

Project Management: Improving performance, reducing risk

*When will you think differently about
project management?*

2014

Who are your presenters?



David O'Brien
Senior Manager

- Advisory team member specialising in Programme & Project Management
- Over 7 years' experience across multiple industries, including financial services, retail, government, and utilities; working with clients to manage end-to-end solution delivery
- Experienced in:
 - Delivery and implementation of business solutions to both public and private sector
 - Project and Programme management
 - Managing IT implementations that drive business change and end value
 - Working across multiple geographies to deliver project objectives and goals
- Certified PMI PMP and PRINCE II Practitioner



Lara Haskins
Senior Manager

- Advisory team member specialising in managing people and projects through change
- Over 15 years' experience managing projects of varying sizes and complexities within different industry sectors.
- Experienced in:
 - Leading organisational development, process improvement and change initiatives
 - Overseeing IT implementations and service delivery
 - Supporting Executive Team in organisational communications and strategic projects
- Holds an MBA from Queens School of Business, Canada

Agenda

Slide

<i>What is Project Management and its fundamental importance</i>	4
<i>Why do projects fail and what are the warning signs of a failing project?</i>	11
<i>What are the costs of a failed project</i>	15
<i>How do you increase the chances for project success?</i>	19
<i>Managing the people side of change</i>	21
<i>What are the key takeaways?</i>	29

Lead Presenters

- *David O'Brien*
- *Lara Haskins*

What is Project Management and its fundamental importance?

1

The strategic imperative for Project Management

“Today is the slowest rate of change we will ever experience”



Business Leaders – Your Responsibilities



Project Management – More than just a plan?

“We will either find a way, or make one”

“Don’t find fault, find a remedy”

Learning from failure

Organising Chaos

Retain and use knowledge

Managing Risk & Clearing Issues

Communication

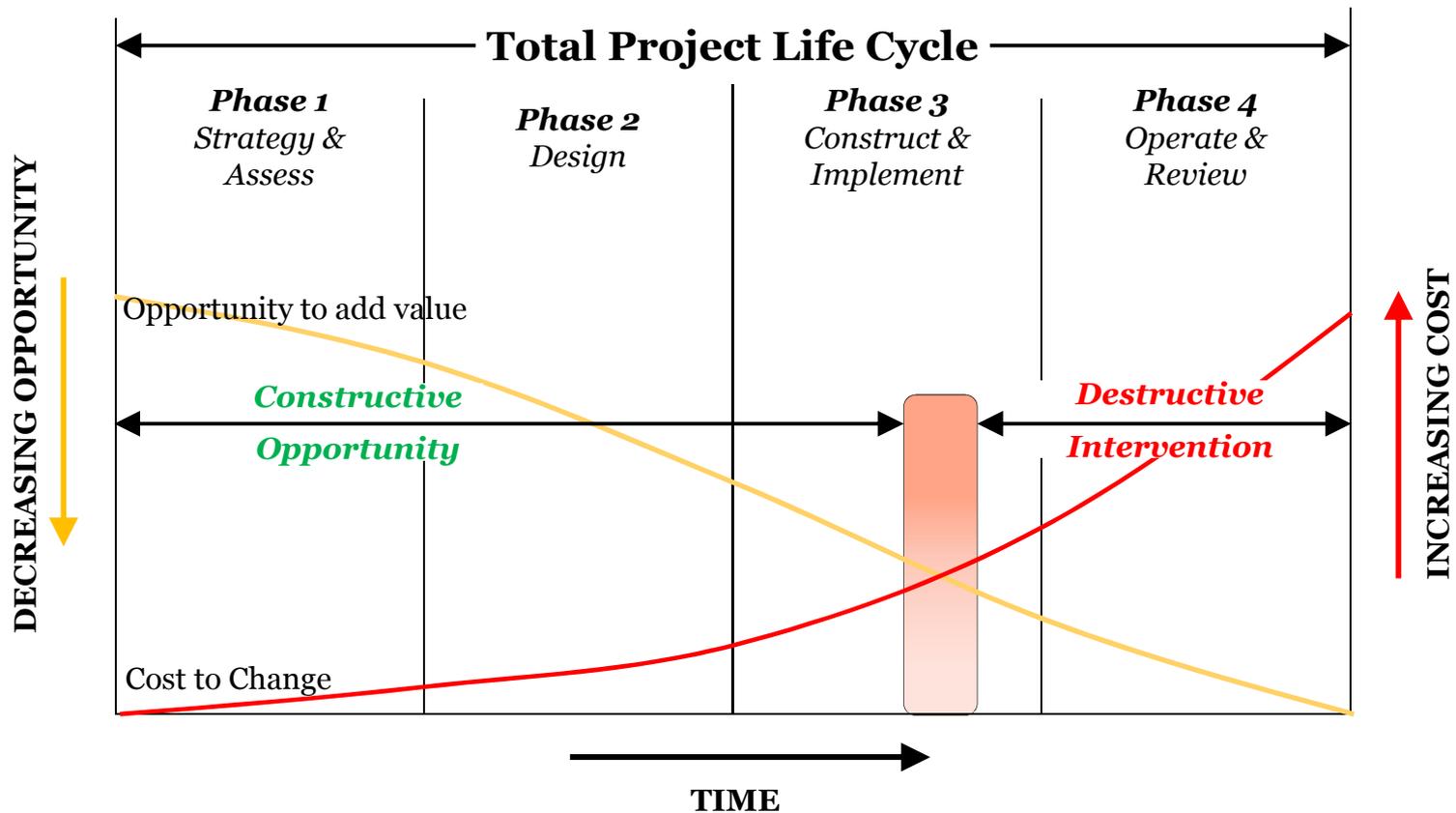
Managing Quality

Managing Change

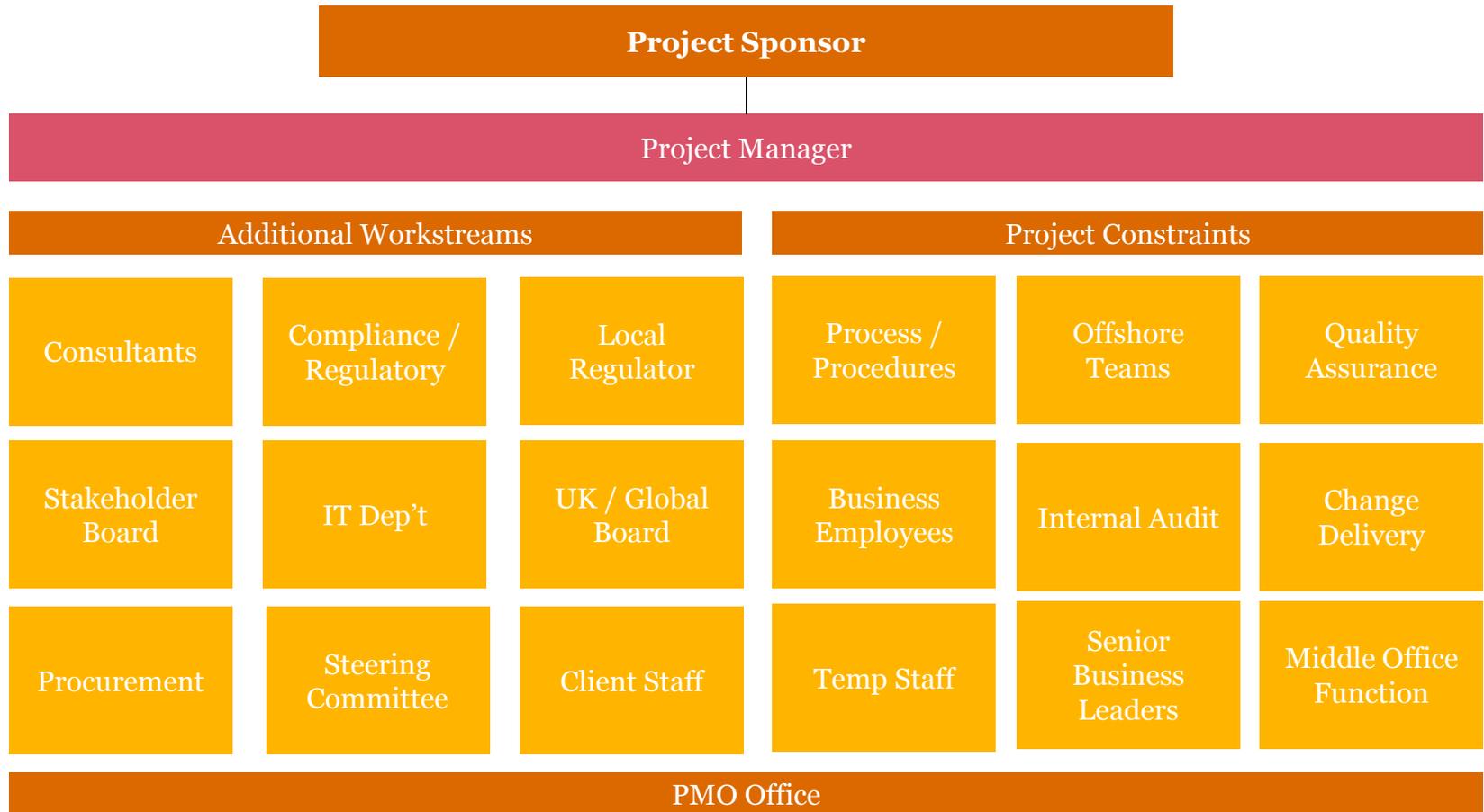
Managing Integration



Project Management from the start – do it once and do it right



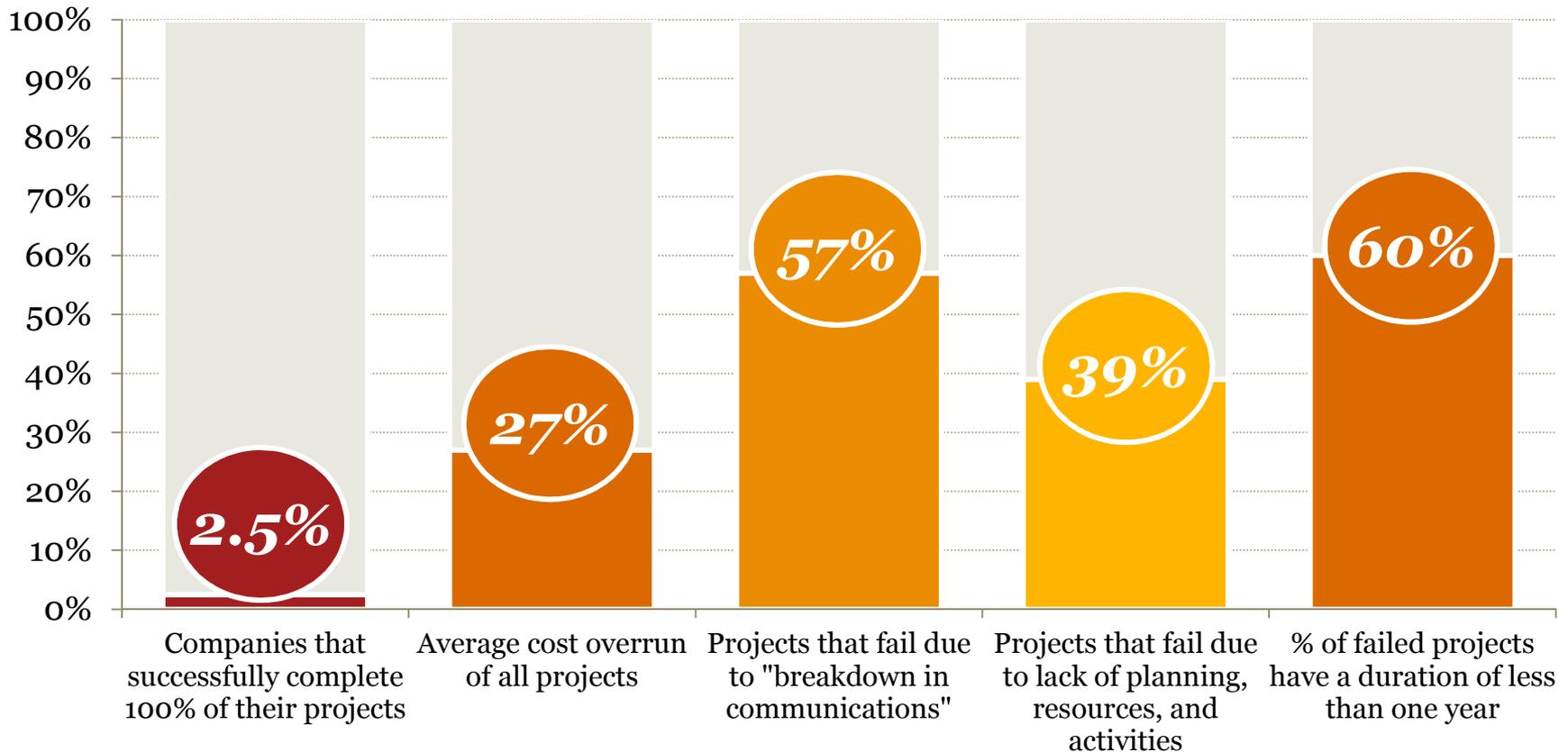
Why should Project Management be important to you?



Why do projects fail and what are the warning signs of a failing project?

2

Are those figures true?

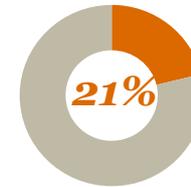
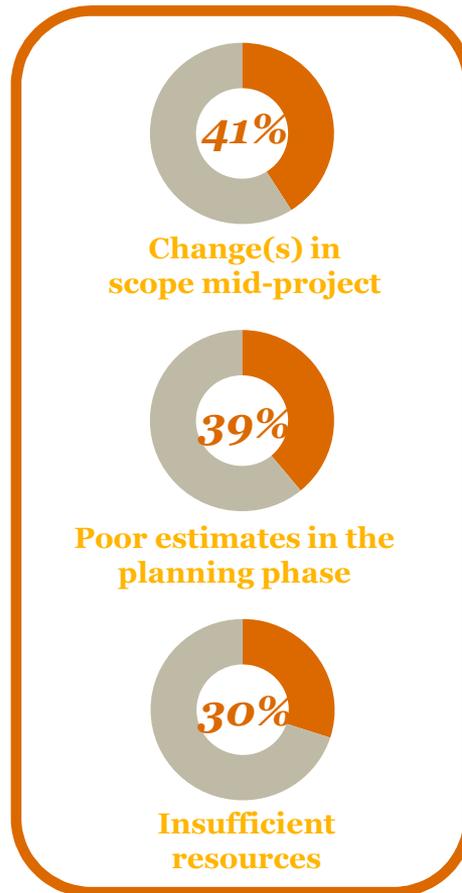


Could these be changed through good project management?

Source: team Gantt - "Seven Shocking Project Management Statistics and Lessons we should learn"

Why people who commission change don't get what they want?

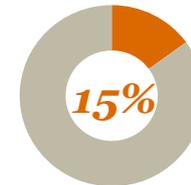
The Top Three reasons for project failure – regular theme since 2004 !



Weak project planning



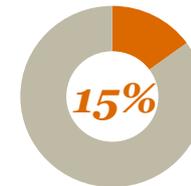
Change in strategy



Lack of change-control management



Change in environment



Lack of executive sponsorship



Ineffective procurement/supplier

Source : PwC PPM Survey 2014

What are the warning signs of a failing project?

Lack of Stakeholder engagement and support

Overruns of schedule and cost

Resource reallocation

Poor communication

Lack of progress

Missed milestones

Constant scope creep

Increase in overtime

Baseline plan is non-existent / ignored

Inconsistent management information (MI)



What are the costs of a failed project?

3

Cost of poor Project Management

NHS

£12bn – Failed IT implementation

December 2011

Sainsbury's – Supply Chain

£260m – Supply Chain IT

April 2004

UK Gov't – Millennium Dome

£600m – Failed Infrastructure

April 2001

Global Bank A

\$1bn – IT “glitch”

2013

Global Bank B

£292m – Failure to apply AML procedures

April 2012

Global Bank C

£12m – Failure to apply CDD (*Internal Standards*)

April 2014

SNCF

€15bn – Purchased wrong trains

May 2014

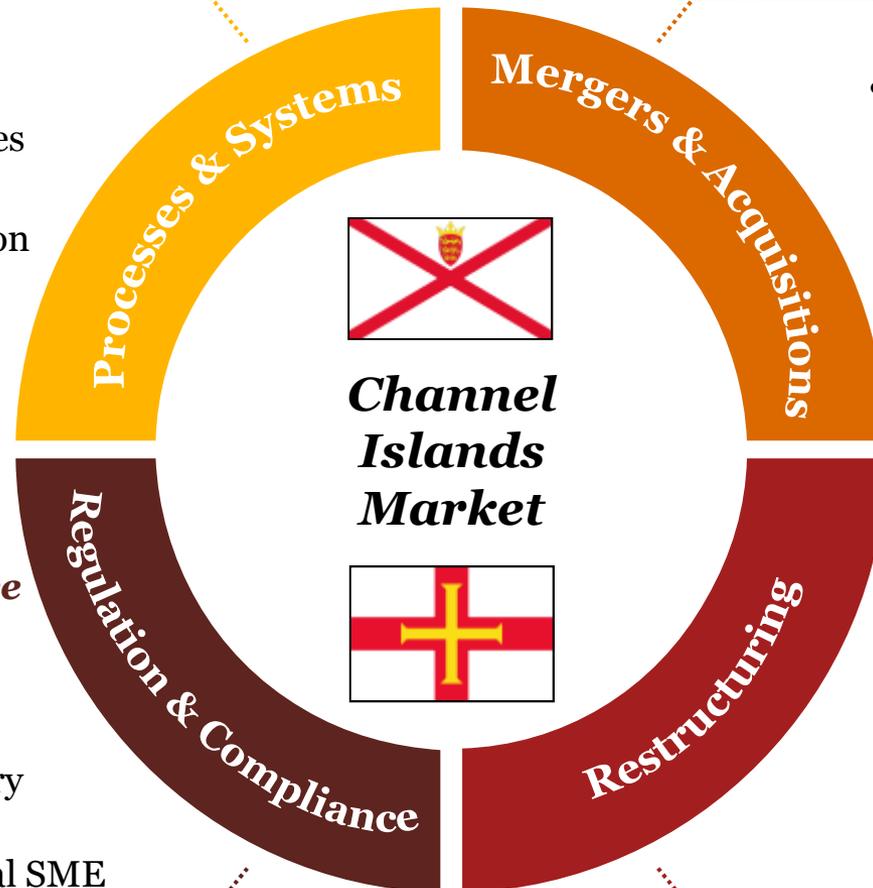
So how does this relate to the Channel Islands

Processes & Systems

- Global standardisation
- Global Operational Changes
- Process efficiencies
- Technology Implementation

Regulation & Compliance

- Failure to implement local regulatory change
- Meeting Global Standards
- Strategic view on regulatory change
- Use of in-house vs. external SME



Mergers & Acquisitions

- Common working practices
 - Culture impact
- Change Management
- Reliance on others DD

Restructuring

- Alignment to market need
 - Risk, Conduct, Culture impact
- Internal procedure review
 - Loss of personnel and information

It's not just a financial cost that you should be aware of if a project fails

01

Opportunity Cost

- Alternative project?
- Project Dependency?

02

Business & Board Credibility / Appearance in Market / CI Plc

- Perception in market place
- Loss of competitive advantage

03

Employee Morale

- Potential attrition
- Acceptance of future projects

04

Future appetite for projects

- Reduced appetite for future projects
- Stagnation within business
- Inability to grow

How do you increase the chances for project success?

4

How do you increase the chances for project success?

- ‘Doing things differently’ could make a real difference to the success of your projects and programmes



Optimise your portfolio to maximise return

- Use of objective criteria and quality data to develop your portfolio of projects
- Guessing is not a strategy for change – use of clear and consistent methodology



Be flexible, change faster

- Embrace change
- Ability to be more flexible and adaptable to change



Enable your people to deliver success

- Create the right environment and experience for your people to deliver
- Utilise local SMEs with relevant experience and skillset



Connect the Executive Team to project delivery teams

- Working more closely will generate pace and better results
- Ensure alignment between strategic goals and tactical implementation



Measure and address the harsh facts to maintain direction

- Tackle the big issues head on
- Act as a trusted advisor

Source : PwC PPM Survey 2014

Managing the people side of change

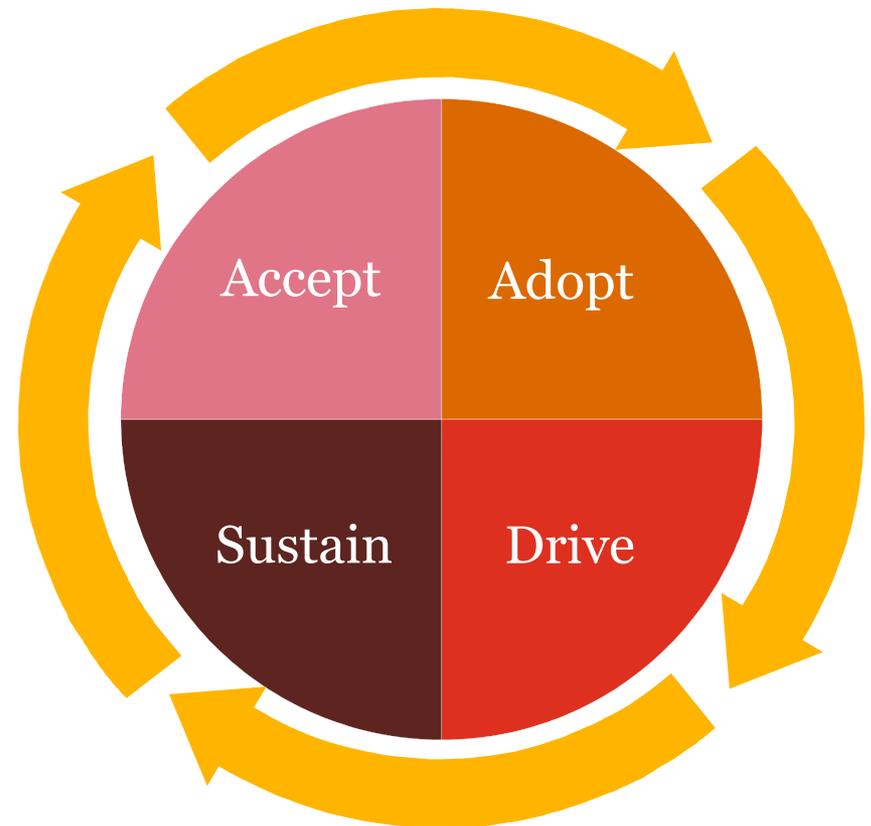
5

Managing people through change



Why is it important?

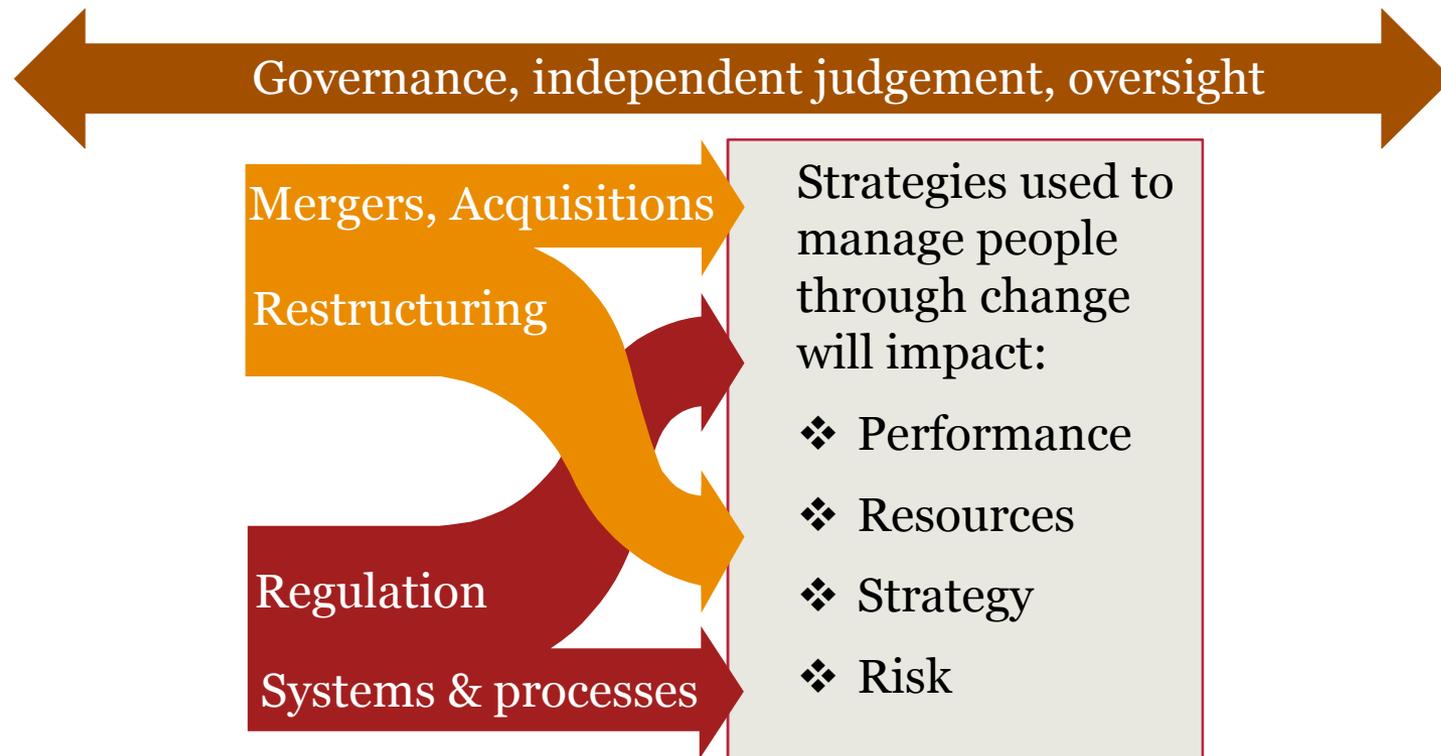
- People can drive or reject change
- Shift in core values means resistance should be expected
- People more likely to embrace change if feel part of the process



Change Management



Why should it be important to you?



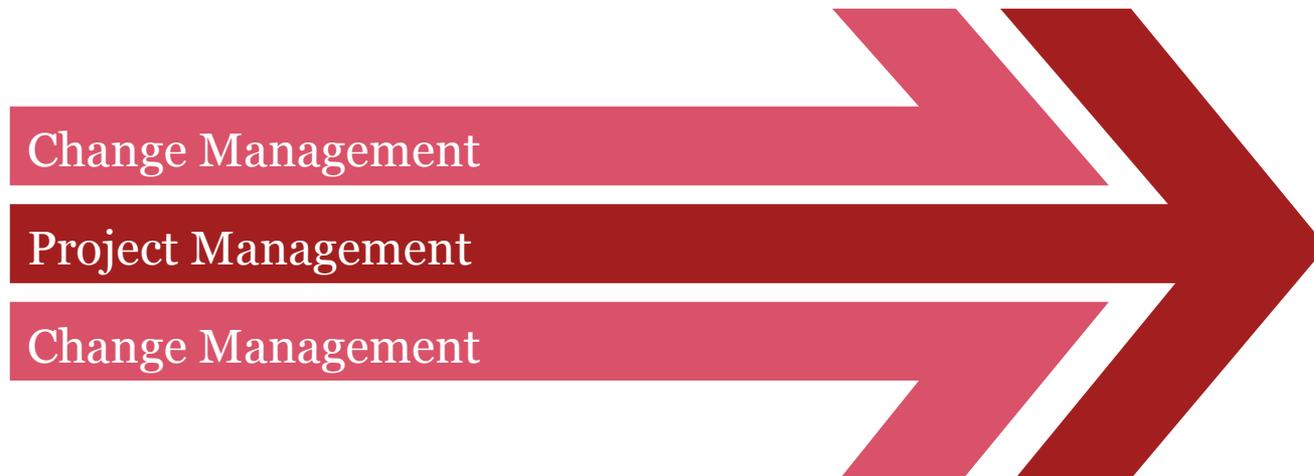
“A negative or resistant culture can derail even the best strategy” – Jack Welch

Change Management



What is it?

- Processes, tools and techniques
- Specific plan that shadows the Project Plan
 - Before, during and after the change



Key elements of a Change Plan

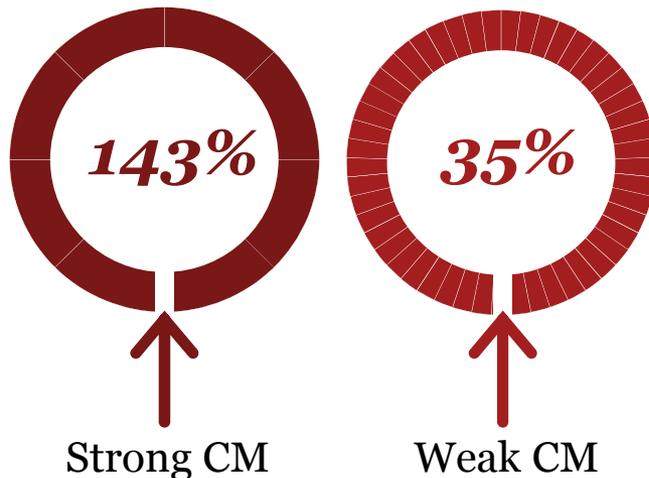


What is the impact on the business?

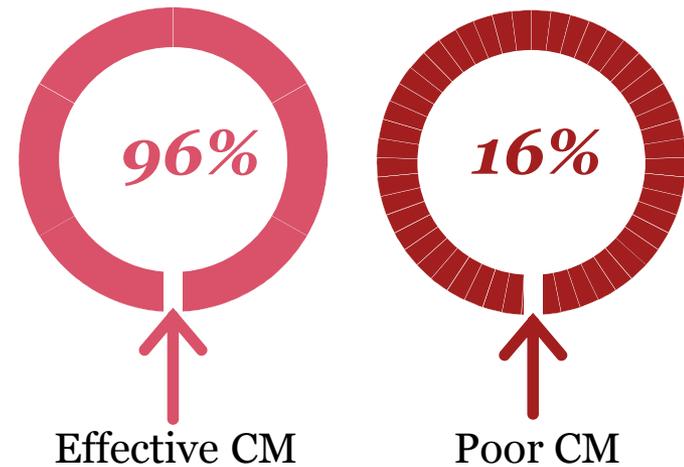


Significant positive correlation between focus on people & change management and shareholder returns/meeting project objectives.

Return on investment (ROI)



Percent met or exceeded objectives



Sources: LaClair and Rao, McKinsey Quarterly, 2002 / Posci, Best Practices in Change Management, 2014

Some challenges...



Gap in key messages

Management style

Methodologies

Distance Transformation

Failure to move to action quickly

Seen as just another programme

Business lacks change strategies

Pick and Mix Change

Change Management



What are the key questions to ask?

Does everyone really understand the *need* for change?

Have you established a clear vision of *what* needs to change?

Are reward and recognition systems aligned?

Do we have the right leadership team?

Are roles, responsibilities and desired results clear?

Does the organisation design support new ways of working?

Is the Executive Team closely aligned to Project Team?

Do you have key influencers in the business?

Change Management is a required competency in business today.

What are the key takeaways?

6

Bring thought leadership into the Board Room

What are the key things that you should be thinking.....

Is the business taking on new projects to meet market demands and strategic objectives?

Does the business have an established, effective and credible Project Management function?

What has been our past success and failures in project delivery and managing change?

Are we learning from our mistakes?

Have I heard that Project Management or Change Delivery are understaffed

What are our strategic, tactical and people objectives?

Are we able to react quickly

Do I receive appropriate, timely and accurate MI during a project?



Questions



Contact details



David O'Brien
david.x.obrien@je.pwc.com
+44 (0) 1534 838 228



Lara Haskins
Lara.haskins@je.pwc.com
+44 (0) 1534 838 330

Thank you!

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers CI LLP its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

© 2014 PricewaterhouseCoopers CI LLP. All rights reserved. In this document, "PwC" refers to PricewaterhouseCoopers CI LLP which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.