

10 Fundamentals of Project Risk Minimization

1. Set Clear Objectives, Scope & Strategy

- Written unambiguous statement of project objective (written in the SMART format – i.e the objective is specific, measurable, achievable, realistic, with a clear timeline)
- Well-defined written scope and boundaries for:
 - Business Processes impacted
 - Organisational units impacted
 - Expected functionality of new software
 - Expected improvements in existing data and expected new sources of data
- Strong and widespread understanding of “what do we get” for the money and the effort
- A ‘Roadmap’ of how the project will be structured, resourced, approached and phased. The phases should be well defined, each phase with a written objective & scope. The lifecycle of steps to be followed for within each phase should be defined.
- A formal Project Initiation Document (PID) produced, which documents and baselines all the above, together with a high level assignment of roles and responsibilities and appointees to key positions.
- The PID should be reviewed, refined and approved by the Sponsor and the Steering Group.

2. Appoint a strong Steering Group and Sponsor

Sufficiently powerful sponsor (preferably a single sponsor), who can provide the money, who has a vested interest in a successful outcome of the project and who can adjudicate on priorities and issues that arise.

A Steering Group comprising an executive level member of each of the major stakeholder groups. Meet monthly. Closer to the point of ‘go-live’, the Steering Group needs to meet more regularly.

3. Appoint a highly capable Project Leader

- Experienced, highly competent and (preferably) charismatic leader, assigned full-time to the project
- A sophistication and deftness in recognizing and navigating human and institutional complexities. Advantageous if he/she is good at building an insightful understanding of the particular institution and is deft at both influencing the key decision takers and at steering the institution to get decisions made and things done.
- Can construct and convey a simple narrative that explains a compelling rationale for the project
- A good communicator, can motivate people individually and in groups around the compelling rationale
- Gains the trust of his key lieutenants and seeks insight to the ‘what’s in it for me’ mentality of each one. For example, one person may be driven by a need for significance and recognition, others for a sense of contribution, others want a role that will balance work and family. To understand and key into the inner emotional needs and hotspots of one’s project lieutenants is truly to reach a level where people become raving advocates for one’s leadership and style, which makes it so much easier to recruit the best people onto the project through word of mouth. If you need to recruit externally, you just have to let these new evangelists do the initial interviewing and they naturally rave about how important and great it is to work on this project

and by the time candidates come to see the project leader they think they are coming to see some sort of project messiah and they already want to join this magical project.

- Project Leader must have regular access to the Project Sponsor and all members of the steering committee
- Build excellent working relationships with all project stakeholders (sponsor, steering committee, project managers/lieutenants, the wider project team, vendors and suppliers, persons responsible for delivering your external dependencies, and the ultimate users of the product of the project).

4. Ensure an adequate budget and tightly controlled spend

Big projects have a tendency to spend lots of initial months contemplating their navels and doing all sorts of tangential analysis and planning, that ultimately has little if any value. This is often because the objectives and scope are not defined quickly and so the lower level teams get on with lots of cerebral pontificating, and wasting their time and the institution's money until the Project Leader crafts a written objective scope and strategy and brow beats the sponsor and steering committee into agreeing what will actually be undertaken by the project, in specific detail, and by when. In other situations, a good project leader is absent, and the incumbents do their best at guestimating what might be needed and again miss the mark. (Think of the NHS records project – billions spend and yet it took years to figure out that sharing of medical records would have huge confidentiality challenges and objections, but notwithstanding, project teams were getting on with some half-baked guesses at technical solutions without the big project issues and the influencing factors even being properly considered – and behold The project wasted years and billions of pounds quell surprise!

Therefore you must spend money only on (a) things that help to clarify what is needed or else (b) on things that have an already clarified/ agreed objective, scope and strategy. You MUST identify what effort is being spent on what is essentially thrashing around in the dark, and cease it!

When you do have a clear objective scope and roadmap/strategy for a phase or a component of the project, you must then ensure you select appropriate vendors, negotiate hard for the consulting services or products that you need, and that you get the right balance of internal and consulting staff, that you delegate minimum spending discretion to the spending on non-revenue functions, and that you are generally tight with the spending. We have all seen institutions in the good days blow money on loose procurement of cars, of office furniture, and fortunes on minor office improvements. All this has to be avoided, and you need to embrace frugality so that money is readily available when needed to address real problems.

- Establish a single central competent cost management team (usually sits within the PMO).
- Institute monthly tracking of costs vs plan, and monthly forecasting of costs of the next several months and of the expected final project cost
- Payment flexibility with strategic resourcing partner/vendor

5. Install informed, engaged, motivated project teams, comprising managers, subject matter experts (SMEs) and project execution and support personnel, focused and well directed, with clear roles and responsibilities

Create a project structure that is aligned to what needs to get done (i.e the workstreams and phases). Do NOT create the project structure to align to the departments from which your project teams have been assigned. This is because the project manager, (and specifically NOT the departmental heads) has to drive the culture, the collaboration and the priorities of the project team members.

Get them all together, tell them the big picture of what we are doing and why it is important. Tell them their role in it and why that cog is critical to the forward movement of the wheel. Inspire them to feel they are important to the big mission and tell the story of the cleaner in NASA in the sixties who described her job as helping to put a man on the moon. i.e. give them a solid reason to feel good about getting up and going to work on a freezing wet February morning. And after the workshop session take them out and get them all merry together and tell them in advance it is because you want them to get know each other enough to be comfortable to call each other up and say 'Hey I just heard that you are saying this negative thing about me..... that doesn't sound like you but is it true?'. Actually tell them this stuff before they hit the restaurant and bar. This will save hundreds of hours of people playing minor politics with each other, particularly when things start to go wrong, which is precisely when you need to them pull together rather than start a blame game.

And you must align the project organization structure to the project outputs – not to some legacy structure of linked to where they get their pay and rations.

Appoint a strategic resourcing partner/ vendor. (It is not a good idea to have lots of suppliers of people – but sometime inevitable if a huge project).

Try to minimize the daily operational handoffs from one location to another i.e. do as much as possible in each location and try to minimise the number of locations in which you execute the project. The rollout of the final result could be to multiple locations, or even global, but it is worth minimizing the operations of the project itself to a small number of locations.

What more to say? Build great teams! A thousand good books are out there on how to do that.

6. Set a project culture that is communicative & collegiate (with a hint of fear of poor performance)

Establish a good communications capability and then communicate, communicate and communicate. Successful projects need clear consistent communications to all stakeholders. This gains buy-in to the “what do we get” as an important and valuable objective.

It is great to have the lovely touchy feely stuff but when the pressure is on, people have to deliver, and they have to know that they have to deliver. I once worked on a project where the very insecure project manager thought that the most important thing was that we would have “cakes, happiness, delivery” every afternoon. All very touchy feely but they couldn't tolerate a difference of opinion (saw it as confrontation that must be avoided), and would say we can sort it out this afternoon over a happy-clappy cuppa (“cakes, happiness, delivery”). Collaborative and hilarious but useless!

And it is especially important to establish a tight collaboration with related projects over which you do not have direct authority but on which you have a dependency for them to deliver something you need, or vice versa.

7. Exercise professional project management disciplines & processes, including a ‘Project Operating Rhythm’

This section is the stuff you learn on project management courses – except that they don’t teach about a Project Operation Rhythm. In a Jazz analogy, these ‘disciplines & processes’ section are akin to learning the structure of musical chords – it is at the core of learning to play music, but it is not enough for the complex challenges. It is all the other techniques that are necessary if you to have an inner feel for the modulations of the project and the minimize the potential for failure

- Prepare a project plan:
 - Break major projects into workstreams and/or phases, that make it more manageable and achievable for teams.
 - For each workstream & phase, list the high level activities and for each activity, list the tasks within
 - Accurately estimate the effort of each task
 - Schedule the people to do the tasks
 - Do a chart of all the tasks that must complete before something else can start, and a list of all the tasks that can start when something else starts (each one is called a dependency and the chain of the front to back dependencies is called the ‘critical path’)
 - Work out the project end date from all the above
 - If the end date is too late for what you want, shuffle the people and the tasks and play around with variations of the critical path (this is called ‘optimizing the plan’)
- Define and Manage Dependencies:
 - Do a list of all dependencies that your project has on other projects or on departments that are outside your direct control
 - For each dependency document the scope of what you need and the required-by date(s)
 - Secure a commitment to deliver dependencies by the required-by date
 - Assess the ability and reliability of teams to deliver the dependencies
- Establish a change control procedure (controls changes to scope to avoid ‘scope creep’)
- Risks & Issues: Establish procedures to log, monitor and resolve risks and issues. (In projects, a ‘risk’ is something that might occur and to which therefore one can define a probability of occurrence and the likely impact should it transpire. An ‘issue’ is a problem that is already occurring).
- Establish the ‘Project Operating rhythm’ as the regular heartbeat of the operation of the project. This also helps people feel they are working in a well-regulated project (which people invariably appreciate compared to working on a project that is ill-defined, chaotic, and non-achieving). In the final analysis, people do very much like to succeed).

8. Ensure a relentless focus on clarity and on closing down risks

- Clarity is the friend of projects; vagueness a parasitic and debilitating enemy to projects. Project managers and project teams must become “junkies for clarity”.

- Every day the project managers must consider ‘what are the biggest risks of this thing failing and what action can I take TODAY to reduce that risk’

9. Central, lean competent Project Management Office (PMO) to plan & track progress issues and costs

10. Don't shortcut the boring documentation stuff (those project auditors will show-up sooner or later)

On any large project in, or for, or with a major institution, there can be an overwhelming level of record keeping expected. While it is tempting to focus on the ‘real work’ of advancing the project, at the expense of the record keeping, this is a false advancement, as when you get audited, you will spend inordinate amounts of time dealing with the fallout of a bad audit.