

ARE WE GETTING BETTER AT PROJECT INITIATION?



Highlights from the Major Projects Association event held on **24th January 2018**

Poor project initiation has long been identified as a major cause of historic major project delivery failure in the UK and thus has attracted a considerable amount of focus over recent years. The question of whether we are getting better at initiation was tackled at this Major Project Association evening discussion meeting. While most speakers and delegates felt the sector was improving its project initiation, it was far from the consensus view. Alongside a significant number who felt the opposite was true, all agreed that there was still significant room for improvement.

A large amount of work has already been done by the Major Projects Association and other organisations across the infrastructure sector to help transform the industry's approach. Specifically, the Association's recently published [handbook](#) setting out the 'Ten tenets of major project initiation' highlights some fundamental lessons to help professionals to avoid the mistakes of the past.

'As project people we seem to be trained to manage a chaotic roller coaster – yet with a bit more thinking we might actually enjoy a smoother ride. Many of the key themes that drive great project initiation are just common sense – but all merit thought.'

Alison Atkinson, Director Capital Works, AWE plc

Delegates agreed that this handbook provided first class 'common sense', but it was clear that the project delivery sector still has some way to go.

CLARITY OF VISION

Front-end thinking establishes the clear and simple vision for the project but remains a vital step which too often is missed. Discussion about what is *wanted* should be avoided in favour of tackling what outcomes are *needed*. The key is keeping this vision simple, focusing on the outcomes required by the client and stakeholders.

There is clear evidence that more rigorous planning up front can deliver dividends in terms of project outcomes. Conversely, too much time spent considering and complicating projects undermines delivery performance.

'Too often we unnecessarily complicate projects – it's almost a badge of honour! But if we can simplify the task then it is possible to get back to the basics of delivering the right outcome.'

Andrew Fotherby, Director, WYG

CASE STUDY

When WYG was tasked to assist with the disaster relief programme in post-2015 earthquake Nepal, the initial project vision was crucial. That meant taking time to understand the needs of the community and what outcomes were really important to the daily lives of the locals. Deep and genuine engagement set the vision before any design or construction began, and led to better and more cost-effective outcomes for all in this challenging environment. The success of the project initiation was in really understanding why the work was being carried out.

ARTICULATING THE BUSINESS CASE – HAVING THE CONFIDENCE TO STOP BAD PROJECTS

Key to successful project initiation is the ability to articulate the project benefits as a coherent business case. Too often, this articulation is not properly established.

Public sector aspiration can be greater than the funding that is available. Thus when spending public money, it is critical to have an open and honest appraisal of the desired project outcomes from the start. In contrast, private sector project sponsors are often more rigorous when it comes to establishing the business case and so are better at calling time on projects that do not deliver appropriate returns – financial or otherwise – to shareholders.

Understanding what constitutes a good outcome is therefore crucial. Certainly, achieving value for money remains critical – particularly on public projects. But other measures, such as social performance, stakeholder benefits and impact on the local economy cannot be ignored. Too often these measurables remain overlooked during the project initiation and so are not addressed during delivery.

'The projects that succeed tend to set out these success criteria very clearly and identify how they want each to be measured. As an industry, we have to do a much better job of articulating what we are doing – the project initiation phase is where projects make or break.'

John Oliver, Waste Retrievals Director, Sellfield Ltd

CREATING A CULTURE FOR SUCCESS – HAVING THE COURAGE TO CHANGE

Recognising differences in skills and motivations across a delivery organisation is critical at the project initiation stage. Some parts of an organisation, for example, might be naturally pessimistic or cautious about the project, while others are inherently open and optimistic about change. Understanding and addressing these differences from the start is vital.

Creating a culture that encourages change is also important. The enemy of improvement is tacit knowledge – a belief that the right approach is sticking to the way it has always been done. Breaking out of usual practices is critical.

Moving teams away from ‘we can’t because...’ towards an environment of ‘we can if...’, and bringing in a younger generation of project leaders without the baggage of historic experience, can help to drive change. The critical issue for organisations is to establish the right governance, controls and courage to enable this change to be managed.

‘It takes thought leadership to drive change and real courage to try something new.’

Alison Atkinson, Director Capital Works, AWE plc

PEOPLE AND TEAMS – DIVERSITY, SKILLS AND QUALIFICATIONS

Lack of appropriate skills and experience of managing major projects is clearly holding back performance in the UK. Too many projects are still being run by those without the appropriate formal qualifications needed to make them succeed.

Building a team with the right skills is essential at the outset of the project – and starts from the top with the right and most appropriate senior project sponsorship. Increasing diversity in project teams – in sex and race but also in thinking – is a proven to increase performance and outcomes.

Understanding that different skills are required from the project initiation phase to project delivery is also fundamental to success. Setting up teams with the right skills and culture for each stage is vital, as is the need for an effective handover process between each phase.

Chair:

Alison Atkinson, Director Capital Projects, AWE plc

Contributors:

Andrew Fotherby, Director, WYG

Colonel Justin Kingsford, Programme Director, Ministry of Defence

Colin McGill, Appraisals General Manager, BP Exploration Operating Company Ltd

John Oliver, Waste Retrievals Director, Sellafield Ltd

Participating Organisations:

AECOM

AWE plc

Advance Consultancy Ltd

Anglian Water

Atkins plc

BP Exploration Operating Company Ltd

Balfour Beatty plc

Bentley Systems

Burges Salmon LLP

CH2M

CJ Associates

Copper Consultancy

Costain Ltd

Department for Transport

HS2

Horizon Nuclear Power

KPMG LLP

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Major Projects Association

Ministry of Defence

Mott MacDonald

Nuclear Decommissioning Authority

Parliamentary Strategic Estates

Pinsent Masons LLP

RSM UK

Raytheon Systems Limited

Saïd Business School

School of Construction and Project Management, UCL

Sellafield Ltd

Sunbeam Consulting

The Nichols Group

Tideway

Transport for London

Turner & Townsend

WYG

‘It is true that at BP we realised that we had a problem with project initiation which created problems in delivery, so starting in 2003, we put actions and processes in place to stop it from happening.’

Colin McGill, Appraisals General Manager, BP Exploration Operating Company Ltd

CASE STUDY

Building on the process started in 2003, BP further evolved its approach to project initiation in 2013 by establishing a single team to carry out project evaluation and initiation processes. This decision enabled the business to make more consistent choices about which projects it takes forward. Critically it also enables the right skills to be available at the right stages in the project life cycle and ensures that the handover process is correctly and effectively managed.

IN CONCLUSION

Major project initiation is certainly improving, but is by no means contributing to better project outcomes in a consistent manner. This must change. Increasing the quality of project initiation is vital as the number of major, complex infrastructure projects being proposed by public and private sector organisations grows.

‘Are we getting better at project initiation? Yes, definitely – but there is still plenty more that we can do.’

Colonel Justin Kingsford, Programme Director, Ministry of Defence

POINTS FOR FURTHER DISCUSSION

- Is project initiation more effective in the private sector than the public sector?
- How can more diversity of thinking be introduced to project initiation?
- Are we doing enough to articulate the value of major project investment?
- What can be done to accelerate development of the next generation of project managers?

[more](#) > Major Projects Association reports

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‘Ten tenets of major project initiation’