



WHERE TO START TO IMPROVE YOUR ORGANIZATION'S PROJECT DELIVERY EFFECTIVENESS

Why a diagnostic is a necessary foundation

Business success in today's global economy is predicated on successfully reacting to customers and the competitive environment, and then quickly executing on necessary changes. For most businesses, these changes appear in the form of multiple projects of various categories and scale, many with significant impact on the overall business strategy. Still, despite their crucial nature to the health of a business, project failure rates remain shockingly high.

In a recent CHAOS Manifesto, The Standish Group International Inc. found that while project success rates have improved somewhat since 2004, a majority still remain significantly challenged. Only 37% of projects are successfully delivered on time, on budget and fully featured, whereas 42% are challenged and 21% fail outright. With the importance projects have to an organization's ability to execute change, and ultimately to its competitiveness, can any enterprise continue to afford to have almost two-thirds of their projects be anything less than successful?

The challenge facing most projects is rarely the processes being followed or project management technology being utilized, but human behaviour. Few companies have an accurate picture of the effectiveness of their project managers and the enterprise's overall project management capabilities. Frequently, managers with the wrong skill set and lacking project management experience are assigned to deliver important enterprise projects. These assignments are made with the best of intentions, but the lack of

project management experience most often results in a challenged or failed project.

THE ART AND SCIENCE OF PROJECT MANAGEMENT

Using its organizational project delivery effectiveness diagnostic, Tramore Group has interviewed hundreds of executives and project managers (PMs) and developed a process to understand how organizations stack up in the "art" and "science" of project management. Art represents the soft skills, including political awareness, leadership, people management, effective communication, negotiation skills and the ability to understand a project's place among other projects in the enterprise. Science is the ability to manage the process of project management, including managing project budgets, schedules and scope, and to report status of the project to governing bodies.

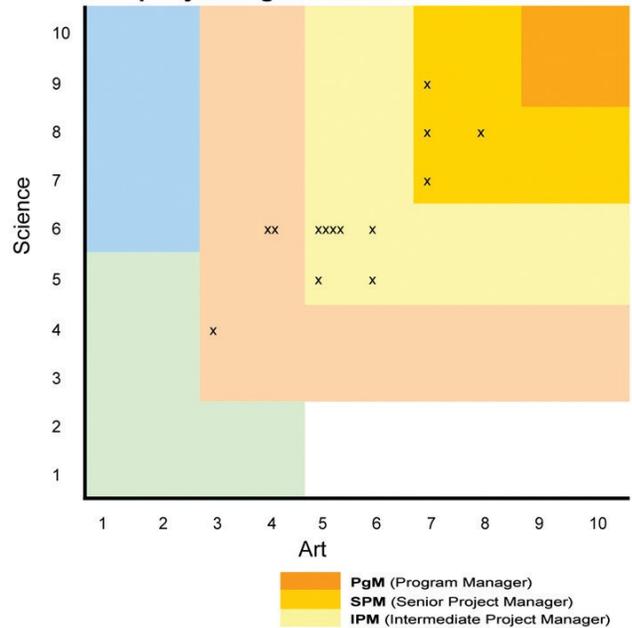
Tramore Group's diagnostic uncovers high-impact areas to improve the organization's overall project delivery process. Individual PMs are plotted on a grid, representing their strength in both the art and science of project management. This provides a visual of the aggregate project management capabilities of the organization and, most importantly, recommendations are made to improve the overall organization's project delivery capability. Understanding the organization's project management capabilities is the foundation upon which to make straightforward, practical recommendations for improving project delivery. These recommendations take into account the project delivery maturity of the organization and are tailored to be pragmatic, high-impact and implementable.

THE RIGHT PM FOR THE JOB

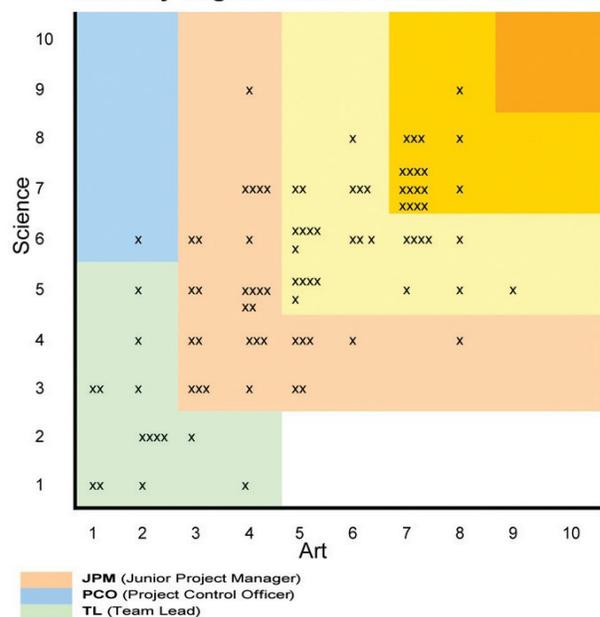
Quite often in an enterprise, line managers are assigned to manage projects on the basis of their management skills or understanding of the business area affected by the outcome of the project. These managers frequently fail to successfully deliver their projects as they are not experienced or trained in the concepts of schedule and scope management. They are usually service-level focused and accustomed to mustering the resources of the enterprise to react to unscheduled outages that impact on customers.

A good example of this would be at a bank when the ATMs go down. The manager receives a call advising that the ATMs are down and immediately springs into action. All necessary resources are re-focused from their day-to-day activities to the task of ATM availability. This concentration of resources achieved the goal of making the ATMs available at a cost of delaying the day-to-day work product and is critical to maintaining the bank's reputation and relationship with its customers. When this same manager is assigned to a project delivery role, they receive a call from an executive vice president that just met with a vendor and directs the manager to add a series of features to the scope of the project as they will make the deliverable much more robust. The manager accepts this direction as he received it from an executive vice president, but the addition to scope causes the project to be delivered late and over budget. A PM bombarded with requests to change a project's scope needs to do the very opposite; they must decline changes in scope, since they will put the project over budget and off schedule. The very attitude that made this manager so good at his job could instead result in crippling the success of a project which he was assigned to lead. The exception, of course, is when the addition to scope has been quantified

Company X Organizational PM Role Profile Grid™



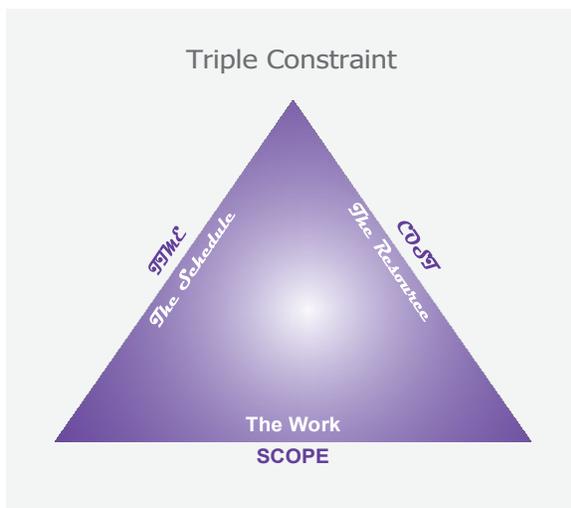
Industry Organizational PM Role Profile Grid™



in terms of additional time and cost and a change to the scope, schedule and budget has been formally approved.

An experienced PM would have said, “I understand the value of adding those features. Would you like me to determine the additional time and costs to include these features in the scope of the project?” The experienced PM knows that this request will add time to the project schedule and cost to the project budget. Often business leaders and project sponsors will interpret steadfast adherence to project scope as obstinate behaviour, and unwittingly assign a favourite manager to the task knowing that this manager will take their direction. After all, they are the sponsor. This sets the project up to fail before it even starts.

Another resourcing challenge occurs in organizations with a healthy complement of PMs to draw from. In this case, all too frequently, the most common process for assigning PMs to projects is on the basis of availability. With multiple projects on the go at any given time, whoever has time is frequently made the project manager. Obviously, this doesn’t always result in the most capable and experienced PMs overseeing the most complicated projects.



Common sense says the strongest project managers should be assigned to the largest, most complex and strategic projects. This affords those projects the greatest likelihood they will be delivered on time, fully featured and on budget.

OPTIMIZE PROJECT DELIVERY

Diagnosing an organization’s overall project delivery effectiveness identifies areas where improvements can be implemented to improve project outcomes and reduce project failures. Businesses recognizing the need to be more successful in executing projects turn to consultants, expending significant investment seeking to improve their overall project delivery effectiveness. These engagements are often “cookie cut,” where the consultants implement the same processes for every client. With a diagnosis to pinpoint areas with the best potential to improve, this investment can yield significantly improved results. How can you cure the patient without knowing the illness?

After conducting dozens of effectiveness improvements, Tramore Group notes that most recommendations for improving overall project delivery effectiveness include the following. Although the method to address these findings varies quite a lot from client to client, the findings themselves seem to recur with great regularity.

1. *Assign the right people.* PMs must be appropriately senior and possess relevant experience. They must have both the art and science skills required to be effective.
2. *Report project status concisely and accurately.* If all management (not just project management) has an accurate view of the project status, course corrections will occur as needed to optimize the chance of successful project delivery.

3. *Manage risks and issues.* Pay attention to the risks and issues every day. Preventing risks from occurring is truly the ounce of prevention that is worth a pound of cure.
4. *Rigorously manage scope.* Scope creep is arguably the biggest enemy of successful project delivery. Out-of-scope work should only be undertaken after the impact of the proposed change is well understood and formally approved.
5. *Standardize key methodologies, templates and tools.* Standards make it easier for everyone to contribute to project success, especially if they are involved on more than one project or move from project to project.

DON'T BOIL THE OCEAN

Many attempts to improve the organization's overall project delivery effectiveness fail because the business attempts to do too much, too quickly. Many consultants provide business leaders with a plethora of improvement opportunities. This usually results in many processes, methodologies and tools being deployed in a short period of time. Counter to their goal, most frequently, so much change in a short time has a negative impact on project delivery. As a result, these investments in project delivery improvement fall short because they are not focused on a manageable number of changes.

Armed with the results of a diagnostic, business leaders can focus on high impact, targeted investments that will have the greatest impact on project management effectiveness. Relatively small changes in how a business manages project risk, issues and scope can provide meaningful improvements in project delivery effectiveness.

CONCLUSION

Executive managers know they need projects delivered, but not being experts in project management, typically choose project managers based on their effectiveness as operational managers. This can set projects up to fail before they've even begun.

In addition, recognizing the recurring problem of challenged projects or out-and-out failures, businesses often seek means to improve project delivery effectiveness, but do so without fully understanding their capabilities, and end up adding processes and steps that only compound the problem. A structured diagnosis of organizational project delivery capabilities and an understanding of the quality of its PMs inform a business where it needs to focus for optimal improvement.

With a clear understanding of the quality of people and processes in place, investments can be focused to provide material improvements in project outcomes and result in fewer challenged and failed projects.

ABOUT TRAMORE GROUP

Tramore Group is a leading professional services firm specializing in program and project management. The company provides two types of services. We help our clients improve their internal project delivery capability through a series of diagnostic, consulting, advisory and effectiveness improvement services. We provide program and/or project delivery services from planning through to execution of our clients' initiatives. All of our professionals are fully supported by the broader Tramore Group team. They have access, throughout their client engagements, to all of our people, processes, tools and experience.