

PMI BENELUX DAY 2003

From Project Manager to Business Partner a profession in evolution



Building professionalism in project management.™

Project Management Institute

Delivering projects in a Downturn Designing an organisation that loves to do projects

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Content



- The need for a project oriented organisation
 - Processes
 - Structure
 - People
 - Systems
 - Next steps

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The economic downturn has increased pressure on cost and financial performance



Typical cost saving interventions in the project portfolio:

- Prevent new projects from starting (avoid discretionary spend)
- Stop existing projects (if not already finished)
- Spread cost over longer period (re-plan projects to run longer with smaller teams)
- Blind budget reduction (“take 10 % off the budget of every project”)
- Other innovative accounting tricks ...

10-20 % of cost base is spent through projects

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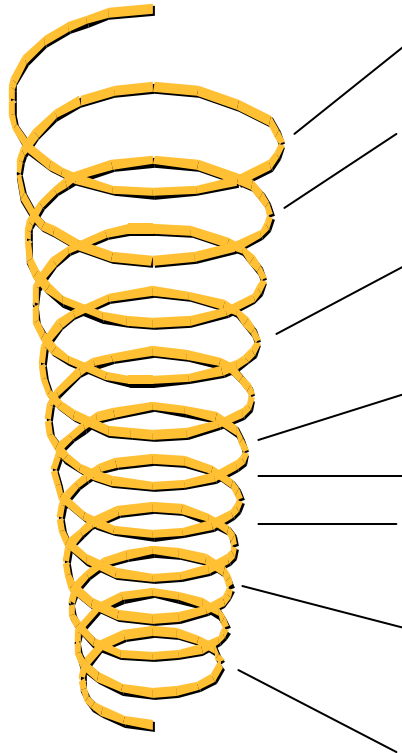
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Cutting costs causes new problems



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- Reduction in staffing results in key individuals leaving the company, taking their knowledge with them
- Individuals are appointed into new roles – often in addition to existing roles, with less time to support projects which depend upon them
- Timescales and plans come under pressure as senior managers hold to original milestones whilst the assumptions on which they were based unravel
- Stress increases in an environment of uncertainty and change eroding morale
- Errors occur in the project with increased rework and delay
- Budget reduces but number of projects doesn't !

Key Question



How to keep Delivering Projects During a Downturn?



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Delivery of projects during a downturn requires doing the right projects *and* doing them right



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Do the “right” projects

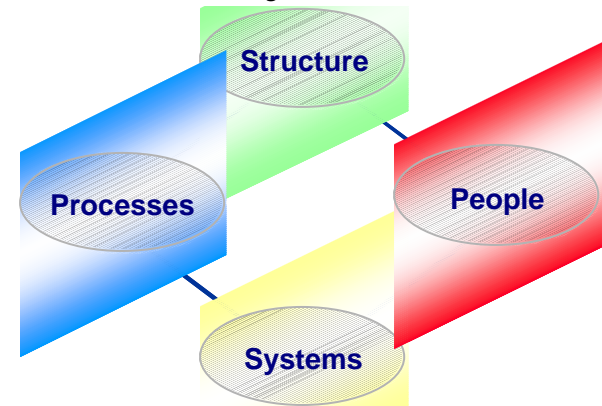
Do the “right” projects

- Balance the project portfolio against governing criteria such as benefits case, business impact, risk and strategic importance
- Identify, select and shape the projects of essential importance (actively manage scope)
- This is the easy part !

Do the projects “right”

Do the projects “right”

- Consistent success is achieved only when key aspects of the organisation are focused on project delivery:

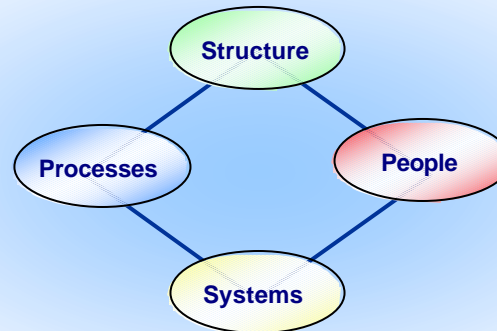


Consistent success is achieved only when key aspects of the organisation are focused on project delivery



- Sharpen **Processes** to ensure success across the portfolio of projects

- Develop an organisation **Structure** with project based roles and responsibilities



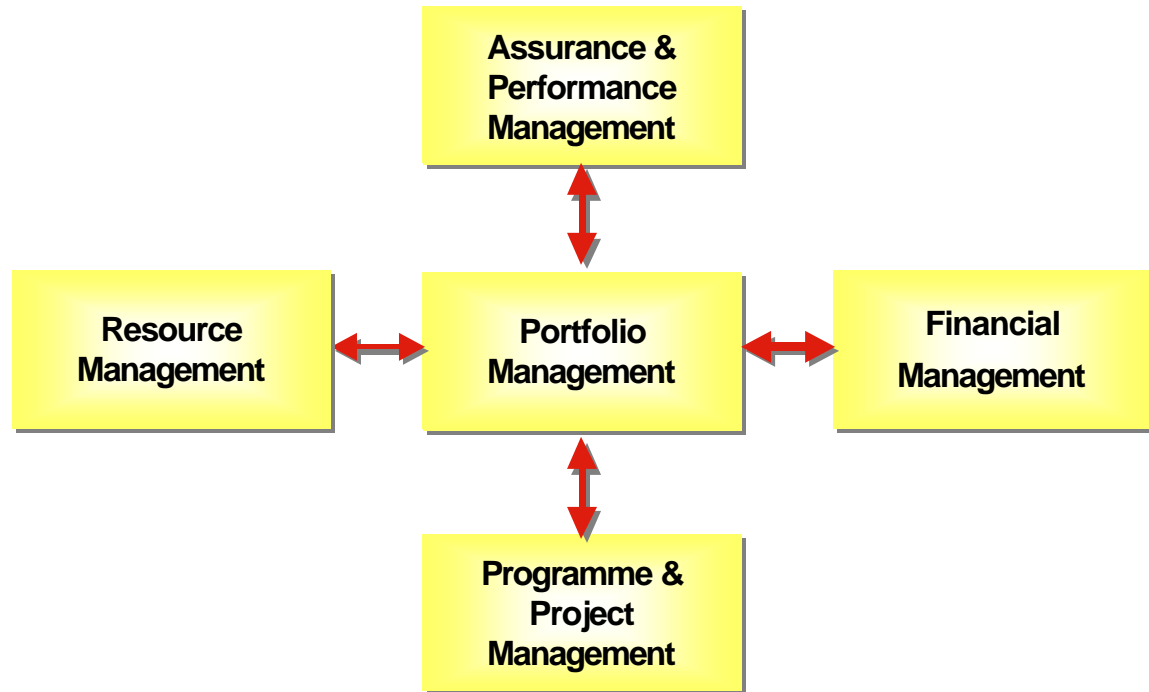
- Motivate **People** through project oriented values, rewards and career development

- Re-align **Systems**, performance measures and management information to give clear project performance information

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The implementation of basic elements of the key project processes is a prerequisite for success



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At times of difficulty, these processes will make or break project working

Clear roles with accepted rules of engagement are essential in the *structure* of a project organisation



Typical roles include:

- Project Manager
- Programme Manager
- Programme Office Manager
- Resource Pool manager
- Finance Manager
- Business Programme Sponsors
- Function and Geography Managers
- Account Managers

Rules required for

- Starting / stopping a project
- Change Management
- Milestone agreement
- Allocating resources
- Spending money

Rules must cover

- Accountability / Right of veto
- Communication / Informed
- Responsibility for doing

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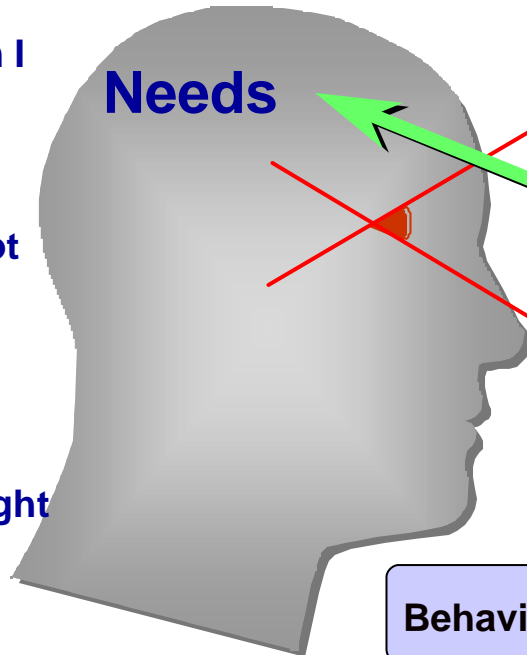
The motivation of People during times of uncertainty and change places greater emphasis on leadership

Internal motivators ↔ **External drivers**

Needs:

- Secure – am I next to be fired?
- Assurance that work not wasted
- Feel valued
- In “right place”
- Going in “right direction”

Needs



Role

Is situation and role clear?:

- Project Manager
- Programme Manager
- Etc.

Reward for success?
Sanction for failure?

Behaviour

=

Personal Needs

X

Situation & Role

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Next steps



Ask yourself the following questions:

- What assumptions did we make when defining the portfolio?
- Are those assumptions still valid?
- What has changed since we started?
- Has “erosion” taken place?
- Can we still deliver on our commitment?

Look at your organisation environment:

- Do you have the processes, structure, people and systems in place?
- What inhibits success?
- How can you build an organisation that loves to do projects?

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If you have a problem ...



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