

DELIVERING MAJOR PROGRAMMES OF WORK SUCCESSFULLY

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What makes a major project or programme work, and what can make it fail? The construction industry has a chequered history of delivery, most recently exemplified by the contrast between the Emirates and Wembley Stadiums. But similar contrasts exist between the Scottish Parliament Building and BAA's Heathrow Terminal 5, as well as the Channel Tunnel and the Channel Tunnel Rail Link.

The question is not an academic one as we face the current global financial crisis. The UK government, along with the US, are considering huge national fiscal stimulus packages that include significant investment in infrastructure as a means to generate growth and kick-start their economies. If these major projects are delivered over budget or late, they will not achieve their intended economic benefits.

An opportunity and a responsibility...

Major projects used to be the preserve of government, but increasingly private sector funding has become a vital ingredient to publicly sponsored projects, while privately sponsored projects and programmes have also emerged. Major change programmes are not the preserve of

construction, and the principles of successful delivery are transferable across sectors. In our experience, companies which organise their projects as programmes and employ programme management methodology are more likely to succeed.

So what makes a major project or programme successful, and how do you ensure certainty of outcome and greater financial and economic value from investment? We outline some key areas for focus and typical questions we are asked by clients when advising on how to deliver major projects successfully.

An aligned client leadership

How do I better control the development and delivery process?

Most of our clients have significant critical business activities to conduct whilst managing major projects. Our approach is to bring clarity and simplicity around what needs doing at each stage, allowing them to focus and to facilitate their strategic decision making. The success of the project is entirely dependent on their complete involvement together with the provision of clear objectives and the complete alignment within their leadership team of business need, the project's alignment to business strategy and the outcomes required.

We also find it necessary to establish an appropriate governance framework which provides the necessary management controls, to ensure that the delivery achieves or exceeds the defined outcomes. It also provides an opportunity for peer review and value enhancement.



An engaged supply chain

How do I adapt my organisation around growth in contracting or changing markets?

Many organisations find that they do not have an effective working relationship with, and are unable to unlock the value from, their supply chain. Delivery of a major project requires high performance throughout the supply chain which can only be achieved through full engagement and a relationship approach.

It is necessary to work with a consultant with significant experience in developing supplier engagement strategies with clients to drive significant value through the supply chain. The key is to develop and manage partnering style delivery methods, working with collaborative style contracts such as the ECC/NEC suite.

We find that the key issues around the supply chain include: how the supply chain should be engaged and how early in the project; the application of appropriate mechanisms for control and incentivised performance; effective relationship management and the placing of risk with the party best able to manage it. We also find that it is most effective to develop KPIs with the supply chain to enhance their ownership of the outcome.

An effective programme management team

How do I deliver greater performance, manage risk and enhance returns?

Most successful companies and projects can link their outcomes to the quality of leadership provided by their professional management team. The management team will inevitably have their own style but must work closely with the client to ensure that the delivery is influenced by the client's ethos and vision.

Delivery performance is heavily influenced by project stakeholders. This is particularly true for major urban infrastructure works such as construction for London's 2012 Games, Terminal 5 at Heathrow and Crossrail. Our approach, as with the supply chain, is to engage stakeholders early in the process and work with them throughout delivery to align their objectives with those of the project.

A feature of major projects, is the degree of uncertainty that must be negotiated whilst providing delivery certainty of the scope, budget and programme. This is accomplished through robust management of change, risk and opportunity, and should be delivered through the application of a Programme Management Office (PMO) approach, which proactively measures project performance and provides 'one version of the truth', as well as clear processes for evaluating and managing the impact of risk, change and opportunity.

The programme management team must be supported by Management Information Systems (MIS) that deliver accurate and timely information to enable effective decision making. MIS can be web-enabled to allow visibility of data across geographies where the client or management team require mobile access or are located at multiple sites. Opportunities for performance improvement are driven through assessing trends and managing supplier KPIs.

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