



## Member Initiative



*Donald Duffey*

Organizations globally spend twenty-percent of the world's Gross Domestic Product (GDP), or \$2.4 trillion, on projects. Yet many projects fail. Reports from the Standish Group state up to 67% of projects fail. One could then surmise that industries as a whole waste \$1.6 trillion in project dollars.

How many projects are you aware of that have failed? The numbers alone point to the need for best practices when undertaking projects.

### **Project and Change Management**

By Donald Duffey, PMP, Application Director at Zurich North America

When it comes to project management, the term 'best practices' has various interpretations and invokes different reactions. There are a number of reasons why. Maybe the term itself is used to the point where everything an organization does is labeled a best practice and therefore what's really important is lost. Or best practices are created without buy-in from the teams who need to live by them. It could be because an organization doesn't have proper benchmarks in place to highlight how best practices can improve the way an organization works.

Best practices are typically put in place to help an organization instill a certain level of consistent quality expected or needed. They are typically based on a benchmark. For example, if twenty project teams have twenty different formats for their stakeholder analysis, an organization may seize the opportunity to standardize or create a benchmark that can be used across the projects. There are numerous benefits in this situation, such as having a standardized form that's easily recognized and well understood within an organization or providing the ability for new project teams to better understand lessons learned of past initiatives.

Lessons learned, and history in general, is one of the most powerful assets an organization has to help shape and support its best practices. Some of the larger, most impactful lessons learned I've experienced that have shaped best practices for companies I've worked for are ensuring organizational alignment of initiatives, ensuring business representation for projects with an Information Technology (IT) component, and ensuring correct sponsorship, all of which, if not properly addressed, can have detrimental impacts to a project while possibly contributing to the many dollars wasted annually on unsuccessful projects.

### **Organizational Alignment**

Projects initiated without proper organizational alignment are tough to implement. Even if the project team is able to muster through and implement the change, there's a good chance that without proper organizational alignment the change will be rejected.  
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### Project and Change Management Webinar

On Wednesday November 7th the Education Committee partnered with Zurich North America's Application Director, Donald Duffey, PMP, to present a webinar for ICE members. Don shared his experience and insight on successful project and change management.

Project and Change Management is crucial to every organization as companies continue to pursue continuous improvement processes and system updates. Don explored the components for successful project and change management implementations and provided practical insight with Lessons Learned and Successful Strategies. The slides of Don's presentation can be found on [TheICEsite](#).

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Organizational alignment is ensuring the organization as a whole agrees and supports a project's objectives. This starts with the project's sponsor, who is the one initiating the case for a change based on a vision. Projects are initiated to create a unique product, service or result, i.e., the change. A business case is typically used to express the need for a particular change. Together, a vision and the corresponding business case are articulated to a sponsor's peers and corresponding leadership groups to gain alignment within an organization. There's often an approval process for the project which the sponsor's peers and other leadership members are involved with.

Once a sponsor's vision, business case, and project are approved organizational alignment needs to remain a priority through the end of the project. Regular updates on progress and major risks the team faces are necessary to ensure the project is a success. Status reports are a good way of communicating accomplishments, milestones and next steps, but candid discussion is required when it comes to risks and issues. A forum for these discussions is needed. One possible forum is through a steering committee that meets regularly, often monthly. The steering committee should include the sponsor and their peers to help ensure organizational alignment. Decisions coming from a steering committee need to be documented and published as well.

I've also seen companies pull together regular meetings with the Chief Operating Officers (or equivalent positions) of the various business units where project risks and issues are shared and discussed as part of broader operational reviews. This also provides another forum where organizational prioritization can occur.

### Business Representation

Projects with an Information Technology component require a strong level of involvement and commitment of resources from the business. For many such projects that fail, it's often the technology stream that's deemed at fault for not delivering on time, on budget, or not hitting the objectives. While any project work stream can fail, the technology work stream is often the more simple work stream of these projects. Business subject matter expert (SME) involvement and commitment are needed... *(continued on next page)*



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### Upcoming Webinars

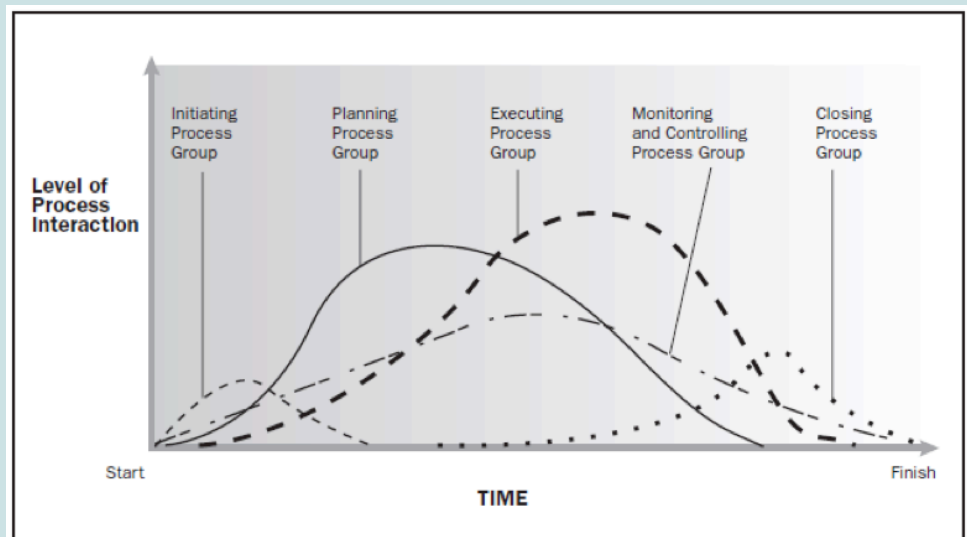
2013 promises to be a dynamic year for the Webinar production teams. Potential webinars have already been identified and are in various stages of development.

Ed Wallace, The Relational Capital Group, will be following up on his Creating Relational Capital keynote address from the ICE Conference with a webinar in the first quarter.



In the second quarter Kim Morton, OneShield and Karen Furtado, SMA and conference presenter of Developing Impactful KPIs & Benchmarking Goals, will deliver a webinar on cloud computing.

(continued from previous page) ...throughout an IT project's Software Development Lifecycle (SDLC), from requirements gathering to implementation. For larger projects, business SMEs need to be embedded full time within a project team. Without this commitment, the project team will not be able to effectively deliver, or may deliver a product deemed unusable by the business once it's delivered.



*A set of Process Groups are embedded in each phase of a project for IT-based projects*

Strong requirements are needed given that remaining phases of a project create further deliverables built upon them. Requirements are interpreted into functional design, which is then interpreted into a technical design before the product is built and tested. Business SMEs are needed to finalize and ultimately approve the business requirements, and this typically occurs. It's the subsequent work requiring Business SME involvement that is often misunderstood.

In my experience, it's the interpretation of business requirements into system designs that often go awry due to lack of business involvement after requirements are completed. I've seen projects that have had good requirements passed to the technical team that then built the end product. Once the product was delivered back to the business for User Acceptance Testing (UAT), the business said "This isn't what I envisioned." Ensuring the business SMEs participate in and approve functional designs will help prevent this problem.

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### Summary

Based on the above lessons learned we can summarize three best practices:

- Ensure organizational alignment for projects throughout their lifecycle
- Ensure appropriate business representation is embedded within projects
- Ensure initiatives have appropriate sponsorship

Socializing the need for these best practices within the ranks of senior leadership is a good starting point. The project management work force needs that support to be successful. Senior leadership, including the C-level, needs to buy into and support these fundamental best practices. It's their responsibility to ensure project managers have the support needed to successfully implement projects.

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Likewise, during the build and test cycles of a project business SMEs will be called upon to help clarify business requirements when questions arise. Changes to requirements should also be anticipated, further necessitating the need for business SME involvement.

In addition to Business SMEs, I've seen organizations create a business lead position. A business lead is embedded in a project team and is responsible for overseeing the business SME involvement. The business lead is empowered to make decisions based on the business need, important when business leads may have differences of opinions. Having a business decision maker is critical when a project includes business SMEs representing various aspects of the business.

### Sponsorship

Having the correct sponsor for change an organization wants to implement is crucial. You might be wondering how a project could NOT have the appropriate sponsorship given most projects are initiated by someone (usually from the business) who is typically the one pushing for the change. However, every project has its own unique beginnings, and ideas are spawned by many parts of an organization.

For example, maybe the IT department sees benefit in upgrading the technology of a particular application. They socialize this need and receive buy-in from leadership in the business that it's a good idea. A sponsor is assigned and the project is started. This seems innocent enough, until the technical team, which is mostly operating in a silo because business involvement wasn't properly setup, delivers the updated application for UAT and the business rejects it. Business involvement wasn't properly setup since the project was not initiated by the business, and in this case no business SMEs were involved in decisions made earlier in the program (such as screen design).

In the prior example a dangerous situation was created before the project team even started, which sealed its fate from the beginning. The project was eventually cancelled after much investment. Situations like these can be avoided if organizations follow a simple principle – ensure the sponsor is the one initiating the change and empowered within the organization to implement the change.