

# From Across the Pond...

## *Who's Minding the (U.S.) Project Management Store?*

By Carl Pritchard, U.S. Correspondent



Ever walk into a store and despite your best efforts, there's no clerk to be found? Your mind races. You worry that something's gone wrong. You consider the temptation of a store full of goods and no controls. (Not that you'd act on that temptation, of course...)

It's part of the human condition. If we are unchecked, there is the possibility that we may act unchecked. The \$328-million USD Colorado Veterans Affairs Hospital project has ballooned to over \$1.7-billion USD, and the end is still not in sight. The Affordable Care Act (yes, that's the real name for ObamaCare) website has proven anything but affordable. A 2014 Bloomberg study showed total costs for the website exceed \$2-billion USD, when in 2013, the government proudly announced that the real price tag would be \$93-million.

The big question that surfaces is "Is someone minding the store on big U.S.-based projects?"

I had the opportunity to raise that question with three people familiar with big projects and the challenges associated with them. Their insights shed light on why they believe that the headline-making project debacles are the exception, rather than the rule.



**Peter B. Nichol** is with Access Health CT, as their Former Head of Information Technology. He has been recognized as a 2015 MIT Sloan CIO Leadership Award Finalist. He believes that information technology and currency is crucial to project oversight. "IT has enterprise accountability for the PMO and is responsible for ensuring stakeholders are engaged and participate in business prioritization decisions that continue to transform our business." Working closely with those who are living with the implications of the Affordable Care Act, Nichol says the key to effective oversight is to keep watch over a rapidly changing landscape. "In this environment, [our organization] has the constant challenge of adapting to an evolving business and changing ecosystem. New carriers are entering the fray, the State Medicaid agency is undergoing an enterprise transformation, and the Federal Government is evolving policies. In this environment, AHCT has to establish a culture for successfully dealing with ambiguity and rapid changes. The IT leadership team pays constant attention

and provides the team with clear direction, adapting plans to the changing environment and continually refocusing the team in effectively managing the business. The PMO is a critical part of this process and the communication

vehicle to organizational stakeholders for consistent communication.” He says a core component of that ability to refocus is the organization’s use of a variety of methodologies, such as Agile.



**Gerald J. Leonard** is President/CEO of Principles of Execution LLC, a strategic project portfolio management and IT governance consulting practice. He works extensively with state governments in the States, and is currently engaged with the Virginia Department of Transportation. From

an oversight perspective, he too believes that constant communication and systemization of information is critical. He stresses that communication of project information (through tools like Project® Server) and the ability for real-time reporting is where oversight really happens. He believes the Commonwealth of Virginia is working in the right direction. “They’re working to improve their execution from a systems perspective, which is why we’re there. It’s a matter of how they capture data.” Beyond data capture, he concurs with Nichol’s perspective that the data must go back out to the concerned parties. “They socialize the information to others in the process. Then you have buy-in. You have the ability to know where you’re going and where others are going to go. That creates the buy-in, and that makes others more apt to execute consistently.” Leonard’s emphasis is on the notion that the buy-in has to span the entire organizational project portfolio. He says that’s where some of the real challenges lie.



**Calvin Speight, Jr.**, is a principal of Project Executive Outcomes, LLC; an earned value management system auditor for government clients. He believes in top-down oversight of the project environment. “It’s governed by a PMO...It’s a more directive PMO, with responsibility for cost

consciousness. Projects are viewed through the portfolio lens.” As an earned value auditor, he believes that earned value management systems (EVMS) can play a major role in conducting effective oversight. He’s seen the successes. “They use a lot of computer-based reporting for enterprise resource planning (ERP). They look at a lot of the EVMS metrics—CPI, SPI—and

translate it into RYG charts [Red Yellow Green charts]. They go through a lot of diagnostics and reviews on why they’re having the cost overruns.”

The big question, however, is whether or not all of this oversight is actually working. Speight believes it is, but there’s still plenty of room for improvement. “It’s kind of working. They have the processes in place and they have the forms and computer systems, but the key challenge is getting them all coordinated and talking with each other. It’s adequate, from a maturity level... maybe they’re a three on the five scale.” He believes they’re improving through education, but part of the equation will be to know which projects belong in the corporate portfolio, and which ones don’t. “Part of this is understanding...for example...when it’s better than to end it, rather than start over. Just like a monetary portfolio...sometimes it’s time to get out of an investment. These [projects] are investments by the organization. If we have a process, there’s less of an emotional attachment and that allows us to maintain a solid portfolio.”

Leonard concurs. He believes the heart and soul of improving performance will be an understanding of how to manage the portfolio. He sees a need for “more of an emphasis on portfolio management. A lot of organizations are saturated with project managers, but they don’t know if they’re doing the right projects and whether or not those projects are synchronous.” He says the emphasis in his world relates to effective utilization of resources across the portfolio. “We hear more organizations talking about the Theory of Constraints, where you recognize that you have limited resources and have to make best use of those resources.”

Nichol stresses that it is the people who will make it work, but we need a different attitude about those people. “Gone are the days when employees work for a company. Twenty years ago that was likely the case when tenure was expected and pensions were mainstream. Today, the average technology worker is mobile and stays in a role for only 1-3 years. We must lead our technology workforce as if they are voluntary employees. They are not controlled by a manager or boss. They can and often do leave when they want. Dialing into the culture we are creating, the incentives we provide, how we engage employees and how we monitor motivation is a vital part of retention and ongoing organizational improvements.”

For those organizations with a close watch on their portfolio and their people, all three believe there’s hope for high-quality oversight. They contend that when those elements are in place, someone is minding the store. And when those components are not in place? We shouldn’t be surprised when cost, schedule and public opinion run afoul of the original vision.