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- ▲ Best Practice Showcase 2009
- ▲ The fall and rise (and remake) of Reginald Perrin
- ▲ Pelicam growth
- ▲ Meet Bill McMillan
- ▲ Lifelites partnership
- ▲ Date for your diary

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This year's Best Practice Showcase in London brought Pelicam into direct contact with over 150 programme and project managers who attended our lively roundtable debates on benefit realisation, assuring delivery success with outsourced relationships and project assurance.
Read a summary of the discussions…

Benefits Realisation - Maximising your return on investment – whose job is it anyway?
By Bill McMillan, Managing Practitioner

This session was a facilitated discussion with 14 delegates from different organisations. The purpose of the facilitation was to outline the key role effective business benefits definition and delivery has in an organisation and the desired outcome from the session was to reinforce the attendees' awareness of the need to continually review and appraise the benefits expected to be delivered by a project or programme.

The session started by considering some definitions and then outlining a simple model that would be the focus of the discussion. The definitions related to words that are often used in conjunction with the term "business benefit". Logically the first definition concerned the term business benefit. The definition that was offered was

Business Benefit
is something that improves the profitability or efficiency of an organization or reduces its risk, or any non-monetary reward given to employees, for example, paid vacations or employer contributions to pensions.

The latter part of this definition recognises that, in business terminology, the concept of benefit can also be applied to personal remuneration. The associated words requiring definition were Business Strategy, Project Feature, and Project Outcome. The definitions are as follows:

Business Strategy
is a statement describing a business' long term approach to achieving its objectives.

Project Feature
Is a distinctive attribute of a project; for example a business change project will stimulate teamwork which in itself can be realised as a benefit if the teamwork is applied to an objective.

Project Outcome
This is the result of activities within a project – the measure of all project outcomes should add up to project benefits.

These definitions stimulated discussion around how Business Benefits are related to each of the other terms and also to how business benefits can be described in a measurable way. At this point it seemed appropriate to introduce the simple model. This model demonstrates the linear relationship from Business Strategy through to Business Benefit.

The discussion highlighted that a more complex relationship between multiple benefits can exist in an organisation. This was recognised and a more complex model was sketched and discussed. The point was made that considering the simple model when discussion benefits definition or realisation helps individuals to focus on the key drivers for the definition and realisation of a benefit.

The simple model is shown below.
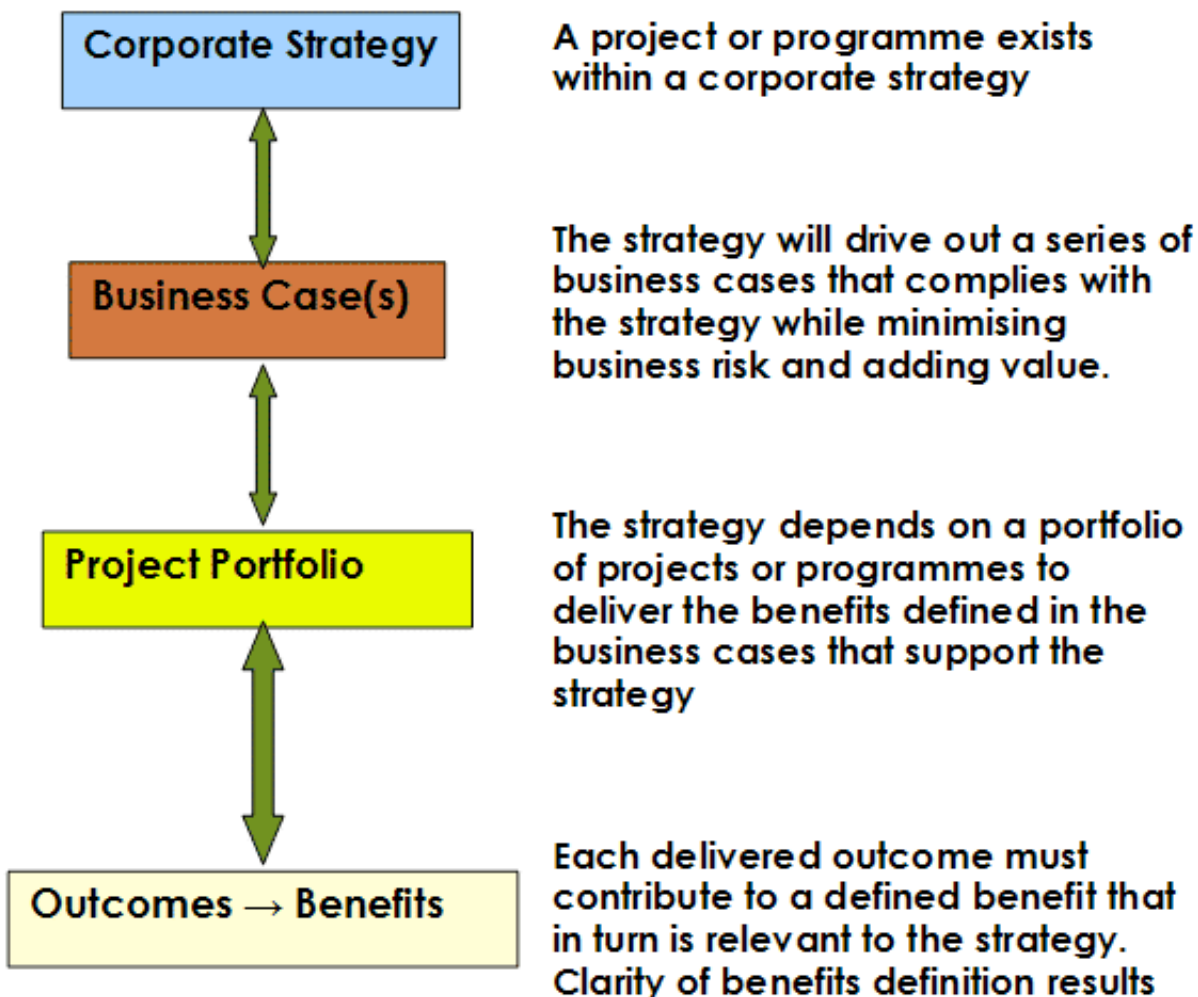
Corporate Strategy	**A project or programme exists within a corporate strategy**
Business Case(s)	**The strategy will drive out a series of business cases that complies with the strategy while minimising business risk and adding value.**
Project Portfolio	**The strategy depends on a portfolio of projects or programmes to deliver the benefits defined in the business cases that support the strategy**
Outcomes → Benefits	**Each delivered outcome must contribute to a defined benefit that in turn is relevant to the strategy. Clarity of benefits definition results**

All activity in an organisation must have a purpose. This purpose is defined in a strategy for the business.

The need to expend scarce resource on any activity is presented in a business case the purpose of which is to outline in absolute terms the reason why there is a return on investment in the form of benefits. If a benefit is intangible it is more difficult to define and measure the return. For example a project that improves the lighting in a production area may be considered to have intangible benefits but if an outcome is improved productivity and reduced absenteeism then there is a tangible business benefit.

Where there is multiple activity in an organisation a portfolio of projects will exist – it is essential to ensure that the benefits delivered by each project are unique to the project. Duplication across projects leads to scope confusion, scope creep, over resourcing and increased risk. Clarity of scope definition is sacrificed resulting in scope creep, confusion of purpose, dilution of management effort and time. This point was discussed in some detail with general comments being made about the problems experienced because multiple projects claim the same benefit. All activity in an organisation must have a purpose. This purpose is defined in a strategy for the business.

Discussion moved on to considering 'who is the real owner of any benefit?'. There was a general belief that the project manager owns the benefits. However, the point was made that the project sponsor, the owner of the business case, is the sole owner of any benefits. The sponsor is the only person who can sign off on whether a benefit has been achieved. This is the rational position since it is the sponsor who is supporting the strategy that depends on achievement of the benefit. Each project must have

- ▲ A strong sponsor that demands delivery of the benefits outlined in the approved business case
- ▲ An absolute knowledge of the impact of non achievement – who suffers?
- ▲ Benefits that are secure, specific and tangible
- ▲ Benefits that continue to be relevant to the strategic plan
- ▲ A short payback period
- ▲ A plan that shows benefits delivery points
- ▲ A way of measuring benefits achieved against the business case

As a project progresses it is essential that the benefits statements and definitions are revisited:

- ▲ Ensure that the project is aligned to achieving one or more benefit.
- ▲ In long term project ensure that the benefits to be achieved remain integral to the business strategy.
- ▲ Ensure the project sponsor is aware of progress toward achieving the expected benefits.
- ▲ Where projects are part of a programme of work ensure expected outcomes are clearly stated in the scope of each project and ensure the sum of all outcomes achieves the sponsor's expected benefit.

There was a reasonable amount of discussion about benefits measurement particularly in areas where it is difficult to rationalise the expected benefits as measurable items. This is the case, for example, where a government project exists to enact legislation. The point was made that the simple model still applies. The legislation is an outcome from a government strategy. The strategy exists to achieve some benefit (for example social, monetary, infrastructure, economic). The project benefit can be measured in the same terms as the strategy was expressed and justified. The project becomes an enabler for the government strategy.

How do you know a benefit is real and still valid? This point was discussed also. If no one wants to claim the success of delivering a defined benefit then there is no benefit to be had. If the benefit is not worth driving through to realisation – it is not a real benefit. |If the will to achieve the benefit has gone then there is no benefit to be had. If failure to achieve the benefit has no impact on the business then the benefit is of doubtful value and the work to achieve the benefit is an unnecessary cost. If the benefit is guaranteed to be realisable, has a known value that is fully accepted and is defined and understood in the business then it is real and has merit. If the strategy in the business changes and a benefit is no longer relevant then that benefit has lost merit and should be discounted leading to a potential change in brief for a project or programme. It is a must that realisation of a benefit should be aligned to the time frame of the strategy. There is little point in committing to a 7 year programme of work if the defining strategy has a 5 year window. If the strategy is to be successful benefits realisation should be timely and speedy. If you cannot

state that the expected ROI or NPV of the benefit supports achievement of the strategy – why do the work? If you don't know when the benefit has been delivered and you cannot measure the impact of the delivery then there is a fundamental weakness in the definition of the benefit, business plan and, consequently, project.

The session was summarised as follows:

- ▲ Ensure that the project is aligned to achieving one or more benefit.
- ▲ In long term project ensure that the benefits to be achieved remain integral to the business strategy.
- ▲ Ensure the project sponsor is aware of progress toward achieving the expected benefits.

Where projects are part of a programme of work ensure expected outcomes are clearly stated in the scope of each project and ensure the sum of all outcomes achieves the sponsor's expected benefit.

Delivering more with less - How to assure delivery success with outsourced relationships
By Barry Sacks, Managing Practitioner

Some interesting points were raised at our Birds of a Feather sessions on "how to assure delivery success with outsourced relationships"

90% of participants are already outsourcing however most acknowledged the opportunity to improve the relationship to increase the success of the projects delivered.

It was interesting to hear some of the challenges being faced:

- ▲ The difficulty of project managers to make a difference often because of feeling contractually constrained or not empowered to shape the relationship.
- ▲ The role of the supplier appears to have taken a more dominant position often dictating the terms of the service or blaming the client for their non delivery
- ▲ In the public sector it is difficult to not "manage by contract", providing less opportunity to move the relationship along the "outsourcing maturity curve".
- ▲ The quality of deliverables was an emotive topic with many stating the challenge of assurance especially with technical projects delivered into a non technical business.

We discussed a number of strategies to help such as:

- ▲ There are many soft relationship aspects to consider as well as the hard terms of the contract. Participants should take the opportunity to shape and influence these even rather than just the contractual terms.
- ▲ It was important to ensure that accountability is well defined (with clear escalation) and that operational and cultural diversity were well understood. Don't outsource inefficient or unsuitable internal processes.
- ▲ A stronger partnership results from collaboratively improving process and quality as well as recognising the opportunity for innovation.
- ▲ Effective programme assurance is essential to ensure that quality is built into everything being delivered using external assistance where necessary.

Most of the participants felt that the discussion was engaging and had provided some good ideas to help ensure that their outsourced projects would be more successful.

Project Assurance - A hot topic for the day…

By Peter Mayer, Managing Partner and James Rosewell, Managing Practitioner

Meeting new organisations for the first time can be an uplifting and rewarding experience. The Best Practice Showcase enabled us to explore current understanding of Project Assurance. It initially raised a number of key issues:

▲ How can you do it (effectively) and when does it start?

▲ How to know what to do and when and ensure those actions are relevant.

▲ How to ask the right questions and get truthful answers.

Part of their challenge:

▲ Some people have real difficulty in accepting a project isn't going to deliver successfully. They prefer to "put heads" in sand than recognise and fix fundamental issues.

▲ Some senior managers expect assurance to simply make recommendations; highlight where things have gone wrong and how could they do better, acting as advisors.

▲ Internal audits provide a report but can gloss over many complex areas, not going into the important detail.

▲ One internal challenge was steering groups and how you get people in these groups involved and to take a healthy ownership and look at problems collectively.

▲ You need to include money for assurance activities in every business case.

In a more positive vein:

▲ Some have started gateway reviews that provide more detail and a support function. At project board meetings the approach is reviewed and it is the responsibility of the Project Manager and the Business Owner to provide status and take responsibility for remediation.

Clearly there is plenty of room for improvement. We have to recognise:

▲ Analysis and investigation must identify the root cause for issues – not just the symptoms.

▲ Accountability for remediation must be assigned and accepted by senior stakeholders.

▲ Assurance should be an ongoing activity – not just when a project is seen to be in trouble.

▲ Assurance is about achieving success – it's not a "tick in the box" exercise.

Project Intelligence™ - The Key to Project, Programme & Portfolio Success - An introduction to Pelicam Project Assurance

By Neil Richardson, Managing Practitioner and Alan Ogrizovic, Programme Director, Royal Mail Group

Despite the advent of project and programme management qualifications and significant investment in soft skills training, new management frameworks and project tools, most organisations see little improvement in their ability to deliver change. Budgets are extended, resources go missing, scope is reduced, contingencies exercised…. our feedback shows that over 50% of projects in a portfolio with a significant IT element are still failing to deliver to time, cost and quality.

Project Intelligence™: The key to successful change
With our origins in project rescues in the finance industry, we have created Project Intelligence to identify and remedy critical activities that determine the success or failure of projects.

It is based on the reality that no two projects (or organisations) are the same. The capability to identify the critical issues according to

the context and content of each situation makes the absolute difference between success and failure.

Pelicam ensures a project is set up for success and its integrity maintained: it is under control and its design, approach and management is appropriate, it is integrated with the business and the intended benefits will be realised.

Injecting Project Intelligence into your organisation
- ▲ Fix key or failing projects/programmes through specific, targeted interventions.
- ▲ Parachute in project intelligent managers to lead delivery of complex projects or difficult situations.
- ▲ Rationalise a project portfolio – ensure key projects are set up for success and "non doable" projects recognised or stopped.
- ▲ Educate teams with leadership and coaching programmes (teach them to recognise integrity and learn rescue techniques).
- ▲ Assess group capability/competency and deliver targeted improvements.

What it means for you….client side
- ▲ Real value for money - our concentration only on critical issues.
- ▲ No distractions, no push to sell an army of consultants.
- ▲ Access to best in class project assurance methods.
- ▲ Fast track health checks – early diagnosis and assessment.
- ▲ Source of trusted project leaders and application experts – no graduates.
- ▲ Ability to energise and motivate your project teams.

Our clients describe us as "competent, flexible, supportive, professional, delivered, structured, perceptive, managed, thoughtful"

Recent successes
- ▲ Project Intelligence training/coaching for 50 project people at Centrica.
- ▲ Health check and assurance of infrastructure integration programme (Portman BS merger).
- ▲ Assured all strategic business programmes 2008/9 at Parcelforce Worldwide.
- ▲ Led delivery of call centre infrastructure programme at Barclaycard.
- ▲ Assuring a billing, CRM and intelligent network transformation programme at a leading telco.
- ▲ Approved by the Competition Commission as an independent project expert.

About Pelicam
- ▲ Growing reputation as independent project fixers & safe pair of hands.
- ▲ Our elite team built through first hand experience of delivery (not recommendation) and continual performance.
- ▲ Backgrounds in finance, telecoms, retail, defence, utilities and government, from top tier consultancies and blue chips.
- ▲ Wide application experience including billing, BPR, business intelligence, contact/data centres CRM, e-commerce, ERP, infrastructure, supply chain. Engagement experience in business and IT strategy, transformation, integration, financial and risk, performance measurement, outsourcing, business continuity, security, service management.
- ▲ Our solutions work effectively alongside Prince2, MSP, APM, PMP and CMMi.
- ▲ Our values define our actions – energy, value delivery, objectivity, integrity and a commitment to skills transfer.

The fall and rise (and remake) of Reginald Perrin...
By Neil Richardson, Managing Practitioner

"27 minutes late: points failure outside Carshalton Halt..."begins Reggie. But as I recall in the original 1970's series it used to be something like "11 minutes late: dog on the line near Clapham Junction." We must conclude, therefore, that Reggie is 16 minutes later these days. Ah well...so much for estimating.

On Radio 4 recently, a government minister revealed his intervention into a £200m project had **successfully** achieved a latest best estimate of final cost as £550m (though there was still time for it to increase). Am I alone in thinking that success appears to have changed its meaning? Yet another Radio 4 interview recently told of a project that had delivered precisely what the government wanted - a great success! Although the £300m spent was rather more than the original £20m budget.

Successful sitcoms may be remade and enable us to relive previously forgotten humour: aficionados of Leonard Rossiter's Reggie Perrin may disagree. Martin Clunes' recent portrayal may have won others over. However its success will undoubtedly not depend on the additional time Reggie Perrin 2009 takes to get to work. Indeed series success is much more subjective. Successful projects are, however, a different matter.

I confess to being at a complete loss how a £200m project already running a further £250m over budget (with the potential for further cost increases) or a £20m project costing 15 times more than plan could be described as successful.

For the hair-splitters amongst you who may be thinking that project success should not merely be constrained by the tightest definition of time, cost and deliverable quality/scope (TCQ) - well for once we may be in agreement! There are undoubtedly projects whereby meeting stakeholder expectations of longer-term benefits may supersede simple TCQ measures. But here's the rub: these government projects use *our*, no no...*my*, money. And that makes *me* a stakeholder. And although I can't speak for you: I'm not happy about it...nor are my expectations being met. In fact, come to think about it: I'm quite cross! And you know what? I'm very concerned about it; because the government has just announced that they are about to try and boost our economy by doing more projects like this. So now what are you thinking?

And yet when such projects are resourced, a key criterion for hiring a project manager is that they must have previous experience of government projects!!! ("Are you serious?" -John McEnroe,1976). They must (also) inevitably hold a PRINCE2 certificate (*ref*: our Spring 2009 newsletter). At interview they must also show how good they are at managing stakeholder politics (but not the ones that matter: *Ed*) and agree a nice, (and sometimes not so) cheap day rate.

I can only echo the words of that illustrious British manager, CJ, when he might say "I didn't get where I am today without knowing a right governmental balls-up when I see one. Bit of a cock-up on the project management side."

Pelicam growth

2008-09 saw Pelicam's business grow yet again. Revenues for the year were £2M up 98% on the previous year. This level of growth is sustainable, without any compromise in quality and client delivery, due to the quality and commitment of the Managing Practitioners and Pelicam Practitioners teams.

Our service offerings of:

▲ Project Assurance,
▲ Project Delivery, and

▲ Capability Improvement

appear to be creating a lasting impression on our clients - and hopefully a good one!

Mature organisations that have come to terms with the realities of project delivery are requesting Pelicam's unique brand of project assurance. An increasing proportion of our work is from companies that have realised assurance is better achieved (and cheaper in the long run) *before* a project loses its way having the many virtues of:

▲ Less pain
▲ Less cost
▲ Less time lost
▲ More success!

Meet Bill McMillan

Bill is a Pelicam Managing Practitioner and has been working with Pelicam for the last 4 years. Bill has led a variety of major programmes including outsourcing the AA IT Infrastructure and service delivery from Centrica to IBM. He has also carried out programme reviews and created IT strategies for service companies. Bill has led consulting engagements for companies such as IBM Global Services and OSI and has assisted in five Telco company start ups in the UK and abroad. In addition he has a Manufacturing, Utilities and Telco background as well as designing and implementing a variety of commercial software applications.

"I was initially attracted to Pelicam by the description of its ethic and its intention to stimulate excellence in Programme and Project Management through the intelligent application of knowledge and experience. I have been actively involved in the Pelicam Managing Practitioner Group and also the Marketing and Business Development Special Interest Groups. It is a joy to sit down with like minded people and to feel that you can make a difference."

Bill is married to Louise and lives in the Scottish Borders. There is a golf course a quarter of a mile from his home so guess what? He has started to play golf. He assures us that it is not an obsession...not yet anyway.

Lifelites

Giving kids with limited life unlimited possibilities

We are delighted to announce that Pelicam are to become a fundraising partner for **Lifelites**.

Lifelites are the only UK charity that help children with terminal illnesses to enjoy their short lives to the full by providing a fully maintained technology package (eg. computers, network and specially adapted mouse controls) to 40 children's hospices throughout the UK. Lifelites also offer training to the staff and maintain the equipment free of charge. Technology plays such an important part in these children's lives helping them to communicate with their friends and family and to continue their studies. For further details on Lifelites, please visit their website on www.lifelites.org

We will keep you updated of the many fundraising events/activities in which you can become involved and other ways you may be able to help us make a world of difference to the lives of terminally ill children in hospices. I am sure you will agree that this is an exciting and rewarding prospect to see the tangible impact we could make as a result of our support.

Date for your diary…

Our next evening networking event will be on Thursday 17th September in Central London – we will send out further details shortly.

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Submit an article
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look for a better way ▸ challenge accepted thinking

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