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Projects Matter

Reinventing Project Management: The Diamond Approach to Successful Growth and Innovation

By Aaron J. Shenhar and Dov Dvir

Harvard Business School Press

288 pp.; \$35.00

Operational management is crucial for on-going business. Operational improvements (think, for example, of the Toyota Production System—that's what it's all about) are essential if there is going to be a sustained organization. A consequence of this is that managers and executives have a tendency—and sometimes actually follow through—to focus on operational excellence at the expense of all else. Which may not necessarily be a good idea. While Aaron J. Shenhar and Dov Dvir don't dismiss the importance of operations in *Reinventing Project Management*, they argue that this is something that often gets lost in this operational bias: projects.

They define a project as "a temporary organization and process set up to achieve a specified goal under the constraints of time, budget, and other resources," and suggest that project management is something that needs to be rethought, especially because projects—"the engines that drive innovation from idea to commercialization? ...?the drivers that make organizations better, stronger, and more efficient"—tend to fail in execution. They say that research indicates that some 85% of projects fail to meet time and budget goals. Why? "Most project problems are not technical but managerial." And they argue that much of the fault lies in the way projects are generally treated within organizational structures, one that approaches project management "based on a predictable, fixed, relatively simple, and certain model" that is "decoupled from changes in the environment or in business needs."

They have devised a multidimensional model, one that they call an "adaptive" approach. While they don't dismiss the traditional time, cost and performance (a.k.a., "triple constraint") metrics of project management. Rather, they go beyond them to a four-point framework (or diamond, as compared with the triangle formed by the three elements of the triple constraint) that takes into account the fact that there is uncertainty as things progress, and by taking this uncertainty into account, there is the ability to make on-going adjustments. They consider the novelty of the project, in itself and in the market environment; technology, as regards how much is required to accomplish the goal; complexity of the product, the task and the organization; and the pace, or urgency of execution.

If projects are as important as they maintain, then it is certainly essential for any executive or manager to have a better understanding of how to execute, which *Reinventing Project Management* provides in a clear, concise and thoughtful manner.—GSV

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