Ruapehu Whanau Transformation

PM Training 3-5 May 2017
Some Preparatory Reading

There are a variety of ways in which to tackle projects. This three-day course focuses on the traditional, plan-driven approach whereby the desired solution is pretty much defined at the beginning before project execution starts. We know the destination before we plan the route. Undertaking a project in this systematic manner is a process. It's about leading, planning and controlling equipment, material and people to achieve a goal. Unlike business managers who oversee a department or function, we PMs often need to control and co-ordinate the efforts of loaned people with different skills from different functional areas, even from different organisations, and sometimes from different countries, to spend other's money to produce new products or services to hopefully satisfy clients and users and a variety of other demanding stakeholders, which could be likened to attempting to paint a masterpiece with many hands manipulating our paint brush.

Within most organisations there are essentially two cultures, two sets of expectations, two languages even – the routine activity or business-as-usual culture concerned with on-going daily operations, and separately, the project culture concerned with producing new products, managing change and realising product benefits. These two cultures need to work together, although one culture may dominate, and on occasions there can be mutual incomprehension. While both projects and operations involve employees, need to be planned, produce products, and are constrained by resource limitations, they possess some important differences summarised on the next page.

Operations are performed by relatively stable teams using ongoing and repetitive processes and are focused on maintaining the status quo, whereas projects are performed by temporary teams, are non-repetitive and produce unique products. Another significant difference is that our projects possess much less certainty than do operations. Operations, as a result of continual scrutiny and refinement, possess little uncertainty or risk and are thus much more predictable, whereas projects delve into

the unknown and as such things may not go entirely as planned. For a project there is only some measure of certainty at completion, although even then results may not be exactly as originally predicted.

Operations (business-as-usual work)	**Projects** (non-routine endeavours)
- Predictable and certain - Repetitive and routine - Have standard procedures - Have no end dates - Stable and permanent - Teams stay together - Easy to accurately measure - Preserves the status quo - Process-focused - Evolutionary - Continuous improvement - Mostly harmonious - Work in the business - Maintains the business	- Unpredictable and uncertain - Unique and innovative - Have individual plans - Have end dates - Dynamic and temporary - Teams disband at finish - Hard to accurately measure - Drives change - Progress-focused - Revolutionary - One chance to succeed - Sometimes acrimonious - Work on the business - Changes the business

Another important difference is that projects cause change and most people are apprehensive about change. People who prefer project work like change and new challenges, rather than steady routines. However, if this change is not completed successfully, project benefits, which are the rationale for undertaking projects, will not be realised or fully realised. The management of change and the achievement of business case benefits are now recognised as essential ingredients for project success.

Formerly, we project managers were exclusively preoccupied with completing our projects on time and within budget, which are important measures of project management (PM) success, but not necessarily project success, which is about realising benefits. A project might be completed late and over budget, yet still yield benefits that ultimately exceed the costs involved and thus add value; an often quoted example being the Sydney Opera House that was completed ten years late and

more than fourteen times over budget, but is now a celebrated landmark.

While projects can be acrimonious affairs, conflicts or differences of opinion can be healthy things and, if properly managed, can trigger useful debates. Conflict can make people think differently, and expand their knowledge and insights. In fact, if two people on our project planning team always agree, perhaps we have one too many people. While different opinions are potentially a very good thing, if those two people never agree, perhaps we have two too many people. It's how we handle the conflict that makes the difference.

The US-based PM Institute describes a project as "a temporary endeavour undertaken to create a unique product, service or result" and the UK government PRINCE2 methodology describes a project as "a temporary organisation created for the purpose of delivering one or more business products according to an agreed business case." The shortcoming of these definitions is that they aren't specifically focused on the purpose of the project, which is to deliver the benefits that validate the investment. I prefer to describe a project as "a benefits-driven investment."

Also, while the focus should be benefits, projects are usually named after their products, which can endorse the impression that the product is the sole focus of the project. And since outcomes and benefits are usually only realised sometime after a project is finished, it's easy for PMs to become product-fixated, given too that PM success is traditionally seen as producing the specified product on time and within budget.

Also, a project should not be started unless there is a sound business case in place. The business case describes the reasons for the project and the justification for it and is based on estimated project costs, the risks involved, and the expected business benefits. It's a "living document" as it needs to be reviewed and updated periodically during the project life, particularly when major variations are proposed. A project's final product that remains when the project is completed has its own lifecycle during which time the benefits that justified the investment in the project are hopefully realised. Also, there may be unanticipated additional benefits and even disbenefits. Thus, project

products, the vehicles upon which project benefits are realised, may be initiated for a variety of reasons such as:

- To realise an organisation's mission or purpose and business goals.
- To meet business, social, economic and market demands.
- To respond to a customer's request.
- To increase sales revenue, market size or share value.
- To improve productivity or reduce cycle time.
- To control, reduce or avoid costs.
- To reduce or eliminate waste.
- To improve an organisation's image, processes or productivity.
- To enhance employee satisfaction, motivation, performance or retention.
- To introduce new products and services and exploit commercial opportunities.
- To outperform or gain an advantage over competitors.
- To comply with new codes of practice or meet legal imperatives.
- To retain customers or gain new customers, members and supporters.

In effect all projects solve problems or exploit opportunities. Projects aim to close the gap between the existing state and the desired state. They upset the status quo, although the burden of proof is usually with those wanting to change the status quo. Those who want to keep the status quo don't usually need arguments.

Many PMs believe that there is a right or best way to manage projects. They recognise a number of hard-learned principles or fundamental truths to be observed. While conscientiously adhering to such principles will not guarantee success, they are ignored at our peril. Listed here in no particular order, the following ten most frequently identified guiding practices, derived through the analysis of both successful and unsuccessful projects, provide a foundation for the successful management of our projects:

1. Establish and regularly reappraise the justification for our project.
2. Have a sponsor who gives us clear direction and effective support.
3. Agree and unambiguously define roles and responsibilities.
4. Identify and communicate often with users and other stakeholders.
5. Apply a disciplined approach from conception to benefit realisation.
6. Pre-empt problems and HSWA hazards, address issues promptly.
7. Check progress regularly and take timely corrective action.

8.   Manage change to ensure effective product adoption.
9.   Recognise success is when business case benefits are realised.
10.   Capture lessons and learn from each project.

Having mentioned these principles, it wouldn't be right to hold them in obstinate blindness since they're inclined to evolve. For example, it's only in recent years that stakeholder engagement, change management and benefit realisation have been formally recognised as important PM practices.

An overriding consideration is that there's no innovation or progress without projects, which often starts when we ask why things are done in a particular way. It's about questioning perceived or received wisdom. It's about challenging common sense. It's about asking why we can't do it better, faster, cheaper. And sometimes, it's about designing alternative futures and letting the market decide what's best.

While initiating projects can be a challenge, we also need to query or stop projects that are clearly in trouble or where their likelihood of success has been severely compromised. We're not so good at that. Why can't we kill projects that are clearly doomed? Is it managerial incompetence or entrenched bureaucracy? Ironically, we usually persevere from a fervent and widespread belief in the inevitability of ultimate success. This sentiment typically originates with our project sponsor; it then spreads throughout our project team and can lead to some very irrational behaviour.

While the importance of project champions is well documented, the value of having someone who can recommend pulling the plug on a project before it becomes a money sink isn't at all common. Perhaps every project should appoint a fearless skeptic or critical evaluator who periodically reviews the wisdom of continuing.

That's a bit of an introduction, although not essential reading. *"Hey, why didn't you mention that it wasn't essential in the first sentence*!" Ha ha - see you on the course.