

# From the front end of projects to the back end of operations

## Paper Review



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# Outline

# Key Words

- **“Front end” and “Back end” :**
  - Project phase and operations phase.
- **Value Creation.**
- **IM - Integration Mechanism.**

# Introduction

- Alternative way of managing projects.
- Nowadays projects:
  - Constructing facilities;
  - Long-term objectives/outcomes.
- **Main idea:** creating value during all project stages:
  - From project phase to and during operations phase.
- Projects as a **multi-organizational system**.
- Research case: The **Big Apple** shopping center.

# Motivation

- Little is yet known about these practices.
- Understanding how a multi-organizational system is able to constantly creating value.
- Study new project management approach.

# Objectives

- Derivation of integration mechanisms.
- Creation of propositions to apply in project management.
- Derive a new project management approach.

# Value Creation and System Lifecycle

- Project Management adds **value** by achieving the outcome desired by stakeholders.
- A system Lifecycle involves two major phases: the **project phase** and the **operations phase**.
- These two phases are responsible for establishing an **operational networked organization**, in between.

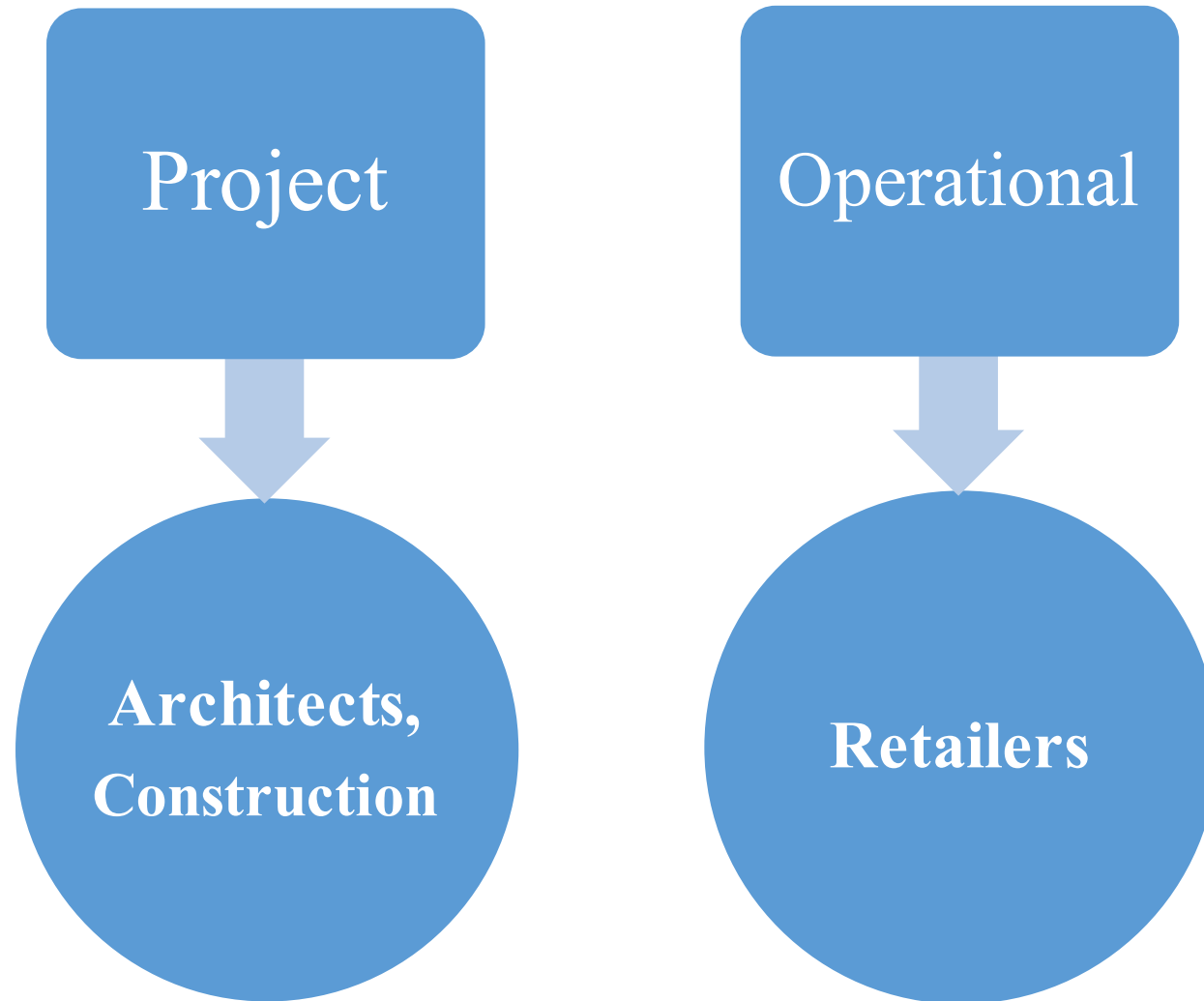
# Temporal Integration

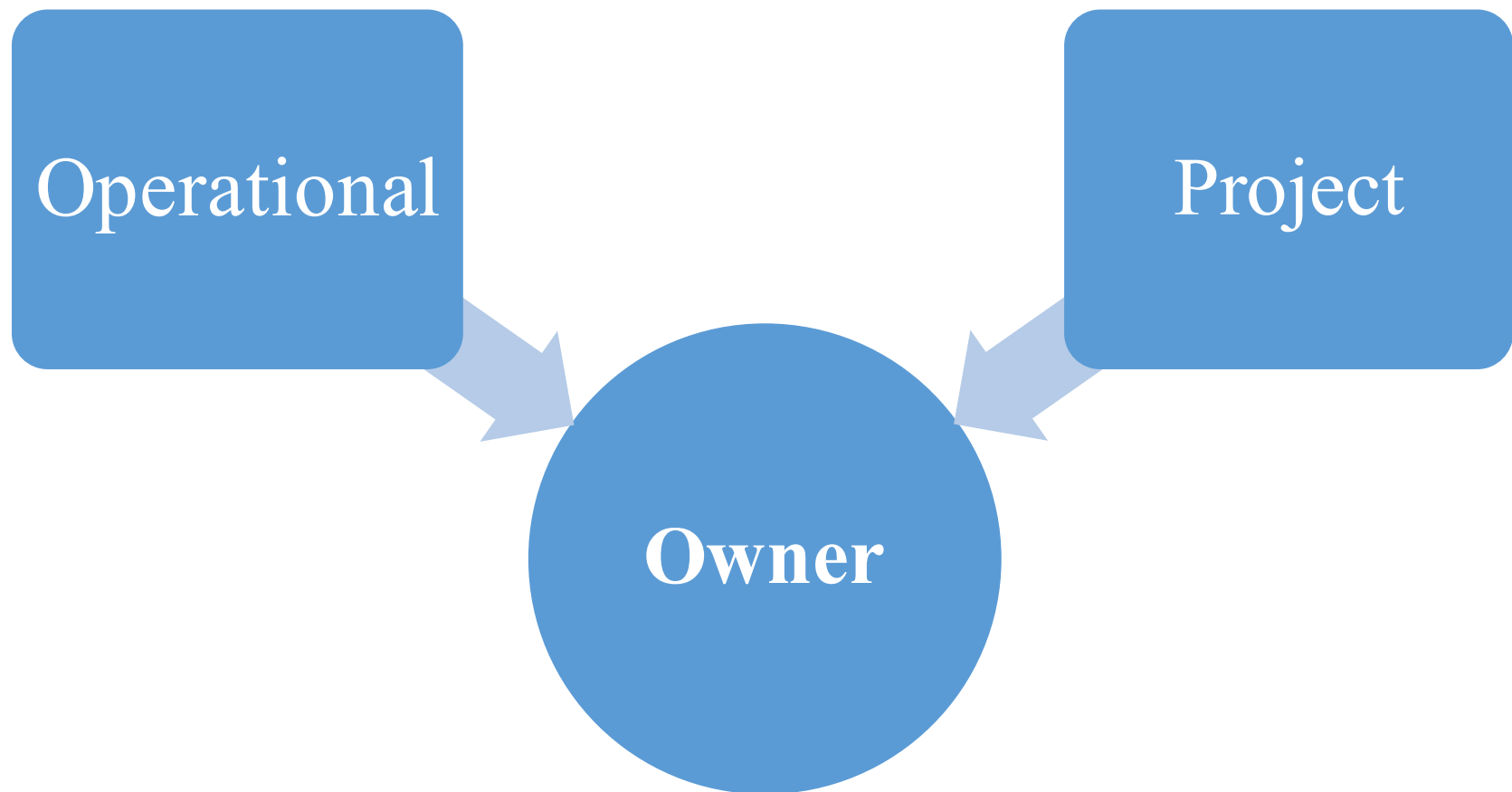
- Mutual **adjustments** and **interactions** are required due to the system complexity and dynamism throughout time.
- Morris (1983) states that integration through planning **is not** necessarily **effective**.
- Creating complex multi-organizational systems between **multiple** organizations in the two phases is the only **effective** way of value creation in the future.



# Research Framework and Central Concepts

- **No earlier** research in this specific subject.
- Goal is to help form arrangements.
- Analysis of **value creating mechanisms** existing in the operational phase.
- **Paper findings:**
  - Going further than just building facilities.





# Why?



Creation of value  
for customers

Profitable growth  
as individual and  
whole

# Research Methods and Data (1)

- Objective:
  - Analyze **Integration Mechanisms** among multiple organization within the **Big Apple**.
- Interviewed:
  - 12 **senior members** from 10 **organizations**;
    - Store Managers
    - CEOs → Development Directors
  - All recommended by each other in terms of knowledge and practices on **value enhancing** activities.

# Research Methods and Data (2)

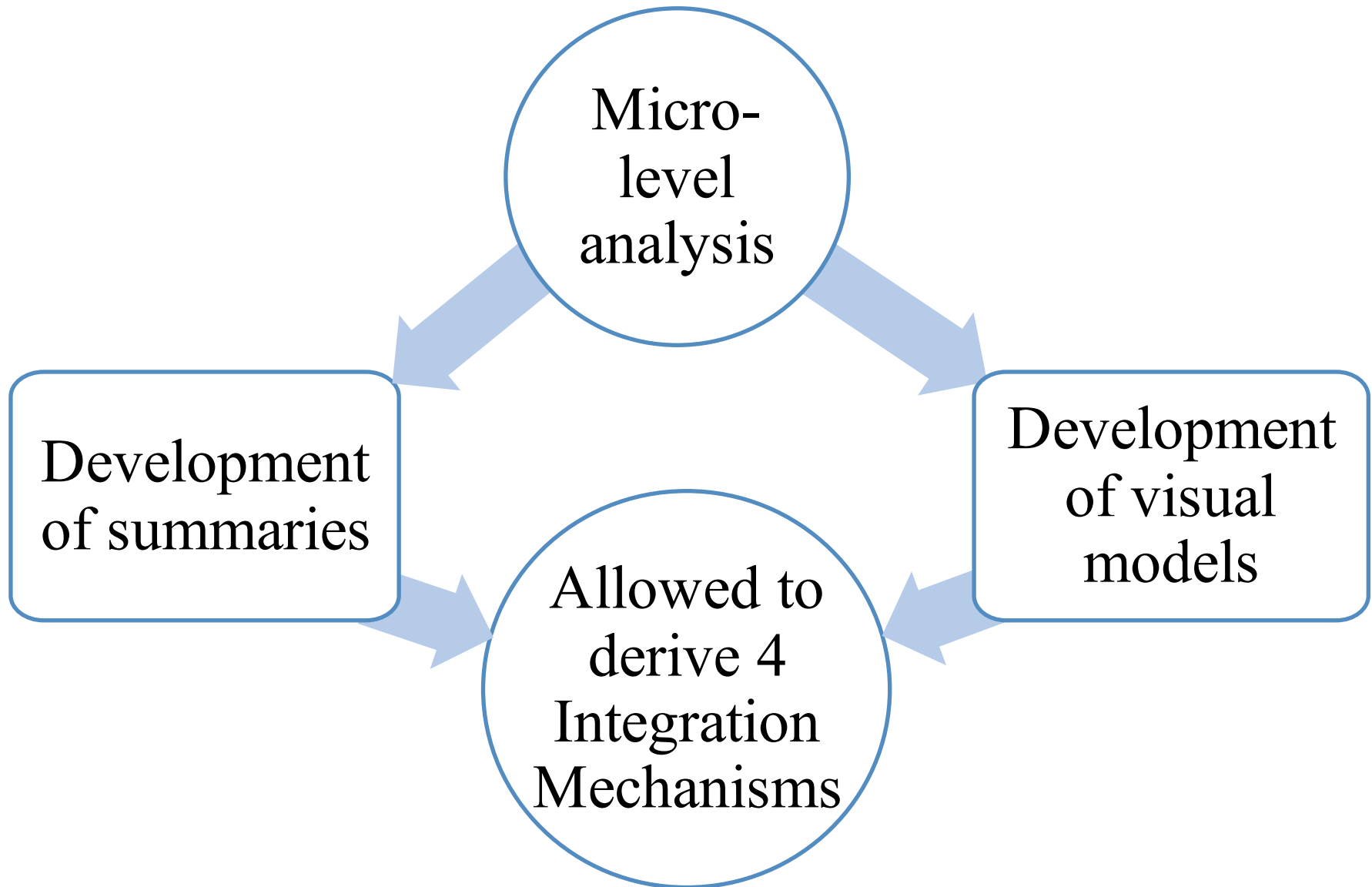
- Interview focus:
  - Practices that connect the activity of multiple organizations;
  - Significant events where multiple organizations have been involved;

 Joint Marketing Campaigns

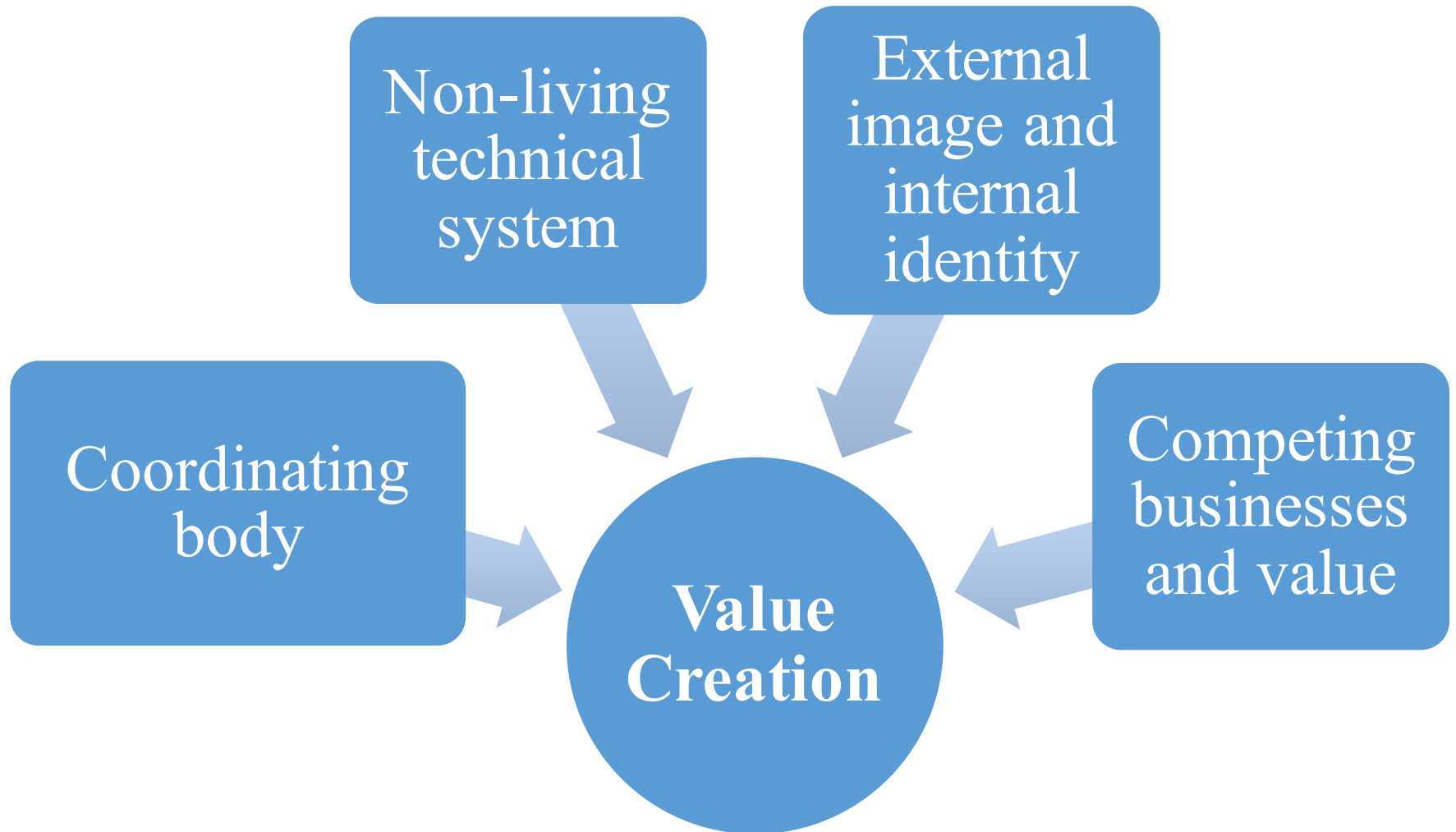
 Meetings

- Analyzing documents, archived data and newspapers articles about these practices and their results

# Research Methods and Data (3)



# Development of IMs





# Coordinating Body (1)

- There must be a **coordination** of activities.
- Coordinating bodies in **Big Apple**:
  - Citycon - Owner;
  - Linnunrata – Advertising agency;
  - Shopkeeper association.

# Coordinating Body (2)

- Owner:
  - Actors selection;
  - Long-term **value creation**;
  - Imposed long opening hours.
- Shopkeeper association:
  - Informal joint activities:

*“Change for the better began in 2004. Actually, there was an obvious date when this all began — the date of the shopkeeper association's joint excursion. (...)”*
- Linnunrata
  - “Monday-morning coffee”

# Coordinating Body (3)

- Integration Mechanism 1:  
*“A **coordinating body** that integrates activities in commercial operations by multiple organizations is an **essential** element for joint **value creation** within the entire system.”*
- Proposition 1:  
*“Establishing several **coordinating bodies** in a project enhances **value creation** in that project by developing a **coordinated** network of organizations that can transform into a smoothly-functioning multi-organizational system in the **operations phase**.”*

# External Image and Internal Identity (1)

- **Joint activities** to design a brand image and marketing strategies in **collaboration** with an advertisement agency throughout the **operations** phase.
- Board members fostered a feeling of pride for Big Apple being **superior** to other Shopping centers and promoted to other **stakeholders** the idea of their **customers** being the best.

# External Image and Internal Identity (2)

- Integration Mechanism 2:

*“Activities aimed at creating an **external image** of a system for increased business value in the operations phase **reinforce internal identity** building and thereby **further internal integration** among multiple organizations over the system **lifecycle**.”*

# External Image and Internal Identity (3)

- Proposition 2:

*“Involving **multiple organizations** from different phases of the system lifecycle in **external image** building activities early in a project contributes to **increased integrative value-enhancing** activities and identity building within that project, and also **connects organizations** in the **project** and **operations** phases through a shared brand image and identity.”*

# Non-living technical system and living organizational system (1)

- Observations indicated:
  - A **multi-organizational** setting is a living business organism;
  - It is required to **adapt** the technical systems to different business needs.
- Analysis shows that:
  - Business actors and public service providers are active in launching initiatives based on their own business visions;
  - It is essential in the **project** phase, the creation of different scenarios for use of the technical system to select the appropriate forms of flexibility-

# Non-living technical system and living organizational system (2)

- Integration Mechanism 3:

*“Even though the manner in which they are interrelated is **complex**, **integration** between the living organizational and non-living technical system dimensions is **beneficial**: in the **operations** phase, continuous change in multiple organizations and their businesses require **adjustments**, **refurbishment** and the **expansion** of technical systems, and technical systems which feature inbuilt flexibility offer higher use value to the system of multiple organizations in the **operations** phase.”*



# Non-living technical system and living organizational system (3)

- Proposition 3:

*“Creating long-term scenarios involving possible future developments in the **multi-organizational** business system of the **operations** phase and the careful selection of an appropriate strategy for incorporating **flexibility** into the design of the capital element and its technical systems are likely to **increase** the system's use **value**. ”*

# Competing Businesses and Value (1)

- Multiple similar stores with differentiated brands.
- Collaborative activities.
- Diverse choice for customers.

# Competing Businesses and Value (2)

- Integration Mechanism 4:

*“Individual organizations competing within a **multi-organizational** system **increase** value for both the **final customer** and the **system** as a **whole** because as a single integrated system, the competing organizations working together represent a **broad**er overall offering to final customers than would be the case with similar organizations in a non-competitive setting.”*

# Competing Businesses and Value (3)

- Proposition 4:

*“Starting in the **project** phase, **value creation** over the lifetime of a multi-organizational system can be **enhanced** by involving a **combination** of business organizations with operations that include **internally-competing** offerings and brands.”*

# Discussion (1)

- This detailed level of analysis is new to research on the theme of long-term **value creation** in projects;
- New project management approaches aimed at creating an appropriately-designed **organizational system**;

## Discussion (2)

- Proposition 1:

Multiple **coordinating** bodies be involved at an early stage complements previous research.

- Proposition 2:

Concerns **external image** and **internal identity** building activities and is based on the **observation** that joint activities aimed at external image building serve as **integration mechanisms**.

## Discussion (3)

- Proposition 3:

Is based on the observation that s **continuously changing** organizational system in the **operations** phase of a shopping center raises continuing demands for changes in the center's **technical** system;

- Proposition 4:

Establishes that an optimal mix of organizations with **competing** and **complementary** offering can be selected at an early stage in the project phase.

# Discussion (4)

- Future Research:
  - *With this we open up two avenues for further research:*
    - *The System lifecycle*
    - *Multi-organizational system*
- *The system lifecycle can be examined from the viewpoint of a more general concept of 'time'.*
- *Multi-organizational systems should be viewed more broadly as 'multiple stakeholders'.*



# Our View

- Statistical sample – One Shopping center.
- Beginning of the project – Should have started sooner.
- No precise measure for success.
- Lack of statistical information.
- Based on 12 interviews.
- Mentioning results in the Prior literature chapter.