

news from CITI – partner in change

stronger support

by **David MacLeod**

Principal Consultant: CITI Group

STORIES of project disasters continue to be reported with depressing regularity. Who is to blame? Is it simply project manager incompetence?

Forensic examinations of the causes of project failure repeatedly highlight inappropriate sponsorship. No matter how competent the project manager, if the project has weak sponsorship, it is likely to fail.

Our company develops project managers. We present professional project management disciplines to them in compelling ways and they begin to realise that there is a body of knowledge and skill that separates the professional project manager from the rest. However, the application of these disciplines in the 'real world' is often difficult.

project techniques

Their 'real world' is created for them by senior managers who, inexperienced in project management and without guidance or challenge from their project manager community, have in desperation or ignorance established a wholly inappropriate project management environment. It's no wonder the project techniques don't work! Successful project delivery is enabled by professional project managers in partnership with knowledgeable project sponsors, leading to an effective governance partnership.

Project governance is effective when it can provide positive answers to two key questions:

- ▶ Is this project desirable? (Should we do it?)
- ▶ Is this project do-able? (Can we do it?)

The sponsor answers the desirability question by establishing and owning the business case – a clear statement of what is desirable. The project manager confirms the do-ability by producing a plan that validates the constraints set by the sponsor. Without constraints there can be no project; but deadline and budget constraints, created in a vacuum of information about what is do-able, are unlikely to be the determinants of good behaviour they are supposed to be.

A professionally trained and competent project manager is prepared to push back and challenge unreasonable and unrealistic constraints. How, though, is the sponsor to know how to respond positively and constructively to such an expertise-led challenge?

Most sponsors have no preparation for the role, or even experience – and yet are entrusted with millions of pounds of investment money. Not knowing what to do, or even that there is anything to know, they become 'paper' sponsors, devolving their role often to the very person least able to fulfil it – the project manager.

To help organisations take on the development of sponsorship skills we have researched and implemented a way of profiling potential sponsors and have designed and developed many sponsor

investing in stronger sponsorship is essential for project success

courses. Our experience means that we know the significance of putting together the right governance team for project success and what to look for in terms of actions, behaviours and attitudes when it is wrong.

It may be worth your organisation's while investing in better sponsorship. If you do, we guarantee you will get more back for your buck than you expected!

on track to impress

2012 might not seem far away, but for South Africa, 2010 (the FIFA World Cup) is just around the corner.

Massive infrastructure projects such as the Gautrain Rapid Rail Link are the order of the day. At the biennial project management conference, held by the Project Management South Africa (PMSA) association in Johannesburg from 26-28 May 2008, delegates were exposed to the immensity of these undertakings.

The Gautrain is a state-of-the-art rapid commuter link network between Pretoria and Johannesburg with a connecting link to Tambo International Airport.

With a budget of £1.2 billion, it is the largest Public Private Partnership (PPP) yet launched in South Africa. The contractual documents alone consist of 80,000 pages and took over a year of legal input to define.

For this work, Gautrain received the international award for the Best Global Project to Sign (Public Private Finance Awards, London 2007). The Bombela Consortium formed to build Gautrain includes Bombardier Transportation in Derby, who are building the new state-of-the-art trains.

So if you see some rather large trains heading for the docks you know where they are going!

South Africa has a proud history in project management. The PMSA association has over 1,300 members and the 2008 three-day conference was well attended, with an international speaker line-up.

Louise Worsley, of CITI, presented a peer-reviewed paper highlighting the need to revise selection and recruitment procedures in the face of an environment where demand for project managers exceeds supply - a critical concern in South Africa where the 'brain drain', particularly to the Middle East and Europe, is considered a major barrier to the delivery of projects.

■ For a copy of Louise's conference paper and presentation visit the following website at www.citi.co.uk/News/Events/Past and for further information on Gautrain see their award-winning website www.gautrain.co.za

developing a ta

WITH a large portfolio of business improvement initiatives in the pipeline,

Severn Trent Laboratories (STL), the most comprehensive environmental testing company in the UK, recognised the need to invest in project management.

Simon Marshall, Operations Director, said: "We wanted to standardise and develop project management capability within our organisation. As a leading provider of environmental analysis we have, over the past 15 years, built a reputation for expertise and our extensive analytical capability. Now, we need to build a similar reputation for our project community, delivering those vital internal projects that are critical to our ongoing business success."

improvement initiatives

Typically, projects within STL are in support of business improvement initiatives, aimed to develop efficiency and operational improvements. Such projects focus on the upgrading of capital equipment, delivery of capital investments or enhancements to production processes or methods.

To achieve the challenging objectives set for 2007, STL's Leadership Team recognised the need to provide formal project management training to managers and key personnel throughout

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by Simon Marshall, Operations Director, Severn Trent Laboratories, and Susanna Mitterer, Head of Client Services, CITI

the business, in order to develop a common language and methodology. It was clear that project management best practice needed to be embedded throughout the organisation to ensure efficient and timely delivery of projects.

maximise the value

At the same time, sponsor and business owners needed to understand how to deliver benefits realisation and maximise the value derived from the partnership of project manager and sponsor.

"Engaging the sponsors had an immediate and visible impact on the business," commented Simon. "We asked CITI to design and deliver a sponsor briefing to our senior executives that would help them ensure that areas identified as critical for project success would be addressed by their management actions.

"The briefing explored their roles, responsibilities, appropriate attitudes and success behaviours, to effectively challenge and diagnose project performance. This gave our sponsors immediate confidence and control in their role.

a complex issue

COMPLEXITY equates to risk. How can you reduce project complexity, and thereby bring project risk within manageable limits? CITI's model of project complexity identifies five key sources of complexity, and hence five sources of risk.

Building a risk profile (see diagram) at the start of a project helps to determine whether the project is manageable, and what type of project manager it needs.

As many organisations have found, matching your most experienced project managers to the highest-risk projects, in a systematic way, dramatically improves

project performance. The risk profile also gives the project manager a very strong

sources of comple

- statement of requirements
- technical
- organisational complexity
- resource
- business implications

ilored ution

“For the project managers, it was important that they not only understood the core principles of the project lifecycle but had a greater awareness and understanding of the commercial value of projects and the role they play in the delivery of business strategy.

“We worked with CITI to customise a Project Practitioner course in which we integrated delivery, so that senior executives from STL actively contributed to the course through opening and closing sessions. The course also included learning activities that included standardising the project closedown and review processes and allocating responsibility for managing the realisation of benefits.”

governance structures

Given the complex stakeholder scenarios within STL and the importance of managing and engaging with the projects, STL-specific issues and challenges were discussed and worked on during the course. Reference to STL governance structures and investment management processes provided further contextualisation for the course participants. A series of work-based assignments, completed between the two course modules, allowed participants to practise and apply new learning in a safe and supportive environment, and to review their learning with colleagues.

“Partnering with CITI to improve project management has really been a good experience for us,” said Simon. “Our project community now feel confident in their approach and are quickly gaining a reputation for consistently delivering business value.”

by Geoff Vincent,
Principal Consultant

hint of where he or she should focus their attention.

But what can you do with a project that scores highly on three or four of these key dimensions of risk? How can you bring it back within manageable bounds?

There are steps that can be taken to reduce, or even eliminate, key sources of risk, once they have been identified. On a recent project involving CITI, organisational complexity (another term for which

is ‘politics’) was identified as a key risk factor. The project had to work with multiple departments in different parts of the country, each of which was used to working as an independent ‘fiefdom’.

To eliminate this problem — which would have made the project unmanageable — a single, strong project sponsor was appointed, with authority granted by the Board to manage the project across the whole organisation. From the project’s perspective, this effectively eliminated the ‘organisational complexity’ problem, bringing the project back within manageable bounds.

The sponsor of course was left with a

significant job to do — and fortunately was equal to the task.

Incidentally, this story reinforces why the sponsor is so important (as the article on the front page highlights). Without an effective sponsor, the ‘organisational complexity’ risk of any project escalates off the scale, beyond the ability of even the best project manager to resolve.

Similar steps can be taken for other sources of complexity. The first, vital, step is to identify what the sources of complexity are — so they can be brought out into the open and dealt with!

branch out into new

skills

12
June
2008

Centre of Excellence Club (CofEe Club)

Norwich Union Head Office, London

CITI'S CENTRE OF EXCELLENCE CLUB (CofEe Club) is now in its third year and the club events are fixed dates in many of the members' diaries. The last event was held at BT in Brentwood on 6 March. The topic for the day was agile development and project management, which is an area that BT Design has made a major commitment in.

The presentations and workshops provided opportunities for lively debate and the feedback from members was that the event had been extremely valuable in developing their understanding. Coffee breaks and lunch saw members carrying on the discussions and networking.

Each quarter, a member company hosts a workshop at which a current hot topic is discussed, and experiences and concerns are shared. The next CofEe Club event will be held on 12 June at Norwich Union's head offices in London, discussing project complexity.

Project complexity is a current hot topic in the PPM industry.

Organisations such as the PMI and APM are looking to release standards in the area, and many universities are researching the topic with verve. The real issue for organisations is how this increasing complexity in projects will affect them and if they should be preparing their organisational capability to meet the demand. Speakers include representatives of our host as well as the Office of Government Commerce.

There is no charge for CofEe Club events and no marketing of any kind permitted. CITI's mission is to ensure that project management is valued, respected and recognised as an essential part of doing business, and by supporting networking of project professionals we believe it advances this ambition.

■ The CofEe Club is an invitation-only, membership-based network of like-minded professionals. If you would like to request an invitation for the CofEe Club forum please send an email to Eva McCann at CofEe@citi.co.uk

Getting the big four right: managing effective projects, programmes, change and risk

QEI Centre, Westminster, London

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June
2008

BEST PRACTICE SHOWCASE 2008

offers delegates a range of sessions with a number of alternative formats. The idea is to implement some of the features of modern event programming and provide delegates with a unique conference format with interactive high-intensity sessions and tremendous networking opportunities. Delegates will have over 60 different sessions to choose from in this action-packed day; book on session three (13:45-14:30) for CITI's case study presentation with RWE npower.

Conceiving projects as creators of value led RWE npower (the UK's leading integrated energy company) to embark on an initiative to improve its management of outages. Tony Wilkes, Operations Portfolio Co-ordinator, and Tom O'Shea, CITI Principal Consultant, discuss the cultural change and challenges RWE npower has overcome to manage each outage as a project, rather than as a process. They will also show how RWE npower is reaping the rewards, as outage times are optimised and sponsors work closely with

their project managers to harvest value from the opportunities that outage offers.

You can also join Tom O'Shea at a 'birds of a feather' round table session at 11:30. He will be leading a discussion on the challenge of cultural change: gaining buy-in and overcoming resistance, and would welcome your insights.

■ Places are limited so you are strongly encouraged to book in advance. For further information or to register for free please go to www.bestpracticeshowcase.com

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July
2008

Best Practice User Group workshop

CITI, Newport Pagnell

FOR the second year running, we are delighted to be hosting a workshop for Best Practice User Group (BPUG) members at our head office. In this one-day event we invite BPUG members to experience how they can apply new techniques and good judgment in complex situations. Through the day we explore effective approaches to stakeholder engagement and project initiation/business case development.

In the morning session on stakeholder engagement, Thomas Docker, CITI Chairman, explains how the concept of stakeholders can easily become over-inclusive and provide no real guide for action. However, if properly defined and engaged, the stakeholder

can become an integral part of project management and a valuable resource for success.

Following lunch, John Zachar, CITI Principal Consultant, explores the best practices associated with initiating a project and ensuring that a good opportunity for success exists. Through the use of tried and tested models and processes, including an examination of the benefits which are a substantial part of the business case, this session examines the desirability and do-ability of projects.

■ Spaces for the workshop are very limited so members are advised to book early through the BPUG website at www.bestpracticeusergroup.co.uk on the 'Service for Members' events diary and bookings page.