Sustainable Growth through Project Management: Dream or Reality?

Les Labuschagne

Inaugural Lecture

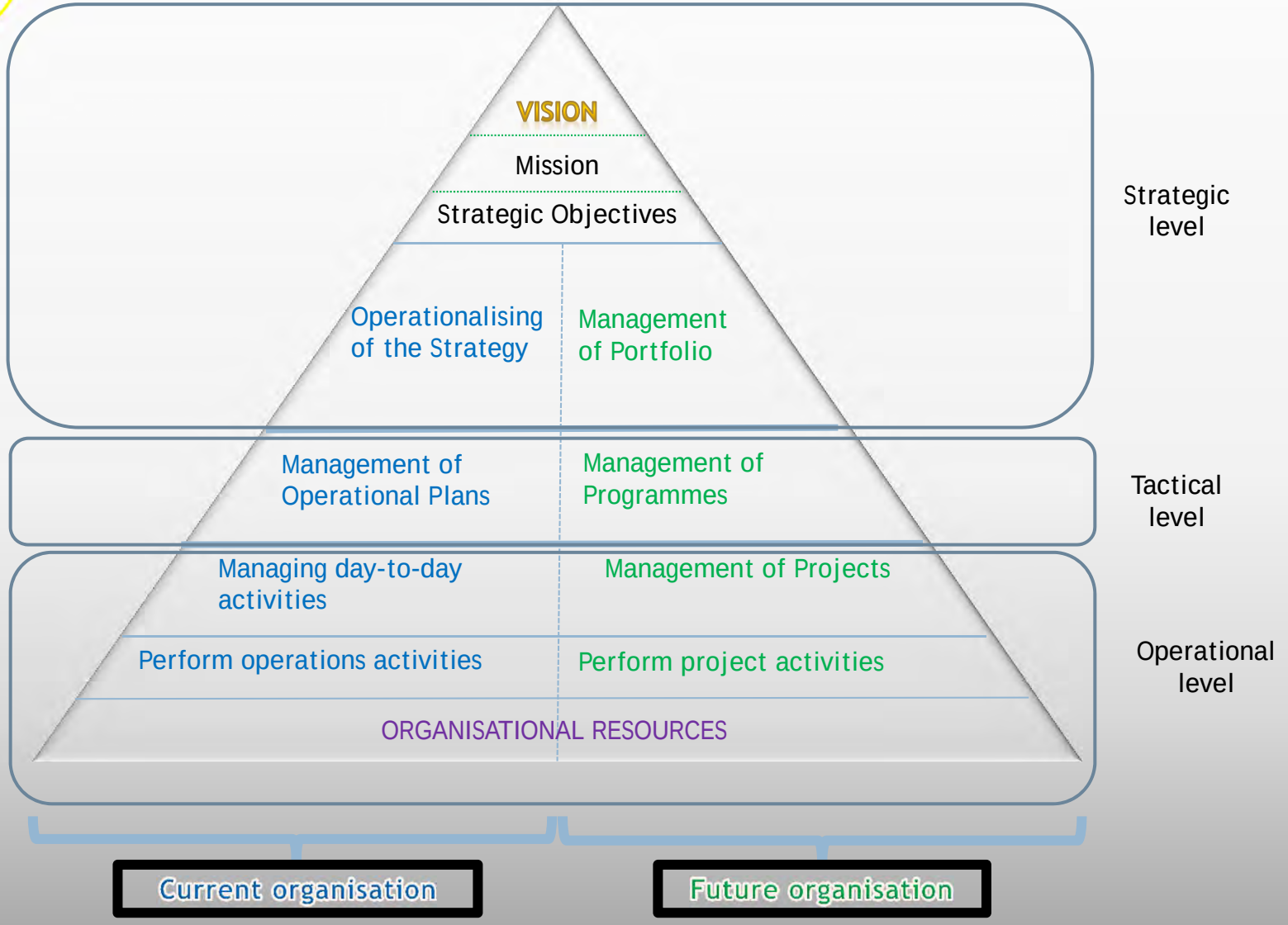
17 March 2011

Open Rubric

The important thing in science is not so much to obtain new facts as to discover new ways of thinking about them.

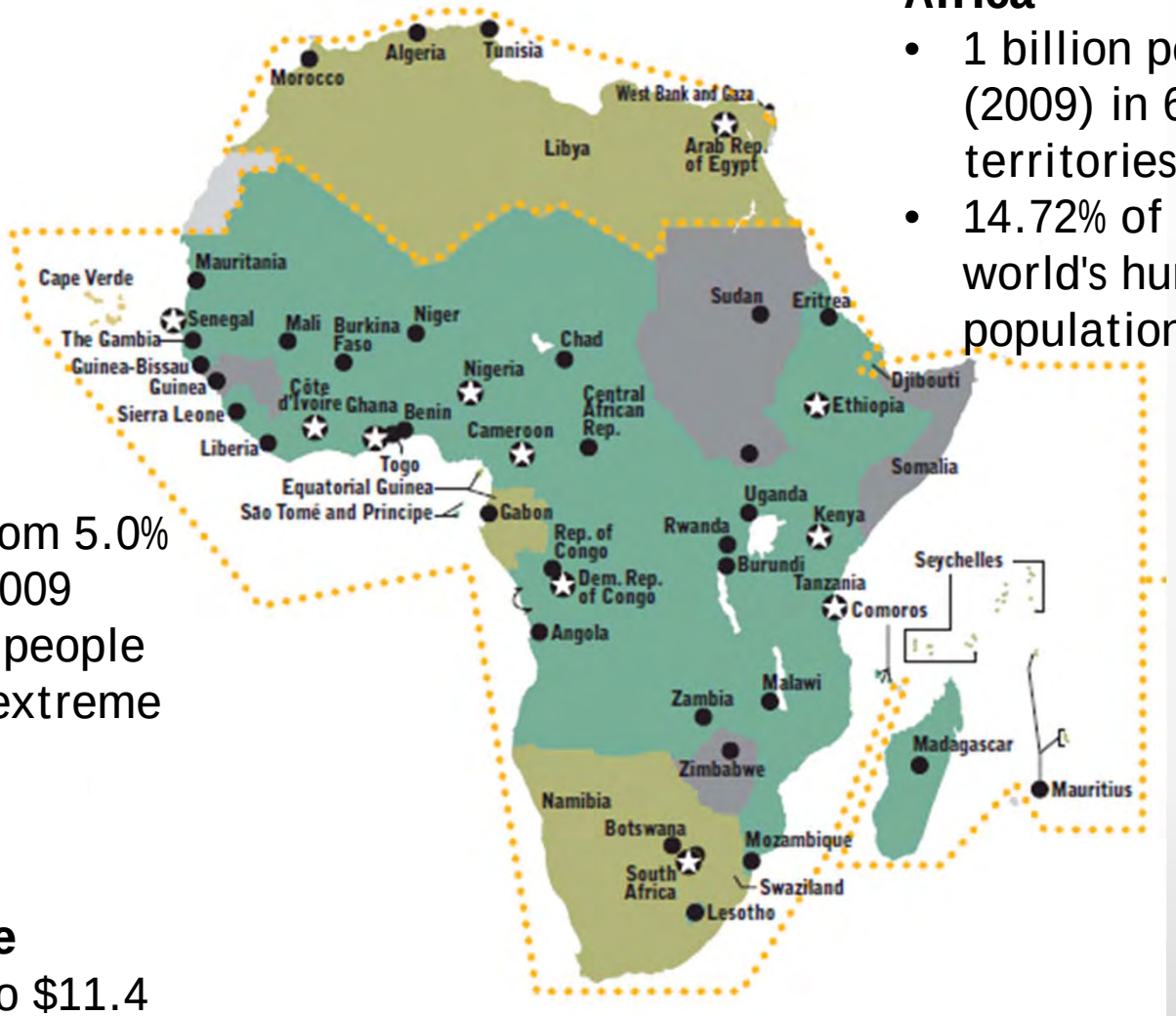
- *Sir William Bragg*
(Nobel Prize in Physics 1915)

The Journey


VISION
Mission
Strategic Objectives
Operationalising of the Strategy
Management of Portfolio
Management of Operational Plans
Management of Programmes
Managing day-to-day activities
Management of Projects
Perform operations activities
Perform project activities
ORGANISATIONAL RESOURCES
Strategic level
Tactical level
Operational level
Current organisation
Future organisation

Africa

- 1 billion people (2009) in 61 territories
- 14.72% of the world's human population



Global financial crisis

- Growth declining from 5.0% in 2008 to 1.6% in 2009
- Impact : 20m more people in Africa will be in extreme poverty in 2015

World Bank Assistance

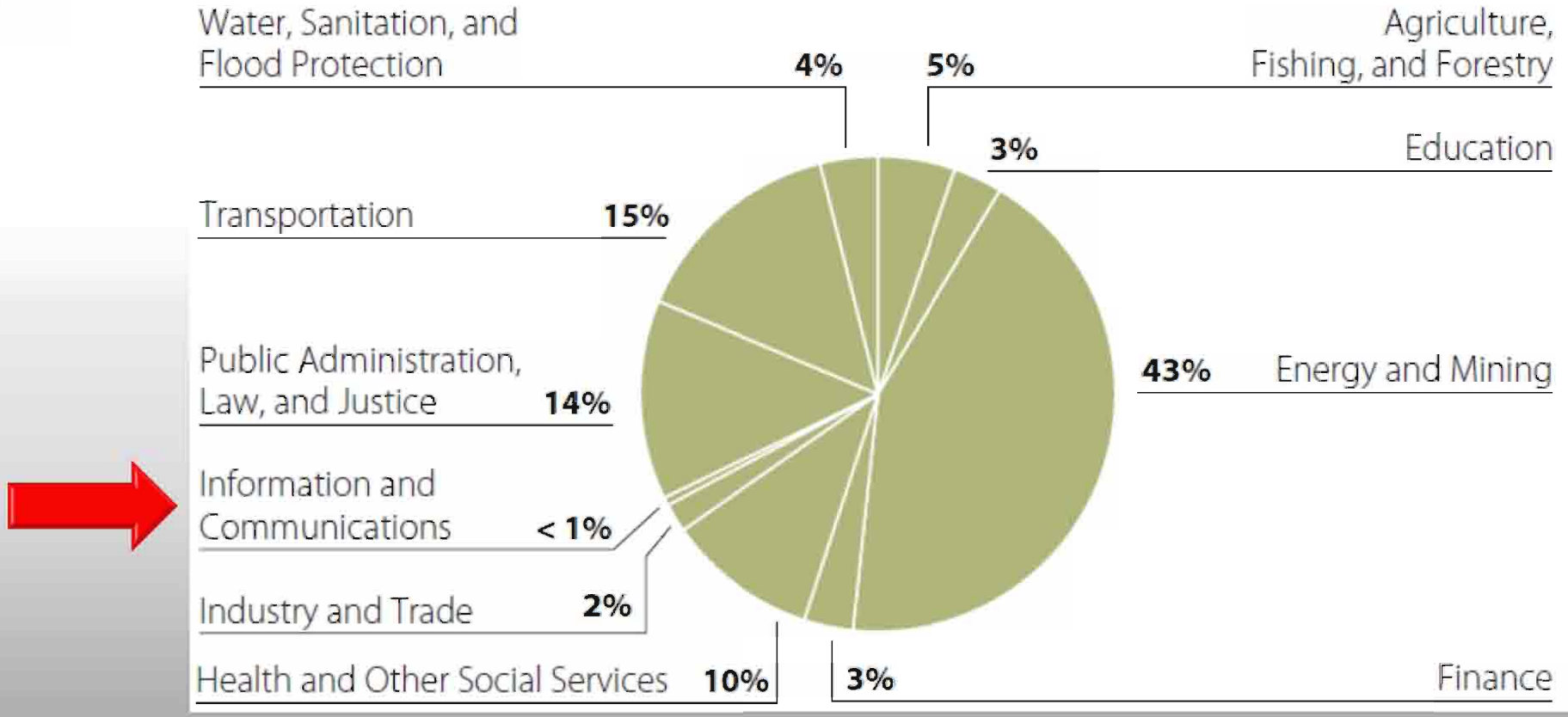
- Total lending rose to $11.4 billion
- Largest single loan made was a $3.75 billion to Eskom Holdings Ltd.,

Types of Projects

AFRICA

IBRD AND IDA LENDING BY SECTOR | FISCAL 2010

SHARE OF TOTAL OF $11.44 BILLION



FIFA World Cup 2010
(R24.5 billion),

Gautrain
(R25.9 billion),

King Ushaka International Airport
(R6,8 billion)

Cape Town International Airport
(R1,6 billion)

Notable ICT Project Failures

- LSE Breaks Down Biggest Failure in 8 Years
  - September 8, 2008 – System broke down on the day European equities posted their biggest gain in 5 months, hurting clients who trade an average **$17.5bn a day**
- Overstock.com's 4 Year ERP Nightmare
  - October 8, 2008 - The **$14.2m** loss was further exacerbated by a customer service meltdown related to the hurried ERP rollout
- eNatis
  - 2007 - The Department of Transport's R311m nationwide licensing system unable to register new and pre-owned vehicles leading to lost revenue
- Sainsbury's $526m Project Failure
  - October 2005 - Giant British food retailer had to write off **$526m** it had invested in an automated Supply-Chain Management system

http://www.lessons-from-history.com/node/89

Notable Project Failures

- FBI Virtual Case File project
  - 2005 - US Justice Department Inspector General report stated **$170m** project was a failure
- UK IRS
  - 2005 - the UK Inland Revenue produced tax payment overpayments of **$3.45bn** because of software errors
- Canadian Government welfare management system
  - July 2004 - A new system costing **$200m** was unable to handle a simple benefits rate increase
- AVIS ERP
  - 2004 - Avis cancelled an ERP project after **$54.5m** is spent
- Pathway project
  - 2002 - the UK government wasted **£698m** on a smartcards for benefits payments project

Failure as Part of Life

(Slywotzky & Weber, 2007):

Research Focus

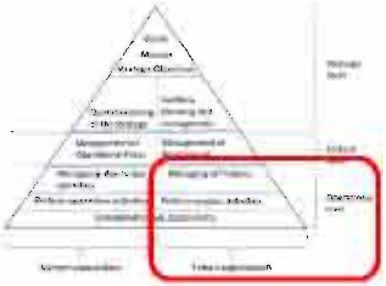
Goal

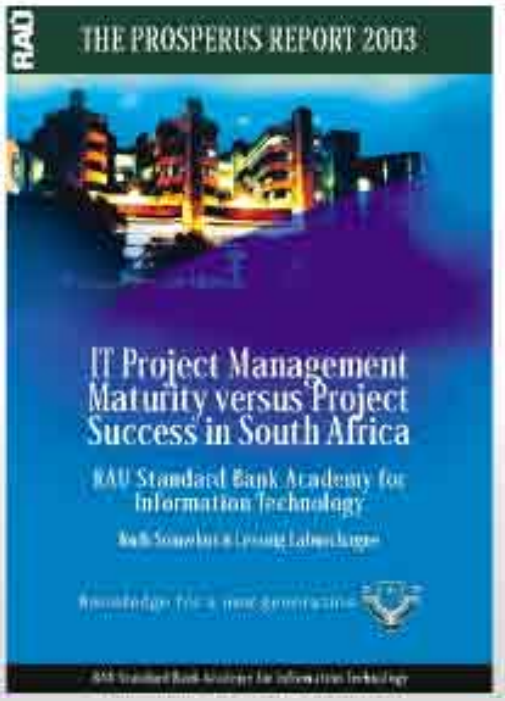
- Investigate the practice of 3PM (project-, program- & portfolio management) in order to develop an understanding of its causality

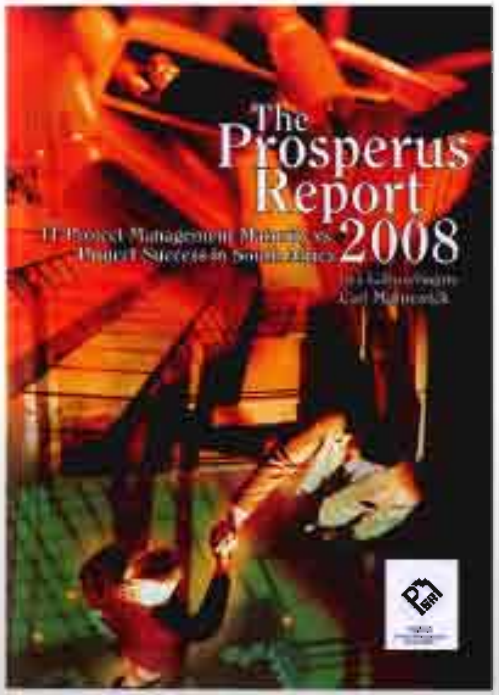
Impact

- An improved understanding can lead to the development of improved 3PM practices leading to the optimisation of results
- This will directly impact economic growth and poverty alleviation

PROSPERUS

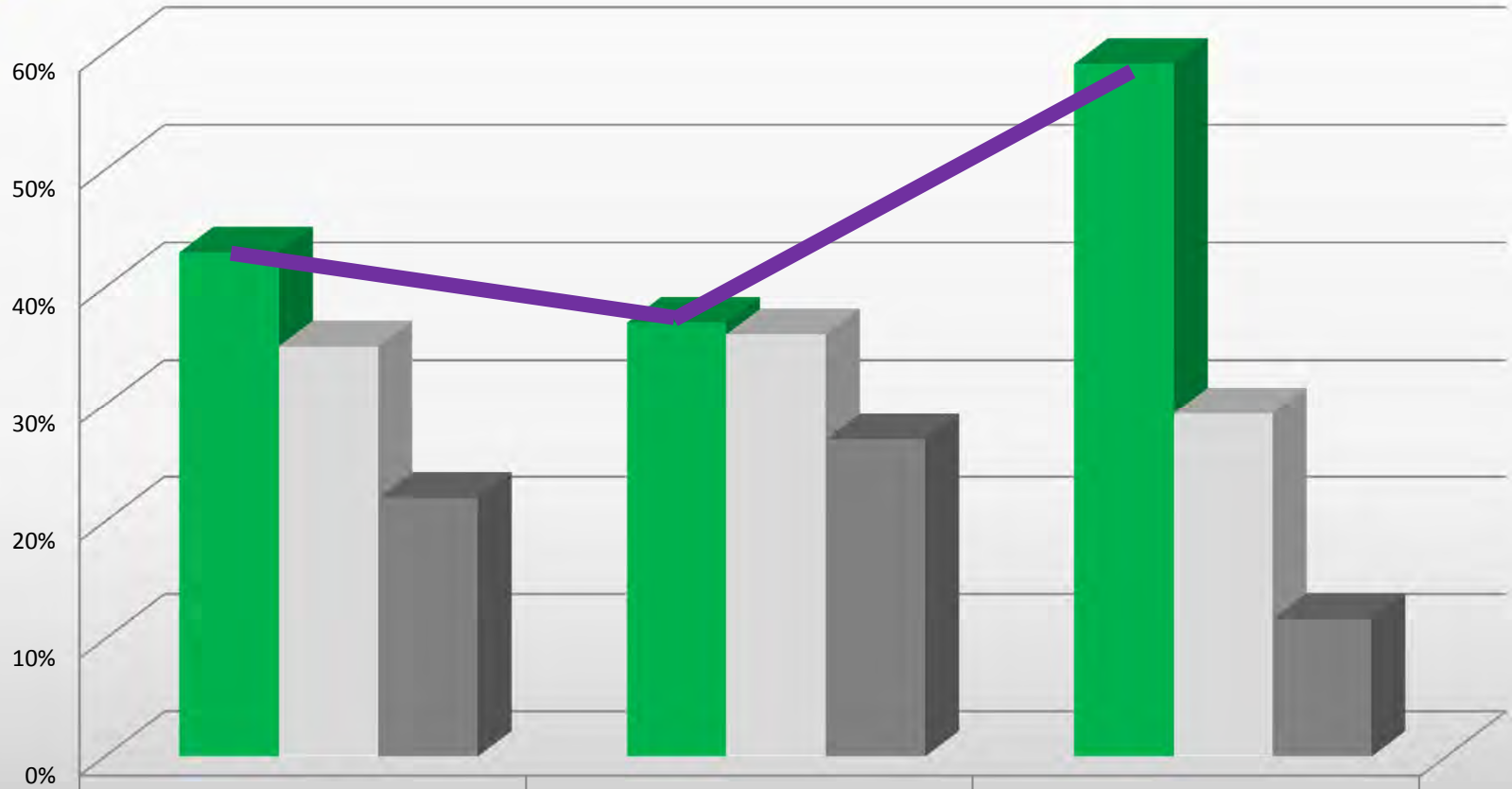






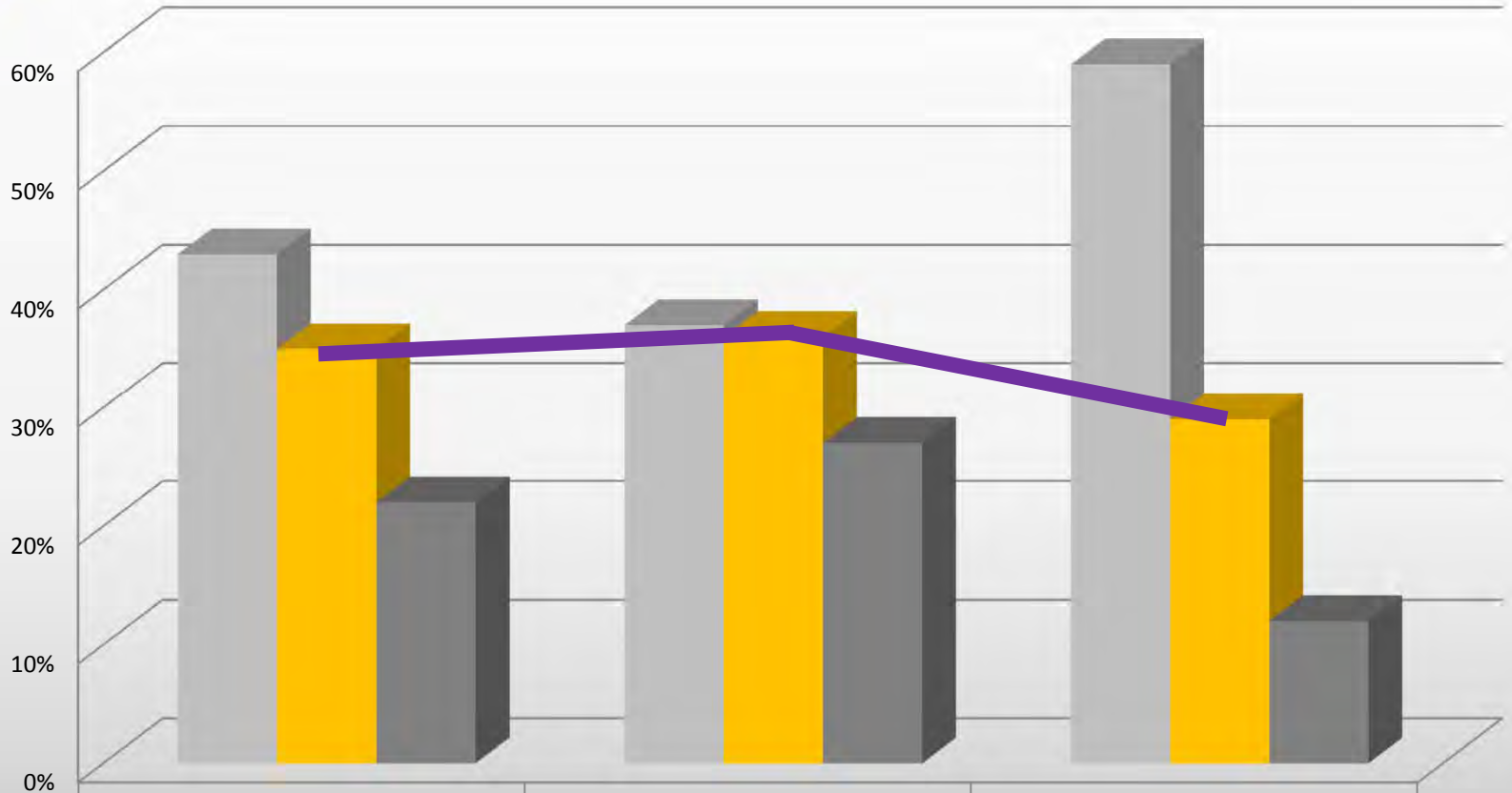
PROSPERUS 2010

PROSPERUS - Success



	Prosperus 2002	Prosperus 2008	Prosperus 2010
Successful	43%	37%	59%
Challenged	35%	36%	29%
Failed	22%	27%	12%

PROSPERUS - Challenged



	Prosperus 2002	Prosperus 2008	Prosperus 2010
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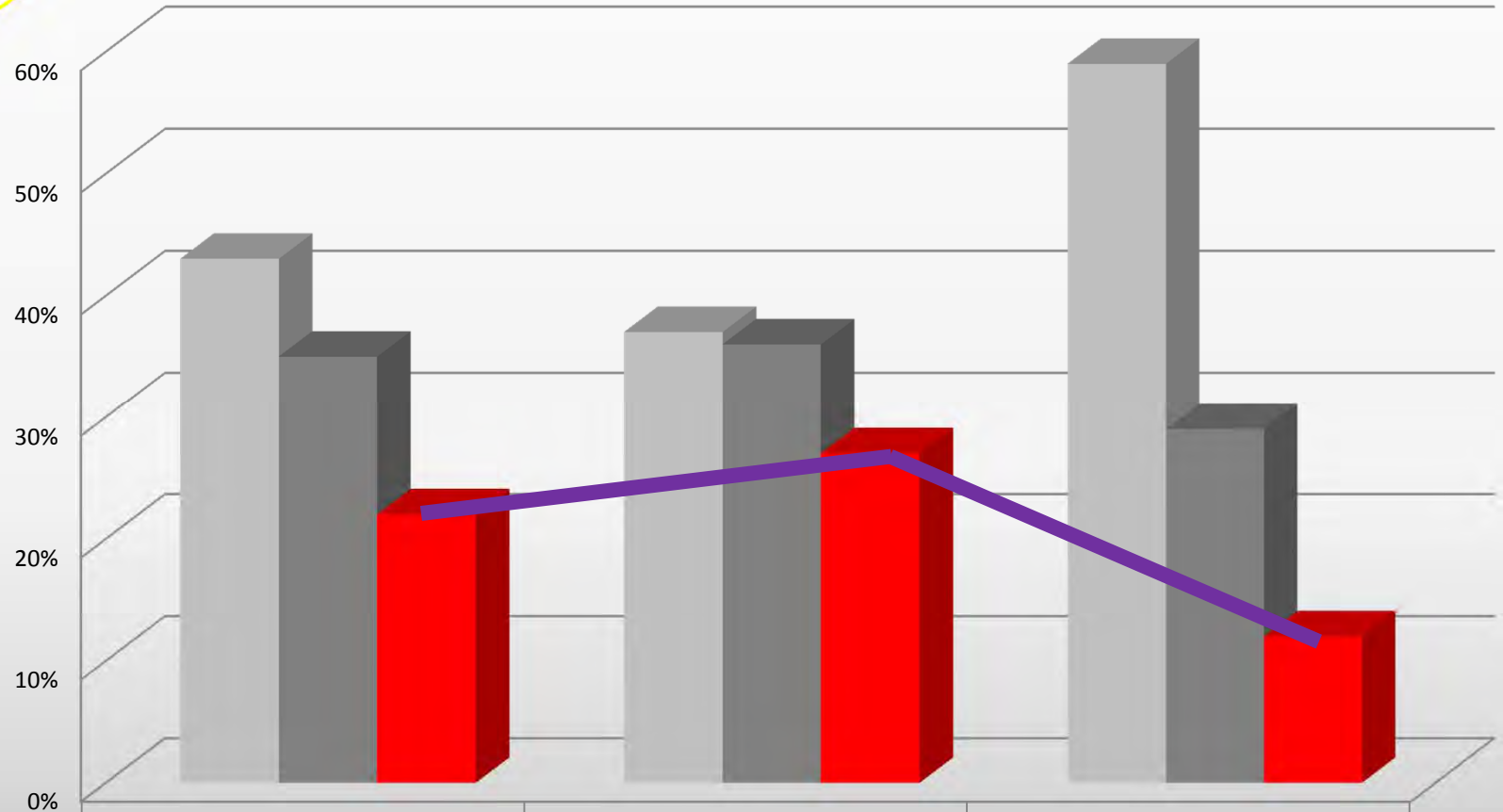
PROSPERUS - Failed



	Prosperus 2002	Prosperus 2008	Prosperus 2010
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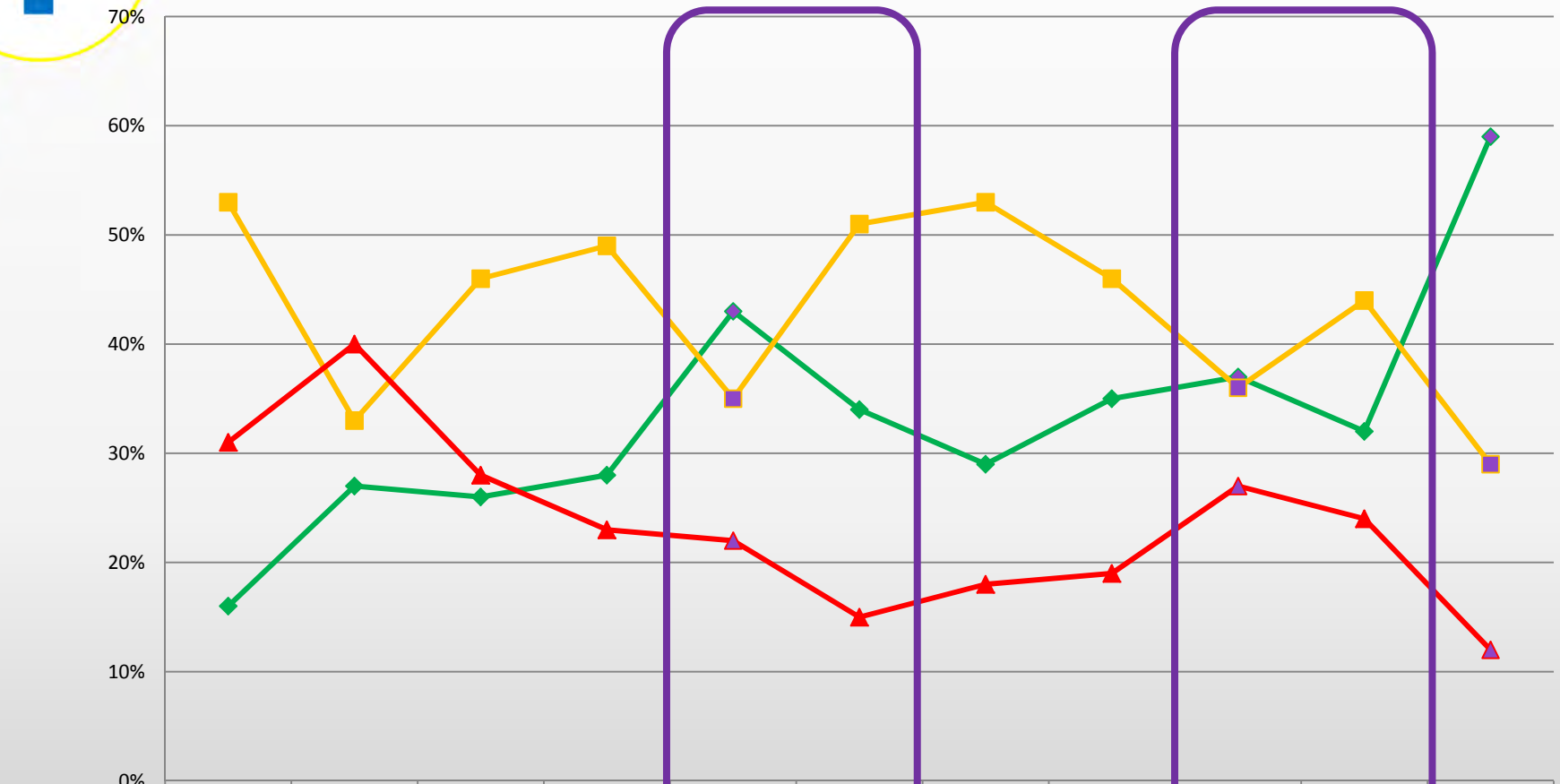
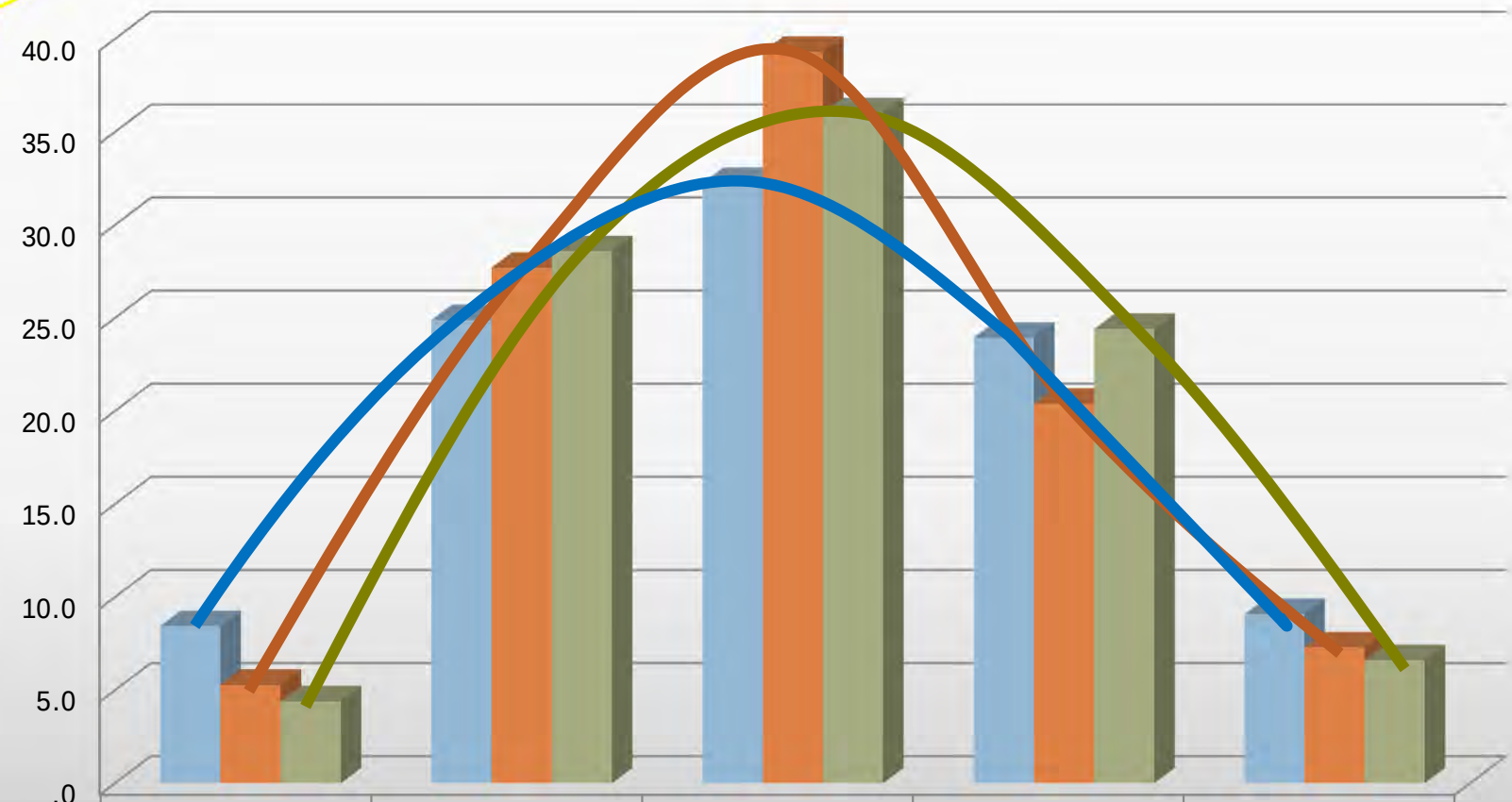
PROSPERUS vs. CHAOS



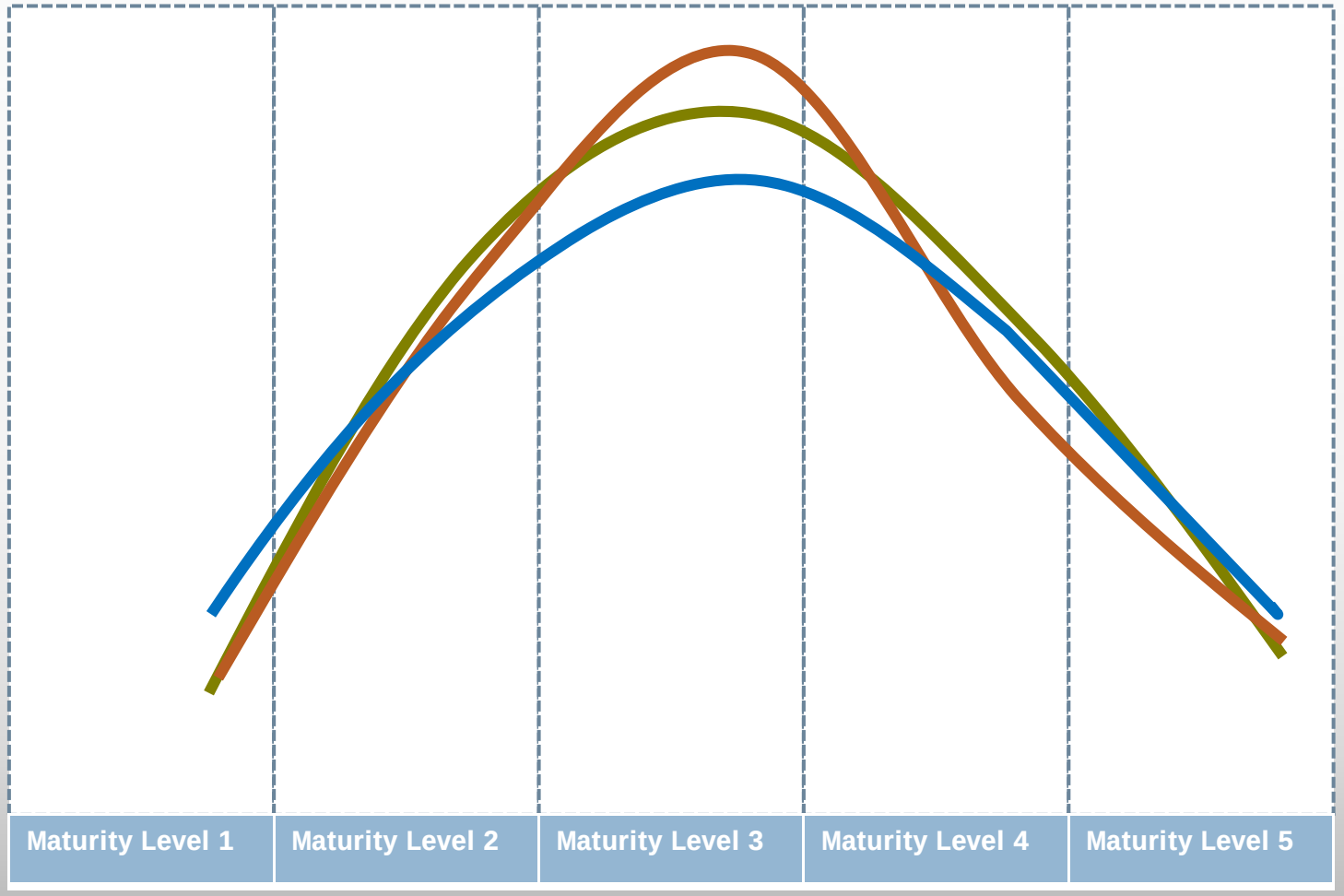
	CHAOS 1994	CHAOS 1996	CHAOS 1998	CHAOS 2000	Prosperus 2002	CHAOS 2002	CHAOS 2004	CHAOS 2006	Prosperus 2008	CHAOS 2008	Prosperus 2010
Successful	16%	27%	26%	28%	43%	34%	29%	35%	37%	32%	59%
Challenged	53%	33%	46%	49%	35%	51%	53%	46%	36%	44%	29%
Failed	31%	40%	28%	23%	22%	15%	18%	19%	27%	24%	12%

Perceived Maturity

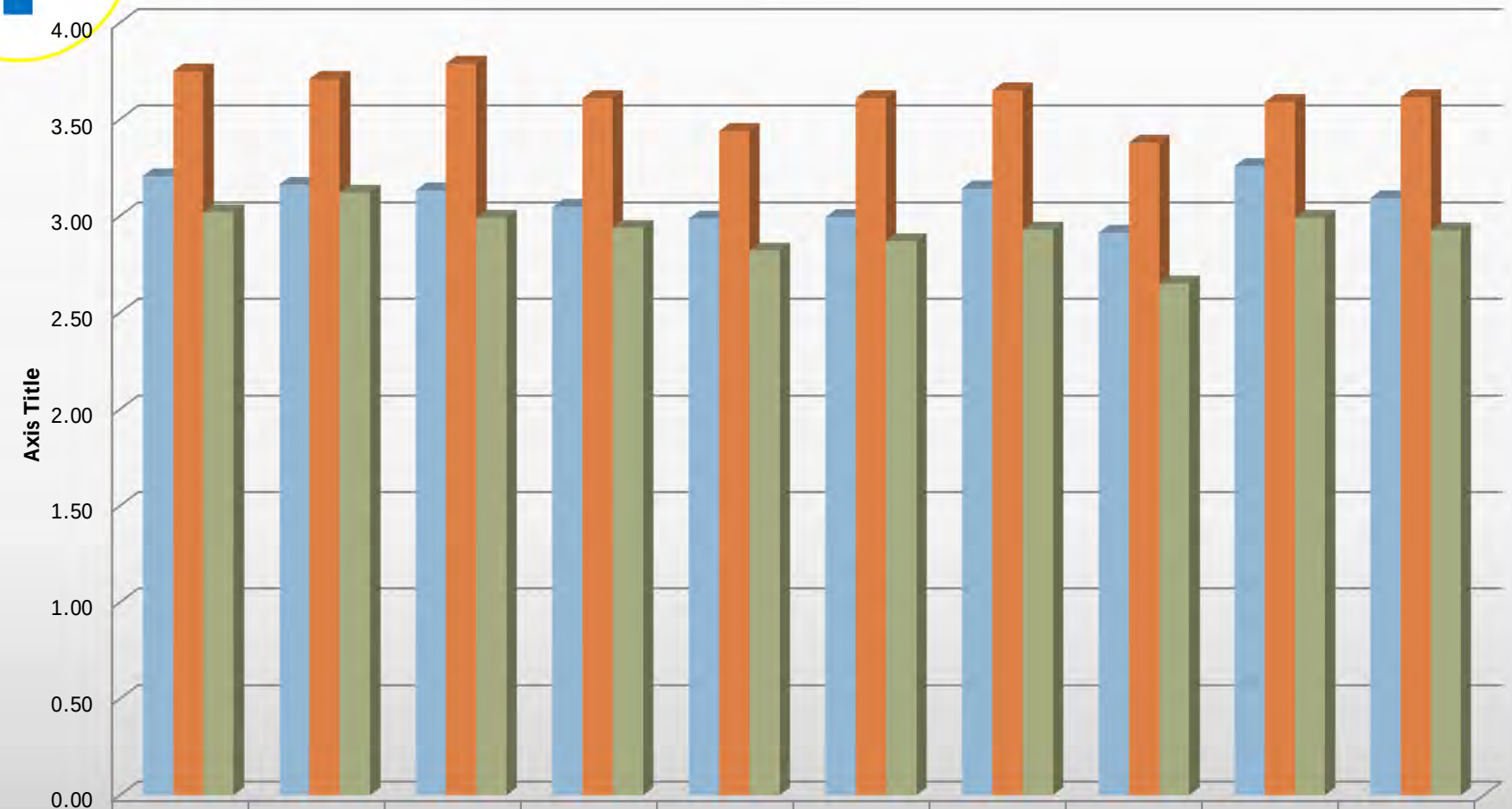


	Maturity Level 1	Maturity Level 2	Maturity Level 3	Maturity Level 4	Maturity Level 5
2010	8.5	24.9	32.2	23.9	9.1
2008	5.3	27.7	39.3	20.4	7.3
2003	4.4	28.6	36	24.4	6.6

Perceived Maturity

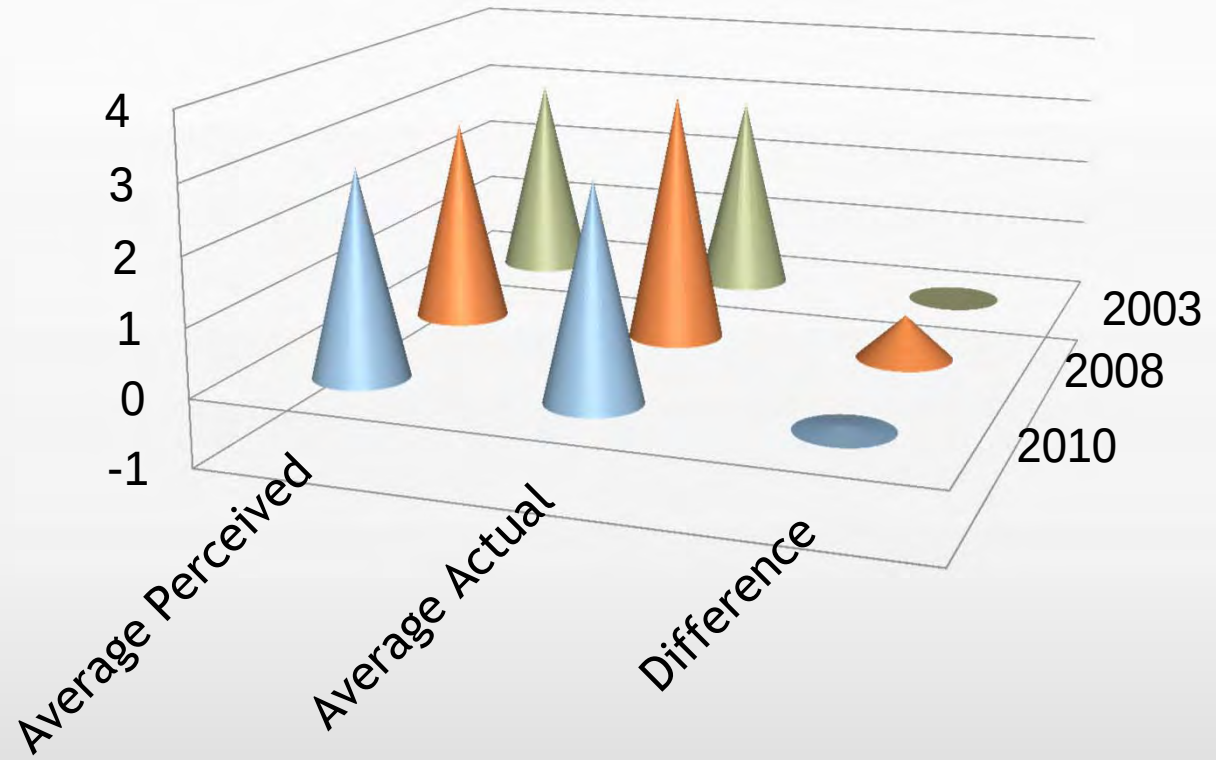


Actual Maturity



	Integration	Scope	Time	Cost	Quality	HR	Communications	Risk	Procurement	Mean value
2010	3.21	3.16	3.13	3.05	2.99	2.99	3.14	2.91	3.26	3.09
2008	3.75	3.71	3.79	3.61	3.44	3.61	3.65	3.38	3.59	3.61
2003	3.02	3.12	2.99	2.94	2.82	2.87	2.93	2.65	2.99	2.93

Actual vs. Perceived Maturity

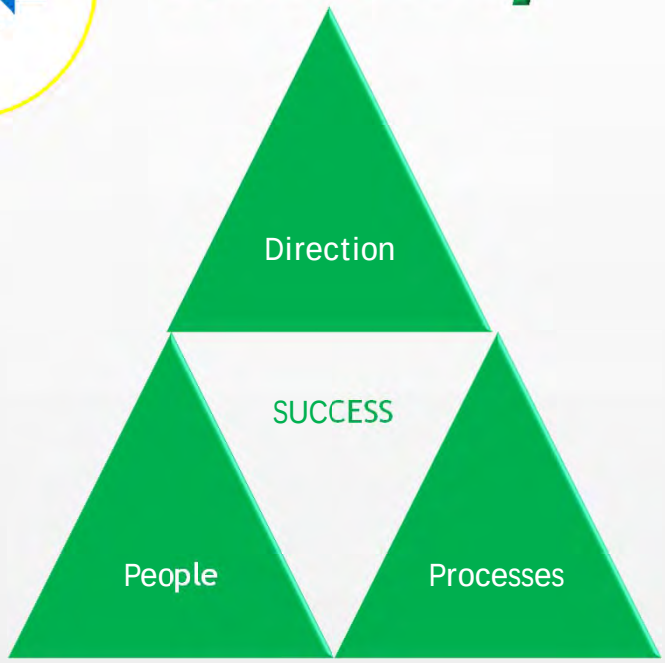


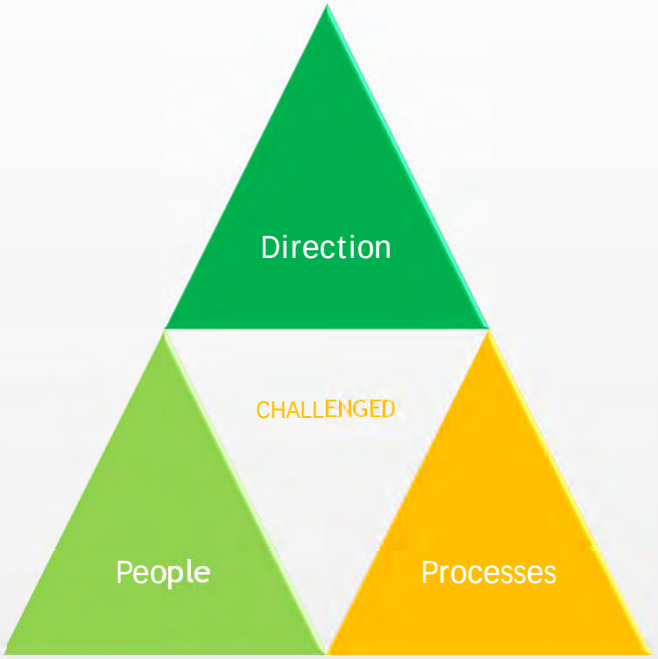
	Average Perceived	Average Actual	Difference
2010	3	3.09	0.09
2008	2.97	3.61	0.64
2003	3	2.93	-0.07

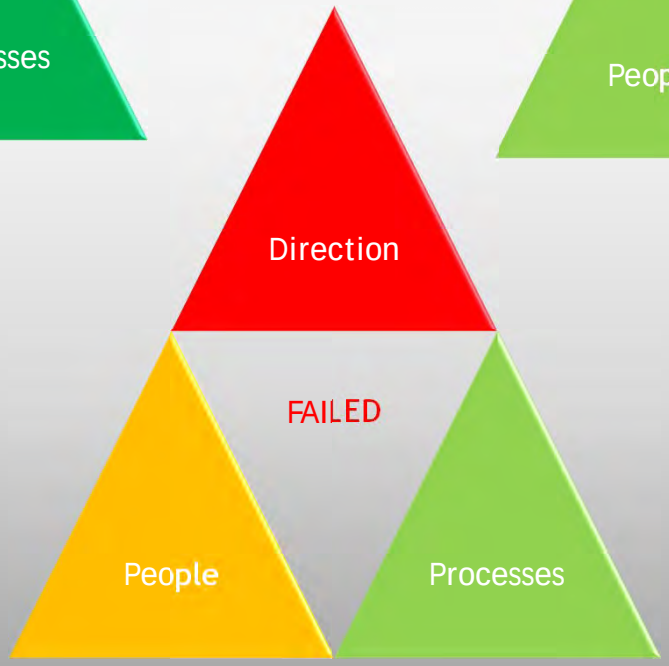
Factors Influencing Project Outcome

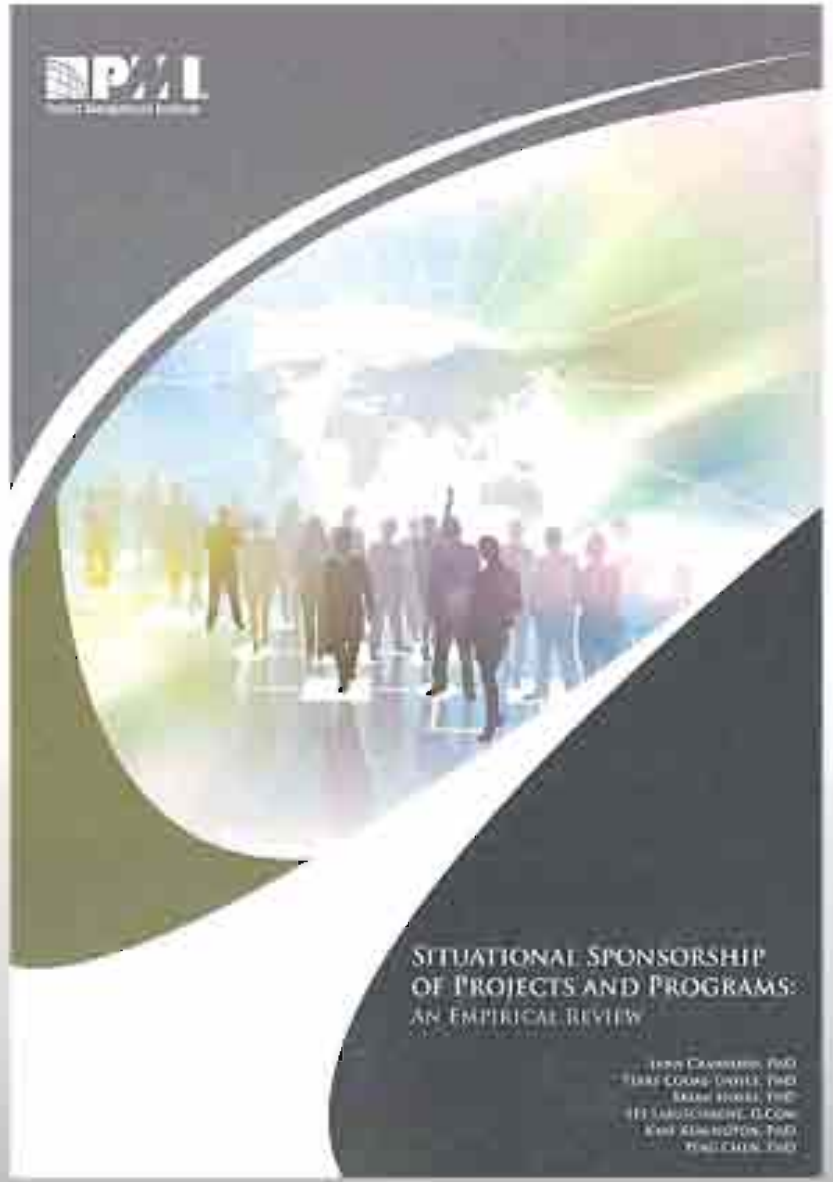
FACTORS	SUCCESS		CHALLENGED		FAILED	
	Somewhat important	Very Important	Somewhat important	Very Important	Somewhat important	Very Important
Support of innovative technology	**30.5**	17.9	10.0	6.5	8.2	6.0
Executive support	36.4	32.2	13.4	11.8	**13.6**	11.1
Clarity of organisational objectives	37.2	37.1	13.2	11.9	**13.9**	11.1
Understanding of user's needs	41.6	33.8	10.6	11.0	10.8	8.7
Requirements definition	40.0	35.8	**14.9**	13.8	12.1	10.0
Communication between team & customers	41.2	37.6	**16.9**	9.6	**14.2**	9.7
Communication between project team members	43.4	35.7	12.4	8.4	8.5	8.6
Project manager competency	40.9	32.9	9.6	7.0	9.1	6.7
User understanding of technology	29.7	21.5	14.1	8.5	9.8	6.7
User involvement	36.3	26.3	11.9	11.0	10.5	8.9
Handling of change	36.0	28.8	**16.0**	11.0	12.4	9.5
Change control processes	35.4	24.5	12.8	7.4	8.9	7.9
Formal methodologies	33.5	23.7	10.8	7.1	8.6	7.7
Auditing of processes	28.5	18.2	8.0	5.6	6.3	3.7

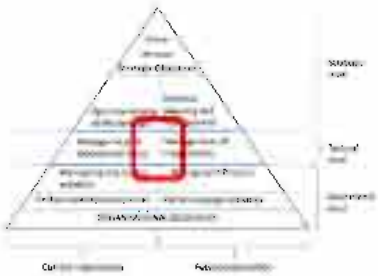
Causality


Direction
SUCCESS
People
Processes

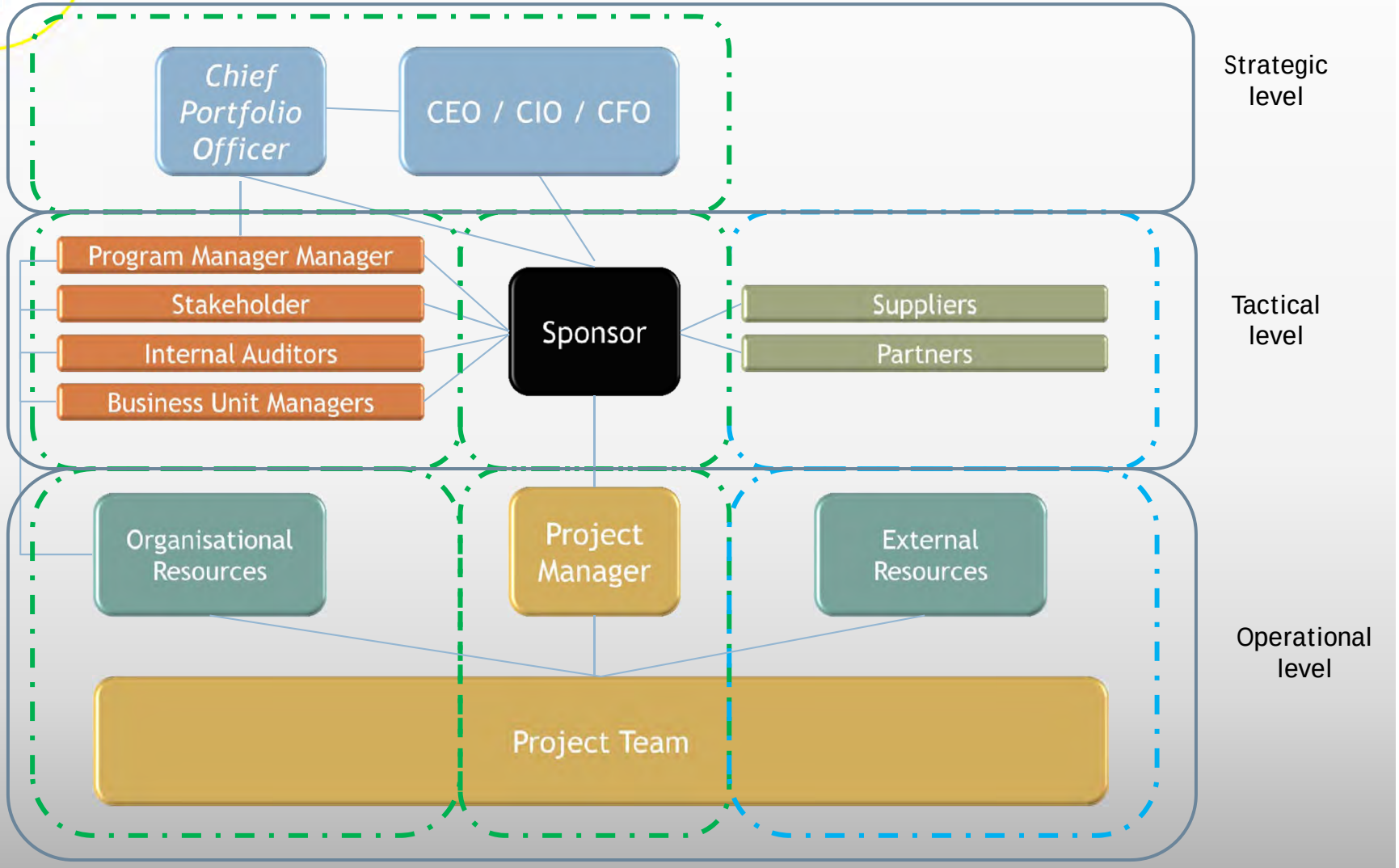

Direction
CHALLENGED
People
Processes


Direction
FAILED
People
Processes


PMI
SITUATIONAL SPONSORSHIP
OF PROJECTS AND PROGRAMS:
AN EMPIRICAL REVIEW



Providing Direction



Situational Sponsorship

Situational Sponsorship

Situational Sponsorship

Benefits Realisation

No.	Hypothesis	Finding
H1	Strategic objectives guide the conceptualization and selection of initiatives and/or projects	
H2	The benefits associated with a project are major determinants in its selection and funding	
H3	Benefits are determined and quantified before the start of all projects	
H4	Benefits are tracked and measured after completion of projects	
H5	Project success is measured against the benefits that were realized	

Benefits Realisation

Different interpretations of project success

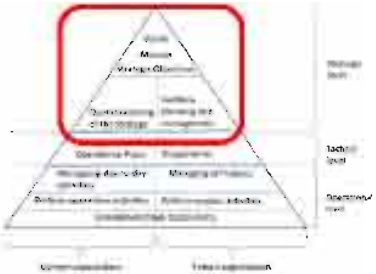
- Management of the project
- Ability of the project deliverable to satisfy needs
- Triple / Quadruple constraints

Linking project outcome to strategic objectives

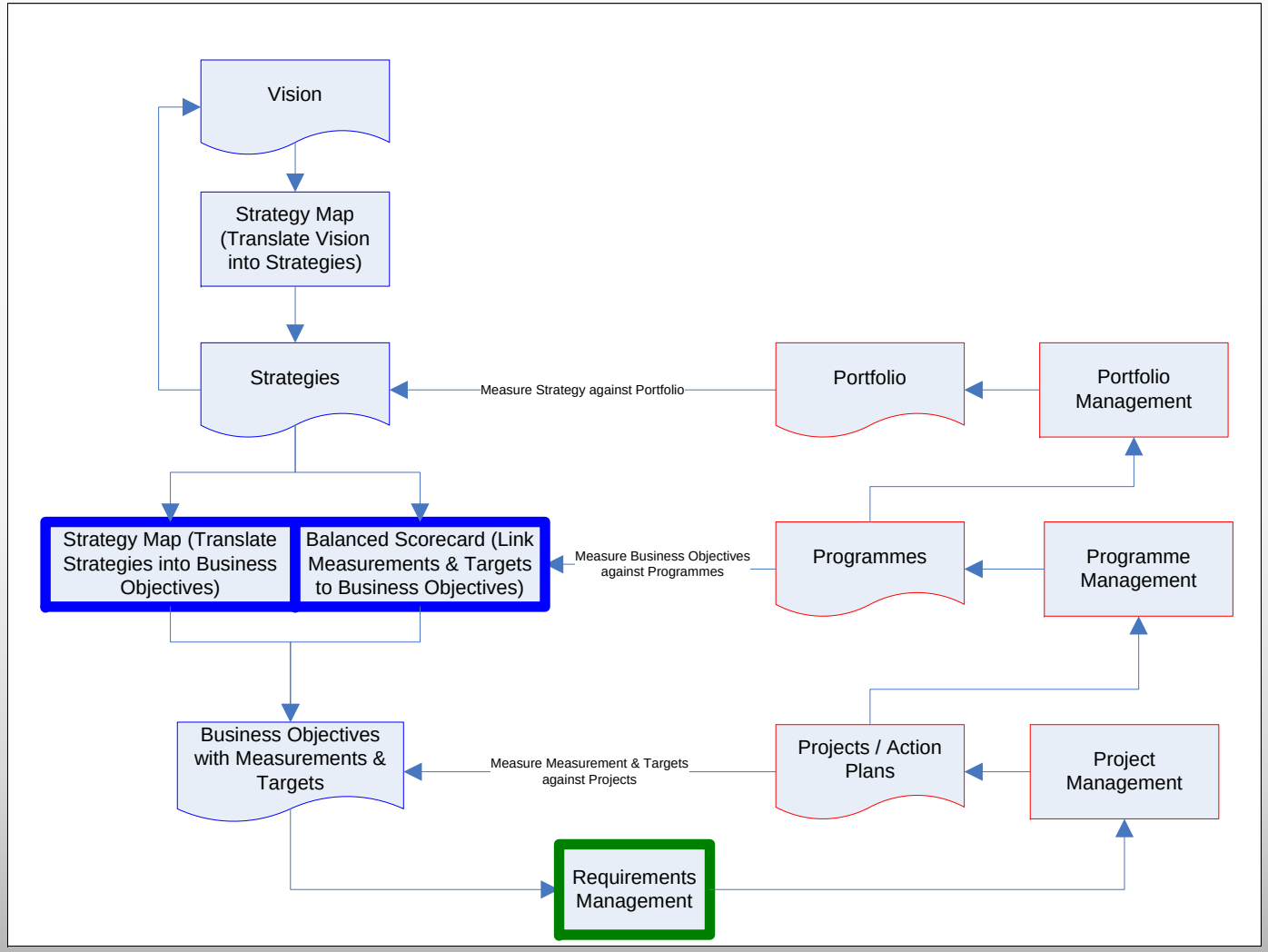
- Projects contribute to strategic intent, even if not measured quantitatively

Programme and benefits management processes

- Organisations were achieving strategic objectives and were therefore successful despite absence of processes



Portfolio Management



Future Research

3PM Governance

Determining the individual and collective contributions projects make to achieving the organisational strategic objectives

The African Perspective on 3PM

Conclusion

Best Practice vs. Real Practice
Philosophy vs. Science
Conventional Wisdom vs. Unconventional Wisdom
Dream vs. Reality

Final Words – The Art of War

- If you know the enemy (projects) and know yourself (3PM), you need not fear the result of a hundred battles.
- If you know yourself (3PM) but not the enemy (projects), for every victory gained you will also suffer a defeat.
- If you know neither the enemy (projects) nor yourself (3PM), you will succumb in every battle.