

Advances in Project Management Series¹

We need to talk about strategy

By Prof Darren Dalcher
Director, National Centre for Project Management
University of Hertfordshire, UK

Is there a link between project management excellence and long-term business or organisational success?

The traditional bodies of knowledge in project management have little to say about organisational strategy. This is somewhat surprising given that the organisational appetite for projects is on the increase. Indeed, projects seem to consume an ever-expanding proportion of organisational resources, whilst anecdotal evidence points to a persistent, yet, unbridgeable gap between intention and execution.

The gap implies that while senior executives may be asking themselves if they are ever likely to see the value, or the benefits, implicitly promised through the organisation's project portfolio, project practitioners may be left adrift with little, or no knowledge of the strategic preferences. Meanwhile, in agile implementations, local team autonomy may lead to execution drifting further and further apart from strategic intention.

The importance of strategic initiatives

Robert Kaplan and David Norton followed their pioneering work on balanced scorecards, strategy maps and strategy-focused organisations by zooming in on the need to link strategy to operations in order to develop and maintain a competitive advantage. Their book *The execution Premium* focuses on the implementation of formal systems for the successful implementation of strategy. In the book, Kaplan and Norton describe the need to translate a strategy into strategic themes, objectives, measures and targets that represent *what* the organisation wants to accomplish. However, execution requires bridging the execution gap, and therefore strategic initiatives are utilised to represent the *how*.

'Strategic initiatives are the collections of finite durations discretionary projects and programs, outside the organization's day-to-day operational activities, that are designed to help the organisation achieve its targeted performance' (Kaplan & Norton, 2008; p. 103)

¹The PMWJ *Advances in Project Management* series includes articles by authors of program and project management books published by Gower in the UK and by Routledge publishers worldwide. Each month an introduction to the current article is provided by series editor **Prof Darren Dalcher**, who is also the editor of the Gower/Routledge *Advances in Project Management* series of books on new and emerging concepts in PM. To see [project management books published by Gower and other Routledge publishers](#), [click here](#). Prof Dalcher's article is an introduction to the invited paper this month in the PMWJ.

While the need for an explicit link between long term strategy and immediate actions may appear obvious, they point out that their own survey reveals that 50 per cent of organisations fail to link strategy to short-term plans and budgets (ibid.; p. 4).

‘A senior executive summarized many executives’ frustration with the lack of alignment between strategy and action plans when he said, ‘half my initiatives achieve strategic goals. I just don’t know which half.’ (ibid. ; p. 103)

Reading between the lines: So why do strategic initiatives fail?

Kaplan and Norton propose an initiative management process model encompassing three distinct core activities required to align action with priorities:

1. Choose strategic initiatives – Identify what action programmes are needed for executing the strategy
2. Fund the strategy – Identify a source of funding that is separated from the operational budget
3. Establish accountability – Determine who will lead the execution

However, in reading the discourse related to the specific steps, it would appear that the true insights into the nature of the execution gap reside in the limitations and barriers associated with each of the steps.

Strategic plans require coordinated action that often extends beyond organisational boundaries, functions and business units. Kaplan and Norton reflect that in their original conception of scorecards, they encouraged companies to select initiatives independently for each strategic objective. However, they subsequently concede that selecting initiatives independently ignores the integrated and cumulative impact of multiple related strategic initiatives (p. 104). Those following only the earlier writing of the authors may thus miss on the opportunity for integrating—choosing instead to optimise around individual activities and initiatives.

The new advice is that initiatives should not be selected in isolation as the achievement of a strategic objective *‘generally requires multiple and complementary initiatives from various parts of the organization. ... We continue to recommend that each nonfinancial objective have at least one initiative to drive its achievement but also that the initiatives be bundled for each strategic theme and considered as an integrated portfolio.’* (ibid. p. 104-5)

In other words, in order to achieve the associated performance objectives of a strategic theme, it will often be required that the entire collection of initiatives, or the full portfolio of actions is implemented. Successful execution with regard to organisational strategy thus requires a synergistic perspective rather than localised optimisation at an initiative or unit level.

Barriers to success

There are a number of additional barriers to the successful execution of strategic initiatives:

Integrated justification: Strategic initiatives may be justified on a standalone basis in different parts of the organisation leading to strategic drift over the duration of the initiative.

Integrated funding: Cross-business portfolio funding is not common. However, the risk is that only parts of the initiative will be supported in different areas leading to patchy, or partial, execution. Budgets typically focus on local accountability and responsibility centres or functional departments. However, strategic initiatives require uniform funding to secure delivery across the different business units and areas.

Integrated resources: A similar logic applies to the availability of people and project resources. To avoid local interpretation and prioritisation, strategic initiatives need to be resourced and justified centrally.

Integrated governance: Responsibility and accountability for the wider initiative need to rest with executive team members who can manage across teams, units and silos.

Strategic initiatives will often have a compelling business case that specifies the proposed benefits and the expected value proposition and these can be used as the basis for leading and delivering successful initiatives.

Delivering strategy through successful initiatives

Alan Brache and Sam Bodley-Scott refer to strategic initiatives as the ‘means through which the vision is translated into practice’ (p. 8). Successful initiatives thus provide the key to strategy implementation.

‘At its simplest level, success is a function of two factors: the quality of the strategy that is guiding the organization and the effectiveness and efficiency of the implementation of that strategy.’ (ibid.; p. 15)

Changes in technology, customer demands, competition and social expectations often require drastic and fundamental responses. Previous articles in this series focused on the rising levels of uncertainty and ambiguity and the need for anti-fragility in many modern environments. To cope and maintain relevance in such contexts requires transformational changes to the strategic stance. Such transformation is often delivered, or attempted through strategic initiatives. Yet, as pointed out earlier there is a dearth of information regarding such initiatives and how to improve their success track record.

To address this strategic deficiency, this month’s guest article *Managing Strategic Initiatives* by Dr. Terry Cooke-Davies is extracted from his contribution to the 2nd edition of the Gower Handbook of Programme Management.

Dr. Cooke-Davies considers the difficulties in delivering transformational change. His analysis identifies four influential 'strands of thinking' focused broadly around outcomes, people, complexity and leadership. Cooke-Davies explores major developments in each of the four areas before pulling them together to consider the major issues in managing strategic initiatives for success.

The challenge of strategic initiatives

US management professor and guru, John P. Kotter reasoned that '*leaders establish the vision for the future and set the strategy for getting there*'. However, there are many obstacles to delivering a strategy as planned, requiring constant improvements and adjustment.

French General, leader and statesmen, Charles de Gaulle similarly reasoned that '*you have to be fast on your feet and adaptive or else a strategy is useless*'.

Indeed, Michael Porter observed that there is a fundamental distinction between a strategy and the operational effectiveness that it engenders.

Aligning strategic themes with short-term project and programme initiatives requires periodic review of progress. Strategic theme owners need oversight over the entire portfolio of action to ensure that all initiatives are progressing and the resulting actions deliver meaningful results.

British politician and Prime Minister, Sir Winston Churchill wryly noted '*However beautiful the strategy, you should occasionally look at the results*'.

Delivering strategic initiatives, successfully, requires effective alignment, integration and active engagement across business units, strategic themes, interest groups and funding arrangements. It also implies understanding the role of change in the context of the wider business whilst making transformational progress visible across lines, units and boundaries. Yet, above all, perhaps it requires a deeper conversation about what it takes to implement and deliver in a strategic context, acknowledging as Kaplan and Norton ultimately did, that initiatives can not be executed in isolated silos without looking at the wider implications. And that is why we really do need to talk about strategy.

References

Brache, A. P., & Bodley-Scott, S. (2006). *Implementation: How to transform strategic initiatives into blockbuster results*. New York: McGraw Hill Professional.

Kaplan, R. S., & Norton, D. P. (2008). *The execution premium: Linking strategy to operations for competitive advantage*. Boston: Harvard Business Press.

About the Author



Darren Dalcher, PhD

Author, Professor, Series Editor

Director, National Centre for Project Management
University of Hertfordshire, UK



Darren Dalcher, Ph.D. HonFAPM, FRSA, FBCS, CITP, FCMI SMIEEE SFHEA is Professor of Project

Management at the University of Hertfordshire, and founder and Director of the National Centre for Project Management (NCPM) in the UK. He has been named by the Association for Project Management (APM) as one of the top 10 “movers and shapers” in project management in 2008 and was voted Project Magazine’s “Academic of the Year” for his contribution in “integrating and weaving academic work with practice”. Following industrial and consultancy experience in managing IT projects, Professor Dalcher gained his PhD in Software Engineering from King’s College, University of London.

Professor Dalcher has written over 200 papers and book chapters on project management and software engineering. He is Editor-in-Chief of *Software Process Improvement and Practice*, an international journal focusing on capability, maturity, growth and improvement. He is the editor of the book series, *Advances in Project Management*, published by Routledge and of a new companion series *Fundamentals of Project Management*. Heavily involved in a variety of research projects and subjects, Professor Dalcher has built a reputation as leader and innovator in the areas of practice-based education and reflection in project management. He works with many major industrial and commercial organisations and government bodies in the UK and beyond.

Darren is an Honorary Fellow of the APM, a Chartered Fellow of the British Computer Society, a Fellow of the Chartered Management Institute, and the Royal Society of Arts, A Senior Member of the Institute of Electrical and Electronic Engineers, a Senior Fellow of the Higher Education Academy and a Member of the Project Management Institute (PMI) and the Academy of Management. He is a Chartered IT Practitioner. He is a Member of the PMI Advisory Board responsible for the prestigious David I. Cleland project management award and of the APM Professional Development Board. Prof Dalcher is an academic advisor for the *PM World Journal*. He can be contacted at d.dalcher2@herts.ac.uk.

To view other works by Prof Darren Dalcher, visit his author showcase in the PM World Library at <http://peworldlibrary.net/authors/darren-dalcher/>.