



Issue No 277
October 19th 2009

WHY DO PROJECTS GO “OFF THE RAILS”?

Generally because they were never firmly on the rails to start with! And this is as true of renewal projects as it is for new additions.

Think of how projects get started in life in your organisation. Whilst projects CAN begin life as the completely independent brainchild of a politician or board member, most are conceived in the minds of planners, engineers, architects, or other organisational staff members. Internally generated projects are often a response to a felt organisational need (they will make the current work go more smoothly - e.g. new equipment, new buildings, renewal of ageing plant, elimination of congestion, or reduction of risk). But the proposals may be a reaction to external pressures, a crisis - such as a natural catastrophe, or a media-manufactured crisis (a local media campaign for school buses to be fitted with seat belts comes to mind).

However, in **every** case, externally or internally generated, the project proponent is likely to see the benefits of the project far more clearly than either the difficulties or the dis-benefits. By ignoring or giving scant attention to the downsides, many projects get started when they shouldn't, and many more get started without all the procedures in place to ensure their success. Unless the project is seen to be serving a real service need, political support for it is likely to wane over time, resources dry up, and personnel become disillusioned. No wonder so many projects go off the rails.

But there is an answer.

(cont. page 3)

Editor: Dr Penny Burns, AMQ International
PO Box 75 Salisbury South Australia 5108
Telephone 61 (0) 8 8359 0559
Email: amqi@amqi.com Website www.amqi.com



Editorial :

We are doing everything wrong - but that's alright!

When I arrived in South Australia in 1950 (a £10 'Pom') housing was in extremely short supply - 2 or 3 families to a house. The Government worked hard to meet demand for public housing caused by refugees and mass migration but could not produce enough seasoned timber and quality roof insulation and so houses were built with green timbers and hessian ceilings. "If only they had done things properly, we wouldn't have these problems now", grumbled public housing maintenance supervisors coping with the problems this raised for them in the late 1980s.

Was this a poor asset management decision? Actually, no. What was the alternative? Fewer houses and a large un-housed population would have led to serious economic and social disruption.

I mention this because while the waste incurred by hasty infrastructure decisions today makes us cringe, assets are there to 'serve a purpose'. At the present moment, that purpose - *whether we like it or not* - is again to move quickly to stave off massive economic and social disruption.

Australia seems to be coming out of the global meltdown rather more easily than most, but soon the stimulus will stop and funding the deficit will compete with provision for maintaining our enlarged infrastructure portfolios and the need for sound asset management will increase. In this regard, the Federal Government's allocation of \$25M to local government for research and development to support asset management is a step in the right direction. Out of bad times may yet come good.

But whereas the poor infrastructure decisions that have been made have not been laid at our doorstep, nevertheless I believe that asset managers do need to accept a certain amount of responsibility. We should have educated our public infrastructure decision makers better than we have!

Not our responsibility, you say? Then whose? If we, who know what the issues are, do not use our knowledge for public benefit and provide positive, helpful, guidance to decision makers, then who can, and who will? And the next time we have the felt need to stimulate the economy, will we fare any better?

If we learn these lessons, then not all is lost.

Penny

Why Do Projects Go Off The Rails? (continued from page 1)



Look to the beginning

Any project consists of a long series of sequential acts. A wrong step at any point can de-rail it, but not necessarily immediately. So, although we tend to look to the most recent events as the cause, the chances are that the real cause is far back in the chain. In fact, quite likely *at the very beginning*.

'Well begun is half done' - Mary Poppins

The Investment Logic Map approach to decision making is a good way to ensure that your project is "well begun". We have looked at this technique in previous issues of SAM (Issues 246 and 247) and you can get the 'how-to' details from the Victorian Treasury's website (see p.8). so I don't intend to go over this ground here, other than a quick summary by way of refresher and an interesting new schematic by David Platt over the page.

Stay on the rails - and go even further than you thought you could

Instead, over the past few weeks I have been speaking with over a dozen qualified and experienced ILM facilitators about what they have personally learnt, and what they have discovered their participants learnt. In talking with these articulate and enthusiastic practitioners, I learnt much myself that I now wish to share with you!

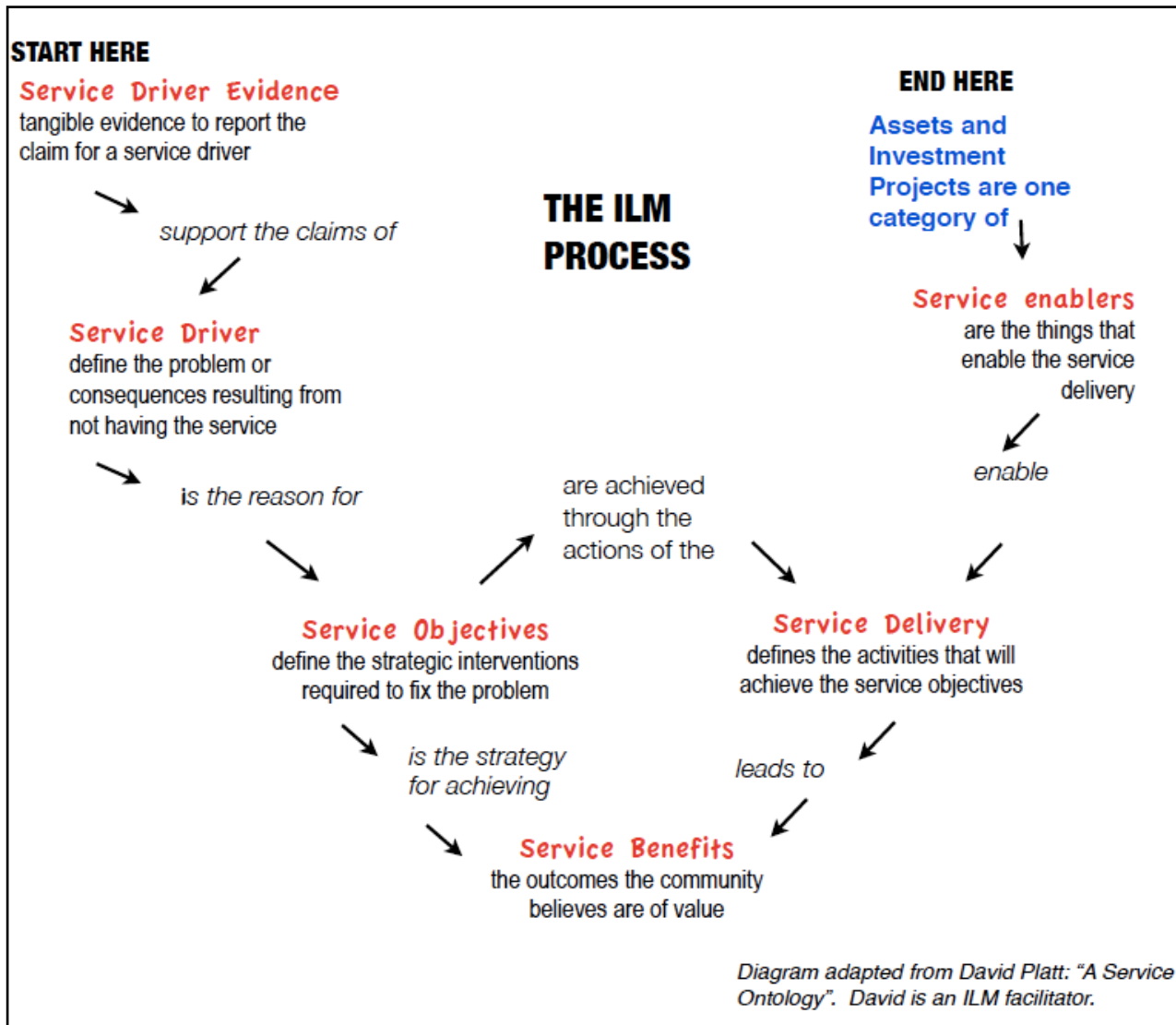
How do asset managers/planners/organisations typically start ILM?

- And, by extension, how you could start

1. Dipping the toe in the water

Most approach ILM cautiously. Although the ILM is designed to be used in early stages of project proposals, when it is first introduced into an agency its first use will probably be with proposals that are now coming forward for funding but which have been in the 'thinking pipeline' for many years. It may be, therefore, that many of the workshop participants will initially be quite wedded to the proposed solution and may even have difficulty in stepping back and seeing the situation from the perspective of the service to be provided or the needs of the investor. It is nevertheless still a worthwhile process, for it often identifies dependencies or associated actions necessary to make the solution successful.





From the WHAT to the WHY

The essence of the ILM process is that it is a **systematic, evidence-based**, process that seeks always to move away from the solution first thought of, back to the problem that has brought about the need for any solution at all, thus opening up more possibilities.

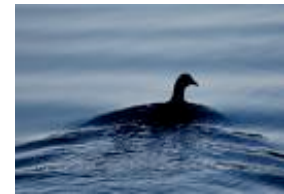
As can be seen in the above diagram, the focus is on the **Service Drivers** by which we mean the consequences resulting from not having the service of the quantity and/or quality that is being proposed. We look for **evidence** to support these consequences. The **Service Objectives** are what we are seeking to provide with our strategic intervention. The intervention can be but need not be asset related. (It could be, for example, a change in administration procedure). This defines the **Service Benefits** which are the outcomes we are seeking (and which should be able to be measured, and tracked with KPIs), and which we provide through our activities or **Service Delivery**. Refer back to SAM Issue 246 for an alternative schematic and more description, or go to the Victorian Treasury website (see p.8)

(from page 3)

And, having experienced the clarity that a 2 hour workshop can bring, participants are generally keen to start it earlier in the process in future. This is common. Or they may opt to do their initial ILM workshop on a small, uncontroversial project. Invariably, the experience is so positive, that they rapidly move up the decision chain.

But lead practitioner and trainer, Terry Wright, **says start with your most controversial and difficult problem**; the headway you will make in just a 2 hour structured workshop is so amazing it wins over decision makers who expect to be mired in discussion for months!

2. Getting wet all over



The real value of the ILM comes from starting at the beginning of the decision process. Many projects can be quickly and easily dismissed when looked at from the perspective of evidence of need and real service benefits, enabling you to focus on the projects that have a real chance of making a difference. For example, the Police Department in Victoria had regularly put forward several hundred different project proposals for Cabinet approval every year - but few were ever agreed. After introducing the ILM technique, it found that it could quickly identify which projects were unlikely to get funded because they were not addressing key government and policing concerns, and could then concentrate on the rest. The number of projects it prepared and submitted shrank by 80% - *but the number of projects approved actually rose!* “Hey, we do less work, and we get more money!”



3. Splashing around and having fun - or how you can use the ILM Process

Like a new piece of software that starts off as a fun innovation and becomes so useful you become addicted to it, Investment Logic Maps quickly become so useful in so many ways, you wonder how you ever managed without them. ILM facilitators spoke of the following uses:

A filtering process - **Large Agencies** frequently have many projects vying for contention. The ILM process can weed out those that don't have so much going for them long before they reach the expensive business case stage.

A structured approach - **Small businesses** tend to make decisions in a somewhat uniformed manner. Experience with this group shows that they are enchanted by the clarity that the structured ILM process brings to their decision making and are very keen to use it again. Small business can least afford to waste money or sub-optimal solutions.

Start at the Top - With Service Logic Maps. A high level ILM that focusses just on the drivers, the desired outcomes, and the benefits 'sets the stage' for future project based ILMs. It provides basic information that helps in filtering project proposals. Useful for individual sections of a company or council for it helps to focus the sections not only on what their organisation's role is but on what their particular section contributes.

Get them re-focussed! - Reinvigoration Workshop. Whereas ILMs are designed to be conducted at the beginning of the investment process, where a project has taken a long time to get to a conclusion it can help to do another ILM to restore enthusiasms. A case in point was an IT project that had an initial 3 year time frame but by the time the ILM was held 5 years had gone by and it was still not completed and political support had waned. Many resources and much effort had already been invested and still more was committed. It was important that the team (which had changed in composition over the intervening years) knew what they were doing, and more importantly, WHY they were doing it.

Research Grant Proposals. Research Grant Proposals. ILMs can be a great way for entrepreneurs or research grant applicants to determine - and thus be able to sell - the benefits of the project they have in mind. It forces them to think not in terms of what they want to do, or even what their project can do, but rather in terms of the benefits that others will receive, and particularly in terms of the benefits that the funders, or investors will receive. One ILM facilitator applied the process to an innovation project with which he was involved and which required a considerable amount of Australian Research Council (ARC) funding if it were to get off the ground - and won a rare 95% of the funding requested! Practical validation indeed.



What Participants Learn

(think of the ways in which these benefits could be valuable to you)

Simplifying the Complex

The great benefit of an ILM is taking an idea that the group may initially believe is very complex and reducing it to the simplicity of one page. The participant group is generally both surprised and grateful, and reactions to the ILM are almost invariably positive.

Understanding how others think

A lot of the benefits are intangible. Often the lead decision makers in the room do not have a good understanding of what drives the others, what is important to them, and what for them constitutes a 'no deal' situation. The ILM enables these to be laid out - and in a short two hour time frame, to create a greater understanding amongst the group. As they listen to the others, their ideas on what their business is all about often changes, their views change. And the knowledge that is gained about the way others think can be of immense benefit to future proposals and in other work outside the workshop.

Increases understanding of other participants by moving beyond Jargon.

This is particularly important where the participants are from different government departments or council sections, or even outside the government altogether. Jargon phrases are the death of good communication. A wise facilitator will ask who understands the jargon phrase, announce that he/she does not and ask for it to be explained - it will commonly be the case that everybody understands the phrase, but understands it differently! It is important to get this out on the table - and from that point to avoid jargon altogether.

Improves Communication

ILMs help participants express themselves more clearly. There is a great temptation, particularly in social areas such as education and health, to use mollifying words, words that are intended to soften what might be considered to be too blunt a message, but which end up obscuring the meaning. For example, one might use the phrase 'compromised health conditions' but what does this mean? Is it catching a cold or is it death? Where death might be the correct answer, a better phrase might be 'increased probability of death' or, better, 'doubling the probability of death' so as to express the significance of an issue.

Keeps non-participants in the loop

The ILM templates are a great way of explaining what went on in the session to those who were not present. In small business, or smaller agencies, particularly, people want to be kept in the loop.

Observers - Project Managers

Observers can gain a lot from being present at an ILM and learning the way that the senior decision makers think and what is of importance to them. Project Managers clearly fall into this group, but the ILM is a place for decision making, not for action, so project managers are not participants in the discussion itself

Observers - Other ILM Facilitators

The best way for anyone to learn anything is perhaps to see it in action by good practitioners.

“But we already do that!”

You may well find that you or your planners follow a somewhat similar evaluation mechanism to the ILM. However, you may not use external facilitators (really important for making sure that all voices get an equal hearing and creating a situation where the group can take a fresh look unencumbered by vested interests) and you may not follow a structured approach that can be condensed onto a single page enabling all projects to be compared with each other. And without the guarantee of a limited time period (a two hour session) it may be difficult to gain the presence of the essential ‘investors’ in your organisation.

Worse, you may well find that Asset Management is blocked out of the process entirely!

So here is a radical idea! If the project is one that may well have serious ramifications for AM, offer to fund an ILM. And all you need to be is an observer

My thanks to ILM Facilitators

David Cochrane,
Aaron Doty,
Rae Fankhauser,
Christopher Green,
David Platt,
Deborah Pollett,
Steven Schmied,
Ian Smart,
Jeremy Smart,
Eva Wasylkowski,
Terry Wright

who gave their time so generously and were so enthusiastic. Their profiles and contact details can be found on the Victorian DTF website where you will also find short explanatory videos, really simple guidelines, and downloadable templates for your use. Go to <http://www.dtf.vic.gov.au> then Gateway, then Investment Management.