



The Problem

A major utility in gas and electricity had year on year delivered only part of their construction program. These programs of well into the hundreds of millions of dollars were of particular concern to the executives, the regulator, as well as business and domestic consumers. The people who were responsible for the governance of the program were lacking confidence that this year would be any different after only 4 months. We were asked to restore confidence, provide a realistic view on what could be achieved, and then deliver on those expectations.

Data is meaningless

When it comes to making decisions many people demand more and more data. This is something that sounds productive, and certainly makes for busy work with analysts. The challenge, though, is to find simple, real information that drives the right actions.

The first task was to get acceptance that a problem existed. A simple *amortisation of the remaining budget* and *Estimates to Complete (ETC)* for all projects within the program highlighted two things:

1. To hit the budget targets they would need to beat their prior best month EVER by more than 150%, every month from today.
2. The projects delivery plans, when added up, demonstrated a gap in the tens of millions of dollars worth of work that could be done in that time.

There simply wasn't the *capacity* of the network of programmed projects to deliver the plan.

We had their attention.

Working alongside the project delivery team we were established as a controls function in parallel with delivery, but reporting to the executive group. Our role was simple, **accurate information, first with the news, no surprises.**



Our Conclusion

The assumption that a controls function is there to be in charge, or a police state, is one that typically comes from inexperience or fear. In reality this function is one that provides the best possible information for effective decision-making and supports good governance. Without having the control of the decision, the function is free to act independently in demonstrating what is going on now, and what is likely to happen. The choice of whether effective decisions are made remains with those charged with delivery and governance. The role of good governance is to make the right decisions at the right time in order to have the best chance of success. A good controls function helps you have control over whether you are in a position to do that in a way that makes a difference.

Information based on real life



To say that there was conflict with the delivery team is akin to suggesting that the Titanic ran into a little bit of ice.

We focussed on how we could best support the delivery teams to deliver the maximum possible value with the resources that were available.

A *program plan* was rapidly established along with a *scrum meeting* to address any issues that day. Discussions were quick and focussed on *blockers* rather than a "show and tell". The executive team responded to our advice and allowed operations and the project teams to work together to manage resources inclusive of maintenance, providing more effective planning and execution.

Within 1 month a new run rate had been established providing a revised completion forecast of work and cost. This was based on daily updates on change rather than ever project manager having to create new reports. In reality, this meant less paperwork and more hands-on control for all project staff.

The result was better than anyone had expected. The final outcome was within 1% of our revised target for cost and delivery. Even more beneficial was the acceptance and implementation of *project controls* as an ongoing supporting function that was the *independent single source of truth* for the business. This was the beginning of a new *PMO*.