We have been asked to update a chapter on the initiation of projects originally written 20 years ago for the first edition of this handbook. First, what do we mean by *initiation*? With respect to projects, to what does it refer? It might be the beginning of a substage of the project; it could be mobilization on site. More critically, it could refer to the initiation of the whole project.

The 1993 chapter, and its update of 2006, discussed initiation in the second of these two perspectives—as the front end of a project. It focused particularly on major projects. In doing so it used the framework of, and much of the data and evidence from, the research published in 1987 as the book *The Anatomy of Major Projects*. Much of this handbook, however, reflects a different framework: that of *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*. There is nothing necessarily wrong in choosing one framework over another, so long as they are both valid, but the effect of doing so needs to be acknowledged; otherwise, what one person thinks is meant by initiation will be different from what another person thinks. The *PMBOK® Guide* takes initiation as the first of five process stages that can occur several times as the project is developed and implemented. In this chapter, on the other hand, we shall be focusing on initiation more as a part of the work associated with establishing the project's “front end.” Doing this provides much more opportunity to influence the project outcome for the better, as we shall see.

**THE PMBOK® GUIDE**

The well-known Guide process (initiate → plan → execute → monitor and control → close) is laid out across ten knowledge areas: scope, time, cost, quality, human resources, communications, risk, contract/procurement, integration, and stakeholder management. The recursive character of this progression does not in our view reflect the dominating importance of the project development life cycle—the one feature of projects that distinguishes them from nonprojects (Figure 4-1). This in turn leads to the following:

![Project Initiation Diagram](https://search.credoreference.com/content/entry/amaprojmn/project_initiation_managing_the_front_end/0)
An underappreciation of the characteristics of the project’s full life cycle and its stages, and the impact of these on the management of projects.

Insufficient weight being given to managing the early phase of the project, which we call the front-end stages of the project—that is, the project’s initiation stage(s)—where the project’s scope, cost, schedule, and other targets and risk profiles are first established.

Project management, as seen in the PMBOK® Guide, is essentially focused on the execution phases of projects. The ethos is one of controlling—planning and then monitoring—once the requirements have been defined. But many of the factors that have been shown to be important to the effective management of projects, including many that occur in the front end (governance, strategy, contextualization, technology selection, and even people factors) are either missing from the Guide or are substantially underplayed.

MANAGEMENT OF PROJECTS

An alternative model, originally proposed largely by Morris in the late 1980s and early 1990s and refined thereafter, is the management of projects (MoP). This is the framework used to discuss initiation in the previous editions of this handbook. In the MoP framework, the unit of analysis is the project. Projects are defined by their development life cycle. The MoP is as concerned with managing the front end as with downstream execution. (“Front end” is defined as either the period prior to definition of the project’s or program’s requirements, or the period prior to the execution being sanctioned.) The MoP stresses the need for the project’s strategy to flow from, and support, the project sponsor’s business drivers. Its ethos is not just controlling against the plan but creating value for the sponsor. It includes proactive stakeholder management. It recognizes the challenges frequently found in technology, and the benefit and challenges of innovation. It includes selecting and managing an appropriate commercial platform. It also acknowledges that people are central to projects and programs. “Projects are built by people, for people, through people.”

We now turn the topic of managing initiation.

INITIATION

The PMBOK® Guide says initiation is about obtaining authorization to spend and to commit resources. Stakeholders are identified. A project charter is approved. “A key purpose ... is to align stakeholders’ expectation with the project’s purpose, giving them visibility about the scope and objectives, and how their participation in the project and its associated phases can ensure that their expectations are achieved.” But there is more to it than that!

For many project management personnel, initiation entails contract bidding, followed, when successful, by mobilization for execution. We argue that the richer, more useful issue is that of the project development cycle. Here initiation refers to the project’s front end, which, in this second, broader view, begins with the authorization by management of the expenditure of effort, time, and most probably money to develop the potential project’s definition, and ends either with acceptance by the sponsor/board of the project definition documentation, or with the acceptance of the project requirements, or with either the project’s termination or its shelving. The important point is that work is done (sometimes a substantial amount) on developing the project definition before and in the process of leading up to the submission of the project proposal, that is, the formal request to sanction full implementation of the project. Figure 4-2 shows the interpolation of the project life cycle.
addition of this layer of context compared with the traditional concept of initiation. While traditional project management focuses on “on time, in budget, to scope” execution and delivery, the MoP also focuses on the project in its context, particularly on early definition of the conditions for stakeholder success. Within this framework, project, program, and even aspects of portfolio management are encompassed.

GOVERNANCE, SPONSORS, AND STRATEGY

There have been some substantial changes in thinking since the earlier editions of this handbook. For example, we have come to pay more attention now to how the project is influenced by its context, be that the parent body’s institutional practices or the characteristics of the project and the environment in which it is to be realized.

One group that potentially has a huge influence on the conduct of the project, yet crucially is external to the project, is the project sponsor. The sponsor is “the holder of the business case”—the person responsible for the project and accountable for the satisfactory realization of the project proposal. The nexus between owner/sponsor and project director/manager is critical in the early initiation stages of the project.

The project team should support the project sponsor actively. To shape the project effectively, the team must understand the sponsor’s objectives and business strategy and ensure that the project strategy is aligned with them.

Many project professionals view the project execution plan (PEP) as the project strategy document, but this is not its purpose; it addresses only the project implementation strategy, that is, the plan for the work
to be performed after formal authorization and capital expenditure on the project have been sanctioned. Some more mature project organizations, however, also have a separate development strategy plan that sets the strategy for the project or program pre-sanction. Others roll the two together into one continuous strategy document.\textsuperscript{10}

The project strategy establishes the why, what, how, who, how much, and when of the project development—all that is needed to be done to meet the project objectives and goals: what the project has to achieve and how its success is to be evaluated. As Morris and Jamieson found, the project strategy should cover, at a minimum:

- A definition of overall objectives and goals
- Statements on how these should be achieved (and verified)
- Technical descriptions of the product (requirements, specifications, etc.) and the proposed development strategy
- Project organization (and the policy and strategy for the procurement of resources)
- Key roles of players within and without the project team
- Estimates of the time required, phasing, and implementation strategy
- Budget and related financial strategy issues (cash, insurances, bonds, penalties, etc.)
- Risks and opportunities faced and strategies for managing them
- Configuration and change management policies and plans
- Quality policy and plans
- Safety, health, and environmental policies and plans
- Reporting requirements
- Communications policy and document (information) management
- Expected behaviors

There may be several levels within the enterprise at which the project's objectives, goals, and strategies are stated, and they may be “emergent” as well as be formulated in a “deliberate” manner\textsuperscript{11}—emergent in that implementing strategy does not always go as planned, and deliberate in that projects are the mechanisms through which most organizational strategy is realized. Events arise that change the strategic landscape. Sponsors and their project and program teams should be sensitive to these emergent changes and address their implications.

This discussion underscores the active, shaping nature of managing strategy. Mintzberg, for example, stresses the personal side to crafting strategy to fit the organization's context and the conditions unfolding around its realization.\textsuperscript{12} “Ploy,” “perspective,” and “pattern” all require insight and judgment and are as important, Mintzberg contends, as “position” and “plan.” This is a view echoed by Artto et al, who concluded, after an exhaustive study, that project strategy “is a direction in a project that contributes to success of the project in its environment.”\textsuperscript{13} Strategy shapes, and gives momentum to, the project's course: the project and its strategy are dynamic.
Governance determines the principles on which management is to operate. The United Kingdom's Association for Project Management (APM) has elaborated what this means to the discipline of managing projects:

- The board has overall responsibility for governance of project management.
- The roles, responsibilities, and performance criteria for the governance of project management are clearly defined.
- Disciplined governance arrangements, supported by appropriate methods and controls, are applied throughout the project life cycle.
- A coherent and supportive relationship is demonstrated between the overall business strategy and the project portfolio.
- All projects have an approved plan containing authorization points at which the business case is reviewed and approved. Decisions made at authorization points are recorded and communicated.
- Members of delegated authorization bodies have sufficient representation, competence, authority, and resources to enable them to make appropriate decisions.
- The project business case is supported by relevant and realistic information that provides a reliable basis for making authorization decisions.
- The board or its delegated agents decide when independent scrutiny of projects and project management systems is required, and implement such scrutiny accordingly.
- There are clearly defined criteria for reporting project status and for the escalation of risks and issues to the levels required by the organization.
- The organization fosters a culture of improvement and of frank internal disclosure of project information.

The project management-governance relationship is central to achieving good project initiation and to getting effective strategy formulation and good practice applied. The lead responsibility for this is surely not wholly the job of the sponsor, but must lie to a large extent with the project team. As professionals with specialist knowledge in the world of projects, the project manager and his team should have the knowledge and the sense of duty to make this relationship work as effectively as possible. To do this requires a proactive style of management.

**TECHNICAL DEFINITION**

Historically, many of the cost and schedule overruns experienced by projects were caused by poor management of new technology or of design. Evidence suggests that on average we have done better in this area in recent years, although in some sectors, such as defense and intelligence, gaining a technical edge coupled with urgency (threat) means that unproven technology often still has to be incorporated into the project, with obvious risk to the desired outcome. In any case, the landscape with regard to managing the technical base of the project is now more mature compared with that discussed in earlier editions of this handbook.

The real challenge in the front end remains, however, as it has for years—that of eliciting requirements. Does this happen quasi-automatically or does it have to be actively managed, and if the latter, who
manages it—the systems engineer or the project manager? We would argue that of course it must be managed, and since the results of doing so may profoundly affect the fortunes of the project, the manager of the project needs to be involved in this critical activity. To put it another way, anyone responsible for overall project success ought to ensure that the requirements are elicited properly.

How ambitious should the user requirements be? The answer must depend on how they relate to the project or program strategy, on the views about what level and types of risk are deemed acceptable, and on the risk management system employed. Unwarranted, undermanaged technical risk is foolish; technical risk that the project is prepared for might be a different thing. Innovation (sometimes ground-breaking) may be central to what the project or program is trying to achieve.

COMMERCIAL PLATFORM

At some point within the front end, the contracting and procurement strategy need to be determined. It is certainly needed for deployment as part of execution, post-sanction, but there may well have been benefit in involving members of the supply chain earlier. One of the basic decisions that needs to be made is who will be responsible for individual work packages? Should there be a single integrating supplier, or should work packages be allocated to separate organizational units with some form of project management function integrating them?

The degree of active control that the owner/sponsor wishes to exert over the evolving work package affects the way this integration is organized. The integration is essential if the work packages are to come together to produce the value and benefits expected of the project for the sponsor. It is the appreciation of this interconnectedness that has led to renewed interest in systems thinking and systemic and holistic solutions. This is becoming increasingly important as clients seek out solutions that encompass whole-life performance risk management. From buildings to aircraft jet engines, there is evidence of the risk related to the design, build, operate, and maintain steps being handled in an integrated and aligned way.

Pricing also influences risk. The spectrum varies from fixed price to cost reimbursable. The former transfers financial responsibility largely, though not necessarily wholly, onto the supplier; the latter transfers it more onto the owner/client. Agreeing on a fixed price bid too early in the development cycle (before the design is sufficiently developed and before change can be effectively controlled) increases the risk significantly, and hence the need for contingency allowances. It is naive to expect that risk can be transferred to suppliers or subcontractors regardless of their ability to properly bear that risk. In the event of failure, collapse may ensue and the transferring party will end up suffering even if it seeks redress from the defaulting parties. This commercial positioning strongly links to the subsequent culture of the project, with options ranging from the highly adversarial to positively collaborative.

CONTROL

The essence of project management is control—delivering securely—but the nature of that control is different in the front end than in later execution. Work in the front end often involves the interplay of uncertainty and innovation. As a result, the form of organization is more “organic.” In execution, control is about planning, monitoring, and correcting to make sure the project is completed on time, within budget, and to scope. As a result, the organization is more “mechanistic.”

The effective management of projects entails effective estimating. The estimating competency deployed in a project directly influences the chances of project management success in that it establishes the data that many will use to decide if the project was completed successfully—at its most obvious, on time,
within budget, and to scope. There may be a tendency for at best enthusiasm and at worst contrived positioning to lead to undue estimating optimism—“optimism bias.” Feedback and lessons learned logically ought to be (but too often in practice are not) inputs to the estimator’s knowledge base. It is important that the assumptions underlying the makeup of the estimate be documented, and that an audit trail be available so that any downstream changes can be understood and set within the appropriate context.

Risks should be identified and assessed, and effective risk management must be built into the project management strategy to address them. Risks should be distinguished from uncertainties. Risks are simply understood to be possible negative events for which there is sufficient information to ascribe a probability of occurrence. Uncertainties, on the other hand, are the result of a lack of reliable information. Uncertainty generally should decrease as the project definition improves, but risks may not, as the development within the front end could reveal many new downstream risks.

**PEOPLE AND ORGANIZATION**

If leadership is about vision and establishing goals and values, then leadership is central to the front end. Managers can be leaders; we should not assume that leadership is the preserve of just a few very senior people. There is much leadership activity that is required in addition to creating and communicating a vision of the project outcome.

It has long been known that organizations need to fit their environment and technology, but we are now recognizing that managers may be able to influence context, to some extent at least. For some project managers, the early engagement with stakeholders, increasingly including the media, can make significant differences to the wider understanding of the project. This is especially the case where the project will have impact on the physical or social environments.

Project management professionals may need to influence politicians, legislators, regulators, community representatives, potential partners, financiers, suppliers, and others. This may seem unusual to readers who see the role of project managers as preeminently execution managers, which is not a role of subtlety or diplomacy. But if one takes the professional responsibility of project management to include the shaping of the project in the front-end definition phases, then project managers need to be diplomats!

Indeed, acquiring the knowledge and skill sets—the competencies—required to manage the project, both in initiation and for future execution, is a major task of front-end work. Doing this is not easy since the competency sets required are a function not just of the characteristics of the project—its complexity, urgency, risk, significance, size, and so on—but also of its context. And these characteristics may not be clear at the front-end stage.

**CONCLUSION**

We have defined initiation in a broader sense as the front end of the project development process. The front end is crucial to the project’s character and eventual success (or failure). It is challenging to work in unstructured, aspirational, organic, and dynamic settings. Working in the initiation phase of a project calls for maturity and diplomacy. It is in many ways far from traditional project managers’ usual comfort zones. The discussion questions below provide a checklist for exploring new projects in the front end.

**DISCUSSION QUESTIONS**

https://search.credoreference.com/content/entry/amaprojmn/project_initiation_managing_the_front_end/0
1. What is the reason for the project and where did it come from?

2. Who set the delivery date, budget, specification, and scope? How and on what basis? What are the measures of success? Can they be improved on?

3. Who are the sponsors and what will they need to do to create a successful project? What should project management be doing to support them?

4. What and who is driving the technical base? How can we innovate better?

5. Have we got the people with the appropriate knowledge, skills, and behaviors?

6. Is there a plan to build a cohesive team that can carry knowledge of the project forward?

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Morris, Peter W.G., The Management of Projects (Thomas Telford London, 1994); see also


PMI, 2013: p. 54.


