Ray Wall – Mike Boutel

Snapshot of current

Portfolio, Program & Project Challenges

DELIVERY **ADVISORY** CAPABILITY

Delivery

Advisory

Capability

Reduce the cost &
risk of change

Improve delivery speed &
business outcomes

Build talent &
drive results

Established 17 years, 100 people, manage over $1BN of client projects, train/certify +5000 PMs p/a

Helping you get better returns from your projects

RAY WALL

PRINCIPAL CONSULTANT

How important is Stakeholder Engagement and Governance in terms of **PROJECT SUCCESS?**

The latest **CHAOS REPORT** from the Standish Group suggests:

*The **NUMBER ONE** reason for project failure is*
POOR EXECUTIVE ENGAGEMENT

*and an unhealthy project environment which is the responsibility of the **EXECUTIVE TEAM***

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Source: Standish Group CHAOS Manifesto 2012/13

So what else makes the Top 10…

 # 10

Tools and Infrastructure

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Source: Standish Group CHAOS Manifesto 2012/13

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So what else makes the Top 10…

9
Execution

Source: Standish Group CHAOS Manifesto 2012/13

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So what else makes the Top 10…

8
Skilled Resources

So what else makes the Top 10…

7

Project Management Expertise

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So what else makes the Top 10…

 # 6
Agile Process

Source: Standish Group CHAOS Manifesto 2012/13

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So what else makes the Top 10…

5

Optimisation

So what else makes the Top 10…

4
Emotional Maturity

Source: Standish Group CHAOS Manifesto 2012/13

So what else makes the Top 10…

3
Clear Business Objectives

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So what else makes the Top 10…

2

User Involvement

Source: Standish Group CHAOS Manifesto 2012/13

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So what else makes the Top 10…

1

Executive Management Support

Source: Standish Group CHAOS Manifesto 2012/13

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Other items that get Special Mention…

Large vs. Small Projects

Small projects are more than 70% more likely to perform well. Large projects are 10 times more likely to fail

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Source: Standish Group CHAOS Manifesto 2012/13

Other items that get Special Mention…

Gold plating is alive and well

50% of features are hardly ever or never used.
20% are used often and 30% infrequently

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Source: Standish Group CHAOS Manifesto 2012/13

Project Success Rates are only marginally improving. But need radical improvement…

RESOLUTION

	2002	2004	2006	2008	2010
Successful	34%	29%	35%	32%	37%
Challenged	51%	53%	46%	44%	42%
Failed	15%	18%	19%	24%	21%

Project resolution results from CHAOS research for years 2002 to 2010.

» Take into account the economic environment
» Fewer project funds available but higher benefits required
» Need for greater innovation but lower budgets

So what do we see happening?

Source: Standish Group CHAOS Manifesto 2012

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PM-Partners group Insight…

Organisations will invest more in
Portfolio and Program Management

PM-Partners group recent PMO Survey Research Report
suggests that only
53% of PMO's offer Benefits Realisation services

Only **34%** are performing resource supply / demand

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Source: PM-Partners group PMO Survey 2012

PM-Partners group Insight…

TOP 5
Challenges for PMO over next 2 years

#5 Resource management **20%**

#4 Organisational alignment **21%**

#3 Project / program selection and prioritisation **24%**

#2 Supply and demand planning **25%**

#1 Benefits realisation **34%**

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Source: PM-Partners group PMO Survey 2012

PM-Partners group Insight…

Yet,

the Executives we spoke to **all** wanted Portfolio Management activities in place…

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Source: PM-Partners group PMO Survey 2012

PM-Partners group Insight…

Agile methods will continue to grow in popularity

Project Assurance processes will become far more respected and therefore utilised

Organisations and Executives will recognise the need to develop best practice governance

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Source: PM-Partners group PMO Survey 2012

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GOVERNANCE in operation…

From PM-Partners group recent PMO Survey Research Report and experiences we see on a day to day basis:

» Encouragingly circa **81%** of organisations apply Governance across their Project Management Practice
» A lot of this activity however tends to be front loaded on initiation and business case approval type tasks
» Less encouraging is that typically, Governance falls away after this period

» Unfortunately only about **28%** of organisations continue to provide adequate Governance after initiation
  » Business Case Reviews
  » Benefits Tracking
  » Stage Gate reviews
  » Impact analysis on scope changes etc

Source: PM-Partners group PMO Survey 2012

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The role of the **SPONSOR**…

Sponsors **own** the business case
end to end and are **ACCOUNTABLE** for
achieving the business outcomes

The role, however, is often misunderstood and this
almost always leads to poorer results

So what are the characteristics of a good sponsor?

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Source: Validated by field experience and over 350 PM health checks

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The role of the SPONSOR…

To set a clear and simple vision for the project

Ensures the real business need is addressed and the project is aligned with strategy

Ensures project makes good use of assets

Verifies the continued viability of the project and its progress

Owns the business case and monitors the project to ensure the outcome will be realised

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Source: Validated by field experience and over 350 PM health checks

PM-Partners group

The role of the SPONSOR…

Leads the Steering Committee and drives decisions to a conclusion

Governs and approves plan, schedule, budget, changes and final deliverables

Communicate to gain the support and commitment of the executive

Monitors effectiveness of Project Manager

Allocates time and energy to resolving issues and encourages learning from prior work

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Source: Validated by field experience and over 350 PM health checks

PM-Partners group

Business Value via Project Assurance…

Case Study:

Trend analysis across many large program reviews for a financial institution identified a 'gun team' of Senior Program Managers who were highly skilled in scoping large programs

Subsequent results are yielding millions in savings

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PM-Partners group

Source: Validated by field experience and over 350 PM health checks

MIKE BOUTEL

FACILITATOR / PRINCIPAL CONSULTANT

The PROBLEM
Motion without MOVEMENT

Reacting to the latest initiatives

Current Capability

No measurable benefits

Valid Business Case?

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The capability GAP

This leaves us with a 'capability gap':
The gap between what we have and what we need in order to perform at target levels.

To-be

Corporate
CAPABILITY GAP

As-is

Performance

Time
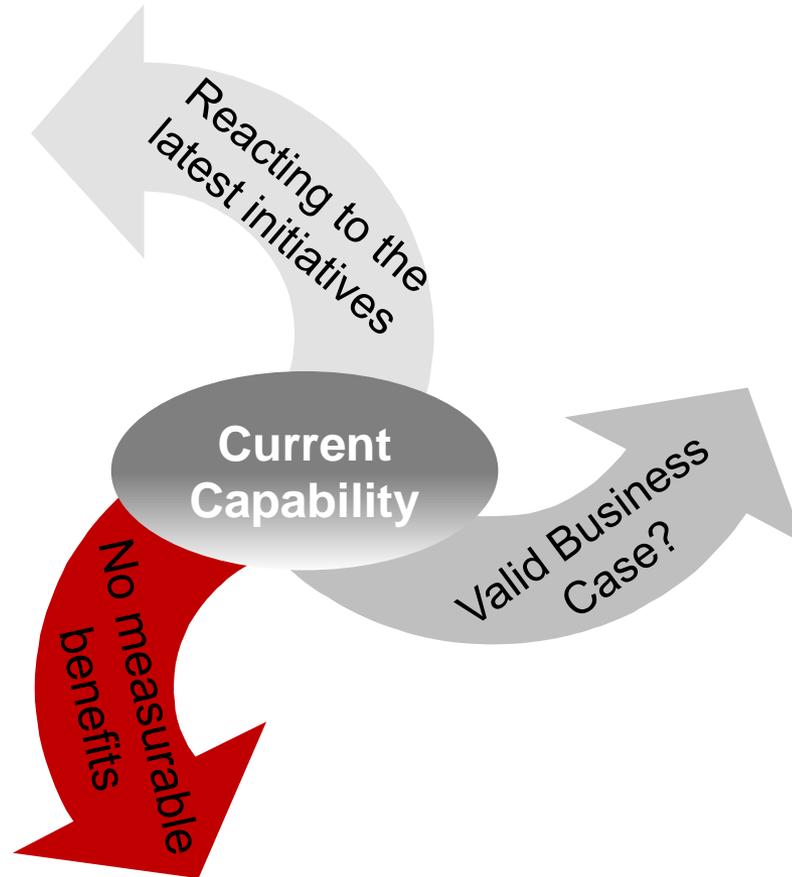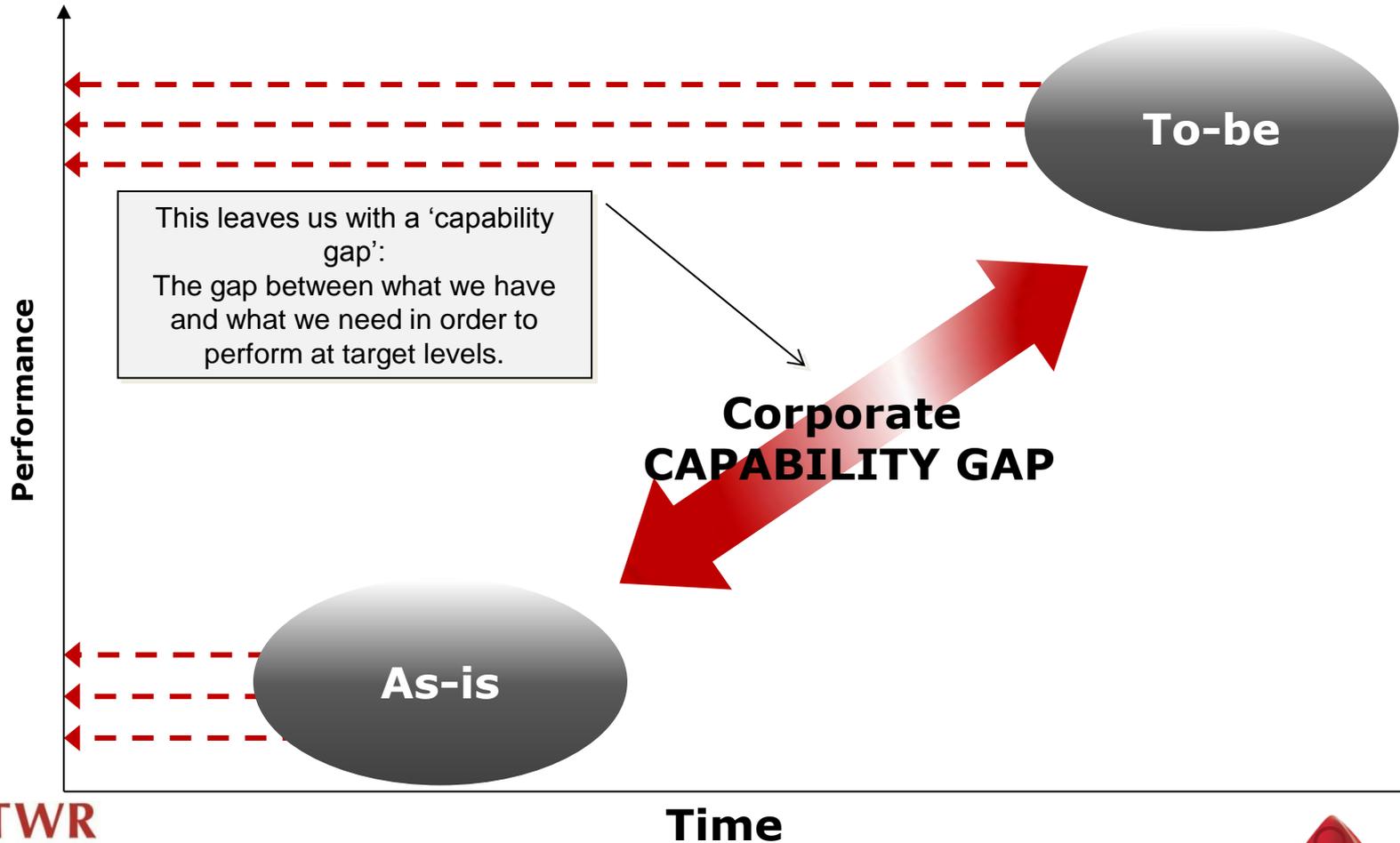
PROJECT V PROGRAMME lifecycle

Project

Output

New capability

Benefits Realisation

Transition | **Outcomes achieved**

Change Management
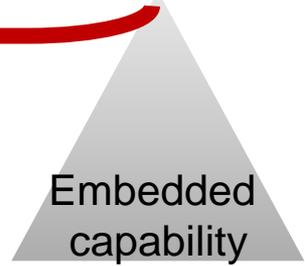
Embedded capability

Programme Life Cycle

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PROGRAMME Dependencies
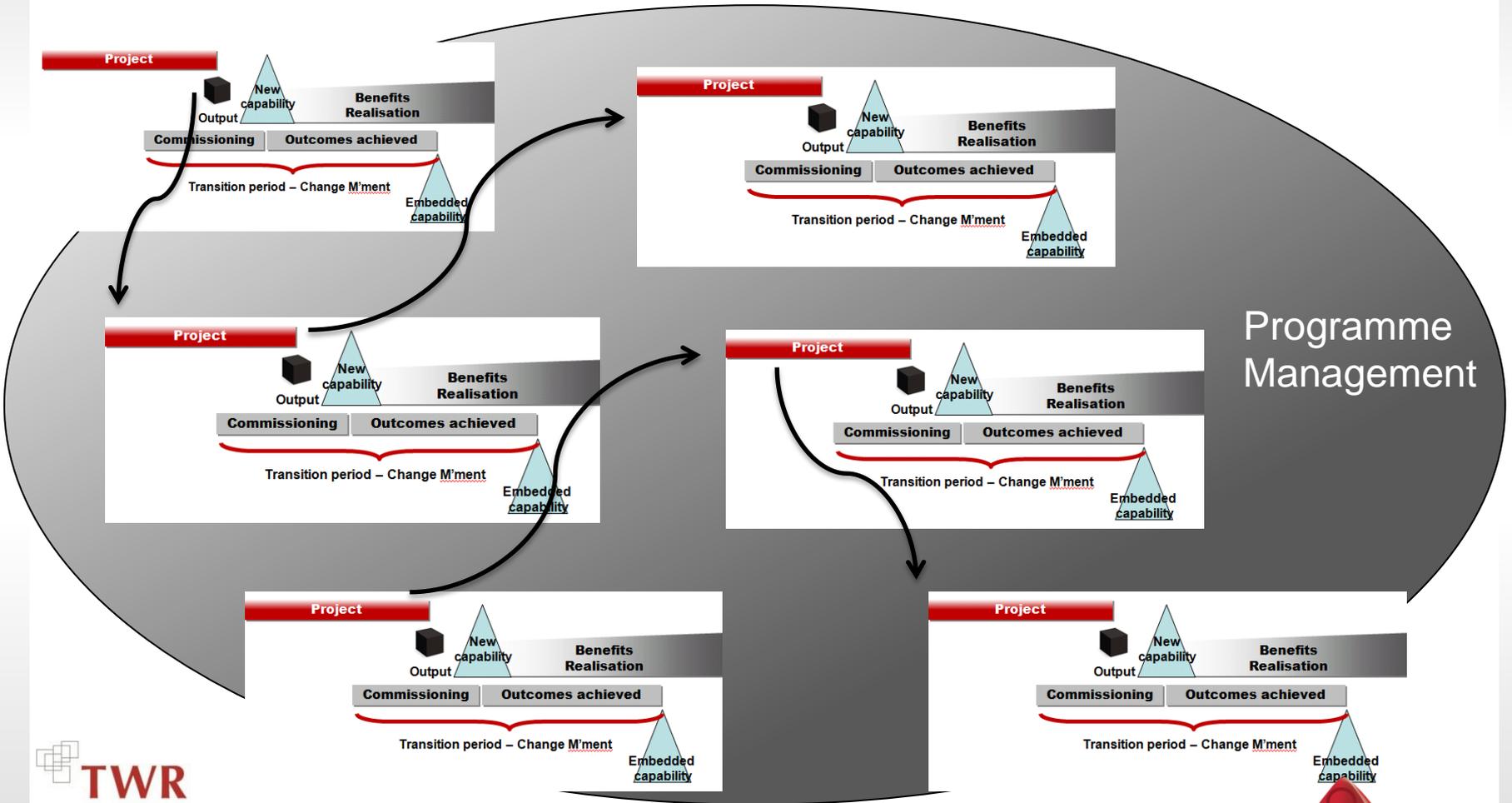
DEFINITION of a programme

"…a **temporary**, flexible **organisation** created to **coordinate**, direct and oversee the implementation of a set of **related projects and activities** in order to deliver **outcomes** and **benefits** related to the organisation's **strategic** objectives. A programme is likely to have a life that spans several years".

The Cabinet Office (formerly OGC)

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OnTarget Seminar

Melbourne 23 May 2013
Sydney 29 May 2013

Predicting Project Failure

Through the practical experience of running over $1B of projects annually, conducting hundreds of project health checks and recoveries the PM-Partners group will present what a business can do to improve project management performance.

We will present trends from actual projects (not academic research) that we have uncovered from midsized projects to complex programs of work across multiple industry sectors.
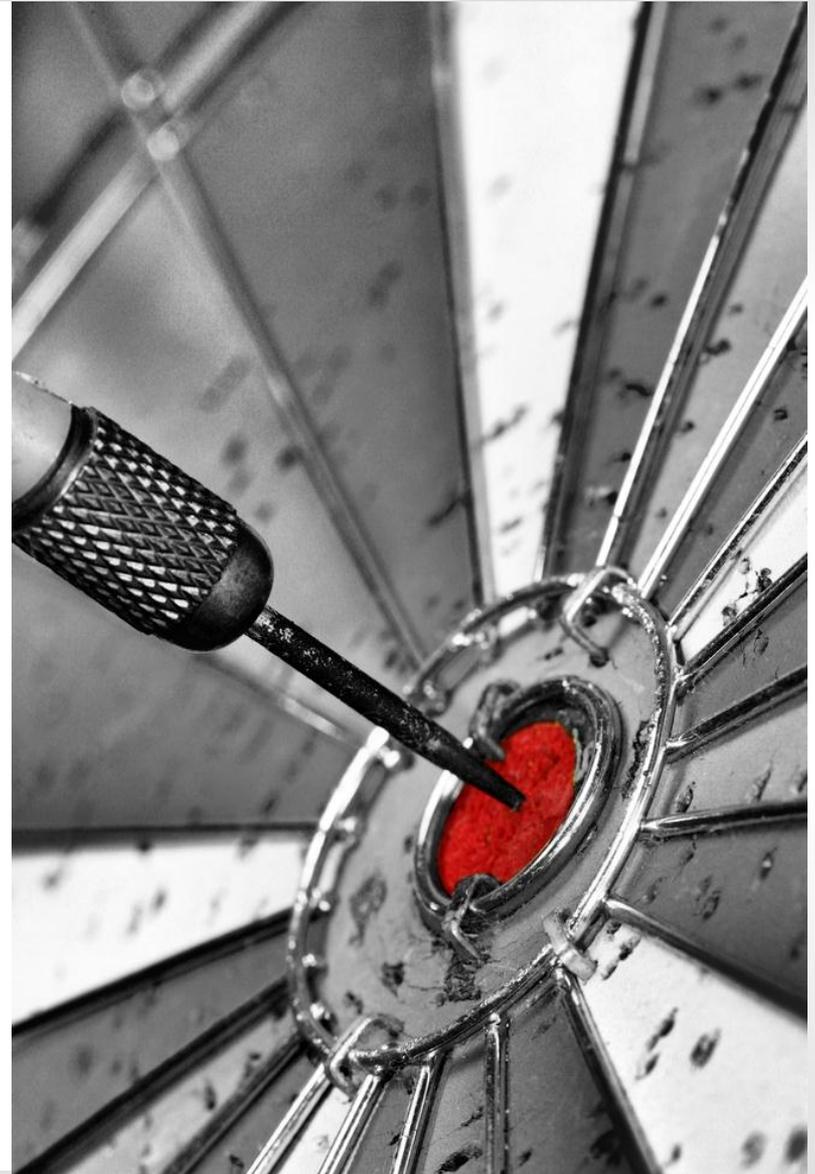
PMO FORUM 18 JULY 2013
The evolution of the business aligned PMO
pmoforum.com.au

THANK YOU

RAY WALL
rayw@pm-partners.com.au

MIKE BOUTEL
mikeb@pm-partners.com.au

PM-Partners group
www.pm-partners.com.au
1300 70 13 14

PM-Partners group

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