

A Forrester Consulting
Thought Leadership Paper
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Deliver On Top Business Objectives With Collaborative Work Management

Transparency, Collaboration, And Real-Time
Visibility Empower Modern Work Execution



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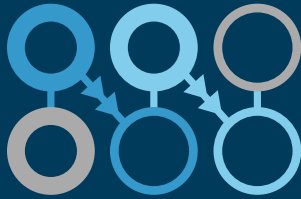
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Project management is everyone's job: The need for greater project management proficiency across all teams has increased at 70% of organizations.

Executive Summary

Organizations must take a strategic approach to project and portfolio management to remain competitive, deliver outstanding customer experiences, innovate market-winning products, and retain high-performing employees. Best-in-class organizations rely heavily on collaboration to deliver desirable products and services designed from the outside in. This approach requires the whole organization (sales, product, marketing, operations, and technology teams) to plan and execute projects across teams with speed and agility. However, the need for speed forces all information workers to manage or partake in multiple small projects, raising the bar on project management proficiency throughout the organization.

While organizations have long relied on traditional project management tools aimed at formally trained practitioners to manage projects, these tools have become too heavy or too inflexible to successfully support their modern approaches. Delivering projects in this new and fast-paced business environment requires a set of work execution tools that emphasize enterprise collaboration, transparency, and real-time visibility — tools lean enough for the casual user, but robust enough to handle the business' top priorities.

In May 2018, Smartsheet commissioned Forrester Consulting to evaluate the current state of project management approaches and tools to understand how a changing business environment is shifting what organizations require. To explore this topic, Forrester conducted an online survey with 315 respondents, director-level or above in the line of business or IT, responsible for defining strategies for project management at their enterprise-size companies. Respondents were based in the US, the UK, and Germany. We found that traditional project management tools and systems no longer meet the needs of companies in the age of modern work execution. For companies to deliver on time, on budget, and within project goals, they must prioritize transparency, consistency, and speed to remain competitive.

KEY FINDINGS

- › **We are in a disruptive digital age.** Established business models are under constant attack, and speed of execution is critical. But legacy project management toolsets can't keep up, endangering key business outcomes and requiring the implementation of modern work execution solutions to support these evolved practices.
- › **Projects are failing due to challenges across culture, technology, and process.** Traditional toolsets are inflexible and can't keep up with the changing nature of project delivery. The most mature organizations exhibit project management best practices, turning to collaborative work management tools to differentiate and achieve business objectives.
- › **Collaborative work management (CWM) solutions help organizations overcome top project management challenges.** CWM tools improve the ability of organizations to rapidly plan and deliver projects. They also have the potential to give enterprises total transparency into modern work execution, while remaining aligned to the strategic portfolio.

The New Business Environment Demands Modern Work Execution

For decades, the traditional objectives to grow revenue and reduce costs were true north on the business success road map. However, rising customer expectations have changed organizations' key business objectives from the outside in.¹ Success increasingly depends on the ability to engage an empowered customer base, accelerate product development, and attract world-class talent — so firms are revising their objectives in kind. While growing revenue and controlling costs remain critical, they are followed closely by plans to accelerate growth with innovation and improve the customer experience (CX) (see Figure 1). As a result of shifting priorities, the nature of planning and portfolio management is intensifying in scale, speed, and complexity.

Our study of project management strategy decision makers found that new business objectives are changing the nature of project delivery. As organizations look to balance revenue growth with the pressure to differentiate, they must stress innovation, agility, and flexibility across the organization.² These priorities are reshaping project delivery in three key ways:

- › The number and scale of projects has increased at 77% of organizations.
- › The onus of project management skills is spreading across all teams, rather than remaining confined to a dedicated management function (70% of organizations).
- › Unstructured project work (unanticipated tasks that are required to complete projects) is on the rise for 70% of organizations.

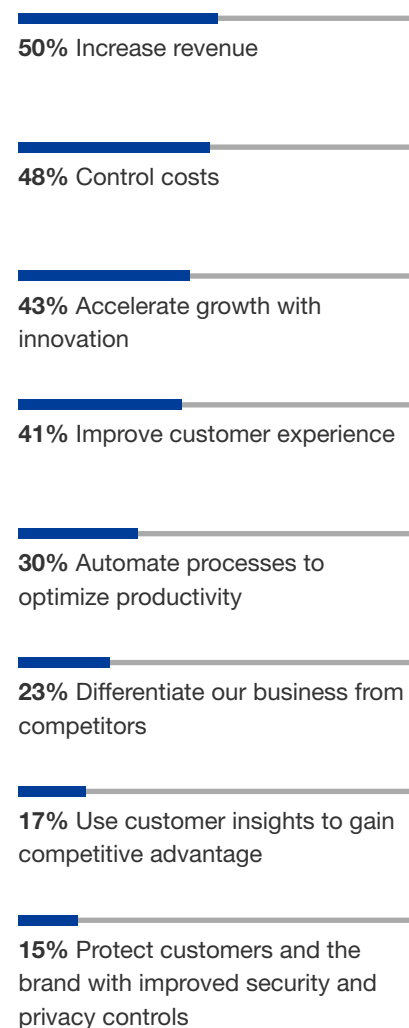
This landscape is the new normal for companies working to pivot decision making around the customer and measure their success on customer outcomes, rather than on growth and cost alone. To succeed in a changing landscape and drive project success, organizations need:

- › **Collaboration and transparency within teams.** Nearly 80% of organizations agree that team collaboration is critical to successfully planning and delivering projects related to top business objectives. Seventy-six percent say the same about transparency within teams. Employees must be able to work alongside their closest colleagues and have visibility into their group's projects if they are to work toward common goals.
- › **Collaboration and transparency across silos.** Once functional areas are aligned on their project objectives, teams need the ability to look beyond their immediate working group to get a unified view into how the company as a whole can best deliver products and services to customers — 78% view collaboration across silos as critical and 69% view transparency across silos as critical to delivering on top business objectives.
- › **Real-time oversight.** This component makes transparency and collaboration across the organization instantaneous. Real-time oversight (critical to 65% of organizations) powers holistic planning and decentralized decision making by allowing managers to reprioritize resources at the true speed of business, rather than when scheduled updates are made to static reports.



Figure 1

“Thinking broadly, what are your organization’s top business objectives in the next 12 months?”



Base: 315 executives responsible for defining strategies for, or oversight of, project management at their firms in the US, the UK, and Germany
Source: A commissioned study conducted by Forrester Consulting on behalf of Smartsheet, September 2018

LEGACY TOOLSETS AREN'T KEEPING UP, ENDANGERING KEY BUSINESS OUTCOMES

Historically, organizations have relied on traditional project portfolio management practices (PPM) and tools that prioritize budget-based planning and emphasize cost avoidance. Traditional project management tools provide robust scheduling and financial support for complex projects. These solutions are targeted at professionally trained project managers who may or may not report directly to a program management office (PMO). The singular focus in formal project management practices presents a high learning curve and method of planning that are too rigorous for information workers responsible for projects in addition to their day jobs. Since traditional PPM practices and tools are not designed to focus on priorities beyond resource allocation and cost, or to easily reprioritize as business needs change, organizations find their current practices and toolsets pose significant challenges to delivering on evolving business priorities.³ In fact, only 22% of project management leaders are very satisfied with their organization's overall ability to plan and deliver on top business objectives. This is not surprising, given that (see Figure 2):

Country spotlight:
Meeting the initial timeline and the original goal of projects are of equal importance to German organizations. For US and UK organizations, meeting the original goal ranks much higher on its own.

Figure 2

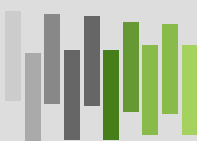
Firms are failing on at least one of three key delivery metrics more than one-third of the time, putting revenue, innovation, and customer satisfaction at stake.



35%
Average % of projects failing to meet original **business intent**
Base: 297



38%
Average % of projects failing to meet **initial timelines**
Base: 297



34%
Average % of projects failing to finish within **budget**
Base: 297

“What effect does project failure have on your organization?”

(Top five shown)

50% Lost revenue

47% Slower pace to deliver innovation/improvements

42% Inability to meet business requirements on time

42% Lower customer satisfaction

38% Poor customer experience

Base: 315 executives responsible for defining strategies for, or oversight of, project management at their firms in the US, the UK, and Germany
Source: A commissioned study conducted by Forrester Consulting on behalf of Smartsheet, September 2018

- › **Current project failure rates are high.** In the 12 months preceding our study, more than 30% of projects failed to meet timelines, budgets, and/or original business intent. For context, failing to meet one of the three criteria constitutes a challenged project, while failing to meet two of the three criteria constitutes a failed project.⁴ Organizations in our study have considerable room for improvement — 16% report failing on *all three criteria* half the time or more in the last 12 months.
- › **Failed projects lead to major organizational losses.** The stakes are high, as small failures at the project level accumulate and cause large-scale damage to key business objectives, including lost revenue, a slower pace of innovation, and lower customer satisfaction. It's no wonder that organizations recognize a critical need for collaboration, transparency, and real-time visibility across the organization, since these capabilities would empower decision makers to investigate and intervene before projects fail.

A New Paradigm For Project Management Emerges

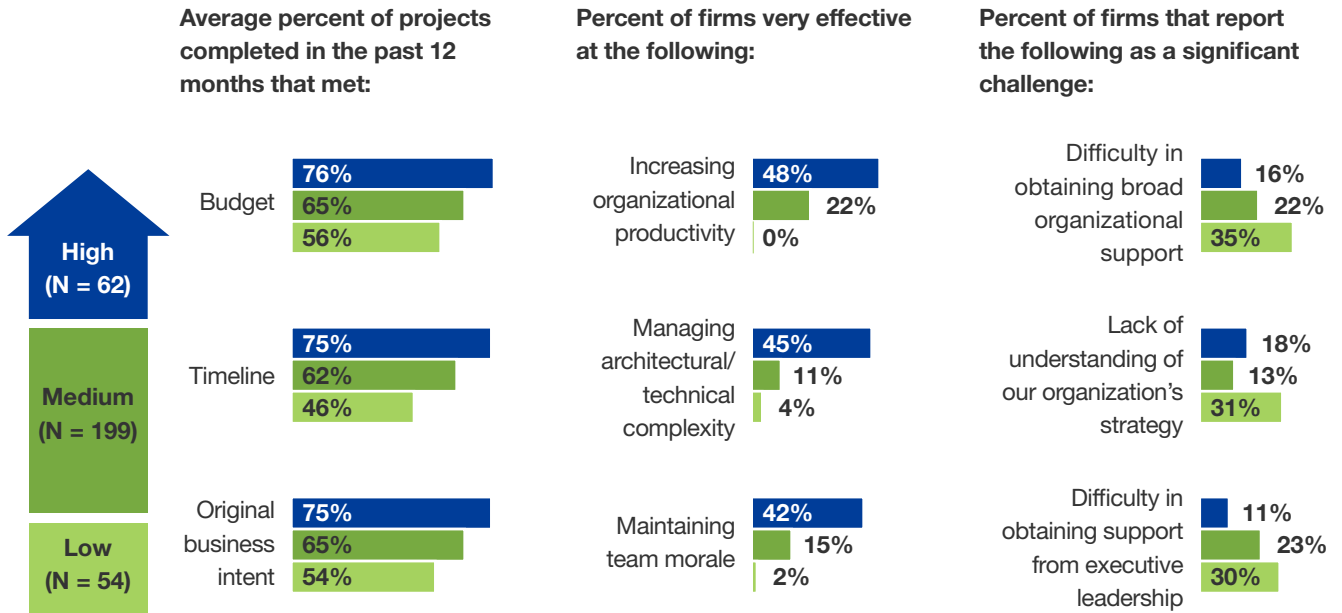
In our examination into why projects fail, we found that very few organizations feel adept in crucial aspects of project management across technology, culture, and process. For example, only 17% are very effective in managing technical complexity. The figures are also low for maintaining team morale (17%) and increasing organizational productivity (23%). The top challenge when managing projects is difficulty dealing with unstructured work (47%). Recalling that unstructured work is also growing at 70% of organizations, it's clear that current approaches and toolsets are not meeting the needs of today's information workforce.

However, we also uncovered a disconnect: Only 24% report they have difficulty investing in the appropriate planning and delivery tools to support product and program approaches. Given the breadth of their challenges, this low figure suggests organizations are unaware of why and how their tools can be better serving their project needs — and by extension, the needs of their employees and customers. To find out which organizations are succeeding and how, we asked respondents to rate their organizations across 15 project management best practices in technology, culture, and process that lead to project success in today's dynamic business environment. We call this framework the New Paradigm For Project Management.⁵ Respondents were scored according to their abilities and grouped into three categories of maturity: low, medium, and high (see Figure 3). Our study found:



Figure 3

The New Paradigm For Project Management segments firms into three levels of maturity according to their ability to execute 15 best practices across technology, culture, and process.



Base: 315 executives responsible for defining strategies for, or oversight of, project management at their firms in the US, the UK, and Germany
 Source: A commissioned study conducted by Forrester Consulting on behalf of Smartsheet, September 2018

- › **High-maturity organizations have more successful projects.** On average, three-quarters of projects at high-maturity organizations are completed within budget, are finished on time, and/or meet the original business intent. By comparison, low-maturity organizations finish within budget only 56% of the time, complete within the timeline 46% of the time, and meet original business intent 54% of the time.
- › **High-maturity organizations are significantly more effective in the most challenging project management areas.** In areas that are especially challenging for organizations overall, the high-maturity group excels. Forty-two percent report they are very effective at managing technical complexity, 42% are very effective at maintaining team morale, and 48% are very effective at increasing organizational productivity. For the low-maturity group, these figures are only 4%, 2%, and 0% respectively.
- › **Organizational challenges hold back low-maturity organizations both from the top down and across silos.** The challenges faced by the low-maturity group point to a severe lack of organizational awareness of the importance of project management overall: They are 2.7x more likely than high-maturity organizations to cite difficulty in obtaining support from executive leadership and 2.2x more likely to cite difficulty in obtaining broad organizational support.

THE USE OF COLLABORATIVE WORK MANAGEMENT (CWM) TOOLS DRIVES DIFFERENTIATION

In exploring what enables high-maturity organizations to lead more successful and effective projects, and why low-maturity organizations remain mired in cultural challenges, we found that the toolsets organizations employ are a function of their maturity (see Figure 4):

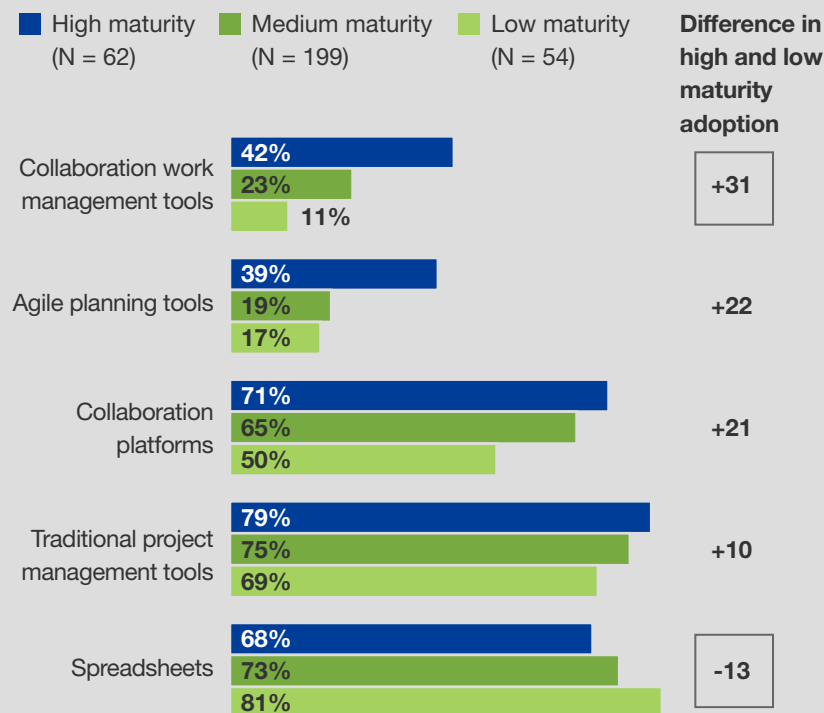
- › **For high-maturity organizations, CWM comprises a much higher proportion of the project management technology stack.** Forty-two percent of the high-maturity group use CWM, compared to just 23% of the medium-maturity group and 11% of the low-maturity group. Moreover, the 31-point difference in adoption rate between high and low maturity is the greatest of any of the tools. This indicates that CWM is a tool that differentiates high-maturity organizations and enables their best-in-class project performance.



Forrester defines **collaborative work management** as software tools that support the confluence of project and process work by allowing users to create personal and team workspaces; invite other users, internal and external to the organization, to collaborate on digital artifacts; identify workload requirements and capacity; and allocate activities to other users to deliver on work items and then track progress.

Figure 4

“Which of the following tools do you currently have implemented to plan and deliver projects supporting your organization’s business objectives?”



Base: 315 executives responsible for defining strategies for, or oversight of, project management at their firms in the US, the UK, and Germany
 Source: A commissioned study conducted by Forrester Consulting on behalf of Smartsheet, September 2018

Country spotlight: UK organizations are more likely than German or US organizations to rely on traditional project management tools and spreadsheets.

- › **High-maturity organizations are using more project management tools overall.** A much higher percentage of mature organizations is using CWM, but to a lesser extent that's also true of Agile planning tools, collaboration platforms, and traditional project management tools. They are more effective project managers overall, so naturally they are effective in using many tools. The low-maturity group, on the other hand, is either unable or unwilling to pursue a modern mix of toolsets; no toolset can be effective without broad organizational recognition of the value it brings.⁶
- › **While high-maturity organizations continue to use traditional project management tools, they increasingly augment with CWM.** The difference in adoption rates between high-, medium-, and low-maturity groups suggests that the high-maturity group is furthest along in a modernization curve. They require one tool or mix of tools that arm power users with advanced capabilities yet empower the larger team to independently plan and execute projects without the unnecessary burden of complicated tools. While the right balance will evolve differently at every organization, two things are clear: The most mature organizations are moving toward collaborative work management and sharply away from spreadsheets.

Collaborative Work Management Powers Modern Work Execution

Meeting customer expectations in the digital business environment forces organizations to work differently. Collaboration, transparency, and real-time visibility within and across functional areas are critical to delivering on key objectives like improved customer experience and innovation. Meanwhile, information workers are increasingly untethered to their workstations: 66% use a smartphone for work and nearly a quarter do so for more than 4 hours a day.⁷ And regardless of where they are working, they still need to collaborate with clients and colleagues to deliver value to customers. The most mature firms in our study are breaking away from rigid planning tools and turning toward CWM. These mobile- and methodology-agnostic tools allow organizations to create personalized workspaces to coordinate teamwork, increase productivity by removing the distractions of email, and allow organizations to plan and execute across business and technology workstreams.⁸ In further exploring the value of CWM tools, we found:

- › **Organizations overall believe CWM capabilities will improve their ability to rapidly plan and deliver on key business objectives.** Organizations place a high value on the type of flexible functionality native to CWM tools: 80% of organizations believe sharing capabilities would have a high or moderate positive impact on their ability to rapidly plan and deliver on key business objectives. Dashboards (74%), reporting (72%), mobile access (63%), and built-in security assurance (57%) all received high marks as well.



- › **Organizations using CWM agree it has improved their ability to rapidly plan and deliver, as well as relieve major challenges.**

Seventy percent of organizations currently using CWM feel it has significantly or moderately increased their ability to rapidly plan and deliver on key business objectives. Additionally, 62% of those using CWM say the tool has improved their ability to deal with unstructured work — the top project management challenge for organizations overall.

CWM CAPABILITIES UNLOCK BUSINESSWIDE BENEFITS

Project management methodologies have traditionally prized cost controls over delivering value. This is partly due to the fact that traditional project management tools emphasize cost limitations over delivering what the user really needs or customer ultimately wants. As a result, organizations have begun selecting project management and collaboration tools based on a robust set of enterprise requirements, including site reliability (important to 90% of organizations), data compliance like GDPR (important to 85%), and security compliance (important to 82%) — all features that make it easier to support employees and customers and protect against risk.

In the move toward customer-, product-, and process-oriented life cycles, organizations will benefit greatly from the increased ability to rapidly plan and deliver key projects — driven by CWM tools' inherent flexibility.⁹ Our study found:

- › **CWM's ability to more rapidly plan and deliver projects supports revenue growth and improved customer experience.** To succeed, organizations need to look beyond the old-school project management priorities to deliver what customers really want. The ability to rapidly deliver projects that focus on the customer contributes to significant businesswide benefits including improved CX, improved products and services, and improved ability to innovate (see Figure 5). These, in turn, help organizations reduce costs and grow revenue — aligning directly with their key business objectives.
- › **CWM's ability to rapidly plan and deliver projects leads to happier and more empowered employees.** More than half of organizations agree the improved ability to plan and execute more rapidly will lead to increased employee satisfaction (54%) and empowered employees (53%). The potential to compete for talent is a tremendous opportunity for organizations: In the US, only 32% of employees say they're involved in, enthusiastic about, and committed to their work and workplace.¹⁰ The results are even worse in other countries, with the global average at just 16%. Considering there is a statistical correlation between employee engagement and revenue growth, organizations stand to gain new, leading talent, but also increase the value of the workforce overall.¹¹

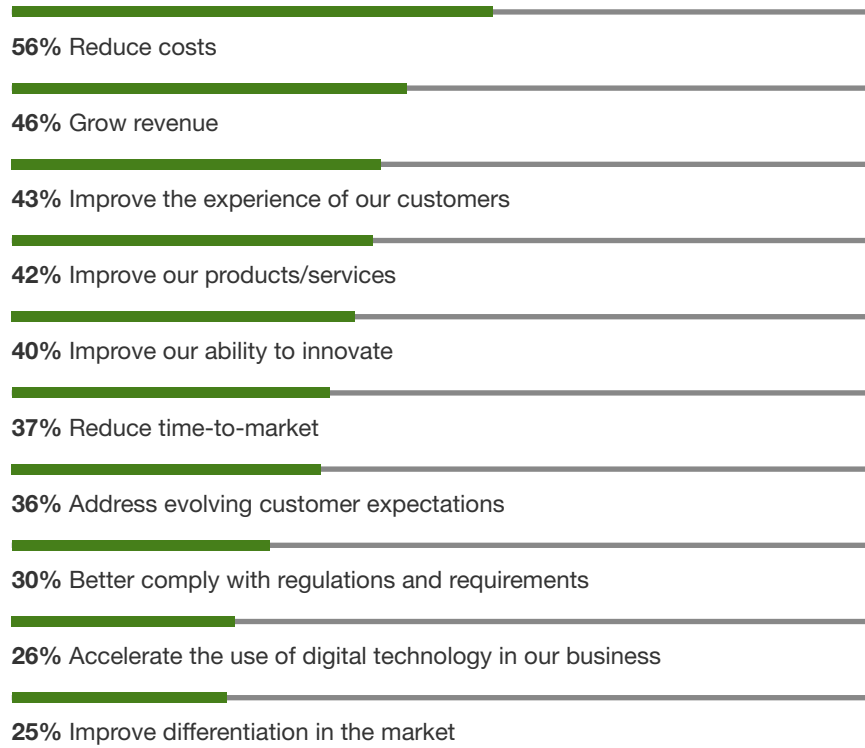


The effects of the new business environment on project management vary by country. For a deeper dive, see Figure 6.



Figure 5

“What are the business benefits of having greater ability to rapidly and effectively plan and deliver projects related to key business objectives?”

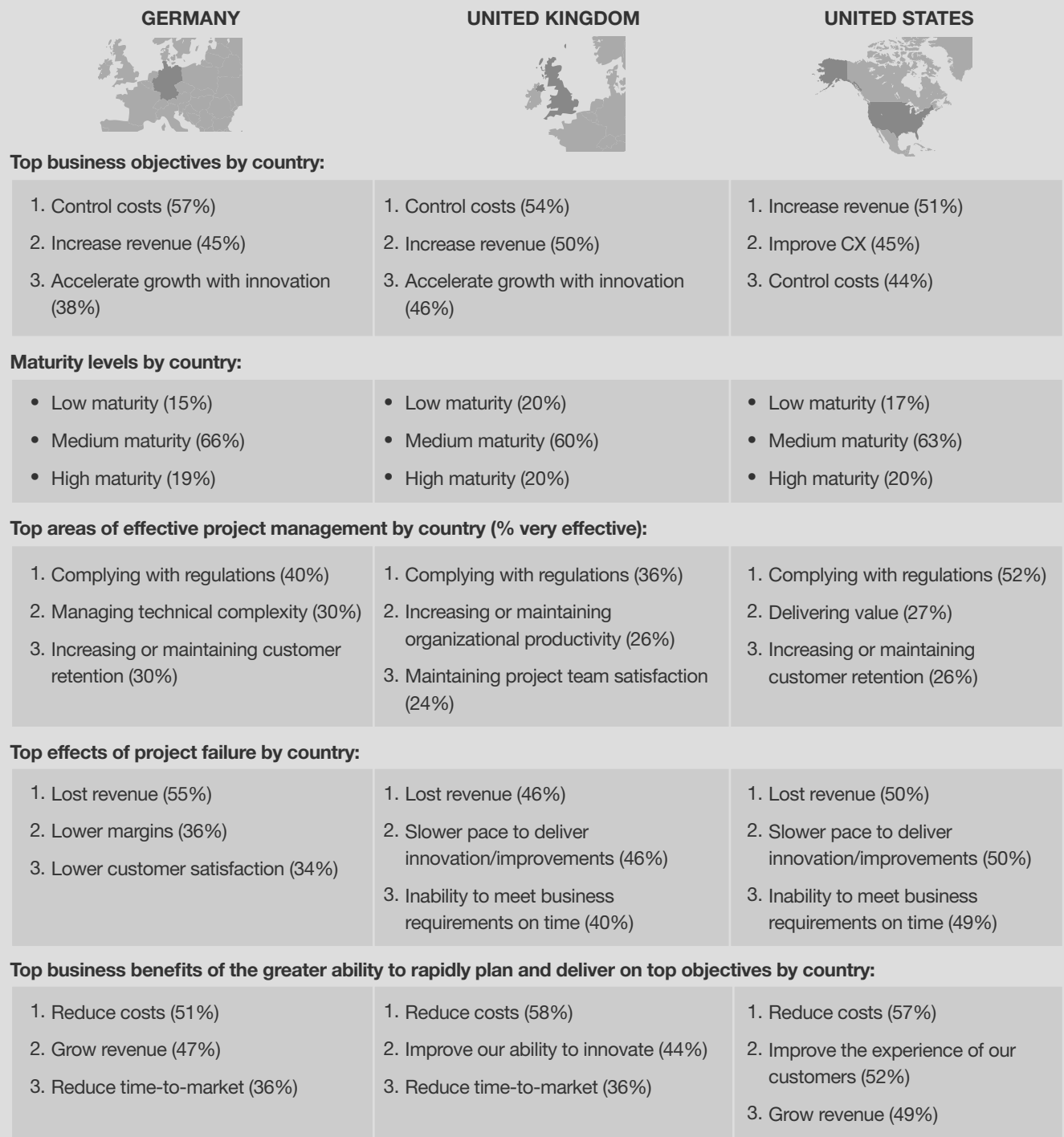


Base: 315 executives responsible for defining strategies for, or oversight of, project management at their firms in the US, the UK, and Germany
Source: A commissioned study conducted by Forrester Consulting on behalf of Smartsheet, September 2018



Figure 6

The reality of project management in the age of the customer differs depending on where in the world you work.



Base: 53 German, 50 United Kingdom, and 212 United States executives responsible for defining strategies for, or oversight of, project management at their firms

Source: A commissioned study conducted by Forrester Consulting on behalf of Smartsheet, September 2018

Key Recommendations

Delivering successful projects requires more than just a plan. It takes a combination of direction, pertinent controls, and contextual information to give everyone insight into desired outcomes and the metrics needed to determine success within the new paradigm of work execution.

Forrester's in-depth survey of executives in charge of project management strategies yielded several important recommendations:



Leverage collaboration to drive better project outcomes. Today's projects are increasingly cross-functional and require greater collaboration capabilities. Speed-to-market pressures demand faster decision making without adding unnecessary risk. Leveraging collaborative work management tools gets everyone on the same page in real time, enabling instant analysis and feedback to drive better decisions to support compliance, improve customer satisfaction, and drive revenue growth.



Capture all work to manage unplanned change. In modern organizations, everyone is a project manager in addition to their day job. Balancing routine, everyday tasks with projects creates constraints that become difficult to juggle. Even the best formally trained project managers have unexpected events that impact delivery of their projects. Collaborative work management allows people to organize tasks in a way that works for them so that they can see where hidden conflicts will hinder productivity.



Use transparency, compliance, and speed as reasons for buy-in. Executive buy-in is essential for driving adoption for any technology. Collaborative work management brings significant benefits, but without support, adoption will remain challenged. Garnering executive buy-in requires demonstration of increased productivity improvements that can be easily translated into business value, combined with demonstrated compliance and security and control requirements for reduced business risk. Consider a pilot of a project visible enough to get executive attention and use that to identify where better collaboration can improve project delivery.

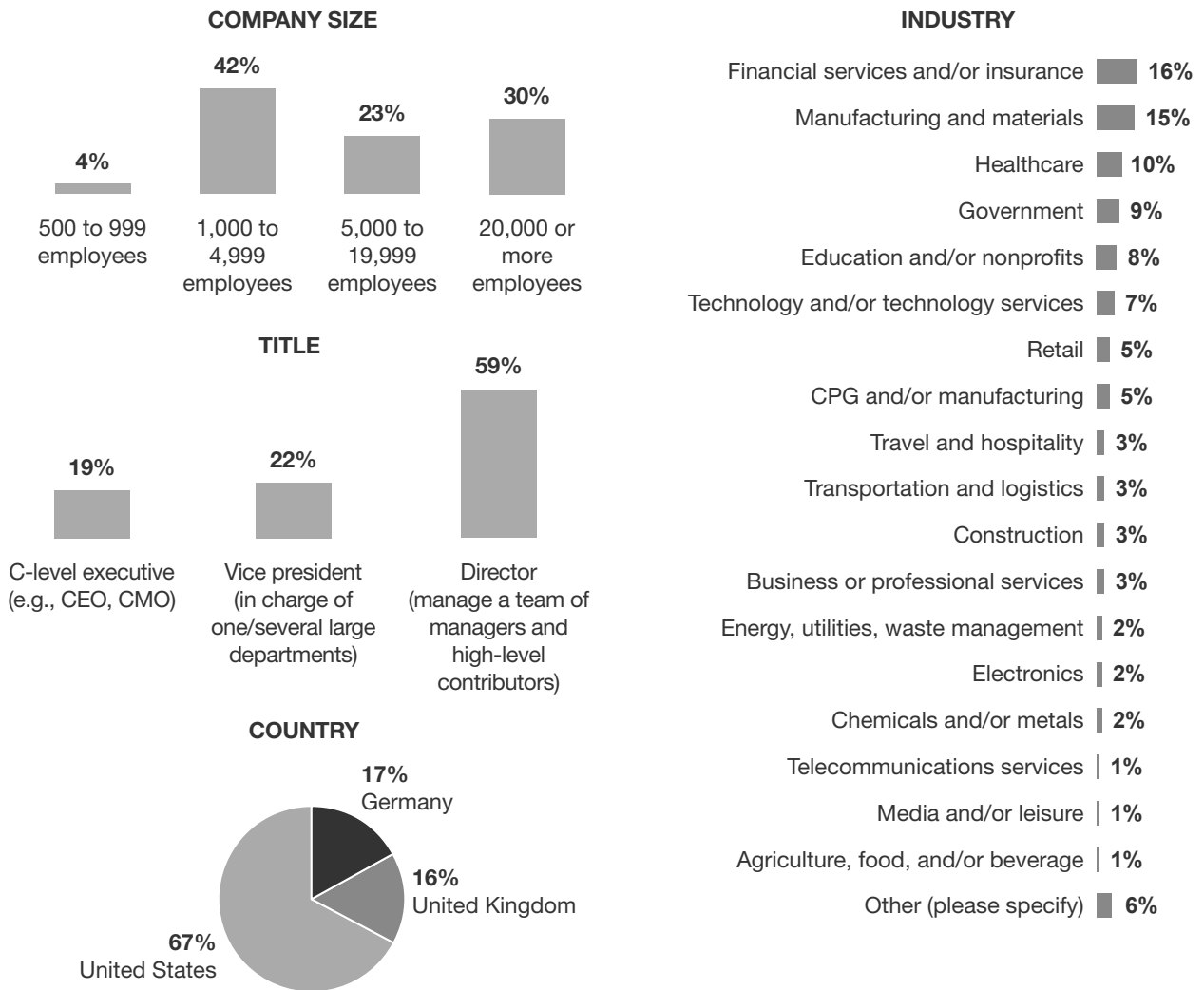


Use collaborative work management to foster standardization. Companies build project management maturity through repetition. Traditional project management tools enable you to build schedule templates, but they don't provide contextual support for the required communication. Collaborative work management tools provide the ability to create common workspaces for the work of a project that provides the foundation for contextual collaboration.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 315 organizations in the US, the UK, and Germany to evaluate project management tools and strategies. Survey participants included director or above line-of-business, IT, and executive decision makers responsible for defining strategies for or oversight of project management. Questions provided to the participants asked current and future project management tools, strategies, and outcomes. The study began in May 2018 and was completed in September 2018.

Appendix B: Demographics/Data



Base: 315 executives responsible for defining strategies for, or oversight of, project management at their firms in the US, the UK, and Germany
 Note: Percentages may not total 100 because of rounding.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Smartsheet, September 2018

Appendix C: Supplemental Material

RELATED FORRESTER RESEARCH

“Use The Customer-Obsessed Operating Model To Drive Strategic Portfolio Optimization,” Forrester Research, Inc., June 12, 2018.

“Now Tech: Collaborative Work Management Tools, Q2 2018,” Forrester Research, Inc., June 22, 2018.

Appendix D: Endnotes

¹ Source: “Use The Customer-Obsessed Operating Model To Drive Strategic Portfolio Optimization,” Forrester Research, Inc., June 12, 2018.

² Source: “Embrace Decentralized Decision Making, But Keep Planning Holistic,” Forrester Research, Inc., September 22, 2017.

³ Source: Ibid.

⁴ Source: “Defining Project Success: A Multilevel Framework,” Project Management Institute, 2008 (<https://www.pmi.org/learning/library/defining-project-success-multilevel-framework-7096>).

⁵ There are 15 best practice statements in the framework in total (five in each of the three categories of culture, technology, and process). Respondents scored themselves on a scale of 1 to 5 according to the extent to which they agreed each statement described their organization. Some statements included were, “We encourage project managers to participate in decisions regarding top objectives,” “Our tool/s are implemented consistently, such that all teams manage projects similarly,” and “We actively employ defined/standardized business processes.”

⁶ Source: “A Solid Enterprise Collaboration Road Map Reduces Risk And Drives Adoption,” Forrester Research, Inc., February 28, 2018.

⁷ Source: “Now Tech: Collaborative Work Management Tools, Q2 2018,” Forrester Research, Inc., June 22, 2018.

⁸ Ibid.

⁹ Ibid.

¹⁰ Source: “The Employee Experience Imperative,” Forrester Research, Inc., December 15, 2017.

¹¹ A 5% improvement in employee engagement leads to a 3% increase in revenue. Source: Ibid.