

Validating Projects, Programmes and Strategies

Validating Strategies'¹ can:

- *determine which projects, programmes and strategies are 'Validated' and should be retained*
- *determine which projects, programmes and strategies cannot be 'Validated' and should be modified or terminated*
- *guide performance management and the realisation of benefits*

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Validating Projects, Programmes and Strategies

Why?

Projects, programmes and strategies should:

- develop, validate and undertake strategic actions which have worthwhile impacts
- manage performance to enable or realise outcomes/Benefits

This paper describes the process for *Validating* projects, programmes and strategies.

The *Validating Strategies* process can:

- objectively and simply guide the *Validation* of projects, programmes and strategies at all organisational levels
- guide and enable the joining-up of the all strategic actions across multiple agencies, organisations and topics
- underpin performance management and Benefits Realisation

Three questions must be answered to *Validate* each project, programme or strategy:

1. “Is it logical?” i.e. what needs to be done to make a project, programme or strategy successful?
 - *Action: define the **SubStrategy(ies)***
2. “Will it actually work?” i.e. what evidence do we have that each project, programme or strategy will genuinely lead to the desired outcomes/Benefits?
 - *Action: justify the SubStrategy with cause-and-effect **Evidence***
3. “Is it worth it?” i.e. will the value of the Benefits exceed all the costs
 - *Action: assess the SubStrategy’s net **Value***

This 3 step process is called “*Validating Strategies*”.

Each of the above questions must be answered convincingly before it is possible to take the subsequent step. For example it is not possible to determine the value of the impact of a strategic action until there is compelling evidence that the Results of that action will in fact be Used to generate that impact (Benefit).

Each of the above steps is easier than the subsequent steps. It is easier to write a SubStrategy than find compelling Evidencing that a SubStrategy will actually work, which in turn is easier than determining a SubStrategy’s net value.

This means that the easiest *Validating Strategies* steps can quickly guide the improvement or elimination of those projects/programmes/strategies which fail each step.

Projects/Programmes/Strategies eliminated in each step do not need to be processed through the subsequent, more challenging *Validating Strategies* steps.

This paper describes how to do this effectively and efficiently.

How?

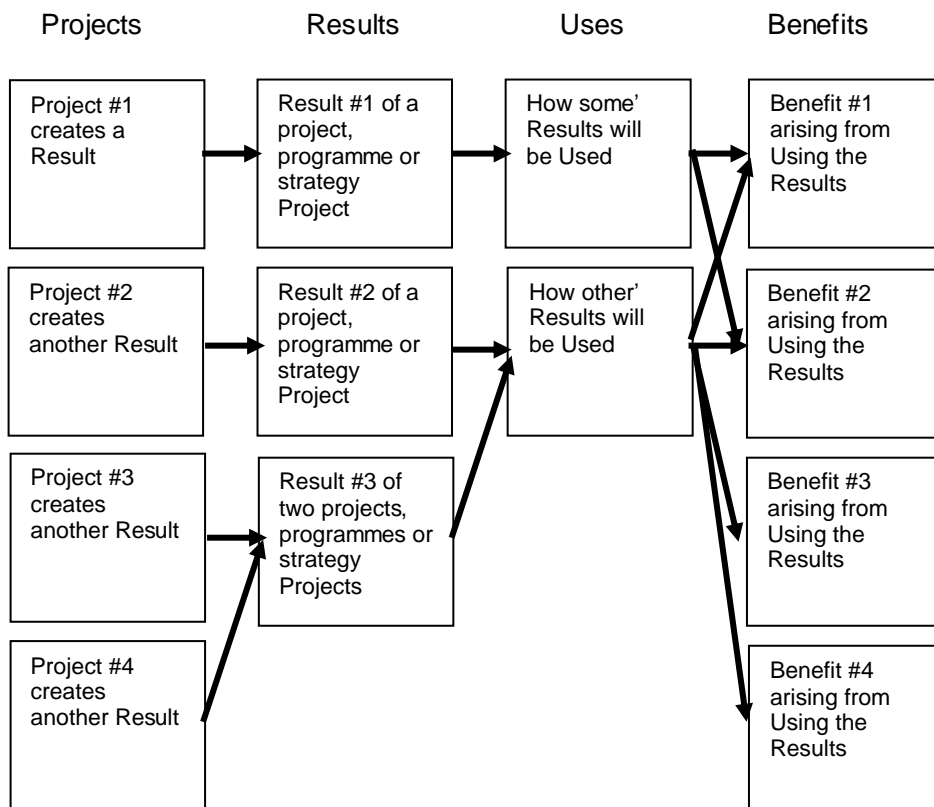
1. Define the SubStrategy

The first step in *Validating* a project, programme or strategy is to define it rigorously using the following general sequence:

*These **P**rojects will produce these **R**esults which communities/citizens/customers/others will **U**se to create these **B**enefits*

This logical sequence is PRUB. PRUB simply and precisely describes the real world. (see www.openstrategies.com for details of the OpenStrategies' PRUB-based system for strategy development, *Validation*, implementation and benefits realisation)

To Validate each project, programme or strategy it must be described as a SubStrategy which contains all the Linked Projects, Results and Uses which are both *necessary and sufficient to generate the desired Benefits*.



There are no short cuts. **Successful** Projects *must* produce Results (products, services and infrastructure) which *must* be Used in ways which *must* produce worthwhile Benefits.

Any break in this sequence immediately invalidates a project, programme or strategy strategy.

A SubStrategy defines and Links all the *necessary and sufficient* things that need to happen if a project, programme or strategy action is to effectively and efficiently have an impact.

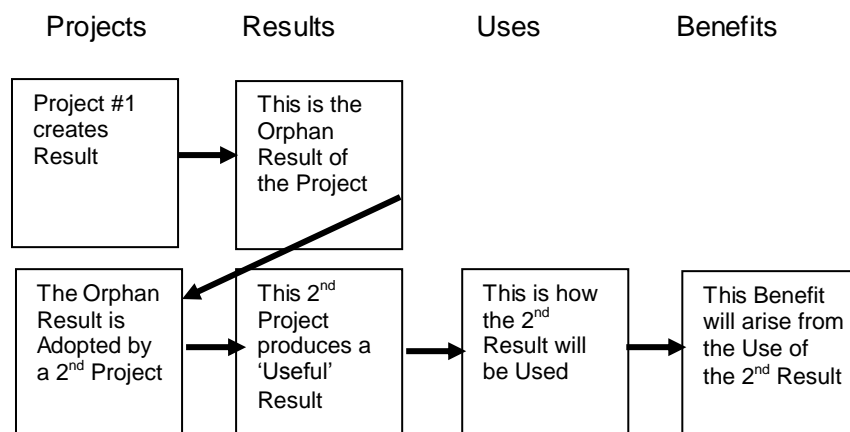
If it is impossible to define a logical SubStrategy to represent the project, programme or strategy, then *do not continue with it*.
Improve it or eliminate it

Note, however, that Projects often produce Results *which cannot be directly Used by communities*. Such Results are known as ‘Orphan Results’.

There are two types of Orphan Results:

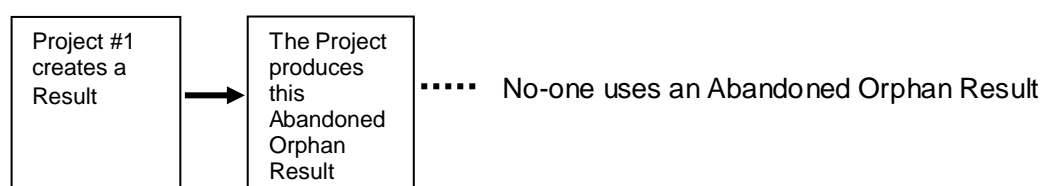
1. Adopted Orphan Results
2. Abandoned Orphan Results

Adopted Orphan Results: If an Orphan Result is Adopted by another Project run by another organisation or elsewhere in the same organisation, we say that the Orphan Result has been ‘Adopted’ – it is an ‘Adopted Orphan Result’.



Both Projects above have been successfully Linked into a logical SubStrategy so they can proceed to the next step in the *Validating Strategies* process.

Abandoned Orphan Results: If an Orphan Result is not ‘Adopted’ by another organisation, then we call it an ‘Abandoned Orphan Result’.



The above Result has been neither Used nor Adopted – it is an Abandoned Orphan Result.

It is estimated that 15-40% of public sector Projects produce Abandoned Orphan Results.

If a Project is going to produce an Abandoned Orphan Result, *do not continue with the Project.*
Improve it or eliminate it.

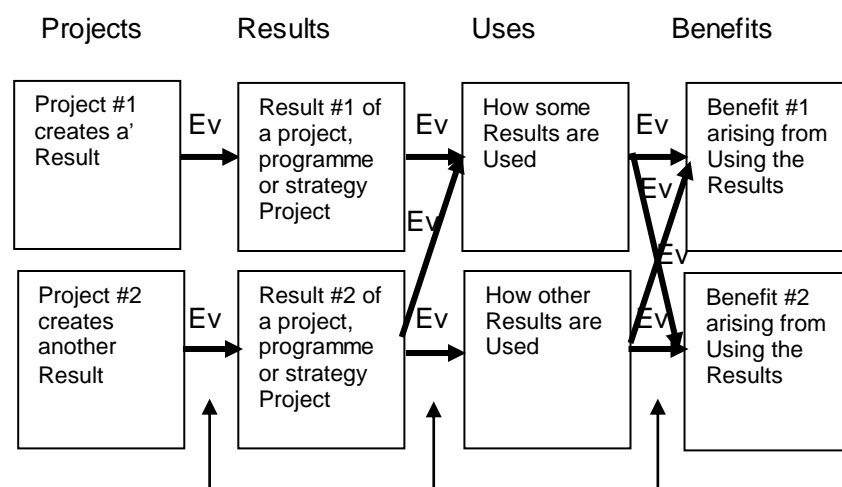
A SubStrategy in which all the Results are either Used or Adopted is still not enough to *Validate* a project, programme or strategy because at this stage it is merely a theoretical map of possibilities.

We still need to know if it will actually happen at a level which is worthwhile. This leads us to steps 2 and 3 of *Validating Strategies*.

2. Justify the SubStrategy with cause-and-effect Evidence

Every Link in a SubStrategy must be Evidence-based to demonstrate that the Results will actually be used by communities/citizens/customers and will lead to the desired Benefits.

This Evidence is precisely located in the Links in the SubStrategy diagram of each piece of projects, programme or strategy.



Convincing Evidence *must* be found for each of these Links to provide confidence that:

- each Project will definitely produce the desired Results
- the Result will definitely be Used
- the Use of each Result will definitely lead to the desired Benefits

Some Evidence is easier to find than other Evidence. For example, it is usually straightforward to find Evidence that a Project will lead to a Result.

It is usually more difficult (yet crucial) to determine objectively and quantitatively if Results will actually be Used, to what extent, and whether these Uses will genuinely lead to the desired Benefits.

Experience shows that *the most useful Validation Evidence is the Evidence which confirms that Results will actually be Used.*

If such Evidence is lacking, *do not continue with the project, programme or strategy.*
Improve or eliminate it.

Even when a project, programme or strategic action has been successfully mapped into a SubStrategy and fully Evidenced (steps 1-2 in *Validating Strategies*), this is still not enough to Validate it.

We still need to know “is it worth it?” This is determined in step 3 of *Validating Strategies*.

3. Assess the Value of each SubStrategy

We now need to know if the net value of the Benefits exceeds the net costs of creating those values. Specifically:

“does the value of the Benefits exceed the sum of the costs of the Projects plus the costs of the Uses?”

Determining the value of Benefits is often very challenging. This fact alone is a powerful reason why, *before attempting to determine the net value of a project, programme or strategy, it is easier and better to first conduct steps 1-2 above to eliminate:*

1. *all those projects and programmes which cannot be succinctly described in a logical SubStrategy*
2. *all SubStrategies which cannot be effectively Evidenced*

It is precisely because Benefit valuations are so challenging that steps 1-2 above are so powerful for rapidly assessing projects, programmes and strategies. However, end-users generally have a pretty clear idea of the Value of the Benefits they gain when they use Results, so intimate engagement with end-Users is crucial for designing and *Validating* projects, programmes and strategies.

Having eliminated projects, programmes and strategies which fail the first 2 steps, we now have a smaller set of strategic options to ‘Value’ and hence to completely *Validate*. Non-*Validated* projects, programmes and strategies can also be refined so that they can be *Validated* and the *Validating Strategies* process identifies exactly where they need to be refined by identifying gaps in the SubStrategy/Evidence.

Importantly, the first step (defining the projects, programmes and strategies as SubStrategies) identifies exactly *which costs* will be incurred to achieve *which Benefits*.

Frequently the Users’ costs exceed the Project’s costs so they *must* be included in the value calculations.

There are hundreds if not thousands of articles, papers and books on determining the value of outcomes/Benefits and this current paper will not attempt to describe them. A keen reader is invited to start here:

http://en.wikipedia.org/wiki/Predicted_outcome_value_theory

Crucially, the net value of a project, programme or strategy SubStrategy must take into account all 3 factors:

1. the cumulative value of all of the Benefits
2. the cost of all the Projects
3. the cost to Users of using all the Results to achieve the Benefits

and then determine whether the value of the Benefits outweighs the *sum* of the Project costs and the Use costs.

Mathematically, is $\Sigma V_B > \Sigma C_P + \Sigma C_U$?

where ΣV_B = Sum of the Values of the Benefits (economic, social, environmental and cultural)

ΣC_P = Sum of the Costs of the Projects

ΣC_U = Sum of the Costs of the Uses

Summary: Validating projects, programmes and strategies

Validating Strategies asks three questions and recommends three actions to *Validate* projects, programmes or strategies:

1. “Is it logical?” i.e. what needs to be done to make each project, programme or strategy successful?
 - *Action: define the **SubStrategy***
2. “Will it actually work?” i.e. what evidence do we have that each project, programme or strategy will genuinely lead to the desired outcomes/Benefits?
 - *Action: justify the SubStrategy with **cause-and-effect Evidence***
3. “Is it worth it?” i.e. will the value of the Benefits exceed all the costs
 - *Action: assess the SubStrategy’s net **Value***

The first two steps simply and succinctly describe, and where appropriate, retain or eliminate projects and programmes *without having to speculate on the actual values of the Benefits to arise from each SubStrategy*.

The third step uses the SubStrategy from step 1 to *precisely identify those costs and values which must feed into the value assessment* to complete the service *Validation* process.

- All 3 *Validating Strategies* steps are essential to justify continuing with a project, programme or strategy.
- There are no short-cuts from Projects to Results to Uses to Benefits.
- You can proceed with confidence when a project, programme or strategy has been *Validated* using the *Validating Strategies* process.

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