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Project Management PRACTICE

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22nd IPMA World Congress..

22nd IPMA World Congress...

Veikko Vätilä President IPMA

As members of the global open economy, our living standard and wellbeing is based wholly on the competitiveness of our own economy and in turn on productivity development. Our own competences dictate our destiny in the global economic race. Project Management skills are closely connected with business development and management skills, and with our delivery skills and economic performance. Project management is not an easy task. First of all we need to select the right projects which support the company strategy. Portfolio and programme management must be based on the real strategic goals of the enterprise. Unfortunately, it takes several years to develop a company culture which is truly project oriented. The 22nd IPMA World Congress has taken up the challenge of taking us all one more step in the right direction.

It is my honour to invite you to the 22nd IPMA World Congress and to Rome, Italy. Roman Italy is a cornerstone of our collective cultural heritage. The modern Italy is an important player in the global economy. Welcome to Rome.

Veikko Vätilä

Fabrizio Di Amato President of ANIMP

ANIMP the Italian Member Association of IPMA, is highly honoured to be hosting the 22nd IPMA World Congress "Project Management to run" in Rome. The extent and speed of the current globalization would have been unimaginable even a few years ago. There is no doubt that an essential means for controlling such a tremendously turbulent



process is precisely Project Management. We are therefore pleased to invite people every-

where to attend the 22nd IPMA World Congress which will mainly be focused on the capacity of Project Management to optimize the control of time that, even more than capital, has become the key strategic resource and weapon, necessary to accept and face the challenge of the pace of globalization.

Rome has been chosen as host city of the 22nd IPMA World Congress, not only because of its historical, cultural and artistic heritage, but also for its barycentre location in the Mediterranean Area, which witnessed the first example of globalization under the Roman Empire.

Looking forward to renewing that experience after two millennia, we therefore also invite delegates from all the Mediterranean Countries to attend the 22nd World Congress, including those which are not yet IPMA Members

but are willing to take advantage of Project Management as a powerful means to speed up their development and compete successfully in the global race.

Fabrizio Di Amato

Luigi Iperiti Chairman of 22nd IPMA World Congress

Organizations have been realizing more and more that their activities can be performed more efficiently if organized as projects. Therefore the number of projects is growing at an exponential rate in all industries and sectors, worldwide.

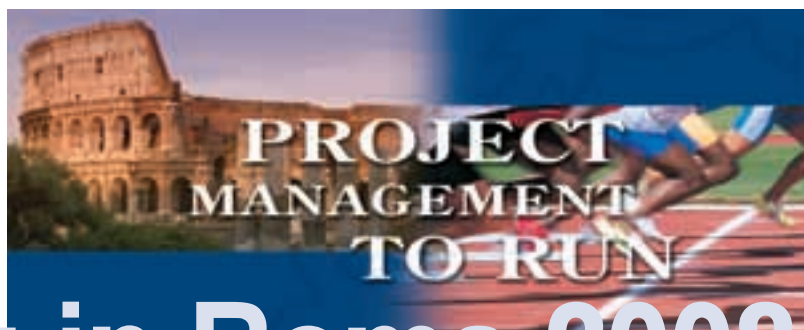
"Project Management to run"

has been chosen as the theme of the IPMA World Congress in Rome to represent the new and greater importance of time in the two major aspects of modern project management: the much faster pace of change in



global technology, expectations and needs and the much shorter time from start to delivery of projects which our communities and businesses demand.

Project Management has always been the way to carry out projects when the time available is limited. But today, in an era of globalization, time is more important than ever. Running hard against time is now necessary for everybody and Project Management must respond to this new need. We need to halve the time it takes from the first idea to project start and halve the time from start to project completion and the delivering of its benefits, and we need to



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Organizing Committee ANIMP

Via Scarlatti, 26
20124 Milano, Italy
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How to Improve Project Sponsorship

By Alfonso Bucero, PMP

Many organizations do not spend enough time training executive sponsors and explaining their expected role and responsibilities in the project and towards project management.

Some years ago, I worked as a PMO manager for a multinational company in which business managers were assigned as project sponsors for the whole project life cycle. Results were not very good because project managers often felt alone when dealing with customers.

As a solution, I organized a workshop meeting with the project sponsors. I asked some questions to find out the level of knowledge they had about their projects. Seventy percent of them did not know the accurate project status and fifty percent never visited the project customer site. Most of the sponsors did not know much about their projects at all.

Sponsor should be involved

During the last five years, I have seen organizations focus on improving project management, implementing methodologies and developing the project management career path. But I have seen only a few organizations that are aware of how to develop the skills of their managers and top executives.

Organizations often confuse the project sponsor role. Sometimes, the sponsor is not enough involved in the project. Other times, the project sponsor is too involved and acts like a “super project manager”, generating conflicts and problems.

Project sponsors must spend time with project managers, the team and customer: Executives will learn how to become more effective and can even potentially generate more business. Complex projects need sponsors who are more leaders than managers, people who establish directions for the future, communicate through vision, create aligned, high performance teams, and who are highly focused on planning and short-term goals. Complex projects need leaders who inspire people and fuse them into a motivated and performing team driven by a common vision.

Different roles through the project

A good sponsor adds value to the project and plays different roles during the project life cycle: mentor, catalyst, motivator, barrier buster, boundary manager. He or she must link the project manager with upper management. Most of all, project sponsors must be involved from initiation to close-out. Considering their essential start-up tasks, they must:

- Develop an initial draft about the project mission, objectives, risks and constraints.
- Identify the right project manager.
- Sell the project to upper managers, team members and the rest of project stakeholders.
- Communicate the importance of project mission.

Change leader

During execution, the sponsor must be informed of progress and status. The sponsor and project manager must meet regularly to discuss issues, lessons learned, and both good and bad news. The two should have personal meetings or talk on the phone at least once a week. They should avoid using e-mail as the only communication medium. Face-to-face meetings build relationships.

The project sponsor must also play the role of “change leader”. As Peter Senge, author of *The Dance of the Change*, says: “*In essence, leaders are genuinely committed to deep changes, in themselves and in their organization. They naturally influence others through their credibility, capability, and commitment, and they come in many positions*”.

Alfonso Bucero, PMP, is an independent consultant who manages projects throughout Europe and Asia. He is the founder of BUCERO PM Consulting. He is the author of *Project Management – A New Vision*, contributor to *Creating the Project Office*, and coauthor of *Project Sponsorship* with Randall L. Englund.
alfonso.bucero@abucero.com





At The Summit of The World's Seven Continents

– adventurer Johan Ernst Nilson's major environmentally oriented project

The Seven Summits* is the major project in the life of adventurer, mountaineer, film-maker, and photographer Johan Ernst Nilson. Ever since he was small, he has dreamt of scaling the highest mountains on the Earth's seven continents. He started in 1995 by climbing the world's coldest mountain, Mount McKinley in Alaska, USA. On the 16th May this year he reached the culmination of the project, Mount Everest in the Himalayas, the highest mountain in the world.

* "Summit" can also have a figurative meaning as in "The summit of my ambition".

An adventurer with a heavy commitment to the environment

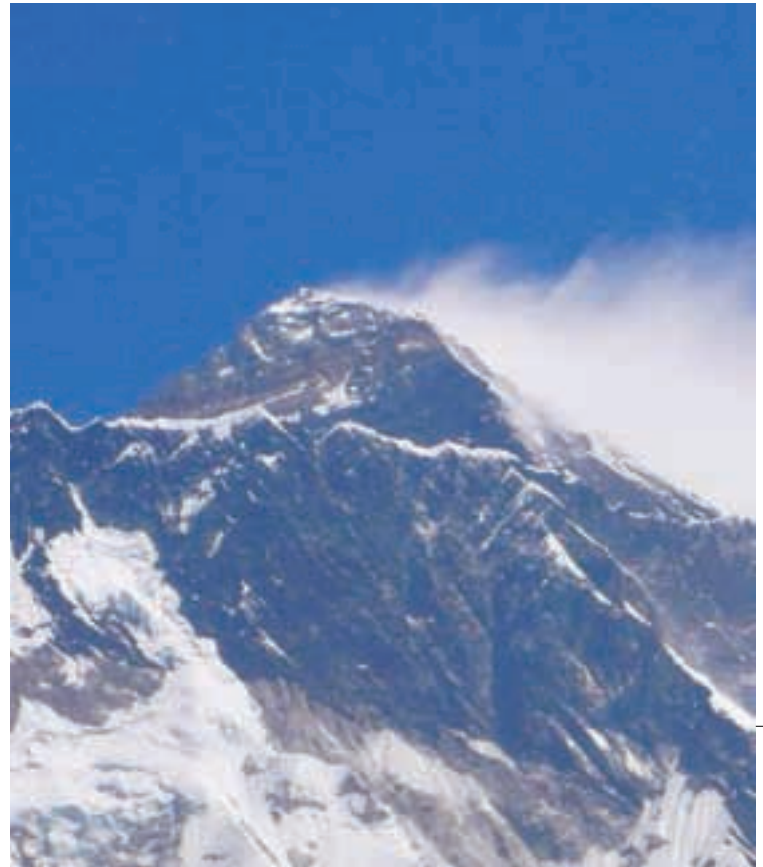
Johan Ernst Nilson is one of Europe's most well-qualified explorers with more than 20 expeditions behind him. The purpose of Johan's climbs is not only adventure, however. He is heavily committed to environmental issues and has, among other things, reported on climate changes during the course of his travels. The project, The Seven Summits, also has a clear environmental profile. Johan documents the glaciers and how they melt, interviews the local population and carries out photography during the expeditions. At the same time, he tests cutting-edge Swedish technology within medicine, electronics and software under extreme conditions.

It all started 13 years ago in the form of a bet with a friend about cycling from Stureplan in central Stockholm to Africa. It took 52 days. Since then, his adventures have taken him around the world, from north to south, over land and sea, through jungles and up mountains.

The first objective of the project The Seven Summits, the climb to the top of Mount McKinley in 1995, was, in many ways, decisive for Johan.

What was your goal?

Mount McKinley was a kick for me. Reaching the summit gave an enormously euphoric feeling. Here am I, with low marks in physical education, standing on the coldest mountain in the world having climbed here myself. My objective was to prove to myself that I could. An immature phase, but still important for me to go through. Now, with the ascent of Mount Everest, I can see how I have developed over the years, both mentally, philosophically, physically and project-



wise. There are great differences between these ascents, not only the mountain itself, but also in the way I plan, how the project takes shape and how I see my influence on the mountain. Nowadays, it is less important to reach the summit. It is the experience itself, and the fact that I do my best without compromising safety, which are important. In the beginning I took risks whilst I now take calculated risks.

What does The Seven Summits mean to you?

The Seven Summits is a great dream for many people as indeed it is for me. I like long-term projects with an end goal several years in the future and where the next climb is the short-term objective. The simple goal is to climb seven peaks on seven continents. Many people see this as a contest and wish to break records. I don't see it that way. I wish to test the limits and discover new depths within myself. When you risk your life, putting yourself in the hands of others and, at the same time, have responsibility for the lives of others, then you grow personally. The Seven Summits is a fantastic way to see the world, both geographically and culturally, but it is also a fantastic way to discover summits within yourself.



What is required in order to reach one's goal?

An expedition has many similarities to and is built up in the same way as other projects and problems, great and small. I have composed "Quatrology", a kind of motivation theory with four cornerstones: will-power, planning, strength and motivation. Suppose you wish to divorce, stop smoking, climb a mountain or achieve something else. The first question will be: Do I really want this? It sounds easy, but isn't always. When you have made your decision comes the question: How shall I realize this? This is planning. Then comes strength. You must get support, find your own personal strength and your personal dream to strive towards. After that, you must have the motivation to reach the end goal, set up objectives along the way and reward yourself when you reach them.

What does your planning look like?

An expedition isn't one, but three projects. I call them X1, X2 and X3.

X1 is the preparation phase, i.e. the mental training, contact with partners and the media, planning of photography and filming, financing, bureaucracy etc.

X2 is the realization, i.e. it is the physical carrying through of the actual project – for me to scale the peak – but it is also to record, write, film and realize everything that has been prepared.

X3 is the phase that many forget, namely the evaluation. You often experience an anticlimax when a project which you have been committed to for a long time is completed. It is therefore important to go through the whole project, both emotionally and practically. Difficult issues may need to be openly discussed and regrets and points of satisfaction processed. In addition, all other matters such as pictures, films, documentaries, books, interviews etc, need to be dealt with. You must also take into consideration not to enter a new X1 phase too quickly, nor to save X3 and end up with a pile of X3s. This is something to be applied to a normal project. You should never forget to evaluate.

How do you put the team together?

It is impossible to find a faultless team. You must accept each other's faults and live with them. I try to find individuals with different competencies. One person may be a dull, computer freak, but we cannot do without him. Another may



- ▶ not really want to reach the summit, but is fun to be with and a good photographer. You must learn to find people with the right knowledge. You cannot rely on local guides without having the knowledge in the team.

In the case of conflicts, I've learnt to resolve them immediately even though it may be painful. "Hold on, what do you mean by that? I think that's wrong, let's settle it." Don't brood on the matter, it may well not be the way it looks at all.

What are your thoughts on leadership?

Leadership is important, but difficult. Before I join an expedition, I must ask myself whether I trust the leader of the expedition in whose hands I am placing my life. Not whether I like him, that is unimportant, but whether I value his judgement so highly that I believe in the expedition. But, as com-

plicated as it may be to choose a leader, it is just as difficult to lead others. Imagine that I am standing up there at 7,000 metres with four people behind me. My task is to lead them, there are two routes ahead of me, and I realize that I have no idea which route is the correct one. What will happen if I choose the wrong route? As leader and guide, I must never put myself in a situation where I am uncertain. I must know the answer.

What is your attitude to the risks?

Whether you are running a company or a climbing expedition, you must induce everyone to strive towards the same goal, ensure that everyone has the same basic attitude and that they have confidence in you as leader. Moreover, you must dare to take risks. You will never reach the highest point of a company or of a mountain without taking risks. Your risk-taking must be under control, you must be prepared and visualize what will happen if everything goes wrong and then be prepared to take the blame. Some are prepared to take more risks than others, but controlled risk-taking is the ground-work. If I fold my parachute prior to a jump from 10,000 metres, I make sure that it's done correctly.

How do you deal with the risks involved in the project?

I use the chess theory. This means that you must always be one step ahead of your opponent. In the case of Nature, it is not enough to look one step ahead, but several. I can see clouds over there and they'll be here within the hour since the wind is from that direction. That I can see from the snow. I know that it will then become cold and dark and unpleasant. And since I know it takes fifteen minutes to pitch my tent before the wind gets up and ten minutes to find a site, I must start in five minutes. There is a kind of domino effect. You must be focused, prepared and able to foresee what is the worst that could happen.

What risks were involved for Mount Everest?

Mount Everest is almost 9,000 metres high and therefore required more preparation. I was aware of the risks attached to the cold, altitude and glacial rifts, for example. I also knew that I must, as in all expeditions, not only think ahead but also back. What can I handle, what do I wish I knew and what do I really know? The real risks and those I am always afraid of are the problems which I cannot foresee. I can always plan for what I can foresee.

What makes a project successful?

A successful expedition you have carried through as well as you can and have come down with all fingers intact. Use controlled risk-taking to help you to take calculated risks and to turn adversity into success. Learn from failures and use them in order to improve. Knowledge increases security and experience creates control. Many people think that it is

also a case of luck. But, if you prepare well, take the right team with you and use the chess theory, you will avoid bad luck. Luck is something you yourself create, i.e. what chances you have and what situations you put yourself in.

What advice do you give to project managers?

Use the chess theory and always be one step ahead. Remember the three phases of the project, X1, X2 and X3. Put the team together so that they, in combination, are the best. No one is best at everything, but everyone is good at something. Finally, no project is too big. You must merely learn to break it down into subprojects.



The Mount Everest expedition was climate neutral. What does that mean exactly?

It is possible to calculate in terms of money what a project of this type produces in the form of carbon dioxide discharge. I have reinvested that sum in environment friendly projects in other parts of the world. You could say that I have done my part at the same time as I have contributed with increased knowledge of glaciers and given the climate issue attention in the media.

How successful do you think the project has been?

Everything went relatively well. I had skilful sherpas and a good team behind me. All in all, there were ten men in the expedition if you include web staff, base camp staff, chefs etc. I was mainly on my own on the actual mountain, however.

Were you well prepared?

I had gone through very intensive mental training and was extremely focused. I was also well versed in technologies using bluetooth solutions, digital pens with Anoto functionality, film and photographic equipment. The physical training was, of course, also important. Of course, it was tough. Mount Everest is not an easy task. In order to reach the summit, you must be strong, decisive, gifted and also have a little luck. I was more dead than alive when I came down. My feet were blistered, my nose burned and my tongue was so damaged that I could neither speak nor sleep. The climb was a nightmare. But, to stand there at the top of the world was something I shall never forget. A fantastic feeling! This was my most intense adventure so far. I would like to thank all my partners, my basecamp officer Carl Robert, friends and everyone who has followed the expedition.

Other references:

1. Mount McKinley (6.194 m) in Alaska, USA – July, 1995.
2. Kilimanjaro (5.895 m) in Tanzania, Africa – October, 2003.
3. Elbrus (5.642 m) in Russia, Europe – August, 2004.
4. Carstenz (4.884 m), Indonesia och Kosciuszko (2.228 m), Australia – December, 2005 and October, 2006.
5. Aconcagua (6.960 m) in Argentina, South America – February, 2006.
6. Vinson (4.897 m), the Antarctic – November, 2007.
7. Mount Everest (8.848 m) in Tibet, Asia – May, 2007.



Johan Ernst Nilson is one of most experienced explorers in Europe. Very few people could challenge his record of over twenty expeditions and Johan's footprint can be found in all of the seven continents. Johan is a member of The Explorers Club and he is also a photographer, a lecturer and a writer among other things. Johan has a genuine interest in the effects of global warming and climate change and has been working with scientists and polar reseachers since 1997.

johan@sevensummits.se

www.sevensummits.se



Status and Trends in Project Management in a Global Context

By Karsten Schmidt

International project management experts from both academia and practice have worked out key statements on international project management using literature analysis, expert workshops, questionnaires and interviews. The authors extended the research by analysing international trends in project management and incorporating the practical experiences of different experts into their evaluation. The result was a substantial study which provides comprehensive information on project use.

Globalisation and transparency of markets today, increasing competition, growing cost pressure and the dynamics of customer needs inevitably call for an increased use of project management. The existing methodological approaches in corporate practice to cope with these tasks were successfully combined with academic theories in a study on the state and trend of project management in Germany. The international study, now published, is a continuation of national studies carried out by Volkswagen Coaching GmbH, the IPMI Institute for Project Management and Orbitak Management Consulting.

Increasing globalisation calls for greater market transparency, shorter product life cycles and intensified competition. Factors such as speed, flexibility and progressive cost reduction are becoming the focus of business processes. This means that organisations continually have to react to the pressures of change. Strategies and structures constantly have to be considered and adapted. This development is expressed in the increased orientation towards projects.

Many companies operating internationally have no basic strategy for international activities. They do not know how their staff and partners at different sites abroad affect the company.

Methodology

The study combines theoretical knowledge, expert knowledge and practical experience through professional analysis on three levels:

- Statements (hypotheses) were generated in workshops in Canada, the USA, Mexico, Brazil, South Africa and China.
- A practice-orientated status report on the academic area of project management was researched in a secondary analysis using specialist literature, articles, conference presentations, dissertations, final year projects and subject-related websites.
- Around 350 project management professionals in selected countries took part in an on-line survey (www.pm-world-study.com).

During the evaluation of the results the hypotheses developed were verified in hypothetical markets in the USA, Mexico and Canada.

Key elements of international project work

There is international agreement on the importance of project management. Only a few country-specific differences in project management were identified in the analysis, but were considered to be less important in practice.

Many project management experts tend to take a pragmatic approach. Analysis showed that the use of project management – more project transparency, better project management and more active project control - must win recognition in many companies. To date, project management has mostly been viewed across the world as an aid for solving acute, complex questions and not as an instrument for management control. Project management is required when external factors force companies to make business more effectively. In many sectors, project management is mainly used as an instrument to control deadlines, costs and quality.

To summarise, the core statements of the analysis can be assessed as follows:

- Project management is mainly used to optimise structures and processes; the strategic potential frequently remains unused.
- The use of project management is anticipated more at project level than at corporate level. Factors such as encouraging staff satisfaction, motivation or increased entrepreneurship play a smaller role.
- The idea of a project management culture as a management philosophy throughout the company seems to be questionable. In practice, project management is an operative tool and problem-solving concept but also as a tool for corporate strategies.
- There is a common basic understanding of project management around the world. Different working cultures influence the implementation of methods and lead to different forms of project management in different regions, companies and company sectors.
- Project management theories can not be made into project management practice without problems. There are no simple solutions to replace academic concepts. Simple, modular instruments adapted to the specific requirements are required instead of strict standards.
- The cooperation of international teams will have a greater influence as an essential factor in the successful implementation of projects. Knowledge of both cultural aspects and the different perceptions of project management are significant factors.
- The speed at which project management is diffused into new areas of application is to be assessed differently around the world and is only just beginning to be transparent.
- The process of introducing project management in companies is still problematic as the integration of top management, definition of scope and professional assistance for implementation appear to be difficult.
- For larger companies an essential standardisation of project management throughout the company should be considered. It would be a good idea to have a central place within the company to determine the company's project management philosophy and to adapt this to the different individual requirements within the company.

Although the pressure to use project management comes from external factors, and is expected to be used as an operative tool or relating to a specific project, there is a global consensus that project management in the long run only can be introduced from the top management level. Success factors in the long term introduction and further development of project management are:

Top management support: project management is only successful where it is also understood at the top levels of management. The processes for its introduction have a strong influence on the long term success of specific project management systems required.

Definition of individual methods and standards: project management support is also a successful factor in company-specific applications. Companies need help in structuring and applying project management.

Communications / project marketing: ongoing information and explanations for all those affected and all those involved is an important factor in the "introduction of project management" change process. It is important to recognise any concerns and prejudices and to confront them.

Comprehensive, individual project management training: regular external seminars and on-the-job training are common methods. Successful companies emphasize soft skills and intercultural aspects in their training programme. However, it was shown that there is no standardised international job description for project managers to date. In many cases there is no basis for professional development and career models in project management.

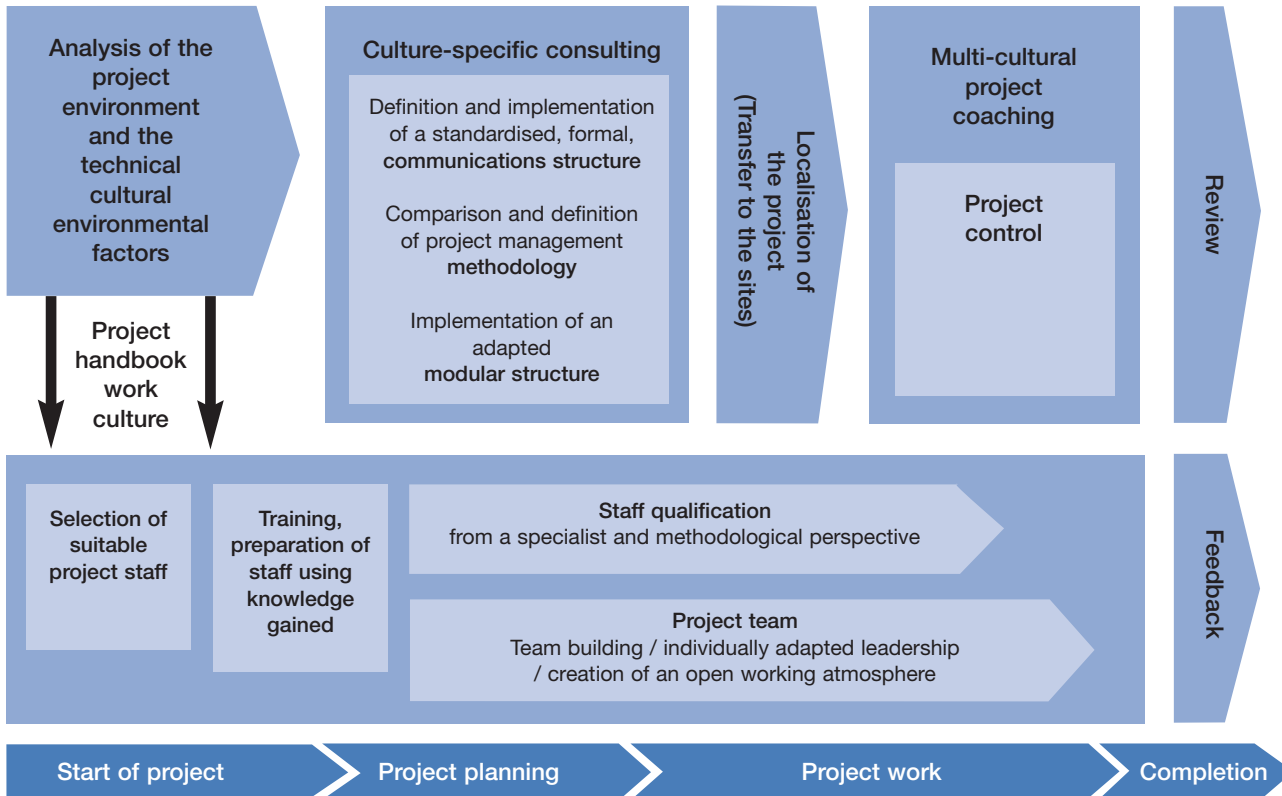
Reduce organisational obstructions and personal resistance. Clear definition of interfaces and communication of roles and responsibilities is fundamental for problem-free cooperation between project and frontline.

Opportunities for participation (turn those affected into people who are involved), supervision in the test phase (to guarantee a professional transfer in the company) and less time pressure (consideration of the change processes required)

As part of the study a standard process was developed for processing projects in an international context, which takes international specifics into consideration. On the one hand, the process is aimed at supporting the implementation of "classic" project phases using intercultural methods and elements. On the other hand, the process focuses on preparing the team for the special characteristics of international cooperation. ➤



Global strategies... ..and local implementation



Implementation process for international projects.

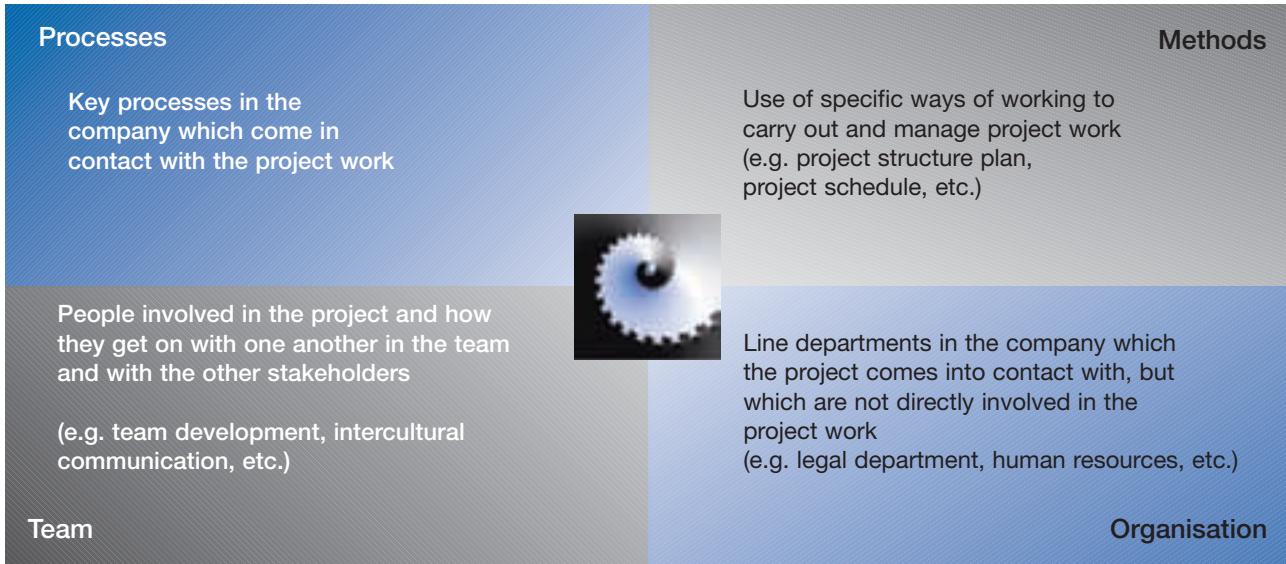
Recommended courses of action

Recommended courses of action for international projects were derived from the findings of the research and from the experiences of experts in the workshops.

Influenced by natural, technical, business, cultural, legal and political factors international projects are faced with increased complexity. These conditions, ignored by management or interpreted incorrectly, lead to an increase in the complexity of management tasks which can be difficult to predict. The constant adaptation to increased complexity requires more problem-solving abilities in the people involved.

A good understanding of the obstacles to be overcome in an international environment is essential for successful processing and may help to reduce the failure rate, which is currently high. International projects fail most frequently due to unclear requirements and objectives. Technical problems are seldom mentioned as the cause for project failure. Controlling “soft factors” are therefore key criteria for successful international projects.

All projects together are structured by processes, methods, team and organisation. The evaluation of these “critical” areas is a good basis for the implementation of different project phases in an international context.



“Critical” areas in project implementation.

During the implementation of international projects particular attention should be paid to the following:

TEAM	METHODS	ORGANISATION	PROCESSES
Team start Work culture	Project management methodology	Leadership in international projects	Standard process
Intercultural communication	Project control	Target agreement	Staff integration
Conflicts		Selection of staff	Marketing
		Decision making	Quality agreement
		Integration of the locations	

“Critical success” factors in international projects

You will find a more detailed description of these success factors in our study.

About the report

The results of the above mentioned study are published under the title „Stand und Trend des Projektmanagements im globalen Zusammenhang“ (ISBN 3-8334-3796-0) (English version is published).

The report might be of interest for project experts, managers and project leaders working in an international environment. ■

Dipl. Ing. Karsten Schmidt has been working in project management at national and international level for 17 years, recently in the project management department at Volkswagen Coaching GmbH, where he is Head of International Project Management. Mr Schmidt has managed or coordinated over 100 projects worldwide for various companies and institutions, including Volkswagen AG, the European Union, the G-7 Nuclear Safety Working Group, Ford, General Motors and Arcadis. He is co-author of the study State and Trends of Project Management in Germany.



Karsten.Schmidt@volkswagen.de



Making Sense of Stakeholder Mapping

By Ruth Murray-Webster & Peter Simon

Considering and understanding stakeholders and then acting to engage them is generally agreed as being one of the most critical parts of any managed change initiative. To make sense of stakeholder management, start by making sense of stakeholder mapping.

Initial consideration of stakeholders is often done using a technique based on some kind of stakeholder grid or map of which many versions exist. Some grids or maps are in one dimension, for example showing stakeholders (individuals or groups) mapped against their area of interest in the project or programme. However, in our experience, most are in two dimensions where two axes are labelled with features of stakeholder status or behaviour and the area between the axes (the two dimensional grid) populated with the names of each individual or group.

Commonly used grids include:

- **Power vs. Interest** – easy to understand in concept but what is the point of knowing if someone is powerful and interested (will be active) if you have not considered whether they are for or against the project.
- **Interest vs. Attitude** – again what is the point of knowing someone is an active backer or blocker without an assessment of whether they are powerful and therefore likely to be influential or not.

This Lucid Thought puts the case for including a third dimension in the stakeholder grid. This we believe will make the technique even better at stimulating thought and informing the project manager in a truly meaningful way.

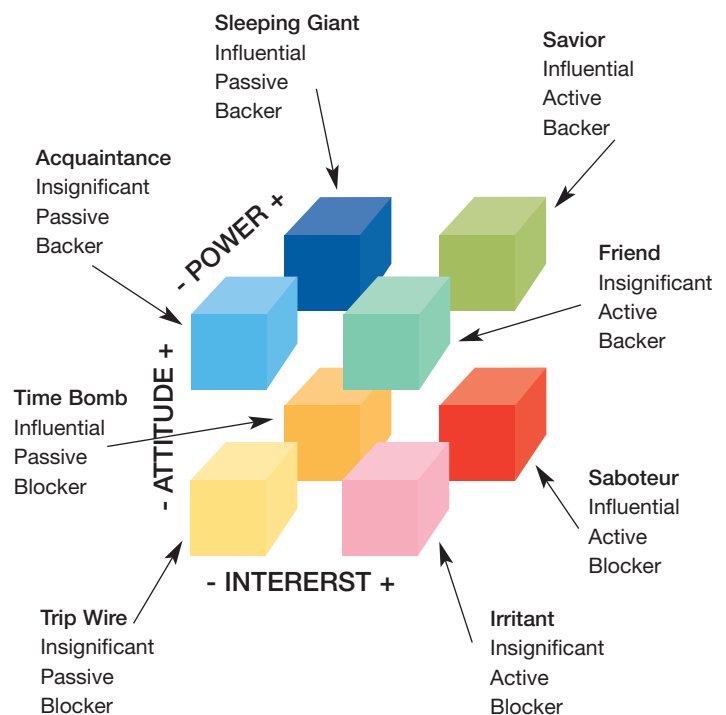
It seems to us that there are three basic dimensions that are important to know when *initially* considering stakeholders:

1. Their **power** or ability to influence the organisation. This may be their potential to influence derived from their positional or resource power in the organisation, or may be their actual influence derived from their credibility as a leader or expert.

2. Their **interest** in the project or programme as measured by the extent to which they will be active or passive.
3. Their **attitude** to the project or programme as measured by the extent to which they will 'back' (support) or 'block' (resist).

Considering any two of the three dimensions only gives a partial and less than useful picture.

Using a three dimensional grid is certainly more difficult to draw but at least maps out all the things that need to be considered and gives some descriptive, and hopefully useful, labels that can be checked out during the overall process of stakeholder analysis and subsequent ongoing stakeholder management.



Using this approach each of the eight labels can be summarised as shown:

- **Saviour** – powerful, high interest, positive attitude or alternatively influential, active, backer. Pay attention; you should do whatever necessary to keep them on your side – pander to their needs.
- **Friend** – low power, high interest, positive attitude or alternatively insignificant, active, backer. Use him or her as a confidant or sounding board.
- **Saboteur** – powerful, high interest, negative attitude or alternatively influential, active, blocker. Engage in order to disengage. You should be prepared to ‘clean-up after them’.
- **Irritant** – low power, high interest, negative attitude or alternatively insignificant, active, blocker. Engage so that they stop ‘eating away’ and then be ‘put back in their box’.
- **Sleeping Giant** – powerful, low interest, positive attitude or alternatively influential, passive, backer. Engage in order to awaken them.
- **Acquaintance** – low power, low interest, positive attitude or alternatively insignificant, passive, backer. Keep them informed and communicated with on a ‘transmit only’ basis.
- **Time Bomb** – powerful, low interest, negative attitude or alternatively influential, passive, blocker. Need to be understood so they can be ‘defused before the bomb goes off’.
- **Trip Wire** – low power, low interest, negative attitude or alternatively insignificant, passive, blocker. Try to understand so you can ‘watch your step’ and avoid ‘tripping up’.

Any sort of stakeholder grid, even a three dimensional one, is only of any value if used sensibly. Establishing the positions of individuals and groups on the grid is of limited value if not followed up. Of course the positioning may be wrong with consequent risks to the project and to relationships. But for any stakeholder that you believe is going to be important, you can engage them in dialogue, check out your assumptions and find out their real drivers and concerns. This is the action that turns your stakeholder mapping into stakeholder analysis.

How does all this come together? The obvious logic is that a project or programme’s communication strategy and plans are informed by stakeholder analysis.

...For communication strategy and plans to be effective they must be informed by stakeholder analysis that is accurate and complete.

...For stakeholder analysis to add value a meaningful three dimensional stakeholder grid provides a sensible basis on which to engage with stakeholders to find out their real drivers and concerns.

In the final analysis, stakeholder mapping is only a technique and a very simple one at that; but it is a technique that is the starting point for one of the most crucial activities when managing change.

Ruth Murray-Webster, APMP, PMP is managing partner at Lucidus Consulting Limited in the UK. She has over 20 years of experience as an organizational change facilitator, coach, consultant and manager in the UK as well as internationally. Holding an MBA she is a full member of the Association of Project Management (APM), the Project Management Institute (PMI®), the Chartered Institute of Personnel & Development, and the Institute of Quality Assurance. Furthermore she is co-author of the book ‘Understanding and Managing Risk Attitude’ which is now widely acclaimed as leading the way in helping to manage risk effectively. Ruth Murray-Webster can be contacted at ruth@lucidusconsulting.com



Peter Simon, FAPM, APMP, is managing partner at Lucidus Consulting Limited in the UK. He has nearly 30 years of experience as a project management consultant and practitioner across a wide range of industries and business sectors. Peter is a co-developer of the APM’s Introductory Certificate and Practitioner Qualifications for project management, and has been highly involved in other APM certification programs. He is also a member of the Project Management Institute (PMI®) and is a Managing Successful Programmes (MSP) and PRINCE2 Practitioner. He can be contacted at peter@lucidusconsulting.com





Risk Management Success Factors

By Daniel Galorath

Risk management requires top-level management support, acknowledgment that risks are realities, and a commitment to identify and manage them. One discriminator of a successful organization or project is the use of risk management to anticipate potential problems. Ineffective projects are forced to deal with problems; effective projects anticipate them.



“Your organization will be much better once it moves away from reacting to change, and toward proactive anticipation and management of change.”⁽¹⁾

Formal risk management must be an integral part of management structure and processes. In fact, risk management should be the program manager's number one priority. Risks that become problems can negatively affect cost, schedule, productivity, product quality, and/or system performance. The program manager must plan and establish formal methods for identifying, monitoring, and managing risks and ensure that sufficient resources are available to conduct related activities. An effective risk management plan helps ensure that a quality system is delivered on time and within budget and that it performs to user requirements – the first time.

Face up to uncertainty

Tom DeMarco⁽²⁾ captured the essence of risk management: The most important aspect of managing risks is to face up to uncertainty ... for instance, if you said, 'I can't tell you for sure whether we'll be done June 15 or June 30,' people will accept that as a reasonable window. Now, unfortunately, that's not a reasonable window at all ... saying it will take from 18 to 30 months to get this job done would be more consistent with a kind of uncertainty we've seen in the past. But that would be politically unacceptable.

As DeMarco indicates, far too many software projects will identify a potential risk and then ignore the possible impacts. Too often, managers do not want to know what risk management tells them, that a significant number of issues can get in the way of success and a can-do attitude is not sufficient to overcome them.

Performance versus cost

When a project moves out of balance, risk results. For example, schedule performance often becomes most important due to customer pressures, so cost and product performance lose emphasis. Or product performance takes center stage due to a customer review, so the focus drifts away from cost and schedule performance. The result of this imbalance in priorities is higher risks. Risk management can address such imbalances if they occur throughout a project.

While every project we assess professes to implement risk management, we have observed two very different focuses in its application: focus on the process or focus on making risk management a cultural imperative. A manager who focuses on the process has a risk manager who makes sure that the seven steps of risk management are visible to all.

This focus is certainly a necessary part of risk management, but it could be a mechanical approach that can convey a false sense of security. Organizations that focus on the process tend to be more concerned with the appearance of process integrity than the result of the process. The project manager will pretend that risk management is important to the project but will never use risks to influence decisions.



The core of the process

In our experience very few projects implement risk management as a cultural imperative where it is at the core of the management process and where the output of the process, the prioritized risk list, drives all project decisions and activities. Where risk management is a cultural imperative, risks serve as the focus of all project reviews and reports. The process is an open system where all team members are encouraged to comment on a risk list that is kept current.

In addition, the process is linked to predetermined metrics that are continually collected and that form the basis for mandatory triggering of mitigations and actions. When the project falls out of balance, plans invariably are compromised, and when plans are compromised, risks result. Where risk management is a cultural imperative, management has documented effective metrics that allow identification of risks and assessment of their likelihood of becoming problems.

Daniel D. Galorath, MBA, has over 35 years of experience in the software industry where he has solved a variety of management, costing, systems, and software problems, and performed all aspects of software development and management.

Mr. Galorath is founder and president of Galorath Incorporated, maker of the SEER® suite of estimation tools. He has lectured internationally and is the author of many papers about software project management. Mr. Galorath can be reached at info@galorath.com



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Project Management Benchmarking for Measuring Capability within the Organisation

By Laurence Nicholson

According to Gartner and the Standish Group poor project management is the number one cause for project failures. 61 percent of all IT-projects fail and 52 percent of all projects exceed budget with more than 187 percent. How can management identify failures in project management and how do they deal with these failures?

You only need to look at the press for the latest high profile IT Project gone off the rails – as well as construction projects (Wembley Stadium). Given the fact that projects have a low success history in general it has taken some a long time to realise that Project Management should be measured for quality in the same way as manufacturing processes. The questions are: How do you measure Project Management? What criteria should you use to evaluate the performance of your project managers? What could be used as reference points?

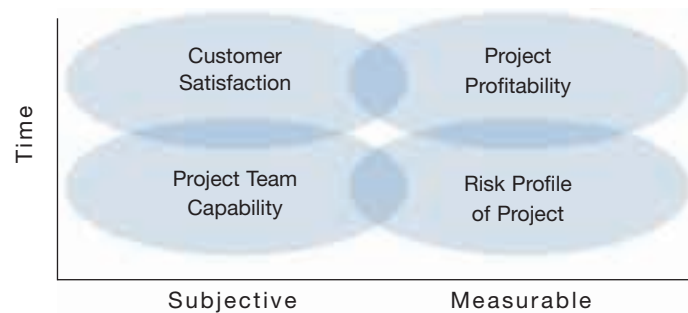
Selecting the correct set of metrics is critical to gathering useful and accurate information. This is more difficult in this service related arena and care must be taken not to create metrics that simply cost time and money without any return.

The Role of Metrics

It is important to monitor and measure specific areas of performance in order to determine whether performance levels are being achieved or improvements are meeting desired targets. The way to do this is to carefully select the areas to measure and focusing on the most interesting type of performance. This will allow management to identify failures in performance and, more importantly, enable action plans to be enforced to deal with such failures.

There are two types of measurement, data based and opinion based, which change over time. Certain metrics are more relevant to the initial stages of a project and some in the later product stage. Examples of these can be seen in the following diagram:

Benchmark Characteristics



As can be seen, these are overlapping metrics since inputs often can be developed as part of the project and become outputs, which in the case of a Project Team capability, can be empirically measured in terms of qualifications gained. Empirical metrics are typically more accurate and reliable, with the data more often coming from an internal system. The difficulty with subjective metrics is that they are often hard to define and update, and have to have some way of maintaining consistency of measurement. The use of customer satisfaction data is a reliable indicator of project success at whatever stage the measurements are taken.

The Role of Benchmarking

The primary driver behind any benchmarking initiative, including that of Project Management, is improvement. As part of a continuous improvements process measurements are taken in order to identify performance failures which can be improved to increase efficiency and effectiveness.

There are a number of aspects that relate directly to the performance of project management within the organisation:

1. The effectiveness of the project
2. The effectiveness of the process
3. The maturity of the process

Project effectiveness is a measurement of how a project is progressing in terms of cost, time and quality, which are often the only focus of many measurement processes within some organisations. All too often the effectiveness and relevance of the processes around the project are not



reviewed against the type and scale of the project. Further to this, a measure of process maturity will indicate the level of consistency and control around the process which indicates the CMMi level achieved (SEI Capability Maturity Model integration).

The following benchmarks are the primary measures to determine the effectiveness of the organisational capability:

Risk Management

Risk Management has been identified as being the single greatest indicator of project process maturity. To have fully identified all risks associated with a project and therefore a response plan for each is a position most of us strive to achieve and few will ever realise.

Risk management by its very nature is flawed because it only identifies the things you know you don't know and fails to appreciate the "unknown unknowns". The more risks identified and planned for, the better position the team is in to deliver a successful project.

Project Cost Performance

The CPI calculated as part of the EVM (Earned Value Management) process as $EV (BCWP)/AC (ACWP)$ identifies whether a project is under or over budget. This can be applied to individual project tasks as well as the project as a whole.

While looking at costs of a project, a greater scope of costing should be employed to include not only the ongoing resource and materials based costs but also such overheads as "Cost of Quality" which relates to the amount a project is sustaining due to poor project performance.

Project Schedule Performance

The SPI which is delivered as part of the Earned Value Management process is defined as being the $EV (BCWP)$ divided by the $PV (BCWS)$ and indicates whether the project is ahead or behind schedule. The Standard Deviation of SPI is an indication of the ability of the organisation to schedule effectively and accurately.

ROI (Return on Investment)

This is the calculation of the value of the project to the operation of the company. It has been defined as being the "calculation of the return that undertaking a project will achieve over a given period of time" (Young). It is widely held that the best method of calculating this metric for a project is 'Net Benefits divided by Costs'. It is possible to identify the percentage return for each cost unit invested by multiplying this value by 100.

Staffing

Morale within the project team is a critical aspect contributing to project success. The use of a WESS (Weighted Employee Satisfaction Survey) is a good measure of how your project is doing. A WESS is a mix of hard and soft measures weighted to support their importance as a predictor of employee satisfaction. ➤



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► A typical WESS would include the following weighted sections (according to market research project undertaken during 2006):

- 40% Survey Results on Corporate climate (pay, growth opportunities, supervisor competence, etc.)
- 25% Stress Index
- 15% VTR (Voluntary Turnover Rate)
- 10% Focus Group Results
- 5% Grievance rate
- 5% Absenteeism and transfer Rate

With staffing being an important factor in the performance of a project, it is often found that when project resource assignment is managed by an internal human resources department performance can be increased when compared with one where a project team allocates its own resources. The recognition of project management as a valued service within the organisation is also increased when the HR function co-ordinates the allocation of project resources.

Project Post Mortems

In order for organisations to maintain effective continuous improvements, full use needs to be made of lessons learned on all projects. Only by carrying out some form of post mortem on the projects undertaken by the organisation can these lessons be identified and used as inputs to future projects. A method of cross-fertilisation of ideas is the use of large scale post mortems involving entire divisions.

Project Cycle Time

The criteria that defines when a project is complete is fundamental in measuring the ensuing cycle time. It has been found that where project completion criteria are defined there is an improvement in process performance and maturity.

Strategic Business Alignment

Few measures focus on the identification of which projects are aligned to corporate strategic goals. It is important to

conduct an internal survey amongst project managers, business unit managers and executives, asking the question: "Are we working on the right projects" and use a scoring mechanism rather than a freeform text response.

Customer Satisfaction

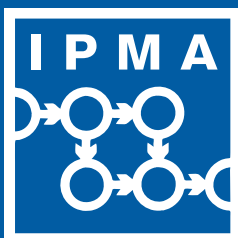
You may think that your project is progressing successfully according to all the internally focused metrics, yet you are failing to satisfy the needs of the customer. Communication with the customer on a regular basis is critical to a successful project.

Conclusion

Benchmarking the performance of Project Management within an organisation should be a basic process, but is very much a decision of an individual (typically part of a PMO) unless the board includes a CPO (Chief Project Officer). Building benchmarking into the heart of the business processes as part of the core decision making activities will result in more efficient project performance and greater profitability of both internal and external projects. This should become a core process. The results should be recorded and measured against other projects in order to identify trends and improvements over a long period of time.

Laurence Nicholson, PMP, MAPM, ACQI is a highly experienced executive and Senior Manager in the UK. He has successfully led teams of 40+ consultants and developers, in multi-million pound international projects. He is a qualified Accounting Technician and has in-depth knowledge of several project and development methodologies as well as being a Project Management Professional (PMP), an Associate member of the Chartered Quality Institute (ACQI) and a member of the Association for Project Management (APM). He has had numerous articles published in multiple languages.

Mr. Nicholson can be reached at laurence@the-nicholsons.me.uk



**International
Project
Management
Association**

For further information

PO, Box 1167 3860
BD Nijkerk The Netherlands
Phone: +31 (0) 33 247 3430
Email: info@ipma.ch
Fax: +31 (0) 33 246 0407
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Tel: + 31 33 247 3430 Fax + 31 33 246 0470 Email: info@ipma.ch Web: www.ipma.ch

Henrik Jönsson, Vice President IPMA– Email: henrik.jonsson@ipma.ch

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