## REVIEWING THE ROUTE

AN OVERVIEW OF CURRENT AND EMERGING TRENDS

# Five recommended actions for an effective PM future

#### **Albert Hamilton**

Why is it that some projects can be delivered successfully while other projects are a failure? Even when it can be concluded that a particular project has been successful, the general record for projects in both the private and public sectors is not a good one, with overruns in time and cost being commonplace.

The use of 'best practice' project management through the selection of balanced teams with individuals having appropriate competencies are matters that can have a significant impact on the successful outcome of projects. A number of key success factors have been identified that form a framework for best practice.

The author's view is that organisations don't need more new initiatives but rather they need to raise their maturity by using best practice project management. Recommendations in the form of five steps are offered to help organisations achieve a better framework for undertaking projects and increase the successful outcome of project delivery.

#### Hard and soft factors

Project management is a complex process that has been described as a combination of hard system and soft

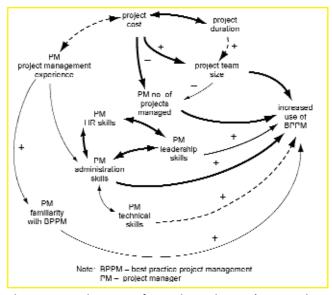
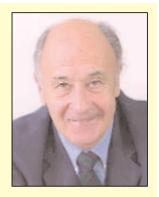


Figure 1: some important factors impacting on 'best practice'.

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system approaches. A multiple cause diagram, Figure 1, shows certain key relationships and causality that could represent this management system. The arrows indicate 'cause', or 'contribute to', or 'enable'. The arrows show the direction of a relationship and the thickness of connecting lines indicate the strength of a relationship. A +ve sign signifies that a change in a variable at the tail produces a similar change in the variable at the arrowhead. A –ve sign signifies that a change in a variable at the tail produces an opposite change in the variable at the arrowhead.

The size of the project, the number of people in the project team and the dedicated role and management skills of the selected project manager are aspects of the system that can have considerable influence on increasing the use of best practice project management.

The design of a project organisation normally starts with the selection of the project manager; selecting the right project manager is fairly critical. During conception they may be referred to as the conception phase manager. During the design phase they may be called the design manager. The title may change to reflect the current phase or stage of a project's development and the team personnel may change from phase to phase. The selected

manager should preferably have above-average managerial ability. If these factors are not considered early in a project's life cycle, ie at conception phase, a project can under-perform and downstream recovery may be difficult or impossible. It is a widely held view that inadequate attention to a best practice approach has been a significant cause of project failure.

#### **Key success factors**

But what is meant by the expression 'best practice project management'?

Research carried out over the last 30 years seems to have concentrated on the project success factors of the final deliverables but, as alluded to by some in this field, there is little that has been undertaken that deals with the success factors that change with time.

Variations in the success factors of projects, their relative importance and the associated metrics are different at every phase. The success factors that would be appropriate at the end of the implementation phase are different and possibly more extensive than those at the end of the definition phase, which are more extensive and different to those applying at the end of the up-front conception phase. More recently best practice project management in functional organisations, the traditional organisation structure, has been identified as falling within three general subject areas and these can be classified as:

- strategic
- project management professionalism
- methodology & procedures

From this general division a series of key success factors (KSF), Table 1 (below), and related best practices can be identified that would be expected to apply to any mature organisation using the project management process.

#### Strategic best practice

A corporate structure is needed that focuses on achieving project goals, minimising bureaucracy, limiting the layers of management and having a free flow of information. An organisation undertaking cross-functional projects, such as planning, legal, finance, social and engineering, needs project management authority at executive level so that it spans all functions. Establishing a Project (Programme) Support Office (PSO) is a successful way of achieving such an intervention.

A formal approach is needed to communicate and promote the benefits of projectised management (working in project teams). The value of the project management approach needs to be communicated upwards, downwards and sideways. Communications must show how the approach can help the corporate group achieve its objectives.

Although normally seen as a methodology (M item), performance is important at a strategic level for the organisation to measure the performance of all projects. Through such integration and consolidation an organisation can assess the impact on the organisation as well as the status of individual projects and be more effective in corporate decision-making.

In a projects-focused organisation, the discipline of project management needs to be a core competency. The project management methodologies need to be integrated within the entire value chain of corporate processes. This requires project managers to be engaged in the process at the conception of all projects and project managers to be elevated within the organisation hierarchy to being at least level with functional managers.

#### PM professionalism best practice

The project manager's role is entrepreneurial in nature. They are often seen as responsible for running a business unit or a profit centre or a social gain centre. Pay and reward for team members needs to be based on project risk, project delivery, as well as competency and skill. Bonuses should be paid for exceptional project performance and more complex bonus arrangements can be available to support medium to long-term corporate objectives.

Choice of person to be project manager is a critical element affecting the process of managing the project. Core best practices regarding pay and motivation are needed to retain the best project managers. Authority and responsibility for all team members needs to be clearly defined by the corporate executive. An individual's competencies and skills need to match the job profile.

In addition to the primary competence in the project management process, the second required competence of project leaders is in the technical fields that apply to each project. It is important to select a project leader based on both competencies or ensure that the technical members in the team are particularly strong in their assigned role.

The term project manager needs to be used when the title reflects the position. Clear job descriptions that

strategic	PM professionalism	methodology & procedures
S1) organisation structure	P1) pay & reward	M1) broad based methods
S2) strategic communications	P2) selection & retention	M2) project & people management
S3) performance measurement	P3) technical competence	M3) measure project contribution
S4) integrate I'M process through	I'4) career development	M4) evaluate project risk
entire organisation	P5) project manager performance	M5) stakeholder communication
	P6) alternative analysis	M6) manage conflicts
	P7) honesty & ethics	M7) manage project change
		M8) measure success & failure

Table 1: Key Success Factors

differentiate types of project manager advancement are recommended. Project management, like any other profession, needs to offer a career path, skills that are needed and how such skills can be obtained.

Best practice requires that the evaluation of a project manager's performance be evaluated using a number of factors in addition to the normally expected project success (time schedule, out-turn cost, etc). Stakeholder satisfaction, handling risks and handling interventions are a few examples of other factors.

The most successful project managers are usually those having the ability to combine an analytical approach with their other managerial attributes. Best practice requires project managers to have high ability in the use of quantitative techniques when examining project alternatives, or project component ranges.

Best practice research of the personal attributes of a project team member show that there is a high correlation between honesty and successful project goal achievement. The project work and the personal behaviour of team members need to be above reproach.

### Methodology and procedures best practice

Best practice organisations are required to have a methodology that integrates the project management process throughout the organisation but not be so rigid that it removes team leader or team member initiatives. A manual of PM procedures issued to all staff engaged in projects is essential for creating the correct ethos for PM to operate.

Best practice organisations identify the soft issues of project management as being as important, if not more so, than the hard issues. Soft relates to such matters as communicating face-to-face, organisational skills and leadership and hard relates to aspects such as use of scheduling and software models.

Current best practice for measuring project time and cost performance is Earned Value (EV). This is also closely linked to S3 (Table 1). Performance, including customer satisfaction, when applied to all phases of a project, forces teams to report, optimise, and articulate project status against corporate and/or customer goals on a continuous basis.

Best practice organisations need to have a risk policy backed-up by a risk evaluation and management process. Identifying, quantifying and combining risk events into a predictive model will significantly raise the probability of achieving project goals.

Best practice project management teams need to have formal methods for determining the types of communication – which stakeholder receives 'what' communication, what the stakeholders do with it once received, methods of receipt and transmittal and on what frequency.

Best practice is to adopt formal conflict management techniques where the goal is the creation of win-win outcomes.

Best practice requires that a change order process be formalised that is pro-active and not reactive to changes. Before time or money is spent on project changes, the process requires the team to evaluate the cost, time and other impacts to a project from which a decision can be

made to accept or reject the change.

A range of methods to evaluate project success and failure, such as record keeping, project journals, periodic or exception reviews and auditing, are recommended for use by best practice project management groups.

These core best practices are not organisation (private or public) specific but would apply to the project side of possibly any organisations business. It has been found that the use of best practice project management is associated with better performance for all phases within a project.

#### A plan for the future

Within the United Kingdom, project management has had over 40 years of development and has progressed through such important areas as appropriate organisation structures, types of project team, people behaviour within teams, methods and procedures and the use of different software models. But nevertheless, project performance all too often has been, and continues to be, disappointing.

The author's view is that most organisations today now require, or aspire to, project management maturity. Operational maturity can be achieved, providing that a comprehensive, time-limited, best practice approach to the projects side of organisations becomes the focus for, say, the next five years. The 19 best practices need to become an integral part of organisation culture and be adopted with serious intent by corporate executives, project sponsors, project leaders and project team members.

Five steps, or actions, that are recommended for all project-driven organisations or process organisations that intermittently handle projects are:

- 1. Create the right organisation structure to handle project work and ensure that the project management process is focused, is suitably represented at executive level and becomes part of the corporate culture
- 2. Appoint the right people to lead and staff the various project teams and provide them with appropriate and meaningful responsibility and authority to be able to operate and deliver the requirements
- 3. Reward project team personnel with salaries and bonuses that are commensurate with personal performance and use of PM best practice. Skills achievement through training and on-the-job application should support performance and best practice
- 4. Develop and inculcate the use of best practice procedures that are used in the management of all projects handled by the organisation from project inception through to project completion and hand-over
- 5. Establish an entity within the organisation, say a Project Support Office, that has responsibility for setting project management policy and standards, auditing projects, monitoring personnel performance and training of project personnel

Through adopting these five actions an organisation will have substantially addressed the specified KSFs and, through their adaptation, be using best practice. It is this consolidation of how we practice, more than anything else, which should be our immediate focus and will likely determine if we have the ability to deliver and successfully compete with other forms of management.