

Representing users converting project outputs into assets and organisational benefits; relevant organisational contexts; and a three-zone representation of an organisational strategic/operational model

By Alan Stretton

INTRODUCTION

My three most recent articles in this journal have represented processes by which users convert project outputs into beneficial organisational outcomes. These post-project-delivery phases, and the key role of users in conversion processes, are poorly covered in the literature. This article first consolidates and extends some of my earlier materials to provide an extended basic framework for mapping these processes, within an overall organisational strategic and operational context. It then goes on to briefly present some broader contexts in which organisations operate, which are also relevant to these processes. Finally, a three-part zoning of the organisational strategic and operational framework is proposed, to facilitate future discussions.

We first briefly summarise materials presented in my three most recent articles.

REPRESENTING USERS CONVERTING PROJECT OUTPUTS TO ORG. BENEFITS

Stretton 2021k and 2021l used a recursive organisational strategic-and-operations framework as a basis for discussing and presenting specific schematic representations of user groups converting project outputs into operational outcomes and benefits. Figure 1 below is an upgraded and streamlined version of the final Figure 9 in Stretton 2021l.

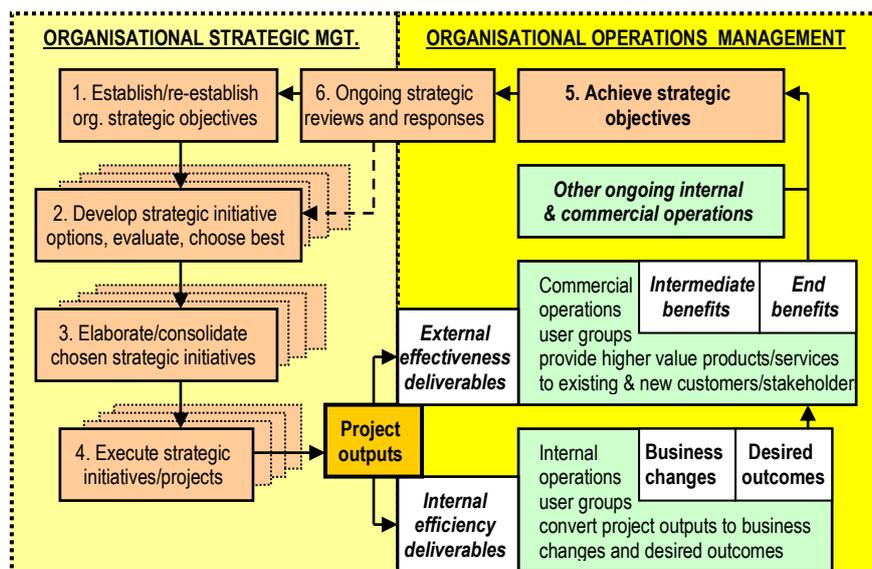


Figure 1. Schematic representation of project outputs users converting them to outcomes/benefits

This figure shows two types of project outputs – *internal efficiency* and *external effectiveness* deliverables. The latter is a contraction of Figure 13 of Stretton 2021k, which identified two types of *external effectiveness* processes, described simply as *shorter-term* and *longer-term*. We will be expanding on these shortly. But, in the meantime, it is noted that there are no indicators in the above figure about the types of processes involved in users converting project outputs/deliverable to outcomes and benefits. This brings us to the most recent of my articles, Stretton 2021m, on the subject of asset creation, and projects.

TYPES OF ASSETS, AND PROJECT OUTPUTS/DELIVERABLES

Stretton 2021m was concerned with types of assets, and direct relationships between them and project deliverables. I quoted from Giammalvo 2021a, who equated the products of projects directly with assets, in discussing “...the products (= ASSETS) these projects are producing ...”.

This correspondence of project deliverable and assets is echoed by Driver & Seath 2015, as illustrated in Figure 2.

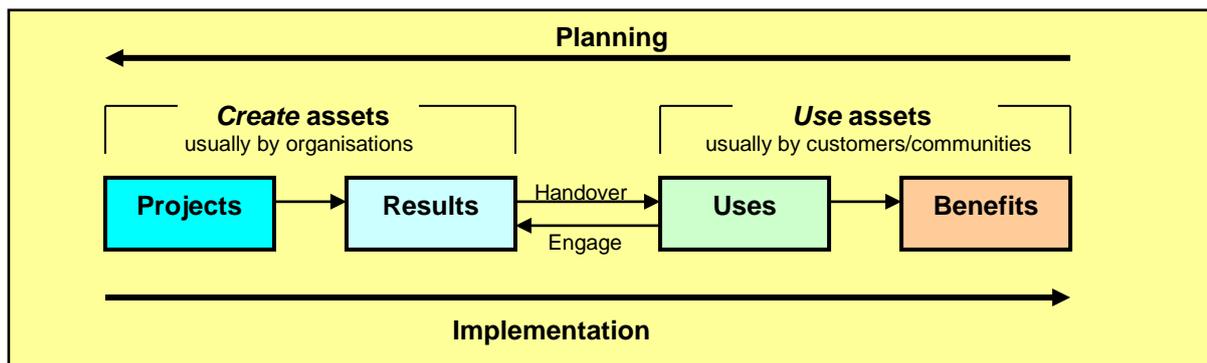


Figure 2: The PRUB path from assets creation to benefits – based on Driver & Seath 2015

Now, at the risk of appearing to be somewhat pedantic, I should add that I do not regard the output (product) of a project as being an asset until its users actually activate it, thereby converting it from a potential asset to an active asset, whose use then contributes to ultimate benefits for the organisation.

The exploration of the nature of assets in Stretton 2021m identified the following types of assets, as summarised in the top section of Figure 3 below.

- *Fixed assets* } Physical
- *Current assets* } assets
- Financial assets
- Intangible assets
- Information assets
- Human assets
- *Internal operational assets*

The first six types of assets were derived from the Institute of Asset Management's (IAM's) *PAS 55-2:2008, Asset Management, Part 2: Guidelines for the application of PAS 55-1* (which was first drawn to my attention by Paul Giammalvo). Stretton 2021m also discussed and illustrated the many interfaces between most of these types of assets.

Stretton 2021m argued the case for adding *internal operational assets*, which appear to flow rather naturally from the above IAM document, particularly in the context of the internal efficiency initiatives sector of organisational strategic management.

These seven types of assets are illustrated in the upper section of Figure 3 below.

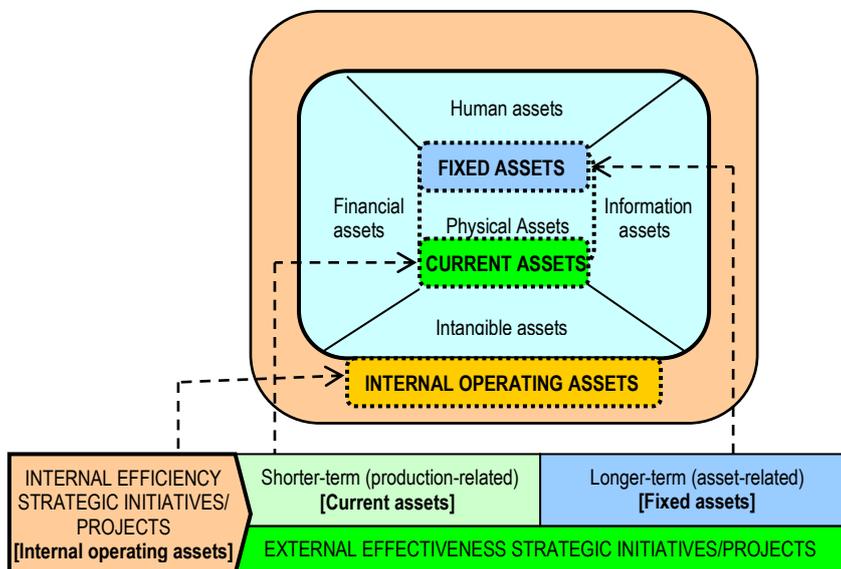


Figure 3: Summarising connections between three broad groupings of organisational strategic initiatives and their primary contribution to three key types of assets

The lower section of Figure 3 derives from Stretton 2020e, which was concerned with strategic initiatives, project/program management, and responsibilities for benefits realization.

That article identified three broad types of strategic initiatives. I described the first of these as *internal efficiency strategic initiatives/projects*. The other two came under the broad heading of *external effectiveness strategic initiatives/projects*, and were described as *shorter-term (production-related)* and *longer-term (asset related)*.

It can be seen that these descriptors closely parallel some earlier descriptors, as now further discussed.

ADDING ASSET CREATION TO THE PROJECT OUTPUTS-TO-BENEFITS MODEL

Some parallel descriptors

In light of the analysis in Stretton 2021m, the above types of strategic initiatives can now be described by their corresponding type of asset, as shown in the table below. We can also link them directly with their corresponding user groups in Figure 1 above, as follows.

Broad types of org. strategic initiatives (Fig. 3)	Corresponding asset type (Fig. 3)	Corresponding user groups (Fig. 1)
<ul style="list-style-type: none"> INTERNAL EFFICIENCY STRATEGIC INITIATIVES 	INTERNAL OPERATING ASSETS	Internal operations user groups
EXTERNAL EFFECTIVENESS STRATEGIC INITIATIVES <ul style="list-style-type: none"> Shorter-term (production-related) 	CURRENT ASSETS	Commercial operations user groups
<ul style="list-style-type: none"> Longer-term (asset related) 	FIXED ASSETS	Commercial operations user groups

This then enables us to add the representation of the types of assets in Figure 3 to the schematic representation of project output users converting them to outcomes/benefits in Figure 1, as shown in Figure 4 below.

Adding the types of assets representation in Figure 3 to the representation of users of project outputs converting them to outcomes/benefits in Figure 1

Figure 4 adds the types of assets representation in Figure 3 to the representation of users of project outputs converting them to outcomes/benefits in Figure 1.

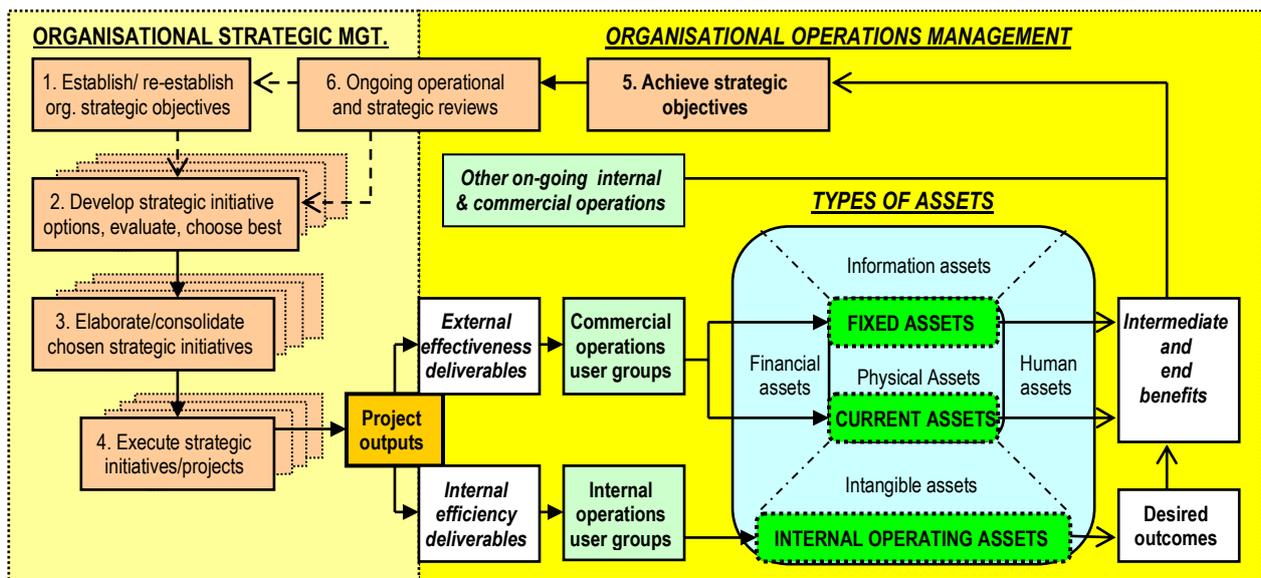


Figure 4. Adding the types of assets representation in Figure 3 to the schematic representation of project outputs users converting them to outcomes/benefits in Figure 1

This figure introduces more specific roles for the two sets of user groups, by relating them directly with the types of assets that are to be consolidated and used to help achieve the organisation’s strategic objectives.

Compacting the combined Figure 4

The representation in Figure 4 is rather ‘busy’ in the above extended form. In order to facilitate future discussions, I have trimmed down many of the details to produce the more compact version shown in Figure 5.

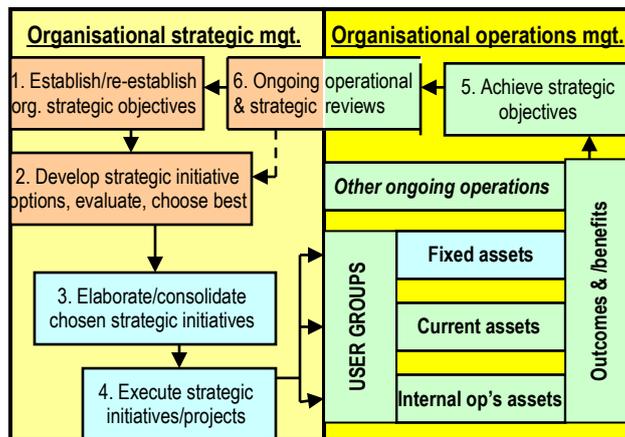


Figure 5. Compacted representation of organisational user groups converting project outputs into key types of assets, and thence into organisational benefits

The importance of representing post-delivery processes in organisational context

In most cases, project outputs on their own do not provide value and benefits. The outputs have to be used by someone – whom I have labelled “users” – users to convert them into fully working assets, and users to then obtain beneficial outcomes from the effective utilisation of these assets.

It is quite rare for the roles of users in this context to be discussed in the project management literature. All too often it is inferred that project management has greater responsibilities in this zone than is actually the case.

It is only on rare occasions that the delivering project manager is also the user. It is sometimes the case that project management has a role in helping users convert the project deliverables to functioning assets. In these circumstances there is clearly a good case for mapping and agreeing each party’s contribution to such conversion processes.

However, in the majority of cases it appears that project outputs are simply delivered to the users, with no further participation by project management. None-the-less, knowledge of how the project outputs are to be converted to assets and benefits could certainly help develop the project appropriately in its earlier development phases.

ORGANISATIONAL STRATEGIES AND OPERATIONS IN BROADER CONTEXTS

Just as projects are not ends in themselves, the organisations within which they are undertaken, and to whose objectives they contribute, do not operate in a vacuum. They are part of broader contexts in which they exist, and to which they contribute.

Context of types of organisation

The types of organisations that contribute to broader contexts would appear to be practically endless. The most compact yet wide-ranging listing of types of organisations that I know of comes from a book on exploring corporate strategy by Johnson & Scholes (1999), who discuss strategic management in the following different contexts.

- The small business context
- The multi-national corporation
- Manufacturing and service organisations
- The innovative organisation
- The public sector
- Privatised utilities
- The voluntary and not-for-profit sectors
- Professional service organisations

In addition to this listing, each type of organisation has its own customers in even greater varieties of operational sectors.

Context of operational sectors

There is not a great deal of material in the project management literature that links organisational operations with their customer bases in broader operational contexts. In the following figure, I have illustrated typical operational sectors in which various types of organisations provide goods and/or services (derived from a revision I recently made to some earlier operational sector classifications – as yet unpublished).

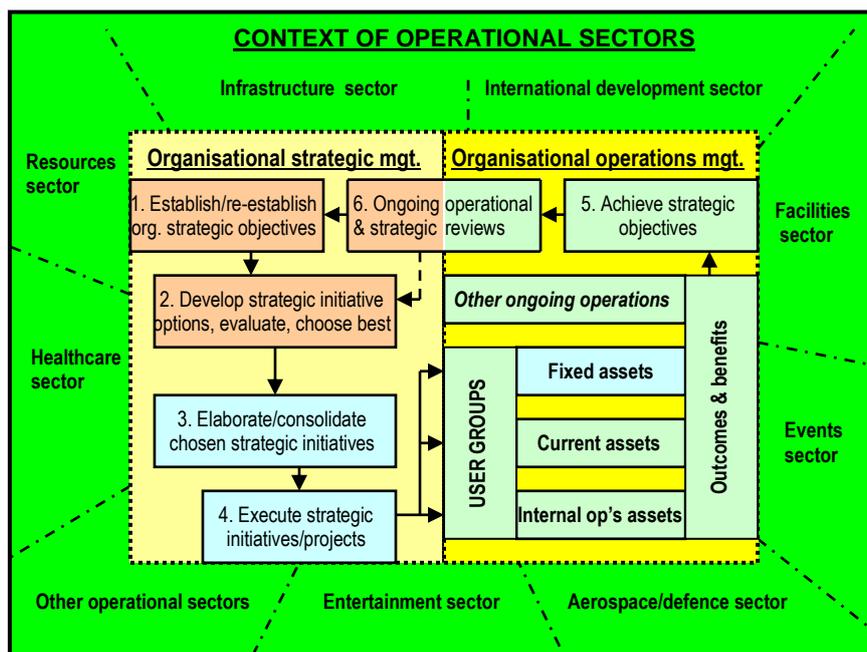


Figure 6: Adding operational sector contexts to the organisational strategic/ operational framework

This representation of operational contexts also represents types of customer bases which organisations aim to service.

Context of external strategic drivers

Stretton 2021a identified and discussed a range of both internal and external strategic drivers which are also very relevant to an organisation’s strategic and operational contexts. The following external strategic drivers were identified and discussed.

- Technological drivers
- Economic drivers
- Social/health drivers
- Political drivers
- Environmental drivers
- Regulatory & legal drivers
- Industry & market drivers
- Other external drivers

A combined representation of the above contexts of organisations

Figure 7 adds types of organisation and external strategic drivers contexts to Figure 6.

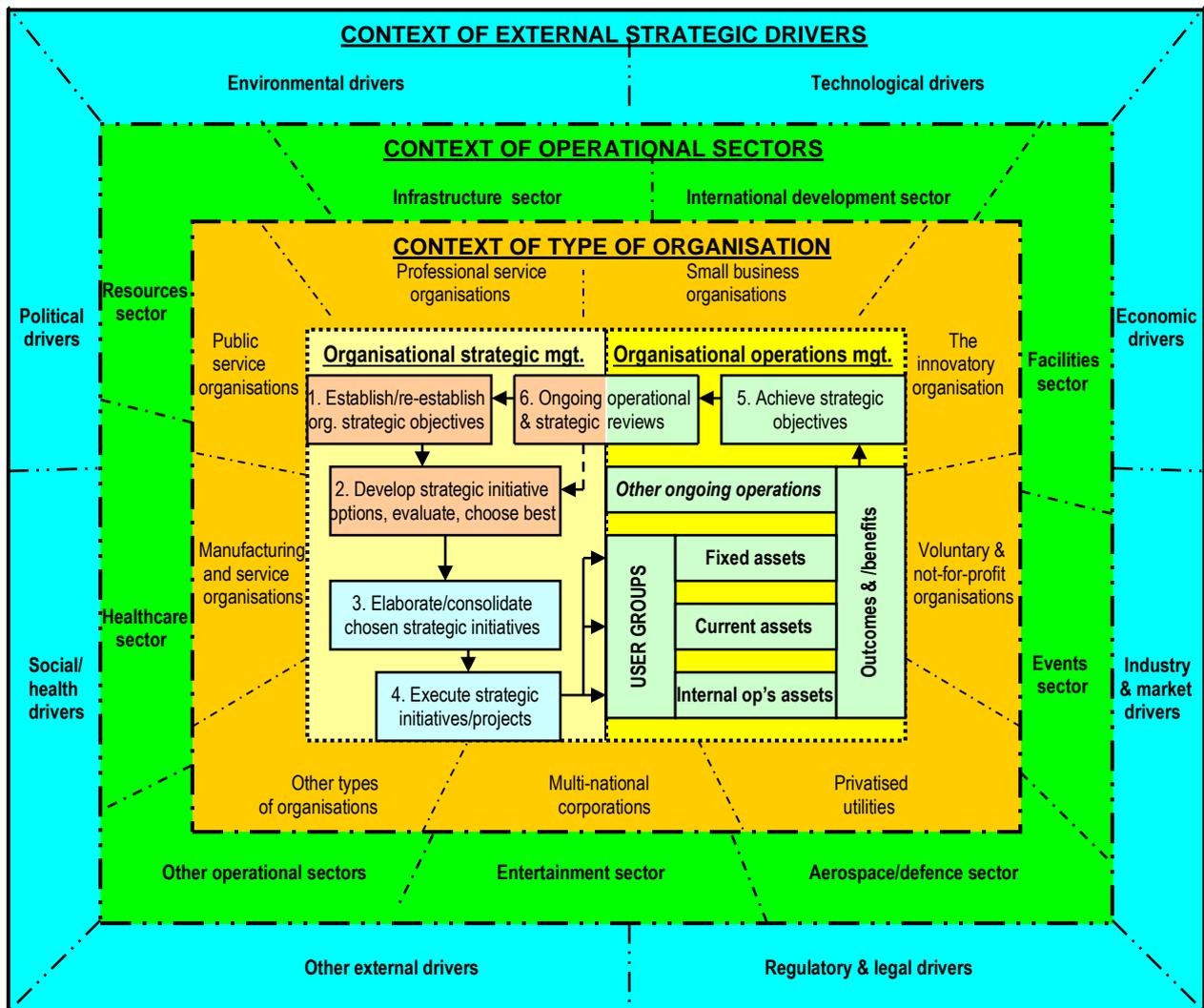


Figure 7: Adding organisational types and external strategic drivers to Figure 6

The above background of various contexts which influence what organisations actually do in practice brings us back to some very basic questions which relate directly to beginning of organisational strategic and operational management. How are decisions made in the first place about what type of organisation we want to be, and what types of products and/or services we want to provide, and to what range of customers?

In other words, what are our strategic objectives, and what actions do we propose to undertake to facilitate their achievement?

This leads to a thought about distinguishing between different project-related zones in the overall organisational strategic and operational management framework, as follows.

DISTINGUISHING THREE PROJECT-RELATED ZONES IN THE ORGANISATIONAL STRATEGIC AND OPERATIONAL CONTEXT

This article, together with my three immediately preceding articles in this journal, have been concerned with what could be described as the *post-project zone* of organisational strategic and operational management. The last questions raised in the previous section could be described as belonging to a *pre-project zone*. And then we have the *project zone*, which is the one that most of the project management literature focuses on.

I have represented these three project-related zones in the context of the organisational strategic and operational management model in Figure 5, as shown in Figure 8.

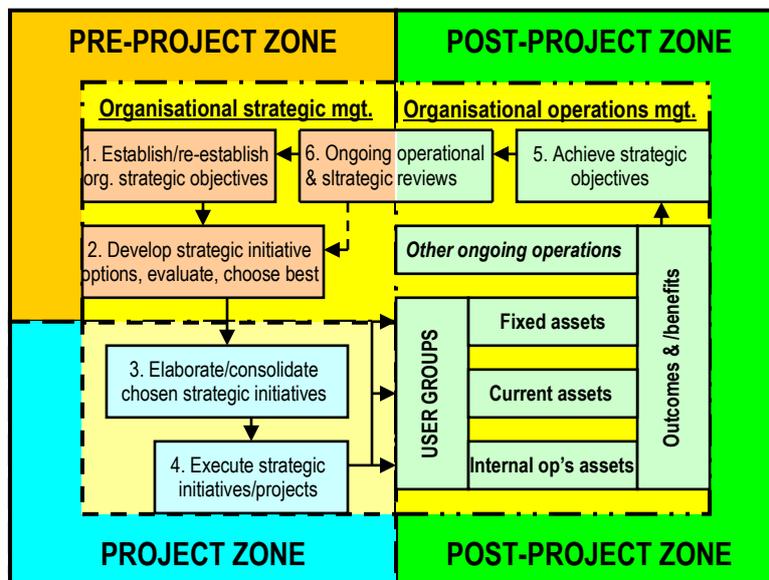


Figure 8. Ascribing project-related zones to the recursive organisational management model

This seems to me to be rather a useful way to represent these three broad zones, as it helps show where projects stand in the broader context of their contribution to achieving organisational strategic objectives.

Whilst projects are important, they are only part of the broader range of activities involved in organisational actions to achieve its strategic objectives, as indicated above.

This representation also appears to be an appropriated reference point for further discussion of the respective zones, which I am proposing to undertake in upcoming articles. The following are some brief notes on these three zones.

The pre-project zone

In many earlier articles in this journal I have discussed a variety of aspects of the *pre-project zone* of organisational management. Several different types of project-related initiatives have been involved in practice, but these get little active recognition in the mainstream project management literature.

I thought that it could be worthwhile to revisit some of the many articles I have previously written about these initiatives, and try to consolidate these materials – which I hope to undertake in future articles in this journal.

The project zone

Some aspects of the project zone, particularly the execution/ delivery phase, are already exhaustively covered in the project management literature, albeit in a variety of forms of “standards” and similar guidelines. The execution/delivery phase still dominates in many ways – indeed, many people both within and external to the project management community regard this as being what project management is about. Others see project management as including the development phase of the project. These two different perceptions of the scope of project management have been with us for well over half a century – yet they still persist, and still cause misunderstanding and confusion from time to time. I hope to return to this topic in a future article.

The post-project zone

As already noted, this has been the main subject of this, and three of my immediately preceding, articles in this journal. Hopefully, I may get some feedback which could prompt an addition to this article.

SUMMARY/DISCUSSION

The first section of this article was concerned with representing organisational users converting project outputs into key types of assets, and thence into organisational benefits. Essentially it combined materials in my three immediately preceding articles into a broader illustration of the work involved by users of project outputs in converting the latter into functioning assets, which in turn are used to help achieve the organisation’s strategic objectives.

The second section was concerned with representing organisations in broader contexts, to indicate various types of contextual issues that can influence their strategic decisions.

The final section of this article distinguished three distinctive zones in the organisational strategic and operational management model, which were described as the *pre-project zone*, the *project zone*, and the *post-project zone*. Representing these three zones in the model appeared to me to be a useful reminder of where projects stand in relation to their contribution to overall organisational strategic objectives – and also as a reference vehicle for anticipated future articles about these zones.

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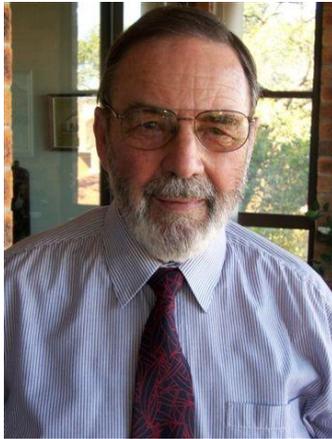
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Alan Stretton is one of the pioneers of modern project management. He is currently a member of the Faculty Corps for the University of Management & Technology (UMT), USA. In 2006 he retired from a position as Adjunct Professor of Project Management 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 230 professional articles and papers. Alan can be contacted at alanailene@bigpond.com.au.

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