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Scope for Improvement Too

By Patrick Weaver

If a project's client cannot ask for what it wants, the project team is highly unlikely to deliver what's needed!

Research by Blake Dawson Lawyers, supported by the Australian Constructors Association and Infrastructure Partnerships Australia, reports on deficiencies in the scoping of numerous major construction projects in over the past three years. The report, ***Scope for Improvement 2008*** is based on feedback from the managers responsible for some of Australia's largest infrastructure projects.

Some of the key findings of the report include:

- Over 50% of projects were inadequately scoped prior to going to market
- The inadequacies were identified far too late with 64% of deficiencies only being discovered during the execution of the works
- The consequences of poor scoping are significant:
 - 61% of project experienced cost overruns,
 - 58% delays and
 - 30% contractual disputes.

We are not talking about insignificant projects either. The smallest project surveyed was AU\$20 million; the total value of the projects was approximately AU\$60 billion and the average project value AU\$360 million. The consequences were horrific:

- 25% of the 'mega projects surveyed (projects over \$1 billion) had cost over-runs of \$200 million or more.
- 20% of the smaller scale projects experienced cost blow-outs of more than 20 per cent of the project value, averaging \$7 million each.

The 2008 findings show inadequate scope specification is now an endemic problem in Australia with a growing trail delays, disputes and cost overruns; and worryingly, the 2008 survey has shown a slight deterioration from the initial 2006 survey. The full report can be downloaded from

http://www.blakedawson.com/Templates/News/x_news_content_page.aspx?id=53637

The three primary causes of the problem are:

- The lack of experienced and sufficiently competent personnel
- Insufficient time to prepare the scope documents, particularly given the lack of adequate skills
- The lack of adequate consultation with, and the involvement of end users and key stakeholders.

In many respects, these findings are similar to the research conducted by the CIOB focused on scheduling [see ‘Time is NOT money’ in this edition of PM World Today]. The CIOB survey showed an interesting separation between the smaller ‘simple’ projects and larger complex projects – the simple project seemed to succeed without sophisticated scheduling. A similar trend can be seen in the Australian survey with a 25% increase in problems between the ‘smaller’ projects and the mega projects

In both cases, the underlying cause of the problems seems to be a shortage of skilled project practitioners capable of delivering the key support functions needed by clients and project managers alike. It would appear major projects won’t be successful without support from skilled schedulers, cost controllers, administrators and specification writers (or in IT business analysts). Whereas, smaller projects can be successful with the project manager acting as a ‘jack of all trades’.

Given most project management courses and certifications are focused on generic project management (all 9 areas of the PMBOK) and there is very little encouragement for people to specialise. What’s the solution? Project managers running major projects clearly need the support of experts.

Forward your suggestions and comments to the Editor and I will produce a compilation of ideas for the next edition of PM World Today.

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Patrick Weaver, PMP, PMI-SP, FAICD, FCIOB, is the Managing Director of Mosaic Project Services Pty Ltd, an Australian project management consultancy specialising in project control systems and a PMI Registered Education Provider. Patrick is also the business manager of Stakeholder Management Pty Ltd. He is a Fellow and IPP of the Chartered Institute of Building, Australasia (FCIOB) and a Fellow of the Australian Institute of Company Directors (FAICD). He is a member of the PMI College of Scheduling, College of Performance Management and the PMI Melbourne Chapter (Australia), as well a full member of AIPM and the APM (UK). Patrick has over 35 years experience in Project Management. His career was initially focused on the planning and managing of construction, engineering and infrastructure projects in the UK and Australia. The last 25 years has seen his businesses and experience expand to include the successful delivery of project scheduling services and PMOs in a range of government, ICT and business environments; with a strong focus on project management training. His consultancy work encompasses: developing and advising on project schedules, developing and presenting PM training courses, managing the development of internal project control systems for client organisations, and assisting with dispute resolution and claims management. He is a qualified Arbitrator and Mediator. In the last few years, Patrick has sought to 'give back' to the industry he has participated in since leaving college through contributions to the development of the project management profession. In addition to his committee roles he has presented papers at a wide range of project management conferences in the USA, Europe, Asia and Australia, has been part of the organising committee for two PMI Congresses in the Asia-Pacific region, and has an on-going role with the PMOZ conference in Australia and World Project Management Week. Patrick can be contacted at patw@mosaicprojects.com.au or at www.mosaicprojects.com.au.