Aligning Project Management with Corporate Strategy

A case study of Ufone’s Technical strategy execution

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Synopsis

Projects are seen as an important mean for the implementation of a corporate strategy. Formulation of corporate strategy is one of the very well researched areas within the subject of business management. Project management standards like Project Management Institute’s PMBOK (Project Management Body of Knowledge) guide and PRINCE2 (Projects in Controlled Environments) provide clear guidelines for Project management. However, how project management can be effectively linked with corporate strategy to achieve business benefits is one of the most under-explored areas within the Business and Project related literature.

The aim of this study was to explore the relationship between corporate strategy and project management and propose a systematic and process based approach for the realization of corporate strategy through project management.

It can be concluded based on the available literature and case study analysis that in order to bridge the gap between strategy and project management, there is a need for implementation of a more formal approach that takes into account a) project management processes: project definition, requirements management and scope management b) Portfolio management c) Implementation of a balanced scorecard d) The roles and responsibilities for aligning project management with corporate strategy e) Organizational structure - The role of PMO in aligning strategy & its implementation.
Foreword

This master’s Thesis is titled as “Aligning Project Management with Corporate Strategy”. It studies people and processes involved in the alignment of the two. I have both academic and professional experience in the field of project management. This background along with new insights provided with a platform to carry out this thesis project. The research has been conducted at my employer organization: Ufone. I felt that being part of the project organization made it much easier for me to have access to all the information and resources required for completion of this thesis project.

I would like to thank my project supervisor, Erika Bellander for giving me valuable advice and support always and when needed. Efforts of Mr. Junaid Khan are also acknowledged for allowing me access to best available information on this thesis topic.

At the end of this section, I would like to show my gratitude to my mother, father and my wife for their kind concern and great encouragement which kept me going throughout the course of this project study.
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1. Background

Project management is widely accepted as a key tool for strategy implementation but still many organizations are facing challenges when it comes to putting a strategy into action. Andrew Longman (2004) in his book - project management: key tool for implementing strategy, emphasizes the need to start early if you want successful alignment of project management with the strategy and believes that “the best project management organizations have a clear, well-communicated strategy and know how project supports it. Installing effective project management includes putting in pace a mechanism to evaluate every project for its fit with the strategy before implementation. This needs to occur early in the game, during project definition, if at all possible”.

Both Project management and corporate strategy go hand in hand and are equally important for an organization’s success. According to Simon Moore (2009), “Organizations that outperform do so because of a combination of strong execution and strategy. Lack of either results in a failure.”

Michael Stanleigh (2010) believes that “aligning projects with the strategic goals of the organization is critical for project success and proper return on investment”. The role of projects is not anymore seen as merely delivering its objectives but how much strategic value it can add to an organization. Many organizations particularly the larger ones make use of PMOs (Project/Program Management Office) for execution of their projects. Therefore, the focus of this research is going to be: How to improve strategy execution at large organizations which have a PMO in place?

2. Research Goals

The objectives of this study are to:

1. To review current literature and explore standards, frameworks and tools available for alignment of corporate strategy with project management.
2. To propose a Theoretical framework based on literature review for better alignment of corporate strategy with project management.
3. To verify the validity of the proposed framework by presenting a case study of Ufone’s technical strategy execution.

3. Scope Statement

The focus of this study will be to explore how a corporate strategy cascades down to projects for execution by studying the role of different processes, people and standards involved in the process. This investigation is valid for large organizations that make use of a PMO for project management and does not include interaction of other business areas/functions with the corporate strategy.

4. Method of Investigation

This study kicks off by reviewing the existing literature on the topics of project management and business strategy with the purpose of identifying a framework that can improve the linkage between the two. Subsequently, the proposed framework will be compared against a real life project to validate its application by reviewing its possible benefits and shortcomings.

4.1 Research Strategy

This sub-section outlines the rationale behind choosing the research strategy used for investigation. According to the available literature, there are predominantly two different research strategies in practice:

a) Inductive Research
b) Deductive Research (Bryman & Bell, 2007).

According to Blackstone (2012), “when researchers takes an inductive approach, they start with a set of observations and then they move from those particular experiences to a more general set of propositions about those experiences. In other words, they move from data to theory, or from the specific to the general”.

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“Researchers taking a deductive approach take the steps described earlier for inductive research and reverse their order. They start with a social theory that they find compelling and then test its implications with data. That is, they move from a more general level to a more specific one. A deductive approach to research is the one that people typically associate with scientific investigation. The researcher studies what others have done, reads existing theories of whatever phenomenon he or she is studying, and then tests hypotheses that emerge from those theories” (Blackstone, 2012).

I felt the need for both research methodologies at different stages of this research study as detailed below:

a) **Inductive strategy for Literature Review**- Secondary data collection by the means of literature review of current Knowledge available in the form of past researches on this topic and applicable models & standards. Based on the identified patterns, a theory shall be formulated.

b) **Deductive Strategy for Case Study**- Qualitative approach for data collection through questionnaires derived from the theory shall be employed considering
the specific nature of this study and involvement of many intangibles. Following data collection methods are going to be part of this study:

- One-to-one interview with the manager from the corporate strategy department for an in-depth knowledge of translation of corporate strategy into technical strategy.
- Open ended questionnaire submission to the manager corporate strategy for his feedback.
- Participant’s self-knowledge and observation derived from working at PMO (technical) for validation of project’s findings.

I have preferred the usage of qualitative data collection methods over quantitative in the context of this study as the former focuses on describing a phenomenon in a deep comprehensive manner. This is generally done through interviews, open-ended questions, or focus groups. (Adar Ben-Eliyahu, 2014)

The qualitative approach allows interviewees to act as key informants for sources of data collection via interviews. The quantitative approach was therefore deemed as inappropriate for this thesis study as it is meant to seek an analysis of objective data, hypothesis testing and to determine relationships between variables. (Bryman and Bell, 2007)

Ethical considerations were kept in mind to ensure that project findings are reliable and valid. An effort was therefore made right at the start of the project to put aside my biases and prejudices regarding the thesis topic. Therefore, collected information was analyzed in the light of available literature and facts & figures derived through project study.

5. Theoretical Framework

This section includes the review of current Literature including substantive findings relevant to the thesis topic. It is intended to situate the current study within the body of available literature and to provide context for the reader.
The focus areas of this research are the role of processes, organizational structure, people factors in aligning project management with the corporate strategy. This section will commence with the literature review of the basic concepts of strategy realization & project management processes and their interdependencies to come up with a theoretical framework required for a better alignment of the two.

5.1 Relationship between strategy, portfolios, programs & projects

PMBOK is a globally recognized standard by PMI for best practices in project management. This standard defines a project, program & portfolio and the relationship between them as follows:

**Project** - “A temporary endeavor undertaken to create a unique product, service or result” and Project management is defined as “The application of, skills, tools and techniques to project activities to meet the project requirements”.

**Program** - “A Program is a group of related projects managed in a coordinated way to obtain benefits and control not available from managing them individually”.

**Portfolio** - “A Portfolio is a collection of projects or programs and other work that grouped together to facilitate effective management of that work to meet strategic business objectives”.

We will not go into the detail of strategy formulation process as it is not within the context of this study but we will briefly look into the basic definition of a strategy.

Porter (1996) believes an organization’s operational efficiency shall not be mistaken for its strategy. He describes Operational efficiency as merely performing similar activities better than your competitors and emphasizes the need for strategic positioning which is defined as performing activities differently from rivals or performing activities in a different manner.
“A company can out form rivals only if it can establish a difference it can preserve”. This strategic positioning can be based on the customer needs and product or services offered by the company. In order to make this strategic positioning sustainable, trade-offs are required. “Trade-offs are essential to strategy. They create the need for choice and purposefully limit what a company offers”. (Porter, 1996)

“The relationship among portfolios, programs, and projects is such that a portfolio refers to a collection of projects, programs, sub portfolios, and operations managed as a group to achieve strategic objectives. Programs are grouped within a portfolio and are comprised of subprograms, projects, or other work that are managed in a coordinated fashion in support of the portfolio. Individual projects that are either within or outside of a program are still considered part of a portfolio. Although the projects or programs within the portfolio may not necessarily be interdependent or directly related, they are linked to the organization’s strategic plan by means of the organization’s portfolio”. PMBOk(2013)

5.2 Project management as a strategic function

In a traditional approach the Project team/manager is involved at the strategy execution level only and cannot influence the strategy in any manner whereas, in a strategic approach project team/manager can contribute to the strategy formulation process.

Mintzberg and Quin (1996) believe that the strategy is rarely realized in a deliberate manner where actions are taken according to the initial plan and advocates the dynamic nature of strategy management: emergent strategy which is influenced by the events that emerge with time.

Maylor (2002) also advocates the need for strategic approach for strategy realization: “The strategic approach has a number of important differentiating features these include the strong link between strategy and activities at the project level. Strategy
formulation is still carried out by senior management in the organization, but importantly, there are inputs from the project level. This concerns:

- progress on existing work;
- Current workloads and capacities.
- limitations of existing capabilities and potential new capabilities;
- Ideas as to how new opportunities that have emerged from project activities can be developed.”

Morris (2005) emphasizes the need for positioning project management as a strategic function and advocates the need for implementation of project management processes even before the project initiation phase, “what you give out, you get back. If we position project management as an execution-only discipline, we will be seen as just that and cut-off from the really important parts of the project: those where value can most be created: the front-end”.

The strategic approach for strategy execution is found to be most favored in the available literature as it allows project management team to become part of the strategy formulation process and therefore, allows for a better linkage of project management with the business strategy.

Jamieson & Morris (2004) in their book: Translating corporate strategy into project strategy, emphasize the importance of formulation of a formal project strategy at the project kick-off; derived from the business strategy and believes that “If we could understand better how business strategy can be translated into project strategy, project management’s over-all performance would be improved significantly and project management would have a higher profile in business management in general”.

5.3 PMBOK & APMBOK on strategy alignment

Jamieson & Morris (2004) strongly advocated the need for translating a business strategy into a project strategy and proposed a model in the figure below which is based on their review of PMBoK & APMBoK.

![Diagram of PMBOK and APM BoK on strategy and project alignment](image)

Figure 5.1. PMBOK and APM BoK on strategy and project alignment
Source: (Jamieson & Morris, 2004)

It can be deduced from their analysis that following three key processes play an integral part in the aligning the business strategy with the project management:
1) **Requirements management** – “Requirements include conditions or capabilities that are to be met by the project or present in the product, service, or result to satisfy an agreement or other formally imposed specification. The project’s success is directly influenced by active stakeholder involvement in the discovery and decomposition of needs into requirements and by the care taken in determining, documenting, and managing the requirements of the product, service, or result of the project.” (PMBOK, 2013)

2) **Scope management** - Project scope management is defined as “processes required to ensure that the project includes all the work required, and only the work required, to complete the project successfully”. (PMBOK, 2013)

The linkage between the business strategy and scope management processes is recognized in PMBOK (2013). Organization’s strategic plan is shown as an input to the project charter which includes the project justification in terms of cost benefit analysis. Project charter is then fed as an input to scope management plan and define scope processes. The output of scope definition process is a scope statement. This comprises of project justification objectives, product, and deliverables. Therefore, the scope of the project is indirectly derived from the key elements of the business strategy.

3) **Project definition** – The Project definition process is a very important stage for translating a business strategy into a project strategy. Turner (1999) also believes in development of a comprehensive project definition right at the outset of the project Following can be achieved through this:

- The vision of the project is created;
- The purpose of the project is defined;
- Project plans are aligned with the business plans;
- The basis of cooperation for the project is agreed-upon
Sinister (2000) also shares the same view and believes in development of a comprehensive project definition in the form of business cases, strategic briefs, and feasibility reports to facilitate the process of business strategy translation into project definition.

### 5.4 Portfolio Management

“Portfolio management aligns components (projects, programs, or operations) to the organizational strategy, organized into portfolios or sub portfolios to optimize project or program objectives, dependencies, costs, timelines, benefits, resources, and risks. This allows organizations to have an overall view of how the strategic goals are reflected in the portfolio, institute appropriate governance management, and authorize human, financial, or material resources to be allocated based on expected performance and benefits”. PMBoK (2013)

Artto & Dietrich (2004) believe that management processes above projects must align projects to business goals and support in reaching or exceeding the expectations set by company strategy.

According to Crawford (2001), “making the conceptual leap from the tools-and-techniques-focused variety of project management to portfolio management (and, indeed, program management), with its broader focus on business strategy and enterprise wide integration, is a special challenge and one that many now face with little in the way of standards, best practices, or other generally accepted knowledge to guide them”.

Knutson (2001) also empathizes the need for implementation of portfolio management process and believes that “the project portfolio management process provides a means of consistently and objectively evaluating each proposed project that is vying for a limited pool of resources, thereby aiding the process of making the most effective use of the resources”.
According to PMI’s The Standard for Portfolio Management, “Portfolio management is the coordinated management of portfolio components to achieve specific organizational objectives”. While this standard focuses on “project portfolio management,” it is referred to throughout as simply “portfolio management.”

This standard broadly defines portfolio management as “an opportunity for a governing body to make decisions that control or influence the direction of a group of components (a sub portfolio, program, projects, or other work) as they work to achieve specific outcomes. An organization uses the tools and techniques described in this standard to identify, select, prioritize, govern, monitor, and report the contributions of the components to, and their relative alignment with, organizational objectives”. It is not concerned with managing the components. The goal of portfolio management is to ensure that the organization is “doing the right work,” rather than “doing work right.”

The Relationships among Portfolio, Program, and Project Management according to The Standard for Portfolio Management – Second Edition: “A portfolio has a parent-child relationship with its components, just as a program has a parent-child relationship with its projects”. The components are managed according to frameworks, such as A Guide to the Project Management Body of Knowledge (PMBOK® Guide) – Fourth Edition and The Standard for Program Management – Second Edition, and are periodically measured to gauge the likelihood of the components achieving their goals. An organization evaluates the portfolio components using the tools and techniques within the portfolio management processes.

When considering Portfolio Governance, the roles of executive, portfolio, program, project, and operations management are all interrelated. Comparative Overview of Project, Program, and Portfolio Management according to The Standard for Portfolio Management – Second Edition can be found on the next page.
As concluded from the figure above, portfolio management is more closely linked with the strategic goals of an organization while project management is about day to day management of project related activities.

Therefore, in order to truly establish linkage between project management & corporate strategy, it is essential that portfolio management’s mechanism is employed to act as an interface between the two.
5.5 Strategy realization through Balanced Scorecard

Strategy formulation and implementation go hand in hand and therefore importance of any of the two cannot be undermined. Kaplan and Norton (2012), the people behind the Balanced Score Card, claim that 9 out of 10 fail when implementing a strategy.

The balanced scorecard is a strategic planning and management system that is used in wide-ranging industries including technology companies to better align project activities with the business strategy of the organization. It was coined in the early 1990s by Drs. Robert Kaplan (Harvard Business School) and David Norton to measure organizational performance against not only financial strategic objectives but also non-financial performance measures like learning & growth, internal business process and customer perspective so that project managers can have a more 'balanced' view of project performance (Balanced Scorecard Institute, 2014).

The balanced scorecard recommends that an organization shall be viewed from four different perspectives as depicted in [Figure: 3], and control measures and collect data relative to each of these perspectives.

![Figure 5.3. Using the Balanced Scorecard as a Strategic Management System](image)

Source: (Robert S. Kaplan and David P. Norton, 1996)
Kaplan and Norton describe the innovation of the balanced scorecard as follows: "The balanced scorecard retains traditional financial measures. But financial measures tell the story of past events, an adequate story for industrial age companies for which investments in long-term capabilities and customer relationships were not critical for success. These financial measures are inadequate, however, for guiding and evaluating the journey that information age companies must make to create future value through investment in customers, suppliers, employees, processes, technology, and innovation." (Balanced Scorecard Institute, 2014).

Implementation of balanced scorecard can provide a company with an effective means for bringing strategy into action. This tool helps managers in translating their strategies into measurable and achievable goals that are visible to operational level managers. It enables managers to better monitor their progress with respect to pre-set goals and provides them with a feedback mechanism for keeping project progress on track. Hence, the balanced scorecard system is a continual improvement process for strategic performance (Balanced Scorecard Institute, 2014).

**a) The Learning & Growth Perspective**

This perspective comprises of employee trainings and their corporate cultural attitudes towards both individual and corporate improvement. Companies of Today are viewed as a knowledge-worker organizations, people -- the major repository of knowledge -- are the main resource. In this era of rapid technological advancements, it is becoming essential for knowledge workers to adapt accordingly through continuous trainings. Metrics can be put into place to guide managers for development of competence frameworks and effective use of training funds by conducting training need analysis, actual training session and post training effectiveness measurement (Balanced Scorecard Institute, 2014).

**b) The Business Process Perspective**

This perspective is about internal business processes of an organization. Metrics based on this perspective allow managers to know how well their process
output/products/services are meeting customer requirements. People with expert knowledge of the business domain are involved in the metrics development process. The business processes are developed to not only ensure conformance to customer needs but also to make optimum use of an organization’s resources (Balanced Scorecard Institute, 2014).

c) The Customer Perspective
Modern management philosophies especially quality management systems have shown an ever-increasing emphasis on meeting and exceeding customer requirements. In any line of business, ensuring customer satisfaction is the bottom line. An unsatisfied customer will lead to a loss in revenue generation. It is therefore a major indicator of an organization’s performance, even if financial figures are presenting a good picture (Balanced Scorecard Institute, 2014).

d) The Financial Perspective
Although, Kaplan and Norton believe that major emphasis on financials can lead to an "unbalanced" situation with regards to other perspectives but they do not discount the company’s need for increasing shareholder's wealth and reduction of operational costs as it is a key ingredient for any organization’s success. Importance of financial data handling cannot be denied. Implementation of a centralized and automated system is recommended to ensure that relevant data is readily available to help managers and executives in making informed decisions (Balanced Scorecard Institute, 2014).

According to Balanced Scorecard Institute (2014), balanced scorecard implementation benefits are summarized as below:

- Improved emphasis on strategy implementation by the means of project management and its outcomes.
- Improvement in over-all organizational performance by measuring what matters.
- Alignment of business strategy with the day-to-day activities of a project.
- Increased focus on the metrics that make room for continual improvement.
- Improved visibility of an organization’s vision and strategy even to an operational level.
- Better prioritization of projects and organizational resources.

### 5.6 Roles and competencies for aligning corporate strategy with Project Management

The available literature does not clearly indicate the responsibilities of the top management, project manager or a project sponsor with regards to strategy implementation. The standard for portfolio management however defines roles and responsibilities for portfolio management but the levels of involvement by stakeholders can vary from organization to organization. The roles and responsibility as defined in the standard are summarized in the table below:

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Managers</td>
<td>Executive managers convey the strategic goals to portfolio management. Portfolio management must be able to report to the Executive managers on the achievement of goals through the performance of the portfolio.</td>
</tr>
<tr>
<td>Portfolio Review Board</td>
<td>A Portfolio Review Board when used dictates the framework, rules, and procedure for making portfolio decisions.</td>
</tr>
<tr>
<td>Portfolio Managers</td>
<td>Portfolio managers will receive portfolio performance and convey the same information to project review board how the components as a whole are aligned with the strategic goals.</td>
</tr>
<tr>
<td>Sponsors</td>
<td>Sponsors champion the funding approval of their components (Portfolio, program, and project) by supplying a viable business case to the Portfolio Review Board. Once the component is approved, the sponsor must help ensure that it performs according to plan and achieve its strategic goals.</td>
</tr>
<tr>
<td>Program Managers</td>
<td>Program managers work closely with their project sponsors to gain project funding approvals and must aid them by supplying a viable business case for approval. The program managers must help ensure that components in his or her program perform according to plan and achieve the strategic goals associated with the program.</td>
</tr>
<tr>
<td>Project Managers</td>
<td>Project managers are responsible for effective planning, execution, tracking and delivery of projects assigned to them in line with the objectives. Project managers provide project performance indicators to the Portfolio Review Board. This information will be used with other criteria to decide which projects should be continued.</td>
</tr>
</tbody>
</table>
5.7 Organizational Structure: The role of PMO in aligning strategy & project management

Organizations particularly large ones make use of a PMO for management of projects and strategic alignment. “Organizations talk a good game about strategy. But without the right projects and programs to carry them out, even the most forward-thinking strategies fail. To help bridge the chasm between high-level strategic vision and in-the-trenches implementation, many organizations turn to a project management office (PMO)”. (The Project Management Office: Aligning Strategy & Implementation, 2014)

“A strong PMO delivers two distinct areas of improvement to the organization. It helps organizations choose the right projects to deliver, and it helps them deliver projects correctly.” says Greg Wood, managing director of the corporate PMO for Rio Tinto, a metals and Mining Corporation and a PMI Global Executive Council member in Brisbane, Australia. “It’s not enough for projects to come in on time and on budget. They must also be in sync with strategy, or “it’s just wasted capital,” he says. (The Project Management Office: Aligning Strategy & Implementation, 2014)

Piotr Stachowicz, PMP, senior vice president at PMI Global Executive Council member Citi, believes that if organizations want to get the most value out of a PMO, they must put it at the strategic level, so it is close enough to senior management to help it make the best project decisions for the business. (The Project Management Office: Aligning Strategy & Implementation, 2014)

If an organization decides to establish a PMO, there’s no one-size-fits-all solution. PMI’s Pulse of the Profession: PMO Frameworks, outlines five of the most common:

1. **Business unit PMO**: Provides project-related services to support a division within an organization

2. **Project-specific PMO**: Offers project-related services as a temporary entity to support a specific project or program
3. **Project support controls office:** Initiates processes to continuously support the management of an organization’s projects, programs or portfolios

4. **Enterprise PMO:** Responsible for the alignment of projects and programs to corporate strategy

5. **PMO center of excellence:** Supports project work by equipping the organization with standards and tools to better deliver projects

Research for PMI’s *Pulse of the Profession™ In-Depth Report: The Impact of PMOs on Strategy Implementation (2013)* demonstrates that regardless of PMO type, “the alignment of the PMO to the goals of the organization is key to driving strategy implementation”.

Based on literature review, following key areas have been found beneficial for improving the alignment of project management with the strategy.

1) APMBok on strategy alignment: project definition, requirements management and scope management
2) The role of balanced scorecard in strategy implementation
3) Portfolio Management
4) The roles and competencies for aligning project management with corporate strategy
5) Organizational structure – The role of PMO in aligning strategy with project management

6. **Case Study Description**

This section provides a description of the case study and project organization and how well it aligns itself with the proposed theoretical framework. The case study is described through a structured approach as we explore it through the theoretical framework proposed in the previous section – Processes, people factor & organizational structure (PMO) & Technology. Strategy realization through project, program & portfolio management and *The Balanced Scorecard*. Data collection is done through methods already detailed in the research method section. The background of project organization is described in the next sub-section.
6.1 Ufone (Project Organization)

Ufone’s company profile according to its official website is as follows:

Pakistan Telecommunication Company Limited (PTCL) that started its operations in January 2001 under the brand name 'Ufone'. As a result of PTCL’s privatization, Ufone became a part of the Emirates Telecommunication Corporation Group (Etisalat) in 2006. Since its inception, Ufone has focused on the people of Pakistan, empowering them with the most relevant communication modes and services that enable them to do a lot more than just talk, at a price that suits them the most. Along with the claim of lowest call rates, clear sound and best network, Ufone offers its customers simplified tariffs with no hidden charges. With a strong and uniquely humorous communication direction that has now become Ufone’s signature across all advertising media, Ufone gives its customers many reasons to smile.

This customer focus and best offering has allowed Ufone has built a subscriber base of over 24 million in less than a decade. Ufone has network coverage in 10,000 locations and across all major highways of Pakistan. Ufone currently caters for International Roaming to more than 288 live operators in more than 160 countries. Ufone also offers Pakistan's fastest growing 3G network, and BlackBerry Roaming coverage available with more than 200 Live Operators across 122 countries. Ufone has also become a focused and intensive leader in VAS, constantly introducing innovative services, which have been the first of their kind in the Pakistani cellular industry.

As the world of telecommunications advances, Ufone promises its customers to stay ahead, developing and evolving, to go beyond their expectations, because at Ufone, it's all about U.

Ufone Mission Statement: To be the best cellular option for U

6.2 PMO (Technical) - Functional Description

Ufone’s Technical department acquired ISO 9001:2008 QMS certification in 2012 and in the process became the 1st technical department in the Telecom industry of Pakistan.
to achieve this feat. This Customer focus and aggressive network expansion has allowed Ufone to emerge as one of the Top ‘3’ mobile operators of Pakistan in terms of network coverage and Quality.

PMO’s organizational structure is depicted below. PMO compromises of two teams: Site co-location team and Rollout project management team.

Figure 6.1. PMO Ufone’s organizational structure

PMO is responsible for project management of projects undertaken by the Technical department. Projects within PMO’s domain include Technical sites deployment, Swap Projects, Event Management related to COW (Cell on Wheels) sites, facilitation for Expansion Projects on co-located sites as guest. The department’s prime function is to manage works undertaken by internal Technical Departments (BSSP, RFP, Civil, TXN, SA, AN Ops, NOC, PMO Deployment) and coordination with external departments (RA, Geo marketing, S&D, corporate sales, finance, AIMs), vendor and OMOs (in case of co-location only). Further responsibilities of PMO include, but not limited to, daily BTS
Sites Commercial launch, Supply Chain Management, Project reporting to all relevant stakeholders, Cell Tracker Administration & Management and project closure.

Ufone is building and expanding its GSM network by setting up BTS (Base Transceiver Station) sites all across Pakistan and AJ& K to enhance coverage. In case of sharing of BTS sites and towers, Ufone is able to reduce CAPEX and OPEX related to BTS sites’ acquisition, civil works and annual rentals. Ufone has therefore made site sharing arrangements with different Mobile Operators to facilitate site co-location as guest. Typical Co-location sites share passive infrastructure like: tower, DG backup power, commercial Power and earthing. However, depending on the requirement there can be special cases of sharing like: transmission media sharing, micro sharing and repeater sharing.

6.3 Project Background

In order to support business continuity and revenue generation ahead of competition, BTS sites addition into the network is critical. On top of that BTS network rollout compliments coverage improvement, capacity enhancement, customer satisfaction & retention, improve port-ins and reducing port-outs.

Market dynamics indicate the importance of time to market both for urban, rural and untapped markets. Any delay in site launch has inverse proportional impact on business revenues and targets. Therefore, squeeze in site launch life cycle will result into better sustainability and business growth. In order to reduce site launch life cycle, one such initiative taken up by the PMO is site co-location with OMOs (Other Mobile operators). This not only allows faster site deployment but also helps in CAPEX saving which can be achieved through sharing of host party’s already installed infrastructure. This project is therefore selected for the case study as it fulfills the Ufone group’s strategy of aggressive rollouts at a lower cost.

Co-location team is overseeing business critical site sharing projects with OMOs. Both OMOs and Ufone are currently in the middle of very aggressive site launch roll-outs. Timely commercial launch of a co-located site as a guest ensures timely revenue
generation and improvement in customer satisfaction & retention while site co-location as host ensures revenue generation in the form of OMO rental invoices. Induction of additional projects related to site co-location is an ongoing process and it is also expected to rise in the coming Years. This will lead to an increase in operational demands of the site co-location team.

Co-location team has very diverse job responsibilities as it has multiple customers to serve both internal and external to Ufone. Therefore, any improvement or degradation in co-location team’s performance can be felt across and outside the organization.

6.4 Project Data

This sub-section covers the information gathered about processes (inputs, tools & techniques and outputs) involved in aligning Ufone's corporate strategy with its technical project management.

The data collected for this research study is primary in nature which is collected through interviews, meetings and participant’s observations. The questions asked in the interview were formulated keeping in mind the research scope questions; Interview questions can be found in [Appendix A]. The Author carried out a detailed interview with a Manager from Corporate strategy department. The interview was carried out for almost an hour. The interviewee was however a bit reluctant at first to share the requested information due to company’s confidentiality policy but it was communicated by the interviewer that this Information will be strictly used for academic purposes only. Information pertaining to PMO (technical) was also gathered through author’s first-hand experience which was gained from working at the said department.

According to PMBoK (2013), all projects can be mapped to the following generic life cycle structure:

- Starting the project,
- Organizing and preparing,
- Carrying out the project work, and
• Closing the project.

The site sharing project will be reviewed based on this generic structure and the theoretical framework proposed at the end of literature review section.

**Starting the project:**

**Mission Statement:** To be the best cellular option for U.

The Etisalat Group dictates Ufone to take up initiatives that can either reduce operational cost or increase revenue generation. Keeping this strategic goal in perspective, Business cases are produced by the corporate strategy department demonstrating commercial value of a particular project and on the basis of which a project is either selected or rejected by the steering committee. One such cost reduction initiative which is currently being pursued by PMO (technical) is, *Site Sharing project* enabling faster rollout at a reduced cost. Corporate strategy team performs portfolio management by ensuring selection of projects based on how well it aligns with the organizational strategy while PMO department is responsible for project implementation as per agreed timelines.

PMO (Corporate Strategy) consults CTO (Chief Technical Officer) at the time of strategy formulation w.r.t technical projects. Ufone’s objectives relevant to technical projects and strategic theme templates are shared with the CTO for his perusal on bi-annual basis. Project Charter is not formally documented as this stage and CTO’s balanced scorecard is assumed as a formal go-ahead to proceed with accomplishment of technical objectives.

Based on the information gathered, strategy map for Ufone is depicted in [Figure: 5]. It compromises of four perspectives and the Strategy Map shows which parts of the business are critical to Ufone at the current stage and how different objectives are linked to each other. All the non-financial perspectives end up and link to the Financial Perspective, since the bottom line is to increase the wealth of Ufone’s shareholders.
Organizing & preparing:

Project scope statement for The Site Sharing Project was not formally documented but a Project implementation plan was prepared in MS project by Head of department, PMO while utilizing his expert judgment acquired from his past experience of execution of similar projects. Deliverables were derived from business goals and timelines for project phase completion were assigned accordingly.

Assumptions, constraints and boundaries of work, were not formally documented as per project management standards and due to the repetitive nature of the project, the reliance was more on already in place processes and the project team’s expertise to get the job done. (Saquib Muhammad, Manager Site sharing Team)
It is assumed as CTO’s responsibility to align PIP (Project Implementation Plan) of site sharing projects with the corporate strategy of the organization. CTO ensures that feedback from PMO) site sharing team, is taken into account at the time of finalization of objectives with the corporate strategy team.

**Carrying out the project work:**

The site sharing team is responsible for monitoring of project’s day-to-day activities and Due to the repetitive nature of the site sharing project and presence of a formal site sharing SOP & an SLA, the internal departments are well aware of their responsibilities.

There will little challenges faced at the time of project execution as there is a dedicated team in PMO for managing of site sharing projects which thoroughly enjoys full support of internal departments for execution of projects related processes.

The balanced scorecard is used by corporate strategy team for monitoring of strategic initiatives. The strategic initiatives are monitored on bi-annual basis and a red flag is raised to the CTO by strategy department in case of any slippages.

*It has been observed that strategy execution for technical projects at Ufone takes place at corporate (CTO) and there is an absence of a more visible and formal process for strategic alignment of project management at functional level.* (Junaid Khan, Manager Corporate strategy)

*Although site sharing project managed to achieve its targets but there was an absence of active follow-up from the strategy department once the project had kicked off and reliance was on portfolio management processes for project selection only and very little emphasis was on strategic monitoring of project’s progress.* (Saquib Muhammad, Manager Site sharing Team)

**Project Closure:**

Meeting of site sharing project deliverables within the agreed timelines meant the end of site sharing project. CTO’s balanced scorecard feedback served as an intimation to
corporate strategy team that project objectives have been achieved. The project team did not employ formal project closure processes for closing out the project. As recommended by PMBOK (2013), Post-project review in terms of Lessons learned was not documented at project closure which can influence develop project charter process of future projects by becoming a part of organizational process assets. Transfer of Lessons learned information to future projects can not only help avert risks but can also allow replication of techniques that worked well in the past project.

"Traditional top to bottom approach is implemented for strategy execution at Ufone. If feedback from project teams in the terms of lessons learned document from completed projects can be considered at the time of strategy formulation then it can serve as a very valuable input for formulation of a more effective strategy. (Saquib Muhammad, Manager Site Sharing Team)."

7. Analysis

This section covers one of the most important research goals put forward in the introduction of this document: To verify the validity of the proposed Theoretical framework by identifying its benefits and possible shortcomings. This proposed theoretical framework will be compared with the with the real-life project described in the previous section.

1) APMBok on strategy Alignment: Project Definition, Requirements management and Scope management

According to the available literature, Jamieson & Morris (2004) were found to be strong proponents of translating a business strategy into a project strategy right at the outset of project and also proposed a model based on their review of PMBoK & APMBok. It can be concluded from their analysis that following three key processes play an integral part in the aligning the business strategy with the project management: project definition, stakeholder requirements and scope management.

They also point out that the Project definition process is the very 1st and very important stage for translating a business strategy into a project strategy. Sinister (2000) also
shares the same view and believes in development of a comprehensive project definition in the form of business cases, strategic briefs, and feasibility reports to facilitate the process of business strategy translation into project definition.

The need for formulation of a Business case for the site sharing project was recognized by the corporate strategy department. The selected project enabled faster site deployment by sharing existing infrastructure of OMOs and fitted in nicely with the ETISALAT group’s strategy of faster revenue generation at a reduced CAPEX. A balanced scorecard was subsequently designed based on company’s business targets and assigned to CTO for implementation.

Formal stakeholders’ requirement analysis was not carried for the site sharing project. Instead the focus was more on the execution phase. Due to the repetitive nature of the project it was assumed that the needs of stakeholders are already well known and by delivering project deliverables they will be automatically addressed. Deliverables were agreed upon based on business targets and expert judgment of the project staff involved. If due time had been given to proper stakeholder analysis then a stronger link could be established between the business strategy and project scope. It would have also allowed the project team to better understand the needs of internal & external customers which would have helped them in better meeting or exceeding those expectations.

According to PMBOK (2013), Organization’s strategic plan is shown as an input to the project charter which includes the project justification in terms of cost benefit analysis. Project charter is then fed as an input to scope management plan and define scope processes. The output of scope definition process is a scope statement - comprising of project justification objectives, product, and deliverables. Therefore, the scope of the project is indirectly derived from the key elements of the business strategy.

The project scope statement defines what is to be achieved and how it shall be accomplished through project execution. It takes into account project assumptions and constraints so that realistic project deliverables can be agreed upon between the project owner, sponsor, customer & the delivery team. Once this acceptance criteria is
established, it will aid the project team with the project closure and in measuring the project success.

The site sharing team did not implement a formal scope management process as recommended by PMBOK. PIP was documented which included project deliverables and project activity durations but it did not include the project constraints & assumptions which would have helped in defining the boundaries of project work.

In case of site sharing project, it was observed that the focus was more on project delivery and associated timelines. If project limitations are not defined then it can lead to uncontrolled changes and the phenomenon of scope creep – Delivery of additional outputs/deliverables and spending of extra time on non-value adding activities.

2) **Strategy realization through the balanced scorecard**

According to the available literature, the balanced scorecard is the most favored strategic planning and management system that is used in wide-ranging industries to better align project activities with the business strategy of an organization.


Implementation of balanced scorecard can provide a company with an effective means for putting a strategy into action. This tool helps managers in translating their strategies into measurable and achievable goals that are visible to operational level managers.

Although, the balanced scorecard was implemented by the corporate strategy team but it was merely used as a tool to collect site sharing project data from the CTO. It would have served purpose if it had been implemented after direct consultation with the project manager as it will not only make the entire process more inclusive but it will also enable implementation of strategy at operational rather than at a functional level.
It can be concluded that implementation of a balanced scorecard tool can significantly improve chances of meeting strategic objectives. It will not only allow managers at Ufone to keep track of their performance with regards to strategic goals but it will also provide them with a platform to share their feedback with the strategy formulation team. It will also allow Ufone’s technical strategy execution to operate as a dynamic process with an increased visibility of strategy at an operational/managerial level contrary to Ufone’s current practice of strategy execution which is taking place at a corporate/CTO level.

3) Portfolio Management

Portfolio management has been recognized in literature as an important means for bridging the gap between corporate strategy and project management.

The Standard for Portfolio management recommends that an organization may use the tools and techniques described in the standard to identify, select, prioritize, govern, monitor, and report the contributions of the components to, and their relative alignment with, organizational objectives. It is not concerned with managing the components. The goal of portfolio management is to ensure that the organization is “doing the right work,” rather than “doing work right.”

Corporate strategy team employs informal portfolio management processes for project selection. Business cases are evaluated based on how well they align with the company’s corporate strategy. However, formal processes as recommended in the standard for portfolio management are not in practice.

Although, Portfolio management is being implemented in some form at Ufone by corporate strategy department but it is mainly perceived as a tool for selection of the right project and not much as a means for maintaining a portfolio (contrary to the literature). Considering the dynamic nature of a strategy, it will not be ensured that portfolios are always aligned with the corporate strategy objectives.
4) The roles & responsibilities for aligning project management with corporate strategy

Although, the available literature does not clearly indicate the responsibilities of the top management, project manager or a project sponsor with regards to strategy implementation. However, the standard for portfolio management attempts to define roles and responsibilities for portfolio management but the levels of involvement by stakeholders can vary from organization to organization.

Corporate strategy team is responsible for strategy formulation and gaining approval for viable business cases from the Ufone management. Once the project was selected, Co-location Team from PMO was responsible for effective planning, execution, tracking and delivery of the assigned project in line with the objectives.

PMO Team provided project performance indicators to the corporate strategy team through CTO. This information was used with other criteria to decide whether the project should be continued or terminated. Thus, this is how the corporate strategy team ensured that components in the project/program are performing according to plan and achieving the strategic goals associated with the program. It was observed that project success relied heavily on project team’s expertise which was gained through working on similar projects in the past.

5) Organizational structure - The Role of PMO in Aligning Strategy & Implementation

The available literature clearly demonstrates that the alignment of the PMO to the goals of the organization is key to driving strategy implementation. Organizations particularly large ones make use of a PMO for management of projects and strategic alignment.

Currently the PMO at Ufone is interacting with the corporate strategy team for strategy implementation. However it can be argued that, PMO’s current organizational can be re-structured to better align its technical project management with the corporate strategy. Introduction of a new functional department for translation of corporate strategy into technical strategy can help ensure technical strategy execution in a more efficient &
dynamic manner. Ufone exists in a fast growing market and has reached a maturity level. Technical teams are constantly feeling the pressure to meet ever changing customer requirements. This new Technology strategy department will have expertise of both technical and strategy management domains, and will help in better alignment of the technical project management with the technology strategy of Ufone.

8. Conclusions

This section will present conclusions of this research study based upon the research questions put forward at the start of the thesis project.

6. To review current literature and explore standards, frameworks and tools available for alignment of corporate strategy with project management.
7. To propose a Theoretical framework based on literature review for better alignment of corporate strategy with project management.
8. To verify the validity of the proposed framework by presenting a case study of Ufone’s technical strategy execution.

What can be concluded from this study?

To review current literature and explore standards, frameworks and tools available for alignment of corporate strategy with project management

The literature review section covered this goal by studying existing literature on this subject while focusing on the role of processes, organizational structure and people factors for aligning project management with the corporate strategy.

Execution of strategy directly through projects was seen as an unstructured approach which can lead to a poor visibility of strategy execution at all levels. Considering the dynamic nature of Today’s strategies, a systematic and process based approach is more preferred by many Authors for realization of corporate strategy through project management.

It was observed that project management is seen as an important means of executing a business strategy, but how it actually happens in practice is rarely the subject of detailed examination. Most authors and standards emphasized the need of portfolio management, translation of business strategy into project strategy and the usage of tools
like a balanced scorecard for a better alignment of business strategy with project management of a company.

**To propose a Theoretical framework based on literature review for better alignment of corporate strategy with project management**

The basic concepts of strategy & project management were explored along with their interdependencies to come up with a theoretical framework required for a better alignment of the two. Although, there was an absence of a clear alignment methodology but following knowledge areas were found to be relevant with regards to the subject under study.

1) **APMBok on strategy Alignment: Project Definition, Requirements management and Scope management**

   Jamieson & Morris (2004) in their book - *Translating Corporate Strategy into Project Strategy: Realizing Corporate Strategy through Project Management*, strongly recommended translating a business strategy into a project strategy and also proposed a model based on their review of PMBoK & APMBok which identified the need to focus on project definition, requirement management & scope management processes for the better alignment of strategy with project management.

2) **The role of balanced scorecard in strategy implementation**

   According to the available literature, the balanced scorecard is the most preferred strategic planning and management system that is used in wide-ranging industries to better align project activities with the business strategy of an organization as it not only helps managers in viewing an organization from a financial performance perspective but also from learning & growth, the business process and the customer perspective as well.

3) **Portfolio Management**

   Portfolio management has been recognized in literature as an important interface for bridging the gap between the strategy and project management. The standard
for portfolio management provides with a mechanism for selection of projects based on how well they are aligned with the strategic objectives of a company.

4) The roles and responsibilities for aligning project management with corporate strategy

The roles, responsibilities and accountabilities required for strategy alignment with project management are not well defined in the available literature. However, the standard for portfolio management makes an effort to define roles and responsibilities for portfolio management but these can vary from organization to organization as it is generally viewed as something that is role & industry specific.

5) Organizational structure - The role of PMO in aligning strategy & implementation

Organizations particularly large ones make use of a PMO for management of projects and strategic alignment. The available literature clearly demonstrates that if the PMO is aligned with the business goals of the organization than it can serve as important means for an effective strategy implementation.

The proposed theoretical framework originates from the formal standards/tools like PMBOK, The standard of portfolio management and the balanced scorecard. Many authors have also endorsed that the usage of selected processes can improve alignment of project management with the corporate strategy.

To verify the validity of the proposed framework by presenting a case study of Ufone’s technical strategy execution

The third research goal was to verify the validity of the proposed theoretical framework against a real life project. The site sharing project undertaken by the PMO technical within Ufone, was chosen for this purpose.

The comparison revealed that formal implementation of project definition, requirements management and scope management processes would have increased the likelihood of a site sharing project’s success. The documentation of scope statement is a starting point and if project’s assumptions, constraints and boundaries of work are not
properly captured then it can lead to a scope creep and have an adverse effect on an organization.

Comprehensive implementation of a balanced scorecard tool was found to be favorable as it can significantly improve a project’s chances of meeting strategic objectives. It will not only allow managers to keep track of their performance with regards to strategic goals but it will also provide them with an opportunity to play their part in the strategy formulation process by sharing their feedback against project performance. It will improve the over-all visibility of strategy execution at an operational level and provide with a more structured approach for moving a strategy into action.

Extensive application of portfolio management was also found to be helpful as it helps with alignment of project with the strategic objectives not just at the start but at all times and provides with a decision mechanism whether to continue or terminate a project based on its strategic performance.

The need to define clear roles, responsibilities and accountabilities for a strategy execution were also found to be beneficial as it helps defining what is expected from an employee and how his/her performance is going to be measured.

Lastly, having the right organizational structure i.e. implementation of a PMO, particularly in large organizations, can readily provide with the project management resources required for strategic alignment of project management processes.

It can be concluded that the implementation of proposed framework could have improved the strategy execution process with regards to the site sharing project. It could have provided with a more structured and formal approach of strategy execution at an operational/functional level and in the process ensuring better visibility of strategy to all stakeholders involved at different levels.

9. Limitations and recommendations for future research

Project management is seen as an important-means of executing a business strategy, but how it actually happens in practice is rarely the subject of detailed examination in the
available literature. The progress of this research was hindered by a number of limitations. Major constraint was the limited amount of information available in literature regarding this topic, especially for a similar telecom operator like Ufone. It was observed that not much research has been done in Pakistan on this topic. Thus, finding help from secondary sources was a big challenge. Timely access to primary information was also a major issue as the interviewed employees would take time in replying to queries due to their work related commitments. The interviewed employees were also a bit reluctant in sharing the desired information as they viewed it as something confidential. But they agreed to cooperate after it was told that this information will be used for academic purposes only.

Although, the validity of the proposed framework was verified by comparing it with a real life project after its closure but the implementation of the proposed framework on a real life project before the start of its execution was not possible due to shortage of time. If the opportunity would have been given to implement this framework at a real life project right from its outset then this case study would have yielded more beneficial results.

This study has taken into account only one organization i.e. Ufone for a qualitative analysis but future studies can make use of a more quantitative approach by extending the sample size which will further help in increasing the reliability of results.
References


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Appendices

Appendix A - Interview questions

A questionnaire was formulated after reviewing literature and keeping in mind the scope questions. Following questions were part of the said questionnaire:

1. What are the set of assessment tools used evaluate, select and prioritize Ufone’s technical programs and Projects?
2. Is the feedback of PMO (Technical) department taken into account regarding technical projects at the time of corporate strategy formulation?
3. Is there a presence of a formal process for portfolio and program management for technical projects?
4. Is there a presence of a clearly defined hierarchy and a formal process for alignment of PMO (Technical) department’s projects with the corporate strategy?
5. What measures are taken to align (Project Implementation Plan) with the corporate strategy?
6. How are Strategic initiatives (activities Vs outcomes) measured?
7. Are the Lessons learned from previous technical projects taken into account at the time of strategy formulation?
8. How is the alignment of Strategy, organizational structure and culture achieved?
9. How important is the role of people factor (Leadership, competencies, responsibilities and accountabilities) in aligning project management with the corporate strategy?
10. What would you like to propose for the better alignment of project management with corporate strategy at Ufone?