# The Boardroom Report

## Get the project right before you start

Most complex projects are destined to fail from the outset and most of the root causes of failure are evident before the project commences, says Roger Howick, a principal of Assuritas who has spent decades analysing major project disasters.

"Most project failures are caused by not getting the basics right at the right time, rather than the absence of self-proclaimed 'best practice' project management disciplines," says Howick.

He believes directors and senior executives should be very concerned about these serious threats to major project success. "They need to have a very clear and objective picture of ongoing contract performance and predicted cost, time and risk exposure."

Howick adds: "Far too often when a project runs into problems, the focus is confined to the symptoms within that project. And, the fundamental causes of the problems, which are manifested within the wider enterprise, are let lie.

"The project is doomed because what we then see is a repetition of mistakes, often on the same project, because the 'supposed lessons learned' have not been etched effectively into the corporate *modus operandi*. When there's no acknowledgement and remediation of the underlying organisational problems, they will continue to derail project delivery."

He says prior to bid approval, directors should fully satisfy themselves that the organisation has a proven track record to be able to deliver this specific project successfully. There must be clear ownership and accountability for project performance, supported by strong stakeholder commitment and engagement throughout, with the board leading by example.

"With a clear understanding of the key attributes and drivers of successful projects, you can pick up on the visible early warning signs that threaten project certainty and implement timely preventative action or damage limitation."

In Howick's experience, the worst mistake directors can make is not recognising if and when to "no bid" certain projects. "The closer it gets to bid submission, and the more there is invested in the bid, the harder this critical board decision becomes. Governance practices that include independent, objective review and robust challenge at each of the key decision points prior to contract award can help mitigate this risk."

Howick lists five essential factors to position a complex major project for success:

- The organisation as a whole must have proven fit-for-purpose project capability firmly established. This enables more consistent, predictable and repeatable project outcomes at an acceptable level of risk, leading to more sustainable performance.
- Clear definition and understanding of the key attributes and drivers for project success must be in place from the outset. This will avoid many common causes of failure pre-contract.
- Robust lead indicators should also be in place so that emerging problems can be quickly detected during project execution and dealt with promptly and decisively.
- Ongoing quantitative and qualitative assessments must be done on the progress of the project. Real progress includes tangible milestone achievements and risk reduction. Without current and reliable information, it is impossible to produce a credible forecast for completion because scope, schedule, cost and risk are inextricably linked.
- There should also be an independent and objective reality check of the effectiveness of the whole-of-business "project-enabling" capability. This delivers visibility, transparency, assurance and protection against reputation risk to the key stakeholders, including the board.

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