

Project management

Successful projects? Focus on your environment!

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“We further professionalised our project organization during the past few years. Still, too many projects are a failure.” This is an often-heard lament. A flawless operation therefore does not equal a successful project. Working on the right projects and optimal leverage of change are definitely success factors.

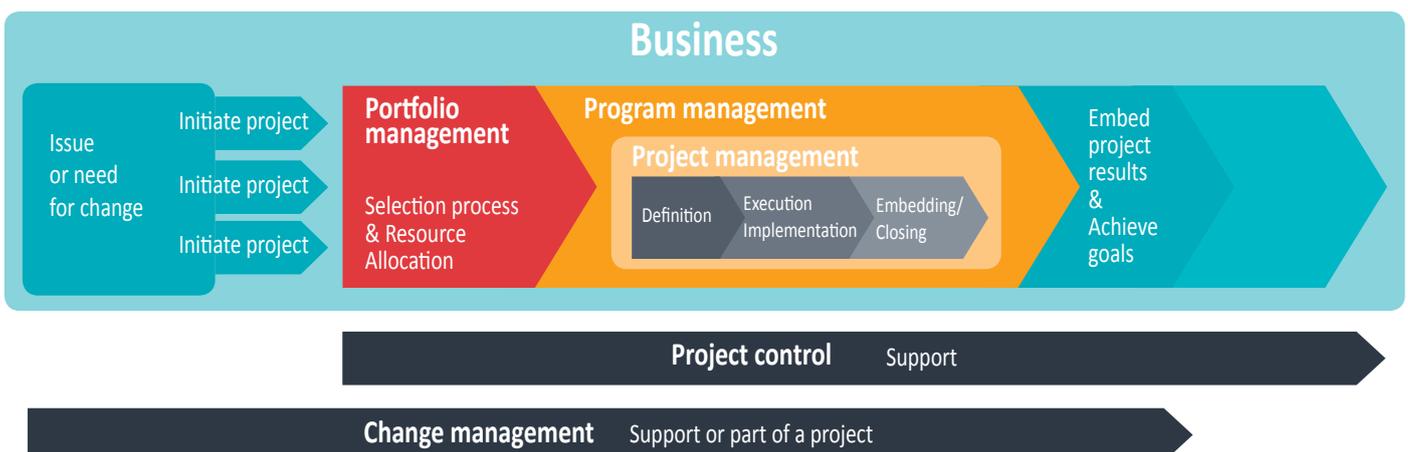
A project audit provides an insight into the risks and improvement points of an individual project or programme. The success of a project is determined not just by the project as such, but by the entire project environment. For organizations with reasonably well-structured project management, an evaluation of the complete environment of projects can be an essential contribution in determining how to make projects more successful. Which elements can be improved in order to ensure they contribute to the success of changes? Reinforcing the weak links provides more and faster returns than optimizing the strong links.

The project environment

The collaboration between all those involved in the project environment in all phases of a project is crucial in successful projects:

- **Prior to the project** - when making choices of which projects to start up or not;
- **During the project** - both when determining which projects should be terminated intermediately and when encouraging and supporting projects;
- **after the project** - when ensuring optimal leverage of the project's final results.

Visual representation of the project environment.



What makes a project successful?

Project-based working is only an instrument to realize change within an organization. The project manager's task is correct delivery of a pre-defined end product within the requirements of time, budget and quality. However, this is not a goal as such. A project is successful if the change provides a maximum contribution to the organization's strategic and objectives. That implies that realising the right projects and optimal leverage of the finished product within the organization are key factors in the success of projects. In this context, the project's environment is just as important as the project itself.

Naturally, the project environment includes the project and programme organization as such, the portfolio management/investment committee and the client ('the business'). Additionally, it includes the suppliers of project resources such as data analysts, testers and project managers and support in the form of project control and change management. A harmonious effort where all parties involved fulfill their role with the organization's interest in mind will lead to a successful final result.

Project management

Take a step back

To increase project success, reinforcing the weakest link has a higher impact than reinforcing a strong link. That is why it is best to take a step back to consider where the biggest room for improvement can be found. Is it in further improving the realization of projects? Or is it time to shift the focus from the project organization to the project environment?

A project environment scan can assist in evaluating the total project environment. Such a scan:

- offers insight into the organization's improvement potential;
- shows where the biggest improvement need is;
- increases awareness that it is important for all players to adequately fulfill their role;
- detects specific improvement actions.

Elements of a project environment scan

Although there is no standard blueprint for the project environment, there are some fixed elements with a positive impact on project success. The wide diversity in elements that play a major role in the project environment is clustered into: 1) good clientship, 2) portfolio management, 3) business benefits, 4) change management, 5) program & project management, 6) performance management and 7) resource management. A well-considered, cohesive system with these elements is more important than the presence of each element. Instead of simply implementing the structures and processes, it is performing the activities that contributes to successful projects. We will go deeper into some elements of 1) good clientship, 2) portfolio management, 3) business benefits.

1) Good clientship

Relating to tasks, responsibility and authorisations, both the client and the project manager have specific roles that should be mutually supporting. In reality, it has become apparent that both formal and informal support significantly increase the chances of success. This involves the small details, such as structurally monitoring the project in regular line meetings. Or the client mentioning the project during informal moments. In other words: does the business take up its role in project marketing?

An inventory shows that in half of all cases, the project manager and the project owner meet for the first time to discuss the project after the project manager has been selected. This is remarkable. One would expect the client to demand a role in the selection process to feel comfortable about the intended project manager's ability to successfully complete the project.

Two other formal responsibilities of the client substantially contribute to satisfactory delivery of the project.

1. How specific are the clients in the definition of the project scope?
How detailed is the scope description?
2. How critical are clients in formal approval of products or elements?

The earlier in the process the client is critical on content, the better the final product. Unfortunately, there are organizations where people do not start critical reviews until having to evaluate the final product.

One of the formal go moments is the buyer's (often the client's) acceptance of test plans and test results. Is testing included to tick off this risk-mitigating measure from the action list, to obtain the buyer's approval to provide cover of the project in case any issues arise at a later stage - or to detect all errors in due course? A culture critical on content will be a significant contribution to satisfactory delivery of projects.

2) Portfoliomanagement

Working on the right changes or innovations within an organization and carrying out the right projects requires transparent and rational decision-making before the start of the projects. Subsequently, the project portfolio must be continuously monitored. Which projects can be continued and which should be aborted? In addition to a selection and approval process, it is therefore necessary to explicitly reconsider ongoing projects periodically. Quickly eliminating projects that do not contribute enough can release resources, allowing for starting up or accelerating other projects.

The criteria that form the basis for both selection and re-evaluation of projects are a different link in the project environment. Is selection based on explicit, objective, transparent and rational selection criteria? Is the entire organization aware of these selection criteria? Are decisions about starting up, continuing and aborting projects, including the motivation, communicated to all relevant parties? Testing projects to the right selection criteria helps distribute the available change capacity among the right projects.

3) Business benefits

Contributing to the organization's objectives and strategy must be a key selection criterion. Not only on paper but also in reality. The project managers are often insufficiently aware of the organization's objectives and strategy. For example, are they aware of the IT strategy? Are the project objectives in line with the organization's objectives? And is the project objective the best answer to the problem?

Benefit tracking is an instrument in which the client is accountable on the business benefits actually achieved versus the benefits presented in the business case. The Achilles' heel is that only strong leadership and self-critical organizations are willing and brave enough to review their own projects. However, in the long run, structurally demanding benefits from projects will increase the reality value of business cases in the investment proposals, which will also raise the quality of future investment decisions.

Two project-related elements

The elements regarding 4) change management, 5) program & project management, 6) performance management and 7) resource management are related to setting up and realising projects. In a project environment scan, we review how the project is set up within the organization, rather than the individual projects. Below, we zoom in on two elements that remain underfocused within most organizations.

Change management

Stakeholder management, training and communication are well-known components of change management. In change management, the human side of change, the following issues are also relevant:

- In the event of major changes, do we manage the impact of the change on employees?
- In the event of major changes, do we deploy specialist change management expertise focusing on the human component of the change?
- In addition to the functional phases, are the emotional change phases recognised?
- When reducing resistance, do we respond to the resistance indications and the underlying causes of resistance?
- Do we optimize passion and enthusiasm in addition to reducing resistance?

Resource management

Organizations structurally building up a high-quality project manager pool give their individual project a better chance of success. Consider the following questions:

- Does the organization have an explicit philosophy relating to project managers? Internal versus external and senior versus junior project managers?
- Are we intentionally steering to make sure that the composition of this programme/project manager pool is aligned with this philosophy and the organization's requirements?
- Do remuneration and quality monitoring (including stringent intake, transfer and exit) fit in accordingly?
- Do we leverage the collective self-learning ability of the project managers in developing interpersonal skills? Is there an active programme/project manager community for sharing knowledge?

Conclusion

Continuous improvement of project selection is not very valuable if projects do not deliver the final result of the project. We see far-reaching professionalisation of organizations in project realization, but a lack of monitoring to check if the envisioned benefits are achieved - let alone steering to achieve this. Systematically analysing the various elements of the project environment offers an insight in improvement actions to increase the success of projects. A balance between project selection, project realization and actual profit of the change provides the highest probability of successful projects.

**Working on
the right projects,
satisfactory realization
and optimal leverage
of the project results
determine the degree
of success
of the change.**