

JEAN MONNET CHAIR – UNIVERSITY OF GRANADA

"PM2 by European Commission. Open, free and common project management framework for all European institutions, companies and citizens. – PM2EU+"

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WHITE PAPER

Process vs. Project – Process Management vs Project Management

Sharing the same language and the meaning of terms is essential to ensure that management proposals and experiences can be exchanged with a certain degree of success. Sometimes people talk about processes when they should have to talk about projects.

This white paper aims to clarify the concepts of processes and projects, as well as process management and project management.

A business process is an activity or set of activities that accomplish a specific organizational goal. Business processes should have purposeful goals, be as specific as possible and produce consistent outcomes.

Business process can be classified into three types¹:

- *Operational process.* (to find the operational processes, ask the question, ‘how does, or will, your business generate income?’)
- *Supporting process.* These are the cogs in the engine room. This means they don’t generate income themselves but are there to serve the internal body of staff across the organisation.
- *Management process.* This is where the coordination of the above processes takes place. This involves the planning, monitoring and general oversee. Strong management processes are the key to resilience within a business.

Processes, once implemented and optimised, are synonymous with continuity. When processes are implemented in an organisation, the aim is to write down how activities have to be done, what steps have to be followed and what results are to be expected if everything is done correctly. Processes connect functions within the company and focus on the results or services that are provided.

On the other hand, a project definition could be² “A temporary organisational structure set up to create a unique product or service (output) within certain constraints such as time, cost and

¹ Rosing, Mark von & Scheer, August-Wilhelm. (2015). The Complete Business Process Handbook, Volume1 - Body of Knowledge from Process Modeling to BPM.

² DIGIT – EC (2018) PM² Project Management Methodology. Guide 3.0. Luxembourg, Brussels. ISBN 978-92-79-91829-2. doi: 10.2799/755246

quality". A project's output may be a product (e.g. a new application) or a service (e.g. a consulting service, a conference or a training programme).

Many times, the terms "process management" and "project management" are used interchangeably, but there are important distinctions. Understanding the difference is essential to ensure you take the right steps to achieve your organization goals.

Processes are your company's guide for getting work done, while projects are one-off tasks that enable innovation, changes and new business opportunities (and additional benefits). Both are critical to business success. A well-defined process includes not only indoor responsibilities and task but also all the people that take part of it.

When Universities define their admission process, there are task that must be done by the candidates and it is necessary to define to the potential students when and how they must apply (deadlines, registration form, procedure, etc.). Once the registration form is in our university the flow of docs, tasks and roles must be defined until the rejection or acceptance letter is written and sent to the student. The swim lane chart is a good tool to visualize the process and how it flows (see figure 1)

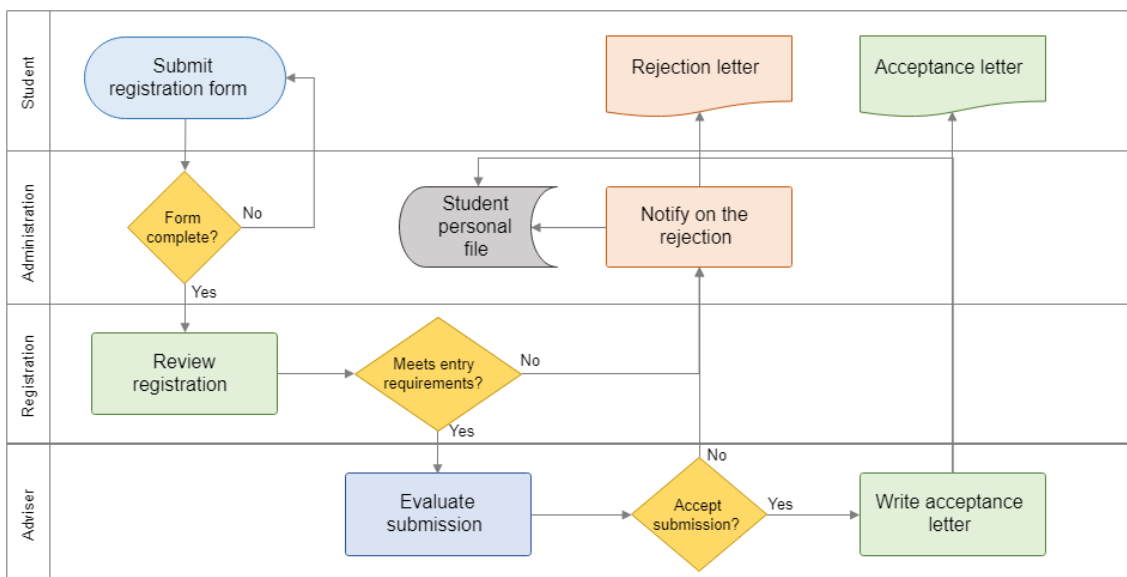


Figure 1: University admission process. Source: <https://www.officetimeline.com/swimlane-diagram>

While projects are designed, among other goals, to create process changes, processes are designed to show the right way for doing things without changes, following written instructions to avoid risks.

Projects should be set up to achieve a defined objective that changes or improves the basic functioning of the business. Unlike processes, which constantly replicate the same tasks, projects aim to create new products, new strategies, and new ways of doing business. Projects begin with a business case which will cover a need or an opportunity. All start with an idea and, when successful, end with a finished product or service.

So, if the goal is to innovate or to change something, there is a lonely possibility: launch a project with specific objective, with deadlines, milestones and resources that will have to fit with a set of quality standards or criteria (one project could be redefine the current process map of the company in order to improve the efficiency).

Once the project is complete, the results could need processes in order to get returns. For example, after designing and building a wastewater treatment plant, it is necessary to run daily processes to achieve quality treated water. In this case, we are talking about industrial processes (tasks that must be repeated many times attending to specific parameter). One year after the plant's start-up, all these processes will continue to be repeated on a day-to-day basis, in the same way as they were conceived or with minor modifications for optimization and improvement.

Because of the process's nature, it is possible, using standardization, to makes workflows more agile, in addition to finding opportunities for process automation and putting them into practice. With automation, it is possible to reduce costs, time, and waste as well as increase productivity, reduce mistakes, and control all the processes of the business in real time. Automation replaces manual activities with automated ones or reuses the software and systems to support numerous other tasks.

Differences between projects and processes are presented in table 1.

Table 1: Differences between projects and processes³

Aspect	Project	Process
Category	one-time	recurring
Deviations	Obligatory	disturbing
Condition of interest	Genesis	Homeostasis
Sequence	discontinuous	continuous
Expiration	cyclic	largely linear
Degree of automation	low	high
Sequence of procedures	Always different (depending on the nature, size, scope, localization, etc.)	always (structurally) the same
Results	always different	always (structurally) thesame

Another important question related to project and process relations is that it is possible to find projects and processes within each other. A project itself is a set of processes. The phases of the

³ Ahrens, Volker. (2018). Complementarity of project and process management. Arbeitspapiere der Nordakademie. ISSN 1860-0360 Nr. 2018-02

project management life cycle follow a series of stages that are required to be completed. Project management methodologies are also proposed processes to success the project. A methodology is a system of practices and rules used to carry out a project.

Project processes allocation is presented in figure 2.

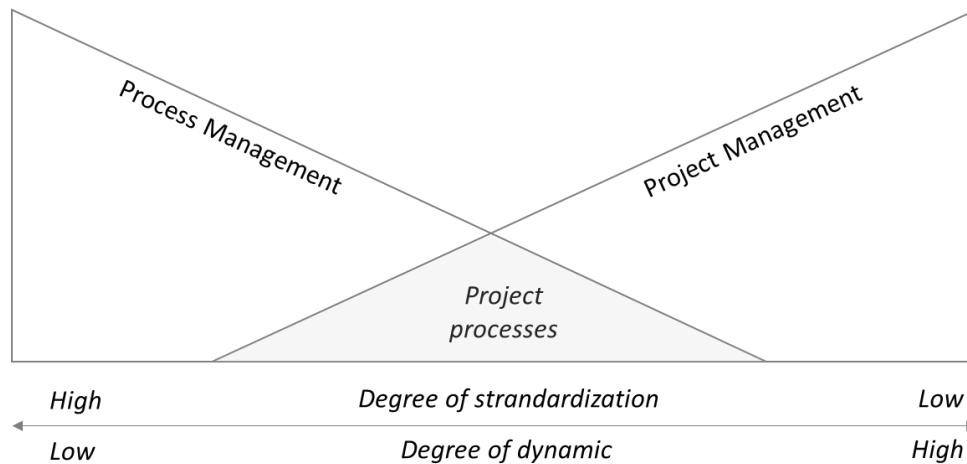


Figure 2: Project processes as a small intersection between process and project management (Source: <https://projektmanagement.wordpress.com/tag/pro-jektprozess>)

There are many project management methodologies in use today. However, in order to illustrate their scope and the number of processes they include, it is interesting to mention the proposal formulated by the Project Management Institute (PMI) in its publication Project Management Body of Knowledge (PMBok), the UK proposal of PProjects IN Controlled Environments (PRINCE2®) or the more recent Project Management Methodology - PM2 formulated by the European Commission. These three methodologies include processes: PMBoK (48), PM² (30) and PRINCE2® (30).

On the other hand, processes may entail projects. For example, an opening of a big branded store, for example Zara, is something that occurs several times, so it is possible that the company has designed a process for doing so. However, setting up a new shop is a building project.

Although process management and project management are distinct sets of responsibilities, they work together to create organisational success. Process management encompasses project management by creating space for improvement, growth and innovation to take place. Organisations that lack defined processes often find that projects become chaotic and ultimately unsuccessful.

As it has stated, Process Management is ongoing, with a constant focus on optimising efficiency and consistency. Project management is time-limited and optimisation occurs after project completion: just after closing any project it will be possible to get outputs, outcomes and benefits (short-term, middle-term and long-term benefits).

Understanding the differences between business process management (BPM) and project management (PM), as well as the relationship between the two functions, ensures that your approach is designed to maximise success. Table 2 summarizes the differences.

Table 2. Project and process management – comparison.⁴

Project management	Process management
General goal	
Activities aimed at execution of a unique goal	Activities aimed at execution of typical processes (repeat- ability)
Time limit	
Activities planned within a limited timescale (project completion)	Activities repeated in many facilities (within various projects)
Learning possibility	
Considerably limited possible of learning from examples (utilization of assessment of results of selected variants)	Possibility of gradual improvement due to similarity of executed processes resulting from the specialization of the organization
Risk management approach	
Assessment of risk management based on functioning of subcontractors in the projects	Risk management based on evaluation of the threats and chances and possibility of application of appropriate tactics in a specific situation

However, a consensus on the use of language is important in order to avoid misunderstandings and, especially, to ensure that experiences and advances in any field of management are clearly transferable among all the community members of business processes managers and project managers.

⁴ Paslawski, Jerzy. (2010). Risk management using flexibility in construction engineering. 10th International Conference Modern Building Materials, Structures and Techniques.