

An attempt to create new model in Project Excellence

By:

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Abstract

Truly excellent organizations are those who strive to satisfy their stakeholders by what they achieve, how they achieve and what they are likely to achieve. This is hard enough at the best of times; sustaining success in a world of increasing global competition, rapid technological innovation, changing processes and frequent momentum in the economic, social and customer focused environments.

Much Attention has focused recently on Excellence Management and several Excellence Models have been created to encourage firms to evaluate and subsequently improve their Business.

Following the Pand Business Excellence Model (PBEM), which introduced first time, in the 3rd conference last year, this paper attempts to introduce the Pand Project Excellence Model (PPEM) which helps a project team to reflect on its own strengths and improvement potentials.

PPEM allows the organizations in any type and size to gain long lasting achievements in projects. The model elements are based on the fundamental insights, concepts and experiences of the PBEM.

This model for "Project Excellence" divides the assessment criteria in two sections:

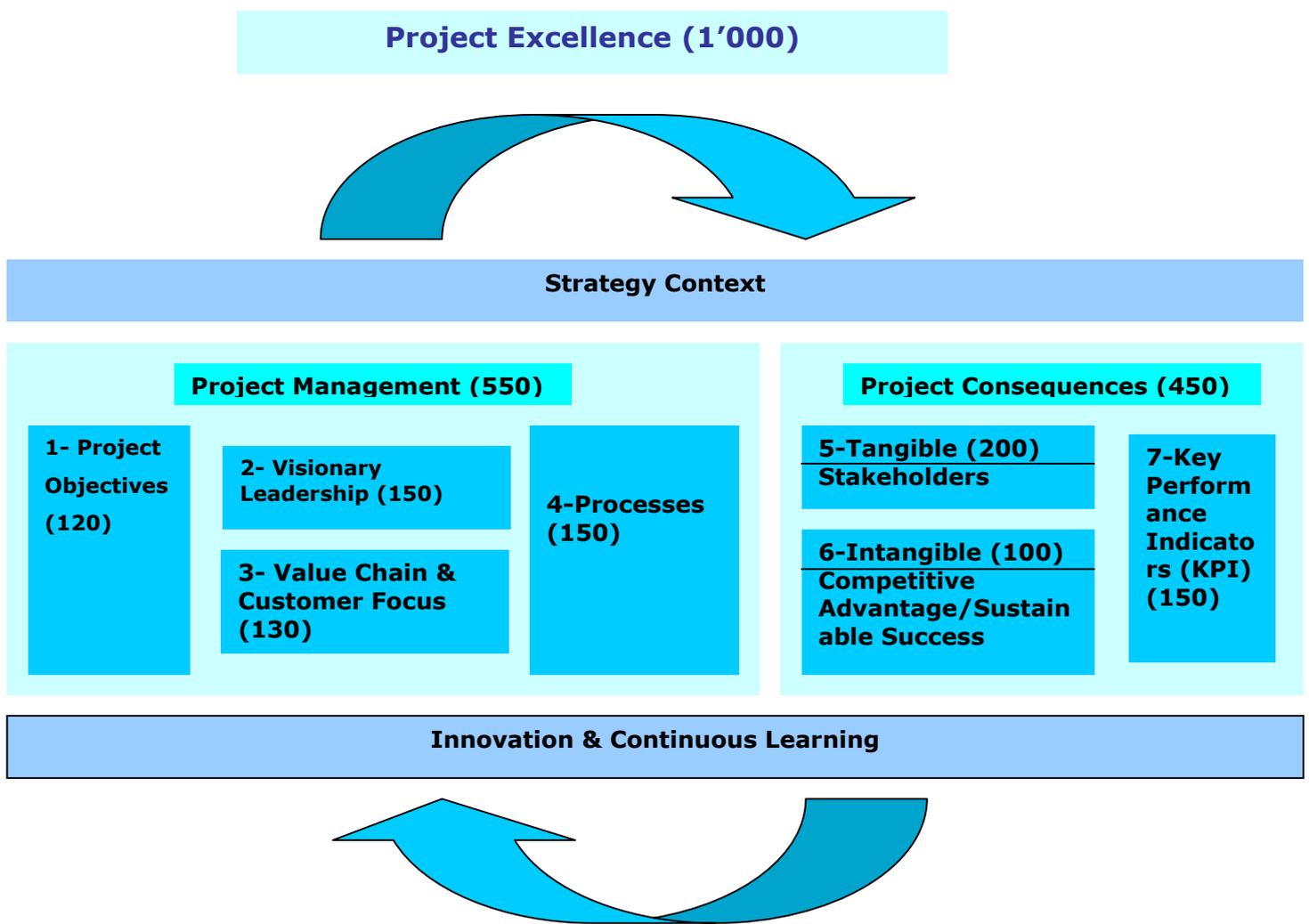
- "Project Management", judges to what extent the procedure is excellent.
- "Project Consequences", judges to what extent the project results could be excellent.

Of course these experiences - and therefore the model for "Project Excellence" - only show the status quo of current management quality. The model is consistent and adaptable to all organizations which continually being developed on the basis of their needs and wants.

Pand Project Excellence Model (PPEM)

Pand Model for "Project Excellence" altogether assesses seven criteria divided into two sections,

"Project Management" and **"Project Results"**,
Project Management (500 points):



Pand Project Excellence Model

Pand Project Excellence Model

Pand Project Excellence Model (PPEM), is Based on increasing the simplicity of Business Excellence Models in the process of changing the vision of leadership. We have integrated the homogeny concepts into unified attributes to ease the learning of self assessment in managerial teams. Improvement must be continuous and the leadership should be able to de-learn the past experiences belong to last millennium and try hard to relearn the complexity of leadership in twenty first century as simple as possible. This attempt consists of seven categories in strategic context of the organization lead through Knowledge Management and Learning.

Basic Concepts:

The impact of technological development on day to day Human's life enforces the initiators of Visionary Leadership to accept the change toward more mature concept but simple models.

Since literature of management context emerged and transformed during the past years, to provide extensive explanation of leadership, the authors' team, duly decided to integrate the homogenous concepts but expand the content of each attribute, in order to facilitate and often applicable the process of Self-Assessment for knowledgeable managers.

Third millennium started with continuous learning, let say, every 5-7 years turns a new generation in social science happened, while this gap was 25-30 years in the past century.

Visionary Leadership induces **Organizational Collaborative Strategy** and paves the way for participative planning.

Upon feeling their important positions, all members of organizational resources share their mind in strategic planning. They put their utmost capabilities to enrich the **Value Chain** related with **Customer Focus** putting through the new trend to **Project Process**, resulting ever incremental profit for stakeholders and sustain the competitive advantage in the market.

Implantation of such criteria will conduct the leaders to **Key Performance Indicators** comparing the status quo with the previous conditions and industry trend.

Model Description:

Project Management (550)

1. Project Objectives (140 points)

how the project formulates, develops checks and realizes its objectives based on extensive information about the demand of its parties involved. It has to prove how:

1.1 The expectation and demands of parties involved are identified (the application should contain a list of identified parties involved and their expectations and demands. The parties involved should be organized based on criteria 5, 6.

1.2 The project objectives are developed, as well as how competitive interests are integrated on the basis of extensive and relevant information.

1.3 The project objectives are imparted, realized, checked and adapted.

2. Visionary Leadership (150)

Visionary leadership or charismatic leadership is the kind of leadership that critically examines the status quo with a view to developing and articulating future strategic vision or goals for the organization, and then leading organizational members to achieve these goals through empowering strategies.

This type of leadership has five dimensions, to articulate a strategic vision, to be sensitive to the environment; to be sensitive to member needs, to engage in personal risk in carrying out their vision, and to be perceived as unconventional in behavior, respectively.

How the behavior of all managers of and within the project "Project Excellence" inspires, supports and promotes. It has to prove how all managers:

2.1 set a credible example for "Project Excellence", effectively promote and actively support improvements within the project.

2.2 Care for clients, suppliers and other organizations.

3. Value Chain & Customer Focus (130)

Value chain is a template that firms use to understand their cost position and to identify the multiple means that might be used to facilitate implementation of a chosen business level strategy. A firm value chain is segmented into primary and supportive activities which directly or indirectly influence in creation, sales and distribution of product/service to the customers.

4. Processes (150)

A **process** is a collection of related structural activities that produce something of value to the stakeholders in a project. The linkage of process with value generation leads some practitioners to view them as the workflows which realize an organization's use cases.

How important processes within the project are identified, checked and changed, if necessary. It has to prove how:

4.1 The processes needed for project success are identified systematically, managed, checked, adapted and optimized.

4.2 project management methods and systems are effectively adopted, how they are used and improved.

4.3 The project prepares and documents past and current experiences so that the other projects can benefit.

Project Consequences

5. Tangible Consequences (200)

Stakeholders

People, group, any type of organization, governmental or private, for profit or non profit, individual or community who are (or might be) affected by any action taken by an organization or group, or who will be affected by an endeavor and can influence it but who are not directly involved with doing the work or with an interest in the success of a group or an organization in delivering intended results and maintaining the viability of the group or organization's product and/or service or has a stake in or may be impacted by a given

approach to environmental regulation, pollution prevention, energy conservation, etc. or mobilization effort, representing a particular segment of society.

What the project achieves concerning all stakeholders expectations and satisfactions. It has to prove how customers judge the project in its achievements and results:

5.1 Directly

5.2 Indirectly, taking into account further measurements

The report on 5.1 & 5.2 should differentiate between the various stakeholders groups.

6. Intangible Consequences include (100)

1. Sustainable Success (Sustainable Competitive Advantage):

To consistently make profits in excess of its cost of capital - economic rent - the company must possess some form of sustainable competitive advantage (SCA). A firm possesses a SCA when it has value creating processes and positions that cannot be duplicated or imitated by other firms that lead to the production of above normal rents.

2. Competitive Advantage (CA):

A SCA is different from a competitive advantage (CA). A CA is a position a firm attains that lead to above normal rents or a superior financial performance. The processes and positions that engender such a position (CA) is not necessarily non-duplicable or inimitable. It is possible for some companies to, temporarily, make profits above the cost of capital without sustainable competitive advantage. A key difference between CA and SCA is that the processes and positions a firm may hold are non-duplicable and inimitable when a firm possesses a SCA. Hence a sustainable competitive advantage is one that can be maintained for a significant amount of time even in the presence of competition. This brings us to the question what is a "significant amount of time". A CA becomes s SCA when all duplication and imitation efforts have ceased and the rival firms have not been able to create the same value that the said firm is creating.

7. Key Performance Indicators (150)

Key Performance Indicators (KPI) are financial and non-financial indexes used to quantify objectives to reflect the strategic performance of an organization. A KPI is used in Business Excellence to assess the present state of business and to prescribe the course of action. The KPI's differ depending on the nature of the organization. They help an organization to measure progress towards their organizational goals.

What the project achieves concerning the intended project consequences,

7.1 It has to prove to what extent the project achieves the objectives.

7.2 It has to prove the "performance" of the project, taking into account measurements beyond 7.1

Strategic Context

Strategic context of an enterprise comprises of conditions and facts that are difficult or impossible for a company to change. The context includes both the culture of the company itself and the environmental realities in which the company operates. Changes in strategic

context will often precipitate a change in business strategy; in addition, a specific context will limit what is possible in the nature and degree of strategic change.

The environmental reality within which the business strategy is executed includes the economic, regulatory, technological, and infrastructural limitations or the countries and location in which the business operates. It also includes the cultural and societal norms of the people who live there, the needs of the market that the business might serve, and the appetite and capabilities of the company with which the business collaborate or compete.

Continuous Learning & Innovation

Continuous learning and Innovation has become the distinct competitive advantage for companies. Whether the innovation focus is on new products, services, or business models—the key is to find the best ideas and get those ideas into the marketplace quickly to achieve maximum results. According to recent researches, innovation is one of the top priorities for global companies. Innovation means higher productivity, vitality and greater prosperity for all of the economy. Innovation in the PPEM is not equivalent to product development; it is a structured process with planned outcomes.

The Strength of the model:

The holistic approach to achieve excellence is one of the strengths of the Pand Excellence Models (PBEM & PPEM). The model tries to incorporate all aspects of the business. For example are all the company's Stakeholders, not only shareholders but also customers, employees, partners, suppliers, the society in which the organization operates, in all projects and those with a financial stake in the organization included in the model.

Strength of the model is the relation to financial results which the organization achieved through managing and implementing various projects. As mentioned above, the model indirectly includes shareholders interests, but more importantly it helps the intuitive understanding of what is needed, even in each project, to improve the financial result. By directly improving tangible results including stakeholders' satisfaction and achieving intangible consequences which include possessing sustainable success and competitive advantages through the Value Creation, you at the end improve your financial results.

The whole model has a causal structure, meaning that the causal relationship between the criteria helps comprehend the model. The causal relationships seem sound and logical. The causal structure starts with leadership, which is responsible for the development of the structures and infrastructures necessary to achieve the desired consequences (people and customer satisfaction, impact on society and in the end financial results).

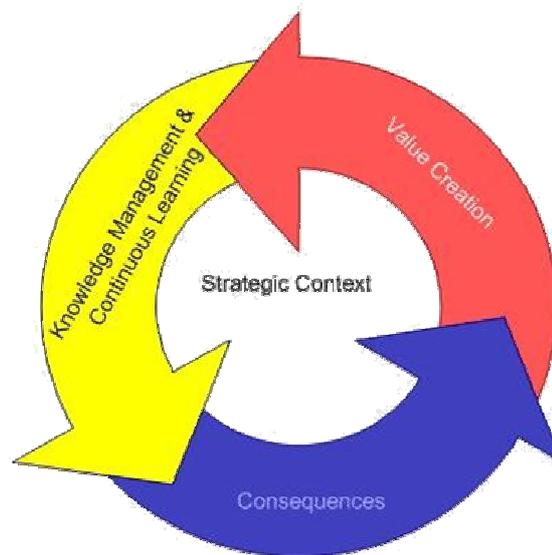
This logical causal relationship in the model is in accordance with what has been preached by TQM supporters, that the foundation for TQM (the TQM pyramid) in any organization is leadership.

As previously stated there is emphasis on prevention. This is strength because in the optimal situation, you would actually prevent fires before they ignite, instead of fighting the fires as they

appear. If you are able to prevent fires, you as a manager could spend much more time on the future activities, which according to Jan Leschly are exactly what leadership in the

future should be about.

The last strength that will be mentioned here is the circular structure of the model. It could be also mentioned as the logic of the Pand Business Excellence Model.



PPEM Logic

Circular causal relationship model

Circular structure

The circular structure of the excellence model shows, that you should continuously improve the organization. You should use the consequences to innovate and learn, which help to strengthen the

Value creation activities and lead to improved results. Since it is a cycle you keep improving, you do not stop after one period and it would be gradually continued.

Assessment Methodologies Required for Implementing Pand Excellence Models (PBEM & PPEM)

1. Pand Self Assessment methodology

Using a combination of methods offered flexibility. With this method it is possible to meet the specific needs of different situations. Pand Self Assessment Method is a combination of Interview and workshop method with the questionnaire method. As workshop method involves relatively few people within an institution. For example, the number of people engaged in one workshop may have only been 9 or 10, but they may have been considering the collected evidence from 30 or 40 people which they have collected as part of the self assessment process. Pand S.A. group used questionnaires to provide extra data from a much wider base and thereby support their Interview and workshop method.

10 steps of Pand Self Assessment Process

1. Raise middle management awareness

A short Introduction to Pand Excellence Model self assessment to middle managers

2. Choose and train facilitators

Including those from other institutes

3. Internal seminar for all staff

4. Constitution of Self Assessment Group

A cross section of +/-10% of total staff

5. Train the self assessment group

On the PBEM model and S.A. technique

6. Results criteria definition (S.A. Group)

A specific definition could be made of the **key performance results**.

The "Pand Self Assessment Guideline" serves as a help Reference in this definition exercise.

7. Assessing the present situation

SA Group will

a) **interview appropriate staff, to be able to**

b) **define strengths & areas of improvement** for each sub-criteria

8. Scoring

a) **the assessors and the facilitators (review team) score the SA group assessment report** first individually and then find consensus between them

b) **the review team presents score consensus results and discuss it with the SA group**

9. Reporting

Facilitators helped by assessors, draft a results' report for the management

10. Improvement process

a) **Management decision on priority improvement areas**

And nomination of I-Teams

b) **I-Teams commence on the definition and planning**

Of improvement measures, including

Definition of best method for reaching objectives

Time Scales

c) **Staff/Management implements improvements**

d) **And then I-Teams will**

Review improvements against agreed targets, and evaluate the results.

2. Assessment Tables

Especially in Project Excellence Assessments, this Assessment Method recommended, because it is easier to use, less time consuming with less expenses compared to the Pand S.A Method.

✚ Assessment Table for Project Management
(Applicable to criteria 1 to 4)

Sound Process	Systems & Prevention	Checking	Sophistication & Improvement of Business Effectiveness	Integration into the Normal Project Work & Planning	Model for Other Projects	Evaluation
Clear & Extensive Proof	Clear & Extensive Proof	Frequently & Regularly Checked	Clear & Extensive Proof	Perfectly Integrated	Could be an example	100%
Clear Proof	Clear Proof	Frequently Checked	Clear Proof	Very Well Integrated		75%
Proof	Proof	Occasionally Checked	Proof	Well Integrated		50%
Some Proof	Some Proof	Rarely Checked	Some Proof	Partly Integrated		25%
No Proof						0%

For Each Column in this assessment table, one of the five levels (0% ...100%) or Interim Values can be chosen.

✚ Assessment Table for Project Consequences

Comparisons with our own project objectives	Comparisons with our projects	Continuity	Results Lead Back to the Process	Evaluation
Excellent Comparisons in all areas*	Excellent Comparisons in all areas*	Positive Trends or continuous excellent performance in all areas*	Defined in all areas*	100%
Good Comparisons in many areas	Good Comparisons in many areas	Positive Trends or continuous excellent performance in most areas*	most areas	75%
Good Comparisons in some areas	Good Comparisons in some areas	Positive Trends or continuous excellent performance in many areas*	many areas	50%
Good Comparisons in a few areas	Good Comparisons in a few areas		defined in some areas	25%
No Proof	No Proof		not recognizable	0%

* In all areas of the project (temporal, organizational, thematic)

Conclusion and Recommendation:

The voyage on various excellence models, provides a solid to ground innovate a new model of Business and Project Excellence, responding to weakness and fill out the gap between fixed and dynamics models. In our challenge, we have considered total concepts of quality which covers all role players existing in strategic context and impacting on the organization.

Pand Project Excellence Model (PPEM) helps the project teams to reflect on their own strengths and improvement potentials. Project teams and organizations assess themselves when they use excellence models, so that they find out in which sectors their project work can be improved, and experience what promising project management in its entirety means. However, it is apparent that project teams can only learn from solid facts and findings. Subjective opinions as a rule, provide little sound knowledge when deciding about project quality. To helpfully assess any project, a fundamental structure is offered by the model for "Project Excellence" and Pand Project Excellence Model is a respond to this need.

Prior to deployment of PPEM to the entire of the department as well as to localize the model, implementation the prototype to find and solve the hurdles for enhancing the model to fit the whole processes of the projects, is strongly recommended. During the whole process, management of the knowledge achieved, training and updating the information attained by staff, shall not be discontinued.

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