

A perspective on project success levels in an organisational strategic management context ¹

By Alan Stretton

INTRODUCTION

In an article in last month's issue of this journal (Stretton 2019a) I focused on the *other strategic work* component of organisational strategic initiatives, which, in addition to projects, is normally required to help organisations achieve their strategic objectives.

That article discussed differing views on how management of *other strategic work* relates to the project management (PM) component, and to organisational strategic management at large. It was noted that these three are highly intertwined, which led to a conclusion that a broader study of managerial responsibility for the various entities of the organisational strategic management framework might help sort out some of the grey areas of such responsibilities.

I also signalled an intention to address this topic in a later issue of this journal, and still propose to do so. However, in this article I would like to present a further perspective on the management of the project component of organisational strategic initiatives, which hopefully might help in future discussions of the latter topic.

In some recent articles in this journal (e.g. Stretton 2018a, 2018k), I have been discussing causes of so-called "project" failure in the context of a basic organisational strategic management framework, and found that around half the causes were not related directly to projects – which, in itself, somewhat complicates an appreciation of intertwined management issues in the strategic context.

In this article I will be adding discussions of "project" success/failure in the context of three levels of "project success" criteria proposed by Cooke-Davies 2004, which I will be relating to the same basic strategic framework. The criteria attached to these three levels are strongly management-related, and hopefully may give further insights into sorting out management issues in organisational strategic management, particularly as they relate to component projects.

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COOKE-DAVIES' THREE LEVELS OF PROJECT SUCCESS

In a very substantial discussion of the nature of project success, Cooke-Davies 2004 distinguished between three levels of success criteria, as follows.

L1: Project management success: Was the project done right?

L2: Project success: Was the right project done?

L3: Consistent project success: Were the right projects done right, time after time?

Although it has a strong colloquial element, I like the descriptor “right”, because it can be applied to a wide variety of contexts, but still convey a meaning which is readily interpretable for any particular context. Some other writers have also been using this descriptor – for example Bucero 2018, with his exhortations to

- *Do the right projects and programs!*
- *Do the projects and programs right!*

As indicated in the Introduction, in two recent issues of this journal (Stretton 2018a, 2018k) I have discussed causes of so-called “project” failures in the context of an organisational strategic management framework. These articles found that project management could be held accountable for no more than about one half of all such failures. The remaining “project” failures were actually failures in other areas of the strategic management framework, for which non-project people or groups were responsible.

Relating this back to Cooke-Davies levels of success, it can be seen that he uses the descriptor “project” in the title of each level. This might be interpreted as implying that project management has direct responsibilities for successes and failures at each level. However, in the light of the above findings, this would appear to be a doubtful interpretation. We will investigate this further by relating Cooke-Davies’ three levels of project success to the organisational strategic management framework used in that article, and see what emerges.

Before doing this, we look at how I have recently been depicting how projects relate to an organisational strategic management framework, via a basic project life-cycle,

PROJECTS RELATED TO AN ORGANISATIONAL STRATEGIC MANAGEMENT FRAMEWORK

Figure 1 is an updated version of that used in my recent series of five articles in this journal on *Organisational strategic planning and execution*, which started with Stretton 2018d. It shows how projects, here represented in the format of a basic project life-cycle, contribute to the various stages of a basic organisational strategic management framework.

As noted in the Introduction, *other strategic work* usually also contributes to the achievement of strategic objectives and the realisation of benefits, as shown in outline in Figure 1. However, for the present we will focus on the project contribution.

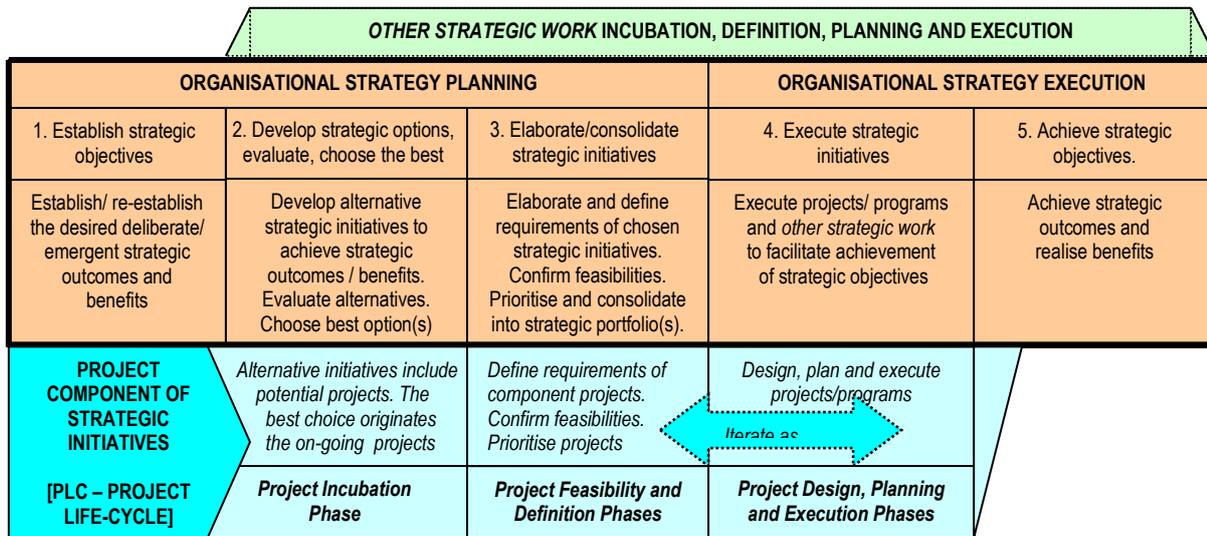


Figure 1: An organisational strategic management framework, with project contributions

RELATING COOKE-DAVIES’ LEVELS OF SUCCESS TO THIS FRAMEWORK

I propose to relate each of the above three levels of success proposed by Cooke-Davies to this framework. However, I will use a different order, and start with *Level 2: Was the “right” project done* – for the rather simple reason that if the “right” project is not chosen and implemented, then there is only the remotest chance that this project will make its intended contribution to the achievement of the organisational strategic objectives – irrespective of whether or not it is subsequently done “right”.

LEVEL 2: PROJECT SUCCESS - WAS THE “RIGHT” PROJECT DONE?

Linking “project success” with organisational strategic success

Both Cooke-Davies 2004 and Dalcher 2014 refer to Level 2 as the “project success” level. Earlier, Cooke-Davies 2002 discussed how “project success” and corporate success are linked. In his 2004 article, he said the following about “project success”.

The assumption is that the project will be successful only if it successfully delivers the benefits that were envisaged by the people and organisations (i.e. the stakeholders) that agreed to undertake the project in the first place.

I would first like to discuss Figure 2 below, which is adapted from Cooke-Davies 2004, Figure 5.3, and was used by him to illustrate the involvement of both project management and operations management in the achievement of “project success”, which is signified by the *Benefits* rounded text-box to the lower right.

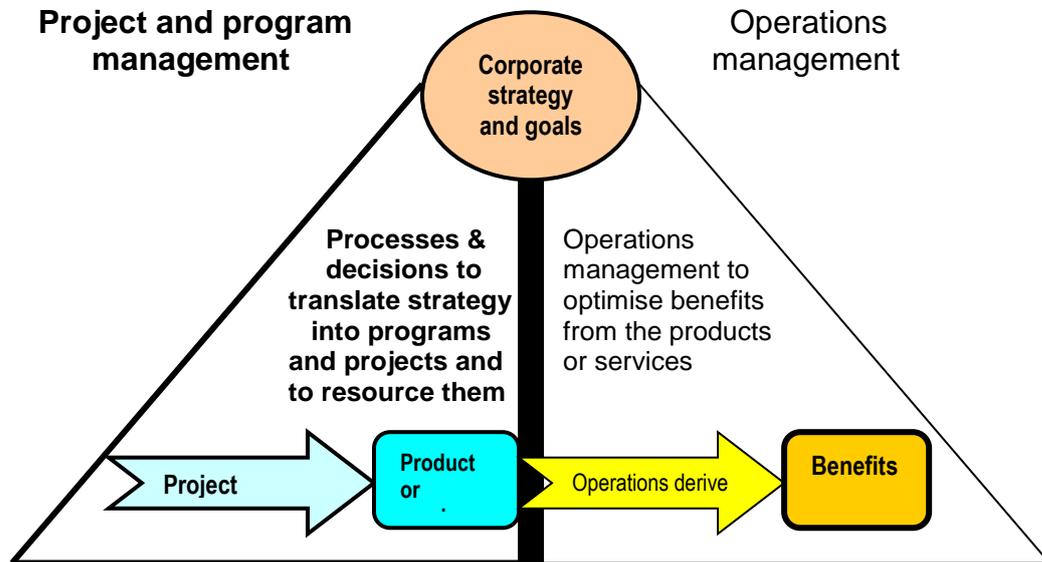


Figure 2: Highlighting origination of projects to help achieve organisational strategic objectives
 Adapted from Cooke-Davies 2004, Figure 5.3 – *The involvement of both project management and operations management in the achievement of “project success”*

It can be seen that the “project success” sequence in Figure 2 has much in common with relevant strategic management stages in Figure 1.

- Figure 2’s *Corporate strategies and goals* is essentially expressed in an action format as Stage 1 of Figure 1;
- Figure 2’s *Processes & decisions to translate strategy into programs and projects* is represented as Stage 2 in Figure 1, with the focus on strategic initiatives rather than just their project components. There is also substantial emphasis on the need to develop alternative options before making an informed choice of which strategic initiatives to implement. The “*and to resource them*” part of the Figure 2 quotation would be undertaken in Stage 3 of the Figure 1 framework;
- Both figures end with the realisation of corporate/organisational benefits, but with input by others to help ensure that the project outputs are effectively transitioned into benefits.

Was the “right” project option chosen in Stage 2?

The key action in doing the “right” project is, of course, to choose the “right” project in the first place. Referring to the Figure 1 framework, this derives from choosing the best strategic initiative(s) option towards the end of Stage 2, and thence the best component project(s). In the project context, the essence of “Was the ‘right’ project done?” can then be expressed as “Was the ‘right’ project option chosen?”.

This key question appears to summarise very well the main expectation from the activities in Stage 2 and is represented pictorially as this question in Figure 3 below.

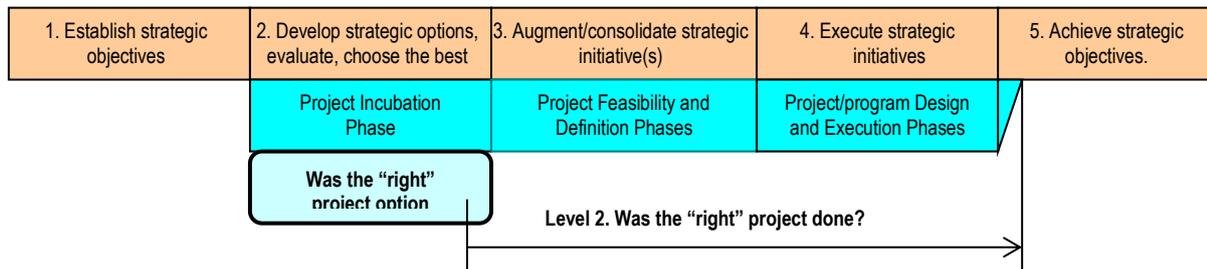


Figure 3: Adding a key “project success” question relating to Stage 2 to the organisational strategic management framework

Success/failure data related to Stage 2

Referring now to the strategic management framework in Figure 1, both Stretton 2018a and 2018k found that failure rates in Stage 2 were very substantial, with numerous different causes of failure listed in both cases. For example, the latter (which was based largely on Jenner 2015) included:

- Failure to develop a range of credible and genuine options
- Failure to include all required business changes within the scope of the initiatives
- Lack of effective engagement with stakeholders
- Unrealistic cost estimates and/or benefits forecasts
- Evaluation of proposals driven by initial price rather than long-term value for money

Clearly these types of failures can be directly attributed to failures in managing these processes. Who is responsible for such management? Whoever it is, in production-based organisations it is rarely, if ever, a project manager. Not only that, but it is also evidently rare for project management to have any other type of involvement in Stage 2.

Lack of project management involvement in Stage 2

There appears to be a good case for involving appropriately qualified project managers in Stage 2, particularly in the evaluation of alternative strategic initiative options. These invariably have significant, and often dominant, project components, and estimating costs and benefits of each of the project alternatives would rather obviously benefit from being done by a professional project manager with appropriate experience in these more conceptual stages.

Unrealistic cost estimates and/or benefits forecasts are a real problem in all too many project endeavours, as I have discussed in Stretton 2018k and 2018e, and they do require people with commensurate skills to help get these as realistic as possible. This is no field for the amateur.

Lack of project management involvement in benefits realisation in Stage 5

Cooke-Davies 2004 links “project success” with benefits in his Figure 5.3, as illustrated in Figure 2 above. In the accompanying narrative he makes the following observation on benefits realisation.

...benefits are not delivered or realized by the project manager and project team; they require the actions of operations management.

In this case the linking actions are via operations management. In other cases, as I discussed in Stretton 2019a, the linking actions might be undertaken by other entities, depending on the particular context. I have described the management of these as transition management, and broadly included it as part of what I have more generally described as *other strategic work*. In any event, project management is seldom involved to any significant extent in Stage 5 activities.

So, overall in Level 2, we have a situation where, not only is project management rarely involved in choosing the “right” project, but it is also rarely involved in directly contributing to the final realisation of strategic benefits.

LEVEL 1: PROJECT MANAGEMENT SUCCESS - WAS THE PROJECT DONE “RIGHT”?

Two different perceptions of the range of “doing”/executing projects

Following Figure 1 and the above discussions, it would appear to be clear that the “doing” of a project starts after it has been chosen as the best option in Stage 2 of the strategic management framework. In this context might be tempting to describe project “doing” as project “execution”. However, the latter term is generally used in quite a restricted context, as now discussed.

Project “doing” seen as comprising only post-definition execution

This rather restricted perception is described by Morris 2013:235 as follows.

In practice, in many organisations, the term [*Project Management*] is also used to refer only to the management of project execution (after requirements have been identified).

This perception of a restricted range of project management – often called the *execution-only*, or *project delivery*, perception – is still wide-spread in the community at large, in business enterprise in general, and notably in the project management community itself.

Broadly speaking, we can associate this with Stage 4 of the organisational strategic management framework shown in Figure 1, which is described as *Execute strategic initiatives*.

Project “doing” seen to comprise all post-choice definition & execution work

A more extensive perception of the range of project “doing” reaches right back to include the all the project’s initiation, development and delivery activities after it is chosen (in Stage 2). This perception is described by Morris 2013:235 (in what he has for very many years described as the Management of Projects), as follows.

The Management of Projects is as concerned with managing the front-end as with down-stream execution. (‘Front-end’ is defined as either the period prior to definition of the project’s, or program’s, requirements – or the period prior to ‘sanction execution’ being given).

Dalcher 2019 is also concerned with how the front-end is managed, and points to the limited attention it is accorded in the project management literature.

...the early stages play a key part in defining, constraining and shaping the project, yet our life cycles pay little attention to early decisions and their impacts.

These front-end early stages embrace all the work that is needed to define the project requirements in as much detail as is practical to facilitate its execution, and are broadly covered by Stage 3 of the strategic framework.

Representing two parts of Level 1 with subsidiary questions

To facilitate the following discussions, I am going to describe the front-end work associated with Stage 3 as Part A of “doing” projects, and the execution work associated with Stage 4 as Part B. The main reason for splitting Level 1 into two parts is that, in production-based organisations in particular, whilst Part B is invariably undertaken by project managers, the latter are all too seldom involved in Part A activities, which are normally undertaken, and presumably managed, by other (non-project) entities.

In view of this separation of managerial responsibilities, I have split the lead question “Was the project done right?” into two subsidiary questions A and B, as illustrated in Figure 4.

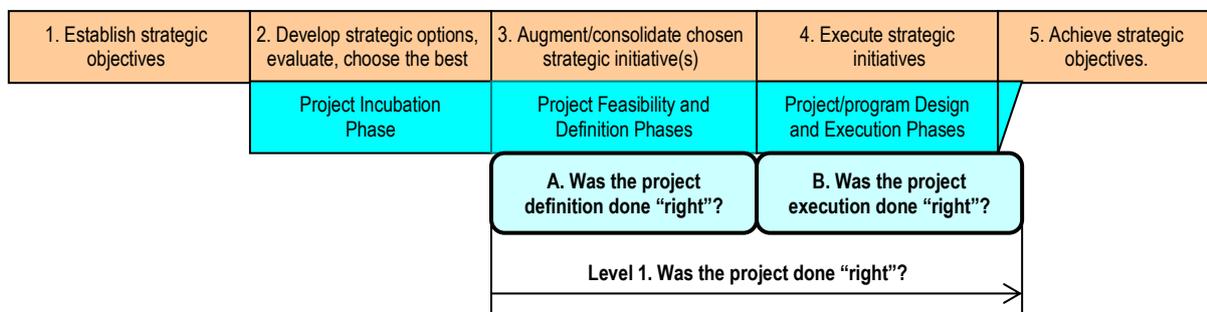


Figure 4: Adding subsidiary questions A & B relating to Stage 3 & 4 to the organisational strategic management framework

A. Was the project definition done “right”?

Success/failure data relating to Stage 3 projects

Project definition, and the work leading to it, is part of Stage 3 in the organisational strategic management framework. As regards associated success/failure data, it was recorded In Stretton 2018a that some 40% of causes of “project” failures were in the project initiation domain, and this was supported by a slightly higher percentage in Stretton 2018k. These figures did not distinguish between failures in Stages 1, 2 and 3 – and, indeed, several of these causes overlap two or all three stages.

However, I made some effort to identify causes specifically related to Stage 3 in Stretton 2018a, which indicated that approximately half these causes relate to these two categories. This suggests that roughly 20% of all causes of “project” failure can be attributed to Stage 3 – and probably more, judging from the frequency of citations of *Incomplete requirements* (4) and *Poor project definition* (3).

Variable project management involvement in Stage 3 projects

These latter causes of “project” failure are undoubtedly associated with a situation which is common in many production-based organisations, where project phases of Stage 3 are the responsibility of non-project people, with little, if any, involvement by project management. In this context, adding to the first quotation above from Morris 2013:235 (shown below in italics), he says

In practice, in many organisations, the term [Project Management] is also used to refer only to the management of project execution (after requirements have been identified). If this is the case, then we need to ask, what is the discipline that is responsible for managing the front-end stage of the life-cycle – development management? (To me, it would seem best to extend project management to include this activity).

In practice, actual involvement of project management in Stage 3 appears to vary very widely indeed. In most project-based organisations, and in some production-based ones, the whole of this stage’s project work is project managed. At the other end of the spectrum, project management is not involved at all. In between, project management may be involved to varying extents, either in managing some of the later work, or in being involved in a non-managerial capacity.

B. Was the project execution done “right”?

Success/failure data relating to Stage 4 projects

In Stretton 2018a it was recorded that operational-related causes of failure in the project execution phase comprised some 30% of all causes of “project” failure, and that associated PM leadership-related causes added a further 9% to this figure. The corresponding figures in Stretton 2018k, with data from quite different sources, totalled only half the above.

Project management responsibility for Stage 4 projects

It is clearly the project manager's responsibility to ensure that project execution is done "right". Stretton 2018a noted that the relatively high failure rates here at first seem rather surprising, in view of the extensive coverage of project execution in the project management literature. However, I also noted that the latter mainly covers only what some have called "traditional" projects, and that those with relatively high levels of uncertainty and/or complexity are not at all well covered – which could well contribute substantially to high levels of failure to do the project execution "right".

LEVEL 3: CONSISTENT PROJECT SUCCESS – WERE THE "RIGHT" PROJECTS DONE "RIGHT", TIME AFTER TIME?

Level 3 success and business success?

Level 3 combines Levels 1 and 2, with the addition that its "time after time" provision extends its range into the longer term.

Dalcher 2014 connects project success at Level 3 with business success as follows.

The outcome of the project contributes to business success through the satisfaction of business objectives that have been realized. Success equates to maximization of financial and business efficiency measures, such as sales, profits or ROI as well as delivered value measures.

In the series starting with Stretton 2014j I somewhat incautiously used Dalcher's descriptor "Business success" to describe Level 3 success. However, his quotation above clearly talks about the *contribution* the project outcomes make to business success, which I now interpret as implying acceptance that what I have called *other strategic work* is also involved in helping achieve overall strategic objectives. Indeed, this is specifically written into Stage 4 of Figure 1, although implied earlier.

It follows from the above, and earlier discussions on Level 2, that *doing the "right" projects "right" time after time* does not, of itself, ensure that the "right" strategic outcomes and ensuing benefits – i.e. business success – are consistently achieved.

Managerial responsibilities for Level 3 success?

Typically, boards of directors of organisations, or their equivalent, have substantial responsibilities in establishing and/or approving broad organisational strategic objectives. However, when it comes to the work of translating broad objectives into more specific detail, dealing with emergent strategies, and managing all aspects of the project components of these strategies, the responsibility is clearly with top-level general management and strategic management. Finally, as just mentioned, managerial responsibility for Stage 5, which is generally outside the project management domain, needs to be considered.

Relating Level 3 success, plus Levels 1 & 2, with the strategic framework

I conclude the representation of Cooke-Davies three levels of success in relation to the organisational strategic management framework as shown in Figure 5. The “time after time” provision in Level 3 extends its range into the longer term, where it may even impact on establishing/re-establishing organisational strategic objectives in Stage 1. I have tried to notionally indicate this by dashed lines in the figure below.

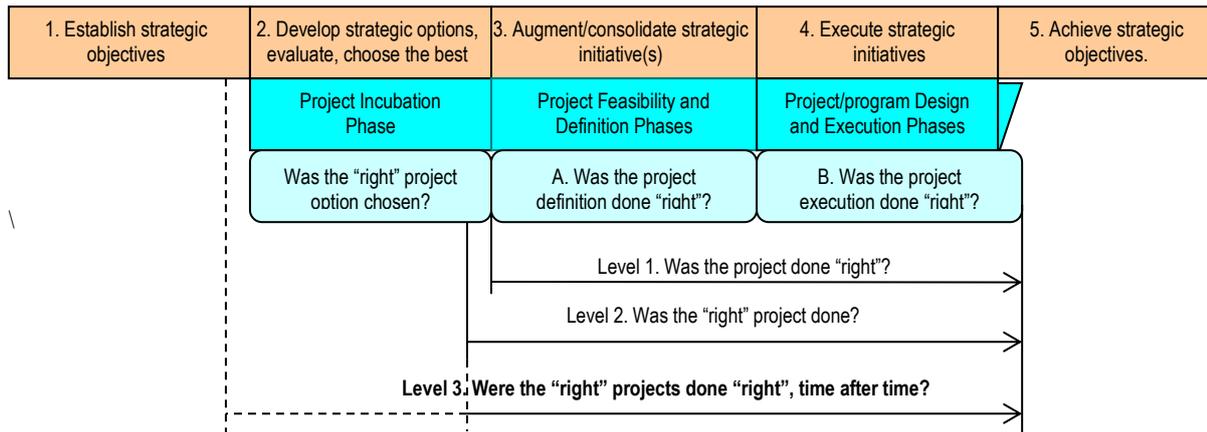


Figure 5: Adding Level 3 to Levels 1 & 2 in the organisational strategic management framework

SUMMARY/DISCUSSIONS

Level 2: Project success – Was the “right” project done?

Stage 2: We first proposed the key subsidiary question relating to Stage 2 of the strategic management framework, namely *Was the “right” project option chosen?* It was noted that project management was rarely involved in the critically important work of developing and/or comparing cost estimates and forecasting benefits for the (usually prominent) project components of the alternative strategic initiatives being considered. In view of the rather high levels of failure recorded for Stage 2 work, there appears to be a strong case for involving suitably qualified project managers in this work. It was observed that this is no field for amateurs in actual estimating and forecasting – and that the same comment applies to the management of these activities. This raises the question of who is best placed to manage the project component of this work in the absence of project management, as well as managing the *other strategic work* component.

Stage 5: Cooke-Davies 2004 linked “project success” with benefits, but made the point that benefits are not delivered or realized by the project manager and project team. They require the actions of others, whether operations management in the Cooke-Davies model, or other non-project people in other contexts.

So, with regard to Level 2 overall, I concluded that we have a situation where, not only is project management rarely involved in choosing the “right” project in Stage 2, but it is also rarely involved in directly contributing to the final realisation of strategic benefits in Stage 5.

Level 1: Project management success – Was the project done “right”?

I split this lead question into two, because of different perceptions in the literature about the range of “doing” projects, and differences in managerial responsibilities attaching to each.

Stage 3: Was the project defined “right”?

Failure rates in Stage 3 are substantial, and many of the causes can certainly be attributed to lack of, or inadequate, involvement by project management. In practice, the latter appears to vary from full management to no involvement at all, and with varying extents of involvement between these two extremes. For those parts of Stage 3 where the project manager is not in charge, Morris 2013 asks what discipline is then responsible for their management. Additionally, there is a question as to who manages the other strategic work component of Stage 3.

Stage 4: Was the project executed “right”?

It is clearly the project manager’s responsibility to ensure that project execution is done “right”. It was noted that surprisingly high failure rates have been recorded for this phase, but that perhaps this is at least partly due to so many projects having relatively high levels of uncertainty and/or complexity.

Level 3: Consistent project success – Were the “right” projects done “right”, time after time?

Level 3 is basically an amalgamation of Levels 1 and 2, and there is nothing particular to add to the above comments on managerial responsibilities.

CONCLUDING

Overall, the most striking thing that emerges from the above is the comparatively low level of participation by project management in activities which establish success at these three levels – most notably in production-based organisations.

The higher level of project management participation occurs in *Level 1: Project management success*. Part B of this level, which is concerned with executing the Stage 4 projects “right”, is certainly the responsibility of project managers. However, when it comes to Part A, which is concerned with defining the Stage 3 projects “right”, all too often project management has little or no involvement. When this happens, as in the “project delivery” version of project management, then the latter can take no credit for a

key part of *doing the project “right”*. This could be seen as making the descriptor *project management success* something of a misnomer.

When we come to *Level 2: Project success*, in production-based organisations there is commonly little to no participation by project management. As noted earlier, project management rarely has any say in choosing the “right” project in the first place, nor in directly contributing to the final realisation of benefits, which marks success. This nearly total lack of project management involvement in Level 2 activities could lead one to suggest that the descriptor “project success” is rather a deceptive misnomer, for obvious reasons.

However, putting aside discussions about terminologies, we have been discussing a situation where very substantial parts of the project contribution to the achievement of organisational strategic objectives are managed by others. This also applies to the *other strategic work* contribution. As noted in the *Introduction*, the management of projects, *other strategic work*, and overall strategy management are highly intertwined, and I will be making an attempt to better understand these in a later article in this journal.

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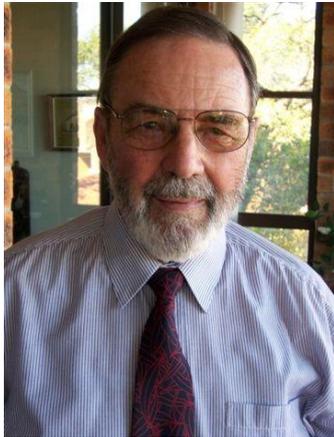
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