

Take Control of Your Project Investments – 5 Pitfalls to avoid

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Many organisations now recognise the need to take control of their project investments, either out of a concern that project are not producing the business outcomes they need or because they recognise that “project investments” are critical to achieving their strategic objectives or simply for regulatory or governance reasons. Initiatives also tend to originate from the CFO or CIO, but perhaps not often enough from the CEO.

Regardless of the motivation or source of the initiative, most organisations do “it” wrong and fail to achieve the desired outcome. This article spells out some rules on pitfalls to avoid if you want to achieve a successful outcome and start gaining control of your project investments and the change agenda within your organisation.

Rule 1: Do not start with “doing projects well”

It may seem contradictory to suggest that an organisation not start by seeking to do existing projects well, but there is a very good reason for doing so. Doing projects well might well lead to delivering projects on time, budget, etc. but this does not help the organisation if they were the wrong project investments to start with! Indeed this approach might lead to successful projects but poor investments and recriminations around the executive table.

Rule 2: Do not start with a software package

Much of what is written about Project & Portfolio Management (PPM) actually originates from software vendors and invariably emphasises the right system will enable an organisation to establish control of its project investments. Wrong.

In some respects of course they are completely correct, successfully controlling and managing any significant portfolio of project investments will require IT support. Choosing a large scale portfolio or planning package is never going to be the key to success. Organisations that have taken this approach have typically spent large sums and possibly achieved a perfect system, but they have not gained control of their project investments.

Rule 3: Do not focus on methodology, templates and tools

Running projects in accordance with PRINCE2 in the UK or PMBOK in the USA is often cited as critical to successful projects. Much like Rule 2, it is of course highly desirable to make use of best practice in the management of project investments to help ensure they are delivered successfully.

However, initiatives that focus on methodology, tools and templates tend to over-engineer these aspects. The result is often a belief by project managers or sponsors that it is all about filling in forms and satisfying a “project bureaucracy.” So despite the right intentions, the methodology and rules are following in principle but not in practice and the organisation again fails to achieve the required outcomes.

Rule 4: Do not discount the organisation's "culture" and the changes required

First and foremost, delivering and controlling your organisation's change agenda and hence its project investments depends on the people within the organisation. Therefore achieving control of the organisation's project investments requires that the people within the organisation embrace and support the processes, organisation, measures and tools that will be used to exercise that control. Ignoring or discounting the culture of the organisation and the changes to that culture that will be required to ensure success is also guaranteed to lead to failure.

Rule 5: Do not "do it on the cheap" ie. not invest in supporting the process, both in terms of senior management participation and on-going support

Even when organisations invest significant sums to gain control of their project investments and to establish the processes, governance structures and tools to maintain on-going control, they then don't consider the need for supporting these mechanisms. If they do consider it, it is on the basis that "one or two people" added to the CIO Office or Programme Office to run reports, etc. is adequate. In short, no it is not.

In fact, experience indicates that with inadequate support, even the best processes, governance structures and tools will break down within 18 months or so. Putting appropriate skills and resources in place to support what you have built is crucial.

Conclusions

The list of things that you must do to gain and maintain control of your project investments is a long one. Indeed all the rules that go into delivering successful business change apply. So this short list of pitfalls to avoid will not ensure success, but it may at least point you in the right direction.

The key is ensuring your organisation "Makes the Right Project Investments and Delivers them Well" and is not "Delivering the Wrong Project Investments Well."

As to why should it matter? Consider the following quotes from Paul Dinsmore a prolific author and consultant on project, programme and portfolio management:

"Executing strategy through projects aligned with key shareholder value drivers is perhaps the most important factor for organizational success"

"Since an organization's survival and ultimate chances to prosper depend on its ability to select, and implement new projects, upper management needs to have overall control of how projects are handled"

In short, your organisation's future success depends on it.