muutos, tulevaisuuden osaaminen, agile, hybridi, kaksikielisyys, ICT-projekti, osaamisen johtaminen, strategia, johtajuus

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## KEY CONCEPTS

*Agile project:* refer to an iterative, incremental method of managing the design and build activities for engineering, information technology, and other business areas that aims to provide new product or service development in a highly flexible and interactive manner.

*Capability:* the ability or qualities necessary to do something.

*Codified knowledge:* knowledge that can be readily articulated, codified, accessed and verbalized. It can be easily transmitted to others. Codified knowledge is also known as explicit knowledge.

*Competence:* the specified skills and knowledge necessary to fulfill a task.

*EBITDA:* Earnings Before Interest, Taxes, Depreciation and Amortization.

*HR:* human resource management (HRM, or simply HR) is a function in organizations designed to maximize employee performance in service of an employer's strategic objectives, and primarily concerned with the management of people within organizations.

*Hybrid project:* blending agile and waterfall project management methodologies.

*ICT:* information and communications technology.

*Knowledge:* facts, information, and skills acquired through experience or education, the theoretical or practical understanding of a subject.

*PM Expo 2015:* Project Management Expo 2015, event organized by UPM for developing organizations project competencies.

*Waterfall project:* a sequential design process, used in software development processes, in which progress is seen as flowing steadily downwards through the phases of conception, initiation, analysis, design, construction, testing, production/implementation and maintenance.

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## 1 INTRODUCTION

Bloomberg New Energy Finance estimated in June 2015 that 7100 billion euros are going to be invested in renewable energy over the next 25 years. Bloomberg forecasts that almost half of the 7100 billion euros will be invested in solar power, and quarter in wind power. Significantly less is going to be globally invested in utilizing biomass (wood and other organic matter). But still, this is what the Finnish government believes in and targets that 40 per cent of all fuels used in Finnish transportation should originate from renewable sources by 2030. It means, from production capacity point of view, eight mills similar to UPM Lappeenranta Biorefinery. (HS<sub>b</sub>, 2015).

### 1.1 Background

UPM ([upm.com/about-upm](http://upm.com/about-upm)) is a forestry company focused on renewable and recyclable materials in business areas of UPM Biorefining, UPM Energy, UPM Raflatac, UPM Paper Asia, UPM Paper ENA (Europe & North America), and UPM Plywood. In 2014, UPM's total sales was 9,9 billion euros. UPM has 20 000 employees in 45 countries in six continents and production plants in 13 countries. UPM is listed on the NASDAQ Helsinki stock exchange.

UPM (UPM, 2013) is going through a business transformation to ensure long-term growth, profitability, and sustainable value creation. UPM's vision is to be the front-runner and to create a new kind of forest industry. The vision of the new forest industry is driven by several factors and global trends. Energy price, securing energy supply, and the unification of European market are driving towards low-emission and renewable energy. Fast moving consumer goods and retail are other drivers as GDP is growing, population is aging in developed markets, and there is strong urbanization and growth of the middle class in the emerging markets. Changes in advertising and office communication are also drivers as the economy is shifting towards more developed emerging market regions and digitalization. The scarcity of raw materials, sustainable development, renewable materials, and the replacement of oil-based materials are drivers towards bio-based materials.

The strategy (UPM, 2013) is to improve the profitability in all business segments, to implement growth projects with strong EBITDA impact, to develop business portfolio in order to increase the value and create growth, and to develop new businesses.

UPM (UPM, 2011) is supporting the strategy with the company values. The first value is to achieve together. It means every individual needs to set and hunt bravely after results, cooperate across organizations and give positive and constructive feedback. The second value is to renew with courage by sharing ideas and opinions, sharing and learning from mistakes and successes, showing passion for renewal and taking care of one's own well-being and capability to lead. The third value is to trust and be trusted which means empowering people, being reliable and holding others accountable too and the importance of listening.

The UPM's (UPM, 2012) people strategy 2013-2015 is stating that high performing people and teams driving business transformation are the key success factor. The objectives of the people strategy are to drive business transformation and growth, to inspire and empower leaders, and to offer diverse workforce opportunities to perform and grow, and so to be an attractive employer.

UPM IT is a business-integrated global function, and its strategy is derived from the UPM's common strategy. The people strategy of UPM IT (UPM IT Strategy 2014-2016) is to have high performing professionals leading and managing IT as a business. UPM IT's (UPM, Competence development) competence frame is delivered from the strategy and called C9. It is a guide for IT competence development including competence areas and development proposals for business understanding, cost management, leadership, IT architecture, service management, achieving results together, project management, renewing ways of working, and customer service mindset.

UPM has implemented the main global harmonization projects, and the organization has recognized there are needs for different project management competencies from now on. There is a need to create an understanding what the future needed project competencies and the development areas are. UPM IT has been using the PM Expo event (later referred as PM Expo) as a forum to develop

project management competencies within UPM IT and business functions. In 2012, the event was arranged under the theme of “Growing together towards project excellence”. Wurster (2012), EVP, Technology, reminded the audience in the opening speech of the 2012 event that UPM is in the middle of the transformation from traditional paper business towards change and renewal. The transformation towards innovation driven new forest industry is a must in order to survive in the global and continuous change. UPM has recognized the need to change and manage the change. It has also been recognized that business transformation is done through several projects, and it is crucial to have the capability to manage projects and processes, and to have clear responsibilities in order to guarantee efficient co-operation between the project and the line organization. Transparency of portfolio development and holistic understanding of on-going development projects must be further developed. Centralized investment management was listed to be one of the core competences. Projects need to be in line with the company’s strategic goals, and this can be secured by investing more efforts to the business case creation. The continuously changing environment creates challenges also to the project delivery, and therefore the way of delivering projects should be adapted. Efficiency in the project delivery can be achieved via a common project culture which means common ways of working. The right people in the right positions were seen as critical to the project success. The top management summarized that “project capability in a capital intensive and global company is a key competence and project professionals are valuable asset to UPM to secure company strategy execution” (Wurster, 2012).

## 1.2 Research objectives

As expressed in the previous section, the main objective of the research is to study what kind of project management competencies are needed at UPM in the future in order to secure the effective and successful strategy implementation through ICT projects.

The main research problem is the following:

*What are the future needed ICT project management competencies at UPM?*

The sub questions are:

*Which development areas should be prioritized?*

*Is the Project Management Expo event an efficient forum for developing project management skills?*

The main objective of this research is to analyze what project management competencies UPM is going to need within five years in order to meet the requirements of business transformation, and to give suggestions which development areas should be prioritized and why. The research is also answering whether the PM Expo event is an efficient way to analyze and develop future project management competencies.

The findings of the research are based on the analysis of data from various sources:

- Survey for participants before the event
- Workshop outcomes during the event
- Panel discussion during the event
- Feedback forms after the event
- Feedback interviews after the event

### 1.3 Scope and limitations

The scope of the thesis is to analyze what project management competencies UPM needs within five years, what competencies need to be further developed, what competencies are critical in order to succeed in the business transformation and should be prioritized, and what is the efficient way to develop project management competencies in the future. The scope is limited to UPM's own understanding about competence development areas rather than externals' analysis about required competencies.

As the field of enterprise project portfolio management is significantly extensive,

the focus is limited to themes related to the project management competencies needed in the ICT supported business process development projects. The themes were selected by the portfolio management from the topics discussed most commonly among UPM's project professionals.

The themes were discussed and analyzed in the forum of PM Expo 2015. The participants invited to attend the PM Expo 2015 event represent UPM's project professionals and stakeholders equally from IT and Business functions. The participants were also selected based on role representing steering, project management, team members and other project stakeholders.

Research data was collected from various sources; from the survey before the event, from the workshops and the panel discussion during the event, and from the feedback forms and the feedback interviews after the event. Before the PM Expo 2015 event, a survey related to the project management topics was sent to all who were invited to the event. The themes were pre-selected by the Portfolio Management and the IT management, and the owner for each theme was nominated in order to guarantee the future implementation of the action points through clear ownership. The statements for each theme were brainstormed together with the theme owners and the Portfolio Management and the survey was published in intranet. The survey's objective was to find out how the project professionals saw the state of current project management competencies and what should be developed. A link to the survey was sent to everyone invited to the event and the recipients were asked to respond prior to attending PM Expo 2015. All answers were collected anonymously. Survey results were studied and preliminary analyzed, then presented in the PM Expo 2015 event and used as basis for the workshops during the event.

The next set of data came from the PM Expo 2015 event as a result of the workshops. In the workshops facilitated by the theme owners the participants created their view about the current situation and the needed development areas around the same themes processed already in the survey. The survey results were utilized as a basis for discussion and brainstorming in small workshops. Future action points with objectives were analyzed, written down and presented to the

other groups.

The third set of data was collected from the panel discussion arranged in the PM Expo 2015 event. Seven panelists, the host, and the questions and statements were chosen beforehand. The audience was invited to join the discussion, and during the discussion the audience and the panelists were giving their opinion by showing green (agree) or red (disagree) cards.

The fourth set of data came from the feedback forms. The participants filled the feedback form concerning the event itself, the efficiency and the quality of the event in creating a forum for developing project management competencies.

The final set of data was collected by interviewing randomly selected participants after the event. The interviewees were asked for feedback in more detail, to identify the development areas and the means to develop the event, and the ways the project competencies should be developed in the future.

#### 1.4 Knowledge base of the research

The core of the theory is formed by strategy and strategy implementation, competence management and leadership related literature. The literature is covering traditional business literature, books, articles and electronic sources from themes of strategy, competence management and leadership. Also UPM's internal presentations and intranet material are utilized.

International business literature and UPM's internal material are used in order to build the link between strategy and business transformation, competence management and project management development, and leadership and strategy implementation and project management.

#### 1.5 Structure of the thesis

After this introduction to the research, Chapter two is focusing on the main literature. Chapter three introduces the research approach and the methods more

closely and Chapter four presents the results of the research. Chapter five includes the conclusions, remarks and recommendations.

## 2 LITERATURE REVIEW

Chapter two introduces the related literature. First section of the chapter presents overview for analyzing, elaborating and implementing company strategy. Second section presents theories of effective leadership and third section focuses on building a capable and learning organization and enabling the strategy implementation by strategic competence management.

### 2.1 Strategy

#### 2.1.1 Elaborating the existing strategy

What is strategy?

*“Strategy always begins with a chosen purpose, the idea of human activity directed towards a known end. “Intention” is absolutely central to the analysis, axiomatic.” (Spender 2014, 4)*

Porter (1996) writes that operational effectiveness is not the same as strategy. He explains that the operational effectiveness means operating company activities superior to the competitors and the strategic positioning means operating different activities than the competitors or operating similar activities differently than the competitors. A competitive strategy produces unique value through differentiation by choosing different actions.

Syrett (2007) continues clarifying that the vision defines the business direction and the strategy defines the execution in order to reach the vision. It's mandatory that the vision and the strategy are tied together. Effective strategies hardly ever have ideas which are not already known, but what makes the difference is that those ideas are right ones for the organization and the organization agree with those ideas.

Collins and Montgomery (2008) write about company competitive advantage. The competitive advantage is achieved by company's strategically valuable resources which enable performing superior to the competitors. The nature of strategically

valuable resources can be regarded as difficult to copy, company controlled, slowly decreasing, not easily replaceable, and superior to the competitor's resources.

Large, multi-storey organizations require more skills, capabilities and competences than they can simultaneously focus on. Some of them are ignored and their value is depreciated. But, the business environment changes, and unused but known business areas become attractive again. Companies more likely succeed by looking for a change in their own backyard. These hidden business platforms are the assets that the companies already have even though these capabilities are also practically available to any company. What makes the difference is how the companies adopt these capabilities into their business processes and if they succeed in making them repeatable. The growth can be generated if the company is able to combine unused capabilities with the existing capabilities for producing something new and better. (Zook, 2007).

When the company is facing challenging times, it does not necessarily mean there is a need to rethink the company's core strategy. Challenges can simply be caused by some temporary failure in execution. There can be found three reasons to rethink the core strategy though. The first reason is the profit pool – if the company is aiming to shrink or shift profit pool, the improvement of execution is affected accordingly. The second reason is the worse economics than the competitors' which is revealed when the new competitor enters the market. The third reason is the growth strategy in a business environment which is not maintainable, due to the reasons like the market saturation or the product/ service replicating competitors. (Zook, 2007).

Zook (2007) introduces five questions by which the company is able to evaluate its core business and to find out if the company should redefine its core business. What is the state of company's core customers, core differentiation, industry's profit pools, core capabilities and what is the state of company's culture and organization? If the answers show changes in two or more areas, the company should analyze the core strategy.

Zook and Allen (2003) write that the profitable growth can be achieved by pushing the core business's boundaries. Growth and success in the competition require that the companies need to expand these boundaries by using predictable and repeatable methods. Kim and Mauborgne (1999) wrote already in 1999 that creating a new market space requires looking systematically over the boundaries instead of looking within. A real breakthrough value can only be found from the unused market spaces.

Kim and Mauborgne (2005) continue explaining more about the markets divided into red and blue oceans. The red oceans form the known and existing market space, and the blue oceans on the contrary form the unknown, yet non existing market space. In the red oceans the boundaries are defined, the market space is crowded and the companies are fighting for their market shares. The blue oceans are dealing with the unused markets and the industrial rules are still to be defined. Even though some of the blue oceans are created beyond the industry boundaries, most of the blue oceans are created by expanding the existing industry boundaries of the red oceans. MacMilan and McGrath (1995) write about platform-based and discovery-driven planning. In platform-based planning the assumptions are treated as facts instead of best-guesses. Discovery-driven planning turns the assumptions into knowledge along the process. When expanding the existing industry, the assumptions can't become the truth.

There are several trends behind the blue oceans. The industrial productivity has grown because of the technological development. Globalization and decreasing trade barriers between regions have reduced niche markets and monopolies. As brands are becoming more similar, people are selecting more based on price which is driving companies towards price wars and shrinking profit. Instead of focusing on the competition, the blue oceans focus on value creation for the buyers and for the company. The strategy is not a choice between low cost and differentiation, but it aims to change the current value. (Kim & Mauborgne, 2005).

Kim and Mauborgne (2005) explain the importance of blue oceans in creating new business by expanding the industry space, although the risk for failing is then

higher for the companies. Instead of given structural conditions, market boundaries and industry structure of the blue oceans can be reconstructed by the actions and beliefs of the industry. This way the chances to succeed are maximized and the risks minimized. Zook and Allen (2003) continue that the growth strategy should come with strong control and orderliness so that the core business is never jeopardized and the new business opportunities are explored one by one.

Kim and Mauborgne (2005) mention some pieces of advice for identifying blue oceans. The first piece of advice is to look for companies producing alternative products and services, and not only for companies within its own industry. The second piece of advice is to look over strategic groups, not just alternative industries. The third piece of advice is to look across the traditional buyer groups instead of existing target groups. The fourth piece of advice is to offer the buyers added value by complementary products and services. The fifth advice is to find new markets by challenging the traditional functional or emotional orientation of the industry. The sixth piece of advice is to examine and foresee trends affecting the industry.

Like written earlier about multi-storey and complex organizations, Zook and Allen (2003) explain that by changing one thing at a time the complexity is reduced allowing the changes to be done one after another. The ability to repeat these changes faster than the competitors is possible when the company has created a repeatable formula. Strategic clarity is achieved when the growth strategy is communicated clearly, and the repeatable formulas are easy to communicate and to understand.

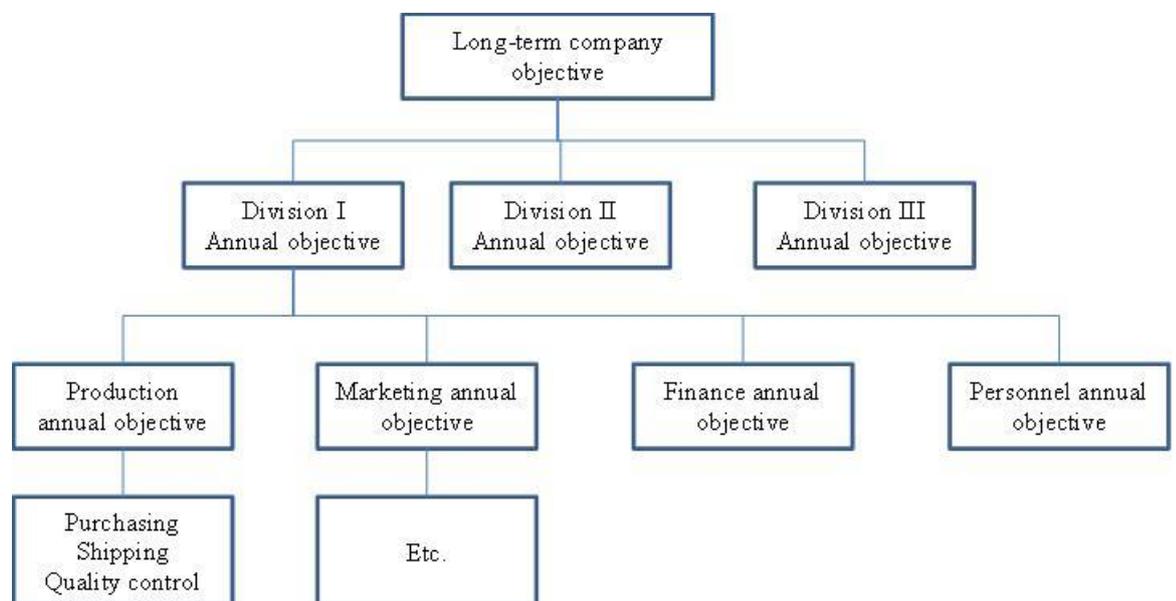
### 2.1.2 Implementing strategy

*“Strategy is simply finding the big aha and setting a broad direction, putting the right people behind it, and then executing with an unyielding emphasis on continual improvement.” (Welch & Welch 2005, 167)*

Welch and Welch (2005) write that at first the company should find the core of the business for achieving the competitive advantage. The company should then

have the right people carrying it forward as it requires the right people to bring the strategy alive. Finally, the heart, the strategy of the business should be continuously improved. In a learning organization, the people continuously want to improve the performance and reach higher goals. The companies finding the best practices and continually improving them gain the best sustainable competitive advantage.

David (2013) shows how the corporate objective is translated into area specific objectives and further into tasks and actions with operational usefulness. (Figure 1)



**Figure 1: Annual objectives based on organization's structure (David 2013)**

David (2013) explains that the objectives should be consistent, reasonable but challenging, and communicated clearly and transparently through the whole organization. If the objectives are left on too general level there are no operational benefits in them. Lynch (2009) writes the objectives are divided into tasks with schedule and resources. David (2013) continues the objectives should not be against employee's values and be supported by organization's policies. The company policies set the rules, forms and organization's expectations for implementing the strategy.

David (2013) notes next the importance of the resource allocation in the strategy implementation. There are financial, physical, human, and technological resources and they should be prioritized and allocated according to the annual objectives in order to achieve the set goals. Lynch (2009) continues more about the allocation of human resources in order to implement the strategy successfully. Resources should be moved towards areas delivering the organization's objectives instead of areas not supporting the strategy objectives. Competitive advantage and key strategies should be developed and maintained by supporting the core competencies, and making enhancements in the value chain.

When talking about the human resources, David (2013) emphasizes that the lack of management support or employee's capability to perform the task may cause interference in the strategy implementation. Changes in the strategy mean changes in the organizational structure as the structure determines how the resources are allocated. People often resist changes as they do not understand why the changes are done. The resistance can threaten the successful strategy implementation and therefore the resistance should be handled in the organization, and sometimes the solution can be as simple as sharing more accurate information. Lynch (2009) notes that especially in large organizations the communication of the strategy implementation is crucial in order to make sure everyone has the understanding what is happening and why. Communication and co-operation enable resolving the conflicts leaving no room for assumptions or lack of commitment.

David (2013) points out that building the organizational culture supporting new strategies may prevent conflicts in the strategy implementation. Positive reinforcement, training and promotion are some examples for building a culture supporting the strategy. This promotes building trust, understanding and commitment. Lynch (2009) continues listing that empowering the employees close to the environment changes and the flexibility in the objectives and tasks within the general vision, will help the company to react to fast changes in the environment, and to adapt the objectives. David (2013) summarizes the success of implementing strategy rises and falls with the people. Thompson and Strickland (2001) continue explaining the role of corporate culture in strategy implementation and execution.

*“Corporate culture refers to a company’s values, beliefs, business principles, traditions, ways of operating, and internal work environment.” Thompson and Strickland (2001, 410)*

Like mentioned earlier, the organization’s culture can either prevent or promote the strategy execution. A strong culture matching with the strategy is a powerful tool for the strategy execution. Values and norms are deeply adapted and difficult to remove in a strong-culture company. An adaptive culture is a competitive advantage not only in the strategy execution, but also in the daily operations in a fast-changing environment. The people inspired to do their best and the spirit of high performance are creating a result-oriented culture. Strong individual commitment in the organization is a valuable asset for the strategy implementation.

## 2.2 Competence management

Previously we talked about the company vision and strategy. We also had a couple of words about predicting the future in a changing business environment and success factors in implementing the strategy. Now we focus on linking strategy and knowledge together, and building the organization’s capabilities and competencies in order to achieve the company’s vision and strategy, and in order to create competitive advantage.

### 2.2.1 Strategic competencies

The organization’s ability to create and execute processes efficiently and to develop new skills is crucial in order to succeed in a changing environment. The more there are changes in the operation environment the more important the internal resources and capabilities are. The company’s ability to adapt to the changing conditions depends on the organization’s capability to recognize the value of the new information, to adopt it and to apply it. (Davies & Hobday, 2005).

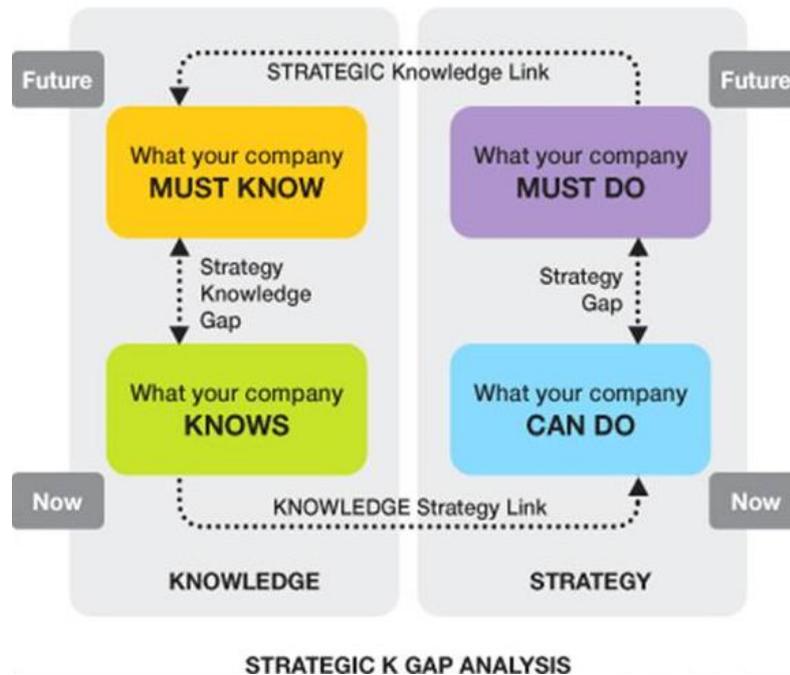
Competence management (iTunes, Managing knowledge successfully), which is difficult to imitate, supported by organization's structure and supporting organization's processes, can create competitive advantage. Thompson and Strickland (2001) say that in order to achieve competitive advantage the core competencies and competitive capabilities need to be built and developed. Building core competences and developing organization's competitive capabilities play crucial role in the strategy implementation. Kilpinen (2015) remarks, that the corporate's strategic skills are skills of the organization, not skills of the individuals. Strategic capabilities should also be spread in the organization and not to be dependent on the individuals.

Thompson and Strickland (2001) write that strategies are relatively easy to copy but superior strategy execution is much more challenging to imitate. Thompson and Strickland list three elements which the organization, capable for implementing the strategy efficiently, has. First comes staffing the organization with different skills, and recruiting and training employees understanding, that the intellectual capital is not just enabling the strategy implementation but is the main source of competitive advantage. The second element is developing and strengthening core competencies and competitive capabilities, and by continuously matching competences and capabilities to the strategy requirements. Training plays significant role in building the competences and capabilities. The third element is to match the organization structure to the strategy which requires identifying activities critical for the strategy. The strategy-critical activities and organizational units should form the basis of the organization in order to guarantee the organization is supporting the strategy. There isn't only one right way to form the organizational structure as different teams, work groups and external allies shape the organization, not just the organization chart.

Little, Quintas and Ray (2002) say knowledge is used for building competences and capabilities, and Berio and Harzallah (2005) continue explaining a competency is applying knowledge inside a specific context.

Picture below demonstrates the process for analyzing the strategic gap between the existing knowledge and the strategy, and the gap between the future

knowledge and the strategy. Like mentioned by Thompson and Strickland (2001) the gap analysis should be done continuously.



**Figure 2: Strategic gap analysis (<http://www.tlinc.com/articl145.htm>)**

Berio and Harzallah (2005) explain that competence management can be divided into different processes. Competence management identifies existing knowledge and competences and defines how required competences support the strategy and the vision. Competence assessment identifies and defines the competences achieved by the individuals and assesses the relationship between the individuals and needed competence. Competence acquisition is a process of deciding what competence is needed and how it is achieved. Competence usage process defines how to utilize the knowledge about current competences, and how to identify the gaps between needed competences, how to decide who are the key employees and should attend the trainings.

### 2.2.2 Building competencies

Little, Quintas and Ray (2002) say the people's interaction in the organization defines how knowledge is created and transferred.

*"A knowledge is not just about thinking. It is created through the synthesis of thinking and the interaction of individuals within and beyond the organizational boundaries." (Ichijo & Nonaka 2007, 29)*

Sometimes the company already has the strategy relevant competencies and those just need to be slightly promoted. More often the competencies supporting the strategy implementation need to be developed. The organization must develop the ability to do something, no matter how imperfect it might be. When this ability grows it starts to form competence or capability into the organization. After deepening the skills and know-how further, the competence and capability becomes a clear competence which creates the possibilities for competitive advantage. (Thompson & Strickland, 2001).

Ichijo and Nonaka (2007) write that in a company where knowledge is a competitive advantage, creating new knowledge and developing existing should be a core element of business strategy. Creating new knowledge before competitors and protecting knowledge from competitors, sharing knowledge efficiently across the organization in order to gain strategic advantage, and removing outdated knowledge are core knowledge management activities. Knowledge capturing strategy (iTunes, Managing knowledge successfully) is to get the knowledge out of people's heads', to capture the knowledge and make it available. The process for stimulating knowledge and developing intellectual capital, to capture the knowledge and make it available leads to strategic success, and knowledge and intellectual capital become strategic success factors.

Little, Quintas and Ray (2002) continue explaining that organizations which are good in creating competencies and sharing it cross the unit borders in the organization are better in developing new sustainable core competencies also in the future. The link between organizational learning and knowledge is that the organization understands how the core competencies and the strategy are linked together and how to develop competencies which will drive the success factors. Garvin (1998) lists that solving problems, trying new solutions, using lessons learnt and best practices and sharing knowledge efficiently across the organization are typical characters for a learning organization. Little, Quintas and Ray (2002)

emphasize that capturing lessons learned knowledge is the link between organizational learning and knowledge. For the organization to learn from its past the learnings should be useful and have a purpose. The organizational culture should encourage for critical thinking and trying without a fear of failing and getting penalty. The organization should be able to turn lessons learned into practice.

### 2.2.1 Project competencies

*“A project is a temporary organization established apart from the main permanent or semi-permanent organization in order to achieve specific objectives. Cross-functional capabilities can be harnessed in product development by talking people with different skills located in a firm’s functional organizations and putting them together in temporary projects.” (Davies & Hobday, 2005, 61)*

Davies and Hobday (2005) write that project capabilities are needed in order to survive in the changing business environment. Projects are becoming key management tools in the companies and project capability is becoming crucial in achieving operational excellence. Projects are used to create competitive advantage by managing projects more efficiently. Companies can use projects for achieving more efficiency to their operations and processes, for implementing strategies and for achieving strategic objectives. The survival of the company can be based on company’s capability to adapt projects to a changing operative environment. By developing project capabilities and project portfolio management, the company can achieve competitive advantage compared to the competitors.

According to Davies and Hobday (2005) studies show learning through projects is one of the most efficient ways to develop capabilities needed in improving company’s performance. Ichijo and Nonaka (2007) continue explaining that people learn better when they are actively engaged and capturing knowledge into explicit form in the team increases the efficiency of learning. Oakland (2014) says that belonging to the team increases the motivation and efficiency of the

employees. Teams should be seen as management tools and be clearly linked to the organizational strategy as linking to the strategy increases the efficiency of the team.

Davies and Hobday (2005) write that project-led learning starts with using existing knowledge in the project tasks. At the same time new knowledge is created but held within the project. Little, Quintas and Ray (2002) continue that large amount of knowledge is created collectively, not individually as often thought. Collective knowledge is easily produced in groups and produces organizational knowledge. But because of the social, local origin, the knowledge is difficult to organize, and organizing the local knowledge is the critical aspect in the knowledge flow. This is the stage Davies and Hobday (2005) call project-to-project learning phase where lessons learned, so called “war stories”, are told. Little, Quintas and Ray (2002) continue explaining that the knowledge transfers differently within communities and between communities because of its social origin. Within communities the knowledge moves easily because of shared practices but between communities these shared practices (for example different standards, different priorities) do not exist anymore and that makes it difficult for knowledge to circulate. In other words, trying to move the knowledge (know-what) without the practice (know-how). Similar practices allow the knowledge to move even between groups. Davies and Hobday (2005) call this a project-to-organization learning phase where project organization is systematically spreading the knowledge across the organization. Project-led learning processes can be utilized also in a wider context in the business organization. Little, Quintas & Ray (2002) write that to support the knowledge transfer between communities the organization should focus on communication. Local informality often differs from formality needed between communities. Davies and Hobday (2005) summarize that the main challenge of maintaining project capability is to make sure the knowledge and experience achieved on one project is transferred to the next project. Reusing lessons learned and codified knowledge is a key element for project efficiency.

Davies and Hobday (2005) summarize some lessons for the projects. To start with, the organizations should develop competences to utilize projects for

achieving competitive advantage in the fast-changing environment. Repetition will bring the economy. Even though projects are characterized to be unique, there are many routines and tasks which are repeatable. Economies of repetition enables performing the projects more efficiently as lessons learned can be utilized to favor best practices and to avoid sticking points. The next lesson is to systematically encourage learning within and between projects. Learning takes place from project to project and from projects to business line organization. Moving people from routines to working with new people and with new problems can be a possibility for the organization to change and renew. Third lesson is to design right kind of temporary organization for executing the project. The next lesson is related to IT-intensive projects where the key to the success is to have effective management systems and processes but not to get restricted by them and to be able to utilize experiences and skills informally. Especially weak strategy, communication and leadership will challenge the success of IT projects. If the project leadership isn't strong and flexible at all levels in the project organization, none of the previous lessons can be realized.

## 2.3 Leadership

Now we take a look at the leadership related literature and analyze how the leadership is effecting the strategy implementation, and what are the elements of good and efficient leadership.

### 2.3.1 Leadership strengths

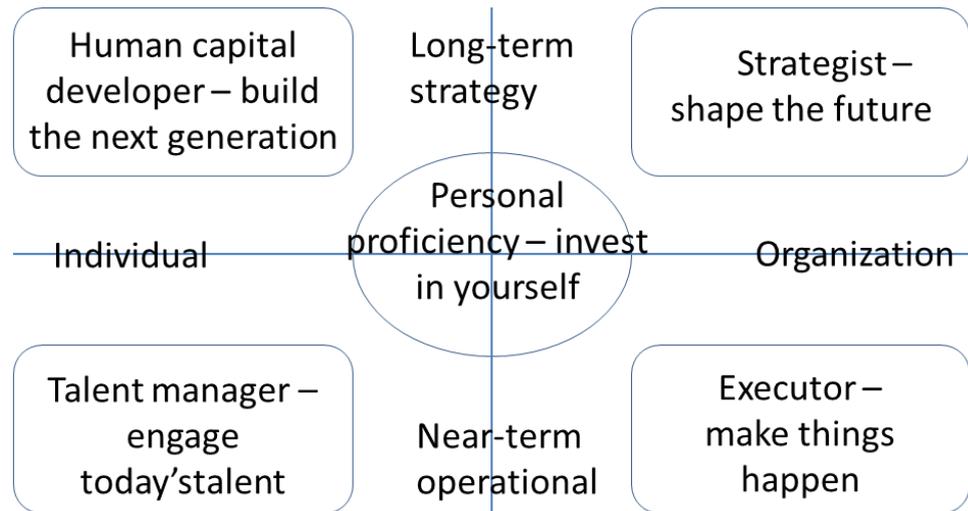
Implementing strategy requires leadership. According to Kim and Mauborgne (2014) the biggest reason for employee disengagement is poor leadership. One of the biggest problems managers face is the challenge to close the gap between the potential and realized competence and the energy of the people in their team. Arto Hiltunen (HSA, 2015) says in the article of Helsingin Sanomat that poor leadership is claimed to be the biggest problem in Finnish working life.

There are many definitions and requirements found in the literature for efficient and successful leadership. Syrett (2007) lists leadership roles for a successful

strategy execution. The first role is to create focus and clarity in order to generate performance and achievements. The second role is to generate commitment and engagement by open communication, respect, and collaboration. The third role is to allocate resources according the strategy and into the right projects. The fourth role is creating the milestones of achievements so that the performance could be measured and the development areas could be recognized. The fifth role is to encourage co-operative mindset by striving for excellence, by a sense of mutuality, by co-operational behavior, and by being part of a community. The final leadership role according to Syrett is to challenge the organization for peak performance, but not too much in order to avoid exceeding organization's carrying capacity.

Schoemaker, Krupp and Howland (2013) list skills that allow the leaders to think strategically and lead efficiently in a changing environment. First skill is to anticipate. It means the ability to pick up weak signals inside and out of the organization which helps leader to recognize threats and opportunities and to react to them. Second skill is to challenge. Efficient leaders question and challenge the existing which means that courage and openness are required. Third skill is to interpret all the input you have. It means thinking outside the box and seeing or hearing something else than what you expect in order to see the big picture. Next skill is the ability to decide quickly despite incomplete information, which requires courage. Tracy and Chee (2013) emphasize that the courage is one of the most important qualities for the leader. The courage enables the leader to introduce new ideas and approaches and to stay on course even though things get challenging. Schoemaker, Krupp and Howland (2013) continue by introducing the fifth skill which is the ability to communicate early and actively, to build trust and to identify your stakeholders and sell your ideas to them. The final skill is to learn. Organizational learning is dependent on strategic leaders. Strategic leaders are the one creating the organizational culture fertile for learning – open, constructive, encouraging organizational culture.

Comprehensive way to look at the leadership is through the leadership code developed by Ulrich, Smallwood and Sweetman. (Figure 3)



**Figure 3: The Leadership code (Ulrich, Smallwood & Sweetman 2008, 14)**

Ulrich, Smallwood and Sweetman (2008) map leadership strengths against time and attention. Time, because the ability to think and act in both short and long term is a leadership strength. Attention, because the ability to measure when the attention should be on the individuals and their capabilities, and when the attention should be on the organization and organization's capabilities.

Ulrich, Smallwood and Sweetman (2008) continue with introducing five leadership strengths. Strategic leadership and shaping the future requires leader's curiosity towards the future and desire to develop the future to be more attractive than the present. Tracy and Chee (2013) add the leader should be able to present inspiring and exciting goals which give people the sense of direction. Ulrich, Smallwood and Sweetman (2008) say that the leader should be able to engage others within the organization in developing the strategy. The more people are involved with the strategy discussion and the more people from all levels of the organization not only understand the strategy but are excited about it, and know what to do to implement the strategy with everyday decision, the more likely they are engaged to the strategy.

Ulrich, Smallwood and Sweetman (2008) present the next leadership strength, strength to execute. Execution is the ability to turn the strategic desire and hope into actions. Execution requires the ability to make change happen and the ability to make the change is nowadays mandatory as no process or system or situation is

stable. Accountability is the core of execution and teams and individuals should always have personal ownership and responsibility to get things done.

Accountability is created through clear goals and measures, and there should be consequences for meeting or missing the goals. An effective executor is giving and receiving feedback timely in order to increase the accountability. In large organizations most of the work takes place in teams so excellence in the execution requires excellence in the teams. Executing through teams requires clear purpose for the team, managing roles and making decisions within the team, building relationships within the team in order to encourage debate and dialogue, and learning within the team. Execution requires some proficiency from the leader. Without the proficiency leader is not able to ask the right questions and leading stays on rhetorical level.

Ulrich, Smallwood and Sweetman (2008) continue by defining the talent manager. In order to develop talent and to connect with the employee, honest, transparent and two-way dialogue is needed. To improve the communication the leader should focus on what is being said, why it is said, to whom it is said, how it should be said, and when it is said. Tracy and Chee (2013) emphasize that besides communicating visions and strategies, the leader should always communicate the reasons. The effective leader makes sure the people understand why something is done. Ulrich, Smallwood and Sweetman (2008) say the talent manager is also able to connect the individual to the organization. It is done by public discussion about the individual's goals which at the same time create the sense of shared purpose and community. The talent manager is continuously matching the position requirement to the personal competencies and ensuring the people have the needed competencies. It requires analyzing the employee's personal strengths and how they could be developed. Additionally the talent manager needs to deal with demands and make sure the people have resources to handle the demands. People enjoy in a positive atmosphere so the leader should focus on creating an environment which focuses on what is right instead of what is wrong. That also makes the work so much more fun. Fun makes working together much more enjoyable and increases the motivation and morale.

Ulrich, Smallwood and Sweetman (2008) write that the leaders who invest in the next generation, in future talent, create sustainable future for the organization. The strategy defines what kind of skills are needed and the human capital developer is securing that there are right people in the right places at the right time with the right skills, and this mapping requires separation of people and positions. Separating people and positions requires courage but will secure that strategically critical jobs are identified and positioned, and to estimate how well the required skills and competences are already in place. Human capital development influences also the company's employee brand, and as a result of the employee brand the best resources are more available for the company. Human capital developer is also helping people to manage and plan their careers. Also when helping with career planning the leader is able to recognize the possible competence gaps in the organization. The leader is also encouraging everyone in the organization to find the next generation talent. The current talent is the best to recommend the future talent, and according to the studies this makes the current talent even more committed. Building effective human capital requires delegating (giving employee task, objective and resources) and empowering (giving employee knowledge and authority) employees. By encouraging networks the leader helps to create a community where people are emotionally tied together.

According to Ulrich, Smallwood and Sweetman (2008), the leader should also invest in himself and develop personal professionalism. Practicing clear thinking enables leader to rise above the details, to see the big picture and prioritize things. The ability to see the big picture enables the leader even to make the difficult decisions and in case the decision is wrong, to admit it, learn and move on. The leader should tolerate stress and the successful leaders recover quickly, for example, from setbacks mentioned above, learn from those situations and make action. Leader investing in himself is curious about what has been done in the past and why and looks for alternative ways to execute. Arto Hiltunen (2015) says in Helsingin Sanomat that leader's positive energy creates motivation. Ulrich, Smallwood and Sweetman (2008) continue that the leader is passionate and energetic, and constantly looking ways to improve things and surrounding himself with people who differ from himself. The foundation for leaders is built with

integrity, morality and ethics. Based on these the people will trust and consider you as a real leader.

### 2.3.1 Project leadership

Projects need to be managed strategically and linked to the company strategy. All this requires strategic project leadership. Strategic leadership focuses on adding efficiency, effectiveness and business value. Strategic leadership turns the company strategy into project management operations and the other way around. (Thamhain, 2014).

Thamhain (2014) continues that leadership should focus on performance driver in technology-based teams. The first performance driver he mentions is the people. The technology-oriented environment appeals to people who enjoy team spirit, challenges, and problem solving. Most of these people like performance evaluation and norms generated by the team members rather than hierarchical guidelines and policies. These people like to work more autonomously and to have decision-making power and responsibility. All this requires more selective and experienced management and leadership which is taking team's commitment, power sharing and group interaction more into account. The next performance driver Thamhain mentions is the work itself. Complexity and uncertainty on some level are factors why the leadership should focus on facilitating work towards defined outcomes and cross-functional collaboration. The organizational culture plays a significant role in technology-based teams and set requirements for the effective leadership. Technology-based teams are more oriented what comes to the performance evaluation, decision making and management. The authority to lead and manage must be earned in these teams rather than gained through the organizational status or position. As a result trust, respect and credibility are created.

Managerial leadership is affecting people and their performance in technology-based teams the most. Managerial leadership is driving the team performance and bringing members together, promotes collaboration and commitment and motivates people. Effective leaders understand the business environment and

company culture, and are able to create trust and credibility. They are able to promote accountability and result-orientation. (Thamhain, 2014).

Thamhain (2014) lists some trends, driving factors, and future developments affecting project management. Tools, science and techniques in project management are developed and keep on developing further so that predictable project results can be gained even in a changing environment. Technology-based knowledge is in fact doubling every couple of years. Technology development creates more alternatives for project team design, like virtual and agile teams. This means locally organized projects are shifting to globally localized projects. Modern communication, technology and tools, and new project team models enable creating virtual teams. Virtual teams require even more power sharing, accountability, collaboration, and commitment than locally based teams.

Thamhain (2014) continues listing future development by saying new management processes are being introduced and utilized more, like rapid prototyping, agile methods, virtual teams, reengineering and gate review. Suppliers, contractors and customers are participating more in project execution. Project management has nowadays more responsibility on business results and has more pressure on executing projects faster, more effectively and cheaper. All this is shifting focus from linear work processes to dynamic processes which mean the project management needs to respond to the pressure of delivering outcomes faster, be more customer oriented and deliver results with smaller resources. Project management is increasingly shifting from efficiency towards effectiveness, and linking project management to business strategy. There is also a pressure to manage more complex projects. Project management is required to recognize all stakeholders more carefully and efficiently in the future.

## 2.4 Summary

Changes in business environment set requirement for the company to redefine its strategy. Sometimes the redefined strategy set objectives to find new market areas and business platforms. Finding new market areas and business platforms by

expanding the existing company boundaries minimizes the risk and maximized the opportunity to succeed.

The redefined strategy may change the competencies needed to execute the strategy. Gap analysis to estimate organizations current competencies to the future needed competencies show what competencies needs to be created and developed.

Addition to the organization's relevant competence, the leadership has its effect on the success of the strategy implementation. Leadership creates conditions for the organization or the team to execute the peak performance.

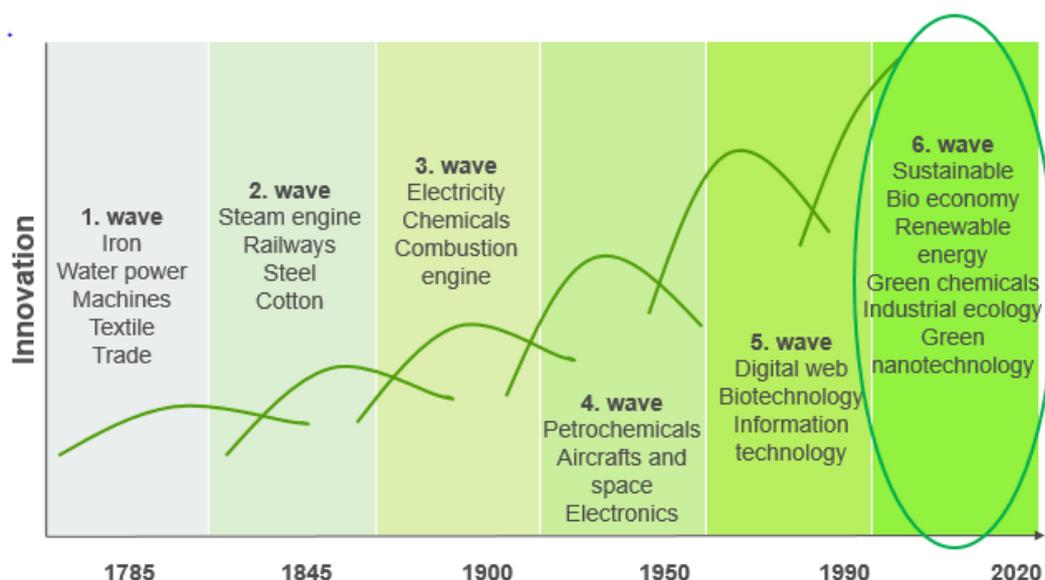
### 3 RESEARCH APPROACH AND METHODS

Chapter three starts with the introduction of the PM Expo 2015 event as the case company and the background have already been introduced in section 1.1. The objectives and the scope of the research have been introduced in sections 1.2 and 1.3 but in this Chapter three we go through the research questions and the approach in more detail. This chapter also details the structure and the execution of the research. The analysis of the results is also presented in this chapter.

#### 3.1 Project Management Expo 2015

Kaulio and Immonen (2015) say that global trends, like digitalization, create new requirements and needs to refresh and further develop UPM's project management competencies. The number of business project managers and current project management competencies do not correspond to the demand as the number of implemented ICT related development projects is increasing. There can also be seen a need to shift from project-focused to value-driven mind-set and to take new agile project methods and governance models into use. Keskinen (2015) points out that the projects at UPM are lacking the organization's appreciation to some extent. Appreciation is not actualized even though the projects are creating and developing the organization's and individuals' competencies and capabilities, and implementing the strategy by carrying out the business transformation. Some reasons behind this might be the temporary nature of projects and the role as a subparagraph of the business line organization.

Ovaska (2015) presents the UPM strategy in action which includes a profit improvement programme, EBITDA target for growth projects, value creation and development of business portfolio, and developing and focusing on new businesses. These actions are a result of top performance, focused investments, attractive dividend and strong cash flow in order to achieve an industry-leading balance sheet. Ovaska (2015) says the sixth industrial revolution is to be bio-based. (Figure 4)



**Figure 4: Sixth industrial revolution (Ovaska, 2015)**

This industrial revolution is focused on sustainable growth and innovations. It is necessary to innovate and develop new business opportunities, and to enhance existing, mature, and growth businesses. Innovation must not be seen merely as a new product, business or technology, but also as a new business model, service concept or a new way of operating. The need to innovate is emphasized in all businesses - the current mature, the current growth and the new businesses. The bio-based industrial revolution has its impacts on UPM's business portfolio.

Ovaska (2015) continues that the revolution and innovations set challenges for the future IT landscape. IT's role is to support this revolution which sets requirements for IT to change along. IT will face challenges like scalability and flexibility of IT costs, harmonized versus tailored IT projects, and smaller scale and agile development. Ovaska challenges the organization to define sustainable competitive advantage and its position in the future IT landscape. He also addresses questions like, what IT needs to source, how it should be sourced, how projects should be lead, how applications should be utilized, how needs should be defined and how business and IT should collaborate.

Keskinen (2015) highlights the IT's essential role in business strategy implementation, business transformation, business value creation, and in business development. In business operations the IT is creating the backbone for business

and employee services. But, IT's ability to support the business is dependent on what, how, and with what competencies the IT is capable of delivering. It is crucial to focus on doing the right things (what), and doing the things right (how).

UPM wants to create a space for dialogue for defining how the UPM's organization should prepare itself for the future demands of project management competencies. A space for the dialogue is created by arranging a forum for UPM professionals to analyze the current situation and to form a vision and strategy about what project management competencies should be developed and how, in order to secure the implementation of the UPM strategy. It is crucial to understand what kinds of future project management competencies are needed so that the projects deliver maximal value to the business. It is strategically important for UPM to understand how to shift the ICT related business projects from the business-IT alignment to the IT-enabled business. The Project Management Expo 2015 event (29. – 30.9.2015), enables the organization to establish a dialogue for defining future needed project management competencies. The event establishes a forum for project professionals and stakeholders to network, share best practices and to learn from each other.

PM Expo 2015 is divided into three stages including pre-event activities, event activities, and post-event activities.



Figure 5: Project Management Expo structure (Kaulio & Ilmonen, 2015)

The PM Expo 2015 event has pre-selected themes. Themes were not selected based on any project management maturity model study as such. Themes were pre-selected by Project Management and IT management from among the most often discussed and analyzed issues in the field of project management.

**Table 1: Main themes of the Project Management Expo 2015 event**

| Theme  | Description  |
|--|--|
| <b>1. Agile and traditional project management – how to reach agile project culture in UPM?</b>                    | What are the key differences between agile and traditional project management? What is UPM approach towards agile? Common understanding?   |
| <b>2. Vendor ecosystem &amp; project delivery model – key elements of successful project sourcing and delivery</b> | What are key elements of successful sourcing? UPM and Supplier(s) roles in complete delivery? How does BUILD sourcing differ from RUN sourcing?  |
| <b>3. Leading a (next-generation) project team</b>   | How does project leadership differ from line organization? New leading styles needed?  |
| <b>4. Project Steering practicalities and competencies</b>   | Project steering role and responsibility?<br>How project manager gets the most out of project steering? Success stories?<br>Typical focus points for project steering?<br>Project Owner/Sponsor/Manager roles? |
| <b>5. Change Management in projects</b>  | Are we succeeding? Change is permanent – how to control change exhaustion?   |
| <b>6. Organizing a successful project – “practical approach”</b>   | Business/IT/Supplier roles? How to ensure optimal manning? How to ensure one-time project manager premises to succeed?<br><br>How to right-size project manning?   |

After brainstorming the themes, the owner for each theme was nominated. The nomination was based on the organizational responsibility, and it was made in order to secure the ownership and future implementation of the development activities.

A survey related to the pre-selected project management themes was done. The statements for each theme were brainstormed together with the theme owner and Portfolio management during June and August 2015. The survey results were presented in PM Expo, and the results were used as the basis for the workshops during the event.

During the event, the participants attended the workshops facilitated by the theme owners. In the workshops, the participants formed their view on the themes (the same themes as in the survey), the current situation and the development areas. The survey results were utilized in the workshops as the basis for discussion and brainstorming. Future action points with objectives were produced and presented to the other groups.

A panel discussion was arranged on the second day of the event. Seven panelists and the host were discussing about beforehand chosen topics related to the themes of the event. The audience was invited to join the discussion, and during the discussion the audience and the panelists were giving their opinion by showing green (agree) or red (disagree) cards.

After the event, the participants gave feedback on the event itself and how efficient the event was in creating a forum for developing project management competencies. Feedback interviews were done in order to get deeper understanding about the participants' expectations towards the event, how well the expectations were fulfilled, what the most useful outcome of the event was, and how the event should be further developed in order it to be more efficient.

### 3.2 Research questions

The research questions are as follows:

*What are the future needed ICT project management competencies at UPM?*

*Which development areas should be prioritized?*

*Is the Project Management Expo event an efficient forum for developing project management skills?*

The objective of this research is to analyze what project management competencies UPM needs within five years in order to meet the requirements of business transformation, and giving suggestions which development areas should be prioritized and why. The research is also answering the question whether the PM Expo event is an efficient way to develop project management competence in the future.

The survey for collecting the organization's opinion about UPM's current state of project management competencies was sent and the answers received before the actual event. The survey is presented in Appendix 1 and the results of the survey in Appendix 2.

The facilitated workshops produced concrete development proposals and action points related to the survey themes. The workshop outcomes are presented in Appendix 3.

Some highlights and remarks from the panel discussion are presented in Chapter four.

The feedback concerning the event itself, how efficient the event is in creating forum for developing project management competencies, is presented in Appendix 4, and the results of the feedback can be found in Appendix 5.

Feedback interviews were executed and the interview structure is presented in Appendix 6, and the outcome from the interviews is summarized in Appendix 7.

Observations and remarks based on the survey results, workshop outcomes, panel discussion, feedback results, and feedback interview are discussed and analyzed in Chapter four.

### 3.3 Research approach

This research is using both quantitative and qualitative research methods.

Quantitative research is answering to questions what, where, how much, and how often. The sample should be rather large and representative, and it must be possible to describe the phenomenon on the basis of numerical data. This is how Heikkilä (2008) is defining the quantitative research. Quantitative method is used in the survey for collecting the organization's opinion about the current status of UPM's project management competencies. Quantitative method is used in the feedback for collecting the participants' opinion about the efficiency of the PM Expo 2015 event in developing project management competencies.

Heikkilä (2008) continues listing the basic requirements for a good research. Objectivity makes the survey results independent from the survey author, openness informs why the survey is done, and how the results are going to be utilized, data protection guarantees the privacy of the respondent, usefulness and usability make the survey relevant, and the appropriate schedule makes sure the results are available when needed. Vehkalahti (2008) adds the requirements of validity secure the research is measuring what it is supposed to measure, and the requirement of reliability makes the research reliable among respondents, and giving the same result when repeated.

Heikkilä (2008) writes the survey's sample represents the population. In this research, the PM Expo 2015 event participants form the sample. Choosing the participants for the event was done based on the organizational responsibilities. The participants represent the key persons impacting UPM's business-IT development. Those not able to attend the event were also asked to answer the survey as their role and therefore their opinion is relevant for forming the overall view of how the organization sees the state of the current project management competencies and the future challenges. Also the PM Expo 2015 feedback questionnaire is part of the quantitative research. The questionnaire is rather short in order to be quick to fill in and to increase the number of feedbacks.

Oakshott (2006) writes about the characteristics of a good research form. The form should be clear, asking one question and theme at a time, and proceeding in logical order. The form should not be too long or take too much time to answer, and the form should be tested before handing it over to the recipients. The questions can be open so that the respondent's answers are not limited, or the questions can be closed with options. When creating the PM Expo 2015 survey the number of statements per each theme was limited to circa seven statements per each theme. This was done in order to limit the length of the survey, and to prioritize the topics the theme owners regarded as the most important. The survey questions were presented in the form of statement in order to reflect the organization's assumed attitude, and in order to provoke the respondents in some points. The scale was chosen to be from one to five which is so called Osgood scale (Heikkilä, 2008). Grade number one indicates the respondent totally disagrees with the statement, and the scale continues all the way to grade number five indicating the respondent totally agrees with the statement. The survey has open space for comments after each theme.

Qualitative research is also carried out by observing the arranged panel discussion and making remarks and notes on the second day of the PM Expo 2015 event. Additionally qualitative research is done by interviewing six randomly chosen participants for the PM Expo 2015 event feedback. The purpose of the interview is to gather information about how well the PM Expo is meeting the objectives set for the event.

Straus and Corbin (1998) write qualitative data can affect quantitative data and the other way around. Denzin and Lincoln (1998) continue that even though both qualitative and quantitative methods are able to describe the individual's point of view, qualitative research can get closer to the individual's perspective.

Qualitative method is used in the panel discussion and in the feedback interviews. During the panel discussion observations, remarks and notes were done in order to record the discussion and to identify key findings. The interviews were done in order to get deeper understanding of what the participants' expectations towards the event were, how well the expectations were fulfilled, what the most useful

outcome of the event was, and how the event should be further developed in order to be a more efficient forum.

Qualitative research allows asking more and very specific questions. The interviewer should focus on listening on what and how is being said. Listening how things are said helps interpreting what interviewee has said and actually meant. (Straus & Corbin, 1998). Yin (2011) continues that the qualitative research offers methods to study the views, perspectives, and interpretations the interviewees have. Qualitative research also covers the contextual conditions which may influence the interviewee. There are some criteria to provide a good qualitative research. Like mentioned earlier, listening instead of dominating the speech will produce insight to interviewee's world. In order to collect the useful data, the ability to ask good questions is needed. Knowing about the topic of the study is one of the key factors in good qualitative research. The interviewer should know how the topic has been studied before and find out what hasn't been studied yet. Caring about data means the ability to collect and document the data reliably. Even when the interview has been repeated several times already, each interview is unique and needs to be documented carefully.

### 3.4 Structure and execution of the research

The pre-selected project management themes formed the content of the survey. The statements for each theme were brainstormed together with the theme owner and Portfolio management during June and August 2015. The survey was published in UPM's intranet and sent in the beginning of September to those participating in the event. Two weeks answering time was given as the answers were needed before the actual event. The survey was answered anonymously. The survey results measuring project professionals' opinion on the current state of project management competencies and development areas were studied and preliminary analyzed before the event. The survey results were presented in PM Expo and the results were used as the basis for workshops during the event.

During the workshops in the PM Expo 2015 event, the participants created action points for each theme (the same themes as in the survey). The outcomes present

organization's view about how different project management areas should be developed, and what the most urgent actions are. The survey results were utilized in the workshops as a basis for discussion and brainstorming. Future action points with objectives were produced and presented to the other groups.

There was a panel discussion arranged during the event. The discussion of the audience and the panelists was observed, and remarks and notes were done in order to record the discussion and to identify the key findings.

After the PM Expo 2015 event, there raised a need to study further how efficient the PM Expo event itself is. The feedback questionnaire was filled by the participants after the event, but also interviews were done in order to get deeper understanding about what the participants' expectations towards the event were, how well the expectations were fulfilled, what the most useful outcome of the event was, and how the event should be further developed in order to be more efficient forum. In order to be able to develop the project management competencies also in the future, it is essential to analyze what the most efficient forum to do that is.

### 3.5 Analysis of the collected data

The invitation to participate in the PM Expo 2015 event was sent to circa 90 project professionals out of whom approximately 60 attended the event.

The survey results were analyzed already before the event. The answering rate was 73% (calculated based on the number of persons that accepted the invitation). Those who were not able to attend the event did not reply the survey. This left the number of answers lower than it was hoped for.

The feedback answering rate was 45%, but even from that amount it was possible to see the common trend – the answers were very alike with no significant dispersion. Having said that, there raised a need for a deeper analysis of how effective the PM Expo 2015 event was, if the event fulfilled its objectives and how the event should be developed. Seven persons were selected among the

participants, selected otherwise randomly but keeping in mind they should represent different roles and especially different functions in the organization.

A synthesis is made out of the survey results, workshop outcomes, panel discussion key findings, feedback results, and the feedback interviews in order to outline what competencies should be further developed, how development areas should be prioritized, and what the future forum is for developing project competencies.

### 3.6 Validity and reliability of the research

The people answering the survey were the same invited to the PM Expo 2015 event. The participants represent the key persons impacting UPM's business-IT development. 90 UPM project professionals were asked to fill in the survey on the current situation of project management and 55 of them answered which leaves room for a better answering rate. The analysis was that those who could not attend the event did not answer the survey.

The survey rating was from one to five. Also rating from one to four was discussed as it forces the respondents to choose the opinion instead of choosing the neutral grade of three. There was no significant variation in the survey which favors using the scale from one to four in the future. There was some deviation between the functions which speaks on behalf of using the function based categories also in the future surveys. The quality of the answers was good as all the survey points were fulfilled which was secured by using an electronic tool forcing the respondents to fulfill every point before moving forward in the survey.

The key findings from the panel discussion can be argued to be subjective opinions of the observer's. Because of this, a comparison between the survey results, the workshop outcomes and the panel discussion remarks was done showing that the key points from the panel discussion are in line with the survey and workshop outcomes.

The answering rate for the feedback was 45%, and again no significant deviation was found in the answers, but in this case it looks like a higher answering rate

would not have made any big difference to the results. But, like mentioned before, a deeper analysis was needed in order to be able to answer whether the objectives of the event were communicated well enough, if the event's objectives were met, what the best outcome from the event was, and how to further develop the event and make it an efficient forum for developing project competencies in the future. Seven respondents were selected randomly among the event participants for the interview, but making sure that different functions were represented. All interviewees were very cooperative and willing to spend 30 minutes on the interview. The frame of the interview was communicated beforehand and all interviewees were well prepared for the interview.

## 4 RESEARCH RESULTS

Chapter four presents the most important findings from the PM Expo 2015 survey results, workshop outcomes, panel discussion, feedback results, and feedback interviews. The findings and the analysis are in written form and additionally some graphic form is also used. More graphics of the survey results are shown in Appendix 2, workshop outcomes in Appendix 3, and feedback results in Appendix 5.

### 4.1 The Project Management Expo 2015 survey

The target of the survey is to analyze the UPM's current state of Business-IT project management competencies. The survey is not a maturity analysis as such and the survey statements measure the organization's opinion of how good UPM is in project management and how well UPM is managing projects at the moment. The response rate was 73% among the event participants, and the number of answers was 40.

The survey was sent to 90 respondents, 55 respondents accepted the PM Expo 2015 invitation, out of which 40 answered the survey, response rate being 73%. Those who did not attend PM Expo 2015 were also asked to answer the survey but this was communicated poorly and responses were not received.

32% of the respondents were from business function, 55% from IT function and 13% from support function. 35% of respondents represented steering role, belonging either to portfolio steering, project steering, project owner or project sponsor role. 52% were in project management role; project manager, project management office or IT lead. 8% represented role of team member; project expert or contributor. 5% were other project stakeholders like internal audit, sourcing, finance etc.

#### 4.1.1 Agile and traditional project management - how to reach agile project culture in UPM?

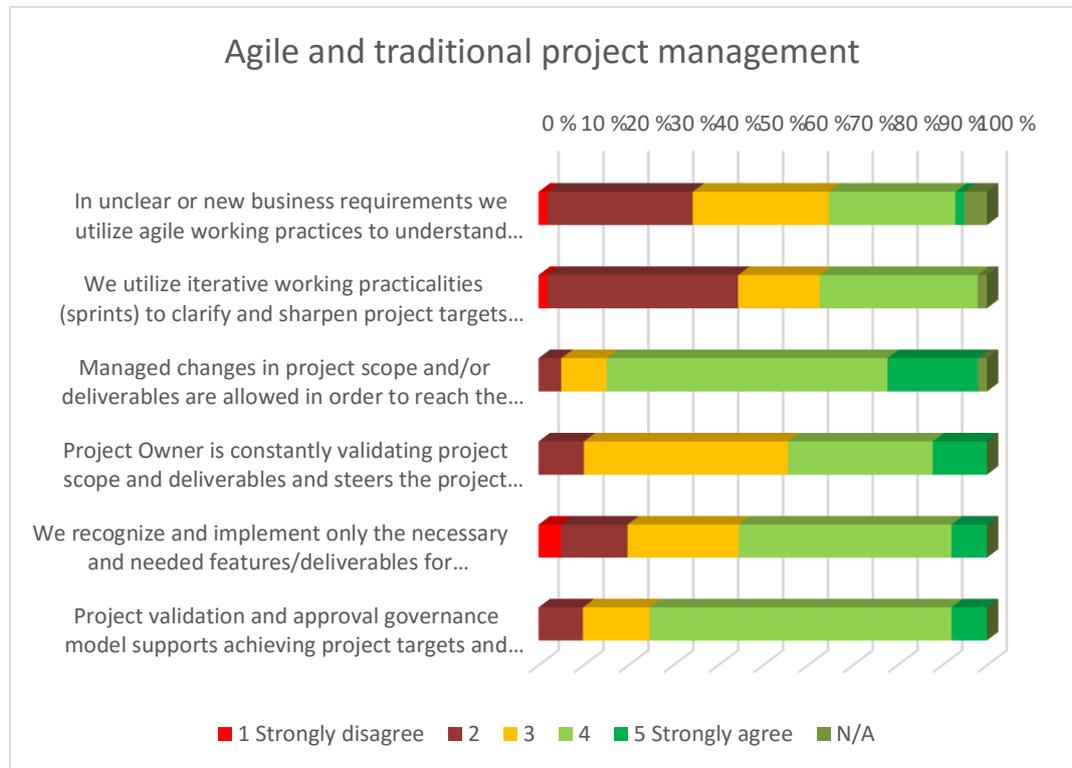
According to the responses and open comments agile as a term is seen as a method and a way to execute the projects, but also as characteristics of agile organization and perhaps as lean thinking. According to the survey there is a need for defining a common understanding of what agile in the UPM organization means. Because of the unclear definition, it was also unclear whether the organization is already using agile methods in some scale.

Like discussed during the panel discussion agile project management is not necessary suitable for all projects. Using agile project management methods in projects where new technology, unknown end result or several alternative end results are involved was highly discussed topic during the whole Expo event. Using a mix of waterfall and agile methods should be studied and considered. According to the open comments IT's bi-modality needs to serve both traditional, large scale, and rapid, small scale development. There is a need for a hybrid model to combine the traditional waterfall model and agile model.

Questions 2 and 3 have the most deviations in the responses; there was a rather even deviation in the responses between grades two and four which indicates a strong segmentation in the organization

|   |   | <b>Strongly disagree</b> |    |    |    | <b>Strongly agree</b> |
|---|---|--------------------------|----|----|----|-----------------------|
|   |   | 1                        | 2  | 3  | 4  | 5                     |
| 2 | In unclear or new business requirements we utilize agile working practices to understand the real user need before technical solution | 2                        | 32 | 30 | 28 | 2                     |
| 3 | We utilize iterative working practicalities (sprints) to clarify and sharpen project targets gradually                                | 2                        | 42 | 18 | 35 | 0                     |

The above mentioned statements (two and three) also got the weakest grading.



Business and IT have a different view on statements two and three as Business and IT have the biggest deviation in the responses.

|   | Business | IT   | Support Function |
|---|----------|------|------------------|
| 2 In unclear or new business requirements we utilize agile working practices to understand the real user need before technical solution | 3,56     | 2,61 | 3,5              |
| 3 We utilize iterative working practicalities (sprints) to clarify and sharpen project targets gradually                                | 3,52     | 2,42 | 3,38             |

The IT graded the lowest in general to the agile theme as the Project Manager role scored the highest.

The statement six has the biggest deviation between Other Project Stakeholder and Team Member.

|   |  | <b>Steering</b> | <b>Project Management</b> | <b>Team Member</b> | <b>Other Project Stakeholder</b> |
|---|--|-----------------|---------------------------|--------------------|----------------------------------|
| 6 | We recognize and implement only the necessary and needed features/deliverables for maximum value | 3,47            | 3,67                      | 2,33               | 4,00                             |

#### 4.1.2 Vendor ecosystem and delivery model – key elements of successful project sourcing and delivery

According to the open comments the organization is questioning whether competence can be outsourced and whether outsourced competence is even available. There seems to be a need to clarify what effects cloud solutions would have on the delivery model and sourcing practicalities.

IT Service viewpoint was also raised. Is application lifecycle management included into sourcing of IT services already in the early phases and is there enough competence for sourcing such services. The effects of constantly growing cloud based services on the IT sourcing and project management skills were also mentioned. Especially public cloud services are hosted, developed and maintained by service providers, and they can not be changed the same way as on-premise software.

The comments also brought up the topic that sourcing from big vendors leaves smaller freelancers outside the competition even though they quite often have the best substance competence. Tendering versus goodwill was also mentioned in the comments meaning how the tight tendering is affecting vendor's ability to innovate. Fixed price approach not supporting the agile project model was also mentioned in the comments.

There was no remarkable deviation in the responses even though business respondents gave higher grades than IT. IT function scored the lowest.

|   |  | <b>Business</b> | <b>IT</b> | <b>Support<br/>Function</b> |
|---|--|-----------------|-----------|-----------------------------|
| 1 | We are able to source projects successfully  | 3,9             | 3,41      | 4,13                        |
| 2 | UPM sourcing practices are supporting all projects regardless from type/ size          | 3,62            | 2,68      | 4,13                        |
| 3 | UPM sourcing process produces good results (supplier, price, agreement, terms)         | 3,81            | 3,32      | 4                           |
| 4 | We are able to select proper contracting model for different type of projects          | 3,81            | 3,36      | 4,13                        |
| 5 | We are able to include "from idea to live IT service" approach in our sourcing process | 3,81            | 2,76      | 3,25                        |
| 6 | We are able to select right supplier(s) to ensure efficient project delivery           | 4,1             | 3,66      | 3,63                        |
| 7 | Roles between UPM and supplier(s) are clear in projects                                | 4               | 3,45      | 4,5                         |

Team member role scored the lowest and the statements two and five have the biggest deviation between Other Project Stakeholder and Team Member.

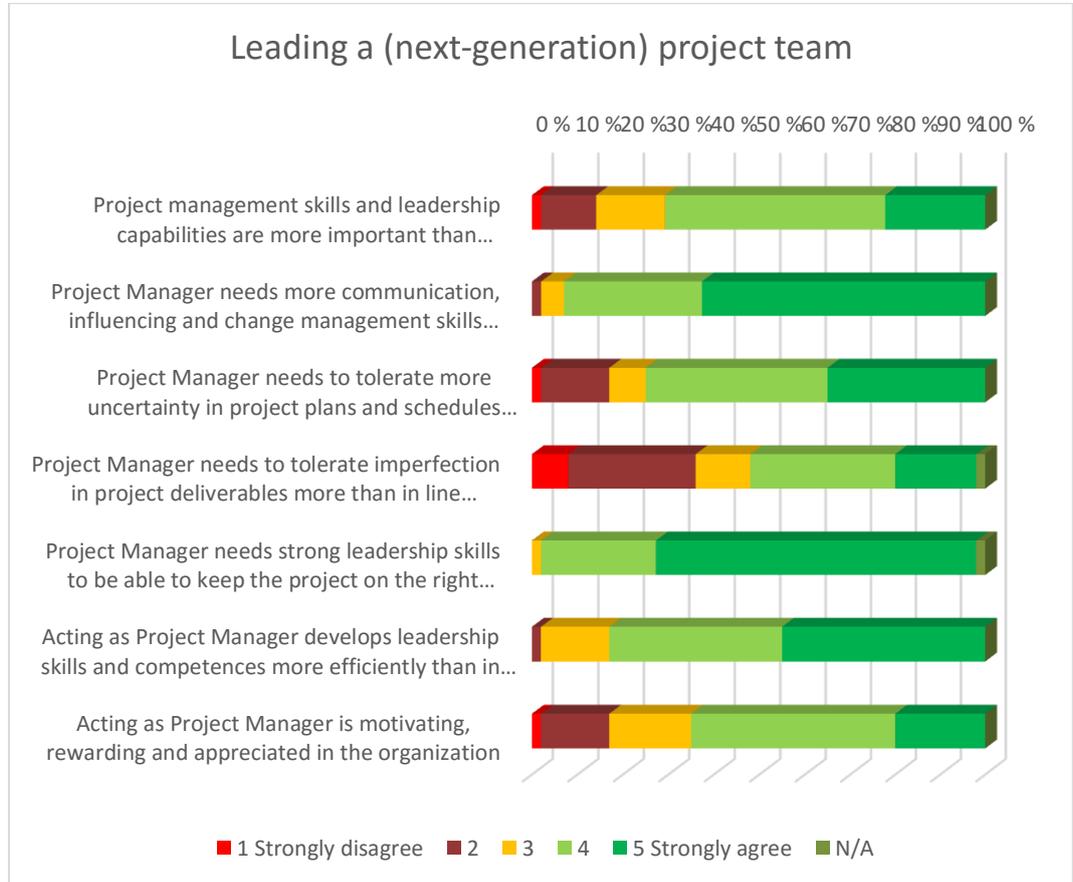
|   |  | <b>Steering</b> | <b>Project Management</b> | <b>Team Member</b> | <b>Other Project Stakeholder</b> |
|---|--|-----------------|---------------------------|--------------------|----------------------------------|
| 1 | We are able to source projects successfully  | 3,9             | 3,75                      | 2,67               | 4,00                             |
| 2 | UPM sourcing practices are supporting all projects regardless from type/ size          | 3,36            | 3,58                      | 2,00               | 3,50                             |
| 3 | UPM sourcing process produces good results (supplier, price, agreement, terms)         | 3,77            | 3,80                      | 3,00               | 3,50                             |
| 4 | We are able to select proper contracting model for different type of projects          | 3,59            | 3,67                      | 3,33               | 4,00                             |
| 5 | We are able to include "from idea to live IT service" approach in our sourcing process | 3,25            | 3,47                      | 2,00               | 3,50                             |
| 6 | We are able to select right supplier(s) to ensure efficient project delivery           | 3,73            | 4,00                      | 3,00               | 4,00                             |
| 7 | Roles between UPM and supplier(s) are clear in projects                                | 4,1             | 4,00                      | 3,00               | 3,50                             |

#### 4.1.3 Leading a (next-generation) project team

There was no significant deviation in the responses except for statement four. Imperfection must be accepted but not tolerated in the projects. The follow-up question is how the imperfection should be led, and how tolerating versus coping with the imperfection is managed.

|   |   | <b>Strongly disagree</b> |    |    |    | <b>Strongly agree</b> |
|---|---|--------------------------|----|----|----|-----------------------|
|   |   | 1                        | 2  | 3  | 4  | 5                     |
| 4 | Project Manager needs to tolerate imperfection in project deliverables more than in line organization | 8                        | 28 | 12 | 32 | 18                    |

According to the survey respondents, the project and line management are different by nature but according to the open comments this interpretation was revoked.



Business function scored the lowest and IT scored higher than the business.

|   |   | <b>Business</b> | <b>IT</b> | <b>Support<br/>Function</b> |
|---|---|-----------------|-----------|-----------------------------|
| 1 | Project management skills and leadership capabilities are more important than substance competences                     | 4,14            | 3,62      | 4,5                         |
| 2 | Project Manager needs more communication, influencing and change management skills more than in line organization       | 4,29            | 4,67      | 4,38                        |
| 3 | Project Manager needs to tolerate more uncertainty in project plans and schedules than in line organization             | 3,71            | 4,24      | 4,25                        |
| 4 | Project Manager needs to tolerate imperfection in project deliverables more than in line organization                   | 3,43            | 3,79      | 3,75                        |
| 5 | Project Manager needs strong leadership skills to be able to keep the project on the right track (scope, quality, etc.) | 4,48            | 4,59      | 4,88                        |
| 6 | Acting as Project Manager develops leadership skills and competences more efficiently than in line organization         | 4               | 4,56      | 4                           |
| 7 | Acting as Project Manager is motivating, rewarding and appreciated in the organization                                  | 3,81            | 3,55      | 3,63                        |

Statement one deals with leadership versus substance competencies and got the biggest deviation between Team Member and Other Project Stake Holder.

|   |   | <b>Steering</b> | <b>Project<br/>Management</b> | <b>Team<br/>Member</b> | <b>Other<br/>Project<br/>Stakeholder</b> |
|---|---|-----------------|-------------------------------|------------------------|--|
| 1 | Project management skills and leadership capabilities are more important than substance competences | 3,84            | 4,14                          | 3,00                   | 4,50                                     |

#### 4.1.4 Project Steering practicalities and competencies

Statements three and eight have the largest deviation in the responses. There was a rather even deviation in the responses between grades two and four which indicates a quite strong segmentation in the organization.

|   |  | <b>Strongly disagree</b> |    |    |    | <b>Strongly agree</b> |
|---|--|--------------------------|----|----|----|-----------------------|
|   |  | 1                        | 2  | 3  | 4  | 5                     |
| 3 | Project steering methods and practicalities are common from project to project                                 | 8                        | 22 | 35 | 32 | 0                     |
| 8 | Project steering members have enough time to commit themselves for the project in order to make good decisions | 0                        | 25 | 35 | 32 | 5                     |

Statement five measuring the steering results scored the lowest and was seen as the weakest point in the steering theme. Also common steering methods between the projects should be seen as a weak point.

|   |  | Strongly disagree |    |    |    |   | Strongly agree |             | Weighted average |
|---|--|-------------------|----|----|----|---|----------------|-------------|------------------|
|   |  | 1                 | 2  | 3  | 4  | 5 | N/A            |             |                  |
| 1 | Project managers are able to utilize project steering group efficiently  | 0                 | 18 | 22 | 50 | 5 | 5              | <b>3,44</b> |                  |
| 2 | Project owners recognize their role as the chair of project steering group and act accordingly   | 0                 | 15 | 42 | 32 | 8 | 2              | <b>3,34</b> |                  |
| 3 | Project steering methods and practicalities are common from project to project   | 8                 | 22 | 35 | 32 | 0 | 2              | <b>2,94</b> |                  |
| 4 | Project steering groups' compositions cover all needed competence areas (leadership, substance, mandate) in order to support projects properly | 0                 | 15 | 25 | 50 | 5 | 5              | <b>3,47</b> |                  |
| 5 | We are measuring project steering results  | 25                | 38 | 22 | 12 | 0 | 2              | <b>2,22</b> |                  |
| 6 | Project steering work/role/decisions are visible in everyday project work  | 2                 | 30 | 25 | 42 | 0 | 0              | <b>3,08</b> |                  |
| 7 | Project sponsor(s) are working actively as change enablers   | 2                 | 15 | 38 | 38 | 8 | 0              | <b>3,35</b> |                  |
| 8 | Project steering members have enough time to commit themselves for the project in order to make good decisions                                 | 0                 | 25 | 35 | 32 | 5 | 2              | <b>3,18</b> |                  |

Agility in project management versus steering practicalities was raised in the comments. The current steering practicalities are supporting the waterfall project culture. It should be considered if the steering practicalities should be changed in order to meet the demands of the agile project culture.

IT function scored the lowest.

|   |  | <b>Business</b> | <b>IT</b> | <b>Support<br/>Function</b> |
|---|--|-----------------|-----------|-----------------------------|
| 1 | Project managers are able to utilize project steering group efficiently  | 3,44            | 3,12      | 3,5                         |
| 2 | Project owners recognize their role as the chair of project steering group and act accordingly   | 3,52            | 2,81      | 3,25                        |
| 3 | Project steering methods and practicalities are common from project to project   | 3,62            | 2,69      | 3,5                         |
| 4 | Project steering groups' compositions cover all needed competence areas (leadership, substance, mandate) in order to support projects properly | 3,71            | 3,02      | 4,25                        |
| 5 | We are measuring project steering results  | 3,05            | 1,85      | 2,5                         |
| 6 | Project steering work/role/decisions are visible in everyday project work  | 3,33            | 2,76      | 2,75                        |
| 7 | Project sponsor(s) are working actively as change enablers   | 3,33            | 3,43      | 3                           |
| 8 | Project steering members have enough time to commit themselves for the project in order to make good decisions                                 | 3,52            | 3,23      | 2,75                        |

There are no major differences between Project Steering and Project Management respondents. Statement five has the biggest deviation between Team Member and Other Project Stake Holder.

|   |  | <b>Steering</b> | <b>Project Management</b> | <b>Team Member</b> | <b>Other Project Stakeholder</b> |
|---|--|-----------------|---------------------------|--------------------|----------------------------------|
| 1 | Project managers are able to utilize project steering group efficiently  | 3,32            | 3,62                      | 3,00               | 3,00                             |
| 2 | Project owners recognize their role as the chair of project steering group and act accordingly   | 3,33            | 3,27                      | 2,50               | 3,00                             |
| 3 | Project steering methods and practicalities are common from project to project   | 3,24            | 3,02                      | 2,33               | 3,50                             |
| 4 | Project steering groups' compositions cover all needed competence areas (leadership, substance, mandate) in order to support projects properly | 3,67            | 3,48                      | 2,50               | 3,50                             |
| 5 | We are measuring project steering results  | 2,36            | 2,32                      | 1,33               | 3,00                             |
| 6 | Project steering work/role/decisions are visible in everyday project work  | 3,23            | 2,72                      | 2,67               | 3,00                             |
| 7 | Project sponsor(s) are working actively as change enablers   | 3,07            | 3,18                      | 3,00               | 4,00                             |
| 8 | Project steering members have enough time to commit themselves for the project in order to make good decisions                                 | 3,13            | 2,86                      | 3,00               | 4,00                             |

#### 4.1.5 Change management in projects

The open comments brought up a question about efforts towards change management and if there ever can be enough change management. Change management is clearly seen as a key success factor in project management. Also the question, whether the roles and responsibilities of project sponsor and steering group are clear to all parties, came up in the open comments.

Current change impact report is analysing projects' impact on each other. The impact report should be further developed to analyse the projects' impact on the organization in question.

Statements two, five and six have the biggest deviation in the responses. There is a rather even deviation between grades two and four.

|   |   | <b>Strongly disagree</b> |    |    |    | <b>Strongly agree</b> |
|---|---|--------------------------|----|----|----|-----------------------|
|   |   | 1                        | 2  | 3  | 4  | 5                     |
| 2 | We put enough efforts to change management  | 0                        | 30 | 32 | 32 | 2                     |
| 5 | In UPM we emphasize business process change over implementing an IT system  | 2                        | 22 | 32 | 30 | 10                    |
| 6 | We are able to localize change management and utilize local sponsors in leading the change  | 0                        | 20 | 38 | 38 | 2                     |
| 7 | We are coordinating change management activities across so that the amount of changes in a single location/ unit/ organization is tolerable | 2                        | 20 | 35 | 38 | 0                     |

There is no significant deviation between functions but statement 6 has the biggest deviation between the roles of Team Member and Other Project Stake Holder.

|   |  | <b>Steering</b> | <b>Project Management</b> | <b>Team Member</b> | <b>Other Project Stakeholder</b> |
|---|--|-----------------|---------------------------|--------------------|----------------------------------|
| 6 | We are able to localize change management and utilize local sponsors in leading the change | 3,45            | 3,12                      | 2,00               | 4,00                             |

#### 4.1.6 Organizing a successful project – “practical approach”

Statements three and four have the biggest deviation in the responses. There is a rather even deviation between grades two and four. According to the survey there seems to be some challenges in supporting the first time project managers and in sharing the lessons learned.

|   |  | <b>Strongly disagree</b> |    |    | <b>Strongly agree</b> |   |
|---|--|--------------------------|----|----|-----------------------|---|
|   |  | 1                        | 2  | 3  | 4                     | 5 |
| 3 | We are able to resource our projects appropriately in relation to the project size               | 2                        | 22 | 35 | 38                    | 2 |
| 4 | We are providing sufficient support for project managers with no previous experience in projects | 2                        | 22 | 35 | 35                    | 0 |

Involving all parties in the planning early enough is still a challenge. Clear roles and securing commitment from both business and IT side were also mentioned.

Business scored slightly higher than the other functions.

|   |  | <b>Business</b> | <b>IT</b> | <b>Support<br/>Function</b> |
|---|--|-----------------|-----------|-----------------------------|
| 1 | Key persons for project execution are involved early enough                                      | 2,95            | 3,61      | 3,88                        |
| 2 | We have a good balance between internal and external personnel in projects                       | 3,62            | 2,87      | 3,25                        |
| 3 | We are able to resource our projects appropriately in relation to the project size               | 3,43            | 2,68      | 2,63                        |
| 4 | We are providing sufficient support for project managers with no previous experience in projects | 3,44            | 3,04      | 2,5                         |
| 5 | Business project managers and IT leads understand their roles and responsibilities are clear     | 4               | 2,85      | 3,63                        |
| 6 | Business commitment towards project ownership is in place  | 3,62            | 3,14      | 4,25                        |
| 7 | Role of Project Sponsor is clear   | 3,52            | 2,95      | 3,63                        |

Statements five and six have the biggest deviation between Team Member and Other Project Stake Holder.

|   |  | <b>Steering</b> | <b>Project Management</b> | <b>Team Member</b> | <b>Other Project Stakeholder</b> |
|---|--|-----------------|---------------------------|--------------------|----------------------------------|
| 5 | Business project managers and IT leads understand their roles and responsibilities are clear | 3,88            | 3,33                      | 2,00               | 3,50                             |
| 6 | Business commitment towards project ownership is in place                                    | 3,69            | 3,29                      | 2,00               | 4,00                             |

#### 4.1.7 PM Expo 2015 Workshops

During the analysis of the workshop outcomes it was noticed that many action points were affecting some other group rather than the initial group. Therefore matrix table was created in order to see the linking and affects between the groups and the action points.

The action points for the agile group were to create guidelines for a hybrid project model (governance, navigator, agile steering practicalities, decision making), and to organize coaching and training sessions for the hybrid model. Developing an agile contract and sourcing model was designated to the vendor group, and promoting the agile culture was assigned to the leadership group.

The vendor group's action point was to promote that IT service owners are located near the business. Vendor group's actions to create vendor onboarding package, to secure bi-lingual and skilled manning, and to focus on testing competencies were designated to the set-up group (organizing a successful project group).

Steering group's action points were creating onboarding material about the role of steering project owner, arrange steering training seminars, creating project KPI's as the measurement for steering, add steering composition into the stakeholder approval slide, and to design a mechanism for coaching. The steering group's action point for creating a model for an agile way of steering was assigned to the agile group.

Change management group's outcomes were to ensure competent resources and to create a change impact report and a communication guideline. The actions assigned to the steering group were securing change management as a standard steering agenda item, and clarifying the project owner role regarding change management.

Leadership group's action points were to promote multiple culture understanding, and to improve people management together with HR. The task for the agile team was to define agile scope management, and for the vendor group to multiply culture understanding. The task for the steering was also to multiply culture understanding, and to clarify the project owner's role in lean handover. The actions for change management group were to secure proper project resources, define business' responsibilities, improve the naming of the projects, and to promote the steering group and team work as ambassadors in change management. The task for the set-up group was to ensure multiple culture leadership with kick-off material, and to include the to-be line organization in the project planning.

The tasks for set-up team were to create a system for a project buddy and coach network in order to support first-time project managers, to have the role of project manager coach in the portfolio management team, and to ensure the staffing principles are followed. The actions assigned for the steering group were to strengthen the project ownership culture, and to provide steering coaching material with the project kick-off template.

#### 4.2 PM Expo 2015 Panel discussion

In the panel discussion there were seven panelist and one host chosen beforehand. In the beginning of the panel discussion there was a short introduction of the panelists; who they were and what their relationship to projects was. The host was asking the panelists the previously selected questions. The audience was also invited to join the discussion at this point. Questions to the Panel were:

*UPM has executed some major Business/ IT transformation projects during the last five to ten years. What are the main learnings from that time, the key challenges and success stories?*

*Regarding the Project culture in UPM: from your point of view, what are our strengths and where would you see most room for improvement?*

*In 2020, the needed leadership skills for projects will be pretty similar to today, we don't need to develop any new ones.*

*A new era in project management is starting in UPM. Is our project culture ready for this? If so, why? If not, where should we focus our attention?*

Some findings from the discussion show that the panelists feel that sometimes the projects work in capsules, isolated from the business. There should be more effort towards the interaction between the business and IT in the projects. The panelists feel that the project teams are motivated and competent. The panelists also say that UPM has a good and structured way to work in the projects. There are some critics about projects taking too long time and therefore causing costs. UPM should even more critically analyze and descope nice-to-have features in the projects and allow only the must-have features. Also the budgeting is criticized as UPM projects have detailed budget before the project content and scope is fully known. Change management is considered to be on good level according to the panelists but sharing lessons learned should be more efficient.

In addition to the panel discussion the audience and the panelists voted agree/ disagree for two statements by showing green and red paper. The statement about future leadership skills (“*In 2020, the needed leadership skills for projects will be pretty similar to today, we don't need to develop any new ones.*”) the panelists and the audience voted 100/ 0 against the statement.

Regarding the statement about the readiness of the project culture for future project management (“*A new era in project management is starting in UPM. Is our project culture ready for this? If so, why? If not, where should we focus our attention?*”) votes were divided 60/ 40 agree/ disagree. The use of agile project management methods in projects where new technology, unknown end result or

several alternative end results are involved was highly discussed topic during the whole Expo event. It was also stated that the organization is missing agile project management training.

After the questions, more statements about projects in UPM were presented to the panelists, and the audience together with the panelists was asked to “vote” if they agree or disagree by using their green and red paper. The statements were:

*I know, both, where to find the resources that support me with the best practices to use to initiate and run a project in UPM and also the knowledge base of lessons learned from past projects (e.g. formal document libraries, mentoring/ coaching discussions).*

*The biggest barrier for utilizing agile project management in UPM is our “waterfall culture” as a common understanding of agility does not exist and the iterative way of working is not fully compliant with UPM’s decision making model.*

*Based on your experience in past projects in UPM, project steering committees and key business subject matter experts are engaged and accept ownership as needed in Business/ IT projects.*

*We start only those projects for which the business case (i.e. justification for the project) is clear, solid and well prepared.*

The audience voted the first statement 50/50 (“*I know, both, where to find the resources that support me with the best practices to use to initiate and run a project in UPM and also the knowledge base of lessons learned from past projects (e.g. formal document libraries, mentoring/ coaching discussions)*”). According to the comments the organization is missing a lessons learned database. The audience feels the documentation of other project management guideline documentation is on good level.

The next statement divided the opinions between the audience and the panelist as the panelists voted mainly disagree and the audience voted agree (“*The biggest barrier for utilizing agile project management in UPM is our “waterfall culture”*”).

*as a common understanding of agility does not exist and the iterative way of working is not fully compliant with UPM's decision making model*"). There was a lot of discussion about agility and bi-modality during the Expo event and the audience felt there is a need to separate bi-modality and agility methods and define the processes.

Regarding the statement about the commitment (*"Based on your experience in past projects in UPM, project steering committees and key business subject matter experts are engaged and accept ownership as needed in Business/ IT projects"*) the votes divided equally 50/50 agree/ disagree. It was stated that project managers should also utilize the steering group more efficiently.

The audience and the panelists voted 70/ 30 agreee/ disagree for the topic about implementing must-haves instead of nice-to-haves (*"We start only those projects for which the business case (i.e. justification for the project) is clear, solid and well prepared"*).

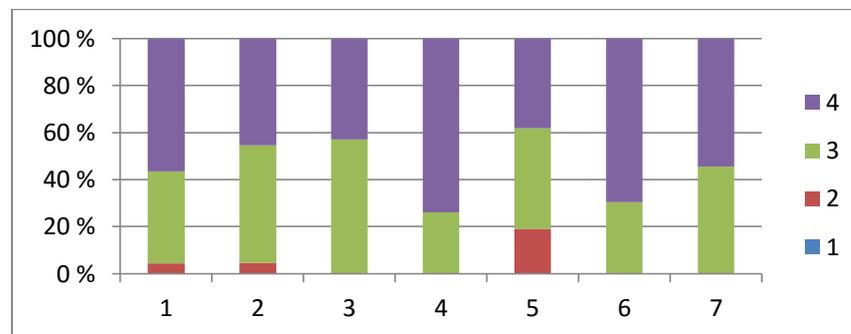
The audience was also stating that UPM doesn't have any concept for Iot (Industrial internet) projects. Audience felt that UPM is lacking competence to efficiently lead vendors in the projects. There was also seen a need to further develop leadership skills and competencies.

#### 4.3 PM Expo 2015 Feedback

The response rate for the feedback was 45% meaning that from circa 60 participants 27 answered. The grade scaling was from one (strongly disagree) up to four (strongly agree).

PM Expo 2015 as an event graded between three and four. The event reaching the objectives scored 3,52, being beneficial scored 3,41, and the content of the event as a whole scored 3,43.

| Overall                               | 1 | 2 | 3  | 4  | Average |
|---------------------------------------|---|---|----|----|---------|
| 1 Did PM Expo meet your expectations? | 0 | 1 | 9  | 13 | 3,52    |
| 2 Did you get benefit for your work?  | 0 | 1 | 11 | 10 | 3,41    |
| 3 Content of the event as a whole     | 0 | 0 | 12 | 9  | 3,43    |
| 4 Speakers' expertise                 | 0 | 0 | 6  | 17 | 3,74    |
| 5 The venue                           | 0 | 4 | 9  | 8  | 3,19    |
| 6 Event administration                | 0 | 0 | 7  | 16 | 3,70    |
| 7 Overall rating of the event         | 0 | 0 | 10 | 12 | 3,55    |



Feedback for the event in more detail is discussed in next section. .

#### 4.4 PM Expo 2015 Feedback interview

Six participants of the PM Expo 2015 event were interviewed one week after the event. The selected interviewees represented both IT and business functions. The purpose of the interview was to understand which themes or topics should be prioritized in competence development, but also to understand if the event itself is an efficient way to develop project competence in the UPM's organization and how the forum should be further developed.

The interview was started by asking the participant's motive for attending the event in the first place. Almost everyone announced the main reason for participating was to hear the newest trends and news on the field of project management, to learn something new, and to network. For some, the event had a clear linking to their current jobs. But even without the direct link to the current job description there was a clear understanding that the system technology will

have a great role in developing UPM's business processes and models in the future, and therefore organizations should have a strong interest to develop the collaboration between IT and business in order to secure there are enough IT people capable of understanding the business and business people capable of understanding IT. The same reasons, networking within the organization and the opportunity to hear the latest news and trends were the biggest expectations towards the event. The program, with opportunity to listen to the speakers from outside of UPM, to participate in small group works, to attend the panel discussion and change thoughts, was considered to be interesting and valuable.

When asked about how well the expectations were met, all interviewees were pleased by the event outcomes. Themes discussed in the event were considered to be topical and relevant. Also the methods used for handling the topics were considered to be efficient and versatile. The speakers were interesting and motivating, and the discussions got more interesting during the course of the event and the participants got to know each other better. The opportunity to network was praised several times, and it was commented to be easy and rewarding. As the result of the networking, the people have more relevant and updated contact information for future co-operation. Some interviewees said they were pleased to notice that the organization has a rather common understanding and view about the current state of project management competencies. The group work outcomes showed how the topics and the issues are tied together, overlapping and forming an entity. Some also said it was pleasant to notice on how good level the project management at UPM is, and that there is a need to create a forum every now and then to remind the employees how well they are performing. One interviewee said that it was good to get the confirmation that digitalization is really affecting all the functions, not just IT. This forces the functions to collaborate more in the future. When talked about the best outcomes of the event some interviewee said the best outcome of the event was the possibility to take time and focus on these issues for a while. Filling the survey was a good way to orientate to the upcoming event. One interviewee said the event made her to think about her ways of working in projects, and she felt the event provided tools for improving her project work in the future. Some interviewees said that they got a spark related to agile project methodologies and would like to learn more. Some said that the event was like a

barrel of wishes, and what is relevant now is how the topics will be developed and taken further from here. Group works were liked because the small group enables detailed conversation compared to discussions in larger groups. The panel discussion was liked as it provided a method to have a discussion among all participants.

When asked about what was missing from the event the opinion was unanimous. Agile was considered to be the hot topic and concrete decisions and actions were missed. The organization is missing official statement and decision concerning the usage of agile project methods. After the decision about using agile project methodology, instructions, guidelines and trainings would be expected. Concrete case studies about successful and unsuccessful project cases were also missed. There was some criticism also about the group works as someone said the group work did not bring anything new and were not able to bring any new angles to the discussion.

When asked which themes and topics should now be analyzed further, the agile theme was clearly on top priority. Agile project methodology is expected to be formalized and instructed after that. Besides the agile project methodology there was a clear signal to put pressure on the business for stepping in and taking more responsibility and role in the projects. The business is expected to be more involved and there is a need to redefine the cooperation between Business and IT. The collaboration should be tighter, and the ability to cooperate should be developed on both sides. Change management also got quite many comments. Not just change management towards key and end users in projects but also change management in roles and responsibilities between the project and the business organizations. Change management steering should come from the project but the business should have a clear role of what to do and what is expected from them.

When asked about the ways how the themes and topics were handled in the event the group work in small groups was considered to be good in enabling better discussion, but some groups were lacking an effective facilitator which affected the group work structure. The facilitators should be better prepared in the future.

The speakers were considered to be good and brought a new angle to the discussion, but linking of some speeches to the topics of the event was left unclear. Multiple ways for handling the topics (group works, panel discussion, and speakers) brought variation to the event. The discussions during the second day were livelier as the group works had broken the ice.

In the future the participants should be active, such people who are willing to share their views and opinions and want to be involved in the discussion. The collaboration of IT and business was highly emphasized and it was clearly stated that both IT and Business should equally participate in the event in the future. It should be required that Business should participate more actively than they did in this PM 2015 event.

Interviewees were also unanimous that this kind of event should be arranged more often than every three years. Arranging PM Expo every second year and every year got support. The PM Expo event was arranged the first time in 2012 and therefore the frequency was considered to be too rare. Because of the fast changing environment there is a need to update the project competencies more often and to organize the forum for enabling efficient discussion more often. If held annually the ideal duration would be one day. In case the event is organized every second year, the duration of two days was favored. There were suggestions to arrange more specific and directed training and info sessions in addition to the actual the PM Expo event. All interviewees agreed that creating the forum for dialogue is crucial and absolutely necessary. The possibility to discuss the best practices and change experiences with other business function is considered to be beneficial. It is a necessity to maintain the practice of lessons learned

Pre survey was considered to be beneficial and helped to start focusing for the upcoming event. There were suggestions to utilize the survey results in the speeches and speakers' presentations. It was also noticed that when the survey is sent in the name of the head of the department it helps to prioritize the survey.

The communication of the objectives and targets of the event were not so clearly communicated and this could be improved in the future. The objectives of the event should be taken into more detail level in the communication before the

event. That would secure that the objectives would be known better by everyone and people would be able to prepare themselves even better.

When talking about the development of the event in case the event becomes annual there were suggestions to process some topic more deeply than other event topics. Even though the group works were considered to be beneficial there were request to improve the facilitators' capabilities to lead the group work. Also request for case studies was presented several times. Case examples about successful and worst case scenarios are always interesting and instructive. Interviewees commented there should some time arranged for networking and free conversations also in the future.

The attitude towards the event was positive and the people seemed to be keen to participate in it also in the future. It's important to discuss the big picture and commonly choose and elaborate one topic in detailed level. In addition to this it was seen beneficial to elaborate detailed topics in small groups. Even though theories are important the event should stay on concrete level in discussions and group works.

## 5 CONCLUSIONS AND RECOMMENDATIONS

Chapter five presents the key findings, conclusions and recommendations of the research. First section summarizes the conclusions of the research objectives and section 5.2 presents the recommendations. Section 5.3 includes suggestions for the further use of the collected data and last section 5.4 gives proposals for the future actions.

### 5.1 Conclusions of the research objectives

#### 5.1.1 Future needed project management competencies

The first objective was to find out what the future needed ICT project management competencies at UPM are. As stated in Helsingin Sanomat (HS<sub>b</sub>, 2015) the Finnish Government is targeting to have 40 per cent of all fuels used in Finnish transportation originating from renewable sources by 2030. Ovaska (2015) introduced UPM's analysis about bio based sixth industrial revolution and business transformation from traditional forest industry towards innovation driven new forest industry. Global trends like energy price, securing energy supply and the unification of European market are driving towards low-emission and renewable energy (UPM, 2013).

In the strategy related literature in section 2.1 Kim and Mauborgne (2005) rationalize that new successful market areas can be found by expanding the existing industry boundaries. As Davies and Hobday (2005) write in section 2.3 project capabilities are needed in order to survive in the changing business environment. Projects are becoming key management tools in the companies and the project capability is becoming crucial in achieving operational excellence. The literature of competence management shows why the organization needs to analyze which competencies it has and how to compare them with the competencies required to implement the strategy. This gap analysis reveals what capabilities and competencies need to be developed. The literature related to leadership shows in section 2.3 that there are special requirements for leadership, especially in leading technology based teams towards peak performance.

One of the main purposes of the PM Expo 2015 event was to find out what the UPM's future needed project management competencies are. The survey was measuring what the UPM's organization opinion is about the current state of the project management competencies. But, the main shortcoming of the survey was that it did not ask the organization for the relevancy of the competence in question. So, the survey is not completely answering to the question of what the future needed project management competencies are as the measurement of competence relevancy is missing.

#### 5.1.2 Prioritizing development areas of project management competencies

The second objective was to find out which development areas of project management competencies should be prioritized. Based on the open comments of the survey, the panel discussion and the interviews, recommendations for prioritizing agile and hybrid project methodologies, bi-lingual and business commitment, and sharing lessons learned through project buddy network can be made. The prioritizing means that resources are allocated to these topics and actions for developing and implementing the tasks are done.

It needs to be decided within UPM, whether the agile and/or hybrid project methodologies are official project methodologies and then communicated accordingly to the organization. In case they are official methodologies the guidelines and processes for all needed project areas need to be created and implemented, and training needs to be organized.

The theme of bi-lingual means securing competent and experienced resources from both the Business and the IT so that the prerequisites for mutual understanding exist. This way the Business and the IT has a chance to collaborate more efficiently. The efficiency of collaboration also includes the aspect to involve the Business more tightly to the projects. There is a need to redefine the roles and the responsibilities, and the form of collaboration of the Business and the IT in different areas of the project.

The third theme for prioritization is the project buddy network. There is a massive amount of project knowledge in the organization and the best practices and the lessons learned should be efficiently shared in the organization in order to benefit the upcoming projects. The project buddy and coach network would be an effective way for securing the first-time projects managers to get the support they need.

The recommendations in more detail are found in section 5.2.

### 5.1.3 The efficiency of the Project Management Expo event for developing project management skills

The third objective was to find out if the PM Expo event is an efficient forum for developing project management skills. The event feedback gave some indication about the usefulness of the event, but more beneficial information was gained from the feedback interviews. “If UPM does not innovate, it dies”, was the message that was heard from some event participants. In order to succeed in business transformation, the project management competencies are a tool which must be taken care of in order to keep up with the changing business environment, let alone to be the front runner. The research data showed unambiguously that the event definitely claims its place as a forum for developing and promoting project management skills and competencies. The recommendations for developing the event further are introduced in more detail in section 5.2.4.

## 5.2 Recommendations

Based on the analysis of the survey, the workshop outcomes, the panel discussion, the feedback, and the interviews some recommendations can be presented.

### 5.2.1 Agile and hybrid project methodologies

There was a lot of discussion during the event about clarifying the usage and the definition for agile and hybrid methodologies (also known as bi-modality) and

creating guidelines and tools for using these methodologies. One example of confusion related to the agile and hybrid project methodologies came from the panel discussion where the statement of *“A new era in project management is starting in UPM. Is our project culture ready for this? If so, why? If not, where should we focus our attention?”* was voted 60/ 40 agree/ disagree. Another example of organization’s confusion about the agile and hybrid models was shown by the statement *“The biggest barrier for utilizing agile project management in UPM is our “waterfall culture” as a common understanding of agility does not exist and the iterative way of working is not fully compliant with UPM’s decision making model”* which divided the opinions between the audience and the panelist as the panelists voted mainly disagree and the audience voted agree.

It was an actively discussed topic during the whole Expo event that the agile and hybrid project management methods would be suitable in projects where new technology, unknown end result or several alternative end results are involved. But the organization is missing competencies for agile and hybrid project methodologies.

Based on this and the other data from the survey’s open comments, the workshop outcomes, and the feedback interviews, there can be seen clear requirements from the organization to take immediate actions on making decisions regarding the adoption of both agile and hybrid (also known as bi-modality) project methodologies within UPM. In case these methodologies are approved as official project methodologies, the usage of agile and hybrid methods should be formalized and officially informed, and the processes and guidelines should be published and communicated. Additionally training for using the agile and hybrid project methodologies should be organized in order to secure that the possible misuse of these methodologies does not cause delays and costs in the projects. It was also recognized that there is a need to develop agile contract and sourcing models, and to promote the agile project management and leadership culture.

If the approval or disapproval of the agile and hybrid methodologies is not communicated there will be confusion and speculation in the organization whether these project methodologies are officially accepted by UPM.

### 5.2.2 The bi-lingual organization

Since the system technology is playing a significant role in many business areas, models and processes, the Business cannot externalize itself from the business related ICT projects. Within UPM's organization there may slightly prevail an attitude that the Business has needs and the IT is responsible for implementing them. In order to successfully design, build and implement ICT projects the Business should take an active role and responsibility in the projects. The co-operation between the Business and the IT should be close and the definition for co-operation during the projects needs revising and updating. One example of a project area where the role of Business should be newly defined and agreed is the change management. The responsibility to lead the change management should be on the project, but the roles and responsibilities and tasks should be agreed with the Business and commit the Business to project's change management. As the project will eventually hand the system over to the Business, so the earlier the business is committed to the project and working for promoting the implementation of the system, the smoother the hand over and continuance of the business will be.

The organization has recognized the need to secure bi-lingual competence. There is a need for the Business to build competence in the organization to "talk IT" which means the business people have at least the basic understanding and knowledge of the most commonly used tools, processes, and methodologies in the IT projects. At the same time the IT should build the competence to "talk business" which means the IT people should have the understanding and knowledge about the products and services, and business processes like finance and logistics. One outcome from the event's workshops was to locate the IT service owners physically close to the Business. The purpose is to mix the IT and the Business close to each other which would lower the barrier to interact and

collaborate. The current, isolated locations do not promote the building of a bilingual organization.

### 5.2.3 Lessons learned and project buddy

It was mentioned several times during the PM Expo 2015 event that based on the external maturity evaluation and the organization's own judgement, the UPM organization's project management capabilities are on rather satisfactory level. UPM has experience and a massive amount of project knowledge in the organization. One way to secure the high level of project management competencies also in the future is to make sure that the lessons learned and the best practices are systematically collected, coded and actively shared and communicated in the organization. Sometimes the coded knowledge is not enough and interaction between the people is needed in order to share the silent knowledge, tips and hints and case examples.

One outcome from the event's workshops was to create a project buddy and coach network to support the first-time project managers. An official pool of people with varied project management competencies would be available for the first-timers and their questions. The network would give concrete help by providing knowledge and experience but also by providing support, as sometimes all the first-timer needs is someone to confirm the plan and the intentions are good. The official coach and buddy network lowers the threshold for contacting. All the efforts should aim for securing that no knowledge and competencies already in the organization are left without utilization.

### 5.2.4 The Project Management Expo event development

As mentioned earlier "*If we do not innovate, we die*" was said by some event participants. The project management competencies are a tool for implementing the innovations and for enabling business transformation. The development of project management competencies enables the company to be a high performer in the changing business environment, and what is more important, to perform better

than the competitors. UPM wants to be the frontrunner of the forest industry and therefore it is obvious, that the PM Expo event is a needed forum in the future.

The research data showed unanimously that the event should be organized every year, or at least every second year. The argument for this was the fast changing environment. The changes in the business environment are so fast-paced that in case the event is taking place every third year there is a significant risk for some decisions and actions being made too late. Also the amount of information and new knowledge would be better manageable if the event took place more often. In case the event would be annual, the appropriate duration of the event would be one day. An event organized every second year would be preferably a two day event.

In case the event is organized annually or every second year, there would be a possibility to handle one topic in more detail during the event. For example in this year's event there was a clear need to deal the agile and hybrid project methodologies in more detail as many participants desired more information. In addition to the PM Expo event, there were wishes to have some additional, closely scoped training and info sessions during the year. These additional info sessions were wished to be short, intensive, and to be planned according to the target audience. These short training and info sessions could be organized also as e-meetings.

The objectives of the event should be planned more precisely and communicated clearly in order to make the event more structured and that way more result-oriented. The clear communication of event's objectives would help the participant to better prepare themselves to the upcoming event and to better contribute for achieving the targets. It also has to be made sure that the speakers link their presentations more clearly to the event's objectives and thus give the event a more structured and result-orientated approach. There were also wishes to utilize the survey results in some of the presentations and speeches, which would link the survey and the speeches more logically together. The survey itself was considered to be useful and beneficial as filling out the survey directed the

answerer's attention and focus on the upcoming event, and the survey results were found interesting.

There were many comments that networking and free discussions were one of the most beneficial outcomes of the event and also in the future, enough time and opportunities should be reserved for the participants to network and discuss freely.

There were several comments about the case examples. In the future, the event should have presentations of example project cases. Sharing success stories and examples of failures are seen highly beneficial and interesting. The lessons learned act as a link between the theories of project management and the real life practice, and also add the flavor of human aspect and/or unpredictable factors.

There were some complaints that some of the facilitators were not well prepared for the workshops. Some felt the facilitators were not able to lead the group work or to challenge the group to deliver new and fresh outcomes for the theme. Some of the workshop outcomes were predictable and already heard instead of presenting innovative, out of the box thinking. The theme owners must be trained for facilitating workshops in order to ensure ambitious and high-quality end results.

The event should be better promoted to the Business in the future. In case the collaboration and alignment between the Business and the IT are wanted, the Business needs more actively to participate in the events like the PM Expo. The support for promoting the participation could be received from the Business line management.

#### 5.2.5 Summary of the recommendations

The recommendations for action points can be summarized per area as follows. (Table 2)

**Table 2: Summary of the recommendations**

| Area                                     | Recommendations  |
|--|--|
| <b>Agile project methodology</b>         | 1. Make a decision regarding the adoption of agile and hybrid project methodologies and communicate accordingly  |
| <b>Hybrid project methodology</b>        | 2. Formalize the use of methodologies by creating and publishing processes and guidelines<br>3. Arrange training for using the methodologies<br>4. Develop contract and sourcing models for agile projects   |
| <b>Bi-lingual organization</b>           | 1. Build competence for the Business to “talk IT” and for the IT to “talk business”<br>2. Locate the IT service owners physically close to the Business  |
| <b>Involving Business</b>                | 1. Revise and redefine the role of Business in ICT projects<br>2. Agree the responsibility of Business in ICT projects’ change management  |
| <b>Project buddy network</b>             | 1. Collect, code and share the lessons learned and the best practices systematically<br>2. Create and maintain a project buddy and coach network   |
| <b>The Project Management Expo event</b> | 1. Decide on the frequency and duration of the event<br>2. Organize additional, closely scoped info and training sessions during the year<br>3. Plan and communicate the objectives of the event within the project professional network<br>4. Utilize the survey results in the presentations and speeches in the event<br>5. Reserve enough time for networking and free discussions during the event<br>6. Introduce case examples and success stories in the event<br>7. Train the theme owners to facilitate the workshops<br>8. Promote the event to the Business through the business line management |

### 5.3 Further use of the collected data

It would be interesting to execute the survey within some project organization with at least partially the same topics and statements and to compare the results with the results received from the participants of PM Expo 2015. In case there are

differences, it should be worth analyzing what is causing them, and use this information for closing the gaps between the project theories and the everyday project work.

#### 5.4 Proposals for further actions and research

It would be interesting to find out the reasons why the project management competencies in UPM are considered to be on such a good level and what the success factors are behind it. It would also be worth studying how the needed competencies have changed during the years and what have been the factors behind the changes.

It should be more actively communicated to a wide group of project professionals which new tools (like cloud services) and processes are introduced as project tools and how the training for using them is planned. Communicating these decisions more widely would increase the interest in learning the new tools and taking them into use. At the same time, there is also a need to secure that UPM has the competence for buying new services and tools.

The action points from the workshops should be communicated and prioritized so that they lead to concrete actions. The stakeholders should be informed about how the implementation of the action points progresses. The status and end results of the action points from the previous event should be presented in the next event.

Some proposals were raised for developing the survey during the course of the research. The first proposal for developing the survey is to structure it so that there is an unchanging and repeatable set of questions which would allow the comparison of the survey results between the years. This way it could be followed how and to which direction the opinions and topics have developed or changed. The second proposal is to include the relevancy of the competencies to the survey. The survey did not ask for the relevancy i.e. if the competence in question is critical and important for the organization, which means the survey is not completely answering to the question of what the future needed project

management competencies are. The survey did answer how the organization sees the current state of the project management competencies, but the survey didn't reveal if the statements were representing the organization's desired state. The third proposal is to include into the survey the aspect of which competencies should be focused on and further developed. It would provide the organization's opinion about the prioritization of the competence development.

The final recommendations are related to the rewarding and motivating project work, and to the next generation's different requirements towards the working life. One statement in the panel discussion was "*In 2020, the needed leadership skills for projects will be pretty similar to today, we don't need to develop any new ones.*", but the organization voted 100/ 0 against the statement. This indicated that the organization recognizes the changing expectations of the next generation - working independently from time and location, self-leadership, self-direction and rewarding and recognition, just to mention few. Therefore, it is critical to raise the discussion soonest about the requirements and the expectations the new generation is setting for the future project culture and leading styles, and how the company will respond to these.

And not just related to the next generation, UPM should analyze what elements the project work is providing for motivating people and what is making the project work appealing. The aspects of motivation, and wellbeing in the projects were not discussed in the event or in the survey. This may have consequences if totally omitted. The rewarding practicalities, the workload, travelling and stress, the career planning and the personal development, the relocation plan after the project – these are only some topics to be handled in order to guarantee motivated project members. Who wants to participate in the projects if it's not motivating and rewarding?

It's been clearly stated by UPM that project competencies are strategically important and the projects are one of the main tools for executing the business transformation. Therefore it's strategically important to secure there will be enough motivated people willing to participate in the projects also in the future. In

case the company is not responding to the above mentioned challenge it will slowly start losing its attractiveness and the best potential human resources.

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## APPENDIX 1

### PM Expo 2015 Survey

#### 1 Function

Business

IT

Support Function

#### 2 Role

Steering (Portfolio Steering, Project Steering, Project Owner, Project sponsor)

Project Management (Project Manager, PMO, IT Lead)

Team Member (Project Expert/ Contributor)

Other Project Stakeholder (Internal Audit, Sourcing, Finance etc.)

#### 3 Agile and traditional project management – how to reach agile project culture in UPM?

**Strongly disagree**

1

2

3

4

**Strongly agree**

5

- 1 In UPM, the effort spent between planning a project and execution of the project is in balance
- 2 In unclear or new business requirements we utilize agile working practices to understand the real user need before technical solution
- 3 We utilize iterative working practicalities (sprints) to clarify and sharpen project targets gradually
- 4 Managed changes in project scope and/or deliverables are allowed in order to reach the business objectives
- 5 Project Owner is constantly validating project scope and deliverables and steers the project accordingly
- 6 We recognize and implement only the necessary and needed features/deliverables for maximum value
- 7 Project validation and approval governance model supports achieving project targets and business benefits in rapidly changing business environment

**Comments for Agile theme**

- 4 Vendor ecosystem and project delivery model - key elements of successful project sourcing and delivery**
  - 1 We are able to source projects successfully

- 2 UPM sourcing practices are supporting all projects regardless from type/ size
- 3 UPM sourcing process produces good results (supplier, price, agreement, terms)
- 4 We are able to select proper contracting model for different type of projects
- 5 We are able to include "from idea to live IT service" approach in our sourcing process
- 6 We are able to select right supplier(s) to ensure efficient project delivery
- 7 Roles between UPM and supplier(s) are clear in projects

**Comments for Delivery model theme**

**5 Leading a (next-generation) project team**

- 1 Project management skills and leadership capabilities are more important than substance competences
- 2 Project Manager needs more communication, influencing and change management skills more than in line organization
- 3 Project Manager needs to tolerate more uncertainty in project plans and schedules than in line organization
- 4 Project Manager needs to tolerate imperfection in project deliverables more than in line organization

- 5 Project Manager needs strong leadership skills to be able to keep the project on the right track (scope, quality, etc.)
- 6 Acting as Project Manager develops leadership skills and competences more efficiently than in line organization
- 7 Acting as Project Manager is motivating, rewarding and appreciated in the organization

**Comments for Leadership theme**

**6 Project Steering practicalities and competencies**

- 1 Project managers are able to utilize project steering group efficiently
- 2 Project owners recognize their role as the chair of project steering group and act accordingly
- 3 Project steering methods and practicalities are common from project to project
- 4 Project steering groups' compositions cover all needed competence areas (leadership, substance, mandate) in order to support projects properly
- 5 We are measuring project steering results
- 6 Project steering work/role/decisions are visible in everyday project work
- 7 Project sponsor(s) are working actively as change enablers

- 8 Project steering members have enough time to commit themselves for the project in order to make good decisions

**Comments for Steering theme**

**7 Change Management in projects**

- 1 We understand the importance of change management
- 2 We put enough efforts to change management
- 3 We are able to recognize different stakeholder groups and focus change management accordingly
- 4 Different elements of change management (create involvement, user sponsors, focused communication, training, emphasizing the benefits and opportunities) are used efficiently to enable the change
- 5 In UPM we emphasize business process change over implementing an IT system
- 6 We are able to localize change management and utilize local sponsors in leading the change
- 7 We are coordinating change management activities across so that the amount of changes in a single location/ unit/ organization is tolerable

**Comments for Change management theme**

**8 Organizing a successful project – “practical approach”**

- 1 Key persons for project execution are involved early enough
- 2 We have a good balance between internal and external personnel in projects
- 3 We are able to resource our projects appropriately in relation to the project size
- 4 We are providing sufficient support for project managers with no previous experience in projects
- 5 Business project managers and IT leads understand their roles and responsibilities are clear
- 6 Business commitment towards project ownership is in place
- 7 Role of Project Sponsor is clear

**Comments for Organizing a project theme**

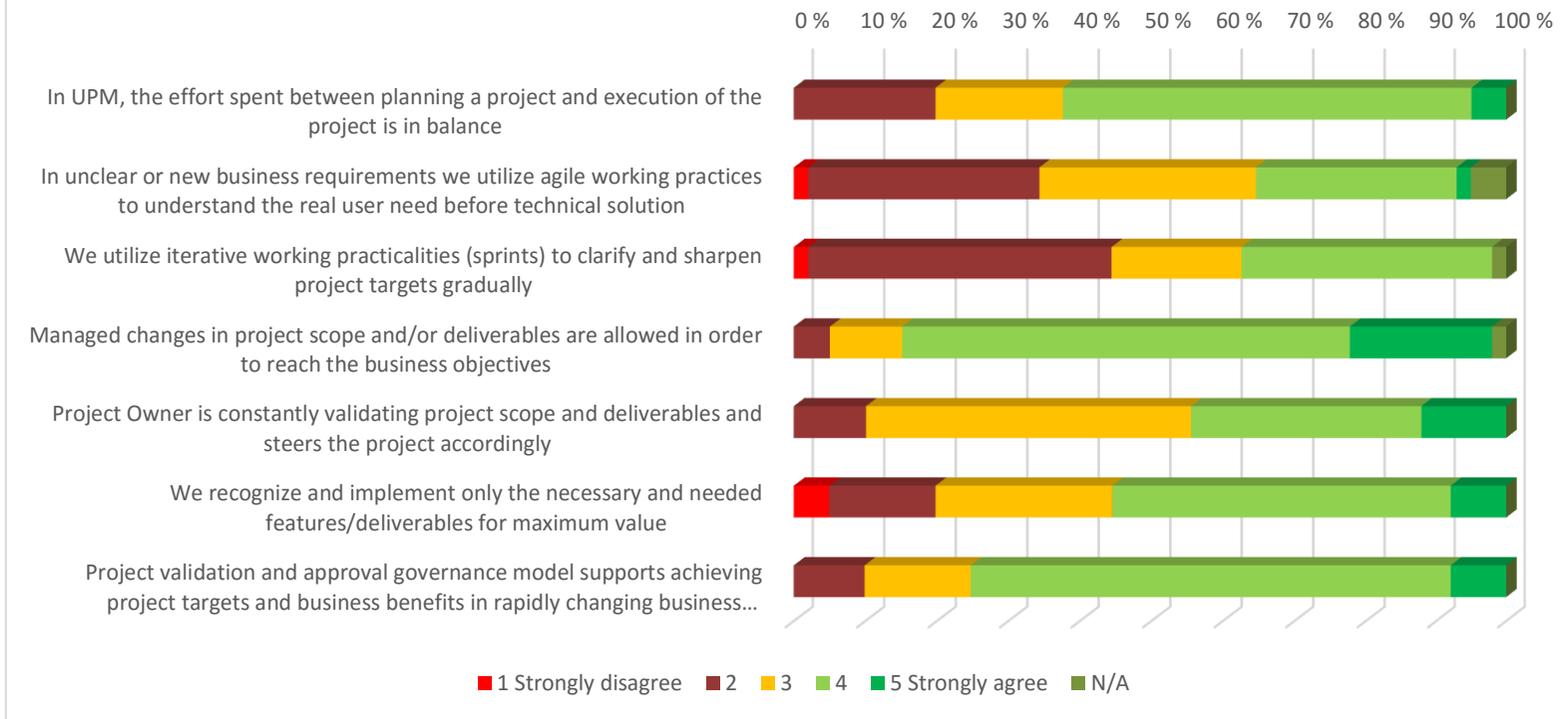
## APPENDIX 2

### Survey results

|          |  | Number            |   |   |   |   | %              |   |                  |
|----------|--|-------------------|---|---|---|---|----------------|---|------------------|
| <b>1</b> | <b>Function</b>  |                   |   |   |   |   |                |   |                  |
|          | Business   | 13                |   |   |   |   | 32             |   |                  |
|          | IT   | 22                |   |   |   |   | 55             |   |                  |
|          | Support Function   | 5                 |   |   |   |   | 13             |   |                  |
| <b>2</b> | <b>Role</b>  | Number            |   |   |   |   | %              |   |                  |
|          | Steering (Portfolio Steering, Project Steering, Project Owner, Project sponsor)              | 14                |   |   |   |   | 35             |   |                  |
|          | Project Management (Project Manager, PMO, IT Lead)   | 21                |   |   |   |   | 52             |   |                  |
|          | Team Member (Project Expert/ Contributor)  | 3                 |   |   |   |   | 8              |   |                  |
|          | Other Project Stakeholder (Internal Audit, Sourcing, Finance etc.)                           | 2                 |   |   |   |   | 5              |   |                  |
| <b>3</b> | <b>Agile and traditional project management – how to reach agile project culture in UPM?</b> | Strongly disagree | 1 | 2 | 3 | 4 | Strongly agree | 5 | Weighted average |
|          |  |                   | % | % | % | % | %              | % | N/A              |

|   |  |   |    |    |    |    |   |             |
|---|--|---|----|----|----|----|---|-------------|
| 1 | In UPM, the effort spent between planning a project and execution of the project is in balance   | 0 | 20 | 18 | 58 | 5  | 0 | <b>3,48</b> |
| 2 | In unclear or new business requirements we utilize agile working practices to understand the real user need before technical solution              | 2 | 32 | 30 | 28 | 2  | 5 | <b>2,96</b> |
| 3 | We utilize iterative working practicalities (sprints) to clarify and sharpen project targets gradually   | 2 | 42 | 18 | 35 | 0  | 2 | <b>2,89</b> |
| 4 | Managed changes in project scope and/or deliverables are allowed in order to reach the business objectives   | 0 | 5  | 10 | 62 | 20 | 2 | <b>4,00</b> |
| 5 | Project Owner is constantly validating project scope and deliverables and steers the project accordingly   | 0 | 10 | 45 | 32 | 12 | 0 | <b>3,46</b> |
| 6 | We recognize and implement only the necessary and needed features/deliverables for maximum value   | 5 | 15 | 25 | 48 | 8  | 0 | <b>3,39</b> |
| 7 | Project validation and approval governance model supports achieving project targets and business benefits in rapidly changing business environment | 0 | 10 | 15 | 68 | 8  | 0 | <b>3,73</b> |

## Agile and traditional project management



### Comments for Agile theme

Still too much waterfall approach rather than agile methods. If possible the project should be splitted to clear phases

Even agile project should have a scope defined and what is delivered in each sprint. Steering team role gets fuzzy if the agile means that these are totally forgotten.

There are different sizes of project, so we'd have to pick the right mode for each project.

Portfolio is not ready for Agile project, the gate approach doesn't comply with agile project. Portfolio gates are limiting the benefit of agile project. Agile project with Scrum methodology for IT, should be run by Line organisation to leverage on team stability and long term. Dismantling an agile team at the end of an agile project is losing one of its main benefits.

Agile methods should be used more

Weak project management (and ownership) in UPM - No real agile, sprint based design/build methodologies in use - Waterfall design model with India causes delays and budget overspend due to inefficiency

Especially the big IT projects have been traditionally very far from agility. Very rigid. Big and difficult to manage. Also: "one size fits all" mentality leads to a situation where the most demanding business sets the standard for all. We would probably gain a lot as a Company if the IT projects were smaller and biz specific. Only the information shared - not necessarily all the processes.

Both business and IT persons should have more training and commitment on agile project methods. Ideal is to first train all project members and steers and then start the project implementation accordingly.

UPM is perhaps not ready yet for truly agile project management.

Current approval methods work fine for real projects, but the way to get from legal point of view mandatory and fast needed changes approved is quite heavy and bureaucratic today

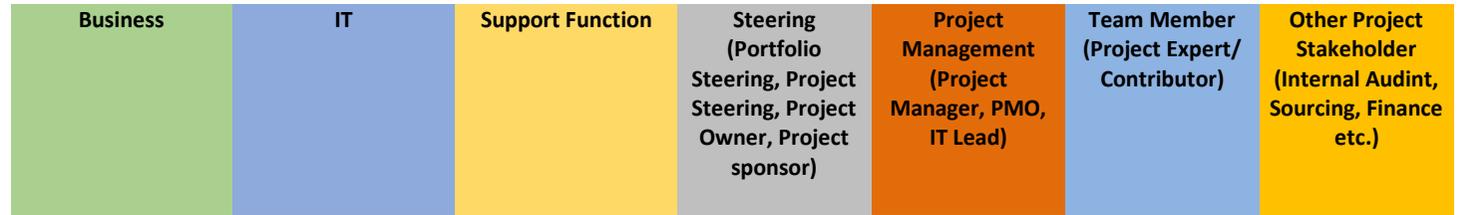
It is slightly in hype mode.

Need to find right balance in planning for agile projects. There are some good examples of agile and iterative working practices, but traditional waterfall approach still what many (projects, steering, line org) expect and are comfortable with. Scope changes are supported, but I wouldn't say encouraged. The overall spirit of agility, trying new ideas and being open to failure or not knowing the end results, isn't prevalent across all levels in UPM.

I feel that agile ways of working is not supported enough by internal processes /senior management. It is treated with a limited trust and still there are expectations that whole scope will be known in details beforehand (waterfall model). In the innovative project it is really a must to work in more agile way.

**Functions**

**Roles**

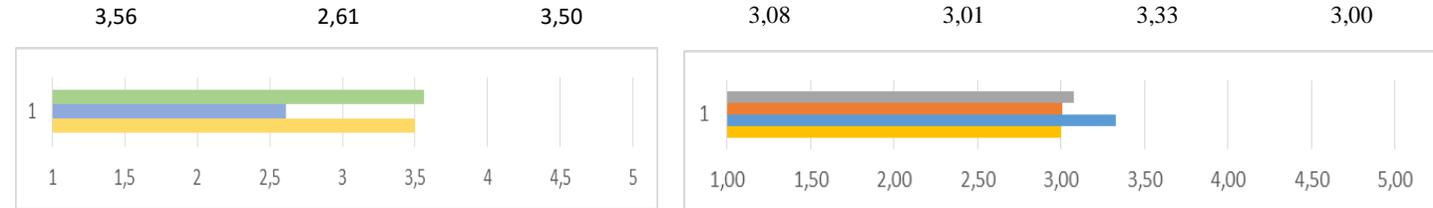


**3 Agile and traditional project management – how to reach agile project culture in UPM?**

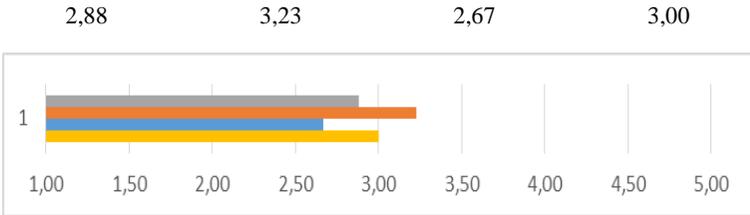
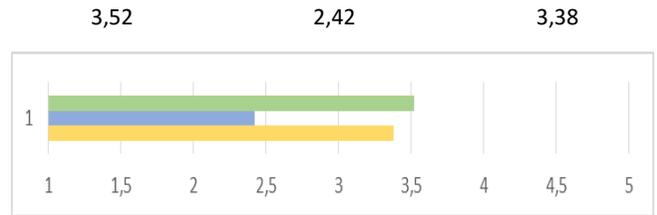
1 In UPM, the effort spent between planning a project and execution of the project is in balance



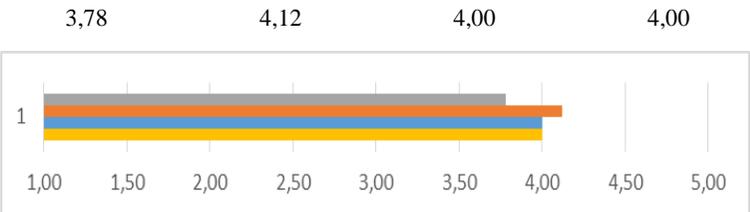
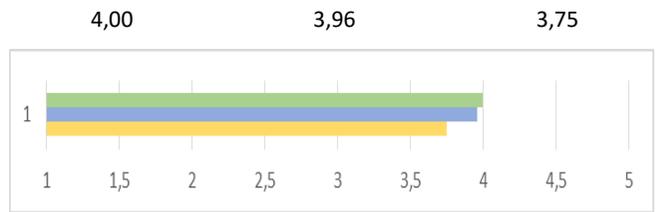
2 In unclear or new business requirements we utilize agile working practices to understand the real user need before technical solution



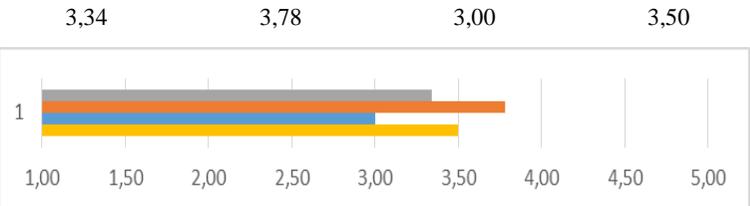
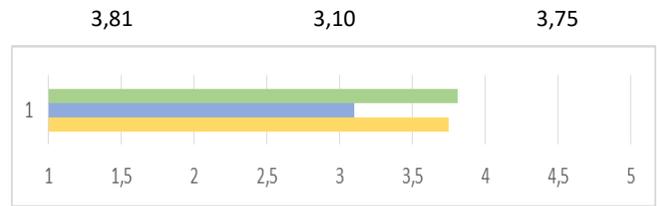
3 We utilize iterative working practicalities (sprints) to clarify and sharpen project targets gradually



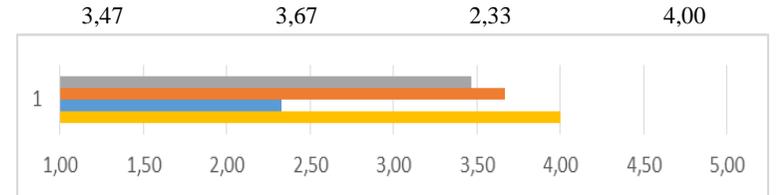
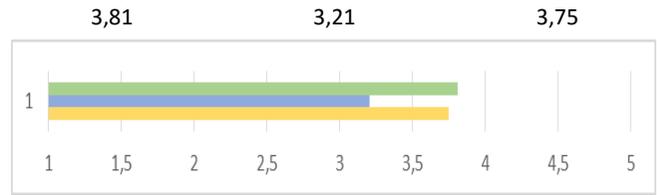
4 Managed changes in project scope and/or deliverables are allowed in order to reach the business objectives



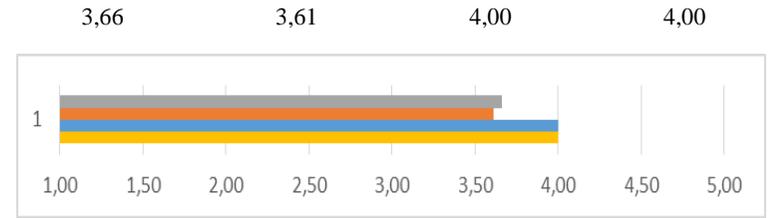
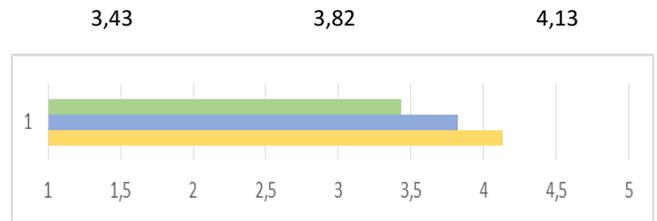
5 Project Owner is constantly validating project scope and deliverables and steers the project accordingly



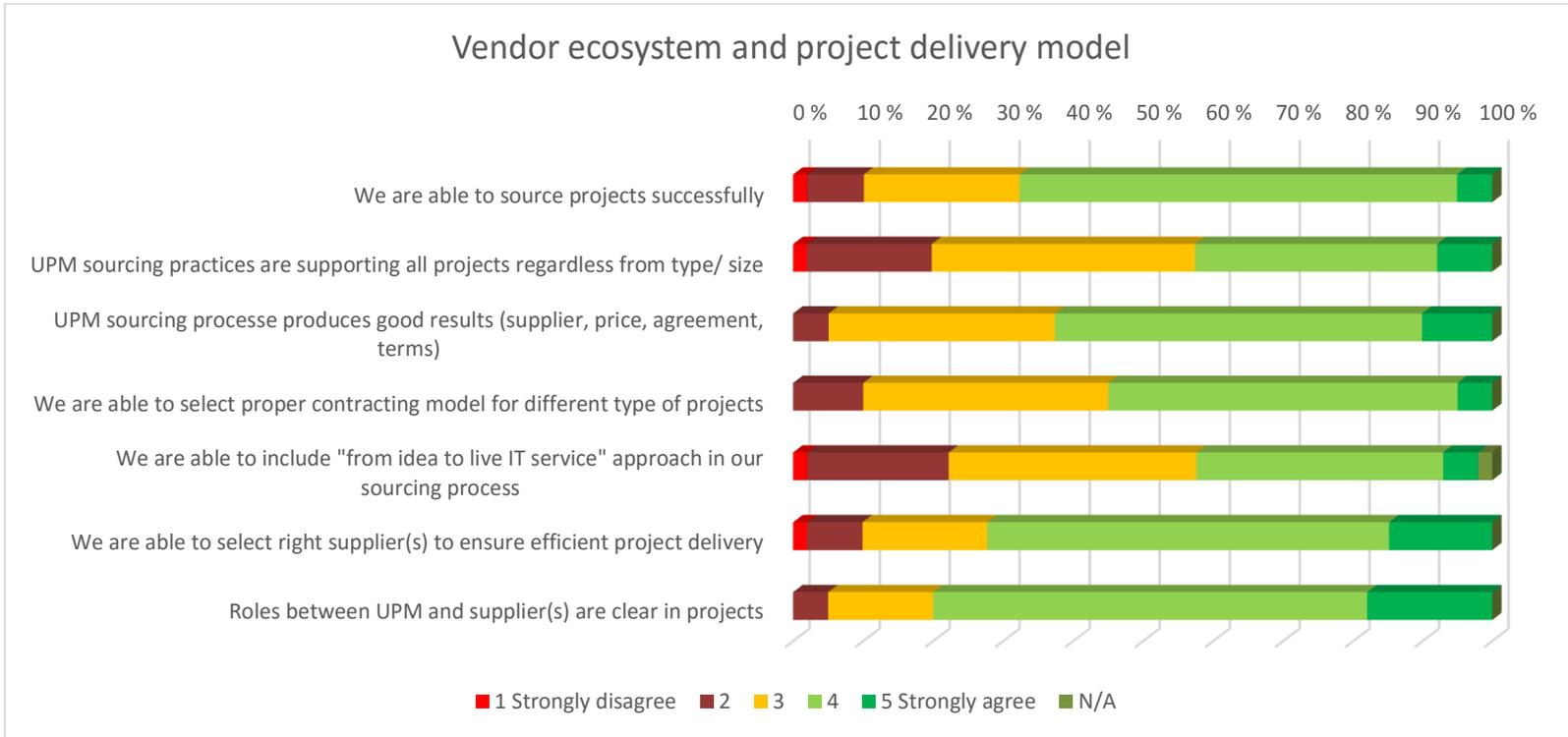
6 We recognize and implement only the necessary and needed features/deliverables for maximum value



7 Project validation and approval governance model supports achieving project targets and business benefits in rapidly changing business environment



|          |   | <b>Strongly disagree</b> |    |    |    | <b>Strongly agree</b> |     | <b>Weighted average</b> |
|----------|---|--------------------------|----|----|----|-----------------------|-----|-------------------------|
|          |   | 1                        | 2  | 3  | 4  | 5                     | N/A |                         |
|          |   | %                        | %  | %  | %  | %                     | %   |                         |
| <b>4</b> | <b>Vendor ecosystem and project delivery model - key elements of successful project sourcing and delivery</b> |                          |    |    |    |                       |     |                         |
| 1        | We are able to source projects successfully   | 2                        | 8  | 22 | 62 | 5                     | 0   | <b>3,61</b>             |
| 2        | UPM sourcing practices are supporting all projects regardless from type/ size                                 | 2                        | 18 | 38 | 35 | 8                     | 0   | <b>3,29</b>             |
| 3        | UPM sourcing process produces good results (supplier, price, agreement, terms)                                | 0                        | 5  | 32 | 52 | 10                    | 0   | <b>3,68</b>             |
| 4        | We are able to select proper contracting model for different type of projects                                 | 0                        | 10 | 35 | 50 | 5                     | 0   | <b>3,50</b>             |
| 5        | We are able to include "from idea to live IT service" approach in our sourcing process                        | 2                        | 20 | 35 | 35 | 5                     | 2   | <b>3,22</b>             |
| 6        | We are able to select right supplier(s) to ensure efficient project delivery                                  | 2                        | 8  | 18 | 58 | 15                    | 0   | <b>3,75</b>             |
| 7        | Roles between UPM and supplier(s) are clear in projects   | 0                        | 5  | 15 | 62 | 18                    | 0   | <b>3,93</b>             |



**Comments for Delivery model theme**

Increasing use of Cloud services is changing the scene, and needs new ways of working in project management and sourcing

UPM trusts the "Accentures of the world" omitting freelancers who often have the best substance. - Application service provide should be taken into the design and buid of the IT solution - and thus carrying the risk of service

We have had a "fixed price" approach also for IT projects => does not really support the sprint approach in projecting

This is an area where we as a company need more information sharing.

It naturally makes sense to tender project work, but if we are too rough for the vendors, we can loose some loyalty as well from vendor side. For example in the final days of its glory Nokia was quite harsh for their subcontractors, but that did not save the mobile phone business. It is something very difficult to measure, but good vendor relationships have also some value for the business via innovativeness and quality of the solutions etc.

Sometimes we take all the 'juices' from vendor candidates in RFX phase. They have no full energy when implementation starts  
We seem thinly staffed in sourcing. Guidance from sourcing more up front. In agile project, might need more sourcing guidance throughout

Cloud applications sourcing are not supported enough

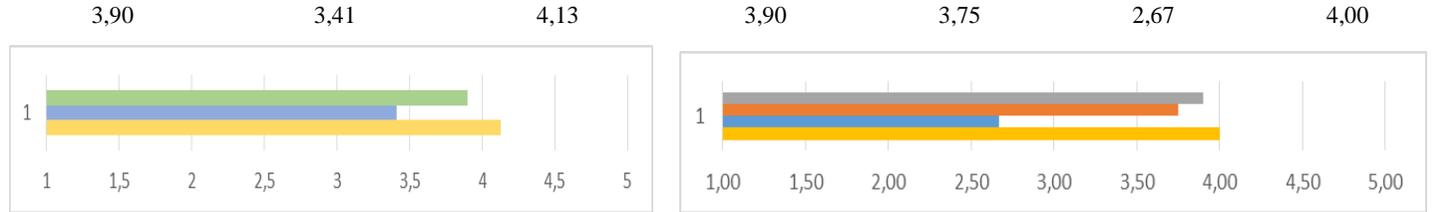
**Functions**

**Roles**

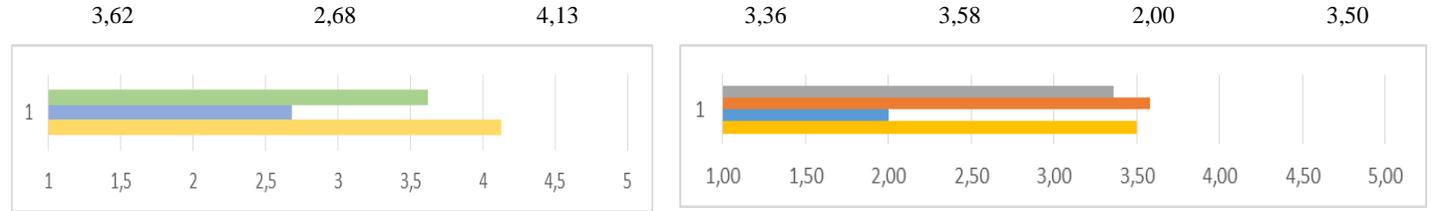


**4 Vendor ecosystem and project delivery model - key elements of successful project sourcing and delivery**

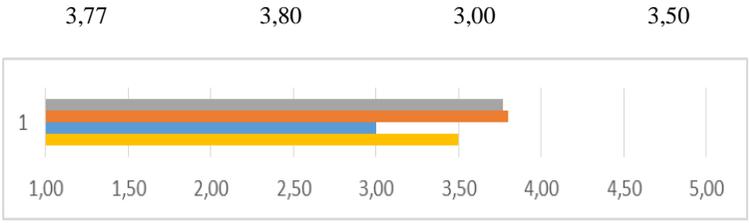
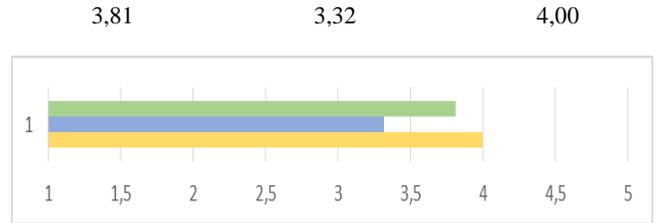
1 We are able to source projects successfully



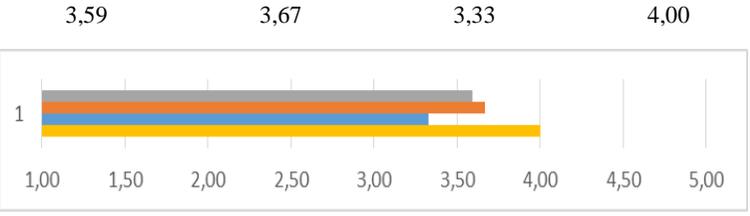
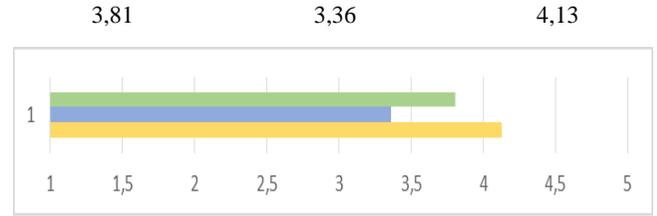
2 UPM sourcing practices are supporting all projects regardless from type/ size



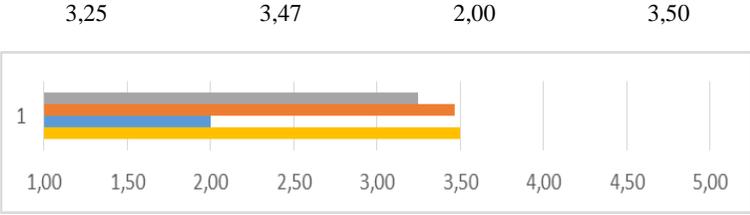
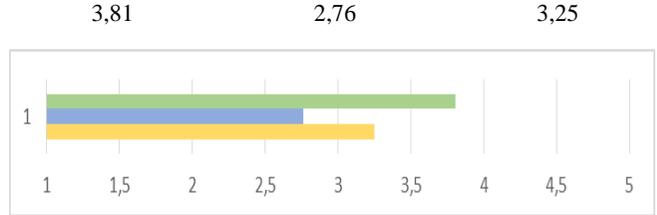
3 UPM sourcing processes produces good results (supplier, price, agreement, terms)



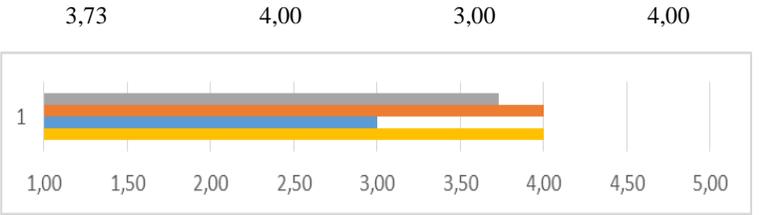
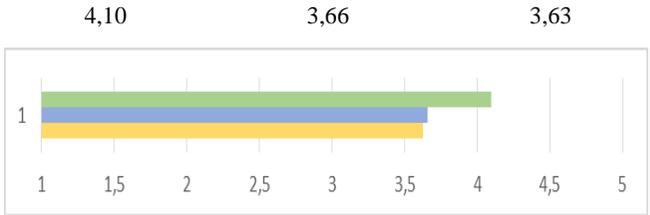
4 We are able to select proper contracting model for different type of projects



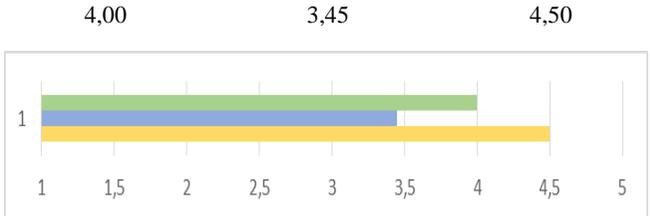
5 We are able to include "from idea to live IT service" approach in our sourcing process



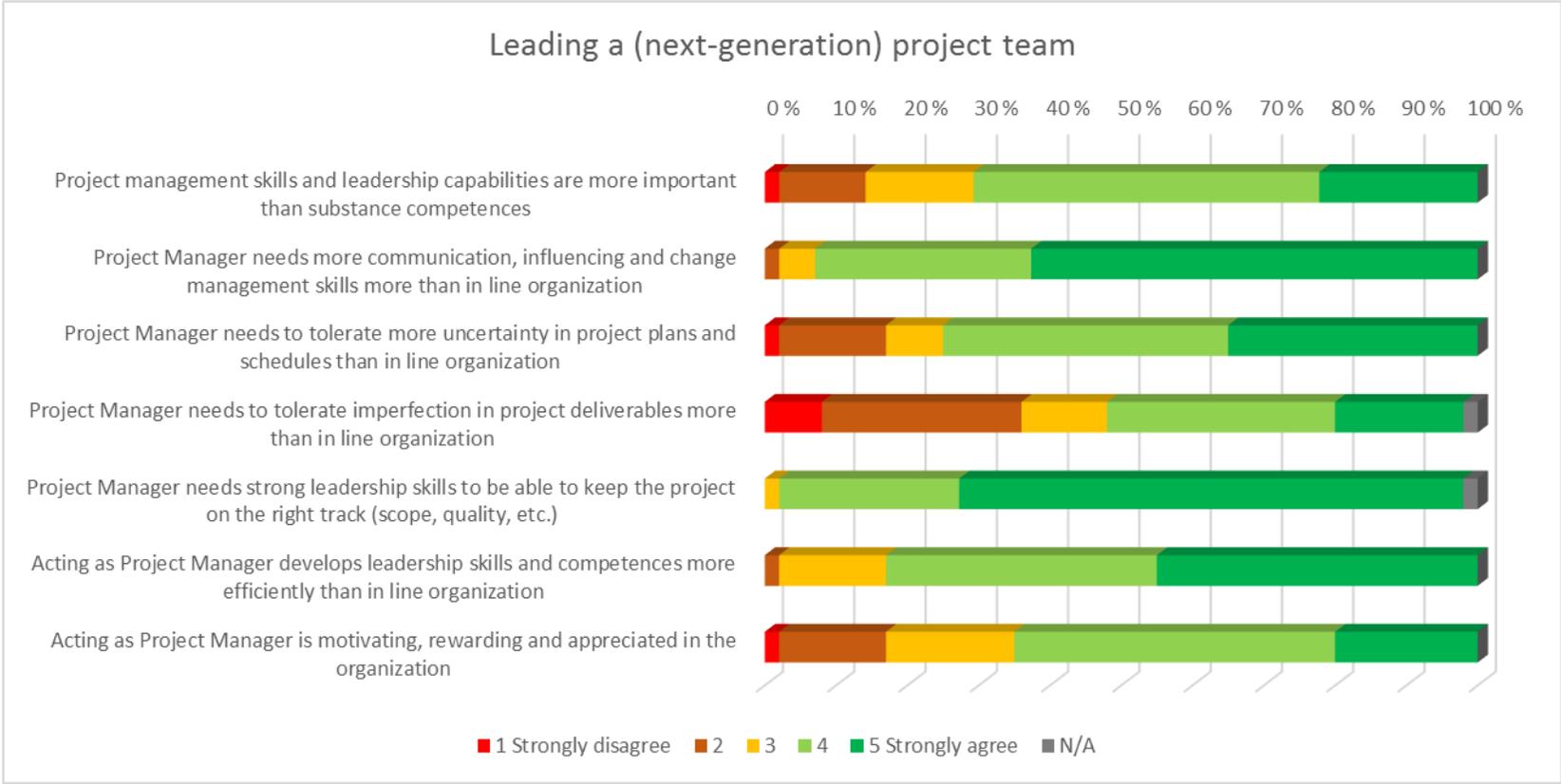
6 We are able to select right supplier(s) to ensure efficient project delivery



7 Roles between UPM and supplier(s) are clear in projects



|          |   | <b>Strongly disagree</b> |    |    |    | <b>Strongly agree</b> |     | <b>Weighted average</b> |
|----------|---|--------------------------|----|----|----|-----------------------|-----|-------------------------|
|          |   | 1                        | 2  | 3  | 4  | 5                     | N/A |                         |
| <b>5</b> | <b>Leading a (next-generation) project team</b>   | %                        | %  | %  | %  | %                     | %   |                         |
| 1        | Project management skills and leadership capabilities are more important than substance competences                     | 2                        | 12 | 15 | 48 | 22                    | 0   | <b>3,77</b>             |
| 2        | Project Manager needs more communication, influencing and change management skills more than in line organization       | 0                        | 2  | 5  | 30 | 62                    | 0   | <b>4,54</b>             |
| 3        | Project Manager needs to tolerate more uncertainty in project plans and schedules than in line organization             | 2                        | 15 | 8  | 40 | 35                    | 0   | <b>3,91</b>             |
| 4        | Project Manager needs to tolerate imperfection in project deliverables more than in line organization                   | 8                        | 28 | 12 | 32 | 18                    | 2   | <b>3,24</b>             |
| 5        | Project Manager needs strong leadership skills to be able to keep the project on the right track (scope, quality, etc.) | 0                        | 0  | 2  | 25 | 70                    | 2   | <b>4,70</b>             |
| 6        | Acting as Project Manager develops leadership skills and competences more efficiently than in line organization         | 0                        | 2  | 15 | 38 | 45                    | 0   | <b>4,26</b>             |
| 7        | Acting as Project Manager is motivating, rewarding and appreciated in the organization                                  | 2                        | 15 | 18 | 45 | 20                    | 0   | <b>3,66</b>             |



**Comments for Leadership theme**

Best school to learn is project

Sorry but why do you oppose Project duties to Line-organisation duties. They are complementary ,and should form pairs. Task handover is part of project deliveries. One job is not more demanding than the other, skills and competencies are depending on type of project or type of line organisation job. Uncertainty in project plan that could be seen as PM wants some flexibility in the UAT dates for example to ensure quality or overcomes issues , but Line organisation wants fix date written in stones because they are providing the resources for that and it helps line organisation not to have moving UAT dates.

We should have project managers in-house. - Project manager should have substance competence to be able to challenge the ownership and design requirements (simplicity, scope).

If person is nominated as Project Manager without knowing what it really means and without motivation, the project is not going to succeed as well as it could. More infosharing between Project managers would be beneficial. Also lessons learned and best practises should be more visibile for all in the 'project mgt family'

I am sometimes wondering if UPM has recognised the value of project management skills.

UPM nowadays is quite matrix-type organised what comes to functions and that needs special attention from project managers. Interesting questions 3 and 4, which might be better directed at Steering. I think PMs deal with uncertainty and imperfections daily, but how to manage expectations of all stakeholders around them is the challenge.

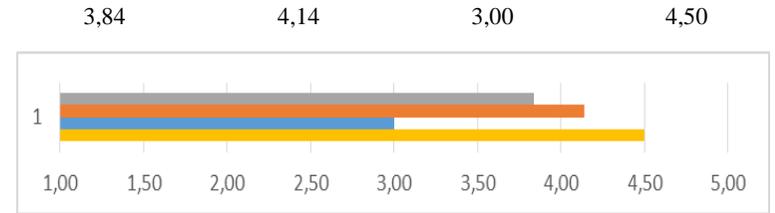
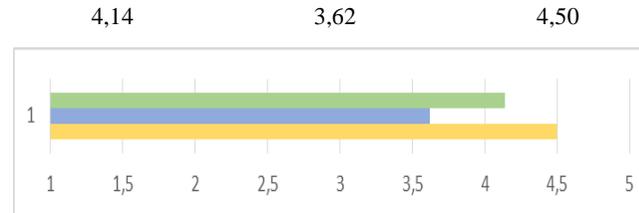
**Functions**

**Roles**

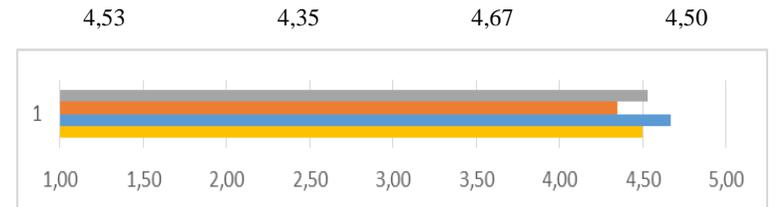
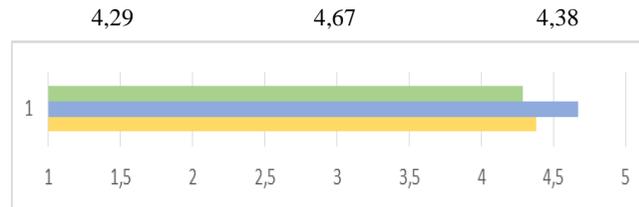


**5 Leading a (next-generation) project team**

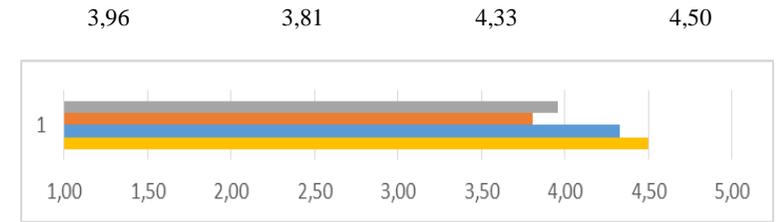
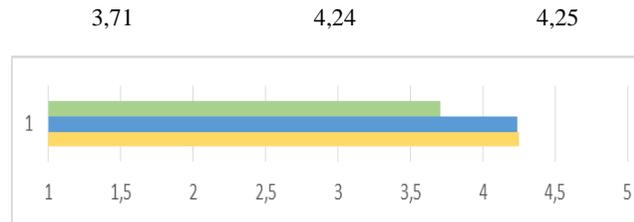
1 Project management skills and leadership capabilities are more important than substance competences



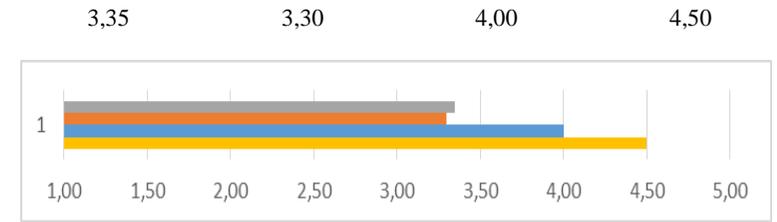
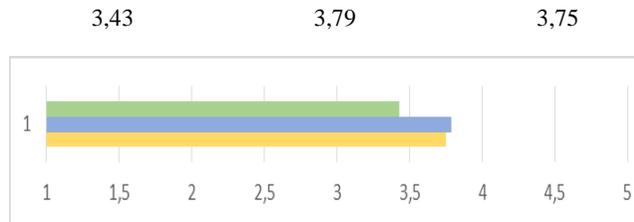
2 Project Manager needs more communication, influencing and change management skills more than in line organization



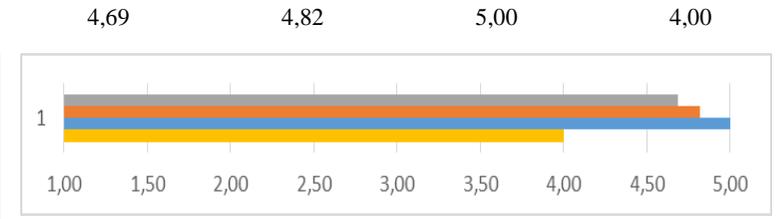
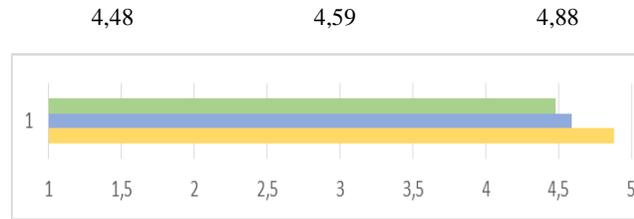
3 Project Manager needs to tolerate more uncertainty in project plans and schedules than in line organization



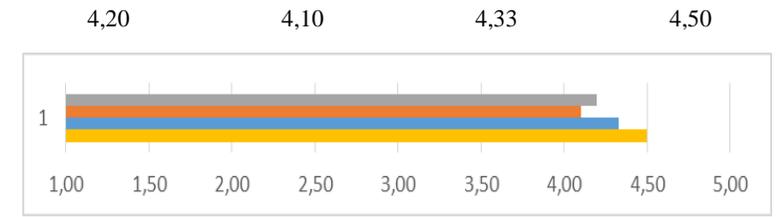
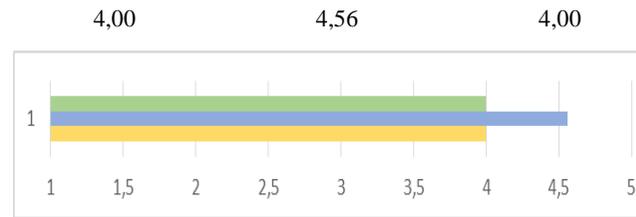
4 Project Manager needs to tolerate imperfection in project deliverables more than in line organization



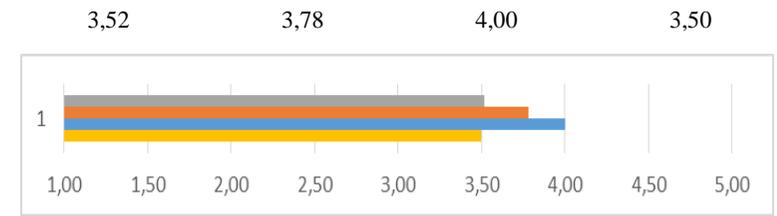
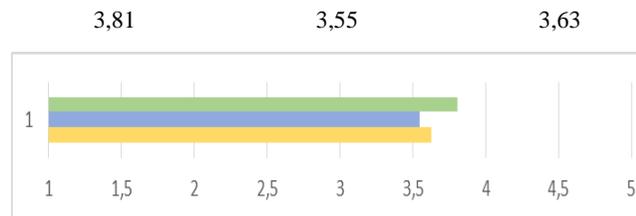
5 Project Manager needs strong leadership skills to be able to keep the project on the right track (scope, quality, etc.)



6 Acting as Project Manager develops leadership skills and competences more efficiently than in line organization



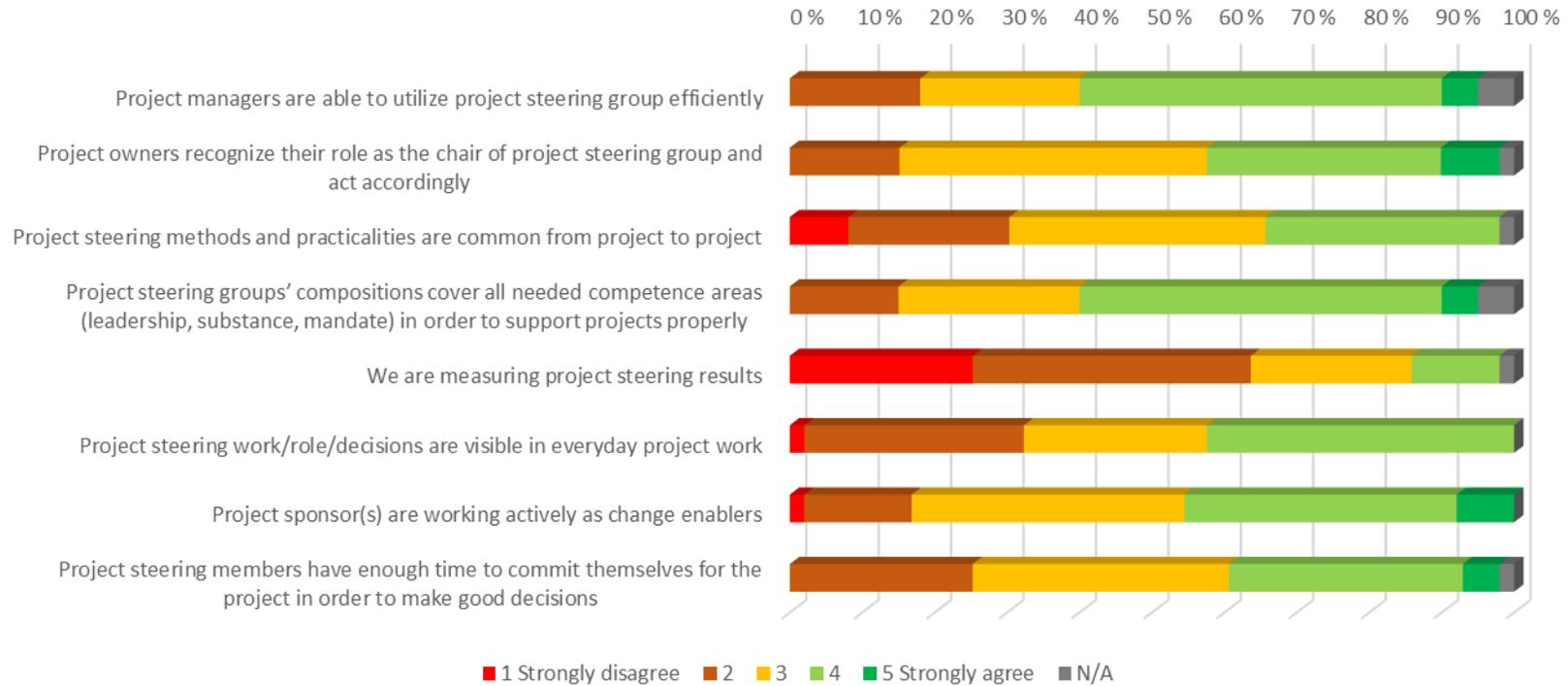
7 Acting as Project Manager is motivating, rewarding and appreciated in the organization



|  | Strongly disagree |    |    |    |   | Strongly agree |  | Weighted average |
|--|-------------------|----|----|----|---|----------------|--|------------------|
|  | 1                 | 2  | 3  | 4  | 5 | N/A            |  |                  |
| <b>6 Project Steering practicalities and competencies</b>  |                   |    |    |    |   |                |  |                  |
| 1 Project managers are able to utilize project steering group efficiently                        | 0                 | 18 | 22 | 50 | 5 | 5              |  | <b>3,44</b>      |
| 2 Project owners recognize their role as the chair of project steering group and act accordingly | 0                 | 15 | 42 | 32 | 8 | 2              |  | <b>3,34</b>      |

|   |  |    |    |    |    |   |   |             |
|---|--|----|----|----|----|---|---|-------------|
| 3 | Project steering methods and practicalities are common from project to project   | 8  | 22 | 35 | 32 | 0 | 2 | <b>2,94</b> |
| 4 | Project steering groups' compositions cover all needed competence areas (leadership, substance, mandate) in order to support projects properly | 0  | 15 | 25 | 50 | 5 | 5 | <b>3,47</b> |
| 5 | We are measuring project steering results  | 25 | 38 | 22 | 12 | 0 | 2 | <b>2,22</b> |
| 6 | Project steering work/role/decisions are visible in everyday project work  | 2  | 30 | 25 | 42 | 0 | 0 | <b>3,08</b> |
| 7 | Project sponsor(s) are working actively as change enablers   | 2  | 15 | 38 | 38 | 8 | 0 | <b>3,35</b> |
| 8 | Project steering members have enough time to commit themselves for the project in order to make good decisions                                 | 0  | 25 | 35 | 32 | 5 | 2 | <b>3,18</b> |

## Project Steering



### **Comments for Steering theme**

Agile method seems to set new way of working to the steering that is not necessarily recognised. This should be studied further that what is the role for steering in agile project method.

No templates currently, nor good role definitions.  
roles of steering is unclear for steering members in general

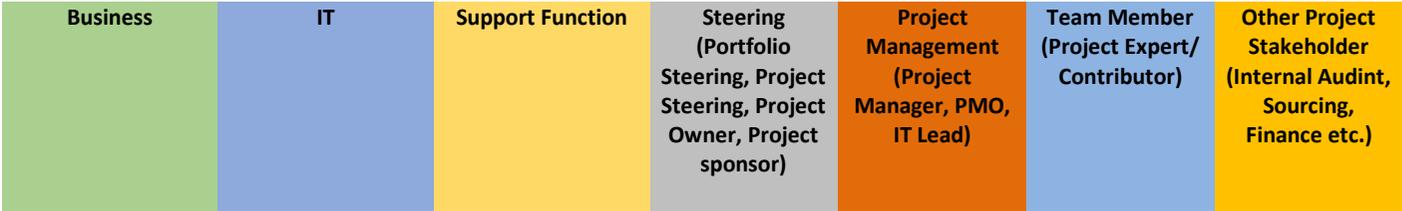
Project Steering members should be "in the project", too often influenced only thru the steering meetings which is not enough. - Separate training for the steering members are required - the agile, sprint based methodologies requires strong leadership  
Steering group should be really motivated to steer the project. Also some interest towards the project would be good in order to make sure that the project is really well managed and on the right track. Would be very good to measure the project steering and share the results openly.

The role of project sponsor could be more visible and also "selling" the project more to the stakeholders in the organisation. It would be important to have also enough substance knowledge in the steering team as otherwise some decisions could be made without real understanding on the topics in practise relying fully on how project manager presents the issue.

Steering members want to support new agile approach, but the uncertainty is hard in practice. Steering groups still tend to work in waterfall steering mode. In complex projects, the scope and anticipated outcomes can continue to change. This uncertainty creates problems for Steering, and PM in how to utilize them. It would be nice to see rules and training on how Steering members are to support agility.

**Functions**

**Roles**

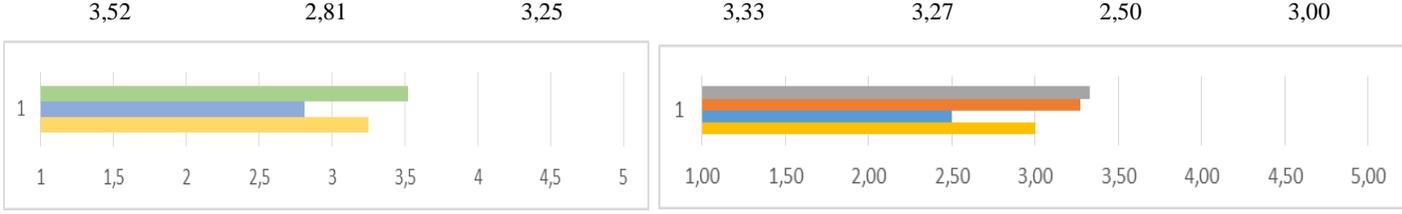


**6 Project Steering practicalities and competencies**

1 Project managers are able to utilize project steering group efficiently

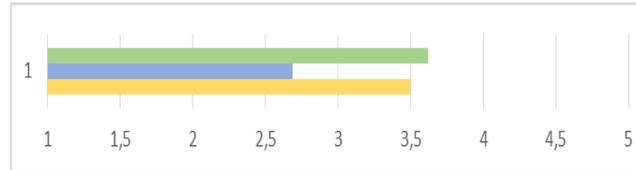


2 Project owners recognize their role as the chair of project steering group and act accordingly

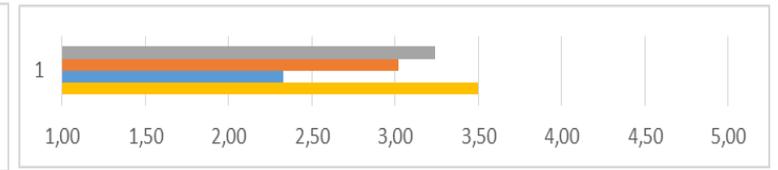


3 Project steering methods and practicalities are common from project to project

3,62 2,69 3,50

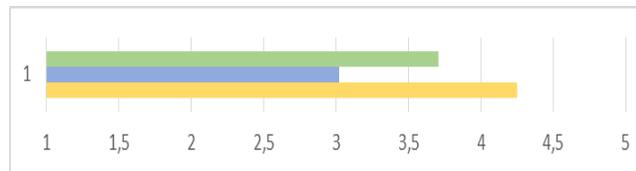


3,24 3,02 2,33 3,50

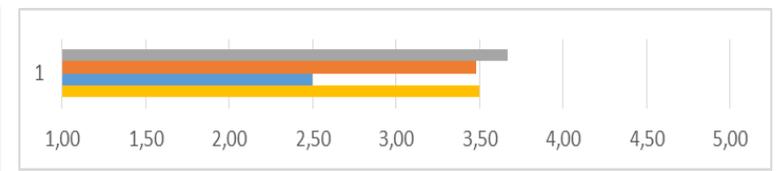


4 Project steering groups' compositions cover all needed competence areas (leadership, substance, mandate) in order to support projects properly

3,71 3,02 4,25

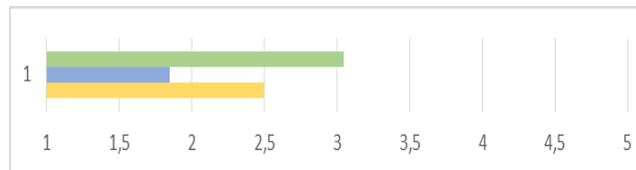


3,67 3,48 2,50 3,50

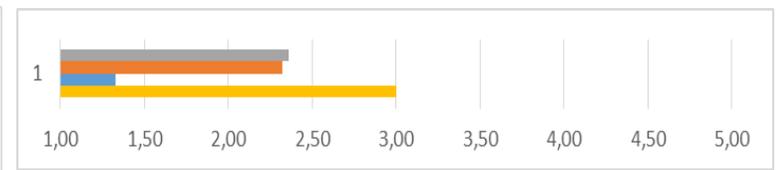


5 We are measuring project steering results

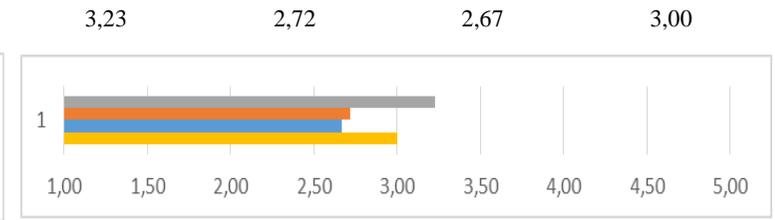
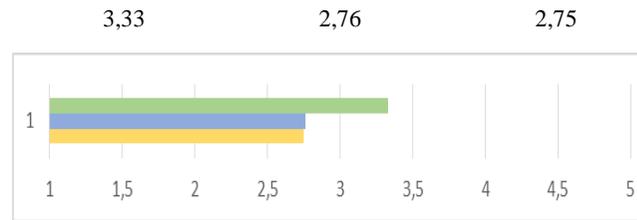
3,05 1,85 2,50



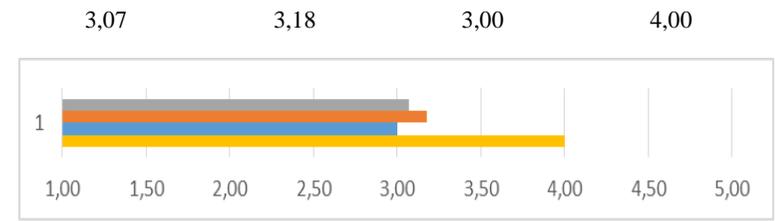
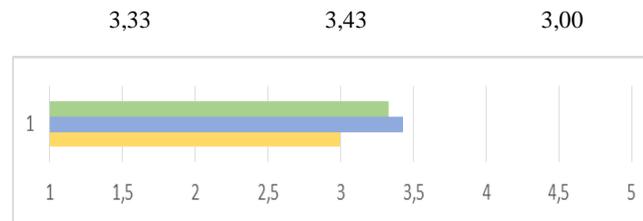
2,36 2,32 1,33 3,00



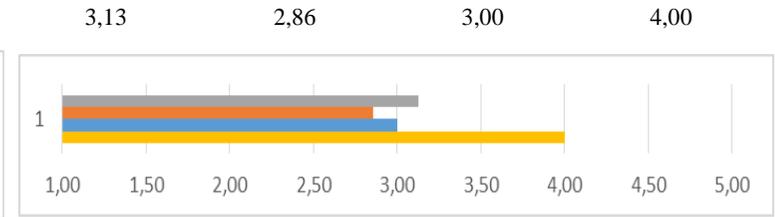
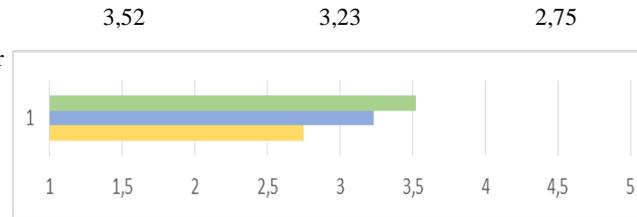
6 Project steering work/role/decisions are visible in everyday project work



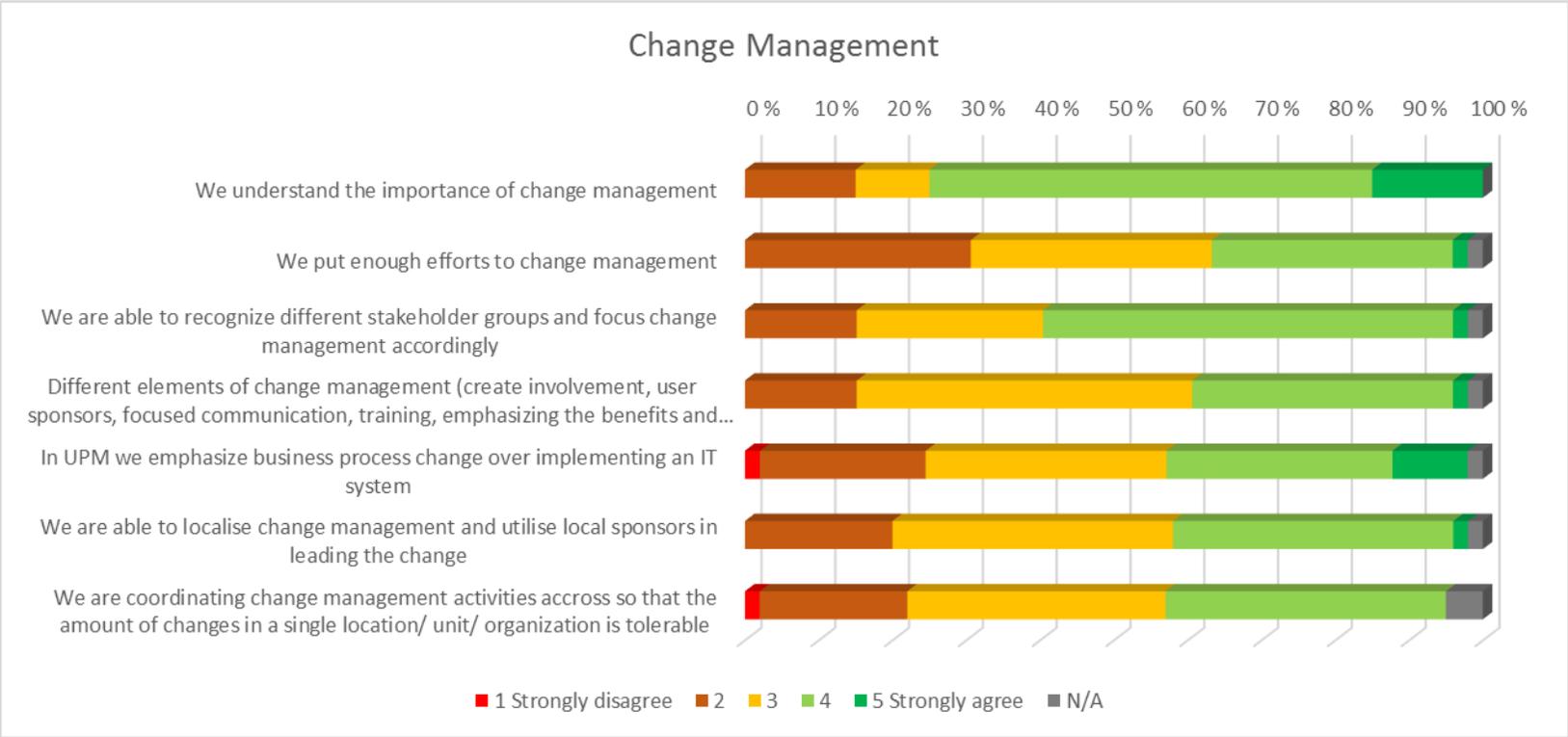
7 Project sponsor(s) are working actively as change enablers



8 Project steering members have enough time to commit themselves for the project in order to make good decisions



|          |  | <b>Strongly disagree</b> |    |    |    | <b>Strongly agree</b> |     | <b>Weighted average</b> |
|----------|--|--------------------------|----|----|----|-----------------------|-----|-------------------------|
|          |  | 1                        | 2  | 3  | 4  | 5                     | N/A |                         |
|          |  | %                        | %  | %  | %  | %                     | %   |                         |
| <b>7</b> | <b>Change Management in projects</b>   |                          |    |    |    |                       |     |                         |
| 1        | We understand the importance of change management  | 0                        | 15 | 10 | 60 | 15                    | 0   | <b>3,75</b>             |
| 2        | We put enough efforts to change management   | 0                        | 30 | 32 | 32 | 2                     | 2   | <b>3,06</b>             |
| 3        | We are able to recognize different stakeholder groups and focus change management accordingly  | 0                        | 15 | 25 | 55 | 2                     | 2   | <b>3,45</b>             |
| 4        | Different elements of change management (create involvement, user sponsors, focused communication, training, emphasizing the benefits and opportunities) are used efficiently to enable the change | 0                        | 15 | 45 | 35 | 2                     | 2   | <b>3,25</b>             |
| 5        | In UPM we emphasize business process change over implementing an IT system   | 2                        | 22 | 32 | 30 | 10                    | 2   | <b>3,25</b>             |
| 6        | We are able to localise change management and utilise local sponsors in leading the change   | 0                        | 20 | 38 | 38 | 2                     | 2   | <b>3,22</b>             |
| 7        | We are coordinating change management activities accross so that the amount of changes in a single location/ unit/ organization is tolerable   | 2                        | 20 | 35 | 38 | 0                     | 5   | <b>3,15</b>             |



**Comments for Change management theme**

Change management effort is unfortunately getting less and less in projects

Varies a lot from project to project.

there is no global view of all changes happening at the same time at UPM (at least could not find it on the Intranet) most of happenings happen to be exchanged at the coffee machine. For example my own report to Portfolio with my own views on project dependencies I don't even know how the other projects are seeing their project towards the one I m leading. Could it be possible to make all Portfolio reporting (the monthly status report) available to all people sending one or even better to UPM , there is nothing really confidential , but would open projects and make them less confidential.

is there ever enough change management

The project ownership and steering shoul take more active role in change management. Too often the change management is project manager's responsibility.

Change management is very important from the involvement point of view. Still today there are not too many change management experts/leaders in our projects

Change management need varies naturally a lot depending on the project. But one issue for some projects can be that in order to avoid costs we cut heavily on the change management side and involving site level people. Also one tendency seems to be that some big projects have huge budget, but smaller but still important ones could be cut to the minimum. Also if resourcing is very limited in smaller projects, change management easily suffers

Change management is a critical area to all our projects. We need to continue to emphasize this within our projects. We also could benefit from addressing the company culture that is resistant to change, especially at the mid-manager level. Upper management tends to support change initiatives, but that message falls off the deeper we go into the organization. Mid-managers are critical change agents to all our projects, motivating their teams.

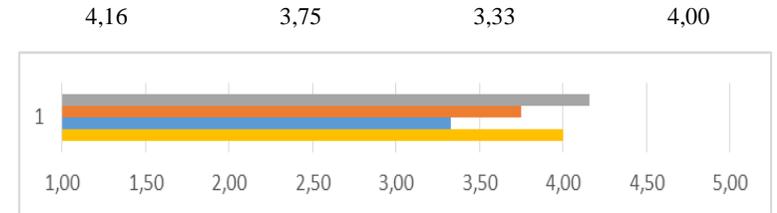
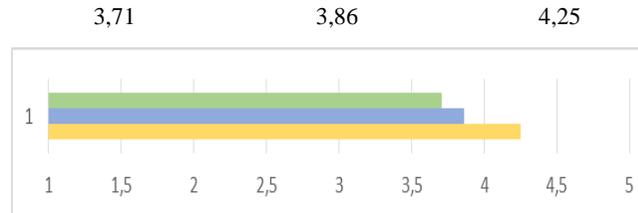
**Functions**

**Roles**

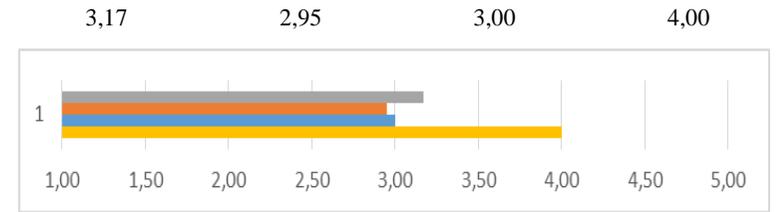
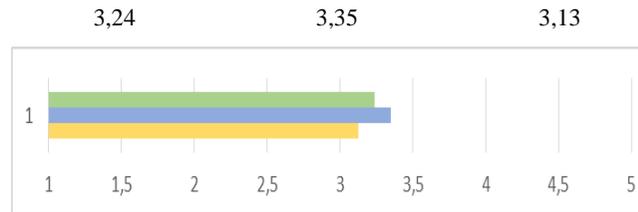


**7 Change Management in projects**

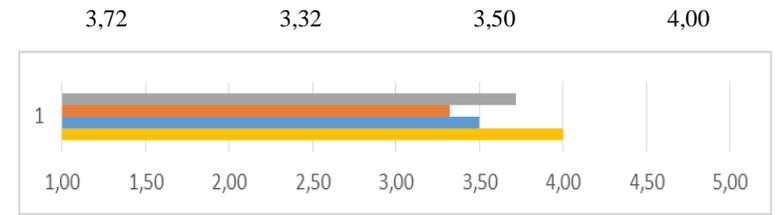
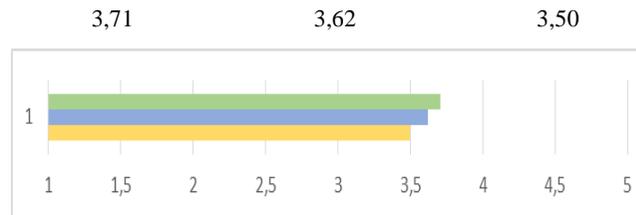
1 We understand the importance of change management



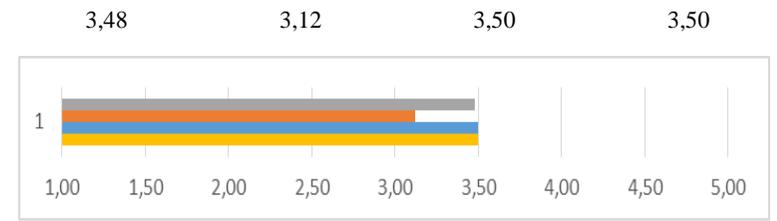
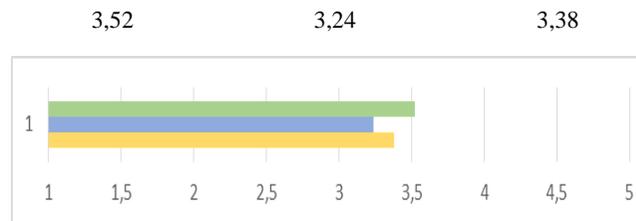
2 We put enough efforts to change management



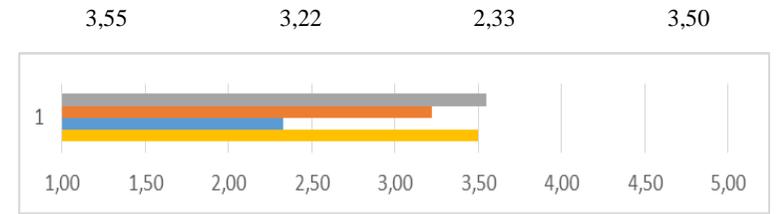
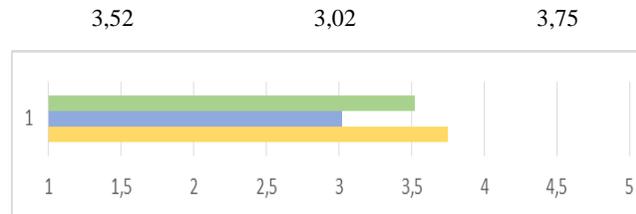
3 We are able to recognize different stakeholder groups and focus change management accordingly



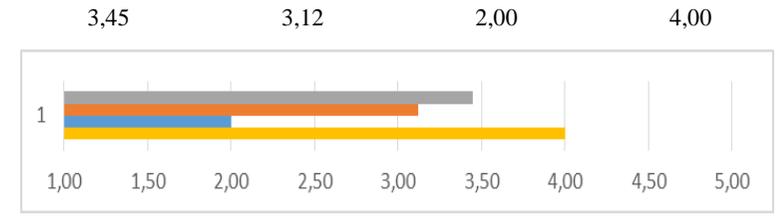
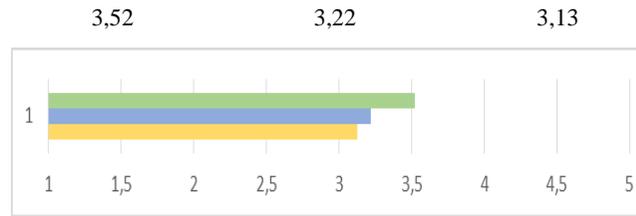
4 Different elements of change management (create involvement, user sponsors, focused communication, training, emphasizing the benefits and opportunities) are used efficiently to enable the change



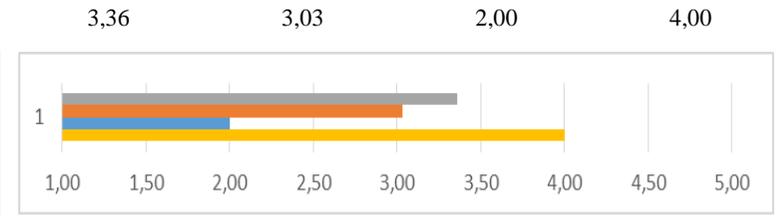
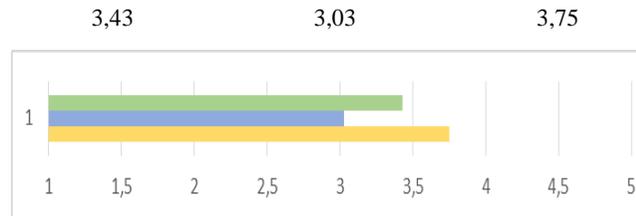
5 In UPM we emphasize business process change over implementing an IT system



6 We are able to localise change management and utilise local sponsors in leading the change

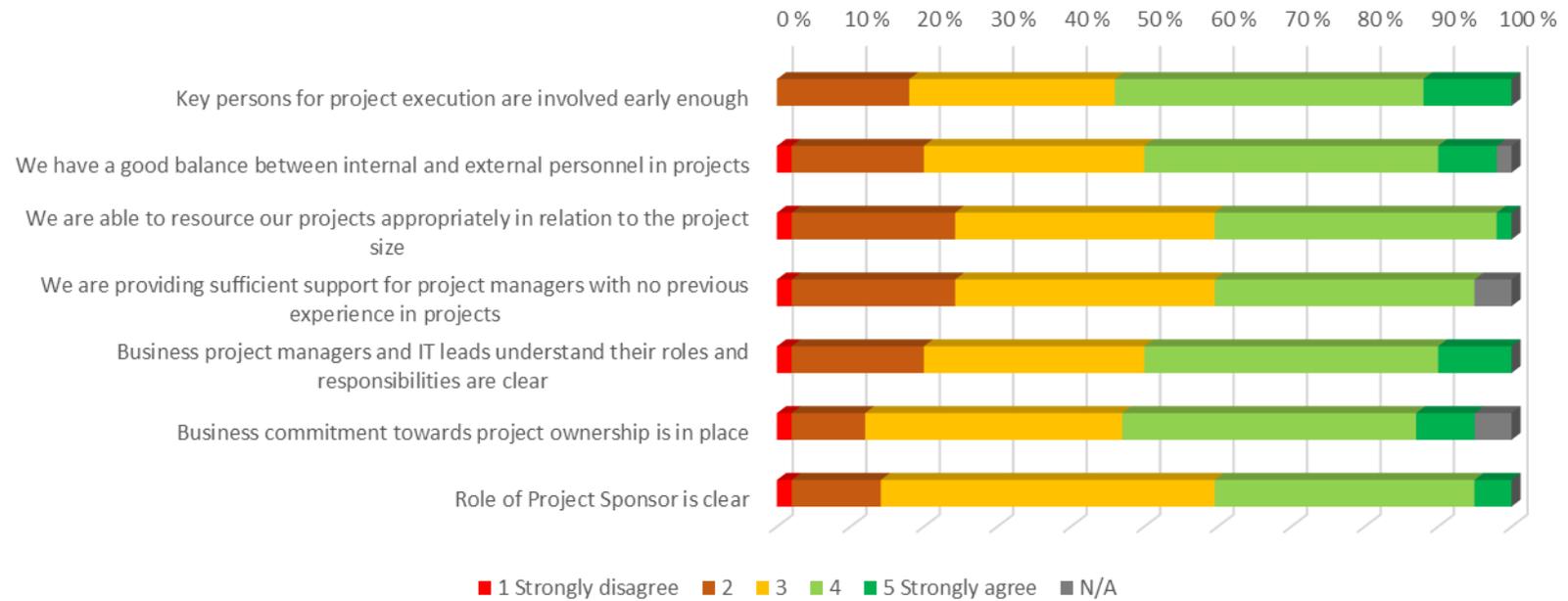


7 We are coordinating change management activities accross so that the amount of changes in a single location/ unit/ organization is tolerable



|          |  | <b>Strongly disagree</b> |    |    |    | <b>Strongly agree</b> |     | <b>Weighted average</b> |
|----------|--|--------------------------|----|----|----|-----------------------|-----|-------------------------|
|          |  | 1                        | 2  | 3  | 4  | 5                     | N/A |                         |
|          |  | %                        | %  | %  | %  | %                     | %   |                         |
| <b>8</b> | <b>Organizing a successful project – “practical approach”</b>                                    |                          |    |    |    |                       |     |                         |
| 1        | Key persons for project execution are involved early enough                                      | 0                        | 18 | 28 | 42 | 12                    | 0   | <b>3,48</b>             |
| 2        | We have a good balance between internal and external personnel in projects                       | 2                        | 18 | 30 | 40 | 8                     | 2   | <b>3,35</b>             |
| 3        | We are able to resource our projects appropriately in relation to the project size               | 2                        | 22 | 35 | 38 | 2                     | 0   | <b>3,16</b>             |
| 4        | We are providing sufficient support for project managers with no previous experience in projects | 2                        | 22 | 35 | 35 | 0                     | 5   | <b>3,10</b>             |
| 5        | Business project managers and IT leads understand their roles and responsibilities are clear     | 2                        | 18 | 30 | 40 | 10                    | 0   | <b>3,38</b>             |
| 6        | Business commitment towards project ownership is in place  | 2                        | 10 | 35 | 40 | 8                     | 5   | <b>3,44</b>             |
| 7        | Role of Project Sponsor is clear   | 2                        | 12 | 45 | 35 | 5                     | 0   | <b>3,29</b>             |

### Organizing a successful project



### **Comments for Organizing a project theme**

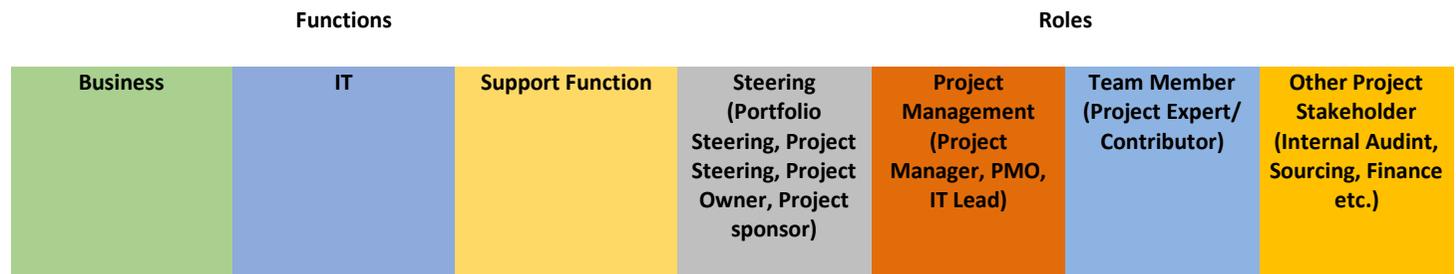
When you have lots of small projects, the project organisations are vague

these items are dependant on projet size and content. 4 and 5 I would like to see project best practices and set of guidelines , most of them are common sense, but would help "junior" PM [Status report with template / project best practices ....]

Not enough project mgmt professionals in UPM - Project owners / sponsors should be trained

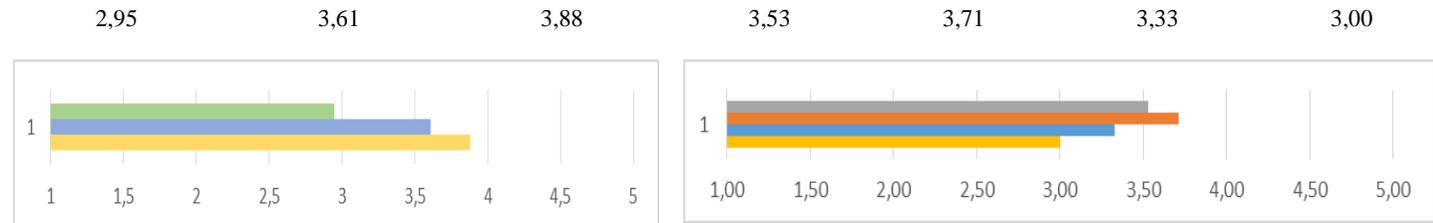
It has an impact on the success, if the key persons can reserve enough time for planning phase and clarifying well enough on what we actually are after.

We are so thinly staffed, that getting proper business input into projects is challenging. When we do, often we do not get the level of input we need.

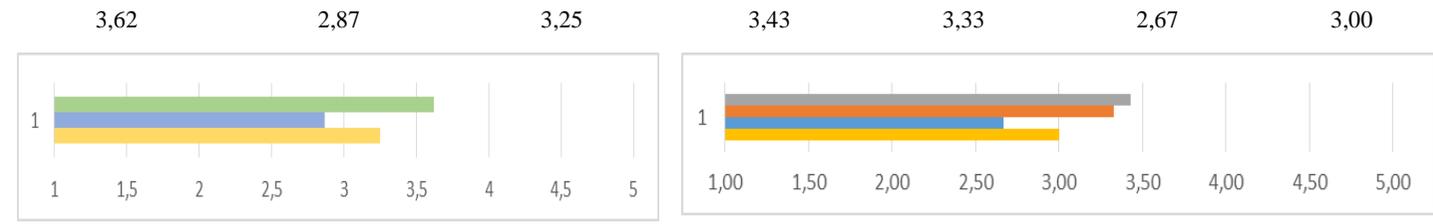


**8 Organizing a successful project – “practical approach”**

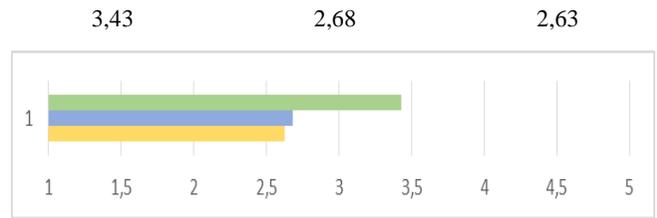
1 Key persons for project execution are involved early enough



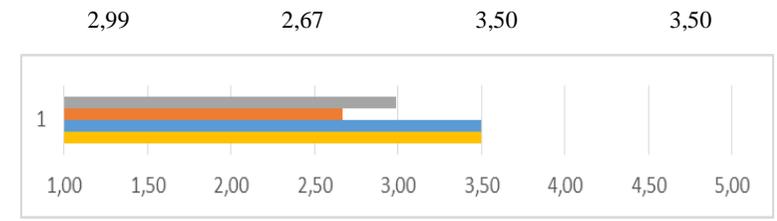
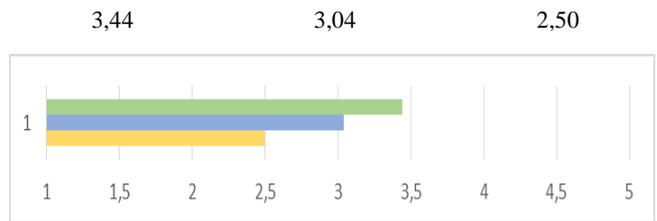
2 We have a good balance between internal and external personnel in projects



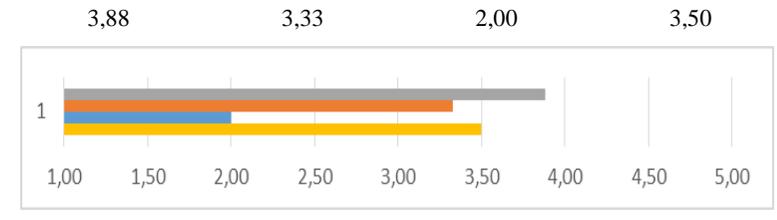
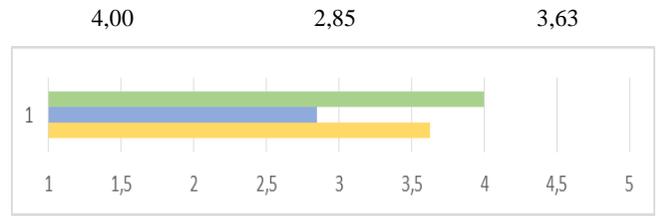
3 We are able to resource our projects appropriately in relation to the project size



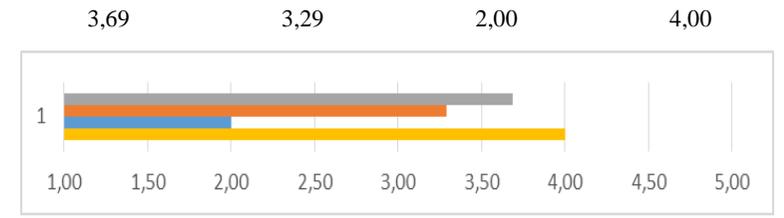
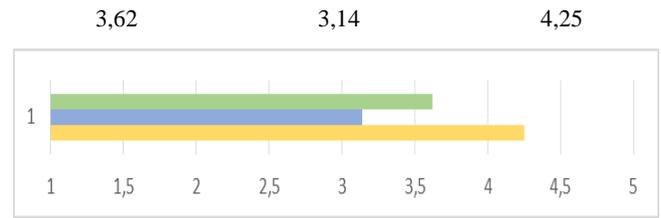
4 We are providing sufficient support for project managers with no previous experience in projects



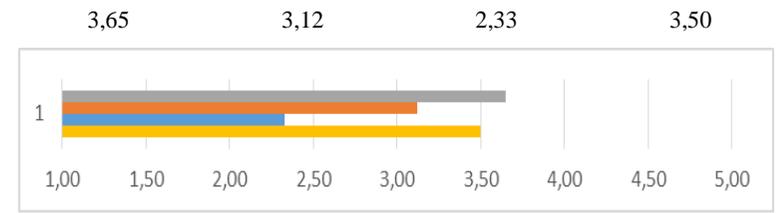
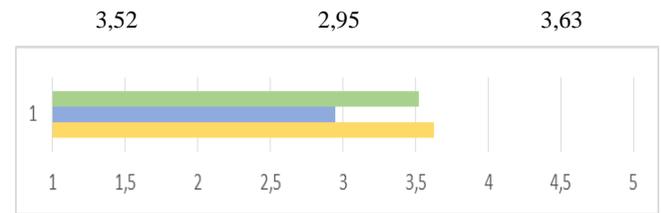
5 Business project managers and IT leads understand their roles and responsibilities are clear



6 Business commitment towards project ownership is in place



7 Role of Project Sponsor is clear



## APPENDIX 3

### Workshop results

| From/ To   | Agile   | Vendor  | Steering   | Change  | Leadership   | Set-up   |
|------------|---|---|--|---|--|--|
| Agile      | <ul style="list-style-type: none"> <li>- create hybrid model guideline (governance, navigator, agile steering practicalities, decisionmaking)</li> <li>-organize coach/ training sessions</li> <li>-promote official trainings</li> </ul> | <ul style="list-style-type: none"> <li>- agile contract model/ sourcing</li> </ul>  |  |   | <ul style="list-style-type: none"> <li>- promote agile culture</li> </ul>  |  |
| Vendor     |   | <ul style="list-style-type: none"> <li>- IT service owners near business</li> </ul> |  |   |  | <ul style="list-style-type: none"> <li>- create vendor onboarding package</li> <li>- bi-lingual manning</li> <li>- skilled manning</li> <li>- focus on testing competencies</li> </ul>   |
| Steering   | <ul style="list-style-type: none"> <li>- agile way of steering</li> </ul>   |   | <ul style="list-style-type: none"> <li>- onboarding material (role of steering project owner role)</li> <li>- steering seminars</li> <li>- project KPI's as measurement</li> <li>- steering composition into stakeholder approval slide</li> <li>- mechanism to coach</li> </ul> |   |  |  |
| Change     |   |   | <ul style="list-style-type: none"> <li>- change management as standard steering agenda item</li> <li>- owner role regarding change management</li> </ul>   | <ul style="list-style-type: none"> <li>- ensure competent resource</li> <li>- change impact report and communication guideline</li> </ul>   |  |  |
| Leadership | <ul style="list-style-type: none"> <li>- (agile) scope management (action point 4)</li> </ul>   | <ul style="list-style-type: none"> <li>- multiple culture understanding</li> </ul>  | <ul style="list-style-type: none"> <li>- multiple culture understanding</li> <li>- owners role in lean handover</li> </ul>   | <ul style="list-style-type: none"> <li>- resource properly</li> <li>- define business side responsibilities</li> <li>- namig of project</li> <li>- steering group and team are ambassadors</li> </ul> | <ul style="list-style-type: none"> <li>- multiple culture understanding</li> <li>- improve people management together with HR</li> </ul> | <ul style="list-style-type: none"> <li>- ensure multiple culture leadership (kick-off material)</li> <li>- staffing principle (include to-be line organization in project planning)</li> </ul>   |
| Set-up     |   |   | <ul style="list-style-type: none"> <li>- ownership culture</li> <li>- steering coaching material (project kick-off template)</li> </ul>  |   |  | <ul style="list-style-type: none"> <li>- project buddy/ coach network (action 1 PM coaches and action 5 instructions to projects surrounding processes)</li> <li>- PM coach role in PPM team</li> <li>- ensure staffing principles are followed</li> </ul> |

## APPENDIX 4

### PM Expo 2015 feedback form

**Circulate appropriate grade. 1 = poor, 4 = excellent**

#### **Overall**

|   |                                     |   |   |   |   |
|---|-------------------------------------|---|---|---|---|
| 1 | Did PM Expo meet your expectations? | 1 | 2 | 3 | 4 |
| 2 | Did you get benefit for your work?  | 1 | 2 | 3 | 4 |
| 3 | Content of the event as a whole     | 1 | 2 | 3 | 4 |
| 4 | Speakers' expertise                 | 1 | 2 | 3 | 4 |
| 5 | The venue                           | 1 | 2 | 3 | 4 |
| 6 | Event administration                | 1 | 2 | 3 | 4 |
| 7 | Overall rating of the event         | 1 | 2 | 3 | 4 |

#### **Speakers**

|           |                  |   |   |   |   |
|-----------|------------------|---|---|---|---|
| <i>JO</i> | Jyrki Ovaska     | 1 | 2 | 3 | 4 |
| <i>TK</i> | Turkka Keskinen  | 1 | 2 | 3 | 4 |
| <i>JC</i> | Jari Collin      | 1 | 2 | 3 | 4 |
| <i>LW</i> | Laura Wirenius   | 1 | 2 | 3 | 4 |
| <i>PD</i> | Patrick Degerman | 1 | 2 | 3 | 4 |
| <i>JÖ</i> | Jari Österberg   | 1 | 2 | 3 | 4 |

#### **Other agenda topics**

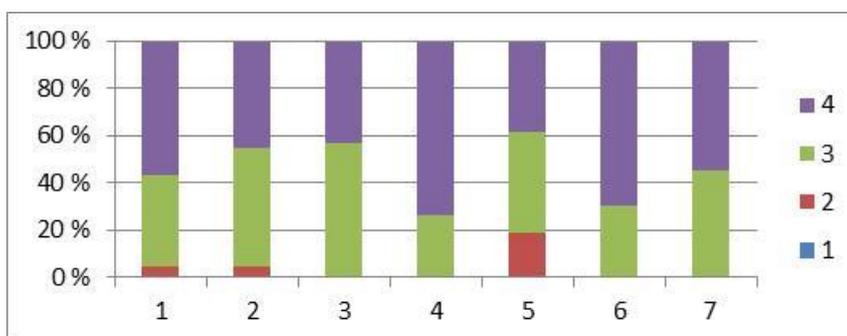
|           |                   |   |   |   |   |
|-----------|-------------------|---|---|---|---|
| <i>PD</i> | Panel discussion  | 1 | 2 | 3 | 4 |
|           | Group Work        |   |   |   |   |
| <i>CH</i> | Change management | 1 | 2 | 3 | 4 |
| <i>ST</i> | Steering          | 1 | 2 | 3 | 4 |
| <i>AG</i> | Agile             | 1 | 2 | 3 | 4 |
| <i>LE</i> | Leading           | 1 | 2 | 3 | 4 |
| <i>OR</i> | Organizing        | 1 | 2 | 3 | 4 |
| <i>VE</i> | Vendor            | 1 | 2 | 3 | 4 |
| <i>MI</i> | Topic missing     | 1 | 2 | 3 | 4 |

#### **Open comments**

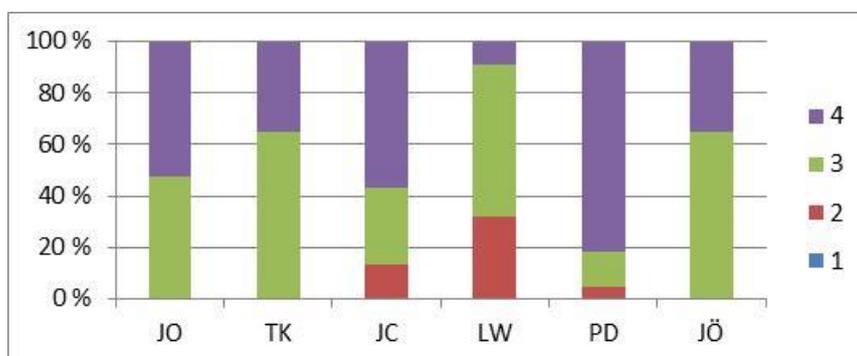
## APPENDIX 5

### PM Expo 2015 feedback form results

| Overall                               | 1 | 2 | 3  | 4  | Average |
|---------------------------------------|---|---|----|----|---------|
| 1 Did PM Expo meet your expectations? | 0 | 1 | 9  | 13 | 3,52    |
| 2 Did you get benefit for your work?  | 0 | 1 | 11 | 10 | 3,41    |
| 3 Content of the event as a whole     | 0 | 0 | 12 | 9  | 3,43    |
| 4 Speakers' expertise                 | 0 | 0 | 6  | 17 | 3,74    |
| 5 The venue                           | 0 | 4 | 9  | 8  | 3,19    |
| 6 Event administration                | 0 | 0 | 7  | 16 | 3,70    |
| 7 Overall rating of the event         | 0 | 0 | 10 | 12 | 3,55    |



| Speakers                   | 1 | 2 | 3  | 4  | Average |
|----------------------------|---|---|----|----|---------|
| <i>JO</i> Jyrki Ovaska     | 0 | 0 | 11 | 12 | 3,52    |
| <i>TK</i> Turkka Keskinen  | 0 | 0 | 15 | 8  | 3,35    |
| <i>JC</i> Jari Collin      | 0 | 3 | 7  | 13 | 3,43    |
| <i>LW</i> Laura Wirenius   | 0 | 7 | 13 | 2  | 2,77    |
| <i>PD</i> Patrick Degerman | 0 | 1 | 3  | 18 | 3,77    |
| <i>JÖ</i> Jari Österberg   | 0 | 0 | 15 | 8  | 3,35    |



| Other agenda topics               | 1 | 2 | 3  | 4 | Average |
|-----------------------------------|---|---|----|---|---------|
| PD Panel discussion<br>Group Work | 1 | 2 | 14 | 6 | 3,09    |
| CH Change management              | 0 | 1 | 3  | 1 | 3,00    |
| ST Steering                       | 0 | 0 | 0  | 2 | 4,00    |
| AG Agile                          | 0 | 0 | 2  | 1 | 3,33    |
| LE Leading                        | 0 | 0 | 1  | 1 | 3,50    |
| OR Organizing                     | 0 | 0 | 2  | 1 | 3,33    |
| VE Vendor                         | 0 | 0 | 0  | 1 | 4,00    |
| MI Topic not mentioned            | 0 | 0 | 2  | 4 | 3,67    |



Patrick was great, also Turkka, clear presentation

A good forum for networking

Panel discussion could have been a bit longer and gone deeper. It was interesting!

Panel discussion was very difficult to hear (echo in the room, quiet discussion), microphone would be needed

Location could be somewhere else - in a city maybe? Too much echo.

Good open discussion. Good speakers. Good mix of participants.

Group work (Organizing) could have been a bit more structured. Mirror, mirror on the wall..

Especially nowadays when people have change in the organization, this kind of blending ideas/ information are important and beneficial

Too short time slot for Jari Collin. More usage of the microphone. E.g in panel discussion. Probably it should be better to have "networking/ dinner" straight

away when day ends, there were a lot of people who said that they don't want to wait 2,5 hours, mainly people who didn't stay over the night in hotel.

## APPENDIX 6

### PM Expo 2015 feedback interview

- Why did you participate?
- Expectations towards the event?
- How well the expectations were met?
- Best outcome(s) from the event?
- What was missing from the event?
- What project competence management topic or theme should be prioritized and further developed in organization?
- What would be the best way of elaborating the topics in the event in future?
- Who should participate the event in the future?
- How often the event should be arranged?
- What would be the ideal duration of the event?
- Are pre assignments or post assignments beneficial?
- How the event should be developed?
- Are the objectives of the event clearly communicated?
- Is the event achieving the objectives?
- Should the topics in the event be more specific?
- Did you participate year 2012?
  - ➔ What was better?
  - ➔ What was worse?
- How you see the utility and necessity of the event?