

Value creation using the mission breakdown structure



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Received 15 August 2011; received in revised form 5 November 2013; accepted 12 November 2013

Available online 28 November 2013

Abstract

The modern concept of project success includes the project contributing to the value creation of its base organization. We need tools to discuss what the project itself and the base organization should do to enhance this value creation. The Mission Breakdown Structure tool helps a company set up a project with a clearly defined mission and secures an effective interplay between the base organization and its project. This article presents the tool in principle and use an illustrative real-life case. The case looks like an IT project at the outset, but when using the Mission Breakdown Structure tool, we recognise that it is much more than that and that different stakeholders need to be involved to secure a successful project. Advice on how to use the Mission Breakdown Structure tool is also provided.

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Keywords: Project success; Value creation; Mission breakdown structure

1. Introduction

Traditionally, most project managers have their minds set on achieving project goals within a given time and budget. However, attention is shifting, and project success criteria are changing. The modern project manager should focus more on the future value creation of the company and the various ways in which projects can make their strongest contributions to this endeavour. The international research project “Rethinking Project Management” declared that one of the main directions for the field of project management would be to move from “product creation” to “value creation” (Winter et al., 2006b).

If we agree on this intention, project management needs tools that focus on how to create value. One alternative might be the Logical Framework Approach (Couillard et al., 2009). However, this paper deals with the Mission Breakdown Structure tool (MBS hereafter), which helps outline a precise picture of which contribution the project should make to the development of its parent organization (or base organization herein). At the same time,

the MBS shows what the base organization and other stakeholders must do to maximise value creation. It helps companies set up projects with the right mission and allow for well-informed discussions on how to secure an effective interplay between the project and all involved stakeholders.

The concept of the MBS was originally presented in English by Andersen et al. (1995), although they called it the Objective Breakdown Structure. It had some years earlier been presented in Norwegian. In later editions of their book (e.g., Andersen et al., 2009), the term was changed to how it is known today. To our knowledge, the tool has rarely been used. A Google search of the term shows few hits except for references to the inventors. Google Scholar (search June 2013) has two references to the term in addition to the publications by the inventors. Based on this, we felt the need to reinforce the use of the tool. We thus conducted a case study to observe its relevance and usefulness.

We start this paper by discussing the project success criteria and the implications of success criteria that are not related to time and costs. We look at breakdown structures in general as a way of gaining a better understanding of the tasks confronting us. We present guidelines for developing the MBS and show how it can support the discussion on what the project and its stakeholders should do to achieve project success. Finally, we

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present the case study to illustrate the use of the MBS and discuss the challenges attached to its use.

2. Project success criteria

Project success can be viewed narrowly as the achievement of intended outcomes in terms of time, costs and quality (design specifications). Although this was widely accepted as appropriate in early studies of project management, the project context has shifted (Jugdev and Müller, 2005). It is now recognised that a broader set of outcome measures is generally needed (Atkinson, 1999; Pinto and Slevin, 1988; Wateridge, 1998). Today, projects are less viewed as isolated endeavours aimed at short-term goals and more as long-term strategic interventions to achieve a business purpose and enhance the economic, social and environmental welfare of the various project stakeholders (Lim and Mohamed, 1999; Turner, 2002; Wateridge, 1998).

Munns and Bjeirmi (1996) make the distinction between project management success and project success. Project management success is the traditional view with a focus on the successful accomplishment of cost, time and quality objectives and the quality of the project processes or work. These matters are regarded as the responsibilities of the project management and a successful outcome here would be considered to be a project management success. Project success is a broader concept that deals with the effects of the project. Baccarini (1999) instead uses the term project product success (which may be a better term) and states that it has three components: (i) meeting the project owner's strategic organizational objectives and satisfying (ii) users and (iii) stakeholders' needs in relation to the product. Shenhar and Levy (1997) show that project product success can be assessed along at least three distinct dimensions: impact on the customer, direct and business success and preparing for the future.

Project management success can be determined at the end of the project. Expanding the success criteria as indicated by the concept of project product success will necessarily postpone the final judgement of the project. The performance on some of these success criteria can only be finally decided months or years after the completion of the project.

These two success concepts may also be used to enlighten the debate on whether a project is a success or not. A project may in one sense (project management success) be regarded as a success, but in another (project product success) be regarded as a failure, and the reverse situation may even occur.

Fig. 1 is an illustration of these two concepts of project success. Project management success is determined at the end of the project by comparing the actual deliverables of the project with the goals of the project, traditionally expressed as completion date, budget and the quality of the deliverables. Project product success is measured by the achievement of the project's mission or purpose. It cannot be achieved solely by the efforts of the project itself. It depends on the actions of the base organization and its utilisation of the results of the project. It might also depend on the actions of different external stakeholders.

The extended concept of project success makes it important to focus on the purpose or mission of the project. Why should the base organization undertake this project? What kind of

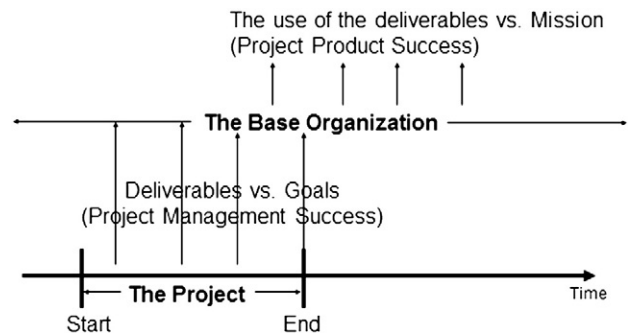


Fig. 1. The concepts of project success.

development should the project help achieve? It is further of great importance to clarify the links between the ambitions of the base organization and the project. White and Patton (2002) call these links critical integrative links. It is by understanding these links that we are able to determine the main deliverables of the project.

However, as stated above, project success depends on what the project delivers, but it is also dependent on the actions of the others involved. We need a tool to illustrate the relationships between the project and the desirable achievements of the base organization that should show what the project should do and what others (including external stakeholders) have to do.

The relationship between the project and its mission is not unidirectional. The mission of the project affects what the project should deliver, but the planning and discussions on what the project should deliver might reveal new opportunities and change the ambitions of the base organization. We thus need a flexible tool that allows for this kind of interplay between the mission of the project and the scope and quality of its deliverables.

The Olympic Games has traditionally been a sporting event, but all the infrastructure investments required for arranging the Games make it possible to consider a mission with a broader and more ambitious perspective. Both the Winter Olympics 1992 in Lillehammer, Norway (Løwendahl, 1995) and the Summer Olympics 2012 in London (Winter et al., 2006a) aimed to improve the environment, health and quality of life for the local communities.

A business school was located on five different locations. It decided to centralise its activities by building a new campus. This might be seen as a rather technical engineering project. The discussion on the mission of the project resulted in "The Learning Arena of the Future". This, combined with the vision of the school to become "one of the best business schools in Europe", led to a new perspective on what the project should deliver and what the base organization had to do to realise the mission (Andersen, 2008). We need a tool with flexibility that is able to direct and support the discussions on the mission of the project and division of work between the project and all the involved actors. The MBS aims to be such a tool.

3. Breakdown structures

Breakdown structures are well-known within the field of project management. For example, the work breakdown structure

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