

PMPOV097 PM under Duress

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0:00:05.4 Announcer: From the Washington DC chapter of the Project Management Institute, this is PM Point of View, the podcast that looks at project management from all the angles. Here is your host, Kendall Lott.

0:00:15.6 Kendall Lott: Hey PMs, co-host Kendall Lott here, recording in the middle of April from Hatteras, North Carolina with co-host, Mike Hannan. Mike, good morning. And where are you calling in from today?

0:00:27.5 Mike Hannan: Arcadia, California, just north of Eureka, California.

0:00:31.5 KL: I'm still lost, is it at up or down.

0:00:35.4 MH: So that's, I would say about a two-hour drive to the Oregon border, right along the coast.

0:00:41.1 KL: Oh, how I want to get up there so badly, in fact, I'm hoping to get a client up there very soon, fingers crossed, fingers crossed.

0:00:47.1 MH: I had never been to this part of the world. So, it is pretty interesting for us.

0:00:49.8 KL: Are you liking it?

0:00:51.0 MH: Loving it.

0:00:53.0 KL: Well, basically...

[overlapping conversation]

0:00:53.6 MH: Red birds everywhere and just natural beauty and provides a bit of a contrast, I think, to our topic today.

0:01:02.1 KL: Ah. Indeed. And well, I'm hoping that maybe we go up and found a PM community up there 'cause I need to find some like-minded folks that they were... I want to get. Today, everyone should hear, our listening audience is... Today we have Sergei Potapov. Sergei is joining us, a friend of Mike's. Sergei, where are you calling in from?

0:01:19.0 Sergei Potapov: Hello guys, I'm here in Transcarpathian region Ukraine at the western Part of Ukraine, the small-town chop, is two kilometers to Hungarian border and two kilometers to Slovakian border. And at the moment, here is maybe the safest place in Ukraine, and also here is one of the biggest, humanitarian hubs in Ukraine that helps us to provide some humanitarian aids, to all the people of Ukraine.

0:01:56.7 KL: And there's our topic, a humanitarian hub, so we have a PM listener who's sitting doing humanitarian aid right on the ground in the middle of a conflict area that, of course, has been in the news. So frankly, this is an emotionally difficult, in some sense, an intellectually interesting episode for us to record, but I was just talking with the gentleman, we're really lucky to live in a connected world where we can connect. So, from the Ukraine to the East coast to the US to the West Coast, we got techniques. We got practices, you've read about them in the Pinboard, but here's the deal. How much of all that stuff do we study is what we use when things go hard, when we're under stress, and so today's topic around humanitarian aid is in the question of around, how do we do project management under duress? So, Sergei comes to us via Mike. So, Mike, you've had a long relationship with Sergei from your consulting and engagement, you want to go ahead and step up and introduce him, how we know each other professionally and what we can... What we can accomplish? What we've tackled.

0:02:58.2 MH: Yeah, and I think it's one of those sort of interesting serendipitous life connection stories, where Sergei worked for a company that was a project-centric company, it was a service provider to clients, and they are having a very difficult time meeting their project commitments and being profitable. They had looked far and wide for possible solutions, tried, if I remember correctly, Sergei some Agile stuff, some other things that might have helped a little bit, but still the fundamental problem persisted. And so, they found another person who's a good friend of mine, and who's been a guest on our podcast here Kendell, Hilbert Robinson as an expert in something that was not very well known, we've talked about it a few times here on this podcast, critical chain, project management, which was new to Sergei's company and to Sergei personally. Is that right? Sergei?

0:03:56.1 SP: Yes, yes.

0:03:57.0 MH: So far so good.

0:04:00.2 SP: I knew a little bit about it, of constraints and about critical chain approach, but only from the Dr. Gilbert books.

0:04:08.6 MH: So, book knowledge, seeking wisdom, and they found Hilbert and the Hilbert is, probably among the wisest people I know... I'm sure you would agree, Sergei.

0:04:17.4 SP: Yeah, absolutely.

0:04:18.8 MH: Right.

0:04:20.0 KL: Oh, how many of us on the PMs here are book smart, seeking knowledge... Well, we should be seeking knowledge and if they are on this call, if they're listening on this call, they should be trying to hear us talk about knowledge, elevating the conversation.

0:04:31.6 MH: So, Hilbert through a full-time translator like Serge's English is pretty darn good, not everyone in this company could claim the same thing, so basically every word out of Hilbert's mouth was translated and the stories I've heard... I wish I would have... I wish I were there. A Fly on the wall. The stories I've heard are everything he said, that people took down notes and challenged and questioned and wanted to know more, and was unafraid with their skepticism, but

also eager to apply something that would be helpful to their situation, and I don't remember the exact time frame Sergei but, it was like maybe only three or four months before things dramatically improved for you guys.

0:05:17.0 SP: That was very interesting because first time we met Hilbert in August of 2013, and during the first introduction session, he provided us with information, detailed information about critical chain project management, about this approach, and it was a powerful solution from the game changers in our company that decided, let's try and because before we've tried standardized PMI approach and some attempts to implement the Agile stuff, and then we've decided, okay, let's try with Hilbert, and we started preparation period, preparation frame for, I think, it was three and a half... Almost four months, started a new approach on November the 7th, 2013. So, I remember this date. [chuckle]

0:06:25.8 SP: And we've obtained first results, visible results, I think in two months, and that was absolutely great results, especially if you will think that that was a time for our revolution of dignity exactly in this time frame in Kyiv, in Ukraine, so even in these times, we've got very good, very visible, stable results, then critical chain was our main approach to make projects.

0:07:06.3 MH: Yeah, so this ties into our historical context for today's conflict as well, because right when you guys started getting great momentum was when Putin invaded the first time in 2014. Correct?

0:07:20.4 KL: Yeah, absolutely.

0:07:21.6 MH: And that made life a lot more difficult on your company, of course, I think it put an abrupt end to Hilbert's consulting and coaching for you guys, which sent him, and by the way, on very different career trajectories, but which ultimately led us back to you, where we... Both of us came out to you and to help... You had a very different engagement, right before the pandemic, and that was for a big energy company that was also looking to break its log jam. For our American listeners, it was not the energy company, the Ukrainian energy company that was in the news. It's a different one. So, we were able to...

0:08:00.8 MH: I think Sergei was basically the lead coach there to help all of their PMs up their game, and Sergei said, "Let's bring in this really wise guy from the US that was here six years ago or whatever, and this other guy, Mike Hannon, might be able to help too, I'd chatted with him here and there, but I'd never met him," so I was thrilled that I had the opportunity to come, and we were doing so many hopeful things, you had all these leads for other companies, there was a start-up airline, there was initiative to take a lot of the corruption out of the government procurement process and have everything much more transparent and online, and just this great strong feeling since it was my first time in Ukraine, a hope, this feeling of we really can democratize things and break away from some of the state-run corrupt practices of the past. And with the Ukrainians, I'm not Ukrainian, but I'll try and speak for... We Ukrainians look more to the West now for inspiration and best practice and to try and improve our country and to realize the future that we deserve.

0:09:10.8 MH: I was so profoundly moved by that, and that's what makes this latest conflict all the more sad, for me. Of course, I'm thousands of miles away, my family is safe, I'm not suffering just the horrific atrocities against my countrymen that you're suffering, but all the more reason that I wanted to really reconnect with you even more strongly, we stayed in touch over the years, and

you're even a co-coach in my coaching group. Thank you for that. But this was a new challenge, right? Because you... And I think a lot of people, certainly I'll count myself among them, really just wanted to pick up a gun and fight, it was just so enraging and outraging that we just thought, this is so unfair, this is taking Ukraine's momentum away. Nobody in Ukraine started this war, and you and I had a lot of really difficult conversations, how can Sergei help the most, and I was wondering, Sergei, if you'd be willing to share your thought process and your emotions in those early days, like late February.

0:10:16.5 SP: Yes, I think I have to start the story with my preparation to this war. We really don't like to use the word conflict, because it's a full-scale war in our country and thousands of people killed... Were killed, and that's very interesting, and I think it's also about project management and especially about risk management, because I'm sure everyone in the world heard a lot of information, messages that Russians will try to invade in Ukraine, Russians will try to put army in Ukraine, so please be careful. Be prepared, and that's very interesting because I talked with... I don't know maybe with hundreds of my friend, the relatives, and I ask them, "So what do you think about all this situation?" And 99% of my friends told me that's nothing serious and I think I'm sure that everyone read or heard about Nassim Taleb's Black Swans, but in real life people do not realize that the situation can go bad and really in hours.

0:11:43.8 SP: So, I started to create this famous risk matrix with impact probability and just put this risk... From my calculation, this risk was in the quadrant that I have to insure this risk because I also thought that the probability of full-scale invasion is low, but the impact is severe or critical, and I decided so I cannot just take some insurance certificate to be safe in the case of war, and I decided to try to reject this risk and that was only one solution. I just took my family and make a small vacation in Carpathian Mountains just for two week till the end of February. And that's very interesting because we had plans to come back in Bucha, so I lived in Bucha, small suburban area, a small town close to Kyiv and unfortunately, this name of the town is very famous right now after Russians left this area, and we had plans to come back February 26. Two days before coming back.

0:13:16.9 SP: We've often used stripes and actually read all this bad news about the situation in our country. So that's the start of my story and maybe project managers please use risk management techniques very careful.

[laughter]

0:13:38.9 KL: Well, let me ask... Oh, go ahead, Mike.

0:13:43.1 MH: I just want to say I've had so many conversations with you Sergei since the middle of February and I don't think I've heard this particular story, this whole risk management. And of course, I remember well, a lot of the US intelligence services and maybe British intelligence and other so-called experts were saying, "Hey, this looks really likely." And a lot of the attitude from you and I think from your president and some of the Ukrainians was, "No, we're used to Russia threatening things, they're always threatening something but they don't always go full scale war. We don't really expect that." But yet that is now indeed what we have and the fact that you did the risk matrix, even though you perceived the risk as low, it almost didn't matter if the risk was low or high, because the impact was so severe.

0:14:36.8 SP: Absolutely.

0:14:37.6 MH: Right? And so that's sort of the lesson I just took from you Sergei and a lot of times it's PMs which use the term black Swan, this super unlikely event but if it comes, it could be really bad. And in this case, maybe it was a black Swan, maybe it wasn't. But either way Sergei did what he needed to do to protect his family. Do you mind just telling a quick... I know this is not as related to PM, but I think it's certainly relevant to this notion of low risk, high consequence. How you were able to protect your wife and two beautiful daughters, Sergei?

0:15:10.8 SP: So, we've decided to avoid risk as much as we can. Collected all needed clothing, toys for my daughters and just... We've tried to organize not just evacuation because there was no need to evacuate in the middle of February. So, we've decided to make the best maybe scenario just to combine this evacuation with vacation. And I think that's very interesting because sometimes we are trying to look just to very narrow scenario without thoughts of how can we combine different scenarios in one road? And that's one of my findings for the last two months. Usually you can... To run in one way, one road but in the same time you can do a lot of tasks from different scenarios. So, I think that's very interesting. So, to try to implement this approach in the future.

0:16:25.7 MH: Yeah. So, we have a saying in English, "Killing two birds with one stone."

[laughter]

0:16:29.6 MH: Right? So...

[laughter]

0:16:32.4 MH: Combine tactics to turn an evacuation into a vacation. So, I like that.

0:16:39.1 KL: I was intrigued by this comment about seeing it as risk and people having an idea that it was low probability. One of the things we were seeing here, and then I want to pivot away from the more political for a second, but you hit on something that I've run across. When we talk about risk, we find out that people don't want to talk about it because it sounds like you're ringing an alarm bell. That was one of the views and I don't know that it's true. But I'm saying one of the views of the West was there is a very specific reason why maybe the political elites were always saying, "Oh, come on, you may be overstating it Mr. American president." Was simply because they didn't want to actually get everybody all worked up, not whether they believed it or not. US intelligence can be very accurate obviously, right? Particularly when Russians are involved.

0:17:23.3 KL: So, the question was, "Is it worth not facing it because that may be difficult to deal with?" Now, the reason I bring that up, that's a political comment and I don't know if it's true or not. But I was just reading with something else that said, actually when insurance... Life insurance was first rolled out, people thought it was disgusting and weird. Why would you talk about death and insuring against death for your... That made no sense to people. It was wrong conversation to have, and of course insurance is so very important. So, insuring being one of our mechanisms of against risk, right? You can't insure against war but it is this idea, I think the broader lesson that I just heard in there is, is it is hard to think of risk to me. I think of it in the abstract and I think you had to bring it down to a very core level very quickly. And so that's one issue on risk is that it is sometimes hard to talk to others about the risk you perceive because risk can be frightening and we're trying to have an analytical conversation. And in your case, I can never imagine it but your family's life is on the

line even, your company's life is on the line. Your whole context is on the line, right? But for us at any level, it's a hard signal to send which has let us talk of risk. Mike, if you have a thought on that?

0:18:37.0 MH: I think it's a good natural pit to go for risk. And even the Black Swan risks, that Sergei talked about, which of course became highly relevant to him and his family and his countrymen. But then also about impact and planning for maximum impact, right? And so often in the PM world we're taught to plan on schedule, on scope, on budget, but we don't talk about how to use scope schedule on budget as a way to drive maximum impact. And really that's all it's there for, right?

[chuckle]

0:19:05.6 MH: That's why we do these tradeoffs, because we're trying to figure out what the optimal or maximum outcome might be. But now let's take that to Sergei's context because he and I, the essence of our first conversations, how might I Sergei have the most impact and you faced a really tough choice, and in fact, I think you're still facing this tough choice, are you not, Sergei? But how can Sergei contribute the most possible to help?

0:19:31.2 SP: It's a very sensitive part of conversation, but again, you have to compare some scenarios or some probabilities. But with very difficult benchmark fundamentals, because you have to compare some rational or analytical choices with emotional part of your life yourself. And I think here is another trap for a lot of people, and it is very difficult to say, okay, I am a good project manager, and maybe the impact or the goodwill from my work as a project manager will be higher or better than my input as a soldier. But that's very difficult, but I really, I don't know, was that a good solution or not? But I've made the choice and decided to join a team that organize the humanitarian help in Transcarpathia 'cause I really don't know who told it, but I think from ancient times that you can win the battle with army, but you can win the war only with logistics, only with real. So, my goal is to win this bloody war, and I think that most impact will be higher where I'm here right now.

0:21:06.1 SP: And about humanitarian aid, humanitarian helps, I'm sure everyone knows that from the first days, all the countries, especially our neighbors Slovakia, Hungary, Poland started to put a lot of, tons of humanitarian aid. But this aid was usually just big piles of everything, cross the border and put somewhere in the store, and that was real piles of everything. And that was a mix of diapers, baby food, some warm clothes, tents, everything. And the first problem was to organize all this, call it chaotic humanitarian aid, and just to sort it, to pile it, to put on the pallets and then send to the places when these items really need right now. And it's very interesting that take, Ukrainian government started to make some initiatives I think on the third or fourth day of the war, just to try to organize all of this stochastic humanitarian movements, just to understand what is the need and where we have some food or something to give to the people who need it.

0:22:46.2 SP: And I just stopped to calculate the number of initiatives when I reached 20. 20 different initiatives from the people that maybe you know somebody. And everyone tried to create the system that will help government or some local regional structures to organize this stochastic humanitarian aid. And that's very interesting. Second finding from all the situation that in the case of absolutely full 100% cause, it is impossible to organize something in the direct way. And you will find dozens of different attempts to do something, and that's like ant colony where you have a lot of different movements and then somebody will survive. And it means that this approach, this

idea was very strong and this idea survived, and that also was the situation like this. So, from the, I think it was more than 20 different attempts to organize all this calculation of humanitarian aid. And in the end, I think between second and third week of war was created Annex where government knows about the needs may be on high level.

0:24:21.5 SP: And also government knows about the situation on the tours of humanitarian aid across Ukraine, and then government could organize some logistics usually with railroads from the stores on the western part of Ukraine to the eastern part to where the people really need something. And that's very interesting because that was not a direct project plan or something like this. That was hundreds, hundreds, hundreds of attempts to deliver something, to do something, to create a new system, to try this, to try this, to organize the local authorities and how to do it in the best way, and right now it works. Maybe not perfect, but it really... We have the system that can organize delivery of humanitarian aid to the places where it really... When we have a demand, it's not...

0:25:26.9 MH: Love that story, Sergei. That's brilliant. So let me put it in slightly different terms to make sure everyone's following along here, 'cause Sergei and I had many conversations about, hey, we know the patterns of what a good supply chain network is supposed to look like. We know the patterns of a good high level flow of work to achieve an objective. We know the patterns. But maybe what I'm hearing now is we didn't really know the patterns. [laughter] That in this environment where you are, you can't really so easily apply all these patterns from a normal environment. And instead, if you had chaos, you applied something that the Cynefin framework teaches, which is when you feel like everything's chaotic and there's no patterns...

0:26:14.5 MH: You have to just act. And by acting, you'll see how the system responds, and like you said, you had 20 different options on how to act and maybe you went through all 20, but you learned from the feedback from this chaotic system, what was going to work and what wasn't, and you learned... It sounds like you learned it very quickly, like maybe only one or two weeks, something like that? So that's a massive learning in my book.

0:26:40.5 KL: Well, actually, I want to challenge that, or I want to ask a little more clarity on it, I had a question as you told that story, which was, do you believe that, you kind of said it was the best idea survives, so this is a battle of ideas, a battle of methods, it's kind of like a Darwin thing, evolutionary kind of thing. Do you think that is a good way to address something under crisis because you said 20... You know, your example, 20 ideas, were they in competition or is it because they were interdependent or people aren't communicating? I'm not sure why it was difficult, but is this idea of battling good?

0:27:17.3 SP: It's a very good question. I really do not have some scientific answer.

[chuckle]

0:27:25.7 SP: But it looks like... I'm sure you know from IT and the approach, we call it AB testing when you really don't know what will work and you start to believe or like different solutions, and just have a feedback from a client what works better. In our case, it was not AB testing but ABCD up to Z testing. And a lot of stakeholders with our own roles, with our own authorities, with our own responsibilities, with our own reason about how it works in our situation... In the situation in Ukraine today, done is much more important than done perfectly. And right now, maybe it's not very good, but today in the Ukraine effectiveness, just kill deficiency. I thought about this situation,

and I am really not sure that the best idea survived, but idea that survived, really works and really delivered needed aid to the... Let's call them end user. Sometimes when I look at the situation, look at this chaotic movements of hundreds of volunteers across the country, I remember the scene from the movie with Sylvester Stallone, Cliffhanger or something like this.

0:28:52.1 MH: Cliffhanger, yeah.

0:28:52.8 SP: Cliffhanger, and I'm sure you remember, you recall these scene when he just put bank notes into the fire to heat, to make some warm and when I was a boy and I saw this scene, I... My father, I really cannot imagine how can you put 1000 bucks, bank note into the fire, because it's 1000 bucks, and my father told me, so you know, I hope you will never be in the situation when you will just make a fire with millions of dollars like a paper, but unfortunately, today Ukraine is in this kind of situation when we just put bank notes to make some warm water or something like this.

0:29:46.7 KL: Let me step in with that because I think you just said something magical to me, and Mike, I'm taking your correction, I think you gave the right answer and the Cynefin model we talked about answers it. There is a theoretical way to understand that the chaotic version of this may be okay, it may even be the best approach to getting... And you just said, I think you just may have said one of the most amazing things, effectiveness kill deficiency. There's a whole theory in organizational effectiveness that our focus, that we all train on, PMs, masters in business administration, people in finance, we focus on efficiency-ism, and we always talk on project management about, we need the value. Here, let's take it down, we're always making the trade-off of deficiency and effectiveness.

0:30:31.2 KL: I think, Mike, where you've come from, and we just heard it here, why do we need to be under extreme duress in a war to recognize, the whole point was to get the good thing done, then we can worry about the resource use. But we worry so much about planning against the effectiveness or the efficiency, we're planning with the efficiency. We don't get there, and you just said it. So, when you said that magic word to me was here in Ukraine, effectiveness has killed efficiency, it made me think, why do we need a war to have that comment? Why do we have to be under duress to get that? I don't know, Mike, thoughts.

0:31:09.1 MH: Yeah, so I think it all starts with assumptions, right? If your assumption is, we're severely resource-constrained, the only way we're going to achieve our effectiveness is to make most efficient use of our limited resources. Maybe that's true in a lot of context, but I think what we're hearing from Sergei is, there's different types of scarcity that they're facing now, right? And you've got the whole world wanting to donate resources, money, food, clothes, diapers, medicine, you name it, weapons. So, it's not so much about, let's be as efficient as possible. It's our whole supply network is in a war zone, right?

0:31:51.3 SP: And also I want to step up for one level, and all the conversation about efficiency versus effectiveness, worked across Cost Benefit Analysis or value, cost value analysis or something like this. And it's really, very good conversation when cost and benefit, you can measure with just the money, but right now in Ukraine, when we are speaking about benefits, we have human lives, and I really not sure that somebody can try today to measure some lives with some amount of money. So, I'm really cannot. That's why I think all standard corporative rules, corporative methods, when you have money divided by money and some ratios not working right now here in Ukraine, because you don't have money and the equation.

0:32:51.0 SP: That's why.

0:32:51.5 SP: And I think also, that's very interesting situation because maybe previous two years I thought a lot about not only cost benefit analysis, but also about their project value, and it's very interesting because project value, even in normal life. Without war, without all this terrific situation...

0:33:15.3 SP: That we faced every day. But even in normal situation, when we are speaking about the value, usually we do not speak about the money. Value, it's, I'm trying to find something that is important for human and usually not about the money, about some, you know, very specific attributes or very specific feelings. Because, you know, projects, it's you have to think about something more interesting than just the money.

0:33:49.4 KL: And that's the power of project management. I think, Mike, that you and I have been always pondering about, and looking at. It's about causing change. The question is...

0:33:58.3 MH: About, improving our world...

0:33:58.8 KL: Where do we focus our change?

0:34:00.5 MH: Or in Sergei's environment, you know, minimizing the negatives, in his situation, right? Helping the most people as much as possible, who are in the most need.

0:34:12.5 KL: So, in the context of doing that, with humanitarian aid piling up, different ideas going about how to assemble the logistics of it, that beginning to flow and work, you making the choice to be a project manager sitting there, presumably, working with other project managers or people acting in that role. Let's, look at some other areas of project management 'cause I'm impressed with the risk. I'm impressed with the concept of value, like for real, let's talk about stakeholders, everybody on the same page, everybody's swimming in the same direction, is the communication clear, we're all going for the same goal? Get this food to the people who need it, it's probably I'm imagining in your world, it's very clarifying. And most of the stakeholders are all swimming in the same direction. Yes, no?

[laughter]

0:35:00.2 SP: Yes, but. [laughter]

0:35:00.7 KL: Yes, but. Okay. Yes, and...

0:35:02.6 SP: It's really interesting, because, you know, we will not speak about the army, I will speak about civil society and government structures, not about our defenders. So, what is going on? Can say that, usually in, you know, in corporations in some government structures, usually classical, organizational, hierarchy organizational structures, they does not work at the moment. So, it's very interesting, because it's really, it's not important, what is your, you know, position, it is important, are you ready to do something or not? And if you're ready, if you have, you know, this willing to do something, you will get all needed, you know, our authorities to deliver.

0:35:56.5 SP: And, right now, nobody cares about the name on your, you know, on your card, business card, everyone just think, are you able to deliver or not. And that's important. And that's about, you know, stakeholders' management. Classical approaches, I think we really don't have time to make all the stakeholder analysis, maybe we think about, you know, very powerful stakeholders. And it's also important to think about their needs and their requirements. But much more important is just to say, we are ready to deliver, we are ready to do something. And we have a lot of cases, a lot of, you know, examples, how powerful is civil society at the moment in Ukraine.

0:36:48.2 SP: And if somebody in government structure start to say, 'oh, no, no, no, no, guys, it's against our rules, it's against some standards or something like this, blah, blah, blah," 20 minutes, tweet or Facebook message, and, you know, five, seven, 12, hundreds, thousands of, you know, people just make some comments about, it is not possible, just do it. And we really don't care about your rules or standards or something like this. So maybe it's not very good. Also, from same scientific point of view, but today, influencers can make much more than an elite. And also, if you understand the final value can, you know, overcome all their impediments, all the restrictions, even from the point of view of the rule of law?

0:37:50.0 MH: So, what I heard there, Sergei had a number of powerful things. One was the power of self organization, self direction, self management, right? Because like you said, if the followers lead, the leaders will follow.

[laughter]

0:38:08.0 SP: Yeah.

0:38:08.5 KL: And they take credit.

0:38:10.0 SP: It's very interesting but it works... Right now, it works like this. Yeah.

0:38:14.7 MH: And so, that's, again, we have strong unity of purpose. That's clear. Many of our initiatives and regular day to day project management outside of war zones don't always have this strong unity of purpose. But I always suggest that it's very possible, and not always so hard to make sure we have strong unity of purpose. So great. That's one asset you have. Wonderful. You also have intrinsically motivated people aligned toward this common goal, right? And so, this notion of, yes, these standards and policies and procedures existed, maybe for a good reason one day, but they were not designed for this situation. And we all know it. Right?

0:38:55.0 SP: Absolutely. Yeah.

0:38:56.4 MH: Even if I'm the guy that wrote it, and I'm proud of it. I'm happy putting it aside and saying, let's just get something done here. Right?

0:39:04.1 SP: Yeah. And also, to this topic about stakeholders, I also want to add a very powerful rule that works well for years in Ukraine, they call it, trust by default. Trust by default means, if your friend told you this guy, or this girl will help you, you just put his number and call him and hi, my name is Sergei. Demetrio told me that you can help me with this? Yes. And just do something in a minute without all you know, all these checklists, checkings and where are you from? Do I know you or not? Just trust by default and it really helps us to deliver some results just in days instead of

weeks or even months.

0:40:01.9 KL: What you said there, because we talk a lot in the environment I've been in. I have heard a lot about, we need to build trust, which is reasonable. But I like... This says, no, start with trust is by default. Yes, we should build it, but why are we focusing on building it? And the way you described it. In my company, I have said it's called, giving grace. Giving somebody the opportunity to play their hand. Don't assume they're going to do it wrong or are not aligned or not... Or are against you. Assume we're trying, but I'd like your focus on trust by default. That's interesting. And you're saying that's a common theme in Ukraine?

0:40:39.2 SP: Yes. When we are speaking about the volunteer movements and I think that thousands of Ukrainians are volunteering in this way or another, a lot of people just taking this CATs combat tourniquets, IFAKs, body armors, helmets, all this stuff that is not real weapon, but we really need a lot of this protecting our pearls, care items in the war zone. And it just works. So, you really... You don't know the name of the person, you know that your friend told you that's a good guys, and you just send them €1000 to deliver something. Trust by default, and it works. Even in the situation when... Maybe one person is not so great people. Yes. But effectiveness just killed efficiency. Trust by default is about effect...

0:41:45.5 KL: Mike?

0:41:46.9 MH: Love that. So, you make me think of this wonderful game, that is free to play online. This Canadian guy named Nick Case developed. It's called the Evolution of Trust. You can Google it. I think it's the letter, N-C-A-S-E.com, trust or Evolution of Trust. And one of the lessons there, I won't spoil too much 'cause it's fun to go in. And even if you're just playing by yourself against the computer to learn a bit about patterns of trust here. But one of them is this, what Kendall mentioned was Grace, which I equate with trust by default. And that is, if somebody does you wrong, it's natural human response to not want to trust them the next time, right?

0:42:30.0 MH: We trusted them once they made me look like a fool or they did not deliver. So, I would be stupid to trust them the next time. But what grace says is, no, trust that they're... Even if they didn't deliver the last time, maybe it wasn't for nefarious reasons. And there's a fun way in the game of showing where somebody is trying to co-operate with you, but they trip and fall down or they're not able to. And if we take that as a lesson not to trust, we've taken the wrong lesson, right? Because in that case, yes, there was not maybe effectiveness that happened there, but it wasn't because of bad intent.

0:43:08.1 SP: Absolutely.

0:43:09.3 MH: And if we trust the intent, then maybe that person will deliver 99 times out of a 100 and it will be very effective. And after a few tries, if that's not true, well, we have other options we can pursue for effectiveness, but no need to worry about what happened with that one individual, right?

0:43:28.3 SP: And also, just to continue this topic, the theme. So, friends of mine, had some situations with this non trustful... Non trustful guys or something like this. And okay, we've just spent a lot of money and you promise to deliver body armors for this date, then for this date, then for this date and still, we don't have body armors and body armors is not for us, it's for our guys in

the war zone. So how can I trust you? And then social media, I think they really work well because a lot of people, it doesn't look that these guys can do this bad stuff. So, I know these guys, they are normal. I know these guys, please contact them directly. Please ask them to try to find the root cause. And then I know that sometimes, when we have this direct communication, yes, the situation is so bad and yes, we will never forget about our promises and also. And in the end, this trust still works well, or in social media, "Oh, sorry, but it looks like these guys are not so very good and you just lost your money and lost your promises to the guys in war zone." Okay. And this black sign on the names and nobody will work with them in the future. So that's the reality.

0:45:09.3 MH: So, it's self-governing. I hear. [laughter]

0:45:11.6 SP: Yeah.

0:45:11.9 MH: So, I want to contrast this whole notion of self-governance, self-direction, self-management, self-organizing with the fact that sometimes that actually is an excuse not to plan. It's an excuse not to look at how the system really works. It's an excuse not to actually achieve the effectiveness that we're all here to achieve.

0:45:32.4 KL: He's getting a war to blame it on, but you and I don't.

[laughter]

0:45:35.3 MH: Yeah, yeah. But even with the war, I think this is where Sergei has been challenged intellectually, emotionally. And I know I've been challenged trying to help him. This notion that, if you do just throw resources at problems, you could make things worse. And we saw this with the US Government's response to the Katrina disaster. We also have seen lessons in history where...right? I've spoken about the 9/11, Sealift Rescue, where had they just sent as many boats as possible to rescue as many people as possible, as fast as possible, from the southern tip of Manhattan Island on 9/11, we would have created a humanitarian catastrophe. So, there are still principles of flow, principles of where do we focus. And how do you know, given that your supply chain probably is not flowing great in a war zone, given that some of these principles don't follow neat little patterns that are so easy to follow? How do you combine, Sergei, this notion of self-governance, self-direction, self-management, self-organization with principles of flow to drive effectiveness?

0:46:42.9 SP: So, to be honest, general principles of Project Management few are of the same and they still work well, still you have standard project phases, still you have standard number of procedures or group of processes, but you do not use some tools in a very detailed way. And about the flow. I think that the self-organization principles also are quite useful even in the situation when we are speaking about the flow, about the effectiveness and constraints or something like this. But I think that the big system is divided or splitted into small set of sub-systems. And then on the level of sub-system, you can attain very good effectiveness, 'cause usually, you can see, you can visualize all the movements, all the parts of the system, and that's a very good question. I really, I'm not ready to answer for a whole system.

0:47:47.5 SP: But on the different sub-systems, you can obtain very good efficiency and also effectiveness, and is it possible to generate the maximum flow from the whole system? I'm not sure how to answer, 'cause when we are working with piles of this humanitarian aid, we can organize the

work to deliver the result, and the result is the package on the palette that is put in the railroad carriage with the highest possible effectiveness and also visits efficiency. And then I've heard the stories that sometimes, the carriages that move to the Kharkiv, for example, in the middle of the road, just transferred to another destination. Again, we use standard approach about the flow to the situation when environment is changing dramatically just in hours. I'm really not sure that we can use this approach to the situation when environment changing dramatically, very, very fast. For example, you know some Russian troops just cut the road to small city. Still do we need to provide delivery of humanitarian aid to the city? Maybe not. And then that's a very good question about what is the system, what are the border of the system and on which level we have to try to obtain maximum productivity of the system? That's the open question. And...

0:49:33.2 KL: That's a very deep question that goes down to the Deming level, that is a big one for all of us to understand. That's another whole podcast that all three of us should do. But I'll hold that aside. Mike, you asked about flow. Go ahead and continue with that, if there's something you wanted to play through there.

0:49:50.2 MH: I guess just one last thing we're to share with our listeners that Sergei and I have had many conversations about this, and we've said, "What is the one biggest constraint to prevent the flow of humanitarian aid as fast as possible to the people who need it the most wherever they are?" And at one point we thought, well, it must be the railroad hubs, right? Because the railroad works, but the rail road ends at a place that might not be at your front door. And so, then what do you do from that point? And then of course, that's where things get really hairy because roads are bombed, there's probably petrol shortages in different places to keep even a motorbike to run through a bombed out road. I'm not even sure if a bicycle network would work, is it the Indian Dawalis that do their lunch deliveries sometimes on bicycles and trains and stuff? And so, it is one of those things that maybe it does fall into the Cynefin complex quadrant where you've tamed the chaos, you've found some patterns, you've found some things that work and you've gotten a signal back from the system when things work.

0:50:51.6 MH: You've also gotten some signals back when things don't work, and of course, I imagine sometimes you never know whether it worked or not, but even building on those signals of, here's what works right now, and here's what doesn't work. Okay, something might change dramatically, that railroad hub might become a bomb target, we saw that, and that could change everything dramatically in the blink of an eye, but the fact that you now have something to adjust from, this thing that worked yesterday might not work today, but we know the one reason why, and now we have to pivot around that one reason and get reorganized and then try something again. Bottom line, I'm just in awe of you, Sergei. I honor you. I'm massively impressed.

0:51:36.1 MH: A lot of people know from having listened to this episode that you're not with your family, and also that your home town is Bucha, which we all know really well now, when I visited you and your family in Bucha it was the quietest, little cute suburb I've ever seen, not so anymore. And you've essentially, you're sleeping on the floor of this warehouse hub, and you're doing your best to sacrifice whatever you can of yourself to solve these problems, which we made it sound almost academic sometimes on this call, like the fact that you can think through so analytically in the midst of all these emotions is an inspiration to me and hopefully, to all of us, when we find ourselves in tough situations, think, well, what would Sergei do.

0:52:22.9 KL: And I want to follow in with that, because that's what we meant to do with this call,

and I'll tell you why. A lot of people can tell the stories and journalists are there, but we don't think of it from our project management perspective, we do have jobs and we all live in our jobs. Once we've read the news in the morning, for those of us not in a war zone.

0:52:41.0 KL: But I think you said something so incredibly powerful that Mike asked you about early, you chose to have impact, and the path you took was to act as a PM. You chose to act as a project manager at this time, pending changes in your environment again, that perhaps the biggest impact you could have would be to start thinking as you have been trained in adapting, as you move through it. And I think that's almost the title here, right? To choose to act like a project manager in the case of duress. I have so many other questions for you, but I'm going to ask one that maybe you can tell us. From the training you've had, from the background you've worked with Hilbert, with Mike and with others. Mike opened with your discussion in critical chain project management. What's the biggest thing you did learn in the book in the classroom with Mike, with Hilbert, with others that you are using? What's the biggest part that does carry over? You're like, yeah, that's the thing I keep relying on, I use that.

0:53:40.2 SP: Best finding from books is to focus. I really love this word from Dr. Gilbert. And it's very important because to be honest, it's very hard, but you have to say, okay, I cannot save everyone and you have to focus, and I will not continue to explain, because I think everyone understands what here. And the main takeaway from my work with Hilbert is my mantra, people are good.

0:54:15.9 KL: People are good, focus, and people are good.

0:54:18.5 SP: Yeah. And...

0:54:18.6 MH: By the way, that must be such a difficult thing for you to try and keep in your mind when you're witnessing how bad humans can be towards each other, to still choose to believe in the fact that humans can be good. There is redemption, even for people that do very bad things.

0:54:38.6 SP: Not 100% of people are good, but 99.

[laughter]

0:54:42.2 KL: Well, that's the default mode is what you taught me today. Start there and then work backwards.

0:54:47.5 MH: Start there. Take it off the table that we automatically jump to, oh, that's because they're bad. Challenge ourselves to not be so easy in concluding something that let us off the hook. Right? And gives us an excuse not to achieve the objective.

0:55:02.6 SP: Okay. And this sort of finding from today's situation from my everyday activities is that effectiveness and efficiency. And you really know and understand that effectiveness is much more important, especially in this special situation. So, focus, people are good and effectiveness drives your activities. So maybe that's my answer.

0:55:30.1 KL: Let me summarize this up here. Thank you for that. So, I'm intrigued. We covered risk. We covered stakeholders. I heard some fantastic stuff, unity of purpose, intrinsic motivation,

trust by default, the need for focus. People are good. Effectiveness has killed efficiency. And I think that's a broader statement than we're even thinking about in so many ways. And we talk about project value. That's really what we're talking about here. So, I want to thank you for these amazing comments that you've made, the evolution of trust too. Thank you for that note as well, Mike. But this has been amazing to hear what you have chosen to do and the choices you've made to apply the training and learning you've had to try and actually help people in real need in desperate situations. So, we'll close up here. I would like to know Sergei, what is the next thing for you? What is the next need you have? What do you need to tell everyone? Is there a place to follow what's going on? Is there a place to provide more assistance? What's the next thing for you as you close out here with us?

0:56:34.5 SP: You know, the big problem with humanitarian aid is solved already, good or bad. And I think that the next big challenge, next big project for me will be rebuilding of Ukraine, start to improve some businesses because it is very important to understand that it's not only the war, it's not only the situation on the battlefield. It's also a lot of needs, a lot of requirements from the civilians. I think that I will have to organize the normal life for a lot of people that leave their homes now. So that's my next big challenge.

0:57:25.6 MH: Love it Sergei. You're looking to the future already. You're the...

[overlapping conversation]

0:57:29.2 SP: Because I'm sure that Ukraine will win in this war.

0:57:33.5 MH: People often accuse me of being a cockeyed optimist, but now, I have more inspiration from a true optimist in Sergei. And I love that you're looking forward to applying your awesome PM skills to rebuilding Ukraine. I think that's a great place to look forward to, so keep at it, man, anything we can do to help you, we're here.

0:57:53.7 KL: Rescue, recover and restore. And that's kind of the order of coming out of a disaster like this. So, Sergei, thank you very much for taking the time. And I know you've got a lot of other things on your mind than sitting on a podcast for far away times. And Mike, I know you're on break, but thank you for connecting us and for the work you've done internationally, even just how we think about project management generally. About trying to make change. There was a lot in here. I invite listeners to go dig into. You heard gold, right? There's so much here to learn about. So, I thank both of you for your time today.

0:58:25.5 SP: I want to say to everyone that, thank you Kendall and Mike for having me here. God save all the Ukrainians and our friends across the world. And very important works for us today, glory to Ukraine, or "Slava Ukraini", so thank you so much.

0:58:45.1 KL: Thank you. PMs, if you haven't listened to this whole episode, go back and listen to the whole thing. So, you can actually register at PDU and you might even learn something and get thoughtful on something. So, if you do want to register that PDU, go to ccrs.pmi.org/claim and scroll to the fourth banner on the left column, online or digital media manually enter provider code 4634 and select empowered strategies, and then manually enter the name of this episode PMPOV0097 PM Under Duress, selecting technical project management in the talent triangle. I'm your co-host Kendall Lott, inviting you to contemplate the luxury of having the opportunity to use

best practices. And like Sergei, keep it safe, keep it in scope and get it done.

0:59:32.6 Announcer: This has been a Final Milestone production, sponsored by M Powered Strategies. Final Milestone.

