

The role of the project office

A STRATEGIC TOOL

Project management is no longer the reserve of the building industry

A decade ago, companies tended to manage projects on an ad-hoc basis and project management was a skill reserved for the building industry. But big developments in training, coupled with a recognition by companies of project management's strategic importance, have resulted in project management being regarded as an essential management tool.

X-Pert Group CEO Clinton In't Veld says: "We've seen growth in the number of parastatals, local government, financial institutions, fast moving consumer goods businesses and pharmaceutical companies using project management methodologies. However, the uptake has been slower in the IT sector."

There is a difference between developing project management as a resource and managing by project. In't Veld says project management is tactical, but managing by project is an approach that plays a strategic role in business. "A company may manage projects well, but may be managing the wrong projects," he says. "There is often a gap between business strategy and the projects themselves."

This strategic drift can be overcome by adopting a managing-by-project style from executive level, which is designed to make the entire company "projectised". It aligns all projects to a company's strategic intent. Companies often have a strategic "wish list", but this may not be included in the practical implementation of projects. "The business imperatives have to be understood before developing an optimum project portfolio that can be identified," says In't Veld. Once the portfolio has been identified, a traditional project management function takes over.

But companies often require many



Clinton In't Veld Uptake slower in IT sector

projects to be run simultaneously and a "silo" mentality may develop – where departments run projects independently. A matrix structure allows management to manage across functions, cutting across disciplines and the bureaucracy. But the matrix approach should not be allowed to interfere with the management of other departments.

Organisations now see a project support office as key to developing a projectised culture. This is a physical infrastructure that acts as a hub for projects and gives role players and management a collective view of projects, across functions.

It also provides services to project managers such as administrative and planning support.

One of the benefits of managing by project is that it is complementary to good governance. The process produces business plans, risk control, measurements for deliverables and a paper trail covering all aspects of the business. "Project managers are so busy man-

aging the deliverables that they often don't have time to keep up with the admin of governance requirements," says In't Veld. "Project infrastructure enables management to show how shareholder value is created as well as its good governance practices."

The project support office also acts as a way of getting senior managers involved in projects and supporting project managers. Senior-level managers have mostly adopted a hands-off approach, but, as custodians of the organisation's strategy, they play a vital role in the projectised environment. Bottlenecks in the decision-making process, especially in hierarchical organisations, can make it difficult to respond quickly to the changing project environment.

Acting as "project sponsors", senior managers help to ensure the implementation of strategy through projects. They can also ensure that specific projects are given priority, so fewer, better-managed projects deliver most of the benefits.

"The smaller the company, the easier it is to implement a project office," says In't Veld. "Lines of communication are tighter and there is less of a gap between the executive level and the project implementers."

In bigger organisations, changing the mind-set to accept project management as a common discipline is one of the biggest obstacles. There is also a risk of "project fatigue" where everything is labelled a project, with no way of distinguishing between operational functions and special projects, which have a defined start and end.

"You do need project champions to help change people's attitudes," says In't Veld. "For managing by project to work, it has to become integrated into an organisation's culture." ■

The people

BUY-IN FROM ALL PLAYERS ESSENTIAL FOR SUCCESS

Companies must include staff early in the process

Though IT can revolutionise the way organisations operate, the most sophisticated systems are useless without the acceptance of the people who use them.

"In most projects that involve new technology, staff become defensive," says Accenture financial services Africa MD Manuel Lopes da Costa. "They fear it will put them out of a job."

By identifying the stakeholders in the earliest stages of any project and involving them throughout the project's lifecycle, project managers can ensure their buy-in on business decisions.

A well-structured communications plan helps to manage expectations, outlining project goals in the beginning and informing stakeholders as the project progresses. Transparency is important. Newsletters, websites and workshops create avenues of communication between those implementing the projects and those making use of the projects' results.

"It's also important to have a forum where staff can ask questions anonymously, without fear of reprisal," says Lopes da Costa. A safe environment can be created on a project website or by

using independent consultants who hold "confidentiality groups" for employees to air their concerns.

Considering stakeholders' views of a project helps to prevent a single-minded

focus on IT goals, such as introducing new software, and ensures the project brings more business benefits, especially improved productivity.

"The big mistake in project management is to budget for IT and forget to calculate the cost of change management and the human resources aspect," says Lopes da Costa.

A highly influential or visible project sponsor can communicate to stakeholders how critical their commitment and participation is for the success of a project. It's the sponsor's responsibility to encourage the operations side of the business, IT managers and users to work together. Dual project management models – where one manager comes from the IT department and one from operations – can help ensure new systems are accepted.

Once users have accepted the new technology, the next challenge for the project manager is to help users understand how to use it to improve productivity.

Training sessions can secure support from staff for a new system, as can roadshows.

"The success of project management extends into the realm of human resources," says Services Seta chamber manager Aggela Salbego.

Including project success in staff review criteria can encourage staff to use new systems to improve performance. ■

Russell Roberts



Aggela Salbego The "people factor" is key to success

Training

SKILLS FOR JOB CREATION

One of the important challenges facing SA as a result of its soaring unemployment rate is the need to develop education and training that will make learners more marketable.

Through a skills levy paid by companies in the services sector, the Services Sector Education & Training Authority (Seta) has helped to give hundreds of project managers on-the-job training.

The project management chamber of the Services Seta has pioneered outcome-based education in the sector and introduced learnerships, through which students can apply their theoretical knowledge to a managing-by-project environment within a company.

"The goal is to develop practical skills and competencies, giving learners the hands-on experience that graduates often lack," says services Seta CEO Ivor Blumenthal.

The learnership programme's success has depended largely on industry participation. And there are big incentives for companies to train learners – participation in a learnership gives companies access to substantial tax rebates.

The Seta pays a learnership grant to levy-paying members who take on project-management learners and

mentor them.

The average grant available is R40 000/year per learner. Companies then use this grant to pay learners about R24 000/year as a living stipend and use the rest for training.

"Employers are required to allow learners to practice skills under supervision and provide on-the-job training," says Blumenthal.

"The learner is expected to contribute to the bottom line of the business."

Businesses are keen to take on learners because generic project-management training includes skills such as budgeting, planning, risk assessment, quality control and service and operations management – skills that they desperately need.

"Project-management training also teaches students a way of approaching problems and thinking strategically," says project management chamber chairman Bob Menzies.

The project management chamber has also helped set standards for SA qualifications through a standard generating body, in consultation with providers, employers, educators and professional bodies.

And it's not only local standards that have to be set. Through its partnership with strategic national and international project management associations and governments, the project management board is also working towards setting global standards for the profession.

SA has participated in the drawing

up of a set of draft standards and has signed a memorandum of agreement with Australia and New Zealand whereby the three countries will recognise project-management qualifications obtained in the others.

SA seems to be on the right track. The learnership programme has been especially successful in training youths who had little prospect of finding a job or being able to finance years of tertiary education.

Now 300 learners are trained each year and applications have reached more than 600/year.

The Services Seta plans to expand project-management training into schools soon.

But about 90% of the service-sector members of the Seta are small- and microbusinesses whose needs are different to bigger organisations. They also lack information about how to use the learnerships. The chamber uses a one-on-one approach to coach them and has developed different training products and solutions for different sized businesses.

Most learners are permanently employed by the companies that train them, but some have had the courage to venture out on their own.

"We can help learners set up their own project-management consultancies," says chamber manager Aggela Salbego.

"This has huge spin-offs for the economy as learners often go on to advise nongovernmental organisations and small start-up companies." ■

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PIONEERS IN BUSINESS EDUCATION

Public sector projects

COMPANIES CAN VIE FOR SOME OF THE US\$4BN ON OFFER

Public-sector projects generate a lot of business for private-sector project management firms.

"The size and scope of these programmes require skills government does not yet have," says Deloitte public sector leader Ntlai Mosiah. "Government is looking at partnering the private sector while it develops project management capacity."

In Sub-Saharan Africa about US\$4bn/year in public-sector projects is available for SA companies to tender, says Africa Project Access MD Paul Runge. Most are funded by large, multimember donors such as the World Bank.

"SA companies have become specialists in managing projects involving the 'softer issues' such as capacity building, social and environmental impact assessments and training," says Runge. "These are some of the most lucrative projects available."

One of the main challenges of public sector project management in the rest of Africa is the fact that donors try to spread the benefits by awarding tenders for different phases of the project.

"It's unlikely that one company or even one country will win all the project tenders from the design to implementation phases," says Runge.

"There is no turnkey approach as there is in commercial projects."

Across the continent, there has been a move towards public-private partnerships to manage projects.

One of the biggest chal-

lenges in these arrangements is that the organisations working together often think differently and have different goals. "One is concerned with socioeconomic aims and the other tends to be focused on the commercial aspects of a project," says Quanto Strategies MD Dennis Comminos. "Managing the differences between an emotive approach and versus a practical approach can be difficult."

However, Comminos says the disciplines of project management help because they use conflict resolution, planning and measurement.

The move towards managing by results, rather than by activity is being used to encourage innovation in public-sector projects.

"This gives the project team the freedom to come up with new strategies to reach the final goal," says Comminos.

Mosiah says consultancies tend to develop a standardised methodology for the public sector that can be used across different sectors and countries.

"Once you have run a tax revenue optimisation project in SA, it's easier to implement the project in another country," he says.

But the new emphasis is on the transfer of skills from private-sector consultancies to public-sector employees. "There's a need for intelligent contracts," says Mosiah.

"In the past contracts favoured the private sector. Now it's more of a two-way engagement." ■

Special Report

written by Jacqui Pile