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Update

Welcome to the Chaucer Quarterly Review issue 8.

I hope you find the articles both interesting and informative. We are still facing challenging times in most business environments, however I am pleased to say that Chaucer is continuing to support clients in new and innovative ways.



Bob Laslett
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We have produced some additional 'Chaucer Ways' to further help and support our clients, the new 'Chaucer Ways' include the experience and expertise gained by Chaucer over the past 24 years so they contain extremely valuable and useful data. Please see the full suite of 'Chaucer Ways' on our website www.chaucer.com.

I have spent a good portion of my time travelling to other countries since the last issue of our Quarterly Review and it is interesting to see how interrelated the global economy is in 2011. There are many international companies selling products and services globally, and apart from the language and maybe some regional marketing quirks or regulatory requirements, the products and services are

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Developing Talent



Training and developing your workforce is becoming increasingly important as global companies compete for talent. Has your company given training and development the priority it deserves?

Just 12 months ago the world was in the grip of a global recession. Companies were forced to make significant cut-backs across the board. Training and development is often one of the first things to be cut in these circumstances. Arguably, training and development is one of the last things that should be cut.

It is increasingly recognised that companies who have maintained a focus on the training and development of their workforce have fared better in the recent recession. A committed and talented workforce is key to helping companies ride out a recession. Companies that continuously invest in the development of their workforce, even in times of recession, are better prepared when the economy recovers. Such companies are often seen as desirable places to work; attracting talented individuals and rewarding staff loyalty.

Companies who have provided their employees with personal development opportunities have seen positive outcomes, such as: more focused professionals who become smarter at goal setting, better time management, improved skills enabling employees to perform their tasks more effectively, improved quality of delivery, lower levels of stress and higher levels of self-confidence. These outcomes contribute to an increase in productivity, higher profits, better income and improved quality of life.

So why bother with training?

As the recovery gathers pace, many companies are realigning their strategies with new market needs and competitive pressures. Having a workforce that is appropriately skilled and ready to take advantage of new opportunities is vital to the success of any corporate strategy.

Evidence shows that the training and development of the workforce is inherent to the success of both big and small firms alike. Companies are now keener than ever to promote an open culture that fosters the sharing of skills, knowledge and experience at all levels.

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identical, although pricing can differ! However, when it comes to energy, resources and manufactured items, there is a regional dependency of greater magnitude today than ever before. Russian gas supplies Europe, Japanese auto parts supply UK car assembly plants, etc. Without all this global trading and not forgetting the continuing transportation of oil, gas and minerals necessary to support it, where would we be?



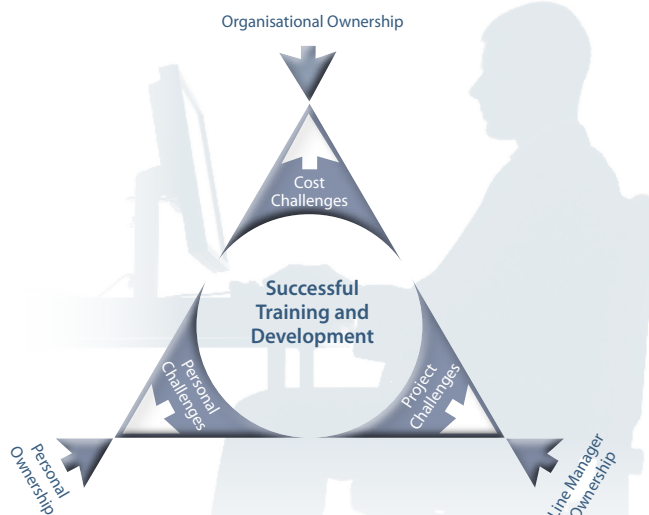
Ah, I am sorry, I forgot to mention 'money' which is an altogether different commodity and seems to have become the focus of everyone's attention, or is it just debt that we are all pre-occupied with? Maybe the saying 'money makes the world go round' is true and it's not oil, gas, nuclear power, boats, trains and automobiles after all.



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No-one is too old or experienced to benefit from a new perspective. Think of the last 5 years; you've probably developed a lot more than you've realised. The success of development programs is dependent on companies and individuals alike; only by working together can negative perceptions be overcome.

Training and Development Ownership and Challenges



What are the challenges?

Inevitably companies will face the challenge of balancing revenue requirements with the cost of training. The pressure of work and looming deadlines will limit one's opportunities for personal development; line managers will have a big role to play in enabling personal development to be taken seriously. Individuals will have to balance their commitments with the time needed for personal development.

This is well and good in theory, but making this work properly in practice can be a challenge. In an ideal world professional development and training would be provided around work commitments. In reality, this is more difficult and pragmatism needs to take over. It is vital to maintain a careful balance between current business needs, the longer term strategy and the desire of individuals to progress within the company. Once momentum builds, it is vital that it is not allowed to falter.

However, it is important to remain realistic; not everyone will become a CEO. Individual aspirations must align with the strategic direction of the organisation and if newly acquired skills are not practised, then they will inevitably diminish. The organisation must be able to provide individuals with activities which will enable them to apply their newly learned skills; this itself may present a big challenge.

How can Chaucer help?

Chaucer recognises how important the training and development of your workforce is for the success of your business strategy. We have many years experience helping clients with the following:

- Assessing their organisational capability
- Defining talent management frameworks
- Defining competency frameworks
- Developing new learning programmes
- Defining professional progression routes
- Benchmarking against competitors

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At Chaucer, we take great pride in our commitment to the training and development of our entire workforce. Each employee has his/her own tailored development plan, which is supported at all levels in the organisation. Overcoming the various challenges and obstacles has taken determination and hard work, but it has been very rewarding; both to the individual and the business.

In conclusion, training and developing your workforce is becoming increasingly important to attract and retain talented individuals. The challenges are immense, but not insurmountable; training and development has to become and remain high priority.

Training in project management skills

Projects are typically the mechanisms that businesses and organisations use to translate strategic intent into action. You put a lot of time and effort into selecting the right strategy for your business, but are your people equipped with the necessary skills to deliver it?

It was Machiavelli who observed "There is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle, than to initiate a new order of things..."

The 'day job' is different from project work: the day job is 'business as usual', it is routine, repeatable, whereas a project is not, hence the difficulty in bringing about the new order of things. However, the application of effective project management tools and techniques dramatically increases the chances of project success.

When realising strategy you want to see the return on investment as soon as possible; this is a key driver for getting the team quickly up to speed on how they need to organise themselves, so they can perform well in the project environment and start delivering value. Equipping the project managers with key project leadership skills will ensure projects are led with pace, rigour and focus on delivering the benefits.

Training in project management gives project teams and their sponsors a common language, methodology and approach. It reinforces and supports the required behaviours and sets expectations for the ways of working. The training sessions emphasize that 'we are about to do something different, we're going to work differently, and most importantly, we are investing in the capabilities required to succeed'. A training session incorporated into a project kick-off meeting will ensure align-



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Training in project management skills

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ment and a common understanding.

Once you are trained in best practice project management standard methods and techniques, you don't need to keep re-inventing the wheel. You can focus on the delivery of the project objectives, safe in the knowledge that you are prepared for success. Creativity is focused on value-adding activities, not on re-developing the methodology, tools and templates to support the project.

Projects are about changing the status quo and getting to a new place, therefore they are inherently a time of change, which to some can be exciting, to others unsettling. Where there is uncertainty, people may feel less confident. Training is an excellent way of boosting confidence. It's a way of demonstrating your commitment to your staff's development and building transferable skills, not just for this project, but for others in the future. Project management competency is a key building block in the on-going development of management talent, so

that key individuals can contribute more effectively to corporate goals.

Training, whether delivered in a classroom, workshop or virtual environment, creates a peer group who have undergone training. This peer group can continue to support each other after the initial training phase is complete. This may supplement an assurance process around projects, whereby projects undergo a review at key stages by individuals who are not part of the project team, but who can bring their expertise to bear on the project.

Chaucer offers *Training to Improve Project and Program Delivery*, which is a comprehensive training and development program aimed at three distinct groups: project leadership, project managers and project team members. The content is a well-balanced mixture of theory and practical application, delivered engagingly by our in-house project management experts. As always with our Chaucer Ways, the training can

be tailored to suit your needs, for example to complement in-house project management methodologies or to turn around under-performing projects. The training can be delivered in a number of ways from classroom courses to one-to-one coaching, or on the job training.

For more information on the courses provided, go to www.chaucer.com to download *The Chaucer Way – Training to Improve Project and Program Delivery* or contact Sean McDonald.



Sean McDonald

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Chaucer at Work



Case Study

Client: Food Manufacturer
Project: Introducing program management techniques to control a business transformation agenda

Description of Project:

Our client, an international food manufacturer, had outlined a national program of activity to secure its continued competitive position and its management sought a high degree of assurance that these critical projects would be delivered successfully.

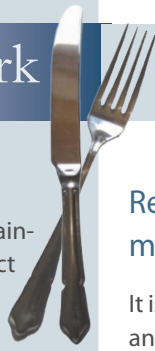
Chaucer first conducted a rapid assessment of current organisational capability for the board which led to specific, focused recommendations regarding remedial management of activity already underway, control over further project initiation and execution and finally, development of an appropriate sustainable skill set across the organisation. Pragmatic solutions were

specified which provided clear links to tangible benefit and minimised administrative overhead.

Chaucer consultants were appointed to run several of these programs and projects on a hands-on basis alongside client personnel. This provided immediate control and performance reporting. Additionally, it introduced and coached-in the core principles of project management which would be rolled out to the rest of the company. The consistent approach adopted permitted transparent management of progress at a detailed level while allowing easy roll-up of performance reporting for board audiences.

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Addressing the need for sustainable capability, a bespoke project management training course aligned to existing company standards and the Chaucer Way was also produced and delivered to a large number of staff members company-wide. This was supplemented by informal training and creation of a project management centre of excellence. Chaucer retained a long term coaching role to ensure that required behaviour change took root.

Chaucer's Scope:

- Program and project management
- Investigation, analysis and consultancy
- Implementation of project management systems – especially controlled project initiation, planning, risk management and progress reporting
- Training course creation and delivery
- Coaching

Benefits:

- Systematic control and impartial performance management of company-wide activity at both a detailed and executive level leading to timely, informed management interventions where required
- Training targeted at capability building
- PM soft skills transfer to key staff
- PM hard skills transfer to 30+ staff across all disciplines
- Broad awareness across the organisation about the benefits and basic principles of project management leading to a common language of control
- Considered project initiation

Recommendations on Cost and Schedule performance improvement, together with Risk Reduction for Capital Projects

It is helpful and insightful to carry out a review of other projects prior to embarking on any capital project. Reviewing other similar projects in detail will provide some very valuable insights into where a project was particularly successful, as well as where it did not go so well or where issues and risks were encountered, what they were and maybe how they were mitigated or resolved.

An analysis of other projects can significantly help in the production of the overall project schedule, as well as contribute to the reduction of risk. This will also improve confidence in the project budget.

A projects analysis study prior to commencement of the project life cycle is beneficial to both cost and schedule. It is important however to focus on similar projects in respect to size, complexity, geographic location and so on. Not necessarily from within the same industry, but with the same characteristics. It is also important not to confuse by reviewing too many projects that may be held in a database, as often these will not have the right profile to provide meaningful data.

It is very important to choose the correct projects when doing any comparison in order to maximise the data available and hence the potential benefits. The choice of a few carefully selected projects to review will produce better quality and more focused data.

At Chaucer we have developed a process and methodology for the review and assessment of capital projects for the specific purpose of identifying potential cost and schedule performance improvement as well as risk reduction.

In the first instance it is necessary to fully understand the project for which the study is being used as a means of improving. It is then necessary to identify several similar projects that have been implemented for the subject of analysis. The benchmarking process is key to this analysis.

- | | |
|--|--|
| ■ Basis of comparison | ■ Key resources including labour |
| ■ Procedures and methodologies - effectiveness | ■ Environmental |
| ■ Estimating and cost analysis | ■ Regulatory |
| ■ Workscope definition | ■ Technology |
| ■ Detailed project planning | ■ Geographic location |
| ■ Tracking and remedial action capability | ■ Macro economics – labour, materials, plant and equipment |
| ■ Metrics | ■ Infrastructure |
| ■ Project component analysis and effect | ■ Difficulties |
| ■ Gap analysis | ■ Large project / mega project unique characteristics |
| ■ Schedule milestones | ■ Interfaces and interdependencies |
| ■ Common risks and issues | ■ Contract and procurement philosophy |
| ■ Project drivers | ■ Best practice |
| ■ Management and approach | ■ Parties involved - commitment |
| ■ Front end loading | |

Capital Projects Cost & Schedule Performance

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Any review must be done by an independent party with the necessary expertise in project analysis as well as significant experience in similar project implementations.

Estimating, cost and schedule are key elements in any project. The precursor to the schedule is the workscope definition. Get any of these badly wrong and the project is in trouble. Accurate, detailed cost and scheduling, based upon sound and comprehensive workscope definition and good estimates, forms the bedrock of any project, without these components the project is on quicksand and will quickly and easily get into difficulty.



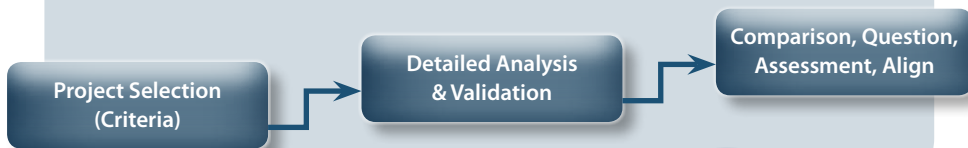
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Establishing a valid basis of project comparison

Based upon:

- ▶ Costs, currencies, funding, forecasts, ROI
- ▶ Size, location, timing, etc.
- ▶ Complexity
- ▶ Other

Key Characteristics	Comparison A	Comparison B	Project XYZ
Process	Type	Average	3456
Size	Range	Average	1234
Interfaces	Yes	14	Yes
Objectives	Goals	Varied	Location
Systems	Several	Complex	Key
Technology	New	Global	High Percentage



Risk: Can we get better at managing it?

In his book *The Black Swan*, Nassim Nicholas Taleb states:

"We don't understand the world as well as we think we do and tend to be fooled by false patterns, mistake luck for skills, overestimate knowledge about rare events, as well as human understanding, something that has been getting worse with the increase in complexity."

Whilst working on a project, how many times have you seen a new process fail on implementation, or indeed succeed by the skin of its teeth, where the failure is explained away with a suitable (blame) story, or the success is attributed to an individual's talent? Although it's difficult to measure the occurrences of these incidences accurately, it would be fair to guess that they happen daily in the large global organisation, and an abundance of related anecdotes could be recounted. By definition, such incidences are also examples of risk mismanagement, and Taleb suggests that the root of the failing is inherent in the psychology of the majority. In light of this, and with the increase in complexity to which he refers perpetuating ever more intricate technologies, diverse networks, and subtle interdependencies, should we not be actively up-skilling our organisations to both counteract these innate psychological limitations, and react to the evolving global environment?

Success and failure in managing risks

Risk Management as a subject is not new, and is prevalent in one form or another in the majority of sectors. For example, *Failure Modes Effect Analysis* (FMEA), a priority-based risk analysis methodology that can be applied to products and processes, can be traced back to procedures used in the US Military in the late 1940s. And indeed, FMEA has been used comprehensively across the automotive and aerospace sectors with great effect for a number of decades now. Also, the majority of employees in developed countries are familiar with the completion of risk assessments



in the workplace driven by safety legislation, particularly where the consequences of not managing the risk may result in serious injury. So risk analysis is something that is practised successfully in places, but there are also many examples where risk has not been managed with devastating consequences. The recent credit crunch is difficult to ignore, where arguably incentives were not aligned to risk management. Also, the Challenger shuttle disaster of 1986 was found to have been caused by a risk already identified as potentially catastrophic by the FMEA.

Developing a culture of effective risk management

So how can we take *Risk Management* to the next level, where catastrophes are avoided and management and employees are better equipped to manage risk in ever more complex, globalised organisations? It would seem logical that this challenge simply can't be undertaken by a select few risk managers, project managers, or an exceptional CEO alone. Neither can it be driven by external forces, such as safety legislation or fiscal regulation. The initiative needs to be a collective exercise that permeates the cultures of large organisations, and becomes engrained at all levels

because the benefits are genuinely valued. And this needn't be as daunting as it sounds. With the recent inception of *Change Management* as a subject, and many global organisations deploying process-based philosophies, such as *Continuous Improvement*, it would seem natural that a *Risk Management* change initiative would be a synergistic fit for an organisation that has a compelling reason to "get a lot better at risk management", or "eliminate the likelihood of a repeat disaster". This is by no means to say that organisations should become risk adverse. On the contrary, risk taking is an essential part of business. However, all organisations should consider decision making in light of the known risks, rather than decision making in ignorance of risks that can be evaluated.

How can Chaucer help?

Designing an organisational change program to improve Risk Management would not require insurmountable effort, but would certainly require elements to deal with fundamental blockers, namely incentives to manage risk, and in particular the perennial issue that employees within organisations tend to be rewarded for their visible achievements rather than their less visible efforts that successfully avoid catastrophes. Chaucer has a wealth of knowledge in providing cultural Change and *Continuous Improvement* programs for organisations via its quality assured *Chaucer Way* methodologies, and a number of Chaucer consultants have specific *Risk Management* expertise gained from working in a variety of sectors. Should you believe that your organisation would benefit in improving any aspects *Risk Management*, please visit our website :

www.chaucer.com
or contact us via
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Change Management Professional Accreditation

Deborah Feakins of Chaucer Consulting has been recognised by the independent body for Change Management professionals, the Change Management Institute (CMI). Following a rigorous assessment process Deborah was presented with her Accredited Change Manager award - the first recipient in the UK.

"The assessment process validates that a candidate can effectively fulfil the Change Manager role in the workplace" said Helen Campbell, Global Accreditation Officer for CMI. "It focuses on what the candidate does rather than what they know and is recognised by recruiters and employers as a valuable indicator of ability to perform well in a change management role." Deborah underwent a rigorous assessment to attain the award including a written submission, reference checks and an assessment centre.

After achieving this award Deborah commented "I did feel fully

challenged and tested – which is absolutely right – and I am absolutely delighted to have passed. It is great to have a real award based on my actual experience and performance."

The Change Management Institute (CMI) is an independent not-for-profit organisation set up to promote and develop the practice of Change Management internationally. For more information go to

<http://www.change-management-institute.com>

Change Management Conference 2011

Deborah will be a panellist at the Change Management Institute's (UK) inaugural conference to be held on 31st October and 1st November 2011 in London.

This two day conference offers a packed agenda, exploring the 'Benchmarks, Boundaries & Beyond' of Change Management practice today in the UK. Over the two days of the conference, participants will have ample opportunity to develop their capability as a Change Manager or Leader, hear about leading edge case studies and learn about research and emerging ideas in the field.

To visit the conference website go to www.benchmarks-boundaries-beyond.co.uk.

We hope to see you there.

You can see more details of our Change Management Practice on our website www.chaucer.com



Articles upcoming in the future issues

Issue 9 Shared Services and Outsourcing

Issue 10 Project, Program and Portfolio Management