

FUTURE-FIT PROJECT LEADERSHIP



Project
Management
Institute.
Finland

Markku Aarni



Are Our Current Capabilities Fit for
the Challenge Ahead?

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Fit for the Challenge Ahead?

Is the organisation ready for the project?

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IQI Success Insuring Oy

IQI

SUCCESS INSURING



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Now: IQI Success Insuring Oy

Previous: Kumura Oy, Adapro, Project Institute Finland Ltd since 2000

Focus areas:

Business driven project culture development.

PMO, portfolio and program levels, management of change, people working together

Utilizing AI to renew business and processes, helping people to make right things

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Have you seen this?

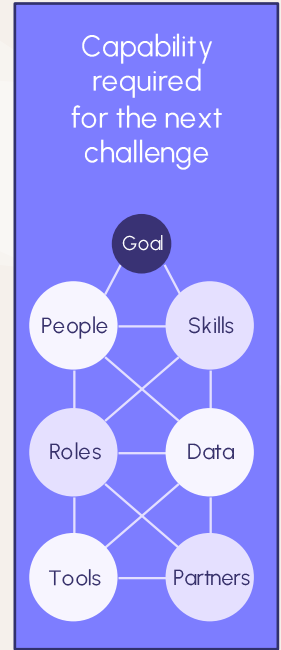
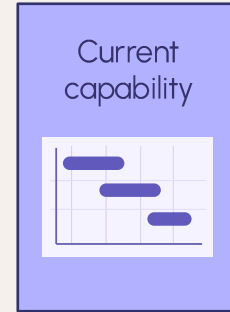


An experienced project manager and a strong team — yet the project still fails

We succeed in our familiar projects, yet the strategic transformation keeps slipping from year to year.

We select a new supplier for an international project based on their excellent track record in Finland

Think about your next challenging project



Content



Agenda:

Why capability matters

What capability means

When current capability was designed
for different needs

AI opportunities for assessing and
building capability

Next steps

Themes:

Focus now: Capability needed in your
next challenging project

There is a strong connection to capability in your
organization

AI gives a lot of opportunities and it is a game
changer □ but how and when to utilize it?

Capability is the ability to achieve outcomes



The ability to achieve desired outcomes, not only deliverables

People, decisions, skills, processes, data, tools and partners **working together**.



Every demanding project has two capability questions



WHAT WILL THE PROJECT BUILD?

A capability the business will use.

Example: operate a production and delivery optimization service better after the project



AI TIP

Ask AI: Check how good is our main supplier to build their solution, and how good they are delivering it as a project

WHAT DOES THE PROJECT REQUIRE?

A capability needed to deliver the change.

Example: because we are doing a huge transformation, we need to integrate internal players and partners better, make joint decisions and lead change carefully.

In the project delivery business, this can be a **competitive advantage**. For the client, it is critical to putting new ways of working into practice and **realising the intended benefits**.

It is not enough to scale up existing ways of working



if

The business environment is changing rapidly

Project type is new for us

Scope of the project is very different or larger

OR AI gives new opportunities to run projects, portfolios and business in a better way!!!

We need to change the logic how to build and run project management



AI TIP

Ask AI: Are there new kind of challenges or elements we must put together in our next challenging project?

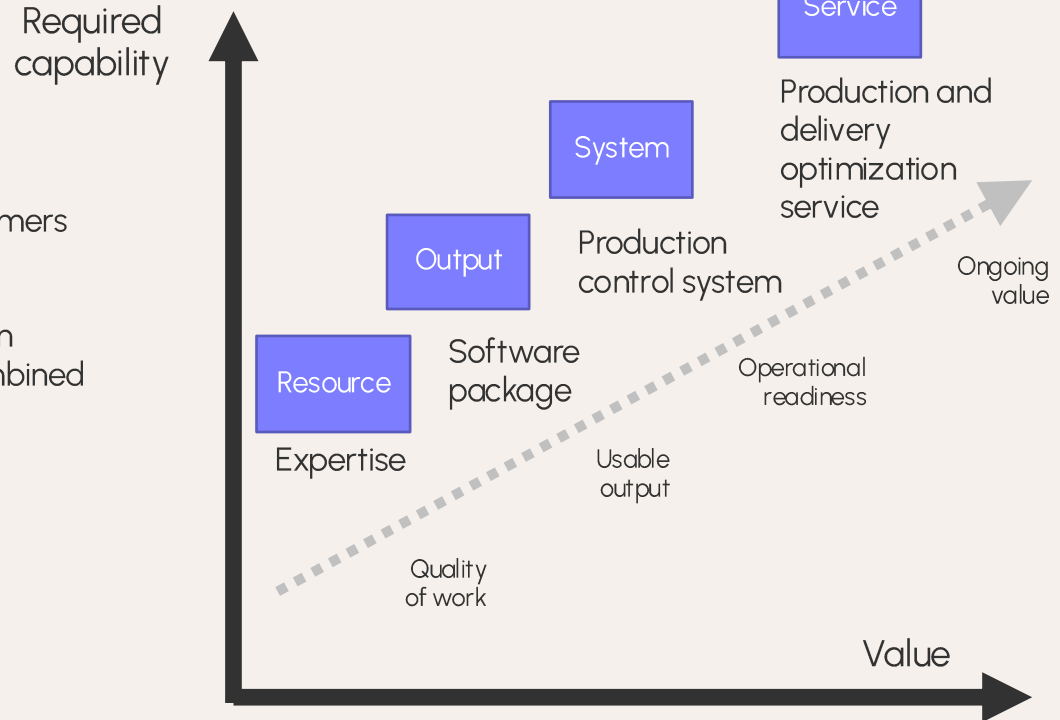
Example: A new customer promise requires a new capability

1. Coding work
2. We make small software components
3. We create information systems that allow customers to control operations at their production plant
4. We provide production and delivery optimization services, where production management is combined with supply chain management, forecasts, etc.



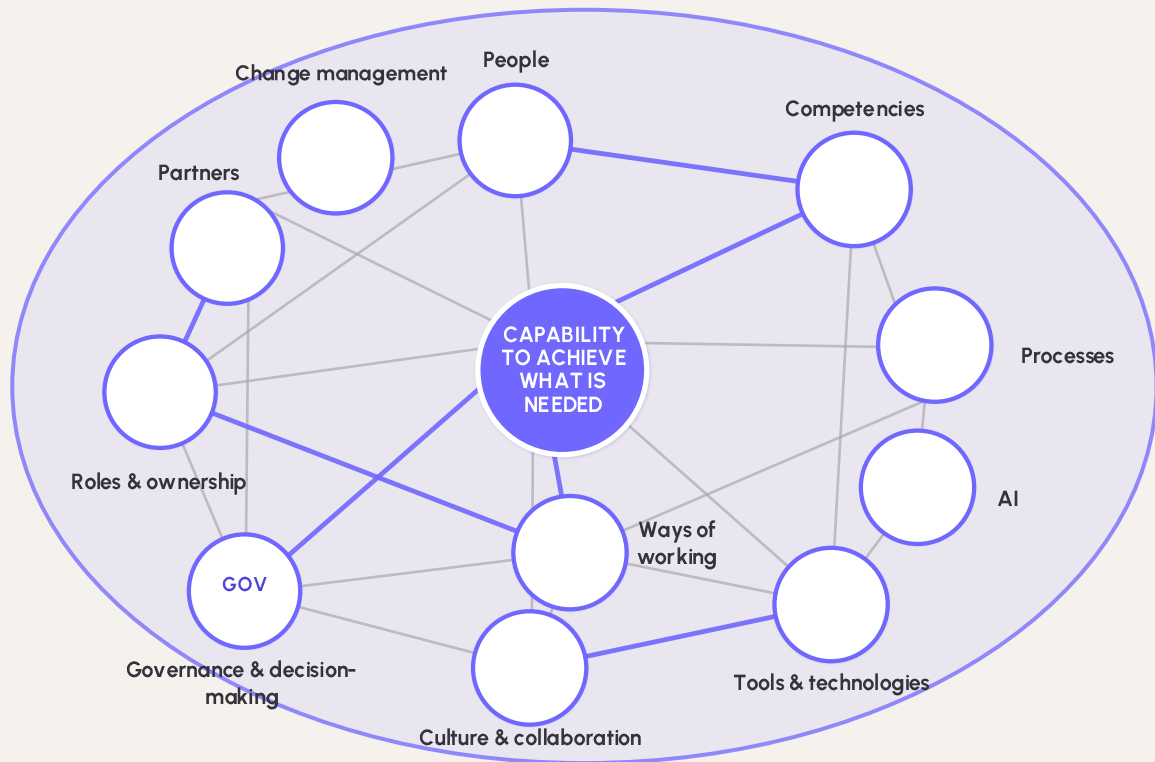
AI TIP

Ask AI: Check our strategy and development plans, are we going to another level and what does it mean for the whole project management system?



Capability is a **unique combination** of elements that work together

PRINCIPLES Are the Glue □ Connecting the building blocks of capability and guiding action under uncertainty



The key is not to polish all individual points □ the key is to connect them together as needed in this project

ENABLES



**SUCCESSFUL
DELIVERY**

WE CAN START TO
COLLECT BENEFITS



AI TIP

Ask AI: Does our capability elements work as a coherent whole? What may be missing, too weak or poorly connected □ and what should we change and develop in our next project?

Other examples when current capability is challenged



We are excellent in our internal services but now we expand in to external clients in European level

We must change our ERP system

We are excellent in investment projects but product development is very new for us

We must re-organize 50% of our production and delivery capacity because the competition and cost pressure

Have you seen these situations?

A completed deliverable is not a completed change



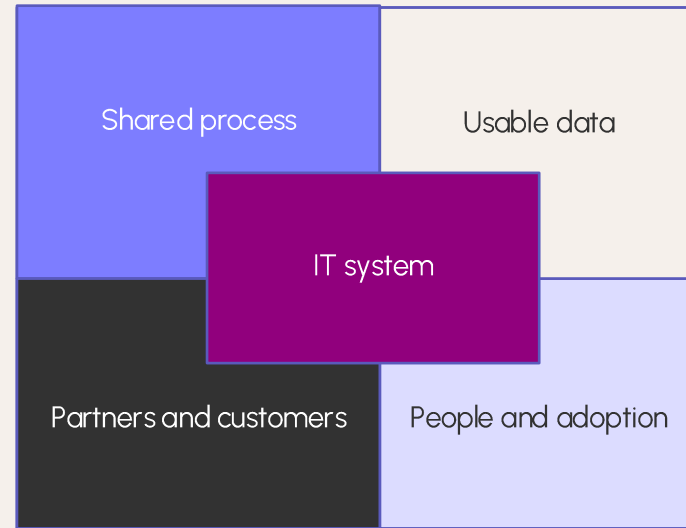
The IT system is one deliverable.

Business value also needs changes in everyday work.

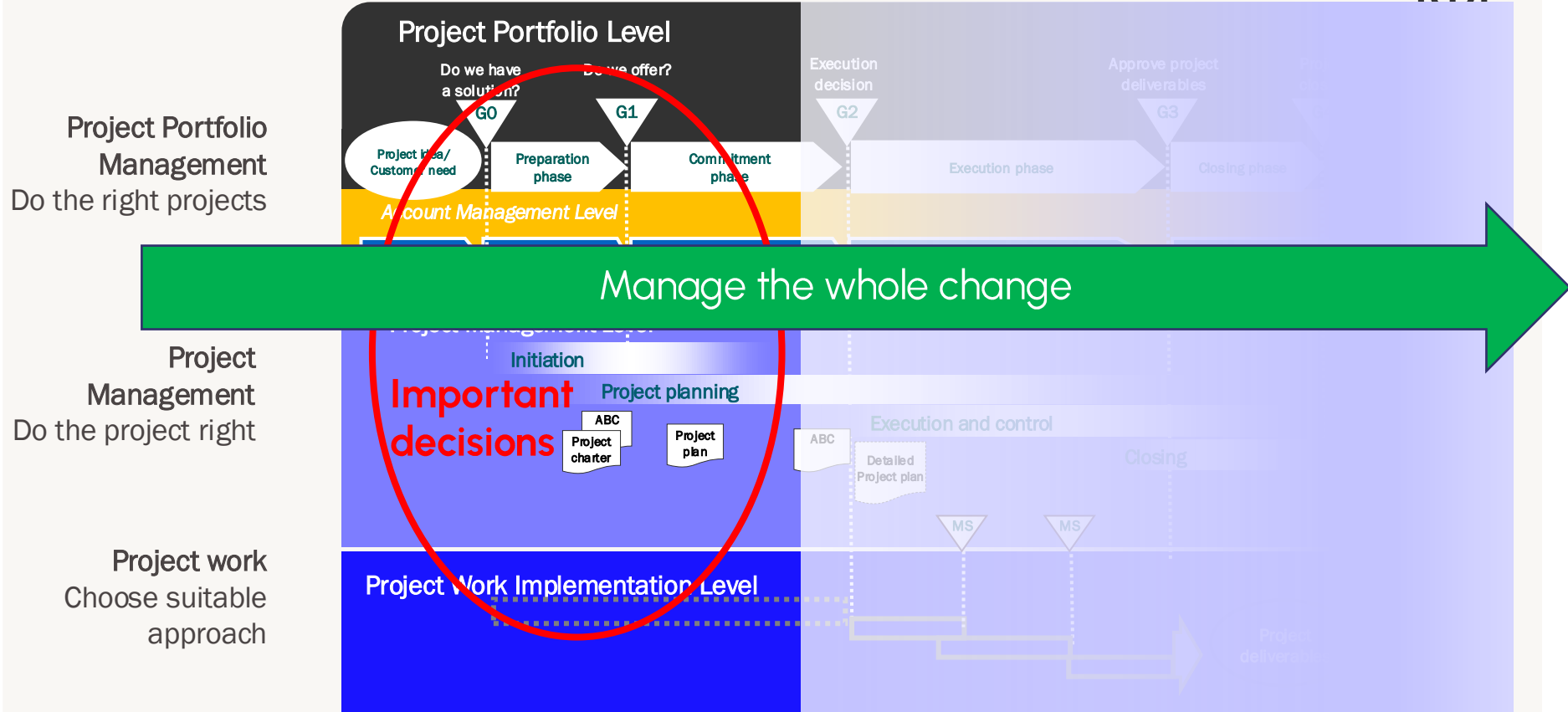
Some actions belong to the project.

Others belong to the business or its partners.

Someone must own the whole change and manage it in and over the project



Processes now and in future?



Test the capability fit before you commit

Do the project's critical requirements match what the delivery system can demonstrably do today?

1 WHAT IS DIFFERENT?

Identify the outcomes, responsibilities or operating conditions that make this project different.

NEW DEMANDS

Scale · Amount of change · Technology ·
Responsibility · Uncertainty
Partners · Regulation

2 WHAT MUST WORK?

Name the few elements of capability, or their interactions, that are critical for delivering the required outcomes.

CRITICAL ELEMENTS OF CAPABILITY OR THEIR INTERACTIONS

Decision-making · Integration
Data · Partner and client collaboration
Governance · Learning speed

3 WHAT EVIDENCE DO WE HAVE?

Assess whether each critical capability has been demonstrated under comparable conditions.

EVIDENCE OF FIT

- **PROVEN**
- **UNCERTAIN**
- **MISSING**

4 WHAT MUST WE DO?

Choose a response for each critical gap before the next major commitment.

MANAGEMENT RESPONSE

- TAILOR** Adapt how the project uses it
- BUILD** Develop and test the gap
- REDESIGN** Change the delivery system
- REDUCE** Limit commitment or exposure

A capability gap is not automatically a reason to stop. An unmanaged capability gap is a reason not to commit.

Focus on the few capabilities that can determine the outcome. Do not average away a critical red flag.

Tailor, build or redesign?



TAILOR

The capability exists. Adapt how this project uses it.

BUILD

A critical capability is missing. Develop and test it during the project.

REDESIGN

The operating logic no longer fits. Change the model.

Who must be involved to build the required capability? And who will run it?



Project success is a system capability

- Business owner / sponsor
- Project or programme manager
- Steering group
- Teams and experts
- Line organization
- Partners
- Client / users
- **PMO**
- 

If the project manager is the only person trying to make the project successful, the system is too weak.

Who are your best partners to build a successful project?

Three levels of AI enablement



Building a new capability for demanding projects requires moving beyond isolated use cases.

LEVEL 1

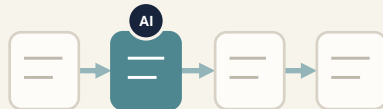


1 Point optimization

Improve individual tasks with AI.

Value is local — and relatively easy to copy.

LEVEL 2

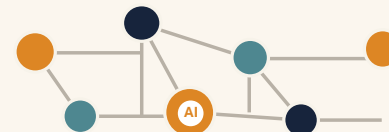


2 Process optimization

Optimize the end-to-end flow of work.

Value shows in speed, quality and predictability.

FUTURE-FIT CAPABILITY



3 Operating model redesign

Redesign roles, processes, data and decisions utilizing opportunities of AI

Creates a new capability — and potential competitive advantage.

USE CASES ARE BUILDING BLOCKS

Competitive advantage comes from how they work together as a capability

Main challenge is our mindset – not tools

AI OPPORTUNITY MAP, example

Project, portfolio and project business

For a maintenance workshop using own capacity and international partners.

1 Run projects better

Planning, risk scanning, resource forecasts, reporting and lessons learned from previous maintenance projects.

2 Manage the portfolio

Scenarios link workshop capacity, specialists, materials, partner capacity, commitments and profitability.

3 Grow project business

Faster RFQs, better estimates, margin forecasts, partner selection and international delivery models.

Project management must shift from reporting past performance to steering towards desired outcomes and benefits.

DEVELOPMENT PATH, example

Start where AI improves decisions

First assist people, then connect data and automate forecasts.



01 AI assistant

Reports, summaries and project documents

02 Project intelligence

Forecast schedule, cost, resources and risks

03 Portfolio capacity

Scenarios for workshop and partner network

04 Tendering & pricing

RFQ analysis, effort estimate and margin view

05 Predictive planning

Maintenance data predicts real project scope

Best first pilots

1) weekly reporting assistant 2) “Can we accept this RFQ?” capacity scenario 3) searchable lessons learned

Key design principle

Do not start with “AI technology”. Start with the decisions where better prediction changes outcomes.

Most valuable data connections: project history + workshop capacity + materials + partners + maintenance findings + commercial data

Next steps



In your project

- Analyze nature and complexity of your project □ what kind of approach we need to achieve success
- Analyze actual capability in your own organisation, network, teams, □ -- what is the basic logic now and does it fit for the challenge
- Work with Owner, Steering group, PMO etc to create a common approach that will ensure success
- Run your project and develop what is needed parallelly

In your organization

- Business management □ build elements of success for your portfolio and projects based on strategy and competitive edge
- PMO □ develop holistically business driven capability based on AI opportunities
- Develop and integrate new competences, attitude and behavior, that emphasize learning and cooperation

Utilize AI as a tool and mindset

- To analyse your project, nature and needs of it
- To find better and new ways to build a project and run it
- Emphasize how AI will help people

Thank You!

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