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How do Service, Product & Project Relate Together?
by Rania Al-Maghraby
Commentary

How do Service, Product, and Project Relate Together?

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Service, Product, and Project are three of the primitive terms that are well known and familiar. But there are some subtle relationships among them that require some attention when it comes to management.

Lifecycle Relationships:

Products move through product development stages, each of which could be a standalone project by itself. A complete project lifecycle may occur in one or more stages of a product lifecycle, or the project phases may represent the product development lifecycle stages, depending on the project scope in each case and the product development strategy. Product development lifecycle stages can be for example: feasibility study, market research, product design, piloting, build, testing, distribution, and retirement. The project lifecycle stages in its basic form consist of initiation, planning, execution, monitoring & controlling, and closure.

Similar reasoning may apply when the project outcome is a service rather than a product. The service development lifecycle stages can represent phases of a single project, or may each be conducted as a separate project. In the case of multiple successive projects contributing to the delivery of the final outcome (product or service), it can be more efficient to manage these projects collectively as a program.

Product / Service Lifecycle Stages	Feasibility Study	Market Research	Design	Build	…………..

Project Phases	Phase 1 Milestone	Phase 2 Milestone	Phase 3 Milestone	Phase 4 Milestone	…………..

Example 1: Product / Service Development Lifecycle spans a single project.

Product / Service Lifecycle Stages	Feasibility Study	Market Research	Design	Build	…………..

Project Lifecycle Stages	Initiation Planning Execution Monitoring Closure	Initiation Planning Execution Monitoring Closure	Initiation Planning Execution Monitoring Closure	Initiation Planning Execution Monitoring Closure	…………..

Example 2: Product / Service Development Lifecycle spans multiple projects.

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Service Project Management:

In CMMI-SVC v1.3 (CMMI for Services), the development team chose to replace the term "project" by the term "work" when it refers to the activities performed, and by the term "work group" when it refers to the organizational entity, and there is not a project plan, there is instead a "work plan".

They start justifying this replacement by wondering *"Why might there be a difficulty with applying terms like "project planning" or "project management" in some service provider organizations?"* The answer is the difference between the project as a temporary endeavor with a defined start and a planned end, and the nature of services which are usually intended for continuous operation with no planned end.

They didn't need to resolve this confusion of using the term "project" in the other models (CMMI-DEV for development, and CMMI-ACQ for acquisition) because the nature of these fields fit the project definition. The confusion and need for change of terms only arose with the services model. Consequently, common core process areas shared between all models needed to change names in the CMMI-SVC model to replace Project Planning for example by Work Planning process area name, and so on.

This reasoning is true when it comes to service delivery and operation, which don't naturally fit a project management approach. However, the pre-delivery work of design and development is typically fitting a project setup. Thus, service "development", alike product "development", lifecycle stages can span a full project lifecycle if it will be managed as a standalone project, or it can constitute of multiple project lifecycles, covering each of the development stages, and contained in an overall product / service development program.

Product development frameworks and models, and similarly service management frameworks and models, can be mapped and integrated with the project management frameworks and models, in order to gain guidance from the practices described in each model in managing projects delivering services and / or products. (See [3] in references for an example of such mappings.)

The application of this integration of frameworks will require the joint work of separate teams or groups, may be in a cross organizational manner. For example, the PMO staff will need to interact with the IT department staff in managing IT service development projects, or with the production staff in managing product development projects. Each team will follow the management framework relevant to their work discipline, and will apply the interfaces defined in the new integrated mapping of the several management frameworks. (For example, refer to the PMIT[TM] service offered by the OneWayForward Inc., http://www.onewayforward.com/pmit.htm).

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To productize or not to productize, a business glimpse:

Businesses generally follow two main broad models: service-based businesses, and product-based businesses. The service-based business is formed around a set of services to be requested by customers and delivered at the specifications agreed, this kind of business is driven by customer request; a "pull" model. The product-based business invests in product development, and less effort at delivery time to sell ready made products; a "push" model. It's arguable that there is less control over sustainability in the service-based model because if there is no customer requests, there is no "pulled" business activity, as opposed to product readiness and push-ability in diversified markets. Economies can't be built around services only, there must be production. This is a holistic view, otherwise, products are usually accompanied by services, like maintenance services and customer support services.

References:

[1]   The PMBOK Guide 4th edition, PMI, 2008.

[2]   CMMI-SVC v1.3, SEI, 2010.

[3]   "*A Project Management Perspective on ITIL® V3*" by Rania Al-Maghraby, proceedings of the PMI Global Congress 2008 – EMEA (available at http://www.onewayforward.info/publications.htm).

[4]   The OneWayForward Inc. website, http://www.onewayforward.com.

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