

PM WORLD TODAY – PM ADVISORY – SEPTEMBER 2009**IT Project Governance: A Model to Share**

By David Brojt

Introduction

When we talk about IT Project Governance, we are talking about the control and follow up model adopted by a project. In this article, we will make reference to the IT Project Governance of big projects in organizations, such as those related to ERP systems implementation, Supply Chain Management, CRM, e-business, Business Intelligence, or specific solutions of industries characterized by their complexity level, such as, the Billing Systems for cellular phones companies or Commercial Platforms in the banking industry.

There is a shared vision, at the top management level, that the IT Project Governance is a key factor in the success of big projects. In my consulting and coaching daily work in complex projects, one of the main aspects related to the setup of the project is connected to the control and follow up model that the project will adopt.

Underestimating the importance of a correct governance scheme implementation in an IT project, creates a disruption in the rationality of the decision making process and in the flow of information, which visible effect will make an impact on the quality, costs and/or the meeting of the project deadlines.

If the Project Management does not adopt the right decisions in the right moment, there will be an impact on the work teams, which may go in the wrong direction or will see their activities paralyzed. On the other hand, if the work teams don't properly feed the flow of information required for the Project Management decisions, it is inevitable that they will lately identify situations which consequences could have been avoided. This is why the IT Project Governance is not a minor subject.

The Model

The model we are going to share is aimed to:

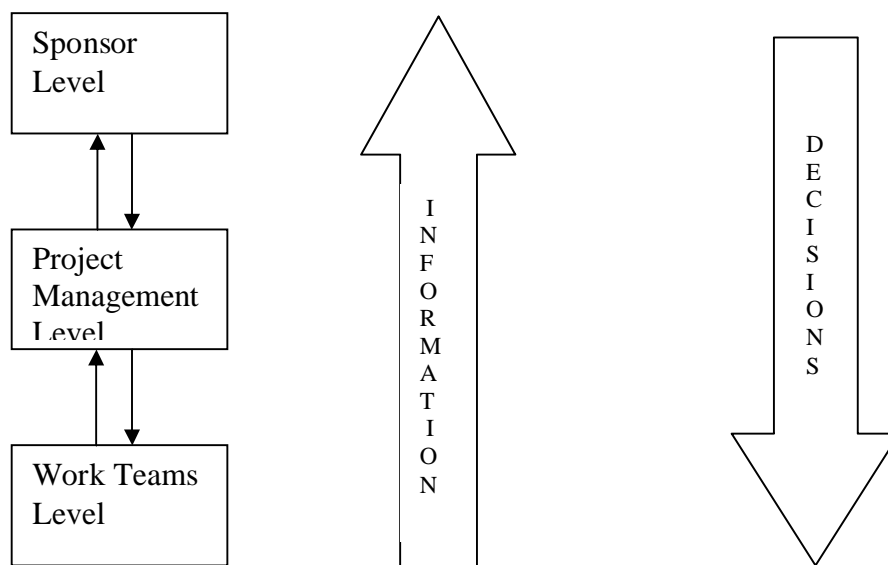
- a) Identify the different levels that should compose the governance of a project, and
- b) Establish the dynamic of the operation, through the nature of its work meetings, in order to let the different levels achieve their role efficiently.

The model is indifferent to the technological resources used for its support, as the focus is which levels should exist and how they should interact. Nevertheless, market tools can contribute to the collaborative work and should not be underestimated.

The Governance model proposed is a management model in which interact, from the top to the bottom (decisions) and from the bottom to the top (information), the three levels in a project organization chart:

- 1) Steering Committee Level or Sponsor Level
- 2) Project Management Level
- 3) Work Teams

The following graphic make it possible to visualize the double interaction between the three levels:



These three levels must create the mechanisms that ensure a contribution from the whole through the right role practice and the right operation of each level. This can be achieved if the Steering Committee makes the decisions in the right moment, if the Project Management has the required level of knowledge about the different subjects in order to be able to operate /conduct, and finally, if the Teams work in a coordinated way and have the right and immediate answers to the problems that they have scaled.

The question that emerges is: How is the Governance model going to help?

In order to answer the question, we are going to state the following aspects related to the work meetings of each governance level. These meetings are the vehicle that defines the dynamic of each governance level:

- a) the participants
- b) the objective of the work meetings
- c) the frequency of such meetings
- d) the agenda that they should deal with.

The model, mainly applicable to domestic projects, is extensible to international projects.

Beyond the distances and the different organizational structures that support the project, we will be always talking about the three levels: Sponsor level, Project Management Level and Work Teams Level. What will vary is the quantity of different meeting instances that will take part in each level pointed out and the way they will be logically linked and integrated. This will be specific of each project according to their particularities.

As a reflection before describing the aspects related to the work meetings dynamic of the different governance levels, it is important to point out that an IT Project is much more than an Information Technology Project. An IT Project is a Change Project. This affirmation is based on the fact that the project will always make an impact on the business processes, to a greater or lesser extent, as well as in the ecosystem in which it is integrated through their clients and suppliers. This is why it is important to integrate all the necessary actors in the governance model of a project. Their presence guarantees achieving the consensus in the course of the project, in order to avoid change resistances once the work is advanced or the implementation of the project is in the near future.

Project Governance Dynamics

Steering Committee Level

a) Participants

A Steering Committee must be necessarily composed by:

- a top manager from each of the functional areas of the organization that will be significantly affected by the project.
- the CIO of the organization
- in case a consulting firm or a supplier acts as an integrator of the solution, they should assign the main executive responsible for the account.
- it would be convenient that the Internal Auditing Manager of the organization took part in the Steering Committee as to achieve his early involvement. This may allow ensuring the accomplishment of the Corporation policies.

A Steering Committee or Sponsors Committee composed in this way, ensures all the necessary political authority that a project requires in order to overcome the barriers emerged from the organizations daily rush and urgencies.

The Project Management responsible for the development and the presentation of the agenda that composes the content of the meetings, participates in the meetings of this top level project governance.

b) *Governance Level objectives*

As the higher project authority, the Steering Committee main function is to ensure the correct course of the project and to make the necessary decisions connected to this role. This is why the aim of these meetings is to put the progress and the state of the project on a basis of equity, as well as making the decisions that the project requires.

c) *Meeting Frequency*

In general, and taking into account that the projects we refer to have an extension between 6 and 18 months, one meeting a month is considered a reasonable frequency. When the implementation of the project is in the near future, this period can be reduced to fifteen days, and in some cases, if the project requires it, to one week.

d) *Agenda*

The following items are the ones that should be developed by a Steering Committee meeting:

1- *General Plan of the Project. Current state*

This item on the agenda allows understanding rapidly in which state the project is according to its general plan. The milestones achieved since the last meeting should be described.

2- *Status of the Project Risk Matrix*

In the Project Definition all projects must count on a Risk Matrix from the beginning which identifies situations that may affect the course of the project. The content of such matrix is additionally given by the risk probability, the impact it would have, the mitigating action launched in order to avoid it, and the responsible for the risk.

The Risk Matrix is a very important tool for the Steering Committee as well as for the Project Management as it helps to anticipate and manage risk.

The meetings in this level of the project governance, analyze the status of the risks (if they are still open, if they have been closed, if they require any proactive action) in order to adopt the respective decisions.

3- Issues that require attention

In this item of the agenda, it is necessary to deal with those subjects that deserve a special attention from the Steering Committee and over which it is necessary to make a decision or take action. If any of these items was extremely critical, it is usual to call an ad-hoc meeting in order to deal with the subject immediately without waiting for the next meeting.

In this aspect, the informative mechanisms between the different governance levels in the project are very important, as they ensure the early escalation of a problem when it is detected. The destiny of the project lies, to a great extent, in this ability of detection and anticipation.

4-Project Budget Status

Every project has a budget associated that takes part in a business case. This last one can only be checked after a while since the implementation and finalization of the project. But the budget assigned can be followed in a way to ensure the fulfillment of what it was expected. The total budget, the incurred budget and the remainder budget required, take part of the revision carried out by the Steering Committee.

5-An accurate presentation (of design or criterion adopted by the project)

The last item of the agenda, is generally included in order to go deeper in the information given to the Steering Committee about any specific item of the project. The different Teams of the project are usually in charge of this in a rotary way. Every meeting is organized as to give the opportunity to a particular project Team to carry out a presentation. It is a real win/win situation as it allows the sponsors to know any specific aspect of the design or criterion that they may find interesting. At the same time, it allows the Teams to feel motivated by having the opportunity to present any milestone of its work to the top executives of the company that compose the Steering Committee.

Project Management Level

a) Participants

Even though good practices suggest that managers belonging to the functional area impacted by the project should be in charge of the Project Management, the facts show that many organizations usually assign a Project Leader from the IT area as they believe that his/her training is more connected to the nature of the project. This is not necessarily correct, as the Project Management Level has to do more with Project Management skills than with technical knowledge. However, as a solution it is usual to see a co-leadership in projects, composed by a project manager who belongs to a functional area and a project manager who belongs to the IT area.

In case a consulting firm or a supplier participates as an integrator of the solution, they should assign a Project Manager to join the IT Project Manager and the Functional Project Manager.

As well as the members pointed out, there are other participants in the Project Management meetings: a) those responsible for each Team that composes the project, and b) the responsible for a Team, sometimes outsourced in an independent figure so-called PMO (Project Management Office), which is in charge, among other things, of all the operative tasks related to the work plans generated by the different Project Teams.

b) *Governance Level objectives*

Project Management meetings are the core of the governance meetings of the project taking into account the role of those who participate in it. They represent the day by day management of the project.

The aim of these meetings should be:

- making a detailed monitoring of the plans of each Project Team
- carrying out a revision of every open issue and its situation (what is usually known as “issue log”)
- achieving a common knowledge of the different fronts and aspects of the project.
- coordinating the efforts of the Teams
- identifying issues that require attention from the Teams and that should be solved by themselves, by the Project Management Level or require to be scaled to the Steering Committee
- reaching a shared vision regarding the status of the project.

c) *Meeting frequency*

Given the nature of the meeting and its content, these meetings must be carried out once a week.

d) *Agenda*

1- *Opening (The Project Management is in charge of it)*

Even if we have pointed out the existence of a Project Management shared by different participants, it is usual that one of them has a greater leadership (usually the Project Management from the functional area or from the IT area), which has to inform the participants about the decisions adopted by the Steering Committee, as well as events occurred in the organization or any other news that could have an impact on the project.

2- *Detailed monitoring of the project work plan.*

The PMO and the responsible for each Team are in charge of it. Potential deviations are identified and different actions are carried out in order to correct them.

3- Issue Log Status

The PMO is in charge of it, with the involvement of the different participants.

4- Issues that require attention

The responsible for each Team is in charge of sharing the issue with the rest of the Team and the Project Management is in charge of formulating an action and designating its responsible.

Work Teams Level

a) Participants

The Team building, motivation and commitment from the members of a project are important aspects to take into account in order to be successful in the execution of a project. Consequently, close contact between the Project Management of the project and all the members of all the Teams, must find a formal space to recreate the momentum that was surely achieved in the kick-off (initial meeting) of the project. This is why these meetings are carried out by the Project Management with each Team in an individual way.

b) Governance level objectives

Work meetings in this level allows the Project Manager:

- to understand the work of the Teams in a better way, and to have a deeper knowledge about the design and criterion definitions of each Team
- to recognize situations that require the adoption of decisions and arbitration in case of disputes between the Teams.
- to motivate Project Teams providing them with the necessary information about the news and the general course of the project.

c) Meeting frequency

Given the nature of the meeting and its content, these meetings must be carried out every two weeks.

d) Agenda

1. *Project Management news.* Space to share the project news and be attentive to possible anxieties of the project Team.
2. *Issues that require attention* - Analysis of subjects that require the actions of the Project Management.

3. *Presentation.(Project Team in charge of it)* - An accurate presentation (of design or criterion adopted by the Team. This repeats the win/win situation mentioned when we made reference to the Teams presentations to the Steering Committee. The difference is that in this field the possibility to make the presentation is more frequent.

Ending

A good practice that accompanies the IT Project Governance model presented, is to set the follow up meeting dates of the project's life at its very beginning. This must be done in the three levels...and it is necessary to make sure that the dates are accomplished.

I hope this helps!

About the Author:



David Brojt

Author



David Brojt has a degree in Business Administration. He also is a Public Accountant. In both cases he graduated from Buenos Aires University, Argentina. He is a professor in Buenos Aires University and a guest lecturer in Business Postgraduate courses in private universities. He also is a guest lecturer in Latin-American seminars and collaborates with articles in prestigious publications. He is author of the book *Project Management, a leadership and execution approach for projects* (published in April 2004, reprinted in June 2005 and May 2007), Granica publisher, Buenos Aires, Argentina. He works since 1999 as a Project Management Consultant. Before that he worked as a Senior Manager in one of the most prestigious international consulting firm. He works in Argentina with leading multinational and domestic companies recognized at an international level, helping them to carry out strategic and operational efficiency projects. David Brojt can be contacted at dbrojt@fibertel.com.ar.