

Keep in touch with reality

Avoid disaster through effective project assurance

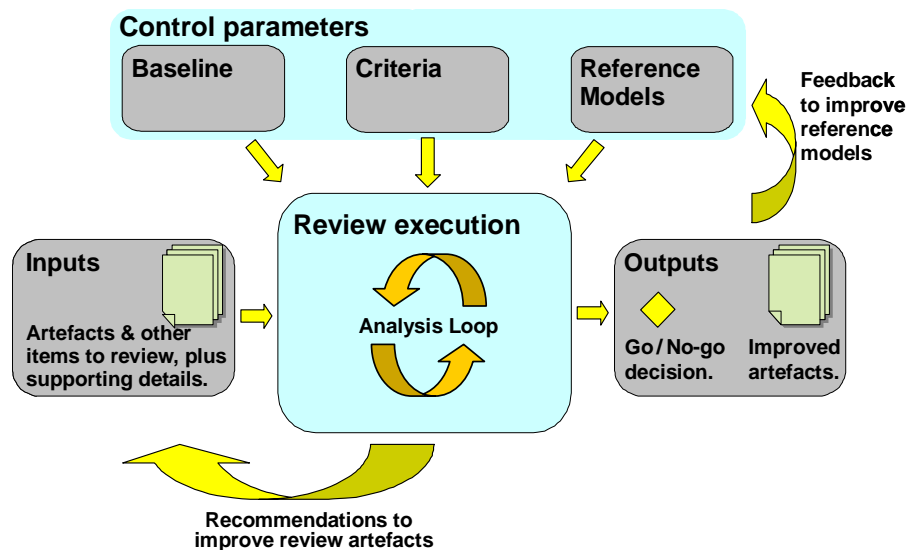
Projects fail for many reasons. Optimistic estimates. Technology that doesn't work as advertised. Plans driven by deadlines rather than feasibility. Teams' belief that, given enough pizza, they can solve any problem by tomorrow morning. Behind most of these reasons lies one root cause: people lose touch with reality. This divergence may not be immediately apparent, but it eventually leads to those other failures.

This is why project reviews help. In the heat of the moment, it's easy to lose sight of the underlying reality. Perhaps optimism runs away with you. Perhaps you're not able to stand up to subtle pressure from a senior executive. Someone outside the day-to-day melee can help ground you in reality.

Conducting effective project reviews

Unfortunately, reviews don't always help as much as they could. In many organisations, a review is little more than a bit of a chat. The review team sits down with the project team and meanders through project status and risks. People feel better after getting things off their chest. They may even get a few useful ideas from the reviewers' war stories. Or the whole exercise may be a waste of time.

Effective reviews tend to be more structured. I find it useful to think of each review as a system, with inputs, outputs and controls, as illustrated below.



This helps me be clear about what I'm reviewing and how the outputs will be used. Just as importantly, the control parameters help me clarify:

- What doesn't need to be reviewed? The baseline defines what's been agreed prior to the review. If we're reviewing a design, we measure it against the requirements it's supposed to deliver. Without an agreed baseline, reviews spin their wheels.
- What constitutes good practice? Too many reviews degenerate into debates about methodologies and standards. Let's agree the reference models before we start the review, then focus our time on helping the project.
- What criteria are most important to this review? If the project is constrained by a tight budget, let's focus our energy on costs. Reviews that try to cover every angle end up skating across the surface.

Finally, the second feedback loop, updating our database of good practices, helps build organisational learning.

Peer Review or Independent Assurance?

Thinking of each review as a system clarifies the process. We also need to clarify the relationships. First, how does the project team relate to the review team? There are essentially two possibilities:

In a **peer review**, a group of the project team's peers comes together to provide an outside view, probably by taking time off their own projects. This helps provide that reality check we're looking for. The project team learn from their peers (and vice versa).

An **independent assurance** team, on the other hand, is dedicated to reviewing. It works across multiple projects in a programme or portfolio. Because these people specialise in reviewing, they probably perform a more rigorous check. Because they aren't running projects themselves, they may be less focused on learning. They're often more adversarial than peer reviewers, especially if they're reporting outside the project's direct line of control.

Both types of review are valuable, but they need different support structures. As you build your project review process, think about which works best for you.

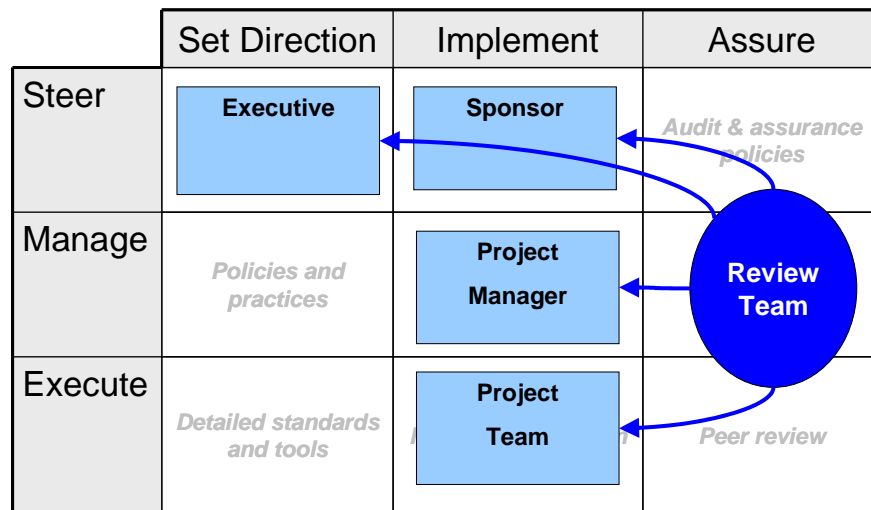
Project governance

If you are setting up an independent assurance team, consider its relationship to wider governance structures. Governance is about decision making. It defines who is allowed to make which decisions, and what process they use to make those decisions. Independent assurance supports governance by ensuring that decision makers have accurate information on project status.

Four types of decision making matter to a project:

- 1) External executives control the organisation's portfolio of projects. Independent assurance gives them a clearer view on project status so they can manage strategic dependencies and allocate resources across the portfolio.

- 2) Project sponsors make strategic decisions about objectives and resource allocation within the project. Independent assurance helps them understand what is going on within the project, and hence when to intervene.
- 3) Project managers make decisions about project execution. Independent assurance helps them identify problems and nip them in the bud.
- 4) Project members make hundreds of decisions every day. An independent assurance team can help them embed good practice in their daily processes.



It's difficult to serve many masters. If the review team reports to the project manager, for example, they may give that manager time to resolve issues before escalating to the sponsor. On the other hand, if they report to the sponsor, such delay wouldn't normally be acceptable. Make sure everyone knows who the review team works for!

Independent assurance teams typically report to the sponsor or external executive. This gives them the authority to go anywhere – denying access could itself be seen as a sign of problems. It also gives them a duty to report problems rapidly. Peer review teams generally work at the level of the project manager or team. They often have to negotiate for access, and to help teams solve problems in order to earn continued access. If the review team fails to understand this, then they end up creating noise and hence obscuring rather than illuminating reality.

Some challenges for Independent Assurance

There are some additional twists to think about:

- **Confidentiality.** Project members are more likely to be open with reviewers if their discussions are confidential. On the other hand, executives may find it difficult to accept recommendations based on information of unknown provenance. There's no right answer to this, but do let people know where they stand.

- **Team stress.** Independent assurance of highly political projects can be stressful. How will you help your assurance teams manage this?
- **Frequency of reviews.** Small, frequent reviews help you spot trends. Larger, less frequent reviews require less resource overall (but are pretty disruptive when they do happen). They can go deeper than small reviews, but may take a while to spot developing trends. You have to make a trade-off.

Conclusion

However you set up your project reviews, that reality check is invaluable. By giving some thought to the process, relationships and details, you can maximise the value that reviews deliver to your organisation.

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