Student Summary Review Questions

1. What is the difference between uncertainty and complexity?

Uncertainty is defined by lack of the information required at the point of taking a decision. Complexity is defined by the number of elements in a system – technical and organizational – and lack of information regarding their future interactions and consequences. It follows that complexity is an important, but not the only, source of uncertainty on a project.

2. Why do the owner and supplier domains differ from the delivery domain?

The owner and supplier domains are populated by permanent organizations, while the delivery domain is populated by temporary organizations. Temporary organizations are determinate (i.e. they have a termination date agreed in advance); permanent organizations are indeterminate (i.e. they have no planned termination date, although they may cease to exist at some point for various reasons)

3. What are the domains of SPO and their interfaces?

The three domains are owner, supplier and delivery; the three interfaces are commercial, governance and resource.

4. Why does dynamic uncertainty reduce through the project lifecycle?

For two interlinked reasons: more information becomes available as the project progresses towards and decision-makers learn.

5. Why leading is at the heart of SPO?

Because it integrates the three domains and combines them in a cohesive whole by providing “common meaning to common purpose” for the project – see chapter 3.

6. What is a cognitive view on understanding threat and opportunity?

It is a perspective that emphasises that threats and opportunities are inherently states of mind rather than states of nature because, to paraphrase Aristotle, there are no facts about the future because it does not exist yet. It follows that there cannot be an objective assessment of the future, only a subjective assessment of the extent to which the future will be like the past.

7. What are the main stages of the project lifecycle?

*Appraise* the investment opportunity; *select* the means of seizing the opportunity; *define* in detail how the opportunity is going to be achieved, and *execute* that definition. While the major spend on the investment project is during execute, all the key decisions that shape that spend are taken with increasing granularity in the earlier stages.