



# Concept Symposium 2018

## Governing Megaprojects – Why, What and How

### Project Value Creation in a Public Setting

How is project value understood and created in a public setting? The issue of value in projects has received increasing attention over the past years, but there is still room for further research in to the process. Looking into the field itself value management and the conceptualizations of value may teach us the importance of putting cost and benefits together. From strategic management projects may borrow the concept of value capture or appropriation.

Combined with literature on Service-Dominant logic, an empirical study of projects in the public sector provides the point of departure for a conceptual model of project value creation. The model is related to activities for managing and creating project value - that is not financial. In this light, value can originate in the project process for the participating individuals and organizations, or it may be the valuation of value propositions that could be beneficial to both existing and new stakeholders. This suggests an instrumental understanding of value, which is applied in value constellations that serve as the “value chain” for projects.



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#### ***The Concept Symposia on Project Governance***

*The Norwegian Ministry of Finance and the Concept Research Program hosts every second year a symposium on project Governance. Project governance, in brief, is concerned about investments and their outcome and long-term effects. In view of the problem at hand, the aim is to ensure that the best conceptual solution is chosen, that resources are used efficiently and anticipated effects realized. Resource persons from ministries, governmental agencies, academia, international organizations, and industry are invited. In order to facilitate professional exchange and direct communication between participants, the number of individuals is restricted. The aim is to initiate further international cooperation and research on important issues related to project governance.*

<https://www.ntnu.edu/concept/concept-symposium>

# PROJECT VALUE CREATION IN A PUBLIC SETTING

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# WHAT IS VALUE?

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**Benefit/ Cost**

The desired

**Subjective, time dependent and ongoing**

**Value in use**

**Value in exchange**

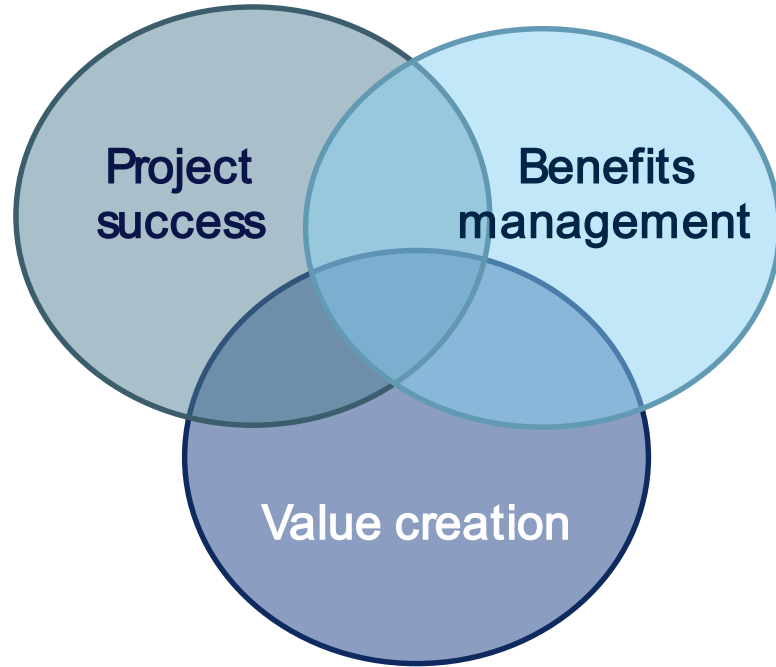
Inherent

Monetary

Individual/ collective

# PROJECT VALUE CREATION LITERATURE

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Increasing volume, but scattered  
Driven by empirical research

(Laursen & Svejvig, 2016)



Value is in the eye of the beholder

Project management success  $\neq$  project success



Value creation + value capture

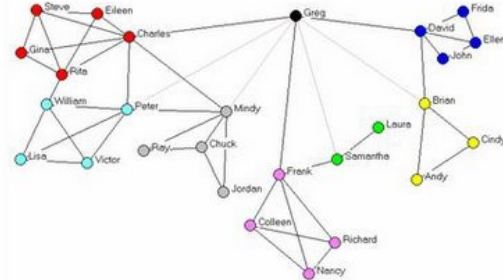
# PROJECT AND PROGRAMME STUDY

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Programme: European Capital of Culture,  
Aarhus 2017



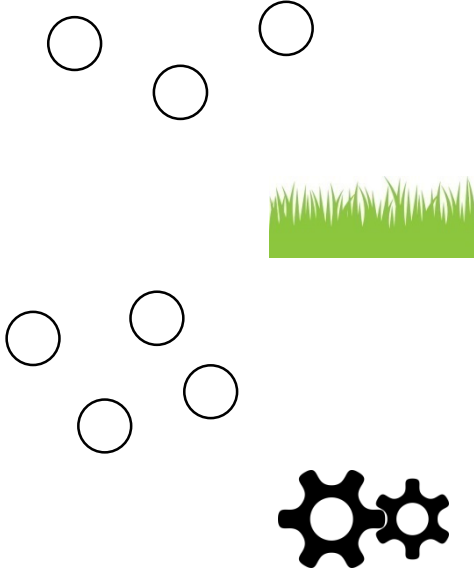
Campus



Biodiversity



# VALUE CREATION ACTIVITIES



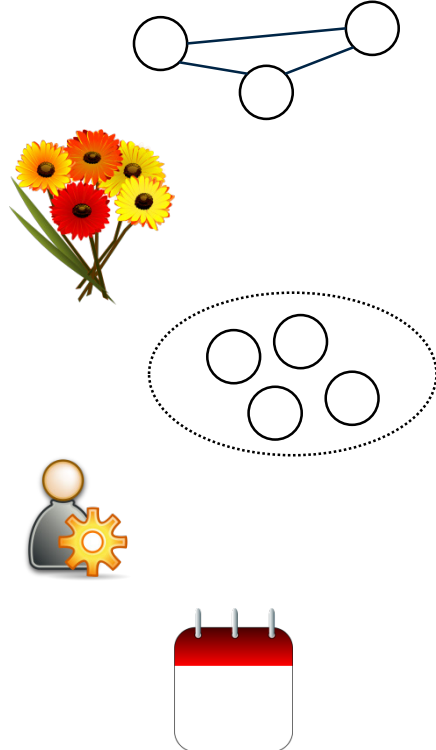
Developing infrastructure

Creating knowledge

Changing minds

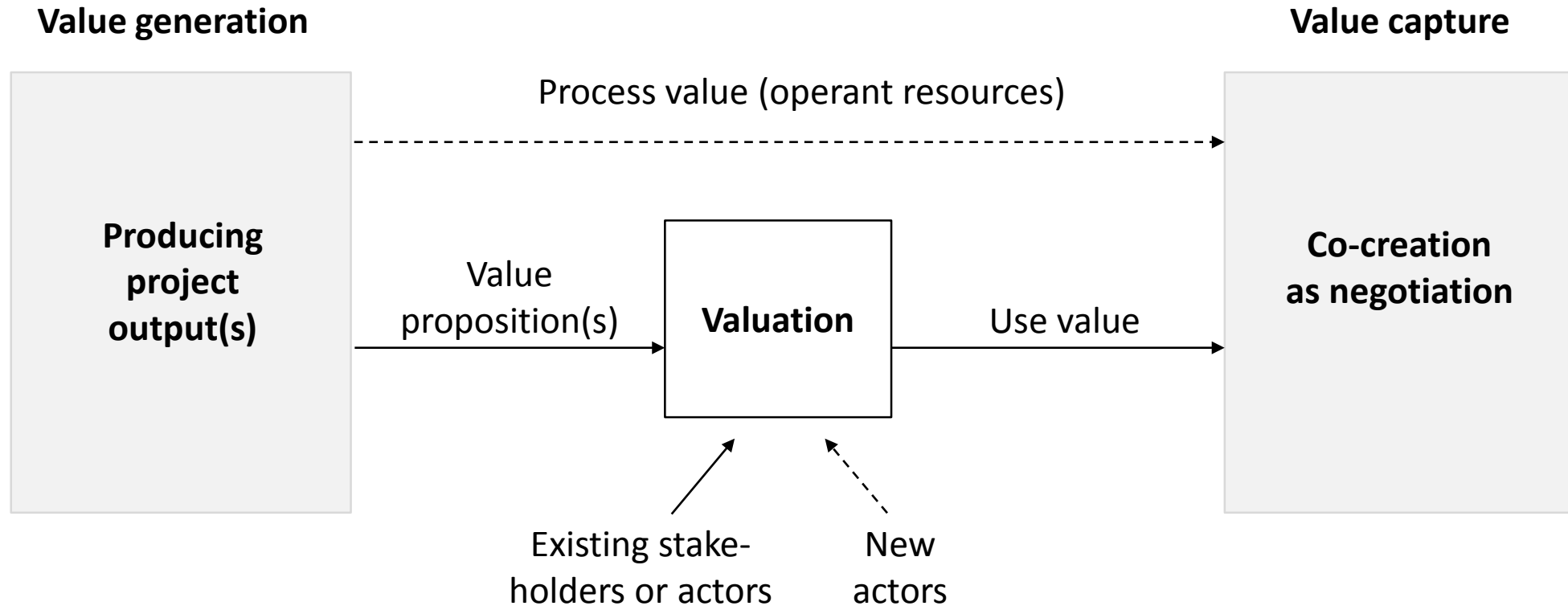
Managing for value capture

'Missed value'



# CREATING VALUE

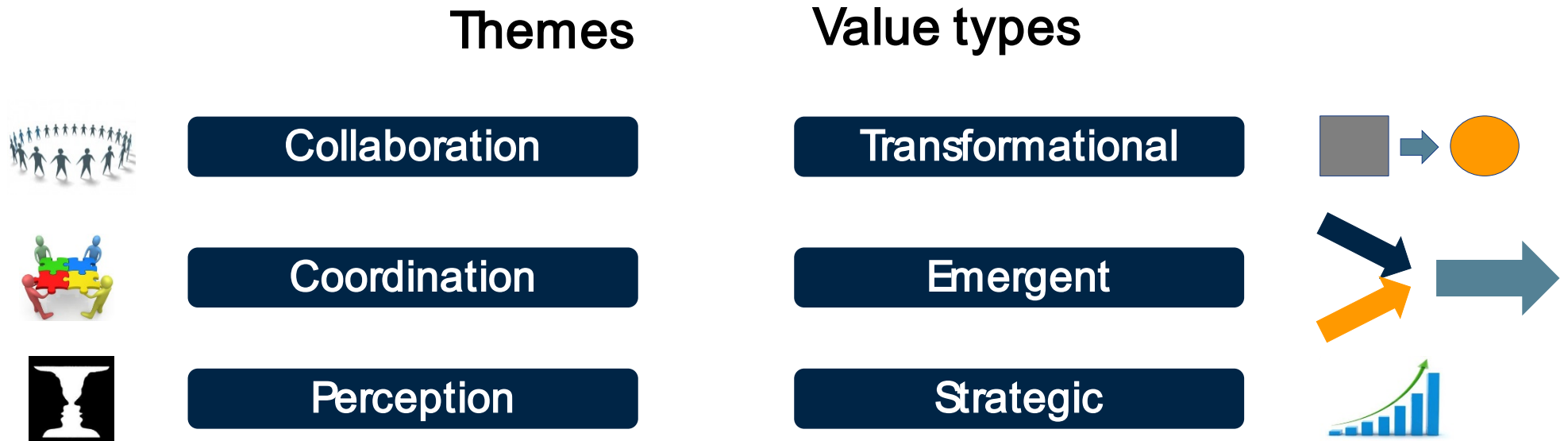
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(Laurson, 2018)

# PROGRAM VALUE CREATION

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# CHALLENGES TO OUR UNDERSTANDING

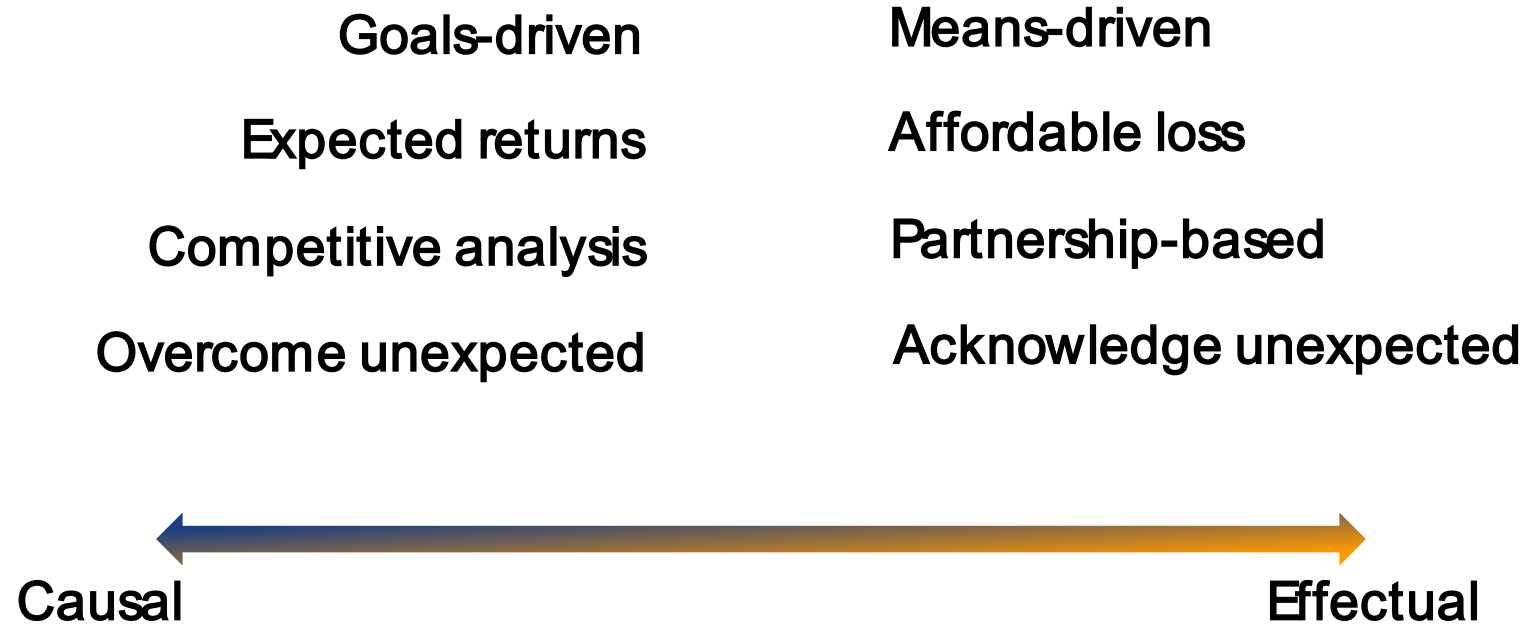
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What characterizes our mental models of projects and programmes?

- Instrumental or inherent value
- Perception – Fake or real?
- Decision making logics

# DECISION-MAKING LOGIC

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(Nguyen, 2015; Sarasvathy, 2001)

# SUMMING UP

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- The value concept is still up for discussion
- Value in process and use. Realizing benefits is a value capture negotiation
- Value in managing collaboration, coordination and perception of value

## **Implications for research**

- Discuss valuation for projects – e.g. inherent and instrumental value
- Explore effectual decision making in projects contexts

## **and practice**

- Use programs to orchestrate projects and increase agility
- Manage for the value capture negotiation



# ADDITIONAL EXAMPLES

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# WHAT IS VALUE IN OTHER CONTEXTS?

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# HOW IS VALUE CREATED AND CAPTURED?

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# REFERENCES

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Laursen, M., Svejvig, P. (2016) Taking Stock of Project Value Creation: A Structured Literature Review with Future Directions for Research and Practice. *International Journal of Project Management*, 34(4), 736-747.

Laursen, M. (2018) Project Networks as Constellations for Value Creation. *Project Management Journal*, 49(2), 56-70.

Nguyen, N. M. (2015). *Effectuation as a decision-making approach in project portfolio management*. Paper presented at the 12th International Conference of the International Research Network on Organizing by Projects, London.

Sarasvathy, S. D. (2001). Causation and Effectuation: Toward a Theoretical Shift From Economic Inevitability to Entrepreneurial Contingency. *Academy of Management Review*, 26(2), 243-263.