Define Project Scope and Success in Terms of Project Outcomes, Benefits and Outputs - The Approach and a Case Study

AUTHOR

Dr Kersti Nogeste

knogeste@projectexpertise.com.au

Doctor of Project Management, Master of Business

Diploma in Education, Bachelor of Applied Science

Principal Consultant

Project Expertise Pty Ltd

Melbourne, Victoria, Australia

www.projectexpertise.com.au

INTRODUCTION

Summary

This paper describes a three-step approach for defining project scope and success criteria in terms of project outcomes, benefits and outputs and how the approach was used to define the scope and success criteria of a Governance Review Project.

Planning for Project Success

Organisational strategy is often implemented via projects, so it is important that a clear link is made between an organisation's key strategic priorities and each project, including agreed measures of success (The Comptroller and Auditor General 2004). In practical terms this can be done by business and project management working together to use a business outcome vocabulary (Phelan 2004) to clearly identify project objectives (Shenhar et al. 2001), outcomes, benefits (Shenhar, Levy & Dvir 1997) and outputs. Such an approach increases the likelihood of project success because it addresses the critical success factor of sound project planning. Stakeholders agree upon the project success criteria in terms of a project's objectives, outcomes and outputs from the outset of a project and thereafter at agreed project milestones (Dvir, Raz & Shenhar 2002; Turner 2004).

Defining expected project outcomes, benefits and outputs in business outcome vocabulary will increase the likelihood of project managers and project teams delivering successful projects because it maintains a focus on (business) outcomes rather than (project management) processes (Dallas 2002). This is especially important information to provide to project managers and project teams, given the results of recent research studies which have identified that "Project managers infrequently tie project management outcomes to corporate business outcomes" (Phelan 2004).

The Approach

The following three-step approach can be used to define project scope and success criteria in terms of expected project outcomes, benefits and outputs (Nogeste 2006) :
1. Plan and conduct a stakeholder workshop.
2. Document and review the workshop report.
3. Use the workshop report to plan/review the project.

The purpose of each of the key steps is as follows:
1. Plan and conduct a stakeholder workshop.
   The purpose of the workshop is for a selected group of project stakeholders to define the project scope and success criteria in terms of expected project outcomes, benefits and outputs. An Outcome Profile^{TM} template is used to define each outcome in terms of it's
   - Description,
   - Realisation Timeframe
   - Owner
   - Benefits
   - Outputs
   - Success Criteria
   - Dependencies
   - Risks
   Refer to Appendix 1 for a description of each section of the Outcome Profile^{TM} template.

2. Document and review the workshop report.
The workshop report documents the project scope and success criteria. The report comprises a number of sections including the Outcome Profiles^{TM}, outcomes/outputs cross reference table and additional notes recorded during the workshop.

Based on the individual Outcome Profiles^{TM}, an outcomes/outputs cross reference table (Figure 1) is prepared to highlight the relationship between project outcomes and outputs. This cross reference table illustrates the potential for one output to affect multiple outcomes (Department of Finance and Administration 2003b) and prevents the situation where the relationship between outputs and outcomes is a "matter of judgement" (Department of Finance and Administration 2003a, p4).

Output Name	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5

Figure 1- Outcome/Output Cross-Reference Table

Additional notes recorded during the workshop may include issues/action items.

3. Use the workshop report to plan/review the project.

The workshop report comprising the Outcome Profiles[TM], outcomes/outputs cross reference table and additional workshop notes defines the scope and success criteria of the project and provides the project manager with the key information required to plan/review the project plan.

Case Study Background

The Corporate Plan of an Australian state government department identified the need for a Governance Review Project to review the Department's governance framework, governing the management of departmental human, physical and financial resources. The Departmental Secretary was assigned as the Project Owner, with a Divisional General Manager assigned as the Project Sponsor and a Departmental officer assigned as the part-time Project Manager.

Upon approval of the project business case, the Project Sponsor and Project Manager recruited the project team comprising four (4) specialist consultants and a Departmental Project Administrator. The consultants were specialists in communications (2), public sector governance (1) and project management (1).

The day-long project kickoff meeting comprised a morning and afternoon session. The morning session comprised the Project Sponsor introducing the background of the project and the project team members introducing themselves to each other. The afternoon session comprised a workshop to reconfirm the project objectives and define the project scope and success criteria in terms of expected project outcomes, benefits and outputs.

The remainder of this paper describes the work related to defining the project scope and success criteria in terms of expected outcomes, benefits and outputs.

THE CASE STUDY

The following three-step approach was used to define the scope and success criteria of the Governance Review Project :
1. Plan and conduct a stakeholder workshop.
2. Document and review the workshop report.
3. Use the workshop report to plan/review the project.

1. Plan and conduct the stakeholder workshop.

Plan the workshop
The Project Manager and project management consultant defined the afternoon session of the project kickoff meeting as a two-part workshop, to :
1. Review the business case purpose statement, project objectives and project outcomes.
2. Define the project scope and success criteria in terms of expected project outcomes, benefits and outputs.

The first part of the workshop would review the business case purpose statement, project objectives and project outcomes to ensure that the Project Sponsor and project team shared a common definition of the project scope. The second part of the workshop would define the project scope and success criteria in terms of expected project outcomes, benefits and outputs. An Outcome Profile[TM] template would be used to define each outcome in terms of it's

- Description
- Realisation Timeframe
- Owner
- Benefits
- Outputs
- Success Criteria
- Dependencies
- Risks

Conduct the workshop

The project management consultant acted as the workshop facilitator, recording meeting notes on an electronic whiteboard.

As planned, the workshop started with the project team reviewing the business case purpose statement and project objectives. Upon review, the business case purpose statement was accepted "as is". However, both the project objectives and project outcomes were revised.

The business purpose case statement remained as "The purpose of the Governance Review Project is to learn about different aspects of Governance, including Best Practice Public Service Governance, the current state of Governance in the Department and how to lead a Way Forward to Governance Best Practice within the Department."

The original four (4) expected project outcomes documented in the business case, were reworded to become the following four (4) comparable expected project outcomes :
  i.   To ensure management and staff understand and are aligned with good governance through focused consultation and communication.
  ii. To identify "best practice" public sector governance standards; map current governance arrangements and review current Departmental practice.
  iii. To develop options for an enhanced Departmental governance model including priority improvement areas and featuring a monitoring and performance measurement framework for governance.
  iv. To integrate opportunities with other major Departmental projects.

The workshop participants also defined relevant key terms, including "Governance", "Departmental" and "Whole of Government".

Having completed the first part of the workshop, the Project Sponsor and project team progressed to the next part of the workshop – to use an Outcome Profile^{TM} template to define each of the four (4) expected outcomes in more detail, including expected benefits and outputs. The project management consultant recorded the details of each Outcome Profile^{TM} on an electronic whiteboard.

Refer to Appendix 2 for the sample Outcome Profile^{TM} of Outcome 1 - To ensure management and staff understand and are aligned with good governance through focused consultation and communication.

2. Document and review the workshop report.

Document the workshop report
Following the workshop, the project management consultant drafted the workshop report comprising the following sections :
- Project Overview
  - Project Objectives and Outcomes
    Introducing the slightly reworded project objectives and outcomes.
  - Project terminology
    Clarifying terms including "Governance", "Departmental" and "Whole of Government"
- Outcome Profiles^{TM}
  - Outcome 1
  - Outcome 2
  - Outcome 3
  - Outcome 4
- Appendices
  - Background – Objectives and Outcomes
    Tracing the changes to made to the original wording of the objectives and outcomes in the business case
  - Outcomes/Outputs Cross –Reference Table
  - Issues/Action Items Log
  - Proposed Key Milestones and Activities

Refer to Appendix 2 for the sample Outcome Profile^{TM} of Outcome 1 and Appendix 3 for the Outcomes/Outputs Cross –Reference Table.

Review the workshop report
The project management consultant reviewed the workshop report with the Project Manager for two main purposes. Firstly, to confirm that the report accurately reflected the results of the workshop. Secondly, to complete the outcome risk assessments. Completion of the risk assessments was dependent on the Project Manager rating the probability and impact of each risk identified by the project management consultant.

3. Use the workshop report to plan/review the project.
The workshop report comprising the Outcome Profiles^{TM}, outcomes/outputs cross reference table and additional workshop notes defined the scope and success criteria of the project and provided the Project Manager with the key information required to plan the project.

The Project Manager used the workshop report in the following ways :
  i.   The re-worded Project Objectives and Outcomes were included in all further project documentation.
  ii. The Outcome Profiles^{TM} were used to define the project scope and schedule in terms of the project outputs and the activities and resources required to generate them.
  iii. The outcomes/outputs cross-reference table provided a project reporting framework which related the development of individual outputs to the delivery of related outcome/s.
  iv. The individual Outcome Profile^{TM} risk assessments were combined to become the project risk register.

    v.   The Issues/Action Item Log became the project issues/action items register.

The Project Manager and project management consultant continued to meet periodically to reconfirm adherence to the defined project scope and success criteria.

DISCUSSION

The scope and success criteria of a Governance Review Project were defined in terms of expected project outcomes, benefits and outputs.

A stakeholder workshop involving the Project Sponsor and project team was planned and conducted with the result that the project objectives and outcomes were slightly reworded and an Outcome Profile[TM] defined for each project outcome. In addition, the workshop participants also defined key relevant terms, issues and action items, proposed key milestones and activities.

The workshop report comprising the Outcome Profiles[TM], outcomes/outputs cross reference table and additional workshop notes defined the scope and success criteria of the project and provided the Project Manager with the key information required to plan the project.

The project manager continued to refer to, and report against the definition of project scope and success criteria during the course of the project.

CONCLUSIONS

Project stakeholders can use a step-wise approach to define project scope and success criteria in terms of expected project outcomes, benefits and outputs, with an Outcome Profile[TM] template used to define the detail of each expected project outcome.

Use of such an approach when planning a project increases the likelihood of project success because stakeholders:
- Agree on the project scope and success criteria from the outset of the project.
- Define the project scope and success in terms of business outcomes.

Whilst the three-step approach described in this paper is best used when planning a project, it may also be used to review project scope and success criteria.

AUTHOR

Dr Kersti Nogeste (knogeste@projectexpertise.com.au) is an independent program and project management consultant with more than fifteen years experience managing successful projects and programs of work in Australia and North America, particularly in IT&T, the utility and public sectors.
Kersti's doctoral level research conducted with public sector projects developed the Outcome Profile[TM] template which helps project stakeholders to define project scope and success criteria in terms of expected project outcomes, their associated benefits and outputs. Use of Outcome Profiles[TM] increases the likelihood of project and program success because stakeholders define project scope and success criteria in terms of business outcomes.
Kersti is a speaker at national and international conferences, is the author of a number of journal articles and is a certified Project Management Professional (PMP).

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APPENDICES

Appendix 1 – The purpose of each section of the Outcome Profile[TM] template.

An Outcome Profile[TM] template defines each expected project outcome in terms its
- Description
- Realisation Timeframe
- Owner
- Benefits
- Outputs
- Success Criteria
- Dependencies
- Risks

The purpose of each part of the Outcome Profile^{TM} template is as follows :

- The Description ensures a clear and common definition of the expected outcome.
- The Outcome Realisation Timeframe ensures a clear and common understanding of when the outcome can reasonably be expected to be realised – either during or after the project.
- The Outcome Owner is assigned responsibility for the realisation of the outcome. If the outcome is to be realised some time after completion of the project, then it is impractical to assign the responsibility to the Project Manager.
- The Benefits of an Outcome are described in terms of the advantages provided by the outcome (Ward, Murray & David 2004, p7); the underlying reason/s for pursuing the outcome.

  Whilst Outcomes and Benefits are often confused with each other (Ward, Murray & David 2004, p8), they are different. Benefits are only able to be realised as a result of an "observable outcome" – "the outcome is needed for the benefit to be realised" (Ward, Murray & David 2004, p54). For example, if an outcome of an Information Technology project is that personnel are able to do their work more quickly, freeing up time, then the ensuing benefit is "what is actually done with the time that is freed up, since clearly if managers do not find ways to utilise the time released then no benefit will materialise" (Ward, Murray & David 2004, p8). "Only with the conscious intervention of managers" will an outcome yield business benefits (Ward, Murray & David 2004, p8).

  Note : In some cases, project stakeholders may also wish to define potential dis-benefits. This will help project stakeholders to agree that the potential dis-benefits "are a price worth paying to obtain the positive benefits" (Ward, Murray & David 2004, p15).

- Aligning an outcome with its associated Outputs defines the need for the project to generate particular outputs; an approach which is consistent with the UK Treasury Department's Green Book which describes outcomes being able to be expressed in terms of outputs (HM Treasury 2003, p13).

  In addition, it is important to define which outputs will be defined during and after the project. For example if a project is to generate a signed contract, the generation of a contract renewal may be an output to be delivered after completion of the project.

- It is important to explicitly define Success Criteria. Especially, to avoid multiple and possibly contrary definitions of project success. For, project stakeholders may define success in different ways (Shenhar et al. 2001, p716) by referring to different sets of data, or even when referring to the same set of data, interpret it differently, according to their particular perspective (Rad 2003). In addition to interpreting data differently, "the success rating of a project may also differ according to subjective, individual judgement" (Dvir, Raz & Shenhar 2002).

- The successful realisation of an outcome, its benefits and outputs will be dependent on a number of factors that need to be clearly defined and documented as Dependencies.

- The successful realisation of an outcome, its benefits and outputs will be subject to a number of risks which need to be identified and assessed, along with corresponding mitigation/contingent actions which will need to be incorporated into the project plan. A good starting point for risk identification is to examine the risks associated with previously defined Dependencies.

Appendix 2 – Outcome 1 – A Sample Outcome Profile^{TM}

Description
To ensure management and staff understand and are aligned with good governance through focused consultation and communication.

Realisation Timeframe
This outcome will be delivered in two stages:
Stage 1 - During the project – "commencement stage".
Stage 2 - After the project via implementation of the "Way Forward" report – "formalised stage".

Owner
• Project Sponsor

Benefits
These benefits will commence being realised during the project (stage 1) and continue to be realised after the project by implementing the Way Forward report (stage 2).
• Broad ownership of good governance.
• Improved adoption and performance of good governance in a sustainable way.
• Promotion of a culture of good governance.
• Improved cross-offices team work and communication.
• Enhanced organisational capacity.
• Project and stakeholder initiated governance related discussions.

Outputs
Stage 1 – during the project
• "Key Messages".
• Project Communications Approach (including Key Messages).
• Communications elements for governance projects summary template.
• Senior Management briefing describing similarities and differences between public and private sector governance.
• Project Stakeholder Engagement Approach i.e. coordinated, identifying key stakeholders and opportunities for improvement.
• The Way Forward Report - Communications Strategy section (including Key Messages).

Success Criteria
Stage 1 – during the project – "commencement"
• Measuring understanding and awareness e.g. workshop feedback forms, surveys (quantitative and qualitative).
Stage 2 – post-project – "formalisation"
• Continued measurement of understanding and awareness.
• General management feedback about their perception of the integration of good governance.

Dependencies
1. Departmental briefing about key stakeholders i.e. 1 ½ hour teleconference.
2. Departmental organisational chart, including roles and responsibilities.
3. Departmental reference/background material.
4. Way Forward report format.
5. Good Governance "Value Proposition".
6. Advice/guidance from Reference Group on how best to approach key stakeholders.
7. Departmental branding and communications standards i.e. logo, design guidelines.
8. Departmental Communications group timely feedback and approval/endorsement.
9. Understanding of Departmental Communications approval processes – steps, time periods.
10. Up front understanding/definition of key stakeholder needs/desires/perceived project benefits.
11. Maintaining Reference Group involvement above and beyond scheduled monthly meetings.

Risk Assessment Summary
A total of fourteen (14) risks were identified, with nil (0) high risks, two (2) medium risks and twelve (12) low risks.

The two (2) medium risks are
Risk 12 – The Departmental Communications group approval process delays the scheduled completion of project communications outputs.
Risk 13 – Incomplete/contrary key stakeholder understanding/definition of project benefits.

Risk 12 is to be managed by clearly documenting both the standard communications approval process and the communications approval escalation process; so that the time required to complete the standard approval process is accurately included in the project schedule. The escalation process is to be used by exception.

Risk 13 is to be managed by convening group meetings with key stakeholders, supplemented by meetings with individual key stakeholders unable to attend group meetings.

Appendix 3 – Outcome/Outputs Cross Reference Table

No.	Output Name	Outcome 1 Management And Staff Understanding	Outcome 2 Governance Best Practice	Outcome 3 Options For An Enhanced Governance Model	Outcome 4 Integration With Related Projects
1.	Communications elements for governance projects summary template.	X			X
2.	Senior Management briefing describing similarities and differences between public and private sector governance.	X	X		
3.	Value Proposition	X	X		
4.	"Key Messages"	X			
5.	Project Communications Approach	X			
6.	Project Stakeholder Engagement Approach	X	X	X	X
7.	The Way Forward Report Template	X	X	X	X
8.	The Way Forward Report - Communications Strategy section	X			
9.	Governance elements for governance projects summary template.		X		X
10.	Baseline survey of current governance practices.		X		
11.	Map of current governance framework		X		
12.	Public sector best practice report		X		
13.	Documented gap analysis		X		
14.	The Way Forward Report – Good Governance Strategy section			X	
15.	The Way Forward Report – Monitoring and Performance Monitoring Framework section			X	
16.	Governance projects summary template				X
17.	Completed version of Governance projects summary template			X	X
18.	Documented existing and potential synergies between projects.			X	X
19.	Graphical representation of governance related projects			X	X