



White Paper

Project Reviews – How to ensure they are fact based

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Introduction

When it's a question of policy, the organization bristles with advisers; but once it is a question of action, no one can be found.

Paraphrased from
Jean de La Fontaine

A colleague recently asked the project review board to kill his project. For this board it was the first time a contract project manager had requested their project be killed off. The business case for the project was being maintained and the latest revision showed it just didn't stack up. Killing off the project was the best outcome for the organization, but maybe not for the project manager. Why does this seem so unusual?

Project reviews usually figure in the project management process but are rarely completed or effective. In the world of IT, the 1999 Standish Group CHAOS Report finding that 95% of projects fail to deliver their expected outcomes is rarely disputed. Their research found the top three success factors were user involvement, executive management support and a clear statement of requirements. Project reviews ensure that these three in particular are met. So why don't companies do them?

The primary purpose of a project review is to align all the project participants, confirm priority, review the status and confirm viability of the project. The project review must maximize business benefit and ensure the project(s) meet the strategic needs of the organization.

But why do people avoid reviews? Do they not perceive value, do they lack the time, do they fear the truth or are they just too hard? Any or all of these could be the right answer. Maybe they are just too busy putting out fires to manage risk. One factor we believe that undermines the effectiveness of reviews is that they are often agenda based rather than fact based. People, politics and fear often determine the agenda with the primary purpose being forgotten. So how do you make project reviews more effective? The answer is by making them more objective. The situation described in the opening paragraph was based on the facts yielding the right decision in that particular case.

What are Some Common Project Reviews?

This paper looks at the current situation with regard to project reviews, highlighting some problems that are being encountered, the implications of not addressing the problems and the payoffs to be realized through moving to fact based project reviews.

There are no shortage of prescribed reviews to choose from including but not limited to:

- Monthly Project and Program Reviews
- Deliverable Reviews and/or Lifecycle Reviews

- Quality Reviews
- Post Implementation & Lessons Learned Reviews
- Benefits Realization Reviews

What is the focus of each of these reviews?

The reward of a thing well done is to have done it.
Emerson

Monthly project and program reviews typically look at what was achieved in the last period and what is planned for the next. The money spent, time elapsed, deliverables progressed and status of issues, risks and changes logged. Usually done via exception, the aim is to demonstrate to management the more tangible aspects of the project.

The Deliverable Review and/or Lifecycle review is usually combined with the gating process associated with methodologies like Prince2. The purpose is to ensure that each deliverable is complete and fulfils its objectives before moving on to the next phase of the project. This review can include both internal stakeholders and external stakeholders such as a client or industry body.

The Quality Review tries to determine if we achieved what we planned. This review can be conducted at any phase of the project aiming to confirm that what was produced meets the specified standard. It may be combined with the deliverable review.

The Post Implementation and Lessons Learned review aims at identifying the problems encountered in delivering the project and how they could be avoided in the future. Getting engagement for a review that focuses on past events with no immediate benefits is not easily achieved nor necessarily of value. The Post Implementation Review also focuses on what issues/risks and outstanding actions need to be handed over from the project team to ongoing operations.

The Benefits Realization Review is carried out after the project has been delivered, the money spent, the resources dispersed and some time has been elapsed. The review aims to see if what was delivered and paid for achieved the benefits claimed in the business case.

What are the Problems?

Consideration of the current situation highlights two common problems with each of these reviews:

1. Agendas arise from people and politics
2. Getting objective information is a real challenge

Project Reviews take on an historical perspective, looking into the rear view mirror to determine what was achieved, often they lack focus on future forecasts and trends, which is the only thing that really can change.

So what are the agendas most commonly encountered during of each of these reviews?

If you find yourself in

a hole, the first thing to do is stop digging.

Will Rogers

Firstly, the project manager's reporting reflects their responsibility for the time and cost of the project. The Project Manager is trying to pitch his deliverable to the Project Sponsor, the Review Committee and other interested parties. His aim is to get a sign off within the time and budget allowed. This event is usually preceded by much lobbying to get the deliverable up.

Secondly, the Project Sponsor's reporting reflects their focus on implementing the project to deliver the revenue growth and/or cost savings. The Project Review Committee, primarily interested in the effective use of corporate assets and managing a limited resource pool, is focussed on working within agreed budgets and limiting costs. The Project Sponsor and Project Review Committee have differing perspectives, each wanting to ensure all their i's are dotted and the t's are crossed before moving on.

Thirdly, a quality manager's reporting tends to be more focused on whether the process is followed than what the project delivers. Ticking every box wont necessarily mean the product will fit the market needs.

Finally individuals may be biased. Political games, contractors seeking renewal, vendor involvement, corporate strategy, pride and standards all play a part.

These reviews are inundated with "information" but rarely answer the key question, "Will we realize the forecasted benefits?" (Later this year we will be doing a white paper on this topic alone.) The issue lies in the difference between true leadership vs. middle management.

Leadership is about forward thinking and action, putting the organizations greater good above personal pride and ambition. Realizing the proposed benefits in the business case is rarely addressed in the monthly review because of the reluctance to forecast in the face of uncertainty. But isn't this is the role of a leader?

The next issue is that the baseline information for measuring benefits and progress towards realizing them are rarely captured and maintained during the course of the project. While any project management text book highlights the need for controls it is surprising how many experienced project managers lack adequate controls for their projects. Some organizations make no provision for standards or centralized controls and reporting systems. Bijingo's core business is the implementation of these systems.

Clearly objectivity is required to make reviews effective. It is equally as clear that getting the information objectively is a challenge for most organizations.

Implications

There are three clear implications arising from these problems.

1. Project roles need better definition to limit agendas
2. People and process are linked via these roles
3. Tools need to facilitate the capture of facts required to make the reviews more objective

All truth passes through three stages. First, it is ridiculed. Second, it is violently opposed. Third, it is accepted as being self-evident.

Arthur Schopenhauer

Project roles have been evolving as best practice continues to develop and improve. The primary focus has been on breaking down the responsibilities and getting the authorities as near to the owner of the delivered outcome as is practical. The objective is to ensure that accountabilities are discrete, clear and measurable.

What have not been well developed are the interdependencies between the roles and how they will be measured. These measures will influence the behaviour of the parties and hence their agenda around areas of interdependence thereby increasing effectiveness.

The lack of information about the interdependencies further contributes to the agendas and how they are played out. If this information is maintained as standard operating procedure, is easily accessible and factored into the reviews it will increase objectivity, effectiveness and team work throughout the project lifecycle. The culture of the

organization must value learning and acknowledge that learning often occurs through making mistakes, this is basic human nature.

The process that nominates review requirements needs to set performance standards for each review in terms of the returns to the organization. Reviews need to be conducted in accordance with the definitions of the roles, the associated measures and performance standards. This will increase the dependence on fact as the basis of the review.

The majority of Portfolio and Project Management tools do not have the functionality to capture all of the information required to facilitate the reviews nor are they being used effectively to support them. Capture of, and access to, the information required to factually determine the health of a project or to decide its future is a critical success factor in achieving review efficiency and effectiveness. These tools must also allow for the subjective judgement of the Project Manager, not only stating where the project is at but also where the project is going.

The trilogy of people, process and tools has to be linked to enable value to be derived from the review process.

So what are the payoffs for getting it right?

Payoffs

A competent organisation knows the difference between the wheat germ and chaff, and which is valuable.

Michael Fendley

The payoffs for making your reviews more objective are clear and compelling includes:

- More clarity about project status, priorities and health
- Better basis for deciding to continue, suspend, re engineer or kill projects
- Less pressure on scarce resources, less wasted time
- Project sponsors and project managers become better prepared and more effective at delivering projects

Conclusion

Project Reviews are a proven contributor to successful projects. Poorly conducted Project Reviews have been less than effective in helping senior managers to get a real handle on the health of their projects and the value they will actually deliver. Project roles need clarification and focusing in the area of reviews with specific performance metrics tied to each of them. This is critical to communicating the organizations commitment to realizing sustainable value from the projects it undertakes and their expectations of all stakeholders.

If you want to make enemies, try to change something.
Woodrow Wilson

The Portfolio and Project Management process must provide the performance standards for reviews and empower stakeholders to take decisions based on the available facts. Given so many projects fail to deliver to expectations or the business case, it is far better to terminate or suspend and reengineer than press on regardless hoping for a miracle. The culture of the organization must support this termination with the decision to terminate being seen as a positive decision within the organization.

Portfolio and Project Management tools need to effectively support and maintain the information required to ensure fact based reviews become a reality. Support for reviews with both a static historical and proactive forecast capabilities will become a clear area of focus as tools continue to develop.

If you would like more information on fact based project reviews or to learn how other organizations, like yours, conduct effective reviews please visit us at www.bijingo.com

About bijingo Pty Ltd

Bijingo develops and provides b-smart, a comprehensive software as a service project management solution.

About This White Paper

This white paper is based on customer experience.