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Leading Edge Project Management Practices at a Board level

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Abstract

This is a case study of a leading edge project management initiative within the Australian Bureau of Statistics. The ABS is an organization with a reputation for being better at IT than other organizations and it has a core competence in project management. This case study is of an initiative to lift their IT governance practices to even higher levels.

The case describes how the ABS implemented a project management framework (PMF) to create a widespread awareness within the organization of the difference between project management success (outputs) and project success (outcomes). The adoption rate of the PMF was acceptable, with all large projects using it, but the formal adoption of the PMF by other projects had slowed when the executive sponsor left.

The case describes an attempt to realise the remaining benefits of the PMF by implementing a board level report to monitor progress. It describes the initial stage of the attempt and is quite promising because it shows the development of a board level report is relatively easy once the board members agree with the concept in principle. The initiative now depends on finding the right sponsor(s) to be accountable for delivering further benefits.

The case is part of a set of five studies undertaken to explore the relative importance of top management support and to understand how they influence projects to succeed. It is reproduced in full in a handbook (HB280:2005) on IT project governance planned to be published by Standards Australia. This case should be read alongside the other cases, Techmedia in particular, to gain further insight of why the beliefs/passion of an executive sponsor is essential for benefits to be realised and why a board must get directly involved and monitor performance.

A history of gifted men

Ever since the first yearbook of the Commonwealth of Australia¹, which the Times of London described as ‘the most wonderful book of its kind in the world’, the ABS has maintained a tradition of producing high quality statistically relevant information. The Economist has recognised it to be one of the leading statistical organisations and the number of senior staff secondments suggest it may be the leading statistical organisation in the world.

The ABS owes much of its reputation² to the stream of intellectually gifted people that have been attracted to the nature of the work undertaken at the ABS. The work is mathematically intensive and the ABS has always led in both statistical and technological innovation. Two Australian Statisticians stand out in championing technological innovation: Charles Henry Wickens (1922-1932) with the introduction of mechanical calculating devices, and Keith Archer (1961-1970) with the introduction of modern computing³. The computing work in particular was very innovative on the world stage and many of the nuclear physicists and other mathematical ‘geniuses’ recruited during Archers time stayed with the ABS for the rest of their career creating an environment of leading edge innovative thinking.

Directing ICT innovation to business issues

The period in the case study 1990-2004, is particularly influenced by:

- Bill McLennan the Australian Statistician from 1995 to 2000
- Government initiatives focussed on reducing costs and

¹ The first yearbook was published in 1908, not long after the ABS was established in 1906 as the Commonwealth Bureau of Census and Statistics.

² The ABS also owes some of its reputation to the legislation granting it independence from political control in 1973. Australia was the first country in the world to have this arrangement and the Australian Statistician has effectively been given the power to discern what to report and when to report it, thus strongly influencing the political process (such as the timing of elections) and how Australia will be measured. NB. The system is not without its checks and balances. The recent publication ‘Measuring Australia’s Progress’ although generally well received, also attracted some criticism. Dennis Trewin, the Australian Statistician, withstood the criticism and has recently been vindicated by being recognised as one of Australia’s 10 brightest men.

³ In 1958, Digby Pridmore, a mathematical statistician with a PhD in maths and physics, was commissioned by Keith Archer to investigate computer technology while he was undertaking further study in the US. Digby visited all the leading IT shops including Europe (the US led in engineering, the UK in computing). He experimented with programs on the world’s first electronic computer the ENIAC I and his colleagues included a number of future Nobel laureates. He returned to head up IT in the ABS and had to do everything from scratch including recruit staff. 20 of the 30 staff he

- The Crisp report recommending consolidation of statistical data collection systems.

Bill McLennan joined the ABS in 1960 as a statistical cadet and became the Australian Statistician from 1995 to 2000. He appreciated the value of technology and championed the adoption of PC and Internet technologies to reduce the cost structure in the ABS. Cost savings were important from the late 1980s because successive governments focused on reducing the size of the public sector and had mandated 1.5% productivity gains every year. To compensate for salary increases and increased output, the ABS had actually been realising around 4% productivity gains per annum over the last 15 years⁴.

McLennan established in 1974, what would become known as the IRMC⁵ to anticipate major computing initiatives. The IRMC consisting of the entire senior management team with the Australian Statistician as the chair, all of his direct reports and two other managers. The IRMC was important because the ABS had recruited a core team of world's leading edge information technologists. They were highly creative people and it was important to channel their innovations along business considerations rather than to create new technology for the sake of technology.

The IRMC brought a business focus to the first major computer initiative in 1978-9 with the migration to the next generation of mainframe computer⁶. They played an even more important role in the migration from mainframes to a PC and network environment in the 1990s because the computer department had become somewhat old fashioned and mainframe oriented and had not initially recognised the opportunity.

recruited at this time were nuclear physicists from the UK. Most of this group like Digby stayed with the ABS for the rest of their career and Digby only recently resigned from the ABS in 1998.

⁴ During this period the ABS had to argue very hard not to outsource its IT. It conducted extensive benchmarking of other organisations and the Gartner consulting group found the IT within the ABS to be world class on almost every measure. An interviewee pointed out that the very large staff reductions now occurring in the banking sector suggests that they have been carrying 'fat' that the public sector had started cutting almost a decade earlier. His implication is that the private sector may not be as good as they claim to be.

⁵ Information Resource and Management Committee.

⁶ The opportunity was created because it introduced the first generation of database software and it became possible to create specific applications. Senior managers were expected to own and direct the creation of applications for their functional area.

Championing the 1990's network era through Cost Recovery

McLennan recognised that information technology presented an opportunity to create the large cost savings that governments were demanding. He brought everyone in the IRMC a PC and a modem and the business, starting from the senior management level, was to take the lead to explore ways the technology could deliver benefits. He also championed cost recovery as a mechanism to accelerate the innovation.

Cost recovery was to become a major influence in the change. Dave Bennison the manager of the largest client of the IT department (consuming 25% of the IT capacity) says 'I didn't think it was important to reduce the CPU cycles because I thought it was just 'funny money'. It suddenly clicked when Bill asked why I wasn't converting notional savings into funding for PCs for my staff ... After that we tried a lot harder'.

Dave was used by Bill McLennan 'to sharpen up the IT department' firstly as a client and later from within IT. As a client he pushed by getting more favourable quotes from external suppliers. He became one of IT's most demanding customers and they ended up recruiting him to help them drive down costs.

Driven from the top managers down, the message got through. The ABS used productivity gains alone to fund the modernisation of its infrastructure and purchase PCs for its entire staff. In contrast, most public sector organisations needed special government funding to achieve the same objective.

Initially e-mail was implemented as an application for top management but it rapidly spread to become an underlying infrastructure for the whole ABS. PC's were put on every desk and Lotus Notes was established as a core knowledge management system (and stand-alone word processing was banned). A casual observer is quickly impressed how well it works with meetings being organised within minutes and documentation as far back as the early 90s being rapidly accessed.

BSIP IT's response to business needs

Much had been done, but the search for productivity gains was ongoing in all areas of the business. When the CIO Jonathan Palmer started championing BSIP around 2001, it signalled that IT had turned from being somewhat of a laggard to one of the primary forces driving the latest round of innovations.

BSIP was the culmination of years of experimenting to find how IT should now work with the business to build infrastructures for both the short-term needs and long-term efficiency of the ABS. It started in 1991 when IT realised it had to regain some control of the PC environment and impose some kind of discipline. The development of the Project Management Framework (PMF) around 1997/8 was a major milestone which will be discussed in the body of the case. However it is necessary to firstly describe the BSIP initiative to fully understand the importance of PMF.

BSIP was first articulated in the late 1990s through a few A3 posters⁷ describing common business processes within the ABS. They showed how the IT infrastructure could be progressively migrated to a simplified common platform to support the common processes. The practice up till this time, had been to create a separate ‘stovepipe’ application for over 80 different types of output and BSIP presented a radically different and cost effective alternative (fig 6).

⁷ Executives at IRMC level have a long-term vision that spans many decades. They traditionally worked with thought leaders like Gartner and Harvard. The IT Division found that in this environment A3 poster papers were very effective tools because they could communicate an overall vision on one sheet of paper. 10 core posters were originally developed to communicate how concepts would be applied in practice at the ABS. Three described how the ABS currently did things, five communicated the essence of BSIP (core business processes, how common IT infrastructure would be created to support the core processes and the IT governance to resolve conflicting priorities) and the others described special IT issues (like security, tools, methodologies). One of the posters included the diagram originally developed at Harvard by Cash & McFarlan on the stages in the migration of IT architecture.

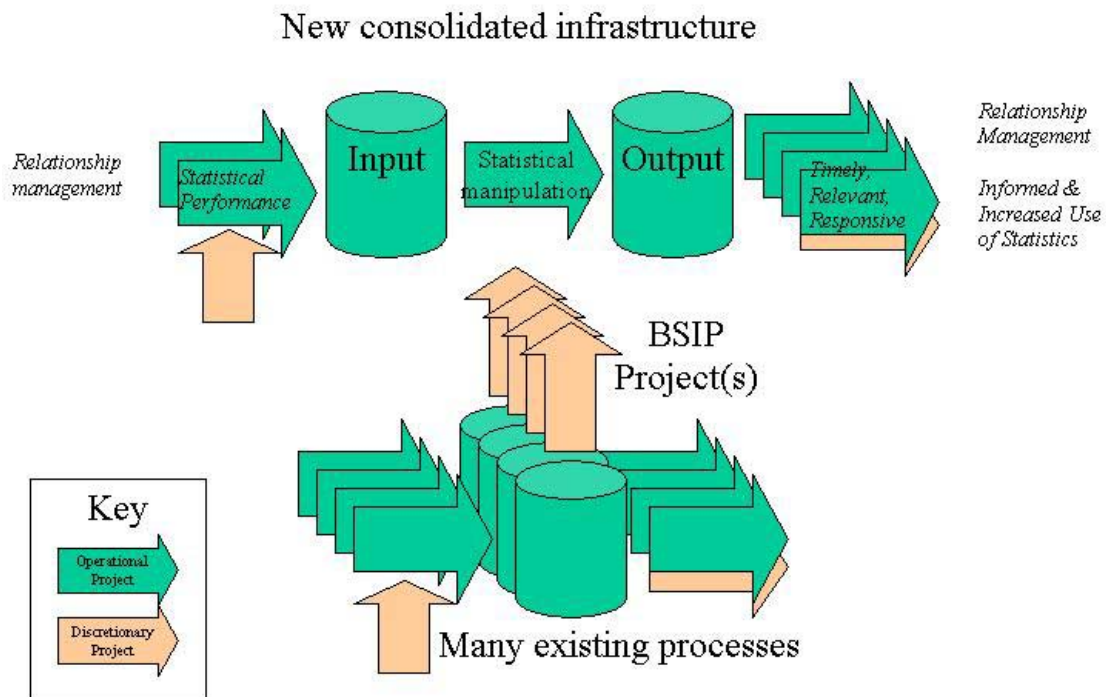


Figure 1: Radical changes through BSIP project to realise cost efficiencies

The concept was received extremely well at IRMC level and with the Australian Statistician in particular. The implementation would however require significant changes. Organisational units would no longer have total control of its applications and they would have to learn to share common infrastructure. IT would have to lead the charge and communicate the vision. It was business focussed rather than IT driven so the banner under which it was sold was not IT architecture but Enterprise Architecture.

The Project Management Framework (PMF)

With this background we can return to the ABS Project Management Framework (PMF). The PMF toolset is of particular interest because it formally differentiates between outputs (produced by project management) and outcomes (that are the benefits of projects). The ABS is one of the few organisations in Australia that has

been found to have a widespread awareness of the difference. Even practitioner organisations, with their naïve focus on best practice⁸, lag in their understanding.

The point being made is that the ABS has a core competence in project management. Even before PMF an outstanding sign of its project management ability was its track record of delivering on big projects like the Census and the production of a large range of high quality statistical outputs to a tight schedule. They had also completely funded the modernisation of its ICT infrastructure through cost savings realised through ICT projects. This case study could have focussed on one of the many successful projects, but there is much more to be learned by studying their maturing ICT project governance practices.

The case can be understood as an exploration of how project governance can develop and it is a study of a work-in-progress. One issue that is explored in particular is how board-level reporting can facilitate benefit realisation and how it might be implemented.

Some cracks in project management

Overall the ABS has been consistently realising benefits from their ICT investments. However, there were a few less successful projects.

The Australian Statistician was quoted to have said of one project ‘if I had known how much this would cost, I never would have approved it’. The CIO commented that although some projects cost more than expected, they also tended to last a lot longer than anyone expected. On the expensive project the CIO said ‘I wonder if he [the Australian Statistician] will say the same thing ten years from now ... because the system will still be around and work well’.

One manager added, ‘we never have failures. It’s just that sometimes we have to keep at it for 10 years before it is a success’

This could easily be misinterpreted so it is necessary to understand that the ABS has a very long and stable strategic vision. It evolves to take account of the changing

⁸ In one instance a consulting organisation formally reviewed the ABS Project Management Framework and failed to recognise the ABS is one of the best practice organisations in Australia (and perhaps the world) in this area. The consultants were so strongly biased towards the so-called ‘best-practices’ as typified by PMBOK [48] and AS4360 [49] that they omitted mentioning the poor track record [17, 50] and known deficiencies of this approach [51].

environment but their response to issues will tend to consider long-term implications looking several decades into the future.

The CIO quoted Gartner and said it is important to differentiate between strategic endeavours, programs and projects. Some strategic endeavours have to be undertaken on faith and accept the issue of the unpredictability of a future 6 years ahead. His implication is that it is necessary to know which endeavours are strategic to the future of the organisation and worth persisting with.

The decade of ICT-enabled projects realising 4% annual productivity improvements speaks for the general effectiveness their approach. However ABS staff also openly acknowledge there were some less successful projects. In one case a project was started and implemented as a pilot until it was realised that a massive investment in infrastructure was necessary to realise any more substantial benefits. Only now almost a decade later are they using new technology to try the project again (because the infrastructure has developed to make the first project viable).

This particular project and some instances of inadequate business ownership⁹ in a few complex ICT projects set the stage for a new senior manager, Graham Wauchop, to champion the PMF. His case was not so much that the ABS was bad at project management, clearly it wasn't, but a few cracks were showing in its project management practices. A few too many projects were being undertaken on faith, projects lacked consistency in delivering outcomes, and it was increasingly difficult to do ICT projects with confidence.

This is a particularly significant issue because the practice in the ABS (especially when a project is justified on the basis of cost savings) is to adjust (reduce) budgets and staffing levels in anticipation of the benefits (savings) being realised. Executives suspected that as the organisation was becoming overly lean they faced higher failure rates. This in turn would directly affect their ability to run their core business.

⁹ One manager reported that although there were many instances of business owners not understanding the complexities of modern IT projects, it was mostly managed by having the experience of IT staff compensate for gaps in knowledge.

John Smyrk and The ITO Model

The ABS had for some time been trying to reassert some discipline into its ICT and project management processes (recall the introduction of PC's had created discontinuous change in the ABS). Executives had considered the advice of proponents of the many common project management methodologies¹⁰ but nothing seemed to click¹¹. The common methodologies did not match the long-term perspective ABS executives applied to projects.

Around 1997, Graham Wauchop met academic and consultant John Smyrk, who had been working with the Tasmanian Government to build a statewide competence in project management. Graham arranged for John to make a number of presentations to his senior management peers. John's ideas on project management and his model of project management in the context of an organisation were received well by ABS top management.

His ideas are encapsulated in what he calls the Input Transformation Outcomes (ITO) model. His model explains that projects should be planned by determining the Outcomes first, that Inputs are used by projects to deliver outputs and that outputs generate Outcomes. This is shown schematically below.

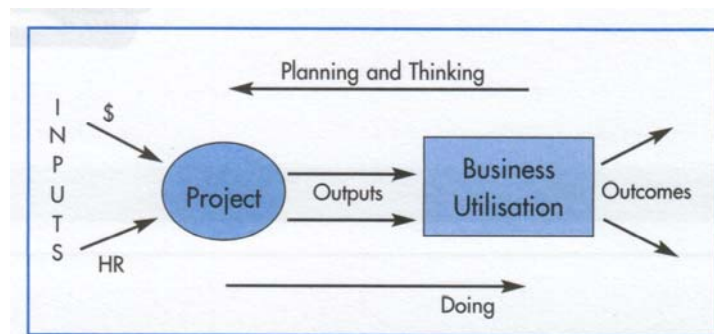


Figure 2: John Smyrk's ITO model of projects

¹⁰ The common methodologies included best practice such as PMBOK [48], PRINCE2 (www.prince2.com) and the like. Interestingly Rob Thomsett's methodology [26] (which was used in SkyHigh to good effect) was also not considered the answer for ABS executive yet Rob was a former ABS employee.

¹¹ It would seem that the focus on technical and narrow project management concerns (on-time on-budget) was perceived as a major shortcoming because it missed the broader strategic context in which projects are undertaken.

Development, Implementation and Adoption of the PMF

Graham Wauchop as the head of corporate services, assumed the sponsorship role for John's ideas and for the ITO model to be implemented into the ABS. He co-opted Adrian Paviour, an IT manager with strong project management capabilities to work with John to develop what would be known as the ABS Project Management Framework (PMF).

They progressed by having John write brief papers explaining the key concepts of the ITO model. Adrian would then develop the papers into a range of structured documents, templates and courses to explain the concepts in terms ABS staff could easily relate to. Adrian also developed a sophisticated software tool set to support the PMF.

The PMF toolset is intended to replace the tools currently used by ABS managers to manage projects. These include spreadsheets, Microsoft Project and Project Management Workbench. The toolset is quite sophisticated and integrates into the ABS's Lotus Notes environment so information can be shared and summarised quickly.

Training courses were developed, a small summary manual was written and many on-line computer-based tutorials were made available for ABS staff to explore the extended functionality of the toolset at their own pace.

Implementation

The PMF was trialled with a number of major projects (Tax Reform, HSF, IDW, Census). Each project started with project management training to explain the new concepts (eg. the difference between outputs and outcomes). The PMF toolset was also presented in the training as the new standard for the ABS, but adoption was not made mandatory.

As each new project tried the toolset it was further developed and enhanced in response to user requests. This actually created a perception problem because it became too rich in functionality. It was clearly good for large projects, but staff struggled to know how to customise PMF for smaller projects.

Adoption – without a senior management sponsor

Around this time Graham Wauchop, the senior management sponsor, resigned and went on to pursue other interests. Dave Bennison, another senior supporter, retired.

Ownership of the PMF formally moved to the training and development branch and the adoption of PMF was allowed to grow by word of mouth. Adrian returned to ICT project work but retained an unofficial role as PMF champion. He maintained a database to support projects using the PMF toolset and would be consulted for advice on an informal basis.

Post-implementation Review

The ABS started with a high level of project management competence and the PMF has raised the general level of understanding of project management principles. As a result of the project, there is a widespread understanding of the ITO model and managers could easily differentiate between outputs and outcomes. They have some way to go in terms of actually managing projects to realise outcomes, but having said this, their situation is still superior to most other organisations in simply being aware of the difference.

PMF is being used extensively in the high profile BSIP project and the adoption rate is also very high in most major projects. The adoption rate for smaller sized projects however, is much lower¹² and it is estimated that less than 1/3 of the total number of projects¹³ actually use PMF (data in table 4 suggests it may be as low as 9-18%).

There was no documented business case to assess whether these results constitute a successful outcome. Top managers and other key participants were interviewed to assess whether they considered the outcome of PMF to be successful.

- All the interviewees acknowledged the value of the PMF and supported the increased adoption of PMF. However, few expressed any dissatisfaction with

¹² This interpretation is only an indication of the likely trend and needs a number of qualifiers: (1) The adoption of the PMF does not require use of the PMF toolset. (It is likely that some PMF principles have been incorporated into the spreadsheets and other project management tools in use before the PMF toolset became available). (2) There may be other PMF project databases in use that are not recorded in the dataset used to estimate the adoption rate.

¹³ The actual proportion depends on how a project is defined. Within the ABS there are not only one-off development projects but also a large number of operational projects where the same survey is repeated at regular intervals. The Census for example is conducted once every 5 years. Other projects are repeated every 3-6 months, while others are annual, biannual and tri-annual.

the current adoption rate and its application toward major projects. Almost everyone pointed to the effort required to implement PMF and the PMF toolset as a major barrier.

- Many interviewees mentioned the need to make the PMF toolset ‘scalable’ for smaller and operational projects.
- One interviewee suggested that training should be shorter and less theoretical because most ABS managers were already good at project management. The suggestion was that training should be more task focussed (eg. how to use PMF to manage risk).
- Several interviewees added that some resources should be made available or tools developed to migrate project plans off spreadsheets and other project management tools.

Interviewees reported three main reasons why PMF should be more widely used: Outcome realisation, risk management and knowledge management¹⁴. Of the three reasons for increased adoption, outcomes realisation was highlighted as a clear need by almost all interviewees. This is interesting because according to John Smyrk, the reasons for increased adoption are the same reasons for developing the PMF. The implication is that there are benefits that are yet to be realised.

It appears that the project lost momentum after it lost its senior management sponsor. It was proposed that a board-level report monitoring outcomes realisation would have helped overcome this issue. John Smyrk and a number of project staff agreed such a report would have accelerated the adoption rate (because it would have sent a clear signal of what was considered important). John said that in hindsight he would have implemented an outcomes monitoring report at the beginning.

Implementing a Board-level Outcomes Monitoring Report

The recognition, by top managers, of the unrealised potential of the PMF presented an opportunity to explore how to implement a board-level Outcomes Monitoring Report (even though it would be in hindsight in this case). The board was approached to see if they would be interested in exploring the development of a report to accelerate the

adoption of PMF and increase the realisation of benefits. It was explained that their time was necessary to ensure that any new report would add value and not simply promote the PMF toolset for the sake of using it.

Interviews were arranged and conducted with 5 members of the executive to explore opportunities (without commitment). Each interview lasted between 30-45 minutes and they were scheduled over 3 days.

The result of this exploration is reported in the remainder of the case study. The details are not intended to be prescriptive. They are presented to give one concrete example and to stimulate thought for how it might be implemented in other organisations.

Initiate - Framing the desired outcomes

The first objective in the interviews was to develop a project-image based on what was important to the board. If a report was to be developed, it was crucial that it measured something important enough to the board that they would be prepared to review it frequently and follow up on satisfactory/unsatisfactory results.

The interviewees were firstly presented with the interpretation that PMF was an excellent product but adoption rates were too low. They were asked if they agreed or whether they had a different perception of the results.

They were also asked which outcomes should the PMF be focused on delivering. This gave them the chance to reframe the issue in terms that more meaningful to them.

Once it was confirmed that the board understanding was largely congruent with the proposal, it was possible to present the proposal (for a board-level report) framed in terms of issues important to the board using their language and terms. It was presented to gauge the strength of feeling, test the level of commitment and identify any inter-related issues that would need to be resolved to implement the proposal.

A summary of the key drivers of change is presented below. They are presented in some detail because the insights seem to be applicable to most organisations.

¹⁴ Knowledge Management is important because the ABS has an aging workforce and want to try to capture the knowledge of their more experienced staff before they retire.

1. Outcome Realisation

- The current emphasis has tended to be on the delivery of outputs rather than on outcomes.
- Almost all interviewees strongly supported initiatives to build on the existing strength in project management (output planning) and apply them ‘to put more science/discipline into the art of outcomes planning’.
- All the interviewees recognised that outcomes tend to be delivered through a number of projects and mainly by the business rather than through project outputs alone.
 - ◆ One interviewee said ‘there needs to be more clarification of the relationship between the project outputs and the outcomes ... and an earlier recognition of what else needs to be done to deliver the outcome’.
 - ◆ There was a widespread recognition that outcomes are less easily controlled and that benefits realisation often requires ‘influencing’. The need was to rapidly identify and escalate issues on an exception basis so that those who had the necessary authority to intervene could do so in a timely manner.
- The need is not at a project level but at a higher level for both discretionary and operational projects (eg. Within the ABS at a project board or survey board level).
 - ◆ It was strongly agreed that the role of the project board was to focus on realising outcomes. Interviewees report that accountabilities are sometimes confused and project boards have sometimes micro-managed projects because they lack confidence that all the details have been fully considered.
 - ◆ One interviewee stated that accountability for both outputs and outcomes generally lay with line management. In the cases where accountability for outcomes did not lie with a line manager (eg. when outcomes are realised by cross functional projects) it was important to clarify who had responsibility for an outcome.
- Interviewees made it very clear that it was very important to report on an exception basis.

- ◆ Reporting should be at an outcome level reporting and only if an outcome was at risk or if any action needed to be taken at a more senior level.
- ◆ Interviewees generally did not want information at a project level. One interviewee said, ‘it is enough to have the assurance that a well thought through project plan exists ... I don’t want to know about project slippages if outcomes are still likely to be realised’.
- It was noted that the PMF complemented the Performance Measurement System (PMS) within the ABS.
 - ◆ The PMS specifies the outcomes to be achieved at an individual level. It seems however, there is no formal linkage between these outcomes and the outcomes to be realised by projects/departments within the ABS.
 - ◆ It is reliant on the individual project managers to communicate issues. This mechanism is reported to be effective (partly because there is a synergy between the PMS outcomes for individuals and the outcomes for projects).
 - ◆ However there is general agreement from the interviewees that the mechanism would be strengthened and made more efficient by a formalised focus on outcomes realisation within PMF.

2. Risk Management

- PMF was originally undertaken to minimise project risk. It follows that the more projects that follow PMF the better risk is managed.
 - ◆ Once a well considered project plan has been developed, risk management relates mainly to monitoring and getting the right information to the right decision maker.
 - ◆ It is not essential that they use the PMF toolset, but it is highly desirable. A standardised mechanism of communicating project risks to the various decision makers has clear advantages and now the investment has been made, it is sensible to standardise on PMF.
- Following the BSIP project, there have been major changes in the operational processes. This introduces more risk and it is important that operational projects use the PMF.

- The key risks are (1) the operational risk of missing publishing deadlines and (2) the outcome risk of failing to realise cost savings through BSIP and other efficiency dividend projects. Neither risk can be easily mitigated and both have severe consequences for the ABS.

3. Knowledge Management

- There is a risk of losing corporate memory as the aging workforce retires. Documenting operational processes in PMF provides a formal mechanism to capture knowledge and to improve processes over time.
- Apparently there is a tendency for managers to sit on many committees for information rather than to participate in decision-making. If more information can be delivered on-line through the PMF toolset, it will be easier to make the cultural change to change this inefficient use of time.

There was a broad conceptual support for the development of a board-level report to accelerate the adoption of PMF to achieve the three outcomes listed above. Line managers were particularly supportive of the concept because ‘it would send a clear signal’ of the priorities. Two important caveats were repeated: the report had to add value (rather than to simply increase the adoption rate) and the report could not impose onerous burdens on the workload of staff.

The next section proposes some changes to the PMF toolset and a draft of a board-level report. The proposal is currently being considered by the ABS board and may require another one or two iterations by a sponsor (possibly in each division) to reframe it in terms able to motivate people to drive the change through the organisation. It is presented in some detail to give a concrete example that could be customised for other organisations.

Proposal: PMF2 – Program Management¹⁵

A proposal was made based on the five interviews conducted over three days with the members of the executive at the ABS. Each interview produced significant new

¹⁵ The term program management is still loosely defined. An adequate definition for this handbook is ‘The co-ordinated management of a portfolio of projects to achieve a set of business objectives’. http://www.e-programme.com/articles/proj_def.htm

insights and it is likely that the proposal will benefit from more input but it was appropriate to submit it as a first step to solicit more input.

The proposal is for PMF to be enhanced to **provide program management functionality**. The targeted outcomes from the proposal are (1) to introduce and formalise an outcomes planning culture, (2) to reduce project risk and (3) to address knowledge management concerns by capturing key processes.

- The concept of a program is introduced to explicitly recognise outcomes tend to be delivered through a number of projects and through non-project based initiatives.
- Outcomes are rarely realised simply by completing single project (on time, on budget, etc) and they tend to be the responsibility of project boards for discretionary projects and survey boards for operational projects.
- Program reporting is therefore proposed to meet the needs of project boards, survey boards and higher-level governance structures within the ABS.

The technical details are specific to the ABS PMF toolset but at a high level it is suggested:

- A program manager should be able to create a program report by creating and/or selecting the projects (s)he wished to monitor. It is likely the program manager would start from the desired outcome(s) and select all the projects that impact on the outcome. This discipline is valuable because it forces program managers to think beyond routine project outputs and consider what else may be necessary to realise outcomes.
- Individual project managers can choose to develop the high level projects into key milestones and more detailed tasks in a standard work breakdown structure.
- When the program report is run (eg. weekly, fortnightly, monthly), it should summarise on an exception basis output issues (unexpected timing delays, resourcing issues, quality issues) and the potential risks to outcomes. Where everything is proceeding to schedule, nothing further needs to be reported. The usefulness of the program report is dependent on a discipline being established at the (project) manager level. The program report should alert the

reviewer if PMF projects have not been updated within a user specified timeframe (eg. last month/fortnight/week).

- It is probably best if the program report is generated automatically at dates specified by the program managers and delivered automatically to their desktop (perhaps by email). However, it is unlikely the program report will be able to fully automate outcomes reporting. Program managers are monitoring changes in the external environment, they will have insights, their instinct will cause them to question what is being reported, and they may recognise additional activities that need to be undertaken to realise certain outcomes. They will need to summarise and comment on the information reported in the automated report.
- Both project and program managers should be encouraged to provide commentary that goes beyond the listing of risks. Solutions should be suggested and actions required by those outside the project or project board should be specifically itemised. Their comments are likely to be the key input to the higher level project boards and each board member should be able to drill down to the specific comments made by various project managers.

A **higher-level report** should be created in exactly the same way to summarise many programs. This report may be the most suitable for use by senior managers. The higher-level report may optionally summarise output issues on an exception basis but the main focus should be on summarising program manager's comments on the potential risks to outcomes and their recommendations for action.

A **board-level report** should be produced to underpin the adoption of program reporting and the realisation of the expected benefits. It is suggested that the report could be a refinement of the table shown below.

PMF Project Management Adoption Rate by Division								
	ESG	PSG	MD	IMD	TSD	CSD	States	Total
Total Operational Projects (# Outputs in Forward Work Program)	420	310	7	33	120	31	20	941
Active PMF Projects	5	54	2	11	3	7	7	89
Adoption rate	1%	17%	29%	33%	3%	23%	35%	9%
Total Discretionary Projects (from Forward Work Program)	122	83	23	52	37	21	15	353
Active PMF Projects	32	0	7	5	12	0	6	62
Adoption rate	26%	0%	30%	10%	32%	0%	40%	18%
Program Management Adoption Rate by Division								
	ESG	PSG	MD	IMD	TSD	CSD	States	Total
Total operational programs (from Forward Work Program)	20	11	3	6	3	4	2	49
Active program reports	0	0	0	0	0	0	0	0
Adoption rate	0%	0%	0%	0%	0%	0%	0%	0%
Total discretionary programs (strategic directions in F.W.P.)	9	7	11	8	10	5	0	50
Active program reports	0	0	0	0	0	0	0	0
Adoption rate	0%	0%	0%	0%	0%	0%	####	0%

Table 1: A possible format for a board-level report

It is important this table is understood to be illustrating the concept only¹⁶. The 9-18% overall adoption rates cannot be set as a baseline because the definition of a project has not been agreed. There are probably some projects within the ABS that are not projects in any conventional sense and should not be managed within the PMF framework.

An interviewee suggested that the proposed board-level report although logically sound may face both technical difficulties¹⁷ in implementation and behavioural resistance if expectations were set too high. Further discussion suggested that the difficulties could probably be overcome if the report differentiated between a limited number of projects that would be actively being targeted to use the PMF toolset and other projects within the ABS (that would be encouraged passively to use PMF by peer pressure and word-of-mouth recommendations).

Adoption of a board-level report is expected to make a significant difference to the adoption rate of both the PMF (project management) and an enhanced PMF (program management).

¹⁶ The best the source of data has not been determined and some of the numbers are guesses only (The total number of active projects is based on real data, but the allocation between operational and discretionary projects is based on guesswork)

¹⁷ The key technical issue was the potential difficulty of consolidating data from the likelihood of multiple PMF databases across the ABS.