



News Letter

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President's Corner

Hello All. The last couple of months have been eventful for a number of reasons, not least the fact we held Synergy in November which as most will know is the most ambitious event the Chapter has taken on in some time. I'm pleased to report the feedback has been very positive and we are already in early discussions about next year. Many thanks to those who attended and took the time to complete the email survey we issued shortly afterwards, the results were very pleasing with well over 80% of the two hundred who responded they would attend again next year.



We've had a large amount of feedback concerning the event and will make a point of ensuring this is factored into our future plans. I'm pleased that the majority of the speakers were very well received, particularly Ken Livingstone, Steve Carver and Didi Hopkins. David Armand was also very highly rated in the feedback which I'm delighted about as having comedians at such an event was something of a break with tradition! Once again I feel I should point out that the event was organised almost entirely by volunteers and has set the bar very high in terms of the volunteer led projects we run in the future!

I was fortunate enough to attend the recent PMI UK Corporate Council meeting, hosted by Tata Consultancy Services. Now established in the PMI UK Calendar the Council meet every quarter, hosted by one of our member organisations, and very ably chaired by Michel Thiry. The Council is an exciting addition to the activities of the Chapter and during the meeting we discussed how the Council can begin to influence the activities of the Chapter and vice versa. A number of exciting organisations are already involved, if you wish to learn more please reach out for more information as a couple of places remain available.

As many of you will know we have also recently announced the results of the 2011/12 Board elections and I'm pleased to welcome our new Directors of Volunteering, Programmes and Marketing; Yohan Abrahams, Syeed Shakeel and Kate Popay respectively. As with any voluntary organisation it's vital that we continue to attract new volunteers such that the Chapter can continue the process of reinventing itself and remaining relevant to its members. It's for this same reason that I have decided to step down as President effective Jan 1 2012. I'm delighted to announce that Duncan Chappell, our current Director of Communications will be taking over and I've been spending time with Duncan over the past few weeks to ensure the transition is a smooth one. Duncan has been an active volunteer with the Chapter for a long time and I'm delighted to know I'm leaving the Chapter in very safe hands.

I remain as committed and passionate to the Chapter as ever and will be continuing to work on a variety of projects that will contribute to the Chapters development. I've learnt an awful lot in the past three years as President but two things in particular will remain with me - the importance of building great teams and ensuring the level of contribution, however large or small, from our volunteer community should not go unnoticed. If I had my time again these are the two areas I would focus above all else and I know Duncan has similar views.

As we approach the Festive Season I would like to conclude by wishing each and every one of our members, volunteers, sponsors and supporters and their families a happy and prosperous 2012. And, what has become the customary close...I hope to see you at a Chapter meeting very soon.

With Best Wishes,

Chris Field
President,
PMI United Kingdom Chapter



www.pmi.org.uk
December 2011

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Calendar of Events 2012

The next PMI UK Webinar will be on Thursday 12th January from 12.00 noon to 1pm. Nick Fewings will present "Right People, Right Skills, Right Result". For more information and to book a place visit <http://www.pmi.org.uk/en/events/PMI-UK-webinars.cfm/Web12Jan>

The next London event will be on the Wednesday 1st February at Thomson Reuters, 30 South Colonnade, Canary Wharf, London E14. Sergej Trisic, SAP Programme Manager will present "What leadership do we need for software package-enabled business transformation programmes in the era of our new economy?" For further information and to book a place visit <http://www.pmi.org.uk/en/events/london.cfm/Lon1Feb>

More events for the other regions will be available shortly.

LONDON PROGRAMME EVENTS COMMITTEE CALL FOR SPEAKERS

The London Events Committee are looking for speakers to present at their monthly events in 2012. The committee seeks to strike a balance of contributions representing sectors, practitioners, consultants, roles and new developments. Speakers, of course, need to be accomplished in terms of the subject they wish to address and in their ability to communicate and manage a presentation. We can promise you a receptive audience and we encourage a participative style to the event.

If you are interested please complete the attached Call for Speakers form and return to service@pmi.org.uk and a member of the committee will be in touch to discuss opportunities shortly.



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10 & 15 Year PMI UK Chapter Roll of Honour

Congratulations to the following members who have supported the PMI UK Chapter for 10/15 years. It is a fantastic achievement to show such commitment over a decade when the economic conditions have bounced from one extreme to the other. We value your membership and hope we see you at events in 2012 (and 2022?!) and beyond. In recognition of your achievement you will be receiving label badges in the post shortly.

10 YEAR CLUB

Mr. Nigel Alexander Griffiths, PMP
Mr. Michael Robert Carver, PMP
Mr. John Vivian, PMP
Ms. Genevieve J. Emberson, PMP
Ms. E. Jane Parslow, PMP
Mr. Ivan J. Woods, PMP

Mr. Robert Lawson
Mr. Anthony D. Ibbotson, PMP
Mr. Symon Riley, PMP
Mr. Keith R. Gray
Mr. Richard Andrew Peach, PMP
Mr. Jonathon Simon, PMP
Mr. Michael Clarke, PMP
Mr. Julian L. Morris, PMP
Mr. Lyndon J. Thomas, PMP
Ms. Nicola Wadham, PMP
Mr. Graham John Connell, Esq.
Mr. Richard P. Lavin, PMP
Mr. Russell Turner, PMP
Mr. Peter A. Johnson
Mr. David Steven Prowting, PMP
Mr. Paul John Burchett, PMP
Mr. Eric Foo, PMP
Mr. Michael Rex Jeffery, PMP
Mr. Stephen P. Simpson, PMP
Mr. Robert Shadrake, PMP
Mr. Derek Waugh, PMP
Mr. Gary William Reading, PMP
Mr. James N Harley, PMP
Mr. Robert Sidney Matthams, PMP
Mr. Robert Graham Nicholls, PMP
Mrs. Keith Francis Baker, PMP
Mr. Paul Michael Atherton, PMP
Mr. Angus Ross McKenna, PMP
Mr. Ian Rowland Martin-Taylor

15 YEAR CLUB

Mr. Kevin J. Gunn, PMP
Mr. Guy F. Lee, PMP
Mr. Mark Becker
Dr. J. Rodney Turner
Mr. A. Miles M. Dixon
Dr. Stephen C. Ward
Mr. Russell Tiller, PMP
Mr. Robert A. Charters
Dr. John B. Eckhart

Lowlight December Report

by Tutus Manus, Project Manager

MONDAY

Up early to put the finishing touches to the monthly project report. For once, I'm actually looking forward to it. Buried towards the end of page 12 I mention my suspicion that the client's project sponsor (a fifty-ish grizzled and dyed-in-the-wool northerner with a strong aversion to anyone with a posh southern accent) is conducting a torrid, clandestine affair with Maria, our flaxen-haired product analyst fresh from uni. I gave a stark warning that it's only a matter of time before the truth about our fictitious delivery dates becomes known to the client and we are all exposed as charlatans. I also introduce a deliberate typo which changes the 'estimate to complete' figure from 63 days to 63 years. By my calculations, this puts project closure long after I've retired to a little cottage with a sea view. None of this is true, of course, but I've long suspected no one ever reads beyond the executive summary. Now we'll find out.

TUESDAY

Working from home today while expensive-sounding holes are knocked seemingly at random into walls throughout the house and then filled in again -- all in the name of plumbing improvements. I'd planned to make inroads into my towering email backlog but what with the noise, the dust and the unexpected assistance of my cat, progress has been limited. Schrödinger has a penchant for walking across unattended keyboards. Upon my return, I can usually spot the meaningless strings of letters he's added (though a randomly placed "aaeeeeeeffffffllllllllllll" is often a strangely eloquent expression of my pent up frustration). However, the insertion of single stray characters can have more far-reaching consequences. Last week I announced the addition of a new workstream leader thus: "Now that Arthur has joined the team, he will ruin the data extraction pilot programme . . ." This was perfectly innocuous until Schrödinger unintentionally added the 'i' to 'run'. Although they do say some cats are prescient . . .

WEDNESDAY

The Great Plumbing Works seem to have entered some kind of archaeological phase. Schrödinger and I have retreated to the kitchen, both of us staring morosely for hours at a time at

the spreadsheet displayed on my laptop. I find the 'goal seek' function is a real god-send. By entering the kind of number I know will be acceptable to the Project Board, it back-calculates the effort actuals required to deliver this. It saves all that messy and time-consuming business of importing real numbers from the timesheet system.

THURSDAY

It's really beginning to get to me. The chaos, the constant disturbances, the erratic timekeeping and the unpredictability of when all the mess will be cleared up -- it's driving me insane. And the plumbing work is dragging on, too.

FRIDAY

Seems I was wrong. Someone somewhere is paying attention. One of the bean counters in Finance took my fictitious 63 year project duration and fed it into their revenue accounting system. It turns out that although this means the revenue profile for my project flat-lines, the interest that accrues on all the milestone payments held in our suspense account awaiting client invoicing grows into a tidy sum. In fact, it dwarves the original forecast profit margin. This provoked a flurry of excited emails amongst the senior management team. The final irony came in an email from HR. I have been offered an incentivisation bonus against delivery of this accrued interest. Obviously, to earn it, all that's required is for me to do nothing for the next 63 years and then we'll all be quids in. And another strange thing happened today: When I met Maria in the corridor she blushed and couldn't look me in the eye. I've no idea why.

You can now follow the triumphs and tribulations of Tutus Manus on [Twitter as @ParanoidProjMan](#).

Thinking Outside the Triangle: Project Management in the Fourth Dimension

By Dr. John Beckford

The conventions of project management typically lead us to seek optimisation across three dimensions – time, cost and quality. The construction of project management tools (including software) seem to assume a, relatively, linear and uni-directional world in which ‘goodness’ is defined as achieving objectives within constraints, each of which are usually established at the outset, although as Tutus Manus pointed out in June there are “all the little details that somehow never made it into their requirements spec”. A ‘good’ RAG report is green – on time, on budget, on spec (quality) and project managers are rewarded for this. There is however a fourth dimension – interdependence – not just between those three factors but also with the wider organisation in which the project is embedded – the project environment. Should something be done to manage it? Why is there no report about it?

Interdependence is about the whole system – not about its parts and emphatically not about any ‘trade-off’ between them. This systems perspective is one in which the system is defined as a set of elements whose interdependence and interaction with the environment generates emergent properties; properties which emerge from the interactions of the whole system and cannot be found in any of its parts. A good reference model for this is ‘flight’. Flight is the emergent property of the interaction of an airframe, with a propulsion system and a control system – none of which can fly except in interaction with the others all in an atmosphere which supports flight. There is a whole body of literature on the various interpretations of systems thinking and science which interested readers can explore – google it!

Internal interdependence is typically addressed by fixing one (or more) of the elements and flexing that which remains. If time is fixed, we flex cost (spend more on increased resources to shorten timescale) or specification (constrain the deliverables from the project). If cost is fixed then we flex time and specification (and most commonly both) especially where cost is more a function of human resources than other items. If specification is fixed, then time and cost can be flexed to respect that aspect. Problems occur when the symbiotic relationship between the three is not comprehended and, as is often the case, one or more elements becomes fixed by something external to the project and constrains the others. A recent, deliberate, example of this was a ‘finance’ system replacement project in which the time element was fixed by the year end of the subject business. The new system had to be in place and fully functioning before the start of the next financial year or wait 12 months. The decision to ‘go live’ with the new system on January 1st imposed a specification limit on the implementation (‘like for like’) which in turn both constrained and dictated the cost. Constrained because ‘like for like’ prevented scope creep, cost dictated because additional resources had to be provided to enable on time delivery. The expected time outcome was achieved but the urgency of the

implementation (an apparently unavoidable corporate imperative) inhibited scope for innovation. This meant that while the new system worked it offered little by way of advantage over its predecessor – and a subsequent project was commissioned to deliver desirable innovations. The interactions external to the project which drove the need for speed compromised the delivery of the best possible outcome.

External interdependencies are all those things ‘outside’ the time, cost and quality elements of the project – but they often pre-condition them. They include:

- the CEO who ‘knows’ that projects ‘always fail to deliver, run late or exceed budget – or probably all three’;
- the budgeting system that dictates that ‘projects not commenced within the current budget period must be re-approved’ driving commencement at the expense of accurate specification or budget;
- the managers defending territory whose ‘success’ demands the failure (or at least inhibition) of the project – ‘get your tanks off my lawn’.

All these things, and many others, are the socio-political factors affecting success which must be managed at least as much as the internal elements.

Project failure often resides NOT in the failure of the project itself, but in the failure to manage objections, desires and expectations external to it. Unlike doctors, project managers cannot bury perceived failures, ‘the operation was a complete success, but the patient died’, but must live with the perceptions of success or failure determined by those ‘outside’. For a project manager to succeed therefore it is not only essential that the project itself succeeds but that it is perceived to succeed. Project management in the fourth dimension demands that project managers must first recognise the socio-political context in which their work is undertaken. Second they must actively manage that context through whomever and whatever means are necessary to achieve the support necessary. Finally that they should report to their project board on it so that both the positive and negative external interdependencies are made transparent to all and that perceptions of the success or otherwise of the project match to its reality.

Dr. John Beckford is an independent management scientist, project consultant and author of ‘Quality’, Routledge, 2010, 3rd Edition. Information can be found at:

www.beckfordconsulting.com

Managing Risk in Project Portfolios

By Dr David Hillson, PMP, PMI Fellow

Many organisations choose to run groups of related projects as a portfolio, aiming to create synergies and savings by managing them together. Risk is one of the most important aspects that must be managed at portfolio level. But it is clear that risk is not simply additive, so we cannot determine the level of portfolio risk exposure just by adding up all the risk exposures of the projects. So how do we assess and manage the risk associated with a portfolio of projects?

This is important when we initially establish the portfolio, when we need to be sure that the overall level of risk exposure is acceptable. But we must also assess and manage the changing and emergent risk exposure as we execute the projects within our portfolio, to be sure that they stay within our risk tolerance.

To assess risk exposure when we are building a portfolio of projects, the first challenge is to clearly define the objectives of the portfolio. Then we need to define risk thresholds against each objective, to reflect the risk appetite of the main stakeholders.

The next step is to list the candidate projects for possible inclusion in the portfolio. At this stage we need to consider all possible projects, including high-risk ones as well as those that are not so challenging. For each project, the benefits should be quantified against the defined objectives of our portfolio, to assess how much each project would contribute towards achieving the overall portfolio objectives.

Next we need a common framework against which we can assess the relative riskiness of each candidate project. A generic portfolio-level Risk Breakdown Structure (RBS) could be used as a common framework to identify risks for each project. We can then assess each risk against the portfolio-level risk thresholds that we defined earlier. This allows us to determine an overall risk rating for each project in the portfolio.

Having assessed the riskiness of each candidate project, the portfolio manager together with key stakeholders should re-

view the list of projects and build a risk-balanced portfolio. This means balancing the risk against the reward for each project, and choosing the right group of projects that offer the required level of reward but with an acceptable level of risk exposure. The concept of risk efficiency is important here. This considers the two dimensions of risk and reward, and aims to balance the two, giving maximum reward for a given level of risk, or aiming for the minimum risk exposure associated with a desired level of reward.

Finally when we have built and launched our portfolio of projects, we need to manage the risks within each project, using the standard project risk management process. But we do not lose interest in the riskiness of the projects. At regular intervals the portfolio manager should review all projects to ensure that they remain within the acceptable risk range, and to ensure that they are delivering the expected benefits. This requires a way of calculating the overall risk exposure of each project, as well as addressing individual risks within each project. It may also be necessary at key review points to change the mix of projects in the portfolio, stopping some projects and adding others, driven by the principles of risk efficiency.

Portfolios are an important way of managing groups of related projects in a way that delivers benefits and value while addressing overall risk exposure. Managing risk at portfolio level requires a balanced approach and the exercise of management judgement, both when we build our portfolio and as we execute the projects within it. We will only gain the synergies and savings that portfolio management offers if we actively manage the risks within our projects as well as the overall risk exposure of the portfolio.

To provide feedback on this Briefing Note, or for more details on how to develop effective risk management, [contact the Risk Doctor \(info@risk-doctor.com\)](mailto:info@risk-doctor.com), or [visit the Risk Doctor website \(www.risk-doctor.com\)](http://www.risk-doctor.com).

Editorial Thank You

All, another year is almost over and we have completed our final touches to this December newsletter. I would like to thank all who had contributed to this year's newsletter.. Volunteers are pivotal for the PMI UK Chapter and your contributions have not gone unnoticed.

So this year's note of appreciation to all the authors who had contributed with their articles for 2011 are:

- David Cleden
- Dr David Hillson, PMP
- Nick Obolensky
- Nick Fewings
- Tutus Manus
- Michel Thiry
- Gareth Byatt
- Gary Hamilton
- Jeff Hodgkinson
- Margaret Meloni, PMP
- Cornelius Fichtner, PMP
- Joan Ward
- Eric Deeben, PMP
- Simon Robertson
- Martin Robinson, PMP
- Yohan Abrahams
- Christopher Wainwright
- Zaid Al-Tukmachi
- Andrew Wright, PMP
- Neil Coutts, PMP
- Dr John Beckford and finally not forgetting
- Chris Field, PMP

Apart from the Board members and regional chairs, I would also like to thank Sandra Newman, PMI UK Support for helping me to pull together these newsletters since I first joined as the newsletter editor.

As 2011 draws to a close, may I encourage any future articles are continuously released to the PMI UK Chapter for 2012. I look forward to interacting and working with all of you.

Have a very Happy Christmas and New Year.
Enjoy the holiday season.

Best Wishes,
Irene Bayliss, PMP
PMI UK Newsletter Editor