Selecting Success Criteria for Customer Solution Projects

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ABSTRACT

Project firms are increasingly integrating tangible products and intangible services when building customer solutions aiming to increase firms’ competitiveness. On the other hand, the efficient customer solutions increase firms’ competitiveness only when the solution projects can utilize all of its performance potential. Efficient integration requires both the product and service oriented multi-dimensional success criteria and the context-specific performance measures. The purpose of this paper is to evaluate the project professional’s ability to create and prioritize the multidimensional success criteria for the customer solution projects. The results indicate that the project professionals are capable of prioritizing the success criteria for the customer solution projects. Conversely, the critical customer specific success criteria are not effectively used in the customer solution projects.

KEYWORDS


INTRODUCTION

Firms are increasingly servicizing, as adding services components to the product offerings and creating customer solutions (Baines, Lightfoot, Peppard, Johnson, Tiwari, Shehab, & Swink, 2009). Adding services has a positive impact on the project firms such as increasing project delivery performance and improving the project firms’ competitiveness (Artto, Wikström, Hellström, & Kujala, 2008). On the other hand, adding services to the projects and products increases project complexity and requires efficient methods to manage the integration from a performance perspective.

Performance has been characterized as a phenomenon including operational profitability, productivity, and the other non-cost factors (Tangen, 2004). Moreover, performance aligns with the multiple organization dimensions such as operational (e.g., Parasuraman, Zeithaml, & Berry, 1991; Westerfeld, 2003) and strategic dimensions (e.g., Norton & Kaplan, 1992) which make it hard to commensurate and measure. Performance can be characterized as a phenomenon or a relative outcome of a measurement process which operationalize different performance dimensions. For example, to create successful customer solutions firms are required to manage customer interaction and align the customer and the project firm value creation processes in a specific context (Vandermerwe & Rada, 1988). Moreover, while projects shareholders’ interests and projects’ operational environments differ significantly from each other (e.g., Turner & Cochrane, 1993) the generic frameworks such as the

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service quality framework (Parasuraman, Zeithaml, & Berry, 1991) and the diverse project success criteria and measures (e.g., Basten, Joosten, & Mellis, 2011; Keegan, Eiler, & Jones, 1989; Turner & Zolin, 2012; Wateridge, 1995; Zwikael & Globerson, 2006) are required to fit tightly into a context.

The previous project business and customer solution grounded research has shifted focus from a tangible product and delivery efficiency to creating and measuring value and success created with the project product during the project process (e.g., Ahola, Laitinen, Kujala, & Wikström, 2008; Brady, Davies, & Gann, 2005; Kujala, Kujala, Turkulainen et al., 2011; Kujala, Ahola, & Huiikuri, 2013; Winter & Szczepanek, 2008). At the same time, the operational project success criteria and performance measures have remained grounded mostly in the firm’s internal project processes and customers considered as opposite to the firm (Müller & Jugdev, 2012). Moreover, the researchers indicate that the success criteria and performance measures have remained generic or loosely interconnected to operations (e.g., Neely, Mills, Platts, Richards, Gregory, Bourne, & Kennerley 2000). Addressing this gap and this paper position the following research question: How can the project firms integrate the product-based and the service-based success criteria into a coherent set of the multidimensional success measures for the customer solution projects?

Rather than just introducing a new performance framework and a vast number of new performance measures, this interdisciplinary research adopts a known framework, a simple method and standard set of criteria which focus on the supplier – customer interaction context. The findings of this research indicate that the project professionals can select and prioritize the project and service based success criteria in the customer solution context using Service quality (SERVQUAL) framework and analytic hierarchy process method (AHP). The findings also indicate that the project organizations and project professional are not actively using the customer-centric success criteria in the customer solution project deliveries. This paper is organized into the three sections. The first section introduces customer solutions projects from the both product and service perspectives. During the section, the relevant project and service based success criteria for the customer solution projects were reviewed and the SERVQUAL framework was adapted. In the second section, the interviewees convert the multidimensional success criteria into the performance measures and evaluate the seven customer solution projects using the AHP method. Finally, the study closes with concluding remarks and future research avenues.

LITERATURE REVIEW

Customer Solution Projects

Projects produce a unique product with a novel project process (Turner & Keegan, 1999) in the uncertain project operational environment (e.g., Turner & Müller, 2003). The actuality of successful project can be defined as “doing things right” measured with the project efficiency criteria and “doing right things” measured with the project effectiveness criteria (Crawford & Bryce, 2003). Moreover, the complex products, such as customer solutions in a turbulent project environment require special attention of management and control to be able to utilize the whole project performance.

The unique project products such as solutions can be divided into a continuum between tangible good led deliveries and intangible service led deliveries (e.g., Oliva & Kallenberg, 2003) depending on the dominance of tangible or intangible components in the product. On the other hand, drawing a line between product or service dominance in a solution is difficult without understanding a role of both product and service also in a delivery process. For example, the complex products and systems (CoPS) are characterized as the high-technology, capital-intensive tangible products (Davies & Brady, 2000), such as the radio base stations, including several interconnected and tailored product components (e.g., Hobday, 2000). In the CoPS deliveries, a role of service rather acts as a platform for the engineering product delivery. In the other end of the product service continuum is the service led customer products such as service offerings (e.g., Edvarsson, 1997) in which the core intangible
Establishing Preconditions for Spanning the Boundaries in Public Private IT Megaprojects
www.igi-global.com/article/establishing-preconditions-spanning-boundaries-public/47184?camid=4v1a

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