Sponsoring Projects: Developing an Organizational Capability

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http://www.concept.ntnu.no/english/

The 6th Concept Symposium on Project Governance, 25.–26. September 2014, Norway

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Agenda

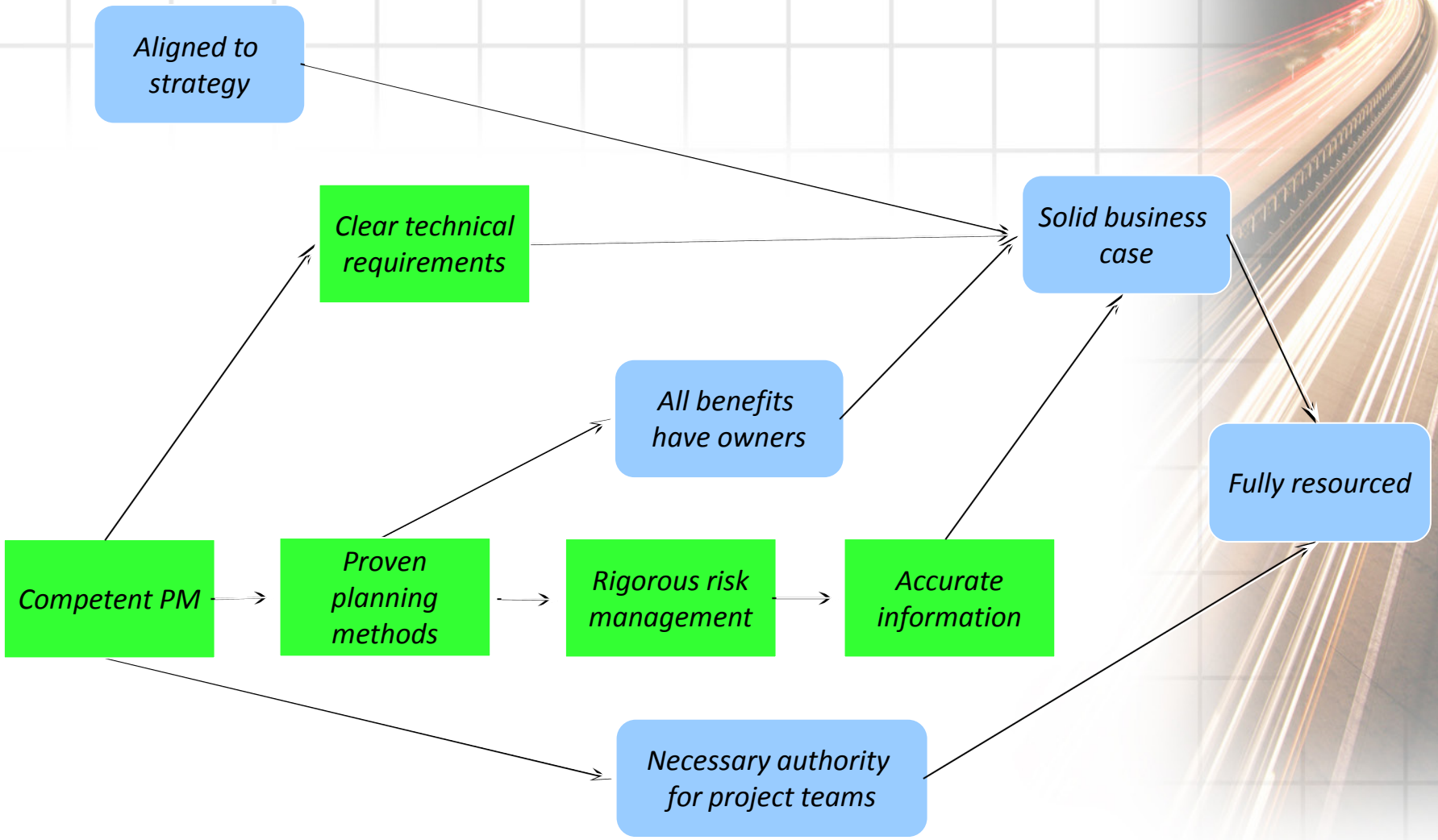
- The Need for Executive Sponsorship
- The Role of the Executive Sponsor
  - Key Tasks
  - Relationship to Project Manager
- Developing an Organizational Sponsorship Capability

Capabilities Lead to Success

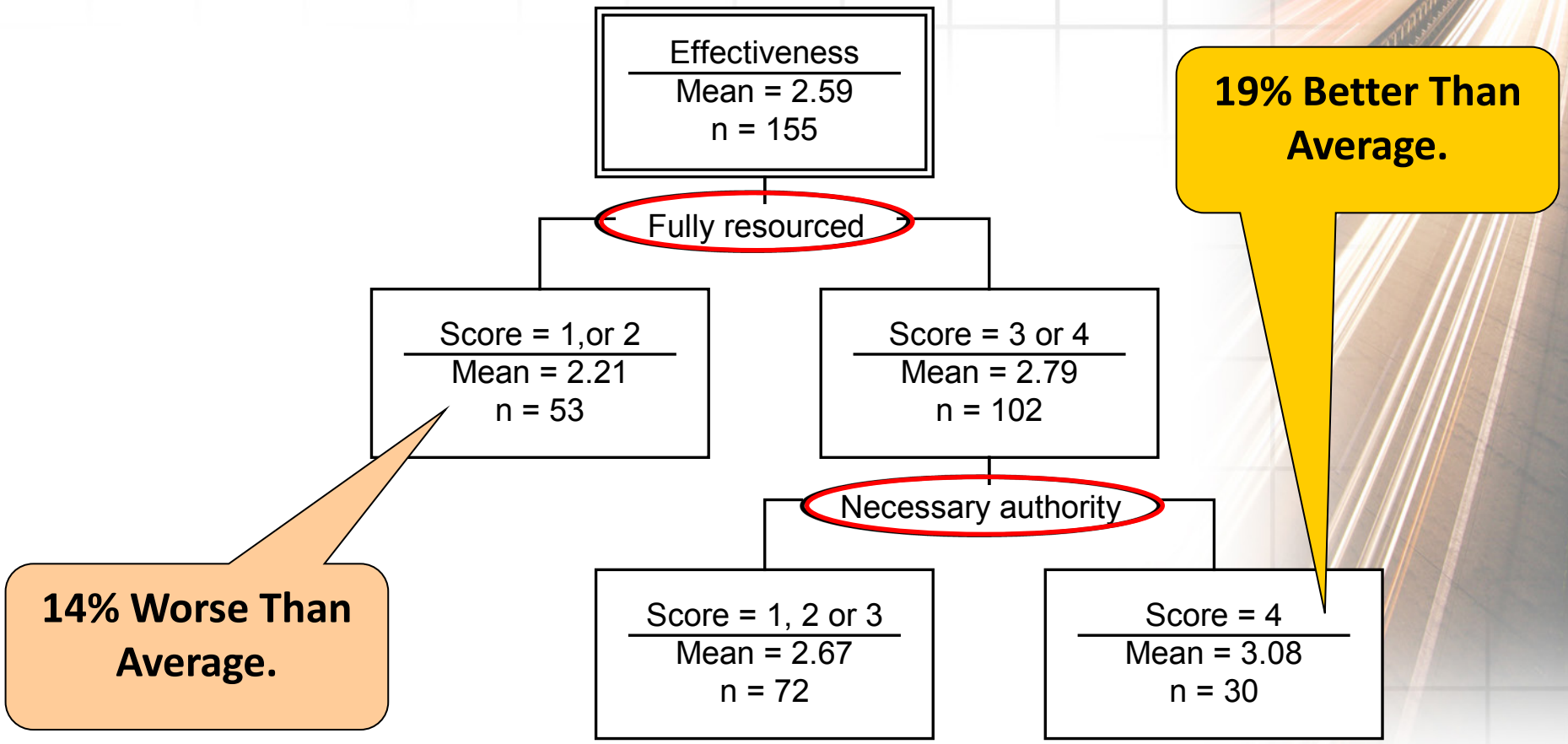
	Drives	Is driven by	Balance		
Competent project manager	7	0	7	**Drivers**	Project
Proven planning methods	5	2	3		Project
Clarity about technical performance	4	1	3		Project
Benefits owners	4	2	2		Sponsor
Alignment of project to strategy	3	1	2		Sponsor
Accurate information	6	5	1	**Amplifiers**	Project
Solid business case	7	7	0		Sponsor
Effective teamwork	3	3	0		Project
Necessary authority	2	2	0		Project
Capacity to resource whole portfolio	2	4	-2	**Driven**	Organization
Fully resourced project	2	6	-4		Sponsor
Strategic options considered	1	6	-5		Sponsor
Risk management	2	9	-7		Project

- The project manager possesses the necessary competence for the specific project, as can be demonstrated by evidence. [Competent Project Manager]
- The planning systems, processes and practices used to develop the project plan are rigorous and proven, and incorporate effective review processes. [Proven Planning Methods]
- The technical performance requirements from the product of the project have been specified clearly and unambiguously. [Clear Technical Performance]

Sponsors Have a Role to Play. . .



. . . that impacts upon results



A View Supported by BCG

BCG
The Boston Consulting Group

"The Hard Side of Change Management"
DICE – How To Beat The Odds In Program Execution

- DICE® Home
- Change Management Expertise
- DICE® Calculator
- Related Documents
- Help
- Contact Us

DICE® Initiative

Initiative Name: Enter initiative name ...
Your Initiative Outcome: Not Complete – In Process

DICE® Selection

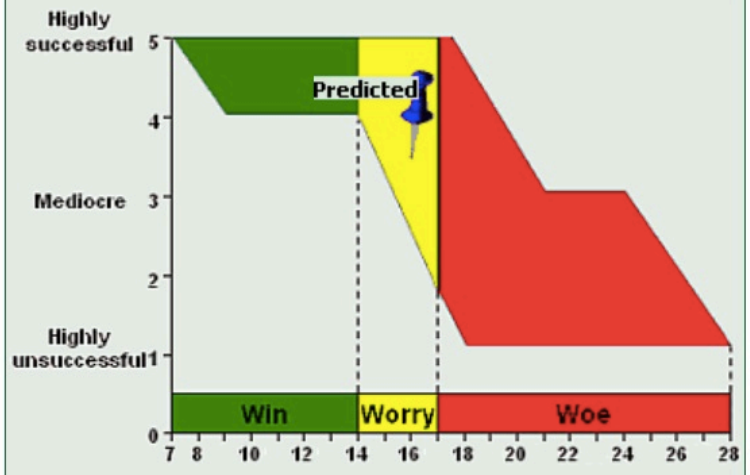
Elements	Selection	Score
Duration (between learning milestone or till completion)	2–4 months	2
Team Performance Integrity	Good	2
Commitment (Senior Mgmt)	Seem to want success	2
Commitment (Local)	Reluctant	3
Effort	20–40% additional	3
	Overall Score ($D + 2I + 2C_1 + C_2 + E$) =	16

DICE® Result

Not Structured to Succeed. This initiative is not structured for success. The ultimate outcome is likely to be mediocre. That is, while the effort will probably deliver some value, it may also fail to deliver fully on objectives. Take action to reduce the DICE® score to 13 or below.

Options to improve DICE score

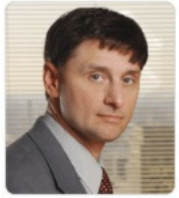
DICE® Chart



Our Experts

Get acquainted with our experts on DICE® and the broader BCG approach to change management:

Perry Keenan
Chicago



Harold L. Sirkin
Chicago

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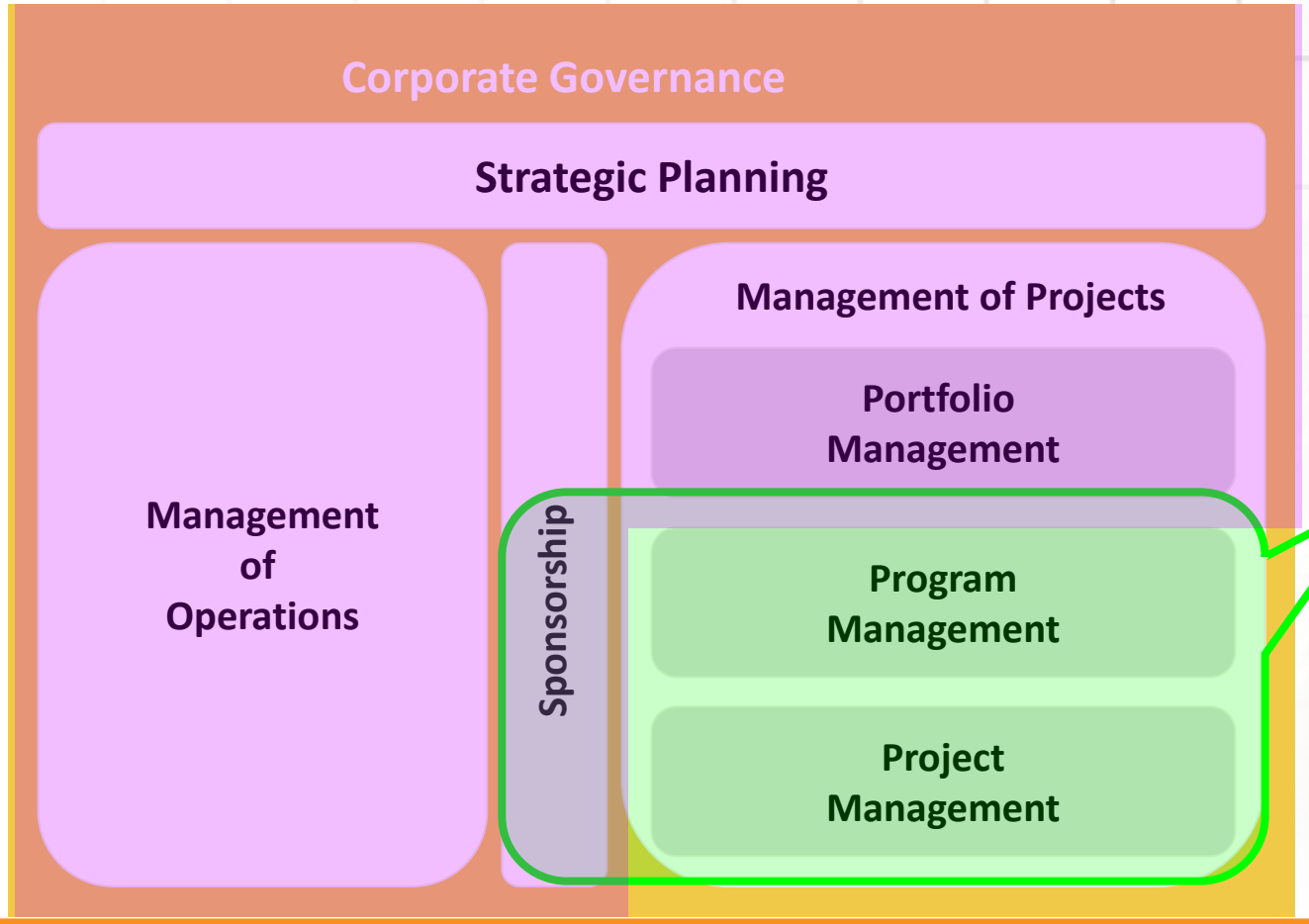
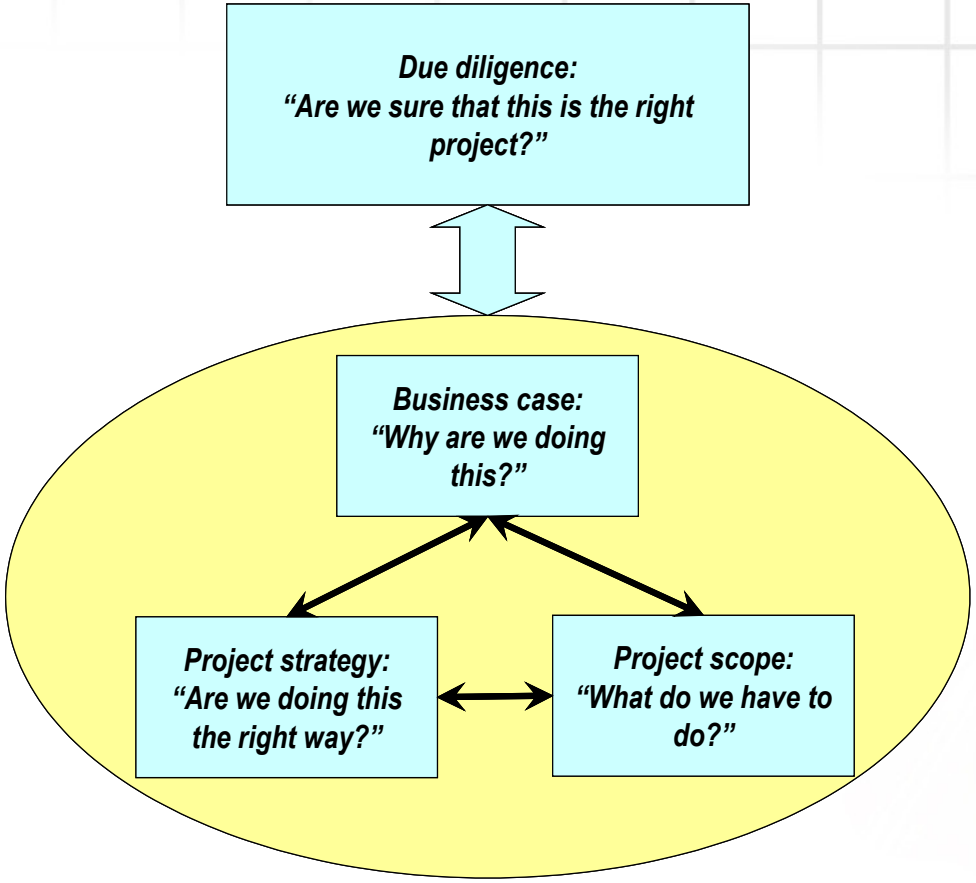
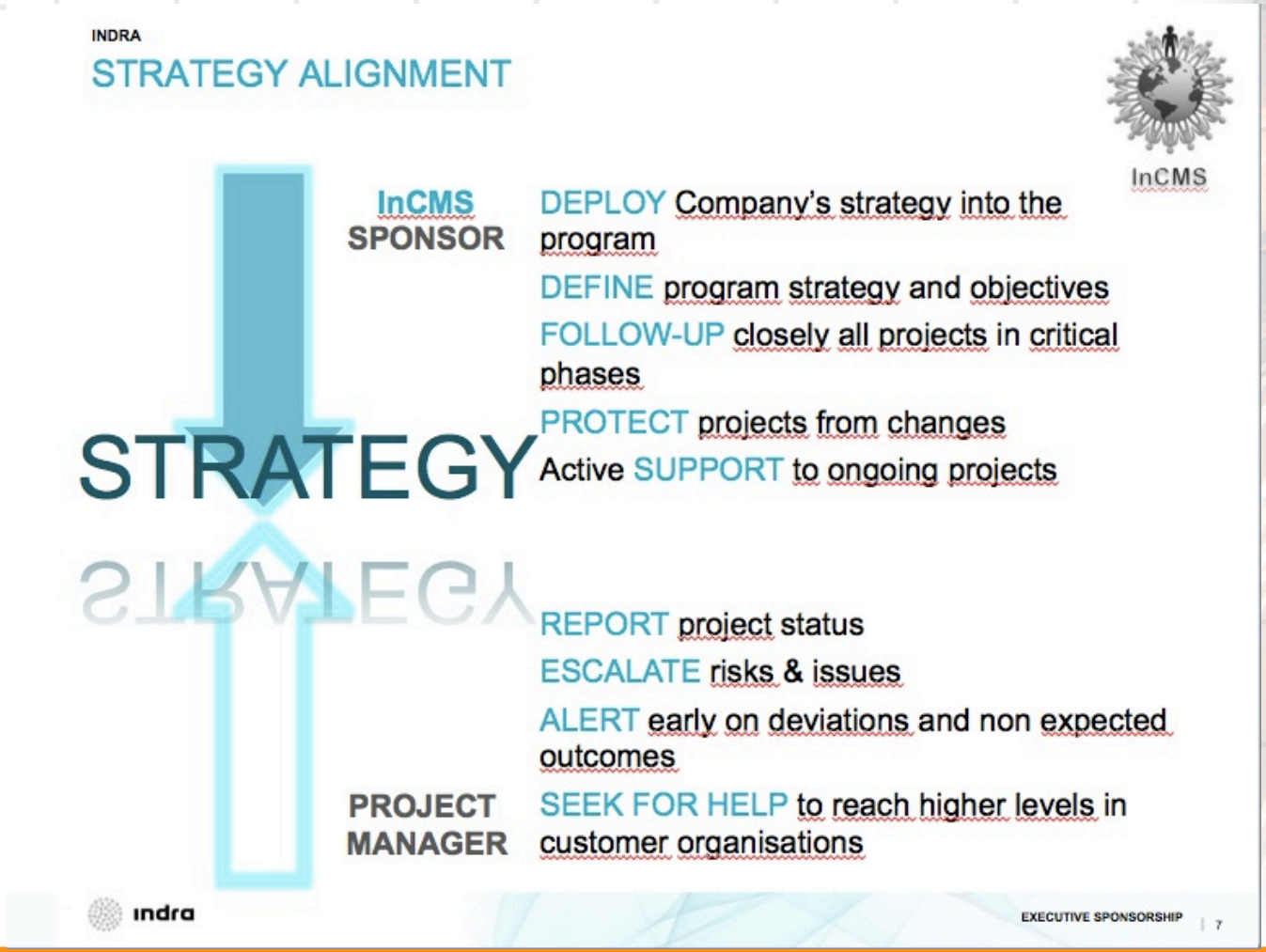
Sponsors Create a Bridge



Sponsors Have Key Front-End Roles



But Need Continual Contact



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Sponsors Have Two Kinds of Role

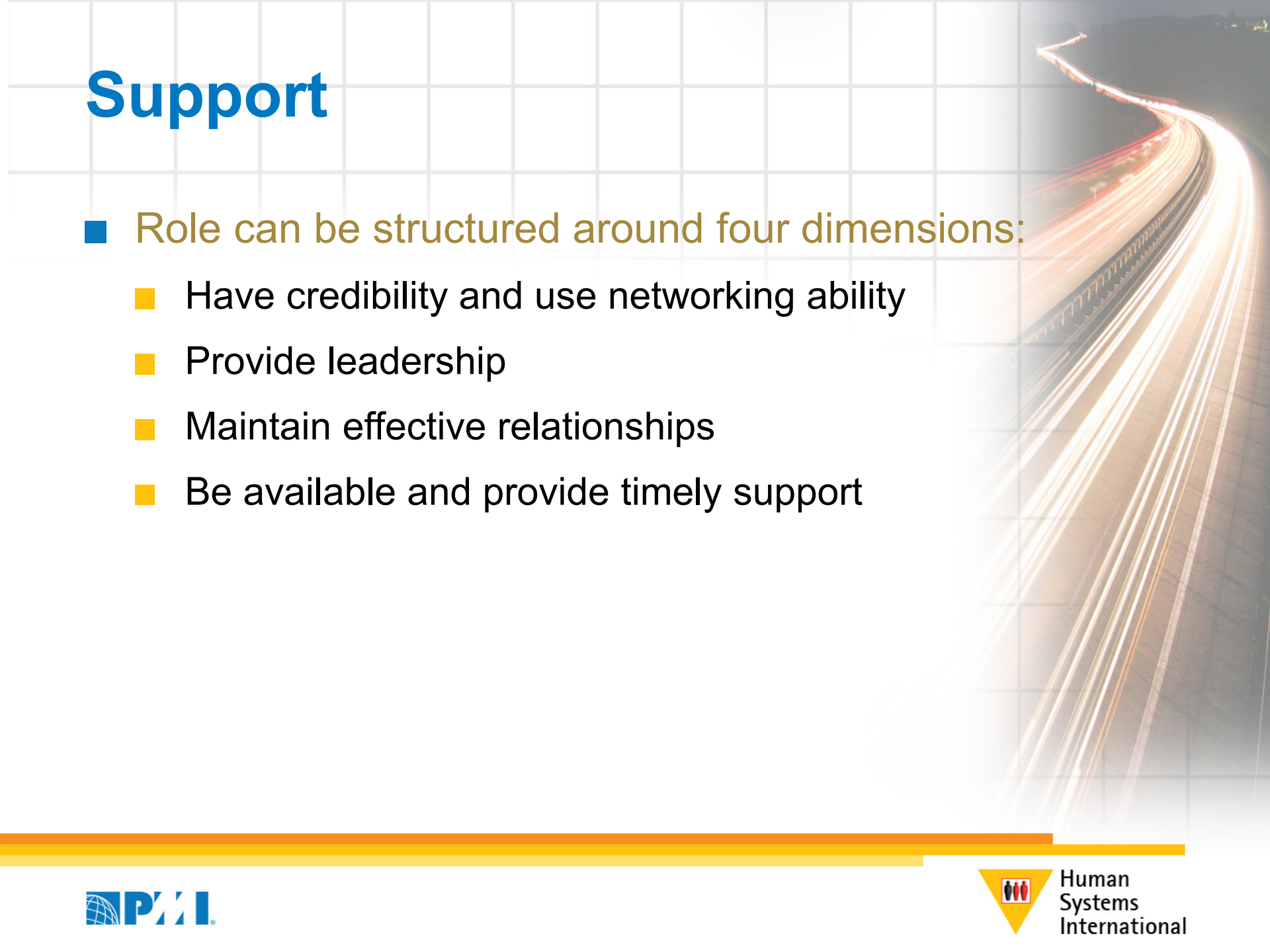
- Governance
  - Representing the needs and interests of the permanent organization.
  - Holding the “contract”.
- Support
  - Representing the needs and interests of the temporary (project or programme) organizations.
  - “Championing” the project

Governance

- Role can be structured around six dimensions:
  - Govern the project
  - Take accountability for business case and benefits
  - Give direction and make decisions
  - Critically review progress
  - Manage internal and external interfaces
  - Have sufficient seniority to represent the project to the organization

Support

- Role can be structured around four dimensions:
  - Have credibility and use networking ability
  - Provide leadership
  - Maintain effective relationships
  - Be available and provide timely support



Situational Sponsorship

Sponsors Face Challenges

- They are overextended
  - Busy people, and sponsoring projects takes time
    - Perhaps as much as 14 additional hours per week per project
  - Communication Gaps exist
    - Different levels of understanding
    - Different information needs
    - Different mindsets
  - Inadequate development in the role
    - Too few organizations educate sponsors about their role.

Sponsorship Capabilities are One "Level" of Capability... …

Organizational Project Capability

Capability to make sure that the project portfolio is the right one to implement the organisation's strategy, that scarce resources are used productively.

Capability to make sure that the product produced by each project is what the organisation needs, that it delivers the benefits that are promised from it, that the product is operated as designed etc.

Project Owner's Capability

Project Management Capability

Capability to manage each project to time, cost, quality, scope, safety, technical performance etc.

… … With Their Own Success Factors and Success Measures.

• Multi-project management and governance capability. • Effective, reliable metrics. • Continual improvement of key processes.	• Strategy implemented effectively. • Key resource productivity. • Overall success of all projects undertaken. • Overall level of PM success.
• Clear & attainable program goals • Sponsor capability & attitude • Benefits realization & management • Appropriate project strategy.	• Benefits realized. • Satisfactory technical performance. • Stakeholders satisfied
• Clear project goals • Adequate resourcing • Effective planning and control • Clarity about technical performance requirement. • Project team • Risk management	• Time • Quality • Safety • Cost • Scope

Success Factors ***Success Measures***

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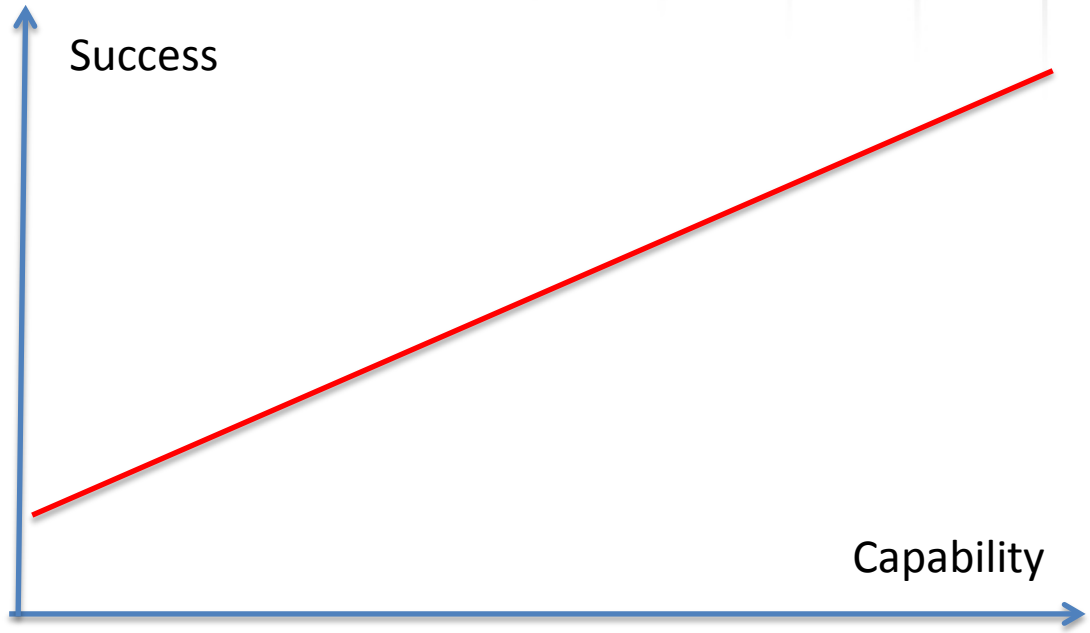
Peter Morris' "Reconstructing PM"

- Also refers to Three "Levels"
  - Technical core
  - Strategic wrap
  - Institutional level
- Claims continuity with earlier scholars
  - Katz and Kahn (1966) – Social Psychology
  - Cleland and King (1968) – Project Management
  - Johnson, Katz and Rosenzweig (1963) – Systems

The Capabilities Predict Success



But Are Challenging to Create

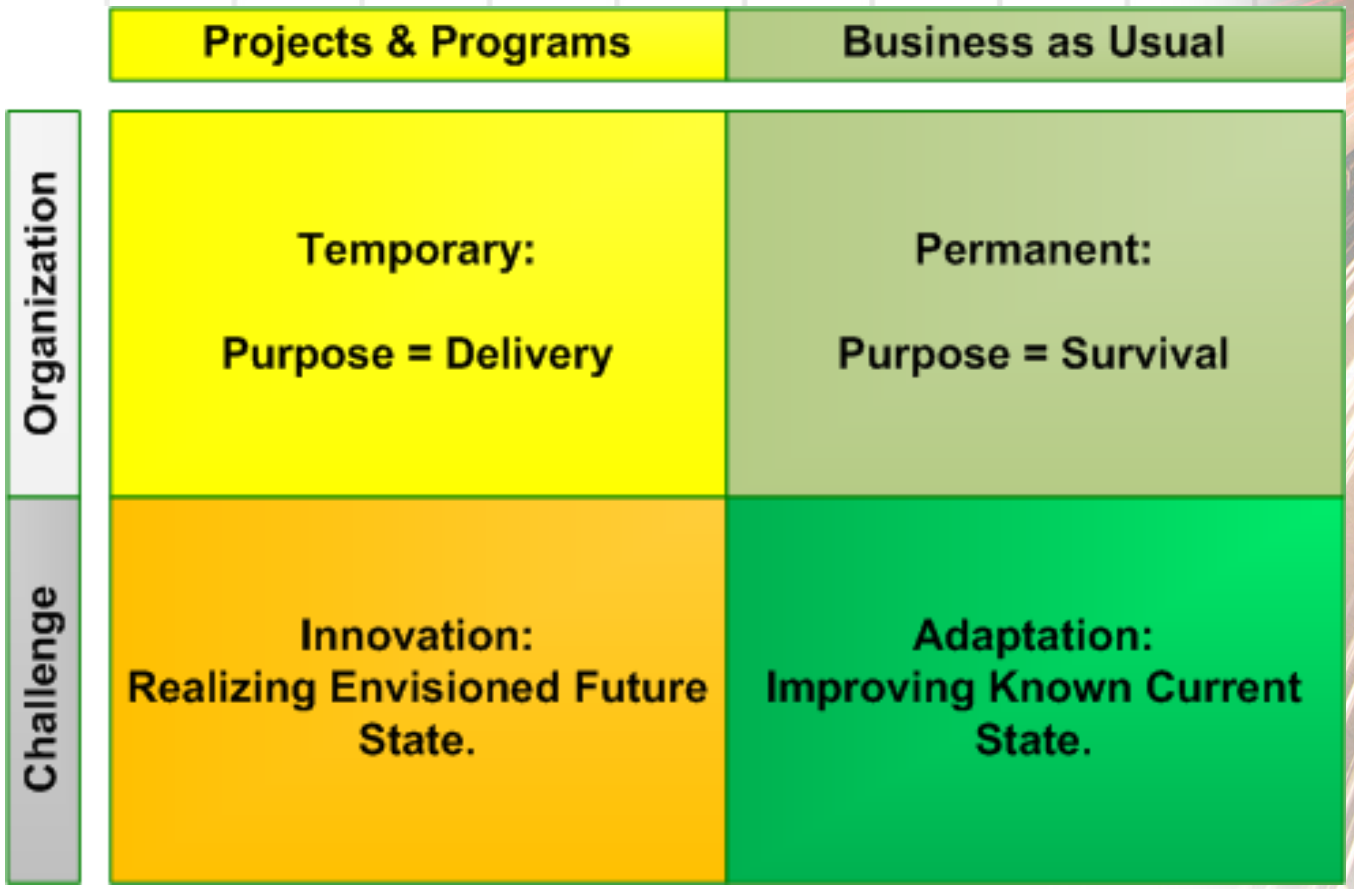
- Basis to mainstream management
  - Start from known and predictable baseline
  - Risks are exceptions to normality
  - Planning has firm basis in the known present

The World of Business Operations

The World of Projects

- Planning and creating something from imagination
  - With a temporary organization
  - Of human beings with numerous biases and flaws
  - With irrational attitudes to risk
  - So planning the work and managing risk are inextricably intertwined

Two Totally Different Environments



Sponsors Need Organizational Support

- Strong Processes
  - To reduce front-end biases and misinformation
  - To have sufficient check-points and power to intervene early (but NOT micro-manage)
- Accurate, timely information
  - With strong project controls
  - KPI's relevant to business case
- This support also needs to be developed.

Thank You!

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