



ORGANISATIONAL PROJECT MANAGEMENT AND PROJECT GOVERNANCE

Report of seminar 182 held on 6th November 2013
4 Hamilton Place, London

SUMMARY

08:45	Coffee & registration		
09:00	Chairman's introduction	Murray Easton CBE, Non-Executive Director	Nuclear Decommissioning Authority
09:15	Enterprise programme management: ten years on – what have we learnt?	Tim Parr, Partner, Programme Leadership Consulting	Deloitte LLP
09:45	Secure the present, prepare for the future	Jim Luffman CEng MAPM	
10:15	Discussion		
11:00	Coffee		
11:30	Transformation projects	Chris Barrett, Director – Transformational Projects	AXELOS
11:50	Adapting governance to complement changing client agendas	Richard Cooper, Associate Partner, Home Office Account Team, UK Secure Shared Delivery	IBM United Kingdom Ltd
12:10	Discussion		
12:45	Lunch		
14:00	A new sphere of management	Chris Ferguson, Managing Director	Novare Consulting
14:30	The Energised Projects Organisation	Donnie MacNicol, Director	Team Animation Ltd
15:00	Discussion		
15:40	Final panel discussion		
16:15	Chairman's closing comments	Murray Easton CBE, Non-Executive Director	Nuclear Decommissioning Authority
16:30	Close		

STRATEGY

- Implement the strategy and track performance with metrics.
- Be open to different approaches when adopting change programmes – refine and improve.
- Invest in your organisation’s capabilities to support change.
- In running a change programme, strong governance is key to success.
- Focus on the integration point between projects and the ‘business as usual’ environment.
- Investment in programme and project management approaches and people will not, by itself, deliver greater success in the delivery of an organisation’s projects.

PROCESS

- Embrace a new language for delivery.
- Benchmarking is important – it allows comparison of efficiency and effectiveness between business entities and drive improvement.
- Mature, specialised competence frameworks are required for business winning, and planning and controls disciplines.
- Cultivate competence in the different ways of working and integrate methodologies.
- In Component Business Modelling, focus on the service, not the role, standardise common tasks and understand the touch points.

PEOPLE

- Appoint and invest in change leaders.
- Make sure the style of leadership has energy and creates clarity of vision.
- Make sure the leadership is trusted at all levels and pulls the whole enterprise together.
- Build a strong team spirit.
- Motivate the supply chain to pull in the same direction and inspire people to make a discretionary effort should it be necessary.

COMMUNICATION

- Communicate, communicate and communicate.
- Engage the practitioner communities in every area, at every level and every opportunity.
- Common foundations are a key prerequisite – they can only be developed and sustained with full stakeholder engagement, particularly from sponsors and practitioners.

Excellent project management principles and processes are crucial, but ensuring that they are deployed with appropriate leadership, governance and consideration of the ‘people issues’ is also fundamental for success – that is one description of organisational project management (OPM), the focus of this full day seminar.

Seminar Chairman, Murray Easton CBE, Non-Executive Director of the Nuclear Decommissioning Authority, noted that views of project management activity, and how it is implemented within an organisation can vary from person to person. This was illustrated throughout the day’s presentations, where speakers from academia and the public and private sectors approached OPM from different perspectives, ranging from project initiation through to delivery.

Topics included delivering change within organisations, looking at the means by which the members of an organisation can identify the appropriate steps which can be taken to improve the delivery of change programmes. There was also an overview of AXELOS, the new joint-venture initiative between the Cabinet Office and Capita. Each presentation was followed by in-depth discussion and debate.

The seminar highlighted differences in how the term organisational project management is perceived. At the start of the seminar delegates were asked to define OPM, and the results were discussed during the final panel session.

Definitions ranged from a traditional ‘process-centric’ approach to a more progressive ‘people-centric’ approach. In the former, project management concentrates on project outputs, assurances, levels of control and value for money judged largely on the asset in isolation of the business as a whole.

Whilst the delivery of a project requires the same attention to traditional project management methods, the latter approach takes more account of the cultural environment; however good the planning and process of project control, it is people who deliver successful projects.

One speaker noted that OPM is more about organisational design than simply project management; it is about how a business is designed so that it delivers its projects and programmes to the greatest effect. Many project managers know how to improve individual projects or programmes. However, creating an environment that drives overall improvement rests with whoever shapes the organisational design of the projects and programmes across the entire portfolio of a business – and the creation of such an environment might well require a transformational programme.

ENTERPRISE PROGRAMME MANAGEMENT: TEN YEARS ON – WHAT HAVE WE LEARNT?

The first presentation was given by the co-author of a book published ten years ago by Deloitte entitled *Enterprise Programme Management – delivering value*. This was one of the first publications to look at the organisational capabilities that are required to support the effective delivery of major programmes and projects.

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The presentation started by reminding delegates that the economic environment at the start of the 21st century brought increasing demands on organisations, and the need for a new approach to cope with the changes that would be needed. Today, the overall trend is one of continuous change in the organisational business environment in both the public and the private sector, and the ability to cope with change is critical.

It was explained that the enterprise programme management framework model was designed to create agility in an organisation, and is still relevant today when talking about organisational project management. The model identifies the key change competencies and how these can create the ability to deliver change efficiently and effectively when integrated into an organisation. The basic message is that whilst the methods and processes of project management are very important, the focus should be on an organisation's capability to create the environment for success.

The ideas, language and concepts of portfolios, programmes and projects, supported by structures, processes and systems, are now commonplace. The presentation went on to consider whether these ideas are helping to deliver change and value, and whether they have been effectively and appropriately implemented.

The outcome of investment in various different performance improvement models was discussed, and results of reports into project delivery over the last ten years or so were outlined. In general, the ability to deliver projects successfully improved during the first decade of the 21st century. However, not all organisations were supporting the delivery of programmes and projects as effectively they should. It was noted that the last few years have seen a move to greater alignment of department behaviours with overall business goals and increased support for projects and programmes.

The presentation concluded by looking at some of the key factors that are instrumental to achieving better programme and project management – for example, developing and appointing change leaders.

SECURE THE PRESENT, PREPARE FOR THE FUTURE

This case study presentation looked at some of the key things that were carried out over a five-year period to improve project management capability at a worldwide, multi-billion pound project-based technology business.

The session started with an outline of the company and its organisational structure, and some of the business challenges faced during the last five years. These included the effect of external market trends following the 2008 financial crisis, an internal restructuring programme, and business performance and improvement plan commitments made to shareholders.

It was explained that the wider external context translated into the strategy for improving project management capability. Following a diagnostic stage, the strategy moved on to the implementation of common processes and tools, governance, and competent structures. Optimisation of these structures aimed to provide the foundation needed to achieve the overall aims of the strategy and to prepare the ground for the future.

Engaging the organisation's project communities from the outset was essential. Key dimensions of project management were defined (e.g. organisation and governance, performance improvement, reviews and benchmarks), and the organisation was structured so that accountability and management could be assigned to these areas.

An essential part of the process was defining a common set of key performance indicators, and using them coherently as part of analysis and action planning. Another important factor was benchmarking, and the use of maturity models – for example drawing on existing reference material on structure effectiveness to demonstrate an improvement in project, programme and portfolio management (P3M) capability.

Other features discussed included an outline of a common project governance framework; the introduction of a 'closed loop' information system to provide a coherent flow of information; the development of an assessment framework (in conjunction with the International Project Management Association) that operates from the bottom levels through to the most senior project management levels of the organisation; and how best to engage with other disciplines within the organisation such as engineers or supply chain managers regarding work-package management.

TRANSFORMATION PROJECTS

Transformation programmes address an increasing client need to deliver an integrated solution to their business problem. For many, just delivering an asset, changing the way a business works or outsourcing an operation no longer achieves the desired outcome. Transformation breaks down silo working to address every area of business from people, process and systems to culture and assets.

This session was given by the Transformational Director at AXELOS, the newly formed joint-venture between Capita and the Cabinet Office. AXELOS will become fully operational on 01 January 2014. Its aim is to develop and be the custodian of the UK Government's portfolio of [Best Management Practice](#) accreditation and publishing services, including the Project and Programme Management (PPM) product sets. These products represent many of the skills seen as a prerequisite for transformation programme team members.

AXELOS has a remit to provide industry leadership, build on existing strengths, encourage growth and develop global best practice. Its objectives include raising the quality bar for the Best Management Practice portfolio, ensuring it is relevant to business, and that it demonstrates value for money.

It was explained that as a new start-up organisation AXELOS will require a transformation delivery model and programme, which will be carried out using the experience and knowledge developed elsewhere within Capita. The evolution of Capita's approach to the outsourcing of organisational transformation was outlined, noting that high pace, client partnering and commercial results are key.

The presentation concluded by summing up the principal features of the AXELOS transformation programme.

This session, given by Novare Consulting was prepared in conjunction with Montydog Consulting, who have joined forces to provide some fresh perspectives on programme and project management.

The aim of the presentation was to explore a fresh approach to tackling the problem of underperforming projects. It introduced the concept of organisational project management; how OPM differs from traditional PPM initiatives; its potential for transforming business performance; and its relevance to both client and supplier organisations involved in major projects.

It was explained that the objectives of PPM are to determine the optimal resource mix for delivery, and to schedule activities to best achieve an organisation's operational and financial goals, whilst taking account of constraints imposed by customers, strategic objectives, or external factors. The tools available from the AXELOS [Best Management Practice](#) portfolio can help with project and programme delivery, but it was noted that such methods need to be integrated with the business strategy, business as usual and the drive for future benefits.

Improving PPM is a typical response to the need to strengthen performance in the areas of organisational leadership, project governance and project management – but very often a fresh and dynamic approach to leadership and the organisation as a whole is required.

The structure of OPM was outlined, and the importance of leadership stressed – leadership that infuses the project or programme with energy, pace, dynamism and enthusiasm. OPM behaviours are driven by the leadership that sits at the top of the governance structure. The leader has to build consensus around a core set of shared values, and the leadership must be trusted at all levels.

Other features of OPM include integrating the leadership and management aspects of PPM. For example there must be a business strategy that takes account of what the stakeholders require from a programme – such as the value expectations they have in terms of successful delivery of improved performance and capability, either within the organisation itself or in the supply chain.

ADAPTING GOVERNANCE TO COMPLEMENT CHANGING CLIENT AGENDAS

This presentation, from IBM, started by noting that IBM's experience of taking a working programme model, and adapting it to a shared delivery capability, is relevant for organisational project management. It went on to consider the process which has helped IBM transform the way in which it delivers that capability in the public-sector domain.

In today's environment there is a challenge for both client and suppliers to be more cost-effective, whilst maintaining quality. Developing any set of services requires programme management and an authoritative knowledge of costs. A component view of all the potential services needs to be built, in which the tasks associated with the programme management are broken down and assessed from an ownership, cost and performance perspective. A scorecard of components can then be produced, the weak spots identified and a road map developed to drive change and improvement. With this Component Business Modelling the focus must be on the service, and not the role.

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The presentation went on to look at IBM's Secure Shared Delivery (SSD,) a framework for consistent cost-effective delivery to the Government. The framework is built on quality, efficiency and capability, and is in line with the [Government Digital Service \(GDS\)](#) strategy – the GDS is a team within the Cabinet Office tasked with transforming how government procure and deliver services. Work has started on redesigning the largest and most-used [transactional public services](#), to make them simpler, clearer and faster to use.

Key features of the SSD framework were outlined – for example, full and secure onshore hosting, with Cloud offerings that are internal and available to associated SMEs, and a service desk with 24/7 manned capability offering a range of service levels.

The session outlined the set of services which are now available for sale in relation to security related delivery expertise, scalable shared capabilities and secure offerings. It concluded with some general considerations about running a change programme, noting that strong governance is vital, because of factors such as conflicting business demands and priorities.

THE ENERGISED PROJECTS ORGANISATION®

The final session discussed the research entitled the 'Energised Projects Organisation'® that is being carried out between Team Animation (who gave the presentation) and Cranfield University. The aim of the research is to develop a series of tools and diagnostics which will help organisations to understand the part that individual members can play in reaching a collective view of how performance can be improved.

The presentation started by considering why a new approach to dealing with project and programme management challenges is needed. For example, the perception that projects simply succeed or fail assumes a reliance on piecemeal technical fixes. This is because projects are considered as discrete entities, with a few defined functional and relational boundaries, and appear as 'bubbles' within organisations. Added to this is the fact that individual employee behaviour and productivity is treated as rational and independent.

The concept of personal and organisational energy is a suggestion for an alternative approach. Studies have shown that high-performing individuals and teams have an inexplicable energy and resolve to deal with day-to-day challenges; successful organisations are able to channel that collective energy to create a 'can-do' atmosphere geared to successful delivery. However, few organisations are aware of the potential of organisational energy.

The session described the concept and the associated energy diagnostic tool that measures energy levels in relation with existing organisational structural conditions. It was explained that unlike maturity models which seek to assess the extent of integrated practice in an organisation, the approach provides the basis for creating the Energised Projects Organisation – a sustainable productive organisation that can consistently deliver successful projects by mapping process with behaviour. This alternative paradigm provides a way of explaining the intensity, pace and resilience of a successful project-based organisation.

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Early on in the presentation eight key points identified at the start of the research were outlined. The presentation concluded by summing up what has been achieved so far in each of these areas. For example, the factors or 'structural conditions' which impact on the individual employee have been identified, using the human body as an analogy for the organisation. The use of the energy diagnostic tool to identify the individual's positive or negative energy levels has been suggested, and the structural conditions and energy diagnostic tool have been combined to determine the individual's contribution to performance.

CONCLUSION

In summing up the day's proceedings the Chairman noted that organisational project management means different things to different people. However, there seemed to be a consensus that OPM is a crucial evolution of project management – one that was too important to be left to the project management organisation itself.

Changing the way an organisation deals with a major project often requires a transformation of its 'business as usual' operation. The Chairman noted that the vision to do so must exist at the top of the business management structure – if the leadership is not passionate about it then there is little chance of success.



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