

TIPS & TECHNIQUES

Why Executives Should Care About Project Governance What Your Peers Are Doing About It

By Darshana Patel, PMP

Executives today cannot escape the ubiquitous message that reliable practices in project management have become a necessity and no longer a luxury. Many factors contribute to this state, including such drivers as increased competition from the global marketplace, regulatory scrutiny, expedited innovation cycles, and more demanding consumers. Many organizations now manage their business through projects, leveraging sound project management practices for competitive advantage. In fact, many organizations are protective of their project management practices, often housed in a PMO (Project Management Office), and treat this knowledge as intellectual property. The project mindset has come to permeate all aspects business, generating increased efficiency and effectiveness in cross-functional initiatives.

Despite all the benefits of elevating project management maturity, leaders are faced with a challenging dilemma. How do you maintain the balance between customer satisfaction and project controls? How do you impose just enough process without risking innovation and competitiveness? How do you align internal customers with process requirements while ensuring their continued participation and support? Executives have the unique position and responsibility of setting the tone and context for the definition of project governance within their organizations and creatively linking it to overall strategy and objectives.

The 3 Steps for Action

Today's leaders are taking their participation in the project governance movement beyond the approval of a PMO charter. These individuals are taking an active seat in the vision and execution of project-related improvement initiatives to ensure the alignment, viability, and sustainability of the entire effort. This occurs in a set of 3 general steps.

Step 1. Define project governance for your organization.

Many corporate struggles and frustrations surrounding the adherence to project management processes may unknowingly be attributed to cultural and societal connotations to the newly-introduced term "project governance." Create the meaning for the word "project" in your organization. Does it encompass all initiatives or only projects over a certain investment threshold, risk, or complexity? Next, create the meaning for "governance." The first problem is that governance, while indicative of the purpose, demonstrates no inherent value. In fact, the term governance conjures up images of bureaucratic processes and protocols. No

wonder organizations experience pushback from internal customers in adopting new project life cycle phases, processes, and deliverables. Shift the context of the word "governance," challenging all the inherited meaning, to create governance as the backdrop in which successful projects can be realized. Generate a positive meaning of the term "governance" to be the facilitative context in which more efficient project teams, improved project quality and results, reduced risks, and improved resource utilization can occur. Finally, link project governance to organizational strategies like increased efficiency, improved customer satisfaction, and cost avoidance.

Step 2. Dispel the myth that project governance is the panacea for all project challenges.

Leaders understand that establishing and employing project governance involves creating or refining roles and accountability structures, involving the right people, adhering to value-added processes, and leveraging sensible tools to sustain the framework. All this is not accomplished overnight. Project governance is an incremental effort that is not a quick fix. Project governance truly is an evolution, not a revolution.

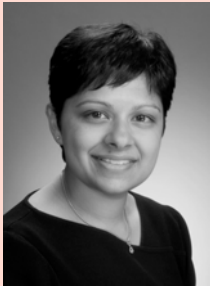
Mixed in with the skepticism and criticism that may become prevalent in some layers of the organization during the first stages of introducing project governance, there may be a quite opposite expectation building in some areas. This other view is one of very high expectations that project governance will be the means to a successful project end. The reality that project governance is the context, not the content, must be reinforced. Meaning, project governance is the space in which the day-to-day project activities occur. It still falls upon project teams to properly plan, execute, control, and close projects using skilled individuals, sound judgment, and constant communication. Project governance is not the magical cure to resolve all project challenges but does offer the framework for the escalation and resolution of issues.

Step 3. Initiate the cultural ripple.

One of the most difficult and most overlooked aspects of introducing project governance is the cultural implications. Accountability, visibility, and transparency mechanisms now surface team members and project stakeholders who may not be meeting project milestones and objectives or fulfilling participation requirements. Organizational culture must shift to be conducive to a project mindset and to provide project team members with the assistance they need to adapt to the new ways of running projects. The culture must foster horizontal trust and cooperation among functional teams and vertical communication through the depths of the organization. This culture begins at the top. In my years of consulting, one of the biggest complaints I've heard is the lack of ongoing support from executive management in upholding the project governance framework. Often, the biggest violators of the processes are the leaders who established them in the first place. Leaders are the epicenter of culture. Create it, live it, and enable it. Again, as

many leaders are realizing, this goes beyond establishing steering committees and a PMO and requires ongoing oversight and nurturing from the very top.

Project management has become a required core competency for today's organizations. Executives should care about project governance not only to the extent of signing a PMO charter and appointing a team to move forward. Stalled efforts, continued project failures, and skeptical internal stakeholders are prompting today's leaders to be vital members in the vision and execution of project-related improvement efforts.



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