



## White Paper 2019-02

### How to Overcome the Challenger Syndrome for Upcoming Project-Driven Market Leaders

*We often help organisations move successfully from the execution of small projects into the execution of larger, more complex projects. This transformation is often accompanied by an ambition to rise into the first-tier of the market. Beyond the improvements in systems and processes, a psychological hurdle often also needs to be overcome: the Challenger Syndrome. In this White Paper we detail what this syndrome covers and how to overcome it, with a particular focus on project-driven businesses.*

#### Customisation and adaptability do not scale

Smaller upcoming companies are challengers: they take pride in executing special projects and finding custom solutions, in addition to maintaining a particularly close client relationship as they strive to please their client in all details. Their adaptability, reactivity, low overheads and inventiveness are often a key selling point, enabling them to grow in the interstices left by larger competitors. It is the foundation of their success.

As those companies grow to the point of competing with market-leading competitors on larger projects, they tend to try to maintain the same adaptability and closeness to client wishes while at the same time being competitive on price and delivery time. They avoid developing and implementing standard systems and processes that are needed to control large projects, even if they are available, because they feel they are too heavy and incompatible with their traditional business approach. This approach then often falters against market-leading competitors that have industrialised their processes, made them lean and efficient at the expense of adaptability, and have processes and systems ensuring reliable delivery of large complex projects.

Customisation and adaptability do not scale; the wish to become a first-tier company in the market must be accompanied with a leader mindset of standardisation and sheer efficiency. The foundation of sustainable success must change dramatically.

#### The mindset impediment

It is amazing how trying to achieve success in the execution of large complex projects with the wrong mindset can lead to utter failure, even if basic and necessary systems, processes and knowledge are available. The small projects – challenger mindset pervades in fact the organisation culture and daily decisions. For example, the most cost-effective solution may be chosen even if it lacks reliability, because compensation is available through the dedication and adaptability of team members – whereas in complex projects, reliability of delivery by the supplier is more important than cost. In another example, project teams on small projects tend to be light with project managers supposed to cover all aspects of

project management and control, something which is not possible on large complex projects where they need to be supplemented and proper staffing and organisation of the project management team is essential.

Even when processes, systems and knowledge have been implemented in an organisation, the lack of proper mindset might lead to regression and project teams not using available tools. Often heard excuses include “the project is too special to fit in

the process”, “we are too pressed by the schedule to do everything that we are supposed to do”, “the client wants it otherwise”, etc.

#### How to change a challenger mindset

Unfortunately, too often a mindset shift is only produced after an abysmal failure that pushes the organisation at the brink of survival. Mindset change is then implemented in a dramatic manner, changing key personnel and imposing a special discipline.

In all cases, the mindset change requires a voluntary, highly visible and substantial effort in organisation culture transformation. A well-thought transformation project must be designed and implemented with strong support from the top of the organisation. We strongly recommend the embedded consulting approach to those transformation projects (refer to [White Paper GDM-PVD-2015-01 ‘A Project Management Framework for Enterprise Transformation Projects’](#)).

As part of the cultural transformation project, tested approaches to changing mindsets in a proactive way include:

- A clear understanding and vision from the top of the organisation, leading by example on daily approaches and decisions, and imposing discipline on project reporting and processes,
- The injection from outside of a few Project Directors and senior project management team members that have the experience of leading large project organisations,
- Appropriate coaching and personal development of key personnel; this can include exposure to actual project execution teams in similar industries,

**Customisation and adaptability do not scale.**

- The development of support for project setup that removes work burden from the project manager at this critical phase, while ensuring consistency of delivery,
- The drive for consistency in engineering and economies of scale in procurement through the implementation of centres of excellence.

The effort required for such a mindset shift should not be underestimated. In addition, it is possible that part of the organisation still strives on smaller projects while another develops into larger, more complex projects. In that case, it is useful to establish a clear business split, for example two distinct Business Units (refer to our [White Paper 2012-02 'Why Striving for a One-Size-Fits-All Project Management Model in Your Organization is Fundamentally Wrong'](#)).

## Conclusion

Customisation and adaptability do not scale. At some stage, as it becomes closer to market leadership, the fast-growing challenger company must dramatically change the foundation of its success. Implementing the best-in-class processes, systems and knowledge in an organisation without a mindset shift will lead to failure. A well-thought cultural transformation programme must be implemented at the right time. The effort and time required should not be underestimated; such transformation must be anticipated before very large and complex projects, or portfolios of projects requiring standard approaches, are taken up by the organisation.



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