



Management & Technology

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## Project Guidelines

# Implementation Guidelines for Executives

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## Introduction

The guidelines contained in this guidebook have been developed from over 150 project deliveries, reviews and recoveries conducted by SMS Management & Technology (SMS) in the last three years. The projects were from a diverse range of Australia's leading organisations, and included major business, technology, and change initiatives.

Many of these organisations understand how important the actions of project owners and stakeholders are to the success of the projects they commission.

To support appropriate executive action, guidelines have been developed to:

- Act as a framework to guide executives through the project lifecycle
- Highlight key business, people and control considerations
- Identify where and how executives may best support the project
- Provide a series of questions to ask, to gain a view of the true health and status of the project
- Make best use of scarce human and financial resources

This booklet is not intended to be a training manual, rather a set of practical guidelines for executives, and others involved in delivery. Detail behind the lessons should be sought from experienced steering committee members, project managers, or directly from SMS.

This guide is one in a series of booklets produced by SMS Management & Technology. For information on additional guides, please visit [www.smsmt.com](http://www.smsmt.com)

## The SMS guidelines have been grouped against key delivery considerations

### How is your project performing?

#### Business Considerations

- 1 Check commitments before promising to deliver
- 2 Ensure there is a clear scope
- 3 Ensure the business drives technology
- 4 Manage project complexity
- 5 Ensure benefits can be measured and are owned

#### People Considerations

- 6 Ensure single point accountabilities
- 7 Encourage open communication
- 8 Effectively manage expectations
- 9 Provide project leadership
- 10 Remember that people not processes deliver projects

#### Control Considerations

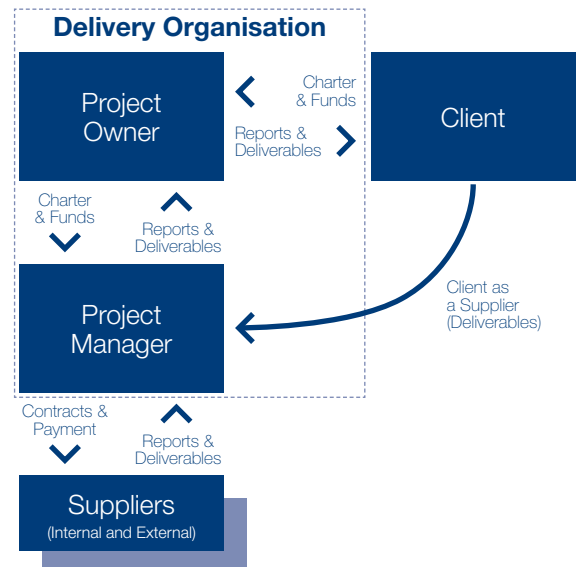
- 11 Plan before starting to deliver
- 12 Proactively manage risk
- 13 Implement effective project controls
- 14 Implement sound commercial management practices

## The project owner and project manager play critical roles in delivering successful projects and business outcomes

The project client is responsible for defining and delivering the agreed project benefits within the client organisation.

The project owner is responsible for ensuring the commercial success of the project as a piece of business undertaken by the delivery organisation. The owner is also accountable for ensuring the project manager has an appropriate charter and is adequately empowered to execute the project.

The project manager is responsible for managing the project to meet the requirements of the project owner and through the project owner, the project client.



The SMS Project Guidelines have been mapped to a project lifecycle to indicate when increased emphasis should be applied

Project Lifecycle				
1 Business Concept	2 Project Planning	3 Design	4 Development	5 Benefit Realisation
<b>Business Considerations</b>				
1 Feasibility				
2 Ensure there is a clear scope				
3 Ensure the business drives technology				
4 Manage project complexity				
5 Ensure benefits can be measured and are owned				

### People Considerations

- |  |  |  |  |  |
|--|--|--|--|--|
| 6 Ensure single point accountabilities   |  |  |  |  |
| 7 Encourage open communication           |  |  |  |  |
| 8 Effectively manage expectations        |  |  |  |  |
| 9 Provide project leadership             |  |  |  |  |
| 10 People not processes deliver projects |  |  |  |  |

### Control Considerations

- |   |  |  |  |  |
|---|--|--|--|--|
| 11 Plan before delivering               |  |  |  |  |
| 12 Proactively manage risk              |  |  |  |  |
| 13 Implement effective project controls |  |  |  |  |
| 14 Implement sound commercial practices |  |  |  |  |



## Business Considerations

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### 1 Check commitments before promising to deliver

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#### What this means

Before committing to deliver, ensure that:

- The project manager who will execute the project is sufficiently experienced and understands the project and its risks
- The project manager has binding commitments from external and internal suppliers
- The project manager believes the requested project outcomes are feasible

#### Questions to ask

- Does the project manager believe the project can be successfully delivered given existing organisational and external constraints?
- Are the project owner and project manager prepared to accept personal accountability for the project delivery in accordance with the agreed milestones and budget?
- Would an independent review of the project add value?
- Are reliable commitments in place from external and internal suppliers?



## Business Considerations

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### 2 Ensure there is a clear scope

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#### What this means

- Make sure that the project has a clearly defined scope, deliverables, time and cost objectives
- Ensure that the scope includes everything the project is to deliver, and specifically excludes elements that will not be delivered
- Ensure the objectives have been approved by the project owner and are clearly understood by the entire project team (including suppliers)

#### Questions to ask

- Are the project's deliverables clearly and comprehensively documented as business requirements and signed off by the owner?
- Do the business requirements include adequate operational and functional requirements?
- How much has changed to the definition of deliverables and have these changes been approved by the project owner?
- Are acceptance criteria clearly documented and agreed?



## Business Considerations

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### 3 Ensure the business drives the technology project

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#### What this means

- Ensure the project retains a business rather than a technology focus. It is the business that will have to achieve the business objectives when the project is delivered
- Proceed with caution when evaluating technology that is new in the market
- Ensure the project scope includes everything the system touches in the business, not just the system itself

#### Questions to ask

- Is the steering committee focusing on business issues rather than technical detail? (It should be!)
- Does the project owner proactively communicate with technology and business partners?
- Are all business benefits clearly owned by the project owner?



## Business Considerations

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### 4 Manage project complexity

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#### What this means

- Remember that business projects with a significant business process change and/or technology component are complex; global projects introduce further complexity
- Develop sound business requirements and ensure this is not left to the vendor
- Break down work to reduce complexity
- Don't believe the vendor who says 'this is straight forward'. Always seek independent advice

#### Questions to ask

- Has a detailed work breakdown structure been developed to enable project complexity to be understood?
- Is an effective design management process being used?
- Who is developing the project's business requirements and are the requirements thorough?
- Is the project phased, and does it include a proof of concept?



## Business Considerations

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### 5 Ensure benefits are owned and can be measured

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#### What this means

- Ensure the proposed project benefits can be delivered, and that they are as directly attributable to the project as possible
- Client organisation benefits must be measurable, and have an agreed tracking process defined
- The project owner is responsible for ensuring the commercial success of the project for the delivery organisation
- Benefits should be owned by the project client, who is accountable for their successful delivery

#### Questions to ask

- Who is accountable for realising agreed benefits of the project?
- It may not be possible to link market benefits such as revenue or customer retention directly to an infrastructure project. Have intermediate benefits been defined for the project owner to achieve?
- Will the proposed benefits be delivered?
- Is there a plan in place to track and report benefits?



## People Considerations

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### 6 Ensure single point accountabilities

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#### What this means

- Ensure there is a project owner who is wholly responsible for the business success of the project
- Ensure there is a clearly identified project manager who is accountable to the project owner for managing all aspects of project execution and delivery, and that they are given authority to match that accountability
- The project owner should provide the project manager with clear and unambiguous direction

#### Questions to ask

- Who is wholly responsible for delivering the project's business results?
- Who is the single individual responsible for project management and delivery?
- Does anyone other than the project manager direct work or priorities within the project?



## People Considerations

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### 7 Encourage open communication

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#### What this means

- Understand who the key stakeholders are (up, down, sideways, out) and their key objectives
- Be prepared to accept bad news, and ensure that you 'don't shoot the messenger'
- Encourage a 'no surprises' culture within the project team
- Work to establish an environment of trust and mutual respect

#### Questions to ask

- Is the project manager reporting both good and bad news to the project owner without delay?
- Does the project owner take responsibility and action when issues are escalated?
- Are formal and informal communication channels being fully leveraged?
- Does the project have an effective communications plan?



## People Considerations

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### 8 Effectively manage expectations

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#### What this means

- Don't base your delivery promises on sales or technology hype
- Proactively inform stakeholders about the project and manage their expectations
- Don't commit to project targets until planning shows that they can be delivered. This is particularly important when under pressure from stakeholders
- Challenge and quickly correct expectations that are not realistic

#### Questions to ask

- Have the proposed business objectives been included in the owner's Key Result Areas?
- Are the stakeholder's expectations realistic for this project?
- What contingency (budget and time) has been factored into planning estimates and is this contingency allowance still available?



## People Considerations

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### 9 Provide project leadership from the steering committee

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#### What this means

- Ensure steering committee members understand their roles
- Retain a strategic business leadership focus. Do not get involved in the detail
- Let the project manager get on with the job of delivering
- Dedicate sufficient time to be an effective steering committee member

#### Questions to ask

- Are new steering committee members being provided with effective coaching support?
- Is the steering committee effective in resolving escalated strategic issues and mitigating risk?
- Does the steering committee keep an eye on the long-term direction of the project?
- Is the project team receiving clear direction from the project owner alone?
- Is the steering committee actively supporting the project in the wider organisation?



## People Considerations

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### 10 Remember that people, not processes, deliver projects

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#### What this means

- Obtain and retain the best project management resources available
- Be conscious of the demands being placed on the project team
- Build trusting and empowering relationships at all levels
- Celebrate success
- Co-locate the project team

#### Questions to ask

- Does the project have sufficient skilled resources to deliver?
- Is appropriate coaching or project office support being provided to new project managers?
- Is the steering committee effectively communicating with the project manager and team members, but not directing them?
- Is the project being used as an opportunity to develop people?



## Control Considerations

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### 11 Plan before starting to deliver

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#### What this means

- Complete a comprehensive project plan before commencing any design and development activity
- Develop an integrated project management plan or charter that defines the key project management practices
- Remember that the planning phase is the only opportunity to run the project 'on paper' before committing the company's money to the actual execution of the project

#### Questions to ask

- Has an integrated project plan been developed and has this project been approved by the project owner?
- Does the project plan cover the scope and deliverables, governance models, work schedule, resourcing, reporting, issue and risk management, change and design practices?
- Is there clarity in relation to the delivery approach adopted for the project? Have all necessary steps been taken to set the project up for success?



## Control Considerations

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### 12 Proactively manage risk

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#### What this means

- Look for risks early in the project and again at regular intervals to ensure they are managed on an ongoing basis
- Ensure Risk Management is a mandatory item on all steering committee agendas
- Ensure all project risks have been identified and have accountable owners assigned
- Ensure that contingency action is planned and resourced in case major risks do eventuate
- Ensure all risks are proactively mitigated
- Translate risks into business and benefit impacts

#### Questions to ask

- Are all risks regularly reviewed and new ones identified?
- Have mitigation plans been prepared and actioned?
- Have practical contingency plans been developed?
- When were the risks last discussed at the steering committee level?
- What is the total exposure to the business as a result of the risks?



## Control Considerations

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### 13 Implement effective and appropriate project controls

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#### What this means

- Establish a project office for large projects
- Ensure effective project controls are established and managed. Areas to address include issues, risks, change, reporting, financials, design, resourcing and dependencies
- Follow the approved organisational methodologies
- Conduct regular independent reviews to confirm that effective and appropriate project controls are in use

#### Questions to ask

- Are project controls implemented, understood and do they add real value?
- Does the project have a competent and value-adding project office?
- Do controls provide an opportunity to take proactive corrective action?
- Does the project need to be independently reviewed?
- Are the reasons for variance against the agreed plan clearly understood?



## Control Considerations

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### 14 Implement sound commercial management practices

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#### What this means

- Allow sufficient time for the tender processes. Strive for value; price should not be an overriding driver
- Understand exactly the full scope of what is being purchased from vendors at the outset.
- Maintain a partnership approach with vendors and ensure negotiated solutions are win-win for both parties
- Encourage the vendor to have 'skin in the game'

#### Questions to ask

- Who assessed the vendor's existing capability and what were the findings?
- What vendor reference checks were conducted?
- Is this a low risk vendor, which is going to deliver value?
- Are commercial contracts being diligently administered?

## An overview of SMS

SMS Management & Technology (SMS) [ASX:SMX] is a leading Australian consulting, technology services and enterprise solutions company employing over 1,300 professionals.

Established in 1986, SMS is best known for delivery excellence. SMS helps its clients improve their business performance through the implementation of strategy and the delivery of business and technology projects. Industry expertise spans the financial services, ICT, government, defence, health, utilities, mining, gaming and infrastructure sectors.

Renowned for our innovative approach to solving complex business problems, we have an enviable reputation for delivering results. We adopt a pragmatic, vendor neutral approach to business engagements and work in partnership with our clients, forming strong and long-lasting relationships. By engaging SMS, our clients have access to a company that generously shares its knowledge, expertise and energy, with a single-minded focus on producing results.

SMS is a long-standing provider of business services to Australian and selected international clients. SMS provides business performance improvement, technology alignment, organisational mobilisation and project delivery services that transform our clients' business.

## An Overview of SMS Consulting

### About Project Delivery:

Developing ideas and turning them into strategies is challenging. Implementing and delivering them is another hurdle that many organisations face.

Achieving the most from your strategy is about never losing sight of your end goal. Clear planning, effective leadership, diligent management, clear accountability and a single-minded focus on delivery excellence will see business performance goals through to reality.

SMS is renowned for delivery excellence and for turning ideas and strategies into deliverable outcomes. SMS's values and heritage stem from 20 years of delivering on the promises that we make to our clients and for extending our high-performance culture to become a part of yours. Delivery excellence is a prerequisite for outstanding performance.

Our project delivery offerings include:

- > Portfolio and Programme Services
- > Project / Programme Management Office
- > Project Alignment and Recovery
- > Project Management
- > Benefits Realisation

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