How to Achieve Organizational Goals by Strategic Project Management

Dejan Petrović, Marko Mihić, Vladimir Obradović
Faculty of Organizational Sciences, Jove Ilića 154, 11000 Belgrade, Serbia
e-mail: dejanp@fon.bg.ac.yu; mihicm@fon.rs; obradovicv@fon.rs

Abstract

The paper considers specificities of linking strategic management and project management. Project portfolio management, program management and project management are shown separately. Project portfolio management has aim to implement company strategy successfully through realization of different programs and projects on efficient and effective way. It comprises processes of selection, priority definition and resource allocation for implementation of business strategy. Project and program management are shown through new concept – strategic project/program management, and at the end of the paper, measurement of strategic project success is considered.

Key words: *strategic portfolio management, strategic project management, project strategy, project success*

1. Introduction

The relevant research has shown (The Standish Group Reports) that a large number of organizations do not achieve the set goals in the execution of their projects, among them, the completion of the project in the predicted time period, within the budget and the agreed quality; on the other hand, a more serious problem seems that many of them fail to achieve business goals, while it is a commonplace that the desired results fail to be achieved in either group. The majority of organizations strive to improve the execution of their projects in a traditional way, e.g., through the employees' education, the work process improvement, introducing software support, etc. The focus upon these elements only results in a limitation as to how much the effectiveness and the efficiency of the project execution can be improved, especially from the aspect of the organization's achieving its goals. In order that a higher competitive advantage be achieved, the real improvements have to be closely linked to the strategic aspect of project management.

The development of the project management concept is today directed to the strategic aspects, hence project management now is approached in a way different from that in the past. This new attitude is related to the understanding of project management as part of the company's strategic activities (Williams & Parr, 2004). The relation between the project and the strategic managements is a logic one, however, the dilemmas and problems as to how they should be related are still present. This calls for a development of appropriate guides on the methods in which the organizations can harmonize the projects with strategies, as well as make the project managers and the project teams responsible not only for bringing a project to an end, but for ensuring that the project should achieve the organizational objectives for the purpose of which it was started.

2. Strategic management and project management

Generally, strategy is defined as a means to achieve individual or organizational goals (Grant, 2007). In this definition, means is defined as a plan or policy determining concrete actions. Ansoff (2007) finds that, regardless of the complexity of the managerial problem, it is possible to identify a number of strategic variables that will determine the solution to this problem. According to him, strategy means a set of decision rules as well as guide to achieve organizational goals in the future (Ansoff, 1987). On the other hand, Porter (1996) maintains that the essence of the strategy is a clever selection of varied sets of activities that will ensure a unique combination of values for the organization. In other words, the basis of the strategy is a difference in comparison to the competitors. Chandler (1962) defines strategy as a process of determining the long-term goals of the company, defining the direction of activities and allocating resources necessary in achieving these goals. The definition is supported by Grant's (1991) attitude that strategy is the choice the organization makes between the resources and competence on one hand and opportunities and differences in the environment, on the other.

Globalization, the technological development and the geopolitical changes in this century call for the change in the organization's strategic orientation as well. Growth in profits, as one of the basic goals, is being exchanged for the growth in value for the shareholders, for the respect for the business ethics and for the establishment of the socially responsible business (Smith, 2003). The turbulent and unpredictable development of technology has also had an impact upon a fierce competition in certain markets, such as e-trade, where the winner captures the entire or a major share of the market (e.g. eBay in the Internet auctions).

In answer to these challenges it is necessary that such

a management system in the organization be defined that will pool the needs for change in the form of a different number and size of projects and programs to be realized as well as the strategy these projects are comprised in. By applying the concept of the project-oriented organization as a frame for such a management system, if it is supported by an appropriate organization, team work and project culture, it is possible to achieve a substantial improvement in the business results.

According to Loo (1996), project management is a new management approach since the projects:

- are focused upon results,
- require efficient leadership,
- are a meeting point of different stakeholders in the company,
- serve as a synergy factor uniting multidisciplinary teams towards a defined goal, with definite time and resource limitations,
- are the basis for individual development within the team,
- serve as a team membership enhancing factor.

On the other hand, in their detailed research on PM processes, technologies and skills that in which they explored over 3,500 articles, journals and reports, Kloppenborg and Opfer (2002) defined the following trends related to the project management evolution:

- standardization of processes and tools,
- broader use of Web-based technologies for corporate communication and collaboration,
- implementation of generally accepted PM practices and methodologies,
- clear „outsourcing" in the execution of the projects of the largest companies,
- larger share in the non-profit sector projects,
- evolution of project manager's role into a leader's role,
- adjusting the project scope to the demands of business and measurable benefits,
- increasing importance of project selection and prioritization,
- stress on formal PM trainings and accreditation,
- increasing focus upon risk management, communications management and stakeholder management, especially in the planning phase.

Webster (1999) states that in the conditions of temporary organizational structures and an ever present scarcity of resources, today's organizations recognize project management as a method to achieve an adequate system flexibility and the desired business results. This attitude is supported by Hebert (2002), who views project management as a flexible, efficient and strategic management system to achieve planned results in the traditional management structures. Similarly, he maintains that the present role of project managers is primarily strategic (50%), then managerial (40%) and in the least technical (10%). These views are shared by Cicmil (1997), who thinks that project managers should reposition the role of project management from the medium and operative management discipline into a business philosophy whose task is to support strategic organizational change in the company.

Project management is therefore no longer viewed as an approach to planning and monitoring a project, but rather as a way to achieve the company's strategic goals in a new business environment. This means implementation of modern PM disciplines that stress the strategic aspect of project management. The company in which project management is pronounced to be strategically important is defined as project-oriented company.

The project-oriented company can be defined as a business entity that conducts its activities on the principle of the project organization of work, implementing contemporary achievements of project management, i.e., using program management or project management (Mihić & Petrović, 2004). The organization and processes executed by the project-oriented company (POC) are characterized by a complex structure, by the dynamics reflected in constant changes in the number and size of the programs and projects, by flexibility, as well as by a large number of permanently or temporarily employed participants.

The basic features of the project-oriented organization may be listed as follows (Gareis, 2003):

- takes project management as its strategy;
- uses temporary organization to perform complex processes and activities;
- has a separate permanent organization that functions as integrator;
- manages a project portfolio consisting of different types of projects;
- implements a new management paradigm;
- is characterized a specific project culture;
- considers itself as project-oriented.

The boundaries and contents of a project-oriented company are changing in character (Gareis, 2003). This is reflected, on one hand, in constant changes in the number and size of projects, in the engagement of temporary or permanent resources and in the use of virtual teams for the tasks of coordination and management. On the other hand, relations are established with various strategic partners, so that the projects and programs are realized in the conditions of different social environments to which the company has to adapt. In order to adequately respond to challenge that takes on the character of project-oriented enterprise, it is necessary that a unique identity of the company be defined, however, it should be flexible enough not to endanger the company's dynamic character.

When analyzing the project-oriented organization strategy, we must by all means take into consideration the Hamel and Prahalad's (1989) research, in which they challenge the conventional approach to adjusting the company's capacity to the demands of the environment. According to the research, less successful companies try to realize their strategic intentions within the resources available. They support the attitude that the strategic balance and sustainable competitive advantage are achieved by implementing one of the available generic strategies. Such an approach results in repetition and imitation. On the other hand, the most successful companies focus upon using key competences in a new and innovative way, in order to achieve the goals that at first sight seem unattainable. The resources are used in a creative way,

different demands are put to the environment, while the company continually improves key competences and undertakes organizational change. It is these features that make the strategic basis of the project-oriented company. Its key project management competences are functional in the realization of strategic intentions.

Creating the project portfolio, which is the first step towards taking action is considered to be a most important element of the project-oriented organization strategy. The aim of linking the strategy to the project portfolio is to bring into accord the project and the priorities with the defined strategy and strategic priorities (Killen, Hunt, & Kleinschmidt, 2008). This is primarily important in adjusting the portfolio size to the company's capacity and presenting the projects in the portfolio as key events in the process of achieving a desired future state.

In the context of the project-oriented company, the project portfolio is viewed as a set of projects a company executes in a given period of time (Jovanović, Mihić, & Petrović, 2007). To this group belong research projects, development projects, work processes improvement projects, IT projects, cost reduction projects, product and services improvement projects, projects for ordering parties, etc.

The portfolio management is critical for the success of the project-oriented company. It covers areas such as project selection, project prioritization, resources allocation and the company's business strategy implementation. Thus it has to answer the following questions (Cooper, Edgett, & Kleinschmidt, 1998):

- Which projects should be realized?
- How should projects be most efficiently organized as regards achieving desired goals?
- Which is the right relationship between projects?
- Which project mix can give best results?
- Which projects are of highest priority?
- How should resources be distributed among different projects?

The project portfolio forming process is necessary in order that the right projects should have a chance to be realized (Mikkola, 2001). The company must first identify the possibilities, estimate its organizational adjustment, analyze costs, benefits and risk, and finally, develop and select the portfolio. Every company must undergo this process if it seeks to create an appropriate project mix. The methods and techniques used may differ according to the maturity of the company, project types and the experience in forming the project mix. The project portfolio management is an important factor of a long-term strategic success of project-oriented companies.

3. The relationship between the strategic and the project managements in the organization

The relationship between the strategic and the project managements can be presented by way of a management pyramid (Figure 1.) that is especially present in the project oriented organizations. Looking from the top down,

the top of the pyramid provides for the directions of an aggregate project and program management – the strategic management. It is on this level that the organization defines the comprehensive bases of its existence and business activities. Here the vision, the mission, the principles, the organizational goals and the strategic plan are defined. Through strategic planning the company and the individual business units define their path of action and identify the key objectives to be achieved. The strategic direction of a company is a basis for the selection of projects, such as the research projects, the new products and services development, the information technologies implementation projects, the business operations improvement projects, etc.

Figure 1: The relationship between the strategic and the project managements in the organization (Williams & Parr, 2004; modified)

The strategic portfolio management allows for the translation of organizational strategic goals into the programs and projects. On defining the strategic direction, it is necessary that the programs and the projects be selected and that the resources be allocated. The project and program selection includes the identification of opportunities, the estimate of organizational fitting, the cost analysis, the risk and benefit analysis, the portfolio forming and selection. The success of the project portfolio depends on the organizational readiness and support in the strategic portfolio management.

The majority of portfolio decisions are burdened by a time horizon, by a serious uncertainty and by a large number of variables that affect any program and any project. The most commonly used tools in the development of the business model to predict the potential value of the project are the impact diagram, the sensitivity analysis or the decision tree. A well defined decision process is the basis for developing an effective portfolio strategy. Defining a quality decision to be implemented in, e.g., research and development, where the result will not be fully known in years, is no easy task.

On passing the portfolio selection processes each program and project is appointed an appropriate significance in relation to the organization as well as in relation to other programs and projects. The problem in the portfolio management, however, arises when the projects selected do not show a clear connection or a

relation with the company's strategy. Generally, all the projects to be executed should be in accord with the strategy and philosophy of the organizational work and business activities. It is often that certain projects that are under way in the organization are not subjected to the portfolio selection process, but represent a group of projects that are realized independently of the portfolio, but still consume the limited resources of the company.

The project linking should be operationalized at the strategic management level. The links on this level, although rather complicated sometimes, are the key to a successful multiproject management in the organization. Each new project in the domain of processes, products or services should be interlinked with the previous programs and projects, or the programs and projects that are currently under way. Regardless of the extent to which the projects are autonomous as regards one another, on the company level they are not independent. Their interrelation is evident in the disposal of the limited organizational resources, to the mutual aims, to the activities such as supplies that are generally carried out for a number of projects. The projects that are conducted independently of the project portfolios are generally smaller projects with daily planning and priority identification. They are started as a response to certain urgent organizational needs, the reason being most commonly in relation to a certain risk and its consequences or to taking a certain opportunity.

The program and project management occupy the lowest levels. In the modern perception of the project oriented organization, we are dealing with strategic program management and strategic project management. The strategic program and project management are defined on the basis of the realization, by the stages and the activities related to the multiproject management in the organization.

All the elements of the pyramid must be synchronized towards a successful implementation of a multiproject management in the organization. The organization has to establish an unbiased mechanism in monitoring the programs and projects: measurement of returns on investments of an individual project/program, measuring a number of projects/programs within a project portfolio and a continual adjusting to the overall objectives of the organization. It is of great importance that there is a prior agreement as to an unbiased priority identifying. It is only after the company has defined its overall objectives and the project investment strategy that an optimal group of projects or a project mix can be created for the implementation of the company's strategy and achievement of organizational goals.

The strategic portfolio management, the strategic program management and strategic project management are shown to represent different levels of management in an organization. These forms of management vary in size and in the contents of management; however, they make a whole of the multiproject management in the organization. The program architecture comprises the establishment of mechanisms which serve to provide the program and project teams with a support throughout the procedures, methods and techniques necessary for them to be efficient in work. The change architecture focuses upon the human factor the change brings. It can be defined as a process of change strategy creation and implementation.

4. Strategic project management

The previous research that connected the strategic management and the program/project management was directed towards the elaboration of portfolio management. The research comprised the aspects of portfolio management such as the project selection, priority identification, harmonizing the projects within the portfolio, adjusting the project to the project strategy, strategic resource management and improving the strategic management of the functional areas and projects of the organization (Cooper, Edgett and Kleinschmidt, 1998; Dinsmore, 1999; Dye and Pennypacker, 1999; Petrović, 2003). The latest research, however, relates to adjusting the strategy on the project and the program levels of activities and creating an integrated adapted approach of program and project management to a business strategy (Cleland, 1999; Morris and Jamison, 2004; Shenhar, Milošević, Dvir and Thamhain, 2007).

The strategic project management is a new approach in project management, focused upon creating competitive advantage for the organization in the project execution. This approach is especially relevant for strategic projects initiated in order to create the company's future, all kinds of research and development projects among them. However, it is not related to this group of projects only.

The organizations of today can no longer leave the strategy in the care of the top managers, and leave the operational realization to be carried out by project managers. The projects will increasingly have to be managed as strategic activities. To realize these changes, the project managers and the project teams must have a formal planning and execution framework in accordance with the strategic approach. Table 1 presents the difference between the classic project management and the strategic project management.

Table 1: Project management and strategic project management (Shenhar, Milošević, Dvir, & Thamhain, 2007, modified)

	Project management	Strategic project management
Basic Paradigm	Projects are a collection of activities that need to be executed on time, budget, and requirements	Projects are strategic organizational processes that are initiated to achieve business goals
Focus	Efficiency	Effectiveness and efficiency
Perspective	Operational	Strategic and operational
Manager's Role	Getting the job done – on time, within budget, according to specifications	Getting the business results Winning in the market place
Project Management style	One size fits all	Adjustment approach
Project definition	Project scope, what needs to be done?	Product, competitive advantage, strategy, scope

	Project management	Strategic project management
Planning	Activities, schedule, budget	End results, success dimensions, activities
Project Reviews	Progress, status, milestones, budget	Customer needs, strategy, success dimensions, status
Human Side	Teams, conflict resolution	Meaning, motivation

5. Project strategy

The basic organizational goal is the added value creation for its stakeholders. The most important stakeholders are its owners, then people who work in the organization, and finally the clients and the customers who purchase the goods or the services from a certain organization. A successful organization creates value for each of the groups. The value creation for each of the groups of stakeholders is also a means of value creation for other groups that find their interest in the business operations.

The strategy is the basic guide of the overall value creation that is central to the organizational existence. The most important function of the strategy as part of the planned process is to develop a collective mind and transfer knowledge to managers that will be responsible for the strategy implementation. The project managers have to introduce the strategic project management in order to reproduce the strategic process within their projects and ensure that the project results be in accord with the strategy. The business strategy should provide for the key orientation of the project and is a foundation for the decision making in the course of the program and project realization.

The understanding of strategy as a management process and the role of the project manager in the process is related to the understanding of the difference between the business strategy or a strategic direction/path and the strategy that is executed or the obligatory strategy. The defined strategy means the attitude of the top management as to what an organization should do and what it will be doing. The strategy that is being executed is the one the organization really implements. They differ in that the middle level managers and the project managers have to translate the defined strategy into action. In this way certain elements are lost, however, others are gained in the process itself. There is always a gap between a defined strategy and the strategy that is executed, however, when the strategy process functions well, both strategies will help the company follow a consistent and successful path.

Bringing the strategic management and the project management into accord is a two-way process, where the adopted organizational business strategy affects the selection, preparation and execution of the project. On the other hand, the project execution has a feedback impact upon the organizational strategy. Every project may have its own specific strategy and that is the strategy that is being implemented. The project strategy is the method in which the project is planned to achieve the set objectives and business results.

The project strategy should have the following defined elements (Shenhar, et al., 2007, modified):

- Business perspective/background – The business perspective defines the reasons and the motivation for the project realization. Here, it is necessary that the product/service users, their needs and demands be defined, as well as the method the project to solve them.
- Objective – Here, it is necessary that the end goal of the project be defined, that is, the business goal and the long-term benefit to be achieved by the project completion.
- Product/service definition – The product/service definition comprises the description of the product or the service, their functional or technical characteristics, implementation and application costs, reliability, maintenance, compatibility, etc.
- Competitive advantage/value – The reasons are described as to why one will be willing to pay for the product or the service, why the product/service is superior to the alternative products/services, etc. On the other hand, it is necessary that the value be defined from the part of the organization – the long-term benefits the organization will enjoy and the way the product/service adapt to the long-term strategic objectives.
- Success and failure criteria – The criteria on the basis of which the project will be assessed should be defined, but the project limitations and the main anticipated risks, too.
- Project definition – This section defines what is necessary to be done on the project, but also what should not be done. The project type may also be defined according to certain characteristics (novelty, complexity, technology, uncertainty), which in turn defines the approach to project management. The project definition includes the appointing of the project team and the project manager that will execute the project, the execution time horizon and the necessary resources.
- Strategic focus – This is the last section defined in the project strategy, nevertheless, it is its main part. It defines the manner in which the project is planned to achieve the set goals and achieve business results. The strategic focus will include the guide that will highlight to the project participants the activities and the approach by which the desired objective will be made a reality. The strategic focus comprises such elements as the position to be attained by the project execution, the guide to behavior and decision making, the work policy and the development of the processes that will lead to the planned results.

6. The project strategic success measurement

The project strategic success measurement is one step above the classic project success measurement. On the basis of the research conducted by Shenhar, Dvir, Levy and Maltz (2001) four dimensions of project success are proposed:

- Project efficiency – According to the authors of the research, this is a short-term value that measures the project efficiency as regards the time, budged and the project requirements. The results for this dimension of the project are readily obtainable, the measuring and getting the result being possible at any moment along the project execution. Although success in this project dimension may give good results and show that the project is well conducted and that the work on the project was efficient, this does not mean that the project will yield good long-term results and bring benefits for the organization.
- Benefit to the customer – The second dimension of the project success is related to the customer. This dimension stresses the customer's requirements and the manner in which their set demand is met. It also measures the customer satisfaction with the product or service through the customer's readiness to return for some other project or some future services.
- Benefit for the organization – The benefit for the organization that carried out the project is reflected through the profit, through the amount of sales realized or services given, through the market share and through similar business results. The benefits for the organization can, however, vary as regards the type of the project carried out. In case of internal projects, such as improvement of the organization or of the work process, the benefit can be reflected in the shortening of working hours, in the improved quality of procedures or other direct benefits. In addition to the direct benefits, it is necessary that the indirect benefits for the organization should be measured. These are not easy to measure, however, they may be very important, therefore they should not be neglected.
- Preparing the future – The fourth dimension refers to measuring the project contribution to the arrangements for the organizations and technology infrastructure for the future. Here we measure the development of new markets, ideas, innovation, products, services, skills, technologies, the attained organizational flexibility, that is, anything that can bring competitive advantage in the future.

The results of the first dimension of the project success can be obtained during the project execution or immediately upon the completion of the project. The second dimension gives results in a short-time period after the results of the project are delivered to the customers and a short time during which the product is used (e.g., a number of months from the moment the product is first used). The third dimension can most commonly be measured after a period of time when the service is given or the product is sold has elapsed (e.g., one to two years), while the fourth dimension of the project strategic success is possible to measure only upon a longer period of time (e.g., upon two or five years).

7. Conclusion

Although the majority of project managers and project teams recognize the importance of the relation between the harmonization of the organizational strategy and achieving organizational goals, these elements are, unfortunately, taken into consideration only at the beginning, while later, in the course of the project execution, the focus in on the operative approach. It is for this reason that a strategic harmonization of the project should be carried out, and this can be achieved by implementing the hierarchal form of management, including the management levels such as strategic management, strategic portfolio management, strategic program management and strategic project management. A new concept in this hierarchal framework is the strategic program and project management, where the stress is on its strategic focus. In accordance with the strategic framework of project management the method of measuring the project success is defined. This is no longer one-dimensional, but comprises several dimensions of project success that have to be taken into consideration.

The prevailing way of thinking in project execution focuses mainly upon the operational aspect as well as upon achieving efficiency in the project realization. The project success is typically regarded through such categories as the completion of the project in the defined time, within the projected budget and the project requirements. This is how the project managers take their job, so they do not think they should be engaged in dealing with the project effectiveness, nor with achieving business results. On the other hand, however, the truth is that projects are started for the very purpose of achieving certain business results. The most important objective in the project execution is, from the point of view of the organization, to achieve business results. Therefore, both the project manager and the project management in general have to focus upon this and try to find the ways to ensure that the business results of the organization are achieved.

References

Cleland, D., (1999): "Project Management – Strategic Design and Implementation", McGraw-Hill, New York

Cooper, R. G., Edgett, S.J., Kleinschmidt, E.J., (1998): "Best Practices for Managing R&D Portfolios", Research Technology Management. 41(4), 20-33.

Dinsmore, P. C., (1999): "Winning in Business with Enterprise Project Management", Amacom, USA.

Dye, L. D., Pennypacker, J. S., (1999): "An Introduction to Project Portfolio Management", Project Portfolio Management, Center for business Practices, USA.

Morris, P. W. G ., Jamieson, H. A., (2004): "Translating corporate strategy into project strategy", Project Management Institute, Newtown Square, PA, USA.

Petrović D., (2003): "Concept of multiproject management in the organization", Doctoral thesis, Faculty of Organizational Sciences, University of Belgrade, Belgrade.

Shenhar, J. A., et al., (2007): "Project Strategy: The Missing Link, Linking Project Management to Business Strategy", Project Management Institute, Newtown Square, PA, USA.

Shenhar, J. A., Dvir, D., Levy, O., Maltz, C. A., (2001): "Project Success: A Multidimensional Strategic Concept",

Long Range Planning, Elsevier, Vol. 34, No. 6.

Shenhar, J. A., Milošević, D., Dvir, D., Thamhain, H., (2007): "Linking Project Management to Business Strategy", Project Management Institute, Newtown Square, PA, USA.

The Standish Group Reports, www.standishgroup.com.

Williams, D., Parr, T., (2004): "Enterprise Programme Management – Delivering Value", Palgrave Macmillan, Hampshire.

Ansoff, I., (1987): "Corporate Strategy", Penguin Books, London.

Ansoff, I., (2007): "Strategic Management", Classic edition, Palgrave Macmillan, London.

Chandler, A. D., (1962): "Strategy and Structure", MIT Press, Cambridge, MA, USA.

Cicmil, S. J. K., (1997): "Critical factors of effective project management", The TQM Magazine, 9(6), 390-6.

Gareis, R., (2003): "Competencies in the Project-oriented organization", IPMA World Congress, Moscow, Russia.

Grant, R., (1991): "The Resource-Based Theory of Competitive Advantage: Implications for Strategy Formulation", California Management Review, 33(3), 114-135.

Grant, R., (2007): "Contemporary Strategy Analysis", VI edition, Blackwell Publishing, Oxford.

Hamel, G., & Prahalad, C. K., (1989): "Strategic Intent", Harvard Business Review, 67(3), 63-78.

Hebert, B., (2002): "Tracking Progress", New Zealand Management, 49(1), 24-27.

Jovanović, P., Mihić, M., & Petrović, D., (2007): "Social Implications of Managing Project Stakeholders", In Feng Li (Ed.), Social Implications and Challenges of e-Business (pp. 130-144), Information Science Reference, Hershey, PA, USA.

Killen, C., Hunt, R., & Kleinschmidt. E., (2008): "Project portfolio management for product innovation", International Journal of Quality & Reliability Management, 25(1), 24-38.

Kloppenborg, T., & Opfer, W., (2002): "The current state of project management research: Trends, interpretations and predictions", Project Management Journal, 33(2), 5-18.

Loo, R., (1996): "Training in Project Management a powerful tool for improving individual and team performance", Team Performance Management: An International Journal, 2(3), 6-14.

Mihić, M., Petrović, D., (2004): "Project-oriented managers – results of the new approach to managers' education", In proceedings of International Scientific Days, European Integration: Challenge for Slovakia (pp. 720-725), Slovak Agricultural University, Nitra, Slovakia.

Mikkola, H., (2001): "Portfolio management of R&D projects: implications for innovation management", Technovation, 21(4), 23-35.

Porter M., (1996): "What Is Strategy?", Harvard Business Review, 74(60), 61-78.

Smith C., (2003): "Corporate Social Responsibility: Whether or How?", California Management Review, 45(4), 52-76.

Webster, G., (1999): "Project definition – The missing link", Industrial and Commercial Training, 31(6), 240-244.

Dejan Petrović is an Associate Professor of Management and Chair of the Department of Management and Specialized Management Disciplines at the Faculty of Organizational Sciences, University of Belgrade (Serbia) and visiting professor at several universities in the country and abroad. His research interests include project management, strategic management, project appraisal and change management. He is a general secretary of Serbian Project Management Association, member of Council of Delegates of International Project Management Association and member of editorial board of international journal Management. He has been a consultant for wide variety of public and private organizations and he has published books and articles in refereed journals.

Marko Mihić is an assistant professor at the Faculty of Organizational Sciences, University of Belgrade. He is member of board of Serbian Project Management Association. He received his PhD from University of Belgrade. His current research interests include project management, e-project management, corporate strategy and change management. He has published over 60 papers on various management topics and took part on a few research projects for Ministry of Science, Republic of Serbia. As an expert consultant, he has worked extensively for the Government of Serbia, as well as for several leading national and multinational companies and investors in Serbia.

Vladimir Obradović is a teaching assistant and A.B.D. at University of Belgrade, Faculty of Organizational Sciences. He is member of several international scientific organizations. In YUPMA - Serbian Project Management Association he holds a position of Certification manager and he is also a member of IPMA Award Management Board. Primary research area is focused on project management, strategic management and change management. He has published over 40 papers on various management topics and took part on several research projects. Besides academic work, Vladimir works as a consultant for Government of Serbia, local government, NGOs, and numerous national and international organizations.