

# PMNetwork®

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## 2015 PMI PROJECT OF THE YEAR WINNER



From left,  
Rick Miller,  
R.J. Cardello  
and Greg  
Roos, PMP



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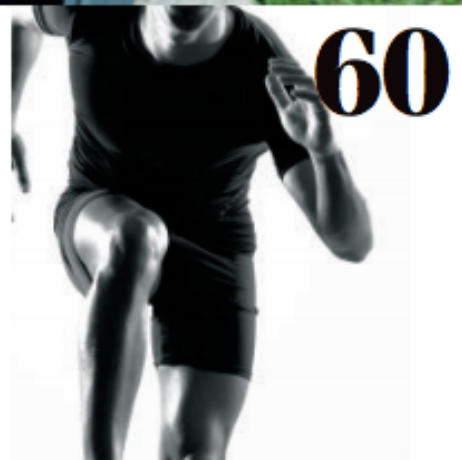
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A man with dark hair, wearing a dark jacket over a light-colored shirt, stands on a rooftop with his arms crossed. He is looking off to the side with a slight smile. The background is a dense urban skyline with many high-rise buildings under a cloudy sky.

Antonio Carlos Soares,  
Runrun.it, São Paulo, Brazil

# MOVE OVER, SILICON VALLEY

## EMERGING STARTUP HUBS DRIVE DEMAND FOR TECH-SAVVY PRACTITIONERS.

BY STEVE  
HENDERSHOT  
PORTRAITS BY  
CLAUS LEHMANN



# Silicon Valley

has been synonymous with technological innovation for decades. The northern California, USA enclave has nurtured a project culture that makes it relatively easy for startup companies to succeed: Team leaders can find top-flight talent, and budding entrepreneurs can seek guidance from seasoned executives about growth strategies and project hurdles.

But Silicon Valley is now just one of many tech project hot spots, as cities around the world try to capture a little of California's energy. The world's top 10 "startup ecosystems," according to research firm Compass and its 2015 Global Startup Ecosystem Ranking, now include Tel Aviv, Israel; London, England and Singapore.

In these urban incubators, local leaders are looking to support red-hot tech companies—and eventually benefit from the economic boost they can bring. In India, for example, government-sponsored IT organization NASSCOM is funding a program aimed at increasing the number of Indian startups from 1,000 to 10,000 over 10 years, propelled by initiatives such as Startup Warehouse, an incubator in Bengaluru.

"We aspire to build an Indianized version of Silicon Valley," says Rajat Tandon, vice president, NASSCOM, Delhi, India. He believes India can succeed because it has "the right mix for a successful ecosystem—a high level of tech talent, a big domestic market to sustain growth, entrepreneurial culture and good academia."

As many a failed tech project has shown, having a breakthrough product idea and excellent engineers isn't enough to create an Internet sensation. The pace of product development is breakneck, strategic pivots are commonplace and scaling up poses

immense logistical challenges, even if the product lives online. As cities around the world nurture startup communities, organizations need talented tech project managers to make the leap from incubator to initial public offering.

## ON-POINT PERFORMANCE

In India, for example, where there is no shortage of capable software engineers and developers, project managers can make all the difference. "The most challenging aspect of building a software product company here is the lack of examples. There aren't a lot of people who have done it," says Sparsh Gupta, chief technology officer, Wingify, Delhi, India. Wingify makes website optimization software.

Project management principles have supported Wingify's successful adaptation to the demands and pace of the global marketplace. Initially, Mr. Gupta and his partners decided against a formal project management framework, but as Wingify grew, they changed their tune. "Now we feel that project management is critical," Mr. Gupta says.

Having clear processes in place supported the successful launch of the 2014 version of Wingify's Visual Website Optimizer tool, which helps marketers track online customers' browsing behavior and tweak web page designs.

Great project managers are essential to startups even in more developed startup hubs. Tel Aviv, Israel, for example, is no tech backwater—its startup culture ranks fifth globally and first among cities outside the U.S., according to the Compass report. (Bengaluru, India ranked 15th, and Delhi nearly made it into the top 20.) Yet the city's startup culture can be so geared toward rapid iteration that organizations lose focus on what their clients really want.

"Israelis aren't perfectionists by nature," says Becky Goldberg, a former project manager who is

"The most challenging aspect of building a software product company [in India] is the lack of examples. There aren't a lot of people who have done it."

—Sparsh Gupta, Wingify, Delhi, India

THE WORLD'S TOP 10 "STARTUP ECOSYSTEMS" NOW INCLUDE TEL AVIV, ISRAEL; LONDON, ENGLAND AND SINGAPORE.

Source: Compass' 2015 Global Startup Ecosystem Ranking







## TEL AVIV, ISRAEL IS NO TECH BACKWATER—ITS STARTUP CULTURE RANKS FIFTH GLOBALLY AND FIRST AMONG CITIES OUTSIDE THE U.S.

now director of professional services, media and entertainment in the Tel Aviv R&D center of Kaltura Inc. The startup provides video management technology for clients such as Turner Broadcasting and HBO. Ms. Goldberg says the city's project culture is hard-charging and dynamic, with "everyone trying to push forward as quickly as possible"—sometimes at the expense of customer expectations.

When Ms. Goldberg managed a project for client Ellentube—the online home of the U.S. television talk show *The Ellen DeGeneres Show*—she arranged a series of two-week sprints. The first week focused on product development, and the second week was geared toward quality assurance, bug-fixing and testing. The testing process proved the most challenging because it exposed a cultural gap between her technical-minded team in Tel Aviv and the user interface-focused client. "This was a customer that cares about shades of color, that cares about moving something a few pixels. Their brand is everything, and it was a challenge for developers used to implementing complex technical workflows to get into that mindset," Ms. Goldberg says.

After two months of sprints, the client was satisfied and the project was complete. Ms. Goldberg says learning to appease precision-minded corporate clients has helped Kaltura mature. The organization was founded in 2006 and now has 400 employees—more than half of whom were hired since 2012.

"It's exciting and exhilarating how everyone is always pushing for the next thing. But sometimes we need to go back and perfect the product," she says. "We need to make sure we're executing at 120 percent."

### STACKING THE BENCH

While startup hubs outside the United States are raising their profile, only two of the top 20 cities—São Paulo, Brazil and Bengaluru—are located in emerging economies, according to Compass. In these locations, startup founders and project managers can find themselves building their teams from scratch.

It starts with the hiring process, says Brazilian entrepreneur Antonio Carlos Soares, who has worked in the U.S. and now lives in São Paulo.

### More Than Just Software

Even as the rest of the world looks to replicate Silicon Valley's startup culture, global organizations ranging from automakers such as BMW to consumer products giants such as L'Oréal are moving in—and they're sponsoring projects that look beyond the web. Here are three next-generation products from northern California that have a life offline.

#### IoT Air Power

Fairfield, Connecticut, USA-based General Electric has spent the last five years building a Silicon Valley operation that is the headquarters of its "Industrial Internet," which sponsors projects to deliver industrial applications of Internet of Things (IoT) technology. In May, the organization unveiled a major project completion from its team in the Valley: the Digital Wind Farm, which uses modular, reconfigurable turbines and a network of sensors to make instant operational adjustments for peak efficiency. GE estimates the new product, unveiled in May 2015, will help wind farms improve their efficiency by up to 20 percent.



#### High-End Electric Ride

Silicon Valley is thousands of miles from Detroit, Michigan, USA, but it is quickly gaining a reputation as an automotive center. Renovo, which operated for four years in stealth mode before announcing its first vehicle in 2014, claims that its coupe model is the fastest rear-wheel drive electric car in the world. Renovo teamed up with Valley stalwart electronics-maker Nvidia to develop the vehicle instrumentation and infotainment systems in the coupe's digital cockpit. The first production vehicles will ship by the end of the year and cost US\$529,000.



Renovo's coupe model

#### Next-Level Home Security

Acquired by Google in 2014, Nest Labs made its name building attractively designed, easy-to-use Internet-connected hardware for the home. In June it released its latest product, the Nest Cam, a home security device that sells for US\$199. Combined with its smart Nest thermostat and smoke/carbon monoxide detector, called Nest Protect, the company now offers a full suite of smart-home devices, making it the consumer market's leading ambassador of the Internet of Things.



Nest Labs' Nest Cam



“In the Valley, you find people who have worked in three startups and developed products before. Here, you’re hiring people from established IT companies who are not used to creating things from scratch. They haven’t had the freedom to make dramatic changes.”

—Antonio Carlos Soares, Runrun.it, São Paulo, Brazil

His São Paulo startup Runrun.it developed a work management app for businesses. “The idea of stock options that carry the potential for huge upside”—a key component of the startup sales pitch—“is something new in Brazil. In a remuneration package, not everyone here accounts for their value in the proper manner,” Mr. Soares says.

Mr. Soares says he has access to a similar caliber of back-end engineering talent in São Paulo as he would in Silicon Valley. But there’s a shortage of experienced designers. “In the Valley, you find people who have worked in three startups and developed products before,” Mr. Soares says. “Here, you’re hiring people from established IT companies who are not used to creating things from scratch. They haven’t had the freedom to make dramatic changes.” Some startups address that gap with internal onboarding programs, but Mr. Soares decided to delay hiring anyone until he found the right talent. It took him more than a year to build a solid user experience/user interface team.

Intensive “boot camp” training programs designed to prepare developers and designers for work at a

startup in a matter of months have also moved in to fill the gap. At least three such programs now operate in Latin America, “responding to a need in the market,” according to Liz Eggleston, co-founder of the coding boot camp directory Course Report, New York, New York, USA.

Beyond filling talent gaps, a big question facing startups in emerging markets involves scope—of both projects and a company’s ambitions. In São Paulo and Brazil in general, Mr. Soares says, Internet companies must resist the temptation to simply adapt the business models and products of successful U.S. or European startups to the large Brazilian market. That strategy has proven successful in moderation, he says, but to create billion-dollar businesses, Brazilian startups must aspire to more.

From a project perspective, that means aiming for faster turnarounds, greater productivity and higher design standards, as well as building products that are able to compete globally. It also means imposing more formal project management structures and processes, because entrepreneurs







## The Top 20 Hot Spots

When it comes to startups, Silicon Valley still reigns supreme. But tech projects powering rapid organizational growth are clustering in lots of other areas as well, according to research firm Compass and its 2015 Global Startup Ecosystem Ranking. The index weighed five components: performance, funding, talent, market reach and startup experience.\*



\*Due to a lack of complete survey data, the ranking does not consider startup communities in China, Japan, South Korea and Taiwan. Compass expects Beijing and Shanghai to rank in the top 15 once complete data has been gathered.

Source: 2015 Global Startup Ecosystem Ranking, Compass

such as Mr. Soares want to know when things are going to be delivered and how much they're going to cost. "Adding a time-tracking dimension to both project and task management became something crucial for credibility and profitability," he says. And standardization can help an organization rapidly scale up operations.

"This is a large enough market to allow you to think about your competition as only being companies based in Brazil, but you need to build for a global standard of competition," says Luís Guilherme Décourt, a partner with venture capital firm Monashees Capital, São Paulo, Brazil.

As project teams in Brazil become more globally minded, higher project management standards are being adopted, he says. "The teams that are doing better are learning faster and understanding international standards of how to operate."

### PIVOT-FRIENDLY

Whether refocusing its product delivery in response to user feedback or changing its business strategy, nearly every startup will have to pivot somehow to find success. That puts a premium on practitioners who can help startup teams respond to sudden strategic shifts.

The startup world is "all about agile project management and the minimum viable product (MVP)," says Will Herrmann, a former project manager at Accenture who is now head of finance at Hassle in London. Hassle built an Internet platform to connect customers with house cleaners.

Focusing on the MVP is a business and product development strategy that involves building the simplest possible functional version of a product, releasing it and then adapting the product based on the way it is received by consumers. MVP-oriented organizations have a highly iterative project pipeline process that can maximize market responsiveness.

For example, Internet company Canva launched

in 2013 by releasing its free suite of web-based graphic design tools and templates, offering semi-pro designers the ability to create polished and customized graphics. The platform attracted millions of users. As the company eyed a premium paid version of the software as its next project, it watched how users interacted with the initial product and what features they requested.

"This made it easy to know what we should build because there was already built-in customer demand," says Melanie Perkins, CEO, Canva, Sydney, Australia. But establishing requirements for the premium-level software project wasn't entirely obvious. "We had a lot of requests [from users] and had to select the items that lined up with our vision."

After recognizing that some of its most active users were social media marketers, Canva decided to adapt the new product to the needs of those users. It released its subscription-based product "Canva for Work" in summer 2015.

Project managers can't support every aspect of building a healthy and innovative startup ecosystem—access to capital and executive mentoring, for example. But they can maintain the focus and discipline organizations need to build and tailor their products for a fast-changing marketplace and then scale those products globally. In cities around the world competing with Silicon Valley for the attention of angel investors, project managers could prove the most valuable differentiating factor. **PM**

BEYOND  
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