

# **Extending the Definition of a 'Project' – From a Project Manager's Output Delivery Endeavour to a Funder's Outcome Achievement Process**

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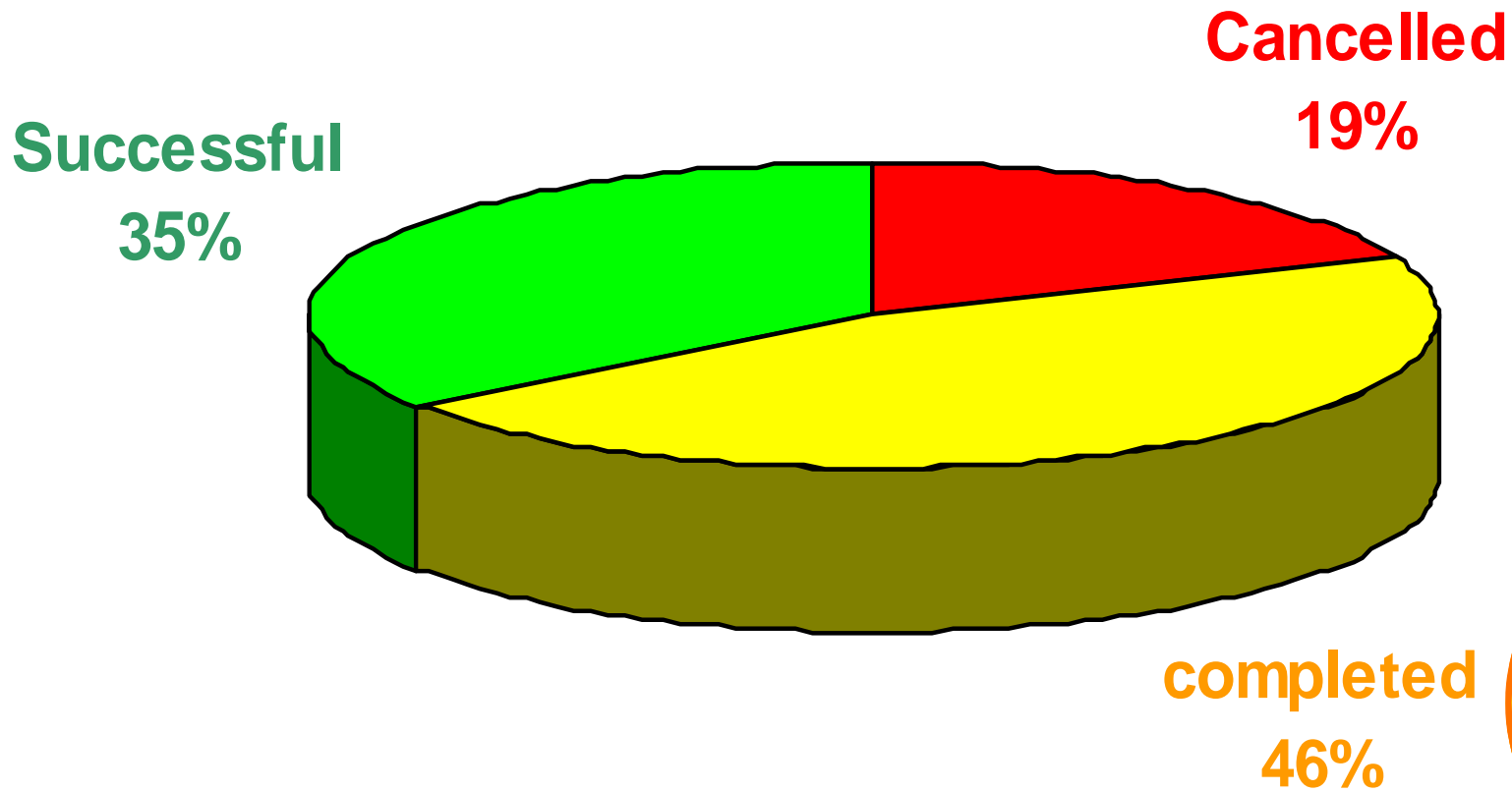
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# Most Projects Fail



# Approaches to Improve Project Success

- **Analysing project failure**
- **Identifying Critical Success Factors**
- **Identifying Critical Success Processes**
- **Developing and updating project management methodologies**
  
- **But still most projects fail...**





# Project Definition

**“Classical definitions of projects are not wrong, just incomplete”**

**Turner and Muller, 2003**



# PMI, 2004

- “Temporary endeavour undertaken to create a unique product or service”



# PMI, 2004

- “Temporary endeavour undertaken to create a unique **product or service**”



# IPMA's Competence Baseline, 2006

- “Time and cost constrained operation to realise a set of defined **deliverables** up to quality standards and requirements”



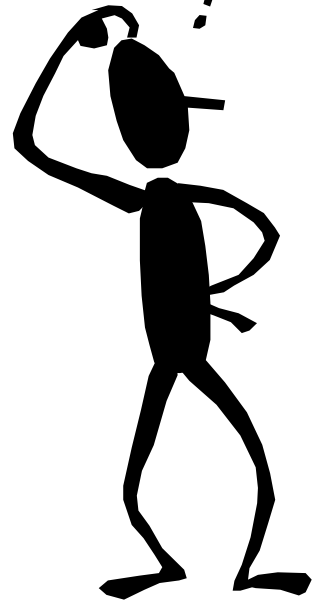
IPMA member countries

## Lewis, 2000

- “A project is a one-time, multitask job that has clearly defined starting and ending dates, a specific **scope of work to be performed**, a budget, and a specific level of performance to be achieved”

# Drawbacks of Current Project Definitions

- **Inconsistent terminology, e.g. deliverable / product / output (Nogeste and Walker, 2005)**
- **Ignore funder's outcome achievement (Fraser, 2003)**

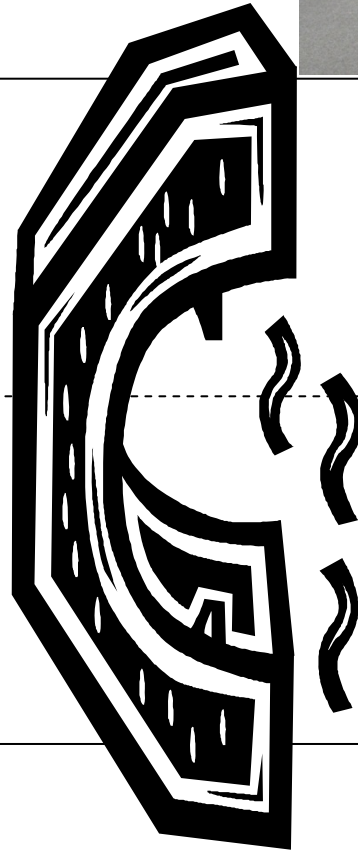


Target **outcome**:

1. Increase children's safety
2. Reduce number of accidents

**Output:**

1. A bridge



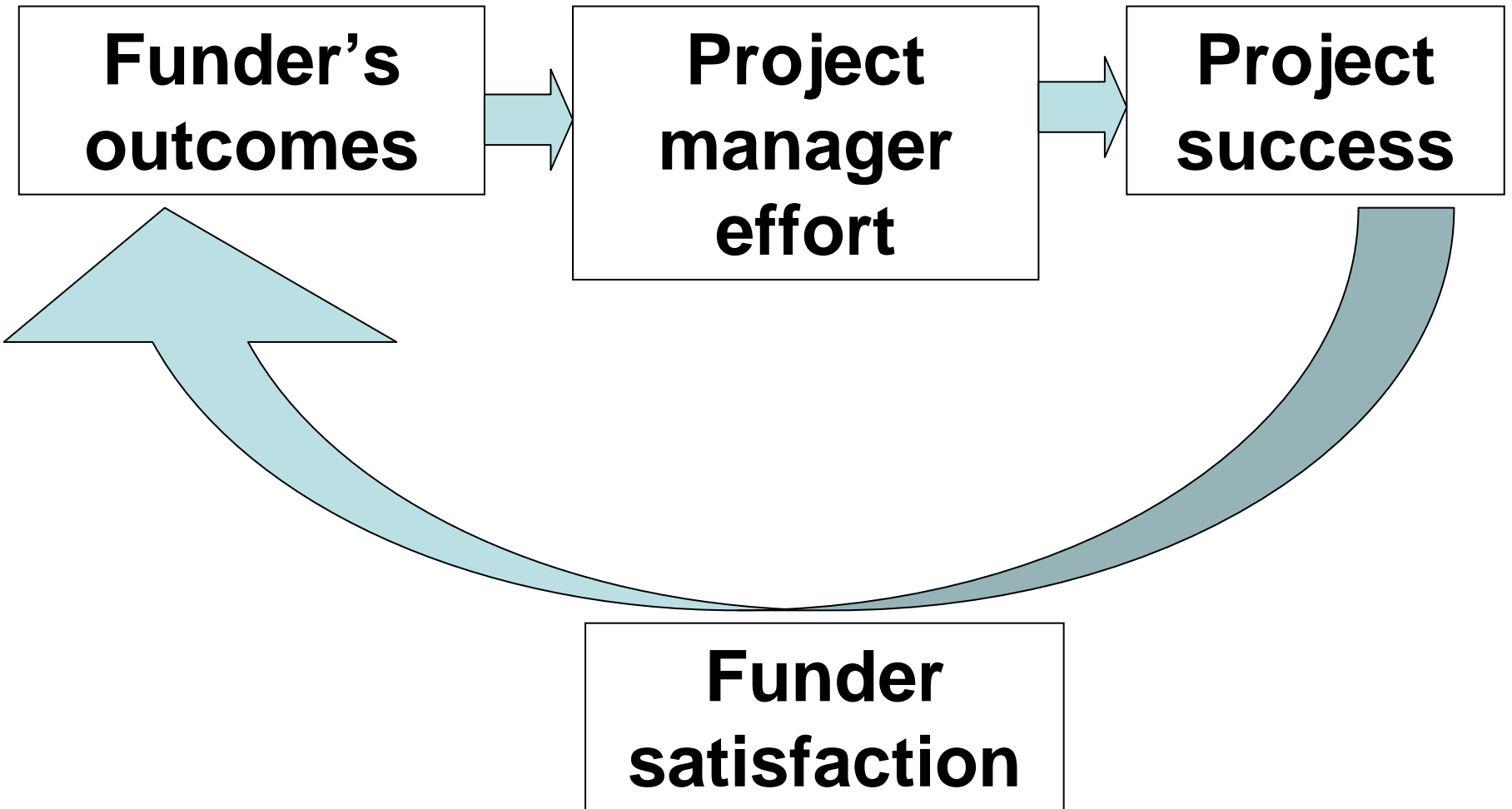
# The Model

**Funder's  
outcomes**

**Project  
manager  
effort**

**Project  
success**

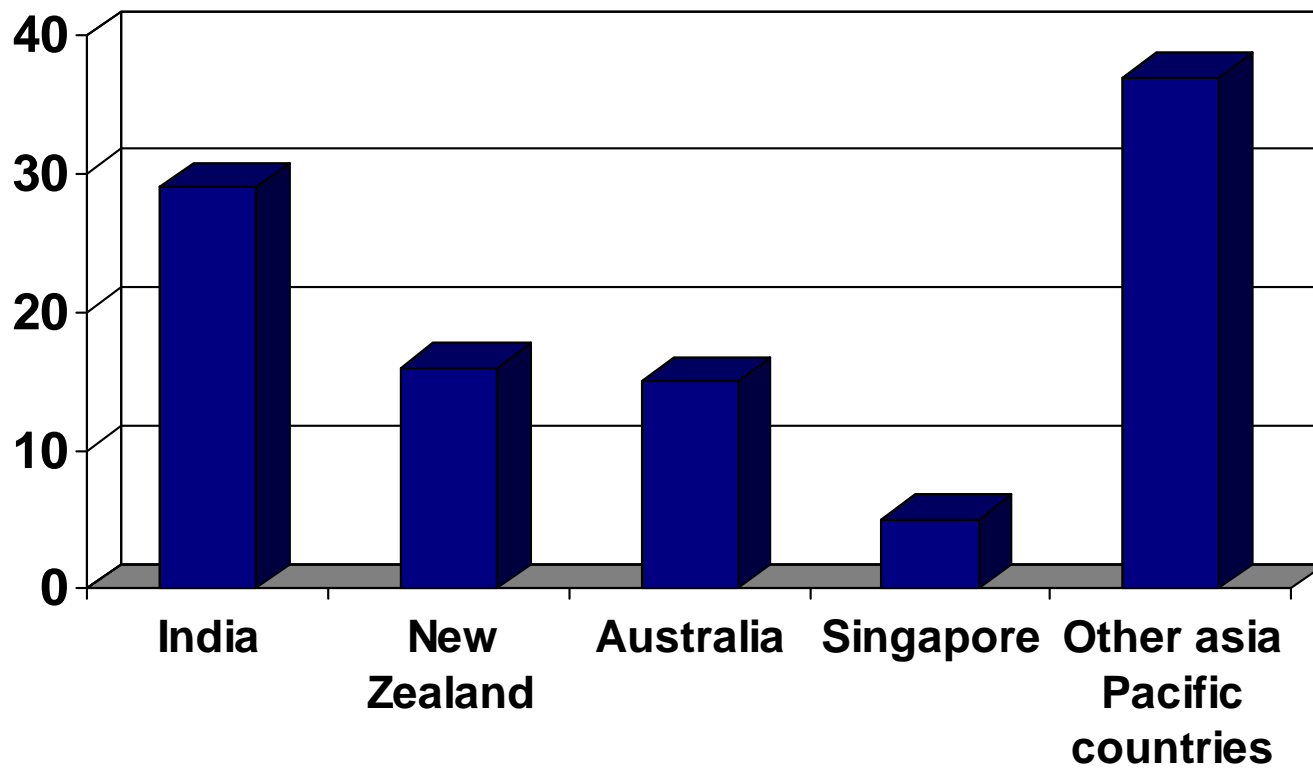
**Funder  
satisfaction**



# The Study



# Data Collection

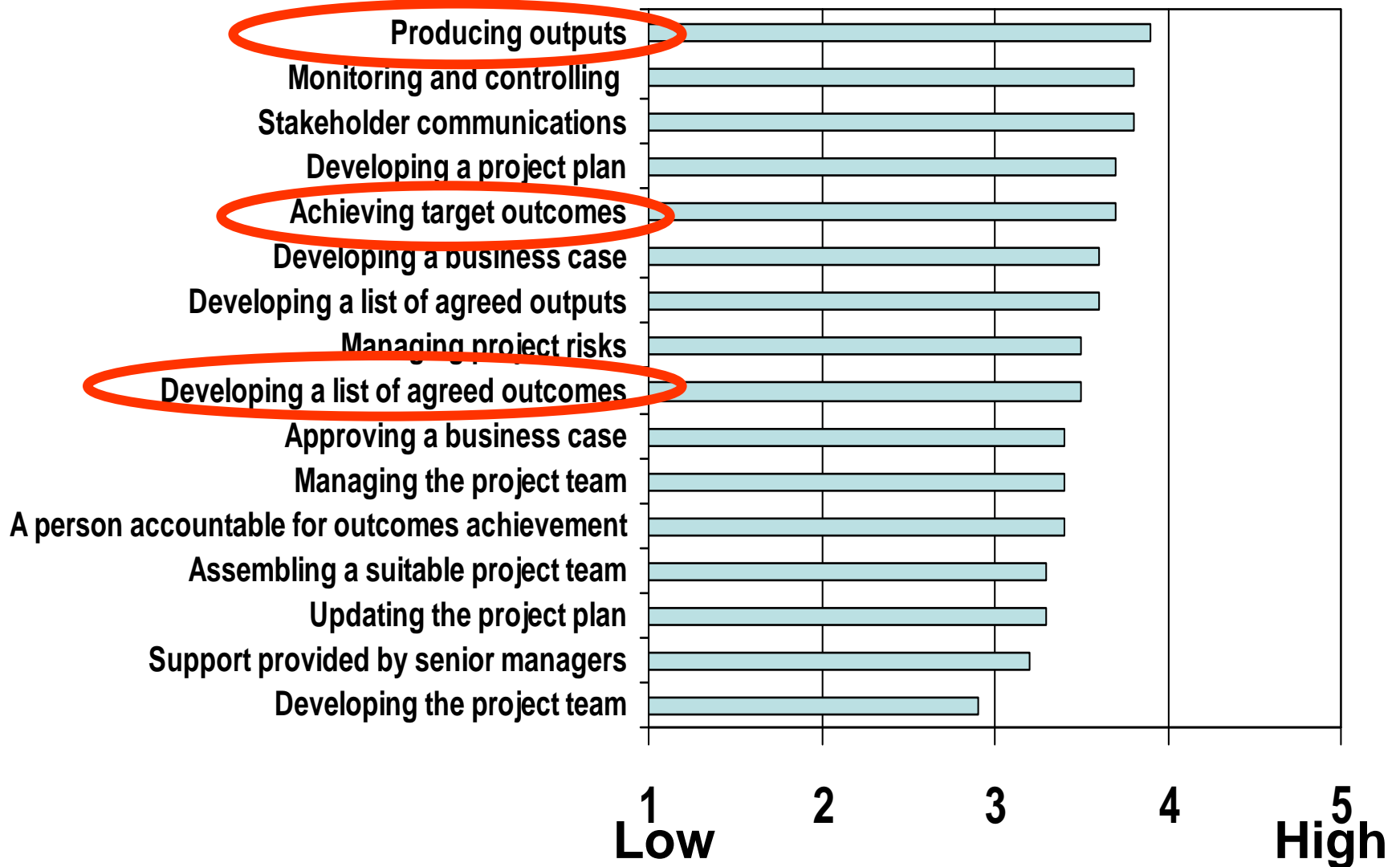


**102 PMI members in Asia Pacific**

# Importance to the Funder



# Project Manager's Effort



# Critical Project Management Process

## Project Manager Effort (Independent Variables)

Developing a business case
approving a business case
Developing a list of agreed outputs
Developing a list of agreed target outcomes
Developing a project plan
Monitoring and controlling the project
Updating the project plan
Managing project risks
Assembling a suitable project team
Managing the project team
Developing the project team
Effective communications with stakeholders
Support provided by senior managers
Producing outputs
Achieving target outcomes
A person accountable for target outcomes



## Project Success (Dependent Variables)

Schedule Overrun
Cost Overrun
Fit to Purpose
Funder Satisfaction

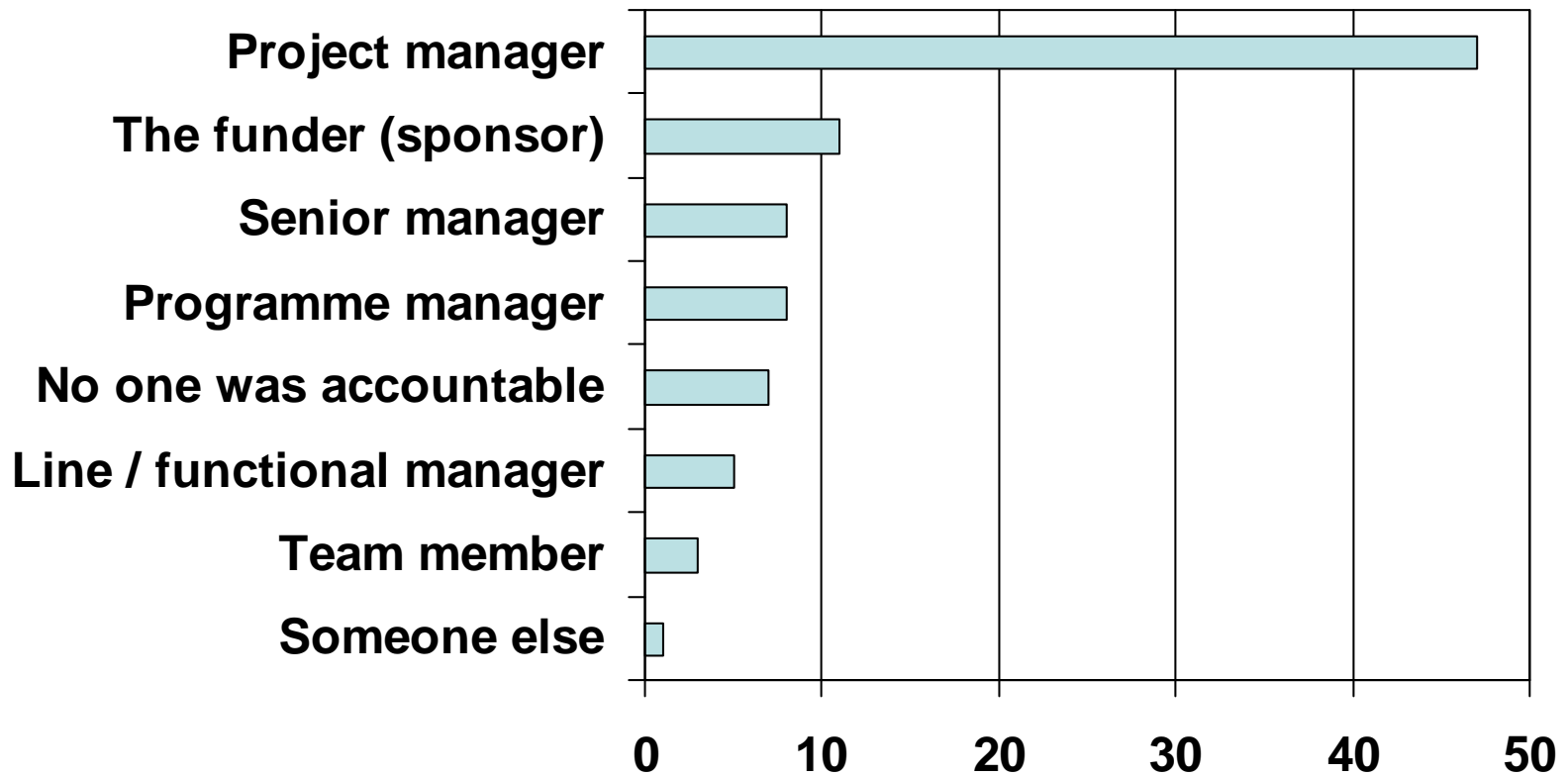


# Conclusions

- **Target outcomes:**
  - The most important factor to the funder
  - A critical success process
- **The project manager focuses on both output delivery and outcome realisation**
- **Are project managers accountable for outcome realisation?**



# Who Should be Accountable for Outcome Realisation?



# The Problem - Project Life Cycle

1. Initiation
2. Planning
3. Execution
4. Closure

The project is completed when outputs have been delivered.

So...

Is outcome realisation part of the project?

Who is accountable for outcome realisation?

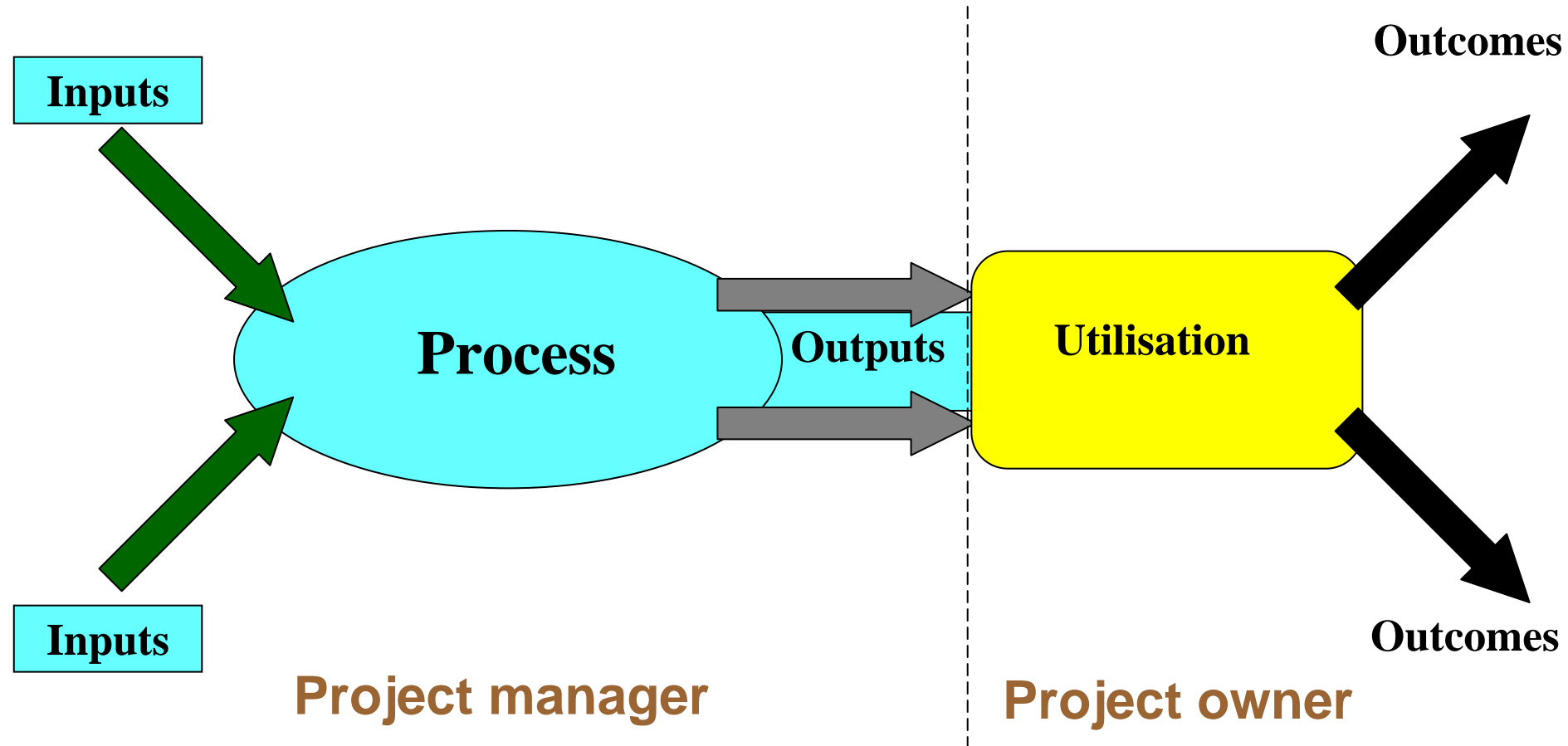


# The Model



# From Output Delivery to Outcome Realisation

## The ITO model



The ITO model has emerged from an ongoing research program conducted by John Smyrk at the Australian National University

# Outcomes vs outputs

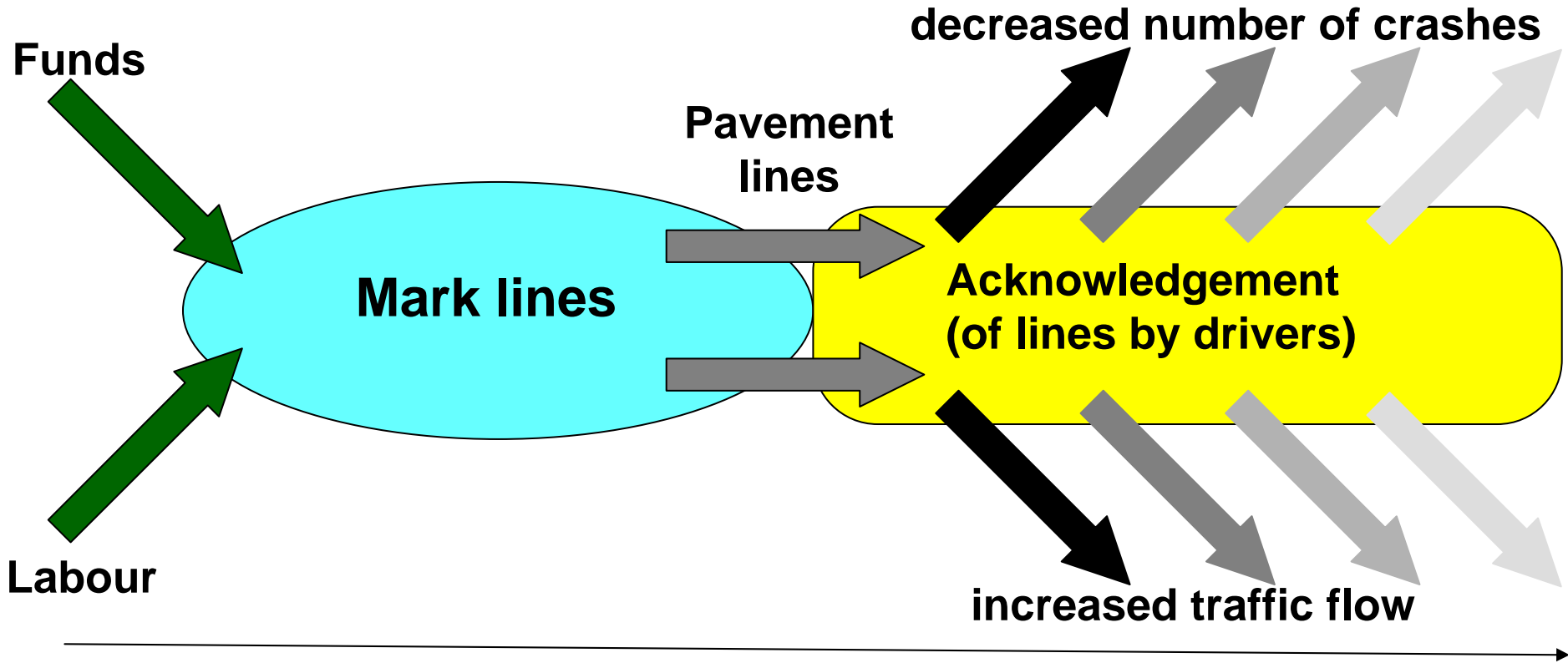
## Outputs

- Artifacts
- Tangible
- Certain
- Define scope
- PM accountable

## Outcomes

- End effects
- Intangible but measurable
- Uncertain
- Establish scope
- PO accountable

# Example - A Road Project



# Project Definition – Ambiguous?

- “A complex, non-routine, one-time effort limited by time, budget, resources, and performance specifications designed **to meet customer needs** (Gray and Larson, 2006)
- If “customer” = “end-user” then this is outputs-based.
- If “customer” = funder” then this is outcomes-based.

# Project Definition – “Goal”- Focused

- “A project is an organization unit dedicated to the attainment of a **goal**” (Gaddis 1959).
- “Temporary endeavour undertaken to create a unique product, service or a **result**” (PMI 2008).
- “A temporary organization and process set up to achieve a specified **goal** under the constraints of time, budget, and other resources” (Shenhar and Dvir, 2007)
- “A unique venture with a beginning and end, conducted by people to meet established **goals** within parameters of cost, schedule and quality (Pinto, 2007)
- “Any series of activities and tasks that have a specific **objective** to be completed within certain specifications” (Kerzner, 2006)

# Do Goal-Focused Definitions Make Sense?

- Only if we demand that goals be expressed in outcome terms.
  - “The goal of this project is to install the XYZ system” **fails**.
  - “The goal of this project is to reduce operating costs by 20%” **passes**.

# Project Definition – Outcome Focused

- “Temporary organisation to which resources are assigned to do work to bring about beneficial **change**” (Turner, 2006)

# The Proposed Definition for a 'Project'

**“A unique process intended to achieve target outcomes”**

# Implications: Project Focus

**New definition changes projects from being customer (“user”) centric to being funder-centric.**

# Implications: Two Views of Success

**For the project:**

**For our investment did we get:**

- satisfactory outcomes?
- all outputs delivered to agreed quality standards?

**Within an acceptable timeframe?**

**Without unacceptable undesirable outcomes?**

**For the project manager:**

**Were all outputs delivered to agreed quality standards:**

- within timeframe?
- within budget?
- without unacceptable undesirable outcomes?

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