Project Governance

Project Governance is about making the right decisions at the business level that impact the technical aspects of the work needed to deliver a project.

Managing the unmanageable

Organisations commonly use three metrics to decide whether a project effort is successful – Did the project meet its schedule, stay within budget and deliver on requirements? According to various studies at least 30% of all IT projects fail in some important way – generally such failure lies in issues surrounding decision-making, direction-setting and communication.

These two facts are intrinsically linked - the reason for failure is as diverse as the reason for success. Success is more likely to be assured through the adoption of strong project governance foundation that:

- manages project risk;
- increases the likelihood of achieving expected outcomes;
- reduces the likelihood of expensive adjustments.

Simply put, project governance is a framework that sets out the structure, resources, communication, reporting and monitoring system to manage a project consistent with an organisation’s corporate or strategic vision.

Project Governance is commonly the responsibility of the Project Sponsor. Whilst this may seem obvious within the organisation, it is often a disservice to both that role and project achievement.

Project Sponsors often hold senior executive positions and as such manage multiple tasks. Whilst they may have the skills to manage and direct an IT Project, they are generally time poor to truly commit to the governance required to oversee a major capital investment project.

Often Project Sponsors become aware of project issues too late perhaps due to poor reporting, misplaced trust or time constraints. Further, Project managers may be inexperienced or at times too close to the action to stand back and view the bigger picture.

Project Governance Role

An independent Project Governance Officer works closely with the Board, Project Sponsor and Project Manager to ensure appropriate risk profiling, project control and approval processes.

This role provides the Board with a “watchful eye” across all aspects of the project, heralding potential risks and recommending appropriate action.

This role encompasses the following tasks:

- Recognise and manage risk
- Recognise the interests of stakeholders
- Monitor and report on governance processes to ensure compliance
- Ensure projects on track to meet desired outcomes
- Monitor and report on project controls – scope changes and issues
- Ensure full transparency and accountability
- Define levels of reporting
- Promote ethical and responsible decision-making

Benefits of External Project Governance resource

Through our extensive experience as project managers and program directors, we are well placed to undertake an independent project governance role, providing clients with:

- Increased ability to manage and monitor risks and issues;
- greater chance of success and reaping business benefits;
- minimal impact to daily operational activities;
- minimal internal influence;
- dedicated person;
- direct report to Sponsor and/or Board.
Governance - Case Study 1

Yarra Valley Water

Yarra Valley Water is the largest of Melbourne’s three retail water businesses providing water supply and sewerage services to over 1.6 million people and over 50,000 businesses in the northern and eastern suburbs of Melbourne.

Yarra Valley Water was undertaking a major IT project that covered the Call Centre and Billing processes within the organisation. This project touched all parts of the organisation as well as customers and suppliers.

Senior Management and the Board recognised the need to have an external advisor on the project of work to provide them with an independent view on many aspects of the program.

The program involved many IT suppliers, a change management team, program office staff, subcontractors and many employees from Yarra Valley Water who were seconded full time to the program.

Our role at Yarra Valley Water entailed:
• Participation at Board and Project Steering Meetings
• Monitoring risks and issues
• Monthly Independent Advisors Report to Board and senior management – governance observations and recommendations
• Close liaison with Project Director – providing guidance and mentoring on the status of program
• Attendance at Project Meetings and follow up discussions with project team members in order form our own assessment of project status
• Transfer of expert knowledge on IT programs to senior management and the Board
• Recommendations for project governance improvements

Overall the independent advisor role to this project provided an extra dimension to ensure success and was well received by all parties concerned.

Case Study 2

Essential Services Commission (ESC)

The Commission is Victoria’s independent economic regulator of essential services supplied by the electricity, gas, water and sewerage, ports, and rail freight industries. The services provided by these sectors are among the most important contributors to the social and economic wellbeing of all Victorians. In addition to its regulatory decision making role in these sectors, the Commission also provides advice to the Victorian Government on a range of regulatory and other matters.

It is also responsible for developing and administering the Victorian Energy Efficiency Target Scheme. In 2009, the Commission was given the responsibility of developing a performance monitoring framework.

To achieve greater efficiencies, both for staff and account holders, ESC embarked on a replacement online VEET registry scheme.

The Commission assembled a project team of seconded ESC staff and assigned developers to deliver this business critical application. To further strengthen this project team, Pitcher Partners Consulting were engaged as Project Governance Officer. The VEET Registry system is currently in Release 2 of a four-phased project.

At a high level, our role in this software development project is to provide:
• Detailed quality assurance oversight for the IT build
• Assess and monitor project and business risks
• Guidance and direction on project control protocols – scope, issues, reporting
• Project audit on baseline documents and project structure

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Our Expertise

Pitcher Partners Consulting is a corporate member of the Australian Institute of Project Management (AIPM). Our project managers and program directors are also individual members of AIPM and hold one or more of the following accreditations:

• Certified Practising Project Manager
• Certified Practising Project Director
• Advanced Diploma of Project Management

Value of our Engagement

• Committed to excellence
• Commitment to Client
• Independent observations
• Knowledge Transfer
• Prior Experience
• Pragmatic Solutions
• Relevant accreditations
• Value for Money

Case Study 2

A synthesis of two knowledge domains

Project Management

Corporate Governance

Project Governance