

Series on organisational strategic planning & execution¹

Stage 4: Execute other strategic work, along with projects²

By Alan Stretton

INTRODUCTION

This is the fourth of a series of five articles on organisational strategic planning and execution. I am using the following basic strategic management framework as a common reference base for this series (with some small amendments from the first two articles in the series).

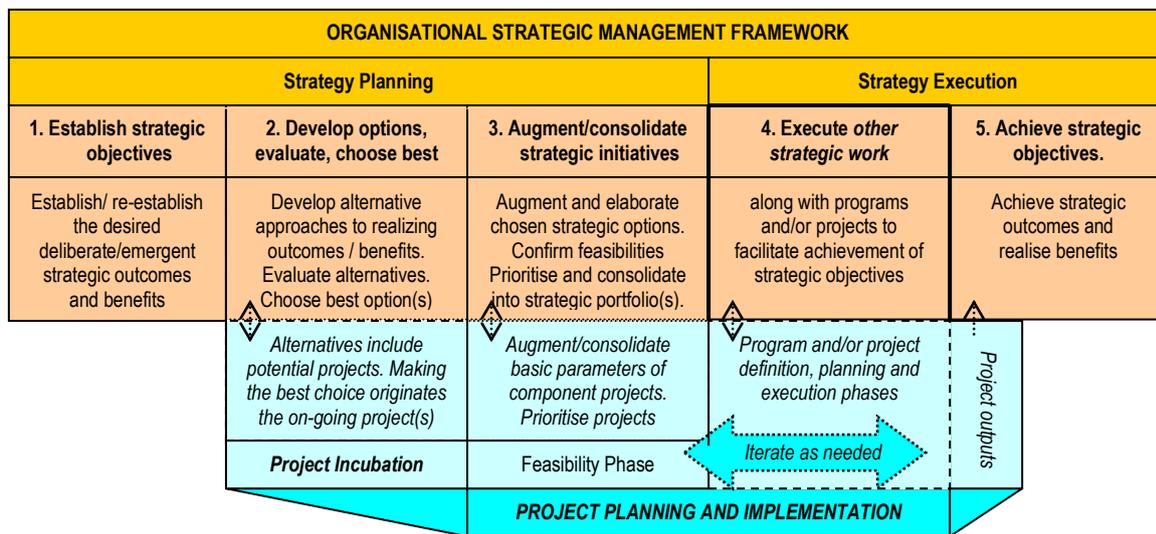


Figure 1: An organisational strategic management framework, with project contributions

The first article in this series (Stretton 2018d) addressed *Stage 1: Establish strategic objectives*, and discussed the extensive preliminary work needed before strategic objectives can be reasonably established, the importance of “emergent” strategies, and the need to re-establish strategic objectives as the latter come into play.

The second article (Stretton 2018e) addressed *Stage 2: Develop options, evaluate and choose the best*. It focused on the importance of developing alternative strategic

¹ This is article four in a five-part series on strategic planning by Alan Stretton, one of the world’s experts in program and project management. This series is based on Alan’s research and writing on this topic over the last several years, much of which has been published in previous editions of the *PM World Journal*.

² How to cite this paper: Stretton, A. (2018). Stage 4: Execute other strategic work, along with projects, Series on Organizational Strategic Planning and Execution, *PM World Journal*, Volume VII, Issue VII – July.

initiatives, and of achieving reliable conceptual level estimates, to facilitate valid evaluation of the alternative 'outline' business cases, and choice of the best.

The third article (Stretton 2018f) addressed *Stage 3: Augment and consolidate strategic initiatives*, which included augmenting and elaborating the business cases for the chosen initiatives, confirming feasibilities, and prioritising, balancing and consolidating the strategic initiatives into a strategic portfolio, or portfolios.

This article on Stage 4 will look at strategy execution, but particularly at some aspects of what I have described as the *other strategic work* which is normally needed, over and above programs and/or projects, to help achieve organisational strategic objectives.

We start with discussing some broad attributes of strategy execution.

SOME ATTRIBUTES OF STRATEGY IMPLEMENTATION/EXECUTION

Many large organisations struggle to implement their strategies effectively

Butler 2008 points out that many organisations pay more attention to strategy formulation than strategy execution, and goes on to make the point that

..... the vast majority of organisations simply do not execute their strategies effectively. Some of the statistics are illuminating:

- Fortune Magazine – less than 10% of business strategies are effectively delivered.
- Australian Institute of Company Directors – 70% CEOs who fail, do so not because of wrong strategy, but because of poor execution.
- Ernst & Young – 70% of capital expenditure spent on initiatives not aligned with organisational strategy.
- McKinsey – 28% of CEOs say that their company produces a strategic plan that reflects the company's goals and challenges, but is not effective.
- PriceWaterhouseCoopers – Only 2.5% of companies have 100% of strategic projects on time, within budget, to scope and delivering the right benefits

In a recent article in this journal, Dalcher 2018c reported that Sull et al 2015

....refer to a survey of more than 400 global CEOs that found that executional excellence is the leading challenge facing corporate leaders in Asia, Europe and the United States, topping a list of over 80 issues, including geopolitical instability, top-line growth and innovation. The authors further concede that multiple studies indicate that between two-thirds and three-quarters of large organisations struggle to implement their strategies. Similar figures are regularly quoted in most strategy textbooks.

In discussing problems associated with strategy execution, Dalcher also pointed to another situation which is related to poor performance in strategy execution, namely poor coverage in the literature, to which we now turn.

Strategy execution is not well covered in the literature

Dalcher quotes again from Sull et al 2015, as follows.

Since Michael Porter's seminal work in the 1980s we have had a clear and widely accepted definition of what strategy is – but we know a lot less about translating a strategy into results. Books and articles on strategy outnumber those on execution by an order of magnitude. And what little has been written on execution tends to focus on tactics or generalise from a single case.

Dalcher goes on to introduce an article from his guest author, Kurt Verweire (Verweire 2018), which is derived from his book *Strategy implementation* (Verweire 2014). I will not attempt to summarise that article, but draw on it in the next section.

Strategy implementation/execution typically has many components

I now quote directly from Verweire 2018, as follows.

What actually is strategic implementation? Some management authors see strategy implementation as a performance and measurement and management exercise, where you translate strategies into key performance indicators that you cascade further down in the organisation. Others see strategy implementation as creating an organisational culture that empowers people to act in line with the strategy. And still others see implementation as strategic project portfolio management. As I will show later, strategy implementation is all of that, and even more.

We can see from this quotation that what Verweire describes as *strategic project portfolio management* is only one of many components typically involved in strategy implementation. Dalcher 2018 adds to the above components as follows.

.... successful companies comprehend that they need a good strategy before proceeding to appropriately realign structure, systems, leadership behaviour, human resources policies, culture, values and management processes.

Program/project components and *other strategic work*

In the project management literature the focus has rather naturally been on the program and/or project components of strategy execution. However, this literature also has some limited material on at least some of the other components mentioned above, which I have elected to describe as *other strategic work*. (This descriptor reflects a project-based perspective which I have been trying to avoid in this series – but it is the best descriptor I have been able to come up with to date).

In view of the fact that the execution of programs and projects is very extensively covered in the literature, I will now focus on the execution of *other strategic work*.

The potential magnitude of *other strategic work*

It is evident from the above that *other strategic work* could be very substantial indeed, if not dominant. For example, Dalcher 2017 indicates that it could comprise up to 80% of the total investment in realising benefits in an IT system context:

Realising value from the investment requires action beyond the mere delivery of IT systems; it necessitates real change within the organisation to enable the new systems to be utilised. The change would often impact many other aspects including: the nature of the business itself; business processes; skills and competencies; and the organization. Such change, which is not IT-specific, or even project related, could often account for up to 80% of the total investment.

This is certainly a somewhat dramatically high proportion of *other strategic work* compared with the program/ project contribution. However, it is not totally out of line with my experience with substantial internal strategic change initiatives in Lend Lease, where, in some cases, *other strategic work* was very significant indeed.

A particular example I have in mind was an IT-related project in Civil & Civic from the mid-1960s ("Calnet"), which was concerned with computerising our financial systems. This project was demanding enough in its own right. However, as substantial as the Calnet project was, the work of educating users throughout the organisation and helping them to use the new system effectively was actually more substantial than the original project.

Overall, it appears that most strategic initiatives will include *other strategic work* to varying degrees, from relatively slight, to very extensive.

OVERVIEW OF *OTHER STRATEGIC WORK* TYPES AND THEIR MANAGEMENT

Types of *other strategic work*

There appear to be two major types of *other strategic work* which emerge from the project management literature, some aspects of which also tend to overlap.

- **Organisational change:** The most frequent type of *other strategic work* nominated is an associated need for *organisational changes* to help achieve the benefits. This evidently covers a wide variety of types of organisational changes, some very substantial indeed, and others not so substantial.
- **Transition activities:** The second type of *other strategic work* broadly relates to *transitioning to operations*, which can include preparing for and undertaking the transition, and/or operations and maintenance activities.

Management of *other strategic work*

This topic is handled in several different ways in the project management literature.

- Some do not mention *other strategic work* at all.
- Some see the management of *other strategic work* as being an integral part of strategic program or project management, as we shall see shortly. As indicated in the previous article of this series, if it is not too substantial, I see this work as being within the broader strategic portfolio management function.
- Others see the management of *other strategic work* as separate from the management of the strategic portfolio, or programs/projects). This is seen as being handled in one of two ways, or as a combination of these two:
 - *Other strategic work* handled as separate programs/ projects, and managed according.
 - *Other strategic work* may include non-program/ project work, with management means not identified.

I will now discuss these various perspectives about the role of managing other strategic work in the context of the two broad types of other strategic work identified above, namely those related to *organisational change*, and to *transition activities*.

OTHER STRATEGIC WORK ASSOCIATED WITH ORGANISATIONAL CHANGE

As indicated above, there are different perspectives in the project management literature, and we will look at the main three in the organisational change context.

***Other strategic work* seen as an integral part of strategic programs/projects**

We start with two quotations which, if I am interpreting them correctly, appear to reflect this perspective:

A programme consists of a set of related projects and required organizational change to reach a strategic goal and to achieve the defined 'business' benefits.

(Koch & Lock 2016:413)

A project may, however, include the work involved in transforming an organization to ensure outcomes are achieved (change management). This is what many standards term 'an extended project lifecycle'.

(Buttrick 2016:364)

The first quotation does not indicate the magnitude of the “required organizational change” included in its descriptor of a program.

However Buttrick’s “transforming an organization” certainly seems to imply anything from rather substantial to quite major organisational change. We then come to the point of asking what type and/or amount of organisational change work could be reasonably delegated to a program manager (or to a project manager, as nominated in the latter quotation), or to a strategic portfolio manager at a slightly higher level, and what would be handled separately from the program (or project) or portfolio.

This is a difficult question to respond to as a generality. The answer will depend on a great variety of potential variables that can apply over the whole range of strategic initiatives. But, at some point, we would move away from *other strategic work* in the organisational context being regarded as an integral part of the strategic program or portfolio, to one of the following alternative perceptions.

Other strategic work undertaken by separate programs/projects

While benefits may relate to a single programme, benefits typically depend on the contributions from multiple initiatives, internal actions and change programmes.
(Hudson 2016:437)

Where organizational transformation is required, programmes are established to deliver that change and to deliver and sustain the benefits envisaged by the portfolio.
(Demaria & Sopko 2016:354)

In the project-based organisations in which I worked, it was natural to undertake substantial *other strategic work* by projects or programs, simply because this is the way we did things. Practically invariably we handled these programs/projects separately from the mainstream program/project, mainly because they involved different skill-sets, and therefore different people.

However, in production-based organisations, undertaking other strategic work by program or project would only happen in organisations which had substantial maturity in the project/program context.

Other strategic work may be non-program; management means not identified

The first of these two quotations repeats part of an earlier quotation from Dalcher.

Realising value from the investment necessitates real change within the organisation to enable the new systems to be utilised. The change would often impact many other aspects including: the nature of the business itself; business processes; skills and competencies; and the organization.
(Dalcher 2017)

A fundamental change through a programme can hardly be successful through the programme alone: changing the organizational set-up of the company was essential to unlock endless discussions.
(Sedlmayer 2016:310)

These two quotations are evidently concerned with major organisational changes, probably of a magnitude that would put them into the responsibility domain of boards of directors (or their equivalent) and the most senior general managers.

In rather a general context, but also relevant to the above, PMI 2013:4 related its understanding of *other work* to program governance and infrastructure as follows.

Other work, however, make[s] up the non-project components or activities of the program and may be recognised as the management effort and infrastructure needed to manage the program (e.g. Program Governance,).

We now look briefly at some governance and management issues relating to major organisational changes.

Governance and management of major organisational changes

Focusing on governance and related issues, Smit 2017 has proposed the following senior management positions and strategic governance bodies.

- ***Portfolio director:*** Executive Committee member responsible for the portfolio strategy and providing clear leadership and direction.
- ***Portfolio direction group:*** Governance body where decisions about inclusion of initiatives in the portfolio are made.
- ***Portfolio progress group:*** Governance body responsible for monitoring portfolio progress and resolving issues that may compromise delivery and benefits realisation.
- ***Portfolio management sponsor:*** Person or group responsible for the implementation of portfolio management and for enabling success.
- ***Portfolio benefits manager:*** Person responsible for ensuring that a consistent approach to benefits management is applied across the portfolio.

There would appear to be more than enough governance and senior management involvement under such arrangements to ensure that this form of major *other strategic work* is effectively governed and managed, in this case via strategic portfolios.

Undoubtedly there are many other ways in which directors and senior management can be, and are, assigned specific responsibilities to ensure effective governance and senior management involvement in major organisational changes. The point of key importance is to have mechanisms to ensure that such specific responsibilities are formally assigned.

OTHER STRATEGIC WORK ASSOCIATED WITH TRANSITION ACTIVITIES

As noted above, I have classified two *other strategic work* items from Dalcher 2017 as being associated with transition activities – namely

- *changes in business processes, and*
- *upgrading skills and competencies.*

The latter is also supported by PMI 2017a, which includes *training* in its *other program-related activities*. Collectively, the latter two are typical activities in *preparing for transition*, whilst changes in business processes are *actual transition process*. These will shortly be discussed under the latter headings.

Some writers have also put *operations and maintenance activities* into this transition category, as exemplified in the following quotations.

... programme management ... includes the management of its component parts (including projects and other work, such as operations and service management).
(Buttrick 2016:361)

Operational activities or maintenance functions that are directly related to a program's components may be considered as other program-related activities.
(PMI 2017a)

We now briefly discuss the above under the sub-headings *Preparing for transition*, *Actual transition activities*, and *Operations and maintenance activities*.

Preparing for transition

Training and/or upgrading skills and competencies are probably the most common types of *other strategic work* associated with strategy execution. These could apply to all three subheadings, but generally start in the *Preparing for transition* stage.

Bourne 2015d gives an example of a significant and well-known failure in this area. The construction of BA's Heathrow's Terminal 5 "was lauded as a success, from a time, cost, scope and quality perspective".

However, from its opening in March 2008 flights had to be cancelled, passengers were stranded, and more than 15,000 pieces of baggage were lost. Why? One of the main basic causes was lack of staff preparation and training in understanding and operating the new facilities, notably in the baggage handling domain. This absolutely key *other strategic work* needed to make Terminal 5 operate as intended had been overlooked.

Bourne ascribes this as a failure “to manage the stakeholder risks associated with transitioning staff to the new facility”. In this article, I am adding the suggestion that if the focus had been on Terminal 5 as a strategic initiative, rather than on the narrower focus of being a program/project, these stakeholders, and their needs, would more likely have been recognised as part of a broader strategic portfolio, and acted upon accordingly.

As indicated earlier, in Civil & Civic we managed such educational activities as separate programs. We did this because they require different skill-sets, and therefore involve different people. Coordination was undertaken by a de facto portfolio manager (although seldom designated as such).

Actual transitional activities

We have already placed *changes in business processes* in this category, although this also strongly overlaps with the next category. However, this is just one of many possible transitional activities that would belong to this particular category. Hopefully the above heading will be seen as a catch-all for all other such transitional activities.

The extent to which program and/or project managers are involved in transition activities will vary hugely, from virtually none, to very substantial, depending on contractual arrangements, individual contexts, etc.

Operations and maintenance activities

One could perhaps describe these as post-transition activities, although transitioning itself could take a very long time in some situations. In particular cases program and/or project management may have obligations to contribute in operational and maintenance activities. However, in spite of the above quotations from Buttrick and PMI 2017a, I would have thought that these would probably be comparatively rare.

OTHER STRATEGIC WORK NOT IDENTIFIED

Although we have covered quite a wide range of types of *other strategic work* in this article, there is surely little doubt that there are other kinds of *other strategic work* beyond those identified above. Indeed, I suspect that this article has probably only scratched the surface of identifying and managing *other strategic work*.

A further recognition emerging from the above is that many of the problems organisations have had in implementing their strategies may well be due to failure to identify and/or manage *other strategic work*, rather than problems with programs or projects per se. We now look at responsibilities for managing *other strategic work*.

RESPONSIBILITIES FOR MANAGING *OTHER STRATEGIC WORK*?

The types of *other strategic work* discussed above are so many and varied that, at first glance, it would not appear feasible to make any worthwhile generalisations about their management.

However, they do have one attribute in common, which is that they are all concerned with change, in one form or other. This led me to thinking about change management, which, from time to time in the past, has been presented in the general management literature as a topic in its own right.

Change is also often discussed in the project management literature, but is nearly always specifically associated with projects per se, rather than being seen as a topic in its own right. There was, however, a recent exception to this in this journal, in an article entitled *Creating a culture of partnership between Project Management and Change Management* (O'Donovan 2018).

O'Donovan's article specifically identified Change Management as a distinct discipline in its own right, implemented by Change Managers. She does not describe change management in any detail in that article, but quite directly identifies it as a quite different discipline from project management.

She also appears to imply that change managers may be relatively common in many organisations. I am certainly not in a position to be able to confirm or deny that implication, but it does suggest a broad common approach to managing *other strategic work*.

O'Donovan's article is concerned with relationships between change management and project management. She describes the broad situation as follows.

The dismal results achieved by organizational change initiatives over the past decades drive home the need for a step change in how we deliver projects. We can no longer be satisfied to hop along with a 'one-legged approach', where only Project Management methodologies are used or, alternatively, limp along with Project Management in the driving seat and Change Management playing second fiddle. Rather, a firm-footed 'two-legged approach' to project delivery, that employs both Project Management and Change Management methodologies and expertise, will enable projects to stride forward in confidence and derive business benefits.

O'Donovan's approach suggests to me that we could regard *other strategic work* as change management work in the sense depicted in this quotation, and that the management of *other strategic work* could then be assigned to a change manager (or its equivalent, if under a different title).

In this series of articles we have been considering projects in the broader context of being part of a strategic portfolio, along with *other strategic work*. In this context, the type of 'partnership' suggested by O'Donovan could then be between change manager(s) who are concerned with *other strategic work*, and strategic portfolio manager(s) who would then be primarily concerned with their component programs and/or projects.

Summarising this section, the introduction of a change manager would appear to be a particularly relevant way of helping ensure that *other strategic work* is properly managed.

SUMMARY

This article first looked in a general way at strategy execution. It was noted that many large organisations struggle to implement their strategies effectively – and also that strategy execution is not well covered in the management literature at large. It was then recognised that strategy implementation/execution typically has many components, and that the program/project component is only one of them.

The other components are collectively described as *other strategic work*, and they can be of various magnitudes, sometimes greater than the program/project component. In view of the fact that the execution of programs and projects is very extensively covered in the literature, this article has focused on *other strategic work*.

We then noted that there appear to be two broad types of *other strategic work*, namely that associated with *organisational change*, and with *transitional activities*, some of which overlap.

We also identified three broad approaches to the management of *other strategic work*, namely:

- *Other strategic work* seen as an integral part of strategic programs/projects;
- *Other strategic work* undertaken by separate programs/projects; and
- *Other strategic work* may be non-program; management means not identified

We first looked in more detail at these three management approaches in relation to the *organisational change* context. We found two examples of each approach, some of which implied very substantial organisational changes.

The latter would be in the responsibility domain of boards of directors (or their equivalent) and the most senior general managers, rather than portfolio or program/project management. We then looked briefly at some issues relating to the governance and management of major organisational changes.

We then turned to the *transition activities* context, and looked at management of *other strategic work* issues related to *Preparing for transition*, *Actual transition activities*, and *Operations and maintenance activities*. The extent to which program and/or project managers are involved in transition activities will vary hugely, from virtually none, to very substantial, depending on contractual arrangements, individual contexts, etc.

Finally, it was noted that this article has only identified some of what are likely to be many more types of *other strategic work*. There appear to be good reasons to expect that many of the problems organisations have had in implementing their strategies may be due to failure to identify and/or manage *other strategic work*.

In the immediately preceding article in this series I briefly discussed responsibilities for managing strategic portfolios, and suggested that strategic portfolio management could provide a mechanism to help ensure that the *other strategic work* component of strategic initiatives is properly managed.

We have now associated the latter with change management, which is seen by some as being a separate discipline in its own right, and which would appear to offer a practical way forward to ensure the effective management of *other strategic work*.

Irrespective of whether or not this is seen as an acceptable solution, *other strategic work* appears to be a very substantial topic in its own right, and I hope that this somewhat exploratory article may encourage others to further pursue these important and necessary inputs to organizational strategy planning and execution, over and above those from programs and/or projects.

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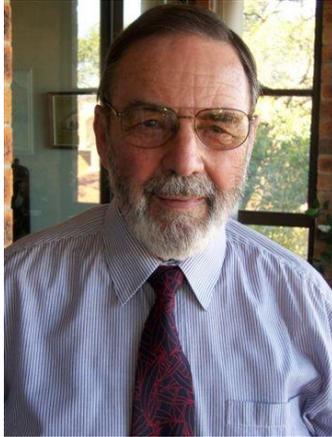
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