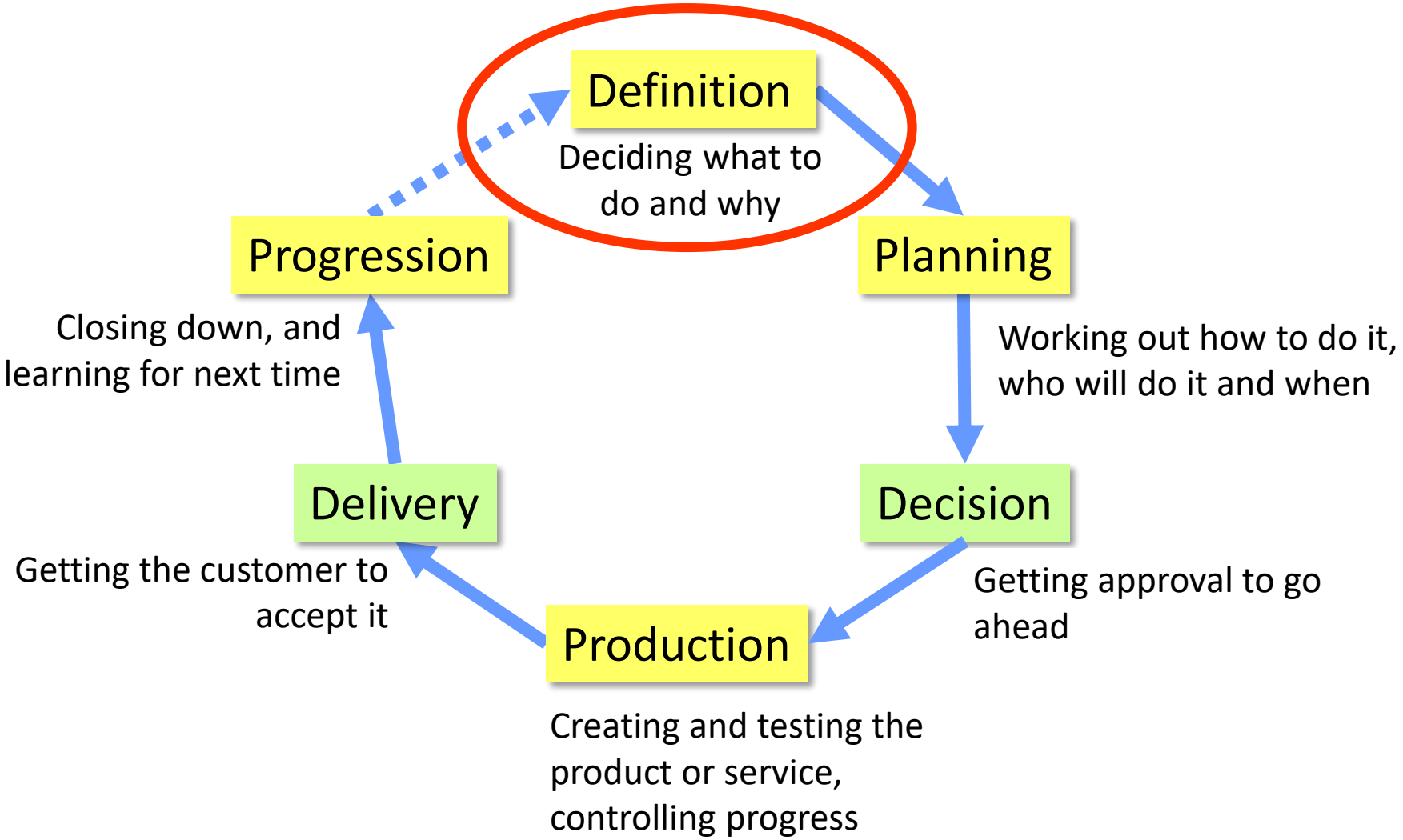
PM101: Lecture 3

Project selection

The typical project life cycle



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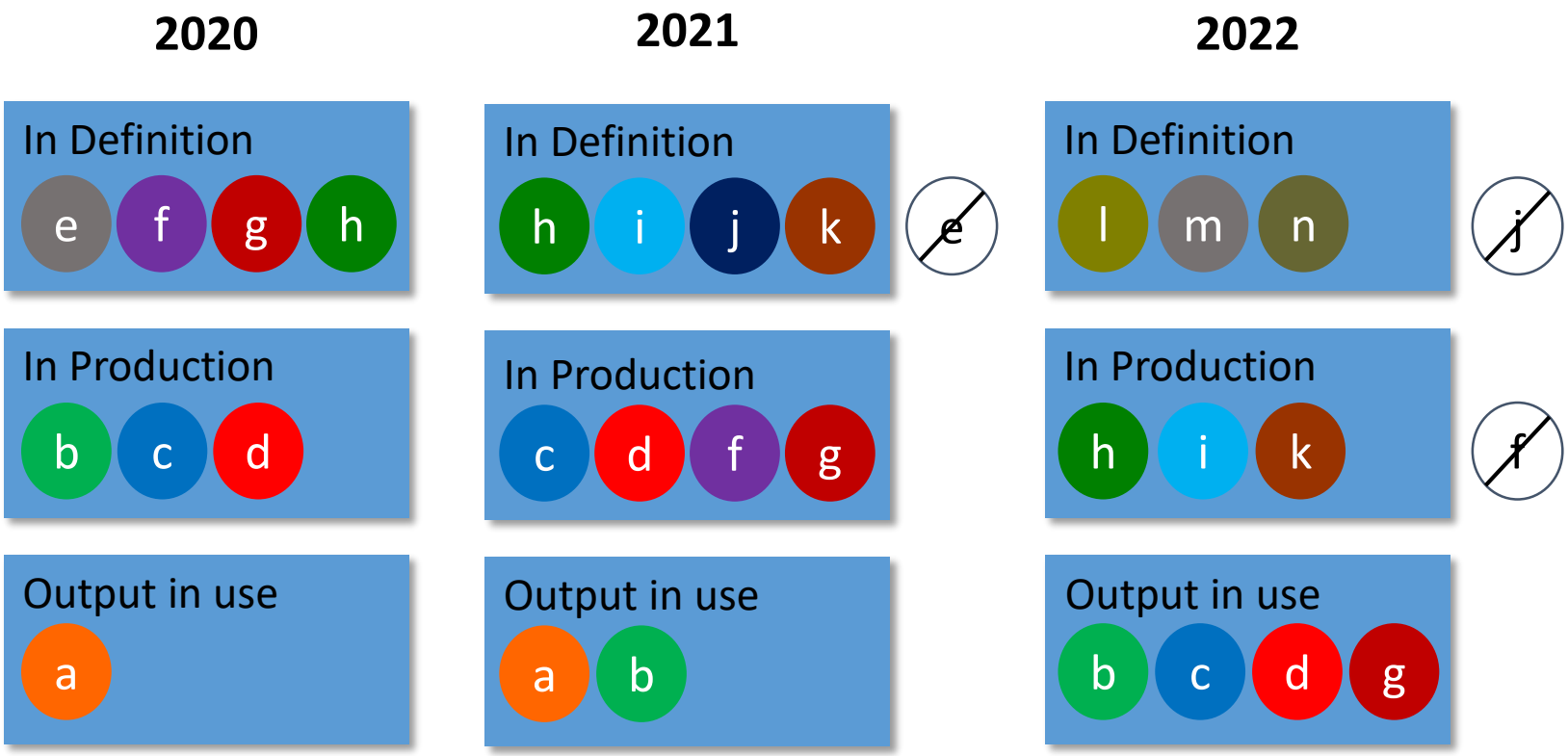
The evolving portfolio



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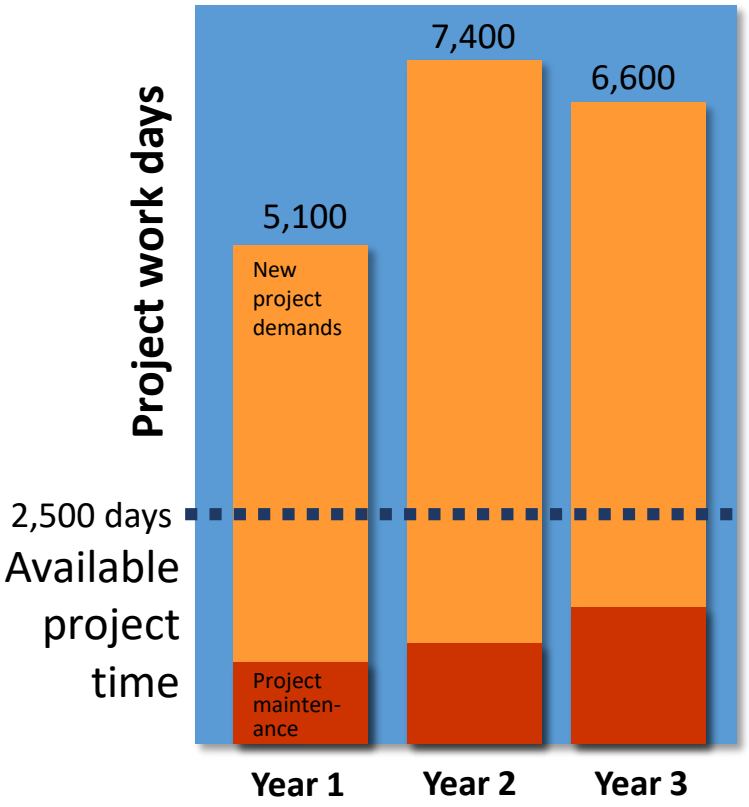
Project portfolios can be badly managed



- Project activity is unfocused
- No link with overall strategy
- Pet projects
- Chasing after competitors
- Overstretched resources
- Spending lots on contractors
- Loads of day to day jobs
- Projects over-run

Wheelwright, S. and Clark, K. (1992) 'Creating project plans to focus product development', *Harvard Business Review*, March-April 1992.

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Selecting what is in the project portfolio

Strategy down

Candidate projects

'Project council'

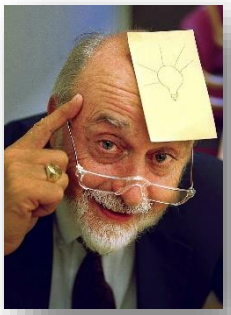
Selection process

Individual project justification

Project portfolio

Candidate projects

Initiative up



Meredith, J. & Mantel, S. (2012). *Project management*. Hoboken NJ: Wiley, p 67. Photos: Public domain

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Not all projects are voluntary

We choose to do this:

- Introduce a new product or service
- Improve our productivity
- Enter a new field of activity
- Reorganise

PROJECT: *Build technically advanced Millennium Bridge across the River Thames*

We have to do this:

- Implement new rules and regulations
- Act on a legally enforced instruction
- Fix significant problems
- Deal with a crisis

PROJECT: *Fix uncomfortable swaying due to unforeseen behaviour of bridge under pedestrians*

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The strategic relevance of projects

Project type	Breakthrough	Platform	Derivative
Characteristics	**Invention**. Brand new concepts and ideas. Research and development. Entirely novel product or service.	**Innovation**. Significant extension of product or service. Major step forward. Basis for different versions.	**Improvement**. Updates with additional features. Refreshed appearance. Adaptations for different markets.
Car maker	Next generation model. Self-driving car. Fuel cell propulsion.	Electric version of current model. Sports car based on next generation model.	Estate car version of current model. Facelift with revised styling.
Share of project effort	**30%**	**50%**	**20%**

Wheelwright, S. and Clark, K. (1992) 'Creating project plans to focus product development', *Harvard Business Review*, March-April 1992.

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How challenging will the project be?

A **project challenge** is an aspect of the project that will require special technical, financial, managerial or other skills in order to achieve the desired benefits.

Is the very idea of the project feasible enough for us to consider doing?

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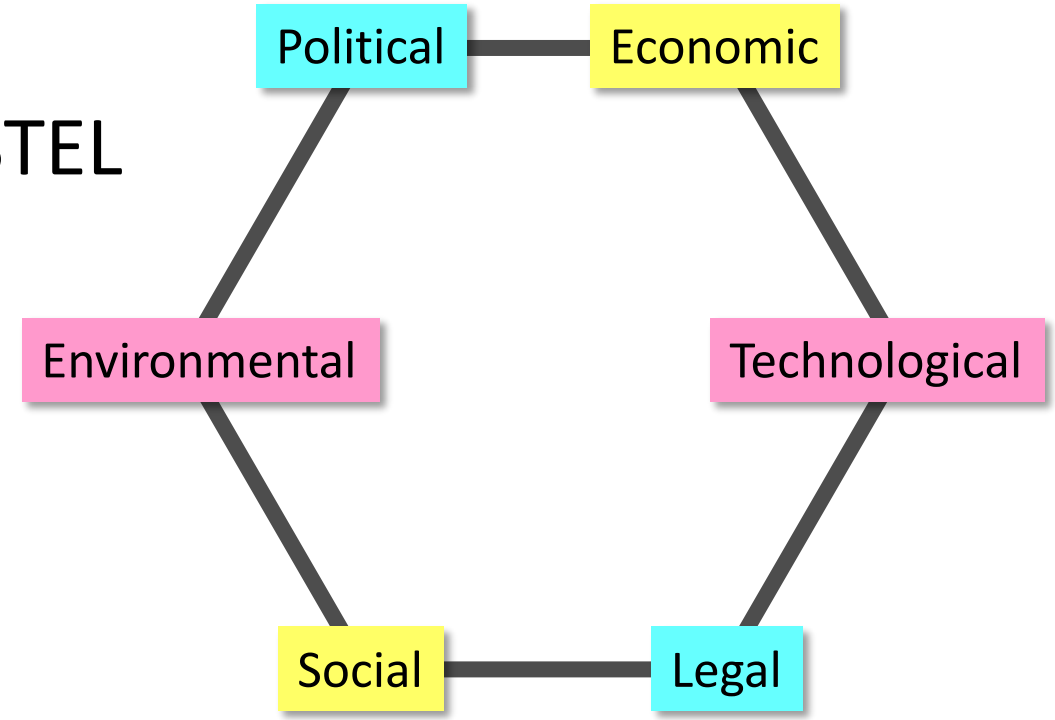
Project challenges

PESTEL



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Project context: the Bay Gateway

Political

Economic

Environmental

Technological

Social

Legal

Lancashire County Council

your Lancashire

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Heysham to M6 Link
- Heysham to M6 Link
- The route
- The story so far
- Latest news
- Benefits for Lancashire
- Get in touch

Heysham to M6 Link road gets the green light

One of Lancashire's top priority transport projects has received the go-ahead, heralding a new era for economic growth and better transport on the Morecambe and Heysham peninsula.

Construction of the Heysham to M6 Link road is set to begin this summer after the Secretary of State for Transport granted approval for the project following a lengthy planning and public inquiry process.

The new road will connect the Heysham and Morecambe peninsula directly to the M6 and provide improved access for residents, businesses and tourists to the area. As well as easing congestion in and around Lancaster, the project will also deliver on a number of associated improvements, including a park and ride scheme with buses running into the city centre.

It will also provide better access to Morecambe and industrial areas which include the Port of Heysham and the Heysham power stations.

The port, the third largest in the North West, is developing as a hub for services to Ireland. It is the supply base for major offshore gas field and wind farms. The road would also improve access to a proposed third nuclear power station. Road access to the port, which specialises in roll-on roll-off freight, is currently severely congested and unreliable, with increasing costs and falling efficiency acting as a barrier to further growth.

The approval granted by the government includes compulsory purchase powers as well as the planning permission and the county council will now write to the affected land owners and start the formal process of acquiring the remaining land required for the road. Archaeological investigation works have already begun. This involves using excavators to dig trial trenches to establish if there are any finds that require further investigation before the main construction works begin later in the summer.

Latest news
- 10 September - Legal Challenge September Update
- 24 July 2013 - Legal Challenge Update
- 10 July 2013 - Legal challenge hearing dates confirmed
- 30 May 2013 - Legal Challenge update
- 19 March 2013 - M6 to Heysham Link road gets the green light

Fly through video

View the animated fly through video

WELCOME TO TSLM,s WEBSITE

(Latest 12/09/2013 see in "latest newspaper articles")

As you know, TSLM challenged the decision to allow the Heysham M6 Link to go ahead. The case was heard in the High Court in Manchester on 22-23 July, 2 full days in which our barrister presented the case brilliantly.

The judge did not give his decision on the day, but "reserved judgement" (he went away to think about it). We had expected the judgement in about a week, but it is now over 5 weeks. It shows that the force of our arguments and the contradictions in the Council's case have given the judge plenty to think about.

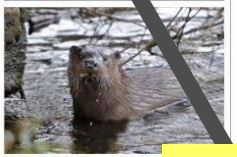
In the past, LCC have blustered that they'd start work anyway, but our solicitors wrote to them for clarification, and they replied that they can't start work until the challenge is resolved. (No contractor would dream of beginning work, and DfT wouldn't consider granting final funding approval, until the legal situation was clear.)

We don't know how long it will take.

LCC claimed they were going to start work in July, but July has come and gone, like all their deadlines in the past. They'll try and blame the objectors, but it's LCC's bungling and incompetence over 8 years that have held things up.

We shall update you again as soon as know the judge's decision.

Wildlife Expert supports our campaign



Otter picture taken on River L
Halton on 18-11-2012 by loca
photographer Stan Parrott.

See "latest newspaper article

see more on the BBC website at

http://www.bbc.co.uk/news/uk-england-lancashire-20407744

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4 December 20 Last updated at 17:30

Share

Halton village 'Lady Godiva' protest over Heysham M6 link

Campaigners in a Lancashire village have held a "Lady Godiva" protest march against plans for a Heysham to M6 link

A man, whose house is on the proposed route of the new road, dressed as Lady Godiva and rode a horse to lead the march through the village of Halton.

Opponents of the road said it would mean more traffic through the village.

The protest march was led by a man dressed in drag as Lady Godiva

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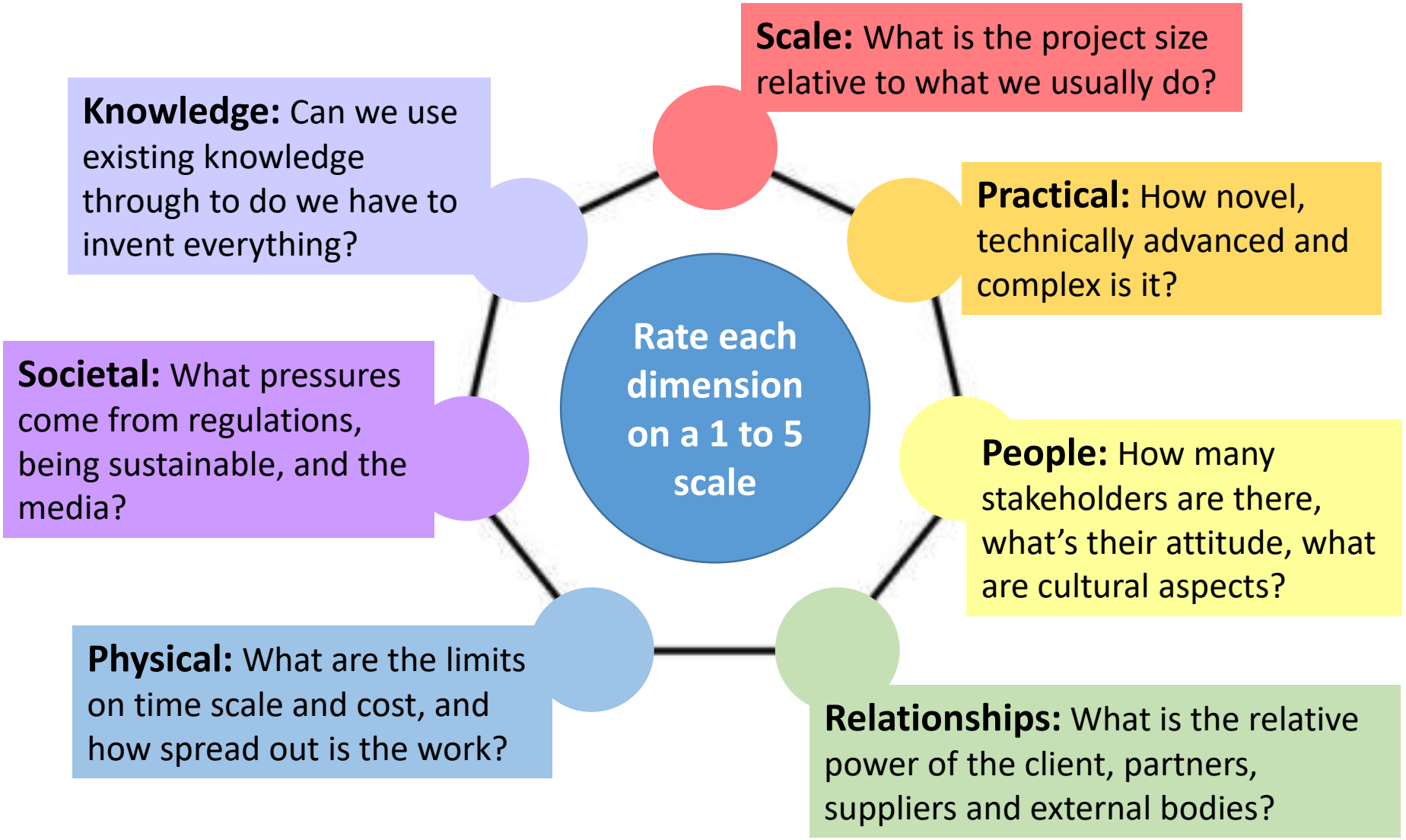
A more comprehensive challenges model



Shenhar, A. & Dvir, D. (2007). *Reinventing project management*, Boston, US: Harvard Business School Press

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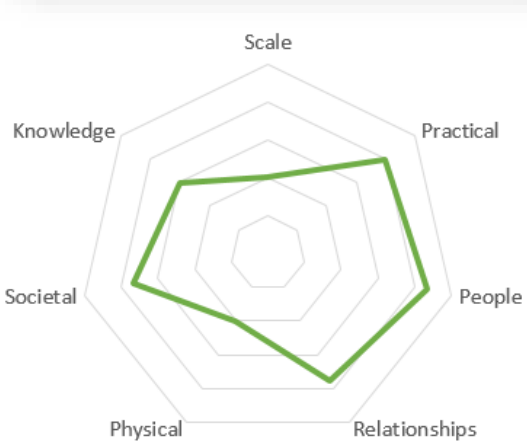
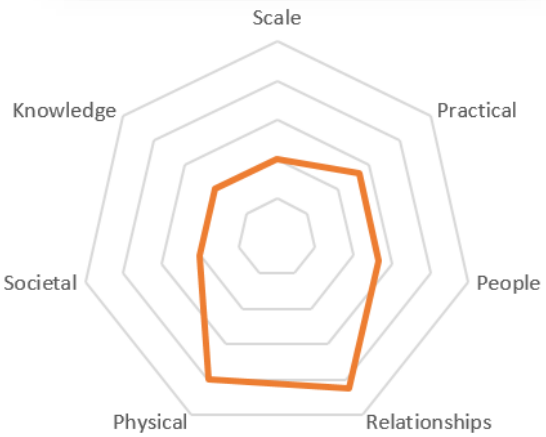
Different projects display different challenges

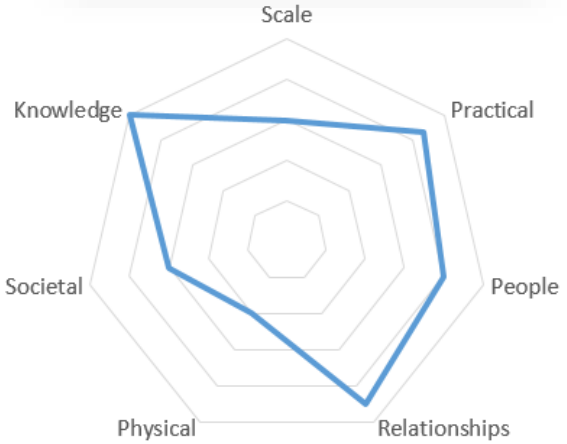
Shakespeare's Globe



London office tower



Sydney Opera House



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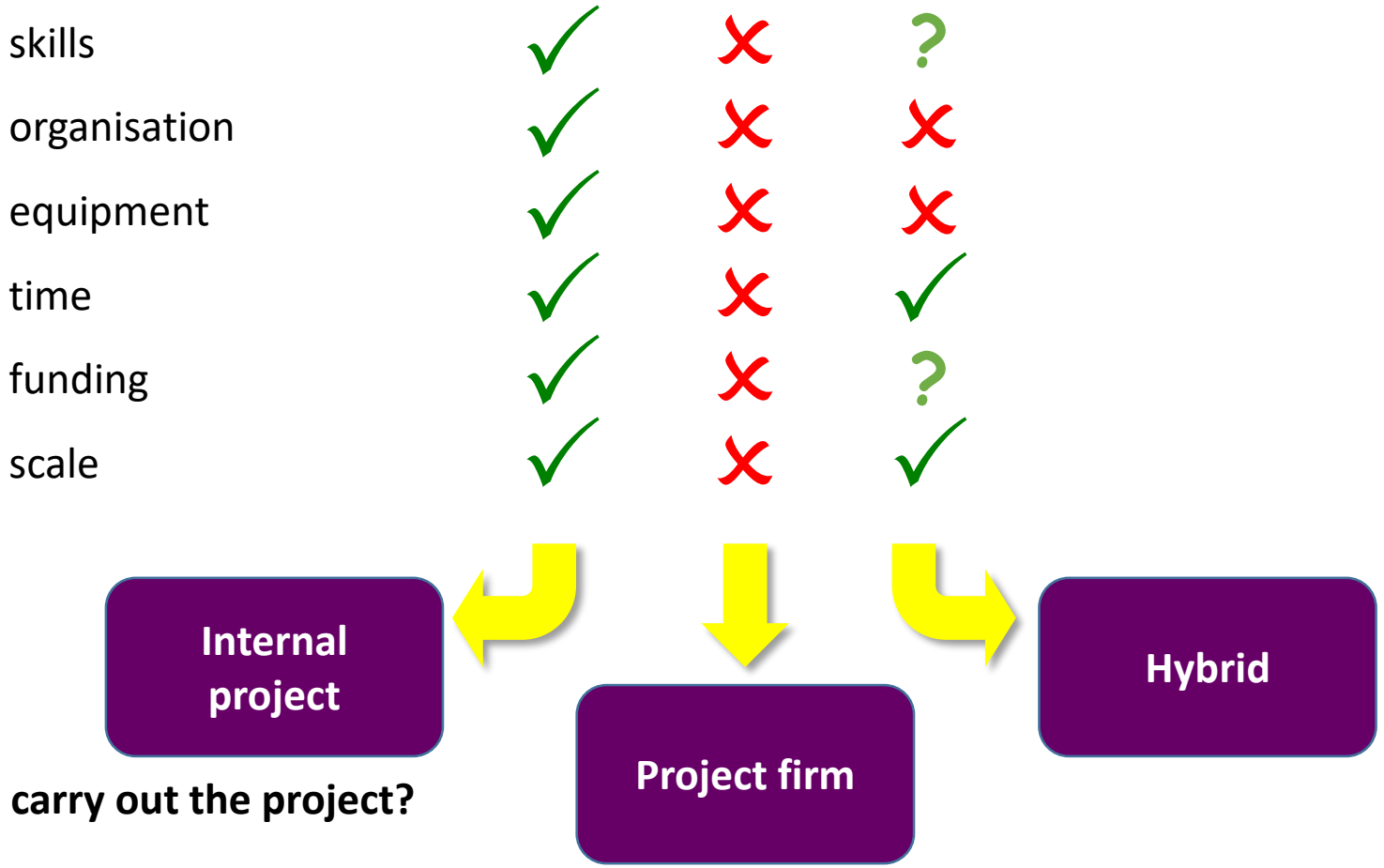
Who should carry out the project?

Does the customer have the necessary…



… to carry out the project?

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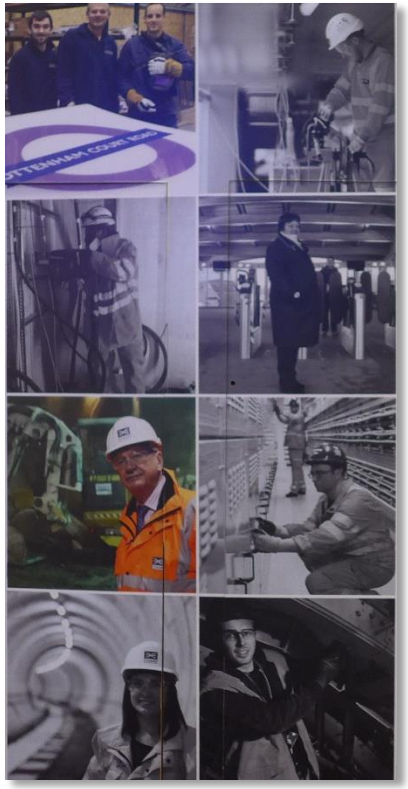
Project firms

A project firm is a commercial organisation that designs and carries out projects as their principal business.

- The nature of these projects will depend on the fields and sectors it specialises in.
- A high proportion of staff consists of expert practitioners in those fields and sectors.

They operate in fields like:

- **Building and construction** – Bechtel, Bouygues
- **Facilities management** – Infosys, Serco
- **Information technology systems** – DXC Technology, IBM Global Services, Wipro
- **Management consulting** – Accenture, Bain, McKinsey
- **New product development** – IDEO, Ricardo
- **Organisational change** – Capgemini, Frazer-Nash
- **Project and programme management** – Turner and Townsend



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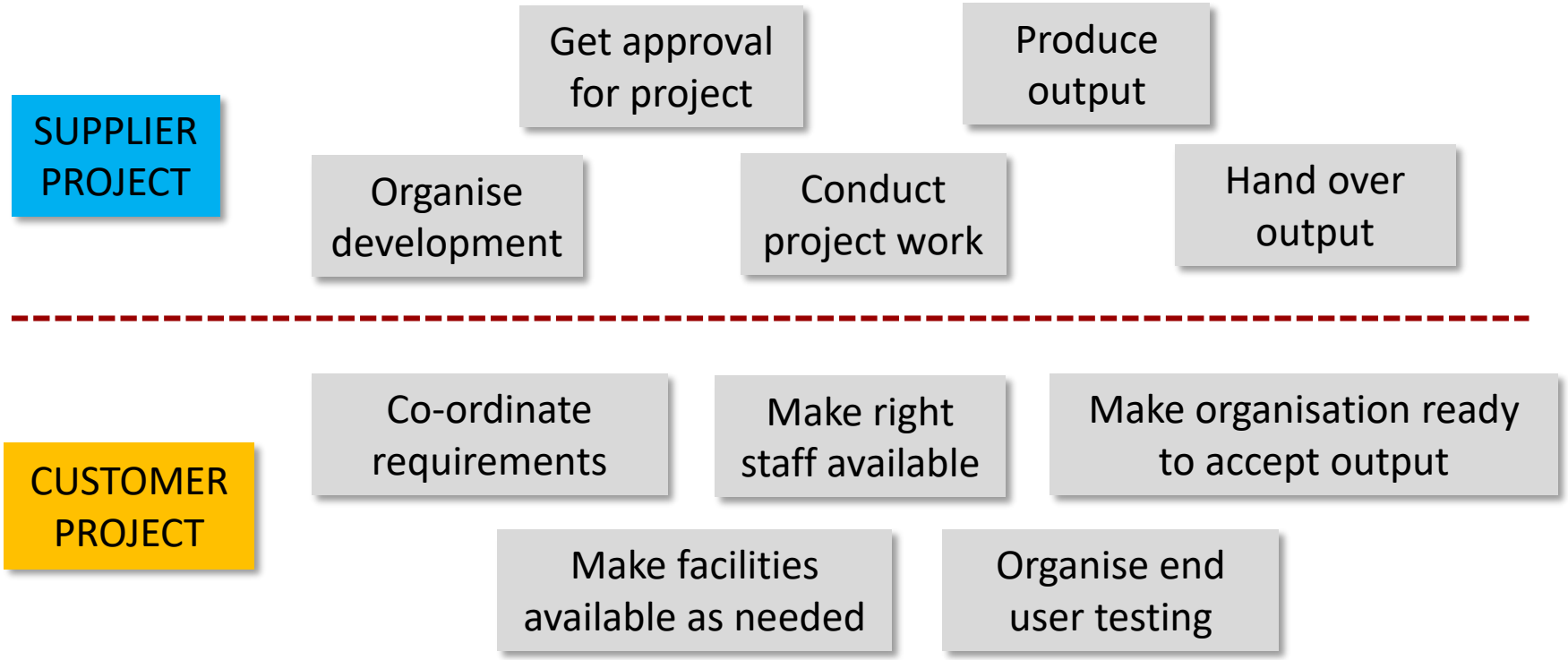
The customer project

Leaving a project entirely to a project firm (supplier) is a major risk.

The customer should run an internal project in parallel to ensure nothing stands in the way of progress and the organisation is ready for the output.



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Project selection: core ideas

An organisation will have a portfolio of projects which evolves over time.

It needs a process to select which are the best projects to enter the portfolio.

Not all projects are voluntary; some the organisation is obliged to do.

A portfolio ideally consists of a balance of breakthrough, platform and derivative projects.

The organisation has to consider how challenging any candidate project will be.

It may choose a project firm to carry out some or all of the work.

In that case is must have a customer project to mirror the supplier project in order to facilitate the project.

See Zavanak pages *Selecting the right project* and *Project firms*.

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