

Business News Matters, June 18, Philadelphia – Protozus, a small to mid-sized biotech startup in the western suburbs of Philadelphia is considering an IPO. Sources say that the IPO would not happen until at least the middle of next year but that initial feasibility discussions are taking place between Protozus and various banks and venture capital firms. Quinn Randolph, a former geneticist from the University of Pennsylvania, founded Protozus seven years ago along with several partners to capitalize on various discoveries and patents. Although privately held, the Malvern-based company has grown to approximately \$100 million in annual revenues based upon three innovative biotech products. Some biotech analysts think that Protozus may be taking on too much at once. The company currently has three major projects underway – a new manufacturing facility, the implementation of an enterprise software system, and R&D on the latest new product. In the last week, Protozus announced the hiring of a new CFO, Jim Matherson. Jim is a 20-year finance and accounting veteran of the pharmaceutical industry and is expected to bring in a “public company” approach to finance and accounting in order to prepare Protozus for a successful IPO....

The Calls, Friday, July 2nd, 2:51 PM, Protozus offices

The speakerphone in the small conference room at Protozus, "This is Sam, we have time for one last question."

"Jim, this is Terri Johnson of Aquimus Equities. The way I understand it, Protozus wants to launch a major IPO while also undertaking 3 critical projects. What assurance can you give us that these projects will be successful? It seems to me that these are "bet the farm" initiatives."

Jim Matherson looks across the table at his core team and then turns to his speaker phone, "Terri, nothing like a little grilling right before we start the 4th of July weekend." A few laughs on the conference call. "Let me start by saying that the challenges we face in completing our initiatives - the enterprise software system, the new manufacturing facility, and R&D on our latest product - while clearly challenges requiring focus, are not as great as some of those we've overcome to date. We've got a great team here at Protozus and, while I don't agree that we are betting the farm, I'd bet the farm on this team any day."

"Thank you. But do you..."

Sam breaks in, "I want to thank everyone for participating in this call. I hope Jim and the Protozus team have answered your questions. The markets are closed Monday, have a great holiday weekend."

The call dissolves in a flurry of beeps as the potential investors disconnect. Jim hits the speaker phone button and closes out the call. The phone rings again almost immediately. Jim glances at the caller ID and hits the button again, "Hi Sam, what did you think?"

"Great job. Let me test the waters a bit and I'll get you some feedback next week. All of you have a great weekend."

"Thanks. You too."

Jim taps the speaker phone button again and looks at his team. "So, thoughts? Janice?"

"Well Jim. To be honest, kind of rough. There seems to be a lot of angst in the investor world about our major initiatives."

"Right. Do you think we're doing too much at once? Do we consider pulling the plug or scaling back?"

"I wouldn't pull the plug. Consider the wave we'll be riding after we succeed."

"Thanks Janice. Tim?"

"Well Jim. I'm not sure what the fuss is about. Speaking for the IT side, we've got it under control on the new IT implementation. I know how critical this project is but it's still early and I'm confident we can deliver on time and budget."

"I don't doubt that Tim and I'm not questioning your team's ability. This project is critical though and we're going to have to think carefully about governance and reporting so that there are no surprises. Agreed?"

"Agreed, maybe we can meet next week and discuss your specific concerns."

"That sounds like a good idea. Barry's not here but do you know what's going on with the new facility?"

"It's still early there too but I believe that all systems are go. Barry did call a meeting for Tuesday or Wednesday. Some sort of brainstorming session. I'll be in California both days in meetings with some of our key software designers so I've asked Allison to stand in for me at the meeting. They're both top priorities but we can't be everywhere."

"Good. Could you forward the invite to me? If I can, I want to sit in on that session to learn more about that project. Thanks Tim. If there's more we can do in finance and accounting to facilitate these projects, let us know."

Tim nods, "Thanks. Will do."

"Andy, what do you think about all of this from a finance and accounting perspective?"

"I have a number of concerns. Of course, there are the typical F&A functional issues. Invoice control and payment relating to the various contractors. How much additional workload to support these initiatives? Do we have the capacity to meet these needs? Et cetera. And then there are questions concerning how these initiatives impact F&A. Especially the enterprise software system and how it will impact our processes and systems in the long run. To be honest, on that particular project, while I understand the importance of schedule and budget, my main concern is that it works well and meets our needs. It will be the system for a long time so I'd like it to be one that makes life easier rather than harder."

"Understood. How much have you been in the loop on these projects?"

“Tim’s team, and Barry’s as well, keep me in the loop with regular project updates and meetings. I’m more constrained by my own availability than by any lack of openness on their parts. I’d like to get more involved as these projects really get underway in order to influence how the controls function as well as to provide design input into areas that need interface with F&A.”

Tim turned toward Andy, “We can make that happen, Andy. Maybe you could attend next week’s brainstorming session for the new facility project. It might not be exactly the type of input you’re looking to provide but it will give you a better idea of how the project is progressing. I can get an invite to you in addition to the one that will be going to Jim.”

"Thanks. I'll be there."

Jim glances at each of his critical team members, "Good. Unless anyone has any further thoughts on today's call, or any questions in general, let's get out of here and enjoy this much-needed weekend. Anything?"

"Not now."

"No." A couple shake their heads.

"Well, have a great 4th then. Let's come back ready to take on these challenging projects."

Friday, July 2nd, 4:18 PM, US Route 202

Jim shifts smoothly into 5th gear as his car picks up speed on the road south to West Chester - traffic limited as most have gone earlier in the afternoon to get a jump on the weekend.

As his Iphone buzzes his thigh, he quickly glances at the caller, before tapping the button on his hands-free set,

"Hello Quinn."

"Jim. I heard you did a good job on the call. Sam just called me. I was going through security so he left a voicemail. He said you handled the tough questions well."

"Thanks. How did your meeting go?"

"Well I think. Stephens, Pearce, and Hernandez are all experienced board members. They did grill me a lot about the projects - I hear you got the same."

"Yes, they seem to be at the top of everyone's list of concerns. What worries the board members the most?"

"Juanita was mostly focused on the IT implementation. As a Fortune 100 CIO that shouldn't be a surprise. Evidently, the reason she got her current job is that the company really botched one of these right before she got there. Spent millions on a name brand and ended up pulling out before completion."

"Ouch. So she wants to make sure we don't get burned?"

Jim turns smoothly onto the exit ramp for the 30 Bypass and heads toward the sun.

"Or burn ourselves."

"Right. How about Stephens and Pearce?"

"Well, Joe mostly listened. He did quote some disturbing statistic about 2/3 of projects failing to meet one or more major business objectives."

"That's encouraging."

"That's what I thought. I don't know where that number comes from."

"What about Pearce?"

Ladies and gentlemen, Flight 256 to Philadelphia will begin pre-boarding. Anyone travelling with children 5 or younger, or anyone needing special assistance, may board at this time.

"Sorry about the announcement. Will is always positive. He did have a number of questions about the new plant. Seems that before he retired as general counsel, he was involved in a nasty litigation over a construction project. He's obviously concerned."

"Damn, does anyone have experience with good projects?"

Jim turns off the bypass in front of the new shopping area.

We will now continue boarding with Zone 1.

"In a couple of years we better be able to say that we do or it won't be career-enhancing. I've got to board now while I can or there won't be room for my bag on this toy plane. Have a good weekend. Let's talk about this more on Tuesday."

"Ok. Have a good flight and weekend. See you Tuesday."

We will now board all passengers seated in Zones ...

Jim takes off his hands-free set as he turns right into his cul-de-sac and pulls up into his driveway. He pulls the key out of the ignition and stops for a second.

"Definitely not career-enhancing. We'll have to see that these projects succeed."

Friday, July 2nd, 11:49 PM, Jim's home office

The laptop on the desk lights the home office with a bluish glow. Jim stares at the web browser and the latest document he's pulled up.

"Damn, success might be harder than I thought."

He glances at the time on his laptop and then looks down at some of the notes he's scribbled into his small Moleskine notebook:

- 2/3 fail to meet one or more business objectives!!
- Software projects behind schedule and over-budget.
- This is NOT a secret - why is everyone optimistic about their project's chance for success?
- Methods and software everywhere on the web – is there magic bullet? If there is, why so many??

He puts down his pen and sits back while his laptop shuts down. Flipping the light switch, he heads off to bed in the dark.

Saturday, July 3, 9:27AM

"You came to bed awfully late last night. Something wrong?"

Jim glances through the mirror at his wife Susie in the bathroom doorway. He puts his razor down for a second.

"Just thinking through some issues at work. Doing some research on the web."

"Research? Some new problem you haven't seen before?"

"We are getting a lot of pressure about three projects we're starting. They are critical to the company's future but it seems there are a lot of skeptics about our ability to pull it off."

Jim continues shaving, trying not to cut himself while talking."

"I'm sure you can get it done. You've told me that your core team is really solid. Why research?"

He puts his razor beside the sink and splashes the last of the shaving cream from his face.

"I wanted to get a better idea of the data about project success. It's dismal. Whenever I found an objective study, it confirmed that many, if not most, projects, in all areas, fail in at least one of their key success criteria. It's disconcerting to say the least."

"Do you think those stats apply to your projects?"

"Construction, IT, new product development - it doesn't seem to matter. Cost overruns, schedule delays, and scope changes and reductions seem to be the rule, not the exception."

"Why? That doesn't make sense."

"I think I need to figure out why. Then we could make our projects succeed."

"Sounds like you need to relax and clear your mind. Let some ideas work themselves out."

"Sounds good. What time is this cookout?"

"We have to pick up a bottle of wine to bring with us. Then pick up Sooz from her sleepover at Deb's house at 11:15. The cookout starts at 11:30. That means we don't have to leave for over an hour."

Saturday, July 3, 11:36 AM

"Dad, I'm going to go find Jodie."

"Ok Sooz. Have fun." Jim kisses his daughter before she runs off through the small crowd in the backyard.

"I see Carol. I'm going to see if she needs help. It looks like Dave is on grill duty already." Susie quickly kisses Jim. "See you later."

"Bye. Where there's a grill, there's a beer." Jim heads toward the small knot of men convened around Dave's grill.

"Hey Jim, pull up a beer. New England lager in the cooler or Big Horse light in the pony keg." Jim reaches for the cooler and takes the lager.

"Thanks. It's going to be a hot one."

"You're welcome. Have you met everyone here?"

"I've met your Dad. Good to see you again David," shaking hands with the oldest man in the group, short grey hair.

"Well this is John. He's a philosophy professor at the university. I met him when I taught a couple of marketing courses in the business school. He was teaching an ethics course and something else I never quite figured out."

"Systems Approaches in Management," John says while shaking Jim's hand, "Nice to meet you."

"You as well. Systems Approaches in Management? Sounds almost mystical. What was a philosopher doing in a business school?"

John laughs lightly. "Good question. I guess I don't always fit in the Philosophy Department. I like to ask good questions about practical subjects like organizations and management."

"Yes, don't get him started with the questions."

"We can save it for another time. What do you do Jim?"

"I'm with a biotech company here in Malvern."

David the elder interrupts. "With a biotech company? Don't let him snow you professor. Jim's too modest. I've known him since he and Davey were frat brothers 25 years ago. Jim's the CFO of one of the hottest biotech companies in the region."

"Really, which company?"

"Protozus."

"I've heard of your company. Fairly rapid growth. A couple of highly regarded biotech patents."

Dave, listening while flipping burgers on the grill, grins and says over the sizzle, "Not bad for a philosophy professor John."

"Some of us do pay attention to the mundane. And we can see quite a distance from our ivory towers."

Dave laughs and turns to Jim, "So how are things in the fast-paced worlds of biotech and high finance."

"Things are going well. I've got a good team. Some challenges but that's to be expected."

David Sr. grabs another beer. "I heard you announced that you're building a new plant in West Virginia."

"Yes. We're in the early stages of planning right now. Any chance you'd come out of retirement to help?"

"What? After 25 years as a supe and 45 in construction overall, you definitely don't need these old bones on your site."

"Bones maybe not, although you shouldn't sell yourself short. We could always use brains and experience though."

Dave looks up from the grill to see another couple coming into the yard through the fence gate. "Tom, Anne, welcome."

"Hi Dave, thanks for having us over."

"Hi Dave, where's your wife? I need to do something with this potato salad."

She's in the house right now Susie and Mom. I've had your potato salad. You could leave it right here and I'll take care of it." Dave taps the side table attached to his grill.

"I bet you would. And there wouldn't be anything left for lunch either. I think I'll find Carol and see where she wants this."

"Alright, my loss. Pull up a beer Tom."

"Don't mind if I do." Tom reaches into the cooler for a bottle."

"Everyone, this is Tom Shephard. He and Anne live across the street. Tom runs his own business doing project management consulting and training. Tom, you've met my dad." They shake hands. "You know professor John from down the street. And this is Jim Matherson, my old college frat brother. Jim's the CFO of Protozus, a biotech firm in Malvern."

"Nice to meet you Jim," while shaking hands.

Dave smiles at Tom. “We were just talking about your line of work Tom. One of Jim’s challenges is a new project to build a manufacturing facility in West Virginia.”

“I read about that. I also saw something that indicated that that is not your only major project right now. Aren’t you also doing a major IT implementation and a new product R&D project?”

Jim nods, “That’s right. Our plate is full with project management.”

“Maybe we can talk sometime to see if there’s a way that I might help you.”

Dave laughs, “Already going for the kill Tom? Two minutes into the BBQ and you’re after a sale?”

Tom chuckles, “Well, I’m always anxious to help, and it does bring home the meat for my grill.”

Jim smiles, “I appreciate the offer Tom. I’ve got to say that I was up late reading project management literature on the web – if anything on the web qualifies as ‘literature’ – and it was not exactly comforting.”

Tom sips his beer, “In what way?”

“Well, I started to come across a lot of statistics. Two-thirds of major capital projects failing to meet one or more business objectives. And there are similar dismal statistics for other types of projects like IT and new product development. Nothing I’ve read indicates that it’s getting better but, at the same time, it’s clear that the number of proposed project management solutions, new software, training, certifications, professional organizations, journals and magazines has increased and is almost bewildering.”

“Those are a good start Jim. A lot of organizations talk about project management but don’t actually implement the best practices that are out there.”

John chimes in, “So, Tom, let me ask a question. Do the statistics that Jim is quoting seem to be accurate?”

Tom nods, “Yes, I’ve not done any of my own studies but the ones Jim found are pretty reputable.”

“Another question. Would you agree that interest in project management has been increasing and that this interest has resulted in increased number of methods, training, certifications, and other resources?”

“Yes, I would agree with that.”

Dave laughs as he turns the steaks, “And don’t forget more consultants, right Tom?”

“True, and more consultants.”

John continues, “It seems to me then that the possible implications are fairly limited. First, the one you proposed. That companies are just not implementing the new methods and techniques well enough. Second, that there are so many new techniques and some of them would probably contribute to effectiveness and some wouldn’t. But because of the sheer number, people don’t have a basis for selecting the best ones. And third, that the techniques, in some fundamental way, don’t actually make project management more effective. Am I missing any likely scenarios?”

Dave Sr growls, “That sounds about right professor. I’d vote for the third option. I could build a project off of a scrap piece of paper and my experience. I don’t think all the schedules and cost controls I’ve seen ever helped much at all. Mostly they were for show – for the big bosses to think they were controlling the project.”

Tom looks at Dave Sr., “But you’re really supporting my position that the techniques aren’t being used right.”

“Not really Tom. No offense but I ran some pretty tight jobs where the latest and greatest project management tools were barely used and I’ve seen some disasters where they were fully implemented. What you need to run a good job is good people. All the critical paths in the world won’t get you that.”

“So what do you think Tom? Is Dave right about this? Have you seen projects that fit his description?” John reaches into the cooler for another beer.

“I have to admit, I’ve seen projects go well that didn’t have all of the bells and whistles and some go poorly that did. But I don’t think that means that the techniques are bad or that they aren’t needed.”

John takes a sip, “I agree. I’m not willing to go that far. But a couple of things seem clear. First, there seems to be somewhat of a paradox. An increase in techniques, software, training, etc. without a corresponding increase in project success. Second, there is a philosophical concept that might apply here. And I stress might.”

Dave slices a corner of one of the fillets. “The steaks are about ready here guys. I hope your philosophy class isn’t too long John.”

“No. I’ll keep it short. The concept is called ‘necessary but not sufficient’. It refers to a condition in which one thing is necessary for something else to happen but it’s not enough all by itself to make it happen. A classic example would be fire. Fire must have fuel, oxygen, and a spark. Each of those requirements is necessary to make a fire but not enough to cause a fire all by itself.”

Jim puts his empty beer bottle into the nearby recycling bucket. “So, John, you’re suggesting that these techniques might be necessary for a good project but not enough to make it happen all by itself.”

“I’m not going that far, only suggesting that that’s a possibility. We’d have to know more to decide if that were the case.”

“Well I hate to break up the deep discussion guys, but these steaks are ready. Let’s see if the girls are ready to eat and get this party underway.”

Jim reaches for one of the plates to help Dave. “Sounds good. Maybe we can continue this conversation later or some other time guys. I’m interested in anything that might help. Sounds like we even have our own Socrates to ask the tough questions. Maybe we’ll have to call you the Project Socrates John.”

John smiles, “Thanks Jim, any comparison to Socrates has to be taken as a compliment. Unless of course there is hemlock in that beer.”

Jim's Garage on Saturday

As Jim pulls a few boxes away from the corner of the garage, backlit by the open door and empty spaces for their cars, he sees his daughter's big high school science project from the spring.

"Look at this Susie Q."

She turns from the corner where she is sorting old boxes of books, VCR tapes, and assorted knick-knacks in the not very frequent garage-cleaning project. "What is back there?"

"It's your science project from the spring."

Shaking her head, "Ugh. That can definitely go in the pitch pile. I worked too hard on that for a B+."

"I remember that. You had the team assigned by your teacher. And you tried really hard because you wanted an A. But it seemed to me that your other team members didn't try as hard."

She looked up, "Well, Joan tried. She's not very good at science but she contributed a lot to the presentation part. But Tim did almost nothing. It was like he didn't care about the grades at all."

"Hmmm", Jim mutters to himself. He stands up and looks toward Susie. "That's interesting."

"Interesting? Frustrating was more like it."

"No, I meant that it was interesting because you had a project and I now have three major projects going on at work. I've been thinking about them a lot as well as the fact that many projects seem to not do very well. I've been wondering why that is. Play along with me for a moment?"

"Sure", she laughs, "anything to take a break from the dust clouds from all of these old boxes." She slides over to sit on the nearby short stairs that lead to the inside house door. "But what could my science project have to do with your work projects?"

"I'm not certain it does. But I did have an idea."

Jim pulls up a nearby full-size cooler and sits down. "So, Susie, what if we think about this project like I would think of a work project for a moment. What was the project?"

"Well, we had to create a device that would throw a ping pong ball at least 10 feet as measured from the end of the device."

"Ok, was that it? What did you have to do? Just demonstrate it?"

"No, we had to submit an initial design and have it approved. Then we had to right a report about why our catapult should be able to do it and how it works, along with any background on these types of devices and the steps we took to build it."

"And you wanted to get an A?" Jim shifted on his cooler a bit.

“Of course. Only we didn’t.”

“Did anybody get an A?”

Susie replied, “I think three teams in my class received an A on the project.”

“So, the project was really a set of tasks that included:

1. An initial design for your catapult,
2. Building the catapult,
3. Testing the catapult’s function,
4. Demonstrating the catapult to the class,
5. And a written report.

Does that about cover it?”

Susie paused for a moment, “Yes, I think that covers all that we had to do. I hadn’t thought of the testing as a separate thing but we did test it. We even changed part of the design when we couldn’t get the distance with our original design.”

“So, why no A? What failed?”

“Well, it wasn’t so much that we didn’t get everything done. But Tim was supposed to help us with the build and the testing. He didn’t show up twice when we were going to work on it. Because of that we barely got it done and our report was not as good as it could have been.”

“So why didn’t Tim help more?”

“He’s a jerk.”

Jim laughed. “Ok, but I think we talked about this a little bit before. You wanted an A so were willing to do what it took to get one. Joan wanted an A as well and did her part. Tim is not as good of a student as the two of you and, for whatever reason, didn’t care about getting an A. Isn’t that right?”

“Yes. He thought the B+ was great. Probably the best science grade he got all year.”

“Ok. So you had three people on your team but your goals were not really the same right?”

“That makes sense. Two of us wanted an A and Tim didn’t.”

“That’s interesting. Because there was enough time and you had enough resources to get an A – other teams did it. But it seems like this problem with goals was the real problem. All three of you were not working with the same ultimate goal in mind.”

“That makes sense.”

“Hmmm. I wonder if that relates to projects in the business world as well.”

The Diner on Monday Morning

“I’ll have the southwest omelet. And do you have tabasco?”

“Yes. I’ll bring it with your order.”

“Thanks.”

The waitress turns from the Project Socrates to Jim, “And what can I get you this morning?”

“I shouldn’t but I’m going for the creamed chipped beef. On biscuits. But you can hold the potatoes today.”

The waitress scribbles on her pad. “Sounds good. Your orders should be out shortly.”

A chorus of “thanks” follows and then the philosophy professor turns to Jim, “So, what made you reach out to me and suggest breakfast?”

“Well. I thought I might need a Project Socrates. It seems like the more I think about the problems we are facing, the more I come up with questions rather than answers. And I liked what you said at the cookout last week.”

“Thanks. Some get a little prickly when the questions probe deeply enough. Maybe that’s why I like to ask them. I’m a curmudgeon before my time.”

Jim laughs, “Fitting for somebody nicknamed after Socrates right?”

“True. But they killed him for his questions. So that doesn’t offer a lot of promise.”

“Well. We will try not to resort to such drastic solutions. In fact, I’m thinking of putting together a semi-formal team of advisors to help us see these projects through to successful completion. I might be able to use a good question man. If you’re interested we can talk about it again soon. Of course, there would be a consulting fee. But first, tell me how you got involved in asking questions about projects?”

The Project Socrates looks up from his coffee. “Ok. Consulting fees are always nice. And I do enjoy new problems. It’s not really asking questions about projects that has become my specialty though. But questions about businesses and business practices in general. In fact, it’s reached the point where in amongst my course load in the philosophy department, I’ve been asked to teach a class in the MBA program based in part on my writings on these questions.”

“Really? Tell me more about that.”

“It will be tentatively called Systems Thinking in Business. Or something like that. Based in part on the work of the late Wharton professor, Russ Ackoff, and an assorted cast of other systems thinkers, business visionaries, and people like me who like to ask questions of substance.”

“Sounds interesting. I think I’ve read a little on systems thinking in the past and Ackoff’s name seems familiar. But can you tell me more about what it entails? And maybe we can see why you seemed to think it might be relevant to project management?”

“Sure. The second question is more quickly answered than the first. So I’ll go in that order. It was really just the glimmer of an idea at the cookout. When I heard about the problems associated with large projects and this apparent paradox that, while project management has been expanding as a discipline, successful projects have not necessarily become more common, it made me think that the problem might be systemic in nature.

Systems thinking in general is an approach that tends to look at the forest rather than the trees. Systems thinking recognizes that the whole is not just the sum of the parts, that interactions are often as important as the parts themselves, that you can NOT optimize a system by optimizing its parts, and that there are different levels of systems with their own characteristics.”

“Ok. What would those levels be?”

“Well. Relying primarily on Ackoff’s characterization which classifies systems based on purpose or purposes, there are mechanistic systems, ecological systems, and social systems. Mechanical or mechanistic systems are ones in which the whole system has a purpose, but the individual parts do NOT have their own purpose. A car is an obvious example. A muffler has no use or purpose of its own outside of the car as a system. Of course, somebody might come up with one, but usually to do so they will need to add it to a new system. The second level of systems is an ecological system. In an ecology, the parts themselves have their own purposes but the system as a whole has no purpose. The system comes about through the interaction of the individual parts – whether animals, plants, people, etc. And the third system, as you might guess, is the social system, which is one in which the system as a whole has a purpose while the parts themselves have their own individual purposes.”

“Social, like people, or societies?”

“Sure. Although a bunch of individuals in a pure free market economy would actually be an ecological system. In fact, free market economics depends upon the assumption that individuals have purposes and act according to those purposes and that the interactions of all the decisions made according to those purposes can be studied. But yes. Generally, an organization would be a social system. The organization itself has a purpose but so do all the individual members of the organization.”

“So, my company is a social system?”

“Yes. Your company has a purpose. But it is comprised of people who each have their own purpose. And those purposes are not always the same.”

“Wait. Say that again?”

“The purposes in a social system are not always the same. In fact, remember that you cannot optimize a system by optimizing its parts?”

“Yes.”

The Project Socrates takes a sip of his coffee as the table goes silent while the waitress brings them their food. They both thank her and take their first bites.

Socrates puts down his fork. “Ok. This is true at every level of systems. In fact, Russ used to use a car as an example. You could make a list of all the parts needed to manufacture a car and you could get the single best part in the world for each part on the list. If you had those parts shipped to a warehouse, the best automotive engineers and mechanics in the world could not assemble a working car. The parts have been optimized. But what is necessary is for the car as a whole to be optimized for its purpose. That is why a Formula One car has different parts than an army tank. They have different purposes. One could argue back in forth whether treads are better than wheels, but they would only slow down a race car.

The same is true at the other levels. At the ecological level, ecosystems sometimes destroy themselves when one of their parts, maybe an apex predator, becomes too optimized for the system and ends up destroying the ecosystem. And, at the social system level, I think we’ve all seen examples where people should be working toward a common purpose but aren’t – resulting in failure of an organization.”

Jim just about chokes on his bite of creamed chipped beef.

“Sorry,” Socrates laughs, “What did I say?”

“Wow! What you said fits with a discussion my daughter and I were having yesterday. We were talking about a school project that she had to do with two of her classmates last spring. She was not happy with the grade. And it seems that one of the main problems that they had was that two of the kids wanted to get an A, while the third was more than happy with the B+ they got and probably would have been ok even if they got a C. They had different goals and even though the problems they experienced were related to being crunched by the deadline, it was really because the third student did not deliver on his part of the work.”

“So, what if we thought of it like a three-person social system? The social system had a purpose – to do whatever the task was for a grade – but in this case the three parts of the system had different purposes. Let’s just say two of the parts had the purpose of doing whatever work was required to get the best possible grade. While the third part had the purpose of minimizing work and getting an acceptable grade. Does that sound right?”

“That does. So my daughter’s project was really a social system. But it only lasted for a few weeks.”

“I’ve seen startup companies that barely lasted longer. So maybe we call it a temporary social system. But the PM consultant at the cookout, what did he say a project was?”

“I think it was me that said that the literature and PM organizations tend to define a project as an endeavor, or a set of tasks.”

“Ok, ok. But maybe we are concluding that that definition puts the emphasis on the wrong thing – the endeavor – and not the social system that will be accomplishing the endeavor. Hmm. Does that make sense?”

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The Grilling: A Project Management Short Story
by Mark D. Steele

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