

Extending specialist PM services to a more generalist role in an organisational strategic context ¹

By Alan Stretton

INTRODUCTION

In the last issue of this journal (Stretton 2020a) I discussed both specialist project management (PM) and more generalist project-related contributors to organisational strategic management. These discussions were represented in summary form as illustrated in Figure 1 below.

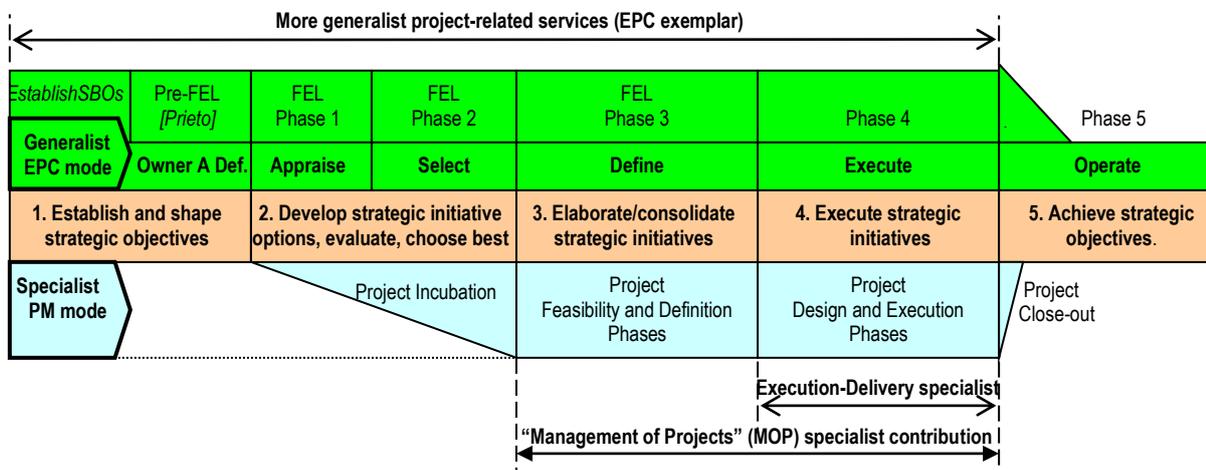


Figure 1: Summarised representation of both specialist and generalist PM-related involvement in organisational strategic management stages (based on Stretton 2020a: Figure 8)

The two main types of specialist PM services represented in Figure 1 are Execution-Delivery-only, which is exemplified by traditional tendering processes in the construction industry, and "Management of Projects" (a descriptor adopted from Morris 2013), which adds the management of the front-end phases of the project life-cycle, as represented in Figure 1 by the project feasibility and definition phases.

The more generalist project-related contributors, which are represented by the example of many EPC (Engineering, Procurement & Construction) organisations, are shown in the top section of Figure 1. This mode is represented by three FEL (Front End Loading) stages, which are often preceded by a pre-FEL stage. The latter is broadly concerned with what was described as helping "shape" the client's organisational strategic objectives. It also often overlaps FEL, which is specifically concerned with assisting clients in determining the "right" project(s) to help achieve their organisational strategic objectives.

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There are two particular points of difference between these specialist and generalist project-related services. The first is that the latter specifically includes helping clients determine the “right” projects – i.e. those that will best contribute to achieving their strategic objectives. This seldom happens with specialist Management of Projects (MOP). Such lack of involvement in helping choose the “right” project(s) is a severe constraint on just how effective such specialist PM services can be in the broader context of helping organisations achieve their strategic objectives.

The second point of difference is that pre-FEL activities are particularly concerned with helping “shape” the organisational strategic objectives, an area in which specialist MOP does not normally get involved.

In this article I am returning to discussions in previous articles in this journal on how specialist PM services provided by my old employer, Civil & Civic (C&C), were expanded to essentially include both of the above generalist attributes. However, this coverage will give more attention to a governance and participatory vehicle we introduced, which, amongst other benefits, greatly facilitated the expansion of these services. This vehicle was called a Project Control Group (PCG), which was originally introduced in relation to our design-and-construct services. We first discuss Civil & Civic’s move into the latter, then the nature of PCGs, and then the expansion of C&C’s services into the more generalised types of services, how PCGs facilitated this expansion, and broader possibilities for PCGs to help bridge some existing gaps between project management and general management.

FROM CONSTRUCTION ONLY, TO DESIGN-AND-CONSTRUCT

In an earlier article in this journal on expanding the scope of project management services in the construction industry (Stretton 2019c), I discussed how Civil & Civic got started in the building and construction industries in Australia in the early 1950s with “traditional” tendering, which I described in Stretton 2020a as the project execution-delivery specialisation. I then noted the concerns of the CEO of Civil & Civic, G. J. Dusseldorp, about how the counterproductive separation of design from construction denied clients the benefit of practical construction advice in the design planning stage; and the flawed financial incentive structure of the time, which encouraged architects to design edifices and prompted contractors to cut costs in any way they could – neither of which necessarily served the best interests of the client. As noted in Murphy 1984:7

He [Dusseldorp] came to realise that the important cost-savings on any building project are to be made on the drawing board, and set out to promote the concept on which the present day organisation has been built: the acceptance of undivided responsibility for any project from start to finish.

From the mid-to-late 1950s, Civil & Civic (C&C) appointed its own “project engineers” (i.e. project managers) to manage the design phases of all its own development projects, as well as quality control of construction.

It was a natural extension from its own development projects for Civil & Civic to offer design-and-construct services to the market at large. Take-up of these services grew slowly in the late 50s and early 60s, but then started to accelerate, moving from 10% of total turnover in 1960, through 33% in 1966, and 62% in 1975, on very much higher percentage increases in overall turnover (in Civil & Civic 1976).

The above is discussed in somewhat greater detail in Stretton 2019c, which went on to discuss further extension of these project management services into the more strategic zones. However, before pursuing the latter, I want to discuss another aspect of Civil & Civic's design-and-construct services which has been only briefly mentioned in a couple of my previous articles, but which facilitated the extension of these services to a marked degree. As noted in the Introduction, we introduced a governance and participatory vehicle which we called Project Control Groups, or PCGs, as now further discussed.

GOVERNANCE BY PROJECT CONTROL GROUPS (PCGs)

Civil & Civic introduced Project Control Groups (habitually abbreviated to PCGs) in the very early 1960s, initially to help provide effective governance of its design-and-construct projects, and as a vehicle to help secure client participation in important decisions about the project.

A Project Control Group was established for each design-and-construct project as soon as possible after the project was initiated, and continued until the client confirmed satisfaction with the delivered facility.

Essentially, the PCG acted as a Board of Directors for the project, and comprised senior management and operating people from both Civil & Civic and the client organisation. The recommended core membership was:

- Client management – the most senior available client decision-maker
- Client representative – the primary contact for day-to-day matters
- Civil & Civic management – a key senior manager, acting as the PCG chair
- Civil & Civic project staff – the project manager, acting as the PCG secretary

Membership would be supplemented from time to time by key people who brought specialist know-how to the project at appropriate stages in its development and execution. However the aim was to limit supplementary membership to only those who could make a significant contribution at relevant stages of the project.

As already noted, the primary purpose of the PCG was to act as a Board of Directors for the project. Meetings were normally held at monthly intervals, but with some flexibility about frequency. The meetings were designed as a vehicle to:

- Provide both the client's and Civil & Civic's top management with an overview of the project's progress, and significant problems/opportunities;

- Provide a high-level decision making forum on major issues, to ensure that appropriate action is agreed, and taken, throughout the life of the project;
- Provide regular and formal communication and interaction between the client's management and Civil & Civic's management;
- Facilitate the development of informal communication lines, and positive people relationships, to complement more formal communications;
- Help resolve major differences where necessary;
- In some instances refer items back to the project manager with indicators about additional information needed to make reasonable decisions
- Promote continuing active involvement by all relevant parties.

It was also emphasised that PCGs should not be allowed to degenerate into just problem solving sessions.

Although the project manager did not chair the PCG meetings, as secretary he/she had a number of key roles to help ensure their smooth running and success. The 1980 version of the Civil & Civic project management guidelines (Civil & Civic 1980) had four pages of guidelines on the secretarial role (issuing agendas and reports, and distributing minutes), and the briefing and preparation role (selection of venue, briefing of consultants and other specialists, preparing the ground with the client, briefing of Civil & Civic management, follow-up on action items, and other preparatory actions where necessary).

The whole section on the PCG in the Civil & Civic guidelines concluded with emphasising the key role that PCGs played in the way Civil & Civic projects were run, by facilitating client involvement in, and contribution to, achievement of a successful project, of which the most vital component was client satisfaction.

Now, I have described PCGs in some detail for the rather obvious reason that they gave us access to senior client management, and greatly facilitated our ability to ask questions which probed more deeply into why the client organisation was requesting a particular facility. This sometimes had long consequences, as now discussed.

EXTENDED SERVICES FACILITATED BY PCGs

Extension from design-and-construct into full “Management of Projects”

As discussed in Stretton 2019c I have borrowed the descriptor “Management of Projects” from Peter Morris, who coined this terminology to describe project management which includes the management of the front-end (or pre-execution) phases of projects, which he described in Morris 2013:235 as follows.

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

Active project management of the feasibility and definition phases of projects happened automatically in internally sponsored developments by Civil & Civic, so we were highly aware of the advantages of the Management of Projects approach. With external clients, the PCG gave us unusually favourable opportunities to explore these areas with senior executives of the client organisations.

For example, probing a little deeper into the background of a client’s stated requirements for a facility of a certain type, in a certain place, by a certain time, quite often led to a modification of the client’s originally stated requirements, resulting in the specification of a more suitable facility. In one case recorded in Clark 2002:93, it turned out that a client organisation did not actually need an extension to its existing factory as originally specified, as further probing determined that an internal re-configuration of its existing premises would satisfy its needs in a more cost-effective way.

It should be emphasised that not all extensions into Management of Projects were initiated at PCG meetings, although they generally required approval at this level. Such initiatives more typically emerged from off-meeting interactions between client and Civil & Civic people, which is why I have adopted the latter descriptor in the block arrow in the summary illustration of this section in Figure 2.

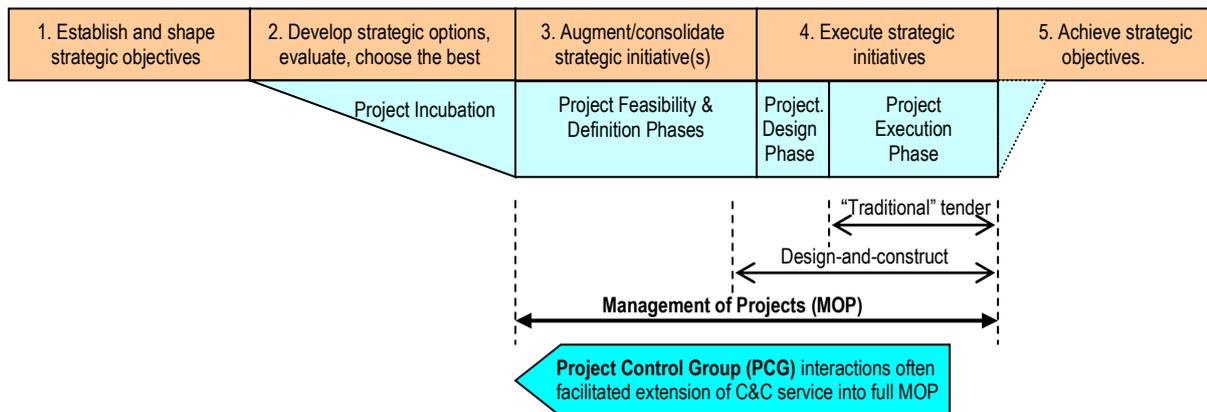


Figure 2: Illustrating extending PM services into MOP, and potential facilitation by PCG

Extensions into Client Needs Determination (CND)

In Stretton 2009e I published an article entitled “Identifying/verifying customers’ needs before specifying product/service requirements in the program/project context” (subsequently reproduced as a Second Edition in this journal – Stretton 2013e). There was a higher level of more favourable feedback, and requests for republishing elsewhere, than for any other article I have written, which indicated that there was a gap in the literature on the topic of what we used to call Client Needs Determination (CND) in Civil & Civic (although I understand that some of service industries such as IT, marketing, and finance are reasonably well covered in this regard).

In fact, CND could be seen as a slight misnomer for the actual processes involved, which could be summarised as helping the client/customer organisation clarify or verify its business (or equivalent) needs, before helping with specifying the requirements of the products or services (delivered via programs/projects) that would best contribute to satisfying those needs.

This was a natural extension from “Management of Projects”, simply because probing a little deeper into the background of a client’s stated requirements for a facility led rather automatically to asking questions about the client organisation’s underlying business (or equivalent) needs. The PCG was an enormous help in facilitating the development of CND, because having a senior client executive as a key core member gave quite high-level access to these types of considerations.

I discussed CND processes in some detail in Stretton 2013e. An overview included discussions on the importance of accurately identifying client organisation’s needs, some traits of effective needs analysts, and some consequences of inadequate needs analysis. CND was seen as a partnership between needs analysts and the client organisation, and three steps in the process were discussed, as well as several tools for facilitating needs identification.

This first stage of helping the client organisation determine its business (or equivalent) needs was followed by the second, which was helping the client organisation specify the project/product that would best facilitate satisfaction of those needs. Originally, we described this stage as Product Requirement Determination (PRD) – another misnomer, as the process was really one of assisting the client develop alternative project/product solutions to help satisfy these needs, and then deciding on the best. However, we soon discarded this descriptor, as it was more appropriate to put both stages under the heading of CND, as indicated in Figure 3.

Finally, it should be noted here that the CND service enabled Civil & Civic to actively participate in the development of alternative project options and the choice of the “right” project(s) – a powerful tool indeed in helping ensure client satisfaction, and one not available to specialist PM services that do not go beyond MOP.

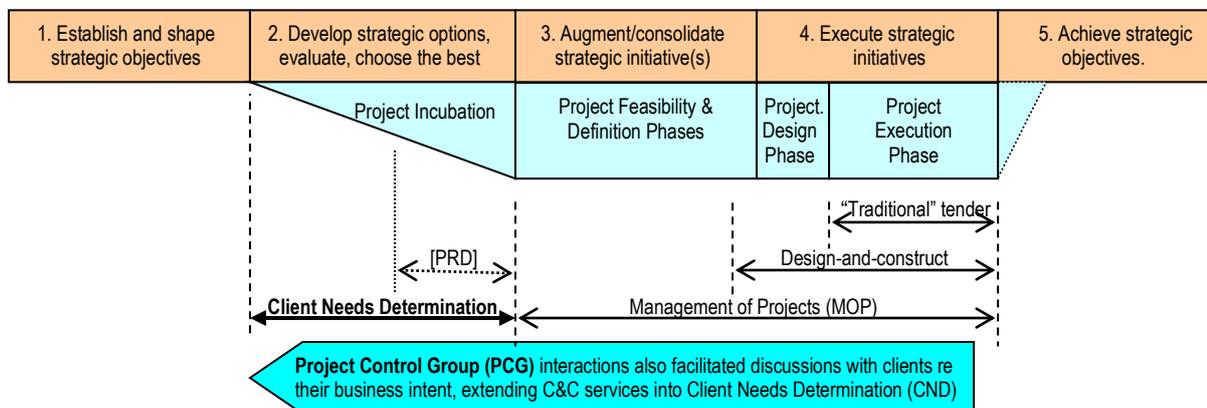


Figure 3: Illustrating extending PM services into CND, and frequent facilitation by PCG

Further extensions into other strategic planning support services

The extent of the demand for helping clients determine their real needs was such that Civil & Civic developed a substantial team of specialists in various sectors to cater for these on-going demands, including the education, industrial, health, office, retail and leisure sectors. In some of these sectors we often had situations where there were several influential groups of customers internal to the client organisation with different perceptions of the key strategic requirements. This inevitably led to our project managers becoming more deeply involved in client organisational strategic issues. As Frame 1994:97 says about this multi-customer situation,

The project team often faces the difficult task of sorting through the contending needs of different customers in order to define customer needs and requirements. Needless to say, this can be a challenging undertaking. Satisfaction of one set of needs may generate hostility from customers with opposing interests. The needs definition process must be filled with compromise and balance.

Attempting to reconcile legitimately conflicting strategic perceptions could be described as helping “shape” the organisation’s strategic objectives in a way that best balances such differences. This was certainly a demanding task, as our hospitals director, I.K. Gauld, explained to me in relation to the substantial number of major extensions to existing hospitals for which he was responsible. After discussing many of the lessons he and his team learned in helping “shape” the strategic directions of an increasing number of customers, he also pointed out how both later customers, and his team, benefited from these lessons – a win-win situation.

At an even earlier stage of organisational strategic planning, I have described in previous articles Civil & Civic’s involvement in helping a client in the educational sector establish its strategic objectives, supported by structured financial and business plans to achieve them, as recorded in Clark 2002:93. Opportunities for such very early involvement may be comparatively rare, but they could arise with organisations which are too poorly resourced to undertake this work without help.

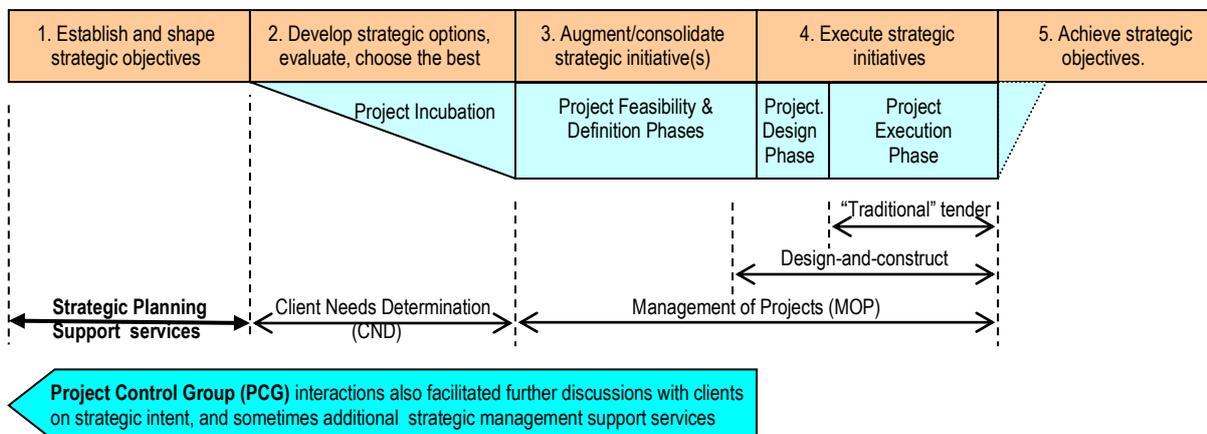


Figure 4: Illustrating extending PM services into other strategic management support services, and frequent facilitation by PCGs

Summarising these further extensions into other strategic planning support services, we have briefly discussed one example of helping organisations “shape” their strategic objectives, and one which involves helping an organisation clarify its basic strategic objectives.

This concludes this major section on extensions of project management services into more generalised domains, and the very important role PCGs played in facilitating such extensions.

SUMMARY DISCUSSIONS

We first briefly summarised why and how Civil & Civic added design-and-construct services to project execution-delivery, and then discussed the nature of Project Control Groups (PCGs) which were first introduced to help provide effective governance of C&C’s design-and-construct projects, and particularly as a vehicle to help secure client participation in important decisions about these projects. PCGs were very effective on both counts, but an additional, and very important benefit, was that they opened up both formal and informal communications channels between the client and C&C, particularly at senior management level. The latter often strongly facilitated extensions of our services into further helping those clients who were under-resourced or otherwise constrained in strategic planning capability.

The first rather modest extension of our services was into Management of Projects (MOP) – i.e. actively managing the ‘front-end’ project feasibility and definition phases. A typical consequence of being in a position (via the PCG) to probe a little deeper into the background of a client’s stated requirements for a facility was that it quite often led to a modification of the client’s originally stated requirements, resulting in the specification of a more suitable and beneficial facility for the client.

The second extension was into working with the client on what we called Client Needs Determination (CND). The first stage of CND comprised helping the client organisation determine and/or consolidate its business (or equivalent) needs. The second was then helping the client organisation specify the requirements for the project/product that would best facilitate satisfaction of those needs.

The benefits accruing to clients through the CND processes were both obvious and substantial, resulting in a rapid increase in demand for this service. From the viewpoint of a supplier of project management services, CND enabled Civil & Civic to actively participate in the development of alternative project options and the choice of the “right” project(s) – a powerful tool indeed in helping ensure client satisfaction, and one not available to specialist project management services that do not go beyond MOP.

Another operational benefit which derived from this extended service was that it helped bridge what is often a big gap separating the strategic planners who formulate organisational strategy (including choosing the projects to be undertaken) from those called on to implement the strategy (notably the project managers).

In addition to helping choose the “right” projects, project managers can help ensure that the requirements for those projects are properly and professionally defined. This then helps avoid some of the most frequently-cited causes for “project” failure when work is handed over from strategic planning to implementors, as I have often previously discussed, as for example in Stretton 2018a.

The third extension of Civil & Civic services was into other forms of strategic planning support. The more prominent of these was helping organisations “shape” their strategic objectives, to facilitate achievement of their desired strategic benefits. Occasionally, our services extended right back into helping an organisation clarify and re-calibrate its basic strategic objectives.

These extensions are illustrated in Figure 5, which essentially adds CND and other strategic support services to Figure 1, plus indicating facilitation roles of the PCG.

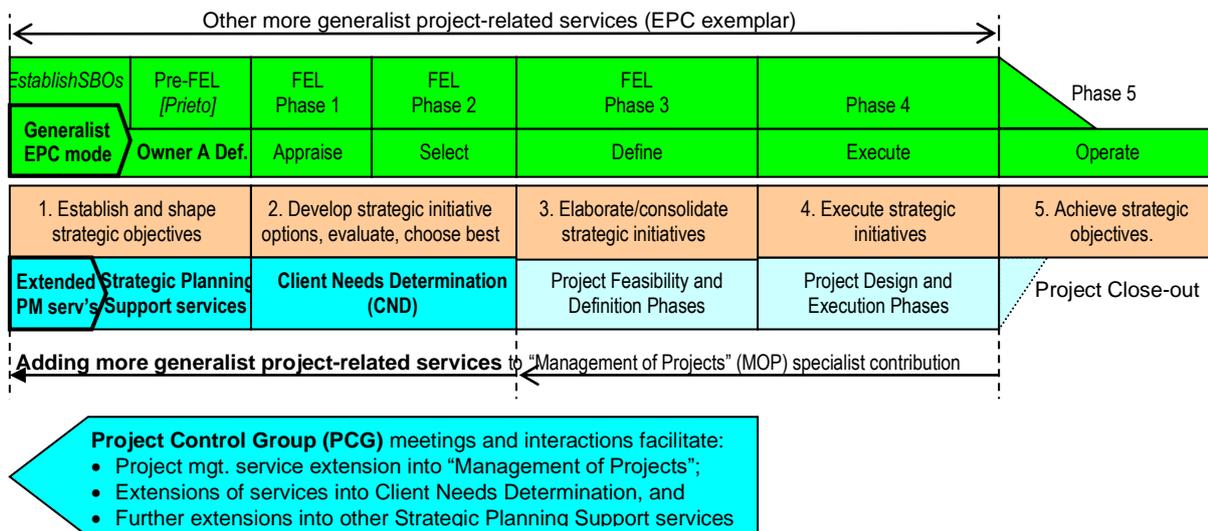


Figure 5: Adding more generalist PM services to Figure 1, plus PCG facilitation roles

In Figure 5 it can be seen that there are strong parallels between the extended project-related services discussed above, and those provided – mainly in the mega-project domain – by many Engineering, Procurement & Construction (EPC) organisations. It is evident that these more generalist project-related services are a good deal more wide-spread than is ever suggested in the project management literature. They exist because demands for these services exist.

Why is this not more widely recognised in the literature?

It appears to me that this is simply because the project management literature remains fixated on the product produced – i.e. the project – instead of on customers and their needs, and then the development and provision of appropriate services to help satisfy these needs. Genuine customer orientation is still quite a rare commodity in project

management circles, in spite of the many protestations to the contrary I have heard over the years.

A widespread theme in the project management literature continues to be a lack of understanding by general management of what project management has to offer. If all that is being offered is project execution-delivery, then who can blame general management? But evidently this problem also still exists for providers of a wider range of project-related services.

In this article I have stressed the critically important role that PCGs played in the extensions of Civil & Civic's services into more generalist zones – and, indeed, it would be difficult to exaggerate the importance of the PCG in this context.

However, the original reasons for us creating PCGs are still highly relevant in their own right. A PCG which comprises key people from both the supplier and client organisations, and acts as a Board of Directors for each individual project, does provide a very effective form of governance for each project. A key element of this is that it helps secure, and ensure, client participation in important decisions about the project.

Indeed, when Civil & Civic first introduced PCGs, many clients did not want to participate, as they were accustomed to having architects pick up the whole thing, and making most of the key decisions themselves. However, we insisted that the clients be represented at the (usually monthly) PCG meetings, and sooner or later all such clients came around to actively and positively participating in the work of their PCGs.

This suggests to me that what appear to be major gaps in many situations between general management and project management could be at least partly closed if PCGs, or their equivalents in different contexts, were created and effectively operated, broadly along the lines of those described above in the C&C context. That is a major new proposal which emerges from the above discussions.

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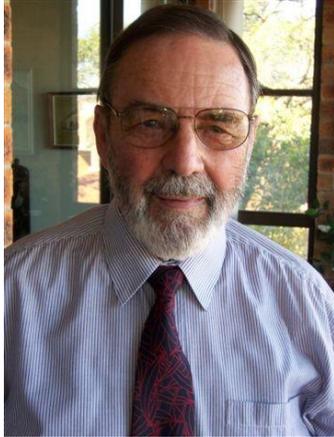
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Alan Stretton is one of the pioneers of modern project management. He is currently a member of the Faculty Corps for the University of Management & Technology (UMT), USA. In 2006 he retired from a position as Adjunct Professor of Project Management 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 200 professional articles and papers. Alan can be contacted at alanailene@bigpond.com.au.

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