

ENTERPRISE APPROACH TO PROJECT DELIVERY

MINIMISING FAILURE



IRMS Insight

In a bid to deliver exceptional services and enhance corporate performance, most organisations embark on various projects to bring about change. Implementing a project can be an effective way to deliver business transformation, but only by embedding effective risk management principles in the process will those enterprises be able to maximise the opportunity.

Project management isn't a new business idea. Reflecting on my African heritage, many pre-colonial village communities were ridden with huge challenges and it was only by careful planning and strong leadership that those challenges were overcome. Whenever they faced enemy invasion, a tribal plan (mini-project) was enacted by the community ruler (the project sponsor), which was subject to time constraints and resource implications (both human and material).

A lead warrior (project manager) would be employed by the community leader to organise, plan, control and implement the battle strategy. The project was given a title (a cause to rally round) and the lead warrior would have a clear idea of why action was necessary, what the community would like to achieve, how to approach it and when they needed to act.

The consequences of not meeting these objectives would have been clear to the community leader and his people, as well as the invaders hoping to take advantage of their weaknesses, which is why the role of the project manager is synonymous with managing uncertainties (risks).

Projects are naturally risky, and doing nothing is not an option. The successful project manager will therefore be the one who manages risk effectively. Threats must be minimised and opportunities maximised, while maintaining a clear focus on the project goals.

Managing projects is not just about managing tasks and time. It's also about managing people (suppliers, stakeholders and co-workers) with different skills and perceptions, from various departments, brought together to forge a team that will do something unusual or even exceptional.

Therefore, risk management is simply effective management of potential opportunities and threats to the delivery of a particular objective or set objectives. Every project, regardless of size, will have risks associated with it, and it is vital that these are recognised and managed.

To ensure projects are effectively supported by result oriented risk management processes, managers could consider the following steps:

1 Clarify objectives, priorities or targets and how you currently work to meet them. Think about the processes you have in place, the costs involved, and what your team is doing to ensure effective project delivery.

2 Identify and assess the risks of delivering these objectives. This involves the identification of the potential event (threat or opportunity), its triggers and an understanding of its likely impact.

3 Compile a project risk register – a record of outcomes from step 2 using various risk identification techniques. An effective risk register should:

4 Suggest risk treatment actions – how are you going to address the threat or opportunity you have identified? What action do you need to take? Will there be a cost for implementing the action plan?

5 Assign risk owners – assign treatment actions to specific owners, and confirm the quality of the action plan. Does it minimise the probability of occurrence or minimise the consequences of the event materialising as a threat? Or vice versa. And is

6 Implement, monitor and report the treatment actions – project managers should encourage team members to review the risk register at their meetings frequently to ensure timely and accurate information. There a specified date to review these actions?

One of the reasons why projects or programmes still fail is because the steps above might be done either as a tick-box exercise or to comply with prescribed project methodologies or gateways.

Likewise, poorly described risk events can mean a risk register populated with garbage and the inability of project managers to accurately articulate what risk is. Some project managers assume that risk identification is the same as risk description. Wherever risk is identified but not properly described, the project will suffer setbacks.

That's why some experts are confused about the presence of a risk register and yet, projects and programmes are ridden with problems: overdue, over budget, lacking in quality and with poorly managed teams.

The Author

Joachim is a competent and forward thinking risk, strategy and performance management professional with the ability to provide leadership and direction in order to achieve set goals. He is a certified fellow, trainer and a former executive director of the Institute of Risk Management (IRM) UK. He has over 25 years of risk, governance, and strategic management experience spanning the financial services, non-financial, health sector, public sector, consulting and academia.

Having won recognition in the UK & Europe for his approach to Risk management, Joachim is now a keen promoter of the performance-based Enterprise Risk Management approach across the globe.



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