Project Intelligence - Summer 2012

Is your business ready for change?

Alan Ogrizovic, Pelicam Practitioner

A typical scenario –our business is investing around £15m in a new supply chain management solution; how do we ensure that our business is ready to capitalize on this investment and deliver the business case benefits? It seems so logical from the outset, why wouldn't we demand that we be ready for taking on the new systems and processes, this should be the easy bit shouldn't it? But organisations often pay scant attention to "Business Readiness", they tolerate business disruption resulting from implementing new systems and processes, they even plan for it. As a consequence they usually experience a range of outcomes ranging from "teething problems" to "complete mayhem". Is this a necessary evil associated with the implementation of new systems or is there a better way? What are the really important aspects that lead to success?

1. Active and sustaining sponsorship within the business

All too often we see sponsorship delegated to positions with little or no authority to change things. A really good business sponsor is someone who is visible, is seen as the person who is driving the change and demonstrates a willingness to make sacrifices to ensure the change is delivered successfully. A good business sponsor ensures that senior stakeholders are engaged and committed to the change, removing potential obstacles as necessary.

2. Engage with individuals early

Ensure they understand the change vision and its impact on their roles. Involve them in interactive workshops and demonstrate that you are listening to their concerns and ideas. It is natural for some people to show signs of resistance so create an environment that allows this to come to the fore, deal with it in an empathetic manner but without compromising the change. Remember that it takes longer for some people to adjust to change than others. Having engaged with people, maintain the momentum with well planned interventions and good two way communication.

3. Secure the "A" team on the project

Today's operational needs are important, but a really smooth embedding of change will likely yield greater long term

benefit to the organisation. Smart organisations pay attention to backfilling day to day operations so that they can release key people to prepare for the change. This is also an opportunity for good people to grow by taking lead roles in major change efforts.

4. Invest, or buy in business process expertise

There are few major systems implementations that don't require business process change. Typically organisations aren't strong in business process mapping skills and struggle to develop "to be" operating models. How many times have you been told by customer services that confusion is a direct result of the introduction of a new system?

5. Ensure that the planning for user acceptance testing (UAT) is addressed at each stage of the project lifecycle and not left until the end of solution build.

Whilst it is normal practice to recruit professional staff to carry out elements within UAT, business involvement and ownership in creating and executing business scripts/tests should not be compromised.

6. Ensure training programmes are interactive, participative and stimulating rather than concentrating on functional needs alone.
This is an opportunity to get people feeling good about the change.

7. Invariably new systems replace old legacy systems and there is data that requires cleansing and migration.
Whilst automated conversion software will usually be part of the build phase, it is important that each data source has an owner within the business who is responsible for its migration and reconciliation. Don't forget the data that resides on spreadsheets as this often supports key business processes and requires migration. In essence, plan data quality and migration early and allow sufficient time for testing the end to end process so that it can be ready for implementation.

Focussing on 'business readiness' from the outset will avoid the situation where new systems and processes are thrust onto an unsuspecting set of business users as has occurred far too frequently in the past. The business impact of poor implementation can be severe - loss of customers, operational inefficiencies, employee morale, regulatory non compliance... enough business justification to focus attention.

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The Nine Serial Project Killers of a Digital Campaign

Alan Thompson, Founder of The Haystack Group

Earlier this year Peter Mayer from **Pelicam** and Alan Thompson from the **Haystack Group** addressed a group of senior marketers from the Financial Services Forum to discuss the challenges in managing complex projects. In the past, running a marketing campaign was a relatively simple affair; the business or brand would employ a creative and a media agency and between them virtually any campaign could be managed, from ads to packaging.

However over recent years, this picture has changed considerably. There may be a host of agencies - digital, PR, CRM and direct, in addition to the traditional creative and media agencies. To complicate matters, new agencies are springing up to manage new media - social media, smartphone apps and so on.

Pelicam's research of nine serial project killers apply to digital marketing projects in the same way as a business or IT project. These nine serial project 'killers' can delay, derail or even destroy any digital project.

It's often said that an error discovered in test is 100 times the cost of one found in design. We have found this to be absolutely true whilst working with brands to help roll-out campaigns over a decade of project work.

Can project management be the answer to cracking digital campaigns?

We think the best way to manage a great campaign is to develop **'Project Intelligence'**, where the impact of different cultures, skills and mindsets can be assessed and juggled. It is key to deciding what's important and knowing what action needs to be taken. Good project people will understand this, see the complexity and plot a path through the serial killers:

Establishing Dependencies - *lacking in 92% of projects*
To plot how different parts of a project have an impact on one another, three steps can be found in any marketing manual:

- *Understand what needs to be delivered and how;*
- *Understand the sequence of tasks and how each impact on the next;*
- *Define dependencies, for example have prototypes delivered before they can be tested.*

However, there is a fourth step usually omitted - go through it all again - weekly.

Simple on paper! When you have multiple work-streams, suppliers and departments, such simple relationships evaporate. Plotting a diagram to show dependencies can be a difficult task and in the end can resemble spaghetti. This could account for why so few projects are mapped. But you should always strive to map dependencies and understand where the weak points are.

Poor Stakeholder Engagement - *84% of projects*
A Native American expression goes something like this "to know a man you need to walk a mile in his shoes". This has applications to getting stakeholders on-board and your project completed.

Get your head around the perspectives of stakeholders and communicate as much as you can usefully. Make sure this is part of the central plan, not a peripheral endeavour.

Even more useful to your project: map not the influence and importance of stakeholders, but their influence and interest in the project. This way, you can eke out those who may not have much influence,

but could cause massive problems for you if they are not managed. Once your stakeholders are categorised, develop a communications strategy to manage them.

Disjointed Planning - *84% of projects*

The easiest way to plan is to load information into a Gantt chart. Job done?
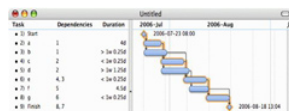
One organisation we worked with had 10,000 individual parts mapped on the Gantt chart. Our first step was to persuade them to put this plan into the bin. This can be a difficult area - to map a project minutely gives great reassurance but it will not be realistic.

Map your project simply on a single piece of A4 paper. If this seems impossible, you should be worried.

Test the 'Islands of Stability' concept - chunk-up projects into manageable sections with its own benefits, so if the project was to stop there, there would be a measurable benefit.

Uncertain Quality Targets - *82% of projects*
One of the most subversive killers. This could be down to a failure to ask the right questions.

Consider the Millennium Bridge - still known to Londoners as the 'Wobbly Bridge'. The project had so much going for it - linking the City with the arts at the Tate Modern, a stunning design and enthusiasm from everyone involved and the general public.

But, pedestrians found the completed bridge to bounce in an alarming way, terrifying them. News reports carried pictures of petrified pedestrians clinging to the floor as if their lives depended on it. Considered acceptable by the design and delivery team and 'perfectly safe' on a desktop model, everyone else regarded this as an obvious and rather embarrassing failure. The structure was soon closed for 2 years and re-engineered to take the bounce out.

Make sure what is acceptable to you and to your team is also acceptable to the end user and define acceptance criteria. Be explicit: make sure there are no ambiguities or missing or incomplete factors when considering these criteria.

Risk Issue and Change Management - *76% of projects*
Darwin wrote in 'The Origin of Species': "It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change," which is the simple definition of survival of the fittest.

This does not mean your project needs change for the sake of change. Another quote puts this in context, this time from Dr Martin Luther King Jr: "Change does not roll in on the wheels of inevitability, but comes through continuous struggle. And so we must straighten our backs and work for our freedom. A man can't ride you unless your back is bent."

So, to make change work for you. You need to be in control.

This has relevance for changing the scope of a project. If more is to be added to the project scope, consider very carefully how this will change the overall project.

On the risk side, there is a tendency to go through risk processes, but not consider the actual risk. Many projects end up dealing with the effects of risk when they arrive - like dealing with the symptoms of a disease, but not the disease itself.

Inconsistent Governance - *68% of projects*
This refers to the killers within - those delivering a project who may be strangling it. This is unlikely to be intentional and could happen through changing roles or personnel, changing organisational structures, shifting performance indicators or short sighted decision making.

But these are the types of situation where project managers earn their stripes - keeping the project on-track and under control. Victory could even mean closing the project - every project should have an end plan built-in.

Remember that you either deliver your project and everyone is happy, or you bring it to a close, but plan for both possibilities.

This digital killer is linked to the management of stakeholders. Be careful of too many stakeholders and of stakeholders falling away, of complicated organisations, lots of organisational change, disrespect for project managers and particularly long meetings.

Poor Work Package Management - *68% of projects*
The definition is the 'Passing the responsibility of completing a product (or work) to another party.'
Done by the book, this is a simple procedure. Be careful of making arrangements on a 'mates' basis, without clear delivery contracts. Vague terms like 'partnerships' between other companies or government departments can lead you down this path. Make sure everyone knows what the project goals are and 'partners' are tied to clear timetables.

No Business Case - *66% of projects*
Is what you are doing going to achieve anything? Often, projects without a business case are portrayed as 'no-brainers'. Be very careful here.

Clues are out there. For example, if a business sponsor is difficult to find or non-existent then alarm bells should ring. The same if there is just one solution proposed. It could be that an alternative and perhaps non-technical (perhaps cheaper) solution has not even been considered.

There may be a wonderful solution floating around just looking for a problem to take it on. Be careful here too. Conversely, the problem may be clear from a corporate strategy, but the alignment of the two may not be easy.

Finally, business benefits may be unspecific, intangible or based on a specific possible future scenario that may well never materialise. Equally, there could be massive theoretical benefits that fall apart under scrutiny or when compared to costs. Even if you have managed the project well, you may still need the support and involvement of a senior executive to make sure the outcome is adopted across the company.

Compromised Testing - 66% of projects
If live projects fail straight away, then the testing schedule has failed. One example could be the phenomenally complex baggage handling system at Heathrow Terminal 5, which turned into two days of fiasco when opened.

Try to test the strategy at the definition stage, and get users involved early on. Make sure responsibilities are clear and your suppliers are on-board and happy to commit to what you are trying to do.

Finally, plan for contingencies - try to break the system you have to find weak points.

In summary:
We find these nine digital killers are those that hit digital projects again and again.

Download our **nine serial project killer factsheet** to help you to focus on what to avoid when running a digital project.

For further information, advice or support, please do not hesitate to contact us.

Good luck!

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Intelligent Projects Forum

Kate Woodmansee, Marketing Manager at Pelicam

We hosted our first Intelligent Projects Forum for 2012 in March at Bentley's Oyster and Grill. It was a lively and well attended event with guests from industries ranging from defence, logistics, telecoms, banking, leisure and publishing.

We were extremely lucky to have Dr John Henry Looney, an environmental expert, lead the discussion at the event and he challenged the group on how sustainable their organisations are. Drawing on some in-depth examples, John Henry showed that enabling your organisation to measure and also understand the economic benefits of being environmental will help to make changes in your business. Giving individuals financial accountability will always affect performance!

One of the members of the group, James Smith from Nationwide prompted an interesting discussion around the concept of 'think big, act small'; a subject very close to the hearts of many of our senior project owners.

The Intelligent Projects Forum meets four times a year in a central London restaurant, usually mid week. It is our aim to build a framework for success for projects and reduce the incidence of failing projects that occur today.

If you are a senior executive with project responsibility please find out more about the events and visit our 'forum' section of the website and contact kate.woodmansee@pelicam.com for more details.

Sustainable Direction – Just Do It!

Dr John Henry Looney, Managing Director of Sustainable Direction Limited.

Dr John Henry Looney, an expert in environmental sustainability attended the **Intelligent Projects Forum** in March 2012; an event hosted by **Pelicam Project Assurance** for senior executives with change responsibility. John Henry has written a brief article describing the stages (and

challenges) of change that businesses face as they move to become sustainable.

Dexter Dunphy, eminent professor in corporate sustainability, and colleagues proposed a continuum for businesses moving along the path to becoming a truly permanent and resilient business, after we set up Sustainable Direction Ltd (SDL), but his change management approach is on target and close to what SDL has been proposing. Dunphy first coined the context for a Sustainability Revolution, and while some describe this as the third industrial or even societal revolution the developed world has gone through, it is more than that. His and our perspectives give us the opportunity to rethink about where we are going, as individuals, companies and societies within the context of global change. The dates can vary but in the course of the next generation, say the typical 20 year time span from 2010; the world will be as different from today as before and after the Industrial Revolution. The scale of change will be that significant, and so leading companies are trying to understand and define their response to this challenge, whether it is where will our energy come from, how we use our raw materials, or source and keep our key personnel and clients, and what will we leave behind. The key issue at the heart of this is – *will it be a thriving company or otherwise?*

SDL is working in this space, helping companies and public sector organisations explore and define for themselves who they are, what they do and how they will thrive going forward. Sustainability is of course the financial, social and environmental balance a company achieves to define itself. Respect and consideration for the environment is to some degree catching up to the others, but this process is helping redefine the understanding of what financial success is, what employee satisfaction is, what stakeholder responsibility might mean, and how we function as global citizens – from our factory, office or cab – and how we can strive to achieve the balance of these that will make us sustainable. Clearly this is an area for glass half-full people, but we are the ones that define and deliver the future, sustainable by definition, **sustainable by design, sustainable by practice.**

So, how do we figure out where we are, where we are trying to go, and how to get there? Dunphy really does give us a good balanced perspective to applying the practice of change management practice to sustainability, as shown below:
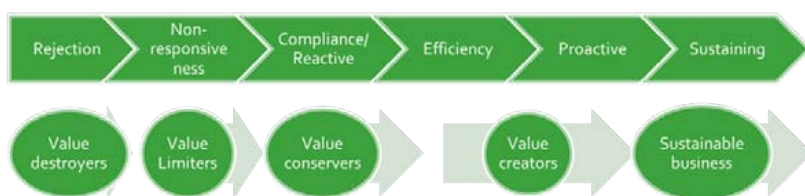
As we have all experienced within an organisation there are people who reject change and new initiatives or ideas from outside by nature. Whether this is intended by the organisation for their benefit such as "green thinking", legislative compliance, or even social media they do not engage and actively reject the idea – cast your mind to smoking bans, recycling, profit sharing, and similar. After

some time this moves into simply being non-responsive to the opportunities, so an improvement to rejection but they are not with the picture. Individuals and even organisations that respond like this are either limiting the value of their business by not fully taking advantage of the opportunities, or actively destroy it by rejecting it (i.e. refusing to engage with environmental legislation, for example). Dunphy, creatively, using his Australian vernacular, suggests leaving these rejecting "stealthy saboteurs" and non-responsive "bunker wombats" to themselves to experience increasing isolation and instead focus on the future of your company. As someone else put it so admirably, "Help them transition to the competition".

Companies usually move quickly into being compliant with current standards and "keeping up" with the times. In this way they are conserving the value of their company, but they, rather like the Red Queen in "Alice through the Looking Glass" have to run simply to keep up with where they were. Legal compliance is clearly a good idea; do you have in your Corporate Risk Register a legal compliance approach that includes environmental legislation? Is it current?

Businesses that engage with becoming more efficient and proactively anticipating these changes are the ones that are creating value within their company. By using what you have available already to maximum effect, you are creating value. By being one of the "front runners", you are creating value. In this way, businesses move towards being a sustaining organisation, in the sense of the music term "Sustain" – when sustaining a note, the note continues indefinitely.

So, as an example, for a fighter pilot the two most useless metrics he has are fuel burnt and runway behind him; instead let's be forward-focused on what we **can** do (fuel left and runway ahead). This lets you move to the next step of efficiency and understand, perhaps simply, how you are doing in terms of resources used per product delivered or produced; SDL finds it very rare for companies to be able to answer easily and promptly how much they use like this, and the larger the organisation the more open they can be about it (sometimes anyway). So at the efficiency stage your objective is to reduce waste progressively, and increase process and material efficiencies, and typical actions are to reduce resource use, re-designing products, using space more efficiently and increasing output without increasing footprint, we typically see savings of 20% or more. Good examples we know of include Sainsburys, Marks and Spencer, and an SME Otter Brewery in Devon who reduced water use by 25% with our help, and a Building Supply company who we showed by simply measuring and managing their waste they could produce a £1M per year return.

The next two steps are progressively more challenging, moving to being genuinely proactive, where your objective is to pursue strategic opportunities and particularly to become a market leader. Typical actions are to re-brand and build wider stakeholder support and be early on new product / service demand curves. Companies here *creatively destroy* existing product designs and manufacturing models, and *re-invent* the firm to shift the prevailing business paradigms in environmental and social ideas. Examples include Unilever and Method, through improved focus and intent.

Finally, the sustaining firm is one which is an established leader in the market, the employer of choice, attracting and retaining skilled professionals, and operating at the high value-added end of the market. Benefits include increased revenue and market share, stronger stakeholder support, and higher customer retention rates. This is where we want to be and is a longer process than some realise, as we respond to change to be sustainable, perhaps evolving, balancing finance with environment and social responsibility. It has been shown that for many companies they are at several maturity positions for different areas of their businesses. So where are you, and what is your organisation's vision for sustainability?

John Henry and Sustainable Direction Limited can help you measure, and then manage a process to progress your company in a sustainable direction. John Henry can be contacted at jh.looney@sustainabledirection.com

This is an area of real interest to us and our clients. In addition to the desire to be sustainable, the prospect of a massive "industrial revolution size" paradigm shift and the challenges it presents, plus the potential impact of sustainable initiatives on corporate culture and personal behaviours and associated improvements in project delivery; warrant significant focus.

Anyone for Golf?!

Kate Woodmansee, Marketing Manager, Pelicam.

Pelicam Project Assurance is sponsoring the Innovation Partners Golf Day at Wentworth on Monday 18th June. It promises to be an entertaining day of golf, on the stunning and challenging West Course, with some very interesting business discussions. In the morning there will be an executive briefing by Alan Cook, Chairman of the Highways Agency and Irish Life and Permanent Holdings and over dinner Matt Le Tissier will be sharing his experiences with the guests.

If you are currently working in a senior change position and enjoy playing golf then please contact kate.woodmansee@pelicam.com for more information.

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To explore how things can be improved in your organisation, please get in touch at info@pelicam.com

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