



# Vision, Business Problem, Outcome, Objectives and all that stuff...

Neville Turbit

## Establishing the Project Context

In this white paper, we will define a number of terms that typically cause confusion when a project is being set up. I have seen many project charters or project definitions that misused the terms, ignored the definitions, or had no idea why they were being defined. The terms we will look at are:

- Vision
- Business Problem
- Outcome
- Stakeholder
- Constraint
- Risk
- Assumption
- Objective
- Key Performance Indicators

## Solution Oriented

It is always tempting to dive in and solve the problem before you understand it. Most IT people are solution oriented. In other words, the first response to hearing about a problem is to develop a solution. If the solution comes to mind before the problem is fully articulated, so much the better!

That is not to say being solution oriented is a bad thing. It is a good thing provided we have the patience to fully understand the problem. The following example takes you through the steps you should put in place before starting a project.

## Example

For the example, we will use a customer tracking system.

## Vision

The vision is a ten thousand foot view of what the new situation will bring. It is not necessarily active in terms of an outcome. It focuses more on how the project will contribute to the bigger picture of where the organisation is going. Think of “Vision” as being the alignment with corporate objectives.

Answer the question;

- The direction of the company is....(What specific part of that direction is relevant to the project)

Example:

The company is focusing on providing better customer service. To meet this need we plan to invest in various programs that contribute to this goal.

## **Business Problem**

This is sometimes hard to define. In fact often, different people see the problem in different ways. Unless the problem is clearly defined, articulated, documented and understood, there is not much chance of delivering a successful project.

Answer these three questions:

- The business problem is ... (What is the adverse situation?)
- Which affects .... (Who are the stakeholders?)
- The impact of which is ... (What is the impact of the problem?)

Example:

The business problem is that we cannot track contact with each customer, which affects our staff - particularly in Sales and Despatch. The impact of which is that we do not know of problems with orders until it is too late to do anything to resolve the problems.

## **Outcome**

By fixing the business problem, something will change in the organisation. This is the “Outcome”. It is not the nuts and bolts of what we deliver. The “Outcome” is the change in the way the business operates. It is at a lower level than the “Vision” in that it contributes to achieving the “Vision”.

Answer this question.

- A successful solution will cause... (What change in the organisation?)
- This will result in.... (How will the organisation benefit?)

Example:

A successful solution will cause all parties to be aware of who has spoken to each customer, what was said and be able to reduce the incidence of no communication on a specific topic, or duplication of communication on a topic. This will result in better communication with customers, and hence a better relationship resulting in increased sales.

## **Stakeholders**

By identifying who has an interest in the project, and why, we can more clearly see how they will be involved, and what we need to tell them. Obviously when it comes to preparing a communication plan more information will be required.

Answer the following questions

- The stakeholders are ..... (Who are the stakeholders?)

Their interest is ..... (Why are they stakeholders?)

They need to know/tell ..... (As a consequence of the “why”, what do we need to tell them?)

Example

Stakeholder	Interest	Need to know
Sponsor	Final owner Responsible for the budget	Progress to date Expenditure What is being developed and when it will be available
Customers	They will benefit from better communication They know what they want to hear about and how to tell them	Progress to date How it will work How it will benefit them Provide input on design

**Constraints**

Constraints are the things that restrict our creativity in the project. They stop us doing whatever we like. Constraints are facts of life with which we must live. They are documented to keep us focused on finding solutions that can be developed or implemented. We do not want to waste time looking at options that will never see the light of day.

Answer the questions

The project must take into account the following constraints.....(What can I not change?)

Example

The project must taken into account the following constraints:

- Development will be in Delphi on an Oracle database
- Only one business user will be available from the sales area during June.

**Risks**

Risks are a double edged sword. Firstly we need to understand what might cause us to fail, but in doing so, it provides the opportunity to do something about those situations and lessen our chance of failure. It is important to understand risks early in the project because if they are too high, the project might be better not started.

Answer the question.

What might go wrong, and what will be the effect?

Example:

- The people responsible for entering the data will not see the benefit and this will cause the system to be unreliable and not used.

**Assumptions**

Projects always have a high degree of uncertainty. In order to make any progress, we need to assume things. The reason to document them is twofold. Firstly it

allows people to challenge the assumption, and secondly it ensures we don't forget the assumption.

Example:

- The sales and despatch staff will enter the details of their contacts
- The sales file is up to date and we can load information directly into a new system.

## Objectives

The objectives for the project should be measurable. It is a given that the first key objective is to achieve the outcome however objectives can also relate to the management of the project.

Answer the questions.

- Business Objectives are ..... (What are the objectives for the business?)
- Project Objectives are .... (What are the objectives for the project?)

Example

### Business Objectives.

- Reduce examples of reported duplicate contact from an average of 10 per day to 2 per day within 3 months of implementation.
- Reduce customer complaints related to communication from 20 per week to 5 per week.
- Improve sales to 60% of existing customers by an average of 15% over 12 months beginning January next year.

### Project Objectives

- Deliver the project within budget
- Deliver at least 85% of functionality in the first release
- Complete the first release by end December
- Ensure all deliverables are quality certified by our QA department

## Key Performance Indicators

Some projects have 2 KPIs and others have 20. Some are measurable, some are not. As a general rule there should be between 3 and 8 KPIs and they all should be measurable. Very often the KPIs are contained in the outcomes and objectives however not all outcomes and objectives automatically become KPIs. The focus is on the word "Key".

Think of "Cause" and "Effect". The "Effect" of improving sales is driven by the "Cause" of delivering the project by end December.

Answer the question

How will we know the most important outcome and objectives have been met?

Example:

The KPIs for the project are.

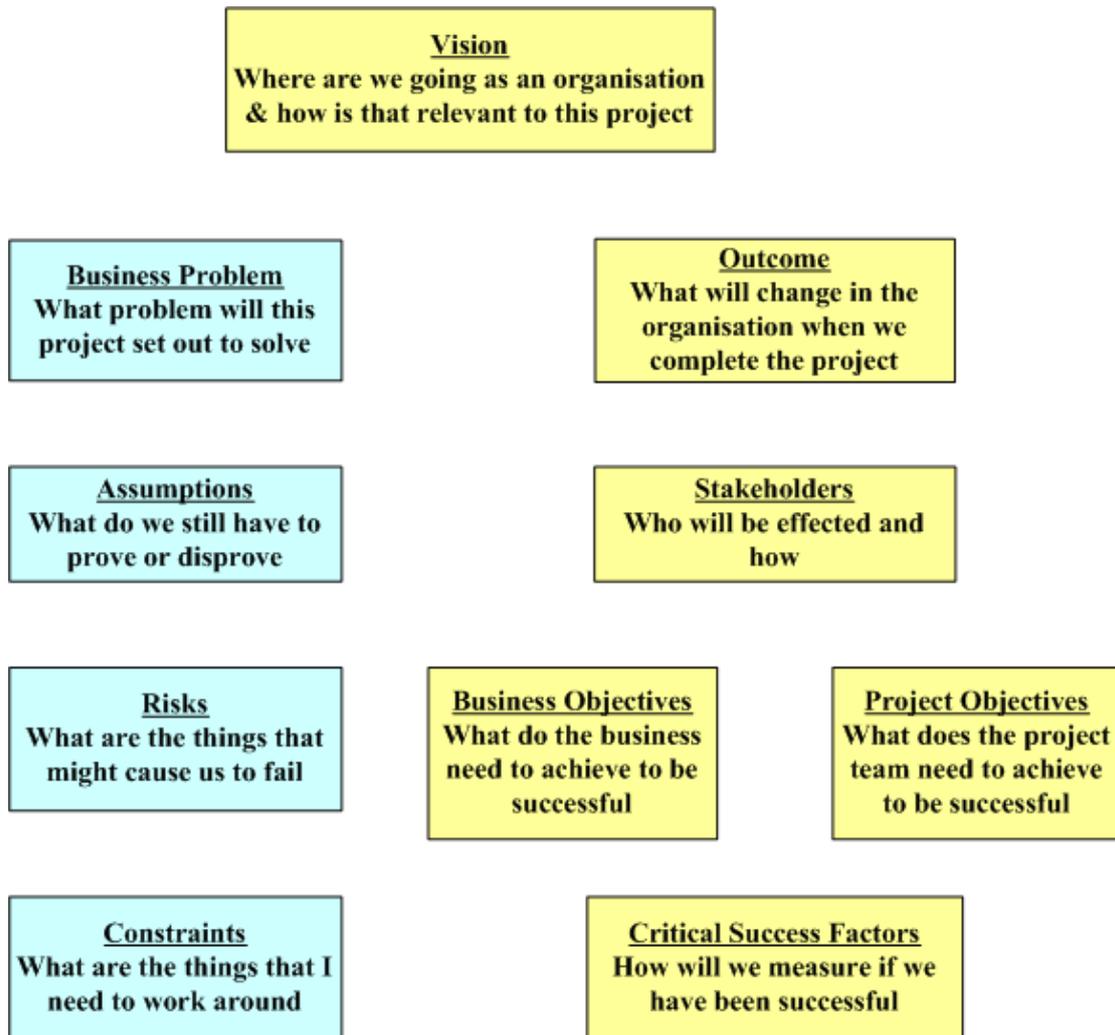
- 60% of existing customers improve sales by an average 15% over 12 mths.
- Customer complaints are reduced to 5 per week

The project is delivered in terms of budget, scope and timing (assuming)

## Summary

The following diagram shows the hierarchy of understanding a program. In many cases components will be identified and agreed out of sequence. For example, the Business Problem may be the first thing identified within a project.

The left hand side are the negatives we need to overcome, and the right hand side are the achievements we expect to come from undertaking the project.



Defining each of these terms is not an exercise in filling in forms. It is critical to the success of the project that the organisation is focused on what the project is all about.

More importantly, everyone should see the project in the same light. If there are differences, the project will either meet the expectations of some and not others, or be diluted in the delivery. Defining each of these terms is a critical step in understanding what the project is about, and reaching a successful conclusion.

Neville Turbit has had over 15 years experience as an IT consultant and almost an equal time working in Business. He is the principal of Project Perfect. Project Perfect is a project management software consulting and training organisation based in Sydney Australia.

Project Perfect sell “Project Administrator” software, which is a tool to assist organisations better manage project risks, issues, budgets, scope, documentation planning and scheduling. For more information on Project Administrator or Project Management visit [www.projectperfect.com.au](http://www.projectperfect.com.au)