



## White Paper 2013-16

### How to Transition Successfully from a Simple Projects' Company to a Complex Projects' Company

*Complex Projects require a different organizational setup and a different mindset compared to Simple Projects. Every year, many companies try to transition into the realm of Complex Projects. Most fail. What process should they follow to be successful?*

Your company has successfully delivered simple projects. You have developed an equipment asset base and human resources that support your ambition to move into larger and potentially more lucrative complex projects. Remember, it is not just a matter of scaling what you are doing now. It is a matter of transforming your organization's business model and mindset. How can you achieve this successfully?

#### Be proactive in recognizing that you have moved in a complex projects' environment

While for some organizations, tackling complex projects is a conscious decision, for most organizations, the transition to complex projects is not recognized. Your usual clients ask for larger and more complex projects and without realizing it, you've passed into this new realm of complexity. It is essential to recognize that you are tackling complex projects so that you can consciously implement the recommendations developed in this White Paper. We have many clients who entered the realm of complex projects without realizing it, and had to fail miserably on one or two projects to realize they had not understood that this transition had happened. Then, the transition to the right organization and culture for successful complex projects' execution unfortunately happens in a defensive mode, in a damaged organization, instead of happening in an offensive mode, backed by a healthy organization.

#### How do you recognize that you have moved into the realm of complex projects?

Here are 3 specific criteria to detect that you have moved into complex projects:

- Projects involve contributors spread globally, more than 30-40% of the final project value is provided by external suppliers or subcontractors, and those suppliers/subcontractors are numerous;
- The project has a lot of retroaction loops and interactions between contributors and between disciplines (e.g. between suppliers and design, between construction and engineering);
- There is a high level of uncertainty in a number of key success factors related to stakeholders; and/or the project success depends heavily on

other stakeholders' or subcontractor's successful delivery.

- (optional) project size represent a high proportion of your annual turnover.

#### The main actions to support the shift

You have recognized that you have moved on the other side of the barrier, voluntarily or not. What do you need to do to be successful?

#### Implement complex projects in a different business unit

Complex projects require a different business model and decision-making process. In particular, it needs to be much less cost driven and much more entrepreneurial and investment driven. As you will certainly still continue to execute simpler projects at the same time, make sure that those two types of businesses are executed in different business units or even better, legal entities with strong, differentiated leadership. Implementing this model might allow you to retain a predictable revenue basis, and consider the shift to complex projects as an expansion of your business.

#### Get the right key people onboard

The leader of your new complex projects' unit needs to understand and be experienced in the execution of complex projects. He/she might need to have good educational and communication capabilities as he/she will need to spend a lot of time educating your executive team and your Board of the in and out of complex project execution. You will probably not have this person in your company before, so recruiting the right person with the entrepreneurial skills to setup this new complex projects business is possibly the single most important success factor.

#### Invest in the appropriate systems

Complex projects require the ability to manipulate, make sense of large quantities of information, and be agile in the execution to cater for the realization of unknowns. You need the appropriate systems to deal with this, so that your people can spend their time on the appropriate cognitive tasks instead of running around trying to piece together the information. [White Paper 2012-08](#) "How To Build Quickly and Cheaply the System Infrastructure You Need to Execute a Large, Complex Project" explains what you need. It is an investment you need to do upfront. Remember,

**It is essential to recognize that you are tackling complex projects so that you can consciously implement the right organization and tools**

you want to start a new business. That requires some investment and time to get ready. It will always be much less than the value of your project-enabling assets, but for some reason organizations find it much harder to invest in systems and processes compared to investing in equipment.

**Changing to a suitable office space is often one of the most decisive factors in the change**

### ***Give the authority to the project leader and remove department fiefdoms***

Last but not the least, you need to recognize that the project leader of the complex project needs to have the decision-making authority to be reactive and do what it takes to deliver his project. Most organizations dealing with simple project give almost no authority to their project managers. Authority resides in departments and line management. Complex projects are like an entrepreneurial endeavour. The project leader needs to be able to do what it takes to reach the final result. It might involve spending some small money upfront to prevent massive risks. Allow him/her to do that without having to spend hours in front of a committee.

In addition to financial authority, organizational authority is also essential. The transition to complex projects almost always involves increasing dramatically the authority of project leadership and changing the authority of departments and disciplines to a discipline quality and resourcing function. This transition is difficult as in most organizations dealing with simple projects, departments have often developed into small fiefdoms. Yet it needs to happen to create integrated project teams and minimize internal complexity for the sake of delivering the project. This shift of focus and authority away from the fiefdom model can sometimes be too much to bear for the princes of your former organization. It might be a price to pay in the transition. Somehow the transition to complex projects is like a democratic transition starting from an aristocratic organization!

### ***Change your office configuration***

Complex projects are best executed by integrated teams sitting all together in a large open space. This facilitates

transverse discussions, a sense of belonging to the project team, and focus on the success of the project. Often, your office configuration will not be suitable. Changing

to a suitable office space is often one of the most decisive factors in the change. Segregating your complex project teams physically from

your simpler business – which is often much more discipline driven – is an underestimated key to success.

### **Conclusion**

Most organizations fail their transition from simple to complex projects. Here are the top 3 reasons:

- They don't recognize the shift of their business to complex projects and continue 'business as usual' until they fail miserably on one or two complex projects (which often brings the company to the brink of extinction);
- They fail to split the complex projects business from their traditional simple projects business;
- They fail to invest in the right people and tools and understand that the cultural and organizational change of the shift to complex project will take months to pervade the organization.

In today's world, shifting to global complex projects is often required just to remain competitive. In any case it is a great development opportunity for your business. You need to understand that it will change the organization down to its very roots. Yet for those that succeed in this transition, the rewards are there. Because in the Collaborative Age, the age of complexity, only those will thrive that will master complex project management.

### **Useful references:**

[White Paper 2012-01](#) 'Why you can't Just Scale Up Your Way from Small, Simple to Large, Complex Projects'

[White Paper 2012-02](#) 'Why Striving for a One-Size-Fits-All Project Management Model in Your Organization is Fundamentally Wrong'



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