# The Right Projects Done Right!

## From Business Strategy to Successful Project Implementation

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Paul C. Dinsmore
Terence J. Cooke-Davies

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# Contents

# Preface

*It is said that nothing happens by chance: somehow the universe conspires to make certain things come to pass. That seems to be the case in the collaborative project that resulted in this book. The authors' partnership evolved as a consequence of independent works that merged as they began to exchange ideas at international meetings in London, San Antonio, Johannesburg, and Sydney.*

*Paul C. Dinsmore's articles during the 1990s in the* PM Network Magazine *on the topic of managing organizations by projects(MOBP) ultimately evolved into the book* Winning in Business with Enterprise Project Management *(Amacom, 1998) and became a reference for seeing project management from an enterprise, multiproject standpoint as opposed to single-project views as outlined in the Project Management Institute's* Guide to the Project Management Body of Knowledge *and most of the literature until that time.*

*Terry Cooke-Davies's work in developing and managing international project management knowledge and benchmarking networks through his company, Human Systems, created a treasure of experience and information on the art and science of managing projects effectively across organizations. Experiences were drawn primarily from North America, Europe, and the Australian-based Pacific Rim networks. Terry's numerous articles in* Project Manager Today *magazine as well as papers published in international symposia and project management journals documented many of the findings that became part of this book.*

We found great synergy in our face-to-face chats in sundry global encounters and in lengthy transatlantic e-mail correspondence.

Our communications invariably converged on the common theme of conducting a multitude of projects simultaneously across an organization. Both of our respective areas of interest in research found common ground. We both participated actively in developing a broad-based model proposed by the Project Management Institute for measuring organizational maturity in project management—the Organizational Project Management Maturity Model (OPM3). Since that time, we have written on the pros and cons of using more complex or simpler approaches to assessing project management maturity in organizations, and that discussion is also presented in this book.

The primary area of convergence in our exchanges, however, always reverted to enterprisewide project management, the application of project principals to companies made up of multiple projects. Much has evolved since the concern for managing multiple projects in organizations emerged in the 1990s. Solutions have ranged from across-the-board training programs to broad-brush integrated systems to project offices and centers of excellence in project management. Standardized methodologies and specialized certification programs have also been applied in an attempt to ensure that multiple projects are dealt with appropriately. We include in this book a discussion of all these approaches, which by themselves constitute partial solutions but when melded together in the right proportions can yield astounding results.

As our discussions evolved, it became apparent that there are three primary thrusts related to projects that are essential to ensure success in business or other organizational endeavors. The book has therefore evolved in the form of conversations, findings, and solutions related to each of the following questions: whether the right portfolio of projects has been chosen to ensure that company strategy is implemented successfully, whether the right projects with the right scope are chosen as candidates for the portfolio, and whether the projects are managed well. We therefore decided to organize the book along these lines to complete the picture of enterprisewide project management—from business strategy to portfolio management to project implementation and finally to benefits management.

It is with great pleasure that we share our findings and views on a challenging and stimulating topic that can make the difference between failure and success in organizations. Indeed, the strategic application of project management is the key success factor in organizations: the ability to consistently do the right projects and do them right across the enterprise.

## Book Organization and Outline

This book is organized around the three primary themes. Beginning with the business strategy, the book shows how to plan, structure, and organize the right combination of the right projects so that the whole enterprise is aligned to the strategy and desired results are substantially boosted. It demonstrates how to implement a "projectized" mentality in an organization so that projects become a natural way of working and doing business. It pays particular attention to the dynamic interactions between multiple projects and multiple levels of hierarchy so as to maximize success.

Potential readers of this book include the CEO, top-level executives, project managers and professionals, academics, and consultants. The book also contains valuable input for organizational change agents and human resource professionals, as it breaks new ground in highlighting the dynamic interactions between multiple projects and multiple levels of hierarchy and in proposing solutions based on observed best practices.

### Introduction: The Right Combination of the Right Projects Done Right

Setting the scene for the rest of the book, the introduction describes the unique contribution that this book makes to the literature on managing projects and programs. It describes the three crucial conversations that need to take place throughout an organization if it is to prosper in the long run and the three "rights" that should ensue from these conversations. The different worlds of the key participants in these conversations are explored, along with the gaps that consequently need bridging.

Three parts follow, each one aimed at a specific audience.

## Part One: How to Manage Multiple Projects Successfully Throughout the Enterprise

Part One targets upper management, whose responsibility is to make sure that projects are carried out effectively and consistent with business strategies. Criteria for doing the right projects consistently and doing them right are discussed, including overall level of project management success, overall success of all projects undertaken, productivity of key corporate resources, and effectiveness in implementing business strategy. Critical success factors for doing the right projects and doing them right are also defined, including continuous improvement of business, project, and support processes; efficient and effective portfolio, program, and resource management processes; and a comprehensive and focused suite of metrics covering all levels. Some of the pathways to success outlined in this section are implementation of a strategic project management office; project management maturity models; portfolio management, applying Six Sigma techniques; and building project management capability through training, communities of practice, mentoring, and developing qualifications. Case studies and industry variations are also discussed.

## Part Two: How to Make Sure Each Project Is the Right Project

Part Two focuses on the role of executive sponsors and the competences they need to develop in order to fulfill their responsibilities. This includes ensuring that each project undertaken fulfills a clear business objective and contains all the work necessary to deliver that objective successfully as well as aligning each project with the overall business strategy. State-of-the art practices in managing benefits is reviewed, along with advice on how to measure whether a project is indeed successful. Finally, the sponsor's roles in project governance and as a leader of organizational change are described.

### Part Three: How to Make Sure Each Project Is Done Right

The success criteria for doing the project right, including the classic "triple constraint" of time, cost, and quality, are presented along with other criteria such as technical performance, scope, and safety. Variations, depending on project type, are also discussed, as well as factors such as complexity and uncertainty. Critical success factors for doing a project right are presented along with a summary of success factor research and recognition of the limitations due to the composite definition of success criteria. Factors influencing cost predictability and the impact of project type and project size are explained, as are other basic practices such as clarity and achievability of the project goals; putting together a well-selected, capable, and effective project team; adequate resourcing; clarity about technical performance requirements; effective planning and control; and good risk management. Project type and industry variances are also presented, along with surveys and frequently encountered roadblocks.

## How to Read This Book

For the avid reader who wants a full overview of project management from business strategy to final project implementation, the classic cover-to-cover approach is the way to go. This guarantees the reader of a broad-based knowledge encompassing project selection, proper management of each project, and issues of managing multiple projects across the enterprise.

Depending on the reader's position, best benefit can be reaped by zeroing in on a particular area of interest. Here are some of the ways the book can best be read, depending on the interest and bias of the reader.

If the CEO wants to develop a more projectized organization to boost the company to new highs, Part One is recommended priority reading. If that part rings a bell with the CEO, then the book should be channeled into the hands of other key stakeholders in the company.

For top-level executives who are often sponsors and the principal interface between corporate strategies and the implementation of multiple projects, Parts Two and Three of the book are suggested reading.

Content aimed at project managers and other project professionals is summarized in Part Three, which talks about how to make sure each project is done right.

Academics can use the book in research and as recommended reading in both business and technical schools, as it covers the range from organizational to specific project management.

Consultants will likewise find the entire book useful for showing the value and strategic importance of project management to upper management.

*August 2005*

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# The Authors and Contributors

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**Paul C. Dinsmore** is the author of a general business book, *Winning in Business with Enterprise Project Management* (AMACOM, 1999, as well as two classic texts in the field of project management: *Human Factors in Project Management* (AMACOM, 1990, second edition) and the *AMA Handbook of Project Management* (AMACOM, 2005, second edition). He is also coauthor, with Randall L. Englund and Robert J. Graham, of *Creating the Project Office: A Manager's Guide to Leading Organizational Change* (Jossey-Bass, 2003), and is internationally renowned as a consultant, with four books on management published in Brazil, where he maintains his Latin American base. He is a Fellow and Project Management Professional of the Project Management Institute. He has conducted hundreds of seminars around the world on project management, change management, team building, and leadership and serves as a coach to presidents and directors of corporations.

**Terence J. Cooke-Davies** is recognized internationally for the pioneering work of his company, Human Systems, in creating and supporting a global network of blue-chip national and multinational organizations that work together to improve their corporate performance through projects. He is an acknowledged expert on best project management practices, which was the topic of the thesis for his Ph.D., which he obtained from Leeds Metropolitan University. He is a Fellow of the Association for Project Management and the Chartered Institute of Management, an Adjunct Professor at the University of Technology at Sydney, and an Honorary Research Fellow at University College, London. He is a regular speaker at project management conferences throughout the world and the author of numerous articles on project management in both popular magazines and learned journals.

## Contributors

The case studies featured in this book were contributed by practitioners who have each made a substantial contribution to the advancement of enterprisewide project management in their organizations.

**Inger Bergman** was for many years responsible for and the main author of Ericsson's PROPS project methodology. At Ericsson, she is acknowledged as an expert on its project management practices, and is often asked to lecture on this topic inside Ericsson, for other companies, for project professionals, and at universities. As a senior consultant at Semcon AB, she is actively involved in the continued development of project support at Ericsson and also in mentoring other organizations in improving their corporate project performance and developing their project culture.

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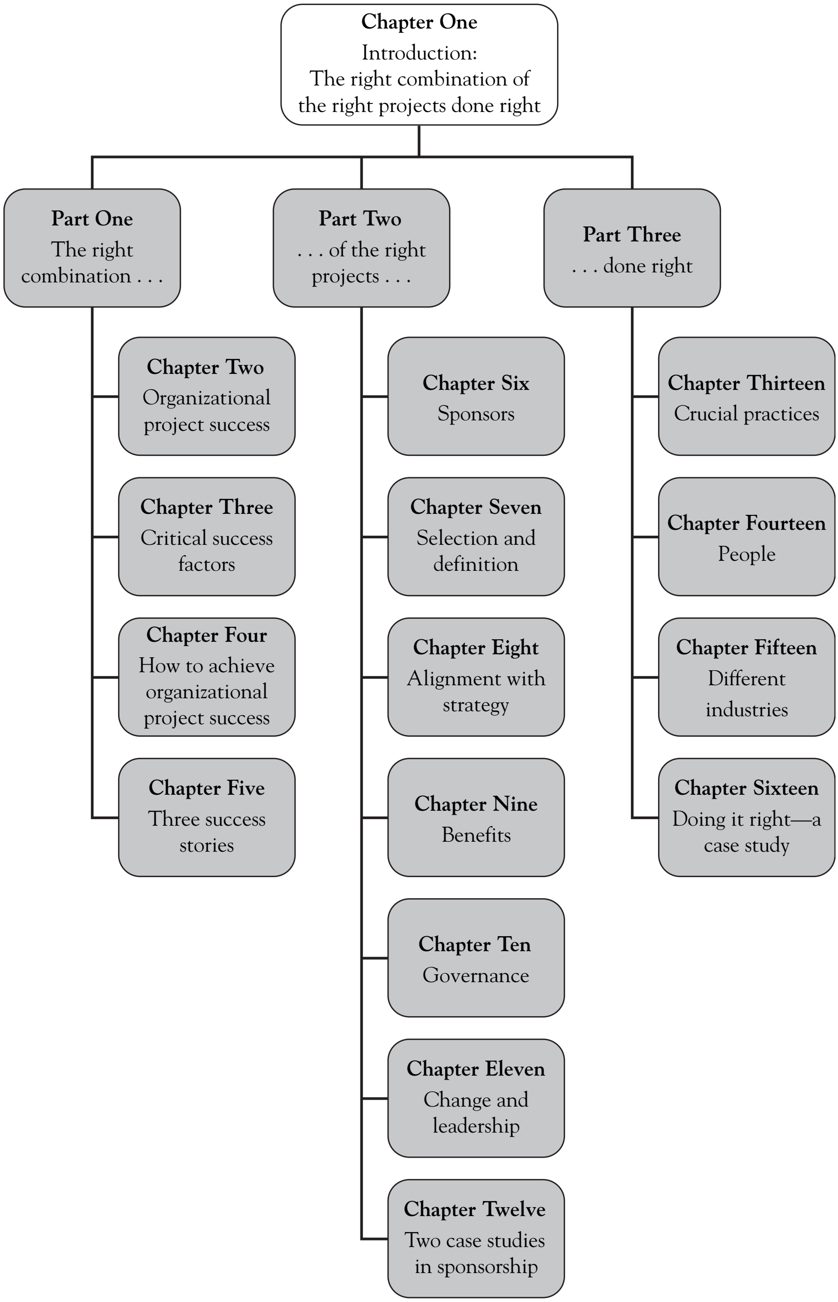
**Tony Teague** is a Fellow of the Association for Project Management and a Fellow of the Chartered Institute of Bankers. He is the author of a number of published articles on program and project management topics. Formerly retail transformation director and later group program director at Abbey National PLC (now a subsidiary of Groupo Banco Santander), Teague is now European managing director for Human Systems, where he advises leading European organizations on the improvement of their project and program management capabilities.

# The Right Projects Done Right!


Chapter One
Introduction:
The right combination of the right projects done right
Part One
The right combination . . .
Part Two
. . . of the right projects . . .
Part Three
. . . done right
Chapter Two
Organizational project success
Chapter Three
Critical success factors
Chapter Four
How to achieve organizational project success
Chapter Five
Three success stories
Chapter Six
Sponsors
Chapter Seven
Selection and definition
Chapter Eight
Alignment with strategy
Chapter Nine
Benefits
Chapter Ten
Governance
Chapter Eleven
Change and leadership
Chapter Twelve
Two case studies in sponsorship
Chapter Thirteen
Crucial practices
Chapter Fourteen
People
Chapter Fifteen
Different industries
Chapter Sixteen
Doing it right—a case study

# 1

# INTRODUCTION

## The Right Combination of the Right Projects Done Right

Interest in project management continues to grow astoundingly in the twenty-first century. Since the early 1990s, membership in professional project management associations such as the Project Management Institute (PMI) and the International Project Management Association (IPMA) has grown from a few thousand people to hundreds of thousands. Projects have become recognized as a valid way of working not just in the traditional industries, such as engineering, defense, and construction, but in every corner of the private, public, and even voluntary sectors. Libraries of books have been written on the topic.

The rate of project success, however, has failed to keep up with the growth of the profession. Megaprojects continue to show cost overruns. Sizable sums are spent on information technology projects, some of which are never implemented. A majority of organizational projects fail to deliver even half the benefits they were designed to provide.

This book pinpoints the reasons for these shortcomings and puts forth a series of solutions. Those solutions are founded not on advocating standard practices but rather on a fresh way of looking at the problem. Einstein is reputed to have said, "You can't solve a problem using the thinking that created it." And this book presents fresh thinking about what is involved in managing projects—to manage projects consistently and successfully, across the enterprise. It focuses on the growing trend toward broadening the scope of traditional project management. That broadened scope takes place in two different directions.

The first expansion is stretching out the span of the traditional life cycle. A classic view would say that project management starts when the project is authorized and funds are provided and that it ends once the tasks outlined are completed and it's turned over to whoever is responsible for the next ongoing stage, such as operations. The broadened view extends the project life cycle both "upstream" into "mission and vision" and "downstream" into "total asset life cycle management." This is a growing worldview—the Japanese Project Management Forum, for instance, has developed a model known as P2M that adds a "mission model" to the front end of projects and a "service model" to the back end. In this view, projects start during the thinking stage, when feasibility is still under consideration, and are completed only when the business results or benefits, as initially proposed, are in fact achieved.

The second expansion is to encompass multiple project settings and related organizational issues, which fall under the umbrella known as enterprisewide project management. This trend started gaining momentum in the 1990s and continues to grow as companies come to grips with the challenges of responding to market demands by systematically managing multiple projects through improved portfolio management and project support groups such as project management offices. Broadening the view of project management diffuses its implications throughout the enterprise and brings to light major issues not traditionally dealt with under the project management banner.

## Three "Rights"

Prosperity in organizations hinges on the successful application of a simple formula: *the right combination of the right projects done right*. So prosperity depends not only on good strategy but also on implementing that strategy effectively. Success thus depends on the effective management across the enterprise, involving an array of unique, timely, and finite initiatives called projects.