

This Project is not in-line with our organization's strategic plans

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Introduction

“This Project is not in-line with our organization's strategic plans”

Despite the fact that many projects are not in-line with the organizational strategic plans, the estimation/projects departments insist to get more projects, as much as they can to impress their senior management, to show off at the market and to demonstrate that the organization exists in a good position in the market. However; this attitude of the estimation/projects departments increases the sunk cost of studying those projects during estimation and engineering reviews. In addition to the above the attitude of the concerned departments, the organization always ignores the studies of resource pools and resource availability in terms of skilled and non-skilled manpower and the available equipment. Here the level of the project contribution to the organizational strategic plan arises, and the project selection criteria should be incorporated as per the organizational strategic plan requirements to assure that the project is aligned with the organizational strategies.

Organizational Strategic Plan

Due to market demand and competition every organization sets its mission to demonstrate the organization's needs to achieve a sustainable service and these outlines should be communicated throughout the concerned organizational units. Hence the question that will arise through setting-up the organizational strategic plan is, *“What does the organization need to achieve its goals?”*

To assure the right answer to this question there should be an extensive analysis of:

- Geo-economic Environment (Opportunities & Threats).
- Socio-political challenges (Strengths & Weakness).
- Technology & State-of-Art.

The outcome of this extensive analysis should lead to proposed organizational strategic plans that enable the organization to achieve sustainable growth.

Once the organization has set up its strategic plan, the role of senior management is to implement the necessary actions to achieve this strategic plan and those actions should realize and consider the following:

- Establish a confident selection and prioritizing criteria to assure that a selected project is in line with the organizational strategic plans.
- The organizational breakdown structure should support and contribute to the project success to achieve the organizational strategic plans.
- The implementation of project management processes will be mandatory to assure the project success.
- The organization should realize its resource pools to assure the organizational capacity and capability to execute the selected project successfully to achieve the organizational strategic plans.

The following figure.1 showing the program/portfolio framework that an organization should adopt to align its projects with the organizational strategic plans;

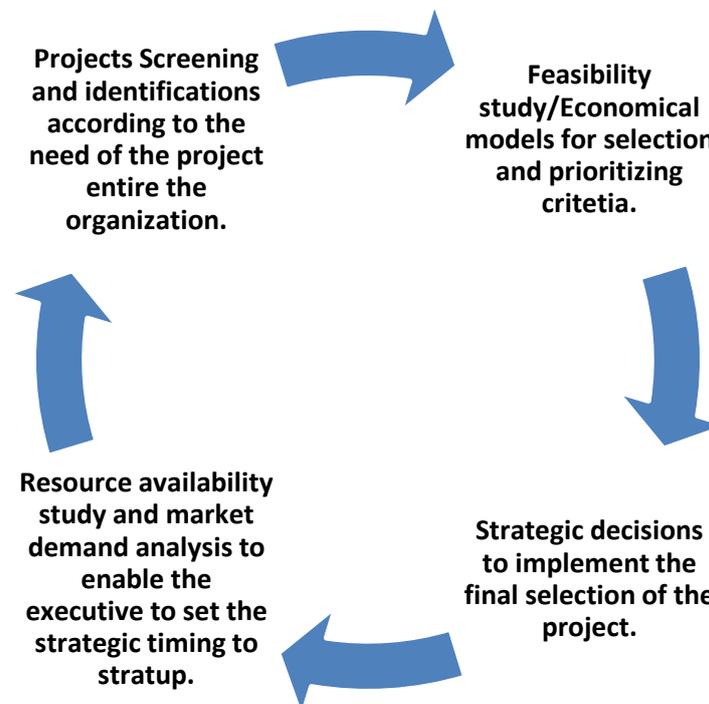


Figure.1 program/portfolio framework

Project Prioritizing and Selection

Every organization should have internal project prioritizing and selection processes that assure that selected projects are aligned with the organizational strategic plans. However; those process should exist, a significant number of organizations face three major issues that drastically lead to project failure;

- The limitation of resource pools due to pursuing many projects simultaneously.

- Unwritten rules and politics that have significant impacts on the project success and people as well.
- Persistence of change (*refer to change management*).

This will lead to realizing the effectiveness of having internal project prioritizing and selection processes in every organization to avoid resource pools being overwhelming and political implications as well.

To have a robust prioritizing and selection criteria to assure that selected project is aligned with organizational strategic plans, a few points should be considered and realized by organizational senior management such as but not limited to:

- What is the consistent level of the organizational prioritizing and selection processes?
- What is the organizational resource pools capacity and capabilities that will be allocated for the prioritized projects?
- What will be the procedures that could be used to eliminate the effect of unwritten rules and politics entire the organization?

Now it's apparent the value of having an organizational prioritizing and selection criteria that will assure the selected project will fit the organizational strategic plans and will consequently reduce the value sunk cost into studying potential project proposals that is more than the organization capacity. Referring to the project management body of knowledge, there is a systematic process that should be used to select the projects (*will be illustrated later in this article*). Having this systematic process will be beneficial for the organizational strategic plan and will assure that the organization can achieve their goals, the benefits of having such systematic process are but not limited to:

- Effective planning of available resources.
- Effective utilization of organizational resource pool.
- Practical and effective management of the portfolio through balancing the resource allocation between projects.
- Discriminating the critical projects easily through the project priority lists.

Project Prioritizing and Selection, Practical approach

To select and prioritize a project in a proper way the organization's senior management should collaborate to establish a basic project priority list, then convey the list to executives to make the final decisions using the practical studies. There are many ways to select and priorities the project and this is coming under to categories shown in Figure.2:

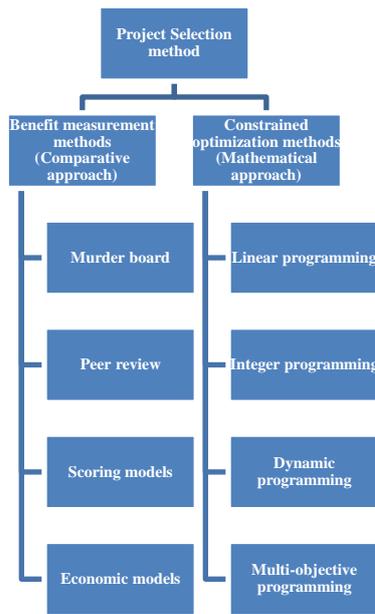


Figure.2 Project Selection Methods

As organization must select and prioritize the projects to fit in organizational strategic plans, it comes to focus on the techniques shown in figure one from economical point of view and considering the cost of opportunities, so it will be practical to elaborate the economic models to find out which project is most fitting into the organizational strategic plans, Figure.3 illustrate the different types of economic models,

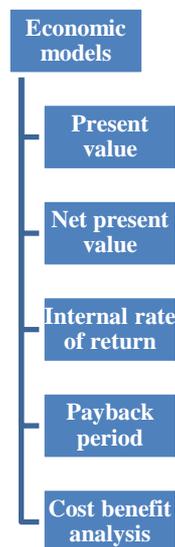


Figure.3 Economic Models

Using any of the above mentioned criteria to select between projects and prioritize them as per the organizational strategic plans will lead to better selections and effective project and resource planning. Moreover; this will enable the organizational steering committee to get the right decision as per the sample below check list,

Asymptotic Analysis	Accept	Decline
Budget and Resource available for the project	√	
Strategic alignments are available for the project. Budget and Resources are available.	√	
Strategic alignments are available for the project. Budget and Resources are not available.		√
Strategic alignments are available for the project. Budget is available, but resources not. Outsourcing is required.	√	√
The project can run faster than others and is strongly aligned with the organizational strategic plans.	√	

Conclusion

Projects selection and prioritizing is the most important approach for any organization's senior management that enable them to take the right decision to select the right project that fits the organizational strategic plans and enable the executives to effectively manage the projects and resources as well.

Every organization should have its own and eternal selection and prioritizing criteria that achieves the desired goal by applying the Project management body of knowledge processes, tools and techniques, and effective project/program management starts with the successful project selection and prioritizing which effectively results in a balanced portfolio that achieve balance between opportunities and threats and effective resource pool utilization.

This definitely will protect the organizations from having Projects that are being not in-line with the organization's strategic plans.

References

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About the Author



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Essam Lottfy is actively pursuing potential opportunities in the project management field, where a room of growth and opportunities for advancement exists. He can be contacted at esam_mese@hotmail.com