

## Governing for Success

### Helping deliver successful projects



Organisations need to evolve and mature their management processes to achieve consistent success in the delivery of their projects and programs. However, there are no silver bullets – the core drive to be successful, and most of the effort, has to come from within the organisation and be fully supported by senior executives and other key stakeholders.

During our 40 years' experience in the disciplines of project management, project controls and project governance we have learned that every successful organisation has its own unique culture and structure;

therefore, when focusing on improving project governance nothing works 'out-of-the-box'. Each organisation needs to identify the aspects of its existing culture and the parts of its management systems that offer the best opportunities for improvement, define options that may work (there are no guarantees), and decide on the things needed to deliver the desired improvements. This process is a journey, and the measure of success is achieving the level of maturity where continuous improvement is organic and internal.

### Achieving routine success

Achieving routine project success requires:

1. **Setting the right objectives.** Projects and programs should support the achievement of the organisation's strategic objectives<sup>1</sup>. Achieving this requires a number of elements:
  - a. A realistic and achievable strategic plan
  - b. A Portfolio management function<sup>2</sup> designed to optimise the selection of the 'right' projects and programs to undertake to maximise the delivery of strategy
  - c. A robust and reliable process to develop and test the business cases used in the portfolio management processes – underestimating the cost or difficulty in delivering a project guarantees failure before it starts
  - d. A sound appreciation of risk and uncertainty to ensure adequate contingencies are in place by applying techniques such as reference class risk assessments<sup>3</sup>.

<sup>1</sup> See more on **strategic alignment**: [https://mosaicprojects.com.au/WhitePapers/WP1006\\_Strategic\\_Alignment.pdf](https://mosaicprojects.com.au/WhitePapers/WP1006_Strategic_Alignment.pdf)

<sup>2</sup> For more on **portfolio management** see: <https://mosaicprojects.com.au/PMKI-ORG-025.php>

<sup>3</sup> For more on **reference case risk assessment** see:  
<https://mosaicprojects.wordpress.com/2017/05/23/the-reference-case-for-management-reserves/>

2. **Understanding the objective and value proposition for each project and program**<sup>4</sup>. The outputs from a project enable the organisation to undertake new or improved activities that are intended to create value. Decision making needs to be based on a clear understanding of:
  - a. The critical success factors for each project – what really matters from an organisational perspective
  - b. The project’s overall value proposition, this involves more than simple cost accounting
  - c. The organisational changes needed to implement the project’s deliverables and realise the intended value.
3. **Creating organisational capabilities to oversight and manage the work of a project or program**<sup>5</sup> (including contractors and suppliers) based on the three ‘Ps’:
  - a. The **Promise**, ensuring the promised performance in terms of time, cost and scope is realistic, achievable, understood by the parties, and agreed
  - b. The **Performance** of the work based on a robust and accurate assessment of current performance against the promise, identifying all significant variances and determining the reason why they have occurred
  - c. The **Prediction** of future outcomes based on current performance. The most reliable predictor of future performance is the performance to date; this will not change unless something in the performance space is done differently. Changing performance requires planning, takes time, usually involves cost, and there are no guarantees of success.
4. **Being willing to optimise and manage risk**<sup>6</sup>. There is no such thing as a risk-free project, mature organisations proactively manage all aspects of risk and opportunity ranging from safety and the environment to the achievement of the project’s objectives and value proposition.
5. **Actively managing change**<sup>7</sup>. Change is inevitable! Mature organisations have systems in place to assess and manage change requests in a proactive and time-efficient way based on the project’s overall value proposition.
6. **Robust governance procedures**<sup>8</sup> focused on ensuring the organisation’s systems and management structures are ‘fit for purpose’, and continually improving.

## Getting started

We have found the best starting point for project delivery improvement is to focus on no more than two elements. Generally, but not always, these are developing a robust change control function supported by rigorous time management processes. These two capabilities add significant value on their own, and quickly help to identify other aspects of the organisation’s project delivery capability that offer opportunities for improvement.

<sup>4</sup> For more on **value and benefits realization** see: <https://mosaicprojects.com.au/PMKI-ORG-055.php>

<sup>5</sup> For more on **organizational inputs to PPP management** see: <https://mosaicprojects.com.au/PMKI-ORG-050.php>

<sup>6</sup> For more on **risk management** see: <https://mosaicprojects.com.au/PMKI-SCH-045.php>

<sup>7</sup> For more on **change management** see: <https://mosaicprojects.com.au/PMKI-ORG-060.php>

<sup>8</sup> For more on **governing PPP** see: <https://mosaicprojects.com.au/PMKI-ORG-005.php#Process3>



## Resources to help along the way.

Organisations need three things to support their journey to effective project delivery:

1. The starting point is a standard to provide overarching guidance and a source of authority. These provides a framework to align project, program, and portfolio management practices with organizational strategy and objectives. We recommend either:
  - a. ISO 21505 *Project, programme and portfolio management — Guidance on governance*
  - b. PMI's Standard for Organizational Project Management (OPM).
2. Practical guidance on how to implement the various aspects of standards (standards only define what needs to be accomplished). A good starting point is the governance section of the PMKI (its free): <https://mosaicprojects.com.au/PMKI-ORG-005.php>
3. Support and guidance to help develop your organisations improvement strategy. External advice and guidance really helps!

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