

PM WORLD TODAY – FEATURED PAPER – DECEMBER 2009

Adding Marketing Perspectives to Program/Project Management?

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ABSTRACT

In previous papers in this journal I have noted the lack of attention given to clients/customers in the program/project literature. This reflects the fact that this literature is strongly production-focused and essentially introspective. From my own experience I believe this needs correction, and in recent times a few writers have expressed similar concerns.

This paper first discusses what I mean by marketing perspectives, and their relevance to program/project management. Recent movements in the program/project literature towards more holistic perspectives are outlined, first in relation to increased concerns with satisfying stakeholders, and more particularly with the perception of programs/projects as means of implementing organisational strategies.

Links between the latter and the organisation's market-place are then briefly discussed, and some of my own involvement with organisational strategic planning and market research outlined.

These considerations suggest to me that the marketing discipline should have substantial potential to contribute to the ongoing development of program/project management literature and practice. This discussion paper is essentially a plea for people with appropriate knowledge and experience in marketing to share their knowledge with the wider program/project community.

INTRODUCTION

In a previous paper (Stretton 2009c) I discussed the lack of attention given to clients/customers in the program/project literature, and proposed a client/customer classification, to help focus more attention on these key parties to programs/projects.

In a second paper (Stretton 2009e) I elaborated on processes for identifying/verifying customers' needs, which is another topic which is not well covered in the literature (although I have since received feedback from Michael Davis, who commends the coverage of Gause & Weinberg 1989 on this topic).

Another way of describing this comparative neglect of the clients/customers of programs/projects is to state the obvious, which is that the literature is strongly

production-focused, and essentially introspective. Does this matter? I believe it does. This belief is based on my own experiences, subsequent reflections on how these experiences relate to the mainstream program/project literature, and recent moves in the program/project literature to move away from such introspective approaches.

As indicated by the title of this paper, I am advocating the addition of marketing perspectives to the more traditional production-oriented perspectives which have tended to dominate the program/project literature. First, I outline what I mean by marketing perspectives in this context.

A GENERIC BASIC MARKETING PERSPECTIVE

Business as a customer-satisfying process

The importance of basic marketing perspectives in a general business context was well expressed as long ago as 1960 by Theodore Levitt, in a rather famous article entitled “Marketing myopia” in the Harvard Business Review.

The view that industry is a customer-satisfying process, not a goods-producing process is vital for all businessmen to understand. An industry begins with a customer and his needs, not with a patent, a raw material, or a selling skill. Given the customer’s needs, the industry develops backwards, first concerning itself with the physical delivery of customer satisfactions. Then it moves back further to creating the things by which these satisfactions are in part achieved.

Marketing is often confused with selling, but in fact their perspectives are totally different, as Levitt 1960 explains.

The difference between marketing and selling is more than semantic. Selling is focused on the needs of the seller, marketing on the needs of the buyer. Selling is preoccupied with the seller’s needs to convert his product into cash; marketing with the idea of satisfying the needs of the customer by means of the product and the whole cluster of things associated with creating, delivering, and finally consuming it.

Levitt’s comments reflect a very basic general marketing perspective, and in this paper I am advocating the addition of this type of market-oriented perspective to the more traditional production-oriented perspectives which tend to prevail in program/project management.

Relevance to programs/projects

I have found over the years that Levitt’s simple and obvious perceptions do not sit comfortably with some program/project people, who evidently find it difficult to move

from more traditional production-oriented perspectives (which Levitt describes as myopic).

Levitt's propositions do not come as any surprise to people who are in the business of providing program/project management services to external customers. Put in its simplest terms, the key importance of customers, and customer satisfaction, for such providers can be summarised as follows.

- If you do not have a customer, you do not have a business
- If you do not have satisfied customers, you will not remain in business for long
- Therefore the organisation's primary focus must be on finding and satisfying customers

However, there is practically no discussion on such marketing perspectives in the mainstream program/project literature. This is evidently connected with the fact that there is surprisingly little material in this literature on the provision of program/project management services to external customers. I say 'surprisingly' because the provision of such services is a substantial part of the overall program/project management scene. One can only hope that more material related to this context finds its way into the literature, and soon.

Having said all that, it is never-the-less acknowledged that there have been movements in recent times towards more externally oriented perspectives in the program/project literature, and these are now discussed.

TOWARDS MARKETING PERSPECTIVES IN THE PROGRAM/PROJECT LITERATURE?

Traditional production-oriented focus of project management

...one of the criticisms often made of the project management literature is its 'inward-looking perspective...'
Winter, Andersen et al 2006

As this quotation implies, project management has traditionally been seen as an execution-only discipline, focused on the production of a deliverable – an inward-looking perspective.

More recent moves from production focus towards more holistic perspectives

In recent times there have been movements towards broader, more holistic perceptions of programs/projects in the literature, many of them externally-focused, which move some way towards more customer-focused or marketing-oriented approaches.

Notably, Winter, Andersen et al 2006 discuss the recent emergence of what they describe as ‘business projects’, which they associate with a move from a production orientation to a broader conceptual view of projects, as follows.

An important development in project management in recent years has been the emergence of a new class of projects, in areas such as organisational change and IT, integrated business solutions, and long-term public service delivery. Often referred to as ‘business projects’, this new class of projects (and programmes) reflects a growing conceptual shift away from the traditional engineering view of projects, towards a more business-oriented view, in which the primary concern is no longer the capital asset, system or facility etc, but increasingly the challenge of implementing business strategy, improving operational effectiveness, and managing the realisation of stakeholder benefits.

To a much greater extent than with projects, discussions of program management in the project management literature have been increasingly concerned with implementation of organisational strategies via programs, and with realisation of stakeholder benefits.

Increased concerns with satisfying program/project stakeholders

The program/project literature has substantial material on stakeholder management/engagement – e.g. Cleland & Ireland 2002, Englund 2006, OGC 2007, PMI 2006a, Thiry 2004a,b, Tuman 2006, Winch 2004 – and I will be discussing this topic further in a separate paper. However, I have already noted that there is surprisingly little specific material in the literature about what most would regard as the key stakeholder, namely the customer/client, and in this context the literature has some way to go in developing more customer-oriented/market-focused materials.

Programs/projects as means of implementing organisational strategies

The program/project literature on implementing organisational strategy via programs/projects has little to say about developing organisational strategies in the first place – presumably because this is considered to be outside the domain of program/project management. The question needs to be asked, “is this necessarily so?”

This was certainly not the case in the projectised environments of Lend Lease Corporation’s operating companies, particularly those concerned with property development and project management, namely Lend Lease Development and Civil & Civic respectively. Many project managers had a substantial interest and say in the development of corporate strategies at the operating company level. This was perhaps inevitable in an environment in which every manager was, or had been, a project manager.

We go on to briefly discuss organizational strategies and marketing in a general context, and move on to relate some of my own experiences, and those of colleagues, in the marketing context in Lend Lease.

ORGANISATIONAL STRATEGIES AND MARKETING

Linking organisational strategy with markets, and market research

Rather obviously, an organisation's strategic plans must relate to the marketplace in which that organisation operates, if they are to make any sense. A marketing perspective on organisational strategy sees it as first and foremost concerned with the positioning of the organisation in the market place, with generating new customers, and with improving services to existing customers.

I have only limited knowledge of how the current literature on organisational strategic management links it with marketing. However, I had some significant hands-on experience in organisation strategic planning many years ago which had a strong marketing focus, particular in market research, and this is now briefly discussed.

Notes on involvement with organisational strategic planning and market research

Lend Lease Corporation

By an accident of history I became heavily involved in strategic planning at the parent company level in Lend Lease. I was secretary of the Lend Lease Group Development Committee – which was the de facto Lend Lease Corporation's strategic think-tank – from 1965 to 1972 (a part-time project for me). Basically my role was market research, and particularly market segmentation, at a much broader level than that being undertaken by subsidiary Lend Lease companies. This had two main strands.

- Segmentation of the Australian National Accounts and Input-Output Tables (the latter being new at the time) into primary areas of potential interest.
- Segmentations of the latter in varying degrees of detail, noting size, growth patterns, etc.

This gave factual background information for our chief executive, who was uniquely entrepreneurial by nature, to help identify opportunities before others. It also provided background for strategic planning by the operating companies, of which I discuss two.

Civil & Civic

Along with several other project managers who were wearing marketing hats for the time being, I was also involved in helping segment Civil & Civic's markets in their more detailed contexts. Here are a few notes on market segmentation as we practiced it.

- Types of segmentation: At this level of detail, various types of segmentation were used, depending on the areas of interest. These types including geographic regions, usage of component or service, government or non-government, price range, physical attributes of product or service, attributes of clients, and method of buying.
- Supply segmentations: The types of segmentations just mentioned are typically supply segmentations. Data about what had been supplied in the past was normally quite readily available from sources such as the Australian Bureau of Statistics, particularly for the building industry, which was Civil & Civic's main area of operations. (The same segmentations were also done in New Zealand).
- Future supply estimates: In some instances, future supply can be estimated if the segment is such that decisions have a long futurity. A good example in the Lend Lease context was the development of office buildings in central business districts. Typically it could take six or seven years from site acquisition, development application, development approval, demolition, and construction before the building is completed, and the offices space becomes available. Whilst it takes some detailed research, it is certainly possible to track down and record such information, and we had a person in Lend Lease Development who specialised in this. One of the consequences of her work is reflected in the following case study relating to Lend Lease Development.
- Demand segmentations are inherently more difficult, as there is generally little directly available information. However, in some instances demand tends not to fluctuate very much from previous records. In the central business district office buildings example, after historical and current occupancy rates have been established (which can entail substantial probing enquiry), regression curve techniques can help in establishing future demand with relatively high confidence levels.

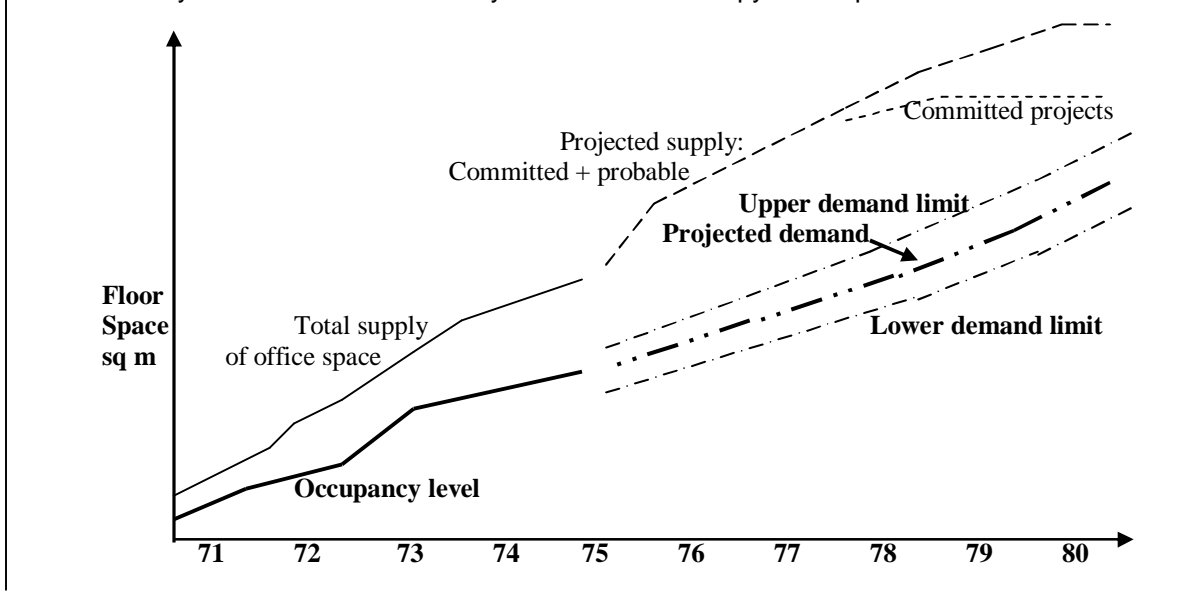
Lend Lease Development

The following case study illustrates how continuing supply-demand curves and forecasts for CBD office space enabled Lend Lease Development to make a very important strategic decision in the early 1970s.

Market research – supply/demand curves for central business district office space

The following chart of supply-demand actuals and projections for office space in Sydney and North Sydney is a reasonably accurate replication of an actual chart still in my possession.

- These supply-demand charts were initiated in the mid-1960s. The following version is an update made in 1975. It shows how supply and demand were already diverging before 1975; but the rapidly increasing projected divergence, based on committed plus probable supply, compared with demand predictions, speaks for itself.
- Lend Lease altered its strategy re developing CBD office buildings in October 1971, when it announced that it ‘was switching out of office blocks’ (Clark 2002:91). The supply-demand chart which helped prompt this decision was an earlier version of the one illustrated, and looked very similar – but unfortunately I did not retain a copy of that particular version.



Of course there is much more to marketing than market research and market segmentation. In both Civil & Civic and Lend Lease Development senior project managers were actively involved in the whole range of marketing activities in the particular sectors for which they were responsible. In projectised organisations we did not have the types of gaps between strategic and operational project management described by Archibald 2009 in a recent issue of this journal. I believe the main reason for this difference is that Archibald was discussing the topic in the context of matrix organisations, which are inherently more complex than the projectised organisations with which I am familiar.

POSSIBILITIES FOR THE MARKETING DISCIPLINE TO CONTRIBUTE TO PROGRAM/PROJECT MANAGEMENT?

To date I have found only one reference which directly links marketing and project management, namely Lecoivre-Soudain & Deshaynes 2006. Their focus is primarily on four project marketing phases – pre-project marketing, marketing at the start of the project, ongoing project marketing, and marketing concerned with generating future projects. Hopefully there may be other such similar references which I have not yet come across, and which I would certainly like to know about.

Additionally, there is evidently substantial experience in marketing in at least one program/project sector, namely new product development, which does not, as yet, appear to be adequately represented in the mainstream program/project literature. There may well be others, and I would welcome feedback on such instances.

Although I have participated in a couple of marketing education courses, and have had some hands-on experience, as described above, I am aware that my knowledge of modern marketing is somewhat limited. However, the preceding discussions certainly suggest to me that the marketing discipline should have some potential to contribute to the ongoing development of program/project management literature and practice. This paper is essentially a plea for people with relevant knowledge and experience to share these with the wider program/project community.

CONCLUDING

In conclusion, I hope that this short discussion paper may prompt researchers and practitioners who are more knowledgeable and/or experienced in relation to marketing activities in the program/ project area to comment on, and/or contribute to, the above question on possibilities for the marketing discipline to contribute to program/project management knowledge and practice.

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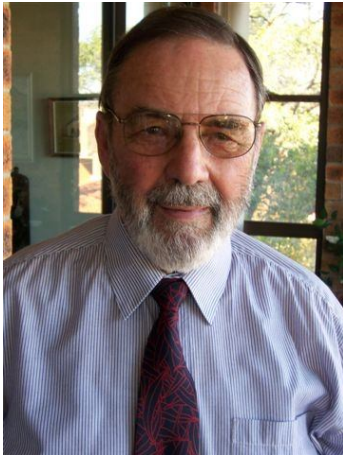
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