PM World *Journal*
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Some externally-focused aspects of
Project Management
Commentary   Alan Stretton

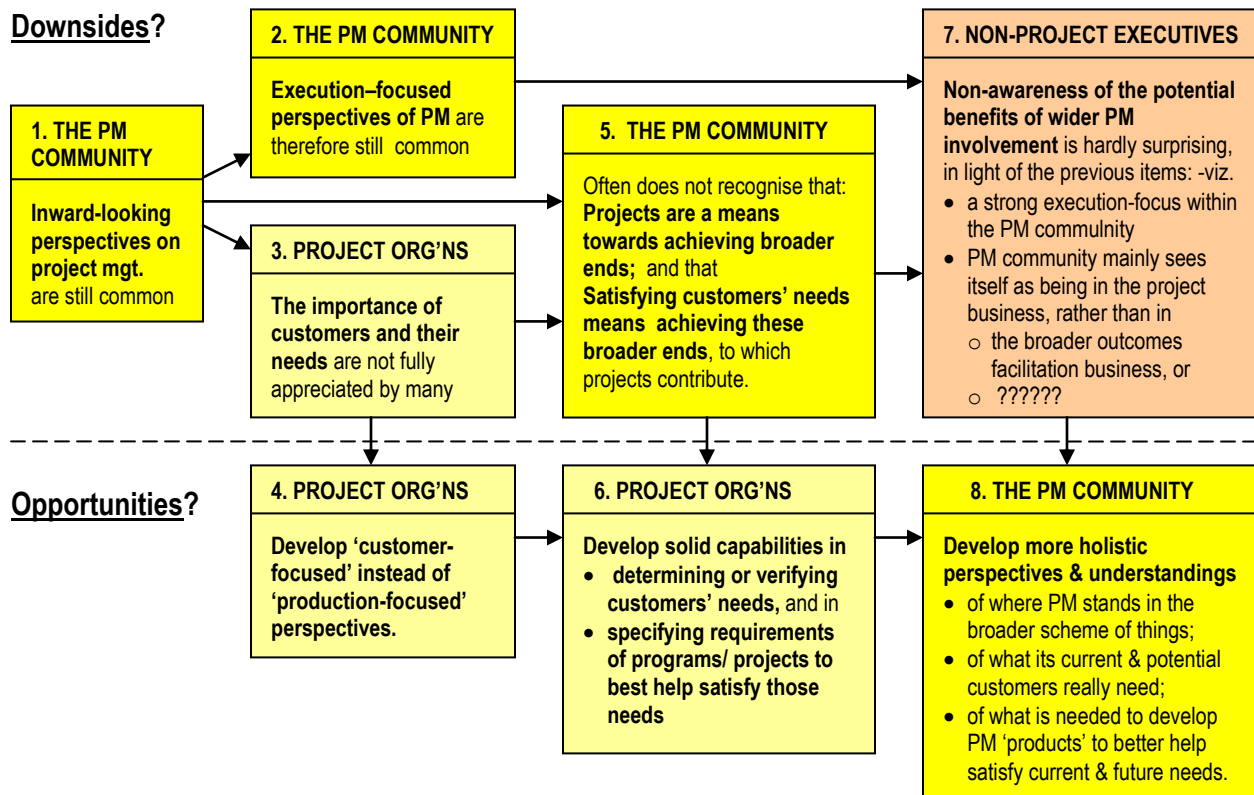# Some externally-focused aspects of project management

By Alan Stretton

ABSTRACT

This paper discusses some externally-focused aspects of project management. One is the need for organisations that undertake projects to recognise the importance of their customers, and of determining the broad business (or equivalent) ends their customers are striving to achieve, before specifying requirements of projects to best help achieve these ends. A second is the need for the project management community at large to develop more holistic understandings of the world in which it operates, to facilitate increased participation in organisational management, and in other potential contributions to a broader world.

INTRODUCTION

The following road-map summarises some aspects of project management (PM) which have concerned me for various reasons. This paper links many of the aspects I have written about, and adds materials relevant to possible futures for project management.

The following discussions are based on this road-map.

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INWARD-LOOKING PERSPECTIVES WITHIN THE PM COMMUNITY

1. THE PM COMMUNITY

Inward-looking perspectives on project mgt. are still common

…one of the criticisms often made of the project management literature is its 'inward-looking' perspective, and its continuing neglect of relevant theoretical developments in other disciplines.

(Winter, Andersen et al 2006)

Recent project management literature has been directing a little more attention towards outward-looking perspectives on project management. However, overall, substantially inward-looking perspectives continue to dominate the PM literature.

In practice, it has always been the case that organisations which are in the business of providing project management services to external customers cannot afford to be inward-looking. If they were, they would soon be out of business.

On the other hand, in-house projects would appear to automatically attract inward-looking perspectives – but I simply do not know what is happening in practice in this context. However, judging by the tenor of the considerable literature on organisational change programs for example, inward-looking perspectives would appear to still be very prominent.

EXECUTION-FOCUSED PERSPECTIVES WITHIN THE PM COMMUNITY

2. THE PM COMMUNITY

Execution–focused perspectives of PM are therefore still common

The PMBOK Guide reflects a strong execution orientation, having hardly any material on strategy and project definition, the management of external factors, or human behaviour. The PMBOK view of the discipline has become extremely pervasive, …   *(Morris et al 2006)*

The *PMBOK Guide* is very widely used, and its execution-focused perspective has been adopted in many areas as the norm.

However, there has been substantial movement in recent years to look beyond this execution-focused perspective. There has been strong advocacy in the literature for including project management in 'front end' activities, including project definition (e.g. Morris 2004), and in corporate strategic planning (discussed in Stretton 2011j) – although there is as yet very little as on project management involvement in establishing corporate strategic goals in the first place. Similar advocacy is increasingly directed to project management involvement in delivery and post-delivery activities.

However, these advocacies do not appear to have convinced non-project executives of the potential benefits of actually engaging project management in these areas (as is indicated by the connector to Box 7 in the road map). More on Box 7 later.

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THE IMPORTANCE OF CUSTOMERS AND THEIR NEEDS

> **3. PROJECT ORG'NS**
>
> **The importance of customers and their needs** are not fully appreciated by many

…from meeting fixed specifications to satisfying customers…
(Cohen & Graham 2001: quoted in Winter, Anderson et al 2006)

….a particularly fruitful way of reframing, in our experience, is to focus on the customer of the company as the major stakeholder, and to mentally frame oneself as part of the customer's business.
(Norman 2001; quoted in Winter, Anderson et al 2006)

As I have frequently noted, the project management literature pays little attention to customers/ clients, and even less to determining/verifying their needs. I have also observed that this is surprising, in view of the prominence in the industry of program/project service organisations which provide these services to external customers. For projects which are done in-house, such as many organisational change programs/projects, the customer may be the organisation itself, or a unit within the organisation, as discussed in Stretton 2009c. However, the descriptor 'customer' is seldom used in these contexts.

There have been a few movements towards redressing this situation in recent times, as I observed in Stretton 2009h. An example is the increasing focus on managing/ engaging program/ project stakeholders, which is commendable. However, I have frequently pointed out that the customer is not just another stakeholder, as is often inferred. At the very least the customer should be regarded as a key stakeholder. But even this perception is inadequate. The customer is the raison-d'etre of the whole program/project exercise. If you do not have a customer, you do not have a project. Therefore the customer deserves much more focused attention than is generally acknowledged in the literature, as is now further discussed.

DEVELOP 'CUSTOMER-FOCUSED' INSTEAD OF 'PRODUCTION-FOCUSED PERSPECTIVES

> **4. PROJECT ORG'NS**
>
> **Develop 'customer-focused' instead of 'production-focused' perspectives.**

….the organisation must learn to think of itself not as producing goods or services but as buying customers, as doing the things that will make people want to do business with it.
(Levitt 1960)

My employer for over a quarter of a century (Lend Lease Corporation), made a formal transition from production focus to customer focus in the mid-1960s. In fact, several of the Lend Lease companies had developed and employed some of the practices in what we called the marketing approach over many years. We then incorporated the best of these practices into an overall marketing education program for the whole of Lend Lease. This internally conceived and delivered program was very successful, and contributed substantially to the continuing success of that organisation in the next few decades.

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That success was helped by the fact that the majority of our competitors persisted with production-focused perspectives. They would have generally been aware of our focus on customers, but evidently did not realise how crucially important it was to our operations. (Even if they had, transitioning a whole organisation from production-focused to customer-focus perspectives is a major undertaking, recognition of which may also have inhibited some of our competitors).

PROJECTS ARE MEANS TOWARDS ACHIEVING BROADER ENDS; SATISFYING CUSTOMERS' NEEDS MEANS ACHIEVING THESE BROADER ENDS

> **5. THE PM COMMUNITY**
>
> Often does not recognise that:
> **Projects are a means towards achieving broader ends;** and that
> **Satisfying customers' needs means achieving these broader ends**, to which projects contribute.

….the increasing emphasis within organisations on value creation, *rather than* product creation, *as the overall focus in the management of projects.*   *(Winter, Smith et al 2006)*

All too often, project managers lose sight of the fact that projects are only ever means to helping achieve broader ends. Often these ends have to do with improving efficiency and/or effectiveness of an entity – for example, improving a country's defence capability, or a state's educational system, or a city's infrastructure. In a business organisational context, most ends are ultimately concerned with improved profitability, or equivalent value creation, whether the projects are concerned with R&D, new product development, organisational change, new or improved facilities, or similar initiatives.

If we lose sight of the ends to which a project is contributing, we risk delivering an inappropriate project. It is therefore vital that the providing organisation does an effective job of determining and/or verifying the customer's needs in terms of the broader ends sought by the customer, before specifying requirements of programs and/or projects which best help achieve these ends.

PM ORGANISATIONS SHOULD DEVELOP SUPERIOR CAPABILITIES IN DETERMINING OR VERIFYING CUSTOMERS' NEEDS, AND IN SPECIFYING REQUIREMENTS OF PROGRAMS/ PROJECTS TO BEST HELP SATISFY THEM

> **6. PROJECT ORG'NS**
>
> **Develop solid capabilities in**
> • **determining or verifying customers' needs,** and in
> • **specifying requirements of programs/ projects to best help satisfy those needs**

The importance of doing a good job of identifying needs and specifying requirements cannot be overstated.
                    Frame 1994:99

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This vital work has never received the amount of attention it should have been accorded in the project management literature. In 2009 I published a paper in *PM World Today* entitled *"Identifying/verifying customers' needs before specifying product/service requirements in the program/project context",* (recently reprinted in this journal as a Second Edition – Stretton 2013e). This paper received more positive feedback than any of the many papers I have written in recent years, which is indicative of recognition by many of its importance, and/or of a lack of relevant material in the project management literature.

The latter is a little surprising, as evidently this topic has been seriously addressed in practice in service industries such as IT, finance and marketing. However, as yet, little of this experience appears to have found its way into the mainstream project literature.

LACK OF AWARENESS BY NON-PROJECT EXECUTIVES OF POTENTIAL BENEFITS OF WIDER INVOLVEMENT BY PROJECT MANAGEMENT

7. NON-PROJECT EXECUTIVES

Lack of awareness of the potential benefits of wider PM involvement is hardly surprising, in light of the previous items: -viz.
- a strong execution-focus
- PM community mainly sees itself as being in the project business, rather than in
  - the broader outcomes facilitation business, or
  - ??????

….if project management is defined using the PMBOK Guide paradigm then it is not particularly surprising that senior managers are reported as thinking that project managers should not be involved in strategic issues or project definition, or procurement, as research by Crawford for example recently reported.   (Morris et al 2006)

In a recent paper in this journal Terence Blythman and I discussed two alternative futures for project management (Stretton & Blythman 2012).

Scenario 1: Increased specialisation of program/project management as a distinct and separate avocation/profession

Scenario 2:   Program/project management increasingly integrated with management of organisations at large

Under Scenario 1, project management maintains a strong execution-focus, and confines itself to the project business. Undoubtedly this scenario will continue well into the future, irrespective of what happens to Scenario 2.

Under Scenario 2, project management sees itself as contributing to organisational management in a more expansive way, as exampled by Morris et al 2006 in the above quotation. This would be greatly facilitated if the project management community at large could develop capabilities along the lines of those recommended for project organisations in Box 6, and learn how to employ them effectively in the organisational management

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context. There are also possibilities to enter entirely new domains, to be discussed in the next section.

OPPORTUNITIES FOR DEVELOPING MORE HOLISTIC PERSPECTIVES AND UNDERSTANDINGS BY THE PM COMMUNITY

8. THE PM COMMUNITY

Develop more holistic perspectives & understandings
- of where PM stands in the broader scheme of things;
- of what its current & potential customers really need;
- of what is needed to develop its 'product' to better help satisfy current & future needs.

The reason they [American railroads] defined their industry wrongly was because they were railroad-oriented instead of transportation-oriented; they were product-oriented instead of customer-oriented.   *(Levitt 1960)*

A classic paper by Levitt in 1960 in the *Harvard Business Review* entitled "Marketing Myopia" canvassed many industries which were 'blue-chip' in their heyday, but fell on much harder times as they failed to define (or re-define) their business from more holistic perspectives. This included failure to identify current and potential customers, and what their needs were. Does this have relevance for project management?

There have been some attempts to examine where project management stands in the broader environment in which it operates. The most comprehensive attempt I know of is encapsulated in a special edition of the *International Journal of Project Management,* in November 2006. Several of the lead quotations above come from this edition.

Regarding current and potential customers, and what they really need, there is not much material at all in the project management literature. Lynn Crawford and I identified an exogenous source of potential customers of project-management-type services in Stretton & Crawford 2011. This was what we termed 'synthesists', for which there is substantial demand in very many interdisciplinary contexts. Our argument was that

> Project managers essentially integrate the contributions of many varied disciplines to achieve beneficial outcomes. Therefore project management appears to be extremely well placed to broaden its perspectives, and to develop and consolidate a role as 'synthesists' in the broadest contexts. But it will need to do this before less well qualified people usurp this role.

The 'synthesists' area is one in which project management could develop its 'product' to better help satisfy current and future needs. Undoubtedly there will be other such areas, but it would need continuing holistic perspectives, plus some imagination, to identify new opportunities for project management to further develop its 'product'.

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CONCLUDING

This paper has looked at some 'downsides' associated with inward-looking perspectives which are still common in the project management community, and at two potential opportunities deriving from more outward-looking perspectives. One opportunity is for project organisations to increase their focus on customers, and to upgrade capabilities in determining and/or verifying their needs. Another is for the PM community to institute similar approaches for unearthing opportunities to contribute in a much wider domain.

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Alan Stretton is one of the pioneers of modern project management. He is currently a member of the Faculty Corps for the University of Management & Technology (UMT), USA. In 2006 he retired from a position as Adjunct Professor of Project Management in the Faculty of Design, Architecture and Building at the University of Technology, Sydney (UTS), Australia, which he joined in 1988 to develop and deliver a Master of Project Management program.   Prior to joining UTS, Mr. Stretton worked in the building and construction industries in Australia, New Zealand and the USA for some 38 years, which included the project management of construction, R&D, introduction of information and control systems, internal management education programs and organizational change projects. He has degrees in Civil Engineering (BE, Tasmania) and Mathematics (MA, Oxford), and an honorary PhD in strategy, programme and project management (ESC, Lille, France). Alan was Chairman of the Standards (PMBOK) Committee of the Project Management Institute (PMI®) from late 1989 to early 1992. He held a similar position with the Australian Institute of Project Management (AIPM), and was elected a Life Fellow of AIPM in 1996. He was a member of the Core Working Group in the development of the Australian National Competency Standards for Project Management. He has published over 120 professional articles and papers. Alan can be contacted at alanailene@bigpond.com.au.