Project Management: Planning, Execution, Evaluation And Control

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Welcome to the course Project Management Planning, Technology and Technology. Today, we will be covering module 2 that is Organization Strategy and Project Selection. In the lecture 3, we will be talking about linkages between organization strategy and projects. The concepts that will be covered in today's lecture are linkages between strategy and projects, then integrated management of project, then project portfolio management system and need for major functions. In the next lectures we will be talking about the rest. in the next two lectures.

So, to start with what is the organization strategy and project selection, how these are these are linked. So, we will be talking about the linkages between strategy and project. To start with we must know what is strategy and what is project and its characteristics. We have seen that the strategy is what? A strategy is the determination of basic long-term goals and objectives of an enterprise.

and the adoption of courses of action and the allocation of resources necessary to achieve those goals and objectives of the organization. Now, if you if you look at it, there are three parts I told in the definition of strategy. One is the determination of the basic long term's goals and objectives of an enterprise, what it is? It is the planning part of it. Then the adoption of courses of action, what it is? It is the implementation or execution of the strategy and the third part I told it is the allocation of resources necessary to carry out these goals and objectives of the organization. that is allocation of resources is necessary, means it should be optimized, it should not resources should not be more, resources should not be less, resources more means you are wasting the resources, resources less mean you are losing the opportunity.

So, these are the strategy. Now what is project? Project in the last module we discussed a project is a temporary NDOR undertaken to create a unique product or service or result. A project is also a group of interrelated activities which are planned in a certain sequence

to create a unique product result or services. So, these are the project. So, what is the linkage between this strategy and project? The linkages are that if you see it like this.

First I will explain this is the strategy management process and project management linkages. We know the strategy of an organizations is developed based on its mission and vision.   So, then what do you do with the mission and vision? you do the external environmental analysis and internal environmental analysis. Why do you do the external environmental analysis? To know the market opportunities and what are threats this is done by the external environment analysis and internal environmental analysis you do to know your strengths and weakness of your resource and capability like what are your strengths of resource capability and what are your the strengths you have to leverage for competitive advantage and weakness you have to overcome. Similarly, for opportunities and threats, you determine to get a competitive advantage.

Once you do that then what do you do? you set long terms goals and objectives for the organization based on this that is you what should be your objectives and goals for the future.   Then what do you do? you based on this you analyze and formulate your strategies to achieve your objectives then analyze and formulate. how do you formulate? the strategy formulation takes place that when you formulate the strategy what you do you generate many alternatives out of many alternatives you choose the one which is most appropriate at that point of time considering the market dynamics and your resource capability because every organizations has limited resources. that resource so it has to be match between your market requirements and your capacity or the capability of resources. So you do they have a portfolio of your strategic choices there are many plans you make plan A, plan B, plan C and most appropriate one you choose then what you do when you choose a strategy you have to implement the strategy, then the implementation stages comes that implementation of strategy how do you implement the strategy that is the question to implement strategies are implemented through the projects.

 the projects are the motors operand for implementation of strategy. So you have to select the projects these are the project selections project selections so the project selections are very important so how do you select the project there are hundreds or thousands of projects in an organization depending on the size of the organization and all these projects why for they compete with each other this projects because your resources are limited so they you have to prioritize those projects so that is why the project selections are very important through the project selections you are implementing the strategy so this is the linkages between the strategic management process and project management linkages. Now these are the linkages between the strategy and project. now necessity of project selection that what is the necessity I have just explained to you because the projects are many so you have to select the project which will be more

aligned to your strategy so we will be discussing the necessity of project selection further more on the next few slides. For this necessity of project selection that why do you need a integrated management integrated management of project so we have a organizational culture and environment you know that they determines the every organizations have a different culture and different environment we will talk about it in module 3.

  Now but what we will be doing now the your projects should be aligned to your strategy most of the projects failure is attributed to that those are projects are not project objectives are not aligned to the strategic objectives of the organization so project selection must be such that it is first and foremost it should be aligned to the strategic goals or strategic plan of the organization and strategic alignment there is a portfolio management we have talked about the portfolio management is there are varying characteristics of project different goals of project different types of project that makes a portfolio projects may be the operational project strategic project safety project quality improvement project so there are different types of projects so infrastructure building project next generation product development projects so and there must be projects are there are should be a   project management you know project management is also important for selections of the project. So now coming to the first things is the strategic alignment why do you need strategic alignment for of the project how does it what is it benefit strategic alignment the problems for a project management system or project management selections arise due to the uncoordinated project management system like often it has been found the projects are failure because   that do not support the organizations overall strategic plans and goals if the project objective does not match with the organization strategic plan and the strategic objectives that will   be an uncoordinated projects and it will be does not add value to the organization then another is the independent managerial decisions like projects are strategies are developed by one group of people that is the top people of the top management but it is implemented by the functional manager so there is always a internal conflict imbalances confusion we will talk about this point after one or two slides so we will not go much on this we so these imbalances also have a strategic alignment problems then there are the prioritization of projects because the there are more number of multi projects more number of projects than the resources you may have so what happens you have to prioritize the project high priority project should get more resources otherwise your resource if the low priority project gets excess resources it will be a wastage or non value added activities so these are the some of the reasons for strategic alignment. Now we have seen that next is the this is the strategic alignment then next is the portfolio management why do you need a portfolio management we will be discussing it so portfolio management the major functions of we have talked about what is a portfolio in module 1 so what are the major functions of portfolio management   The major function of portfolio management is that portfolio management brings the discipline into the project selection process. the project

selection process should be such that it should be transparent and it should link the project to the strategic matrix that that is why the oversee project selection is important it should bring a transparency and it should bring a discipline it should have some specific criteria for project selection and it should be linked with the strategic matrix of the organizations then the monitoring the resource usage what it is like you prioritize the project prioritize the project means high priority project should get the preference for resource allocation rather than the low priority project so there should be a transparent methods and criteria for that. That is also the function of portfolio management then also what you find that project portfolio management system encourages the best practices followed in project management because these are the higher experts and all they can they can guide and encourage them to follow the best practices then another major function of portfolio management is you balance the projects to optimize the risk if you have same type of projects.

Too many same types of projects, you are a risk for it even though your economic criteria or the financial criteria are very lucrative for that projects because you should not have too many say operational projects or too many strategic project too many safety projects too many. there should be a balance between all these so that your risk is spread over and it is optimized that is a major functions of a project management then the another functions of project portfolio management is it improves communications among stakeholders. there are various stakeholders and stakeholders needs are different customers or client is a stakeholder your supplier vendor regulators subcontractors then your functional managers and your project team these are the different regulators these are the different stakeholders and you require to have a have a communications with them and if portfolio management guides you to improve the communications among the stakeholders. if the communication is open if the communication is a very effective then there are the chances of the success of the project is more. then again the prevailing organization perspective over silo thinking project portfolio what encourages? it encourages the overall goals and objectives of the organization strategy of the organization but if you see the different functional groups functional groups they are more dominant with their group work like they each functional groups work as a silo their silo thinking their group objectives are more important than the organizational objective.

So, project portfolio management system helps to improve the overall strategic management goals of the organization rather than the silo thinking. Next is the continuous improvement of management of projects like portfolio management also helps the organization to have the that continuous improvement of the management of projects multi-project organizations must be having many projects and all.   So, the maturity level of the projects so from the ad hoc level one to the if project level then the

institutionalization of the project goes to the higher level. continuous improvement of management of projects also is a function of portfolio management. Now, we will be discussing the need for a strong project portfolio management system.

what are the needs see here there are say implementation gap one need is the implementation gap what does it mean I have talked about it in the previous slides then I told I will be discussing in details in the next slide. So, the pro that strategy is developed by one group of people usually that top management with the help of strategic planning group or the experts and all they formulate the strategy of the organization and those strategy is implemented by another group of managers that is the functional managers they implemented and projects are chosen by another group of people those are the users group they choose the project. So, there is when the strategy is formulated by the top management they give a broad framework and all they do not go for the details this details for implementations are developed by the project manager or the functional manager. So, there is always a gap between them and they project managers or the different functional managers they do it to their levels and all to. So, there is always a confusion always a ambiguity always a some lack of that transparency.

So, this is called the implementation gap you know so this is also is required to be lessened how do you lessen it how do you reduce it you reduce it if you have a strong project portfolio management system how to do that you select criteria you select that for choosing the projects and all and have transparency we will discuss about it more in the next few points. Then organization politics organization every organizations have their own internal dynamics and there have their own politics are there there is no organizations is free of politics it is impossible. So, but this organizational politics should not be dysfunctional that you have to look at it and this organization politics also if it is toxic and all it will be harmful for the for the organization this. So, this organization politics you know for these you can have there are some pushy managers or directors they may bulldoze and to get their project, project approved. So, so these things goes on in every organization for that how to carve in it and also if you see the different usually in an organization there are different functional groups say the say engineering group they have some projects four five projects then there might be the operational group there may be the the logistic group, HR, and IT risk management.

they may have their finance have their own projects the and their projects is say IT projects may be very rank high for IT department, but whereas, a production project may rank very low for the IT department. So, this politics goes on you know. So, there must be some select criteria for these to overcome all these again organization politics is also apparent from the you know there is a there is a project which is which was Xerox Inc in 1970s the project was called Alto project and that was a game changer project for the

whole PC personal computer in 1970s mid 1970s. It is said that that Alto project of Xerox though they were five they five years ahead of their competitors like they created Xerox Inc created the first workable mouse the then the first operating systems the software projects software systems and all then the first laser printer and first LAN that the local area network all these were five years ahead of their competitors, but they squandered this opportunity in the next five years because of organization politics they could not move and come beyond that because the toxic organization culture and also they did not want to take a they that breakthrough or the brave the steps this is the organization toxic organization politics   that should be avoided. How do you avoid that? For this organization politics you must have a to avoid that have a sponsor every project must have a sponsor.

What is a project sponsor? Project sponsors are the high ranking official say the director level if he lends support to your project then what happens the obstacles roadblocks and are reduced and he gives you the political support and also whatever the other group supports are needed he pushes through it. So, that is why this Alto project did not have a project sponsor had they been a project sponsor the story might have been different and also that the competitors of the Alto the Macintosh and all they are closely watching this and they capitalize that organization. These are the organization politics. So, to curb it you require the strong project portfolio management system the criteria for selections of project should be transparent should have a acceptable to all and then also organization politics also is helpful for you know some the project managers are very challenging they are dashy they want to have high priority project. So, that they can give the come to the limelight for their career advancement.

So, if you can if those project managers can for can can complete a challenging and the critical projects and all they automatically comes to   the limelight these are the organization politics. Then the last one is resource conflict and multitasking the most of the organizations with the multi project work in multi project environment and that is the number of projects are far more than the resources you are having usually the thumb rule is you have resources the number of projects should be 3 to 4 times more than your resources you are having resources. Resources are say the equipment say crane, bulldozer you cannot if you have 100 projects you may not be requiring 100 accountants you may not be it is not possible to recruit 100 specialist in some some areas. So, what they do they do they what do you have to share the resources. So, that is why there is a fight between the project managers to get the as much resources as possible and also they fight for getting the best manpower, best experts for those the project managers fights for that.

So, when the resources are the constraint is always constraint. So, the fight goes on and

all. So, what should you do you should have a priority ranking for the projects that comes from a strong project portfolio management system. If you have a strong project portfolio management system priorities of the projects are fixed then the resources can be allocated accordingly and also when your resources are less what happens you cannot have the hundreds of accountants. So, you have to have to or the design engineers.

So, you have to share with them. So, there may require a multitasking say design engineer when he is doing attached with 3, 4 project to he is doing some design for one project now he has to sweep to other project design for another day. So, what happens you have to stop the work of this project and start the work of another project. So, this is called splitting these are not desirable, but when your resources are limited you might have to do that that is why you prioritize the project then this organization politics then your this conflict resource conflict and all these things will be reduced. So, these are the reasons for project portfolio management system should have a strong in the organizations.

Next so, to sum it up what we have discussed in this lecture we can tell that projects are the modus operandi to achieve long term strategy of an organization. Therefore, selection of project is an important issue which needs to be aligned with the organization objectives. This module further discusses the linkages between strategy and projects and integrated management of project. It further explains the need for the port project portfolio management systems and the major functions of project portfolio management system to bring a transparency to give the priority to give the ranking of the project a project portfolio management system is required. It further these are the further we will be going to the next lectures.

The references the books you can refer for this are these books you can refer to enhance your knowledge further on project management. So, this all for today's lecture, I hope it has been beneficial to you. Thank you very much for attending this class.