delivering the goods

by Christopher Worsley

CEO: CITI Group

FOR some of us two names may change our professional lives: they are Clinger and Cohen, who, in 2002, authored a bill through the Senate of the USA.

This bill, the Clinger–Cohen Act, mandates that before any Government department can get US funding for IT implementation it must have an effective portfolio management system in place. Furthermore, it states that the responsible officer must be a senior executive.

Things have come a long way in the theory and practice of project portfolios. For years we have discussed the IT portfolios and portfolios of projects in a business, but to find a person whose job title was portfolio manager was rare. It was rarer still to find a job description that didn't sound like a multi-project manager.

So what has changed? How will this Act affect us here in the UK?

To understand the differences let me take you back to June 8, 1944. It's Normandy and the problem is to get trucks carrying supplies to the troops.

Each truck is loaded with deliverables. It is driven by a skilled individual — the driver — with a clear objective: deliver this to a specific destination by a specific time.

He has a plan of how to get there. His job is therefore delivery.

But the Army didn't just let them go, as the resulting free-for-all would have clogged up the docks and the exit routes. It put in beach-masters: individuals whose job it was to shape and channel the flow of traffic to maximise throughput.

maximise the numbers

If a truck broke down, they didn't fix it, and they didn't go and mentor the driver — they had it pushed off the road, even into the sea, because they needed to maximise the number of trucks that got through, not make sure every truck got through.

This is a direct analogy to projects and their managers (the truck drivers) and experienced (old-style) portfolio managers (the beach-masters).

Project managers are all about delivery; portfolio managers are there to optimise the use of resources and to de-conflict projects. But the problem never was that simple. When one truck is the same as the next — all trucks are trucks — then this model works well, but just suppose some trucks are more valuable than others. When is it right to rescue a truck? How can the beach-master know which of these tarpaulin-covered trucks should be treated differently?

Clearly there are two distinct categories of value that the beach-master would need to have access to.

➤ The first is when the cargo manifest of a particular truck is unique and special in some way.

continued on next page

Go with the flow: maximising throughput to optimise delivery.

citi

delivering the goods

You can see this behaviour in IT directors, with often little guidance from the business, making up priority schemes based on seriously flawed business cases, hoping that this will give guidance on relative value.

Of course, once the drivers realised what the markings meant (i.e. they wouldn't be unceremoniously dumped in the sea if the truck went wrong), there's a good chance that spurious markings would appear! You can often see this behaviour in projects too!

➤ The second problem is when a load has to be distributed between two or more trucks. The problem now is that if one of the trucks fails to get through, then the arrival of any of the others is valueless.

So the beach-master has now to make more-complex decisions about value. If one is abandoned then the others should be; if the first two have gone through then the third has additional value. How does one balance these? A classic interdependency issue faced in many programmes.

value and outcomes

So my D-Day analogy describes the dilemmas and the management issues for projects, portfolios and programmes – in the pre-Clinger-Cohen days. Projects are trucks and are about deliverables – outputs. Portfolios are all about throughput, and programmes are about value and outcomes.

What Clinger and Cohen have done is to raise the game. Now the portfolio manager is responsible for putting the trucks on the ship and deciding how the cargoes are to be distributed between the trucks!

As I said, some of us may come to rue the day they made their move in the Senate. On the other hand, deciding what projects should be run and how they should be constructed sounds like a real and valuable challenge. I'm up for it – are you?

For more information on portfolio management and what it means to you, contact me at CITI on 01908 283600.

sharing a stake in s

> **Stakeholder Centred Project Management**
> **What are we doing wrong?**

THE influence and significance of stakeholders in project management grows year by year. Their crucial role in determining the success of projects is widely recognised, and failure to manage them properly is known to be the single greatest contributor to project failure.

But even when project managers apply what appear to be appropriate management processes to stakeholders, there are frequent mismatches of expectations and failures of communication. Currently, stakeholder management is one of the least successful and least professional areas of project management and many of the potential benefits of stakeholder participation are lost.

One major source of failure is that project managers tend to treat stakeholder management as a

change starts here
www.citi.co.uk

sparks
of inspiration

Creating strategic capability in projects and programmes means addressing the skill needs in the total project community.

NETWORK Rail is committed to a major projects improvement programme and, recognising the skills challenge, went out to tender for the supply of training and development for all its project and programme roles.

Included were project, portfolio, programme managers and sponsors, as well as project specialists in areas of estimating risk management, value management and possessions planning.

demanding

The challenge facing Network Rail managers is considerable. They have to deliver commercial benefits in a demanding financial, quality, health and safety and legislative parameters, within a complex stakeholder environment.

This presents challenges far beyond the traditional understanding of engineering programmes, whose principal goal is frequently seen to be the delivery of engineering solutions.

In the face of tough competition, CITI was delighted and proud to be selected as the supplier for all project, programme, and sponsor level development for Network Rail.

effectiveness

"We have already piloted six of the core courses – each followed up by a course review day to establish the impact and effectiveness of the programme. Of particular note from the reviews is the fundamental importance that the role of portfolio manager has to overall programme and project delivery," remarked Thomas Docker, CITI Client Director for Network Rail.

CITI's portfolio management course, launched late last year, was tailored to include Network Rail specific cases.

As Alistair Kirk, Director of the Programme Control Office, identified: "The long-term goal is to have in place a centre of excellence, and we are currently assessing how to implement it. In the short term, we are focusing on increasing the level of competence prior to rolling out best practice systems and practices."

Network Rail's commitment to improving project management is reflected in a series of one-day seminars that the organisation hosts, at which invitations are extended to other enterprises. CITI is working with Network Rail on the next seminar to be run later in the year. The topic area will be project controls – seen through the eyes of portfolio, programme and project managers.

get in shape this summer

THE third edition of Robert Buttrick's best-seller, 'The Project Workout', is due out later this summer.

With a new preface by Peter Ellwood, Chairman of ICI, and a foundation of five-star Amazon reviews, 'The Project Workout' is set to remain the book of choice for business leaders, practitioners and academics alike. It is certainly CITI's favourite! The French version is in its second edition and the Russian edition is due out very soon, so international interest is growing.

The author tells us: "The new edition is a balance between adding new insights and retaining the very simplicity the book is noted for. Among the new topics are maturity models, support offices, earned value and web technologies.
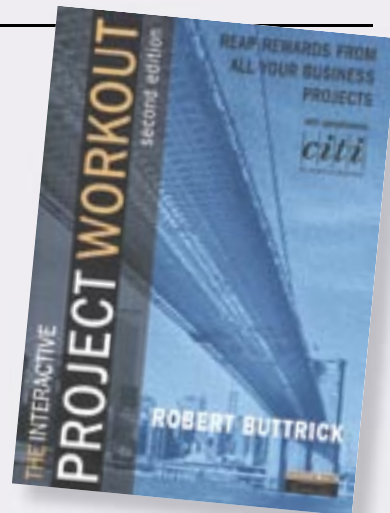
"As project managers are becoming more competent, this is putting pressure on corporate management; top down failure is now becoming all too common. I have therefore expanded the sections on leadership, sponsorship and portfolio management.

"Feedback tells me people are having difficulty designing their support, if only because they haven't a clue what their office should be doing! In a new addition to the book I emphasise the word 'support' and then lead the reader on a journey to discover just who it is supporting and then what it must do.

"The book has been updated to reflect state-of-the-art-tools which are vital to moving people up the capability ladder. Web technologies have made big inroads since 2000 (including CITI's own *e*:**PSO** system!). I have therefore summarised and embedded recent best practice and research from leaders in the field within the appropriate parts of the text. These cover project registers, project workplaces, portfolio analysis and selection, workflow and virtual team working."

For an online demonstration of the *e*:PSO please visit www.citi.co.uk or call Anna Singleton on 01908 283600.

success

peripheral and relatively 'soft' activity. The challenge that faces education providers like CITI is how to effect not just attitudinal but behavioural changes required to make effective stakeholder management central to the project management process.

The new CITI masterclass and workshop 'Stakeholder Centred Project Management' does this by focusing on practical techniques. Each element of the course is firmly rooted in actual situations encountered in the work setting and participants work through effective procedures which have demonstrable relevance to their own business environment.

The new masterclass not only includes short lectures and group exercises but, in association with the management software development company Prendo, offers participants immersion into a unique computer simulation requiring them to manage key stakeholders in a major corporate change process. This complex and convincing environment is based on the experiences of project managers in an actual financial institution and offers immediate feedback on the effectiveness of participants' strategies and behaviour in a risk-free environment.

> I have spent the last year looking for good project management books … The Project Workout surpasses them all for usability and practicality.
> — Amazon.com

towering
above the rest

A COMMONLY held view of universities is one of ivory towers separated from the 'real world' of business.

With changes made by governments over the last two decades, this view is no longer appropriate. Many universities accept that they exist within a competitive environment, where the future can be as uncertain for them as for any other organisation.

value added

Consequently, the 'smart' universities are recognising the need for change aligned with a clear strategic view of their value in today's and tomorrow's world. Phrases like 'unique selling proposition' and 'value added' are as relevant to universities as they are to commercial organisations.

Sheffield Hallam University is one university which is embracing the opportunity to determine its own success. Over the last year, the Vice-Chancellor, Diana Green, has been championing a major change initiative to make Sheffield Hallam stand out from the rest.

John Hemingway, Chief Information Officer, is responsible for making the change happen and asked CITI to provide support in ensuring success. Since May 2003, CITI has provided coaching, mentoring and quality assurance support, as well

as team development.

Sheffield Hallam University has adopted CITI's approaches to programme and project management, and has purchased the electronic guides and programme management tool kit. In particular, the university is the first organisation to have purchased CITI's new electronic change management guide (the *e*:**CMguide**).

This guide provides a different perspective to change initiatives than the project and programme management guides, and includes a three-phase change management lifecycle – initiate change, deliver change, and review change. The mechanisms for enacting a change will be projects and programmes, so references are made to the other guides where appropriate.

The users of the *e*:**CMguide** include anyone in the organisation that has a defined role to play in the change initiative, and three key roles have been recognised in the guide – catalyst, deliverer and enabler.

Most importantly, Sheffield Hallam University has begun to adapt its approach in line with the e:CMguide.

To find out more about the *e*:CMguide, go to www.citi.co.uk/bulletin
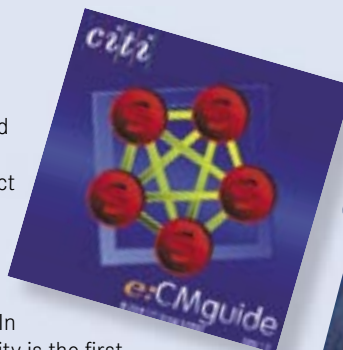
Getting smart: many universities are adopting a commercial edge in today's competitive world.

giving power to your projects

In today's competitive commercial environment, complex and cross-functional projects are more commonplace than in previous years. To assist project managers in projects where power and politics are as important as the plan and process, the following master classes are available, which concentrate on key skill areas often neglected by project managers:

July 21—23 or November 17—19: Contract management in complex projects. Aimed at senior and project managers, focuses on the impact contracts have on project management. It provides the participant

with a complete framework for managing projects with significant commercial and contractual elements.

August 2 or November 12: Stakeholder management. This is for project managers working within organisationally and politically complex projects. The participants explore the key issues in stakeholder management and are provided with a number of approaches to manage this often difficult aspect of complex projects.

July 30 or November 29: Benefits management. This course is for project

managers who require practical application of best practice in benefits management. The principles behind the benefit-impact-product model that underpins good benefits modelling are identified — and the concepts of project implementation and the tracking of benefits are explored.

If you would like additional information on these master classes, or you would like to receive an open course brochure detailing the range of courses available to your project community, please contact Julie Antill on 01908 283600, or email jantill@citi.co.uk

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