

## FOCUSING THE PROGRAM, PROJECTS AND TEAMS Part A: Strategic Choice and Defining Program Direction

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### ABSTRACT

Continuing in a series<sup>1</sup> of related papers, this paper challenges the conventional manner of program and project development. It illustrates how significant benefits may be derived through the application of the Value methodology as the core tool set for improved business decision-making and control. This is accomplished through refocusing business programs and resources, - by proper identification and understanding of the issues and strategic intent at an early stage, together with involvement and clear focusing of the appropriate team members at the right times. The context in which this paper is presented relates to the improvement of management ("soft") services and systems as well as the development of new, refurbished or expanded ("hardware") facilities.

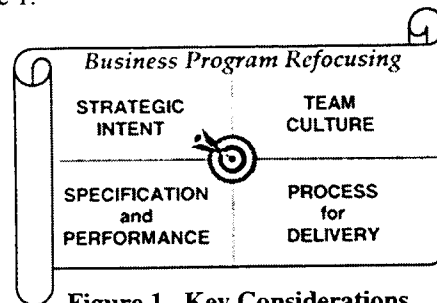
### INTRODUCTION

The paper is part of a conference trilogy<sup>2</sup> (in conjunction with Scot McClintock and Michael Thompson) that addresses the whole spectrum of using Value Management to effectively manage business programs and "drive" projects through:

- a) developing strategic choice and defining program direction
- b) building and maintaining effective partnerships through trust and teamwork
- c) optimizing and controlling project value, resources and schedule.

This particular paper describes a very early application of the Value methodology to focus or refocus strategy, define program(s) effectively and provide a framework to guide development of

subsequent projects. The two accompanying papers describe how the process is continued through program/project development, towards eventual implementation. Key considerations are illustrated in Figure 1.



**Figure 1. Key Considerations**

A process is described for developing a framework for deriving balanced solutions to complex and contentious issues, taking into account financial, legal, political, regulatory, risk, schedule, resource and technical implications. Based on case histories, the paper challenges "the way we have always done it". The methodology counters the approach typical of autocratic, rigid and competing bureaucracies which are typified by: "top down" linear development of projects; rigid, unitary value systems and where issues are viewed as divisive.

In contrast, the paper describes an open, transparent process with a flexible, shared value system. This is a participatory, inter-organizational approach to program development using "parallelism" of "work in progress" deliverables, rather than the traditional rigid, linear sequence of finished and unquestionable, glossy yet commonly untested deliverables.

As with traditional applications of the Value methodology, participants are required to think about both the larger, strategic picture and the specific enabling initiatives that must be workable in practice. However, at this very strategic stage, it can be particularly challenging for some people to do so. The process described addresses this challenge and facilitates the management of change in individuals and organizations. The paper describes a means for involving stakeholders in the process of initially deriving or refocusing on strategic direction for optimal performance, - achieved through alignment, or realignment, of stakeholder perspectives.

The potential for so many diverse perspectives to be raised during the time from inception of an idea to implementation can be quite a daunting prospect. Is it realistic to expect complex situations to be resolved to the satisfaction of line personnel (and the multitude of other stakeholders) by strategists working in isolation? On the other hand, so many professionals retreat to the comfort zone of their own specialism. This is often evidenced by their insistence to work only in a well defined, linear sequence of activities, even though the time taken to do so is disproportionate to the results obtained (for planning purposes). So why is this a frequent occurrence? Why do so many individuals and organizations continue to repeat the unsuccessful practices of their predecessors?



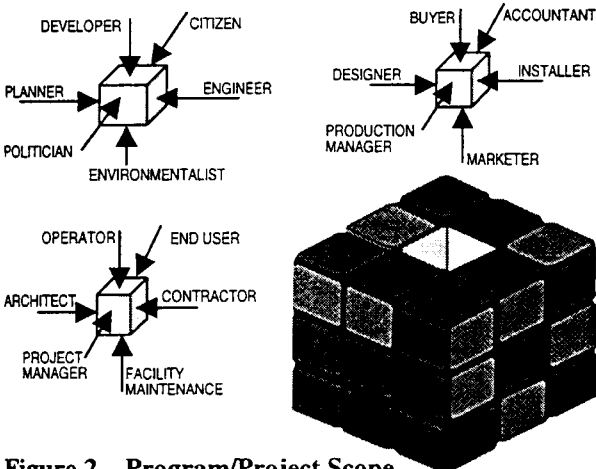
WHY ALIGN PERSPECTIVES?

Why align stakeholder perspectives? Doesn't this occur automatically? Shouldn't a strong directive from executive management "straighten everybody out"? For short term, single-purpose undertakings, maybe a "strong hand at the helm" is all that is required. However many business programs and projects are of such complexity and interdependence on the viewpoints of others (internally and externally), that a strong, single-minded approach is more likely to be of detriment than be a positive attribute at the strategic planning stage.

Despite the inherent desire to improve, most organizations are victims of their inherited culture and circumstances, carrying much "baggage" which restricts their freedom to operate. It is refreshing to observe established organizations come together to form an alliance to tackle a shared project. For the duration of the project, the team members are able to free themselves from old paradigms and perform with incredible effectiveness, temporarily unshackled from many of their previous corporate constraints. What a pity this is the exception rather than the rule, but it illustrates that such "sea changes" do occur.

Surrounding any undertaking there are, typically, many variables and ways of viewing issues and potential solutions. The multi-component cube shown in Figure 2 represents the aggregation of majority of issues and potential solutions in various programs of projects. Any one of the individual component cubes may be separated and viewed from different perspectives by the various stakeholders, during the usual sequence of project development and implementation.

Without agreed and tested strategic direction, even the best of intentions can go awry, - e.g. meet with stiff resistance/receive no support or incur significant delays and budget overruns. But how many strategic plans are just lying on a shelf and gathering dust due to impracticality or events overtaking them? The problem of where to start may seem to be overwhelming and cause planning paralysis. On the other hand, some knowledge of the tactical requirements and practicalities is necessary to identify and develop meaningful strategies. Herein lies the challenge: to provide a system of strategic planning that is



**Figure 2. Program/Project Scope & Differing Perspectives**

- broad based and realistic
- produced on time and reflects current best practices
- meaningful for different stakeholders
- clear in strategic direction, yet sufficiently open-ended to allow some freedom of choice during implementation
- conducive to preparation by stakeholders in parallel with their regular tasks
- a foundation for sound decision making and adjustment
- a framework for continuing updates and improvement.



**HOW TO ALIGN PERSPECTIVES**

With so many diverse perspectives to manage, it is beneficial to establish a governing framework to understand and manage stakeholder expectations. These perspectives may include expectations of profit, employment opportunities, environmental protection, ease of operation and maintenance, cooperation, etc.

An adapted Value Engineering process provides a framework to facilitate internal and external stakeholder involvement and to build trust. – This builds sound working relationships among professionals and lay persons alike, for a broad-based and extremely powerful, team working approach. These team members represent a great many organizations and interests, often initially exhibiting opposing ideals and motives. Shared visions, principles, strategies and initiatives are identified, tested for practicality and developed in sufficient detail to enable subsequent implementation as originally envisaged.

It is useful to view the development of a program and associated projects as starting from the wide end of a (horizontally aligned) funnel or wedge. The outline of the funnel represents the boundaries and constraints of the program/project. As projects progress through the funnel, opportunities for major change diminish and the project scope should be “tightened” accordingly.

Understanding Different Perspectives

To understand the different stakeholder perspectives, the following basic questions need to be considered.

- Where are we now?  
(Performance indicators, scorecard, inventory)
- Where do we want to be?  
(Vision and values)
- How do we get there?  
(Strategies and initiatives).

Meaningful answers to these questions are unlikely to be obtained by working in a traditional, linear sequence or by individual stakeholders working in isolation. To obtain agreed and workable strategic direction, the questions should be addressed in an iterative, controlled manner and through broad stakeholder representation. The initial focus on developing a broad understanding of the situation, preferences and constraints; specific targets and action plans being developed in due course.

Establishing Strategic Intent

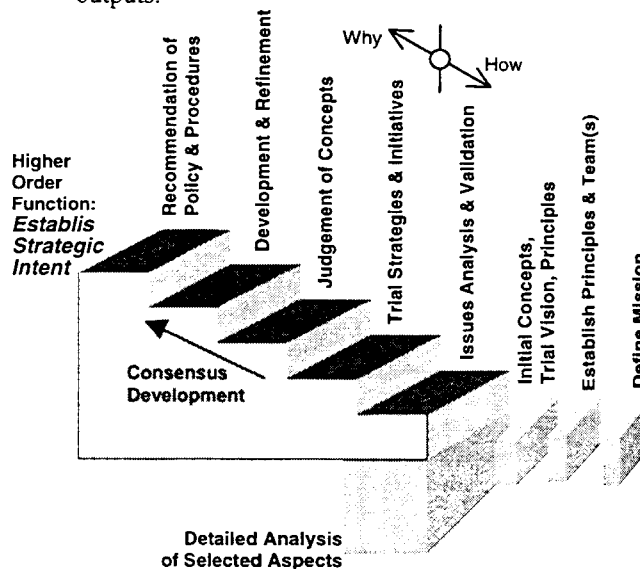
To a large extent, strategic intent is influenced by existing circumstances (“where are we now”) and if it is feasible to attain the vision while complying with the

ideal values identified initially. Suffice to say, there is much debate about the definition of visions and values. For the purpose of this paper, vision is viewed as a realistic ambition, albeit somewhat of a stretch goal. Values are fundamental beliefs that stakeholders adhere to rigidly. Projects that incur opposition often do so because there is a lack of alignment of stakeholder vision and values. Of course, there is still the need to develop workable strategies that deal with the plethora of issues that may underlie a particular problem or opportunity area. The key is for a designated core group of stakeholders to work within a framework that allows all of the above to be considered and for the core group to seek the input of other stakeholders at various stages along the way. For complex or sensitive situations, there are the delicate aspects of managing a) the process itself, b) internal stakeholder expectations, c) external stakeholder expectations. Each seems to be a different kind of challenge, as there are so many self-styled experts that want to see things “done their way”. In conjunction with a stakeholder consultation plan, the Value methodology is ideal for managing this process.

Process

A simplified model for establishing broad consensus on strategic intent is shown in Figure 3 as a series of steps to reach the higher order function. The process is similar to the Value methodology Job Plan, but spread over a longer time period to suit the pace dictated by the stakeholder organizations and information flow. Working involvement is required of the following:

1. steering group, - identifies initial (rough) concepts
2. core group, - develops details
3. wider/pilot stakeholder group, - reviews interim outputs.



**Figure 3. Simplified Process Model for Establishing Broad Consensus on Strategic Intent**

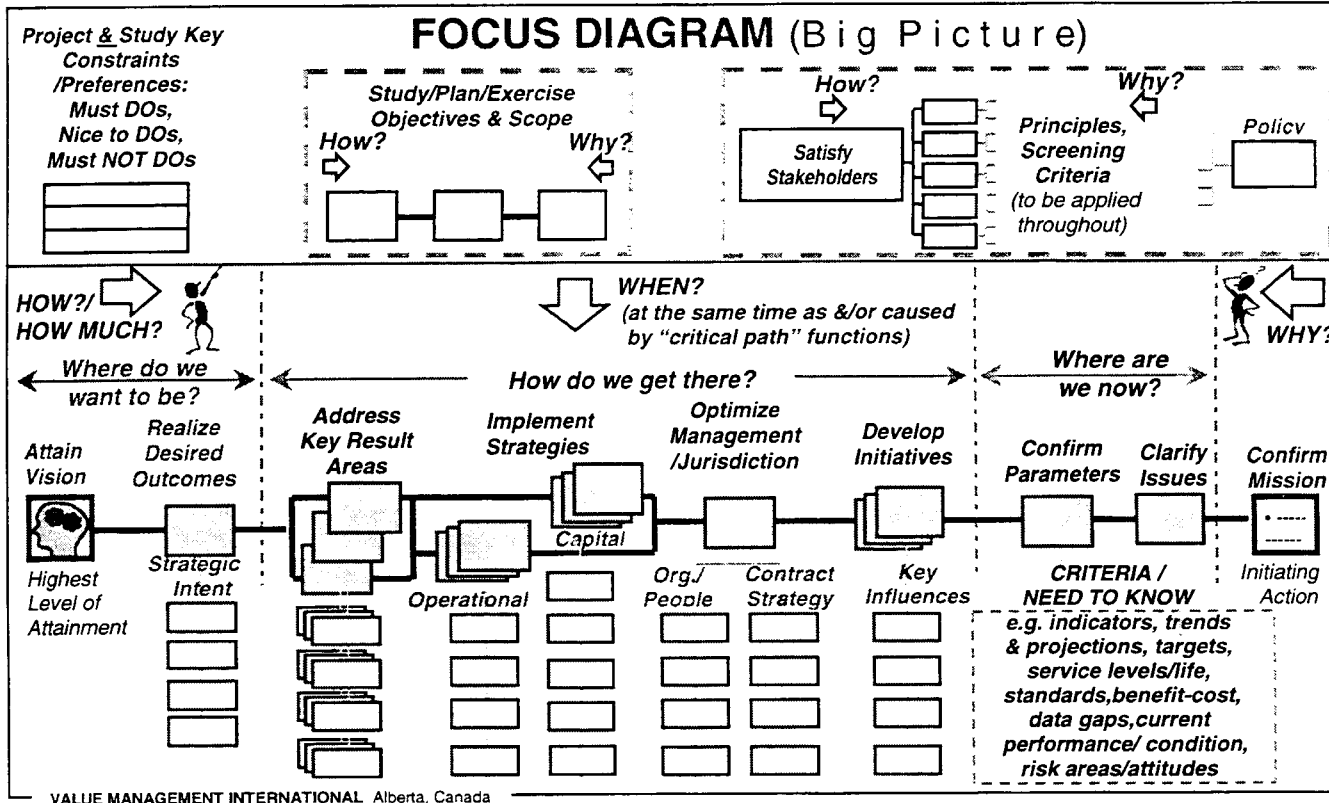


Figure 4. Framework for Focus Diagram

Focus Diagram

In order to guide the process, the Focus diagram shown in Figure 4 is used. The principles and application of the Focus diagramming method is explained in the 1998 SAVE International Conference Proceedings paper by Phillips<sup>1</sup>. The diagram is based on the idea of the FAST methodology, but is modified to reflect the strategic nature of this type of planning.

The configuration of the Focus diagram is similar to the steps shown in Figure 3. The strategic Focus diagram provides a comprehensive “map” of the program or project under study. It addresses the key elements of:

- purpose
- constraints
- core values and operating principles.

A “critical path” identifies the appropriate relationships of the individual elements of:

- vision and defined mission
- strategic intent/desired outcomes
- key result areas
- strategies and enabling initiatives
- managerial jurisdiction/responsibility
- targets/service levels
- measurement criteria/performance indicators

- key issues and data gaps
- whole life costs and benefit-cost
- trends, time horizons and projections
- risk areas/uncertainties/sensitivities

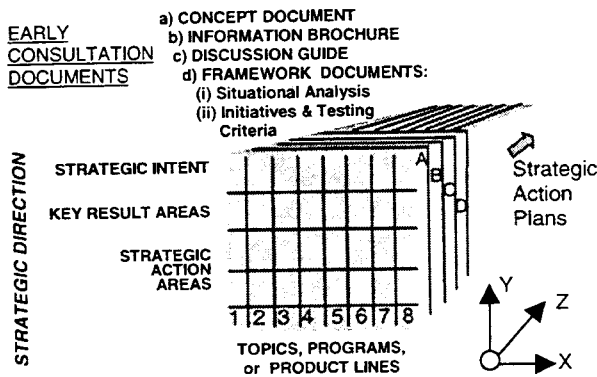
Informed strategic choices can be made by reviewing all of the foregoing and the related impacts for any given scenario. Changes made to any of these elements will impact on others and hence on the suitability of a particular, potential strategic direction.

A tactical Focus diagram is similar in format, but applies to the next stage of program/project development. In terms of the why-how layout, it is applied to the right of the strategic Focus diagram. Application of the tactical Focus diagram provides a more detailed level of strategy development and testing.

Framework for Complex Situations

The approach to strategic planning, as described above, addresses the allegations of such a plan being too vague and impractical for implementation. On the other hand, when compiling a strategic plan, it is sometimes tempting to go into too many details, such that it is no longer strategic, or that there are too few resources available to ensure timely completion.

Figure 2 shows how issues and potential solutions may be represented by a framework containing a collection of many individual cubes, each of which can be viewed from a number of different perspectives. In order to manage a complex situation having several parallel streams of topics, product lines, programs, etc., a large multi-cube structure such as that shown in Figure 5 may be utilized. The temptation to go into too much detail can be curtailed by deliberately limiting the strategic planning process to a framework that guides subsequent "fleshing out" of working details.



**Figure 5. Strategic Focus Cube For Complex Situations**

The vertical slices 1 –8 on the front face of the cube (along the "x" axis) represent topics, programs or product lines. Some topics will be of comparatively low priority for detailed consideration. After initial sorting and conceptualizing, a minority will likely be prioritized for detailed development. Such an initial sort might take the form of reviewing current status and potential new concepts for each topic area (along the "y" axis) in terms of:

- strategic intent
- key result areas
- strategic action areas, e.g.
  - ❖ planning & managerial approach
  - ❖ systems & procedures
  - ❖ awareness & training
  - ❖ monitoring & reporting.

Consultative Approach

The first three slices along the "z" axis of the cube represent the early consultation documentation of:

- a) initial concepts document
- b) information brochure
- c) discussion guide (potential policy document)
- d) framework documents for
  - ❖ situational analysis
  - ❖ initiatives & testing criteria.

A framework is then put in place (along the "z" axis) for developing and testing strategic initiatives. Typical testing criteria are shown below.

**Categories for Testing Initiatives**

*Coarse Test*

- Jurisdiction/effectiveness
- Monitoring/indicators
- Sensitivities/unknowns
- Risks/uncertainties
- Constraints
- Potential for early action

*Fine Test*

- Benefit-cost
- Service levels/targets
- Life cycle costs/impacts
- Funding requirements
- Implementability
- Priority/ schedule

This pre-defined, structured, approach also aids in addressing the emotions that this sort of exercise tends to evoke. It provides a place to temporarily "park" a particularly contentious issue that is perhaps being discussed out of context. It also assists in building trust between various stakeholder groups, as it will be seen that there will be opportunities to discuss aspects again later. While the "technical" work is important, the consultation process and timing dictate the eventual acceptance of the plan. In this regard, staff must understand the need to work on more than one aspect at a time. They should be prepared to move on to other aspects and then back again as progress develops. The collective goal is to identify agreed, achievable strategic intent and strategic action plans for further development.

CONCLUSION

A governing framework can be developed through the use of Focus diagrams, together with Focus cubes for particularly complex situations. The framework provides for shaping and control of programs and projects, particularly for matters of major policy and complex or controversial issues. This is accomplished through proper identification and understanding of the issues at an early stage, together with involvement and clear focusing of the appropriate team members at the right times. In concert with the two other papers in a trilogy<sup>2</sup>, the whole spectrum of effective development and management of business programs and implementation teams is reviewed.

The approach described provides a complete strategic thinking approach - from deriving a vision and principles, through to tested strategic direction to arrive at an acceptable function design/procurement specification. This approach is particularly useful for where there is a wide and varied stakeholder interest (e.g. complex or sensitive issues such as environmental programs). Appropriate application of the Value methodology, at the right time, yields the most powerful of the "value improving processes" (VIPs) and the most practical team building method.

Early application of the Value methodology as an integral component of the program or project development process leads to significant savings relating to schedule, staff time, capital costs and lifecycle costs. With the pressures that typically accompany the initiation and development phases of many projects, the Value methodology can produce a high level of focused and tested information in a very short time. This enables well founded, collaborative decisions on program/project strategy, scope and components, together with contractor selection and contractual relationships for major undertakings.

#### Specific Benefits

Benefits of this holistic approach to program / project strategic planning, structured development and control are listed below.

- Provides a framework for developing, “driving” and subsequently refining program and project direction
- Identifies program elements, key result areas and approval hurdles up front, together with appropriate resource requirements
- Focuses and sharpens multi-disciplinary, inter-organizational teams
- Identifies core values and uncovers impeding habits embedded in the stakeholder cultures
- Much quicker than the traditional administrative approach; provides for an accelerated development schedule
- Comprehensive, participatory, consensus building approach resolves difficult and sensitive situations
- Cuts across organizational boundaries and overcomes institutional resistance
- Aligns focus: people, process, strategy and technology
- Combats stifled, entrenched thinking while accommodating a variety of stakeholder needs
- Turns conflicts around to develop constructive solutions acceptable to all
- Develops a common understanding of the complexity of different stakeholders’ issues, risks, liabilities, preferences, values and prioritization criteria
- Agreement of key actions, milestones and responsibilities
- Balances allocation of resources to essential functions
- Builds teams and commitment
- Provides confidence in selection of workable and affordable strategic direction
- Maximizes staff efficiencies
- Minimizes number of changes; manages major change

- Encourages ownership of initiatives/proposals
- Increases stakeholder commitment and action.

The holistic application of the Value methodology provides a multi-functional framework within which to focus team efforts and to subsequently re-focus for on-time, on-budget completion, to stakeholder expected requirements of scope, quality and functionality. The Value methodology assists in developing a competitive edge for a wide range of private sector and public service business programs. Increasingly it is being accepted as a very powerful tool for ensuring best value for money, while in no way compromising quality. This approach is ideally suited for meeting the challenges presented by the current trends toward corporate downsizing and outsourcing.

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