Chapter III

Project Selection and Initiation

*If everyone is thinking alike, then somebody isn’t thinking.*

(George Patton)

Careful selection of which projects to initiate is vital to the success of an organization. Project initiation represents a future commitment of both human and financial resources as well as of management attention. If a choice is careless or inappropriate, then the consequences may be severe and long lasting. In this chapter, methods for the proper selection and initiation of projects are discussed with regard to overall organizational goals and business justification.

Organizational Planning

Organizational planning and the associated decision processes occur at several levels of the company, including the operational level, the tactical level, and the strategic level. This is illustrated in Figure 3.1. The operational level is concerned with day-to-day activities in operating the business, including running the ongoing projects. The management focus at this level is on efficiency, productivity, and quality; managers make sure that things are done right. The tactical level is concerned with short-term planning (i.e., annually). The management focus at this level is on effectiveness, consistency, and accuracy; here, managers make sure the right things are being done. The strategic level is concerned with long-term planning (i.e., 5 to 10 years), and the focus is on competi-
tiveness and the value of the organization’s service and/or products as perceived by the customers and other stakeholders.

Most of this book is focused on the operational level, which concerns the planning, execution, and control of approved projects, thus addressing the question, “Are we doing our projects right?” Project managers play the leading role in this level of management. Chapter XVI examines the strategic level in regard to IT projects, including overall IT governance issues as they relate to project management, the management of broad issues that span multiple projects, and the adoption of special management structures for projects.

Chapter III, however, focuses on the tactical level of an organization and addresses the question, “Are we doing the right projects?” For those types of decisions, although project managers should be involved, business analysts and upper IT management play

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**Figure 3.1. Organizational management levels**

**Figure 3.2. Book content vs. organizational levels**

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