

citi bulletin

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news from |citi| – the project professionals

DRIVING



out benefits

It is commonplace that project sponsors are responsible for the benefits. From the hundreds of sponsor briefings and dozens of programme briefs that CITI has conducted we know that few sponsors are comfortable with phrases such as 'sponsors ensure the benefits are realised', or 'sponsors own the business case'.

Sponsors recognise the responsibility, but they rarely have any strategy or even any understanding of appropriate management behaviours to discharge it. It was interesting to hear a senior manager rationalise why their organisation had no benefits tracking mechanisms as 'because it's difficult'. It's not that difficult. If they were measured they could be held accountable – would that be difficult?

For clarity, let's distinguish between project

by **Christopher Worsley**

CEO: CITI Group

outputs (what a project produces) and project outcomes (what makes a project valuable). The project manager is clearly responsible for managing the risks to the delivery of the outputs – the cost risks. Who then, is responsible for managing the risks to the delivery of the outcomes – the benefit risks?

In the same way that project management disciplines have moved decisively in the past 15 years into risk planning for project plans, it is now time to expect project sponsors to deliver benefit realisation plans, complete with benefit risk management actions.

We have found it very useful to implement a tough regime when developing a benefits case. The most important step is to reduce

the number of benefit types to precisely seven: cost avoidance, additional revenue, new revenue, strategic alignment, competitive advantage, competitive response, and management information. All other changes wrought by the project or programme are classed as 'impacts'. The benefits realisation plan is then a matter of showing how the impacts are to be managed, i.e. converted into a valued benefit.

Reducing staff numbers following the introduction of a new process is not a benefit – staff reduction is not one of the benefit categories, it is just an impact. Should, however, the plan show how these individuals will leave the payroll – now we have a benefit: cost avoidance; or they are transferred to a role that generates income – now we have a benefit: new or additional revenue. Simple!

For more information on running a senior management sponsor seminar in your organisation please contact our business development team on 01908 283600.

change starts here
www.citi.co.uk

|citi| the project professionals



Database: Dr Thomas Docker, CITI Director with Lynn Crawford, Senior Lecturer Project Research Unit, University of Technology, Sydney.

Research collaboration puts CITI at the top

CITI has long recognised the need for individual and organisational assessment to ensure an effective project management community is created.

For the last 10 years, CITI has provided project and project management profiling services and tools to our clients.

We use one of the most extensively researched benchmark project competence assessments, structured project role plays, project clinics, portfolio analysis tools and project audits – based on our extensive studies into what makes project managers successful.

A crucial part of any professional body is its ability to renew its base of knowledge. CITI and the Project Management Research Unit at the University of Technology, Sydney, Australia, have initiated the Project Management Research Group.

Significant

Both CITI and the Project Management Research Unit have a significant research base in projects, particularly relating to individual and organisational competencies.

It is expected that the research group will grow to incorporate six of the leading research groups in the world, representing each of the main continents.

The collaboration will provide the largest and most comprehensive project database available anywhere.

The sectors covered will include construction, engineering, defence, public services, financial services, insurance, telecommunications, consultancy and education.

PROJECT

When Norwich Union wanted to set up a web

LOOKING to create a completely new, internet-based business from scratch – **norwichunion.com** – leading financial services company Norwich Union employed the project management expertise of CITI to help it deliver a market-leading online wealth management service.

'norwichunion.com' has been designed for people who want to take a more active role in managing their finances online. As this was the first time Norwich Union had built a primarily web-based business, it was essential to find business partners who could provide the highest quality service.

CITI had an established business relationship with Norwich Union, supplying project management resource to its in-house

norwichunion.com

project management team.

Working alongside permanent norwichunion.com staff were over 200 contractors supplying web design, IT infrastructure and proposition development skills. It was therefore essential that this was all co-ordinated to ensure an effective delivery.

Steve Wade was the CITI manager who oversaw the delivery of the programme to launch. In all, there were 15 complex and interdependent projects that contributed to the successful introduction of the live norwichunion.com website.

He said: "There were a number of challenges and sources of risk to be faced, as you would expect from such an ambitious project.

"The highly integrated nature of the proposition, the diversity of organisations involved, the market-leading technology being developed and the stretching timescales



Understand to acquire

Bob Buttrick, Cable & Wireless (pictured left), shares his experience of the lessons learnt through the Cable & Wireless merger.

In addition to growth of their core business, many companies depend on the acquisition of other companies for their continued success. In this way they acquire the skills and capabilities they need, faster than they would through organic growth alone.

Acquisition is not a simple process, it is fraught with risks, unforeseen side effects and frequently proves to be more difficult than originally anticipated.

Success in acquiring a company very much depends on having a full understanding of the driving need for the acquisition. It is also essential that the acquisition team fully understand the costs and time needed to integrate the new company into its current operations.

ON-LINE

web service, they turned to CITI for a solution

imposed meant that this was an exciting and provoking programme to work on.

"However, we achieved our goal by developing a close working relationship with norwichunion.com and its other contractors in the project environment, making sure that we all brought our areas of expertise and capability to the project."

norwichunion.com was launched to the market with an innovative package of interactive financial planning and management tools and impartial money guides, offered free to anyone who wants to make better decisions about their finances.

Later in the year, norwichunion.com will offer customers a fund supermarket, a share dealing service and the first in a range of banking products.

The norwichunion.com website went live in May 2001 and can be found at www.norwichunion.com. Registration is free and each customer who registers will receive a free copy of The Financial Times Guide to Using the Financial Pages (RRP £16.99).



Screen break: norwichunion.com

ending the driving need ire other companies



CABLE & WIRELESS

Why is effective integration so important?

Unless consideration and attention is given to planning and managing the integration of any acquired company, the likelihood of failing to realise the value of the deal is high. Revenues, customers, people and investments can leak away unless integration is carefully managed. Potential conflicts need to be anticipated and proactively addressed before they become destructive to the value you seek to acquire.

A framework for acquisition and integration

Integrating the new company into an existing operation is complex. For this reason it is critical to undertake this work in a structured way.

A clear, measurable project plan that is effectively communicated and understood will greatly enhance the chances of success. Speed of integration is also important.

By planning well in advance you will be able to move quickly and confidently from the point of purchase through full to integration of the new company.

In short, both acquisition and integration must be managed as a project, as this form of management has all the tools and best practice for this type of environment.

CITI will be picking up on this topic at our annual networking event hosted by London Electricity in September.

Focus on behaviour

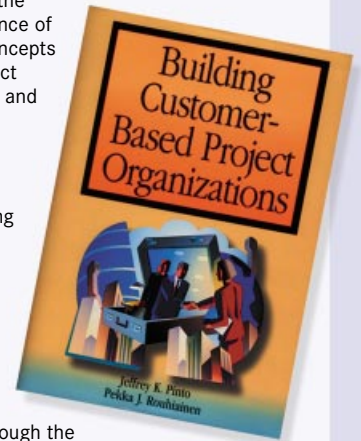
THE key message of Pinto and Rouhiainen's new book, 'Building Customer-Based Project Organizations' can be summed up in the penultimate sentence of the book: "Is the customer really in charge or someone to be charged?"

Refocusing the project and project managers' behaviour on the ultimate arbiter of project success – the paying customer – is the central tenet of a well-founded and cogently argued business philosophy. The danger of the false emphasis within many project organisations on the internal efficiency of the project processes, to the detriment of the customer, is clearly demonstrated.

After an introductory chapter explaining the significance of customer-focused project management in a rapidly changing and time-driven market, the authors proceed to lay the foundations of their customer-based project management framework.

The elements in the model comprise quality, supply chain management, project management and customer relationship management. Along the way they explain the importance of such concepts as project success and failure, critical success factors, managing project supply chains and building the value chain.

Although the primary target audience for the book are those in the engineering and construction industries, who are necessarily committed to delivering projects to external customers, the framework is equally compelling for those managing projects for internal customers. Highly recommended for both project customers and those managing projects on their behalf.



Jeffrey K. Pinto
Pekka J. Rouhiainen
ISBN 0-471-38509-3 (Hardback)
Wiley & Sons
2001

Courses and workshops

September 17 and 18, Dublin – project and programme support office workshops

See how to utilise your project support office to maximise success and establish best practice in programme support office design, development and management. Attended by companies that depend on successful project and programme performance, these workshops offer a rare opportunity to join a select group for a stimulating and thought-provoking day.

October 25, London – programme management workshop

Structuring strategic change initiatives to ensure successful delivery in the short and

long term is the major challenge facing today's businesses. Programmes of change are fundamentally different from both 'business as usual' activities and 'projects'. Attended by programme managers and managers involved in making major change happen across their organisations, this workshop is one not to be missed.

November 5, 6, 7 and December 6, 7 – making projects work

Targeted at project managers who have been involved in the role for over one year and for those who combine business project management with the role of line management. The course creates project

managers who can apply the full set of project management processes to deliver significant stand-alone projects or projects that form part of a major programme.

November 21, 22, 23 – working with projects

Aimed at project/team leaders or line managers recently made responsible for the running of small projects or work packages. This course exposes participants to tools and techniques that can be applied immediately back in their organisations.

For information on any of our events, call the business development unit – 01908 283600

Making the



CITI is proud to sponsor **ProjectWorld 2001, taking place on 3rd and 4th October at the NEC, Birmingham, for the 11th consecutive year.**

Recognised as Europe's most comprehensive event for project and programme management professionals, the event will continue to showcase the latest solutions and services from major suppliers and provide visitors with an unrivalled seminar programme. Visitors to the show represent multinational organisations responsible for major projects and global initiatives, such as BAE systems,

GlaxoSmithKline, IBM and Cable & Wireless.

ProjectWorld is now part of a series of international events enabling delegates access to top speakers and seminars covering hot topics from around the world. Leading the field in project and programme management, CITI will be running two seminars at this prestigious event.

The first, on October 3, is led by Louise Lee and Peter Collin, Principal Consultants, CITI. They will take you on a journey through profiling project managers for success, discussing the complexities of profiling the right project manager for the right project. guest speaker Bob Buttrick, of Cable & Wireless Global, will describe his experiences of driving change by this approach, based on his best-selling book *Project Workout*. A copy of his book will be given to each delegate.

The second, on October 4, is led by Dr

Christopher Worsley, CEO of CITI. 'Fast-starting projects and programmes' provides practical guidance on how to initiate a programme, establish sound governance structures and identify the appropriate mix of projects. This is explored further through a detailed analysis of two programme set-ups. The first is for an e-commerce programme and the second is based on a business transformation programme.

For further information and the research papers for both these topics visit www.CITI.co.uk/projectworld

To register for either seminar, complete the Project World registration form at www.imark.co.uk/proman or call the Imark Communications hotline on 07000 763 896. The cost for each seminar is £150 plus VAT – mention the following reference (CITIGUEST) and receive a 15 per cent discount.

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