Project Categories & Project Types

'How understanding Project Categories & Project Types will help Mitigate risks in Portfolios, Programmes & Projects

Presented by Youssef Mourra
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Australia & NZ

6th September 2012





Cognizant Business Consulting

- Globally, we are attached to Cognizant Technology Solutions, an IT systems integrator with over 50 global delivery centers and over 170,000 employees
- A member of the NASDAQ-100 Index and S&P 500 Index, Cognizant is a Forbes Global 1000 company.
- Regionally, a P3M and Management consulting organisation
 - Offices in AK, WN, SYD, MEL & BRIS 140 employees & contractors
 - Increasing sector penetration and depth in Financial Services, Government & Public, Retail, Technology, Energy & Utilities, Telecommunications
 - Employing the very best project & program consultants:
 - Programme Managers, Programme Directors, Project Managers
 - Programme Office / Project Office
 - Technical specialists (testing, data migration, conversion, etc)
 - Business support (analysts, BPR, M&A, etc)
- Working with Multi-Nationals across the globe:
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- Project Design & Mobilisation
- Project Delivery
- Project Office
- Change Management
- Risk Management
- Portfolio Optimisation
- PM Capability Development
- Health-check & audits
- Project Rescue
- PM Outsourcing
- Global Programme Delivery
- Enterprise Project Management



The Speaker – Youssef Mourra

- Over 20 years' experience in the world of project, program and portfolio management (P3M).
- Partner, Practice Manager for CBC in AUS & NZ
- Consulted for Ernst & Young, Cap Gemini in Australia, France and the UK. Worked in Europe, Asia and America
- For the past 8 years has been based in NZ and has gained experience with a number of clients both in the private and public sector.
- Led hundreds of consulting engagements ranging from complex project and program rescues, mobilisation of project offices, to implementation of project management information systems.
- Recognised as a trusted advisor by a number of 'C' level executives and project offices throughout the APAC region.
- Regularly speaks at functions organised by the PMI, Microsoft and other related trade associations





Agenda

- Knowledge Recap
- Risk Management Factors related to:
 - Portfolios & Portfolio Management
 - Programs & Programme Management
 - Projects & Project Management





Knowledge Recap





Project Management



- What is a Project?
 - A project is "a management environment that is created for the purpose of delivering one or more business products according to a specified business case" * or
 - "a temporary endeavour undertaken to create a unique product or service" ^
- Why do we have projects?
 - We use projects to deliver change in a way that is repeatable and efficient.



^{*}PRINCE2 © Definition from the CCTA in the UK

[^] PML© definition taken from PMBOK © 2008 Edition

Program Management



- What is a Program?
 - A temporary flexible organisation created to coordinate, direct and oversee the implementation of a set of related projects and activities. The focus is on Benefits, Change, Dependency and Resource Management.
- Why do we have Programs?
 - In order to deliver outcomes and benefits related to the organisation's strategic objectives. These outcomes and benefits are greater in size than had the projects been run separately





Portfolio Management

What is a Portfolio?

PMI:

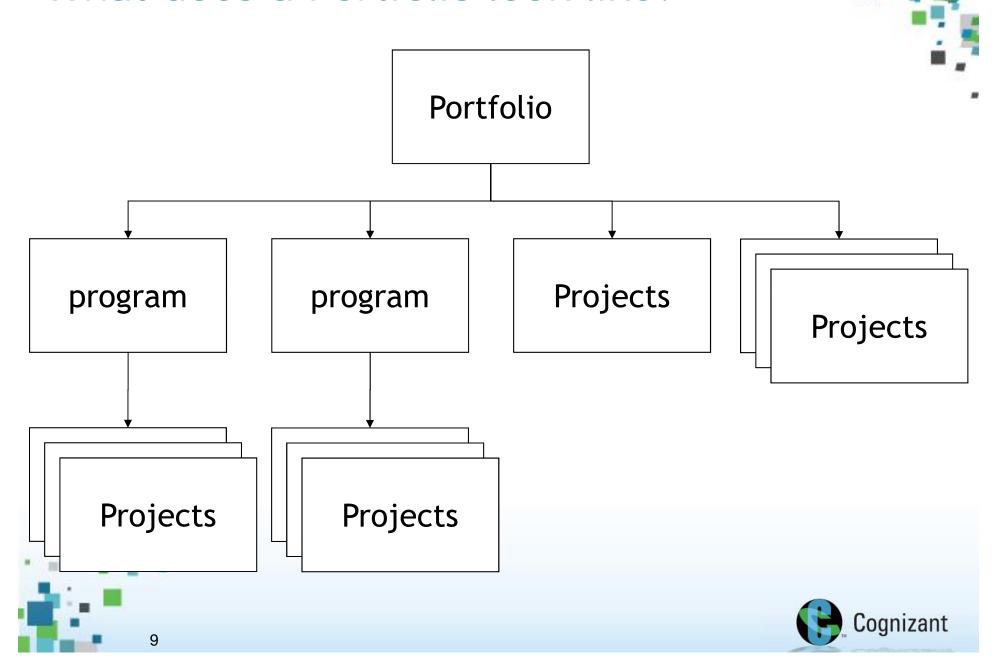
"A portfolio is a collection of projects and programs and other work grouped to facilitate the effective management of that work to meet strategic business objectives. The components of a portfolio are quantifiable – they can be measured, ranked and prioritised"

OGC:

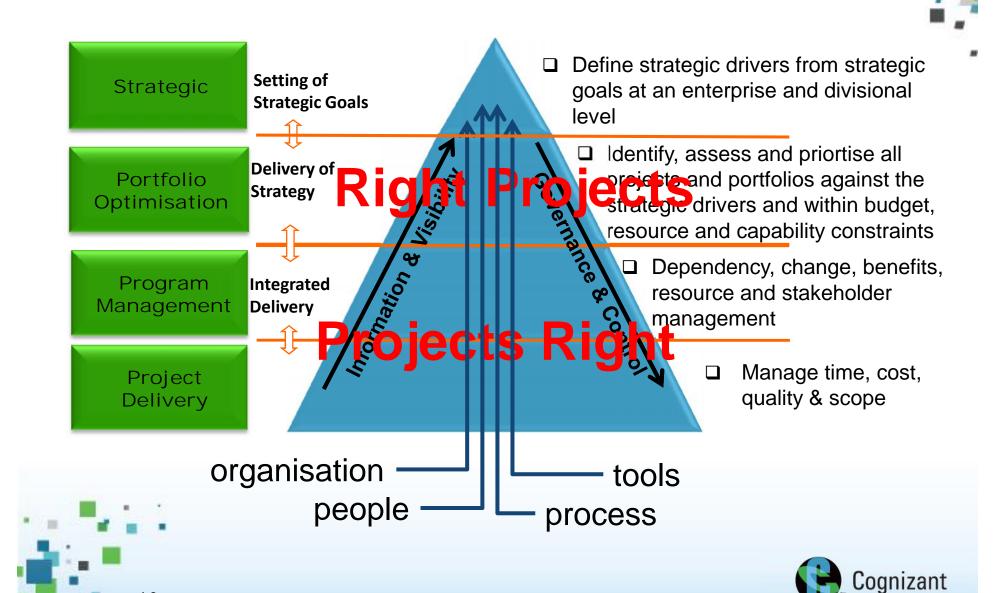
"An organisation's portfolio is the totality of its investment (or segment thereof) in the changes required to achieve its strategic objectives, particularly change delivered via formalised project and program management methodologies"



What does a Portfolio look like?



Project [Enterprise] Portfolio Management



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Risk Management Factors related to

Portfolios

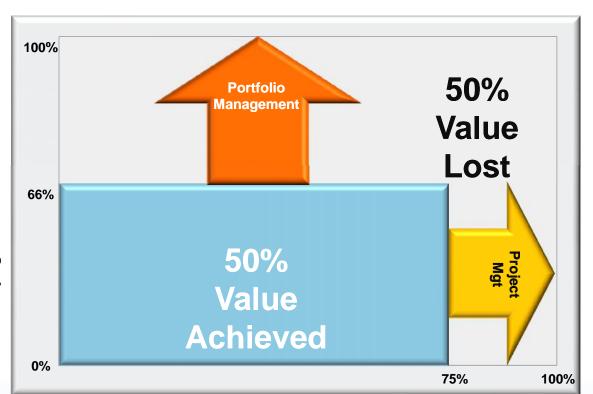




What's the opportunity & what's at risk?







Effective Execution – 'Doing Things Right'
Realising Business Value

Benefits of getting it RIGHT

- •Potential savings of 20% of portfolio value in Year 1
- •30% improvement in time to market for revenue-generating initiatives
- •5% reduction in overall costs
- •59% reduction in project failures
- •78% reduction in redundant projects
- •37% decrease in cost per project
- •35% increase in number of projects under management

Primary Source: : IDC, September 2008



Portfolio Management Risk Factors



- The choice of the Portfolio
 - Not choosing the optimal mix of projects and programs to achieve strategic outcomes and low quaility Business case development
- Project & Program Sponsorship
 - Poor execution of project and program sponsorship by senior and middle management
- Portfolio Optimisation
 - Poor or ineffective on-going maintenance of the optimum mix of projects and programs
- Portfolio Delivery & Visibility of Delivery
 - Poor selections for management and delivery and staffing of programs and portfolios along with no or limited
 - visibility of progress or intervention points.



Choosing the Right Portfolio



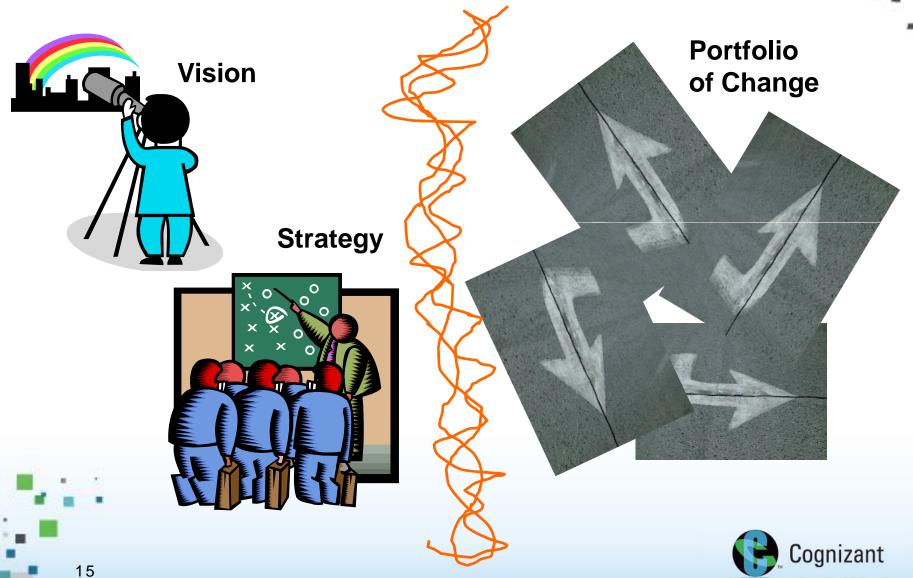
- Alignment to Strategy
- Selection & Prioritisation
- Business Case Development





What do we mean by Alignment to Strategy?





Vision, Strategy & Strategic Drivers



Organisation Vision/Mission

Strategy

Strategic Driver 1

Strategic Driver 2

Strategic Driver 3

Strategic Driver 4...

Prioritised Portfolio





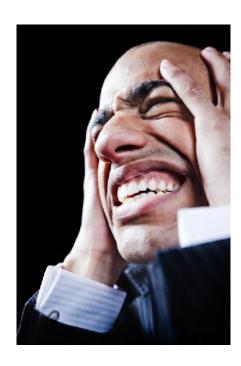
How do you do Selection & Prioritisation?



Who shouts the loudest?



Who's the most powerful?



Senior Leadership Teams



Who's the most needy?



Who's the craftiest?





Holding the Royal Flush of Portfolios!

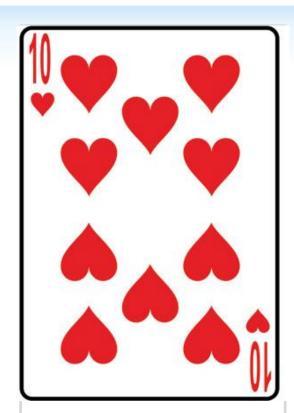




- What are the odds of a Royal Flush in Poker/Blackjack?
- What are the odds in business?

The royal flush is a case of the straight flush. It can be formed 4 ways (one for each suit), giving it a probability of 0.000154% and odds of 649,739 : 1.





COMPLIANCE

The projects we MUST do because of reasons related to Government legislation or existing regulations. We have little choice and we need to get on with understanding the options for how we approach these projects



MAINTENANCE

The projects we SHOULD do because of reasons related to maintaining existing systems and business processes. If we under-invest for too long, we run the risk of breaking our existing operations and systems



TACTICAL

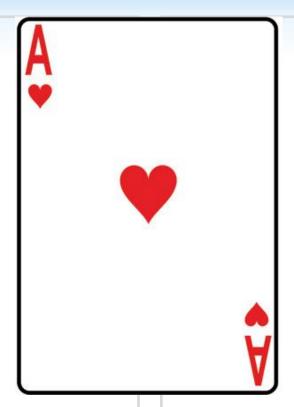
The projects we COULD do because of reasons related to changes in the competitive, technological or global environments. We may not always want to respond to each change, but we need to consider them in our planning





STRATEGIC

The projects we WOULD do because of reasons related to the setting and achieving of the strategic plan and vision. What are the projects that best help us achieve our stated vision and contribute most to the strategic drivers?



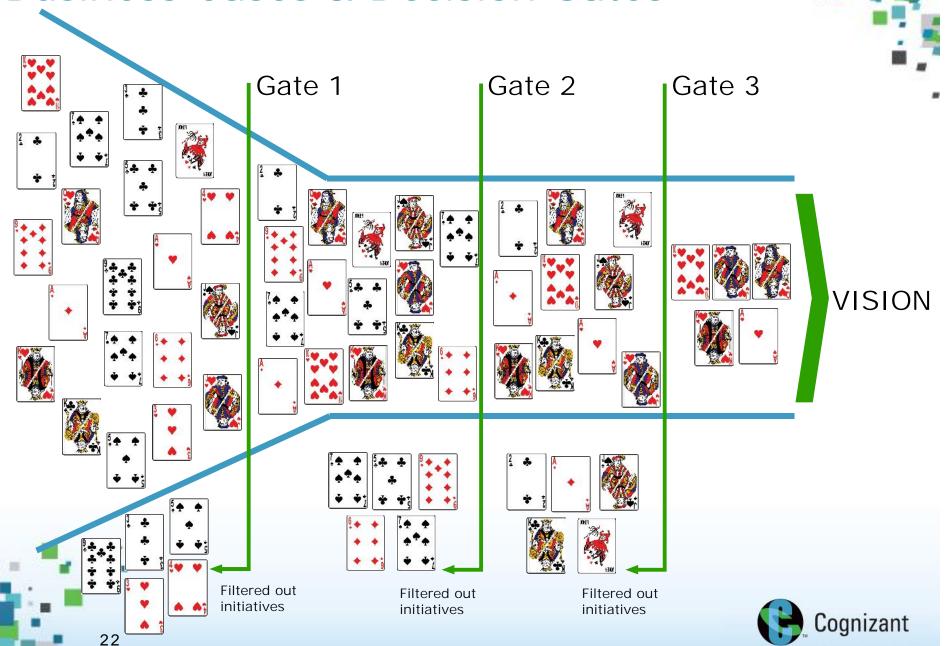
INNOVATION

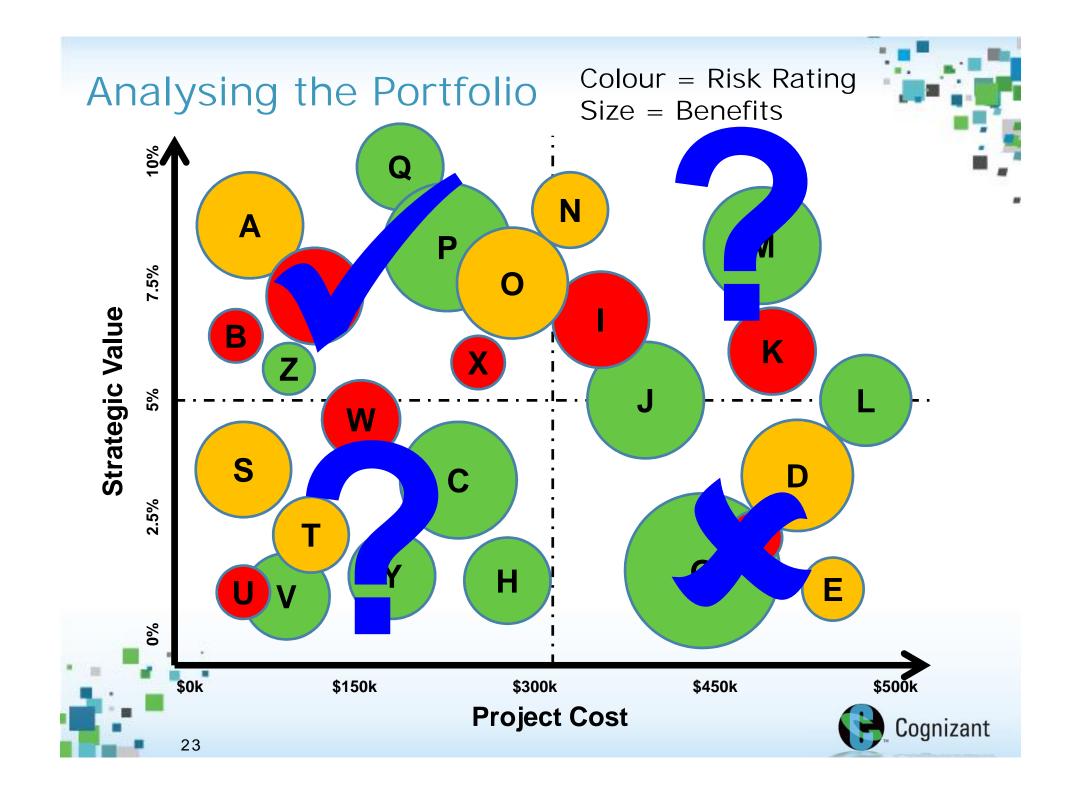
The projects we COULD do because of reasons related to new ideas and innovations driven from our customer, staff and expert base. We need to investigate, approve, reject or invest in these innovations



Project Categories Gate 1 Gate 2 Gate 3 **Initial Business Case** Detailed Execution Option & Impact **Business Case Project Proposals** Handover to BAU Analysis Prioritisation Prioritisation **INNOVATION TACTICAL** COMPLIANCE **VISION** MAINTENANCE **STRATEGIC** Filtered out Filtered out Filtered out initiatives initiatives initiatives Cognizant 21

Business Cases & Decision Gates





...in summary



- Mitigate Risks in Portfolios by
 - Aligning your portfolio to your strategy. Work backwards from the Vision, ensure your strategy supports the Vision and from the strategy, tease out the strategic drivers and ensure your portfolio is aligned to those
 - Choosing the best projects for your portfolio. Work out the categories of projects you need to select and make your discretionary choices in support of your portfolio
 - Focussing on high quality Business Cases. Ensure your business cases are clear about contribution to strategy, identification and quantification of benefits and remain committed through the project lifecycle to ensuring the stated benefits are realised appropriately.



Risk Management Factors related to

Programmes





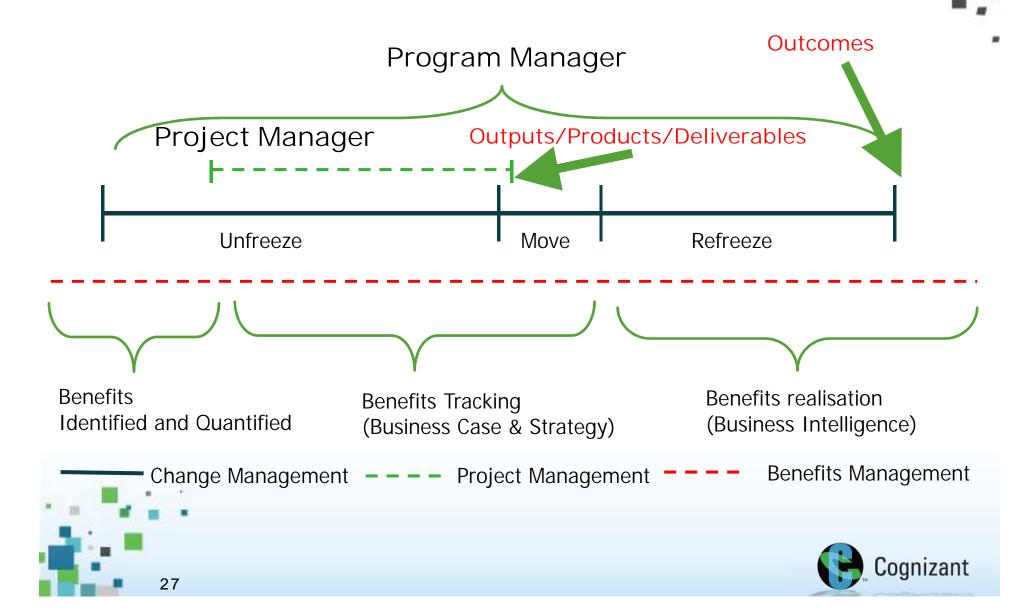
Programme Management Risk Factors

- Program Sponsorship
 - Poor execution of program sponsorship by senior and middle management
- Program Delivery
 - Troubled Domain and technology delivery
 - Poor Dependency & Resource Management
 - Limited visibility of progress or intervention points.
- Benefits & Change Management
 - Not tracking Benefits to the Business Case
 - Disabling Benefits Realisation through poorly executed Change Management



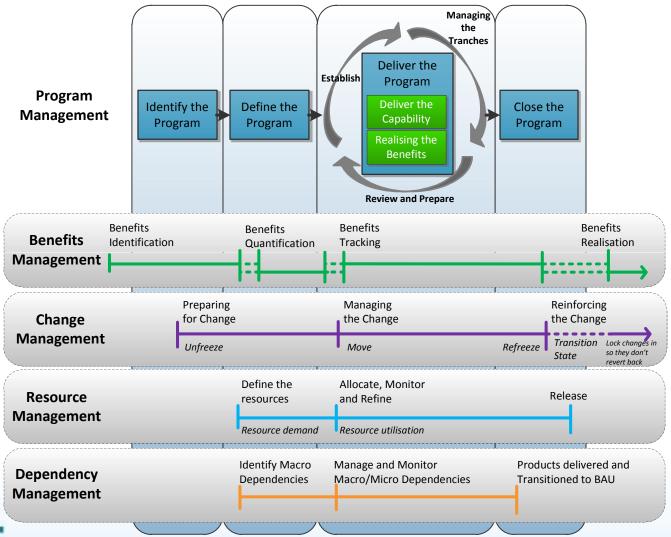


Project, Benefits & Change Management – union.



Program Management Focus Areas

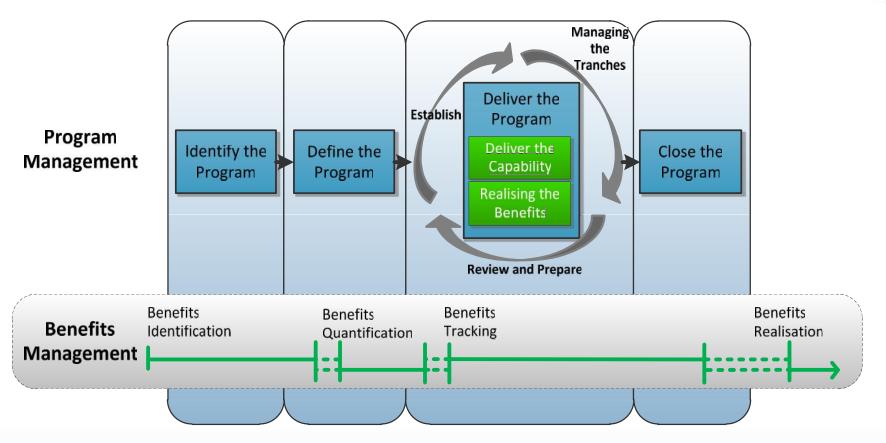






Benefits Management Lifecycle









Program/Project Benefits



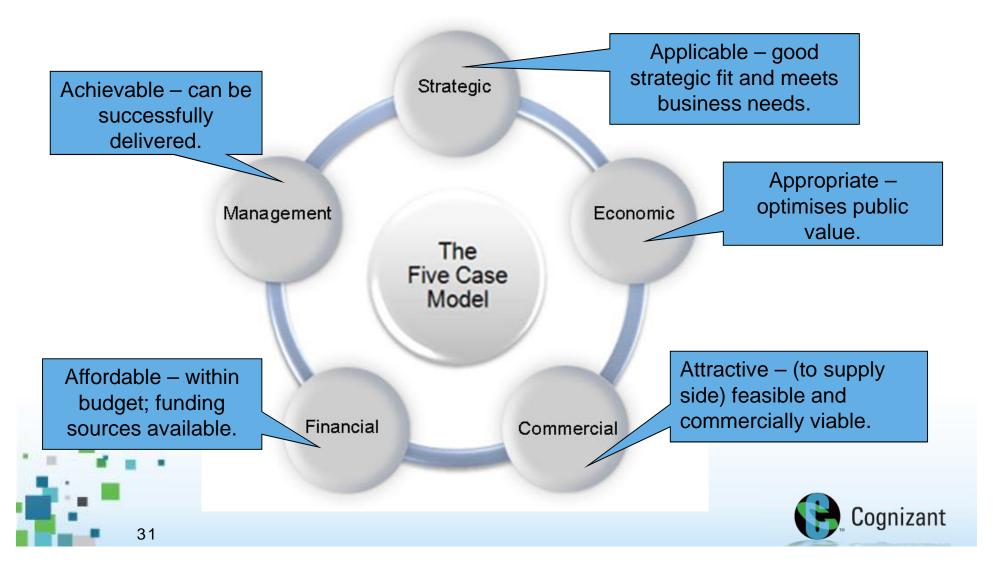
Benefits are either:

- Direct Financial additional revenue, eliminating a business process, revenue protection
- Non-Direct Financial Cost avoidance by action to reduce future waste, safety compliance, brand awareness, legislation compliance.
- Enabling efficiency returns, increase in productivity, increases in increases in quality or quantity of service delivery, training, new computer systems
- Soft staff satisfaction, turnover, absenteeism, brand value, empowerment of staff, teamwork, morale



The 5 Case Model

The 5 key elements of best practice business cases



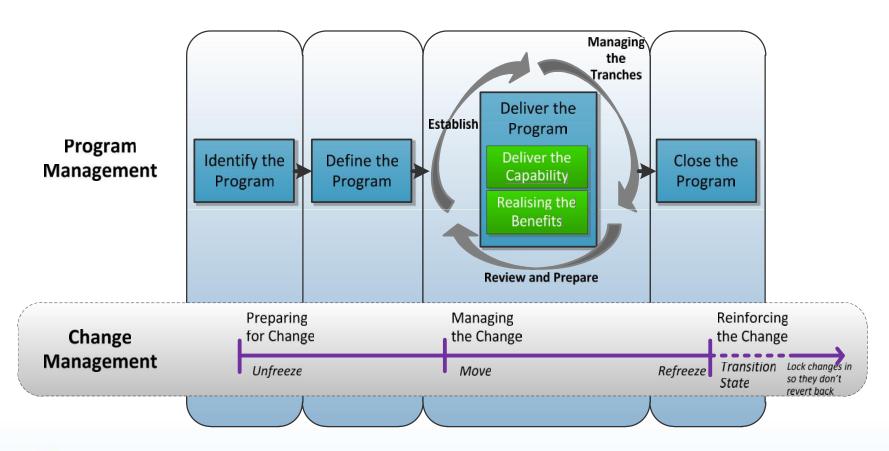
Change Management – What is it?

- The actions relating to people, process, systems and environment that need to be undertaken in order to move from the 'understood current state' to the 'planned future state'.
- Based on a well-known change management framework, Prosci's ADKAR model, to achieve this successfully, you must have 5 clear goals:
 - A Awareness of the need for change
 - D Desire to support and participate in the change
 - K Knowledge on how to change
 - A Ability to implement required skills and behaviours
 - R Reinforcement to sustain the change



Change Management Lifecycle







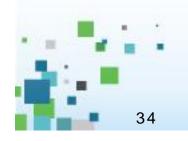


Change Management Preparing for Change



 Preparing for change develops the change management strategy, identifies change team requirements, sponsorship requirement and change education needs.







Change Management Managing the Change

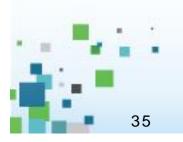


 Managing change creates the change management plans using the ADKAR model and implements the change management activities during transition.

Develop change management plans



Take action and implement plans





Change Management Reinforcing the Change



 Reinforcing change assesses the results of change, identifies gaps, implements corrective action and celebrates successes.



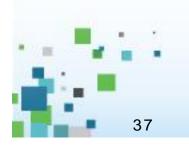




...in summary



- Mitigate Risks in programs by
 - Ensure your business cases are clear about contribution to strategy, they identify and quantify benefits and you remain committed through the project lifecycle to ensuring the stated benefits are realised appropriately
 - Identifying what level of Change Management is appropriate for the change you are delivering. What are the benefits that are being sought and how will they be delivered more successfully by having the business ready for the change. How do we then reinforce the change to maximise the return on the investment





Risk Management Factors related to

Projects





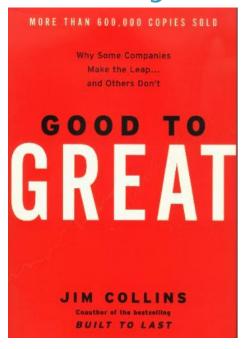
Project Management Risk Factors

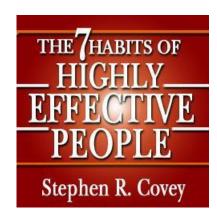
- Project Delivery
- Project Sponsorship & Leadership
- Project Resourcing
- Cost & Benefit Tracking
- Domain & Technical Knowledge
- Vendor Management
- Project Controls (Risk & Issue Management)
- Change Control & Decisions
- Communication & Stakeholder Management
- Project Type

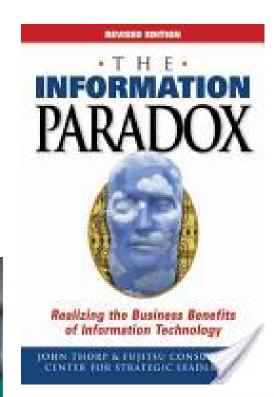




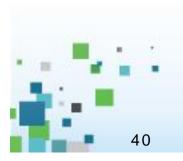
What's your favourite read?

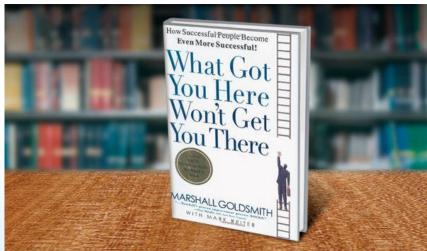










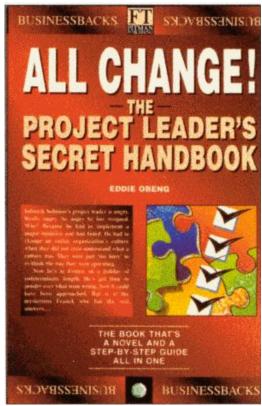




Introducing Eddie Obeng – my project 'Hero'







• All Change!: Project Leader's Secret Handbook by Eddie Obeng (Paperback - 1995)



Personality Type Indicators for the Project Team



We accept that we can have different types in the work-place According to my Myers-Briggs Type Indicator (MBTI), I'm an ENTJ

- E for Extraversion
- N for Intuition
- T for Thinking
- J for Judgme

The four dichotomies

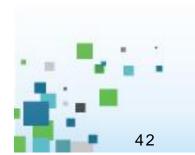
Extraversion (E) (I)

- Introversion

Sensing (S) - (N) Intuition

Thinking (T) - (F) Feeling

Judgment (J) - (P) Perception







Four Types of Projects

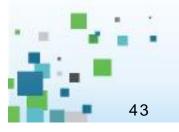


Eddie Obeng has defined there are four types of projects:

- Painting by Numbers
- Walking/Lost in a Fog
- Making a Movie
- Going on a Quest

Understanding each of these project types can help you to manage risks and have mitigation strategies in place to avoid those risks becoming issues!

Appreciate that each project type behaves differently and presents with a different personality. Let's see how





Eddie Obeng Typology



To understand the Eddie Obeng typology better we need to get answers to two key questions:

- Are you clear about WHAT you want to do (the output to be achieved)?
 - How detailed, well defined and documented are the requirements?
 - Is there general agreement around the requirements?
 - Is there agreement on decision making and acceptance?
- Do you know HOW you are going to do it?
 - Has the organisation had previous experience with this project type? Is this experience still held within the organisation?
 - Is there a well worn methodology to follow with applicable templates?
 - Are there supporting tools to assist in the project delivery?
 - Are there people with sufficient capability and experience within the organisation?
 - Are the steps to develop the project well documented and understood?



Introducing the Project Types



Unclear

Making a Movie (Semi-Open)

- Stakeholders are very sure about how it is to be done
- Stakeholders are unsure of what is to be done
- The organisation is clear about the method to be used and has the expertise
- Need to spend time defining the 'what'

Painting by Numbers (Closed)

- Stakeholders are sure about what is to be done and how the project is to be done
- The organisation is going through a repetitive project and knows the skills needed
- Written procedures, methods and systems are available to replicate what has been done in the past

Walking/Lost in a Fog (Open)

- Stakeholders are unsure what is to be done
- Stakeholders are unsure how the project is to be done
- The organisation is attempting to do something not done before
- The organisation needs to spend time defining the 'what' and the 'how'

Going on a Quest (Semi-Closed)

- Stakeholders are sure about what is to be done
- Stakeholders are unsure of how the project is to be done
- The organisation needs to spend time on defining the 'how'

■Clear <

→ Unclear





What to do



Clear

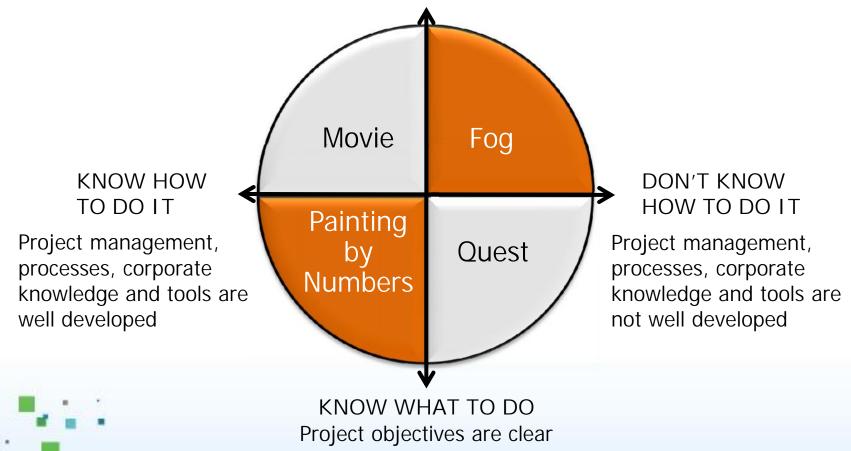
Project Types – The Diagram

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DON'T KNOW WHAT TO DO

Project objectives are not clear





What's the Value in Identifying the Type?



These project types assist in identifying the correct project methodology, level of control and the right type of Project Manager to deliver the project.

Identifies that success is different for each project type.

Matches the kind of change to the project type.

Applies the right level of project management skill and experience to the different project types.

Gauges the level of stakeholder engagement required for each project based on its project type.

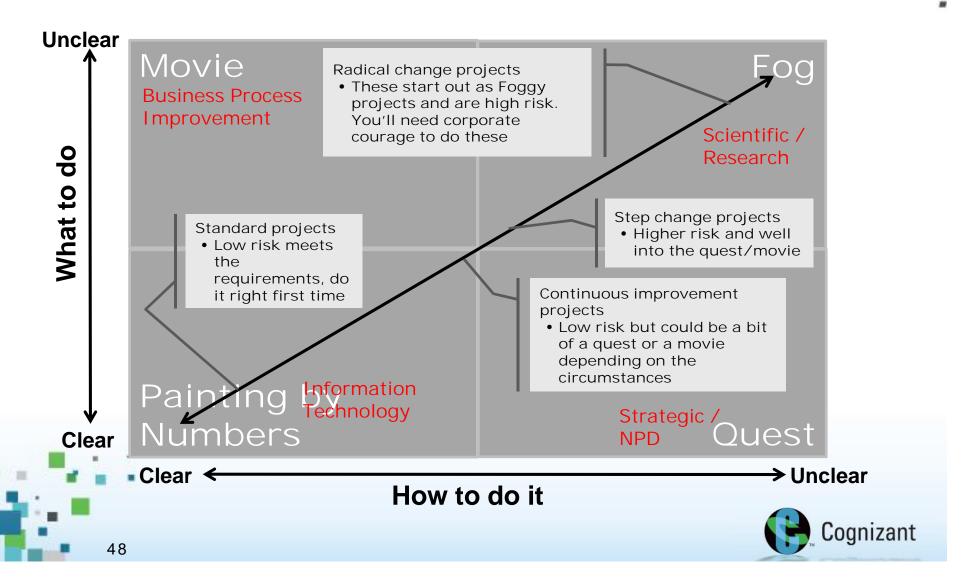
Helps you match your people (project managers) and techniques to suit the circumstances.

Helps shape your approach to risk management at the entity and at the deliverable and task levels



What Types of Projects?

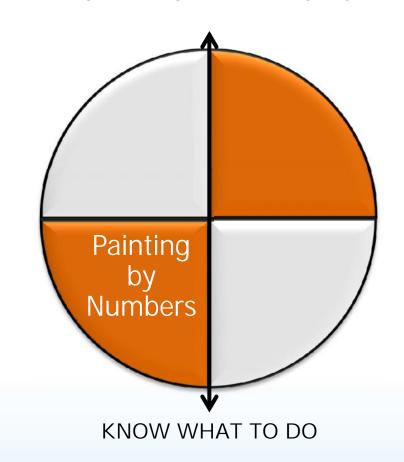




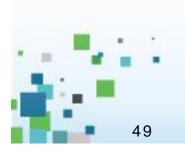
Understanding the Painting by Numbers Personality



DON'T KNOW WHAT TO DO



DON'T KNOW HOW TO DO IT



KNOW HOW

TO DO IT





Time	Should have confidence in the time and schedule estimates
Cost	 Use 1:1.2 ratio for estimating e.g. estimated project cost \$1M, have a budget tolerance of \$1M - \$1.2M Should have Confidence in the cost estimate
Quality	Utilise a standard quality planShould have no concerns about the quality outcomes
Scope	 Projects tend to have clear goals with a clearly defined set of activities, specifications and acceptance criteria needed to complete the project. Out of scope items are easily identified and known
Risk	 There are low levels of uncertainty and ambiguity so risks are largely known and manageable. Fewer surprises
Dependencies	 Dependencies are obvious and well known and should be easily identified and scheduled



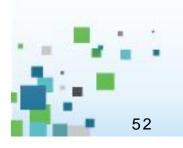


Stakeholders	Use standard Stakeholder Engagement processes
Benefits	Use standard Benefits Management processes
Change Mgt.	Use standard Change Management approaches
Resourcing of Team	 The skills required of a Project Manager are largely in facilitating the project's delivery as each person has specific skills which are identified at the start of the project Use task-oriented people
Project Plan	 The Project Plan is the driver and the people do what's required in the plan
Schedule	 Schedule is very useful and actuals can be tracked against baseline
Behaviour within a program	 Easy to track and manage Able to have as part of your critical path





Governance	 Written methods, procedures and systems describing what and how things were previously done should exist. Should use standard Governance processes Light touch Governance required
Integration	 Integration should present no issues to the team
Communication	 Regular and normal communication with project team and project stakeholders
Measuring Success	 Value is largely achieved by delivering the requirements on time and on budget
Emotional State	 By the time you start a painting by numbers project you should feel confidence

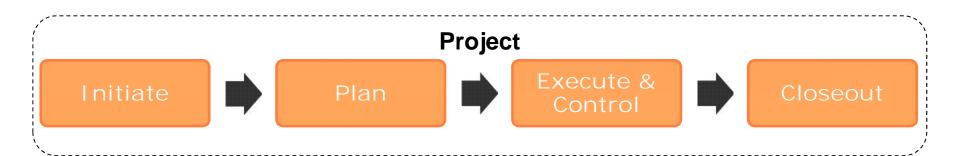


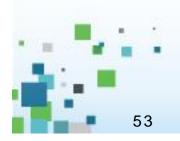


The Right Approach to PBN Projects



Painting by Numbers







Understanding the Walking in the Fog Personality









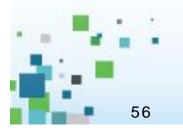
Time	 Set an overall time limit for the project or projects Break up the project into a number of projects and only commit to the next project when and where you have clarity
Cost	 Set a very limited overall budget and reconcile over-all spending at the beginning and end of each project Use a range of between 1: 10 and up to 1:25 for estimating purposes Should have Low or No Confidence in the cost estimate
Quality	 Define some compulsory minimum specifications but leave the remainder fluid, further definitions will be required when clarity is gained in future steps
Scope	 Projects do not have clear goals or a defined set of activities, specifications or acceptance criteria. Focus on gaining clarity and clarifying scope as you go.







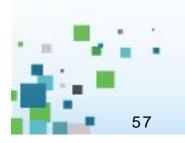
Risk	 Very high risk – potential for major tolerance overruns on all aspects (time, cost & quality). Risks associated with how and what needs to be developed. Levels of ambiguity and uncertainty are very high
Dependencies	 Avoid having any projects dependent on a Fog project
Stakeholders	 You and most of your stakeholders are uncertain about how the project should proceed and uncertain about what needs to be done Project requires the complete commitment and support of the senior stakeholders
Benefits	 Higher risk of the project not achieving its proposed benefits Benefits are difficult to calculate up front, require more investigation and research to validate and more difficult to track







Change Management	 Do not use a Fog project to introduce business or organisational change. The change management required is not known and therefore close to no change management is required at this stage
Behaviour within a program	 Do not have a Fog project as part of your program's critical path Isolate a Fog project within a program or keep it out altogether
Resourcing of Team	 The PM needs to be a strong leader. They need to able to lead along with the owner/sponsor/client to make sense of what is required and how it's going to be achieved Resources on the project need to be comfortable with ambiguity, good at lateral thinking and collaborative







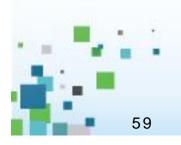
Project Plan	 What plan? Imagine being on top of a mountain, in the fog, and no map or compass; that's a foggy project. Sticking together and progressing bit by bit are keys to success
Schedule	 Only useful to track actual progress and maybe the identification of high level phases and the tracking of key 'outside project' milestones
Governance	 Governance is crucial. The Governance needs to be more regular, more involved and more decisive. When is enough enough? The Project manager advises and recommends, but the sponsor/client/owner decides
Integration	 Don't even think about it!
Communication	 Requires tight controls, strong communication, innovation and creativity. Fog projects can be unsettling if not managed well







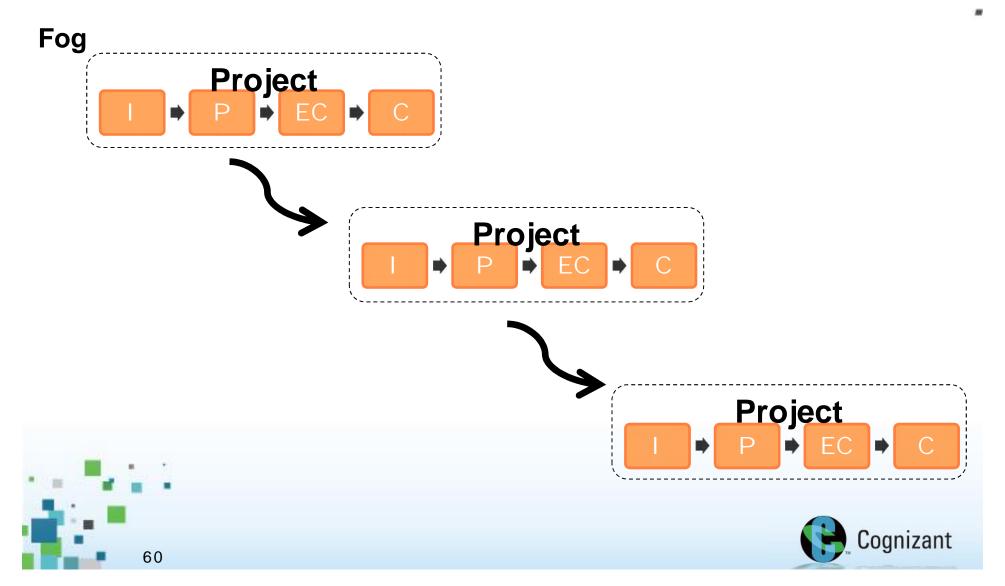
Measuring Success	 Traditional measure of success such as on-time and on-budget are largely meaningless; typically there are no statistics to base this type of measure on Have you worked out what you need? How are you going to do it? Have you cancelled it altogether?
Emotions	 You really feel as if you are caught in the fog. Not a lot of vision, not a lot of direction You can't stay where you are, so you've got to move into the fog and see what happens It's okay to be guided by your gut feeling. You may feel, at times, fear, loss, confusion or uncertainty but it's okay Remember, your team feels the same





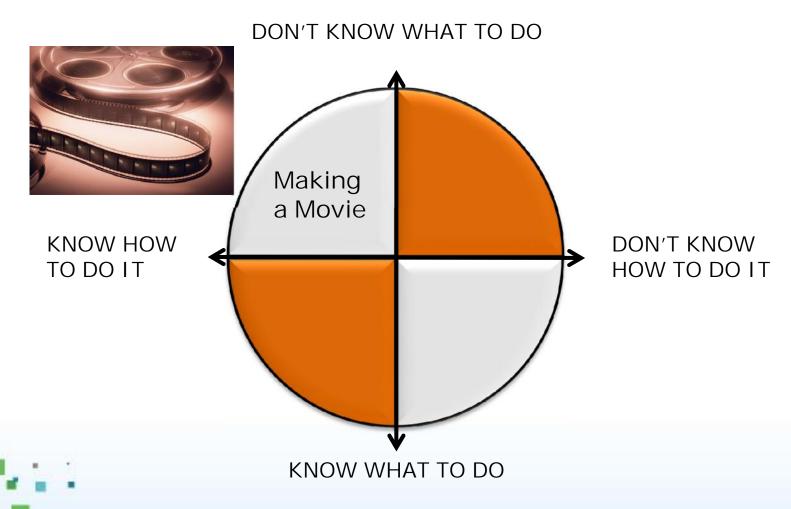
A Suggested Approach to Fog Projects





Understanding the Making a Movie Personality









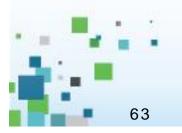
Time	 Define and commit to a delivery date The date may need to be refined after initial planning
Cost	 Use 1:2.5 ratio for estimating e.g. estimated project cost \$1m, have a budget tolerance of \$1M - \$2.5M Set and commit to a project budget but request a reasonable 'unknown' contingency
Quality	 Set initial quality measures and refine as the project progresses
Scope	 Create broad scope with available information and where possible, refine after a prototype or pilot is complete
Risk	 High risk – due to unstable or undefined project requirements there is potential for major overruns of the project controls Because of the unstable requirements, the project will be a success (blockbuster) or a failure (flop)







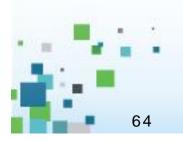
Dependencies	 Project dependencies off Movie projects need to be made with caution Dependencies can be made into interim deliverables
Stakeholders	 You and most of your stakeholders are very certain about how the project should proceed but not what needs to be done Stakeholder communication and relationship management should be focussed on clarifying and stabilising the requirements and making sure the focus on stabilising and agreeing the requirements
Benefits	 There is a medium to high risk of the benefits not being achieved because of the lack of stability in the requirements Benefits will need to be revised during the project to ensure they are in line to being achieved/realised







Change Management	 Some caution is required here. The requirements should be clear. The training and other techniques should be tried and tested and not be risky in themselves
Behaviour within a program	 Movies are part of any typical program and can sit on the program's critical path
Resourcing of Team	 The PM needs Strong leadership with clarity of the vision The team needs to have strong BA capability
Project Plan	 The plan is the controlling force for providing resources (it's been done before) but the requirements as they are defined provide the finishing and unique touches Prepare a robust business case with focus on the requirements, not the how or approach so much







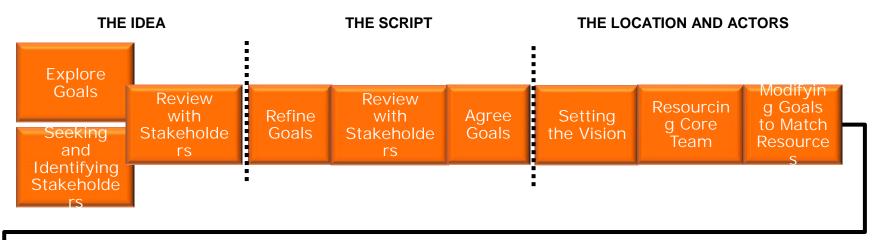
Schedule	 Schedule is important. Tracking actuals against baseline is extremely important for retaining knowledge. Ensure estimates have a built in contingency
Integration	 No issues. It has been done many times before
Communication	 Regular and efficient communication to the project team and key stakeholders is crucial – focus on getting understanding around requirements
Measuring Success	 The key measurement is in the quality of the definition of the what in the project Only after the project is complete can the results be measured. Will the "public" acclaim the final result, merely accept it, or dump it
Emotions	 We are confident because of our experience and excited by the prospects of working on a new script

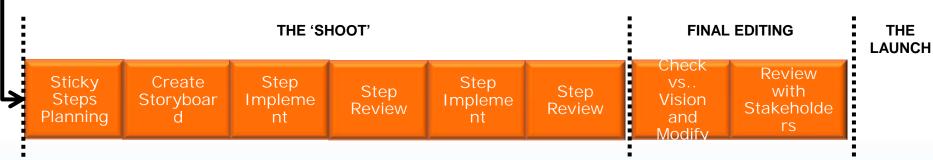




A Suggested Approach to Movie Projects









A Suggested Approach to Movie Projects



Movie

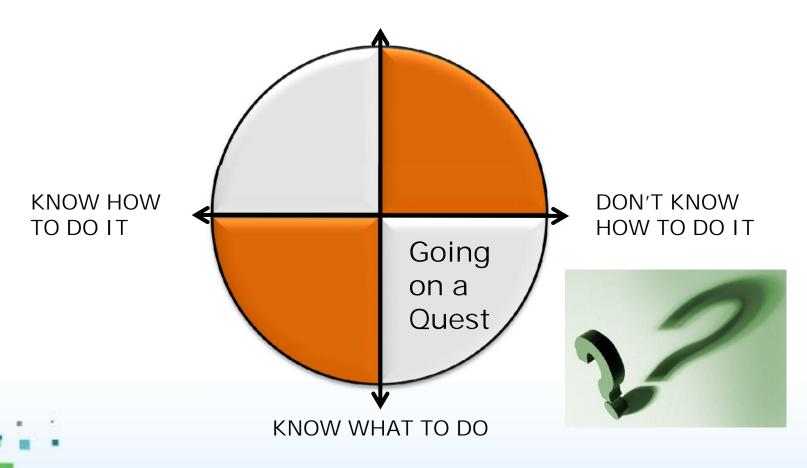




Understanding the Going on a Quest Personality



DON'T KNOW WHAT TO DO







Time	 Set multiple short dated milestones and frequent review points with go/no go Need to balance strict control on time with the freedom to innovate and solve problems
Cost	 Use 1:6 ratio for estimating e.g. estimated project cost \$1M, the final cost could be as high as \$6M Cost each phase of the project independently Need to balance strict control on cost with the freedom to innovate and solve problems
Quality	 Set initial quality measures and refine as the project progresses
Scope	 The project needs to be developed in phases with go/no go gateways as the process for delivering the solution is firmed up. Scope should be clear and defined well







Risk	 High risk – due to unknown processes there is potential for major overruns of the time and scope project tolerances As this is a creative process, there will be risks associated with this project type
Dependencies	 Dependencies to a Quest project should not occur until the later phases of the Quest project when the solution delivery process is finalised
Stakeholders	 The focus on the engagement should be around identifying the solution delivery
Benefits	 There is a medium risk of the project not delivering its intended benefits but if a solution can be found then the benefits will be immense. Nevertheless, the benefits will need to be revised during the project to ensure they are in line to being achieved/realised







Change Management	 The Change Management required will be focussed on protecting the benefits identified in the what and ensuring none of the how affects it
Behaviour within a program	 Another unstable project type that requires more definition before successfully integrating into a program plan. Probably shouldn't be on a program's critical path
Resourcing a Team	 Requires a team of self-motivated people who will work tirelessly to seek and then deliver the solution Quests rely on creative people to determine what to do next and make intuitive leaps to discover the way forward
Project Plan	 The plan imposes some conditions and typically these may be boundary conditions
Schedule	 Should be created and needs to be updated with estimates and proposed tasks as each phase is agreed upon







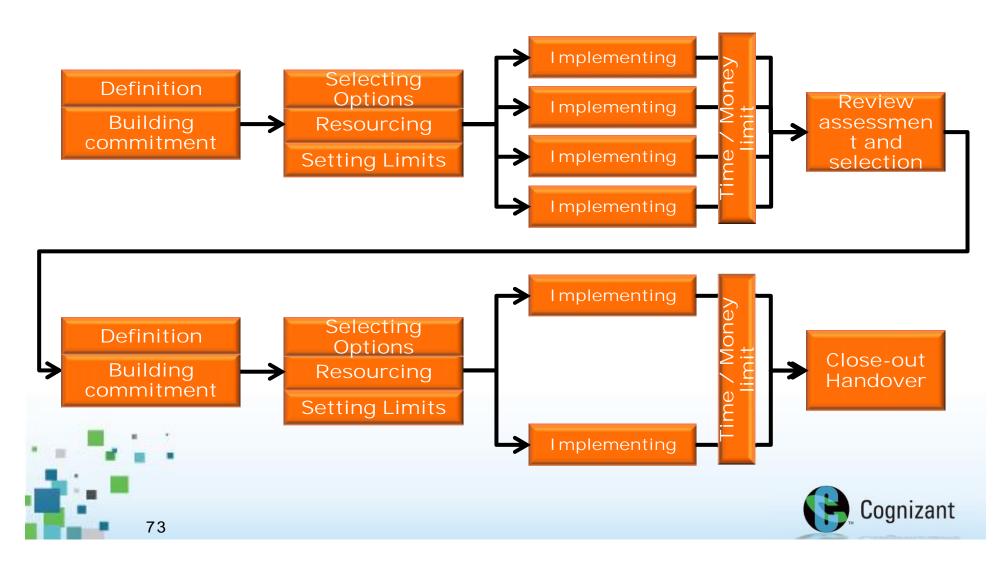
Governance	 The project will be developed in phases with go and no go gateways as the design is firmed up Success likely to depend on close management and governance These projects require more involvement from the Subject Matter Experts
Integration	Will only be understood towards the latter end of the project
Communication	 Regular and effective communication to the project team and key project stakeholders is needed
Measuring Success	 Success or failure is clear cut; the objective has been achieved (or not). The challenge will be ensuring the approach enhances the benefits
Emotions	 If you are involved in this type of project you are likely to feel challenged, excited, or single minded





A Suggested Approach to Quest Projects





A Suggested Approach to Quest Projects



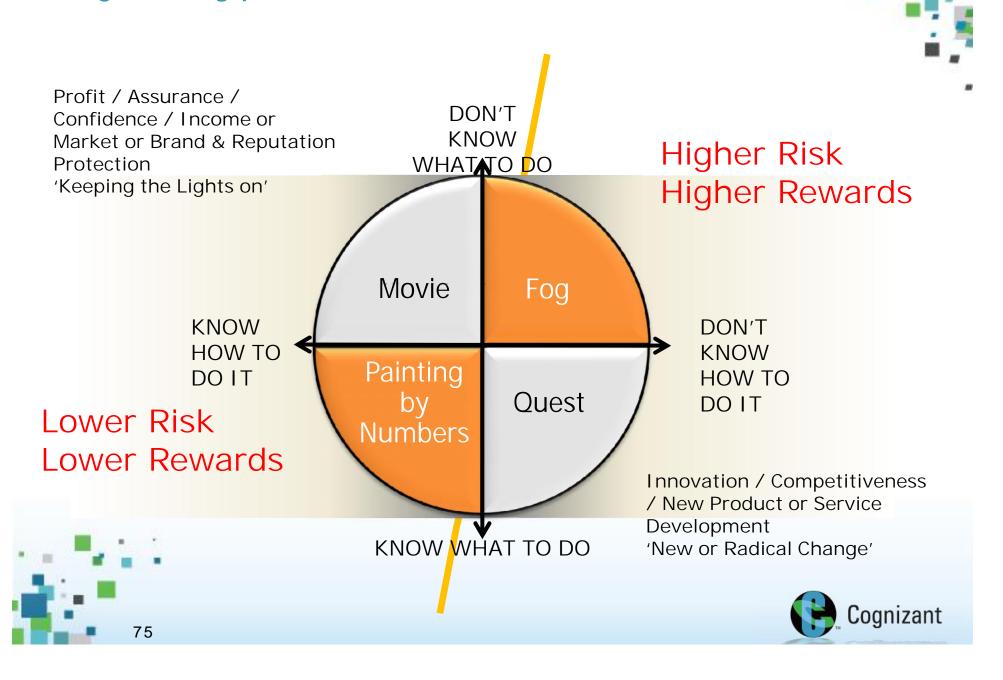
Quest







Project Types and Portfolios



...in summary



- Recognise that the level of risk varies depending on the type of project you embark on. Don't be afraid to call a project off, don't be bloody-minded about delivery.
- Projects can change from quest, movie or fog to painting by numbers as they progress through the project lifecycle. Make use of stage gates to take stock of where your project is heading and use your head to interpret how well things are doing!



In conclusion...



- Can you remember the 5 Project Categories?
 - 10s Compliance
 - Js Maintenance
 - Qs Tactical
 - Ks Strategic
 - As Innovative
- Can you remember the 4 Obeng Project Types?
 - Paint by Numbers
 - Movie
 - Quest
 - Fog





Like to Know More?



- We offer a short 3-hour workshop on how to apply these learnings in your work environment.
- We can provide an Executive Briefing (30 minutes) for the Senior Leadership Teams and/or Executives at your organisation



Thanks & Goodbye



Thanks to you all for your attention and attendance today Thanks to Adrian Sparrow for the original invitation Thanks to Dave and Lisa from Eventuate for organising the conference and to all the sponsors as well.

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Speaking at the PMI Conference this month September about 'Killing the Four Zombies of Project Management'

