

SCOPING TRANSFORMATIONAL PROJECTS TO REALISE THEIR FULL BENEFITS

Highlights from the Major Projects Association event held on 1st March 2017

Transformational projects and programmes are hard to do. They require complex changes to organisational structures and cultures, unpicking established ways of working and the creation of a whole new order. They are often instigated to cut costs, improve efficiency and adapt organisations to new technology and economic pressures. And, in terms of delivery, the focus is on outputs, with the process being far more agile and amorphous than that used in major capital projects.

Done well, transformations can have far-reaching benefits not only on cost, but also on the well-being of those employed and on whose behalf they are working. But done poorly the result can be chaos. This Major Project Association's half day seminar set out to explore how getting the scope right can impact on the delivery journey and the outcomes.

THE SCALE OF THE TRANSFORMATION CHALLENGE

The need for understanding how to achieve successful delivery of transformational projects has arguably never been greater. They make up the single largest category of projects within the Government Major Project Portfolio – 53 projects out of 114, worth a total of £116 billion. To date, these have included: Universal Credit; courts reform; workplace pensions; and the new state pension. In the private sector, the scale of projects that are described as transformational is less easy to determine but they are no less frequent.

IS YOUR PROJECT REALLY TRANSFORMATIONAL?

There is a great temptation to badge projects as transformational. The title seduces government ministers and CEOs with the promise of headline-grabbing achievement and dramatic cost savings from little upfront investment, particularly when compared to major capital projects. But when an email about the 'conference room speakerphone transformation programme' arrives it indicates that the word is being overused.

'By calling something transformational, are you setting yourself up for an impossible task?' asked Programme Director at the Department of Work and Pensions, Ian Clark. If what you are doing is really change, call it that and deliver that; it is more straightforward.

'Creating a sense of urgency will get the senior buy-in.'
Ian Clark, Programme Director, Department for Work and Pensions

Do not use 'transformation' to disguise cost-cutting; be honest and tell people that the target is to reduce headcount, and that those left will be doing more work, probably for the same money. Then deal with the issues that creates head on.

'Transformation may be delivered by a number of different projects and programmes.'

Phil Dungey, Director, KPMG LLP

CHARACTERISTICS OF TRANSFORMATION

- It is complex – requiring programmatic and adaptive leadership, multidisciplinary capability across multiple networks.
- It needs a balance between business as usual and transformation activity.
- It is of long duration – with multiple phases, shifting direction and reconstructed teams at each phase.
- It often involves a series of projects within a programme.

Change – a measurable, physical difference.



Transformation - an extreme, radical change that orients an organized body in a new direction and takes it to an entirely different function.



(Ian Clark, Programme Director, Department for Work and Pensions)

'These transformation programmes are about making a step change, not just incremental improvements. This is not just about pedalling the same bike faster. They need to test and learn how people will interact with new services, and they need to keep the current services running safely while they change the organisation.'

Andrew Besford, Deputy Director, Government Digital Service, Cabinet Office



WHERE IT GOES WRONG

No burning platform: Many transformation projects start at step 3 – but vision is no substitute for the impetus and backing created by urgency. Transformational projects need a ‘burning platform’; a reason why there is no option but for them to happen.

Lack of upfront scrutiny: This is where major capital projects have a clear edge over current management of transformation. Capital projects have a high upfront cost and are always subject to scrutiny at the start – can the job be achieved for the price stated, how will it complete on time, what are the quantified benefits and are they worth the investment? Transformational projects do not always get the same level of scrutiny at the beginning – the benefits seem huge for not much cost at the start and there may be no real assessment of the costs of implementation.

‘Look at the benefits, work back from the numbers required to get some benefits early on and create confidence that you can deliver the full potential of the programme over time.’

Lorraine Mackin, Partner, KPMG LLP

Impact on business as usual: Transformation diverts senior management focus from day-to-day customer service delivery, and the potential for that to slip during the transformation process is high. The question to ask before business transformation is initiated is, ‘Is it worth it?’. And the bar could be set very high before go-ahead is given.

‘If you try to change people, processes and technology at the same time you will fail.’

Ian Clark, Programme Director, Department for Work and Pensions

You run out of time: This is particularly true in public sector transformation. Projects need to complete within a political cycle before the ministers who are driving them disappear.

‘When you dig 20m of a tunnel, no one comes behind you and fills it in. In business transformation something you have achieved can be quickly overturned.’

David Hughes, Director of Strategy and Business Development, London Underground, Transport for London

POINTS FOR FURTHER DISCUSSION

- How do we assess transformation projects properly before they start?
- How do we get more realistic in planning transformation projects so performance can be measured?
- How can we be more definitive about the process, particularly in projects that affect citizens, when we do not know how citizens will react?
- How do you manage ‘business as usual’ within a transformational programme?

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