International Centre for Complex Project Management

Evaluating Project Success in Complex Environments

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Presentation Outline

- ICCPM – Who are we?

- When are projects Complex

- What makes a project **Complex**

- Evaluation

- Questions?

ICCPM

ICCPM is a not-for-profit organisation developing research and delivering education and support services to businesses and government to get the world's most complex projects back on track. Some projects are now so complex that a different management approach is needed to break the common cycle of delay, cost overruns and failure. It doesn't matter which field you are in, ICCPM can provide the tools, research and education to improve organisational delivery capability and opportunities for investment in research that will lead to successful delivery on complex projects and programs.

CPM Initiative – A Global Response 2008

Australian, UK and US Governments and Defence Industry have supported an initiative to improve the international community's capability to deliver very complex projects across all industry sectors

Three strands:

- Competency Standards framework for assessment and development of complex project managers
- Continuing Professional Development in Complex Project Management (EMCPM Development)
- Formation of the International Centre for Complex Project Management (independent international not-for-profit peak body for CPM)
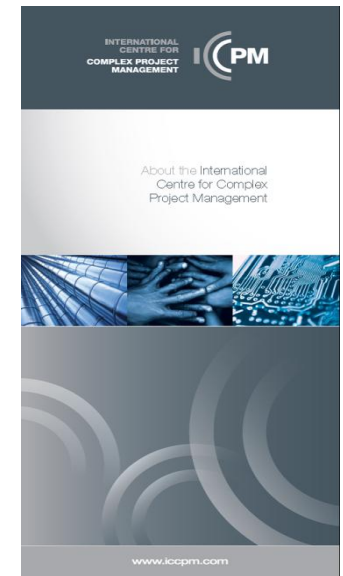
When are projects Complex

- Every single project will suffer at some point during its life cycle from complexity. Why?

  - People are involved in delivering them, owning the outome, directing the results and recieving the benefits (or disbenefits)

    - **People change their minds!**

  - The world and our environment never stands still

    - **Politics**

    - **Technology**

    - **Sytems and Processes**

    - **People**

  - Isolated Wicked problems

Wicked Problems

A *wicked problem* is a problem that is difficult or impossible to solve because of incomplete, contradictory, and/or changing requirements that are often difficult to recognise
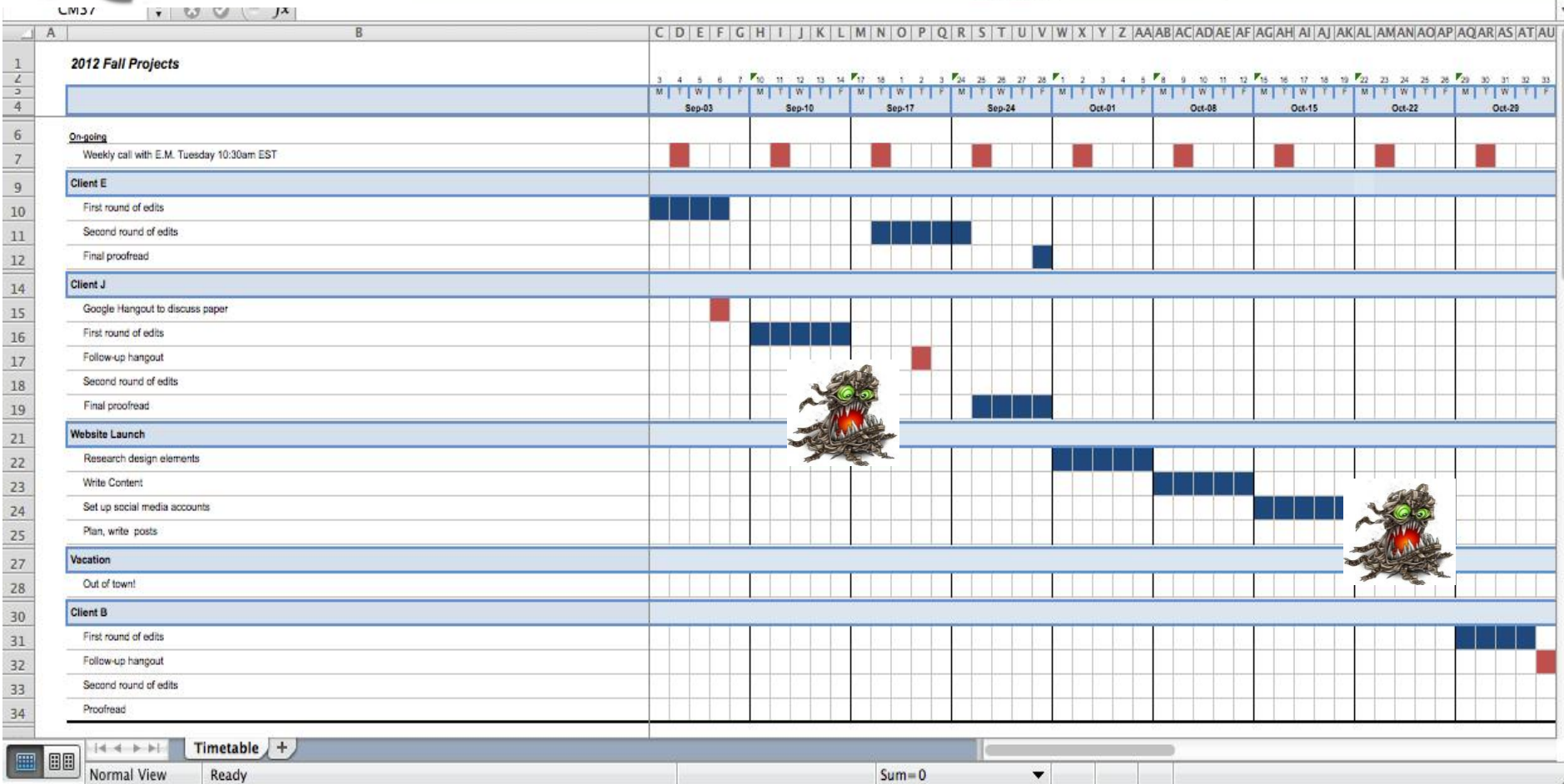
Truly Complex Projects

- Usually adaptive system of systems;
- Have high uncertainty in scope definition;
- Are distributed (organisationally, geographically, jurisdictionally);
- Have ongoing environmental and internal turbulence;
- Are most effectively implemented through wave planning; and
- Unable to be decomposed to elements with clearly defined boundaries.
  - That means we don't have enough valid information to break the work packages down to the extent a normal WBS or CWBS will allow! And yet we continue to try!
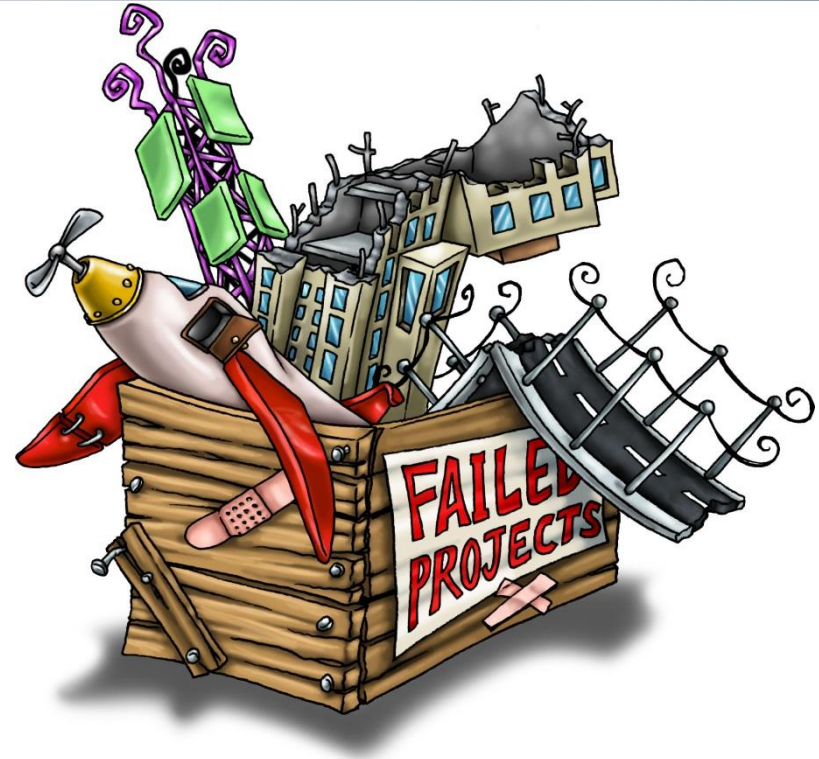
Growing Issues of Complexity

- More connections and connectivity (24 hour news cycle)

- More volatility

- More uncertainty

- More knowledge

- Less time to absorb

So Why do Projects Fail?

Answer:
IT DEPENDS ON WHO IS MEASURING THEM
& WHEN!

Sydney Opera House

- Plan - 4 years, budget of AUS $7 million.

- Actual - 14 years and cost AUS $102 million.

According to modelling by Deloitte, the Opera House adds $775 million to the Australian economy every year in direct ticket sales, retail and food spending and by boost to tourism.

What should we be measuring?

Answer:
IT DEPENDS ON WHO IS MEASURING THEM & WHEN!

No Right Answers – Lots of Options

Time	
Costs	
Quality	
Benefits	
Dis-benefits	

|			
Long or Short Term	Learning or transacting		
Cash	Accrual	Public	Private
Inputs or Outputs	Social Good	Social Harm	Efficacy
Health and Wellbeing	Good or Bad Behaviours	RelationshipS (why do we care?)	Efficiency
People	Process	Systems	Effective

Cannot measure Complicated and Complex in the same way

Key Principles for effective evaluation

1. What we measure is what we value
2. Evaluation systems must be customised
3. Measure across the whole of life for the project or initiative
4. If you are in a governance role - consider how your behaviour is effecting overall performance
5. Don't over govern performance (more reporting does not help)
6. Start with the end in mind (taken from benefits management)
7. Only collect data that informs decision making
8. If there are no consequences for performance achieved then there is no value in evaluation

Leadership is the most important competence of a Project Manager and is measurable
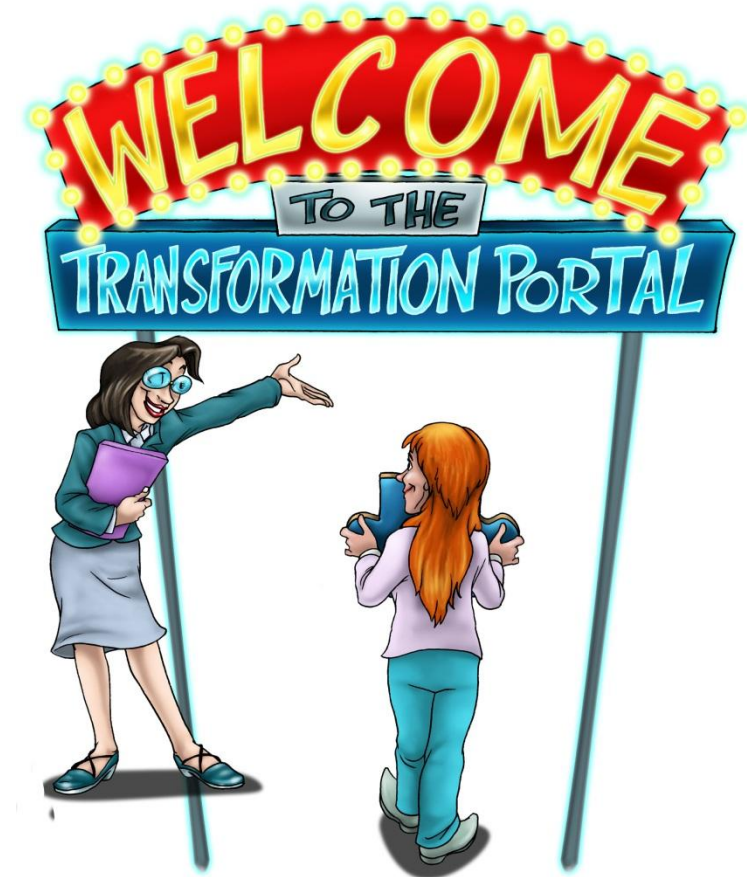
**INTERNATIONAL CENTRE FOR
COMPLEX PROJECT MANAGEMENT**

ROUNDTABLE

DISCUSSION PAPER

Canberra, Australia – 27 May 2009

Washington DC, USA – 13 October 2009

**INTERNATIONAL CENTRE FOR
COMPLEX PROJECT MANAGEMENT**

2012 ROUNDTABLE

DISCUSSION PAPER

Complexity in a Time of
Global Financial Change:
Program Delivery for the New Economy

**INTERNATIONAL CENTRE FOR
COMPLEX PROJECT MANAGEMENT**

ROUNDTABLE

FINDINGS PAPER

*The Conspiracy of Optimism -
Why Mega Projects Fail*

JUNE 2010

Complex Project Management
Global Perspectives and
the Strategic Agenda to 2025
THE TASK FORCE REPORT

International Centre for
Complex Project Management
The Conspiracy of Optimism

A Position Paper

HITTING A MOVING TARGET
*Complex Project and Programme Delivery
in an Uncertain World*

"The Conspiracy of Optimism"

- ***Why mega projects fail:***
    - Unaccommodated or unaligned stakeholder view of success
    - Tension between product success and project success (product vs outcome)
    - Political and public relations pressure militating against doing the right thing
    - Lack of understanding or acknowledgement of non-technical risk
    - Use of competition as a weapon
    - Institutionalised procurement practices
    - Few project managers are equipped as project delivery leaders
    - Lack of opportunity for engagement between government and industry
    - Future capability (projects) are predicated on attaining rational estimates
    - Current tools and decision processes unsuitable for analysing uncertainty
   - Inevitability of scope creep (cost & schedule) especially if contract too early

(ICCPM Executive Roundtable Series 2009)

Global CPM Taskforce Report

ICCPM and GAP sponsored a Global CPM Taskforce which commissioned the report titled ***Global Perspectives and the Strategic Agenda to 2025***, released in 2011

9 Policy recommendations – CPM Strategy

60 Action recommendations – Implement now

Establish global research centre and APN support services

(Full Taskforce Report available at www.iccpm.com)
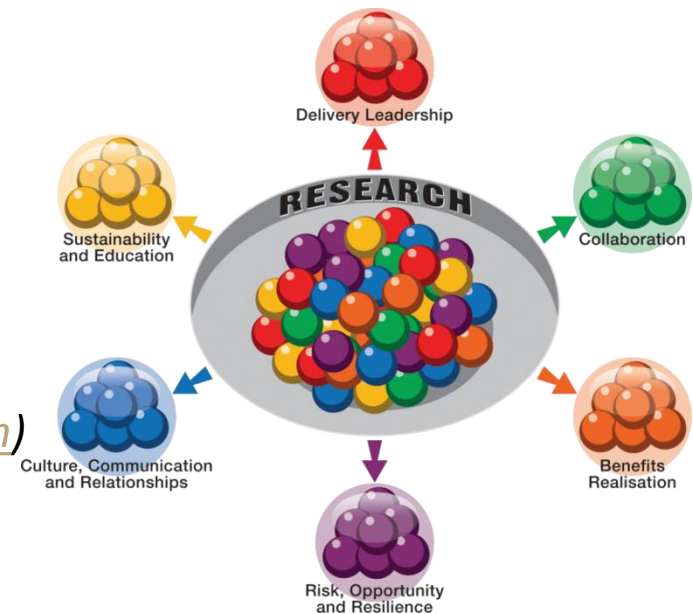
Hitting a Moving Target Complexity Drivers

- Multiple often competing, stakeholder systems and interest
- Need to communicate and co-ordinate across the boundaries of culture, discipline and worldviews
- Many interactions and co-ordination methods previously used no longer work in the current environment, including governance, leadership, contracting and organisational structures.
- Volatile political environments
- Scope, cost/budget, duration instability
- Uncertainty and instability of project outcomes and objectives (is what we are supposed to deliver still needed/wanted/fit for purpose when we deliver it?)

Other Reports/Books

- PMI – Pulse of the Profession – Navigating Complexity (2011)

- PMI - Aspects of Complexity: Managing Projects in a Complex World (2011)

- KPMG - Confronting Complexity (2011)

- Booz Allen Hamilton - Redefining Program Management for the Unique Challenges of Complex Programs (2013)

- Harvard Business Review – Prolific publisher of material

- Gower Publishing – releases a new book often

CPM Report Policy Report Card

Theme	Policy Recommendation	Report Card
Delivery Leadership	Maintain delivery leadership capability appropriate to the degree of project complexity. Operate global CPM standards of good practice, methods and tools.	ICCPM advisors working with major projects as requested. Making a notable difference. CPM Competency Standards released in 2010 updated in 2012. CPM Competency validation and full review planned to commence late this year or early next.
Collaboration	Operate the entire supply chain as a single entity delivering against mutually agreed outcomes with equitable risk and reward sharing	Everyone has this responsibility, however to enable success we include this in our education courses.
Risk, Opportunity and Resilience	Implement Risk and Opportunity management processes which are appropriate to the degree of project complexity and adaptable to change in the external environment	Working with the Australian Risk Policy Institute on a new Risk Policy Framework. Working with RiskIQ on some action research with both the DMO and Boeing on systemic risk/opportunity
Culture, Communication and Relationships	Address human behaviour aspects across all major stakeholders who are required both to adapt to changes in both the project and future operational environments, and to share their experience, knowledge and wisdom.	Addressed in ICCPM education products.
Sustainability and Education	Establish systems to manage the interconnectedness and interdependencies that affect project success and build in long-term sustainability. Offer specialist CPM Education programs according to the degree of project complexity and required capability and ensure that knowledge, skill and wisdom, once captured, is preserved	These systems already exist in one form or another, it's a paradigm/mind shift that is required to implement this policy, we are addressing this in our courses. Systems Thinking and CPM courses delivered since 2011 ICCPM Complexity Awareness Program (Cert IV) commences delivery this month with BAE Systems then ASC ICCPM Diploma (Lvl 5) under development delivery avail 2016
Research	Establish and support a permanent, co-ordinated global specialist research agenda for CPM.	KD2 Established in ICCPM 2011 Linking with academic institutions where possible. Linking with AIPM locally to continue to build the research agenda

ICCPM Moving Forward

ICCPM will continue its National and International Leadership through:

- Actively working with the Australian Government and Industry to improve CPM program delivery and productivity
- Continuing to grow the portfolio of international education, tools and support services to support managing in complex environments
- Guiding internationally connected research programs to improve CPM knowledge and performance
- Continuing to build the existing regional ICCPM capacity
- Continuing to build strong relationships with PM organisations globally (IPMA, AIPM, ARPI, APM, APMG, GPM etc)
- Growing ICCPM recognised Fellows to work with organisations delivering complex projects

ICCPM Services

- Strategic Reviews)
- CPM Mentoring & Coaching
- Strategic Planning
- Strategy Visualisation
- Complex Project advice and intervention
- Workshop Facilitation
- Systems Thinking and CPM Workshops

Questions?

Get involved, share your thoughts, issues, experience and wisdom join the ICCPM Network, there are multiple ways to contribute.

iccpm.com/membership (free for partner employees)

Subscribe and contribute to the ***CONNECT* Magazine** iccpm.com/newsletter

Join the LinkedIn – ICCPM Complex Project Management **Discussion Group** (open forum)