

Table 3.1 Project management competencies

Developing the business case for projects	Defining business cases Shaping a project, its objectives and its strategies for success Securing finance Participating in benefits tracking
Specifying and managing requirements for project deliverables	Producing and gaining stakeholder agreement to specifications Controlling scope changes to ensure that project objectives are not jeopardized Ensuring that regulatory requirements are met
Developing project management plans and estimating resources	Developing a work breakdown structure Establishing the project life cycle, developing project plans and designing the project structure Estimating resources and recommending the means of procuring resources Creating plans for change management activities
Managing project governance and stakeholders	Stakeholder analysis, operation of governance/steering processes Communication and reporting Issue management Setting and managing expectations Observing corporate policies and procedures
Securing resources	Securing personnel to implement the project Establishing the project's working environment (tools, facilities)
Managing procurement	Establishing a procurement strategy Reviewing and selecting suppliers, approving contractual arrangements Managing suppliers through to acceptance and transition to maintenance or support services
Managing risk on projects	Identifying and tracking potential risks and evaluating means to mitigate them Managing funds allocated for risks and contingency
Managing teams and individuals to achieve objectives	Allocating work and agreeing objectives Monitoring and evaluating the work and providing feedback on performance Providing leadership and direction Managing conflict Maintaining morale Managing the movement of staff into and out of the project
Managing the implementation stage	Establishing management procedures for solution delivery and change management Monitoring and controlling the schedule, expenditure, risks and issues Taking corrective action as required Ensuring that quality objectives are achieved and that legal and regulatory requirements are satisfied Managing the acceptance process and an ordered handover to operational functions
Evaluating project performance	Assessing project performance against the business case and objectives Providing information to improve the estimation of future projects Distributing learning points and examples of good practice to the project team and to the project management community

- The size of project will vary by organization and industry sector.
- Finally, of course, the needs of each organization and its human resources policies for grading staff will vary.

The Roles in a Project Management Job Family

The following four roles will typically exist within the project management job family:

Project manager

Manages projects, or sub-projects, that are primarily single discipline (for example, a software application, technology infrastructure or the change management element of a larger project). Sponsorship is uncomplicated or managed by others. Project size could be up to £1 million and could involve external suppliers on simple contract terms. Internal teams could comprise up to ten people. Project risk category is low (see later in this chapter and Appendix 4 for the definition of these risk categories).

Could also take the role of project office manager on a larger project.

Senior project manager

Manages projects that are multi-discipline (for example, the change of a transaction process including new technology and some limited change activities). Projects could cover several countries but are unlikely to cover more than one functional business. Project sponsorship is relatively concentrated. Project size could be up to £3 million and the project is likely to involve external suppliers, still on relatively simple contract terms. Internal teams could comprise up to 20 people. Project risk category is low or medium.

Could manage a single discipline sub-project on a larger project or alternatively a number of small assignments. Could also take the role of project office manager on a larger project or programme.

Project director

Manages projects that are multi-discipline. The projects cover either several country operations or more than one functional business, but are unlikely to cover both. Projects are likely to be of strategic importance to one or two functional business or several country operations. The project will have a number of stakeholders and the sponsor will probably be at one level below the board. Projects will include some business change element. Project size could be up to £20 million and could involve multiple suppliers, some of whom are retained on bespoke contractual terms. Internal teams could comprise up to 50 people. Project risk category is medium or high.

Could also manage a large project that is a part of a business change programme or alternatively a portfolio of related smaller projects.

Programme manager/director

Manages a major programme of change that is of strategic importance to the organization. The programme will comprise a number of significant projects. The accountable executive is probably at one level below the board, the sponsor is at board level and the programme will have multiple stakeholders and will include significant business change. It is likely to include an element of ongoing operations. Programme size will be greater than £15 million and will involve

multiple suppliers and/or consortia, some of which are retained on complex contractual terms. The programme manager will have a significant role in the strategic relationship with the suppliers. Internal teams could be larger than 50 people. Risk category is high.

Other positions

The position of project office manager can be created either on a project (where the role is to provide the project manager with support for planning, project control and administration) or within a business function (where the role is to provide coordination of priorities, resources and dependencies across a portfolio of projects and to consolidate management reporting).

It is clear that appropriate experience and competencies are important to be able to deliver complex projects successfully, but there are a number of personal attributes that are equally important. The following panel describes these in a concise manner.

Key Attributes for Project Managers

The project manager faces two central challenges:

1. Deciding what to do, despite uncertainty, risk and an enormous amount of potentially relevant information; and
2. Getting things done, through a diverse set of internal people and external suppliers, despite having limited direct control over them.

The first challenge requires a series of personal skills and attributes while the second requires a series of interpersonal skills and attributes.

Deciding what to do:

- Shows common sense – not so common as might be expected when the pressure is on.
- Is organized – shows administrative ability, can control high volumes of concurrent, inter-related tasks.
- Is future focused – only the future can be controlled.
- Shows judgment – is objective and takes a pragmatic approach to decision making when faced with much data and several possible courses of action.
- Does not lose sight of the big picture – keeps in mind key objectives and issues and remains focused on his or her customers' needs.

- Understands key project management techniques, tools and methodologies.
- Has a working knowledge of finance, accounting, contract law and commercial practices; is commercially aware.
- Has an awareness of the business functions and technologies involved on the project.

Getting others to do it:

- Leads the team – is an integrator, bringing in a variety of people from different areas into a cohesive multi-disciplined team.
- Exerts power by gaining the respect of team members, not by reliance on hierarchical power.
- Is decisive when action is needed or decisions have to be forced.
- Shows drive, stamina and stability under pressure.
- Matches management style to situation – uses appropriate selling, negotiation and conflict-handling skills.
- Communicates effectively – to a wide range of individuals, displays empathy and a range of communication styles.
- Is sensitive to culture and politics – is adaptable, creates common objectives, searches for the win-win.
- Generates a team atmosphere that is a balance between task and fun.

(This description of a project manager's challenges could apply in any industry, but it is intended to reflect the uncertainty and limited control applying within change projects in BAU organizations. Delivering projects in such organizations can be an uncomfortable role, an exposed position subject to political interests and with inevitable conflicts where the process of project delivery overlaps with the responsibilities of BAU line managers.)

Training

There is a wide range of options available for training in project management skills – many providers with well-proven curricula. The needs for each organization will differ and cultural differences will also affect the style of training that will work best, so this book will not attempt to be specific about the training curriculum. In addition, and later in this chapter, some propositions will be made that should significantly change how training is delivered in BAU organizations.

Nevertheless, to complete the discussion of the capabilities of the individuals in the project management community, we should make some observations about project management training.

The spine of any curriculum for project management includes a number of courses or other educational experiences that cover the key principles of projects and project management, then outline the processes and approaches that are used to take a project through its life cycle. The basic course will usually be focused on the more technical aspects of planning and controlling a project (deciding what to do, as we termed it earlier) with more advanced courses bringing in the softer side of project management. We called this 'getting others to do it', with themes of team building and leadership. At the highest end of this core curriculum, the focus will be on the challenges of leading complex change initiatives that might include multiple projects and be visible at board level.

Typical training curricula will then have various more specialized training to support this core curriculum:

- more detailed techniques of planning and control
- using software tools for project control
- techniques for smaller projects
- managing information systems projects
- managing change
- managing the business case
- leadership in projects
- project finance
- contract management.

There is a tendency for off-the-shelf training curricula to make some assumptions. It is often assumed that the attendee at the course is a regular participant in projects and will, over time, be attending a number of events within the curriculum as a part of career development in a project management career path. The attendee is assumed to have the opportunity to practise the acquired skills on a frequent basis. Non-technical aspects of project management, such as managing change and stakeholders, receive limited attention until the more advanced levels of education are achieved.

When designing a curriculum for a BAU organization, it is critical that the training needs analysis questions these assumptions. First of all there will be several target audiences that need varying levels of knowledge about project management and their unique needs must be addressed:

- Will the sponsors of projects need specific education and/or coaching that reflects their role (and the limited time that they can allocate)?
- While their curricula might be based on common foundations, might business project managers and technology project managers require different attention?

- Do managers in general need some form of education (project management for non-project managers, as I have seen it called)?
- Are there other communities that need education (perhaps the annual graduate intake – the senior managers of tomorrow)?

The organization should also consider carefully the reason for problems in the delivery of its projects; in particular the balance between the individual and organizational capabilities as described in the project management framework. This will ensure that the training investment is made where it can deliver the best return.

Subject, of course, to the specific needs of the organization, I propose that the following subjects typically need a very clear focus in the curriculum when the target is a BAU organization:

- designing project organizations (see later in this chapter)
- project governance
- managing suppliers
- managing change
- realizing business benefits
- finance for project managers.

Each of these is a skill that is either crucial to the overall success of the project or is a skill where BAU organizations are weak when compared with projectized organizations.

A key decision is whether the more basic courses should be based around the organization's own project management standards or industry standards. If the organization has invested in developing a methodology then it seems wasteful to miss out on the opportunity of training aspiring project managers in the specific methods.

Another key decision is whether the organization wishes to invest in a rolling programme of building project management skills or will focus its training on project teams who are about to embark on a live business project. The latter provides just-in-time training with immediate application. The training is often conducted as a form of project definition workshop that helps the project team develop the plans and management approaches for their own project. If there is also some form of aftercare coaching this approach can be very effective in improving project performance.

This approach requires a commitment of time and money at project initiation that can be hard to justify to project sponsors on a case-by-case basis, so it is best justified as a generic approach that is shown to deliver a better return on investment than a rolling programme (when one can never be sure that the right people are being trained or that they have the opportunity to apply the skills soon after).

2.2 ESTABLISHING PROJECT MANAGEMENT STANDARDS

Methods, life cycle and processes

It is not the purpose of this book to develop or describe a project management methodology in detail; many others have done justice to the subject and professional bodies of knowledge carry on the development work. My main concern is practical implementation of a methodology that project staff will recognize as delivering added value. In a BAU organization, this inevitably means that the methodology must be less specialist and complex than is the case in projectized organizations. This simpler approach should not be read as the adoption of a less robust project management process, but must recognize that BAU organizations will be less tolerant of complex methods than will projectized organizations. BAU organizations also have less repeatability in their projects than do projectized organizations.

A further challenge is to develop a methodology that can be used for a wide range of projects – everything from integrating an acquired company to moving office premises to re-engineering business processes to implementing new technology infrastructure.

Distilled down to its essentials, any project management methodology has to comprise:

- a life cycle of project phases;
- processes that are used to control the project as it moves through the life cycle;
- a means of assessing risk, so that the control processes can be made less or more rigorous to suit the level of risk;
- standard descriptions of the key roles required for the delivery of a project.

Many forms of life cycle exist, each in some way reflecting the culture of the host organization. Figure 3.4 depicts some variants. For business change projects and this book I will use the version listed last in Figure 3.4:

- *Business planning* – a concept for a project is born, either as a necessary enabler of business growth or as a response to a business problem.
- *Feasibility* – the project is assessed to see that the business need can be satisfied at an acceptable cost and risk. Management approval leads to the next phase of activity.
- *Detailed planning* – the business case and the project to deliver the solution are shaped in more detail. Again, management approval sanctions the increased level of expenditure that will be needed in the next phase.
- *Implementation* – the solution is delivered.
- *Transition and project closure* – the results of the project are handed over to BAU operations and responsibility.
- *Business operations* – the benefits of the investment in the project are received.

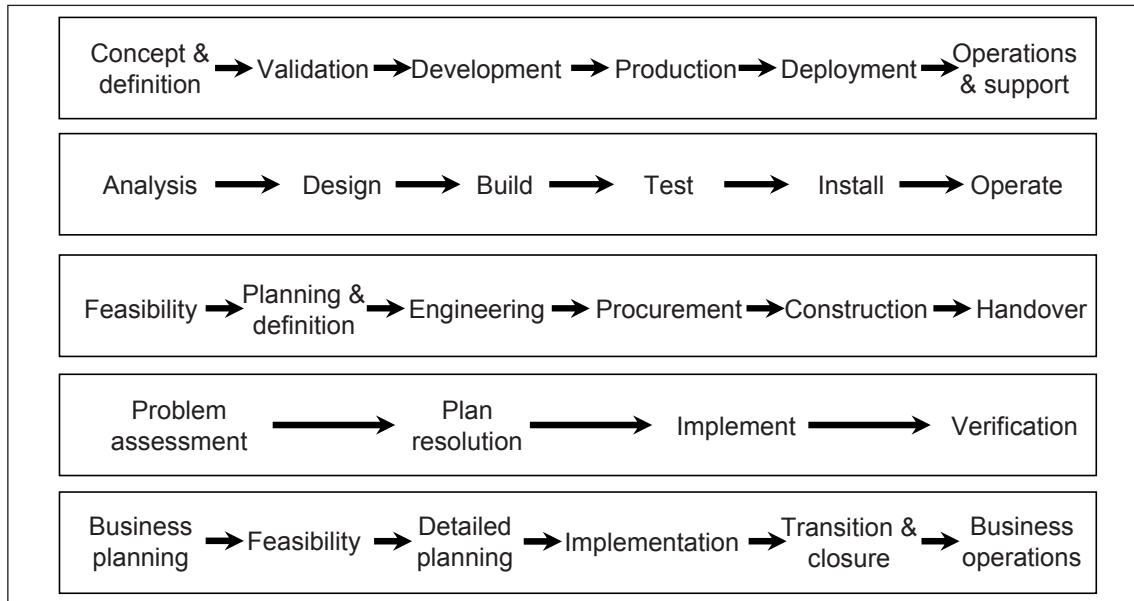


Figure 3.4 Project life cycle

My recommended set of control processes is described in Figure 3.5. One would see a similar set of processes in any methodology, so there is no rocket science here, but there are some differences when compared with formal methodologies adopted in projectized organizations or texts that address projectized organizations. The three processes shown at the top of Figure 3.5 are governance, business acceptance of change and benefits management, all key to the successful management of business change. I support these processes with attention to the processes of project initiation, planning and ongoing control.

Finally, these are supported by the management of cost, quality, people and procured services – all processes designed to make the best use of assets at the project's disposal.

Compared with projectized organizations, there is a shift in this depiction of the processes, in that it regards the business rationale for the project and the management of change as pre-eminent, attracting more focus than the processes that address solution delivery. Business acceptance is not a stage in the life cycle (as implied in solution-oriented methodologies) but a process running throughout the life cycle.

For each of these control processes, we can describe the key actions and outputs that are required for good project management and I have included these in Appendix 1. They are called minimum control standards as they provide the essential framework for the control of the project. Any other measures required for a specific project will be added to this list of minimum standards.

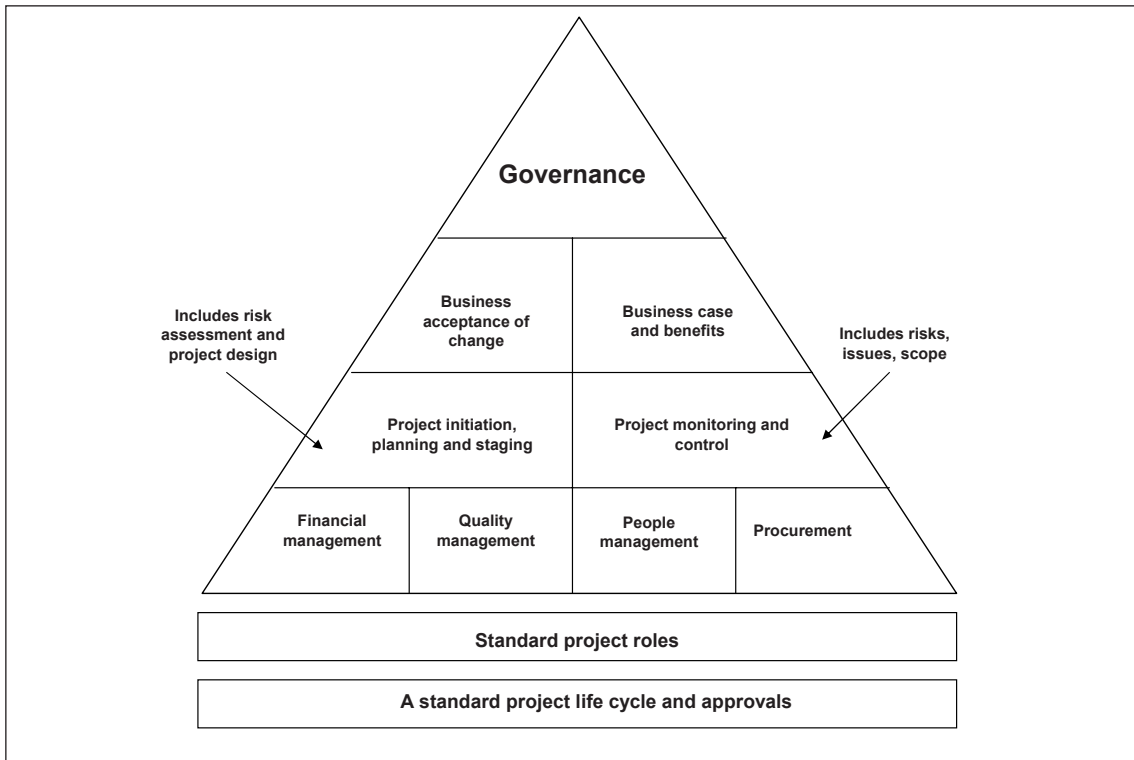


Figure 3.5 Control processes

This level of methodology is simple to explain and relevant to a wide range of projects. Many of the processes are well-established in any project methodology and require no amplification here. I have made an exception for the key processes of managing stakeholders in support of business change and of managing business benefits, and Appendices 2 and 3 provide some notes on techniques.

The risk assessment of a project, undertaken in the feasibility and detailed planning stages, is described in Appendix 4. This assesses projects as low, medium or high risk based upon a number of measures that are appropriate for the particular BAU organization.

As a project becomes more complex or risky, then we should expect that the management approach also becomes more sophisticated. So, for example, every project needs a communications plan but its content and formality will vary widely depending upon project size and complexity. Similarly, the processes to control the project must become more robust as project risk increases, in particular the processes for project approval, governance and assurance. Every project needs an appropriate governance body, but the role of such bodies and the seniority of their participants will also vary widely by project. Appendix 4 also shows how this increased rigour for riskier projects is applied, but still within the same methodology.

We do not clutter up the methodology by trying to prescribe in fine detail what must be in the communications plan, to use the same example again, and we accept that such plans will vary hugely between various projects. If we try to explain how communications plans look for projects of differing complexity this will complicate the

methodology (methodologies in projectized organizations often show how each process or document looks in a variety of projects, which is neat and intellectually robust, but very complicated).

The best way to show how the rigour and detail of a project process or document changes with project risk and complexity is simply to include various model examples within the project library (see later).

Finally, I should note that, expressed in this way as a master methodology and based upon standard processes, it is still possible where required to adopt a more specific and prescribed methodology for components of the project (software development life cycles being a common example).

Standard roles on projects

In support of a standard life cycle and set of control processes, the project management approach must also include a standard set of key roles. Without this, we would have to think through the roles on a project each time from first principles and this would hugely increase the risk of confusion and project failure. The roles, like the processes, are a form of stability that anchors the project as it proceeds through its risky life cycle.

In hard projects, there are typically two key roles – that of the sponsor, who creates the need for the project and desires its deliverables, together with the project manager who delivers the project solution to the sponsor's requirements. In softer projects the goal of the project is oriented to a stream of future benefits (owned by a relevant line manager who must be held clearly accountable for the return on the project investment). Furthermore, the political nature of change projects in relatively hierarchical organizations demands a sponsor who is at a relatively senior place in the organization. These twin demands lead us to create a third role – that of the accountable executive who is responsible for the business case of the project, its business requirements and the ownership of the project's deliverables and benefits after the project solution has been delivered. If we were working in the construction industry we might call this person the 'operator'. The sponsor's role becomes more strategic – approving the desired business benefits and setting the project's success criteria, validating that the project is aligned to strategic goals (and monitoring that it remains so as the business environment changes) and gaining corporate buy-in to the project and its associated investment costs.

The project manager remains as the single point of responsibility for delivering the project's solution, defining the project scope, planning and leading the project team.

This triumvirate of key roles is consistent with current thinking on large-scale programmes of change, where the need for an owner of benefits, discrete from the overall sponsor, is being recognized. In my opinion, the same needs apply for a single project so as to have a balanced set of responsibilities, skills and interests and the triumvirate of roles provides this (see Figure 3.6).

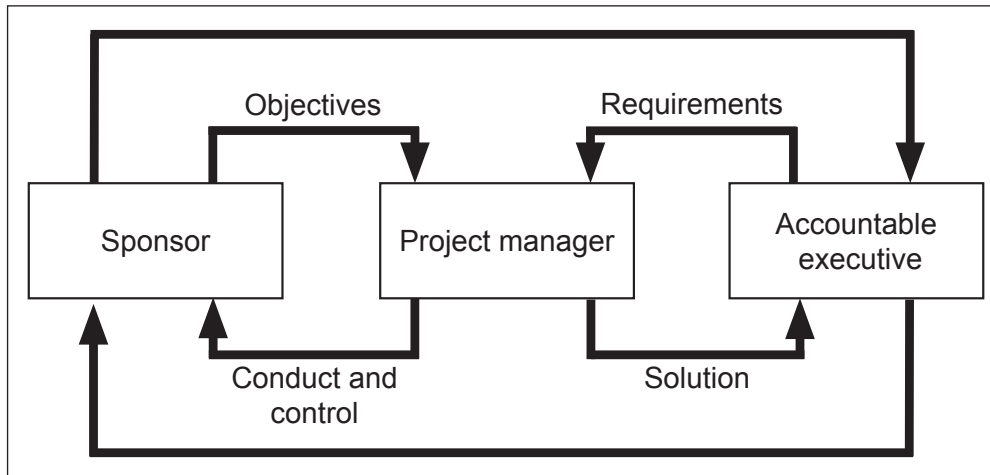


Figure 3.6 Three key project roles

Inevitably, a form of hierarchy operates between sponsor, accountable executive and project manager, but the description of the three roles as complementary, each delivering something to the others, is intended to make the relationships more task-focused and hence improve the objectivity of decision making on the project.

An accountable executive in a BAU organization faces some key conflicts:

- managing ongoing BAU activity in parallel to playing his or her leadership role on the project;
- balancing budgets between BAU and the project (often the organization's financial controls do not segregate these very well, unlike in projectized organizations);
- personal conflict of interest – wanting the project to deliver well but not wanting to increase the BAU profit targets by the budget amount – human nature!

The sponsor has a key role in helping the accountable executive manage these conflicts.

The roles of the sponsor and accountable executive span the entire life cycle of the project, from business planning through to business operations. While the project manager might be retained for a shorter period, it is critical that they are appointed early enough to share in the personal accountability for successful delivery and to use project management disciplines to shape the project correctly. Far too many projects in BAU organizations have failed because the project manager was appointed late and did not feel ownership for the business case, or arrived when a flawed solution and project design were already in place. Assign the project manager very early.

No matter how emotionally committed are the sponsor and accountable executive to the project, they are both people with other (BAU) responsibilities and demands on their time. It falls to the project manager to ensure, or prompt others to ensure,

that stakeholders, change and benefits are managed; hence the focus earlier upon the organizational, political and personal competencies as well as technical skills.

A common failing is that sponsors are involved early, but inadequately (often restricted to signing off the investment) and so do not contribute their strategic perspective to the project in its critical early stages. Alternatively, the sponsor disengages from the project once the investment is approved. In both cases the end result is that they spend a lot more time on the project later on, as part of efforts to rescue a project that is failing to deliver! Project managers and accountable executives must use steering committees and any other means at their disposal to keep sponsors engaged.

Project design

To those of us who have worked in projectized organizations, this skill is a natural part of how projects are managed. We analyze the project's deliverables through a work breakdown structure (WBS) and consider the organizational implications (an organizational breakdown structure, OBS). Then we consider how the project structure will have to recognize political considerations: do we have the right means of engaging stakeholders, do we have the right participants on governance bodies and in the project team?

A large project was underway to move all of a bank's staff into a single new office facility. Tasks related to the tangible deliverables of the project were well underway (office fit-out, technology infrastructure, regulatory and legal conditions) but a project review, based upon a WBS analysis, demonstrated that there was a further deliverable that was not being explicitly addressed – satisfied staff, without which the proposed efficiency savings of the new office would not be realized.

In order to achieve this product from the project, a number of additional deliverables were required. Some related purely to staff perceptions (communications, transport arrangements) but others had an impact upon the wider scope of the project. A redesign of the staff dining area was agreed to compensate for negative perceptions of the office location and this required a significant redesign of the building layout.

The analysis also changed the way in which staff functions were engaged on the project, and the steering forum that oversaw the project was broadened to include a wider selection of staff.

WBS is a powerful tool in designing change projects, not well enough applied by project teams in BAU organizations.

If I were to highlight one fundamental difference between the practised project manager and the novice, it would be this ability to consider the project and the project process and to construct the structure in a way that balances multiple demands. This is a complex organizational design task, part logical and part political, and in business change projects the project manager must proceed with care, since the design that best suits the project in a technical sense might not suit all stakeholders.

In BAU organizations, this skill of project design is not well appreciated. Furthermore, it is rarely acknowledged that the structure will have to evolve as we move through the project life cycle. On most projects, the structure and key resources are set during the early feasibility stages, but the team in place is likely to be inappropriate for the later stages, when implementation and broad stakeholder engagement will be the focus of activity.

A detailed appraisal of different project structures is outside the scope of this book, but we can outline some typical considerations that will help the project manager to design an appropriate structure.

Task force, matrix or functional

The first consideration is the traditional one of considering project structures by assessing how they relate to BAU functions. Classical project teams are formed on a task force basis, where they are segregated from BAU and dedicated to one project. The project manager acts as both task manager and line manager for the staff for the time that they are allocated to the project. The other extreme is a functional model, where the projects are conducted by a much looser association of staff who are still owned and managed within their home, functional departments. In between these options is the matrix model, where staff might share their time across BAU and project activities or across multiple projects. In the matrix, the project manager instructs staff on what to do, by when and within what budget, whereas the line, functional manager instructs staff on how long they should be allocated to the project and to what technical standards they should conduct their work.

Task force approaches offer the highest level of organizational focus on the goals of a project and are most appropriate when risks are high or projects are complex and of long duration. In a projectized organization, where the projects are the sum total of the business, resources are allocated from one task force to another as needed, but in a BAU organization the resources will have to be drawn from BAU tasks, which will cause disruption. A functional model reduces this problem (or does it perhaps just disperse the problem across the organization?) but is unlikely to be able to provide the same level of concerted focus on a project as a task force approach.

The matrix model tries to achieve a better balance between the project and the functional, BAU organization. It relies on many agreements being made (at the intersections of the matrix) between line managers and project managers about how work is done and by whom. This brings complexity and requires a task-focused culture, something that is not necessarily in place in financial services companies that can be quite hierarchical in nature. It is rare to find a fully-developed matrix structure in a BAU organization, except in discrete areas such as technology that deliver projects on a regular basis.

A key factor to consider is the environment in which the project is operating; if we do not want to dilute the ownership or sponsorship that a BAU function has for a project, or want to avoid transition issues as the project moves into BAU operations, or we depend critically upon the availability of resources who have ongoing BAU responsibilities, then we are likely to select a functional model over the task force or matrix approach.

Some complex projects can use a combination of models.

In 2004/5, large banks are conducting projects and programmes to become compliant with a new set of regulations called Basel II. These regulations require banks to improve their processes and analytical techniques to satisfy banking regulators that their business risk is well managed (which in turn helps to safeguard the stability of the banking sector as a whole). Managing risk is the core capability of a bank, so one could imagine that some of these enhancements to risk management techniques are just the latest in a series of continual improvements and are best conducted by the functional owners of risk management in the bank. The programme will want to oversee that progress is being made as planned, but the tasks are conducted by a functional team.

However, Basel II also requires a significant upgrade in most banks' data storage infrastructure; data warehousing projects are complex and lengthy and the task force model is likely to be most appropriate to assure the dedication of various technical staff over a lengthy period.

In an international bank, many projects within a Basel II programme will take place within an individual business unit, but there is also a need for a consistent approach across the organization as regulators will expect this consistency and the organization anyway needs a common way of working. Examples would be risk management policies and standards for data quality. These projects will necessarily have a degree of matrix management where local project owners are subject to some standardization of approach from central project managers or functional managers.

Other considerations

There are other considerations in the design of a change project, in addition to the decisions between task force, matrix and functional structures.

- Is the project global or local in nature? Do we want to start the project as an explicitly global exercise (high profile, but early progress will be slowed by multiple stakeholders and this will require a larger project team to manage communications) or start it as a local exercise that might grow in scope as the pilot implementations bear fruit (clear sponsorship early on but a danger that the solution is not optimal or capable of global deployment; hence the team will need a strong focus on solution design and scope change)?
- If a project is global, or international, or deployed in numerous business units, how much control does the central function and project team desire for confidence that the project will be successful? Can the project be devolved to business units, in line with an agreed design with relatively low risk (an example being the roll-out of a new brand identity across the company)? If not, can a slightly more centralized model be used, where business units undertake the implementation in line with some form of template plan, to provide greater control of the outcome. Finally, does the central team want to impose even stronger control, with feedback and reporting from business units that

they have implemented as intended (maybe even with some assurance from the centre)? The latter is likely on projects that deliver regulatory compliance. This balance of control is a critical decision point on most complex, multi-business projects.

- Can the project be delivered as a series of stages, or must it be tackled as one delivery? If the project can be handled as stages (with the obvious benefits of reducing risk) should the stages be based upon serial implementations in different countries or business units, or the roll-out of functionality in a staged manner? Should some form of pilot implementation be used? Can business benefits be generated early by the deployment of a temporary solution? See Appendix 5 for some notes on the use of stages in change projects.
- How clear are the goals of the project? Will they evolve over time? Will different skills and organizational contacts be required as the project evolves?
- What will be the appropriate culture on the project? In the brand identity project mentioned above, it became clear to the central project team that so much enthusiasm was being generated in country business units that a general attempt at controlling detailed tasks from the centre would fail. A risk-based approach was taken, whereby most country business units were left to their own devices (the risk of problems that could not be easily remedied being considered low) and only larger business units were subject to central control. In contrast, regulatory projects demand very low failure rates and, being less exciting and not revenue-generating, are more prone to staff being withdrawn or to short cuts, so a more tightly controlled approach is appropriate.
- Is the project centred around technology-based change or process-based change? Where do we get the best return on our management time?
- Will parts of the project that are sourced externally be subject to traditional procurement (client/supplier) or are more innovative approaches possible (approaches that might require a closer partnership and shared objectives, either of which will require careful consideration of the skills and behaviours of the client team).

All of these considerations affect the final design of the project – a design that reflects the culture of the organization and the project, the risks and inevitably the skills and behaviours of the people associated with the project.

Project management tools

It is outside the scope of this book to describe project management tools in detail. In any case the market moves fast enough that specific comments date quickly. However, there are some observations that are important in applying project management tools in BAU organizations.

These observations flow from both the nature of change projects and the culture of BAU organizations. On a business change project, we certainly have the challenges of managing deliverables, costs, resources, dependencies, risks and project benefits and

here we could ideally rely upon traditional project management tools that are based upon critical path analysis and resource allocation.

However, many of the key challenges on the project are not logistical but based upon the engagement of a disparate community of stakeholders and the timely allocation of specialized experts or business users to the project. Dependencies that are serious enough to worry the project manager are relatively obvious on all but the most complex of exercises.

These differences reduce the added value of the traditional tools.

Their value is also diluted by the disparate nature of the community of stakeholders, many of whom do not fit the traditional picture of a team member or project manager. These participants each have their own, unique requirements for the content and format of information – information that is relevant to their piece of the project. They want information that is filtered and prioritized according to their needs and provided at a level of detail that suits them.

Bar charts, which are so intuitive to the project manager, are just not compelling to many staff in BAU organizations – something that comes as a shock to career project managers when they realize it! This issue further limits the value of the more traditional tools that are based upon critical path methodologies.

Team members also want information that is not wrapped in the bureaucracy of heavyweight project progress reports but is made available, in isolation, for them. Think of this as a BAU in-tray. For many participants on a project, there is limited need or desire for them to have knowledge across the project. They want to see just the pieces that require them to be informed or take action, just like all the other BAU tasks that enter their in-tray. This makes project control feel less specialist or bureaucratic and this is more likely to create good engagement from participants.

As projects are typically cross-functional (and increasingly international) the tools that we use should facilitate the transfer of information. Collaboration and the efficient management of knowledge are essential if project teams are to be formed, informed and controlled in short timescales.

If we wish to achieve this speed of information transfer, we also need a solution that uses existing and varied data from various sources without the need for complex reprocessing or integration. It will include some easily accessible repository of project information (not just about costs and resources, but a library of key documentation).

Hence, when looking for a toolset to support a change project, we need to carefully assess the requirements and in particular the balance between control and collaboration. With this balance in mind, today's trend is to seek tools that complement project management capabilities with knowledge management and collaboration across a community of interested parties. They are more user-centric than traditional tools, are typically browser-based and have user-friendly presentation. They bring together the elements of project control (tasks, milestones, financial data, resources, risk and issues)

but match these with facilities for knowledge sharing, collaboration and accountability. Because they are built upon the concept of a user community, they are designed to tailor the information that is presented to each member of the community.

Typical solutions, progressively more complex, include:

- simple web-based project reporting tools;
- workgroup collaboration tools, often built on database or email solutions;
- virtual team rooms, where users can set up a shared space for information, prepare and display project plans and control participation (solutions that are available on a hosted, user-priced basis);
- knowledge management tools with more sophisticated functions for distributing information (for example, actions and alerts) but typically quite basic project control capabilities;
- project management portals, typically with similar capabilities to knowledge management tools but with increased emphasis on project control and sometimes with coverage of benefits and change management processes as well as core project control processes.

2.3 DEVELOPING CORPORATE CAPABILITIES

Corporate processes

If it is to be successful, the organization's approach to project delivery must include a number of corporate processes that are supportive of projects. As outlined in Chapter 2, these processes are natural in projectized organizations but in BAU organizations they have to be modified to suit the delivery of projects.

The most obvious example is the process used to approve project funding. This process usually evolves out of a BAU process for setting annual budgets; as a result it usually fails to recognize the life cycle through which a project evolves and does not reflect the high level of uncertainty in a project's estimates when they are made in the early stages of the life cycle. There is little recognition that projects should return regularly for re-approval, that cost, time and quality are not independent parameters but subject to trade-offs, or that the level of project risk and contingency will affect the project approach and outcome. One of the first moves in improving project delivery is to start changing the corporate process for funding projects (and to do this one step at a time so that the organization does not reject a wholesale change).

The corporate process for tracking project progress is closely related to project funding and it will typically need to be modified to reflect the same themes of uncertainty and risk management. As we covered in Chapter 2, BAU organizations can display behaviours that are inconsistent with the needs of projects and this process is a visible way to change these behaviours.

One of the key subjects to consider in the funding and tracking processes (as this leads to improved behaviour in various ways) is the use of estimating allowances and contingency (simplistically the former is to cater for known imperfections in how the project is estimated, the latter is a broader allowance for unforeseen circumstances). If the champion of project management can introduce these concepts into corporate processes (without them being perceived as padding to estimates) then they can be used to change management behaviour as they force a regular re-appraisal of project risk, timescale and cost and embed a concept of uncertainty in forecasts.

Other key, BAU corporate processes that need to be changed to include projects are:

- tracking the delivery of business benefits, which we will discuss in Chapters 4 and 5;
- the clear allocation of delegated authorities to project managers for approving contracts, invoices, internal resources and project changes. As project managers exist partly outside BAU hierarchies, they can be left out here, with a detrimental effect on their empowerment;
- human resources processes, which need to ensure that resources who are seconded on to projects are not forgotten by their home BAU department, that their performance on the project is properly assessed and rewarded and that their return to a BAU role is well managed. Where reward is a key aspect of the culture (such as bonus payments in financial services), secondments to a back room role on a project are particularly hard to arrange unless project-based bonus arrangements are put in place.

Benchmarking maturity

It is a corporate responsibility to track how the organization's capability to deliver projects is improving. The assessment of an organization's maturity and/or competency is a topic currently attracting much attention and there are a number of maturity models available through consultancies and professional institutions. It is outside the scope of this book to compare them but some form of benchmarking is a key part of any project management framework.

When seconded BAU managers lead change projects, it is particularly useful to use the maturity benchmarks as a means to promote discipline and consistency in approach.

Roles of sponsors and accountable executives

There are some aspects of project delivery in BAU organizations that will appear in more than one guise in the project management framework. The repetition is intentional, for these aspects are critical to project success. One example is the skill of designing the project structure and another is the governance and leadership of business change. We have discussed governance and leadership already as a part of the skill set of the project manager, as a key process within the project management methodology and within the three standard roles that are present on any project. Now, we should discuss the corporate efforts that can support this leadership on change projects.

While sponsors and accountable executives have the skill of business leadership and peer recognition within the organization, they will not necessarily have all the skills needed to lead a project. They should be provided with awareness of these skills. If there is the appetite, training events can be provided (perhaps to an entire management team if the senior executive supports this use of their time) but this is rarely the case and subtler methods are more successful. Checklists are appreciated, as they allow these senior executives to drill into the key issues on projects without having to digest voluminous information about the project. I am in favour of issuing small booklets (easy to have at hand) that include a combination of checklists, descriptions of the project life cycle and reminders of the roles of the sponsor and accountable executive.

Questions for a Sponsor to Self-assess Performance

1. Is the project still in line with corporate strategy?
2. Are there better uses of the investment funds?
3. Are other key stakeholders being managed?
4. What challenges are likely to the project funding?
5. Is it time to publicly recognize team or individual performance?
6. When is the next independent assurance of the project?
7. What have I done to promote the project in the last three months?
8. Does the accountable executive have a clear view of the business benefits?
9. Are the benefits built into business budgets?
10. What events could change company strategy to such an extent that the project should be re-evaluated?

Questions for an Accountable Executive to Self-assess Performance

1. What events could change the project's business case?
2. How sensitive is the business case to delays or cost over-runs?
3. Have all scope changes been properly authorized?
4. What are the project's top five risks?
5. Are all key stakeholders aware of status and issues?

6. How much contingency is left in the schedule and budget?
7. How are we managing change for affected staff?
8. What is the strategy for gaining user acceptance?
9. Do I have a clear strategy for transition of the solution into BAU?
10. Have I decided how to track that benefits are realized?

The sponsor and accountable executive cannot govern the project without support. The role of the project steering committee (PSC) is key in securing the support of other parties and there should be a corporate process to ensure that suitable PSCs are formed. While the sponsor will have a good view of the stakeholder issues present, the project manager should supplement this by structured analysis and action plans.

Above each project, there is a need for a higher level of corporate governance and this is discussed again in Chapters 4 and 5.

Reporting progress

Senior managers need clear information about the scope, progress and risks of a project if they are to govern it well. A further corporate capability, therefore, is to present information in a way that encourages participation and consideration of the key issues. However, managers in BAU organizations rarely respond well to the types of reports that are natural in projectized organizations. Bar charts are a poor way of communicating plans, particularly if they are depicted simply as the raw output from project management tools. Benefits roadmaps might help the project team to articulate benefits, but senior managers react better to a spreadsheet. Complex descriptions or charts of team structures work less well than simple, textual terms of reference for team members.

So, if the traditional means of communicating project approach and progress do not work well in a BAU organization, what will work?

- Progress reports depicted as balanced scorecards (because line managers are used to the balanced scorecard methodology from BAU activity). A simple balanced scorecard for a project could include four quadrants as follows:
 - stewardship (notes on governance, organization, quality assurance)
 - milestones (planned, forecast, approved as completed)
 - status (achievements to date, next period plans, key risks)
 - financial (cash and profit and loss information, benefits).
- balanced scorecards can also be tailored to address the key challenges of projects. For example, when used to describe the more complex projects or a collection of projects they can focus more attention on the delivery of benefits

than on deliverables; the scorecard can include graphs or tables to show the way in which benefits achieved compare with targets. If there are key performance indicators (see Appendix 2) the scorecards could include these leading indicators for visibility.

- traffic light alert systems for risks and progress (RAG, standing for red, amber, green). These can be appropriate when summarizing a number of projects for executive management or for more detailed progress reporting on a project with a large number of constituent parts (perhaps a project to roll out a new business process or product across multiple countries).
- High-level bar charts that are depicted as clear pictures (not looking like the output from a project management tool – usually just showing critical paths). An alternative treatment is to depict these without bars, simply as a series of key milestones. This provides a much simpler presentation.
- Plans presented as a gap analysis, the gap being between a current state and a future state and then showing the activities needed to fill each gap. This can be useful in conjunction with a RAG approach that would show the risk associated with closing each gap in the required time and to the required quality level. It is effective in projects for tracking compliance with new regulations, for example.
- Risk maps presented as a matrix of the probability of a risk occurring and the magnitude of its impact if it does occur.

The organization can help sponsors and accountable executives to perform well if it provides information on project progress that is clear and tailored to their preferences.

2.4 PROVIDING SUPPORT

Project assurance

Any textbook on the basic principles of project management starts by noting that each project is unique, transient and hence an uncertain and risky venture. The project team, however experienced they might be as individuals, has never delivered the same project before. An organization needs a way of independently assuring that the project is likely to achieve its objectives.

Quality assurance is typically performed as a short healthcheck review based upon project information and complemented by interviews with members of the project team. The focus is to establish that the project's plans are valid, that the members of the team have a common understanding of objectives and issues and that the risks are being mitigated. The validity of the original benefits case is checked and alternative approaches that might simplify the project are explored.

Adherence to appropriate project management disciplines will also be covered, as this will help the reviewer to assess the risk profile of the project, but it should be emphasized that the review is primarily a holistic assessment of the health of the project rather than an audit of processes.

The most popular ways of providing resource for the reviews are as follows:

1. Use a central pool of experienced project managers to conduct reviews. These experts might be part of a central centre of expertise that brings the benefits of transferring knowledge quickly between projects, but this is an expensive service and likely to come under budget pressures as an overhead in BAU organizations.
2. Where a project management office (PMO, see Section 2.5 later) is in place to monitor project progress across a business unit, it is possible to enhance the role of the PMO to include these reviews. This brings an added benefit of improving the general level of debate and engagement between the PMO and project teams, which in turn will increase the added value of the PMO. More senior, experienced resource might have to be added to the PMO to deliver this enhanced role.
3. Alternatively, a business can implement a peer review process, which uses senior, practising project managers (who are running their own projects elsewhere in the organization) to undertake the reviews. This approach helps ensure that recommendations from the reviews are practical and also creates the opportunity to share good practice between projects. Most project managers who undertake reviews find that their time is well spent because of spin-off benefits for their own project, for example by seeing how another project team is tackling similar issues.
4. Use external consultants to provide the service. While a more expensive option, this brings the benefits of introducing external best practice. It can be the most appropriate option if we regard this healthcheck skill as a scarce asset that the organization does not wish to fund as a permanent resource.

Some attention is needed to ensure that a peer review process maintains objectivity. Reviews should be coordinated through a central point such as a PMO and two project managers should not review each other's projects. Recommendations from the review must be documented and distributed to the steering committee and other stakeholders.

Coaching and advice

Just like assurance, the value of coaching for project teams is to reduce risk. Occasional advice from another project manager (a peer or from a centre of expertise) can reduce project risk and identify cheaper and faster ways to deliver the project. This coaching can be ad hoc (based upon a quality assurance review) or regular (perhaps facilitation of a project startup workshop, followed by regular reviews and more personal coaching of the project manager on key project challenges).

In the early days of improving project performance, a coaching service offers a fast way to add value to the business through practical support to live projects. The coaching service also accelerates the transfer of knowledge between projects as the coaches share knowledge between themselves.

Continuity of staff is important in such a service, but these interventions can become over-familiar very easily, ceasing to ask difficult, provocative questions. To avoid this, hold regular reviews at key milestones (when there is something concrete to discuss) and also focus coaching discussions on areas where the most benefit can be created (for example, the project design issues discussed above, which inexperienced project staff find a challenging topic – two heads are better than one on such complex design tasks). Alternatively, arrange that coaching sessions be led by external consultants to preserve independence.

Despite the great value of a central coaching service, they have a limited shelf life as they can become stale and can be seen as a corporate overhead. This usually leads one to a model based upon either peer review using internal project managers as coaches or external, consulting resources, with either type of coaching arranged through PMOs. While the model might change as the organization matures, it is essential to provide some form of coaching service if project risks are to be reduced.

Sharing best practice

As every project is unique, we cannot depend entirely on previous experience when planning and delivering projects. However, we can significantly reduce risk by ensuring that all project teams are provided with the agreed methodologies, tools, guidance and advice. We can also reduce risk by re-using the deliverables and practices that succeeded on previous projects. These could include examples of key project documents such as project management plans, communications plans, quality plans and deliverables such as specifications for IT systems. If versions of these are maintained from projects of differing size and complexity, they will help new project teams to appreciate how much detail and rigour is required for each project. Template deliverables should also be provided, based upon best practice examples, to help project teams prepare their documents quickly and to set quality standards for their work.

Most of the processes within the project management methodology are supported by techniques (how to undertake stakeholder analysis in a structured manner, as an example) and information on these should also be retained centrally.

In a projectized organization, the contents of this repository of information could also include end products from the project – pieces of software, process descriptions, and so on – but the limited repeatability of projects in BAU organizations means that these are rarely retained centrally. Projectized organizations are usually obsessive about storing and sharing post implementation reviews, but again this is less popular in BAU organizations.

These deliverables should be made available to project teams as some form of project management library, which today would usually be based on the company intranet, a project management portal or a knowledge management application.

As a location frequently visited by project teams, the library is a good place to make available the more general information about project delivery in the organization – other parts of the framework such as training events and career structures.