



Project Services Pty Ltd

# PROJECT FACT OR FICTION

( Will the Real Projects Please Stand Up )

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## MAXIMISING PROJECT VALUE

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## ABSTRACT

The definition of “projects” used by almost every authority is an inclusive definition ie; “a project is a temporary endeavour undertaken to create a unique product, service or result” PMBOK 2000©. This definition can apply equally well to genuine projects, other endeavours (Paul C. Dinsmore “Everything in business is a project or project-related”<sup>1</sup>) and to processes that are definitely not projects.

Before the true value of projects to an enterprise can be properly assessed and the responsibilities of a Project Manager identified, the definition of “projects” must be tightened so that endeavours that are not projects are excluded as effectively as endeavours that are projects are included. The addition to the definition of a “project” proposed in this paper is: “a project is a temporary endeavour undertaken to create a unique product, service or result ***which the relevant stakeholders agree shall be managed as a project***”.

The effects of this addition to the definition of a project include: -

1. Where the stakeholder group choose not to have a project, the endeavour is managed in some other way.
2. Where the stakeholder group choose to buy into a projectised process, they also *ipso facto* agree to accept the processes and disciplines imposed by project management.
3. The vital importance of Stakeholder Management in the overall project management process is recognised.
4. The role of standard project processes and documentation (eg WBS, Schedule, etc) is refocussed from a search for some absolute truth to the search for stakeholder consensus on the way the project will be undertaken.

Under the enhanced definition proposed in this paper, a project can only exist if its Stakeholder Community agrees. The outcome to be expected from bringing the Stakeholder Community directly into the definition and formation of a project, as described in this paper, is to ensure more projects deliver to their full potential to the benefit of their host organisations and the community.

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## WHAT IS A PROJECT (& WHY DOES IT MATTER)?

### Why Definitions are Important

Project Managers and the process of project management are approaching a crossroad in the evolution of our discipline. Decisions made in the next few years may, on one hand, see Project Management fade back into general management leaving a few specialist support roles behind (eg scheduling), or on the other, see the emergence of a true, separate and dynamic profession. The authors of this paper strongly support the latter view and believe the emergence of Project Management as a true profession will contribute significantly to the creation of wealth and delivery of real benefits to businesses and communities. However, achieving the status of a true profession will require significant forward

movement in a range of areas, not the least of which is refining the definition of “projects” and “project management”.

Defining Project Management is relatively easy (based on the current way project definitions are structured), definitions include: -

1. ‘The application of knowledge, skills, tools, and techniques to project activities to meet project requirements’ PMBOK® 2000<sup>2</sup>
2. ‘Project Management is the discipline of managing projects successfully’ APM-BOK<sup>3</sup>
3. ‘Project Management - Planning, monitoring and control of all aspects of a project and the motivation of all those involved in it to achieve the project objectives on time and to the specified cost, quality and performance’ BS 6079-2:2000<sup>4</sup>

The problem with these definitions is that for Project Management to be defined, “projects” need to be clearly and unambiguously defined. As we will demonstrate later in this paper, the current definition of “projects” is far from unambiguous.

One important reason, among many, for needing a clear definition of “projects” (and as a consequence Project Management) is to allow the successes and failures of the process to be properly defined. There have been numerous studies over the last few years generating sensational headlines claiming 80% of IT projects fail, \$Billions are lost annually on failed projects (ref: Standish Group, KPMG, et al). If one accepts Paul Dinsmore’s view that “Everything in business is a project or project-related”<sup>1</sup> then these claims are undoubtedly correct. However, if a tighter definition of “projects” is adopted, then failures of other endeavours undertaken by business will be separated from the success (and/or failure) of projects, the true worth of “projects” can be established and the profession of Project Management can be built on a firm foundation. The alternative is for Project Management to slowly fade back into general management; its irrelevance reinforced by mediocrity and generalisation.

### Problems with the Current Definitions of “a Project”

Almost all of the current definitions of “a project” are inclusive definitions. What we mean by this is that whilst every project exhibits all of the characteristic included in the definition(s), the characteristics can be found in many other endeavours and in many processes that are definitely not projects. Two of the most widely used definitions of “a project” are: -

1. ‘A temporary endeavour undertaken to create a unique product, service or result’ PMBOK® 2000<sup>2</sup>
2. ‘A unique process, consisting of a set of coordinated and controlled activities with start and finish dates, undertaken to achieve an objective conforming to specific requirements, including constraints of time, cost and resources’ BS 6079-2:2000<sup>4</sup> See also [BS ISO 10006:1997, definition 3.1]

These definitions clearly apply to every project but can equally well apply to almost any other endeavour from getting the kids to school in the morning, to cooking an evening meal, to (as Dinsmore correctly points out) almost “everything in business”. Whilst the authors are happy to accept all and any of these endeavours MAY be a project, we are not prepared to accept that they are ALL projects on EVERY occasion.

Some two and a half thousand years ago, Socrates developed an effective process for questioning widely held beliefs (ie common sense) to arrive at a better understanding of the true situation. Below, we use the Socratic method of thinking to compare one of the examples of this type of analysis contained in Alain de Botton’s book ‘*The Consolations of Philosophy*’<sup>5</sup> with a review of the current definitions of “a project”.

The discussion of courage is reported to have taken place between Socrates and two Greek Generals (Nicias and Laches) some time after the battle of Plataea in 479 BC. In this battle, the Greek army had initially retreated (to cause the enemy to break ranks) before courageously defeating the Persians.

The Socratic method of thinking		
Stages in the Analysis	As applied to courage	As applied to “a project”
1 Locate a statement confidently described as common sense	Acting courageously involves not retreating in battle.	A project is a temporary endeavour undertaken to create a unique product, service or result.
2 Imagine for a moment the statement is false – search for situations or contexts where the statement would not be true	Could one ever be courageous and yet retreat in battle? Could one ever stay firm in battle and yet not be courageous?	Is preparing the children for school a project? Is attending a business briefing a project?
3 If an exception is found, the definition is either imprecise or false.	It is possible to be courageous in battle and retreat. It is possible to stay firm in battle and not be courageous.	Not every temporary endeavor undertaken to create a result is a project.
4 The initial statement must be modified to take the exception into account.	Acting courageously can involve both retreat and advance in battle.	<i>For the author’s suggestion, refer discussions below!</i>
5 If one subsequently finds exceptions to the improved statement, the process should be repeated.		

The current definitions of “a project” all use similar terms, all of which are all process-focused and all of which are essential for the formation of a project but (we suggest) do not of themselves guarantee the endeavor is a project. The existing definitions of “a project” include the following characteristics:-

1. Projects are temporary and unique although, as the PMBOK points out, this does not preclude repetitive processes (eg building identically designed speculative houses) from being individual projects or parts of a larger project.
2. Projects have a defined beginning and end.
3. Projects involve separate activities that are coordinated with date/time constraints for their performance.
4. Projects utilise resources.
5. Projects are created to achieve/deliver a predetermined product, service, result or objective.

However, every time someone sets out to cook a meal, send the children to school or attend a conference all of the above conditions are likely to be present and most of the time the endeavour is not thought of as a project by any of the participants.

In the authors’ experience, most people have no difficulty “knowing” when they are working on a project and “knowing” when they are working on some other form of endeavor. So, how can the current definition of “a project” be enhanced to provide a better match with the observed knowledge of most project participants?

## Suggested Addition to the Definition of “a Project”

The only element that we have been able to identify as being always present in every project (and importantly is missing from other endeavours) is a general consensus among the stakeholder community that this particular endeavour is “a project”. Therefore our suggested addition to the current definition of “a project” to differentiate them from other endeavours is:

A project is a temporary endeavour undertaken to create a unique product, service or result  
***which the relevant stakeholders agree shall be managed as a project.***

Following the Socratic approach used above, the modified definition must be tested for precision and completeness.

- Can a project exist if many of the relevant stakeholders do not know (or agree) that it shall be managed as a project? Under this definition, probably not, the PMBOK and other methodologies require a range of techniques to be used as a part of the process of ‘managing as a project’ including defining scope, preparing plans, etc. If project management processes are not followed (ie the endeavour is not ‘managed as a project’), some other form of accomplishment is being used and therefore the endeavour is not (by this definition) a project.
- Can an endeavour be accomplished using some other process? Obviously the answer to this question is yes; many things are accomplished by people every day without any reference to ‘projects’ and project management techniques.
- Can project management techniques be used on endeavours that are not projects? Again, the obvious answer is yes. Anyone can prepare a schedule, etc., but the ad hoc use of techniques will not create a project under this definition.
- Can the project exist after the stakeholder consensus breaks down? Probably not – withdrawal of support by key stakeholders (eg the financiers on a construction project) will cause the project to stop. Other projects and endeavours may commence (eg litigation). Some residual product of the original project may remain (eg a half built building) and other projects may be created to finish the product but the original project is at an end.

These questions are a limited set of the tests applied to this revised definition of “a project”. Under all of the tests, the definition meets the Socratic requirements under the following conditions: -

1. Project Management is a defined set of processes used to manage projects and is generally described in publications such as the PMBOK, APM-BOK and BS6079.
2. The application of Project Management to a particular project does not require the use of all of the processes and techniques described in the above publications. However, it does require the overt selection of appropriate techniques and processes to be used.
3. A project cannot exist unless the discipline of Project Management is being used to accomplish it (ie the application of Project Management to a segregated block of work identifies it as a project).
4. There are other ways of achieving outcomes apart from managing by projects.

## Conclusion and Benefits of Adopting the Revised Definition of “a Project”

Accepting the definition of “a project” contained in this paper has some very powerful outcomes that can offer significant benefits to the Project Management community. Some of the more important are set out below: -

- Whilst everything in business (and for that matter, the rest of the world) **could** be a project, only endeavours that are being managed as a project are by this definition a project. This prevents Project Management from sinking into mundane irrelevance as a minor part of general

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management whilst (at the same time) encouraging the general use of Project Management in all appropriate situations (ie Project Management is clearly differentiated from general management).

- As a consequence, it becomes possible to differentiate general business failures from project management failures. How many of the so-called IT project failures identified by the Standish Group, KPMG, et al were actually run as projects (ie Scope identified, cost and time calculated, resources allocated, etc) and how many were simply managed according to some form of generic business processes without proper application of the methods and controls defined in the Project Management literature?
- The central role of an informed stakeholder community in the Project Management process is clearly recognised.
- The importance of standardised/codified Project Management practices and procedures is enhanced.
- A firm basis for the development of Project Management as a profession is established by removing the current ambiguity over what is (or is not) a project.
- The definition is consistent with our roots. The Project Management industry/profession grew out of the application of structured techniques such as critical path scheduling to complex industrial and business endeavours.

There are two separate arguments discussed in the first section of this paper that should be considered separately. The first is whether PMI and the project management community at large considers the current definitions of “a project” adequate and accepts the view of Paul Dinsmore and others that “almost everything is a project”. Or does the project management community consider projects and Project Management to be separate and specialist. If the latter is the case, the view of the authors is that the current definitions need refining.

The second consideration is dependant on the first; if the definitions of “a project” need refining, what is an appropriate form of words? This paper has suggested one option, there are certain to be others.

## CONCLUSION & RECOMMENDATIONS

### Key Points Raised

- For the profession of Project Management to become a true profession with unquestioned standards and practices, projects need to be defined in an unambiguous way.
- The current definitions of “a project” are far from unambiguous and need refining.
- The introduction of the concept of ‘stakeholder agreement’ into the definition is one way to achieve an unambiguous definition.

## Recommended Actions & Further Research

Recommendations include: -

- PMI consider modifying the definition of “a project” contained in the PMBOK to remove current ambiguities as a part of the 2004 upgrade (relevant information has already been forwarded to the committee).
- The PMI and other organisations involved in setting project management standards seek to refine their definitions of “a project” in a coordinated way.
- If the definition of “a project” is changed along then lines recommended in this paper, a corresponding change to the definition of “project management” will be required.

## Conclusions

For projects and Project Management to deliver their full potential to the betterment of business and the community, the special nature of our craft and art needs to be recognised. Historically, successful projects have been credited with achieving major gains in productivity and predictability. This reputation is being damaged by the difficulty of distinguishing projects from other processes in the current business environment. This paper has suggested one way of starting the process of differentiating projects from other business processes. However, the authors acknowledge that achievement of any noticeable change in community perceptions will inevitably take a long time. The first step should be a common strategy agreed between the more influential authorities and organisations.

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