stop that project!

by **Louise Worsley**

Design Authority: CITI Group

I N AN environment of retrenchment we are beginning to see much tighter controls on the approval of major spend projects.

However, stopping those waned projects which are addressing yesterday's problems may be even more important than not starting those projects designed to address today's. But which ones to stop and how do we ensure that they are really terminated?

The initial cutting back on projects is often more of a starvation process than a strategic decision making exercise. Resources and budgets are cut indiscriminately across the portfolio and in the scramble of re-planning projects, survival will depend upon the level of senior management commitment and political 'clout' applied to keep the project running.

This in itself is not a bad thing. Projects with top management support are consistently shown to perform better – however it does undermine the strategic portfolio planning principles.

ailing projects

Some kind of fast culling process is required but the principles should be more related to an identification of those ailing projects which do not meet the normal desirability and do-ability characteristics required to keep them in the 'portfolio pack'.

Desirability and do-ability assessments are an integral part of portfolio management. While in theory the initiation and planning authorisation processes should have filtered out weak project contenders, the cut-off levels for authorisation which have been applied in the past may not be stringent enough in the new constrained environment. In any case, these factors do not remain stable over the life of the project. Projects with long execution stages may not have been reassessed (for desirability in particular) for months and in some cases years!

organisational dynamics

If you are considering stopping a project in the execution stage, a third factor must be taken into account. How 'stoppable' is the project? Traditionally the emphasis is on an analysis of sunk costs, and if you are lucky, an assessment of the benefit impact. But there are also organisational dynamics to consider.

Will we be successful in turning off the effort and expenditure being applied to the project? If the focus of the culling is on reduction in costs, then can CAPEX costs really be avoided? If the focus is on release of resources, then how effectively will these resources really be redeployed?

In a recent analysis of three large portfolios which had undergone a torrid cut-back exercise, we found that over 30 per cent of curtailed project activities were continuing outside the portfolio radar. All of the portfolios were misaligned against the strategically agreed balanced score-card. One portfolio had over 80 per cent of its active projects in the 'business-as-usual' category with just one project in the category of business development. The aftermath required the business to reassess its total strategic portfolio plans – a costly and potentially unnecessary exercise.

Project culling is a necessary and essential part of the portfolio management process. The challenge is to ensure it is systematically and strategically applied.

is your project operating outside the portfolio radar?

■ This article is an extract from CITI's white paper on 'Culling projects' to be presented at Project Challenge on the 25th March. The white paper will be available on our website www.citi.co.uk/ Knowledge_and_insights shortly after.

a change for the better

WITH the recent launch of P3O*, OGC's guidance document for PSOs and PMOs, reinforced with the results of a recent survey** sponsored by Planview Inc. in the US, there seems to be a distinct change in the way PSOs/PMOs are believed to be best positioned within an organisation.

The belief that a PSO should be commissioned and managed within a silo of an organisation, often IT, appears to have been superseded. Recognition that organisational change for the whole organisation should be managed cohesively to maximise return on investment and reduce conflict now seems to be in place.

The PSO or PMO must be commissioned by, and sponsored by, a senior manager with sufficient authority and motivation to make it successful.

The results of the Planview survey revealed that 40 per cent of the respondents were reporting to a member of the Board and a similar 40 per cent indicated they actually administered the organisation's strategic plan.

Nearly 70 per cent said they were involved with the strategic planning process itself. This is a remarkable change in thinking regarding the organisational positioning of PSOs/PMOs and aligns with the approach we have proposed in our PPSO courses since 2001 – a cohesive organisational level management office should be either the current norm, or the current aspiration for all organisations, public and private.

P3O – Portfolio, Programme and Project Offices (OGC/The Stationery Office, November 2008).
**2008 PMO 2.0 Survey Report* *(Terry Doerscher, Planview, Inc., 2009).*

finding a clear approach

your passport t

➤ an excellent choice

CITI's 'Centres Of Excellence Club' (CofEe Club) was a great success in 2008 and we are building on this for 2009. The hosts, in date order, are RWEnpower, BAE systems, Allianz and Abbey.

The final meeting of 2008 was hosted by the John Lewis Partnership and the topic was Programme Management Office (PMO). Following on from the success of Eurostar at the APM Awards where the company was awarded Programme of the Year, Michele Chopra gave some insight into how its PMO supported

the move to St Pancras. The workshops and presentations created much discussion and debate and gave the members useful information to take back to their organisations.

Two further white papers have been written following CofEe Club events, on 'Agile' and 'Complexity' and made available to members via the CofEe Club forum, which provides an electronic environment for discussion.

■ **Membership of the CofEe Club is by invitation. If you wish to be considered for membership, please contact Dawn Laidlaw at CofEe@citi.co.uk**

WHEN we were recently asked to support an 'important' **Local Government service delivery project, it had all the classic symptoms of another project that would drain the energy and resources of the authority and return little to the citizens.**

The project was a good idea, driven by political insight as well as expediency. But, it had been taken by the responsible directorate and passed around the other departments ensuring that useful amendments were mixed up with unhelpful additions. This blurred the clarity of the mission intrinsic to the project, stealing its momentum – justified by attaining consensus, fairness and buy-in – but without commitment.

Standing orders – the fossilised remains of 'lessons learned' – are used to give the illusion of control but actually accountability has been substituted with process. The decision-making process confused accountability with responsibility, leading to decisions being made by individuals ill placed and ill equipped to make them, and often based on information so lacking in content as to invalidate the act of judgement.

a route forward

The need to succeed provided a route forward. We pointed out that projects are, at their best, a management entity based on a single point of accountability – they need clarity of vision, and rapid adaptive decision making.

We suggested, and were allowed to shape the project environment so that:

■ The project was restructured and shortened: because projects started in a politicised arena can only really expect to last the life of the current political agenda – an unexpected reason for 'Agile' techniques.

■ Project execution was not started until there was complete agreement about what success really looked like.

■ The constraints were set up so that they were 'brick walls' not 'swinging doors'. (There is an old adage that goes; "If you're seeing who will be the first to flinch when driving head-on towards each other – the best way to win is to remove the steering wheel and visibly throw it away.")

■ And crucially, the project manager was given licence to make, and act on, his decisions, without the month-long delays manufactured by the standard process.

The result – considerable difficulty in extracting our project manager – as other projects were lined up for delivery.

It is often observed by the military that when conflict breaks out, the operational handbook – developed painstakingly over the years – is discarded as it cannot cope and better, more effective practices are deployed. These then become the basis of the new operational handbook. Local authorities might wish to learn from this. Projects are where reality and rules come into conflict most obviously. If they don't work, change the rules of engagement.

a clear route forward is required to succeed

o greater success!

➤ **don't miss out . . .**

PROJECT Challenge Spring Show March 25–26, 2009, NEC Birmingham
At this year's spring Project Challenge Show, Dr Christopher Worsley will be presenting on 'Culling Projects', a case-based seminar on a major oil company. Christopher is a popular speaker and engages the audience with his lively and passionate style.

Previous shows suggest that you may need to arrive early at his session to guarantee a seat! We will also be exhibiting at the show on stand number 156.
■ **To book visit www.projchallenge.com**

APM East of England Chapter, April 21, 2009, Royal Cambridge Hotel
Be sure to attend April's chapter meeting, as Geoff Vincent, CITI Principal Consultant, will be presenting on the topic of 'Forensic project management'. If you need to know exactly why projects fail, and what can be done to prevent it happening, then this session is for you!
■ **To book visit www.apm.org.uk/ eastofengland**

SPRING 2009 PPSOSIG, March 18, 2009, Aston Lakeside, Birmingham
At the Spring event the focus is on the new P3O guidelines - the practicalities and opportunities. The event will also share insights on the new portfolio management method and its links to P3O.

John Zachar, CITI Principal Consultant, is hosting two sessions covering real life case studies from Ericsson and Docklands Light Railway - on how they used the new P3O guidelines to implement their PMO.
■ **To book visit www.ppsosig.co.uk/ Events.php**

leap
beyond
method

CITI's open courses focus on providing delegates with a best practice approach to their projects which can be immediately applied in their workplace.

We know that method and knowledge are important, however, the real factor that distinguishes excellent project managers from good ones is their ability to apply good project judgement in complex situations. This is where our courses give project and programme managers the advantage.

real environments

Our tutors and unrivalled content take delegates beyond method to learn and experience real project management in real environments.

On this page is a selection of our courses coming up over the next few months. There is a big difference between method and successful application — are you ready to experience success?

go beyond method: make project processes productive

Mastering the art of stakeholder engagement – 25 March
Effectively engaging stakeholders is the cornerstone of project and programme success. A well-planned project or programme places the objective identification, evaluation and engagement of key stakeholders at the centre of the plans. This course will give you the skills to do this successfully and to evaluate other peoples' stakeholder plans.

Professional portfolio management – 26–27 March
This course enables you to organise and structure portfolios of projects using strategies that will maximise their value within the organisational constraints of resources and risk tolerance. You will learn practical techniques for clearly assessing the desirability of the portfolio and for managing its 'do-ability'.

Delivering strategic programmes – Module 1: 20–21 April and Module 2: 21–22 May
Successful programme management requires a different skill set and management approach – it is not simply 'big' project management! This modular course provides the tools and techniques needed to set up and manage a programme.

Creating valuable project and programme support offices – 23–24 April
This course describes best practice, focusing on what makes a support office successful and how to drive up its value. Distinguishing between project and programme support offices, identifying the different expectations, tools, techniques and roles they play, will also be part of your curriculum.

Understanding project management – 27–28 April
This course is for non project managers who want to understand how projects work. By attending this short course you will learn more about how projects are run and what factors make project management different from other types of management.

For details of all our open courses please visit our new open course website www.citi.co.uk/opencourses

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