Building enterprise project management capability 9
Obtaining top management support

by **Professor J. Rodney Turner**

The November and January issues described governance in the project-based organisation. The two articles looked, respectively, at the three levels of governance: at the level of corporate governance; within the corporate context; and at the level of the individual project; and the role of programme and portfolio management to support projects within the corporate context. This is all part of developing enterprise project management capability which is the subject of this series.

This month I want to discuss obtaining top management support; ensuring that management at the level of corporate governance is interested in the projects taking place within the organisation.

Top management support has long been recognised as a key success factor on projects. The project manager and project sponsor need to work at ensuring they achieve that support. In this article I will be looking at:

● top management support as a success factor on projects
● the role of top management in projects, particularly the role of the project sponsor
● top management understanding their commitment in, and to, projects
● top management consistently supporting project management

Top management support as a success factor

It has long been recognised that top management support is a success factor on projects. The most widely quoted piece of work on success factors on projects is that done by Pinto and Slevin (1988 – Jeffrey Pinto's PhD work, supervised by Dennis Slevin). This identified a list of ten success factors on projects, Table 1:

Pinto and Slevin's list is in order of decreasing importance. So they identified top management support as the second most important success factor on projects, after setting clearly defined goals and objectives.

Writing with Ralf Müller, (Turner and Müller, 2004), I have identified that a necessary condition for project success is that the project manager and project sponsor should view the project as a partnership: they work together towards mutually consistent objectives. They must not view the project as a battleground where they compete against each other to win at the other's expense. They must work together in a supportive and collaborative way.

Another study identified two things the client can do to increase the chance of success:

● set clear project objectives
● show trust and openness to the project manager

and two things they can do to increase the chance of failure:

● litigiousness (resort to the law to settle disputes), and
● complexity

So, where the client or top management is working with the project manager in a supportive and collaborative way, the project is more likely to be successful. Where top management shows no interest in projects or project management in their organisations, projects are less likely to be successful; and where top management is working against project managers and undermining them, projects are more likely to fail.

Figure 1: Obtaining top management support for projects, programmes and portfolios
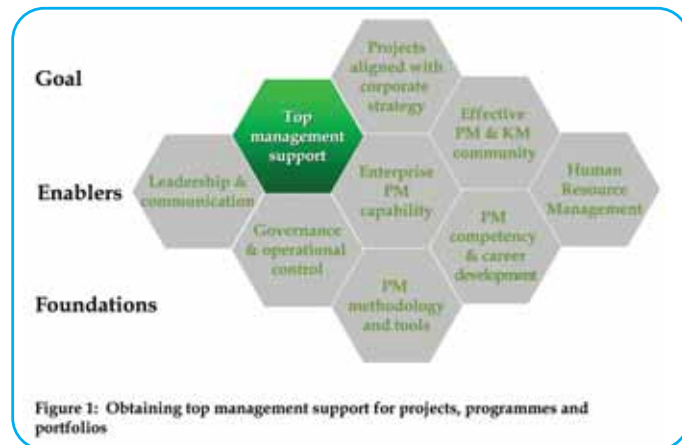
The roles of top management

Top management has roles in the governance and management of projects at the top two levels of governance:

1. At the level of corporate governance, company board members and other executives should commit to a common vision, strategy and direction within the organisation. That means setting development objectives for the organisation, and translating those into requirements for projects, programmes and portfolios. They must then ensure that adequate resources are made available to the projects, programmes and portfolios undertaken. That, as I described last month, is the role of the board investment committee. Finally, the board and other executives must take an interest in progress. That, as Ralf Müller and I showed (2004) is a necessary condition for success, but is now required under legislation introduced in the US and Europe, and affecting the entire world.

2. Within the corporate context, top management has at least three roles:
● establishing enterprise-wide project management capability, to create an environment within which projects can thrive
● undertaking programme and portfolio direction and management
● providing the project sponsor

The project sponsor

The importance and significance of the project sponsor is now widely recognized. In November I described how, in the complex environment of the modern project, the project manager must be focused on delivering the project's deliverables to time, and cost and quality. He or she has to be able to focus on managing the project, and leave the ambassadorial roles to the sponsor. The role of the project sponsor is to provide authority, political support and resources, to allow the

Table 1: Ten critical success factors on projects after Pinto and Slevin (1988)

Success factor	Description
1. Project mission	Clearly defined goals and direction
2. Top management support	Resources, authority and power for implementation
3. Schedule and plans	Detailed specification of implementation process
4. Client consultation	Communication with and consultation of all stakeholders
5. Personnel	Recruitment, selection and training of competent personnel
6. Technical tasks	Ability of the required technology and expertise
7. Client acceptance	Selling of the final product to the end users
8. Monitoring and feedback	Timely and comprehensive control
9. Communication	Provision of timely data to key players
10. Trouble-shooting	Ability to handle unexpected problems

project manager to perform the actual work of the project. The project sponsor must be a senior manager with sufficient political clout to:

- act as an advocate for the project
- understand the business objectives of the project and ensure they are achieved
- provide political support
- ensure the project receives priority for funding and resources

The sponsor for a project in a programme or portfolio might be the programme or portfolio management, but is more likely to be a senior business manager on a similar level. For a large project, the sponsor will be a business manager reporting to the board, or for a very large project may be a board member.

The telecommunications company, Ericsson, defines the role of the project sponsor as:

- The project sponsor is the manager who is commercially and financially responsible for the project and its outcome. The project sponsor is the primary risk taker for the project and makes the tollgate decisions, based on an assessment of the project's alignment with the organisation's business direction.
- The purpose of the project sponsor role is to ensure that the manager who is the financial risk taker for the project has defined responsibilities and tasks in the project.

The UK Government, in their PRINCE2 process, calls the project sponsor the 'Project Executive'; the person primarily responsible for ensuring that the project's business case is defined and achieved. They also identify the role of the senior user, who is responsible for ensuring the users' requirements are properly understood and achieved, so that the project deliverable operates correctly to deliver the business case.

I cannot stress enough the importance of the project sponsor role. The existence of the project sponsor is almost a necessary condition for project success, and to operate effectively the person fulfilling the role must be a person with sufficient authority and political clout.

I will return to the role of project sponsor next month.

The project steward

Through my research into project governance I have identified the project 'Steward' as the person responsible for defining the process by which the project will be delivered and identifying and locating appropriate resources. On larger projects this will be the project manager, but on smaller projects it may be the programme or portfolio manager, or a manager from a functional department. The UK Government, in their PRINCE2 process, calls the role the 'Senior Supplier'.

In the fairy story of Rumplestiltskin that I told two months ago:

- it is the sponsor who determines that gold is required, and sources the finance to enable the project to proceed
- it is the steward who determines that a spinning wheel is the best way of making the gold, and that straw is the best raw material, and sources both
- the project manager is Rumplestiltskin, who performs the impossible, spinning straw to gold – does that sound familiar?

I will return to the role of project steward next month as well.

Understanding their commitment

As part of their support for projects, top management must understand its commitment to projects. This requires several things:

Showing an interest

Top managers must understand and support the projects taking place in the organisation. In order for the project manager and project team members to be motivated to deliver the best for the project, they must believe that senior management cares about what happens.

In the past this has not been the case. Senior managers were concerned about maintaining the routine business and projects were something that took place in the 'Skunk Works', out the back in temporary accommodation on waste ground. Project team members worked away unnoticed and unrewarded to produce new routine business, which is when top management took notice.

The best people did not want to work on projects because it was a path to oblivion, to a place where top management would not notice you, or promote you. That is not good for projects. The project sponsor, of course, has the ambassadorial role to ensure that top management takes an interest, but top management, as well, needs to recognise that taking an interest is a necessary condition for project success.

Understanding risk exposure

Top management should also take an interest in understanding the risk exposure of projects. In understanding future cash flows for the business, it is important that directors understand the risk to the cost of projects and the risk to potential revenues. That has now become a legal requirement in the US and Europe is following.

Having understood the risk, they must then make available support to help project, programme and portfolio managers overcome the risk. Projects must be treated as a partnership between the client and project manager, whether the client is internal or external to the project manager's organisation. That requires the client and project manager to work together in partnership to make whatever adaptations are necessary to reduce the exposure to risk and to deal with the risks that actually occur.

Projects are risky. There is within the field of economics the concept of 'bounded rationality'. The project manager would like to work rationally to deliver a perfect solution for the client, but because of human frailty cannot be perfect. The project manager's ability to work perfectly and rationally is bounded, particularly because he or she:

- cannot gather all the necessary data to make perfect forecasts about the project
- cannot perfectly process all the data that is available, and so tend to satisfy – do what is adequate rather than perfect
- cannot foretell the future – now, that is a shortcoming

When the project starts, the manager cannot perfectly forecast how it will progress through to completion. Changes will be necessary; risks will need to be dealt with. Top management needs to understand that, and work with the project manager to achieve appropriate adaptations so that the project delivers the best solution for the business. The economics literature calls this mutual adaptiveness.

Monitoring data

Top management also has a commitment to monitor performance on projects, programmes and portfolios in the business. Those at the top are now required to do this by law, to be able to forecast future cash flows in the business. But Ralf Müller and I (2004) have shown that the client taking an interest in progress is a necessary condition for project success.

But I am not advocating micro-management, where top management becomes involved and interferes in the day-to-day running of the project. I am talking more about management by exception. Managers of large projects, programmes and portfolios can produce a single page report to summarize performance once a month, highlighting potential problems. People suggest traffic light reporting - Figure 2. For the large project, programme or portfolio
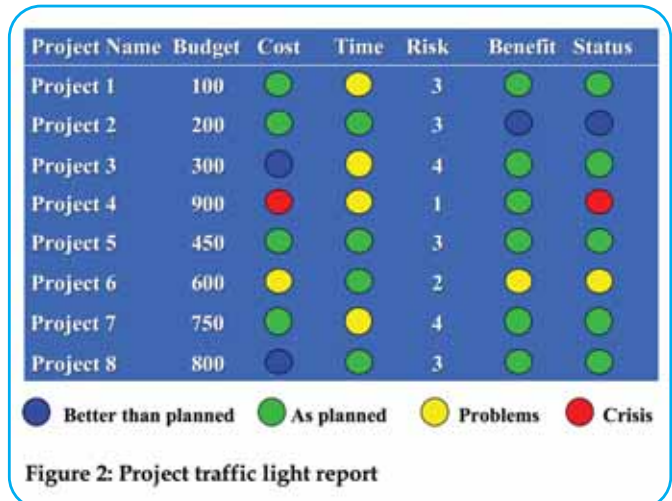

Project Name	Budget	Cost	Time	Risk	Benefit	Status
Project 1	100	green	yellow	3	green	green
Project 2	200	green	green	3	blue	blue
Project 3	300	blue	yellow	4	green	green
Project 4	900	red	yellow	1	green	red
Project 5	450	green	green	3	green	green
Project 6	600	yellow	green	2	yellow	yellow
Project 7	750	green	yellow	4	green	green
Project 8	800	blue	green	3	green	green

● Better than planned ● As planned ● Problems ● Crisis

Figure 2: Project traffic light report

there are a number of key performance indicators:

- cost
- time
- functionality
- quality
- first year predicted revenue
- overall performance

The large project, programme or portfolio manager then reports whether they are:

- better than planned (blue)
- as planned (green)
- worse than planned but recoverable (amber)
- much worse than planned (red)

Top management then takes an interest in projects at status red. This requires the managers to report progress honestly. But if the do not, they will not be asked again. Simple!

Consistently supporting project management

Finally, top management must consistently support project management within the organisation. We have seen that this requires the development of enterprise-wide project management capability. But in order to do this, top management must:

- ensure project management is valued as an essential corporate delivery capability, a key competence
- initiatives to improve project management are consistently funded; supporting (financially) knowledge management and the project management community
- consistently show support for project management

And, dare I say it, top management must:

- make sure the contribution of project managers is appreciated in the organisation
- project management is not assigned to the Skunk Works, but takes a central role in the operation of the business
- ensure there is a career track for project managers, leading to senior positions within the organisation

Top management support is a necessary condition for the success of projects and project management. Project managers working with their sponsors must seek it, and top management must be proactive in giving it.

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