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Best Management Practice White Paper Portfolio, Programme & Project Management

- How to make the most of OGC Methods

AIPM Conference 2008 Follow-up Information
October 2008

EXECUTIVE SUMMARY

This White Paper shows how Australian Federal Government, State Government and major corporations can build on their promising but basic use of Office of Government Commerce (OGC) management methods, to make them key tools for the implementation of policy and delivery of transformational strategic change.

This White Paper has been prepared by John Howarth, Managing Director of Tanner James Management Consultants, the longest established and largest dedicated provider of accredited OGC services in Australia.

Since the first PRINCE2 course was run by Tanner James in 1997, over 100,000 Australians have been trained in OGC methods. Today, there is a field of competitive suppliers and APMG Australasia, the accreditation body in Australasia for qualifications in MSP and PRINCE2, has established permanent staff to regulate the methods on behalf of the OGC.

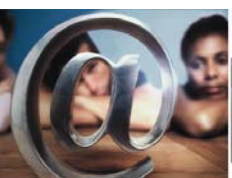
There is a reasonable awareness of OGC management methods across Australia, however, there are dramatic variations in the way the methods are applied. The application of OGC methods vary from quite effective to inappropriate, with most application falling somewhere in between. The points of application are summarised as,

- **Quite effective use** is evident where organisations understand the OGC accreditation and qualification system, have trained senior executives, have employees who are qualified Practitioners and have made good progress in embedding key paradigms such as role-based management, benefits realisation management and product-based planning.
- **Typical use** is where organisations have trained most project staff to Foundation level, had some success, but also had some problems – often related to “death by template” where junior staff have misinterpreted the methods as being about form-filling without thinking and communicating. Additionally, some senior executives believe that project management is just something project managers do, and is not something requiring their involvement.
- **Inappropriate use** is where organisations have little or no understanding of the OGC accreditation and qualification system, have very few trained staff, and openly challenge the validity of the OGC management methods. Such organisations typically talk about “using the principles of PRINCE2”, and happily use parts of the OGC copyright and intellectual property with no acknowledgement (this is contrary to OGC intent). Unfortunately it is fairly common to see the practice of using OGC copyright and intellectual property in “home-grown” project management frameworks within these organisations.

While OGC management methods are visible in more and more organisations, usage is immature and is a long way from realising the true value these methods offer. Until now industry bodies (AIPM, PMI) have been at best lukewarm towards OGC methods, but this is changing.

In October 2008 the Gershon Review commissioned by the Federal Government strongly endorsed the OGC management methods as cornerstones for implementation of policy. So the question for all Government Agencies is no longer whether these methods should be used, but how to implement them in a way that ensures they are skillfully and appropriately applied.

Enhancing Your Programme and Project Management Capability



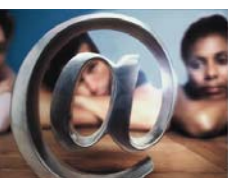
Introduction

To be able to evaluate the perspective offered by this White Paper it is strongly recommended that the reader is fully conversant with the OGC accreditation and qualification system for management methods. The following links are recommended for this purpose:

- Best Practice Management Home Page
<http://www.best-management-practice.com>
- An explanation of Managing Successful Programmes (MSP)
<http://www.best-management-practice.com/Programme-Management-MSP>
- An explanation of PRINCE2
<http://www.best-management-practice.com/Project-Management-PRINCE2>
- An explanation of Portfolio, Programme and Project Offices (P3O)
<http://www.best-management-practice.com/P3-Offices-P3O>
- An explanation of Portfolio, Programme, and Project Management Maturity Model (P3M3)
<http://www.p3m3-officialsite.com/home/home.asp>
- An explanation of MSP Training and Consulting Accreditation
<http://www.msp-officialsite.com/Accreditation/AccreditationScheme.asp>
- An explanation of PRINCE2 Training and Consulting Accreditation
<http://www.prince-officialsite.com/Accreditation/AccreditationScheme.asp>
- An explanation of P3M3 Consulting Accreditation
<http://www.p3m3-officialsite.com/ConsultingOrganisations/ConsultingOrganisations.asp>
- APMG Australasia
<http://www.apmg-australasia.com/home/home.asp>

About the Author

The White Paper has been prepared by John Howarth, Managing Director of Tanner James Management Consultants, who is uniquely qualified to comment on the use of OGC methods in Australia. John used early versions of the methods when he worked for the UK Civil Service and UK public sector in the 1980s, then was personally responsible for introducing both PRINCE2 and MSP to the Australian market. John is a qualified PRINCE2 and MSP trainer and consultant and has personally trained and provided services to hundreds of Federal Government public servants. Tanner James is now the longest established and largest dedicated provider of accredited OGC services in Australia.



Background

PRINCE2 was launched in 1996 and Tanner James ran the first PRINCE2 course in Australia in 1997. A competitive training market naturally developed as individuals and companies decided to become accredited suppliers themselves.

Since then, over 100,000 Australians have been trained in OGC methods and a market of competitive (and accredited) suppliers has been developed and APMG Australasia has established permanent staff to regulate the methods on behalf of the OGC. The market is still very focused on training, with little recognition by buyers of accredited consulting organisations. Unfortunately unwary organisations often discover they have taken advice on the use of OGC management methods from contractors and consultants who are only qualified to Foundation level (and even those who are unqualified).

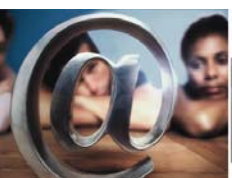
Current Status of OGC Management Methods in Australia

There is a reasonable awareness of OGC management methods across Australia, however, there are dramatic variations in the way the methods are applied. The application of OGC methods vary from quite effective to inappropriate, with most application falling somewhere in between. The points of application are discussed in detail below and provide some examples of how Agencies use the methods and some of the challenges faced.

Quite Effective Use

Quite effective use is evident where organisations understand the OGC accreditation and qualification system, and have made concerted efforts focused on appropriate application of the methods. These organisations are characterised by:

- Senior executives who understand the methods and in many cases have received executive training and/or coaching from an accredited organisation;
- Employees who are qualified Practitioners (as opposed to only being qualified to Foundation level);
- They have made good progress in embedding key paradigms such as,
 - **role-based management** - for cross-industry or Whole-of-Government working,
 - **benefits realisation management** - for translating strategic intent and outcomes into tangible, measurable targets, and
 - **product-based planning** - for clarifying exactly what is to be delivered.
- Understanding the need for, and are implementing, programme management (MSP) not just project management (PRINCE).



Typical Use

Typical use is often evident where organisations have made some attempt to improve their project management capability yet have not had a clear strategy for doing so. Sometimes the focus is a single project, or group of projects, but more commonly the attempt is a more general initiative. Unfortunately, often the initiative is “owned” at middle management (ED, EL2 or EL1) level, centered around ICT projects, and driven by a Project Management Office (PMO) with an unclear mandate within the organisation.

These organisations are characterised by:

- The majority of project staff only trained to PRINCE2 Foundation level.
- Projects have had some success with PRINCE2 and the method has supporters.
- Problems are still evident and are often related to “death by template” where junior staff have misinterpreted the methods as being about form-filling and not thinking and communicating.
- Some senior executive staff believing that project management is just something project managers do and is not something requiring their involvement.
- Focus on project management (PRINCE) only, with no real understanding of where programme management (MSP) fits in or value it can add.

Inappropriate Use

Inappropriate use is found in organisations that claim they use the OGC management methods, however, this claim is actually very misleading. Such organisations happily use large parts of the OGC copyright and intellectual property with no acknowledgement (this is contrary to OGC intent, and possibly illegal). Unfortunately it is fairly common to see the practice of using OGC copyright and intellectual property in “home-grown” project management frameworks within organisations. These organisations are characterised by:

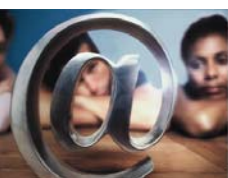
- Staff and contractors who typically talk about “using the principles of PRINCE2”, “using PRINCE2 lite” [*sic*] and “cutting down PRINCE2”. Commonly, such individuals have no PRINCE2 training or qualification and have mistakenly interpreted the fact that PRINCE2 is comprehensively defined as an indication it is to be applied bureaucratically.
- Little or no understanding of the OGC accreditation and qualification system. This situation is often exacerbated by contractors, some of whom actually understand the system, yet deliberately play it down due to their own lack of OGC qualifications.
- Having few trained staff.
- Self-appointed “experts” who openly challenge the validity of the OGC management methods and instead put forward their own personal experience and models of the world as being a more proven basis for managing change. While some staff are guilty of this, of more concern is that there is a whole industry of contractors and consultants busily re-inventing the wheels instead of contributing to the organisations with to implement policy or deliver change.



How to make the most of the OGC methods

So while OGC management methods are visible in more and more organisations, usage is immature and most organisations are a long way from realizing the true value these methods offer. Industry bodies (AIPM, PMI) have been lukewarm towards the methods, and until recently much of the debate was about the validity of the methods, rather than about skilful application of the methods. Specific challenges include:

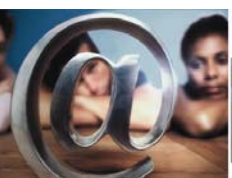
- How to educate buyers and suppliers about the existence of the system and permissible use of OGC copyright and IP.
- How to educate buyers and suppliers of the value of using qualified (accredited) organisations to provide advice, training and support.
- There is a propensity for organisations to build their own frameworks for project and programme management. This results in considerable “re-invention of the wheel” and inappropriate guidance on use of the OGC management methods.
- Many senior executives do not recognise the pedigree of the OGC management methods, and are therefore unwilling to spend time to increase their awareness of, or skill in using, the methods. Tanner James acknowledges that there a number of senior executives who have taken time to attend formal training and/or briefings to inform themselves about the methods.
- OGC management methods are intended to ensure ICT programmes and projects are business-driven, however, several organisations see the methods as being ICT focused rather than enablers of strategic change. Sir Peter Gershon highlighted this as a particular weakness in Federal Government agencies, as evidenced by the fact questions about organizational capability were answered in terms of ICT capability.
- Most organisations still tend to manage programmes and projects within their line-management structures rather than embracing the role-based management approaches which offer huge potential benefits for true Whole-of-Government (Federal and State) management of strategic change and policy delivery.
- There is still a strong grants-based mentality in many areas of the Federal and State public service when it comes to implementation of Government programs. This often results in too much focus on inputs, insufficient focus on benefits and outcomes, and ineffective management approaches being used for program management. Many program managers approach the delivery of transformational change (eg. implementation of a new Government policy) the same way as they approach “business-as-usual” (BAU) (eg. payment of a routine subsidy). This lack of awareness of structured programme management (MSP) was evident at the 2008 National Program Managers Conference.



- Organisations often approach the implementation of OGC management methods the wrong way round: First, they write a framework; then they tell people they have to use it; finally, they find they have to train people who have misunderstood the intent of the framework. Tanner James has proven that implementation is more successful to approach it the other way around: educate people as to why methods are required and train them in the methods; programmes/projects then apply the methods; and then the organisation can standardise how it applies the methods based on lessons learned.
- The Federal Government and some State Government Agencies have introduced the Gateway Review process, but have not made it clear how it relates to other OGC management methods (MSP, PRINCE2, P3M3). This manifests itself as confusion among senior executives (SROs) when the OGC methods are offered as appropriate ways to address weaknesses identified by a Gateway Review.
- The Federal and State Governments have not until now expressed their policy in relation to OGC management methods and central Government agencies have not put in place mechanisms to support their usage. Indeed, the central Government agencies appear to have had little awareness of the OGC regulation system. This is expected to change dramatically as the Government implements the recommendations of the Gershon Review.

Tanner James recommends that an organisation:

- Express its policy in relation to OGC management methods, and in doing so endorse the OGC management methods as key tools for the implementation of policy or delivery of change (and not as ICT focused);
- Discourage staff that wish to build, or have built, their own frameworks for project and programme management from the ground-up;
- Educate senior executives about the pedigree of the OGC management methods;
- Encourage senior executives to spend time to increase their awareness of, and skill in using, the methods, through attendance at formal training and/or briefings;
- Embrace the role-based management approaches which offer huge potential benefit for true Whole-of-Government (Federal and State) management of strategic change and policy delivery;
- Approach the implementation of OGC management methods in the correct order: educate, train, implement, standardise;
- Clearly communicate how the Gateway Review process relates to other OGC management methods (MSP, PRINCE2, P3M3, P30);
- Learn from how leading-edge Federal Government Agencies implement these methods;
- Educates its buyers about the existence of the OGC-APMG regulation system, and permissible use of OGC copyright and IP.



Conclusion

APMG Australasia regulates the methods in Australia on behalf of the OGC, and the reader may wish to contact them to seek statistics or other information related to this White Paper.

If requested Tanner James will meet with senior executives to discuss what relevance this White Paper may have to your organisation, or other information can be provided, including provision of senior executive contacts that have had exposure to OGC management methods.



John Howarth
Managing Director
Tanner James Management Consultants Pty Ltd

