

Representative examples of operational users converting project-related outputs to outcomes and benefits within an organisational strategic-and-operations framework ¹

By Alan Stretton

INTRODUCTION

In the last issue of this journal, I published an article entitled “An organisational strategic-and-operational framework with provisions for operations users to convert three key types of project outputs into operational outcomes/benefits” (Stretton 2021k). That article developed the following organisational strategic-and-operations model, with the provision for conversions by operations users shown in schematic format.

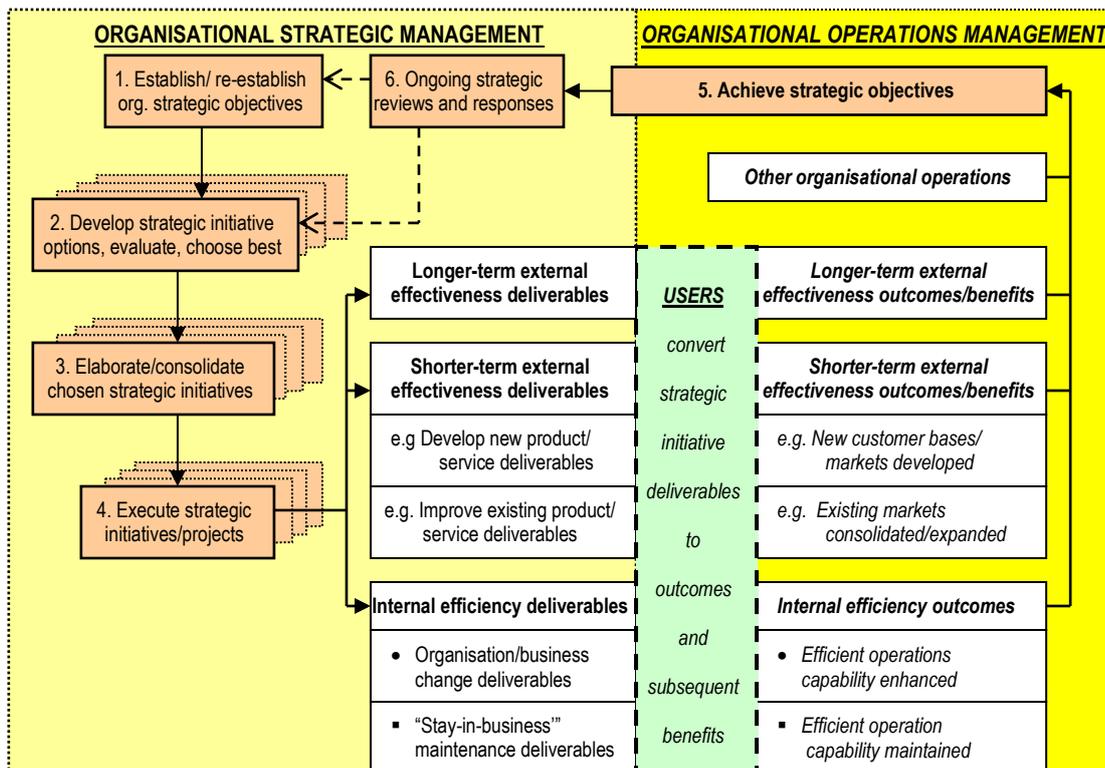


Figure 1: Three groups of project-related deliverables, operational users and outcome/benefits within an organisational strategic-and-operations management framework

As just indicated, the representation of user conversion from deliverables to outcomes/benefits in Figure 1 is essentially schematic. This article takes the next step of representing some more specific examples from the project management literature.

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OGC 2007: EXAMPLE OF A PROJECT OUTPUT-THROUGH-BENEFITS CHAIN

The earliest example of a project output to strategic objectives chain I know of is from OGC 2007, Figure 7.3, as is represented in Figure 2.

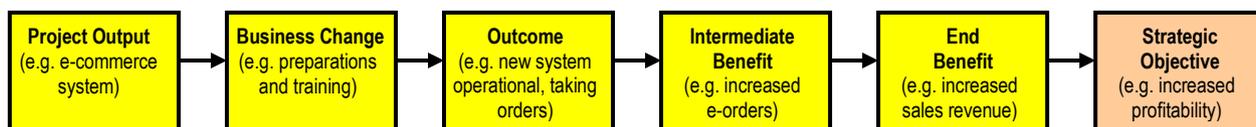


Figure 2: Example of a project output to strategic objectives chain, adapted from OGC 2007, Fig. 7.3

This chain has several attributes which warrant further discussion.

Distinguishing between outcomes and benefits

Some writers use one or other of the descriptors *outcomes* and *benefits* in a more or less interchangeable manner. Indeed, some actually combine the two. For example, in the abstract of their paper, Zwikael & Smyrk 2009 use the descriptor *outcomes (benefits)*. In effect, they are discussing “beneficial outcomes”. However, others see the distinction as important, as now discussed.

However, as is indicated in Figure 2, OGC 2007 quite specifically distinguishes between the two. Indeed, it has more to say about such differences than any other source I know of, as is represented in its Table 7.1, as indicated in the following figure.

Project outputs/capability	Outcome	Benefit
Enables a new outcome in part of the operational organisation	Is the desired operational result	Is the measurement of an outcome or a part of an outcome. An end benefit is a direct contribution to a strategic objective
Describes a feature	Describes part or new operational state	Describes an advantage accruing from the outcome
Answers at least in part the fundamental question: What new or different things will we need to realize beneficial change?	Answers the question: What is the desired operational state of the organization using these new things?	Answers the question of what a project delivers: Why is this required?
An example of an output: a new hospital building	An example of an outcome: an additional hospital is now operational and serving regional demand for hospital care thereby reducing waiting lists	An example of a benefit from this outcome might be: reduced waiting times for hip operations to an average three weeks from ten weeks
Another example of an output: an e-commerce system	An example of an outcome from this output: ability to process fulfil and charge for web-placed orders	An example of a benefit from this: increased sales revenue of x%

Figure 3: OGC 2007 - Table 7.1 Differences between outputs, outcomes and benefits

Providing for intermediate benefits

As indicated in Figure 2, OGC also provides for intermediate benefits as well as end benefits. This is an important provision, particularly for larger-scale strategic initiatives with long time-scales, and/or with many different components being completed at different times.

Providing a new product/service example

It is particularly useful that OGC provides a specific example – in this case a new e-commerce system – to illustrate each of the components of the above chain. The is a new product/service example which ties in with a specific component of Figure 1, and which we will return to later.

However, the operations and users that progress the chain are not represented

Figure 2 says nothing about the actual work that needs to be done by user of outputs and their successors in actually achieving the milestones in this journey. However, the following more generalised chain, which includes the above milestones, gives some indicators of what is involved.

SERRA 2015: A MORE GENERALISED OUTPUT-THROUGH-BENEFITS CHAIN

The core of the following chain of benefits model from Serra 2015 is the same as the OGC chain in Figure 3 above. It does not include the OGC e-commerce system example but adds quite a few other materials which give a broader contextual context.

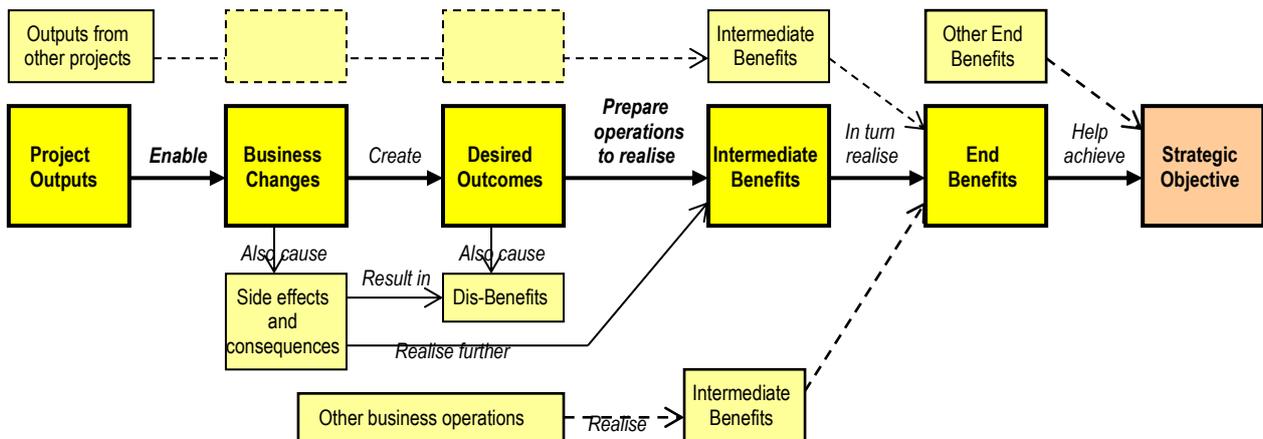


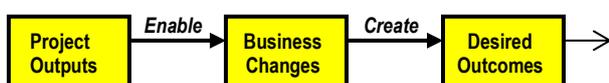
Figure 4: Chain of benefits model – adapted from Serra 2015

The connectors between the elements of the core chain carry descriptors which, albeit a little indirectly, indicate the types of actions and/or events which link these elements. I now want to look at these in a little more detail.

Providing for operational user activities to achieve outcomes and benefits

Representing user activities in converting project outputs to desired outcomes

We start with the first three elements of Figure 4, reproduced hereunder.



Project outputs may “enable” business changes to be effected, but, in practice, this involves considerable work by numbers of people to make it actually happen. I have labelled these people “users” (in this case of the project outputs), and also as “user groups”, which may more accurately reflect the situation with substantial projects.

It is noted here that whilst the delivering project managers may sometimes liaise with user groups to facilitate progress, it is the latter who are actually responsible for getting the work done.

This work is done by internal operations user groups, as is reflected in the text box which I have inserted into the above figure to convert “enable” into an active operational activity. I have also joined the two other text boxes, as they appear to me to be simply two aspects of the business change entity, and are the results of the work done by the internal operations user groups. This more active representation of the above sequence is now as shown in Figure 5.

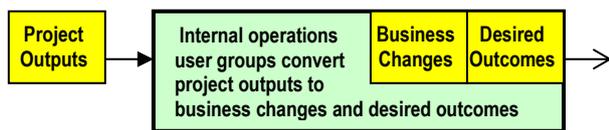


Figure 5: Illustrating user group activities in converting project outputs to desired outcomes

Representing user group activities in converting outcomes to benefits

The relevant elements from Figure 4 are reproduced hereunder



The connector phrase “Prepare operations to realise (benefits)” is at least a tacit acknowledgement that operational activities are needed to convert outcomes to benefits. Following the broad example of the OGC product/service example in Figure 2, I am representing these as commercial operational activities in the context of providing higher value products/services (as a result of appropriate outcomes from the business changes) to existing and new customers, and key stakeholders. I have joined intermediate and end benefits, as the action steps apply to both, and represent them as results of the operational activities of the user groups, as indicated in Figure 6.

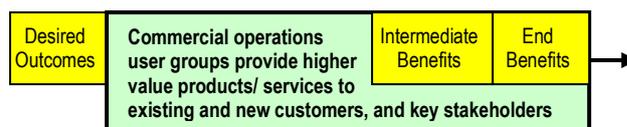


Figure 6: Illustrating operational user group activities in converting outcomes to benefits

Delivering project managers are seldom, if ever, involved in what is pretty exclusively an operational user group domain.

Adding the user group activities to the overall output to strategic objectives chain

We can now combine the above to come up with a version of the core elements of Figures 2 and 4 which include work done by operations user groups to attain these elements, as follows.

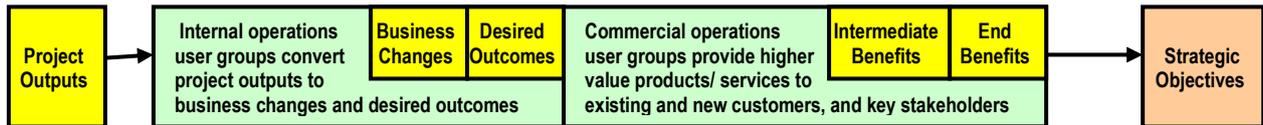


Figure 7: Adding the user group activities to the overall output to strategic objectives chain

Essentially, the example used by OGC 2007 in Figure 2 above was a new product/service initiative, and we have followed this in developing Figure 7. We can now represent the above in the organisational strategic-and-operations model outlined in Figure 1, as follows.

REPRESENTING THE ABOVE IN THE STRATEGIC-AND-OPERATIONS MODEL

Representing the new product/service user groups exemplar in the model

It can be seen that Figure 8 has the same format as Figure 1, but now with the user groups and outcomes and benefits from Figure 7 shown in the organisational operations sector. In this case the project outputs are represented by external effectiveness deliverables, using new/improved products/services as the representative exemplar. I have also grouped the other relevant contributors from Figure 4 into the one text box, which I have linked directly to Achieve strategic objectives.

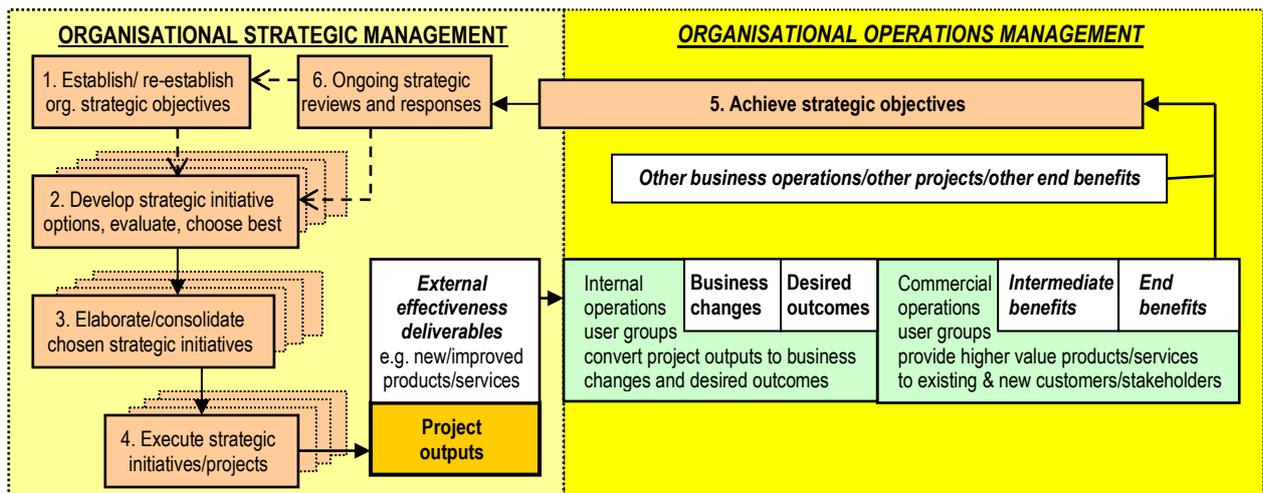


Figure 8: Representing the above product/service operational user group activities and the project outputs-to-strategic objectives chain in the organisational strategic-and-operations model

Referring back to Figure 1, it seems to me that the activities in Figure 8 which follow from “External effectiveness deliverables” could be broadly applicable as examples for both the shorter-term and longer-term versions of external effectiveness activities, particularly if the product component is extended to include longer-term fixed assets.

Representing internal efficiency operational capability user groups separately

Again referring back to Figure 1, the other major type of project output was what were described as *Internal efficiency deliverables*, whose outcomes were identified as maintaining and enhancing efficient operational capability, which represent outcomes in their own right (rather than having any direct concern with new products/services).

In these circumstances, the internal operations user group could be represented by Figure 5 on its own. However, as I have observed elsewhere (Stretton 2020e),

Organizations do not normally elect to undertake *Internal Efficiency* initiatives just for the sake of doing so. They do this as part of an effort to enhance their *External Effectiveness* in the wider business (or equivalent) domain in which they operate.

I therefore propose to add a separate Figure 5 internal operations user group representation to Figure 8, to progress project outputs that comprise internal efficiency deliverables to achieve organisational capability outcomes – but with a dashed-line connector to the later external effectiveness operations user groups to indicate the above more indirect contribution to enhancing the latter.

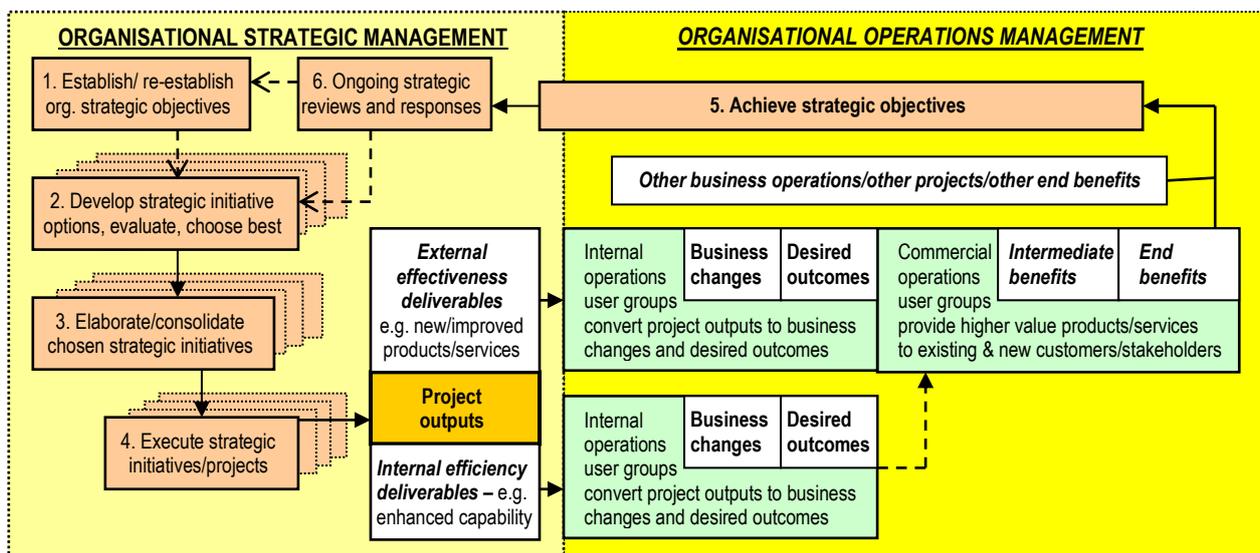


Figure 9: Adding internal efficiency org. capability user groups to the strategic-&operations model

Figure 9 cumulates the above representative examples of project-related outputs, operations user group activities, outcomes, and intermediate and end benefits, in the context of an organisational strategic-and-operations model.

SUMMARY/DISCUSSION

This article is essentially an extension of Stretton 2021k, whose primary purpose was to develop an organisational strategic-and-operational framework which made specific provision for operational users to convert project outputs into operational outcomes/benefits. That article developed a schematic framework. This article has added some specific representative examples to “fill out” that framework.

The background to both articles has been my concern that the project management literature all too often represents project management as being responsible for converting project outputs/ deliverables into outcomes and benefits. As I pointed out in Stretton 2021k, this is only rarely the case, as I had previously discussed in some detail in Stretton 2020e.

My thesis is that the ultimate responsibility for converting strategic initiative/ project deliverables into outcomes and benefits clearly lies with the users of these deliverables. Only in very rare cases are the users also the delivering project managers. In some cases the latter may be able to help the users in converting outputs to outcomes, as applies with some internal efficiency initiatives, for example. However, in the majority of cases, the outputs are delivered to the users to convert them into outcomes/benefits, and there is little, if any, further involvement by project management.

This situation is seldom specifically acknowledged in the project management literature. Consequently, its processes and models rarely make specific provision for users, and for their key conversion role. These two articles have attempted to redress this situation, by developing an organisational strategic-and-operations model which makes specific provision for the role of users, and user groups.

I have argued that the ultimate use to which project deliverables are to be put should be a key consideration in all project processes, and I can only hope that these representations of the role of users in converting project outputs to operational outcomes/benefits may be found useful by at least some readers.

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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 230 professional articles and papers. Alan can be contacted at alanailene@bigpond.com.au.