

*Project Management and  
Business Processes  
A look at strategy, structure,  
processes and projects*

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By: Ashley S. Johnson  
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*Sponsoring Professor: James Joiner  
University of Texas at Dallas  
School of Management  
Project Management Program  
P.O. Box 830688  
Richardson, TX 75083-0688 USA*

<http://som.utdallas.edu/project>

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## 1 Introduction

*In the world of management, a trend has emerged to append the strategic stamp on all forms of management. It began with strategic planning, closely followed by strategic management, marketing, manufacturing, accounting and finance. So it's not surprising that Project Management has grown from the original Classical Model to the Modern Model and has now morphed in the Strategic Model. I will agree that Strategic Project Management sounds superior, more significant, more specialized and, of course, more valuable. But what does it really mean to be classified in the Strategic category, and is there some way to integrate aspects of business management and project management to create an overall strategic organization?*

*In the recent past, the general consensus in business was that strategic business management and project management were to two separate disciplines. During this period, the organizational value of project management was the ability to provide the most efficient and effective way of delivering a project that was sponsored by a Senior Manager in the upstream of the project life cycle. Not much thought was required by the project manager to know if the project provided value to the organization on a strategic level. However this pre-strategic mindset has and continues to change, since today's organizations are facing rapid increase in global competition. This global change is causing a products and/or services shelf life to expire faster and/or sometimes before it hits the market. This problem is largely due the continued use of the classical business model that is based on the principles of labor, scale, structure and control. This model is losing competitiveness because it can not support the relationship between organizational strategy and methods to implement it.*

*Present day business demands actual delivery of value to consumers, which gives reason for organizations to address complex social, economic and business issues as organic programs. This is where strategic project management has been proposed to fill this need. The Strategic Project Management model stresses the integration of project management with business elements and offers an all encompassing package comprised of strategic project business management and project management, otherwise known as the Project Centric Organization. However, there is still question on if the two disciplines can be integrated. To attempt to answer this question, this paper will analyze the business management and project management disciplines and their strategic commonalities.*

### 1.1 Project Management Background

*Project Management (PM) received its start in the 1950s and 1960s and primarily consisted of techniques for planning/controlling schedules and costs for large aerospace and constructions projects. The concept for this type of management was the determination of precedence relationships, which is identifying the logical sequencing of work activities (such as finish B to start A). This model is known as the Classical Project Management Model. Over the years the classic model was gradually expanded on;*

however it experience huge advances in the 1980s and 1990s as a response to the situations below.

Industry started to rapidly accelerate due to the surge of business process re-engineering

1. The economy was going global
2. Various market deregulations
3. The market driven economy was emerging.
4. IT projects were failing at rapid pace.
5. Organization structures were changing to meet customer needs.

To meet these challenges, more flexible project management methods were sought after by an increasing number of industry branches and public services. To accommodate the need discussions were held between traditional project management practitioners and new practitioners with project management associations serving as vehicle for standards. As a result, the Modern Project Management Model was created. Largely by way of the IT and Telecom industries, as well as the "A Guide to the Project Management Body of Knowledge" generally known as the PMBOK® Guide issued by the Project Management Institute (PMI), by developing and offering more efficient and effective methods to plan and control projects.

The PMBOK became a catalyst for the new project management model. The prominent theme of the PMBOK was and is to balance project management processes by integrating the defined PM processes such as quality, costing, time and procurement with the more flexible PM processes, like scope, communications, risks, human resources, organization and integration. The PMBOK focuses on processes that make up project management and not on general business processes such as sales, billing, procurement, resource scheduling, and operational improvement initiatives. However, project management does include project centric processes that mock many general business processes, and although the Modern PM Model is widely being used today, it has also expanded into Strategic Project Management. This newer strategic model will soon be expanded on in the PMBOK.

Strategic Project Management encompasses the creation of a functional project management group in order to align a company projects and their management to the management of the corporation. Such development is usually called Project Portfolio Management where strategy is applied to maximize the value of the project as a whole, balance products in terms of risks, rewards and resource allocation, and aligning projects to business objectives.

The Strategic Project Management model concentrates on the innovation and added value of projects by linking organizational strategy with projects through the following.

Portfolio Project Management (PPP)

Program Management (PPM)

Project Management (PM)

The structuring of project portfolio management and program management

Valuing feedback

Organizational Project Management Maturity Models (OPM3)

## 1.2 Business Management Background

*Business Management came into existence in the early 20<sup>th</sup> century. It was termed Classical Business Management and was predicated on the following four principles.*

- *Division of labor*
- *Division of scalar and functional processes*
- *Division of structure*
- *Division of control*

*These principles were based on the belief that rational structures and commonsense processes can and will define a single best way of doing things. However, the principle of control gave way to a new theory of management where planning, organizing, leading and controlling was found, which then gave rise to the behavioral school of thought on how organizations formed, functioned and grew<sup>3</sup>. This new way of thinking about business management produced hundreds of periodicals on the subject of lessons learned on how to increase production stemming from WWII. This data was responsible for splitting the classical organizational theory into two sections: business processes and behavioral theory.*

*The next big leap in Business Management came in the late 20<sup>th</sup> century when Hammer and Champy published a piece titled “Re-engineering the Corporation”. This caused a upheaval in Classical Business Management because it showed quantifiable increases in efficiency and profitability when business aligned their processes to best serve the customer<sup>3</sup>. Since most companies during this time – the 80’s - experienced no growth and were continually being re-organized, they focused all efforts into re-engineering business processes and organizational structures to align the with customer satisfaction. This shift led organizations to change their way of doing business from the classical business principles stated earlier, to today’s modern business principles, which consists of:*

- *Strategy*
- *Structure*
- *Processes*
- *Projects*

*Each principle influences and depends on one another in today’s rapidly changing environment. This newer business management models provides organizations the structure and support mechanisms to become a viable player in today’s global economy. Organizations that apply modern business practices place more emphasis on strategy that caters to the customer and the development of processes that lead to maximum efficiency; however it is still lagging in the realm of projects and usually leaves these initiatives to be managed by specialized project organizations.*

*Modern businesses, including the company I currently work for, have spent enormous amounts of money to research, develop and implement management strategies that focus on analysis, objective setting and the impact that organizational structure has in today’s economy. What they haven’t identified is that strategies do not fail during*

*formulation and simulation. Strategies fail during implementation and more times than not they fail due to bad or non-existent project management. Equally, there are many so-called business processes that do not follow or conform to any logical methodology. Even though business process re-engineering is discussed in project management forums it is rarely discussed how it interrelates with modern business practices and processes.*

## 2 Commonalities

*The above review of Project Management and Business Management clearly shows that these two disciplines are in the beginning states of crossing management lines. In general Project Management is becoming a required competency and/function within organizations. It is more visible at all levels within the organization is perceived as catalyst for staying in a competitive market. It is also clear that Project Management has the shares the same principles of Business Management: Strategy, Structure, Processes and of course Projects. But how do they relate or compare to Business Management's defined use of them? Surprisingly their alignment blurs the boundaries between the disciplines to the point they appear to be one as shown below.*

### 2.1 STRATEGY

*What is strategy and what does it mean? Basically strategy means: "the art of the general" taken from the Greek word strategos. In origin it means the planning of a military campaign. The historical roots of strategy date back to the origins of human warfare and the development of large-scale government.*

*From the earliest writings found, knowledge of strategy has been held in high regard and is finding favor with the modern manager. Formal study of strategy within the context of the modern organization did not get under way until the 50s when the Ford Foundation and the Carnegie Corporation sponsored research into business school programs. The results of this investigation suggested that "Strategic Management" be taught as a core competency in business studies and consisted of five interrelated management tasks as described below.<sup>6</sup>*

*Determine the core competency of the business, and developing a strategic vision of the organizations direction while instilling the organization with a sense of purpose, a long-term direction and a clear mission.*

*Translating the strategic vision and mission into quantifiable objectives and performance measures.*

*Designing a strategy to achieve the appropriate end results.*

*Implement & execute the strategy.*

*Performance evaluations with reviews of new developments for possible corrective actions to achieve the long term objective/vision, incorporating changes, new ideas, and new opportunities.<sup>7</sup>*

*Modern business strategy is responsible for matching the activities of an organization to its operational environment. Strategic management is comprised of managing the decisions that determine the long-term capabilities of a company. It includes strategy formulation, strategy implementation, evaluation and control. The study of strategic*

management therefore accentuates the monitoring and evaluation of business opportunities and risks in light of a corporation's strengths and weaknesses.<sup>6</sup> Peters & Waterman's book "In search of excellence" popularized the subject of Fortune 500 companies that failed as a result of non-conformance in their operation to the ever changing environments, resulting in an increase of publications on strategy during the 70s and 80s.

In a text by Johnson & Scholes titled "Exploring corporate strategy", they define business strategy as: "the direction and scope of an organization over the long term: ideally, which matches its resources to its changing environment, and in particular its markets, customers or clients so as to meet stakeholder expectation".<sup>5</sup> Another text titled "Strategic management and business policy" by Wheelen & Hunger states that the process of strategic management involves four basic elements:

- Environmental scanning
- Strategy formulation
- Strategy implementation
- Evaluation and control.

From a corporate level, the strategic management process includes activities that range from environmental matters to the assessment of performance. Senior management reviews external situations for opportunities and threats and internal environment for strengths and weaknesses. Once identified, senior management evaluates the strategic factors and agrees on the overall objectives for the company. The first step in the formulation of a strategy is the mission statement, which then allows for the determination corporate objectives, strategies, and policies. These strategies and policies are implemented through programs, projects, budgets, and procedures. Finally, performance is periodically evaluated and analyzed for lessons learned which is fed back into the 'system' for better control of future activities. <sup>6</sup>

In general, the strategic management process revolves around moving an organization from its present state, to a future strategic state, in order to capitalize on new products and markets. The process of strategic analysis investigates these current and future states while the process of strategic objective setting is about planning the path, its duration and required effort. The strategic implementation process is about getting the organization to move. In all, Strategic Management applies directly to Project Management that applies directly to Business Management. To prove the synergies between Project Management and Business Management, re-read this section; however this time replace all business management centric words with Project Management centric words and see if you can find a difference in theory.

## 2.2 STRUCTURE

Henry Mintzberg's definition of organization structure states: "the sum total of the ways in which an organization can divide its labor into distinct tasks and then achieve co-ordination amongst them".<sup>8</sup> This definition recognizes two major facts about organization structure from both a Business Management and Project Management perspective, which is integration and differentiation. Integration is the coordination of tasks. Differentiation entails the decomposition of work into those tasks.

Regardless of management discipline, the structure of a company is usually represented in an organizational chart that depicts direct and indirect authority relationships. These relationships display the formal of chains of command, communication channels, functional groups and accountabilities.<sup>3</sup> A published organizational chart states the official structure that is sanctioned by the organization. Within this 'formal' or direct structure there exist informal or indirect relationships.

The informal organization is the network, unrelated to the formal authority structure, of social interactions among its employees. It is the personal and social relationships that arise spontaneously as people associate with one another in the work environment. Informal organizations can consist of informal working grouping, informal leaders, informal channels of communication and informal power and status disparities.<sup>2</sup> What needs to be realized is that the informal organization affects the formal organization. The informal organizations can force employees to conform to the expectations of the informal group that conflict with those of the formal organization. This can result in the generation of false information, rumors and resistance to change desired by management. On the other hand, there are positive aspects of information organizations, such as they can make the formal organization more effective by providing support to management, stability to the environment, and useful communication channels.<sup>10</sup>

Organizational analysis involves a comprehensive look of the overall structure of an organization and the processes that accompany them. Within an organization one of two main structures can exist: Bureaucratic/Tall Structures and Organic/Flat Structures.

Bureaucratic organizations are tall structures consisting of hierarchies with many levels of management. People become relatively confined to their own area of specialization. This type of organization is driven by a top-down or command and control approach in which managers provide considerable direction and have considerable control over others. Other features of the bureaucratic/tall organization include functional division of labor and work specialization.

On the other hand, the organic/flat structure is more flexible, adaptable to a participative form of management, and less concerned with a clearly defined structure. The organic organization is open to the environment in order to exploit new opportunities. Organic organizations are in flat structure with only one or two levels of management. and they emphasize a decentralized approach to management that encourage high employee involvement in decisions. The purpose of this structure is to create independent small businesses or enterprises that can rapidly respond to customers' needs or changes in the business environment. It also facilitates better employee to management relationships.<sup>10</sup>

Burns & Stalker found that organic (flat) systems adapted to unstable conditions when problems necessitated action that could not be broken down and distributed among roles within a clearly defined hierarchy<sup>20</sup>. Even though the organic/flat structure overcomes many of the limitations of a tall structure, it doesn't necessarily mean that it's better. Organizations facing rapid changes and shifting environments, such as a projectized organization, will agree that organic/flat structure more effective, but organizations that

*operate in a consistent, non-dynamic, non-projectized environment will survive in a bureaucratic/tall structure.*

*Since the only guarantee the world has ever known is change then corporations should embrace the realization that the new/future economy calls for structural change; and that in order to respond to the market demands they should prepare to make the structural paradigm shift required to stay in business.*

*The pace of strategic change has also accelerated. In the past, the development of a strategy could span over multiple years. In today's world, short-term strategies are implemented within weeks and long-term strategies don't have a shelf life over three years. What this basically means is that normal business becomes the equivalent of a project. A temporary endeavor undertaken to create a unique product, service or result and therefore would be best managed by a Project Centric Organization.*

### **2.2.1 Organizational Forms**

*As discussed above, organizational structure determines the speed of adaptability to changing environments. These structures take on many forms which all adjust to change at varying rates. Arranged in order from slowest to fastest these are:*

*Functionalized Structures: In this type of structure authority is determined by the relationships between group functions and activities. Functional structures group similar or work-related expertise or processes together under recognizable headings like finance, manufacturing, marketing, accounts receivable, research, surgery, and photo finishing. Revenue is achieved through specialization. However, this structure has risk in the form of losing sight of its overall interests as different departments pursue their own goals. 10*

*Matrix structures: Matrix structures simultaneously utilize functional and divisional chains of command in the same part of the organization. This type of structure is commonly used in companies that perform work as projects. It is also widely used to develop new products. This is because the structure is more conducive to ensuring continued success of a product by engaging multiple departments to directly contribute, and to solve problems. 10*

*A matrix organization is formed by superimposing a project structure upon a functional structure, which allows the organization to take advantage of new opportunities. This structure assigns specialists from different functional departments to work on one or more projects being led by project managers. The matrix concept facilitates working on concurrent projects by creating a dual chain of command, the project (program, systems, or product) manager and the functional manager. Project managers have authority over activities geared toward achieving organizational goals while functional managers have authority over promotion decisions and performance reviews.*

*Matrix structures are more appealing to organizations that want to speed up the decision-making process. However, the matrix organization may not allow long-term working relationships to develop. Furthermore, using multiple managers for one employee may result in confusion as to manager evaluation and accountability. 10*

*Boundary-less Organizations: This type of structure is not defined or limited by horizontal, vertical, or external boundaries imposed by a predetermined structure. It has many similarities to the flat organization, with a strong emphasis on teams. Cross-functional teams dissolve horizontal barriers and enable the organization to respond quickly to environmental changes. A No Boundaries organization can form relationships (joint ventures, intellectual property, distribution channels, or financial resources) with customers, suppliers, and/or competitors. Virtual, global, strategic alliances and customer-organization linkages break down external barriers, streamlining work activities. Jack Welch, former CEO of General Electric, was and is a proponent of this type of structure to facilitate interactions with customers and suppliers. He was the first to implement this non-structured approach.*

*A No Boundaries environment is required by organizations that want to facilitate learning, strong team collaboration and the sharing of information. When an organization develops the continuous capacity to adapt and survive in an increasingly competitive environment because all members take an active role in identifying and resolving work-related issues, it has developed a learning or project type culture. A learning or project organization is one that is able to adapt and respond to change. This design empowers employees because it allows them to acquire knowledge, share knowledge and apply knowledge to their decision-making. They pool collective intelligence and stimulate creativity to improve performance. Project Managers facilitate learning by sharing and aligning the organization's vision for the future and sustaining a sense of community and strong culture.<sup>21</sup>*

*4. Strategic business units or Network Units: Are organizational units established primarily for strategic planning and decision making purposes. They are collaboratively structured units that can consist of several organizations to support a group of related products or services directed to a distinct group of customers or clients. They are primarily used in diversified multi-product/multi-service organizations and are structured differently for strategic planning purposes than for operations. <sup>10</sup>*

*From this, it is clear that the type structure of an organization implements is key in how the organization accomplishes their goals. The purpose of an organizations structure is to make the best use of the human resources to achieve goals. It's clear that business who are serious about staying competitive in today's economy have, or are in the process of, evolving from tall, functionalized structures to infinitely flat, projectized flexible societies. Again, the reason for this shift is to allow modern businesses to survive in this ever increasing and rapidly changing environment that demands strategic direction accompanied by the efficiency of managing by projects to compete in modern market conditions.*

### **2.3 PROCESSES**

*What is a process? In the scientific sense, a process, as defined by the American National Standard for Industrial Engineering Terminology, is: "A systematic sequence of operations to produce a specific result", which stresses the importance to understand how the process is measured, controlled and continually improved. From a business perspective a process is a collection of activities designed to produce a specific output*

*for a particular customer or market. It implies a strong emphasis on how the work is done within a company as opposed to the what. A process is thus a specific ordering of work activities across time and place, with a beginning, an end, and clearly defined inputs and outputs. It is a structure for action.*

- *Process Structure*
- *Has a Goal*
- *Has specific inputs*
- *Has specific outputs*
- *Uses resources*

*Has a number of activities that are performed in some order  
May affect more than one organizational unit. Horizontal organizational impact.  
Creates value of some kind for the customer. The customer may be internal or external.*

*The fundamental difference between the scientific process and the business process definitions is the scientific process calls for monitoring, controlling and the business processes are left hanging. However this is changing through the use of business process maturity models.*

*So why do we have business processes or why do they exist?; Because an organization has a purpose. It may be to build and sell equipment; it may be to manage health services. In order to achieve this goal as efficiently as possible, the work is broken down into a number of unique functions. A function may be Marketing, Billing, Sales, and Human Resources. All functions work together to make the organization exist.*

*Each of these functions has its own purpose and responsibilities which contribute to the overall goals. For example, Human Resources will be responsible for recruitment of staff, dealings with Unions etc. In order to fulfill those responsibilities they create a number of processes, or "ways of doing things in a repeatable manner".*

*There are a number of reasons for making business functions repeatable.  
By doing it the same way each time it becomes more efficient  
It is easier to train people if the process is consistent  
There is less chance of mistakes if it is done the same way every time  
Experience allows you to refine the process to take into account situations that may be slightly outside the normal*

*Of course there are limitations, both internal and external, to business processes such as:*

*Internally, a process can not cover every possible situation. There will still need to be activities undertaken to address unusual needs*

*Externally, the processes need to be compatible with other business areas who have own different business processes.*

*As one process changes, it can have a domino effect throughout the business. For example, a change to the format of an invoice which may suit the billing department can cause changes in the information collected from sales, order entry, customer contact center and even the customer.*

*In a book entitled "Improving performance: how to manage the white space on the organization chart" by Geary Rummler and Alan Brache, they have found that business processes are the least understood and the least managed of business enterprise performance. As stated in the book "Processes roll along or more frequently stumble along in organizations"<sup>13</sup>. Their research found that a tremendous amount of learning and improvement could result from identifying, documenting and examining the linkages on a process map between every input and output of a process. Here business processes are defined as "a collection of related structural activities that produce something of value to the organization, its stake holders or its customers." Their definition of most processes is "cross-functional, spanning the white space between the boxes on the organizational chart"<sup>13</sup>.*

*In a different book titled "Re-engineering the corporation" by Hammer & Champy, they state that the actual word 'process' provides mass confusion to most managers. Reason is "Most business people are not "process-oriented"; they are focused on tasks, on jobs, on people, on structures, but not on processes." They go on to define a business process as "a collection of activities that takes one or more kinds of input and creates an output that is of value to the customer"<sup>3</sup>. However, most managers and their companies focus on the individual tasks that make up a process and lose sight of the overall goal. "The individual tasks within a process are important, but none of them matters to a customer if the overall process doesn't work, that is, if the process doesn't deliver the goods"<sup>3</sup>.*

*Now, combining what little that was defined of a scientific process within this paper and business processes, one can clearly see that both are made up of related inputs and outputs to obtain a specific goal. Given this, we know that these inputs and outputs can be measured, and the results of these measurements can be used to create corrective actions. We can also say that with out measurements and improvements, a process will fail whether they are system based or human based. It's easy to say that the scientific definition of a process reveals everything we need to know about how to manage a business process; however the obvious difference is that a business process doesn't work with out people.*

*In studies done by Professor Edgar Schein of MIT, he explains four levels of work involvement in an organization. These levels are:*

- *Decisionary*
- *Steering*
- *Anchoring*
- *Operational.*

*Steering and anchoring are usually referred to as management. The difference between the two is the level of involvement in the visionary process of the organization. This means that the efficiency of the people who actually perform the work are affected by Management. Basically, Management either assists in performing the work or they hinder the work from being performed. These studies also showed two leader types: a task leader (technical leader) who helps the group to do its job and a "socioemotional" leader (process leader) who helps to build and maintain good relations among group members.<sup>3</sup>*

*Prof. Schein defines how the roles of the “technical leader” differ from the “process leader” and how they influence the performance of the workers. The ‘process leader’ helps the “technical leader”, also known as a functional manager, in assessing the different outcomes of alternative processes/routes that have not been considered. Process leaders do not have boiler plate solutions; rather they assist in adding perspective. Analysis of group problem solving demonstrates that groups’ best develop a solution with the assistance of a process leader.<sup>3</sup>*

*Although the Director has the ultimate responsibility and authority, it’s the Manager that is perceived to have the ultimate responsibility for a deliverable; Managers also have supervisors and designated resources to exercise their authority too. Make no mistake, they are accountable for the deliverables and are not able to delegate it to another party.*

*Project managers also have delegated resources from across the business units and must share the functional demands placed on these resources. The project team members have the responsibility of balancing loyalty to the business unit that pays their salary with the demands of the project and they are deemed to be responsible for the outcome of the project but rarely are they seen to be accountable. This brings us to the realization that the management of business processes and the management of projects are interrelated. In fact the process team can be directly equated with the project team. Both teams work across functions. (put reference)*

## **2.4 PROJECTS**

*At the 28th annual North American Project Management Institute Convention, Zeitoun & Heimy presented a paper entitled “The pyramids and implementing project management processes”<sup>16</sup>. The purpose of their paper was to demonstrate that it was possible that the construction of the Pyramids fit the definition of a project and could have been managed by using the PMBOK’s Project Management processes. Here, a project is defined as “a temporary endeavor to create a unique product, service or result”, and project management is defined as “the application of knowledge, skills, tools and techniques to project activities project requirements.”<sup>1</sup>*

*As stated earlier, most scholars believe that project management originated in 1958 with the development of the PERT methodology<sup>1</sup>. Project management was usually deemed an engineering discipline in architecture and production and was considered a well developed management style for this industry. Engineering projects such as bridges, dams, power plants, production plants, etc. used work in dedicated centralized teams that worked full-time on the management of a single project. . Implementation of the project was performed by using outsourced staff. Project durations were in years and all project costs were capital investments, which has a set payback period. Management effort was focused on the implementation stage where change management to the original scope of the project was key. Project risks were quantified before procuring financial commitments to the project. Product risk was quantified in the planning stage and was devised by analyzing the potential issues with the design, and the impacts they had on quality, time and cost in the implementation stage.<sup>8</sup>*

*The design for a project was completed by an in-house team. Contract management followed a systematic preparation process with a thorough evaluation and negotiation process. Implementation was always completed by a contractor, with the client managing the contract on site. Many formal tools and techniques existed, and were frequently used to complete the activities. Lastly, project close out was not normally seen as a part of the formal project, neither is commercial operation.*

*On the other hand, British Standard 6079 defines a project as “a unique set of coordinated activities, with definite starting and finishing points, undertaken by an individual or organization to meet specific objectives within defined schedule, cost and performance parameters”<sup>17</sup>. Project management is defined as the “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”<sup>17</sup>.*

*Here it's clear the distinguishing factors are the “individual” and “motivation”. This standard lays the emphasis on managing people, who manage the work of the project instead of on “tools and techniques”.*

*Business development projects either involve making business processes, strategy, change, and restructuring into a project or modifying existing areas within the organization. Here human resources are used to manage projects while involving people from distributed cross-functional teams, lateral teams and/or virtual teams while working on many projects concurrently. Most of the time internal staff is used with occasional input by consultants. Project duration is typically in days or weeks and most of the time money is not spent on capital equipment. Primary costs incurred are due to man hours spent.*

*Most management efforts are spent planning the project while implementation activities are very short. Usually, changes to the original scope results in failure. Basically the management of people is the key activity while the people manage the tasks. Project risks are positioned with strategic direction, and the possibility of changes in the market conditions poses a constant threat throughout the project. Product risks are is quantified during the planning of the design, and if a risk occurs during the implementation it will negatively influence the projects time, cost and quality.*

*Internal management resources and contracted consultants usually complete the design. During the planning stage of a project, internal contracts are entered into between departments for manpower and are considered features of the project. External contracts for procurement, delivery and installation are rare. The same team that created the design also completes implementation. The management aspect of the team does not normally use tools, techniques, processes, procedures, methodology or models. Here their efforts are specifically directed at the motivation of team members, and consider communication and time management as the key to success. The operation/maintenance stage of the project entails the ongoing modification and changes to project deliverables, often obscuring the where and when the end of the project occurs.*

### 3 Conclusion/Findings

*So what does all this mean? Well if a business process results in the repeated achievement of a goal then we can say that they have been continuously improved upon to remain useful. Also, if the employees, who use these processes, realize the improvements then they will begin to request additional improvements.<sup>15</sup> Then the result will be that requests for improvement from all staff levels, customers and suppliers are seen as a project, then naturally these requests contain the evidence that the processes that are being used were at one time part of project. To identify these improvements as a project it should be properly titled and defined with measurable deliverables and benefit of change expected from the project, as stated at the end of the implementation stage of the project life cycle. Once this is completed then the project titles contain processes that are used and in need of improvement.<sup>21</sup>*

*The business process and project management relationship is exposing project management as the catalyst that will remove all management theory, where management manages the behavioral processes of people, who manage the continuous improvement of business processes in an organization that uses projects to guide the business process that addresses change in the strategic direction of the organization.<sup>21</sup>*

*The realization that the expertise of managing projects can greatly impact management at large is greatly underrated, and for the most part unknown. For years, project management was ridiculed in the development of business as a low-tech, low-value and questionable activity. Only recently has it been recognized as a central and strategic management discipline. Global companies now use project management as their principal management style. Management by projects is now a powerful way to integrate organizational functions and motivate teams to achieve higher levels of performance and productivity.*

*Most modern organizational theory credits the United States Department of Defense for developing the newer form of organizational structure referred to as the Matrix structures. This structure superimposes a product or project structure onto an existing functional based structures<sup>18</sup>. Resources from the vertical<sup>2</sup> groups were assigned to horizontal groups, based on the need in each project. This structure originated from the role of differentiation and integration in organizational theory. Differentiation divides authority among the horizontal levels in the organization so that each level has more authority than the level below it. As an organization differentiates itself, it must also integrate its activities into sets of tasks executed as a coordinated whole.*

*The span of control in management theory refers to the number of immediate subordinate positions that a superior position controls. The matrix structure can be seen as the crux between the tall vs. flat structures. Differentiation in the matrix is divided, not only horizontally, but vertically as well, while work is integrated across functions in the organization.*

*It can be proven that most management literature separates the work or task being performed, from the management of the employees performing the work. Managers are seen as task the technical leaders and the human resources practitioners are seen as the social emotional leaders. If the development of a new/improved business*

*management style is to prove anything, it is that the successful outcome of any change in the organization can only be achieved when business processes and human behavioral processes converge in the person of the project manager.*

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*Ashley Johnson-McGlashan, PMP  
Student, University of Texas, Dallas*



*Ashley Johnson-McGlashan, PMP, has 12+ years experience as a Project Management business professional with expertise in Business Analysis & Strategy, Business Process Design and Planning. Ms. Johnson-McGlashan's background includes initiating and leading government projects in the Airline Security and Medicare fields, as well as leading international initiatives with Fortune 500 companies. Currently, she works as an Independent Consultant on outsourcing seasonal call center services for Prime Therapeutics, llc, a leading pharmacy benefits management company located in Irving, Texas. Previous employers include Siemens, Sabre and Federal Express. Ms Johnson-McGlashan is a graduate of the University of Memphis with a B.A. in Criminology. She received her PMP certification in 2004 and a Masters Certificate in Project Management from the University of Texas at Dallas in 2006. In conjunction with the Project Management Master Certificate program, she will receive her MBA during in 2007 from the University of Texas at Dallas. Ms. Johnson-McGlashan can be reached at [ashley2484@aol.com](mailto:ashley2484@aol.com).*