

# Introduction

To summarize what kinds of activities organizations (all of them) carry out, we could simply say: *processes* and *projects*. In some organizations, such as consumer goods manufacturers, banks, and energy suppliers, the process component is predominant; in others, such as construction companies, software development companies, and consultancy firms, the project component is more relevant. However, it is unthinkable to identify organizations that do not carry out *both* types of activities.

Processes and projects can be seen either as being at odds with each other or as having strong similarities. To emphasize differences, we can mention that processes are carried out *repetitively*, so they do not have an “expiration date”; they are designed to last. While when speaking about projects, being temporary endeavors are often cited as projects have a start and an end date. In addition, it is often mentioned that projects are unique since each project is different from others.

To emphasize similarities, we can mention three elements:

- The first stems from the definition of process itself, which is a set of interrelated activities, carried out within the company, that create value by transforming resources (process *input*) into a final product (process *output*) with added value, intended for a person inside or outside the company (*customer*). Moreover, the process is aimed at achieving a business *objective*. As you can see, the definition can also be applied to projects: They too, in fact, transform inputs into outputs, have customers, and should reach a goal.
- The second stems from an almost philosophical question: Why do projects exist? The answer is very simple: In the vast majority of

cases, projects exist because of the need to create new processes or to improve existing processes. Take the development of a new information system or the construction of a new industrial machinery: These are undoubtedly projects, but once completed, they will be used for process activities.

- The third consideration arises from questioning a “romantic” view of projects, in which the element of uniqueness is strongly emphasized to the point of extreme assertion that each project must be managed in a completely customized way. In reality, many organizations run very similar projects, where the traits of repetitiveness outweigh the traits of uniqueness. Consider a firm specialized in residential constructions: While each house may have different characteristics, the structural calculations, working methods, and materials to be used are well known, unless there are very specific client requests. It is thus a matter of combining the different inputs and then following very consolidated work processes. In essence, even projects can consist of processes, and the more projects are similar, the more project processes can be standardized.

The commonalities between processes and projects do not always make it easy to clearly distinguish them. In practice, all things being equal, some organizations prefer to treat some processes as projects and, conversely, some projects as processes. For example, for some retail giants, opening a new store is considered a process, as it is now so familiar with this project and its procedural aspects that it no longer generates uncertainty; conversely, for a newly formed firm, opening its first store could be an extremely complex project.

Regardless of whether or not you are looking for similarities between processes and projects, it is clear that companies are now carrying out more projects than in the past. Causes are well known: Increased competition and changing consumer tastes have led to shortening the product/service life cycles and increasing the product variety. Studies report that, in different sectors, the variety of products has doubled in the last 15 years, whereas their life cycle has shortened by 25%.

To summarize, knowing how to properly manage projects is critical because:

- Organizations are doing more and more projects.

- Given the shorter product/service life cycles, there is less and less time to benefit from the investments; therefore, mistakes made during the project are less likely to be financially recovered.
- There are no signals that the trend is reversing; on the contrary, product/service life cycles will probably become even shorter in the future, and the variety of products will grow even further.

We can thus conclude that knowing how to manage projects is and will increasingly be an element of survival or competitive advantage for organizations.