Clearer Thinking About The Definition Of Project and Programme Will Improve Benefits Realisation By Focussing on Portfolio as the Key Term

By Simon Harris, PMP, CGEIT, IPMA-D, PRINCE2® et.al.

Achievement

I was recently dismayed and amused to listen to an 'expert' use Grand Designs (the 'amateurs build their own dream house' TV show) as an example of naive bumbling by people with no project management experience, no clear requirements and no Gantt charts or cash-flow models.

I was amused because these naive amateurs were being parodied as failures while in reality they actually succeed a great deal more reliably than "professional" "real PMs". I was dismayed because the expert could not see their success or the reason for it. He could not see that these naive amateurs are focussed on a result not a process; they have 'skin in the game'. The amateurs with real consequences from non-delivery have an enormously higher success rate than the "professional" community. This expert should have been extracting object lessons about how those with a goal focus adapt and succeed.

I was most dismayed because I realised the expert's message was 'there is a professional way to fail and collect your salary without questioning your own contribution to equity destruction'. Apparently professional project failure via project charter, resource profile and critical path analysis is legitimate.

Benefits

Any and every endeavour is undertaken for the benefits it delivers to its participants.

Sunny Days

Sometimes I sit in my garden on a sunny day and enjoy the weather with some tea. I consume both time and the tea. In the process I generate (realise) what I consider to be a benefit. Previous toil 'earned' the tea, the free-time and the garden.

If I were a great artist such as Monet then on other days I could paint a picture and store an inexhaustible stream of enjoyment for those who later see the painting. I could alternatively sharpen sticks to store value for days when I was under threat or sow and then reap corn for days when I am hungry. As I store value so I create equity.

Realising Benefits

I might swap my painting for sharp sticks or my corn for new paint and canvas. I might lend my sharp sticks to a friend who has an urgent need but not the time right now to create their own.

Every enterprise is about the transformation and amplification of capital (equity plus debt) into other forms of capital or into the realisation of benefits. Activity is either as a response to a need for safety, response to hunger, desire to be appreciated or in pursuit of beauty.

Capital and Portfolios

As equity is created so it is deployed by its owner to fund activity. All activity uses capital (IE equity and debt): some activities are net consumers and some net generators of capital.

As capital is used it either generates dividends (return on equity) or interest (return on debt) or benefits (also know as 'utility', such as a relaxing day in the garden). The total set of uses of any 'pool' of capital is the owner's *portfolio* of activities.

When the portfolio includes actions that consume capital the key question is "are we satisfied by the benefit versus cost?" At all other times the key question is "does the margin and timing of receipts over expenses mean profit, does the effort and the reward suggest repetition of previous actions or adoption of new actions?"

Routine and One-Off Uses of Capital

Overall the portfolio of activities divides into 'routine' uses of capital and one-off uses. Routine use may be called 'business as usual' (BAU). BAU should protect and grow equity, routine activity should pay dividends (and wages) that we use to keep ourselves safe, warm, fed, clothed, loved and in total satisfied today and tomorrow. Management of tomorrow's potential includes the triggering of one-off uses of capital.

One-off uses of capital are projects. The purpose of a one-off use of capital is to change the current state of BAU into a future-state-of-business-as-usual.

Types of Capital

In this paper "Capital" encompasses:

- Human –shared energy and commitment. This accumulation may be called 'team' or 'enterprise' or 'charity' or 'government' or 'family'.
- Intellectual – skills, procedures and know-how. These accumulations might be called Quality Management System, patents, standard operating procedures or trade-secrets, perhaps even 'common sense' or statute and law. They only provide capability when mutually understood by the human (and computerised) capital.
- Social – goodwill, pleasure and recognition. These accumulations underpin society and local culture. They may be called citizenship. We should perhaps also include in here breathable air, fresh-water, art galleries, safe streets and transport systems et. al. Arguably this is a restatement of intellectual and human capital.
- Plant and machinery - equipment, tools, machines. These are the classic 'balance-sheet' items.
- Financial – money and debt. These accumulations are fungible stores of the others at rest.

People Make Capital

It should be noted that nothing happens and nothing is achieved in the portfolio without people. Almost all capital and 100% of debt is human centric (Non human capital might include the termite's mound, the beaver's lodge and the parent to child passing of life-skills in any species. Do any non-human species have a 'debt' concept? - apparently Capuchin monkeys understand the exchange of tokens for food. A behaviour they restrict to family and friends, and hyena's understand cooperation for shared advantage - so maybe…).

The Fuel Of The Benefits Machine

Capital (skilled people plus resources, whether seed-corn, fertile ground and fresh water or money, materials, methods and ~~men~~ staff) is the fuel for the benefits 'machine'. When well tuned a by-product of the benefits machine is more fuel.

If it were not for the fact that the people, skills, tools and materials wear out and are replaced over time this would be close to perpetual motion!. Perpetuity is promoted by, for example, tax systems that make allowances for 'equity leakage' by permitting 'depreciation' IE recognition of the gradual depletion of capital through its use and the passage of time.

The demands made on capital constraints by enacting business strategy plans and enacting projects (changes) should also recognise how results depend on the use of people and use of resources and whatever other factors govern the effectiveness of the 'machine'.

Understanding from Proper Words

To develop and share understandings requires isolation, exploration and combination of concepts that match the world around us.

The concepts need to be described and then the descriptions must be labelled with words. The vocabulary of words that we have available to us dictates the meaning we are able to place on the world around us. Chimpanzees perform better in reasoning tests after being taught symbols for the concepts being reasoned about! When words mean the same thing in many people's ears then concepts can be shared and understanding extended.

When vocabulary closely matches reality and is universally shared then our communications are stronger, our ability to link cause and effect enhanced and our joint effectiveness at generating fresh equity increased: in this direction lies the prospect of improvement.

Project and programme are garbled terms that are mismatched to reality. Portfolio is an under-used term and none of these words are universally understood to mean the same thing: for proof of this assertion just compare a few "well know standards" with each other and with your real workplace experiences and needs.

Project Management Needs More Than Improvement

Poor vocabularies create weak understanding. Weak understanding is the reason that project management as a discipline need radical overhaul.

In many places and ways project performance needs to rise above appalling. This is because in many cases people's understanding needs to rise up to the level of 'knows the basics'. In here I include many who talk and write as "experts". *Projects are not easy to conduct, but many of our difficulties are unnecessary, self-inflicted handicaps*. The source of the handicap is the "guidance" in print.

Projects Typically Leave Us Worse Off

It is easy in every organisation, government department and family to find examples of projects that leave the investor worst off however measured. This state of affairs should be seen by bill-payers as unacceptable. Its resolution will see all of our futures' improved.

This Paper's Title

The pivitol point for proposing the assertion in the paper's title is that the definitions of project and programme in common use are miss-matched with reality.

My more important point however is the observation that common definitions of project and programme are subtly but powerfully misdirecting our thinking: common definitions actually prevent successful discussion of the factors that enable effective benefits generation.

As we have it defined and discussed in a host of 'authoritative' places the term 'project' inappropriately represents only a supplier's interests and even that is woefully framed.

Definitions Do Not Reflect The Investor's Perspective

The contradiction between a supplier-oriented view of 'project' as temporary and investor view of 'return on capital employed' is a deep fissure through the foundations of project management.

The true discipline is the one that addresses capital use and benefits as exemplified by the amateur house builder. They almost always ends-up sat in front of a crackling log-fire (calming fountain and cooling air-con!) or around their kitchen table with a cup of tea or glass of wine. If we combined appropriate focus, drive and competence in techniques then project performance would improve out of all recognition with current professional levels.

Portfolio Management

Portfolio Management is the containing discipline and project management a junior, necessary but on its own insufficient subset.

Simon's Observation On Projects (SOOP): Portfolio Management means 'managing how we use the total collection of all types of capital available to us'. IE Changing our actions when our context creates opportunity or threat and repeating our actions when we previously, beneficially used our capital in the same context'.

Projects

The SOOP in the paragraph above may be rephrased too say that Portfolio Management has a subset discipline that is 'creation of change (project)'.

Change is triggered when the context is not constant or previous actions did not maximise utility.

Typical "accepted" definitions of project weave in unrealistic stipulations about certainty and starting conditions that just do not match reality, and programme is a redundant term when the portfolio's mix of business-as-usual and change is viewed as a whole.

The SOOP also says that business management is more than mere supervision of the status quo: business management acts pro-actively and reactively to protect and enhance stake-holder's equity on a situational basis. Management includes coping with change not automatically outsourcing it to a 'project manager', abdicating responsibility and joining the blame-game post disaster.

Blame is more reality that results from using reality-challenged definitions that are subtly coloured by supplier-side thinking, that reserve flexibility to programmes and required "clear goals" (and simplicity) for projects.

It Is The Purpose of Change That Matters NOT the Process

The widespread use of the word 'project' as commonly defined focuses people's attention on the preparation for change not on the change's purpose. The term focuses on process, on journey not destination.

‘Project’ as “a temporary endeavour (at the end of which the professionals get paid)” takes a supplier side view. The supplier’s aim is, after all, to extract revenue from the investor to add to the supplier’s equity! In fact it is only the supplier that gains from a project itself. Barring complete incompetence the supplier side benefits are virtually certain. Suppliers often define competence as compliance (EG ISO 9000 thinking), while the investor's need is performance howsoever achieved.

For the investor ‘project’ as commonly defined is just the pain side of the gain equation. Investor-wise ‘project’ is a label for something necessary, insufficient on its own and typically unwelcome. At ‘project’ end actual gains for equity holders are frequently still highly uncertain in magnitude and timing.

It is a fact of human nature that a break between equity's ownership and use will result in an altered level of care, altered perception of risks and altered judgement of ‘appropriate’ situational responses as events unfold (PRINCE2®-2009 added a fundamental flaw over previous guidance on just this key point).

The Grand Designs presenter can scoff at plans half-way through the show but invariably ends up applauding the equity created and wondering about how the investors overcame the obstacles as they arose. He would be wiser (but less entertaining?) if he analysed what they had done to achieve their aims with such certainty!

Good Vocabulary’s Start

To match reality the vocabulary in use must encompass all stakeholder’s motivations, activities, investments and returns. An essential element of vocabulary that matches the sum total of capital and activity of all stakeholders is ‘portfolio’.

We should observe that a ‘project’ exists in the overlap between an investor’s and a supplier’s portfolio of activities. A project’s end in supplier terms is when activities have enabled change in the investor’s future activities. That is a long way short of the investor having achieved a new routine or ‘future-state’ business-as-usual. Note: investor and supplier can be one entity, one person.

The Use of Capital

A business’ dynamic but stable and typically cyclical use of capital is commonly and usefully called ‘Business as Usual’ (BAU).

How the various forms of capital are combined in BAU is typically a reoccurring cycle which progresses in-step with the sun and the moon. A form of change that by continuously repeating is not really ‘change’ at all. It is ‘seen before and will be seen again’ change.

In BAU the forms of capital (skills, systems, supplies) are combined to create some set of services or products that are sold (or offered charitably or delivered from taxes) and thereby satisfies some recipient’s need for ‘utility’. The point to recognise is that activity is constrained by available capital (often most tightly bounded by skills).

BAU’s use of capital also pays the work-force, provides funds to buy tools and materials, provides interest or dividends to the financial equity holders and replenishes other forms of capital to repeat the cycle.

The Whole

‘Portfolio’ is a useful label for referring to the total set of activities that are using the total available capital at any point in time.

Explicitly portfolio is both 'all the capital' and it is 'all the activity'. Subsets of capital can be classified as equity and debt, but also as staff, skills, systems, structures and supplies. Subsets of activity can also be classified as business-as-usual and change but also as project or programme or work-package: more later.

Globally

On the global scale we are only just realising that the portfolio encompasses cows farting methane and rain-forests sequestering CO2. Globally we are beginning to perceive that resources are constrained. Only when a portfolio element is seen to be limited is it significant for planning questions of rationing capital and co-ordinating activity across time. IE requires estimating. Thus a hundred years ago there was no concern for pollution while today we have carbon-offset taxes.

In a business context the portfolio is the total set of activities made possible by rationed use of the capital under control of the management: the totality of what we can do as a (planet) nation or a business is constrained.

Incompetence

It is utterly incompetent to manage a project outside of consideration of the portfolio: the banking system unambiguously reminded us on a global scale recently and H_2O will dictate our descendant's portfolio of activity and capital.

Perpetual BAU

If the natural world and business worlds were stable systems then the 'use and replenish' cycle of BAU could exist in perpetuity. Only cyclical change would happen. It would reoccur in an endlessly repeating pattern. The portfolio of activity from the capital available would be 100% 'business as usual'. 100% aimed at generating current benefits for participants. There would not be any need to divert some capital to fund changes aimed at enabling future benefits or protecting current benefits.

An Ever Changing World

As well as cyclical BAU 'change' there is change that arises from wholly new situations. 'New situation' change follows in human circles from the actions of others (EG competitors), arrival or passing of fashions and the emergence and disappearance of technologies.

New Situation change is a mixture of threats and opportunities. It is an all together different form of change to cyclical changes. New situations causes re-valuation of human and intellectual capital EG old skills or precious commodities may lose value, new ones emerge and old ones regain value. Change that is outside the stable 'seen before' cycle is event driven and events trigger action. Sometime we have the discretion to be pro-active, but not always.

New Situation Change

Actions that address New Situation changes must divert some capital that would otherwise be used for BAU benefits into actions to replace old skills, systems, staff, structures and supplies with new technologies, new people or new behaviours and new markets.

New situations are the investor's (aka project sponsor's) trigger and driver to divert some capital from benefits in the short term to be used to either protect current benefits from emergent threat or pursue new, uncertain potential future benefits IE opportunity.

SOOP: for the supplier a project is an assured return at a know point in time. Not so for the investor.

Human Nature Ignores A Lot

In human terms 'New situation' normally means "not in living memory". Living memory (personal, corporate and national) tends to be an important factor in the decision making that allocates capital in the portfolio to action. People's decisions are similar at corporate and global levels.

For example: the earth has experienced ice-ages, super-volcano eruptions and mass species extinctions before and with certainty it will again in its remaining years. Companies and market-places experience equivalent boom and bust events over somewhat shorter time-frames. These events are inevitable yet little provision is made in the portfolio and strategic plans. Partly, perhaps because we are unclear about how to accommodate them in basic project plans and so have little practice (my writings elsewhere say how to do it for project scope, schedule and budget dimensions!).

Certainty Is Not Real World

A definition of project that insists on certainty of end result at initiation is not real world, while the definitions we do have rarely acknowledge certainty of start point which we (almost) always have.

There is little 'current capital' being used to address future certainties such as the eruption of Yellowstone National Park. It will be a mass-equity deletion (extinction) event. In most businesses there is little current capital used for business continuity and there is little understanding about how to usefully build safety into portfolios.

If we defined portfolio rather than project we would, amongst other things improve risk management (applied insurance) at every level from project, through business to species (us).

A Description of 'Project'

SOOP: a project is the collection of work-packages that together change the current mode of BAU capital use to a future-state-business-as-usual. A project therefore changes the set of results that are achievable in the future.

Note this definition is investor centric, also note it runs from a state of stable BAU to a future-stable-state-of-BAU: from state of equilibrium to state of equilibrium via disequilibrium. Project' is (should be) a label that means 'activity that uses capital to transform capital'.

Benefits management can be seen as a synonym for portfolio management, but only when we recognise that the portfolio is largely cyclic 'seen-before' change with occasional bursts of transitional change. Defining portfolio as a collection of projects is a distorted supplier side view that is disconnected from the ongoing and cyclical processes that supply the enabling capital.

The 'modern' concept of project is an accident and an error whose genesis may have started with the emergence of Information Technology.

Some IT History

The word project while not invented by the IT industry has received common definition over approximately the duration of the IT industry and perhaps because of the characteristics of IT projects.

Early IT projects re-implemented existing business processes and often imposed changes on how business-as-usual operated. Automation projects invented nothing: they simply replicated intellectual capital in software. A generation of business managers grew-up with the idea that (IT) projects are done by a specialist department. A generation of IT people absorbed a mind-set that included “We supply projects to the business”, “project end is when we’ve done our bit”, “project end is when we get our benefits”, “projects are temporary” and also “we the supplier identify when to impose some change (because it will be ‘better for the business’)”. This last point may account for an otherwise common and ludicrous situation: that a project's 'sponsor’ is disengaged, remote and uninterested.

Sponsors must be motivated investor who instigate change to BAU (perhaps as a result of having been shown an attractive vision of a potential future-history). Appropriate portfolio management will deliver this state-of-affairs too.

Opposite Side to the Coin

Business managers had self-interest in adopting the reciprocal mind-set that accepted ‘projects are done to us’. In parallel with early IT simply automating existing procedures the managers of business-as-usual discovered that the uncertain elements of their accountabilities IE ‘change’ could be off-loaded as a chunk to the IT ‘project’ people. BAU managers were happy to be complicit in the arrangement as it reduced their work-load and their liability for mistakes.

By so doing business-as-usual managers found a way to create a scapegoat to blame for poorly implemented change, they avoided stress from New Situation Change, which is/ was the hardest part of anyone’s accountabilities. They found a way to continue to claim a manager’s remuneration for a supervisor's stress level. In the process of off-loading responsibility for changes made to protect equity these managers became merely supervisors of the constant elements of BAU.

‘Management’ includes accountability for continuous provision of capabilities that make a return on investment at a tolerable level of uncertainty even when the context is unstable.

New Discipline Equals Mistakes

All teams involved in new and evolving technologies have a hard time providing capability to predefined constraints of cost or time or scope. IT is perhaps particularly illustrative of this difficulty. In good faith much effort has been spent trying to codify and define ‘best-practice’ in projects so as to improve the predictability of cost time and scope.

For the last 50 years writers on project topics have been suppliers not recipients of project deliverables. Their supplier-side mind-set has resulted in project codification systematically omitting anything more than a 'foot-note' that value, return on investment and reward for uncertainty are important pre- and post- project considerations.

Suppliers have mostly written with the profoundly incomplete “project is temporary, deliver and walk away” mind-set because for them end of project does, in reality equal payment due and experience gained (or end of month equals salary and CV / resume enhanced).

Writers should work from the mindset “capital is limited, capital can be transformed, changes are temporary in that they (should) complete the transformation” and that “the use of capital should be seen in any way as perpetual, it is not product delivery that equals benefit, benefit arises from new intellectual and human capital engaged in a future-state-business-as-usual”.

Better Thinking

The change in mind-set caused by considering the total capital pool and the occasional need to divert some (people, intellectual, social and financial) capital into modifying the modus operandi of society or enterprise leads to new insight, most of which then look obvious and common sense.

Firstly cost, time and scope are revealed to be supplier success measures. Investors should hold suppliers accountable to them but they are scant use for judging investment performance. Value to cost ratio, value and cost (un)certainty and timings of value and costs are investor measures (These latter items are explicitly outside the scope of the PRINCE2® syllabus. PMBoK Guide omits NPV entirely to mention DCF only once on page 168 under "Cost Management" nothing on value returned☹).

Investment Time-Frame

The balance of 'time-frame to be managed' using appropriate techniques and appropriate models shifts to be: a little before the capability development (pre-project), a little during capability development (project) plus a lot through deployment and achievement of a stable future-state-business-as-usual: post-project benefits harvesting.

The accountabilities for benefits will visibly move back in everyone’s appreciation to being those officers of the company entrusted with day-to-day care of the stakeholder’s equity (in the widest sense of equity participant). Recently expressed stupidities such as supplier side suggestions for appointing “a permanent Benefits Realisation Manager, who manages the organisation’s Benefits Management regime…” OGC’s Managing Successful Programme’s page 64 would disappear under the weight of ‘common sense’ recognition that realising benefits from capital employed IS the job that MANAGERS of business-as-usual are paid to perform!

Also important is the legitimate observation that start and end of initiatives is NOT as crisply defined as suppliers, manual writers and academic examiners try to pretend for convenience of invoicing and marking exam answers.

If Definition is ‘Deliver and Walk-Away’ While Reality Needs ‘Receive and Deploy’ Then…

The IT or project specialists truly did (and still do) have a finite involvement – build a capability and then walk away. The word ‘project’ wrongly became proxy in the supplier’s mouth for ‘create product’ when it should be proxy in the equity owner's mind for transition from current-state-business-as-usual to future-state-business-as-usual. The beneficial change can only come after the product is delivered.

Programme

The dichotomy between definition and reality of project was the birth of the term ‘programme’. As a business term the definition of ‘project’ is ill-formed. For any business manager the term should just be ‘transition’. Supplier side manual writers show an embarrassed need to justify 'something is different in programmes' by adding words like ‘transformation’. Much more emotive and dramatic! Well defined terms expressing substantial concepts don’t need ‘spin’ to justify their inclusion in guidance with real value.

Programme As Currently Defined Is An Unnecessary Term

Over the past few decades while ‘project’ as a term has been miss-shaped by one-sided thinking, while project is defined with “temporary” based on “deliverables” as writer's focus instead of benefits, so the need for more conceptually complete vocabulary repeatedly re-emerges. Errors in vocabulary result in real-world pressures for replacement or extended terminology.

Work-place rather than class-room discussion of how best to use available capital for the long term benefit of equity holders repeatedly trips-up over the need for vocabulary. Words are needed that express enabling and then introduction of a changed modus-operandi. Words that are matched to the whole of the management of the change-challenges are require.

'Change' Extends Beyond The Supplier's Definition

The results of managing a change must go beyond supplier thinking as described by common use of ‘project’. Managing a change must bring results into use to replenish the pool of capital that funded their creation. This is the business-as-usual manager’s duty. IE management equals ‘application of principles to make unprecedented decisions’ rather than '(supervisory) maintenance of the status quo'.

Comfort Zone

Business-as-usual ‘supervisors’ remain in their comfort zone by inviting those who ‘supply change’ to extend their duties to include implementation of change. Change is no longer a responsibility in the business but is taken over by the supplier – at least in part.

In this ‘supplier does the change’ scenario the suppliers want a bigger pay-packet! It’s a tougher job!! (and when they take over the business-as-usual management activity of actually accommodating change into the new order of benefit delivery they may actually deserve more money too).

Since the work to be done is broader than the ‘common’ definition of project a new word to express doing a wider part of the portfolio is born: programme. The sub-set of portfolio management that creates new capability and then transitions from current (old) working practice to future (new current) working practice.

If project were correctly defined then programme, as used today is an unnecessary term and can be repurposed to add clarity elsewhere in the complexities of managing the portfolio.

Programme Can be a Useful Word – Really!?

The thinking that defines project as “temporary…with deliverables” generates a definition of ‘Programme’ as “a collection of results-linked projects (and implementation of their deliverables)”. As I’ve explored the thinking is flawed, but it isn’t wholly without some relevant elements.

The common meaning hides insights that when grasped helps construct (please excuse the next word) ‘programmes’ of change within the portfolio. That is if we define portfolio as 'all activity', and project as 'change from current business-as-usual to future-state-business-as-usual', independent from measure of flexibility and certainty then programme usefully encompasses linked projects and allows exploration of projects whose isolated NPV is negative but whose results are pre-requisite for other benefit-positive elements of the portfolio.

Can We Replace The Poor Definitions?

An attempt to provide solid definitions is hampered by the inertia of so many people familiarity with poor definitions. They are even examined to recite the academic and inadequate definitions. That these definitions are often poorly remembered and let us down when used in reality suggests that any new and axiomatically correct definitions will take root, but my confidence that it will be any time soon is low.

So I suggest it is necessary to consider better alternatives.

Hierarchical Human Culture

I start the assessment of better definitions with the ideas that: 1) 'change is with respect to 'current'-BAU and 2) the 'portfolio' is both the total available capital and the totality of activity. Secondly ownership and use of capital is (almost) universally hierarchical across all human cultures.

The use of capital in hierarchical organisations is controlled via delegation of targets, decision making authorities and control over resources plus escalation of contradictions and decisions outside defied constraints and policies. I suggest from these thoughts that 'better definitions' will match with the tenets of corporate governance (and civil government and rule of law).

The Boss' Boss Has A Programme I Have a Project: A Self-Similar Structure

What ever my boss (customer, sponsor, delegating authority) asks me to do is a work-package for them and a project for me. I split my 'project' into work-packages to delegate or execute directly. My boss also received a delegated work-package from his or her boss. Perhaps from where I stand I am managing a project that is part of the boss' programme (work-packages that together deliver a strategically aligned beneficial result).

Perhaps from where the boss stands they are managing a project (tactical response to the imperatives dictated from above). Their project is part of their boss' programme and from where my staff stand they are managing what they see as their projects that supports what they see as my programme?

My observation is that programme, project, work-package are: 1) a hierarchy, 2) project is always 'my' level and 3) programme and work-package are terms, relative to my level that identify container and constituent parts of the portfolio that are outside current-business-as-usual.

Chain of Logic

IE I am suggesting that portfolio, programme, project, work-package and activity or task provides a useful hierarchy and that it is relative to the observer.

These suggestions allow the project management tools of scope definition (product breakdown structure and work breakdown structure, product standards and process standards, Statement of Outcome and Statement of Work) the tools of schedule development (dependency networks, resource allocations, effort estimates and working calendars) and the tools of budget determination (Resource consumption levels, Hourly and material rates and timings, cash-flows and approval of delegated authorities) to operate at every level of every organisation in a comprehendible, useful manner. Realistic, uncertain baselines can be made and managed, decisions taken with cognisance of uncertainty and accountability.

- A portfolio is the sum total of all activity and all capital within some boundary (the earth, an economy, a market-sector, a company, a division, a programme, a team etc.) NB Portfolios exist within portfolios and alongside portfolios.
- A project is the allocation of some capital and the activity enabled by that capital that makes a permanent change to the way the containing portfolio's business-as-usual will operate in future. NB Projects exist within portfolios, projects exist alongside projects and may be linked by their outcomes. If so they can be regarded as a programme which is simply the label for the span of control being exercised by someone some-level(s) up the organisation.
- A project is comprised of a collection of activities (work-packages and planning-packages) that I delegate together with resources, authority, constraints and an escalation path. Likewise from the perspectives of my boss and I my project is the work-package I received. The project was delegated from my superior to me together with resources and constraints (capital) and escalation path.

Within the logic chain I can now suggest that:

- Project is a collection of activity managed at any management level designed by the level above (using a PBS/ SOO/ Product Standards) to deliver a specified result. A project is broken into work-packages (modelled in a WBS/ SOW/ Method Statements) to be executed or delegated.

The above is not a completely satisfactory final view, but it does a better job than the words some use now. These observations

- remove size as the determinate of what is and isn't a project/ programme/ work-package/ activity,
- removes clarity of outcome as the determinate of what is and isn't a project/ (etc.),
- removes inclusion of BAU as a fudging of project / programme boundary,
- allows for every level of endeavour to have more or less uncertainty within its definition as matches reality
- allows for the constituent parts to be added to, subtracted from, changed, re-sequenced or anything else without pretending flexibility is reserved to programme: it isn't!
- Allows for consistent use of the terms 'accountability' and 'responsibility'. Accountability is the 'state of being' resulting from someone having delegated a goal, imposed some constraints, and provided some resources. Responsibility is the state of being where the recipients (plural) combine their skills, will, and the received resources to achieve the goal and escalate all decisions outside their skills or authority to the accountable (constrain and goal setter) for decision.

Of course what we should have discussed is the full product lifecycle that runs: Idea, Initial approvals and nurturing of a Feasibility Study, seed-corn for Solution Design and Investment Commitment to change, Capability Development, Capability Deployment and Transition from current-business-as-usual to future-state-business-as-usual, In-Service Use, adaptation and perfection and finally Capability Retirement. But that is hard when we don't know what words to use for even the simple bits!

Summary

Commonly available guides to project management seek to explain how to manage our endeavours and in the process they define some terms. Their definitions trip over each other and themselves. Commonly read guidance ascribes differences to 'project' and 'programme' like clarity of outcome and flexibility of execution that are patently artificial and actually debilitating.

The need to address 'new situation' change is a vital and inherent duty of management. It isn't a separate discipline it is skill that is part of general management. Albeit a skill one may choose to specialise in it – like driving a car is a general skill for all and a specialism for some.

That changes (projects) are temporary is an irrelevant or worse a misleading distinction to make when seeking to ensure the conservation, growth and use of equity to deliver a beneficial stream of safety, warmth, food, shelter, belonging and beauty.

Simon Harris, PMP, CGEIT, IPMA-D, MoR, PRINCE2™ is Principal of Logical Model Ltd. Simon speaks, consults, mentors and trains on Project Management. LML no longer offers training just to exams. We hold the required PRINCE2® accreditation and will get you through the exams if you wish after we've shown you how to do it for real. IE Our training uses a two part approach: 1) how to do the job for real and then optionally, 2) exam preparation.

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Free Course-ware

These notes are at the end in the hope that you read them in the context of the arguments presented in the text above.

Current offerings of courseware that is 100% free to individuals using them for self-development range from basic project management to a Master-class in estimating. Courses include Using PRINCE2® For Real (an accredited Exam Preparation course is awaiting the bureaucracy of accreditation to complete. It is a sad irony that one has to be "checked-out" to ensure the tired misconceptions are faithfully repeated without the intrusion of insight). Other courses include Using Microsoft Project to Manage A Project with Earned Value, Running an Incident Management function, How to do Software Configuration Management (this one is a little old, it predates Subversion for example) and several more.