

Increasing project management involvement in the initial choice of projects ¹

By Alan Stretton

INTRODUCTION

In the last issue of this journal (Stretton 2020c) I discussed how many organisations have difficulties in successfully implementing their strategies, and then looked in some detail at causes of failure to effectively implement organisational strategy, and the contributions of so-called “project” failures to these.

One of the major causes of such difficulties which emerged from the above was the separation of strategy formulation (‘choosing’) from its implementation (‘doing’). I represented this situation in the context of an organisational strategic management framework as follows.

STRATEGY FORMULATION		[HANDOVER STAGE]	STRATEGY IMPLEMENTATION	
1. Establish and shape strategic objectives	2. Develop strategic initiative options, evaluate, choose best	3. Elaborate/consolidate chosen strategic initiative(s)	4. Execute strategic initiatives	5. Achieve strategic objectives.
Establish and shape both deliberate and emergent strategic objectives; Confirm desired outcomes/ benefits	Develop alternative strategic initiatives to achieve strategic outcomes / benefits; Evaluate alternatives; Choose the best	Elaborate and define chosen strategic initiatives; Confirm feasibilities; Prioritise and consolidate	Execute strategic initiative component projects/programs and <i>other strategic work</i>	Achieve strategic outcomes and realise benefits

Figure 1: An organisational strategic management framework

In this representation, strategy formulation is undertaken by strategic planners, and implementation by project managers and others. Handover from the former to the latter generally takes place at some point in Stage 3, which for current purposes I have labelled, in square brackets, as Handover Stage.

One of the particular consequences of this was highlighted in Stretton 2020c, namely that project management generally is not involved in the initial choice of projects, which are major components of the strategic initiatives developed, evaluated and chosen in Stage 2.

I further argued that it would seem both logical and prudent to engage project managers in helping in estimating the costs of the project component of strategic initiatives in Stage 2, and in their evaluation and choice. None-the-less, under most circumstances project management does not normally become involved until some point in Stage 3, after the strategic initiatives and their project components have been chosen.

¹ How to cite this paper: Stretton, A. (2020). Increasing project management involvement in the initial choice of projects; *PM World Journal*, Volume IX, Issue IV, April.

However, in some previous articles in this journal I have discussed two prominent ways in which project management has become involved in the strategic formulation stages, and thence in helping choose the “right” projects. In both cases this has been associated with services provided by external project-related organisations (Supply Organisations, or SOs), which have expanded the range of their services beyond traditional project management to include this broader domain in their services to Owner Organisations (OOs). I will summarise these two types of SO services before going on to discuss the following.

In many (if not most) cases, Owner Organisations do not engage the above types of SO services, and must therefore address issues relating to the separation of strategy formulation from its implementation with their own in-house resources. This article goes on to discuss this issue, and proposes the appointment of dedicated strategic initiative managers to facilitate the integration of the two – a proposal which also has some precedence in practice. It also suggests an opportunity for project management to extend its scope into this role.

We start with short summaries of the two types of external project-related SO services indicated above – which are described as *Extended project management services* and *Generalist EPC-type services*.

INVOLVEMENT VIA EXTENDED PROJECT MANAGEMENT SERVICES

I discussed these in some detail in Stretton 2020b, and represented their relationship with the organisational strategic management framework broadly as follows (here described as *Extended generalist project-related services*).

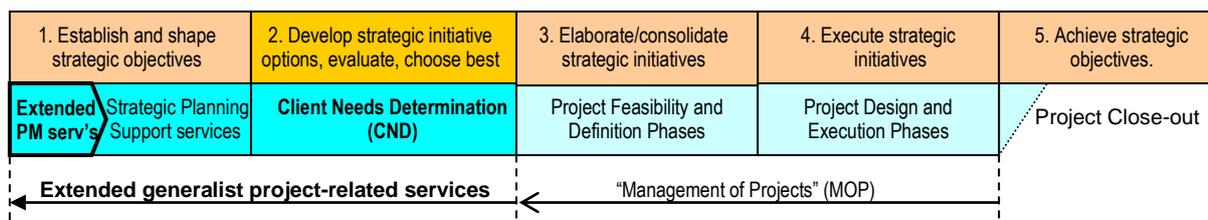


Figure 2: Illustrating extended project management services in relation to the strategic management framework

Helping choose the “right” project is part of Stage 2 of the organisational strategic management framework. In the above extended project-related services, choosing the “right” project is included in what we used to call Client Needs Determination (CND) in Civil & Civic. CND involves helping the client organisation identify/confirm its basic business (or equivalent) needs, and then helping choose the strategic initiatives, and their component projects, which should best contribute to satisfying those needs. Thus, the CND process was very much one of helping clients choose the “right” project(s).

It was also noted that these services sometimes extended back into Stage 1, in what I have described as Strategic Planning Support services.

INVOLVEMENT VIA GENERALIST EPC-TYPE SERVICES

I discussed these in some detail in Stretton 2020a. EPC (Engineering, Procurement, Construction) project-related SO services have been most prominently utilised in the context of mega-projects. These services very often include what is widely called Front End Loading (FEL), which Morris 2013:60 describes as follows:

IPA [Independent Project Analysis], the oil, gas and minerals project benchmarking company, coined the useful term ‘Front-End Loading’: ...(FEL) is a tool for determining which is the “right” project to meet the needs of business.

I have added the representation of the generalist EPC-type of services from Stretton 2020a to Figure 2, as shown.

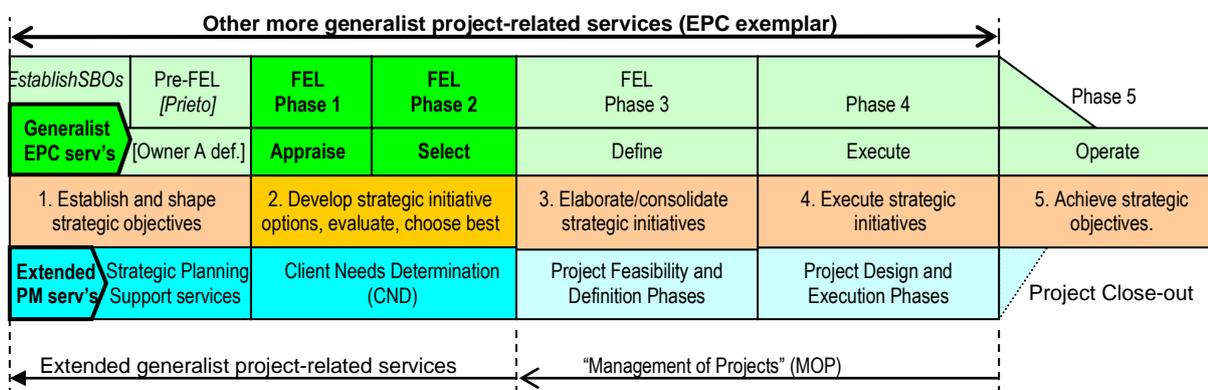


Figure 3: Adding phases of the generalist EPC-type services to Figure 2

In Figure 3, the FEL Phases 1 and 2 are specifically concerned with helping determine the “right” project(s). (As can be seen, one Owner organisation, designed “A”, describes these FEL phases as *Appraise* and *Select*). Involvement of EPC organisations in helping owners choose the “right” projects has been in place for many decades, notably in the mega-project context, as already noted.

It is also noted that EPC organisations often contribute to Stage 1, helping establish and/or shape organisational strategic objectives (e.g. Prieto’s *Pre-FEL*, in Archibald et al 2012).

We have briefly discussed how two types of generalist project-related services provided by some Supply Organisations can help some Owner Organisations overcome certain of the difficulties deriving from the separation of strategy formulation from its implementation.

However, it should also be recognised that, with either of these types of services, the OO still has to take appropriate action with its own internal resources to ensure that such services are translated into appropriated continuity between strategy formulation and implementation within its own internal activities.

We return to the question of how best to go about this a little later, after discussing how Owner Organisations that do not utilise such external services can deal with problems arising from the separation of strategy formulation from its implementation internally, with its own resources.

DEALING WITH THE SEPARATION PROBLEM IN OWNER ORGANISATIONS

We turn now to the scenario in which the OO has not engaged the above types of SO services, and therefore has to address such separation difficulties entirely with its own internal resources. So, what can it do to best address the separation issue?

One rather obvious way to bridge the gap between “choosing” the “right” strategic initiative and “doing” them “right” is to appoint a manager with specific responsibilities for covering both – i.e. a strategic initiative manager.

Appointing OO strategic initiative managers

Figure 4 illustrates a very wide range of responsibilities for a dedicated strategic initiative manager.

Internal OO management	Strategic initiative manager responsible for each strategic initiative from inception to completion			
1. Establish and shape strategic objectives	2. Develop strategic initiative options, evaluate, choose best	3. Elaborate/consolidate strategic initiatives	4. Execute strategic initiatives	5. Achieve strategic objectives.
Establish and shape both deliberate and emergent strategic objectives; Confirm desired outcomes/ benefits	Develop alternative strategic initiatives to achieve strategic outcomes / benefits; Evaluate alternatives; Choose the best	Elaborate and define chosen strategic initiatives; Confirm feasibilities; Prioritise and consolidate	Execute strategic initiative component projects/programs and other strategic work	Achieve strategic outcomes and realise benefits

Figure 4: Range of responsibility of a dedicated strategic initiative manager

Such appointments would be most effective if strategic initiative managers were appointed early in the strategy formulation processes, so that they could actively participate in the Stage 2 development of strategic initiative options, their evaluation, and “choosing” the best. By doing this the strategic initiative managers would be fully aware of the background and rationale for the specific strategic initiatives for which they are responsible.

(This early involvement is one of several features which distinguish strategic initiative management from project management in this context.)

The appointed strategic initiative managers would then continue to manage their strategic initiatives through Stages 3 and 4, and often well into Stage 5, helping transition the strategic initiatives into strategic outcomes and benefits. In other words, dedicated strategic initiative managers would have undivided responsibility for their allocated strategic initiatives from conception through to transition.

Strategic initiative managers' responsibilities cover both projects and *other strategic work*

As I have discussed in previous articles in this journal, and in some detail in Stretton 2019a, strategic initiatives comprise both projects and *other strategic work*. The latter is seldom accorded much attention in the project management literature.

When its presence is acknowledged, it is commonly assumed that this work will be managed by the project manager, or a program manager. However, as discussed in Stretton 2019a, this is often not feasible.

Strategic initiative managers would ensure that both project and *other strategic work* are done by the most appropriate people, and in the most effective and coordinated way, at all stages of the strategic initiative life-cycle, as illustrated in Figure 5.

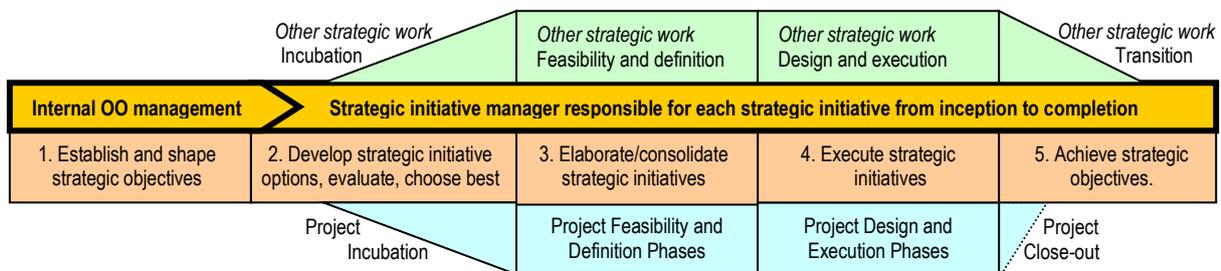


Figure 5: Illustrating strategic initiative management responsibilities for both projects and *other strategic work*

This type of appointment particularly covers the second scenario above, where the Owner Organisation does not engage any external generalised project-related SO services of the types described in Stretton 2020b, and the entire strategic initiative management processes are undertaken by in-house resources.

Returning briefly to the scenario in which SOs are engaged to provide the services discussed above, the OO should still need to have its own internal management structure which ensures integration of the work of both the SOs and OOs. Clearly, dedicated strategic initiative managers would be very well placed to ensure that this is done, as part of his/her overall responsibilities for the relevant strategic initiatives.

Appointing dedicated strategic initiative managers within Owner Organisations therefore appears to cover both the above scenarios very well.

There are precedents in practice for appointing strategic initiative managers

In Lend Lease, and its subsidiary Civil & Civic, we invariably appointed such a person to take responsibility for both internal and external strategic initiatives (although we didn't use the *strategic initiative* descriptor).

Regarding internal initiatives, it happened that I was assigned such strategic initiative management roles more than once. One example was in the early 1960s, when I was responsible for managing the development and implementation of a new company-wide costing and financial control system in Civil & Civic. This included accountability for making sure the system worked properly in practice, which was an onerous and time-consuming responsibility.

Lend Lease/Civil & Civic took a similar approach on external strategic initiatives, some of which were centred on establishing the organisation in new markets. In most of such cases the *other strategic work* component of the initiative would far exceed any associated project work. This applied particularly in the case of a major acquisition in the 1980s, when Lend Lease acquired the MLC organisation (Clark 2002: Chapter 5).

Now, virtually every one of the very numerous Lend Lease/ Civil & Civic strategic initiative managers was, or had been, a project manager, which is another factor supporting the following.

An opportunity for project management to increase its scope & involvement?

If we regard strategic initiatives, rather than projects, as being the basic vehicles for implementing organisational strategies, then a managerial window of opportunity for project management appears to open up – namely an opportunity for project management to contribute more fully to the achievement of organisational strategic objectives.

It is very evident that there are some strong similarities between project management and strategic initiative management as discussed above, particularly in the integrative aspects, and managing progressive elaboration processes. However, the varieties of skills required to be an effective strategic initiative manager are substantially greater than those needed for project management.

Our experience in Civil & Civic was that only some of our project managers had the predisposition and entrepreneurial attitudes that facilitated acquisition of the substantial range of additional skills needed for them to be effective at the strategic initiative management level. Indeed, some of our strategic initiatives were actually initiated by project managers with an appropriate combination of entrepreneurial spirit and market “intelligence”.

Along with many others, I have been advocating for many years that project management at large should expand its role beyond the execution-only perspective which still tends to dominate, towards a broader participation in the initiatives with which it is associated. These have been rather generalised exhortations. In this article I have proposed quite a specific role which is all too often not filled, and which appears to be eminently suitable for project managers to aspire to. This is based in part on my experience with these types of positions in project-based organisations, which would appear to be transferable to production-based organisations.

Importantly, if project management does not rise to the occasion and embrace the wider role of strategic initiative management, other avocations which are less well qualified surely will – which would represent another lost opportunity to further the role and impact of project management in a broader context.

SUMMARY

The genesis of this article was an immediately preceding article on the difficulties so many organisations have in implementing their strategic plans. One prominent cause is the separation of strategy formulation (“choosing”) from its implementation (“doing”). One consequence is that project management is not often involved in the choice of projects to be undertaken to help implement the strategies, although it has a good deal to offer in this context. However, I have already written about two types of extended project-related services offered by some Supply Organisations which do get involved in helping choose the “right” projects, and we briefly reviewed those.

We then turned to how Owner Organisations can deal with the separation problem, particularly when it does not engage the above types of services. It was argued that one rather obvious way to bridge the gap between “choosing” the “right” strategic initiatives and “doing” them “right” is to appoint a manager with specific responsibilities for covering both domains – i.e. a dedicated strategic initiative manager.

It was further argued that such appointments should be made early in the strategy formulation processes, so that the strategic initiative managers can actively participate in the Stage 2 development of strategic initiative options, their evaluation, and “choosing” the best. By doing this the strategic initiative managers would then be fully aware of the background and rationale for the chosen specific strategic initiatives for which they are responsible. They would also be accountable for all further development and execution (“doing”) of their strategic initiatives, which would include both the component projects of these initiatives, and their *other strategic work* components. The latter are often a very important component of strategic initiatives, particularly when transitioning the strategic initiatives into strategic outcomes and benefits, in which the strategic initiative manager should also be actively involved.

I discussed precedents for these types of appointments in Civil & Civic, drawing partly on my own experiences in this role. I pointed out that every one of the very numerous Lend Lease/ Civil & Civic de facto strategic initiative managers was, or had been, a project manager. I also noted the varieties of skills required to be an effective strategic initiative manager are substantially greater than those needed for project management. However, whilst our experience in Civil & Civic was that not all our project managers had the attributes needed to acquire these skills, there were many who did so, and who were very successful in their wider role.

So, whilst it might not suit some project managers, it was suggested that, in the broader scheme of things, project managers are very well placed to extend their role into this domain, and that this certainly represents an opportunity for project management at large to contribute more fully to the achievement of organisational strategic objectives.

Finally, the above can be broadly illustrated in Figure 6 below, which essentially combines the previous figures in the body of this article.

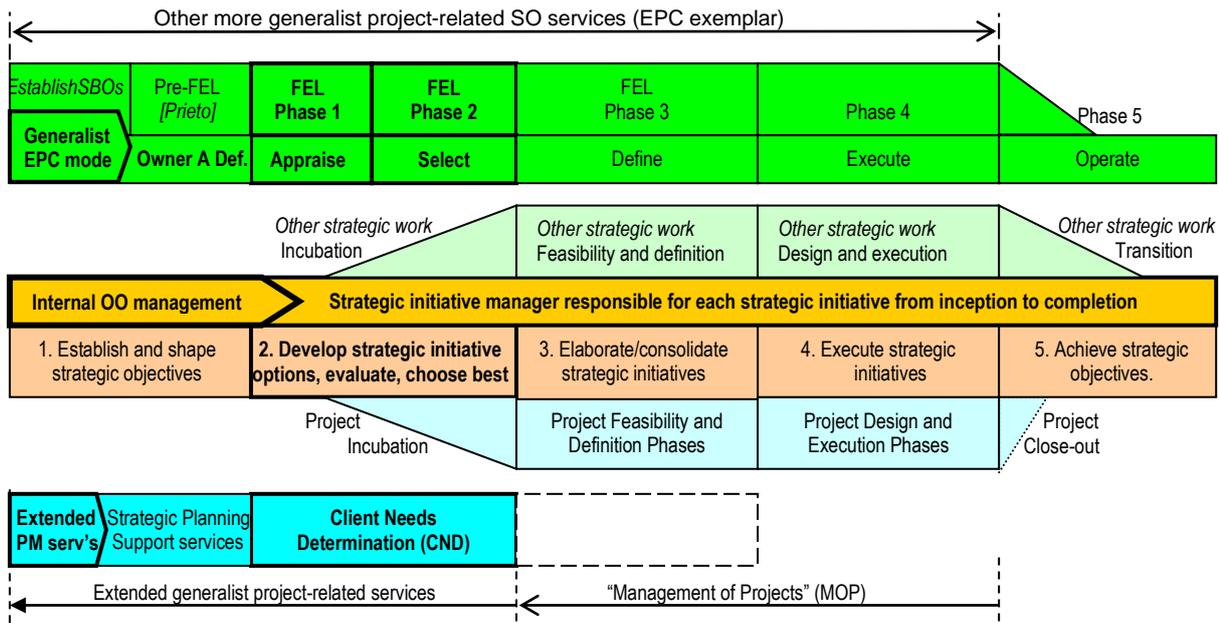


Figure 6: A summarised combination of figures in this article, illustrating three types of involvement in helping choose the "right" project(s)

Concluding this article, it is again pointed out that all three types of involvement by project management in choosing the "right" project are not theoretical, but have been proven in practice, some over very long time periods. There are two reasons for project management to become more involved in choosing the "right" projects.

The first reason is that, while the situation persists that other parties choose which projects are to be undertaken, project management has only partial control of its own destiny. That may suit some, but it certainly doesn't suit people like me.

The second, and more important reason is that these types of extensions to more traditional project management services offer a win-win situation for both project management and clients/sponsors. Yet the project management community at large appears to be indifferent to these opportunities to expand its role to benefit both itself and its customers. I don't know how to change this, but hope this article might inspire some others to start moving into these more value-intensive domains.

REFERENCES

ARCHIBALD, Russell D, Ivano DI FILLIPO & Daniele DI FILLIPO (2012). The six-phase comprehensive project life cycle model in the project incubation/feasibility phase and the post-project evaluation phase. *PM World Journal*, Vol I, Issue V, December.

<https://pmworldlibrary.net/wp-content/uploads/2013/08/PMWJ5-Dec2012-ARCHIBALD-DI-FILIPPO-Featured-Paper.pdf>

CLARK, Lindie (2002). *Finding a common interest: The story of Dick Dusseldorp and Lend Lease*. Cambridge, UK; Cambridge University Press

MORRIS, Peter W G (2013). *Reconstructing Project Management*. Chichester, West Sussex; Wiley-Blackwell

STRETTON, Alan (2020c). Causes of failure to effectively implement organizational strategy, and “project” failure contributions. *PM World Journal*, Vol IX, Issue III, March.

<https://pmworldlibrary.net/wp-content/uploads/2020/03/pmwj91-Mar2020-Stretton-Causes-of-failure-to-effectively-implement-organizational-strategy-1.pdf>

STRETTON, Alan (2020b). Extending specialist PM services to a more generalist role in an organisational strategic context, *PM World Journal*, Vol IX, Issue II, February.

<https://pmworldlibrary.net/wp-content/uploads/2020/01/pmwj90-Feb2020-Stretton-extending-specialist-PM-services.pdf>

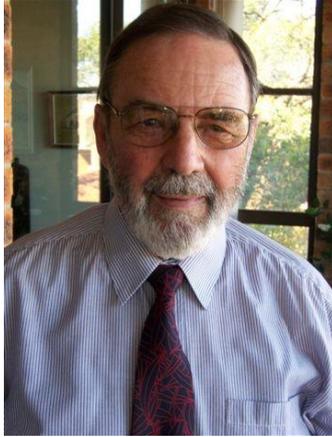
STRETTON, Alan (2020a). Specialist PM and more generalist project-related contributors to organisational strategic management. *PM World Journal*, Vol IX, Issue 1, January.

<https://pmworldlibrary.net/wp-content/uploads/2020/01/pmwj89-Jan2020-Stretton-organisational-strategic-management-and-specialist-generalist-PM.pdf>

STRETTON, Alan (2019a). Representing “other strategic work” in addition to projects in an organisational strategic management context. *PM World Journal*, Vol VIII, Issue I, January.

<https://pmworldlibrary.net/wp-content/uploads/2019/01/pmwj78-Jan2019-Stretton-representing-other-strategic-work.pdf>

About the Author



Alan Stretton, PhD

Faculty Corps, University of Management
and Technology, Arlington, VA (USA)

Life Fellow, AIPM (Australia)



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 alanilene@bigpond.com.au.

To view other works by Alan Stretton, visit his author showcase in the PM World Library at <http://pmworldlibrary.net/authors/alan-stretton/>