PM101: Lecture 2

Project definition and success

A **project** is a temporary endeavour to create a specific output for a customer using defined and organised resources in a controlled manner, within a defined time period and budget.

A project is the most effective way of achieving successful change

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Projects come in all shapes and sizes

1 person	100,000 people
£100 budget	£100,000,000 budget
Deadline next week	Deadline next century
Crystal clear goals	Vague fuzzy goals
Cerebral	Physical
There is one customer	There are many customers

Achieving change in a controlled and predictable manner

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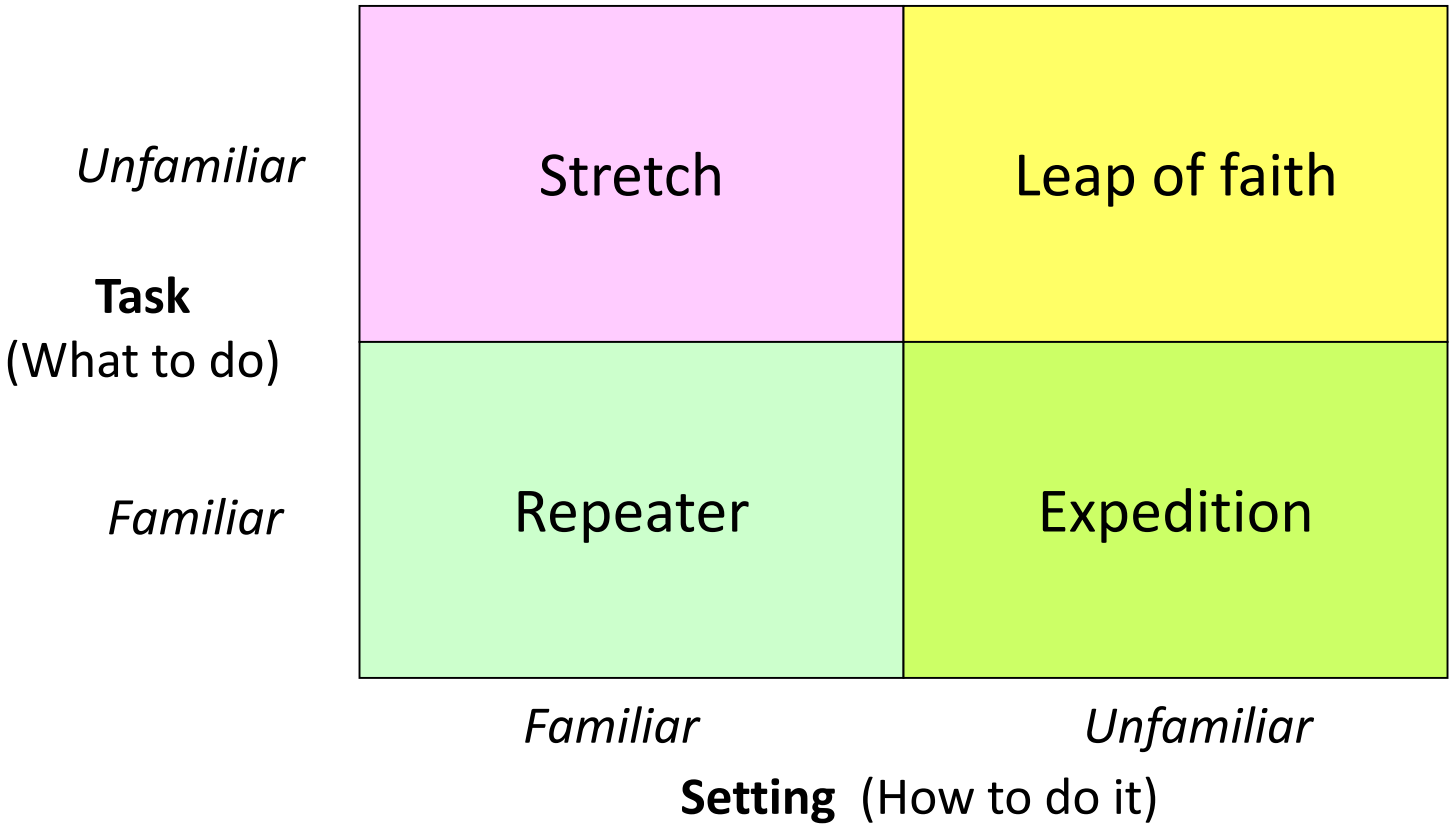
Projects have lots of different characteristics



Achieving change in a controlled and predictable manner

After Obeng, E. (1996). *The project leader's secret handbook*. London: FT Pitman.

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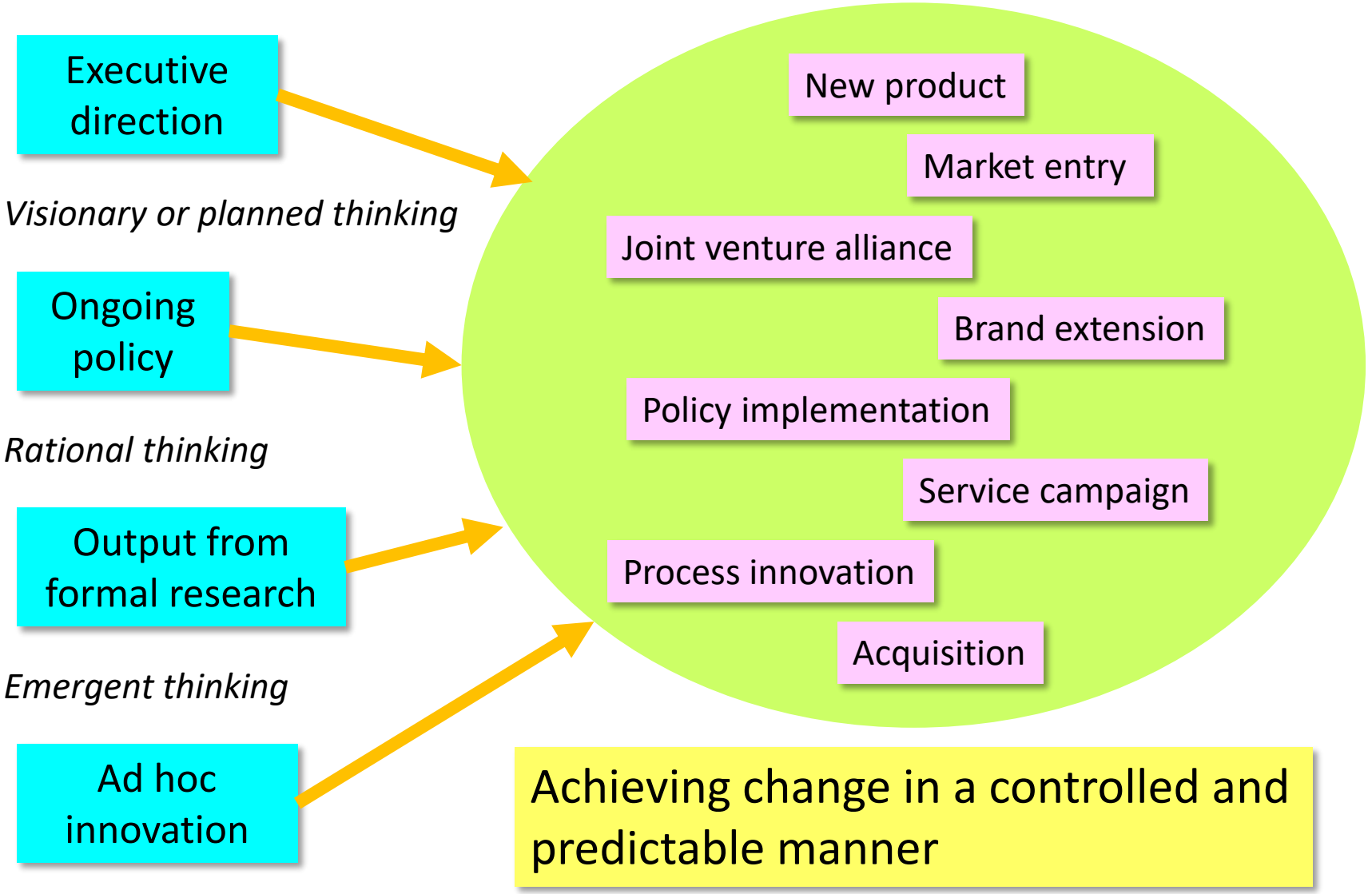
Projects can come from many directions



Achieving change in a controlled and predictable manner

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How projects differ from operations

- A complex, one-time process
- Limited by budget, schedule and resources
- Developed to resolve a clear goal or set of goals
- Customer-focussed

Pinto (2007)

Operations	**Projects**
Repetitive	*Unique*
Continuing activities - eternal	*Time limited - finite*
On-going performance targets	*Singular goals*
Evolutionary change	*Revolutionary change*
Permanent team	*Temporary team*
Clear management structure	*Fuzzy management structure*
Stable resources	*Transient resources*
Focus on **efficiency**	*Focus on* **effectiveness**

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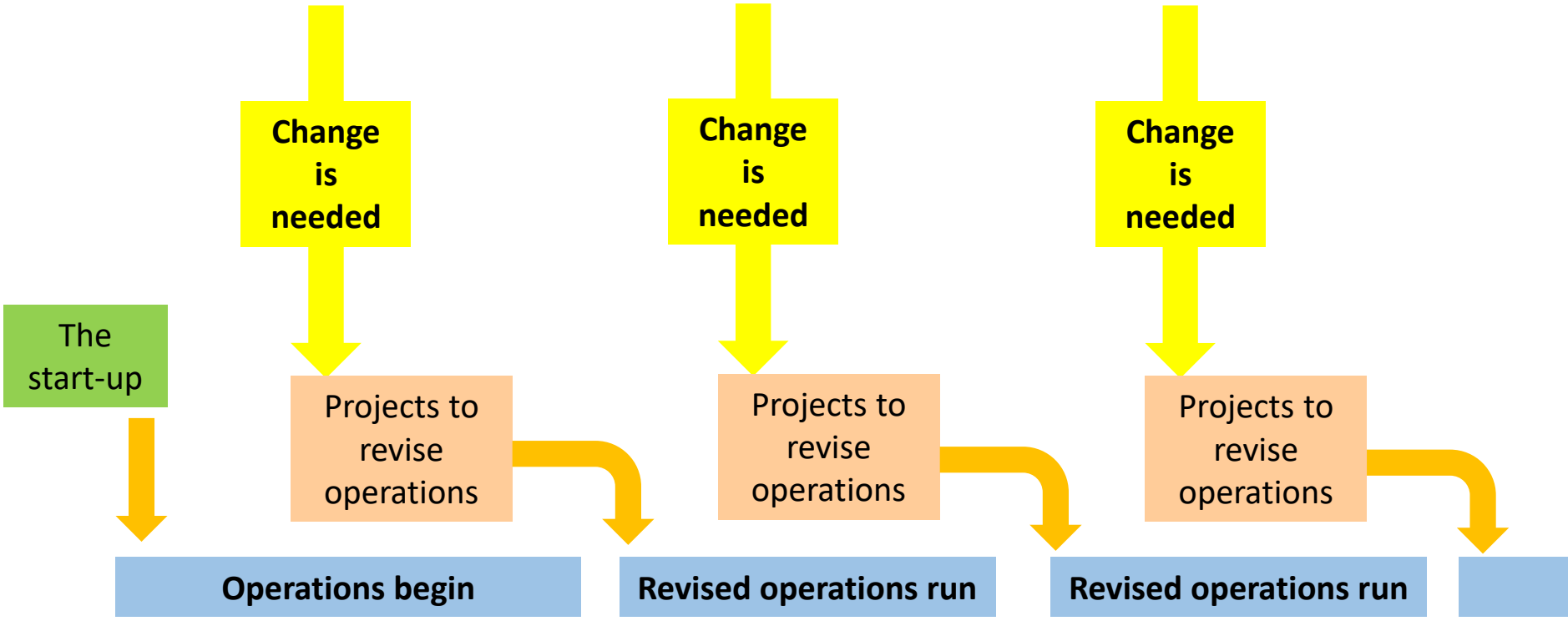
Projects and operations interact



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Projects need a different approach

Think project	Inputs, outputs, outcomes
Act project	Motivation, co-operation, goal focus
Drive project	Plan, monitor, measure, adjust
Learn project	Reflect, improve, embed

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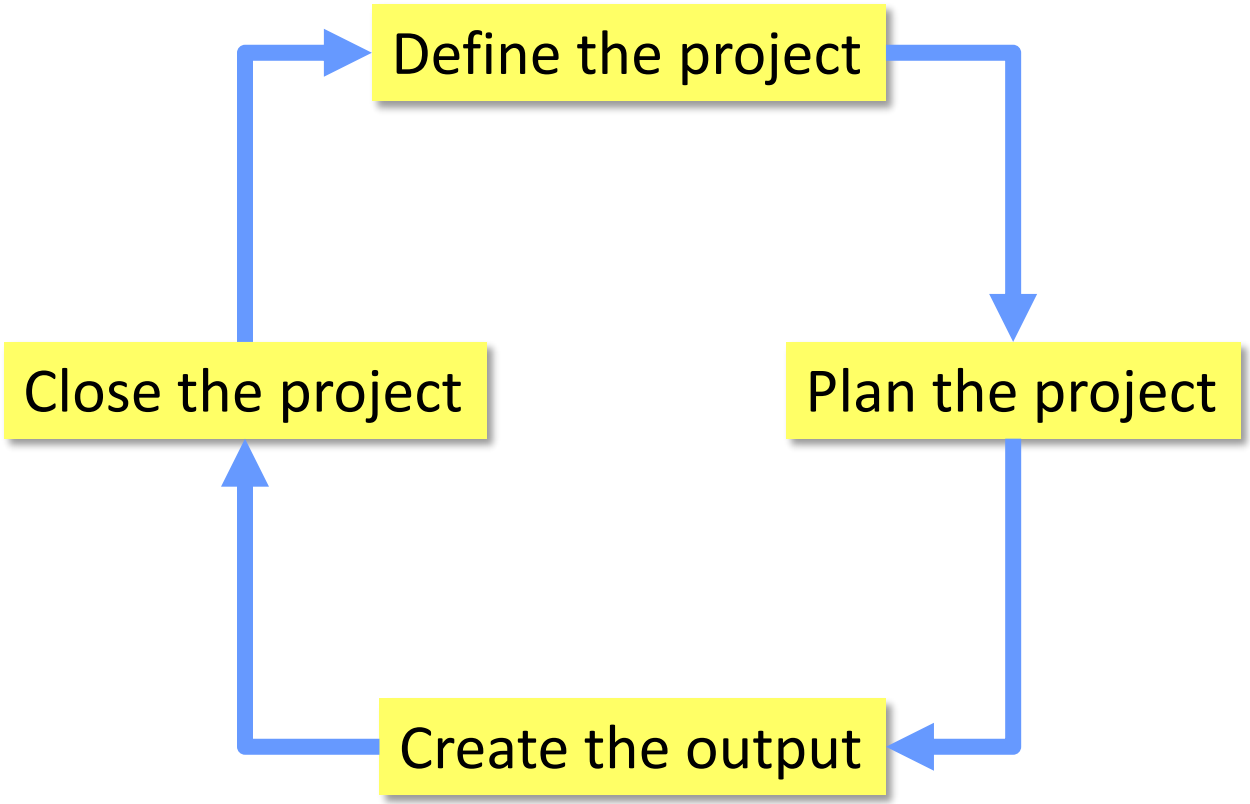
The traditional project life cycle



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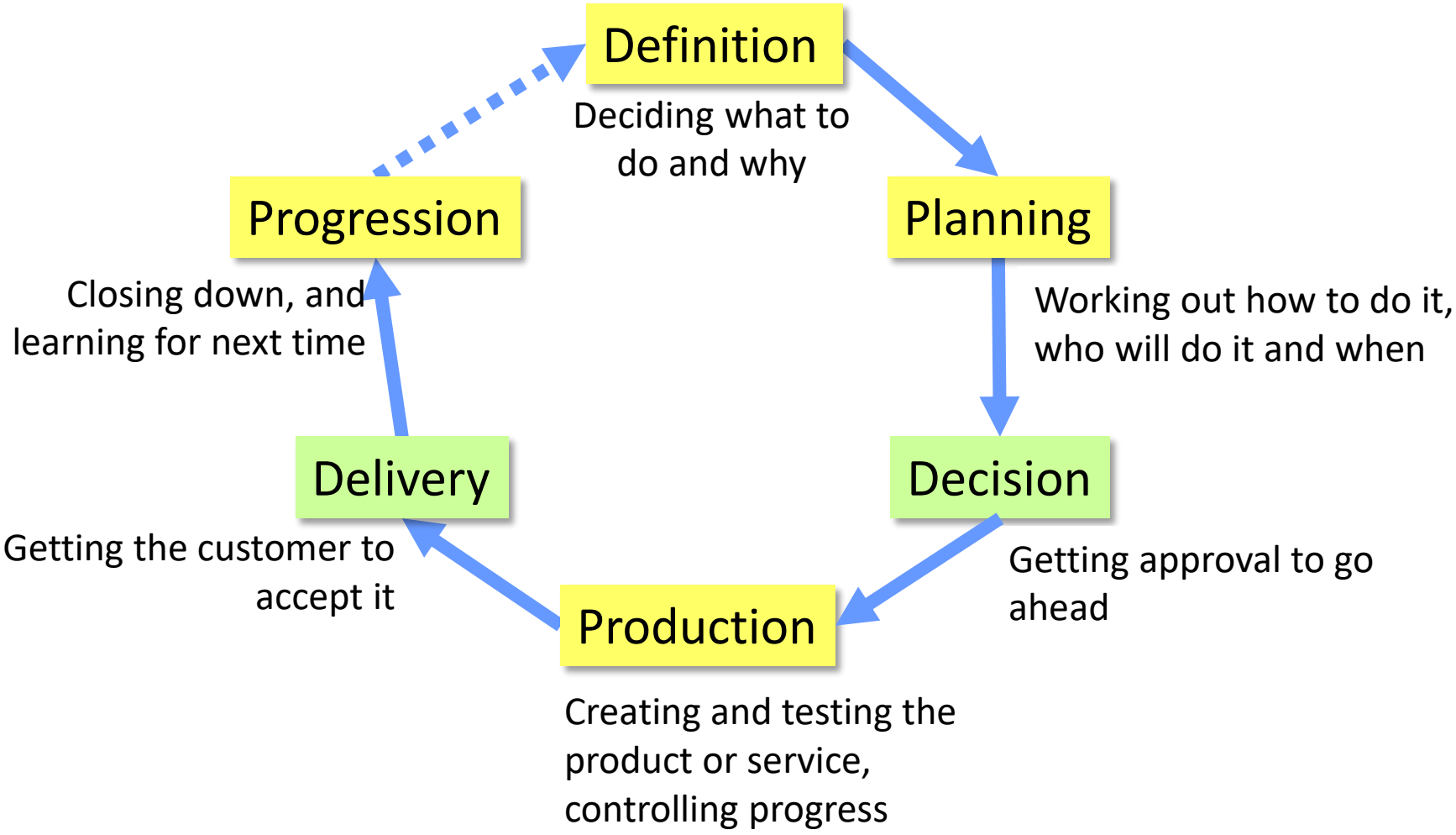
The real project life cycle



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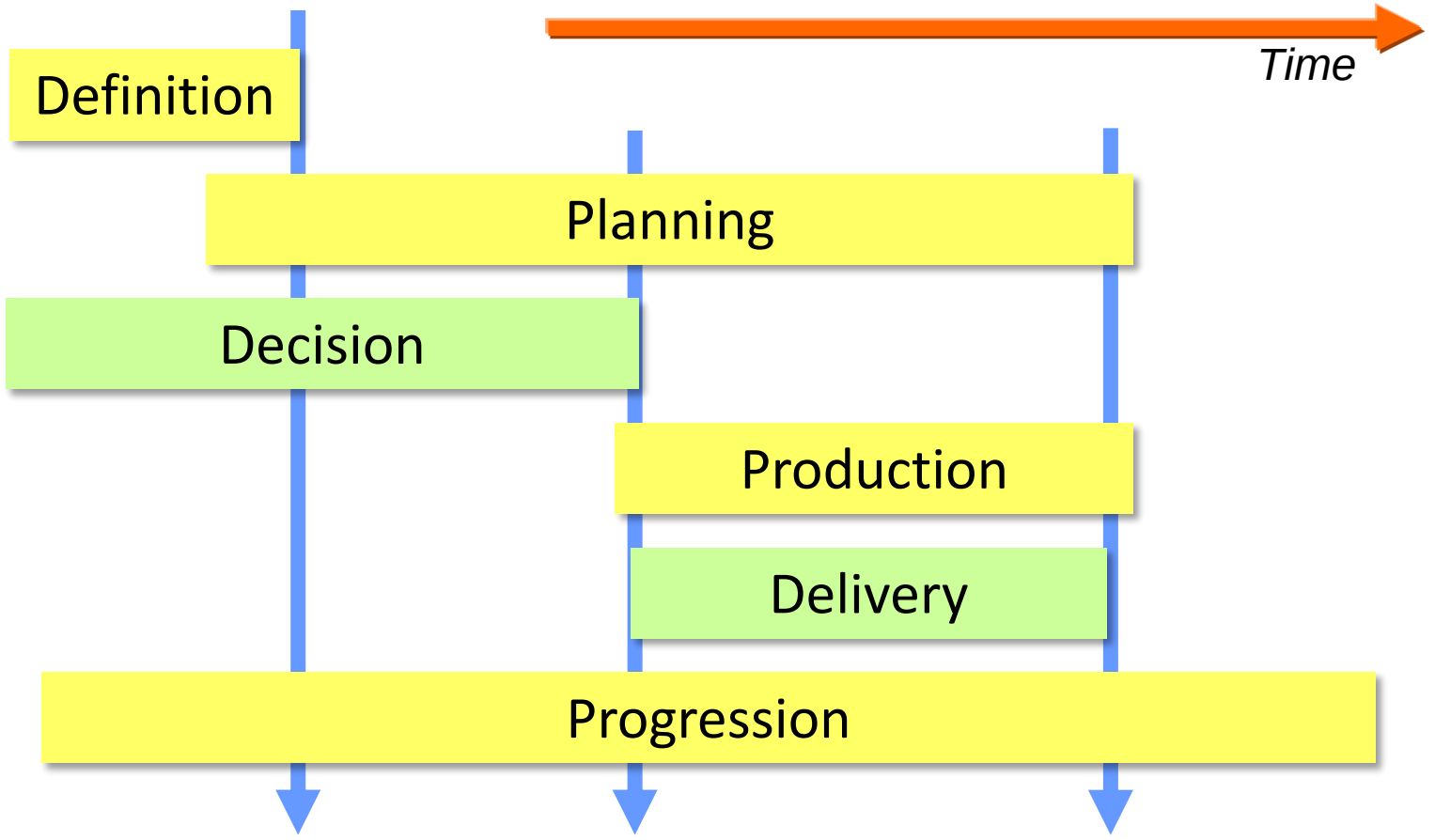
How the project life cycle unfolds



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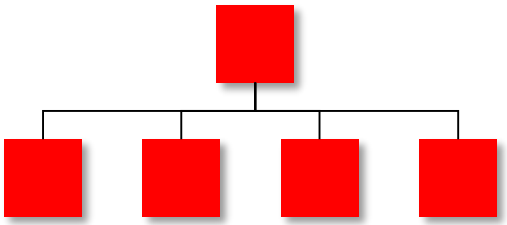
What are programmes and portfolios?

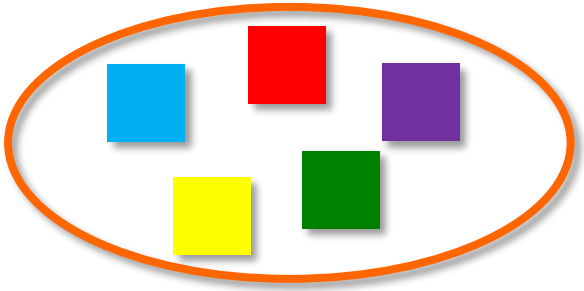
Programme

A broad effort encompassing a number of projects and/or functional activities with a common purpose



Portfolio

A grouping or bundle of projects (or programmes), collected together for management convenience. They may or may not have a common objective, they are often related only by the use of common resources



APM (2000)

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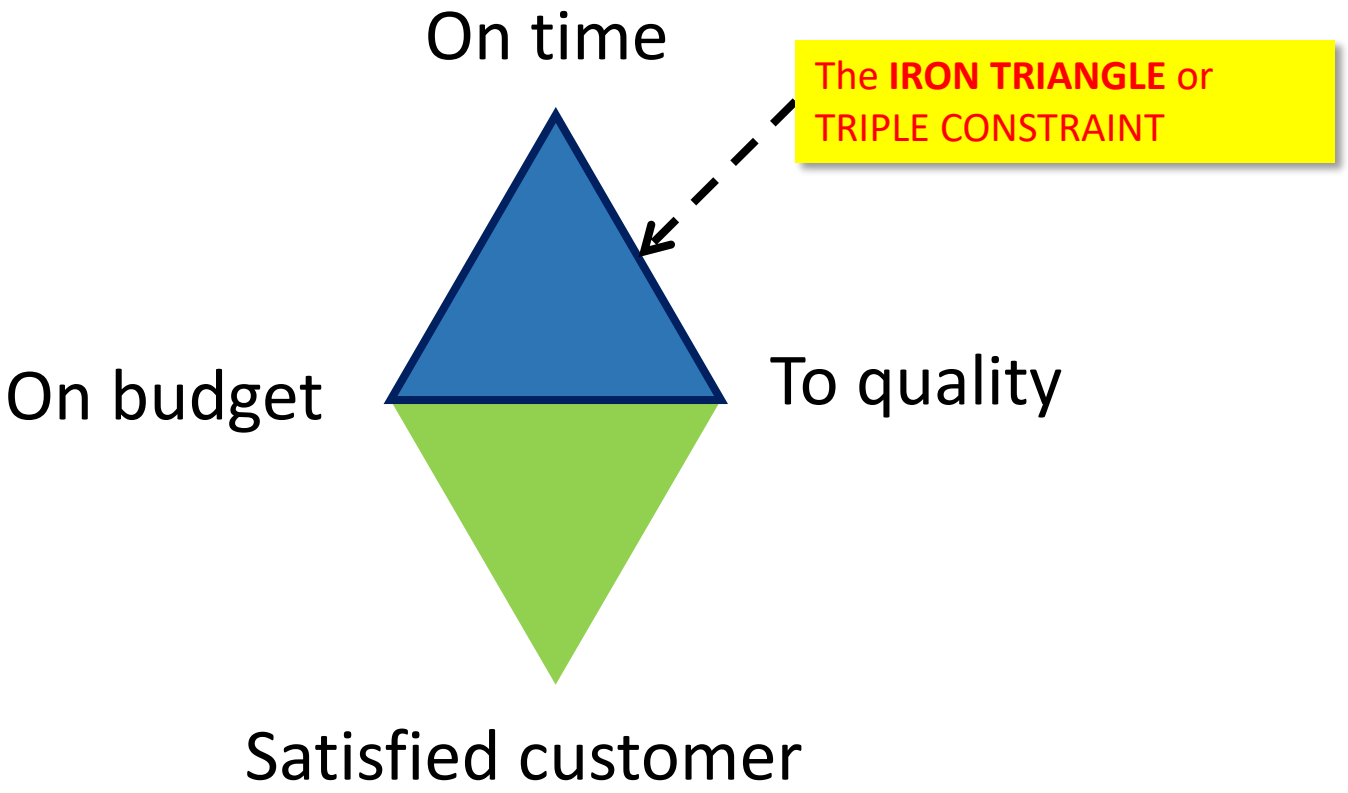
Judging project success – the traditional view



Lock, D. (2007). *Project management*. Aldershot: Gower, p21; Maister, D, (1997). *Managing the professional service firm*. New York: Free Press, p71.

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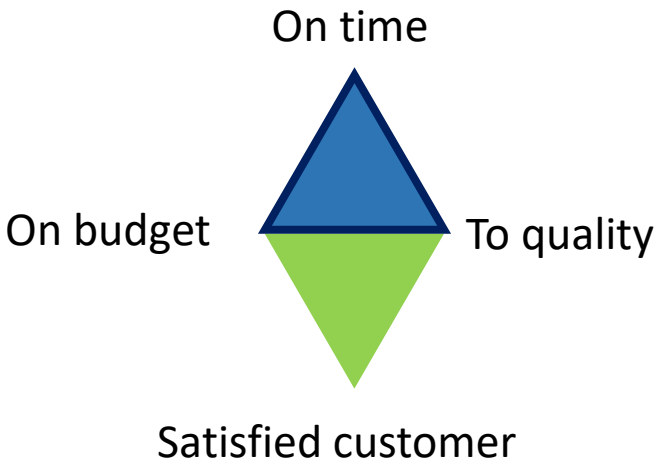
The limitations of this approach



- **Narrow view of what constitutes success**
- Fear of change in case it prejudices success
- **Different stakeholders have different views of success**
- The ‘customer’ isn’t the only one who needs to be ‘satisfied’

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Successful what?

Project?
On time, on budget, well-managed, good risk management and change control

Output?
To specification, meets the customer's quality needs at delivery

Outcome?
Delivers desired benefits, achieves target level of usage, improves profits, creates value

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A broader view of project success

Project efficiency – meeting time and budget goals

Impact on the customer – meeting requirements and achieving customer satisfaction, benefits and loyalty

Organisation performance – return on investment, achievement of benefits to cost targets, market share, growth, etc.

Sustainability – extent to which project balances environmental, societal and economic needs

Preparation for the future – new technologies, new markets, and new capabilities

Impact on the team – satisfaction, retention and personal growth

Shenhar, A. & Dvir, D. (2007). *Reinventing project management*, Harvard Business Press , p27.

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Going beyond success

WOW!

Founded in 1977, the Green Belt Movement aims to improve conditions for women in rural Kenya. Since then it has planted over 50 million trees, protecting the environment, safeguarding water supplies and providing fuel and building materials.

That's over 3,000 trees per day!

"The Lisa people wanted to do something great and the Mac people wanted to do something **insanely great**. The difference shows."

Steve Jobs – CEO of Apple

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So why do projects go wrong?

Cobb's Paradox: ”We know why projects fail, we know how to prevent their failure -- so why do they still fail?"
Martin Cobb, Treasury Board of Canada

Reasons for project failure:
from a survey of IT executives in Canada, 1994

There was a lack of –

1.	*User Involvement*	*19*
2.	*Executive Management Support*	*16*
3.	*Clear Statement of Requirements*	*15*
4.	*Proper Planning*	*11*
5.	*Realistic Expectations*	*10*
6.	*Smaller Project Milestones*	*9*
7.	*Competent Staff*	*8*
8.	*Ownership*	*6*
9.	*Clear Vision & Objectives*	*3*
10.	*Hard-Working, Focused Staff*	*3*
	TOTAL	***100***

They fell short here

They got these right

Source: www1.standishgroup.com

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Factors in success

British Rail
High Speed Train: Inter-City 125
Instigated 1970
In service since 1975
98 trains
World's fastest diesel train

Factor
Secure executive support
Avoid politically inspired targets
Ensure a sound business case
Define clear benefits
Involve the users
Have a firm output specification
Have a clear scope of work
Recruit an outstanding team
Plan in detail
Manage risks thoroughly
Be careful about new technology
Keep a firm grip on costs

British Rail
Advanced Passenger Train
Instigated mid-1960s
In service 1980 to 1986
4 prototype trains
Tilting technology

Bradley, S. (2015). *The railways*. London: Profile, pp 229, 238. Photos: Brian Robert Marshall, Attribution-Share Alike 2.0 Generic; Max Batten, Attribution-Share Alike 2.0 Generic (both Creative Commons)

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Factors in success

Ford
F150, 13th generation
First F150 introduced 1986
Launched 2015
Best selling US auto since 1980s
15.6 million built since 1997
Gasoline at $2.32 per gallon

Factor	
Secure executive support	
Avoid politically inspired targets	
Ensure a sound business case	
Define clear benefits	
Involve the users	
Have a firm output specification	
Have a clear scope of work	
Recruit an outstanding team	
Plan in detail	
Manage risks thoroughly	
Be careful about new technology	
Keep a firm grip on costs	

GM
Hummer H2
Instigated 1999
Launched 2002
Sales boom then plunge
Total built: 153,000
Wound up 2009

Pinto, J. (2007). *Project management*. Upper Saddle River NJ: Pearson, p 116; https://www.ford.com/trucks/f150.
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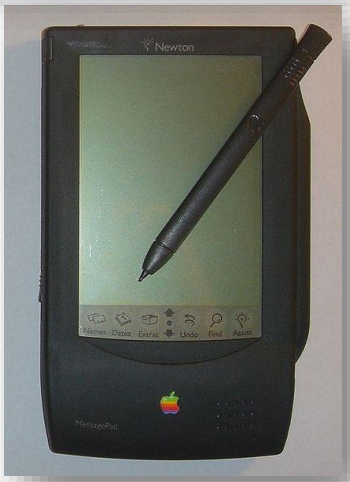
Failure is necessary

"I prefer the errors of enthusiasm to the indifference of wisdom." *Anatole France*



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Project definition and success: core ideas

Operations are about efficiency; projects are about effectiveness.

A project is the most effective way of achieving successful change.

The phases of the project life cycle need to include Decision and Delivery.

Project success is more complex than just being on time, on budget and to the right quality.

Broader measures can include preparation for the future and meeting sustainability goals.

There are a number of factors that need to be in place to stand the best chance of achieving project success.

Even very well run projects can fail for other reasons.

See Zavanak pages *What exactly is a project?* and *What makes a project a success?*.

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