

Implementing Business Strategy Through Programs and Projects – The Case for Improved Project Management.

Dr. Terry Cooke-Davies

Executive Chairman

Human Systems International Limited









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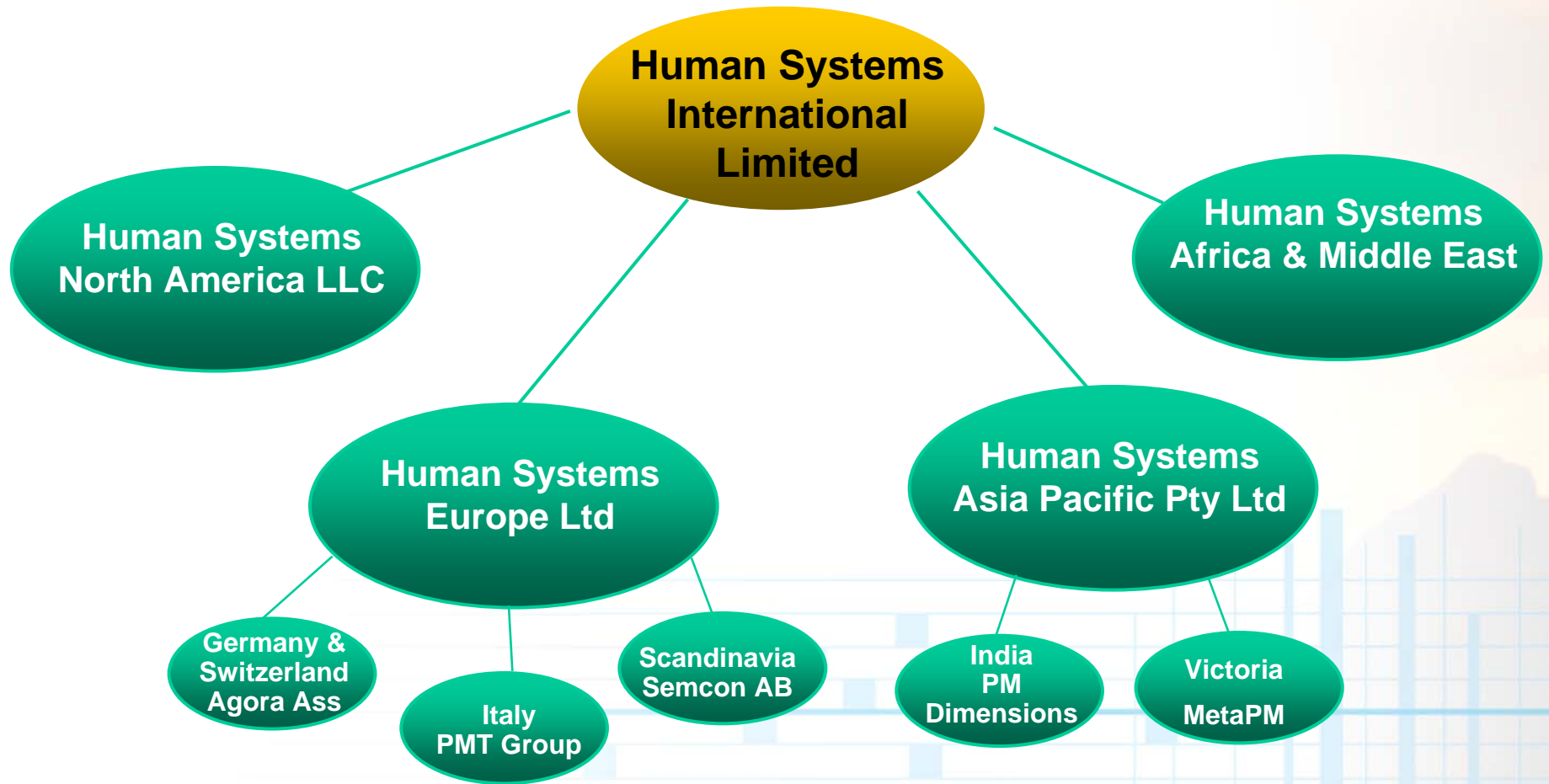
Today's Agenda

- A brief background on the speaker and his company. 
- Why businesses have to pay attention to how they manage projects – and what is involved. 
- The biggest challenge – the true nature of project management. 
- Developing the right practices and processes.
 - When your organization is starting out. 
 - When your organization already has the basic capability. 
 - When you are striving to be world-class. 



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Human Systems Global Structure & Operations



Our Customers

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THALES



Rolls-Royce



Department of Main Roads

BAE SYSTEMS



RailCorp BOMBARDIER

ERICSSON



Be Life Confident



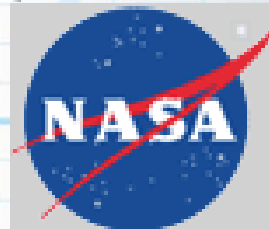
MOTOROLA



Lloyds TSB AIG



CAPITA



THE NATIONAL TRUST





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Projects are Means to Different Ends



Pharmaceuticals . . . Develop and produce blockbuster drugs.



Manufacturing . . . Make current products better & develop new ones.

Ports and Airports . . . Transfer Passengers and Freight comfortably & economically.



Transport companies . . . Operate profitably and competitively.

Local Government . . . Provide excellent & efficient services.





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... which depends upon successful Project delivery ...

**Projects to improve the performance of
current activities ...**

**Projects to develop new
business, new products, new
markets ...**

**Projects to introduce new
technology, new processes, new
ways of working ...**

**Projects to build new
infrastructure, new physical
assets ...**



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... and this requires 3 distinct Project Management capabilities

Project Management Capability

Capability to manage each project to time, cost, quality, scope, safety, technical performance etc.

Capability to make sure that the product produced by each project is what the organisation needs, that it delivers the benefits that are promised from it, that the product is operated as designed etc.

Project Sponsor Capability

Organisational Project Capability

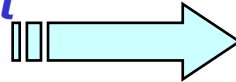
Capability to make sure that the project portfolio is the right one to implement the organisation's strategy, that scarce resources are used productively.



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Different Capabilities → Different Results

Organisational Project Capability



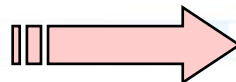
Consistent project success.
(Do we consistently do the right projects, and do them right?)

Project Sponsor Capability



Project success.
(Did we do the right project?)

Project Management Capability

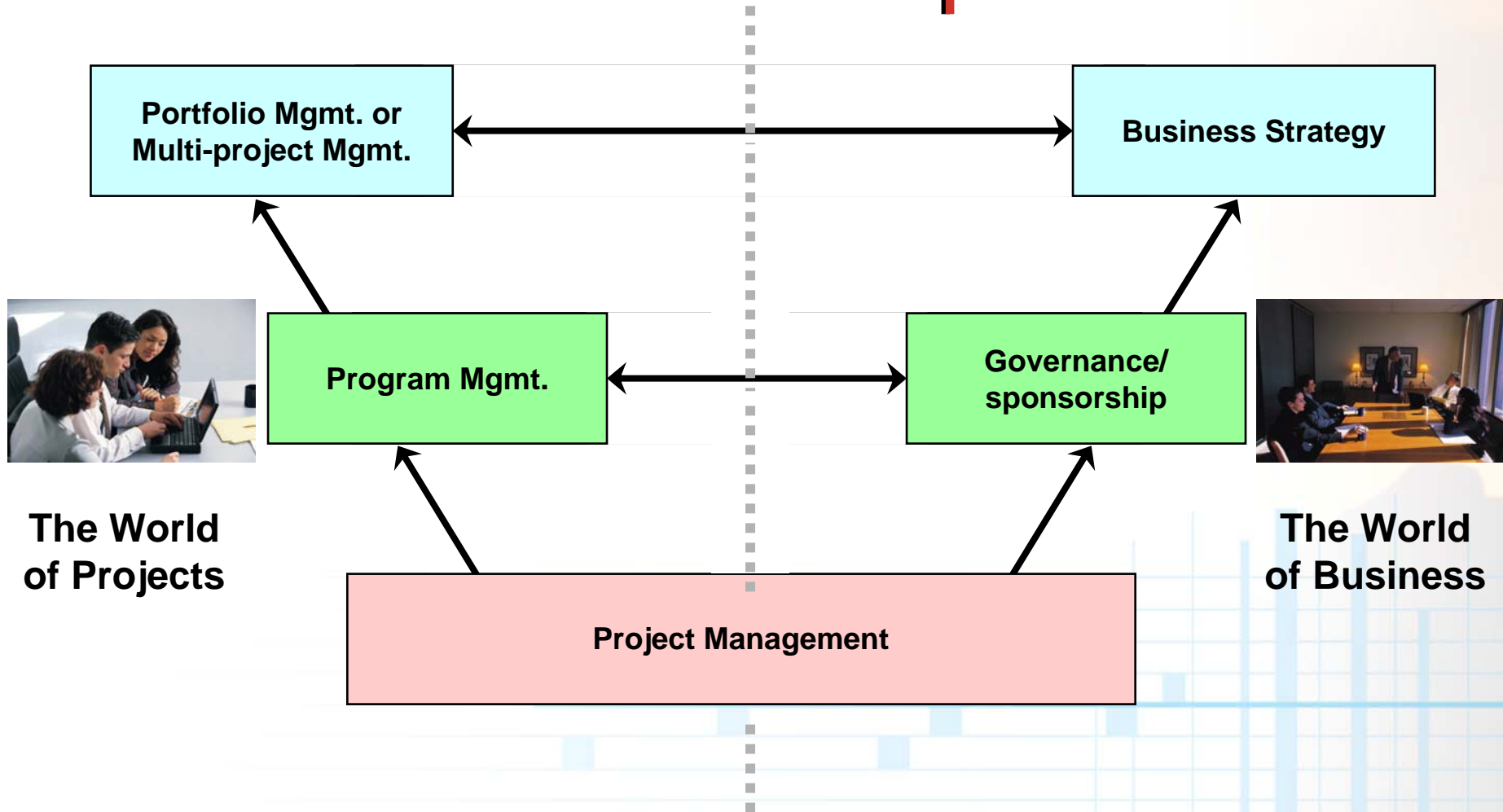


Project management success.
(Did we do the project right?)



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... And They Look Different From Different Viewpoints.







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Two Conflicting Mindsets

- Basis to mainstream management
 - Start from known and predictable baseline
 - Risks are exceptions to normality
 - Planning has firm basis in the known present



The World of Business Operations



The World of Projects

- Planning and creating something from imagination
 - With a temporary organization
 - Of human beings with numerous biases and flaws
 - With irrational attitudes to risk
 - So planning the work and managing risk are inextricably intertwined



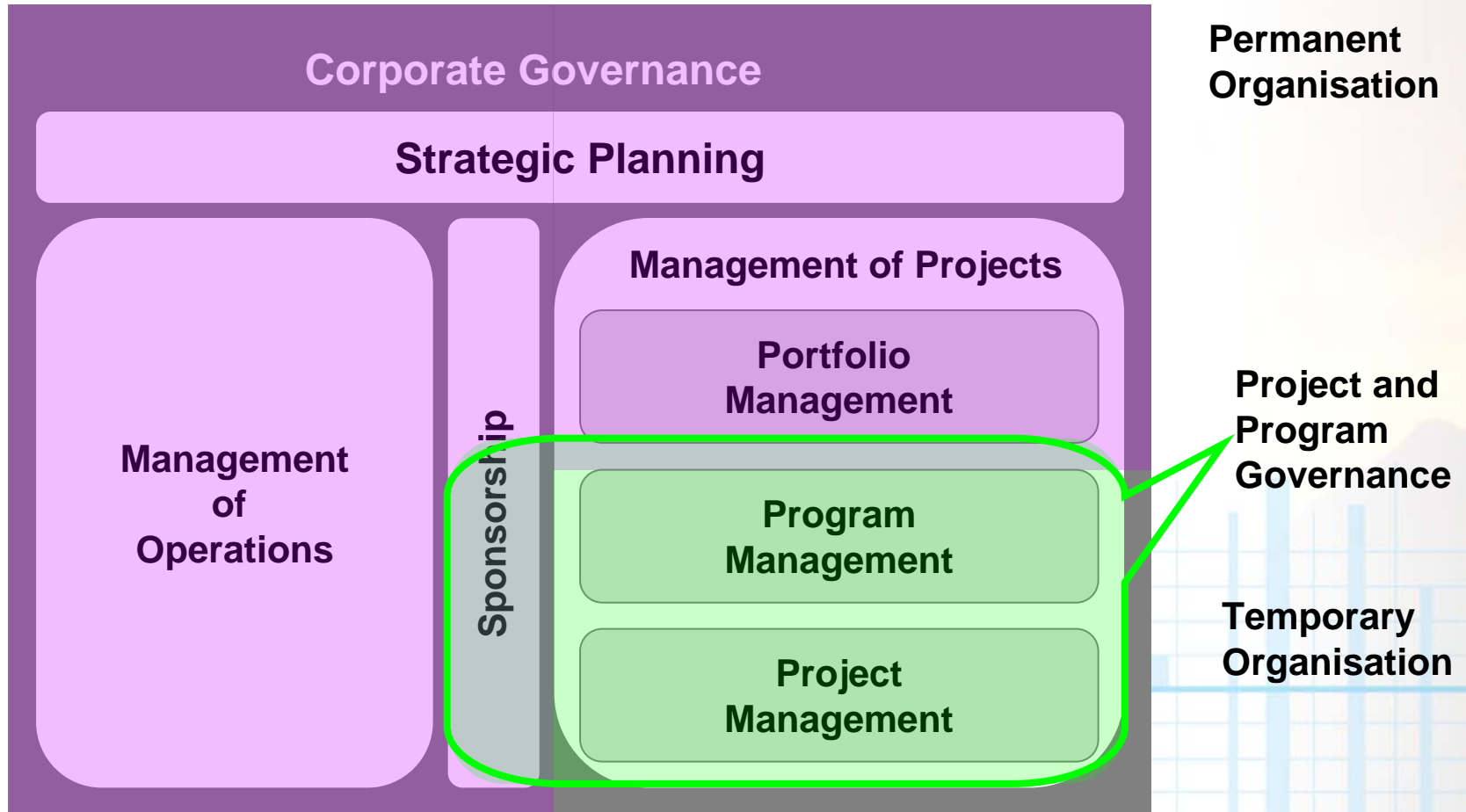
Two Totally Different Environments

		Projects & Programs	Business as Usual
Challenge	Organization	Temporary: Purpose = Delivery	Permanent: Purpose = Survival
	Challenge	Innovation: Realizing Envisioned Future State.	Adaptation: Improving Known Current State.



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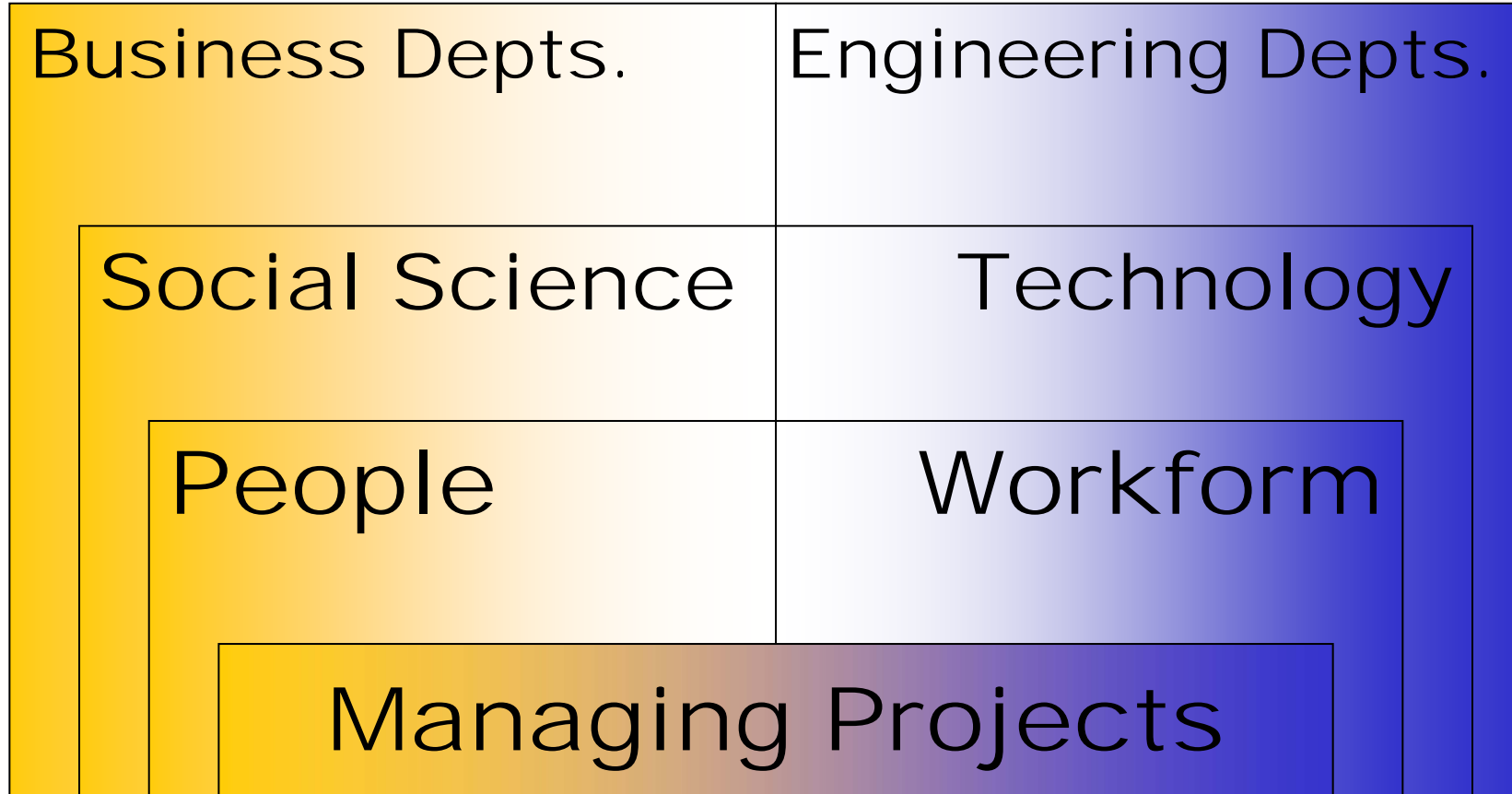
Permanent & Temporary Organisations





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Project Management → Managing Projects.





So What IS Project Management?

The purpose of project management is to foresee the dangers and to plan, organise and control activity so that the project is completed as successfully as possible.

Edwin A Locke, Professor of Leadership and Motivation

Project management is the application of knowledge, skills, tools and techniques to project activities to meet project requirements. Project management is accomplished through the appropriate application and integration of the project management process groups.

PMBOK® Guide – 4th Edition

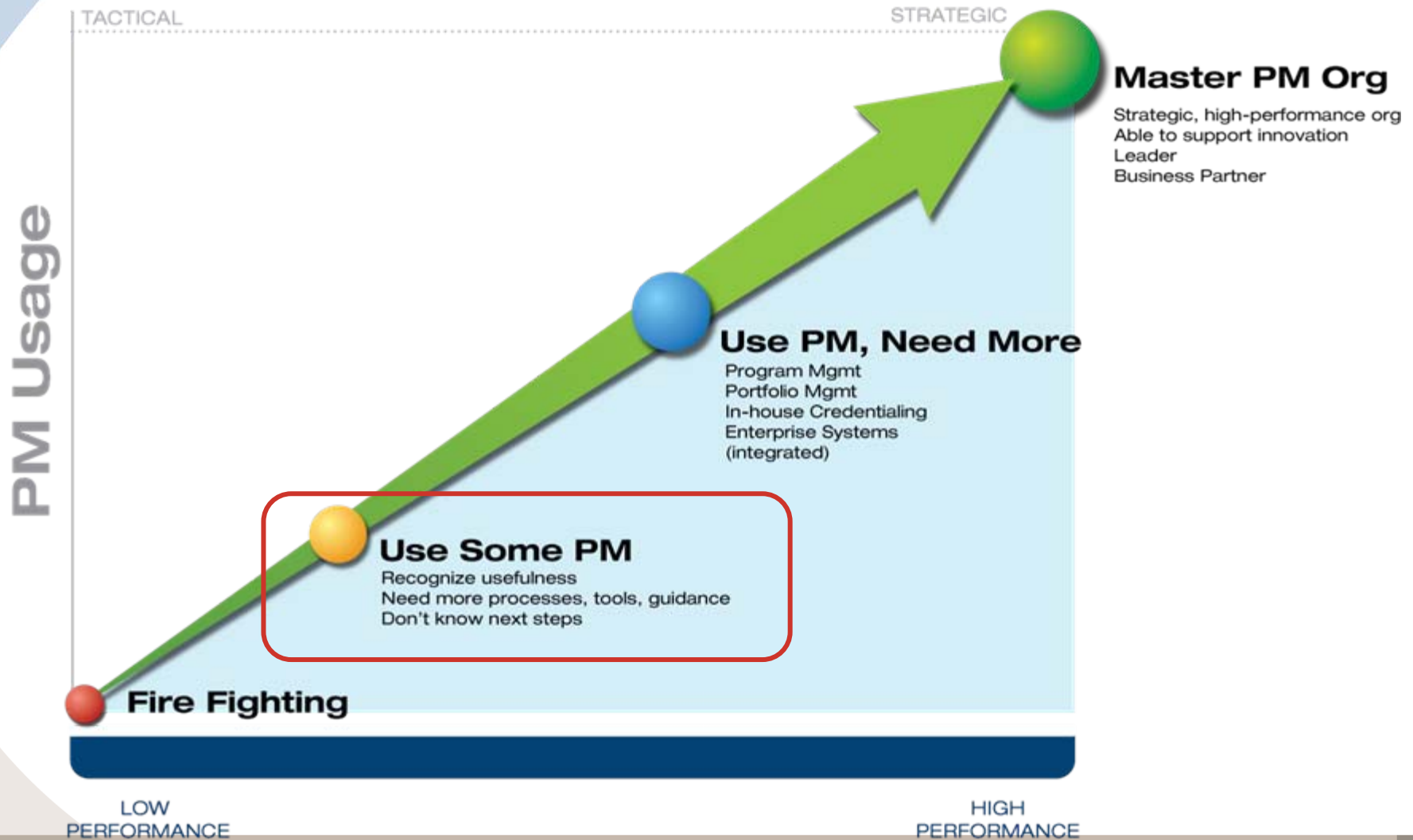
Project management is the art and science of creating a beneficial future through managing purposeful change.

Terry Cooke-Davies





Organization benefits



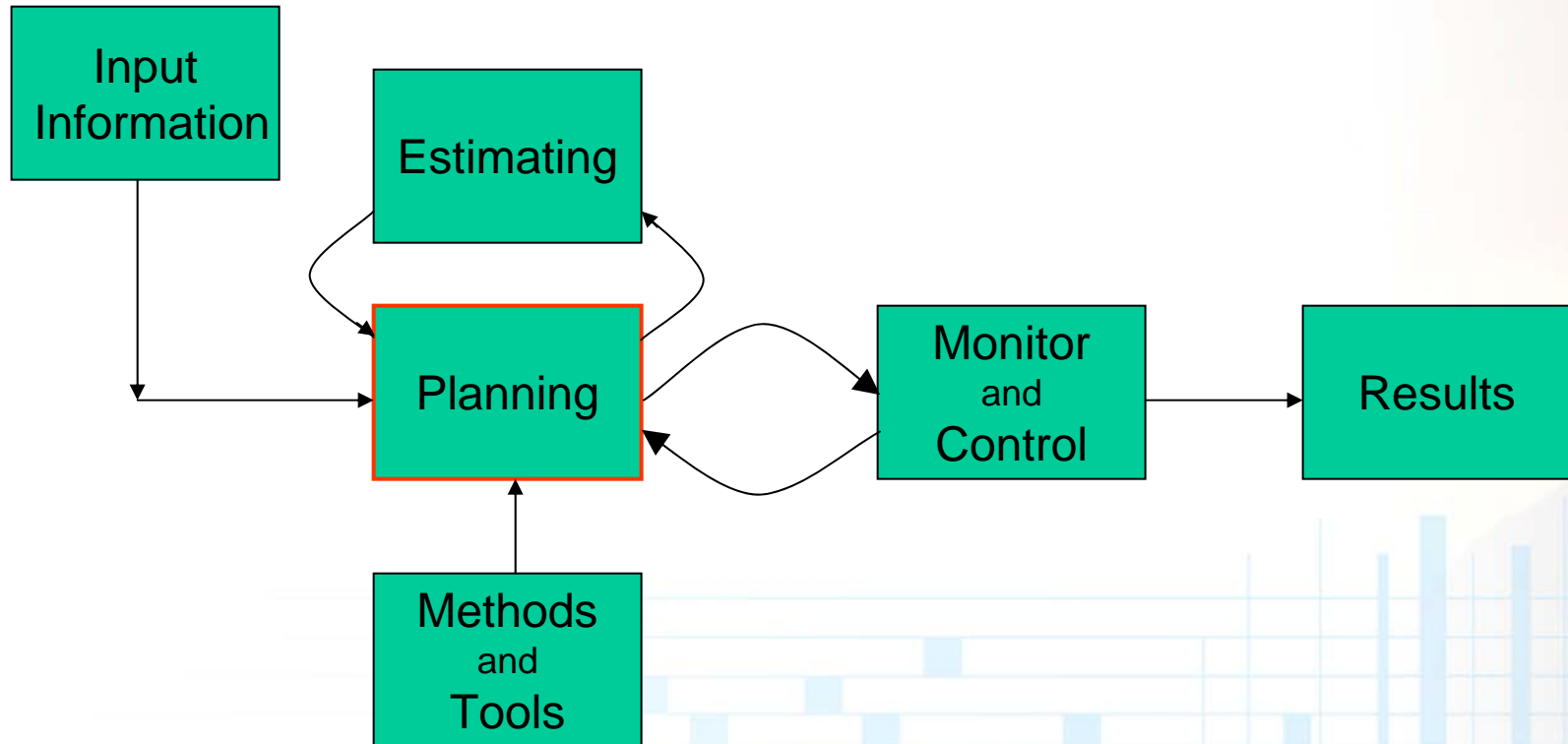
Developing Process AND People.

	Processes & Practices	Competence & Skills
One Project	Project Assessment	Project Team / Project Sponsor Assessment
Many Projects	Organisational PM Capability Assessment (Maturity or Excellence)	Career / Family Assessment Governance / Sponsorship Capability Assessment



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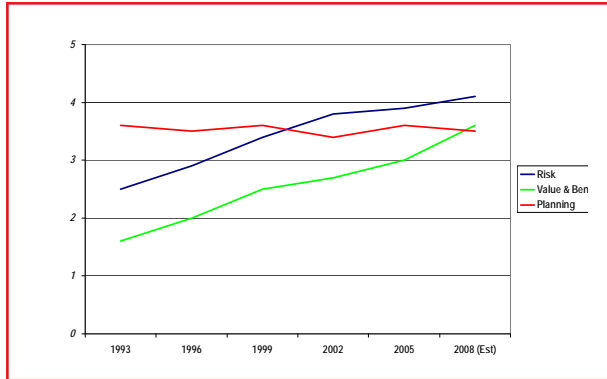
Planning Is Central to PM



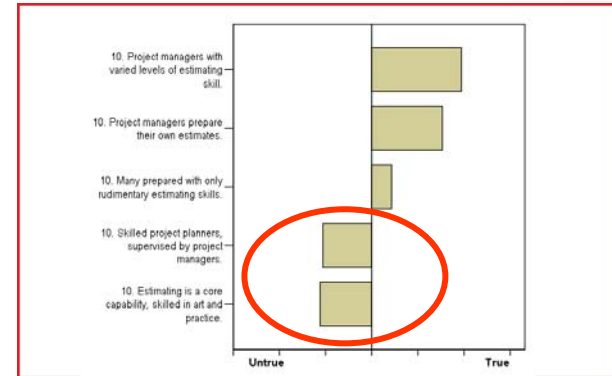


A Real Problem . . .

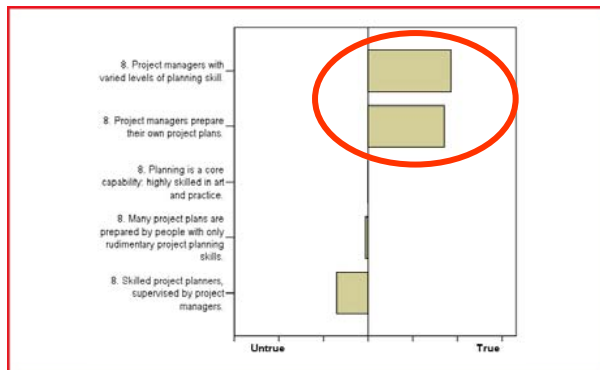
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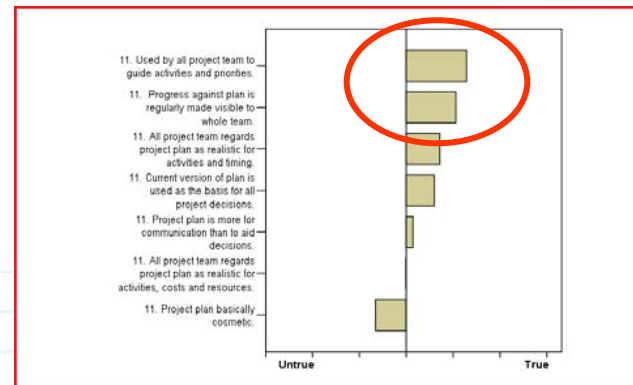
It hasn't improved in 15 years



Estimators Lack Skill



PM's Do Their Own Planning – Regardless of Skill Level



And Yet Decisions Are Based on These Plans



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Three Decades of Research into Capabilities and Results

Organizational Level
Agility of Organization

Sponsor or Program Level
Effectiveness of Program

Project Level
Efficiency of Project



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Three Decades of Research into Capabilities and Results

- Multi-project management and governance capability.
- Effective, reliable metrics.
- Continual improvement of key processes.
- Strategy implemented effectively.
- Key resource productivity.
- Overall success of all projects undertaken.
- Overall level of PM success.

Sponsor or Program Level
Effectiveness of Program

Project Level
Efficiency of Project



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Three Decades of Research into Capabilities and Results

- | | |
|--|---|
| <ul style="list-style-type: none">• Multi-project management and governance capability.• Effective, reliable metrics.• Continual improvement of key processes. | <ul style="list-style-type: none">• Strategy implemented effectively.• Key resource productivity.• Overall success of all projects undertaken.• Overall level of PM success. |
| <ul style="list-style-type: none">• Clear & attainable program goals• Sponsor capability & attitude• Benefits realization & management• Appropriate project strategy. | <ul style="list-style-type: none">• Benefits realized.• Satisfactory technical performance.• Stakeholders satisfied |

Project Level
Efficiency of Project



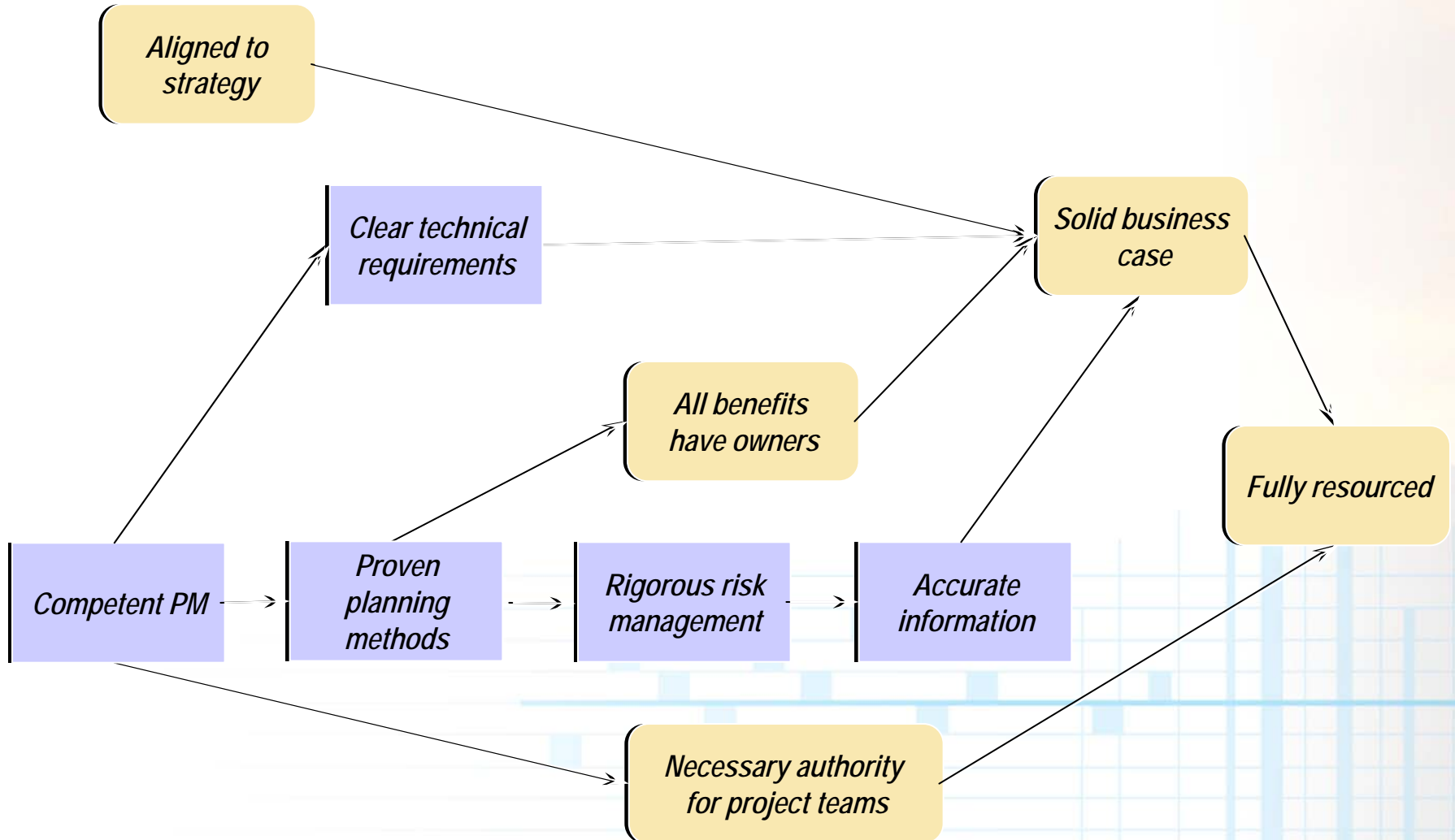
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Three Decades of Research into Capabilities and Results

<ul style="list-style-type: none">• Multi-project management and governance capability.• Effective, reliable metrics.• Continual improvement of key processes.	<ul style="list-style-type: none">• Strategy implemented effectively.• Key resource productivity.• Overall success of all projects undertaken.• Overall level of PM success.
<ul style="list-style-type: none">• Clear & attainable program goals• Sponsor capability & attitude• Benefits realization & management• Appropriate project strategy.	<ul style="list-style-type: none">• Benefits realized.• Satisfactory technical performance.• Stakeholders satisfied
<ul style="list-style-type: none">• Clear project goals• Adequate resourcing• Effective planning and control• Clarity about technical performance requirement.	<ul style="list-style-type: none">• Project team• Risk management• Time• Quality• Safety• Cost• Scope

Knowing Where To Start on Improvement

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... And Knowing What Matters ...

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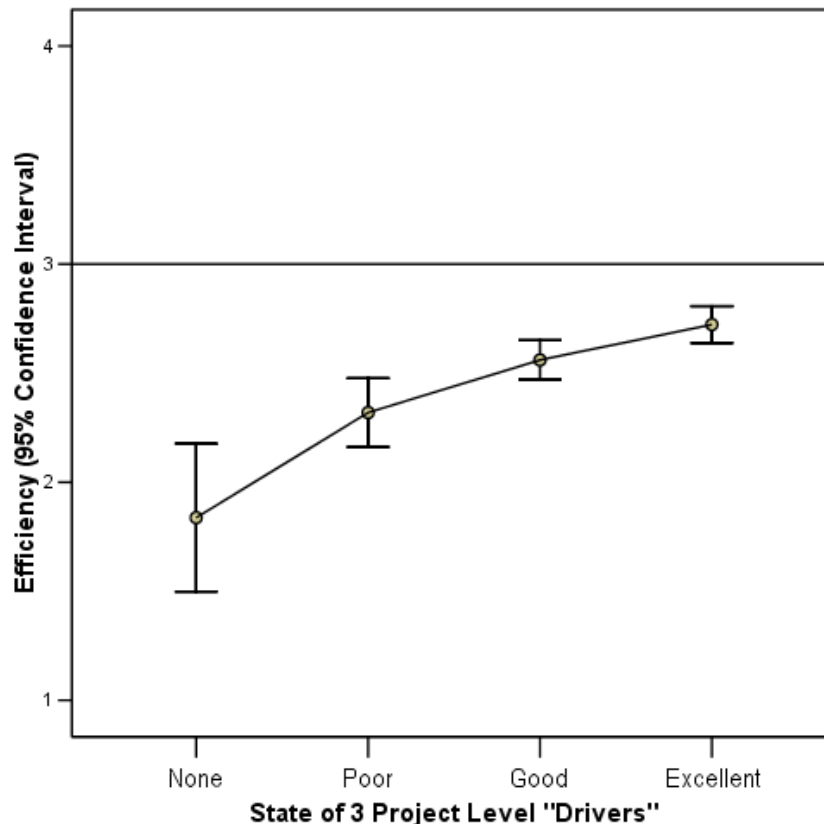
	Drives	Is driven by	Balance		
Competent project manager	7	0	7	Drivers	Project
Proven planning methods	5	2	3		Project
Clarity about technical performance	4	1	3		Project
Benefits owners	4	2	2		Sponsor
Alignment of project to strategy	3	1	2		Sponsor
Accurate information	6	5	1	Amplifiers	Project
Solid business case	7	7	0		Sponsor
Effective teamwork	3	3	0		Project
Necessary authority	2	2	0		Project
Capacity to resource whole portfolio	2	4	-2	Driven	Organization
Fully resourced project	2	6	-4		Sponsor
Strategic options considered	1	6	-5		Sponsor
Risk management	2	9	-7		Project

- The project manager possesses the necessary competence for the specific project, as can be demonstrated by evidence. [Competent Project Manager]
- The planning systems, processes and practices used to develop the project plan are rigorous and proven, and incorporate effective review processes. [Proven Planning Methods]
- The technical performance requirements from the product of the project have been specified clearly and unambiguously. [Clear Technical Performance]



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... Delivers Dramatic Improvements in Efficiency

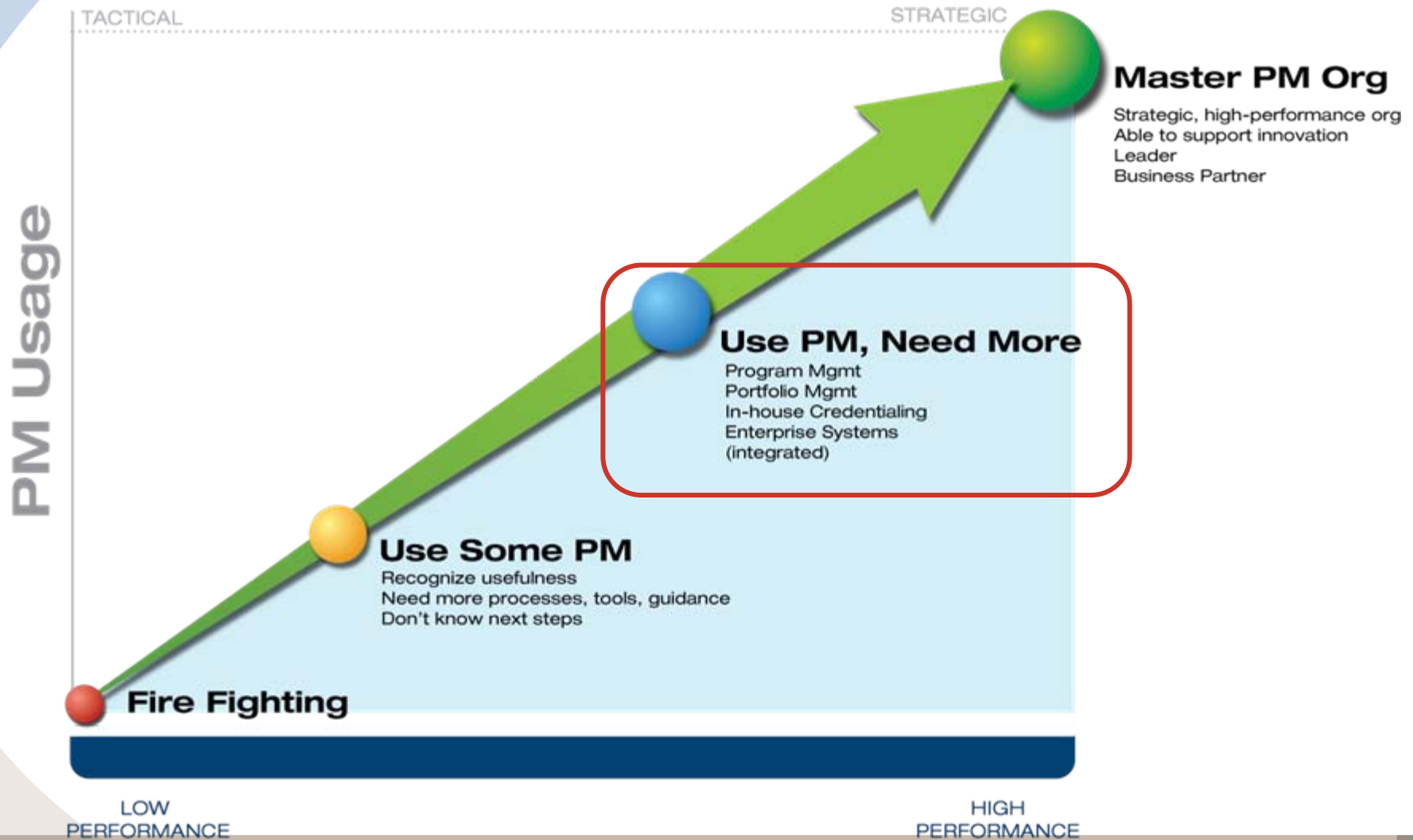


- Impact of basic three PM "drivers"
- The scores are for an average of the three project level "drivers"
- Improving these three alone can result in 50%+ improvement





Organization benefits





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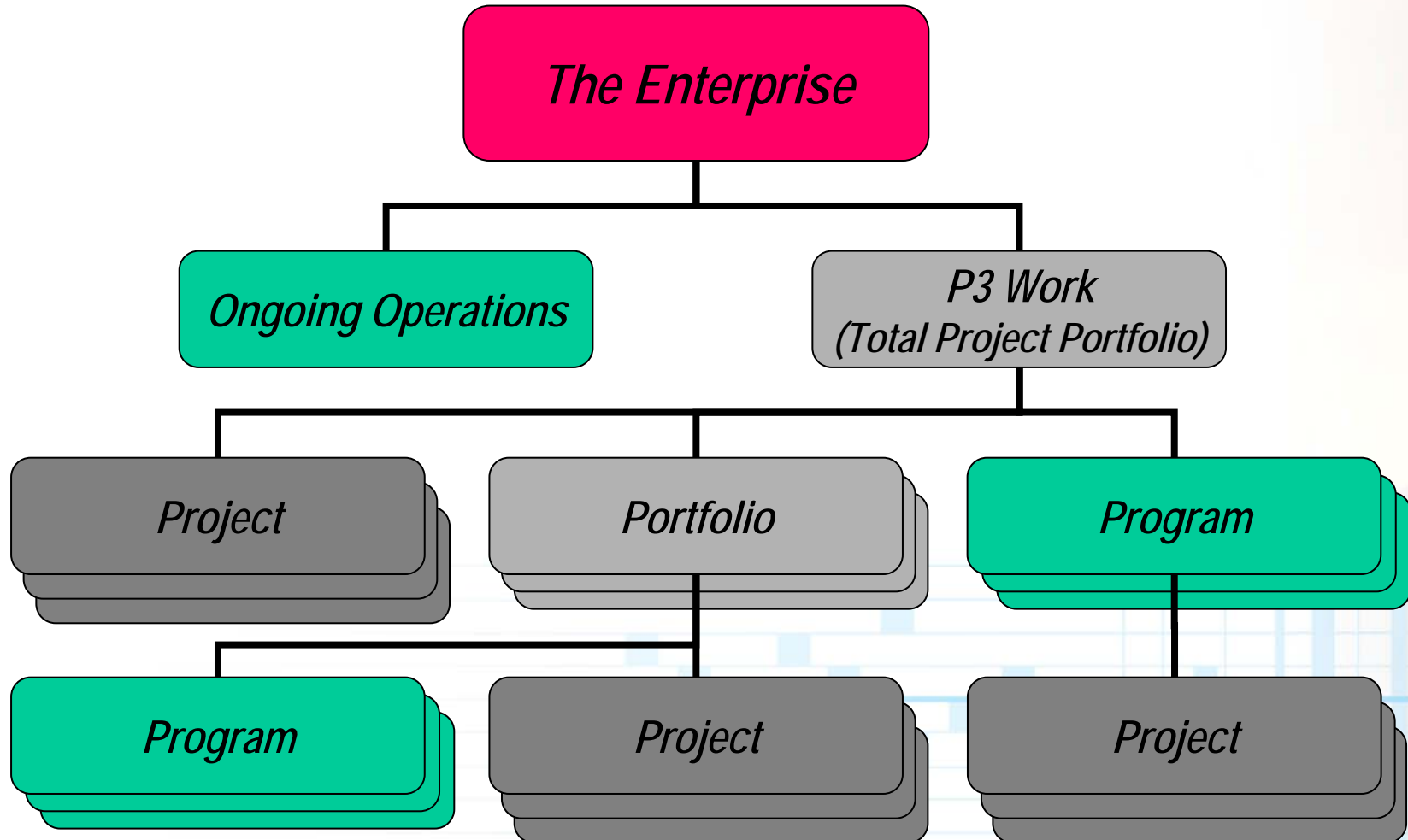
Projects, Programs, Portfolios

- **Project**
 - A temporary endeavour undertaken to create a unique product, service, or result
- **Program**
 - A group of related projects managed in a coordinated way to obtain benefits and control not available from managing them individually
- **Portfolio**
 - A collection projects and / or programs and other work that are grouped together to facilitate the effective management of that work to meet strategic business objectives

Source: PMI – The Standard for Portfolio Management, Exposure Draft, 2008



Projects, Programs & Portfolios

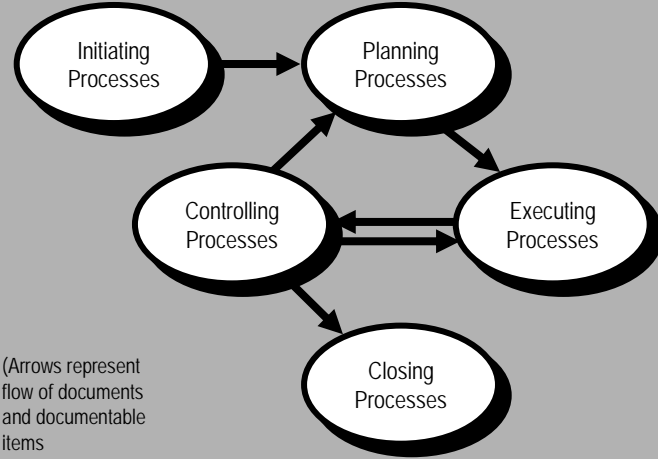




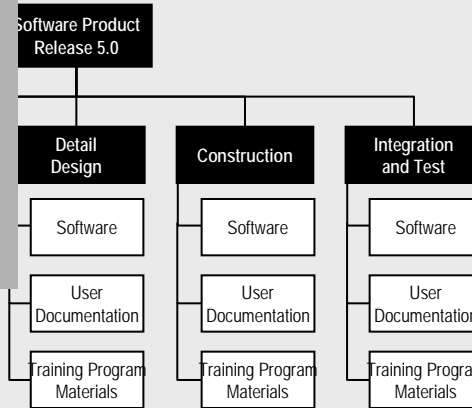
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Project Management is Rational and Normative.

Figure 3-1. Links Among Process Groups in a Phase

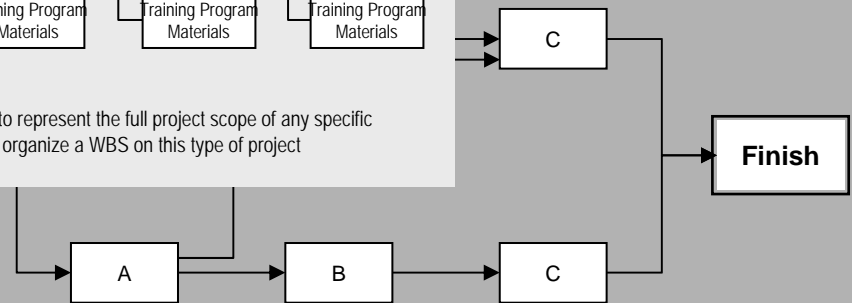


Breakdown Structure Organized by Phase



This WBS is illustrative only. It is not intended to represent the full project scope of any specific project, nor to imply that this is the only way to organize a WBS on this type of project

Precedence Diagramming Method





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Managing Change Is Non-Rational and Pragmatic.

Right objectives

Human Factors

Sponsorship

Communication

Metrics

Programme Structure

Team empowerment

Enter "Program Management"





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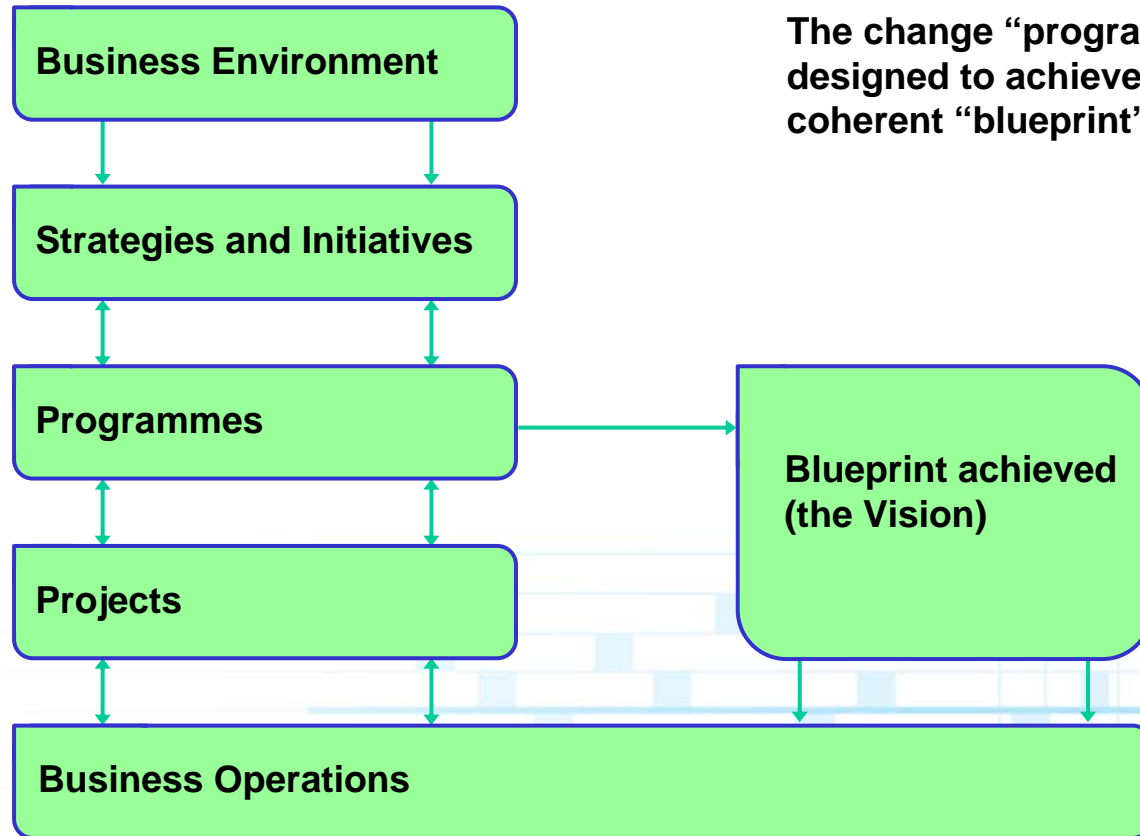
A Gathering Storm

- Used in general language for “big project”
- Promoted by enthusiasts – Prog-M
- Adopted by UK Government
 - CCTA
 - OGC
 - MSP
- Picked up by PMI
 - OPM3
 - Program Management Standard
- Investigated by Research Network
 - Rethinking Project Management
 - Forthcoming IJPM Special Edition



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Programme Management – Achievement of a Vision.





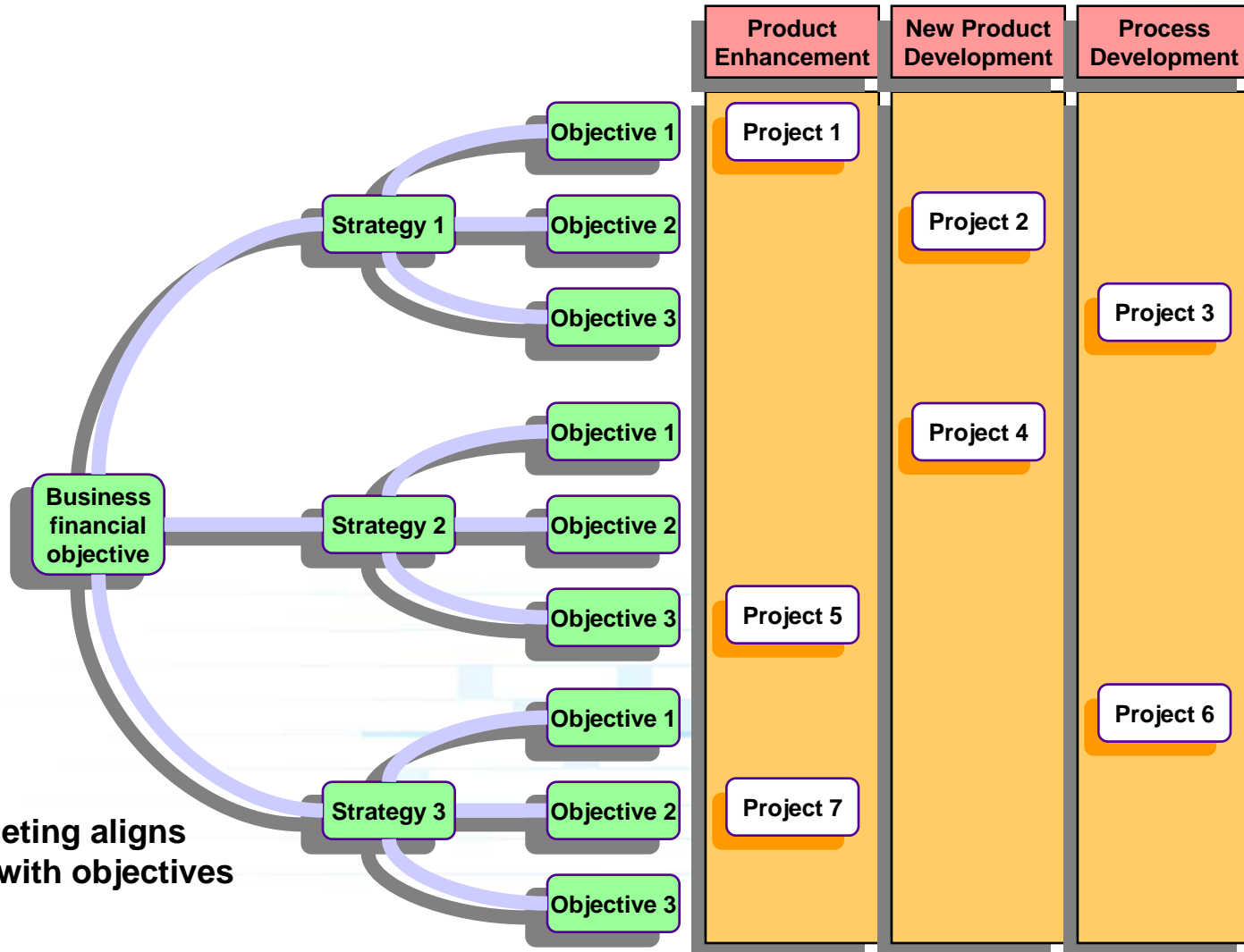
Program Management Needs:

- Planning at Program Level.
 - Integrated Program Plan
 - Program-level risks Identified
 - Program-level procurement activity
- Benefits management and realization processes.
- Project interface planning and management processes.



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Portfolio Management – Alignment of Spend

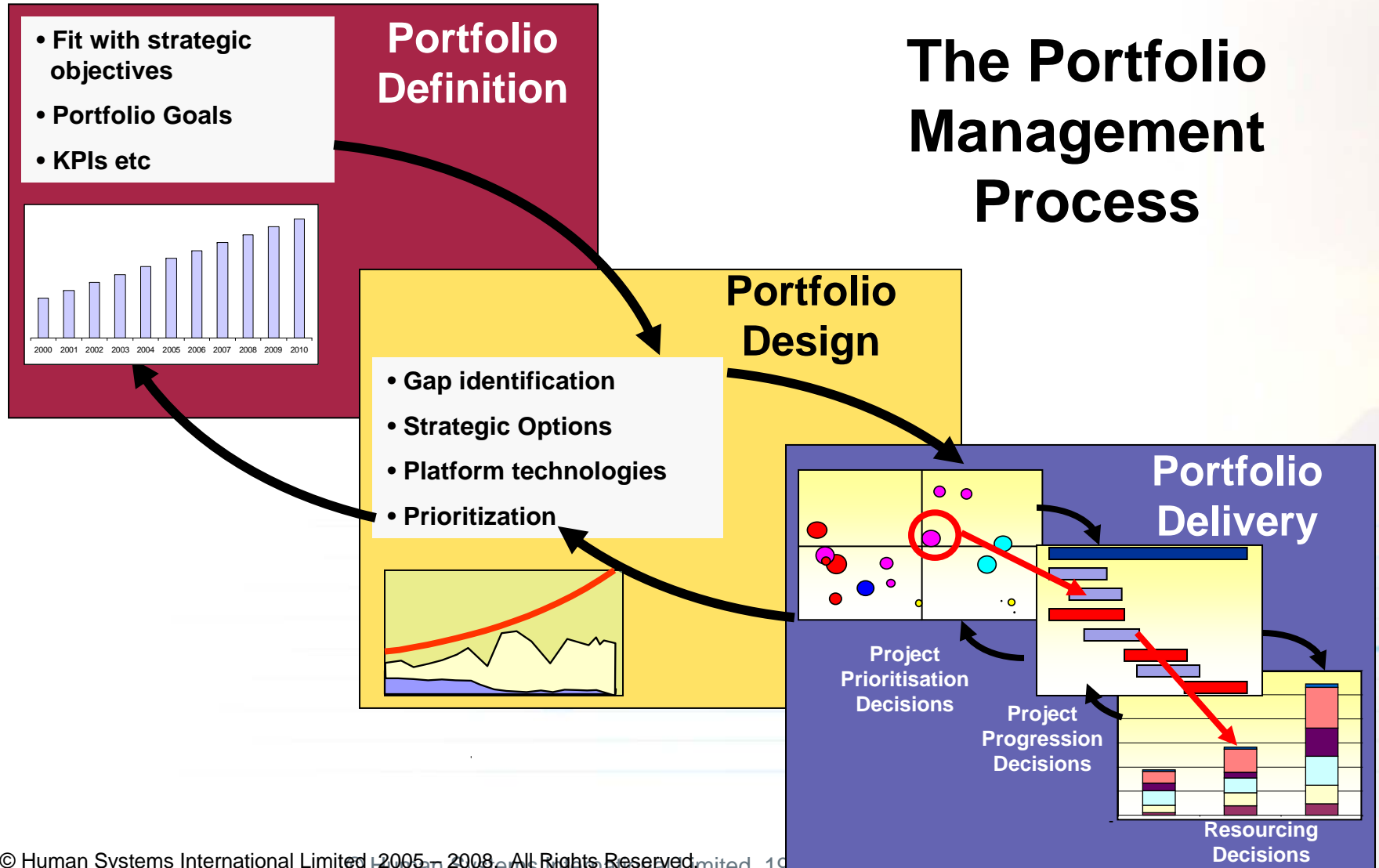


Project budgeting aligns expenditure with objectives



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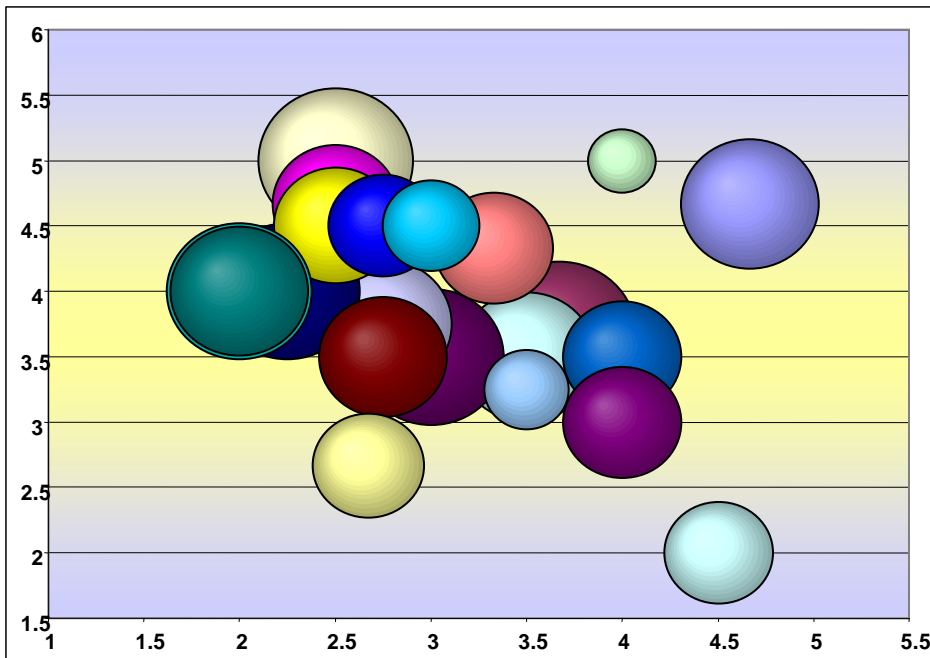
Effective Portfolio Management links strategy to project activity



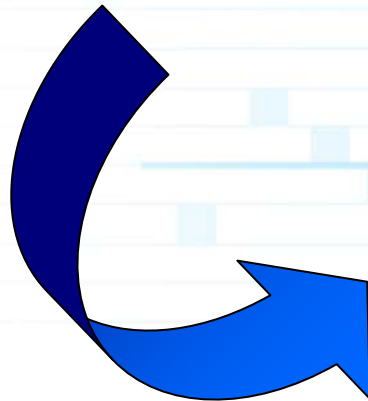


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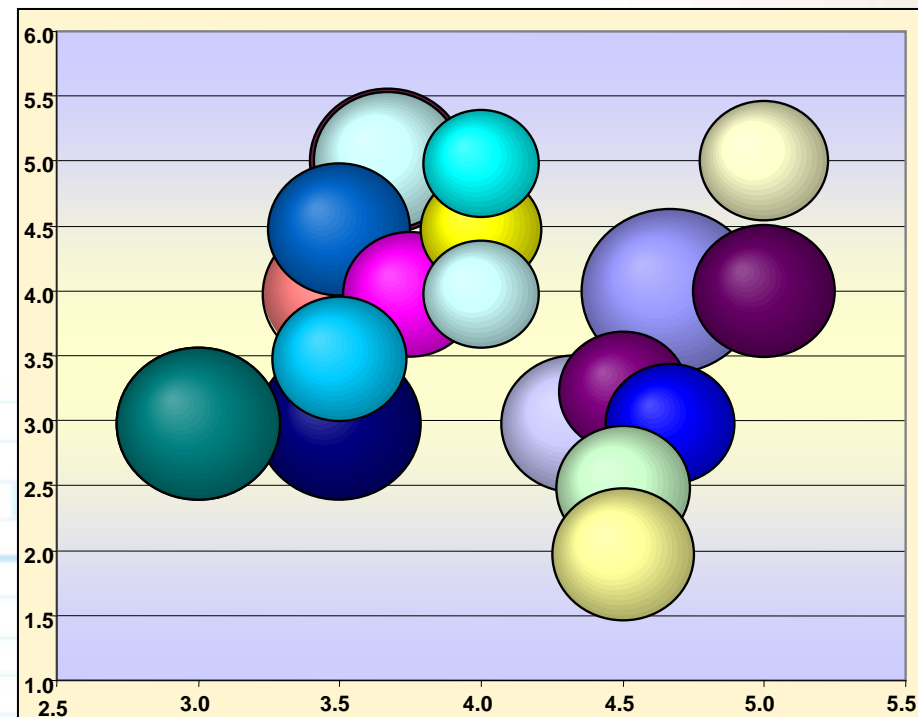
Does knowing the strategy and goals really make a difference?



A



The same portfolio prioritised for A, short term cash flow and B, longer term growth



B



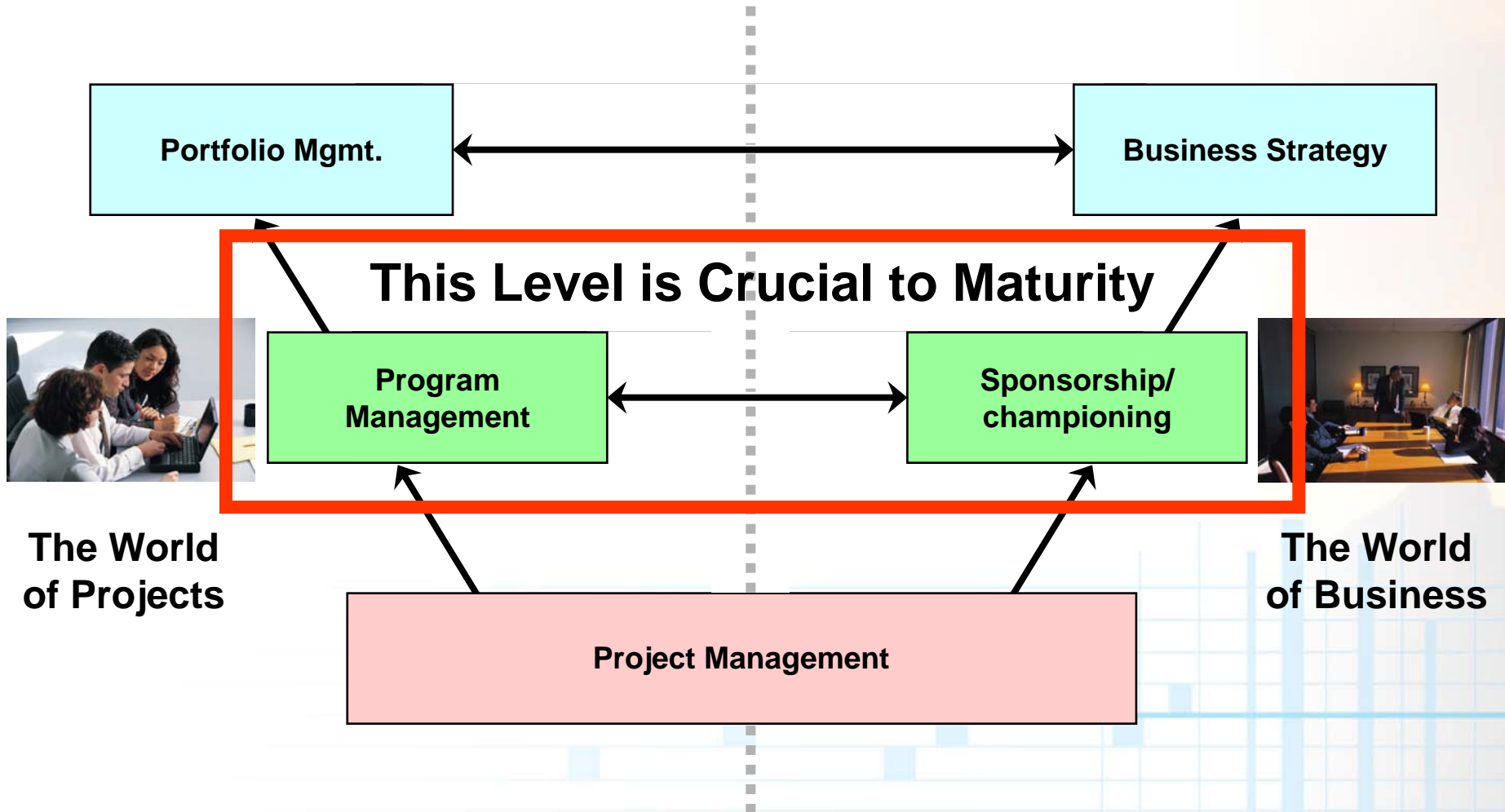
Effective Portfolio Management Needs:

- All Project Spend Visible.
- Means of Balancing Portfolio.
- Means of Selecting Projects.
- Stage-Gate Process.
- Portfolio Review Process.
- Effective Resource Allocation.



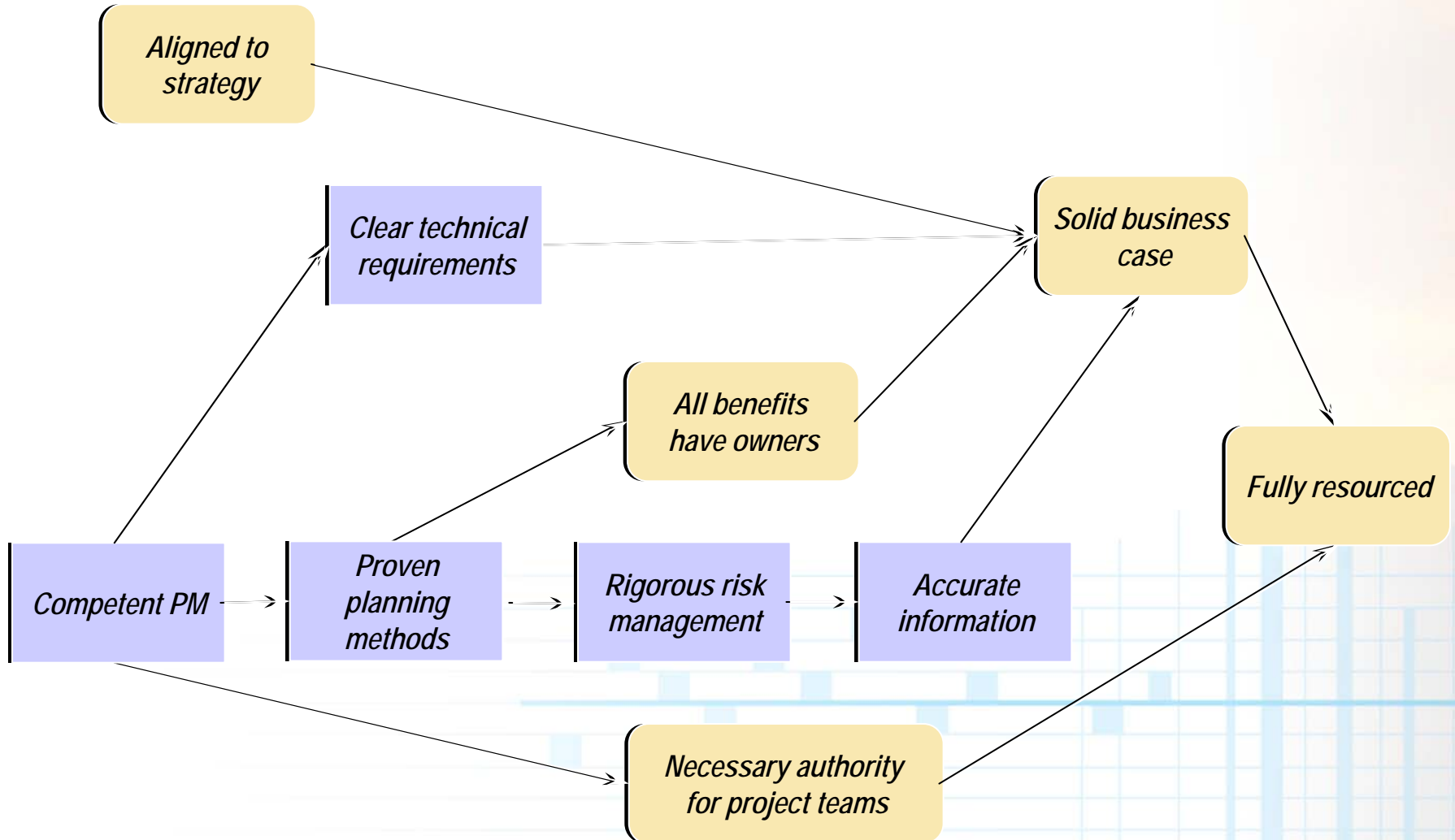
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The Critical Role of the Sponsor



Knowing Where To Start on Improvement

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However, Note The Role of the Sponsor

- Sponsorship provides bridge between permanent organization and temporary organization (project or program).
- Sponsorship requires experience, knowledge, perspective, credibility and authority – hence senior position.
- Senior people are very busy – hence hierarchy of sponsorship, with often complex structure with multiple sponsors, boards and committees.
- There is strong consensus about the role.



Internal Projects Require Skilled Sponsors.

- There are two dimensions to sponsorship: governance and support.
- In certain situations, one dimension may be dominant.
- Effective sponsorship depends on personal characteristics and behavior.
- Effective sponsorship requires:
 - Excellent communication skills, including listening ability,
 - Ability to handle ambiguity,
 - Ability to manage self, including time and stress management.



Governance

- Role can be structured around six dimensions:
 - Govern the project
 - Take accountability for business case and benefits
 - Give direction and make decisions
 - Critically review progress
 - Manage internal and external interfaces
 - Have sufficient seniority to represent the project to the organization
- Situations that call for an emphasis on governance include:
 - High risk exposure for organization if project fails
 - Persistent under-performance of project
 - Rapidly-changing market conditions
 - Corporate governance (e.g. Sarbanes-Oxley) has drawn attention to the project
 - Suspected illegal or non-compliant behaviour in the project
 - Project is mission-critical
 - Need to realign project to new strategy or organizational context.

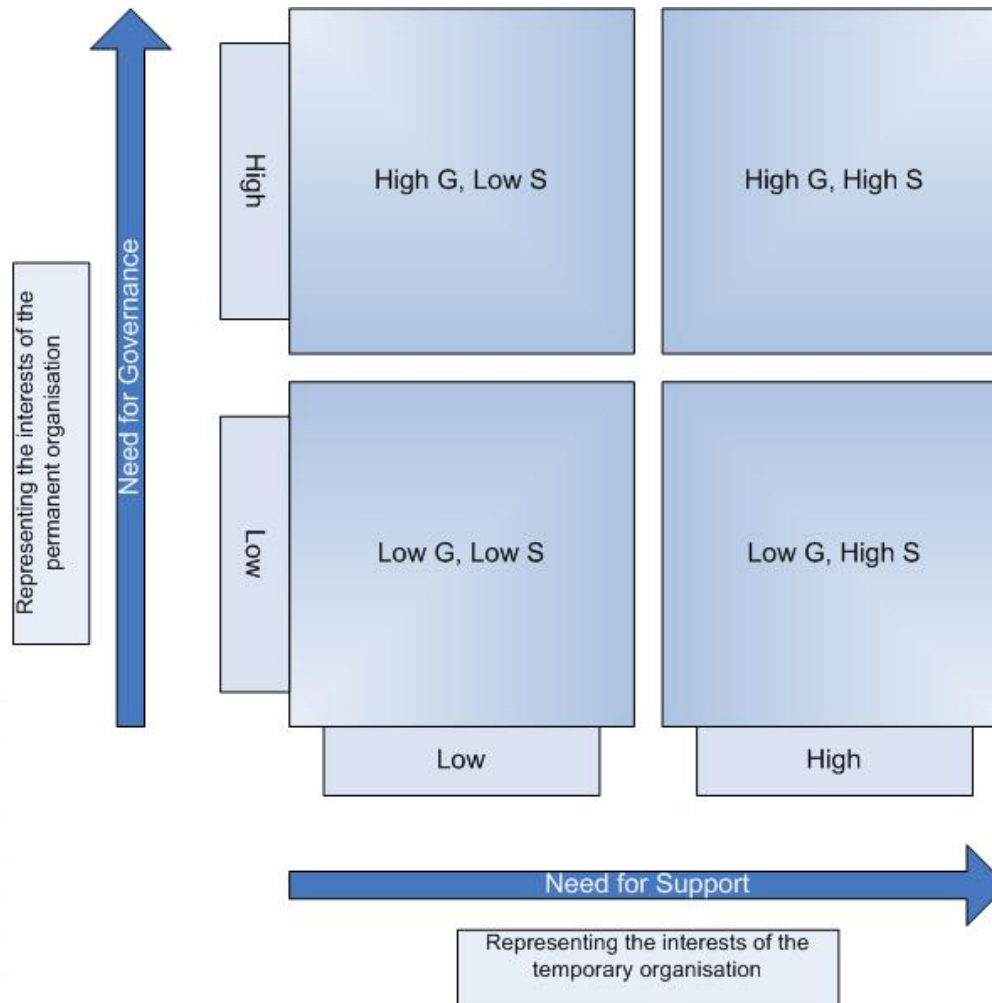
Support

- Role can be structured around four dimensions:
 - Have credibility and use networking ability
 - Provide leadership
 - Maintain effective relationships
 - Be available and provide timely support
- Situations that call for an emphasis on support include:
 - The organization is failing to provide sufficient resources for the project
 - Some parts of parent organization are resisting the project's implementation
 - Different stakeholders in the parent organization are seeking to impose conflicting requirements on project
 - The parent organization is failing to provide the project with decisions necessary to maintain planned progress
 - Project manager is inexperienced or weak
 - Early signs of difficulty within the project, such as possible shortfall in benefits



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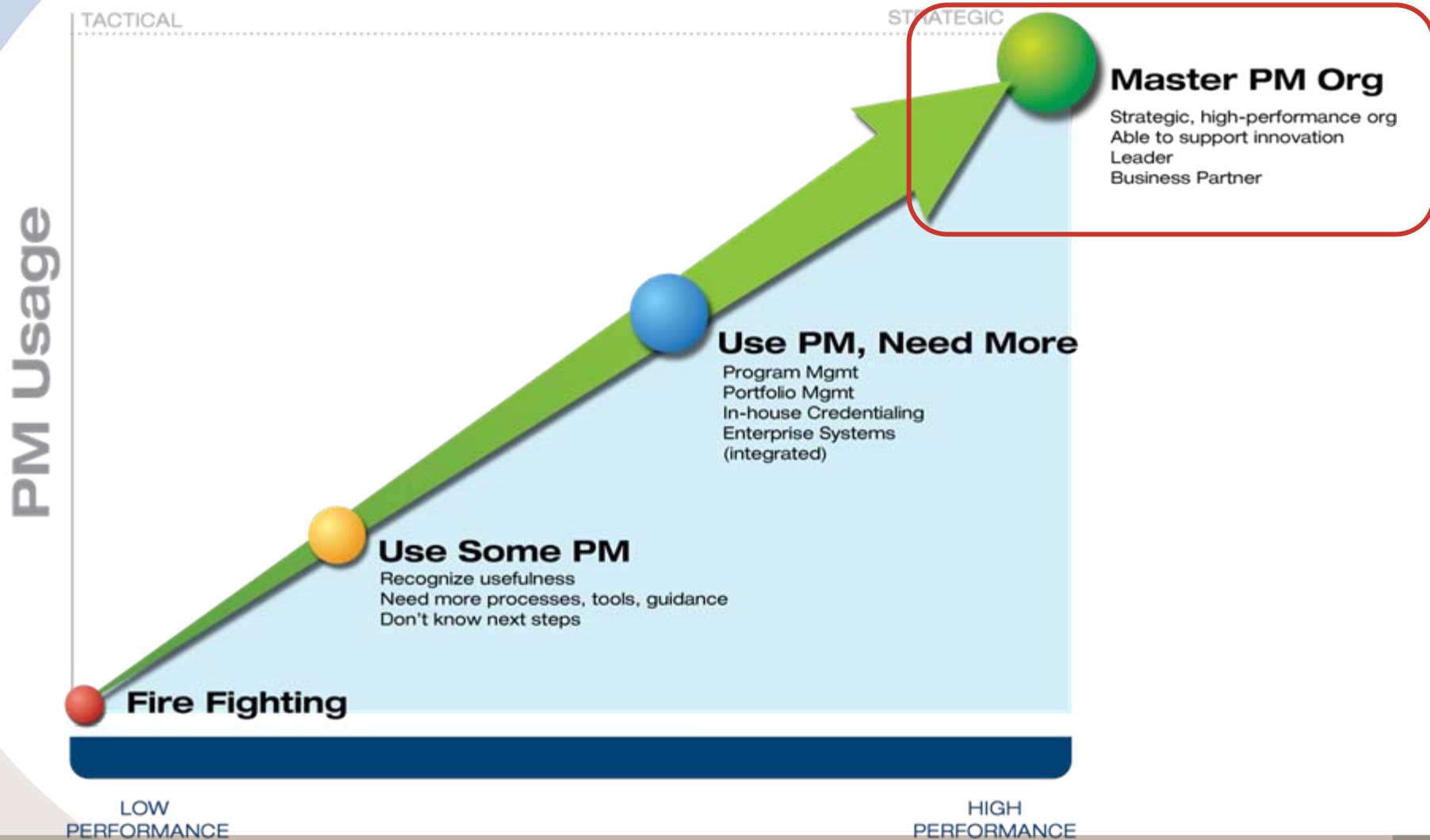
Situational Sponsorship







Organization benefits





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Developing a “Joined-Up” PM System.

- Policy
 - Strategic importance of project management (PM)
 - Organizational commitment to PM
 - Use of “outside look”
- People
 - PM industry experience
 - Project manager’s project management experience
 - PM education and training
 - PM career path
 - PM certification
- Structure
 - Project organization
 - Governance of programs, projects and project management
 - PMO
 - Resource allocation
- Processes:
 - PM methodology
 - Flexible program strategies
 - Percentage of projects following formal methodology



The PM System Has Many Aspects

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STRATEGY

- Strategic Portfolio Management
- Methodology & IT Tools
- Governance of Project Management
- Org. Resource Mgmt incl. Career Dev
- Success Measures

OWNERSHIP

- Multi-PM & Program Management
- Governance of Programs & Projects incl. Project Recovery, Business Case, Benefits & Outcomes
- Project Transition & Lifecycle Mgt incl. start-up/close

DELIVERY

- Planning & Estimating
- Monitoring & Controlling incl. Config. Mgt incl. Benefit Tracking
- Team Performance (Human Factors)

ENABLERS

- Continuous Improvement incl. Quality Mgmt incl. Value Mgmt & Val Eng
- acceptance Process VV
- Risk
- Performance Mgmt & Metrics incl. EVM
- PMO
- Management of Change
- Stakeholder Management & Comms
- Procure & Contracting incl. 3rd party
- K.M & L.F.E
- HSE



Using the “Outside Look” . . .

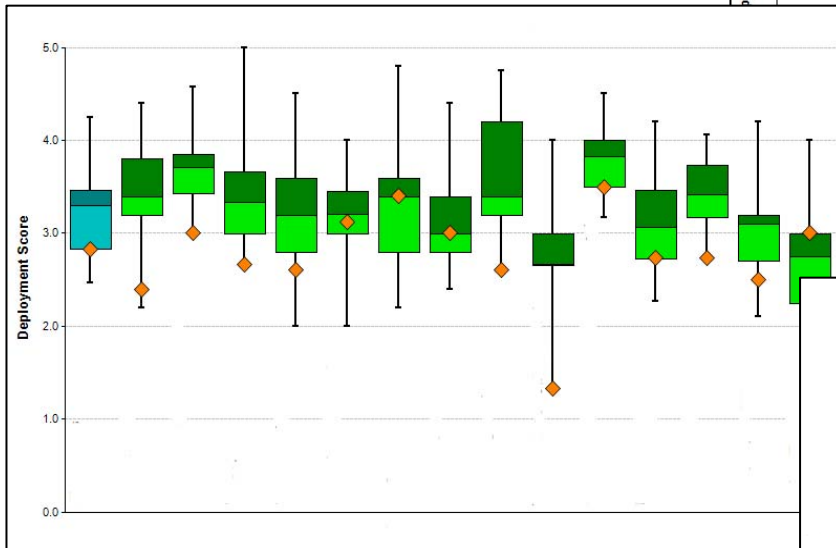
	Processes & Practices	Competence & Skills
One Project	Project Assessment	Project Team / Project Sponsor Assessment
Many Projects	Organisational PM Capability Assessment (Maturity or Excellence)	Career / Family Assessment Governance / Sponsorship Capability Assessment



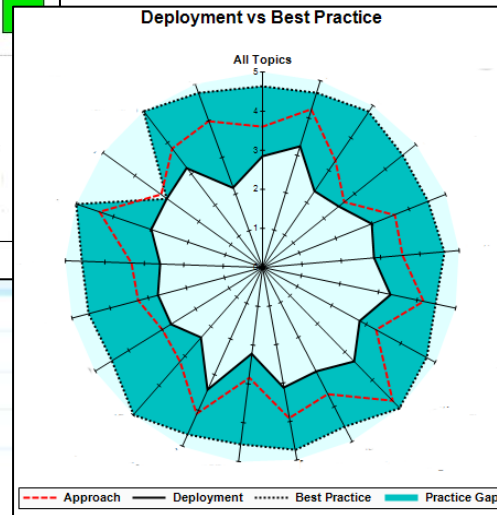
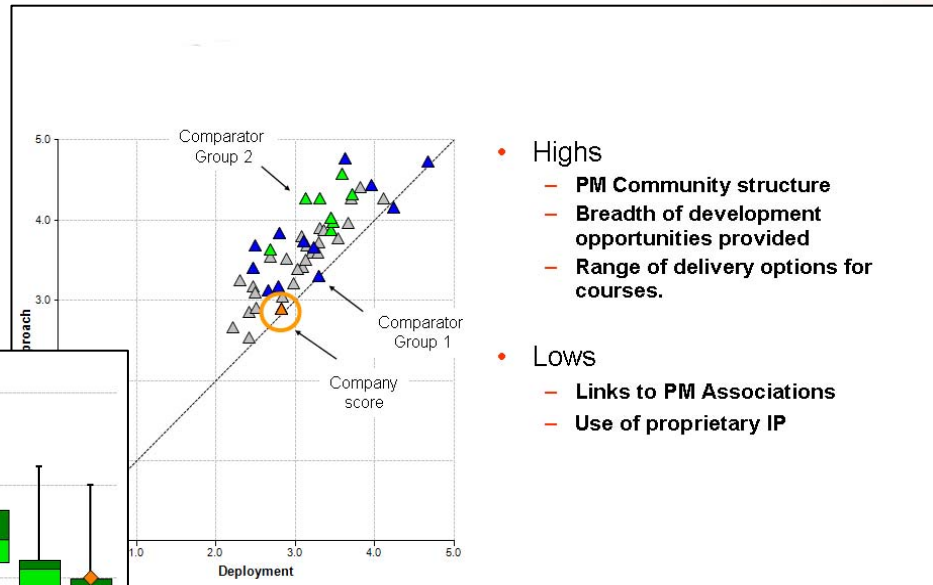
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To Find Out

Where you stand relative to comparative groups of organizations... ..



... which quartiles your practices fall into

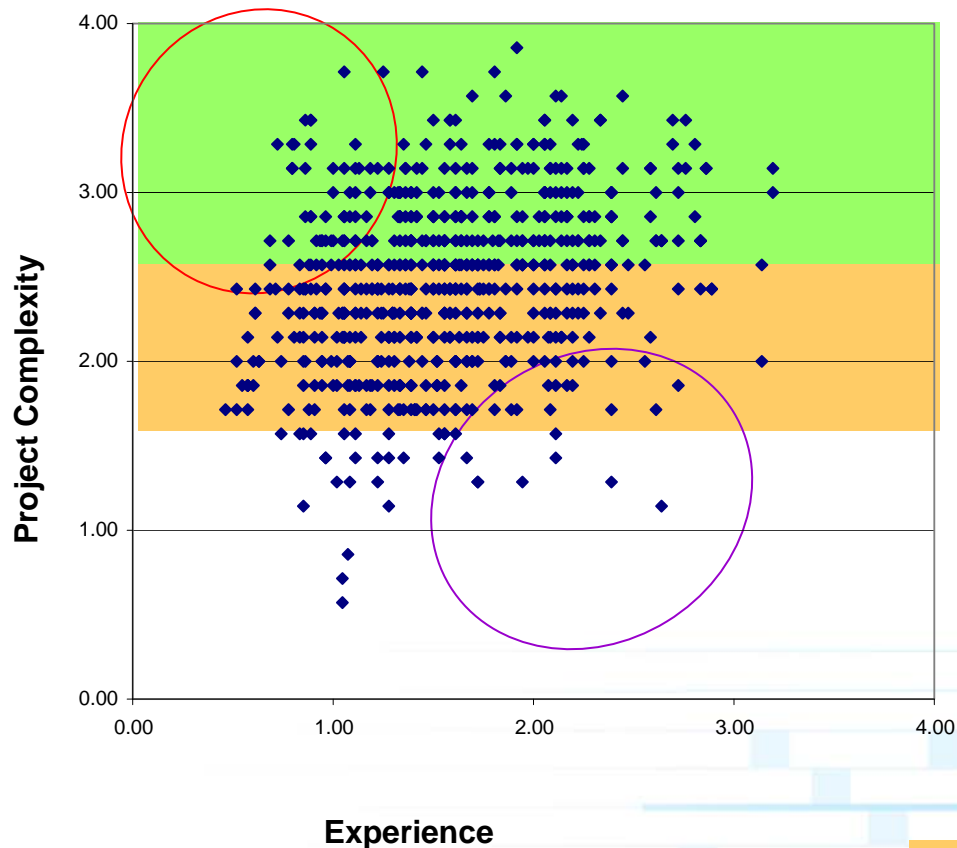


... and where your significant gaps are to be found.



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Be Able To Match People to Projects.



- Comparison of Experience (combination of company and project experience)
- Majority of projects are moderately complex and are being managed by candidates with a moderate level of experience
- Red circle highlights key concern, low experience managing extremely complex projects. Note: this may be partially explained by the fact that low experience may produce inaccuracy in the estimation of complexity
- Purple circle highlights high experience individuals assigned to very low complexity projects

Moderately complex Projects

Very complex Projects

Coping with Complexity

- Complexity is increasing in the project environment
 - But not all projects have a high degree of complexity
 - Simplicity is often a desirable goal
- Projects with a high degree of complexity need managing differently from those with little of it



Senior PMs Need People Skills ...

- Agility as demonstrated by ability to “manage on the run,” coping with the unpredictability that is inherent in complexity, demonstrating flexibility and being comfortable with ambiguity
- Strong leadership grounded in appropriate experience, in subject matter knowledge, in appropriate authority from sponsoring organization(s), in personal virtues such as courage, commitment and a “can do” mentality, and behaviours that are ethically acceptable to all parties to the project or program
- Empathy towards people, regardless of their culture, in order to understand the subtle human dynamics inherent in the project’s complexity, and the necessary inter-personal skills to act appropriately on that understanding



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... And Leadership Skills.

- Ability to manage the context by understanding its salient characteristics, being able to describe and measure them, and then being able to shift them in ways to reduce complexity as far as it is possible
- An ability to keep things as simple as possible, so as not to compound complexity, and to communicate simply and clearly with all parties
- Highly developed risk management skills, so as to exploit opportunities while reducing residual risk to the lowest possible level



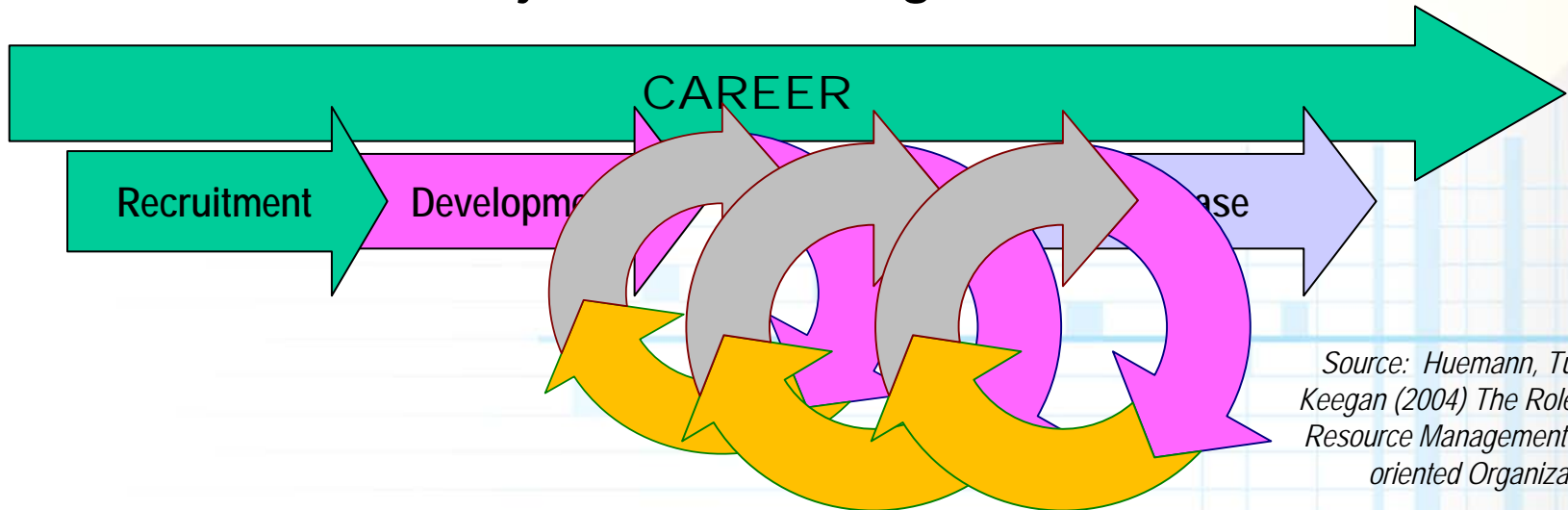
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But How Do You Develop These?

Classically-managed Organization



Project-oriented Organization



Source: Huemann, Turner and Keegan (2004) *The Role of Human Resource Management in Project-oriented Organizations*



But People Need Expertise . . .

Experts

behaviour is intuitive, holistic, and synchronic, understood in a way that a given situation releases a picture of problem, goal, plan, decision and action in one instant.

Proficient Performers

identify problems, goals and plans intuitively from their own experientially-based perspective. Intuitive choice is checked by analytical evaluation before action.

Competent Performers

are characterized by the involved choice of goals and plans as the basis for their actions. Goals and plans store both context-dependent and context-independent information.

Advanced Beginners

also use situational elements, which they have learned to interpret on the basis of their own experience from similar situations.

Novices

act on the basis of context-independent rules.



.. .. So Process Maturity is Necessary But Not Sufficient.

<i>Experts</i>	<i>The realm of personal expertise in dealing with behavioural and organizational complexity?</i>
<i>Proficient Performers</i>	
<i>Competent Performers</i>	Level 5: Continually improved.
	Level 4: Optimised
<i>Advanced Beginners</i>	Level 3: Managed
	Level 2: Planned
<i>Novices</i>	Level 1: Ad Hoc



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Use Tools Such As PMI's Career Development Framework... ..

The screenshot displays a web browser window with multiple tabs. The active tab shows the URL <https://pathpro.pmi.org/cf/FrameworkDisplayJobDescriptionDetails.aspx?ID=ad648749-f78b-4f26-ace8-6100b591354f>. The website header includes the PathPro logo, the Project Management Institute (PMI) logo, and the tagline "Making project management indispensable for business results." Navigation links include Home, About Career Framework, PathPro User Guide, and PMI. A sidebar on the left lists various user options like Home, View Job Descriptions, Job Assessments, View Job Ladders, View PMI's Career Framework, My Profile, Contact PMI, and Logout. The main content area is titled "View Job Description" and includes a "Back to PMI Job Descriptions" button. The job title is "Job Title: Project Manager III". Key details include: Department (not specified), Effective Date (Tuesday, May 15, 2007), Reporting Relationship (not specified), Definition (Under general direction of either a Portfolio Manager or in some cases a Program Manager, leads and directs high-priority projects, which often require considerable resources and high levels of functional integration), Duties (In addition to duties of a Project Manager II, takes projects from original concept through final implementation. Interfaces with all areas affected by the project including end users, distributors, and vendors. Ensures adherence to quality standards and review project deliverables. May communicate with a company executive regarding the status of specific projects), Management Experience (6 to 10 years), and Project Profile (Show Project Profile button). The "Additional Requirements" section lists Qualifications (Project Management Professional (PMP®)), Education (Bachelors degree or equivalent), and Skill Assessment (click here for definitions of proficiency levels). The Skill Assessment section details a skill: "Manage changes to project scope", its description (Manage changes to the project scope, project schedule, and project costs using appropriate verification techniques in order to keep the project plan accurate, updated, reflective of authorized project changes as defined in the change management plan, and facilitate customer acceptance), and Competency (Professional). The bottom of the page shows the Windows taskbar with various open applications and the system clock at 11:28.



... Or Project “Academies”.

- Development of knowledgeable and competent staff to deliver its portfolio of projects and programs is a strategic imperative for most organizations.
- “Project Academy” describes the range of solutions used to deliver on this imperative
 - From a “collection of courses” to a formalized academic structure
 - With or without links to universities, etc.
 - Encompassing all key roles involved in the delivery of projects and services
- Solutions may encompass the processes of ‘in-role’ education and development
 - Such as Knowledge Management and Learning from Experience

Scope of a Typical Project Academy

- Context – Industry, sector, organization size, significance of projects
- Characteristics – PM Community, Curriculum scope, Professional Links, Curriculum focus & eligibility
- Administration – MI systems, alumni network, cycle of improvement
- Leverage of Knowledge – Own IP vs. external research, academic relationships, relationship to organizational processes and practice
- Assessment – Measure of effectiveness, perceptions of wider organization, KPI's, external benchmarking
- Results achieved – qualitative ratings, Kirkpatrick levels (reaction, learning, behaviour, results), quantitative

Thank you for listening.

Now Let's Talk 😊

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