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the "back end" of projects*
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INTRODUCTION

In an ideal situation, the [project management] methodology selected, as well as the life cycle phases, will be aligned to the customer's business model if possible.

(Kerzner & Zeitoun 2022)

This quotation highlights the key importance of the customer in the project context. This starts with the importance of choosing the "right" project(s) to help satisfy an external customer organisation's business needs. This takes place in what Kerzner & Zeitoun describe as the Fuzzy Front End (FFE) of an extended project life cycle. I discussed the participation of project managers in this process in some detail in Stretton 2023c.

Of course, the above specific business customer is only one type of external customer. At the other end of a spectrum they could be mass-market customers for consumer goods project outputs, for example. In Stretton 2009c, which is reproduced in this issue as a 2nd Edition, I identified two broad types of external client or customer organisation.

- o   *A single uniquely identified external client organization*
- o   *Multiple external client organizations, some of whom may be difficult to identify*

However, in addition to external customers, projects can also have customers who are internal to the delivering organisation. Indeed, in-company initiatives relating to internal customers are quite widely discussed in the broader project management literature. In Stretton 2009c I discussed the following two types of internal clients/customers:

- o   *The client organisation is a unit within the providing organisation*
- o   *The client organisation is the providing organisation itself*

However, in this article, I propose to discuss two different groups of internal customers:

- *Internal business change managers* (BCMs – or their equivalent), who are the customers for various types of internal working efficiency project outputs. These types of initiatives are particularly prominent in the project management literature.

- *Product/service development managers* (or their equivalent), who are the internal customers for new or improved product/services project outputs. They may be called Product Managers, Marketing Managers, or a host of other titles.

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Now, both of these broad types of internal initiatives and their customers have the longer-term objective of helping advance the organisation's position with external customers. Typical aims are improved quality of product and/or service, and gaining new customers. So, there are substantial interconnections between all three customer groups, and I thought it might be useful to explore these a little further in this article.

This article will first explore the roles of the above two types of internal customers in rather more detail, and briefly represent these roles, plus an additional internal customer, and interconnections between these internal customers, and with external customers. An alternative direct project delivery route to external customers will be added. All of these will then be combined and collectively represented within the framework of a basic organisational strategic and operations management model.

We start with developing the latter.

A BASIC FORMAT FOR REPRESENTING AND CONNECTING CUSTOMER TYPES

Introducing a recursive version of the organisational strategic mgt. framework

In Stretton 2023b I used a linear model of a basic organisational strategic management framework I have been using for some years, as follows.

A BASIC ORGANISATIONAL STRATEGIC MANAGEMENT FRAMEWORK				
1. Establish/ re- establish org. strategic objectives	**2. Develop strategic initiative options, evaluate, choose best**	**3. Elaborate/consolidate strategic initiatives**	**4. Execute strategic initiatives**	**5. Achieve organisational strategic objectives.**
Establish and shape both deliberate and emergent strategic objectives; Confirm desired outcomes/ benefits	Develop alternative strategic initiatives to achieve strategic outcomes / benefits; Evaluate alternatives; Choose the best	Elaborate and define chosen strategic initiatives/projects; Confirm feasibilities; Prioritise and consolidate	Execute strategic initiative component projects/programs and *other strategic work*	Achieve strategic outcomes and realise benefits

Figure 1. A basic linear organisational strategic management framework

I now propose to use a recursive version of this model, which I first introduced in Stretton 2020l. An updated version is shown in Figure 2.
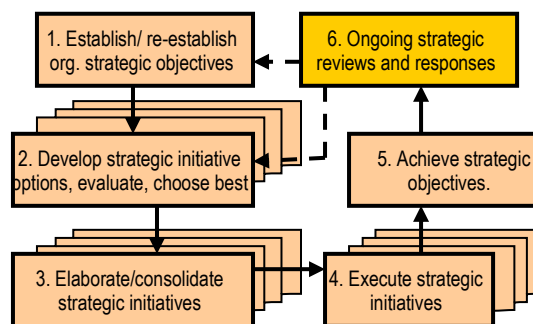

Figure 2. A recursive version of the basic organisational strategic management framework

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I have added a *Stage 6: Ongoing strategic reviews and responses* to the linear model, which makes the essential recursive link associated with the ongoing nature of commercial enterprise and its relationships with its external customers. The dashed arrows following Stage 6 indicate that it is not always necessary to re-establish strategic objectives before developing new strategic initiatives.

A basic format of strategic plus operational management domains

The above recursive strategic management framework is also a more convenient formal for adding both internal and external operating domains, and (later) the activities of their component customers. The basic format of these later representations is shown in Fig 3
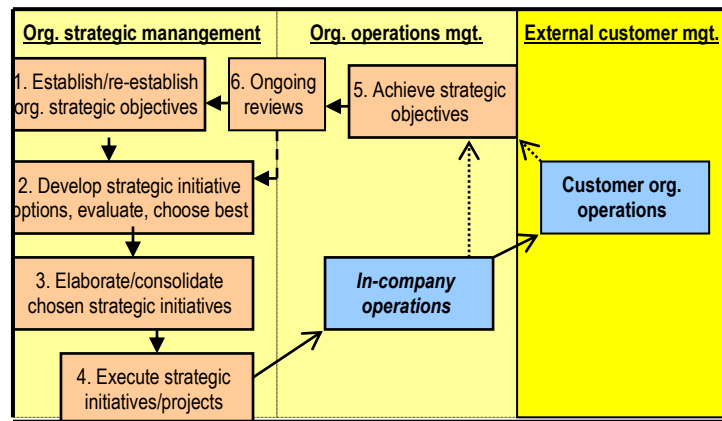

Figure 3. A basic format of strategic plus operational management domains

INTERNAL CUSTOMERS OF WORKING EFFICIENCY PROJECTS:
BUSINESS CHANGE MANAGERS (OR EQUIVALENT)

Typical types of internal working efficiency projects

In previous articles I have identified the following broad types of internal working efficiency initiatives.

- "Stay-in-business" maintenance
- Operations improvement
- Organisation/business change

In this article, I will discuss them together under the shorter title of internal efficiency initiatives and cumulated working efficiency outputs.

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Business change management (or equivalent) act as customers, representing multiple users of internal efficiency initiatives

The actual users of organisation/business change initiatives – i.e. those who convert the relevant project outputs into outcomes – are virtually always multiple groups of people within the organisation, and sometimes everyone – a multitude of customers.

In many organisations, responsibility for ensuring that the outcomes of substantial efficiency initiatives are achieved is commonly given to a Business Change Manager (BCM).

o   In some organisations a permanent BCM may already be in place. There are many references to this type of arrangement in the project management literature, including OGC 2007, and O'Donovan 2018.

o   In some other organisations, an individual may be formally designated to undertake this role for a specific working efficiency initiative. This was a normal practice in my time with Civil & Civic, and occasionally I fulfilled such a role.

o   In yet other cases, this role may be informally undertaken by a concerned individual, particularly in maintenance contexts. Once again, this often happened in Civil & Civic, and I was one of many who undertook this role from time to time.

I have elected to use the descriptor "Business change management (or equivalent)", to cover all three types of customer just described.

Types of outcomes to be achieved by Business Change Managers

These outcomes could be summarised as enhanced working efficiencies in the relevant domains. These, in turn, become inputs to other organisational operations, including other internal customer operations, as will be indicated in more detail in the following. And eventually, of course, the BCM outcomes will flow on to improve services to external customers, and satisfaction of their needs.

The above types of customers for internal working efficiency project outputs can be represented as follows.
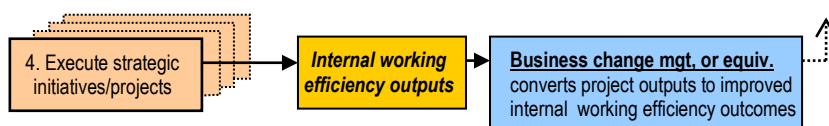

Figure 4. Representing business change mgt. as customers of working efficiency projects

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INTERNAL CUSTOMERS OF PRODUCT/SERVICE DEVELOPMENT PROJECTS: PRODUCT DEVELOPMENT MGT; THEN COMMERCIAL OPERATIONS MGT.

Typical types of product/service development project outputs

In previous articles I have identified two basic types of overlapping product/services development outputs.

- Improved existing product/service outputs
- New types of product/service outputs

These would appear to be adequately covered under the broader heading of product/ service development project outputs.

The internal customers for these outputs are described collectively as internal product/ service development management

As far as I am aware, such internal product/service development managers might include Product managers, Marketing managers, and the like. Their role is to convert the project outputs into new or improved products and/or services, ready for handover to their operating units for commercial deployment. In some organisations these internal customers may also be responsible for such operational aspects, as discussed shortly.

I have not worked in this type of capacity in a production-based organisation. However, I have had some experience in a project-based organisation in converting R&D project outputs into new types of products to be deployed into our commercial operating divisions. Civil & Civic did not have enough of such work to justify a permanent position, but typically allocated relevant tasks to individual project managers, for them to marshal the resources and manage such conversion, and then hand over to operations people.

Subsequent internal commercial operations management customers deliver their outcomes to external customers

As already mentioned, internal product development management has its own internal customers in the form of internal commercial operations management. The latter's task is then to convert the outputs it received from the former into ready-for-sales format, and then to deploy these outcomes to external customers. We can represent both of the above types of internal customers in the contexts just discussed as follows.
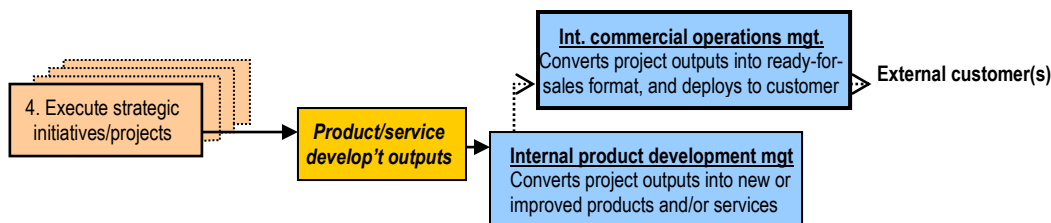

Figure 5. Representing both internal product development management customers, and subsequently internal commercial operations management customers

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DIRECT PROJECT DELIVERY TO EXTERNAL CUSTOMERS

In addition to the above product/service development trail via internal customers to external customers just discussed, I have also made provision for direct delivery of project outputs to external customers. I do not know the extent to which this happens with production-based organisations, but execution/delivery-only is still a very prominent modes of delivery for project-based organisations. It can be represented as follows.
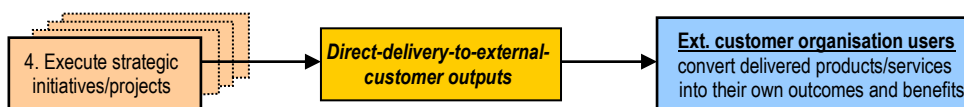

Figure 6. Representing direct delivery of project outputs to external customer organisations

COMBINING AND REPRESENTING THE ABOVE CUSTOMER REPRESENTATIONS WITHIN THE BASIC FORMAT OF FIGURE 3

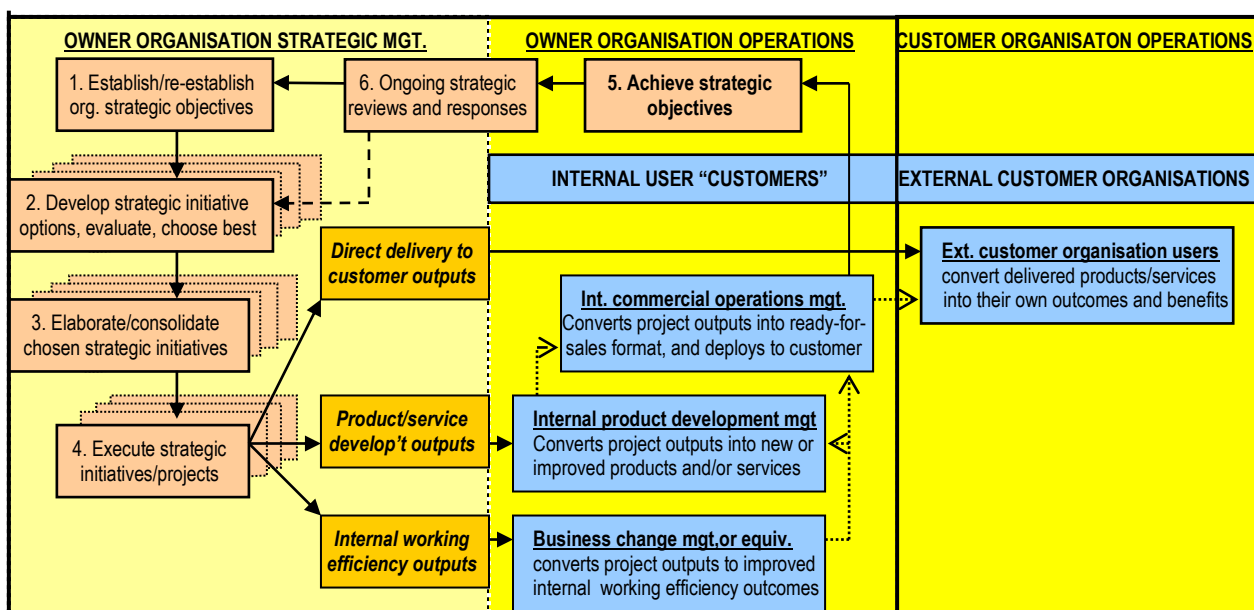We now represent Figures 4 to 6 within the basic framework shown in Figure 3.

Figure 7. Representing and combining the above customer representations within organisational strategic and operations management contextual frameworks

This representation shows two routes from project outputs to external customers – one direct, and the other via possible combinations of three types of internal customers. The latter have been the main focus of this article.

SUMMARY/DISCUSSION

This article has effectively identified two broad modes of delivering project outputs to external customers. One is a direct mode, which is perhaps most significantly

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exemplified by the still widely used execution/ delivery-only approach of traditional construction contracting via competitive tendering/bidding on completed designs.

The other mode, which has been the primary concern of this article, involves intermediate actions by in-house customers, who typically undertake one, or both, of the following.

- Convert project outputs into internal working efficiency project outcomes, which indirectly contribute to improved products/services to external customers; and/or

- Process new or improved product/services project outputs into ready-for-sales formats, and then their active deployment to external customers.

In this second broad mode, the importance of the roles that internal customers have to play, and of their contribution to ultimate external customer satisfaction, are obvious.

Indeed, I have elected to specifically describe the primary in-house users of the relevant project outputs as customers because, from a project management perspective, that appears to me to be the most appropriate way to acknowledge their importance in the broader scheme of organisations enhancing their interactions with external customers, and their overall reputation in the marketplace.

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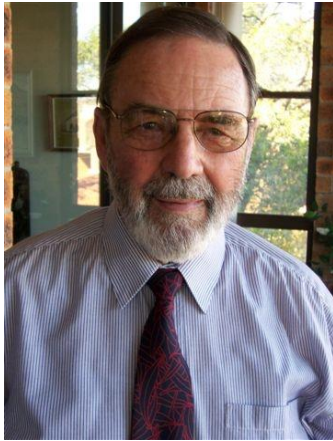
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Alan Stretton is one of the pioneers of modern project management. He is currently a member of the Faculty Corps for the University of Management & Technology (UMT), USA. In 2006 he retired from a position as Adjunct Professor of Project Management in the Faculty of Design, Architecture and Building at the University of Technology, Sydney (UTS), Australia, which he joined in 1988 to develop and deliver a Master of Project Management program.   Prior to joining UTS, Mr. Stretton worked in the building and construction industries in Australia, New Zealand and the USA for some 38 years, which included the project management of construction, R&D, introduction of information and control systems, internal management education programs and organizational change projects. He has degrees in Civil Engineering (BE, Tasmania) and Mathematics (MA, Oxford), and an honorary PhD in strategy, programme and project management (ESC, Lille, France). Alan was Chairman of the Standards (PMBOK) Committee of the Project Management Institute (PMI®) from late 1989 to early 1992. He held a similar position with the Australian Institute of Project Management (AIPM), and was elected a Life Fellow of AIPM in 1996. He was a member of the Core Working Group in the development of the Australian National Competency Standards for Project Management. He has published 250+ professional articles and papers. Alan can be contacted at alanailene@bigpond.com.au.

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