

Designing projects for success

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Symposium web-site: <http://www.conceptsymposium.no/>
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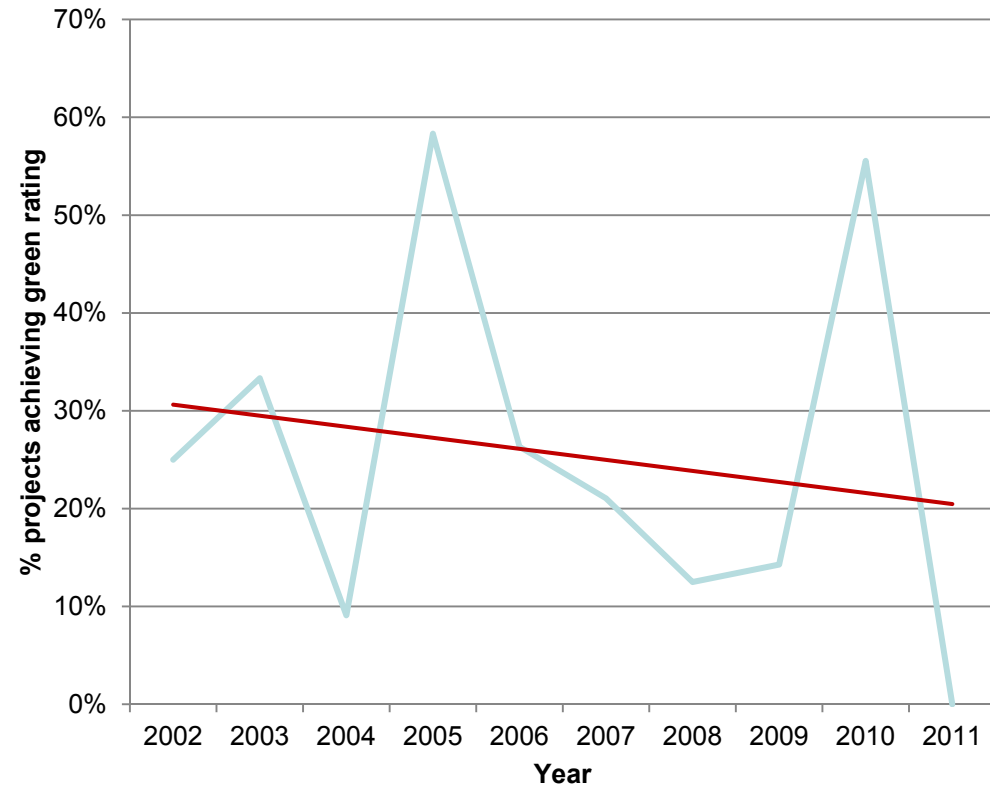
20 September 2012

Our presentation will cover:

- The National Audit Office and how we look at project delivery;
- the success factors which drive the development of a realistic understanding of the risks, benefits and deliverability of projects;
- the key environmental influences which must be in place to enable successful project design; and
- four major new UK government initiatives to address the issues.

Scope of government projects

- Projects are the currency to deliver change;
- 90 percent of government policy is delivered through projects;
- Government Major Project Portfolio:
 - 200 major projects
 - worth around £300 billion.



There are plenty of examples of good projects

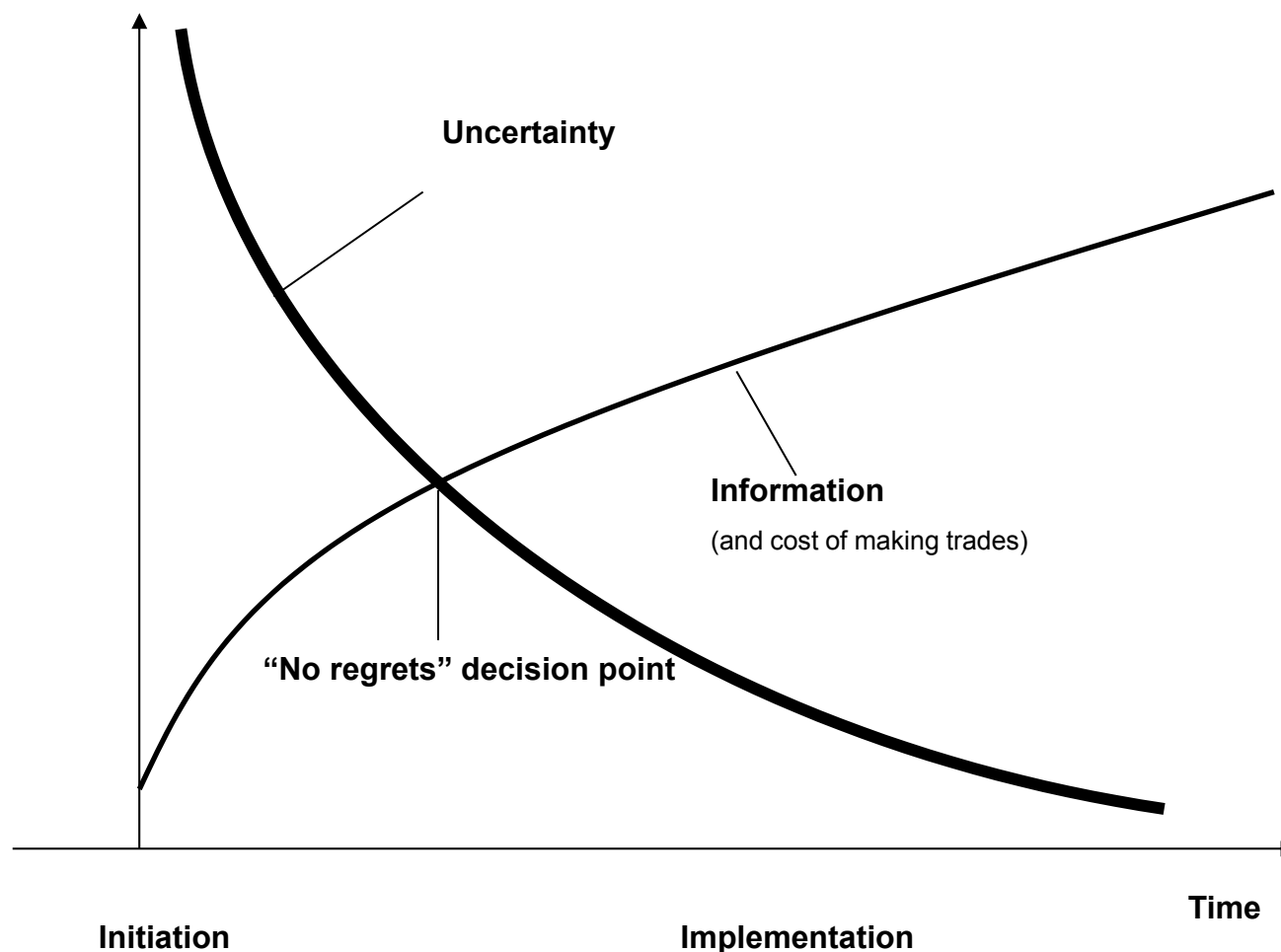


Why starting projects well matters

- Projects which are started without a mature understanding are less likely to succeed;
- The risks are compounded where projects are starting in haste;
- Information generated early in the project lifecycle has proportionately greater value to influence successful decision-making and delivery.

Failure may relate to **efficiency** (ie not delivering to time/cost/performance) and/or **effectiveness** (not achieving the desired benefit/policy outcome)

Sensible “no regrets” decisions are taken at the point when sufficient understanding exists to effectively balance project uncertainty and benefit



Five factors influencing successful delivery



Setting realistic priorities and desired outcomes

Are priorities and desired outcomes realistic and understood?

Are the aspirations for what the project should deliver realistic?

Have stakeholders been engaged and their expectations managed?

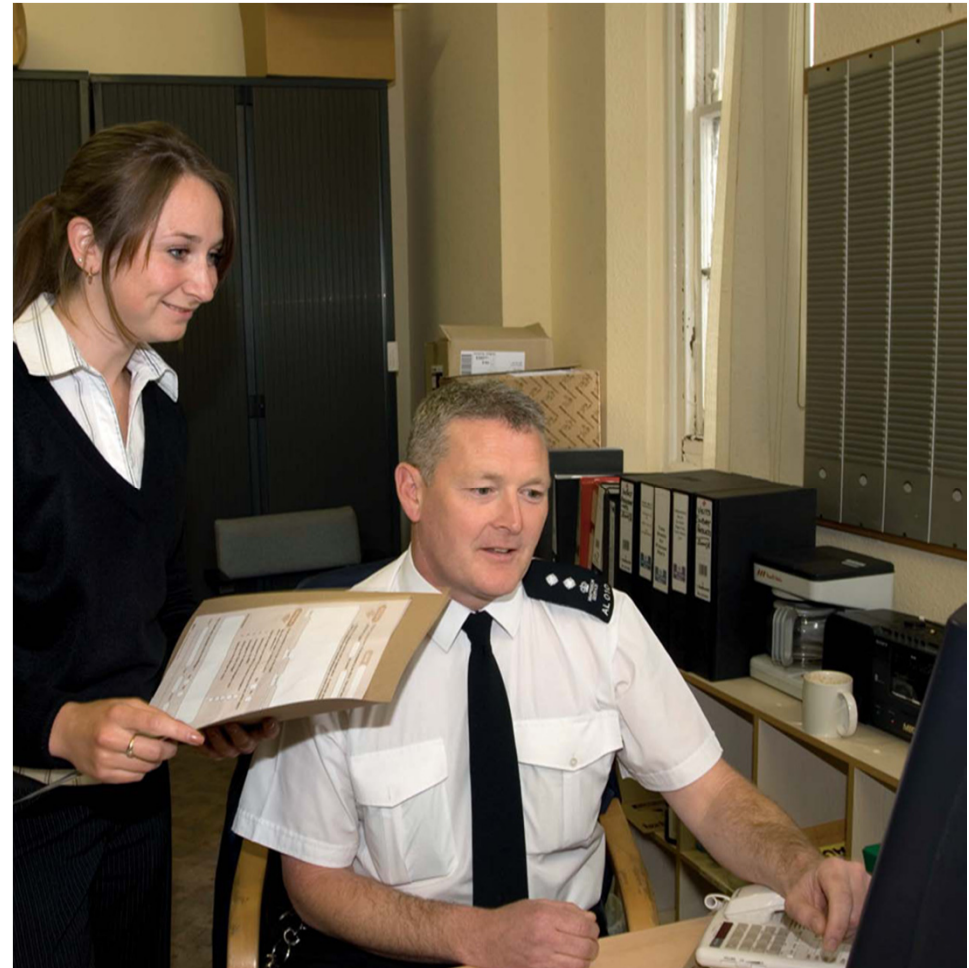


Affordability

Is the budget available realistic?

Has sufficient allowance been made for optimism bias and risk?

Are leaders creating the conditions for success?



Our next step

- We started off examining the difference between better and poor performing projects:
 - ended up with list of do's and don'ts – just repeating what's already out there and what we've said so many times before.
- Change of emphasis – **Would you bet your own money on this project delivering the policy objectives?**
- Five questions:
 - Is my project design right?
 - What does success look like?
 - What gives me confidence our estimates are realistic?
 - How good are my relationships?
 - How do I spot problems early?

The evidence base:

- Quantitative review of 107 NAO Reports;
- Detailed qualitative analysis of 15 projects;
- 1600 Gateway Reviews;
- 41 recent Major Projects Review Group Reviews;
- Departmental evidence eg DoH internal review team database;
- Academic research – Said Business School, Leeds University, Cranfield, Ashridge;
- International research – Concept Programme, IACCM, ICCPM.
- Over 40 major interviews with experts and practitioners.

Eight unchanging challenge domains

	The challenge domains	Description
Priority (Vision)	Strategic importance	The extent to which the project supports delivery of the department's objectives and the level of political and public interest.
	Success Definition	The clear articulation of what success looks like from a range of perspectives.
Feasibility (Realism)	Value for money	The extent to which benefits from the project outweigh costs and liabilities. Robustness of information used in estimates and assumptions.
	Stability (uncertainty)	The degree of uncertainty and likelihood of change in the project environment. Opportunity for flexibility in scope and commercial approach.
	Execution complexity	The extent of change, novelty of a project's technology, methods of delivery, Whether the project is predetermined or option appraisal and any rigidity in delivery deadlines, which limit the opportunity for piloting.
	Influencers	The level and nature of influence that the public and other parties with an interest might be able to exert on the project.
Delivery capacity (Team)	The delivery chain	The nature of and level of complexity in delivering the project. This includes in-house delivery, contractors and the reliance on 3 rd parties.
	Organisational capability	The level of resource, and expertise available to work on the project, appropriateness of governance structure and openness to scrutiny and continuous improvement

Source: NAO

Domain rankings at project initiation

Challenge domain	Number of high ratings	Number of medium ratings	Number of low ratings
Strategic importance	10	5	0
Org. capability	9	4	2
Delivery chain	8	4	3
Success definition	7	2	6
Value for money	5	5	5
Execution complexity	3	7	5
Influencers	3	5	7
Stability	1	7	7

What went wrong or what went well

Challenge domain	How many times something went wrong	How many times something went right
Success definition	9	3
Delivery chain	6	5
Org. capability	4	7
Value for money	4	2
Strategic importance	2	3
Influencers	1	5
Execution complexity	1	2
Stability	1	1

Whether issues arising supported or inhibited delivery of objectives

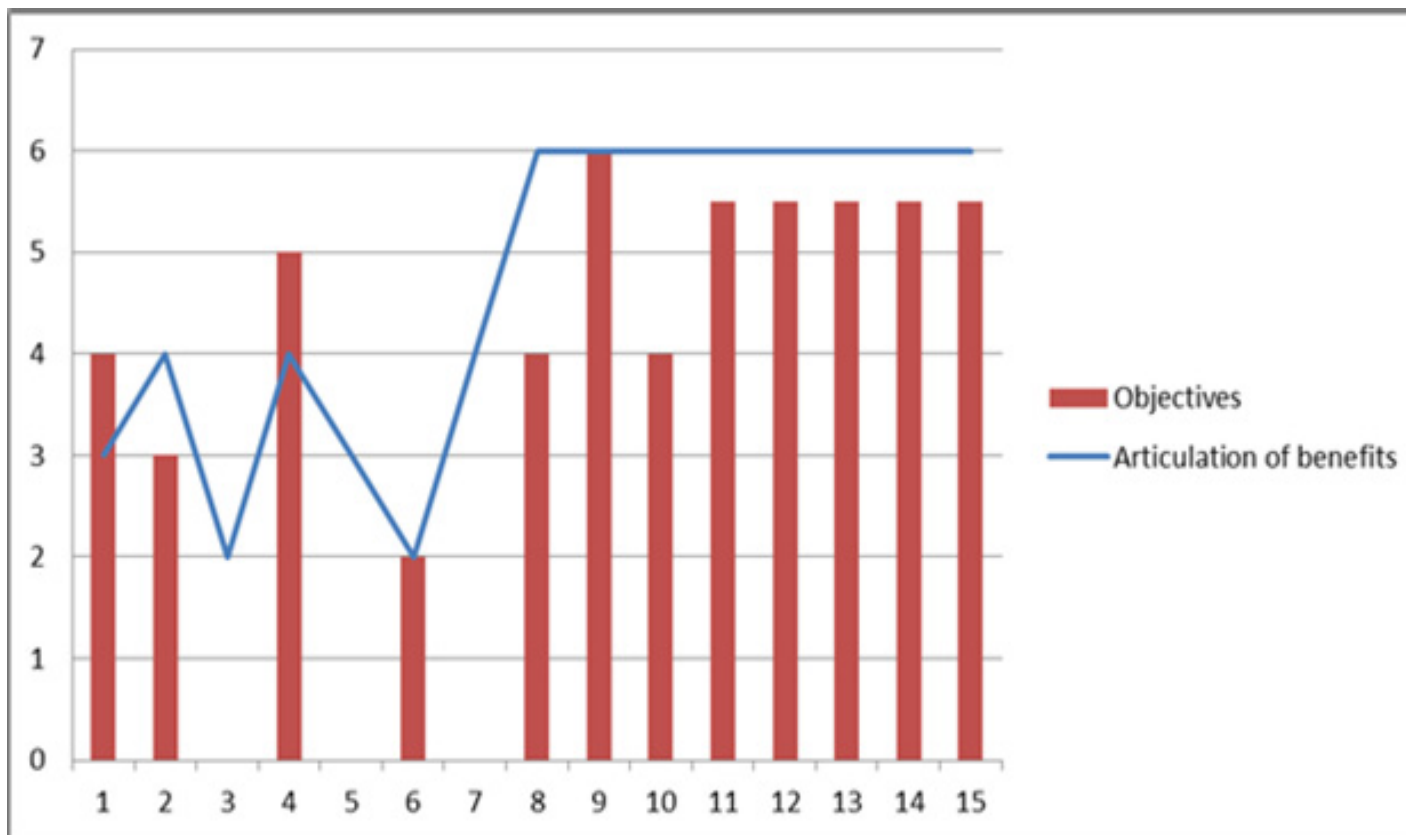
	Challenge domain	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Critical to prevent failure	Success definition	x	x	x	x	x	x	x		x	x	✓	✓		✓
	The delivery chain	x	x	x		x		x	x		✓	✓	✓	✓	✓
	Organisational capability			x		x	x	x		✓	✓	✓	✓	✓	✓
	Value for money			x	x		x		x		✓	✓			
Essential to create success	Stability				x									✓	
	Strategic importance	x							x			✓		✓	
	Execution complexity							x				✓		✓	
	Influencers		x							✓		✓		✓	✓

Domain 1: Strategic importance

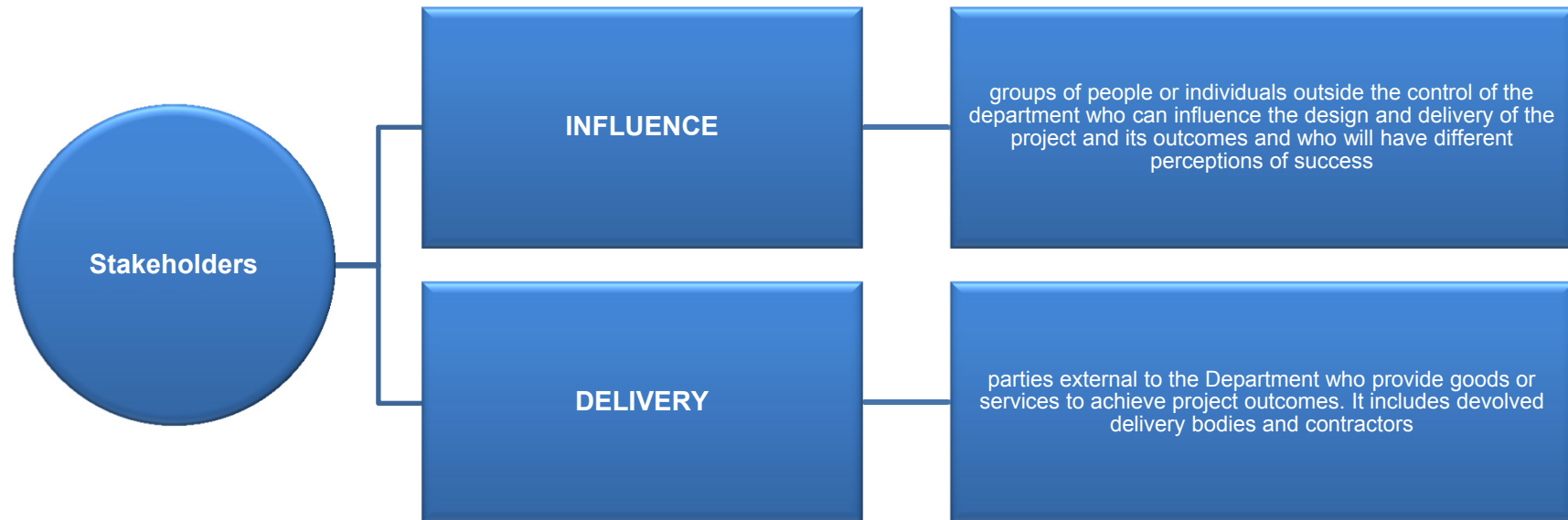
Domain 2: Success Definition

CASE STUDY	OUTPUT	MEASURE/MEASURABLE	OUTCOME	MEASURE/MEASURABLE	BENEFIT	MEASURE/MEASURABLE
1	✓	✓	✓	✓	✓	✓
2	✓	✓	✓	X	X	X
3	✓	✓	✓	X	✓	X
4	✓	✓	✓	X	✓	X
5	✓	✓	X	X	X	X
6	✓	✓	X	X	X	X
7	✓	✓	✓	X	X	X
8	✓	✓	✓	✓	X	X
9	✓	✓	✓	✓	✓	✓
10	✓	✓	✓	✓	✓	✓
11	✓	✓	✓	✓	✓	✓
12	✓	✓	✓	✓	✓	✓
13	✓	✓	✓	✓	✓	✓
14	✓	✓	✓	✓	✓	✓
15	✓	✓	✓	✓	✓	✓
Total of:✓	15/15 (100%)	15/15 (100%)	13/15 (87%)	9/15 (60%)	10/15 (67%)	8/15 (53%)

Articulation of benefits compared to delivery of objectives



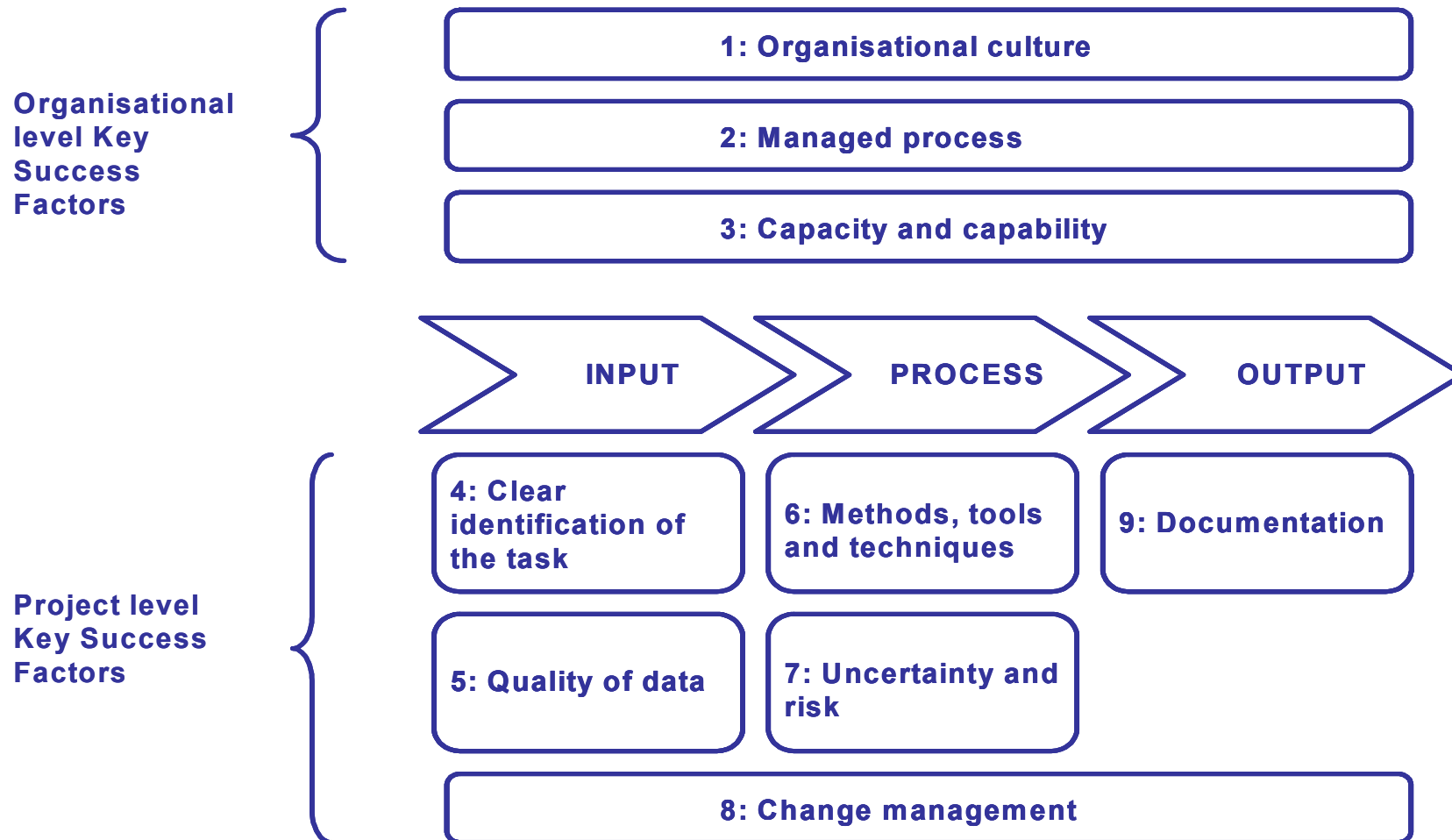
Stakeholders – Domains 6&7 Influencers and the Delivery Chain



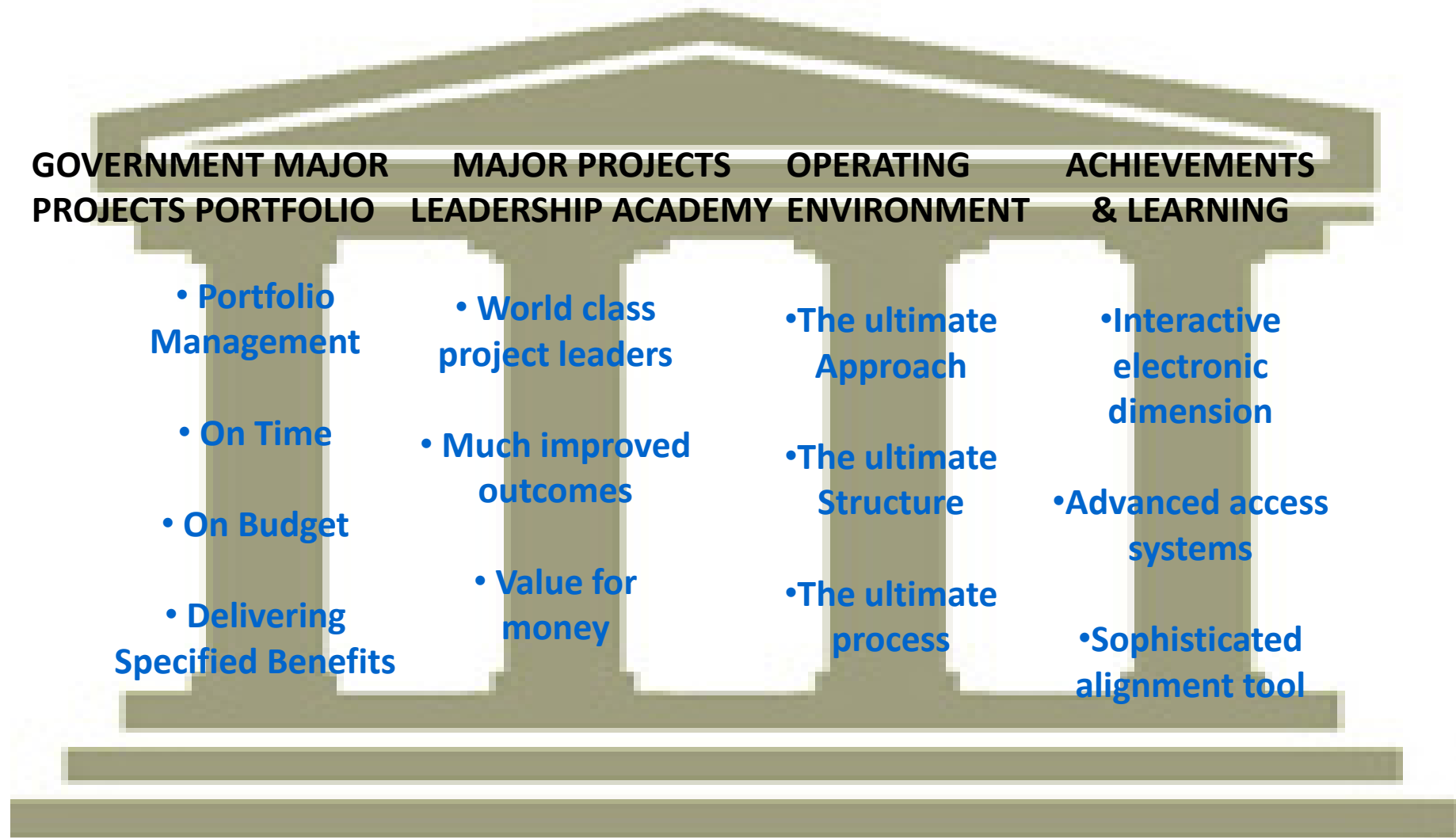
The common themes

- Influencers:
 - Actively managing expectations had positive consequences;
 - Failure to engage with all parties who can influence the delivery of your project had disastrous results.
- The delivery chain:
 - A failure to work well with the deliverers was a common problem experienced in less successful projects.
 - Not having the commercial skills to engage effectively with contractors.
 - The nature of the relationship with the contractor has a significant bearing on the successful delivery of the project.

Consistent and honest estimates – organisational commitment



The 4 Pillars of the MPA



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