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to stay ahead

**Business projects – Are they a  
genre in their own right?**

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## **1 Background**

Project Management has been around for centuries, apart from being able to use our thumbs, it may be the differentiating factor between humans and other species, as we can see evidence of humans working together to create amazing things, from the ancient Greeks to putting man on the moon, all of which constituted a form of project management.

These projects principally focused on constructing “things”, be it a building or a machine. Although highly complex and amazing feats in their own right the results were quite predictable: whether it was a bridge or a machine that was being created. It was possible to understand the problem being solved, produce blueprint designs, undertake pilots, test and ultimately implement them.

The upsurge in project management adoption in the last 15 years has been linked to the growth of the UK Government best practice models (notably PRINCE2®) which was largely targeted at improving the quality of IT projects. The disciplines of traditional project management were adapted and applied to IT (in PRINCE2®) highly successfully, and reduced the failure rates of technology projects. Within PRINCE2® the concept of product based planning is central to control, therefore, by definition, there is an expectancy that you will be able to describe what you are going to build at the outset.

In the last 10 years we have seen the emergence of business operations adopting project management to deliver their changes as well. The obvious and most popular model being adopted has again been PRINCE2® which is globally recognised as best practice, but there is evidence that this has not gone that well. Often only a tertiary use of the method is used and broader core project management disciplines are being overlooked. The result being in organisations struggling for resources and giving the impression of herding butterflies rather than managing projects.



If we look back to the management theories of the late eighties and the nineties, the likes of Tom Peters were preaching the need to de-layer organisations in search of greatness. The result is that we now have organisations that are more lean and efficient, but are resourced to the minimum, with no resources to deliver additional work. So when a change is required, it is often referred to as a project. A team is set up, with one or two objectives constraints in terms of time, and expectations in terms of deliverables and even a budget, and sometime later the job is done – if only it were that simple.

The rest of this articles looks at the unique characteristics of business projects, makes some tongue in cheek observations, and identifies business projects often struggle with formal project management techniques and we look at how these issues can be addressed.

## 2 Characterising business project management

Our first serious recognition of the emerging concept of business projects came during a P3M3<sup>®</sup> maturity assessment of an IT department four years ago. The person being called the sponsor was actually delivering a much bigger change, with the IT department delivering little more than a work package to support this. What they were calling the business sponsor was in fact a business project manager. This has been reinforced since, very rarely do we find business objectives in project documentation and if we add to the mix the fact that most organisations are weak on delivering business benefits, then the evidence is building that business project management is an area that requires attention.

The P3M3<sup>®</sup> reviews have provided more evidence that project management disciplines tend to find natural homes in property, engineering and IT. Where they are being used to deliver business projects, there is often resistance to the approach, terms like “bureaucratic”, “too rigid” or “over complicating things” are heard, so that individuals trying to run the project professionally feeling disenfranchised, so not only is it weak it isn’t valued.

Here are some of the key characteristics that we have noted that differentiate softer business projects from the harder engineering and IT projects.

### 2.1 Budgets and resourcing

These are another unique characteristic. The business cases will tend to only include external costs which may be quite minimal, so the budget may be quite small, but this is hiding the extent of the challenge. There may be no budgeting for the consumption of internal resources, on which the project is often dependent. The true cost of the project is therefore hidden. As the internal resources are not being back filled, often operational tasks take precedence, which is why business projects overrun or fail to deliver the expected dividend.

### 2.2 Scope and objectives

Scope, objectives and specifications tend to be much more fluid in business projects, and subject to changing moods, often caused by market or customer changes. Where there is IT or property involved, much of the scoping will focus on this rather than the overarching business objectives of the project. One of the key characteristics is that business projects will normally impact on people, the way they work and the associated processes they use, the “goalposts” often to move but without any formality, so their chances of success are lower. Project techniques require certainty but business projects are often ambiguous.



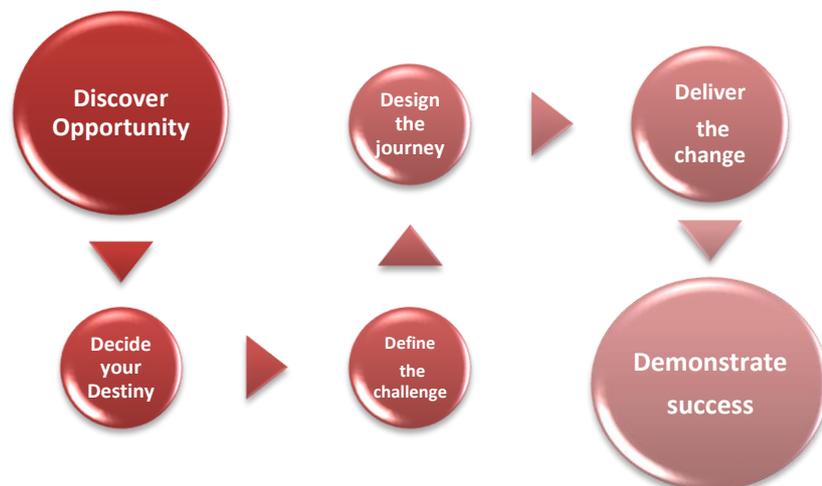
## 2.3 The team

The people tasked with leading and delivering the project will often be highly experienced operations or subject matter professionals, so they are likely to have a lot of knowledge but little experience of project management, the team that they will have working with them will have similar characteristics. If a professional project manager is deployed they will often struggle with the subject matter content and try to apply project techniques and disciplines to gain control but often leaving the other members of the team feeling they are in a “straightjacket”. The team will often value topic expertise more than project management professionalism.

## 2.4 Project Lifecycle and evolution

Business projects tend to be vaguer in what the outcomes will be and when they are will occur. Even though the organisation knows it has a problem to solve and what the result will need to be they tend to take longer to distil the business needs. Once a project mandate is defined and triggered, the project rigor kicks in and sets off before the business has really worked out what it

needs, hence people feel that the project imposes a “straight jacket”. In organisations that are using PRINCE2®, this can often lead to a project being launched without any requirements being formally defined. This is particularly a problem where PRINCE2 is cited



as the standard (it doesn’t cover requirements management). the other bodies of knowledge do include about requirements, but very few people are using PMI or APM for business projects. The result, unfortunately, is that the lifecycle is very vague and often closure can be too early or not happen at all. This diagram reflects our experience of a business project lifecycle, traditional project lifecycles tend to start at Define the challenge and close with Deliver the change.

## 2.5 Governance and stakeholder

Business projects often have a very different profile in terms of stakeholders. In many cases they are dependent on winning the hearts and minds to achieve their goals. They are invariably about changing process and behaviour, which isn’t easy. There is a tendency, to use the project board concept to involve stakeholders in the direction setting. This results in large unwieldy project boards, where people are expressing opinions not making decisions. In business projects the governance and stakeholders can be become very blurred. The National Audit Office have concluded that stakeholder perception is as important as time,

cost and quality in defining project success. This is particularly relevant to business projects, and many of the standard approaches to project management recognise the need for good communications, but rarely address this critical area in detail.

## 2.6 Benefits and outcomes

When reviewing a business project, benefits and outcomes are terms that will often be liberally used. Invariably there will often be a lack of detail about what will actually need to be produced to achieve these results. The objectives will often be set in high level terms, which are not adequate to do the detail planning and design that traditional approaches require. The objectives are rarely SMART, which means it will be difficult to measure whether the project has been successful later. Hardly surprising that less than 20% of projects deliver their benefits.

## 2.7 Planning

One of the disturbing results of the P3M3<sup>®</sup> maturity work has shown the fundamental weakness in planning, if ever there is evidence of an optimistic bias it is within business



project plans, there seems to be a working assumption that everything that can go right will go right (plenty of other projects are guilty of this too). There will be much reference to what needs to be done, but not a lot of detail of what will be created to enable the outcomes. Where there is an IT or property element, the plan will tend to cover the creation of that capability, but little on where and

how the process and structural changes will take place within the business, these seem to miracles that happen later. Our conclusion is that there is a reluctance to address the real risks and issues in the documentation, as they aren't documented they get overlooked and failure arrives totally out of the blue.

## 2.8 Tools and techniques

The vocabulary, tools and techniques that are proven and essential to creating tangible deliverables in harder projects struggle in the context is changing staff, supplier or customer behaviour may be required. The excellent PRINCE2<sup>®</sup> technique of product description is very difficult to apply when trying to describe behaviour or process changes and what the acceptance criteria will be. It isn't impossible but it takes a lot of effort and the importance is not fully understood or more importantly, valued.

These main characteristics (there are probably many more) highlight some of the unique challenges of business projects and the weakness that traditional project management methods experience when being applied. We have concluded that there is no doubt that projects are needed within the business, but that the tools and techniques that will work need to be evolved to make them more successful and agile to the needs of the modern business environment.

### 3 Improving business project delivery

Based on the characteristics and our experiences, we hope that this will provide some helpful advice for people who are involved in delivering business projects.

In Aspire we have developed our own business project method called Aspire Fusion, it has that name because it is a fusion of a number of good practices, drawn from various bodies of knowledge, PRINCE2® and Managing Successful Programmes, it is light enough to cope with change and tight enough to maintain control. The 6D lifecycle and 6C themes are part of the Aspire Fusion model, if you would to know more about it please let us know.

#### 3.1 Scope and objectives

This is often where they start to go wrong. There is a tendency to convince people that it is a good idea rather than produce a balanced business case, but this is the point where there should be some reality, so we would recommend:

- a. Set a strategic goal for the project which sets out the purpose and what the impact will be, both the positives and the negatives
- b. Set clear objectives, using these headings:
  - a. Strategic objectives – the goal or overarching reason for the project.
  - b. Project objectives and outline what successful achievement of these will be
  - c. Business objectives, these could be based on the benefits that are required but also think about the effect on the services during the project, maintaining them during a major change would normally be a key objective
- c. Out of scope - IT and property projects tend to be quite specific about what they will not be doing. Business projects need to make this clear too or control will be, and usually is, lost.
- d. Assumptions – there is no such thing, they are risks by another name, so don't have any but make sure you capture all the ambiguities as risks, even the ones people don't want to talk about.

#### 3.2 Lifecycle and evolution

For a business project, this is very different; it starts earlier and finishes later. Be careful not to trigger too much project structure too early, ideas take time to ferment and develop. Our Aspire Fusion 6D lifecycle model for business projects is as follows:

Stage	5 key steps	Stage	Description
<b>1. Discover</b>	<ul style="list-style-type: none"> <li>• Market and force field analysis</li> <li>• Quantification of strategic opportunity</li> <li>• Change portfolio impact assessment</li> <li>• Engage strategic players</li> <li>• Strategic case for change mandate completed</li> </ul>	<b>4. Design</b>	<ul style="list-style-type: none"> <li>• Journey planning analysis</li> <li>• Build the change team</li> <li>• Detailed delivery planning and costing</li> <li>• Business Impact assessment of changes</li> <li>• Baseline benefit measures?</li> <li>• Full case for Change approved</li> </ul>
<b>2. Decide</b>	<ul style="list-style-type: none"> <li>• Consult with strategic players</li> <li>• Visioning Workshop</li> </ul>	<b>5. Deliver</b>	<ul style="list-style-type: none"> <li>• Launch initiatives</li> <li>• Manage business performance</li> </ul>

	<ul style="list-style-type: none"> <li>• Outline future operating model</li> <li>• Establish change leadership board</li> <li>• Strategic case for change brief signed off</li> </ul>		<ul style="list-style-type: none"> <li>• Achieve quick wins?</li> <li>• Survive transition</li> <li>• Stabilise the organisation</li> <li>• Plan for next wave of delivery</li> </ul>
<b>3. Define</b>	<ul style="list-style-type: none"> <li>• Outcomes and future operating model completed</li> <li>• Analysis of options</li> <li>• Identification of routes to destination</li> <li>• Benefits analysis and development</li> <li>• Outline Case for Change developed</li> </ul>	<b>6. Demonstrate</b>	<ul style="list-style-type: none"> <li>• Assess business performance</li> <li>• Measure business compliance</li> <li>• Eradicate old ways of working</li> <li>• Celebrate the achievements</li> <li>• Scan for new opportunities</li> </ul>

This lifecycle is far more flexible and includes a lot more scope for changes of direction before commitments to solutions are made. This is more appropriate to the evolving nature of business projects than the more traditional models of feasibility, design, deliver etc. It draws on those very mature concepts but builds in some flexibility. There should be a formal review at project 'gateways', as it progresses through the stages. If the business isn't satisfied that the project has reached a particular level of maturity, it should be sent back to do more work, mothballed until a more appropriate time if it is still believed to be important, or simply closed down, but ensuring the lessons learned are captured to avoid further wasted effort learning the same lessons. In the Aspire Fusion model, there are only 5 activities, it keeps it simple but focused.

### 3.3 Governance and stakeholder

So much confusion happens in a business project between project boards, teams and stakeholder. This is an area where business, and in fact all projects, can take a real lesson from PRINCE2®. So when deciding what the governance structure should be, think about:

- Use the Accountable, Responsible, Consult, Inform model to decide who should be on the project board. People on the consult or inform category should be engaged outside of the board.
- Project Board members should be either a supplier (including IT, FM, L&D etc) or a business owner of the outcomes, who will have clear delivery responsibilities. If there are necessary subject matter experts, ensure that they understand they are there in an advisory capacity.
- Each person should have terms of reference that are specific to the project, so they know what commitment they are making. Avoid generic responsibilities drawn from manuals.
- There should be effective stakeholder segmentation of those beyond the project board, each with their own communications plan. Keep your friends close, but your enemies closer
- The project board exists to make decisions in relation to the project (or make recommendations to programme or corporate management). However, the project

board is not a democracy and final decision making/accountability rests with the project executive.

### 3.4 The team

Competency of the leadership and teams is a challenge. Many organisations have invested in abundant amounts of generic training for their staff; full 5 day courses where a wide range of concepts are taught, people sit the exams and then never use any of the knowledge they have gained. To get the most from such training, the business project team should learn together with their own project as a case study, a lot of time can be spent learning about techniques that will never be used. Spend a little bit extra and have the courses customised to meet your needs. There are 5 core areas that business project teams need to develop, these are:

- a. Planning is essential, the majority of people working in projects have not been trained and struggle to plan more than a few weeks ahead, for our [click here](#) for our article on planning basics
- b. Effective stakeholder engagement to help analyse, segment and appropriately engage the right people at the right time
- c. Benefits and business performance management, to help be clear on how the improvements will be defined, measured and achieved, with the resulting impact during transition
- d. Change Management principles to ensure they understand the softer side of change and the impact they will have and experience.
- e. Providing the appropriate skills for the project sponsor and the key members of the project board are essential to ensure there is good leadership and commitment to a structured approach to decision making and delivery. The whole project organisation requires the appropriate skills, not just the project manager.

### 3.5 Benefits and outcomes

Despite their hype, it is quite often the case that business projects are not beneficial to many of the stakeholders, as they are often focused at improving services for the customer but with potentially negative effects or inconvenience for staff as more efficiency is sought.

These negative effects are normally called dis-benefits, and they tend to not to appear. In the project documentation (in particular the business case) this is often down played, so it must be much more explicit to understand the levels of risk. To achieve this, much more thought and definition will be needed to explain what needs to be in place to enable the outcomes. Many business projects involve delivering changes that bring efficiencies in terms of posts being reduced or changes to the delivery chain, so there are often losers that will need to be effectively managed.

Here is a checklist of the areas that will need to be changed, potentially, which can be used to explain how your outcomes and benefits will be delivered. This provides the information you need about the future operating model, to be clear about what is going to be created.

- a. Processes and service models
- b. Organisations, structure and skills
- c. Tools and technology, that is used to deliver the service
- d. Management information changes that are needed to manage the new working arrangements
- e. Financial measurement of the value of the change and benefits

This information, when explicitly laid out, provides the basis for planning and also effective management of the end game.

Benefit management is often confused by the pursuit of too many, unconnected, aspirational benefits which have little or no chance of being delivered. So our top tips for pursuing benefits is to sort out how you categorise your benefits, [click here](#) for our full article on benefit categorisation, and here are our top tips:

1. **B**enefit achievements should be embedded in the personal objectives of the responsible people
2. **R**isk rate the benefit, look at the likelihood of its achievement and factor the amount accordingly
3. **A**tribute where the benefit will appear and contract that group to deliver the change and ensure there is a support infrastructure to make it happen
4. **M**easure it - If you can't measure it you can't manage it – what you had identified is not a benefit
5. **B**lueprint models of how the organisation functions now and will in the future must exist, these provide the evidence for the calculation of the benefits
6. **L**imit the number of benefits being pursued – focus on the must haves, not the nice to haves
7. **E**arly on the programme board agenda - put benefits at the top of the agenda

### 3.6 Planning

By now, most people will have heard the term “optimistic bias in planning”, but nowhere is it more relevant than in business projects, where the basis for estimating is that everything could possibly go right will go right, and contingency is for wimps. This is where good project management practice can be observed and the inclination to develop a “to do” list needs to be controlled. In most business project situations there will be flux and change, but without clarity about what the future operating model will be the impact of this change cannot be assessed or managed. With a future operating model, you should be able to define the differences between what you have now and what you will have in the future. This provides the basis for what the project will need to create (deliverables, products or outputs) which will provide you with the plan.

So for each plan, you should have:

- a. The products/deliverables to be created properly specified to meet the requirements
- b. The activities that will be required to create the deliverable
- c. Estimate of resource time that will be used and the timeframe during which the work will be done
- d. The deadline for receiving the deliverable
- e. Who will be doing the work and when.

Pretty obvious really, but you would be amazed how often this information isn't available in a plan.

### 3.7 Budgets and resource

Until organisations properly and professionally budget for the use of internal resources, then this situation will not improve as the true cost of the project will be hidden. Even if money is not going to move the internal systems, the amount of hours should be estimated and tracked. Once this is in place then the situation will improve and business change project management will be taken more seriously.

It is essential that business project managers get signed commitment to the amount of resources required from the various operational managers that will greatly help the recognition and acceptance of the commitments being made. The project is unlikely to be top of the priority list for the operational teams.

Analysis that we undertook for one of our clients to estimate the true amount of effort that was going into the change programme showed that for every 1 project person accounted for in the business case, 3 operational people were being consumed on project related activities, so when things got busy, they employed another project person, who made things worse !!

So your checklist of for a business project budgeting should include:

- a. Supplier costs
- b. Costs of the project team (if external) and their facilities
- c. Internal resources required (based on the plan), in hours if not true cost
- d. When the time will be required from the internal resources
- e. The amount of operational time likely to be consumed during implementation, outside of the project (training, travel, reviewing, testing, meetings, etc)
- f. Formal sign off to provide resources by the business line managers
- g. Formal sign-off by finance departments so that they are more engaged in the ownership of the business case (could equally apply this across a range of their functions, so that business cases are seen more as a holistic/corporate exercise, not just the responsibility of one business area)?

### 3.8 Tools and techniques

A major problem for business projects is that the tools, techniques and vocabulary of hard project management haven't evolved to meet the softer needs of a business project. However, there are some excellent tools and techniques in the OGC Managing Successful Programmes toolkit which can scale down very effectively for a business project, notably blueprinting, the approach to benefits and also planning. The MSP® focus on step changes through tranches is designed to cope with change flexibly. The stakeholder analysis tools are also really useful for tracking levels of resistance and the benefits tools provide detailed analysis of where the change will hit hardest.

One of the difficult areas for organisations adopting project management is the introduction of the new vocabulary, and it isn't always necessary. Great implementations tend to build on the organisations culture, not try and superimpose new ones. Our Aspire Fusion 6C model for controls; moderates the project management vocabulary into more business focused terminology.

Themes	Description	Theme	Description
<b>Control</b>	<ul style="list-style-type: none"> <li>Change governance model</li> <li>Key project roles</li> <li>Business change structures</li> <li>Clear set of roles, competencies, responsibilities and guidance</li> <li>Plans</li> </ul>	<b>Context</b>	<ul style="list-style-type: none"> <li>Business goals and vision</li> <li>Future operating model</li> <li>Business performance baselines</li> <li>Outcome models</li> <li>Benefits definition</li> </ul>
<b>Compliance</b>	<ul style="list-style-type: none"> <li>Delivery planning</li> <li>Internal quality control and compliance</li> <li>Change controls to requirements</li> <li>Reporting</li> </ul>	<b>Communication</b>	<ul style="list-style-type: none"> <li>Stakeholder analysis</li> <li>Marketing plan</li> <li>Communications plans</li> <li>Perception and engagement tracking</li> </ul>
<b>Costs</b>	<ul style="list-style-type: none"> <li>Budgets for delivery</li> <li>Cost of change</li> <li>Costs of assets</li> </ul>	<b>Constraints</b>	<ul style="list-style-type: none"> <li>Risks, Issues, decisions</li> <li>Deadlines, dependencies,</li> </ul>

## 4 Conclusion

Business projects are here to stay and unless we start taking a fresh view on the techniques and start to build a specific body of knowledge, similar to the ones that exist for other disciplines then the maturity of delivery will not improve, operations will continue to feel like projects are being done to them and the battle will go on.

The vast majority of IT projects are actually business projects with an IT element. If you talk to the IT teams they get frustrated at the lack of engagement; if you speak to the business managers they get frustrated at the lack of understanding of what the "real" issues are.

Project managers tend to come from three disciplines, construction engineering or IT, and there is little evidence that project managers from either discipline can naturally bridge the

gap to business projects. So it is time to start recognising and building the business project management capability. Evidence from the P3M3<sup>®</sup> maturity assessments has shown that these organisations or departments are invariably more mature in their approach to projects than other departments.

Work at Cranfield into the characteristic differences between a programme manager and a project manager may well give us some insight into business project managers as well, this paper identified the conceptual differences between top project and top programme people, our belief is that business project people are more akin to the programme manager characteristics. (Partington, David; Pellegrinelli, Sergio and Young, Malcolm. (2005). Attributes and levels of programme management competence: An interpretive study. *International Journal of Project Management*, 23, 87–95),

Sadly, there is no quick fix to improving the delivery of business projects, but plenty of our clients are now recognising the issues and trying to adapt accordingly. We very much hope that these two articles have proved interesting and we hope to hear from you at some stage.

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