



Aligning Strategic Planning With Project Management

Because projects accomplish organizational goals, executives must communicate with project managers when making tactical decisions.

Picture two funnels, one above the other. The top funnel is the strategic planning process, which drops major initiatives into the bottom funnel, which represents the project management process (Figure 1). The project manager plans, organizes and manages those major initiatives until they become reality.

Strategic planning must feed into the project management process to ensure a more powerful, single business system. These two funnels, however, may “disconnect” without attention to the triple constraint, priorities, measurable goals and public knowledge. When your strategic planning process deals with these four disconnects, the discipline of project management has a better chance of succeeding.

The Triple Constraint

Time *or* resources *or* quality drives every project. For each initiative and its resultant program/project, one of the three triple constraint variables is more important than the other two. In other words, either meeting the timeline *or* staying within budget (or available staff allocation) *or* attaining all the requirements is the gating factor for that endeavor. The driving constraint changes depending on the strategy behind the initiative.

Resolution: Executives involved in the strategic planning process must communicate to the project managers which of the three variables should determine all business decisions relative to that initiative.

Unclear Priorities

Portfolio management, often the first step in the project management process, requires executives to prioritize projects relative to other programs/projects. With this knowledge, the project manager and the functional managers can make better resource allocation decisions.

Resolution: Assume that the strategic planning committee has discussed this issue when deciding which strategies remain within the plan and which ones are held for

another time. Therefore, the executives leading the strategic planning process must guide the project managers as to where they see each of the strategies falling in the queue and impacting the success of the organization.

Measurable Goals

The strategic planning process defines the strategies or goals that the organization is expected to attain during the next business cycle. Unfortunately, quantifiable guidelines seldom are associated with those goals. Maybe it is too difficult to assign specific measurement metrics at the strategic level. However, you can't manage what you can't measure. Without some direction, the project managers are left to determine those metrics, which may or may not be valid from the strategic planners' perspective.

Resolution: The strategic planning process must provide guidelines, if only in the form of a range or maybe a measurement with a predefined + or – tolerance.

Public Knowledge

The outputs from the strategic planning process often are not available to the entire organization. Project managers want to know

how their projects fit into the overall strategic plan. Team members want to know how the work that they are doing is contributing to the goals of the business. However, project managers also like to know the logic that was behind making those decisions. Having that knowledge would help craft the project charter and plans to adhere to the spirit and the direction of the strategic planning group.

Resolution: Without hesitation, the strategies must be public knowledge. Also, the reasoning behind these strategies and goals must be made available to those who will use them to better the resulting programs and projects.

So, when the strategic planning process passes along the driving variables from the triple constraints, the

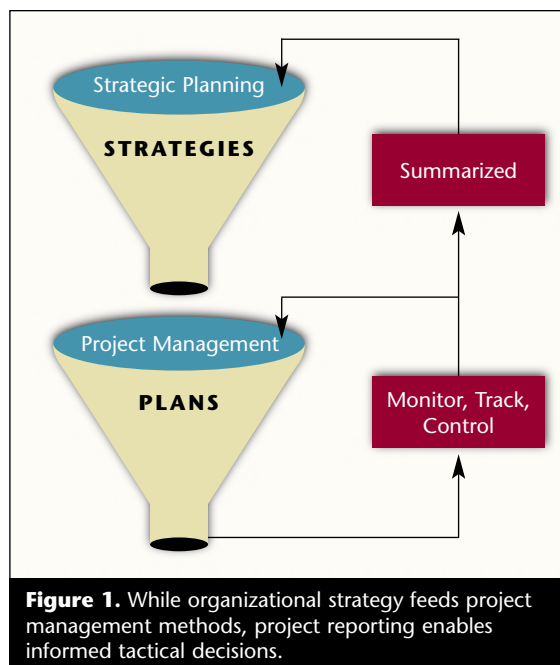


Figure 1. While organizational strategy feeds project management methods, project reporting enables informed tactical decisions.

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priority relative to the other strategies, the measurement of success and the rationale behind the choice of these strategies, project managers can perform more intelligently and professionally.

However, this is not the entire solution. The real question is: What will align these two business processes to make a unified business system? Think back to our model, the two funnels, one on top of the other. Strategies (organizational goals) come out of the top funnel, and project plans fall out of the bottom funnel. We all know that an arrow must show the flow of those plans being sent back into the project management process to be monitored, tracked and managed.

Inspect What You Expect

In many cases, there is not a feedback arrow from the project management process to the strategic planning process. A

feedback loop to monitor, track and manage strategies happens so infrequently that no real control is exerted over the success or failure of the chosen strategies or even if the correct strategies were chosen.

Resolution: To align the strategic planning process and the project management process, we merely need to change the terminology. Instead of a “strategic planning” process, executives should lead a “strategic management” process that stays as active and vigilant as the project management process. Strategic management will connect and redirect the strategies, as necessary, as well as what is tactically occurring with the resultant projects. **PM**

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