

How sponsors and top management make projects fail or succeed

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Abstract

Sponsors have a very high impact on how much their company can benefit from projects. We found this aspect to be much neglected in project management literature and training. You will rarely find courses for sponsors of projects. In this paper, we define the role of a project sponsor. We then describe typical traps and pitfalls we observe in consulting many different companies. For each trap or pitfall, we describe the problem and the impact and we give practical recommendations for improvement.

Introduction

Do you wish that the projects in your organisation would run even more smoothly? That they have a higher predictability and reliability in terms of time and cost? Some sponsors and managers believe that it's only a question of educating project managers. If they were better qualified, everything would be OK. Others believe that having the right processes in place is the solution.

Both opinions are correct. Both these aspects are important. But they are not sufficient for business success. Often the individual behaviour, or inter-personal skills of a sponsor or the management team, have a higher impact on success than the qualification of project managers and the processes established.

We have seen companies with good project management systems that didn't survive. We have seen companies that offered plenty of training for their project managers and project teams - but nothing for their managers and sponsors. Is this a problem? Yes. Why?

Projects were selected that weren't the most relevant or beneficial to the company – and a lot of money was wasted because the results weren't properly used afterwards. Or when the projects were finished, the results had lost their relevance.

Other projects were started with unrealistic, almost ridiculous expectations, with unrealistic due dates and budgets. The project managers were forced or pushed to work on these projects even if they didn't know how to pull them off. We worked on these issues in our project management training programmes. But, if the sponsors didn't support a realistic project management approach, the project managers had no chance of succeeding. The sponsors became the limiting factor for project success in many companies – because due to their decision-making powers, they overruled many good project managers.

That's the reason why we focus here on the role of the sponsors and their possibilities of contributing to success.

Role of the Sponsor

Who do we see as a sponsor? It's the person who pays for the project – by providing money and other resources. And it is the person accountable for the investment decision. He or she defines the triple

constraints – scope, time, budget – but does so from a completely different perspective than the project manager.

In smaller projects the sponsor can be one single person. In bigger projects this is a shared responsibility taken by several high-level managers. Here quite often the principle of keeping the tasks of a sponsor, the accountability and the decision-making authority “in one hand” is either inconsistent or distributed among several people. So, it can be that no one really sees himself as a sponsor, and thus just focuses on the tasks at hand, without being accountable for the overall success. Even in signing a project charter or a scope statement, they are not aware of the amount of responsibility they take on.

What are the key tasks and responsibilities of a sponsor?

- To select the projects that can contribute the most to business success
- To select and assign the project manager – and replace if necessary
- To set the time-frame, budget and scope of the project
- To alter or terminate the project, if business so requires
- To provide the necessary resources
- To control and steer the project on an executive level
- To rally “political” support for the project
- To accept or reject a set of milestones and the final deliverables
- To resolve escalations and take important project decisions

When is a sponsor successful? When he or she succeeds to get the maximum benefit for company success out of the investment. His options are: to invest within the line organization, in projects or in other investments. This selection should be in line with the company strategies and guidelines.

Traps and Pitfalls

1. How to select the best projects?

Select projects just by gut feeling!

In taking big decisions, managers don't like the nitty-gritty details of things. There are rarely processes in place that force managers to go through a decision-making process step by step and force them to look at the underlying foundations of decision-making. Sometimes there are no thorough strategies defined that help to select projects. And of course – it is all about the future, which means it is uncertain by nature. So, most decisions are based upon assumptions, seldom on facts. And even gathering all the information is a time consuming and difficult task. Managers can't do it on their own and can't call on skilled human resources to do it for them. So why not decide by gut feeling?

Selecting projects just by gut feeling resembles gambling. Companies may win, but they also can be ruined by that approach. And it is hard or almost impossible to justify decisions or to make them transparent to others.

The owners of the company entrust their money, people and other resources to managers. They have to deal with these resources in a responsible and professional way. That means - depending on the business – to define a portfolio and project selection criteria in line with the business strategy. In

In addition it needs an appropriate risk-management for the project investment. The approach is similar to the recommended methodology for individual projects, but it goes beyond the scope of the project itself. It includes all aspects that impact on the decision to select a particular project, e.g. market trends, customer needs, the marketing mix of competitors, and others.

Recommendation: Select the projects based on agreed upon selection criteria that are in line with the company's strategy. This should be accompanied by serious risk-management and continuous monitoring of risks on a selection level.

2. Should the Sponsor make the project selection criteria transparent to the team?

☒ Don't share your project selection criteria with the project team as it is none of their business!

The sponsor doesn't take the time to explain to the project manager and team why they have selected this or that project. This may be because he or she doesn't want to bother the team with unnecessary information, or it just happens because of time pressure.

If the project manager and the project team don't know the reasons for the selection and implementation of their project, they may miss the purpose of the whole endeavour. They don't have the big picture and they may take wrong decisions within the project and thus misdirect their efforts.

Recommendation: Make sure, the project manager and his or her team really understand the purpose of their project and why this project was selected. They will then be able to take decisions within the project that support the purpose. And they can inform the sponsor, if the achievement of the ambitious goals is at risk.

3. Who is accountable if there is a Steering Committee?

☒ Reject accountability for the project investment because you're not the only one who decided!

In bigger projects the decision-making power quite often doesn't rest in the hands of a single person. Typically responsibilities are shouldered by a steering committee or management team. So the individual managers only take part in the decision and therefore are only partly accountable – or may even see themselves not accountable at all and blame the team. Fearing the consequences of wrong decisions, they hide behind the team.

If everybody behaves in that way, people no longer feel accountable for the project and the project decisions and the project leader is left to fend for him or her self.

Recommendation: Set up and define a clear, unambiguous Responsibility Assignment Matrix for the steering committee. And - if there are several people – define by whom and how decisions are to be taken. This can be by consensus, in a democratic or autocratic way, based on investments or special expertise.

4. Shall a sponsor set challenging project goals?

Ask for challenging results that are unachievable!

Sponsors are just as much under pressure as others. And some just pass on that pressure to subordinates. Of course, sponsors also want to get the best return on their investment - in the shortest time, of course. And some believe, “the harder you push, the more you get”.

It may be that the project leader says “Yes” to an unrealistic project or goal. Not because he believes in it, but because you are the boss and he doesn’t dare to say “No”. Maybe he is afraid to lose his job or reputation. And the sponsor takes this “Yes” and jumps to the wrong conclusion to go ahead with the project. Later, reality will prove that it was unrealistic. Projects run significantly over time and/or budget – at the sponsor’s cost. In the long run, the sponsor’s project decisions may prove to be wrong, because they were based on the wrong assumptions.

Recommendation: Agree upon challenging and realistic objectives with your project manager. Treat the project manager as a fair partner in your common endeavour. Seek for a win-win situation for you as a sponsor and your project leader. Make him or her aware, that he or she is accountable to ensure feasibility of the project.

5. Who from the Steering Committee should provide direction to the project leader?

Let several sponsors guide the project leader in different directions!

If there is a steering committee or management team without a strong chair or good decision rules to which they adhere, every individual member may want to lead the project manager in his or her direction. The project manager is not sure whom to follow or is trying to fulfill all expectations at the same time. If not all stakeholders are really committed to the common direction of the project, the project may suffer a lack of support from the represented area.

The project leader will not be able to fulfill every individual request and need. Consequently, the project leader will fail and the project suffers. Or he will just run in one direction and the other members of the steering committee will be unhappy and blame him.

Recommendation: Establish a strong chair of the steering committee, who is in charge of bringing the different stakeholder needs to a consensus, or at least in one direction. In addition it can be helpful to facilitate a team-building event within the steering committee to make them pull in one direction. Even if stakeholders couldn’t get 100% of their ideas implemented in the project, they should commit themselves to the consensus and support it - or officially refuse it and re-negotiate it.

6. How can you use your limited resources most effectively?

☒ **Hold back the allocated resources for other important things unless the project is really under pressure!**

There are tons of important things to do and it is quite natural to hold resources back, if there are no urgent deadlines to meet. And of course, you would like to start new projects on time, but you also have to finish current projects – even if they are running behind.

In reality it doesn't really matter whether resources are lacking at the beginning or at the end of the project. The impact is almost the same and will end in a delay of the whole project. At the outset of the project it is difficult for the project leader to push things through, because no one perceives the urgency. So the worst-case scenario would be that the whole organisation ends up in a situation where all projects end late because they started late, due to lack of resources.

Recommendation: Stick to your promises and remember that a lack of resources has almost the same impact at the beginning as at the end of a project. And if it happens that a project cannot start on time, seriously reschedule the whole project and develop new plans, based on the realistic availability of resources. Make sure the resource plans for your projects match with other resource needs of the company and the overall resource availability.

7. How much effort should a sponsor invest in a single project?

☒ **Ask your project manager not to waste your time, because you have other important things to do!**

As a sponsor and manager you have many things to do. Probably you also have a 60-hour week or more. And you don't want to be bothered with project details. Therefore you selected a competent project manager who you expect to think for himself and manage the project. Sometimes you even pay external consultants to do the project management job in order to take the burden of the project completely off your shoulders. Ideally, you just would like to get one single message back from the project manager: "Mission accomplished".

The consequence is that the role of the sponsor is not fulfilled by the assigned person. Either nobody takes on this role and then the project is running without direction (power vacuum), or the project manager partly steps into this role – without being authorised - and quite often ends up with conflicting roles. If a sponsor is not available to the project manager, especially at the outset of the project, it may be that the project starts off in the direction intended by the sponsor and then goes off track in the course of its implementation. Or the project manager wants to be on the safe side and tries to evaluate and plan for all possible options – which then wastes a lot of time and effort on the part of the project manager and his team.

Recommendation: As a sponsor, put regular time windows into your calendar for communication with the project leader and stick to them. This dedicated time should be more frequent at the beginning of a project, to allow short term synchronisation and correction. Be really interested in the project definition and status. Sometimes it is a relatively short time investment on your behalf, compared to the far-reaching impact on the overall project effort. If your time really cannot be dedicated to sponsoring this project, then maybe you are not the right person to sponsor this project. You may find a lower level manager – who is not the project manager - to whom you can delegate the sponsorship, including the complete investment and decision-making authority.

8. Who monitors changes in the environment?

☠ Ignore changes in your environment, just focus on your daily business!

Who monitors the changes in the environment that affect some or all of your projects? It is typically out of the project's scope – so the project managers won't care. And a regular environment analysis is not on the sponsor's task list either.

The result is that nobody explicitly acts on changes in the environment that affect the project selection or results. And quite a lot of projects ended in a situation where the product was ready and no one needed it any more, or there were better products available.

Recommendation: Define somebody who has the responsibility to regularly watch out for changes in the environment that have an impact on the selection and definition of your projects. This can be done either by designating this function to someone within your organisation, or it can be included in the project scope, e.g. as part of the project life-cycle. Naturally, in order to be able to do so, these assumptions and selection criteria have to be documented and communicated.

9. How often should you adapt your projects?

☠ Make changes to your projects on a weekly basis to keep everybody happy!

This is the opposite extreme to the behaviour mentioned above: A sponsor who is very open to customer wishes and user expectations and who wants to satisfy all of them might change the deliverables every week. Or, even worse, he or she regularly changes the priorities between projects.

The impact is an unstable direction which causes a lot of extra work. Even small changes may cause the project team to go back several steps and redo several tasks. This is cost and time consuming. Just following a conscious change management process, runs up administrative overheads in dealing with these requests. Sometimes the ongoing need for changes is an indicator of an inadequate project definition.

Recommendation: Be aware of the cost and time delay of changes – and even of change requests. Balance it with the probable benefit of the intended change. Spend enough time on the project definition, so that changes, due to a poor definition, are not necessary.

10. How to be sure to take the right decisions?

Always request a more detailed investigation before taking even small decisions!

Detailed investigation is not for free – it costs again time and money. Especially the time delay is a critical aspect if a steering committee has to take the decision by consensus and the meetings take place only once every month, or even less frequently. And sometimes this further investigation doesn't really reduce the risks or increase the safety level of the decision.

Sometimes time and money is wasted for nothing. And the frustration in the project team grows, if they don't see the necessity of the additional work.

Recommendation: Ask the project manager to better prepare decisions. Find a way that leads quickly to qualified decisions on an appropriate foundation e.g. by informing decision makers upfront and clarifying the required confidence levels prior to delegating the work.

11. Is it effective for a sponsor to spend time in lessons-learned?

Don't waste your time in lessons-learned sessions, because everything will be different!

Sponsors don't attend lessons-learned sessions, because it is the job of the team to do it for the project. They rarely do a separate review with the project manager or the steering committee. And they seldom reflect their project decision and the payback of the project because it may take years to finally evaluate the return on the project investment.

The consequence is that you miss the opportunity for personal improvement in your role as a sponsor. You may repeat the same mistakes again and again without realising it.

Recommendation: Take the time to reflect and review how you performed in your role as a sponsor. Learn what you did well and where you can improve. You may also want to use a personal coach for this purpose.

Conclusion

As a sponsor, you have a significant impact on the success of the projects in your organisation.

Take your entrepreneurial responsibility:

- Take the project selection seriously and do it in line with the company's strategy
- Make the project manager and the project team understand your selection criteria and the corresponding business needs.
- Clarify accountabilities within the steering committee and accept accountability
- Agree upon challenging and realistic objectives with your project manager on a fair partnership basis.
- Speak with one voice on behalf of the steering committee to the project leader and team.
- Provide the allocated resources



- Allow enough time for communication with your project manager
- Observe changes in the environment that affect your selection criteria and take appropriate action
- Weigh up the pros and cons of accommodating change against the pros and cons of sticking to the defined direction
- Establish a way to come to quick decisions on a sufficiently qualified basis.
- Use the potential of lessons learned in order to improve company success.