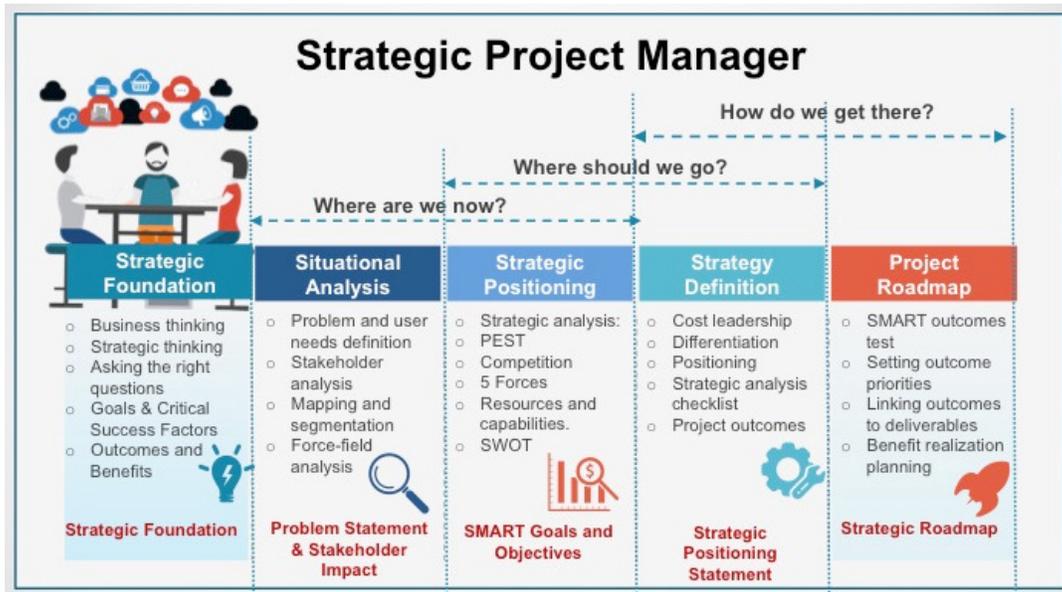


# Project Strategy

One of the elements missing in much of the discussion around project management is a focus on the key early decisions that determine the project delivery strategy. Decisions on using Agile or Waterfall, pre-fabrication or on-site assembly, don't change the required project deliverable but have a major influence on how the project is delivered and its likely success<sup>1</sup>.



One size does not fit-all. A good definition of strategy is: *Strategy is the planning that people above you in the hierarchy do and tactics is the planning that people below you in the hierarchy do.* This rule applies irrespective of where you are in the hierarchy. So a strategy to improve a city's bus system would be a tactic within a strategy to improve transport in a region. But this strategy to improve transport in a region would be a tactic within a government's national strategy to improve the wellbeing of its citizens.

Far too many projects are set up to fail simply because no one bothers with this key 'thinking' step before rushing off to implement the planning and work. To achieve a successful project outcome the key project stakeholders need to determine the strategy for undertaking the project work (to optimise quality, risk and other factors) and then design the project controls processes to provide the optimum level of control based on the selected approach to project delivery. In IT the way software is delivered can be via traditional 'waterfall' or one of the various 'Agile' approaches – they are mutually exclusive and require a very different approach to planning and managing the work. On an engineering project, the resources, procurement contracts and workflow (not to mention quality and safety issues) to construct a chemical plant 'on-site' will be very different to the way you would plan and manage the same 'plant' where most of the work is focused on prefabricating 'skids' in a factory environment and then positioning them onto prepared foundations and connecting the units together.

These concepts and decisions need to be documented in a 'method statement', or other similar document, which leads into the planning and scheduling processes as well as other key elements of the project such as procurement. Using this model, the project delivery strategy is defined early by the project manager and sponsor and in turn through documents such as the 'planning method statement' defines the tactical processes of planning, budgeting and scheduling used to plan and implement the work of the project.

<sup>1</sup> A **feasibility study** may have defined the preferred strategy, see: [https://www.mosaicprojects.com.au/WhitePapers/WP1027\\_Feasibility\\_Studies.pdf](https://www.mosaicprojects.com.au/WhitePapers/WP1027_Feasibility_Studies.pdf)

## Setting targets

**Key performance criteria** are needed to support the planning and quality assurance (QA) processes. These can include safety targets, staff development targets, environmental impact targets, etc. Meeting key performance criteria may have a fundamental impact on the way the project is done.

**Key success criteria** extend the *performance criteria* to clearly define what success looks like at the end of the project (and frequently their relative priority). They are the standards by which the project will be judged at the end to decide whether or not it has been successful in the eyes of the stakeholders:

- **Project management success criteria:** Related to the professional job of running the project, on-time, on-budget, quality, etc.
- **Project deliverable success criteria:** Related to the things delivered as a result of the project, did the deliverables 'do the job' the stakeholders expected effectively and efficiently?
- **Project success criteria:** Related to the business benefits and value proposition contained in the business case, was the organisation's investment in the project worthwhile.

## Developing your project delivery strategy

Some of the key steps in designing a strategy for success include:

- Understanding and aligning with the organisation's strategy<sup>2</sup>
- Familiarisation with the overall requirements of the project and its stakeholders<sup>3</sup>
- Determining the key elements of value and success for the project<sup>4</sup>
- Understanding the environment the project is operating within
- Determining the delivery methodology and agreeing this with the key stakeholders
- Determining the project management methodology and agreeing this with the key stakeholders
- Developing the project's strategic plan based on the available know-how, resources and risk appetite of the stakeholders (including the project management team)
- Under taking a formal strategy development exercise<sup>5</sup>.

A useful technique to help you understand what is important and how to make the approach more efficient is PESTEL<sup>6</sup>. PESTLE stands for - Political, Economic, Sociological, Technological, Environmental, and Legal. It is in effect an audit of a project's environmental influences with the purpose of using this information to guide strategic decision-making. The assumption is that if the project is able to audit its current environment and assess potential changes, it will be better placed to respond to changes.

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<sup>2</sup> For more on **strategic alignment** see:

[https://www.mosaicprojects.com.au/WhitePapers/WP1006\\_Strategic\\_Alignment.pdf](https://www.mosaicprojects.com.au/WhitePapers/WP1006_Strategic_Alignment.pdf)

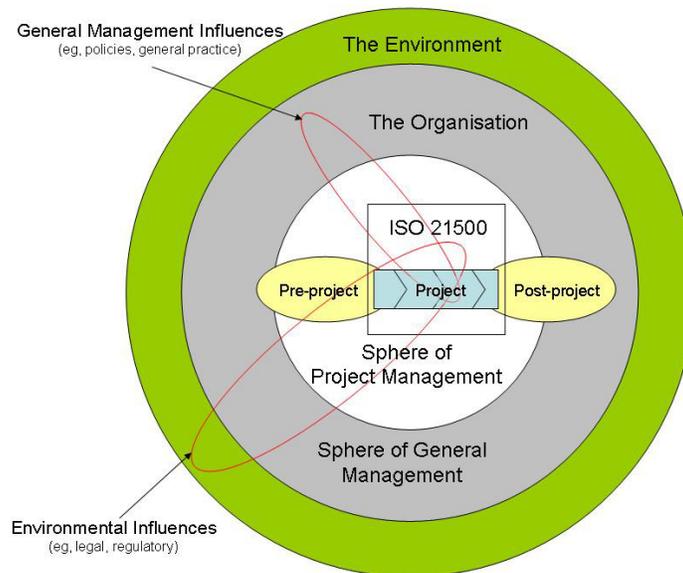
<sup>3</sup> See **Project Definition:** [https://www.mosaicprojects.com.au/WhitePapers/WP1005\\_Project\\_Definition.pdf](https://www.mosaicprojects.com.au/WhitePapers/WP1005_Project_Definition.pdf)

<sup>4</sup> See **Value is in the eye of the stakeholder:** <https://mosaicprojects.wordpress.com/2009/03/28/value-is-the-stakeholder/>

<sup>5</sup> See **Project Planning:** [https://www.mosaicprojects.com.au/WhitePapers/WP1039\\_Project\\_Planning.pdf](https://www.mosaicprojects.com.au/WhitePapers/WP1039_Project_Planning.pdf)

<sup>6</sup> Sometimes abbreviated to PEST.





The problem with implementing this critical stage of project delivery is that it crosses between the project initiators and the project delivery team. Project management, as defined by ISO21500 and most other standards, including the *PMBOK® Guide*, starts at the point the project is chartered and finishes once the project deliverables are completed.

The ‘sphere of project management extends beyond the mere management of a project. Before the project is chartered, portfolio<sup>7</sup> and program management may be involved, together with PMOs creating organisational policy<sup>8</sup>. These influences impact on the determination of an acceptable/optimal project strategy. When the project hands over its deliverables, decisions made within the project will influence the organisation’s ability to achieve the intended outcomes.

Beyond the sphere of project management, there’s the organisation itself and general management. This sphere of influence will determine many factors that will influence project strategy, including acceptable risk parameters. Then there are wider environmental factors including legal and regulatory requirements.

Optimising a project strategy within this overall environment requires both the project delivery team and the client/sponsor team to be involved in discussions focused on developing a project delivery strategy that optimises the opportunity for a successful outcome. Coordinating these discussions should be a key responsibility of the Project Sponsor<sup>9</sup>.

Unfortunately, the opportunities to engage in this type of discussion and planning are frequently difficult to arrange. Many contract documents effectively prescribe a delivery process, and/or the client and senior management don’t know they need to be engaged at this stage of the project life cycle. A key challenge for project managers and PMO managers is to start focusing more on these critical early stages of a project and working to engage senior management at the right time.

<sup>7</sup> For more on **Portfolio management** see: [https://www.mosaicprojects.com.au/WhitePapers/WP1017\\_Portfolios.pdf](https://www.mosaicprojects.com.au/WhitePapers/WP1017_Portfolios.pdf)

<sup>8</sup> For more on **PMOs** see: [https://www.mosaicprojects.com.au/WhitePapers/WP1034\\_PMOS.pdf](https://www.mosaicprojects.com.au/WhitePapers/WP1034_PMOS.pdf)

<sup>9</sup> See **Project Sponsorship**: [https://www.mosaicprojects.com.au/WhitePapers/WP1031\\_Project\\_Sponsorship.pdf](https://www.mosaicprojects.com.au/WhitePapers/WP1031_Project_Sponsorship.pdf)

## Conclusion

Projects are set up to succeed or fail, success always requires 'hard work', but failure can be easily achieved simply by picking the wrong delivery strategy! Once set, the project strategy is the basis for many planning decisions, simply defaulting to 'business as usual' without considering the unique aspects of each project will inevitably lead to many sub-optimal outcomes. The strategy document should not be very large. Its purpose is to set the framework for the project planning work not to replace project planning.

But beware! Devising a good strategy for an ill-defined project goal is not likely to prove very useful either. Adequate time and effort should be spent in deciding in clear terms what should be achieved, the *goal!* Then you can work out the optimum strategy and then plan how to implement the strategy effectively.

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