

# Why a compass is better than a map

Increased stakeholder visibility, combined with more uncertain political and economic environments, means that project managers need to adopt different strategies to ensure a greater chance of project success

## Imagine the perfect project. Your team is motivated and self-organising.

The client and service providers have an excellent working relationship and frequently come up with improvements to product or process. Everyone understands the project objectives and delivery strategy, and team members can identify issues and adapt calmly to changes. Emails and meetings are useful and productive. Planning activities are positive and take up little time. You are on the way to project success, and it is not a constant battle, but a pleasant journey.

To a cynic or even a realist, this is a far-fetched utopia. However, when faced with the gap between the way things are now and how much better they could be, there are always two choices: lowering expectations to bring the vision closer to reality, or the braver option of pulling reality towards the vision.

## PROJECT SUCCESS: APPROACHES AND PROBLEMS

Project success is usually discussed in terms of:

- **criteria for success:** what needs to be achieved; and
- **critical success factors:** how it should be achieved.

Historically, success was defined in terms of the 'iron triangle' of scope, budget and schedule – but definitions of project success are increasingly taking a broader view that focuses on the value to stakeholders, including post-project delivery. It is now generally accepted that an emphasis on stakeholder satisfaction is just as important (if not more so) than simply meeting quality or functional requirements for a given cost and schedule.

Since the 1960s, the term critical success factors (CSFs) has been used to define a specific set of areas in which things 'must go right' to meet pre-determined goals. CSFs are therefore a key focus for measurement, control and decision making. Research has sought to establish generic CSFs for project success, mostly



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## VALUE VERSUS VALUES

The word 'value' is used in two main contexts in project environments. Values-led leadership approaches recognise the importance of both.

**Value management** originated in the US during the Second World War as a collaborative approach to secure the best functionality for limited resources. Value is defined in terms of project objectives and aspirations

from the stakeholder, and end-user perspective, teasing out needs and wants. It may consider either product or process. This is in contrast to the more recent 'value-based management', popular within management accountancy since the late 1990s, that defines value in terms of the financial benefits for shareholders.

**Values** are deeply held principles, expressed in actions and behaviours that people adhere to when making decisions. Values and behavioural norms together build an organisational culture. Much research focuses on the role of values to integrate organisations and give what Victoria von Groddeck calls "orientation for decision situations".

## << FIVE DIMENSIONS >> VALUES-LED PROJECTS



focusing on procedural, organisational or behavioural factors. However, there are two persistent criticisms of the CSF approach:

- A simple list of CSFs does not recognise inter-relationships between factors.
- CSFs do not reflect the dynamic nature of projects and some factors' differing levels of importance over the life of the project.

Combined, these approaches tend to drive an emphasis on processes as a mechanism for project control and governance. However, an increasing move towards ever-tighter project controls will not always bring improved outcomes.

Requirements to follow numerous procedures can place a high cognitive load on people, leaving less energy available to deliver the thing of value. Overspecified processes can also close off thinking and dilute individual agency.

### PROJECT SUCCESS: A NEW VALUES-BASED APPROACH

Projects in uncertain and unpredictable environments need to adopt a new model to improve their chances of success.

The behaviour and decisions of the project team are critical. Research suggests that personal action is driven by beliefs about the expected outcome, and by the opinions of influential colleagues. The progress of the project may be measured in 'hard' decisions and deliverables, but it is driven by 'soft' project culture and values.

Values-led approaches to project management focus on clearly defining what is of value to the project and establishing shared values to build a project culture that supports teams and individuals.

### A STARTING POINT

- Define and agree the intended benefits of the project at the outset through a robust facilitated discussion between all stakeholders.
- Agree where these project value objectives sit on the graph (shown above). Differentiate between needs and wants, and use distance along each axis to identify the relative importance of each objective.
- Make all project decisions consistently against the agreed project value drivers – this will reduce friction and save time and energy later.



### IN PRACTICE


On a recent multinational infrastructure development, this structured approach proved an effective way of surfacing, clarifying and reconciling the disparate (and in some cases conflicting) requirements of the two main stakeholders at the project outset. As a result, everybody was clear on what success looked like, avoiding friction or later disappointment. The agreed project value objectives were developed into a simple decision-ranking tool that was used for design studies across all disciplines. There was a significant improvement in the consistency and quality of decision making across the project, and the decision-making process was smoother, quicker and generally more pleasant for all parties.

- Widen the focus to adding value rather than reducing cost – strategic cross-project opportunities may emerge.

### DIRECTION: WHY AND HOW

- Rather than seeking to define all project activities (the 'what'), project leadership needs to start by defining the project value objectives ('the why') to set a clear project direction.
- Clearly communicate project value objectives – this ensures that decisions at all levels are technically and commercially coherent.
- Allow teams to identify and prioritise activities by how much value they add. Take small steps and keep checking your bearings. This iterative mindset allows the project to use the most appropriate processes and techniques to navigate changes and uncertainties along the way, while maintaining a clear direction.
- Project leadership also needs to be about the 'how'. Build and sustain a project culture to encourage behaviours that support the team's ability to meet the project objectives.

Traditional approaches to defining project success still tend to be based on static success criteria that may not relate to broader organisational objectives, while approaches to achieving success are too focused on processes. This can lead to poor team performance. In times of change, unpredictability and uncertainty, oversimplification can lead to disaster.

A values-led management approach enables a team to start becoming the project team it wishes to be. Clearly, identifying what is important to project stakeholders, and establishing shared project values, allows project managers to set a clear course. It also gives team members the freedom and flexibility to use the best routes available to them, rather than trying to map an exact path through a landscape that may be uncertain and changing. 

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