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Case for re-focusing on basic processes/procedures
underlying effective project management
Featured Paper
Alan Stretton

A case for re-focusing on basic processes/procedures underlying effective project management

By Alan Stretton

ABSTRACT

The small amount of analytical data available on project failures, together with substantial anecdotal evidence, suggest that project failure rates are still at a level which most would regard as far too high. A recent paper in this journal gave eight "top reasons" why projects are unsuccessful, all of which consist of failures to do the most basic things properly. It therefore appears timely to re-focus attention on these basic fundamental aspects of project management. This paper discusses my personal choices (based on 60+ years of experience) of the nature of these fundamental aspects. It is recognised that others may well opt for other choices. My choices comprise seven separate topics, which are discussed under the following three main headings.

- Are we doing the right projects to deliver the right outcomes/benefits?
- Are we doing the basic planning and control processes right?
- Are our people engagement/management skills really effective?

INTRODUCTION

Recently I was shown some data (from the Standish Group) which indicated that the rate of failure of projects in 2008 had not diminished significantly from that applying in 2000. On the other hand, there are evidently some sources which indicate that there has been some improvement in project performance in recent times. Overall, we do not appear to have definitive data on project success/failure data across the board, nor about relevant trends. But, without such data, can we really know how our efforts to advance the cause and effectiveness of project management have progressed?

In spite of the scarcity of definitive data, we do appear to have wide-spread agreement that project failure rates are still at a level which most would regard as far too high. There is substantial anecdotal evidence to support this recognition. The natural question in response to this recognition is, "Why is this so?"

There have been many responses to the project success/failure question over the years. One of the most recent is a "Commentary" in this journal, by Morreale 2012, which gives eight "top reasons" why projects are unsuccessful. All of these reasons reflect failure to do the most basic project-related things properly.

Putting the question and the (partial) answers together, it appears reasonable to suggest that many project failures occur because the most basic project management fundamentals are being neglected. It therefore seems timely to re-focus attention on these.

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PERCEPTIONS ABOUT PROJECT MANAGEMENT

I can't remember how many times I have heard project people, particularly in academe and research, say, "Project management has moved on since then" (whenever that was). If this were indeed the case, why are there still so many failed projects? It would appear that, in pursuing more esoteric aspects of project management, we may be losing sight of the importance of some of its most fundamental aspects. If these fundamentals are neglected, problems invariably arise, and directly contribute to project failures, irrespective of what one does about more esoteric aspects. So, first we need to ensure that we do the basic processes/procedures of project management effectively.

This paper discusses what I regard as being key fundamental aspects of project management. These reflect partly my own experience (much of it hands-on), partly the experience of many other project managers with whom I have worked, and partly the contents of Morreale's paper. Of course I recognise that other people may well consider different aspects as being equally fundamental. But the following are my choices.

WHAT ARE THESE FUNDAMENTAL ASPECTS OF PROJECT MANAGEMENT?

I would summarise what I regard these to be in the form of the following queries:

- Are we clear about what outcomes/benefits the project is to deliver?
- Are we doing the right project to deliver the agreed outcomes/benefits?
  o Do we have really effective scheduling and time control processes in place?
  o Do we have really effective cost estimating and control processes in place?
  o Do we have really effective change management processes in place?
  ▪ Are we effectively engaging our project team members and other stakeholders?
  ▪ Do we have fully satisfied customers, and "satisficed" stakeholders?

I have organised these questions into three groups, as indicated by different types of bullet points. We start with the first group, which I discuss under the following heading.

ARE WE DOING THE RIGHT PROJECT TO DELIVER THE RIGHT OUTCOMES/ BENEFITS?

- **Are we clear about what outcomes/benefits the project is to deliver?**
- **Are we doing the right project to deliver the agreed outcomes/benefits?**

I turn to Morreale 2012, in which he discusses eight reasons why projects are unsuccessful. The first of these is "Lack of agreed requirements", which Morreale says is the number-one reason projects are unsuccessful. In his words,

> Now, no project manager should start a team working on a project without first
> knowing what the client wants, but some project managers do.

*PM World **Journal***
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Needs identification to establish project outcomes/benefits targets

In recent papers I have lamented the lack of relevant materials in the literature, and have written papers, based on substantial experience, on "Identifying/ verifying customers needs before specifying product/ service requirements in the program/ project context" (Stretton 2009h), and on "Needs identification to establish program/ project benefits targets" (Stretton 2011k). The mainstream project management literature still substantially ignores the crucial responsibilities of first identifying and/or verifying customer's needs before establishing benefits targets, and then specifying the product/ service requirements to be delivered by the project to achieve these targets.

These processes also appear to be significantly ignored in practice, although they have evidently been seriously addressed in some service industries such as IT, finance and marketing. However, only a small amount of that experience appears to have been documented, and then found its way into the mainstream project manager literature.

Other exceptions I know of are certain types of mega-projects, where these crucial responsibilities are a major element of the mega-project. These processes are generally very substantial and complex, and parts of these processes tend to be given descriptors such as "front end loading", "shaping", and the like. Failure to do this work adequately (think of minerals mega-projects, for example), can have catastrophic consequences.

I don't have any ready-made answers to how current deficiencies in this area can be overcome. My own papers have met with encouraging, but limited, response.

In a recent paper in this journal, Archibald et al 2012 propose a "project incubation/ feasibility" phase to precede a "project starting" phase. Others have suggested such a preliminary phase before, but Archibald et al have done an exceptionally good job in putting their version together, and are recommending its inclusion as a standard for important projects. If this is eventually adopted then it may help focus much more attention on this key basic element of project management.

ARE WE DOING THE BASIC PLANNING AND CONTROL PROCESSES RIGHT?

- o **Do we have really effective scheduling and time control processes in place?**
- o **Do we have really effective cost estimating and control processes in place?**
- o **Do we have really effective change management processes in place?**

These processes are absolutely basic to all projects. Yet Morreale 2012 found substantial deficiencies in all three processes, which are specifically included in his eight top reasons for unsuccessful projects.

PM World *Journal*
Vol. II, Issue II – February 2013
www.pmworldjournal.net

Case for re-focusing on basic processes/procedures
underlying effective project management
Featured Paper   Alan Stretton

Project scheduling and time control

Morreale cites "Lack of proper project planning" as his second reason why projects are unsuccessful. He says,

> Most projects I've reviewed that are in trouble do not have a proper schedule in place.

To me, this was perhaps the most unexpected of Morreale's eight reasons. I say unexpected because planning has long been one of the most basic building blocks of project management. Historically, planning and scheduling via dependency networks (CPM, PERT, PDM) were key drivers that gave project management such a boost in the 1960s, and became a major precursor to the project management world we see today.

How did scheduling get lost along the way (at least for some)?

I don't know, but found some potentially relevant phenomena whilst teaching and discussing project planning with experienced mature age students in the Master of Project Management course at the University of Technology, Sydney (UTS).

The first thing I noticed was that, practically without exception, they would produce only one schedule. They simply did not use the planning process to investigate alternative approaches to undertaking the project, before deciding on the apparent best approach.
In my extensive experience in project planning, developing and evaluating alternative approaches was one of the most fruitful ways of using planning processes. The first schedule "run" is seldom (if ever) the best one. But the advantages of developing alternatives had simply never been communicated to my students.

The second thing I noticed is somewhat allied to the first. The advent of the personal computer soon brought proprietary project scheduling packages into the planning process. This seemed to shift the focus of users away from the real purposes of project scheduling, to a focus on comparing the various scheduling package options that were available. In other words, the focus changed to means, rather than ends.

The third thing I noticed was that most of them had little idea how to use the schedule as a time control tool. Morreale 2012 remarks on this as follows.

> I've found projects with high-level schedules that haven't been updated in months. I've found projects where there is a schedule, but it is on the shelf and the project manager is running the project by what only could be called "seat of the pants" project management.

I developed a method of using the schedule as a time control tool which focused on forecast completion times based on performance to date, and foreseeable factors. This somewhat non-traditional tool was not adopted by all our project managers, but worked well for me in my role (at the time) of monitoring schedules on our many projects.

PM World *Journal*
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Morreale has another schedule-related reason projects are unsuccessful, which he describes as "No agreed development process". He says,

> A standard development process in place makes it easier for the project schedule to be developed as the products, activities and deliverables are already identified. That's half the planning job right there. You then need to identify the resources, estimated effort, and the elapsed time for each activity, get everyone's commitment to the schedule, and you're on your way.

Overall, program scheduling and time control is not a field for the amateur. It is hard, ongoing work, and demands corresponding expertise.

Cost estimating and control processes

Morreale 2012 lists "Inadequate cost control" as another of his eight reasons for unsuccessful projects. He says,

> Another major reason for unsuccessful projects is inadequate cost control. Most projects I reviewed did not track costs against achievement.

We start with project cost estimating. Much of this derives from scheduling, and allocating resources to scheduled activities. If this is not done well, the basis for effective project cost control is inevitably, and often severely, compromised. Project cost estimating is not easy, as I can personally testify through many years of involvement in tendering on construction projects. There is no substitute for experience in this area.

Project cost control is another challenge altogether. There is a reasonable amount of literature on the subject, but it is evident that few of the authors have ever had to make a living by having to plan, implement, and be held accountable for the success of project financial and cost control systems. I have had to do this in two very substantial organisations. In my experience, "hands-on" is the only way one can really get to know the fundamental tricks-of-the-trade, and to understand why these are so crucial to project success (or avoidance of project failure). I summarised what I have learnt about the subject in Stretton 2009f, in which I discussed,

- The "percentage-complete" problem, and how to overcome it;
- Evaluating current performance, and forecasting final costs and variances;
- Commitment costing (accountants hate this, but it's the only way to go); and
- Control by self control – i.e. by the accountable managers in each case.

I have received substantial, and favourable, feedback from students from very diverse backgrounds regarding this paper, but very little from the wider project management community.

PM World *Journal*
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www.pmworldjournal.net

Case for re-focusing on basic processes/procedures
underlying effective project management
Featured Paper   Alan Stretton

Control procedures to cope with change

Morreale 2012 lists "Poor or lack of proper change control" as another major reason for projects being unsuccessful. He says,

> Why do most projects not have strict change control processes and procedures in place? What I've found out is that most do have processes and procedures in place, but most project managers are not as insistent on the achievement team following them as they should be.

Changes to project scope are generally the most difficult to control, as they normally involve flow-on changes to one or more of the time, cost and quality objectives. With regard to controlling changes in costs resulting from change instructions, we instituted the following approach in Civil & Civic, as I summarised in Stretton 2009f.

> The initiating document for a change was a "variation advice", which was essentially an advice of receipt of instructions to vary something. There were four categories of variation advice:
>
> - No change in costs
> - Change if price agreed with client on the spot
> - Variation instruction by client, with price not agreed immediately, and work not to start until price is agreed
> - Variation instruction by client, with price not agreed immediately, but work to proceed before price is agreed. This prompted a provisional variation advice.
>
> From this point we used "confirmation of variation advices" and "change notices" as documents that confirmed variation advices, and which initiated appropriate changes in the cost control system.

In Civil & Civic we initially tended to have a similar problem to that found by Morreale concerning project managers not using these change processes effectively. Fortunately we had a CEO who was red-hot on change control, and woe betide any project manager who did not use our processes to the full.

Similar approaches to controlling changes are now quite commonly used in the construction industry in Australia, but are evidently not so commonly used in some other project management application areas.

Project change management also has links with project risk management, which is another rather fundamental part of project management. In this paper I have not nominated project risk management as one of my specific fundamental elements, but expect that many people would.

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underlying effective project management
Featured Paper   Alan Stretton

ARE OUR PEOPLE ENGAGEMENT/MANAGEMENT SKILLS REALLY EFFECTIVE?

- **Are we effectively engaging our project team members and other stakeholders?**
- **Do we have fully satisfied customers, and "satisficed" stakeholders?**

Engaging project team members, customers, and other stakeholders

Morreale's final three reasons for projects being unsuccessful come broadly under this heading. The first of these is "Poor communication".

> The project needs a communication plan, and the team needs to stick to it so that communication is a success multiplier and not a failure.

The communications plan needs to encompass both project team members and other stakeholders in the project, including customers, preferably in a pro-active way which engages these people to the full.

This ties in with another of Morreale's reason for unsuccessful projects, which he describes as "Lack of commitment". He says,

> Who has to be committed? You, your peers, your project team, the business, the users, the project sponsor, and all stakeholders on your project.

I have not personally experienced lack of commitment on projects. However, in accepting Morreale's findings, he adds another associated reason - "Lack of focus":

> The project manager needs to do everything in his power to keep non-project demands away from his team and keep his team focused on what it is the project is delivering.

There does not appear to be much to add to what Morreale has suggested. What is needed is a clear recognition of how important the skills of communicating and engaging effectively with all the project's stakeholders are to a project manager, and acting on that recognition. If this is done effectively, it should contribute substantially to satisfied customers and "satisficed" stakeholders.

I use the artificial word "satisficed" in the sense suggested by Drucker 1981. It is virtually impossible to satisfy all stakeholders all the time, and Drucker uses the word "satisfice" in the sense of doing all you can to satisfy most stakeholders, but most importantly to circumvent opposition from those whom you cannot fully satisfy.

In summary, the key elements of this section revolve around effective project communications, people commitment, and achieving client/ stakeholder satisfaction, to facilitate prospects for success.

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www.pmworldjournal.net

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underlying effective project management
Featured Paper   Alan Stretton

CONCLUDING

This paper has identified my choice of key fundamental aspects of project management, and has briefly discussed the following questions which relate to these aspects.

- Are we doing the right projects to deliver the right outcomes/benefits?
    - Are we clear about what outcomes/benefits the project is to deliver?
    - Are we doing the right project to deliver the agreed outcomes/benefits?

- Are we doing the basic planning and control processes right?
    - Do we have really effective scheduling and time control processes in place?
    - Do we have really effective cost estimating and control processes in place?
    - Do we have really effective change management processes in place?

- Are our people engagement/management skills really effective?
    - Are we effectively engaging our project team members and other stakeholders?
    - Do we have fully satisfied customers, and "satisficed" stakeholders?

I recognise that others could well choose to focus on somewhat different elements as being fundamental to project management. However, the point of this paper is that, whatever these choices are, the key issue is that the fundamental basic elements of project management must be effectively executed. Otherwise prospects for project success (no matter how defined) are likely to be severely compromised. I hope that this paper may help re-direct the focus of project management towards such fundamentals.

Finally, it would be extremely useful to have definitive data, over the widest possible spectrum of application areas, on project success/failure rates, and trends. My hope is that someone will eventually assemble, collate, and disseminate such data, and soon.

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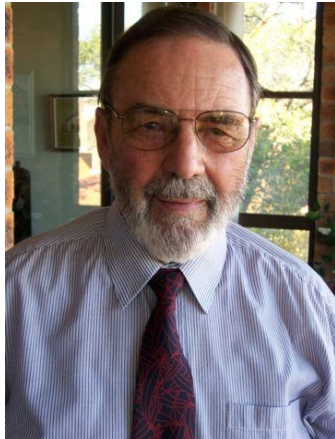
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PM World Journal
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www.pmworldjournal.net

Case for re-focusing on basic processes/procedures
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Featured Paper   Alan Stretton

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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.