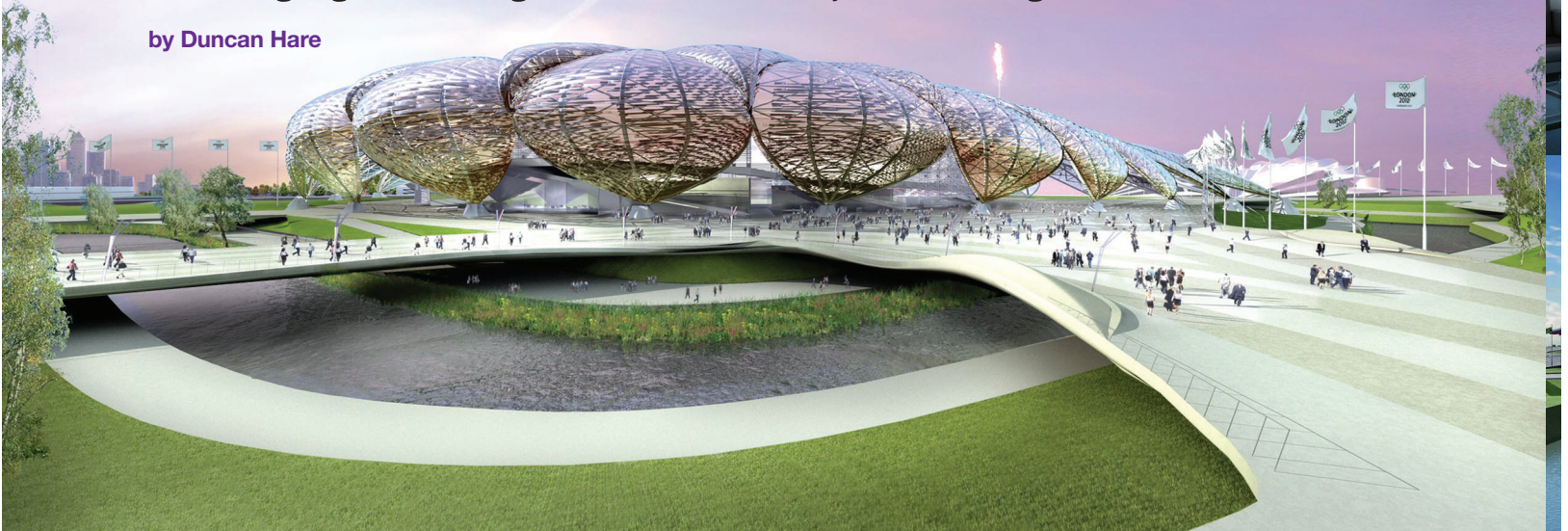


# London - 2012

## Challenging the Programme and Project Management Profession

by Duncan Hare



Expat Network has teamed with The Knowledge Practice (TKP), one of the UK's largest providers of management consultants to provide the best expat talent with the opportunity to engage with the Olympics 2012 programme.

With over 750 former 'big-5' senior-level independent management consultants, selected on the basis of their practical delivery track record, TKP aim to make integrated top-end management consulting available to their clients at agency rates and have pioneered new ways for clients to source consulting advice and for consultants with proven practical experience to collaborate and combine what they know to address the biggest delivery issues affecting business and the public sector.

We asked Duncan Hare, a partner at The Knowledge Practice (and previously PricewaterhouseCoopers' Global Lead Practitioner for Programme and Portfolio Management) to provide us with TKP's view on some of the programme and project management challenges for Olympics 2012.

The 2000 Sydney Olympics Games were celebrated worldwide as 'the greatest games ever'. Many people instinctively felt that it wouldn't be repeated.

Work has already kicked off on the biggest programme of work in the UK since rebuilding London after the blitz. As Seb Coe commented 'The eyes of the world are upon us.' With more than 1,000 foreign media correspondents based here and a potential global audience of more than 30 billion, he wasn't wrong. With that (and Ken Livingstone's promise of 'a Games you will never forget') ringing in our ears, the 2012 Olympic Games present an almost unprecedented opportunity for high profile success or failure.

The scale of the potential benefits to the UK is enormous. Delivering them is a different matter. It requires the delivery of a large, complex of infrastructure and services (transport, media, marketing, charity etc) through diverse public and private sector organisations, with complex funding arrangements and numerous stakeholders.

Given the scale of the undertaking and recent delays to the 12-times smaller Wembley Stadium delivery, this is a good time to ask

'what needs to be done differently?' The following questions focus on some of the key success factors:

**How do we learn from the past?** – No two Olympic games are the same. It would be nice if Sydney's success could be replicated by building the same sorts of things, creating the same environment, managing the same way or hiring the same people. As most sports people know, success is sometimes achieved by doing all the same things but sometimes a switch of approach is needed: the trick is in knowing which times are which and what has changed; the danger is in destroying the 'magic ingredient'.

Small changes in parameters can drive big changes in what needs to be done and the Sydney games can't simply be 'twisted' to be the London games by a series of small incremental changes. For example, Sydney's weather provided the programme with a 'following wind' and, for 2012 we should look to Seoul for lessons learned in this respect. Applying these lessons may change other aspects of the programme read across from Sydney or elsewhere. All projects and programmes must have their own, integrated, coherent vision, blueprint and specific plans. In the creation of these AND of each lower element of these as the programme develops the lessons-learned from elsewhere should be continuously reviewed and assumptions tested.

**Who benefits and exactly how?** – The array of potential benefits is large. London 2012 is '...more than a sporting event lasting 17 days': it aims to deliver a lasting legacy of social regeneration and business development.

Delivering even the most obvious benefits properly requires a detailed understanding of **who** receives the benefit and **how**. The best weapon against the inevitable 'scope creep'



that can affect every project/contract, is to ensure that 'why' permeates the culture and thinking as much as 'what'.

It would be easy to assume that, because football is so popular, the Wembley Stadium programme would have had to do little to avoid 'Millenium Dome syndrome'. In fact, a consideration of the 'match day experience' influences construction engineering decisions of all kinds. The Olympics will only deliver their full value if this discipline is magnified and applied thoroughly throughout the programme.

#### How do we keep the governance simple?

– With so many stakeholders and fund-holders all, quite legitimately, wanting assurance that their obligations are being delivered, parts of the programme will risk 'over-auditing' and over-complex governance impeding progress but, at the same time, failing to catch major issues ('death by steering committee').

Creating 'lean, focused governance' for any aspect of the London Olympics requires a much better basis for understanding what is being delivered and what things each stakeholder is specifically accountable for and why.

**How do we manage it?** – Most of us know that neither 'seat of the pants' management approaches or 'death by process' approaches work. Projects and programmes fail when they have no structure but, conversely, can miss the most glaring causes of failure even when awash with PRINCE2 practitioners. Few organisations have found the right balance.

Projects and programmes only succeed when their managers understand the '5 men, good and true: why, what, when, how and who' and do the right things to keep all five in line with each other.

The problem is a deeply psychological one: most people tend to be good at focusing on two of the five and relatively few understand

the relationships between all of them, let alone can keep them all in line. For example, many managers act as though management is divorced from the technical delivery processes, saying 'make it so' but willfully ignoring all aspects of how it is to be made so. Quality managers (who can help here) too often prefer the theoretical process to the actual one and Project Offices too often focus on the process and not its 'content'.

#### How do we avoid a 'bow-wave' of issues rising up and pushing the ship back as it approaches the dock?

November saw the announcement that the Olympics site is close to London's biggest sewage overflow pumping station with a 100% chance of sewage overflows in the area between May and October. A 22 mile £1.7bn "super sewer" under the Thames is the recommended solution.

With such big issues arising so early, we should focus on the fact that most major projects and programmes experience a 'bow-wave' effect.... not a further reference to the sewage overflow problem.... but to the fact that, in most difficult projects, issues get pushed downwards only to rise up at the last moment to create a monster wave which possibly cannot be climbed.

The root cause here usually lies with poor planning and contracting which doesn't reflect people's fundamental planning limitations at the lower level. Issues are inevitable. What is important is to:

- have the best possible idea of how accurate one's plans are
- identify when to refine the plan to reduce the uncertainty....and stick to it
- contract (internally and commercially) around plans with a known level of uncertainty
- ensure there is time for people working at the lower level to identify their issues and to re-plan
- ensure incentives are in place (commercial and internal) for people at the lower level to make their issues known proactively and constructively

Aggressive early milestones put the pressure on lower levels of delivery and test the nature of external and internal contracting – the bow-wave will already have started building up within lower-level functions of the public sector and suppliers (even at bid stage). The principles above must be explicitly applied now to ensure it is dissipated and we can continue to deliver on the early promises.

**How should procurement be done?** – It is increasingly recognised that arms-length, fixed price contracts do not deliver results at this scale and complexity.....but neither do blank cheques.

Due to scale, complexity and shortage of precedents and experience, contracts will never perfectly state the requirements here. There is a belief that risk can be transferred down to the lowest level of sub-contractor and covered off there. This fallacy is widely blamed for the delays at Wembley.

The most successful contracts for dealing

with uncertainty are partnering arrangements with incentives for multi-supplier teams to work together early in the process and to improve performance. They are also built around the best possible idea of what needs to be done, firm plans and commercial arrangements for re-planning.

The problem could be compounded here by the 'feel-good factor' and the budgetary scale. These can combine on large public contracts to encourage both buyers and suppliers to believe that, somehow, unstructured collaboration will carry everyone through while there will be plenty of scope to 'get it right' and remain commercial. This is an illusion – scale is always a problem, budgets almost always run out and behaviour changes under pressure.

In many failed contracts, the problem can be traced back to contracts acting as a filter of technical and practical management information and exacerbating issues such as the bow-wave effect described previously.

#### Meeting these challenges

These questions and how they are answered are critical to the success of London 2012. The common underlying theme is the need for people and organisations who:

- Have 'done it (or something like it) before'
- Understand **what** they are delivering AND

#### why AND how

- Plan realistically and manage uncertainty effectively under time pressure
- Can contract effectively with each other internally and commercially by
  - \* Keeping the commercial layer as 'thin' as possible

\* Creating effective relationships, alliances and partnering arrangements

\* Managing their own risks

- Can tackle issues head-on from top to bottom of the wider organisation
- Provide effective assurance, enabling governance to be kept simple

Finding and cost-effectively procuring the right people is, I believe, the number one challenge facing both organisers and suppliers.

We at The Knowledge Practice have started to build a multi-disciplined team of proven, delivery-oriented programme and project professionals to cover most of the major disciplines involved in the games.

We recognise that many of the construction engineers and managers with relevant experience are working outside the UK and we have thus formed a powerful alliance with the Expat Network to identify, engage and bring home the best British construction talent.

Teamed with our large group of pragmatic senior management consultants this will offer both public and private sector the broadest, deepest and most affordable source of high quality talent available to meet the challenges. We also expect our innovative, better-value ways of accessing and procuring these resources to help make the money go further.

#### Duncan Hare

For more information about TKP and our focus on the Olympics, please visit our website ([www.theknowledgepractice.co.uk](http://www.theknowledgepractice.co.uk))