

Delivering Value from Projects

Exploring the challenges of aligning project delivery with Corporate Strategy

AIPM Project Management Seminar

Sponsored by PA Consulting Group

12 September 2002

Enterprise Programme Management

Presented by: Jan Esman

AIPM Project Management Seminar

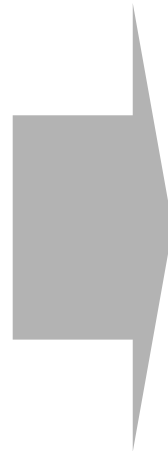
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Why have projects?

PROJECTS EXIST ...

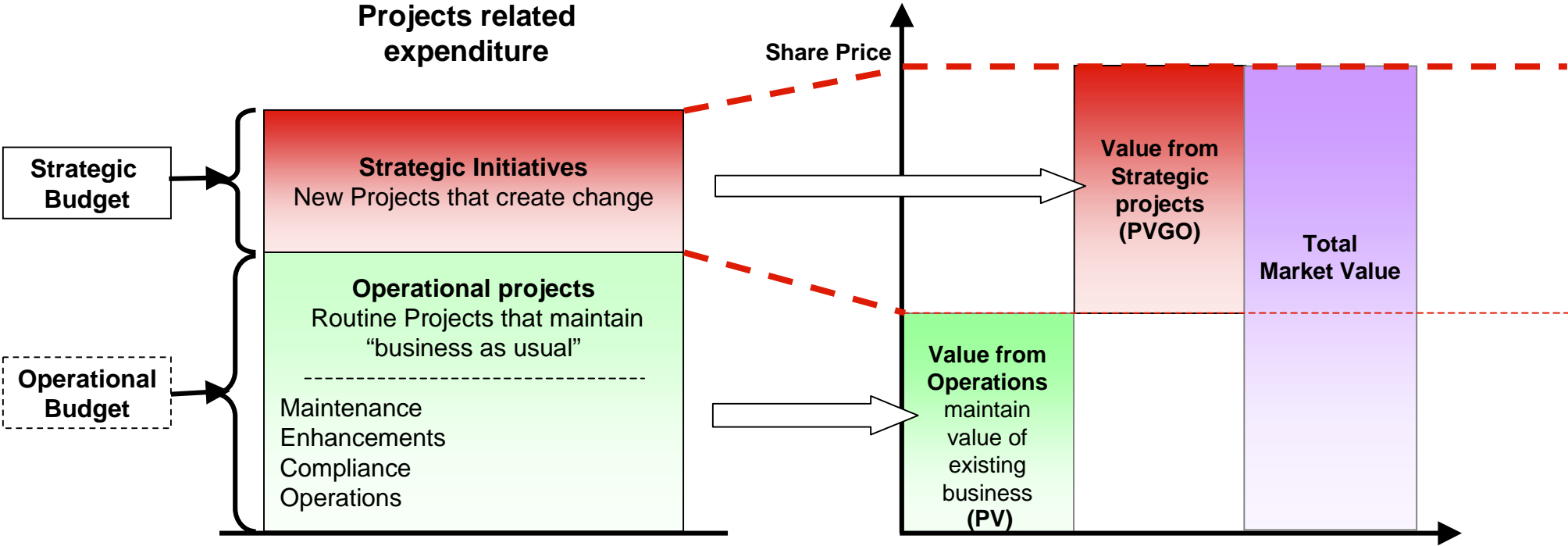
- **Business Change Projects**
 - Performance Improvement
 - Business Restructuring / M&A's
 - Business Enabling
- **Capital Investment Projects**
 - System Development & Integration
 - Complex Engineering Projects
 - Infrastructure Projects
- **Other Projects**
 - Customer Contracts
 - Service Delivery Contracts



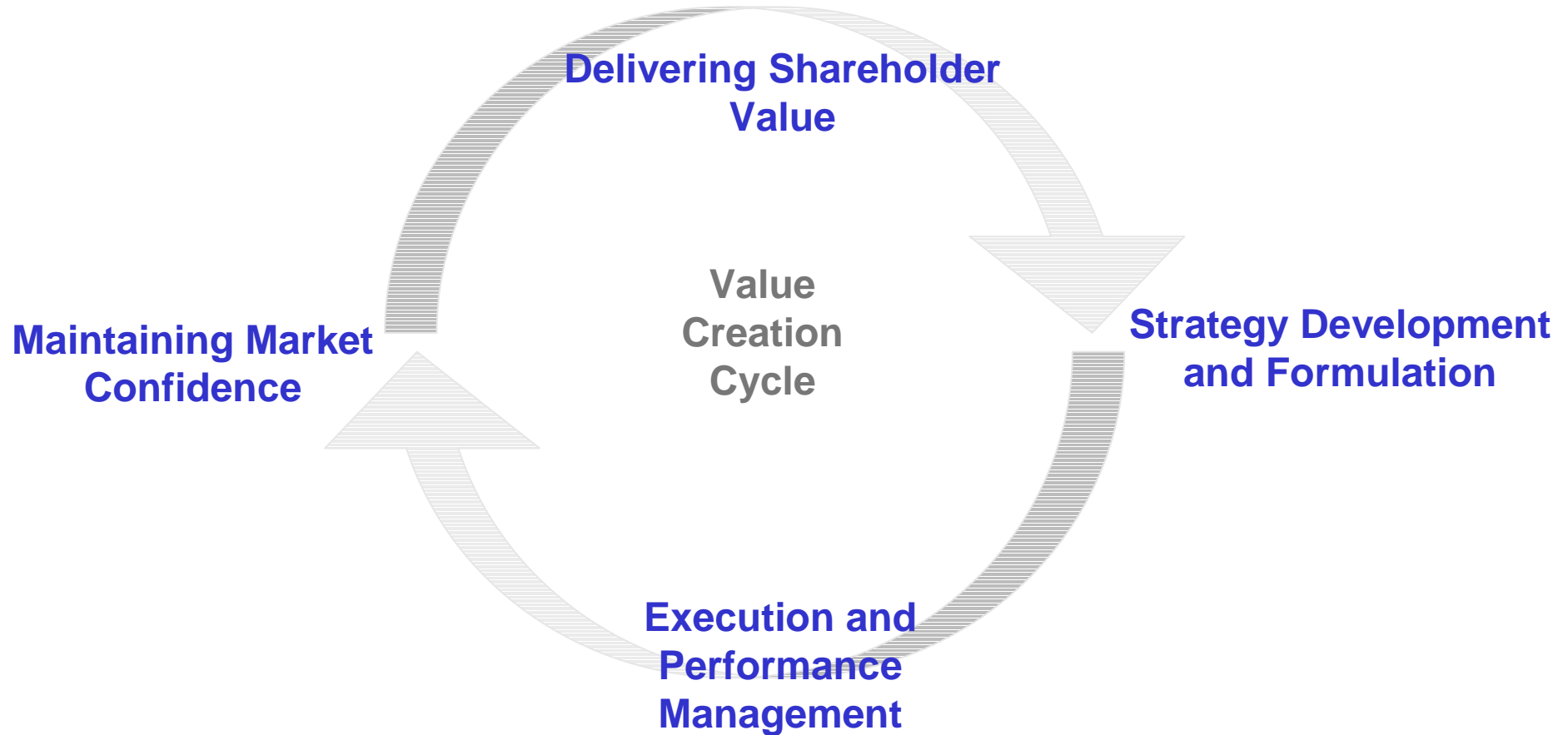
TO DELIVER VALUE through ...

- **Cost reduction**
- **Revenue generation**
- **Risk optimisation**
- **Revenue protection**

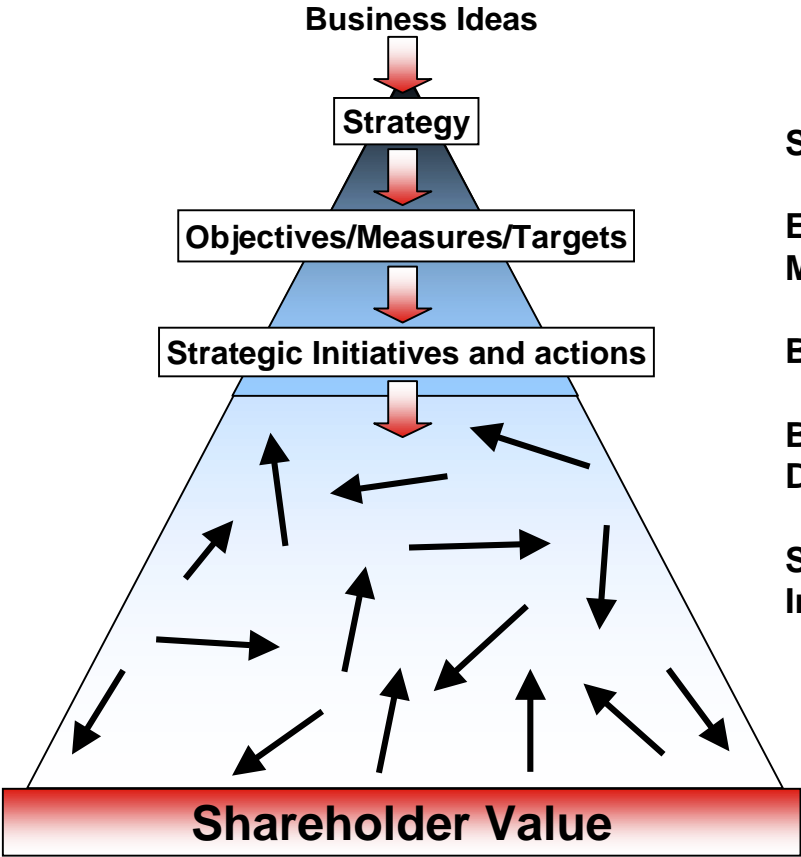
Strategic initiatives have a high impact on market perception and share price



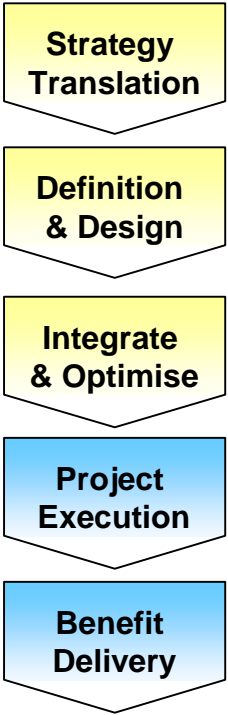
Shareholder value is driven by effective strategy execution



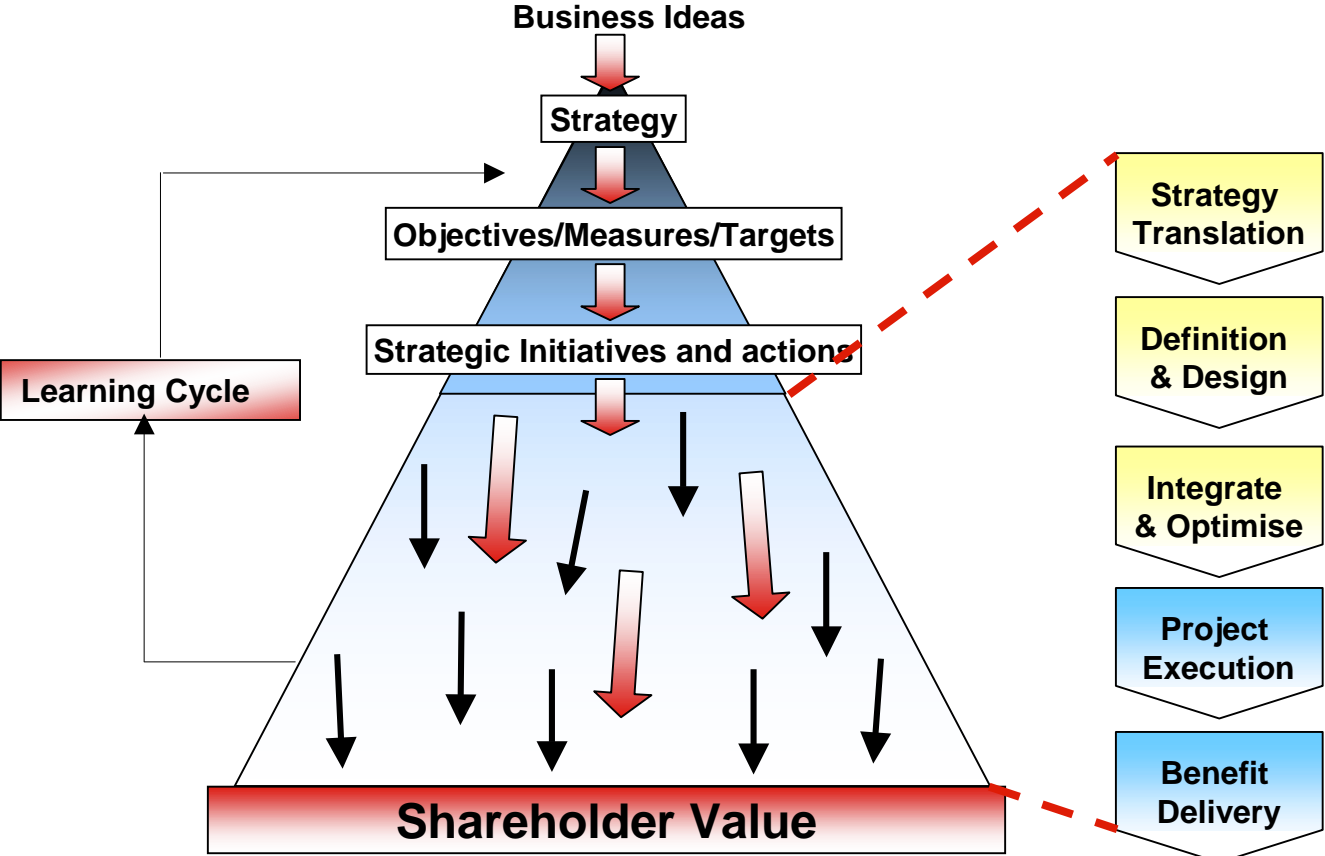
Poor strategy implementation reduces value



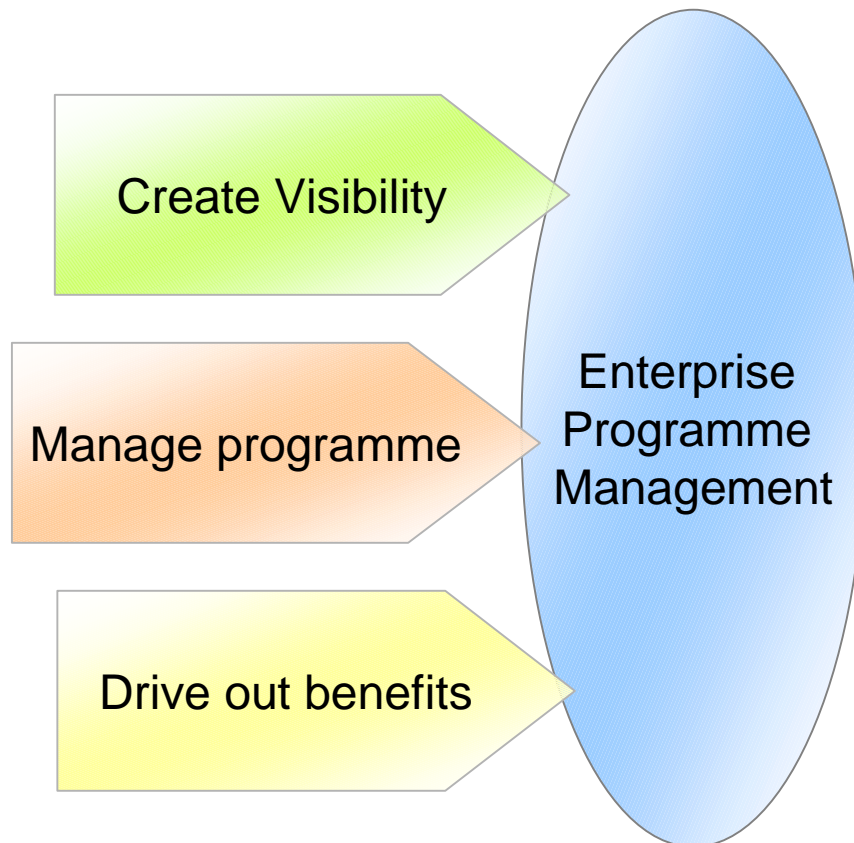
- Strategy
- Economic Value Measures
- Balanced Scorecard
- Business Value Drivers
- Strategy Implementation



Enterprise Programme Management translates strategy into projects that deliver strategic objectives



Enterprise Programme Management – The professional role



- **Obtain a clear view of what the strategic initiatives are designed to achieve**
- **Manage execution of strategic initiatives as an integrated programme with value delivered at each stage**
- **Drive out and monitor value at each stage**
- **Check to ensure that outcomes are still valuable**

About the presenter

Jan Esman



Jan Esman
Business Transformation Group

Jan Esman is one of PA's foremost principal consultants in project management with over 13 years experience in delivering high performance programmes in telecommunications, manufacturing and infrastructure industry sectors.

He has successfully delivered business objectives through change management and performance improvement in startup, major programme and turn-around environments. His management style is to balance the hard tools of project management with the soft roles of mentoring and training, enabling client organisations to bring about change and achieve their objectives.

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A Flexible Approach to Managing Projects

Challenges and case studies

Presented by: Mark Williams

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Project delivery is more than just cost, time and quality...

Project management **performance** is often measured on three dimensions:

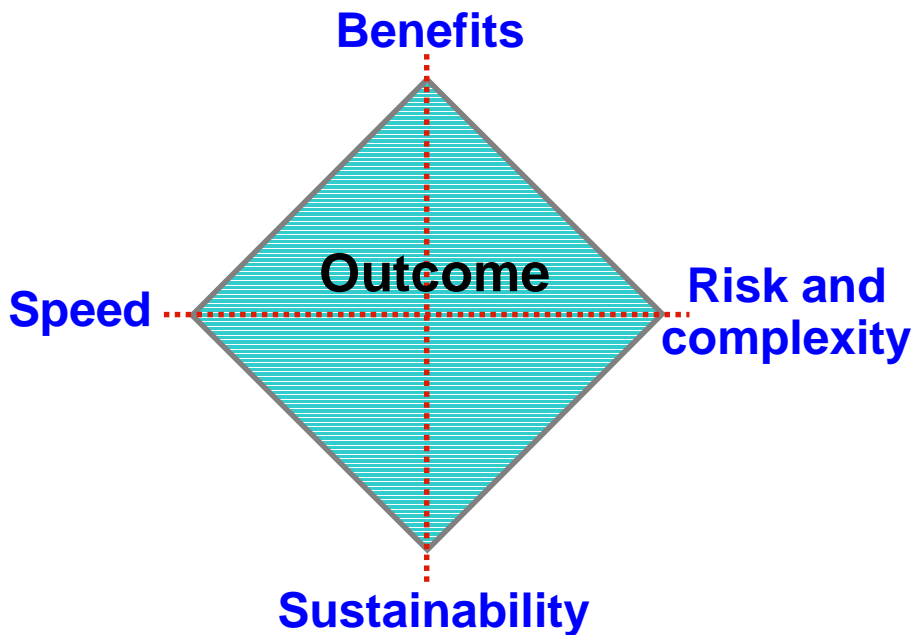
- Cost – did we do it within budget?
- Timescale – did we deliver on schedule?
- Quality – did we deliver what was intended to the desired quality?

However, project **success** is often something else entirely...

- Increased margin
- Return on investment
- Improved performance
- Reduced cost
- Cultural change
- Market share

How can we move beyond traditional approaches to maximise project success?

Projects require compromise between competing priorities

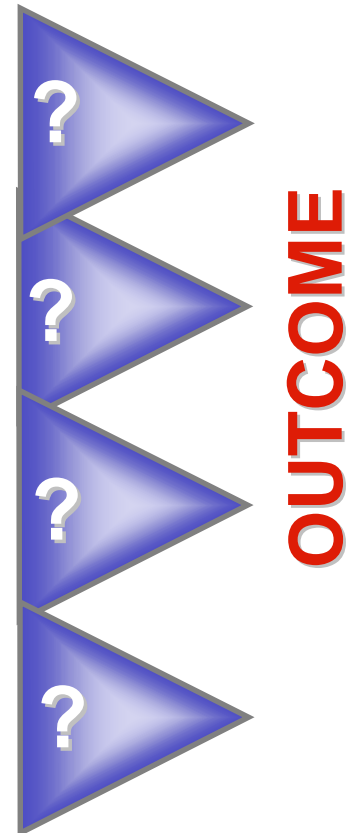


Driving out benefits
Is there is a poor track record of realising promised business benefits?

Making it happen faster (speed)
Is it imperative that the project is delivered to a specific time scale to exploit a specific opportunity or commitment?

Making the change sustainable
Does the business suffer from 'elastic behaviours' where all previous changes have been undermined?

Managing risk and complexity
Are the risks regarding safety, environmental or customer impact so high that rigorous risk management is required?



We can't do everything ... the project management approach should be responsive to these competing priorities

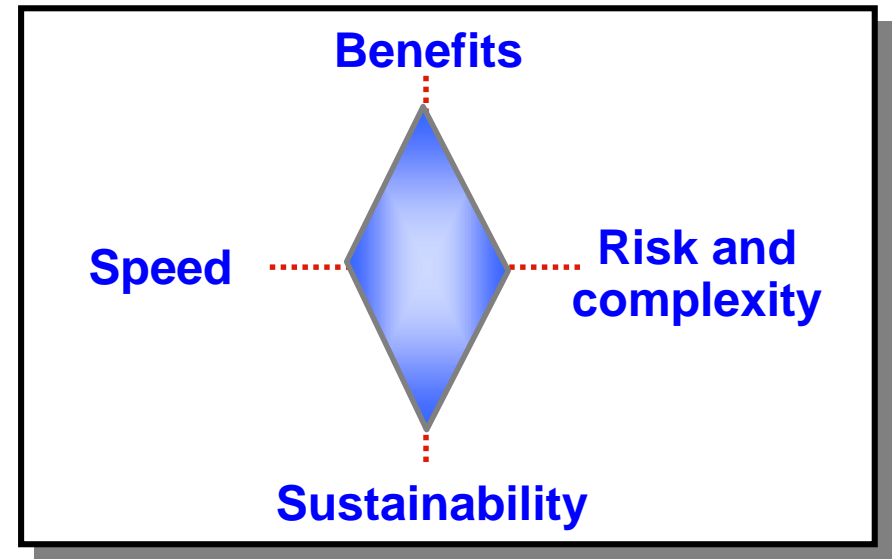
Case study 1 – an industry wide collaborative project

What was important to us?

- Keeping the consortium together
- Preventing bias between players
- Delivering benefit for all

What did this mean for the project?

- Consensus decision making
- Consultative governance structures
- Strong negotiation skills
- Active communications
- Issue decomposition
- Large contingency
- Flexible timescales
- Clear boundaries between collaboration and competition



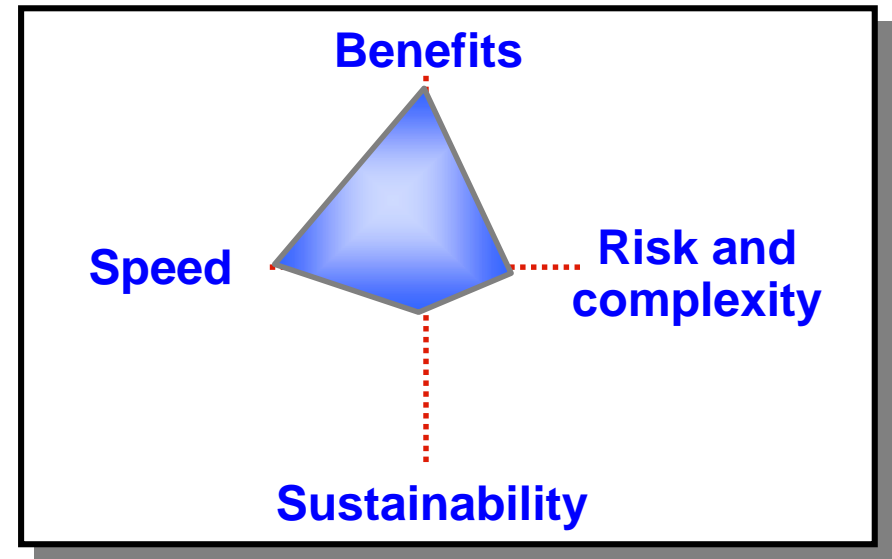
Case study 2 – new product introduction

What was important to us?

- Getting the product to market quickly
- Benefits – gaining market share
- Essential product features only

What did this mean for the project?

- Single point decision making
- Rapid, simple escalation paths
- Dedicated, empowered teams
- Expert (external) resourcing
- Relentless schedule management
- Close project / product collaboration
- Shortcut red tape



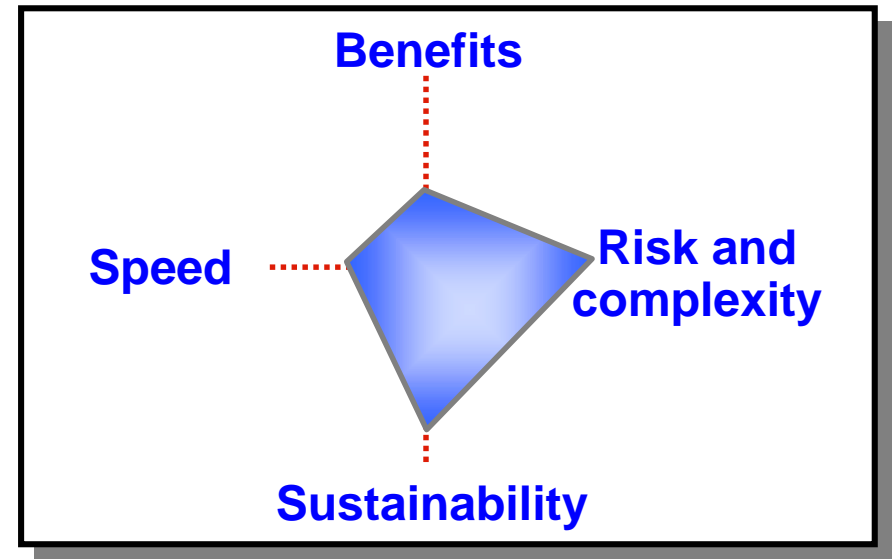
Case study 3 – corporate monopoly restructuring

What was important to us?

- Making lasting change
- Minimum service risk
- Controlling cost

What did this mean for the project?

- Governance aligned to line structure
- Internal resourcing, everyone involved
- Dispersed technical authority
- Collaborative decision making
- Long timescales in interests of consultation
- Controlled, incremental change to minimise risk



What can we learn from all this?

- **The relative priorities will impact our approach**
 - *One size does not fit all*
- **Need to align the project approach to success criteria**
 - *Resourcing, governance, decision making, contingency etc.*
- **Sometimes, spending more or taking longer can be right way to go**
 - *If overall success criteria will be enhanced*
- **Project management can be considered broader than just time, scope and cost**
 - *Project management is about delivery of business outcomes*
- **The project manager can be considered the custodian of the business outcome**
 - *To ensure that the original intent is preserved throughout the lifecycle*

About the presenter

Mark Williams



Mark Williams is an experienced consultant in business transformation with 10 years experience in the design, establishment and delivery of business change programmes and large distributed or global programmes. Mark has a track record in delivering business benefit through projects, and in aligning project delivery to corporate strategy. Mark focuses on coupling sound project management disciplines with well developed interpersonal skills to enable projects to meet the frequently conflicting needs of multiple stakeholders.

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