

Delivering effective projects in uncertain times

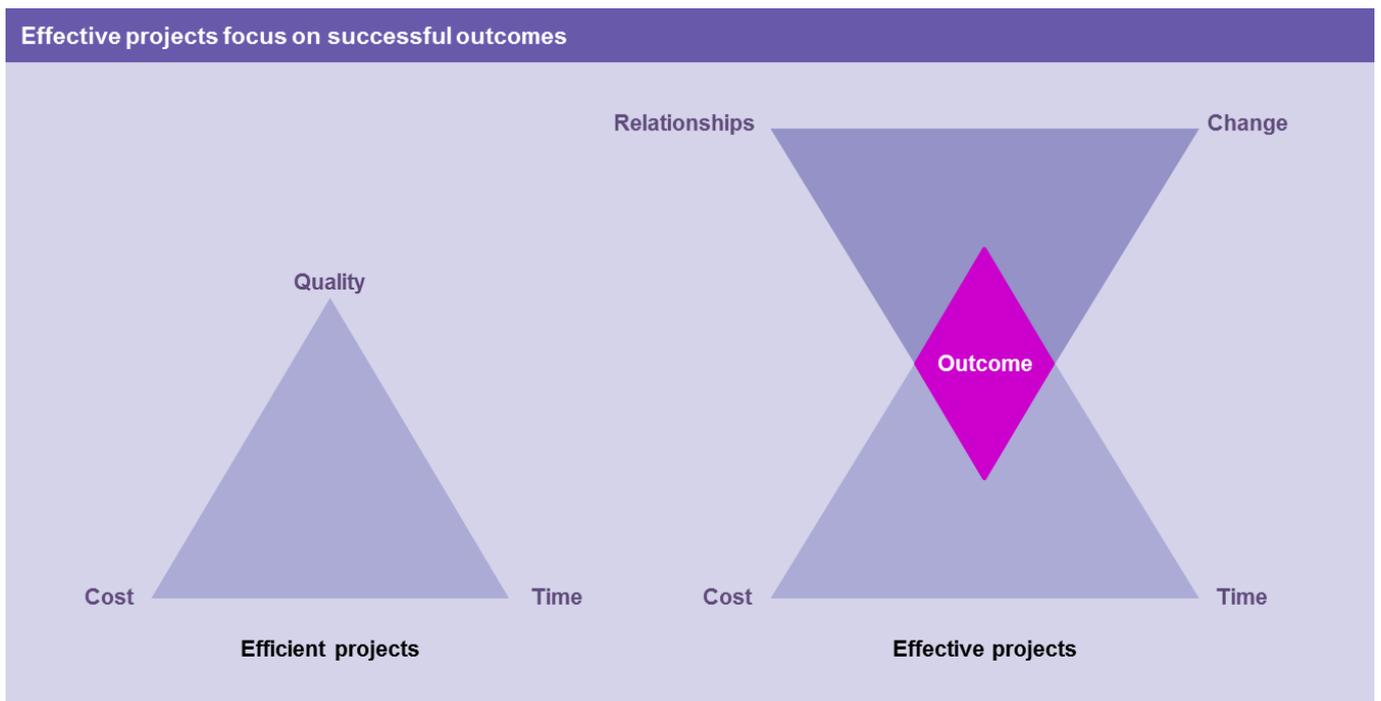
Projects are the way governments and commercial organisations deliver improved social, economic, business and environmental outcomes. Here we explore five strategies to enable senior leaders to ensure that their projects are successful:

- Developing deeper **relationships** with stakeholders to understand the diversity of perspectives on what successful outcomes are.
- Adopting a smarter adaptive approach to **change**.
- Planning and managing major projects **differently** so that key outcomes are delivered earlier.
- Considering **smaller scale** projects where benefits are realised sooner as part of a balanced portfolio.
- Prioritising better project **initiation** to ensure schemes are ready to proceed when the time is right.

The project delivery landscape is changing rapidly. Low interest rates have made borrowing to invest in long term projects more attractive than ever. Events such as Brexit have made the economic landscape uncertain and business cases must convince against a range of new scenarios. Consumers are more demanding and impatient to receive immediate benefits. Allied to rapid technology evolution, the inevitable political indecision and unexpected global events, the challenges to effective project delivery are multiplying. As learned while developing techniques to help a client respond cost-effectively to the Fukushima disaster, organisations and projects must be able to absorb the shock loading that occurs during an economic or societal earthquake and continue to perform. Yet the track record of delivering successful world-changing projects is at best varied. Organisations need to act differently to secure the anticipated beneficial change from projects.

Today's increasingly virtually connected world means transparency is optimal and interested parties are more connected to infrastructure projects than ever before. It offers new and powerful outlets. There is greater opportunity for divergent views and dissatisfaction to be expressed, making projects more political than ever before. Conversely, the proliferation of media channels provides new opportunities to engage with citizens and customers in different ways to achieve outcomes through a broad range of delivery approaches. Traditionally, the focus has been on doing projects efficiently – the “iron triangle” of cost, time and quality beloved of project managers. Efficiency of delivery is important but is no longer sufficient. Understanding diverse and conflicting stakeholder perspectives and motivations is crucial to enable organisations to balance the inevitable tensions, and to plan and deliver projects effectively.

To achieve an effective project requires an outcome centred approach where projects are a living cycle, delivering benefits throughout, and better reflect our complex and uncertain delivery landscape. The difference between an efficient and an effective project is shown below.



Adopting an outcome centred approach means challenging accepted thought processes. Viewed through a more traditional lens, delivering infrastructure may be complicated and cause and effect are self-evident so plans can be made and stuck to religiously and traditional best practices applied. In our experience, this is often not the reality due to the many variables and unknowns. There is no such thing as best practice; rather it is what is appropriate in each given circumstance. Effective organisations adopt approaches that help leaders handle the complexities. An outcome centred approach place a premium on experience, relationship building and using diverse datasets both to predict, and to manage the effects of change positively. London’s Crossrail has adopted an approach which could be characterised as “disciplined flexibility” in response to the inevitable changes and a lively approach to innovation to maximise the opportunities presented.

One way to faster benefit realisation is to commission more small scale projects. The benefits of this type of approach were highlighted in The Eddington Transport Study of 2006 which concluded that “small junction improvements often cost below £20m but show wider benefit cost ratios (BCRs) well in excess of 4 and some are between 8 and 10”. There are however, risks associated with relying too much on smaller projects. We have seen cases where projects were poorly managed, lacked quality resource and did not benefit from economies of scale because they were deemed ‘small’ and did not receive sufficient priority.



Eddington recognised the importance of balancing investment in both small and major projects, particularly where sustained demand growth meant new capacity schemes were needed. The challenge for senior leaders is how such short term enhancements can be designed to provide value and fit into a wider delivery plan. Similarly, when major projects are required these could be planned and delivered differently so that benefits are gained and demonstrated throughout the project timeline. Careful consideration must be given to the outcomes that are important from a political, wider stakeholder and project management efficiency perspective.

These approaches have implications for the way senior decision-makers plan future projects and take decisions on which projects to commit to. In times of uncertainty organisations should take the time to ensure that the full range of potential outcomes from the project have been carefully scrutinised and that vulnerability to change is clearly understood. This might mean deeper exploration of the business case, stakeholder needs and expectations, and refraining from fixing solutions too early. By investing adequately in the project initiation phase, organisations can be ready to move forward quickly when circumstances make schemes more relevant or affordable.

Restructuring project portfolios and the overall management strategy may be necessary to recognise the benefits of delivering different types of outcome at different times, and prioritising designs accordingly. For example, delivery of a major road capacity project might be structured as an incremental series of junction and highway improvements that reduce the most severe bottlenecks quickly. The end product remains the same but the approach will show more improvements in the early stages and gives more opportunities to recognise and share successes with stakeholders.

In conclusion, successful project delivery is central to healthy organisations whether they operate in the commercial or public sectors. The environment within which projects are planned and delivered is becoming ever more uncertain, complex and contradictory. The limitations of traditional approaches are becoming increasingly apparent. Senior leaders need to think and act differently if they are to secure the full range of anticipated beneficial changes from the projects they undertake in a timely manner. An outcome focused approach characterised by disciplined flexibility is key. Relationships between delivery partners, clients and diverse stakeholders must be more engaging and intuitive.

Early benefit delivery can be a valuable tool in winning over public support for infrastructure investments. Well planned and executed smaller scale projects can deliver benefits quickly whilst the design of larger projects can be optimised so that benefits are realised sooner as part of a balanced portfolio. Investing more time and resource into project initiation and scoping will ensure that organisations can move forward quickly when the time is right for projects to proceed.

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