GPO
Global Projects Organisation

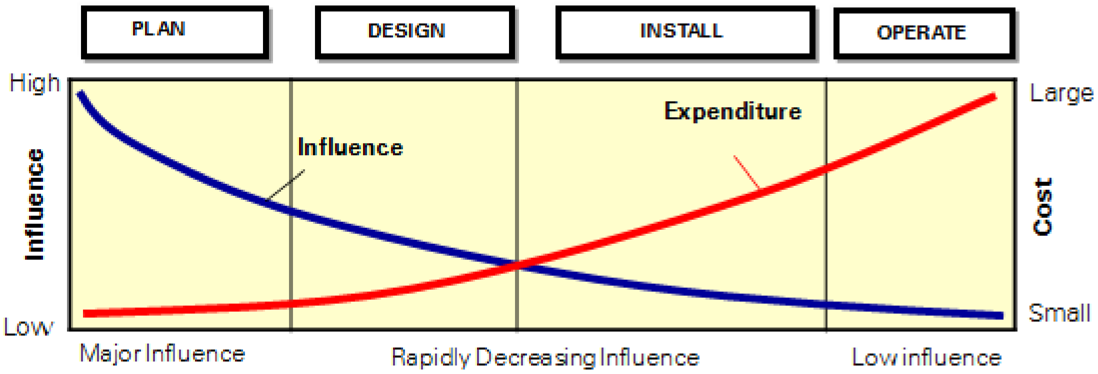
Project Strategy – Asserting Influence Early

GPO's goal is to generate business value for clients by delivering projects, which are efficient in both capital investment and long-term operation.

Project Management - Reminder

We always remind ourselves on the high value of doing things right at the outset of a project and to avoid being pressurised into taking short cuts to meet that "must meet deadlines."

Throughout a project there will always be "must meet" deadlines, some real and others artificial or self imposed. Experience has shown that setting artificial schedule targets has been a significant contributor to poor front end loading (resource requirements) for the smart thinking and definition phases of the project, poor project execution performance resulting in value erosion for external stakeholders.



The relationship in the above figure should always be in the back of the project managers mind when they just for a moment consider a "shot cut" so they can they can achieve "must meet" deadlines for whatever reason. The smart thinking and definition phase of the project shown in the figure above delivers the greatest value in a project, one should remember this. This phase by it's nature is difficult to shorten by adding additional resources unlike the later stages where the project has

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been scoped/defined and it is clear what the teams outcome is - as per the defined scope. Unfortunately for so many projects, time and time again there is nothing worse than trying to fix something which should have been designed properly in the first place - normal time pressures at biggest contributor to the introduction of errors in the design. That rush to get the design out the door to keep the “must meet” deadline.

A project does have a natural pace it requires judgement by senior management and the project management informed by study team and the company’s previous projects to make the right decision on the natural pace of the project. The correct natural pace in the smart thinking and definition phase of the project is fundamental for the optimum work to get done. Cost and quality also need to be understood and balanced with the project schedule to determine natural pace.

PROJECT EXECUTION PLAN

A clear Project Execution Plan (PEP) owned by the project manager shall define the strategies and plans to be implemented for running the project. A thought through plan for executing the project, which is outlined in Concept and further developed and finalized early in Design stage, is central to successful project execution.

Projects with good and poor outcomes have been examined and there is a clear relationship between projects which have well defined and robust PEPs, set by and owned by the project manager, and project success. A lack of design definition or an inadequately developed Project Execution Plan and insufficient integration, has been shown to result in poor project outcomes. The project manager must confirm and take accountability that the project has achieved the appropriate level of definition ahead of sanction, including external challenge.

PROJECT RISK MANAGEMENT PLAN

A risk is typically defined as an event (circumstance) that, should it occur, would have a material effect on project value. Managing key risks and associated uncertainty is crucial to delivering project value and success. Upside opportunity must be addressed as aggressively as downside risk. The natural tendency is for projects to spend a lot of time in trying to reduce or eliminate downside risk. However giving the appropriate time to investigating opportunities will avoid investigations later on in the project when the question arises if there are any opportunities missed.

Remember the ‘Cost and Influence Relationship’ curve in the figure above. On the outset of the project, we recommend spending the time in developing a Risk Management Plan this is just as important as your Project Execution Plan. The Risk Management Plan describes how the risk management practice is implemented on the project, roles and responsibilities, tools to be used and who is responsible for managing the process etc. The requirement is similar in principle to the objectives of the Project Execution Plan. Unfortunately a lot of projects choose to short cut this and jump straight to a risk register, without any accompanying process for the risk register.

Unfortunately a lot of projects don't spend enough time and/or employ risk management too late in concept stages of a project, choosing rather to focus on scope definition. Scope definition and risk management are interrelated, so going light on one tips the balance.

Risks and uncertainties, concerns and issues should not be kept secret and should be transparent to key stakeholders. To demonstrate how the project team are handling the risks on their behalf. By consistent transparency the partners can be enrolled in the decision making process, and not kept in the dark. Sharing information about risk with key stakeholders can help reduce risks on a Project. The nature of the information shared shall take into account local laws and regulations, and contractual terms.

All risks should be assessed in relation to the following four areas of impact: Health & Safety, Environmental, non-financial and financial. This will ensure risks are appropriately categorised.

In summing up, insufficient definition and missed opportunities early in the concept and design phases can greatly influence the final outcome of your project.

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