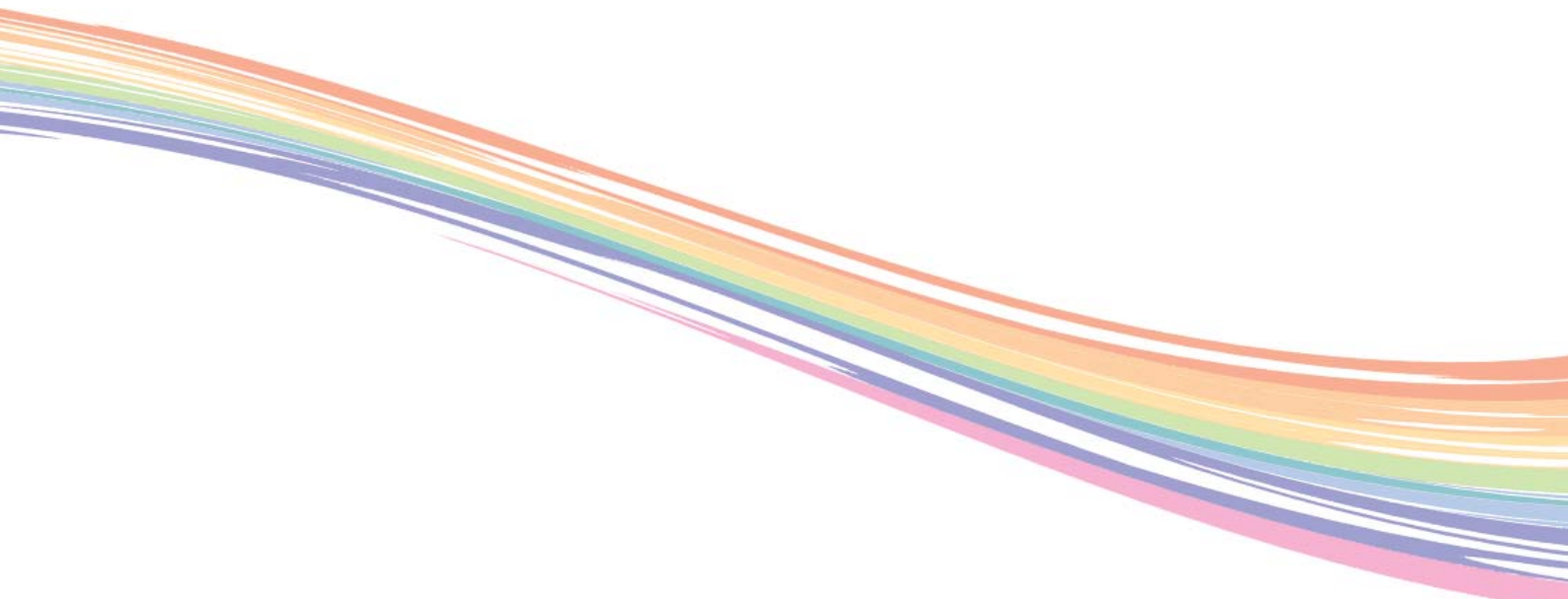


# In search of excellence, what makes a winning project team?



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## Abstract

Poor leadership is jeopardising project success. From a lack of commercial awareness to poor fostering of team skills, too many organisations are failing to provide senior leadership throughout a project. Indeed, in the majority of organisations, strong leaders are rarely directly involved throughout a project. Too many organisations believe the job has been done once the project is specified, budget allocated and team created. One of the most revealing aspects of the research was the respondents' chosen method of success and failure, indeed only a third of the respondent project managers considered completing within budget was very important.



## Management Overview

Over the past decade there has been a sustained focus across private and public sector on project methodology in a bid to reverse the high cost of project failure. Despite this investment, billions of pounds are still wasted every year on projects that fail to deliver business benefits. Despite rigorous disciplines and an increase in project management skills, far too many projects are still characterised by delay and overspend, poor performance and abandonment.

Yet in a recent research study undertaken on behalf of Parity, only 0.5% of respondent project managers admitted to working on a failed project. While project managers cite the primary focus is to meet business objectives, there is a clear disconnect between the actual measures of success used by the business and those delivering the project.

*In search of excellence - what makes a winning project team* is a research study that looks beyond the methodology that is taught in the classroom. On behalf of Parity, The Market Research Group based at Bournemouth University asked project managers about the major contributing factors for excellence and the competencies required for successful project teams. Feedback was received from over 200 respondents. Nearly 90% of respondents have been involved in an IT project during the last three years. 88% are permanently employed while 12% are contractors. The sample was highly targeted and consisted entirely of project managers who were qualified and or working as practitioners on either a permanent or contracted basis. All respondents were therefore able to make informed opinion based on experience.

The research project was split into two phases. This paper includes the results and findings of both phases; the qualitative and the quantitative. The first part of the study, the qualitative phase, was to interview experienced project managers in a focused group setting to encourage discussion on what the participants thought were the factors that contributed towards success and failure. A lively debate captured the thoughts and opinions of many years of experience. The second stage resulted in over 200 respondent project managers completing a structured questionnaire. Quotes used are captured from the

questionnaire and the opinion in this report is based on both phases of the research project. We have also included the wisdom of the UK's most influential business leaders to add a commercial perspective.

The overwhelming conclusion is that poor leadership is jeopardising project success. From a lack of commercial awareness to poor fostering of team skills, too many organisations are failing to provide senior leadership throughout a project. So, whilst project managers are looking to leverage strong planning skills, good team working and communication, lack of senior management support is leading to a disconnect between corporate and project based objectives.

**If they say that money doesn't matter, they're lying**  
"Money is important. When people say it's not, they're lying. Money is important but it's not the only thing."

*Laurent Dupagne – Chief Financial Officer,  
Foster Wheeler Ltd*

It is only by combining strong leadership from senior management with excellent project management skills that organisations can define consistent objectives, manage constant change and ensure a sustained focus on attaining business benefits after project completion. Without leadership, expertise and investment in training, organisations will never maximise the corporate value of the project investment.

**Ask yourself : If this was my own money, would I back this project?**

"Also, know where your core expertise lies. Don't kid yourself. Be innovative but don't take leaps of faith. Make sure you're realistic in setting your financial targets and that they're deliverable."

*Sunny Thakrar – Deputy Group Finance Director, VT Group plc*



## Commitment to Methodology

Large scale project failures and over-runs are big news – from the Wembley Stadium debacle to the problems dogging the National Programme for IT (NPfIT). Yet thousands of far smaller projects that could provide quantifiable economic value to both public and private sectors are also failing to deliver. It seems that hardly a day goes by without some high profile project failure making the headlines in the national or trade press.

Whether it is costly overruns and long delays on construction projects such as the new Wembley Stadium, or news that the Ministry of Defence managed to overspend by more than £3 billion on major projects in one year, the fact remains that despite rigorously applying well documented and proven project methodologies and working with organisations that have vast experience of delivering projects there is no guarantee for successful project delivery.

This continuing failure to improve project success rates is extraordinary given the continued focus on improving project delivery processes and procedures and a growing investment in project management skills such as Prince2™, ISEB, APM and PMI certification.

Without a doubt over the past decade organisations have recognised the value of proven project methodologies. According to the research, almost two thirds (65%) use Prince2™ with 10% actually specifying other methodologies that often contained a mix of in-house/custom made and APMP Practitioner and PMI certified methods. It could be argued of course that with 70% of this survey sample, having a clearly defined method is the reason why so few have scored their project as a failure.

Methodology and process are clearly now deemed essential pre-requisites to drive consistency and provide a framework for success. In theory they also provide a structure for day to day activity, for good documentation and clearly defined project stages.

A qualified practitioner can

- Develop a project business case
- Organise the management structure
- Know how to develop a project plan
- Understand how to control the project in terms of decision taking
- Manage risk
- Manage the process for meeting customer objectives
- Manage the organisation's (project) assets
- Manage change during the project

Yet, while extremely valuable, such skills are not a guarantee of project success. Indeed, only 3% of respondents believe success can be attributed to the availability of skills taught through Prince2™/APM or ISEB qualifications.

### **Performance is everything.**

**“In construction, it’s all about performance – being on time and on budget. Delivery is critical in an industry that still has a very poor reputation for meeting the most basic customers’ aspirations.”**

*Huw Davies – Chief Executive Officer, Wates Group Ltd*

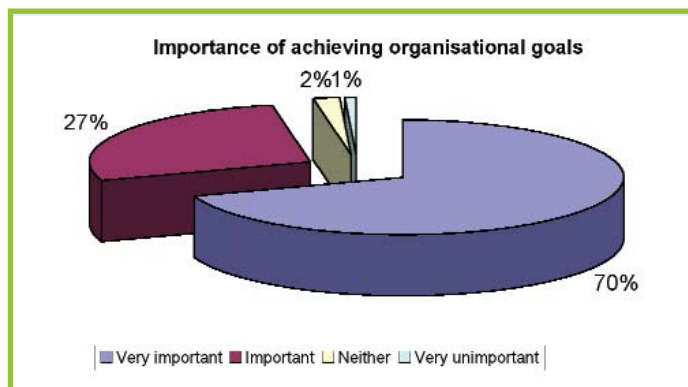
A methodology can only underpin and support the business and commercial objective; it cannot replace the business case, set objectives or take the role of key stakeholders in the process. The use of the methodology will not dictate success; but it may underpin a successful programme.



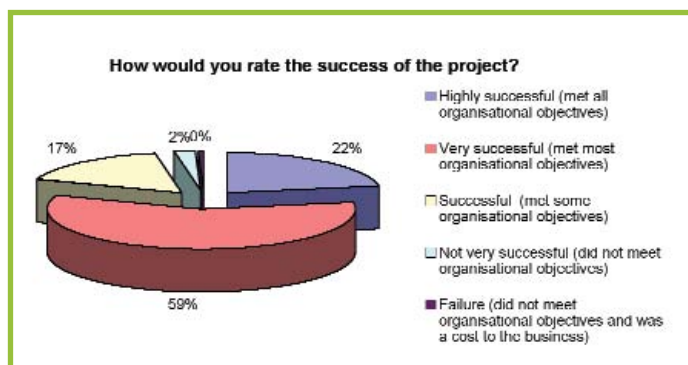
## Defining Success – and Failure

One of the most revealing aspects of the research was the respondents' chosen measures of success – and failure.

The most important measure among the respondent project managers (70%) was to achieve organisational objectives. Other measures were budget (35%), time (38%) and stakeholder expectations (63%).



It is interesting to note that only a third of the respondent project managers considered completing within budget was very important. For many organisations it is a simple equation: projects running over time and/or over budget have essentially failed. But this is patently not the case. A project arriving months late can still deliver quantifiable business benefits – albeit somewhat delayed; yet one delivered on time and to budget may fail to provide any corporate value.



Measurement based solely on budget and/or time is not only simplistic but also underlines one of the fundamental problems associated with many projects: poor up front definition of expectations, objectives and quantifiable business benefits. Without a clear corporate objective, there is no point undertaking any project.

The fact that respondents recognise, in the main, that delivering a project within budget is not the primary measure of success is a positive sign, as is the over-riding focus on achieving organisational objectives.

However, only 0.5% of the respondent project managers admitted to working on failed projects. In this research study the definition of failure was described as either not meeting organisational objectives or costing the business money. This extraordinary result highlights the underlying problem in achieving project success: irrespective of strong project management skills and excellent methodology, poor business-led leadership throughout the duration of a project will undermine its commercial value.

Indeed, in the majority of organisations, strong leaders are rarely directly involved throughout a project. Instead, too many organisations believe the job has been done once the project is specified, budget allocated and team created. As a result, there is a distinct lack of senior management input throughout a project. But allocating budget is just the starting point: a successful project requires strong, committed leadership to oversee every stage of the business change.

Critically, a successful project demands senior personnel with the business weight and authority to take the tough decisions required to keep the project focused and on track, irrespective of external change. Indeed, an inability to respond effectively to inevitable change is a key reason for project abandonment. Successful projects encompass an intuitive 'what if' scenario that plans for the unexpected. The unsuccessful carry on regardless, and are distracted by external factors that derail the project prior to completion.

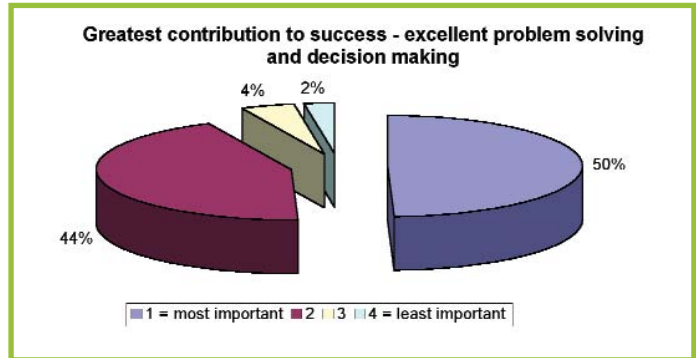


Furthermore, by leaving project managers in effect to determine their own measures of success, it is perhaps unsurprising that the project team feels goals have been achieved whilst the business is less than impressed.

### Success Factors

So what are the key factors for success according to project managers? Topping the list is great team work, cited by over half (54%) of respondents. Yet it is hard to see just how any team can work effectively together without coherent, consistent team goals. Without strong governance and shared objectives, how can a team achieve strong collaboration?

The existence of a strong bond between individuals is, of course, a positive factor but it is no guarantee of success. It is also interesting to note that while half (50%) of project managers also considered problem solving skills were most important for success – only 3% believe success can be attributed to the availability of skills taught in Prince2™/APM or ISEB qualifications.

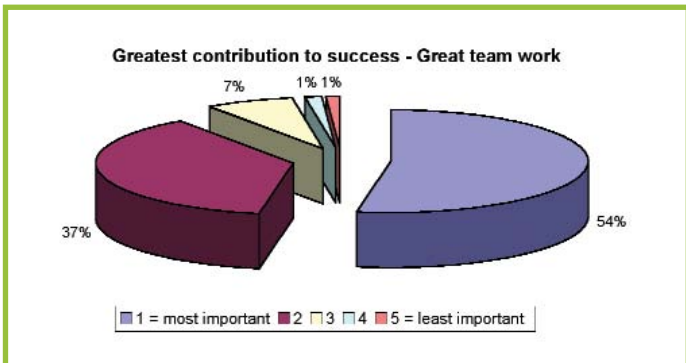


As one respondent commented: “The most vital and crucial element is project ownership and strong decision making power. The project manager is not asked to chop and change as decisions are made and changed by the board. Effective and timely communication is the core of a successful project”

**Project Success – Transport for London**  
 An example of a high profile technology project that has been recognised as a success by the National Audit Office is Transport for London’s (TfL) Oyster Card. This £40 million project started in 1998, launched in October 2003 and currently handles around 5 million journeys on an average weekday.

Strong leadership was identified as a critical success factor and TfL and the TranSys consortium appointed senior managers that were visible and responsible for making sure that their organisation was totally committed to the successful delivery of the project.

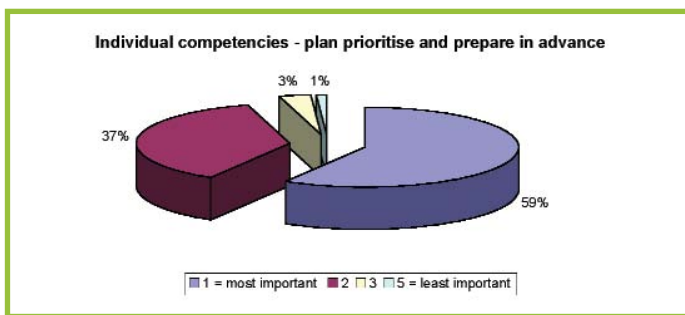
Financial penalties for withdrawing from the programme or missing very clearly defined objectives and firm targets were incorporated into the contracts. Although the contract vested financial risk in the suppliers, senior TfL management were clear that the ultimate accountability for delivering the programme remained with them and took steps to sequence work so that the suppliers had reduced financial exposure. To promote better communication, TfL appointed a commercially aware project manager to develop strong working relationships with the main supplier. TfL staff were actively involved and regularly updated so as a result they felt part of the process and bought into the project as well.



Other factors contributing to project success included flexibility and adaptability (42.5%), good resources (36.3%), a good understanding of the organisation (35.8%), a good boss (22.2%), good commercial and business awareness (20.8%) and good IT experience/knowledge (10.5%).

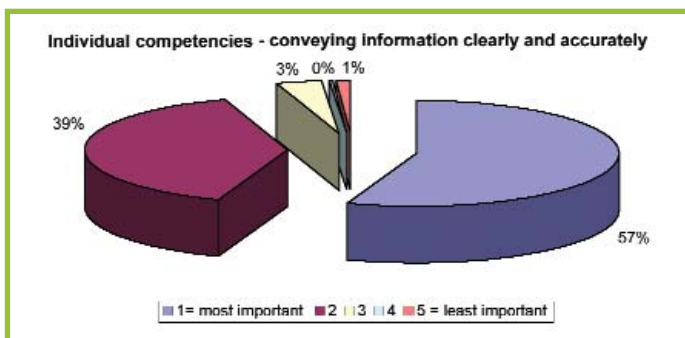


So if the skills taught through Prince2™/APM or ISEB qualifications are not perceived to influence project success what are the individual competencies that deliver quantifiable value? According to the research, the most important individual competence was planning; 59% of respondent project managers considered that the ability to plan, prioritise and prepare in advance was crucial.



The second most important was conveying information clearly and accurately, scored by 57% of respondent project managers. Having clarity from top down and right across the project, through to suppliers and other cross functional activities is imperative to success and was attributed by respondents as a key reason for failure when this goes wrong.

**Clarity and simplicity**  
 “Be clear and succinct. Project finance lawyers need an acute sense of detail, but clients want that detail condensed to the essentials – clarity, accuracy and simplicity.”  
*Bruce White, Head of Global Projects, Linklaters*



As a respondent commented, “Communication at all levels of the organisation is vital - a good communication strategy and plan must be developed at an early stage with all stakeholders identified and included.”

Additional competencies most important included: excellent working relationships (49.1%), ability and confidence to make sound judgements (43.4%), pro-active team players who motivate and support (42.5%), understanding of the relevant business area/function (37.7%), reacting positively and with enthusiasm to change and improve (33.5%), a strong desire and track record of achieving results (32.1%), good understanding of the organisation vision, strategy and structure (27.4%), acting on situations and taking a commercial perspective (20.8%) and working to create an environment for development. (18.9%)

It is, however, surprising how few project managers have any regard for the commercial skills of team members. Only 20% of respondents felt it most important for individuals to have competencies that required commercial decision taking. This opinion reflects the fact that few projects are measured on adherence to budget but also calls into question the team’s understanding of a project’s commercial impact on the business.

Indeed, a primary reason that projects often fail – in the eyes of business, if not the project team - is that nobody working on the project knows or understands the commercial reason for it. If the person leading the project can convey the real commercial pressures, the team is motivated and, critically, united on a common goal. Without such insight, there is a tendency for each individual to manage their own aspect of project delivery without reference to the overall objective – again contributing to the disconnect between project manager’s perceptions of success and those of the business.

Given the sustained focus across private and public sector on project methodology it is also a concern to note the low importance factor attached to creating an environment for development, with 77% of respondents considering this not to be a top priority. Of course this is due to the limited



nature of each project, restricted by time, scope and responsibility. Project teams are brought together for a defined period of time within which they are expected to deliver with a requirement for a set of existing skills.

However, given the clear recognition that qualifications are of little value unless combined with expertise and experience, organisations need to put in place a framework that ensures team members grow and develop during each and every project. While each project is unique it must be regarded as part of the operational whole to ensure people can learn, develop and leverage experience. Whether the development role is assigned to HR or each project manager will depend upon the organisation but it is a critical role in determining long term project success.

Of course, such processes are not part of the core project methodologies, again highlighting the need for strong leadership throughout a project.

#### Project Success – British Airports Authority

##### Definitions of success:

- Put in place the right commercial terms
- Establish a common project culture to build trust between suppliers and BAA staff and create integrated teams
- Strong leadership on both supplier and BAA side to deliver management guidance and support
- Proactive approach to risk management with a commercial model agreement and policy without traditional financial penalties
- Suppliers worked to pre-determined fixed profit levels resulting in sustained delivery focus
- Project targets are set by the team and all share in both success and failure

BAA recognised that building a winning team for such a major undertaking required more than just applying project management knowledge and expertise. It requires flexibility and a strategy to deal with change that keeps all the parties actively working and committed to achieve team goals.

## Leadership Role

### Good leadership is a subtle art

“I am a great believer in officer training in the field of leadership. Commanders of forces motivate others by driving them to achieve more than they think they are able to, while looking after them, standing behind them and supporting them all the way.”

*Mons Bolin – President and Chief Executive Officer, Aries Maritime Transport plc*

Given the disconnect between project managers and commercially focused project sponsors it is perhaps little surprise that only 0.5% of respondents admitted to working on a project failure. Without strong, involved senior management leadership throughout the project, measures of success will fail to reflect commercial objectives.

### What should be done to overcome this?

Attaining the appropriate measures of success is, indeed, one of the most critical aspects of project success. It ensures cross functional understanding and commitment and enables a realistic, consistent admission of project success or failure.

Success factors in projects	Factors for failure in projects
Common project culture	Poor communication
Integrated teams	Lack of planning
Strong leadership	No cross functional teamwork
Team goals	No shared team goals
Clearly defined objectives	Lack of strong leadership
Strong working relationships	Hierarchical people issues
Flexibility	Cultural differences

Without strong leadership it is too easy for members of a project team to claim success: indeed, they may well have delivered isolated components successfully. But success depends on every member of the project contributing to the same overall deliverable.



Projects are dependent upon people, and people are not 100% successful every day of the year. It is unrealistic to expect every project to deliver 100% of the time – and the 99.5% of project managers insisting all their projects have been a success are viewing the world through rose-tinted glasses. Would the business have the same view?

**Be prepared to get it wrong.**

“It’s important to have an awareness of risk – but not a tolerance. Making decisions means getting things wrong occasionally. Risks need to be understood and properly evaluated so they can be properly factored into decision-making.”

*Bob Warburton – Managing Partner, Deloitte & Touche*

Too many organisations have been seduced by the publicity surrounding good governance and believe that if a project is set up to Prince2™ or MSP guidelines it will work like clockwork and deliver the expected benefits. This is naïve at best. Projects are all about people; and without good leadership constantly supporting and coaxing individuals, the project will stagnate irrespective of underlying methodology.

These methodologies are the lynchpin of project success. But people working on the project need direction and vision; they need expertise and understanding. Without strong, senior leadership on any business project, it will fail.

## Company Profile

Parity is an IT and Business services organisation delivering technical, recruitment and training solutions to the UK and Irish markets.

We focus on the key areas of project, programme and IT service management. Our Training business educates our client’s own staff in these skills areas; our Resources business recruits highly skilled short term, interim and permanent staff; and our Solutions business takes total delivery responsibility for IT projects and programmes as well as the ongoing delivery of IT applications and business processes.

During the last five years we have delivered over 500 fixed price projects and taught over 33,000 people in best practice methodologies such as Prince2™, APM and ISEB. We place over 600 people every year to work in project management roles within public and private sector organisations.

We differentiate from our competitors through the high quality of the people who we employ and the service that they deliver. Our focus on these higher level IT and IT-related skills allows us to be masters of these domains and offer best in class services. Our company culture enables us to work with our clients and partners in a cooperative and collaborative way so delivering consistently better results.



## Biographies

### Alwyn Welch - Chief Executive

Alwyn Welch, 49, joined Parity as Chief Executive in 2006. He has over 25 years' experience in the technology sector in the UK and internationally. He joined Parity from Unisys where he was Vice President and General Manager in the United Kingdom, Middle East and Africa.

After an initial period as a Chartered Electronic Engineer where he carried out applied research and managed a number of R&D projects, he moved in the IT industry managing Outsourcing, Systems Integration and Consulting businesses.

Alwyn brings a wealth of experience having also served as Chief Executive of Cap Gemini's Nordic Region and as CEO of Cap Gemini's UK and Asia Pacific region.

He was on the Executive Board of Logica with responsibility for the Americas, Management Consulting & Financial Products, served as Chairman of the IT National Training Organisation in the UK and was COO and a director of Brainspark plc.

### Dave Conkleton – Managing Director, Parity Business Solutions

Dave Conkleton, 47, took on his current role as Business Unit Director of the Solutions business in February 2006, having joined Parity in late 2004 as Managed Services Director. He joined Parity from EDS, where he had served in a variety of senior roles from service delivery and project management through development and management of significant outsourcing relationships. David has 20 years experience in the IT services industry, with deep experience in Managed Services and Outsourcing with Energy,

Telecommunications and Financial Services Industries. David's broad experience spans sales, business development and strategy planning for large scale IT engagements, with an emphasis on business and programme management and managing client relationships. He is responsible for the ongoing relationships of some of Parity's largest accounts.

### Rick Firth – Managing Director, Parity Training

Rick, 54, was appointed as Managing Director of Parity's Training business in October 2006. He has a track record of over twenty years experience of leading business units within major Plc's and other organisations involved in the global education, training and publishing market. From an early career as an IT consultant and trainer, he has held a number of senior management and board positions. As a Board Director with the National Computing Centre (NCC), Rick was head of the consulting, training, and sales and marketing divisions before gaining international experience as Managing Director of NCC Education, the European subsidiary of the global education and training provider Informatics. Prior to Parity he spent 6 years with the publishing and media company Pearson Plc holding a number of senior director roles within Pearson Education, Pearson Assessment and Testing and Edexcel. Rick has also held non executive director roles with the Institute of IT Training, the Information Systems Examining Board, and the IT Training and Accreditation Council.

*\*The wisdom of the UK's most influential business leaders sourced from 'The Truth about Power' published by the Bank of Scotland Corporate which collects some perceptions of members of The Times Power 100 – about the alchemy of skill and ambition which combine in a winning team*



