

WHAT MAKES A GREAT PROJECT?

Presentation by

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Projects are ambiguous, variable and risky!

New regulations and expectations are continuously making it harder!

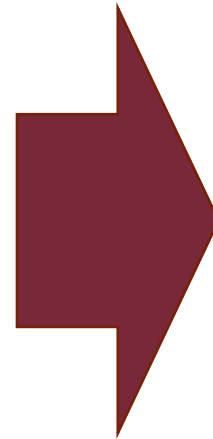
“We choose to do projects,... not because it is easy, but because it’s hard....”



WHAT MAKES A GREAT PROJECT?

We performed a survey among project executives in typical project-based businesses across several industries.

Here is what we learned:



“We used to have good, bad and even ugly projects. Now we focus on making good projects great...”

What makes a great project?

Survey Question: What Makes a Great Project? Please rate these statements based on how close they represent your opinion. Answer options: #1 priority, a top three priority, Important or Not important.



“Procedures and hands-on management reduce incidents...”



“We apply best practice based on lean principles...”



“We standardize on everything we can...”



Agile collaboration using digital tools



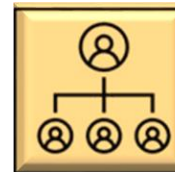
“We avoid surprises because we do front-end planning...”



“We are great at solving problems...”



Relentless focus on client's expectations



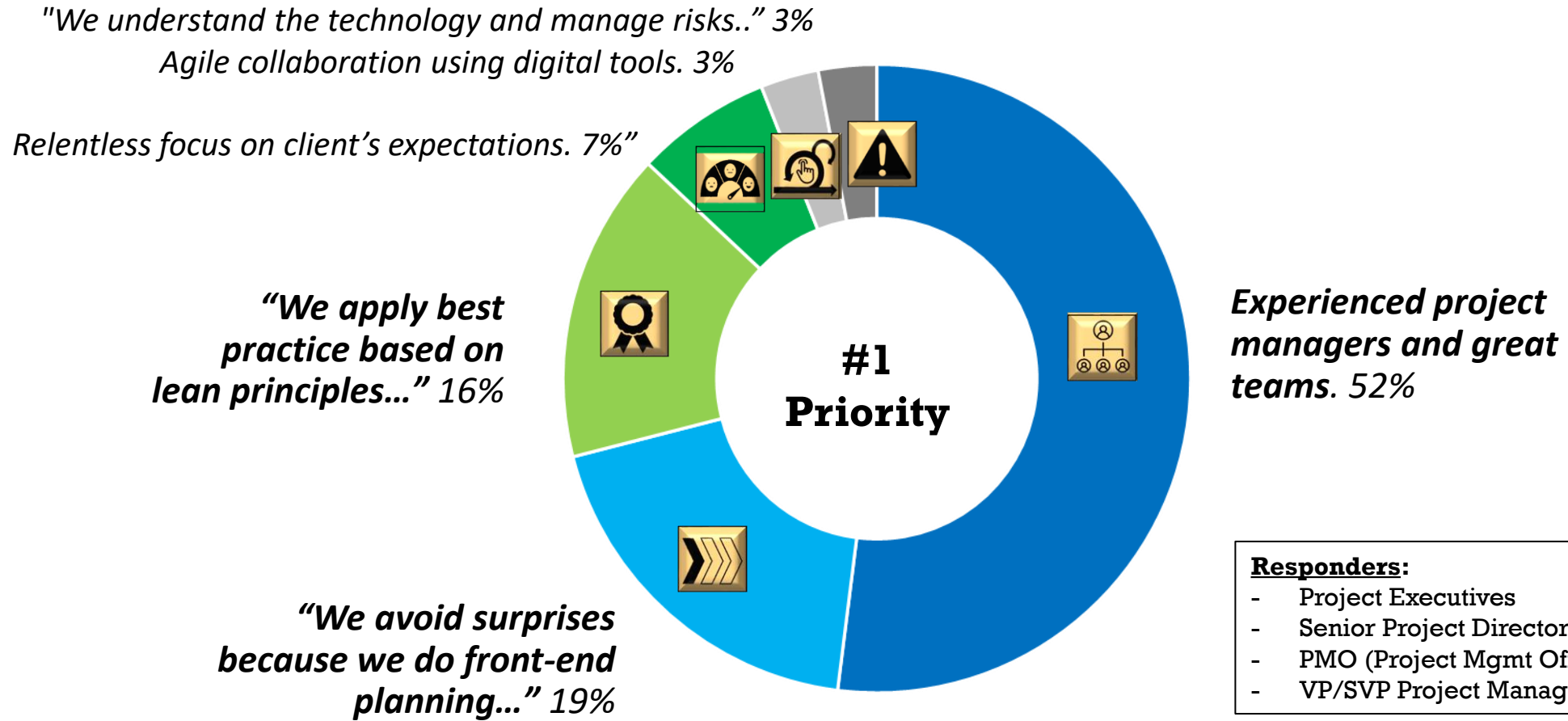
Experienced project managers and great teams



“We understand the technology and manage risks...”

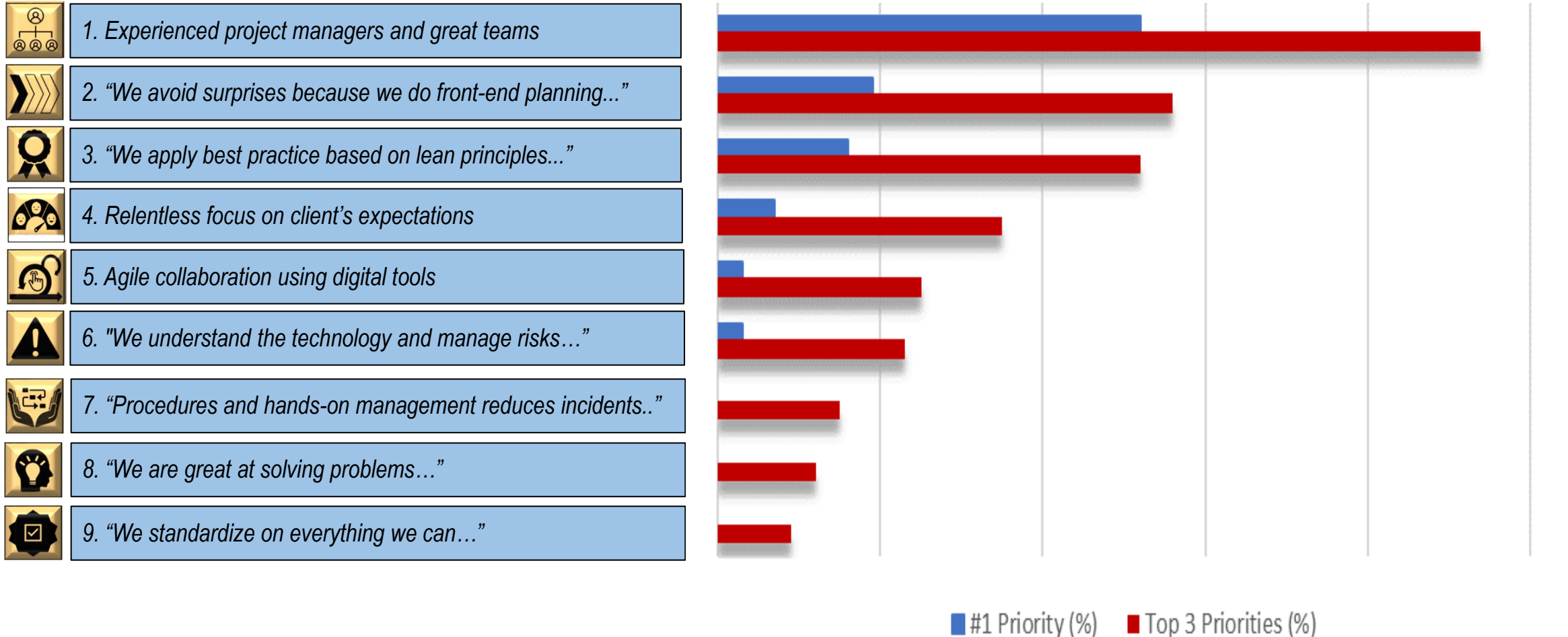
What makes a great project?

Survey Results: What is your #1 Priority



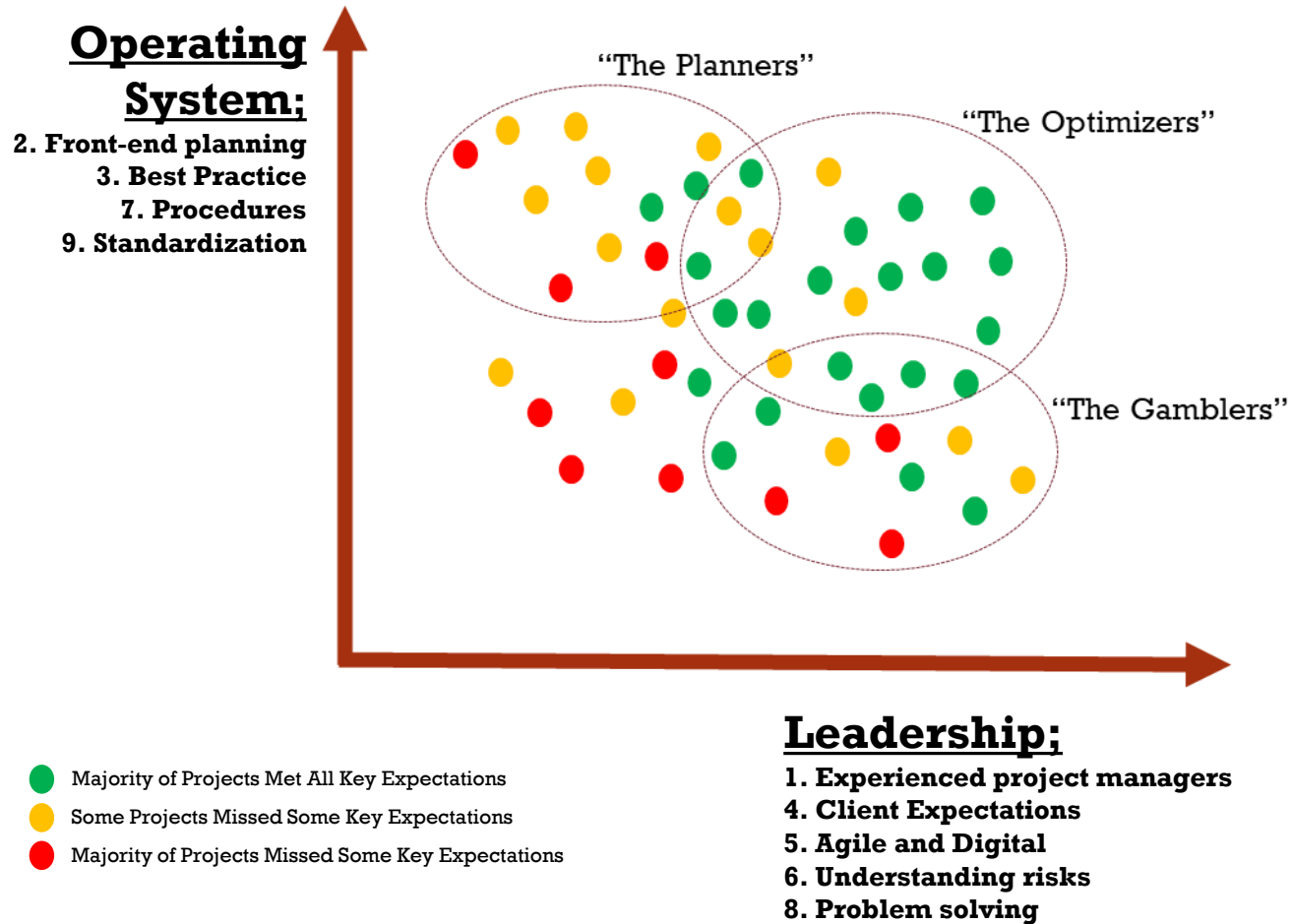
What makes a great project?

Survey Results: #1 priority and the top 3 priorities.



What makes a great project?

PROJECT PORTFOLIO MAPPING



What Optimizers do:

- Make the Operating System adaptable!
- Make Leadership and Operating System mutually reinforcing!

What makes a great project?



1. Experienced project managers and great teams

“It’s a people business, it’s all about people...”

Why is this a top priority:

It’s a people business, it’s all about people

Picking the right Project Manager is essential and selecting a top team, preferably having worked together in the past, makes a huge difference

“We need great results, consistently, not at the mercy of a B or C-team.

“We know that our approach is too dependent on a few good individuals and not very scalable..

” Too much uncertainty about strategies and plans. Often chaotic start-up. Tools are dated or inapt. Lessons learned are not shared.

“We need to describe and communicate ‘our way’ of running projects...”

“Talent development need to be strategic not reactive...”

What makes a great project?



1. Experienced project managers and great teams

Experienced teams can deliver great results when these settings are in place.



What works

Examples of how it works

Deeply rooted ownership

An executive as “project owner”

End-to-end mindset

Well-defined roles and responsibilities for project team members. Embedded functional leaders.

Long-tenured employees

Key project personnel are long-tenured, having embraced the company’s culture of safety

Project Academy

They have their own project academy

What makes a great project?



2. “We avoid surprises because we do front-end planning”

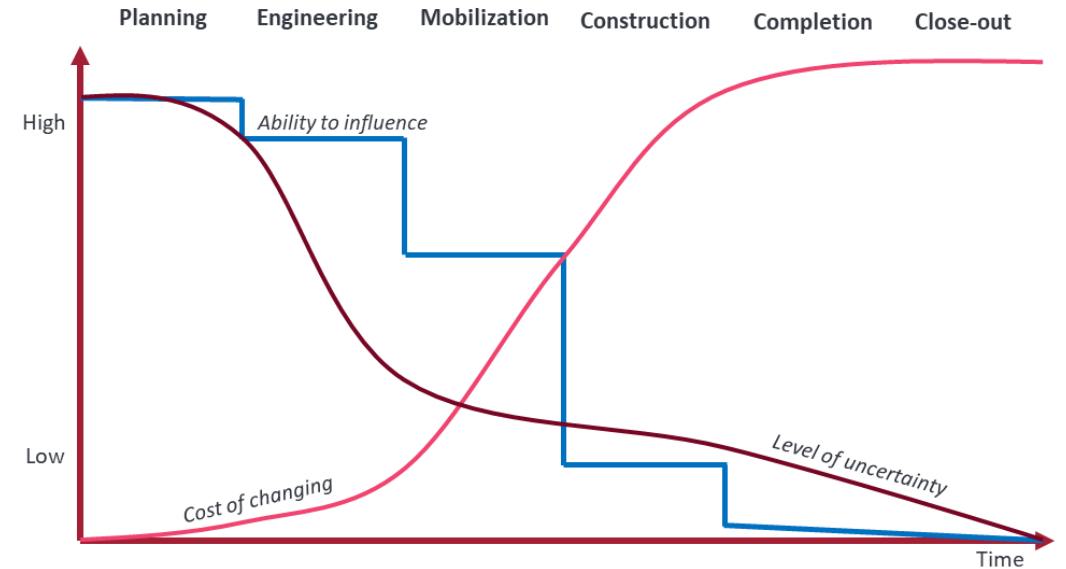
“Front End Planning reduces uncertainty and risk...”

“We have gone into too much detail too early too often, only to have to change most of it later on...”

Why is this a top priority?

A paradox:

Front-end decisions are made at the most uncertain time – in the very beginning when data is preliminary and will most likely change.



“Current practice is to freeze the design early, which might limit our options for choosing lower cost solutions later...”

“Subject Matter Experts were not available during front-end, leading to sub-optimal design - we had to modify most of it later on...”

“Assumptions on quantities, sourcing, cost and lead times are often wrong, setting the project team up for failure...”

What makes a great project?



2. “We avoid surprises because we do front-end planning”

“....Gate reviews ensure alignment and control...”

“We finally got this right after we developed a stage-gate project model...”

Examples of how it works:

“Comprehensive pre-project planning is essential for capital projects....

...for smaller projects we still do this, although with much less effort, but all projects deserve a good plan...”

“The level of detail/accuracy of an activity is decided before we start...”

“We proactively manage our client’s expectations; clarifying objectives over-and-over-again, aligning on priorities and describing what success looks like...”

“We engage all relevant departments and experts in order to contribute with ideas and share lessons learned during the front-end gate reviews...”

“We have strict discipline on ‘management of change’ during project execution, because otherwise we too quickly diminish the value of the front-end effort...”

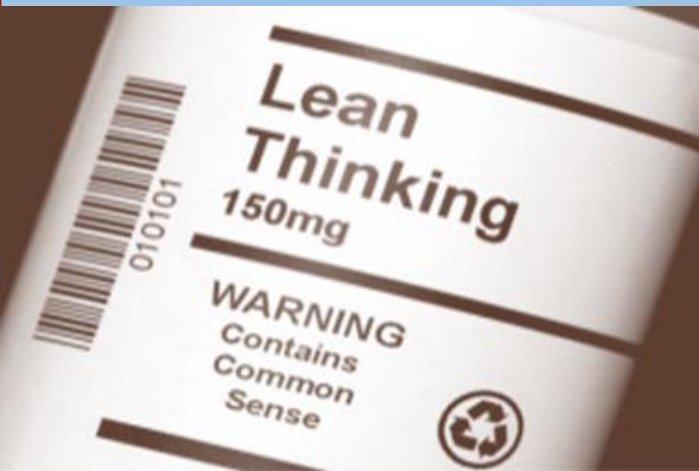
...optionality provides the necessary freedom to change”

What makes a great project?



3. *"We apply best practice based on lean principles..."*

"Team members bring their preferred blueprints from one project to the next...."



"..if you don't have a well-defined process, it is hard to become lean..."

Why is this a top priority?

Ambiguity, variability and risk makes operational improvements in projects extra challenging.

A successful approach to best practice is end-to-end thinking, having the client's total cost of ownership in mind....

...eliminating all other efforts that does not lead us to that value.

"We copy procedures, templates and designs from one project to another. Project team members bring with them their preferred blueprints. We don't know if that is the best we can do.."

"Lean principles can be applied to a tried process so if you don't have a well-defined method, it is hard to become lean.."

"Change is usually perceived as "bad", so most changes are treated as a problem, not as an opportunity.."

"In a project, you usually don't have the time to verify and test an idea, so we discourage too much creativity.."

What makes a great project?



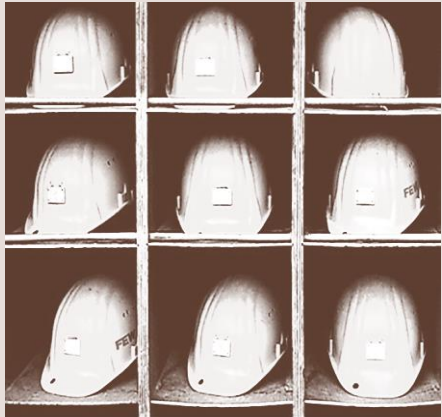
3. "We apply best practice based on lean principles..."

An example of how best practice works well:

Implementing Improvements

"The improvements we have seen within Safety have been remarkable, so we are trying to duplicate that successful approach to project execution..."

Best practice in SAFETY



Replicate our Safety Journey



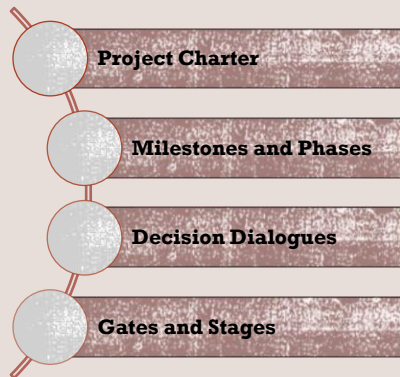
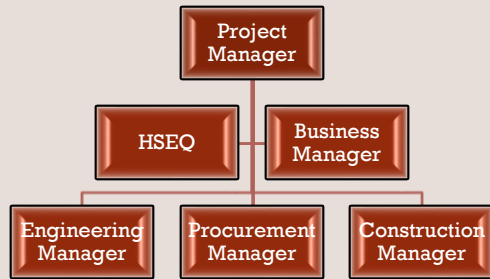
Model

The above elements are now a 'model' for great safety programs.

What makes a great project?



3. "We apply best practice based on lean principles..."



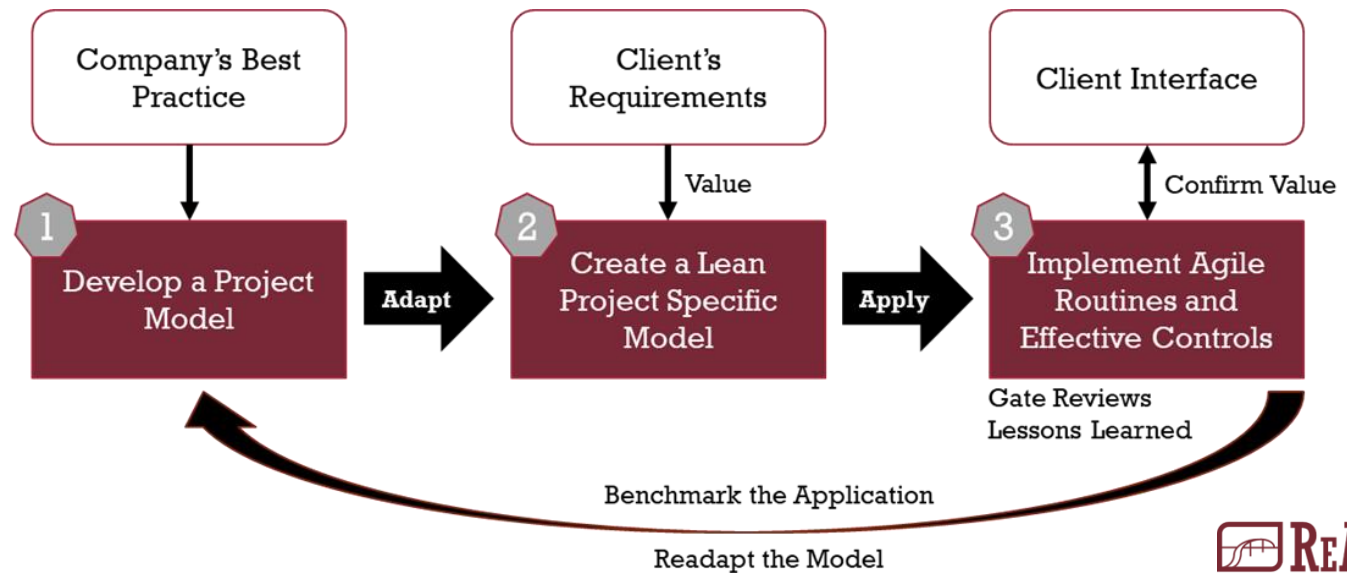
Examples of how Best Practice works:

Organization

"We have a team structure with pre-defined roles used by all projects, small and large. This aligns the team responsibilities and the outside support..."

Stage-Gate Model

- End-to-end customer focus is persistent all through the project
- Adapts to the specifics of each project, reducing waste, saving time
- Aligns interfaces before proceeding to the next stage
- Easier to share talent between projects and onboarding new employees
- Scalability for growth and readiness for transformations
- Building a project culture - «this is the way we work»



What makes a great project?



4. Relentless focus on clients' expectations...



The Project Experience!



Why is this a top priority?

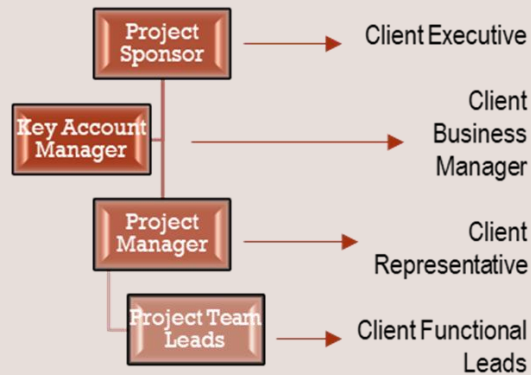
“Product Businesses are more transactional, strive to describe customer expectations and then focuses on exceeding them...

... Service Providers listen carefully to their clients so they can pick up the undescribed expectations as well...

*Project Businesses have both of those and more...much more...often described as **the project experience**”. An experience shared by all.*



“The contracting environment often drives team members to withhold information – a root cause for not meeting expectations”



“There is no way we would leave something as important as ‘client expectations’ to chance.”

A comprehensive communication plan

What makes a great project?



4. Relentless focus on client's expectations

“We shared risks & rewards ...”



“We set stretched targets”



AN EXAMPLE OF WHAT WORKS

THE CLIENT ESTABLISHED AN ALLIANCE WITH ITS SUBCONTRACTORS

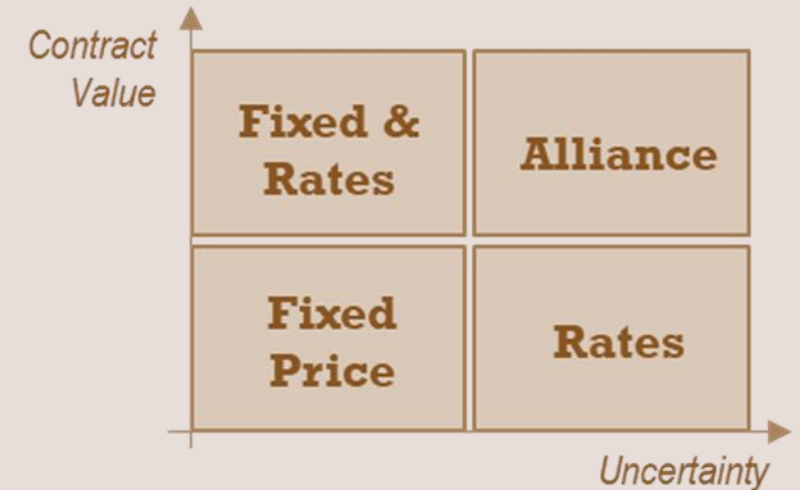
“The synergy of companies working together in a well-organized alliance with shared goals created an exceptional project culture”.

“Shared risks and rewards provided a financial opportunity for all”.

“The project revealed inherent personal abilities and a natural desire for teamwork and to push the project to surpass previous standards.”

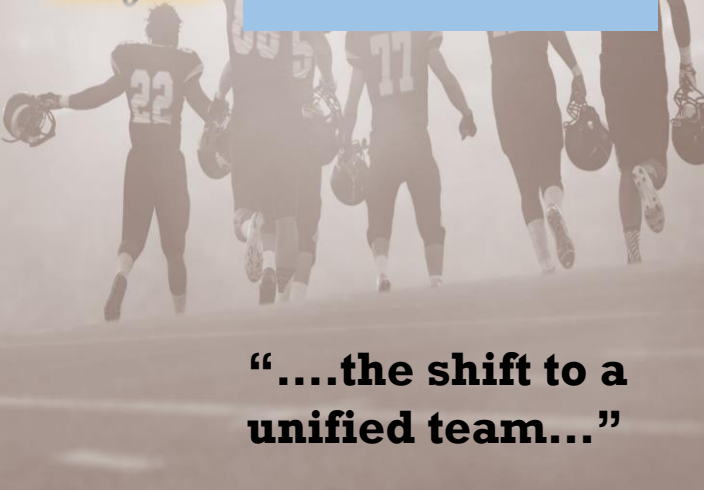
“A clear and realistic scope of work enables expectations to be met.”

Translating the ‘project experience’ to profit.....





4. Relentless focus on client's expectations



“...the shift to a unified team...”

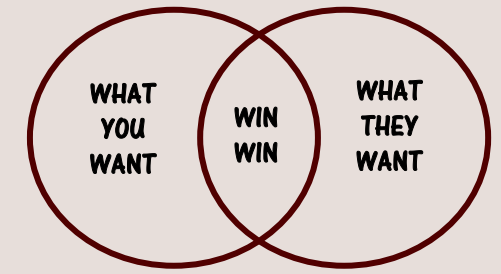


“...stretched targets became a primary mechanism for success”

AN EXAMPLE OF HOW IT WAS DONE (THE ALLIANCE)

“Admit you don’t have all the answers and agree to trust the better judgement and experience of others...”

“New team members underwent an ‘induction’ including project goals, financial targets and coaching in ‘open communication’...”



“Problems occurred, but the difference was the way people responded...”

“We could free our minds of commercial conflicts and concentrate instead on making major decisions together for the project’s benefit...”

“Stretched targets became a primary mechanism for success. We therefore almost always achieved better results than usual...”



5. Agile collaboration
using digital tools

“The digital transformation is a journey not a destination...”

“...we got more data than we know how to use...”

Why is this a top priority?

“Real-time data from new sensor technology, data analytics and better visualization represents a tremendous opportunity for our projects...”

“Agile work processes is needed in order to match a fast-paced environment with access to real-time data and enhanced analytics...”

“...sensors and analytics gives us more data than we know how to use ...”

“...digitalizing our convoluted decision-making process and the many data silos just made it worse....Automating rigid processes will only slow us down even further...”

“...the software developers didn’t understand our process and the project people could not effectively convey to them how we actually work....”

“...our multi-million-dollar software project is delayed for another year because I think we are looking for something that can solve all problems in one go...”

What makes a great project?



5. Agile collaboration
using digital tools

*“Real time data leads
to better decisions....”*

This is what they say works:

“We try to optimize processes based on the data we already have before adding more data...”

“Clarity on where the data is coming from, who owns it and what it means leads to faster and better decisions...”

“The digital journey for us is to develop small apps that can solve small interdisciplinary problems such as interface coordination...this breaks down data silos without trying to change everything...”

“..an app, using simple relational database software can break down data silos and enhance agile collaboration – the savings are easy to measure...”



What makes a great project?



5. Agile collaboration using digital tools

“Our leadership principles became the foundation....”

“...’Modeling’ our projects opened the door to agility, data analytics, feedback loops and exposed great candidates for digitalization....”

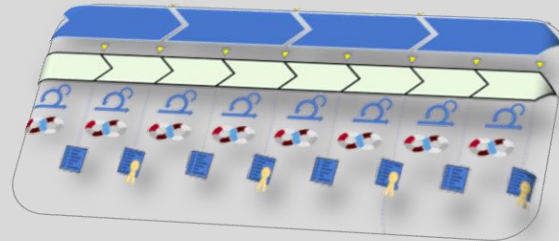
- Best Practice**
- 1. Start with culture and leadership principles.**
 - 2. Find the ‘way you work’ – model it!**
 - 3. Solve the business case first,..**
 - 4. ...then digitalize it to improve collaboration**

Here is how they do it:

Responders rely on culture and leadership principles, addressing ‘sharing’ and ‘collaboration’, decision making and speed, in order to prepare their team for the journey.

“High-velocity, high-quality decisions require each team member to participate proactively, energetically and effectively....”

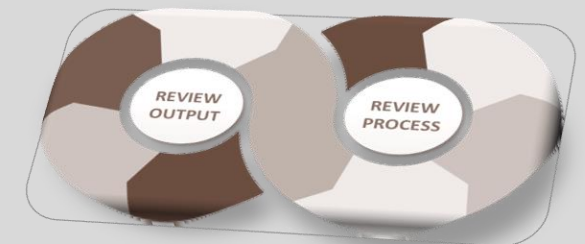
“A stage-gate model lends itself well to digitalization...”








“The agile model provides freedom to invent and refine, at every stage....”

...A shared app with check-lists and gate reviews realigns everyone...”

“..it is now [finally] meaningful to share data and lessons learned between projects....”



SUMMARY : TOP PERFORMERS HAVE A COHESIVE PROJECT STRATEGY.

- 1  Experienced project managers and great teams
- 2  "We avoid surprises because we do front-end planning..."
- 3  "We apply best practice based on lean principles..."
- 4  Relentless focus on client's expectations
- 5  Agile collaboration using digital tools

