

Strategic Management of Projects

Caravel Group -
consultative
services for
'big picture'
solutions

Strategic Management of Projects

Maintaining sight of the strategic business goals

The strategic vision is the starting point for establishing an organisation's business goals. Realising these goals, however, requires change which is achieved through a series of projects.

Clearly, the projects have to be successful in delivering the defined change but collectively they must also deliver the strategic goals of the organisation. This is absolutely vital for business success.

Caravel's suite of consultative services has been formulated to ensure that the business goals associated with these changes are achieved. Starting with the end in sight, Caravel assists clients through this process and ensures that the promised value of projects is maximised and costly mistakes are avoided.

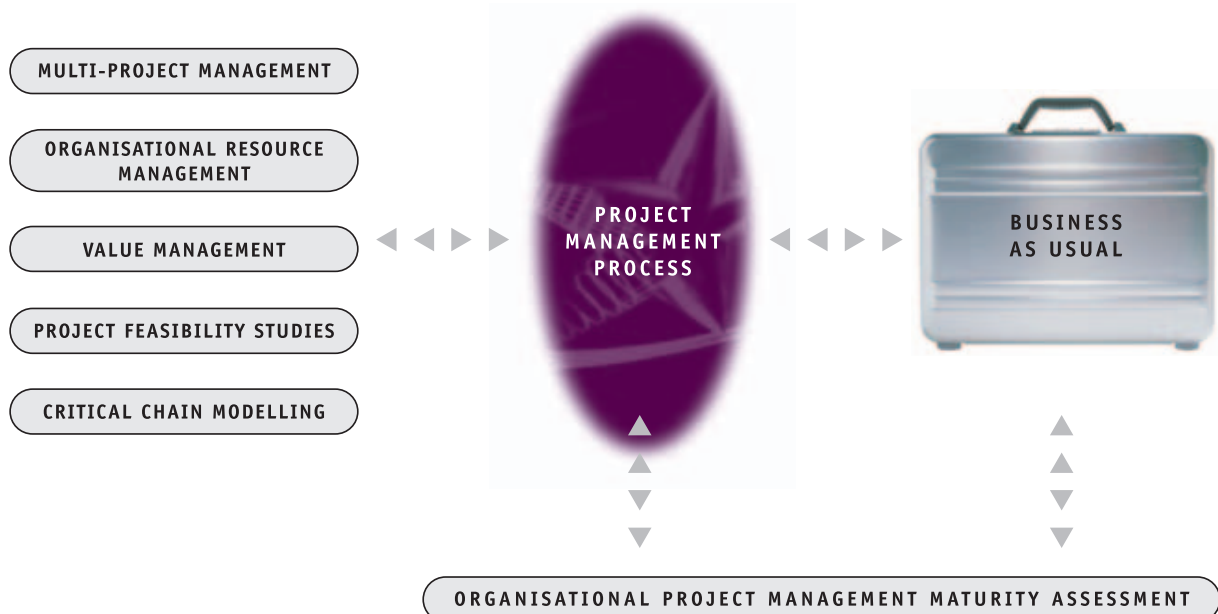
These services are underpinned by Caravel's proven methodologies and demonstrated track record of success in large, complex multi-disciplined projects.

Caravel's core strategic management of project services

- **multi-project management** – manage portfolios of projects visibly in a manner that allows senior management to easily assimilate the 'big picture'
- **organisational resource management** – the strategic use of an organisation's resources to deliver projects
- **value management** – identifies opportunities for maximising project value
- **project feasibility studies** – establishes the feasibility and the value of projects
- **critical chain modelling** – a methodology for change management projects
- **organisational project management maturity assessment** – measures how well an organisation can implement its business strategy

Caravel will tailor these and other services to meet the specific needs of your organisation.

Strategic Management of Projects - Overview



Multi-project Management

A strategic view of multiple projects

Organisations generally manage day-to-day operations in 'Business As Usual' mode while any form of change is managed as a project. The 'Projects Mode' is being increasingly used to deliver envisaged benefits and protect the business from risks associated with the change process.

With increasing portions of business run as a series of projects, however, it becomes increasingly problematic to ensure that all projects collectively deliver the expected value to the organisation. Caravel's Multi-Project Management services and supporting tools provide the critical link between the strategic management of the business and the total management of the projects.

Multi-project management is about the visibility of individual projects at one level and the visibility of the coordinated suite of projects, their linkages and interdependencies at another. It creates visibility of delivery tactics, business strategy and how and when the project value is realised.

Prioritising projects to realise increased value

The Caravel approach links all projects into a series of cohesive programmes and manages the entire portfolio of projects in a manner consistent with the strategic goals of the organisation. It maximises value yet recognises the natural constraints that exist to achieve those goals.

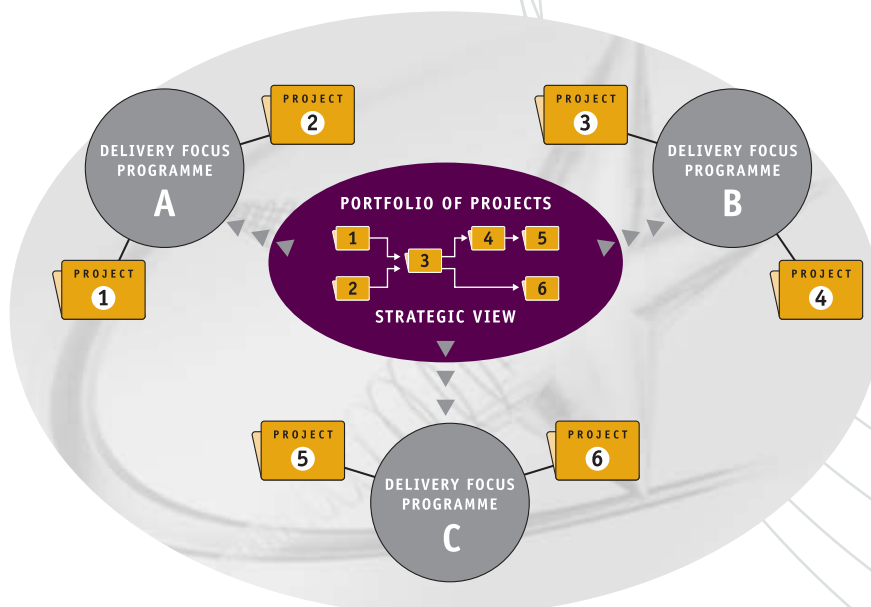
The discipline of Multi-Project Management recognises the following domains within the broad field of project management:

1. individual projects
2. programme of projects (executed together to achieve a common goal)
3. portfolio of projects (a strategic view of a range of interdependent projects).

A 'big picture' approach ensures that each and every project decision supports the strategic goal.

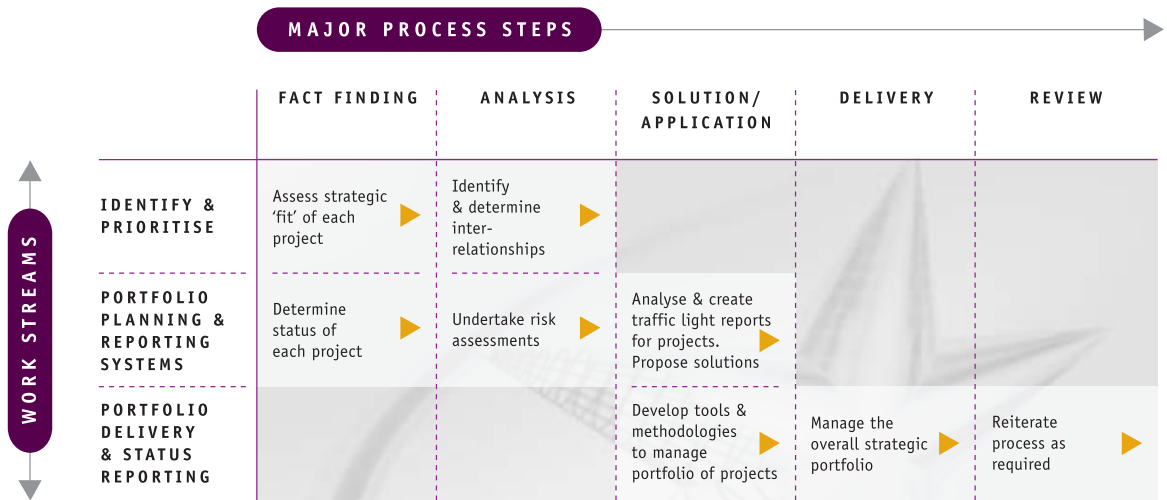
Caravel's Multi-Project Management Services are of high value to organisations because they:

- link projects with other programmes of projects to create a project network
- organise prioritised projects in a 'big picture' context identifying synergies
- eliminate resource wastage on projects that do not 'fit' the strategic goals
- secure projects with low NPV that are essential to the overall business plan



The Caravel methodology - managing the overall portfolio of projects

Caravel will carefully assess each project in context of its fit with the overall business strategy while also identifying inter-relationships and dependencies between projects. The result is a clearly documented portfolio of projects, arranged into programs to assist management with their delivery.



Caravel will tailor this methodology to suit your specific needs



Organisational Resource Management

Drawing from the entire resource pool

A carefully balanced allocation of resources is one of the key ingredients for project success.

Organisational Resource Management uses all of an organisation's resources strategically to assist with the delivery of its projects. When determining the requirements for a project, Organisational Resource Management goes beyond dedicated project resources. It casts the net wider and also includes resources at the interface between the core project team and the relevant business as usual groups.

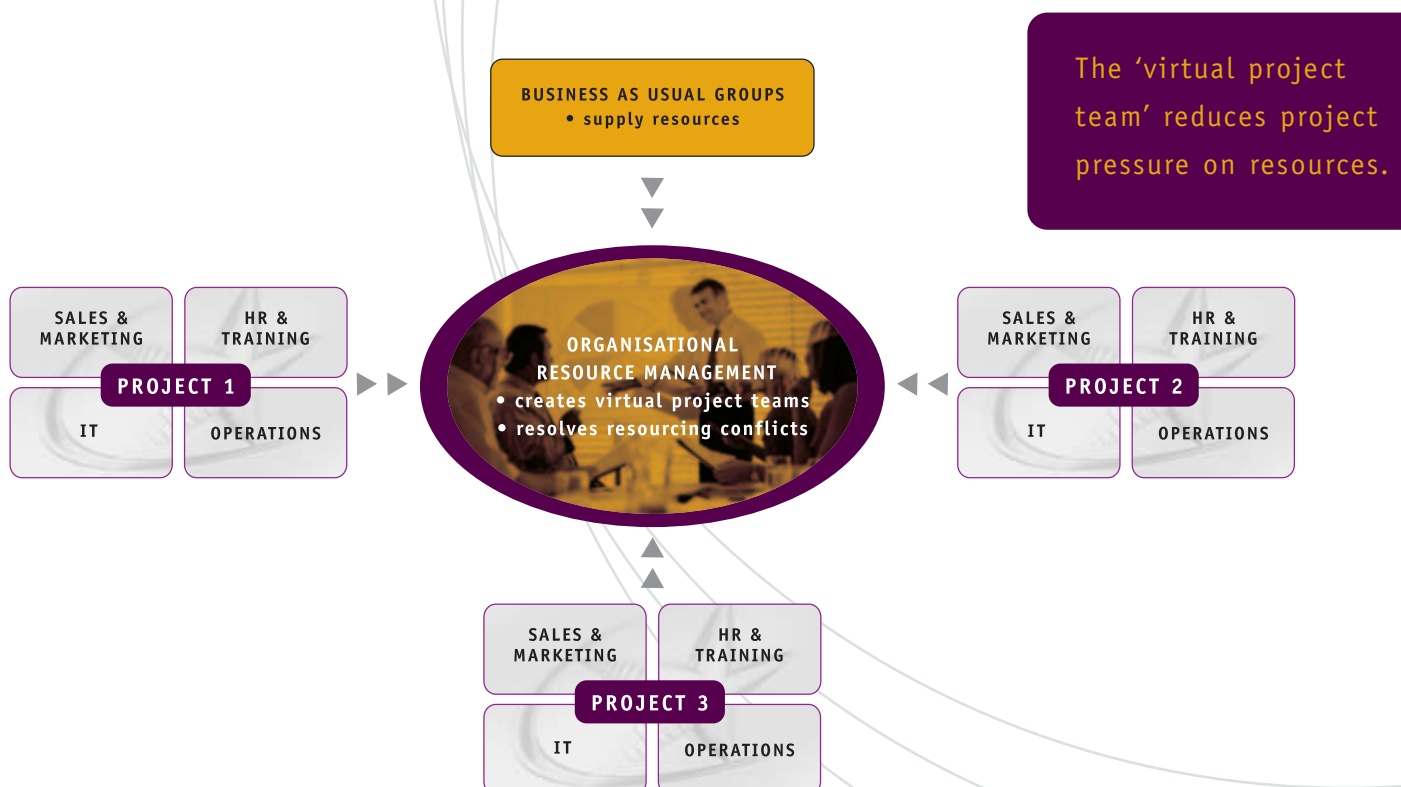
The outcome is a highly effective unit – a 'virtual project team' drawn from a rich pool of project and business unit human resources to deliver projects.

Optimal mix of resources avoids project failure

Projects often fail because of conflicts arising from the unrecognised impact of project workloads on Business-As-Usual staff. Faced with many tasks from different projects, critical factors such as staff productivity inevitably suffer which can jeopardise the success of a project.

Organisational Resource Management manages this risk by drawing on the entire resource pool of an organisation. Instead of remaining narrowly focused on project staff only, it also draws from Business-As-Usual staff. It also determines the level of interaction and extent to which project staff will engage with Business-As-Usual staff in order to deliver the project. This in turn defines the manner and extent of the support that the project delivers to the business unit.

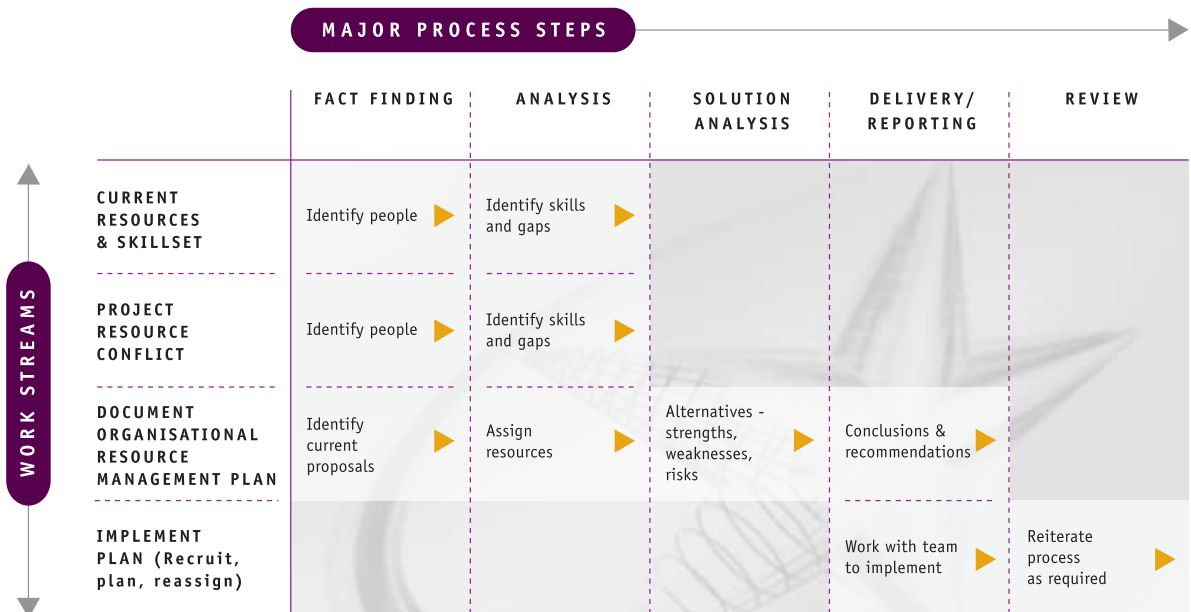
This process reliably ensures that the best mix of people and resources are assigned to effectively deliver the project. At the same time it also ensures that the means are found to relieve Business-As-Usual staff to participate in the project when needed.





**The Caravel methodology -
a structured approach puts people where they matter**

Caravel offers a structured approach that enables organisational resource issues to be assigned in the context of the overall strategic business context.



Value

Management

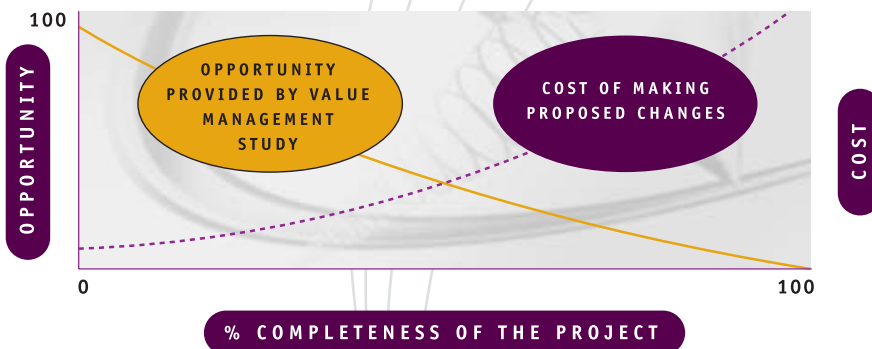
Get it right first time and avoid expensive changes

The cost of changing the scope of a project increases exponentially towards completion. As a result, the opportunities for cost-effective change exist predominantly during the early stages of a project. Caravel's Value Management service offers real scope for adding value which generally far outweighs the initial service investment in time and money.

Gaining improved value from projects

Caravel's structured and disciplined approach uses proven methods to identify opportunities at the earliest time. This maximises project value by reducing costs and increasing benefits. And because value is not only defined in monetary terms, Caravel's service also accurately considers intrinsic "soft" value such as community benefits and organisational cultural change.

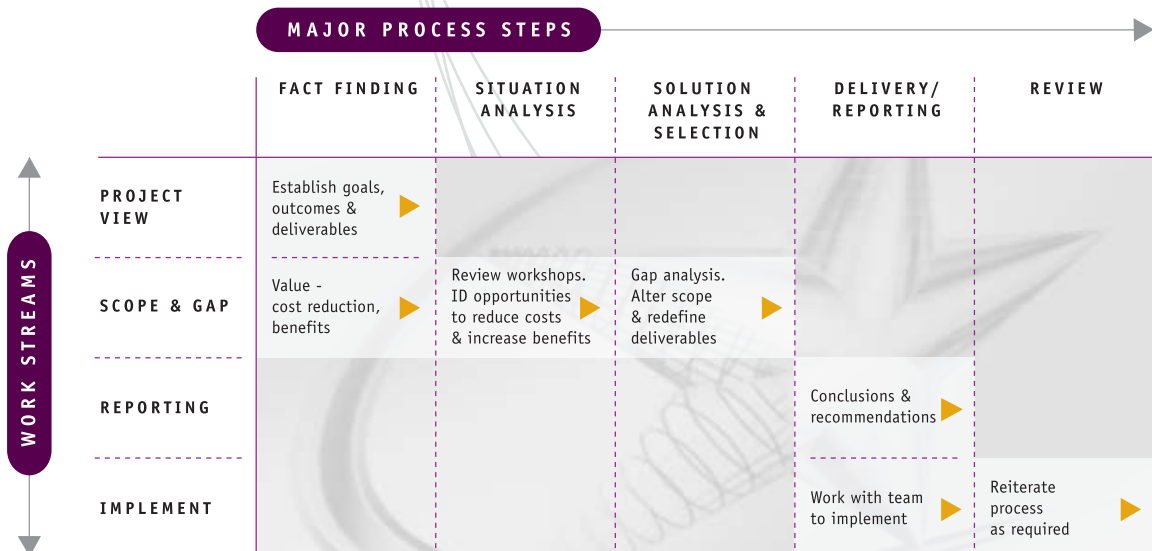
Caravel's Value Management service integrates seamlessly with TQM systems and is fully compatible with incremental and step improvement approaches while remaining firmly focussed on increasing project value.



Harnessing the power of value management means recognising opportunities at the right time – early in a project.

The Caravel methodology - identifying project value improvement opportunities

Caravel's methodology is based on tried and true Value Management processes to clearly identify value improvement opportunities.



Caravel will tailor this methodology to suit your specific needs

Project Feasibility Studies

Establish the viability of your project

With restrictions on resources and a limited ability to accommodate change, a formal investigative process is imperative before embarking on a project.

A comprehensive Project Feasibility Study goes beyond a cost/benefit analysis. It forms the virtual foundation of a project by investigating all of its aspects - deliverables, outcomes, cost/benefit and risks.

It sets clear expectations of the project in terms of its deliverables and how success will be measured. The Project Feasibility Study therefore provides the essential focus for the project team. It allows them to establish and demonstrate how they will turn objectives into profitable outcomes.

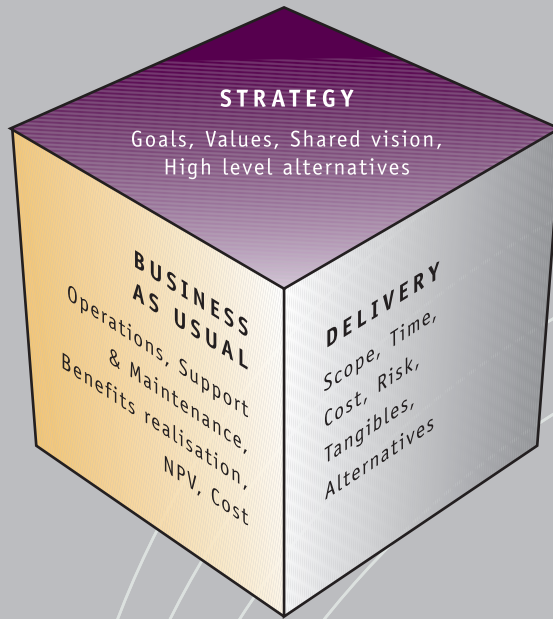
A project feasibility study guarantees clarity before embarking on a project.



Investigating alternatives to create a shared vision

There are often many ways of reaching a goal. The Project Feasibility Study investigates all possible project alternatives and rejects those that do not fit within the business strategy framework. The Project Feasibility Study is formulated with consideration for the three project dimensions – Strategy, Delivery and Business As Usual. The completed study offers management and other stakeholders many benefits including:

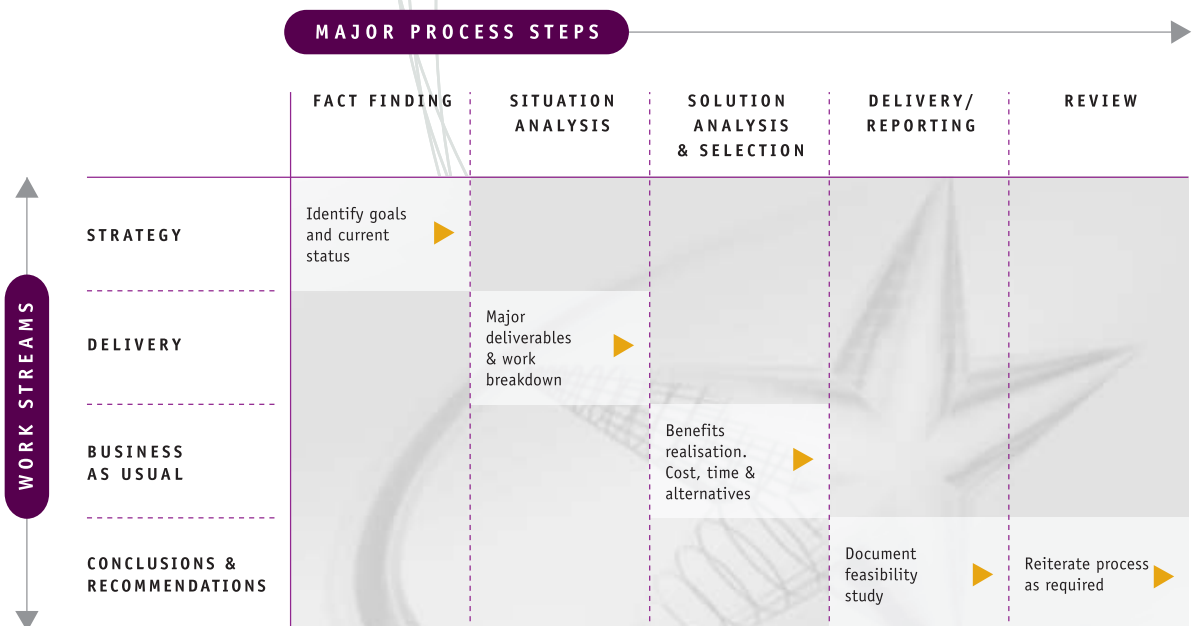
- an agreed purpose
- a shared vision
- high level definition of the scope, organisation, time, costs and constraints
- a tool that helps management gain approval to proceed with the project



The three dimensional view is a solid foundation for the Project Feasibility study.

**The Caravel methodology -
developing an independent and objective view**

With the benefit of sound project management skills and expertise, Caravel’s methodology reliably and effectively delivers an objective view of a project’s viability.



Caravel will tailor this methodology to suit your specific needs

Critical Chain Modelling

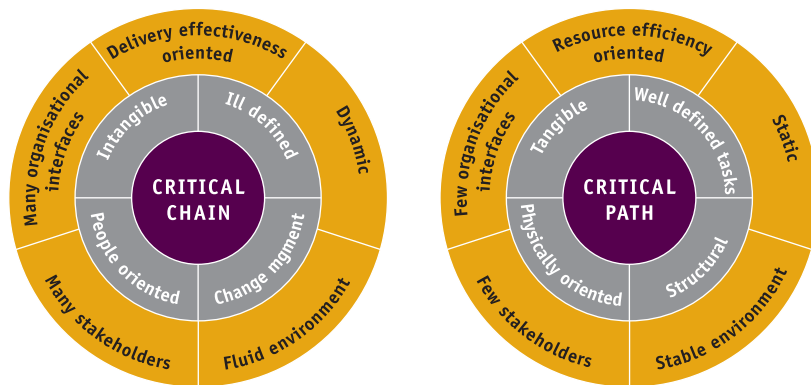
Critical Chain and Critical Path – methodologies with a difference

When it comes to project management methodologies, Critical Chain Modelling and Critical Path Modelling sound very similar – however, that is where the similarity ends.

The Critical Chain methodology should be applied where the project task durations are ill-defined (such as in organisational change projects).

The diagram below highlights some common attributes associated with each of the two methods to illustrate their differences.

The characteristics of a project determine which methodology is right. This strategic decision must be made during the project development phase.



In general the Critical Chain Method (CCM) comes to the fore when dealing with the uncertainty that is inherent in task duration commonly associated with the human aspects of change. However, the method also addresses a number of project personnel human behaviours that cause schedule risk in the traditional Critical Path Modelling (CPM) technique.

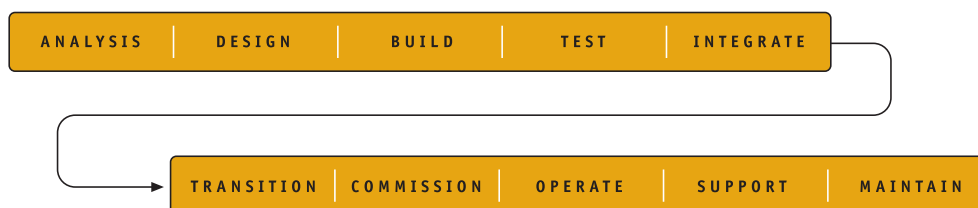
As a result, Critical Chain Modelling is particularly suited to change management projects.

Essential differences between Critical Chain & Critical Path

Critical Path concentrates on tasks, generally on the balanced assignment of human resources that are appointed to those tasks in order to achieve greatest efficiency (in time and resource cost).

Critical Chain, on the other hand, recognises that the inherent constraint associated with the execution of multiple tasks is often a human resource. Critical Chain Modelling addresses this problem by dividing the work into natural work streams or “Chains”.

The Critical Chain defines the delivery date of a project.



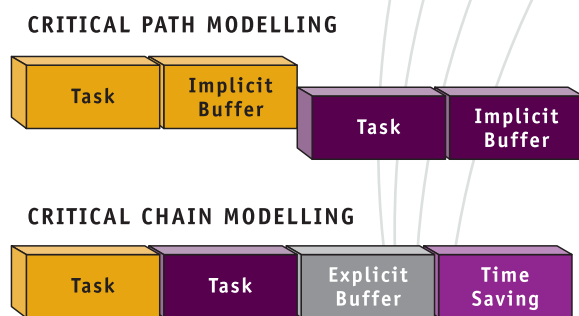
Managing the human element – a key success factor

The effectiveness of Critical Chain Modelling technique also relies on addressing human behaviours that typically cost project time:

Inefficient task duration estimate – studies confirm that most people will include a significant time safety ‘buffer’ in estimates. Critical Chain Modelling puts the buffer at the end of the work-stream, where it can be properly managed.

‘Student Syndrome’ – when given a task to complete, most people will wait until the latest possible time to start. The removal of the time safety buffer also removes this problem – a key cause of the "wandering" critical path in the CPM method.

Inability to multi-task – most people are poor at multi-tasking. They will generally leave project critical tasks that they consider boring in favour of tasks that interest them. Removal of multi-tasking avoids this risk and leaves the project manager firmly in control.



Critical Chain Modelling responds to problems associated with multiple tasks by dividing work into a chain where each step must be completed before progressing to the next step.

A formula for success

Critical chains are independently resourced, thereby removing resource constraints and the propensity for a “wandering critical path” common in CPM.

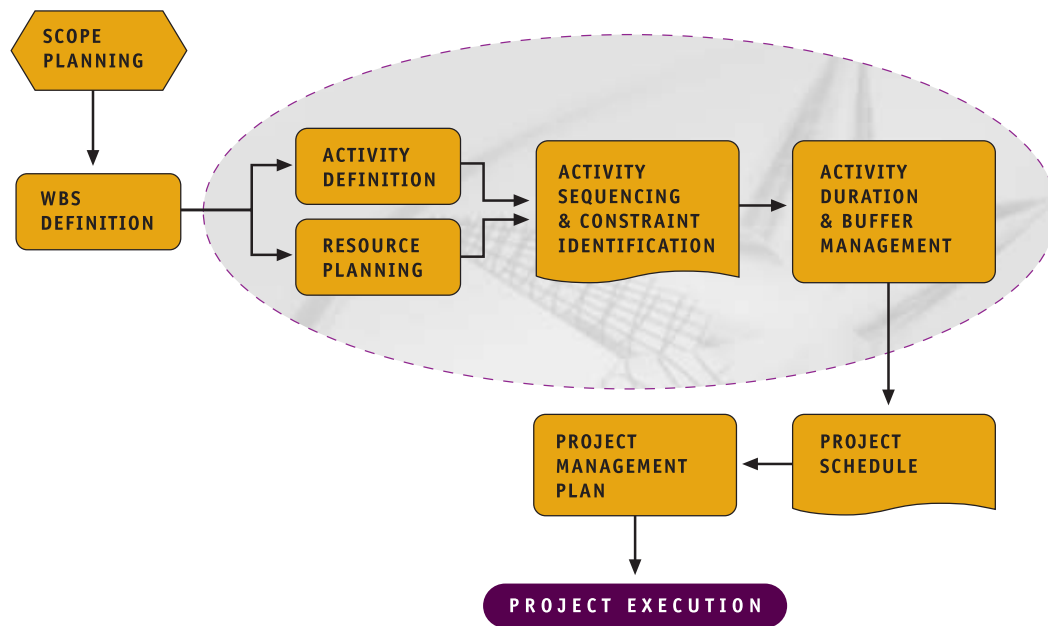
Critical Chain Modelling removes the threat of wandering critical paths by applying independent resources to the chains – a critical success factor.

Consequently, the chains are quarantined from risks associated with the other chains (particularly resource constraint risks).

Fundamental to the CCM approach is the idea that CCM driven projects work on a ‘delivery effectiveness’ rather than an ‘input resource efficiency’ delivery model. For this approach to succeed, a change in mindset by management is required so that they support an effectiveness-driven project rather than the appearance of an efficiency-driven project. Ultimately, an effective project becomes the most efficient project because it delivers on time and within budget. The high cost of project overruns is avoided as the probability of success is much higher.

The Caravel methodology - *tailoring the Critical Chain Model to your organisation's needs*

Demonstrated experience in CCM makes Caravel a trusted provider of these services. Your organisation will benefit from a tailored approach based on the methodology outlined below.



Project Management Capability Maturity Assessments

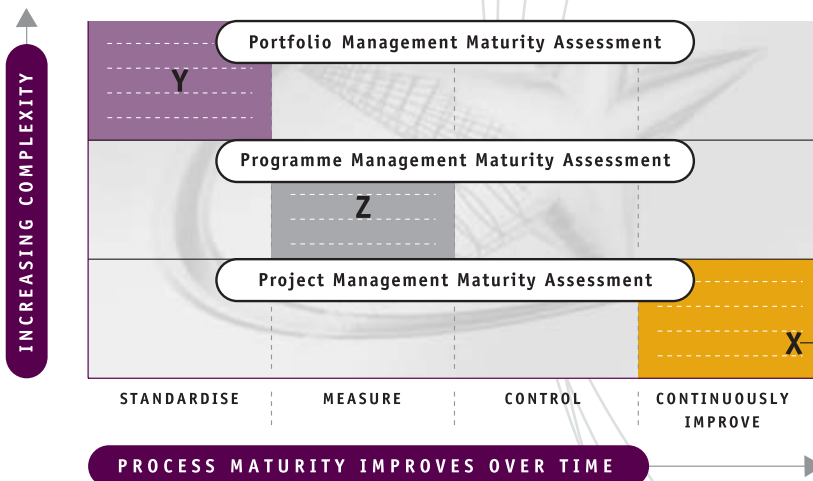
Measuring the level of expertise in your organisation

The Project Management Capability Maturity of an organisation is a direct reflection of its ability to effectively implement its business strategy and deliver value outcomes to the business. As a result, it provides an accurate measure of an organisation's ability to keep pace with change and remain competitive in its business environment.

The Capability Maturity Assessment comprises a matrix of four process maturity levels applied to each of the three core domains of the project management framework – individual projects, programme of projects and portfolio of projects. The Maturity Assessment is multi-dimensional with each domain further broken down into five sub-areas – initiating, planning, executing, controlling and closing out.

Despite the similarity of sub-areas in each domain of the project framework, their application is quite different: the portfolio of projects is more complex (strategic) than the programme of projects, which in turn is more complex than the individual project (tactical) domain.

The Project Management Capability Maturity matrix gives key stakeholders a snapshot of the organisation's project management strengths and weaknesses. This allows effective resource placement and progress monitoring of future improvements.



Project Management Assessment					
		STANDARDISE	MEASURE	CONTROL	CONT. IMPROVE
ASSESSMENT AREA	Initiating				X
	Planning				X
	Executing				X
	Controlling				X
	Close out				X
OVERALL RATING					X

Each project management level undertakes its own assessment

The status quo – gaps transparently identified

The Project Management Capability Maturity Assessment quantifies the status quo of project management maturity within the organisation.

With a clear view of the gaps in an organisation's current project management capability, this assessment represents powerful information. Importantly, it means that a precise plan can be formulated to address these gaps and increase overall performance in project delivery over time.



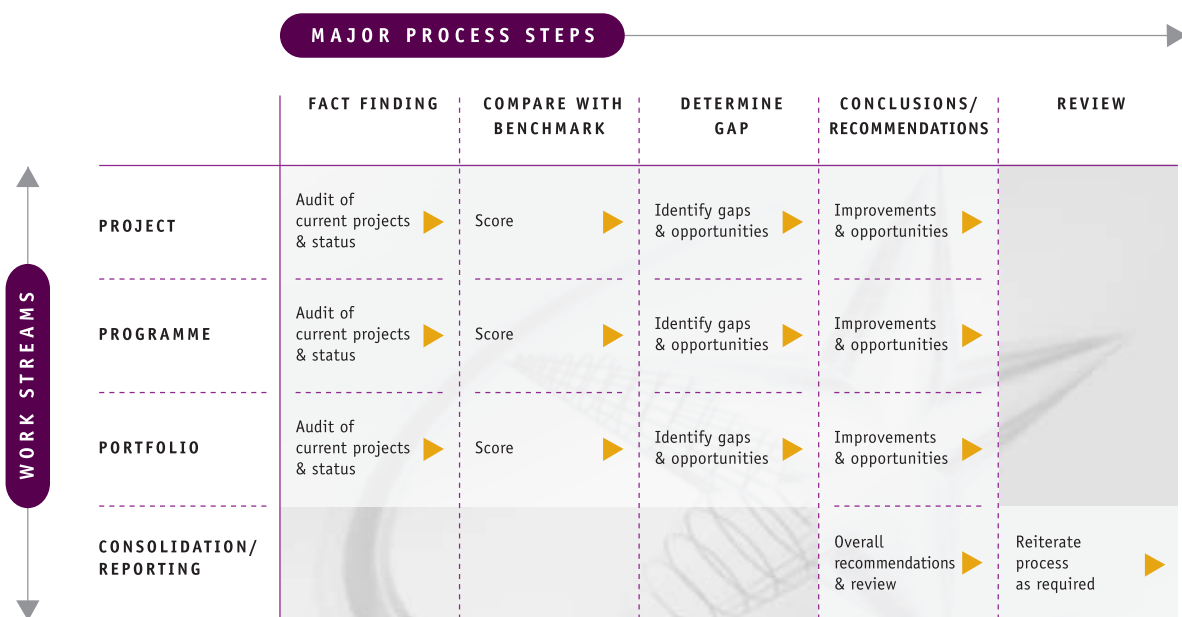
More than just a benchmarking exercise

Organisations benefit from Project Management Capability Maturity Assessments through:

- an understanding of how they measure against international best practice
- enhanced project management skills
- improvement in project completion (within time and budget) and delivering the expected organisational value

The Caravel methodology - independent and objective assessments

Caravel's methodology delivers accurate and reliable objective assessments of an organisation's current project management maturity.



Caravel's range of project services

As a leader in projects, Caravel offers a range of specialised consultative and implementation services that span the entire life cycle of a project from inception, through implementation to final hand-over. Caravel adds value at every point along the way through project management services for:

Strategic Management of Projects

Core services include:

- Multi-project Management
- Organisational Resource Management
- Value Management
- Project Feasibility Studies
- Critical Chain Modelling
- Organisational Project Management Maturity Assessment

Project Assurance

Core services include:

- Project Governance
- Project Audits
- Project Health Checks
- Project Performance Management
- Recovering Troubled Projects
- Project Risk Assessments
- Post-implementation Review
- Mentoring and Training

Project Planning and Execution

Change Implementation

Business Process Innovation

Business Partnering

Enterprise Management Solutions

Operational Management Centres

Core services include:

- Customer Contact Centres
- Service Management Centres
- Operational Control Centres
- Mission Critical Moves

Safety Critical Projects

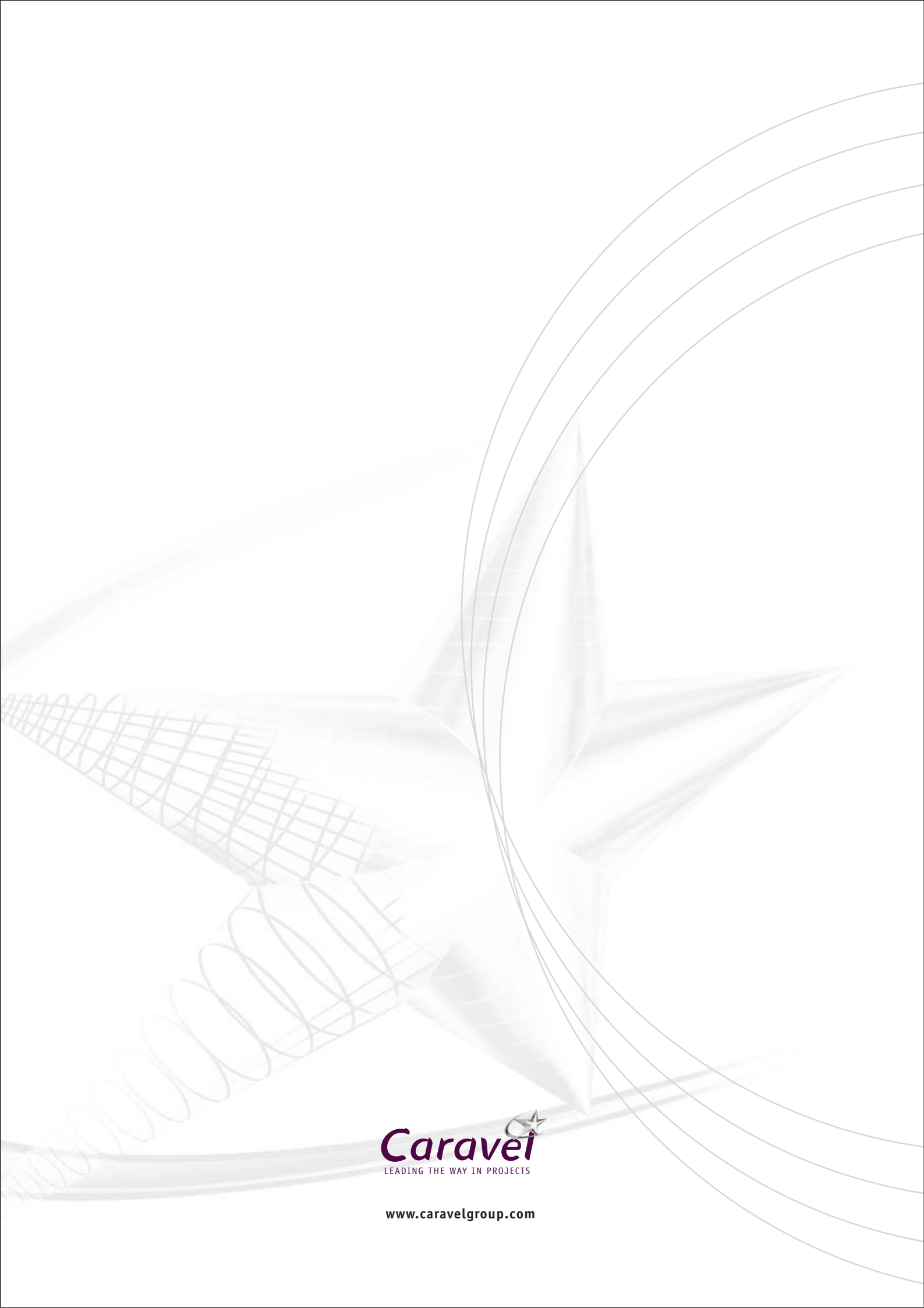
Bid and Tender Management

Project Management Office (PMO)

Security Management Projects

Caravel can tailor a range of industry-specific services to suit the exact needs of your organisation.

Please refer to our website for your nearest
Caravel office: www.caravelgroup.com



Caravel 
LEADING THE WAY IN PROJECTS

www.caravelgroup.com