Project management 101 *by Zavanak*

4. STAKEHOLDERS

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Project management 101 *by Zavanak*

4.3 The project sponsor and governance

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Creative tension

Project Manager

Is the focus of delivery of the project output

Orchestrates the resources to deliver the project

Keeps the project under control

Delivers the project output

Sponsor

Acts as the customer for the project output

Represents the organisation to the project

Represents the project to the organisation

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The role of the sponsor

Defines business benefit or requirements

Agrees project definition and objectives

Sets project strategy and priorities

Sets parameters for time, cost and quality

Specifies constraints

Monitors project's external environment

Monitors project performance

Monitors benefits realisation

Champions the project, frees resources

May be able to redefine or cancel the project

Takes delivery at project completion

Supports the project manager in their role

Sponsor

Acts as the customer for the project output

Represents the organisation to the project

Represents the project to the organisation

Photo: Fauxels from Pexel.com

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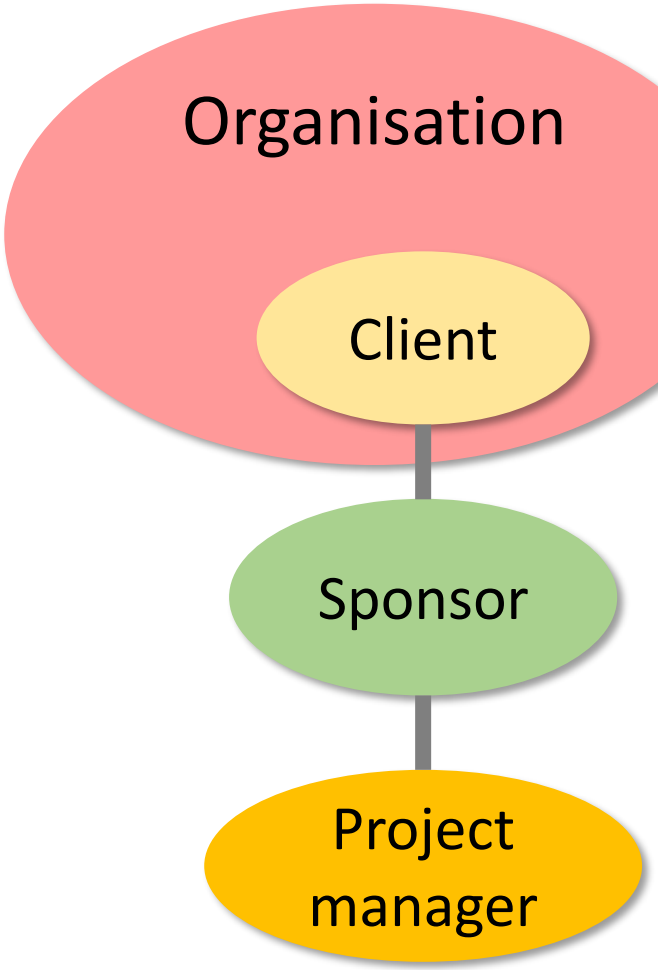
Where the sponsor fits in



The organisation identifies the client

The client appoints the sponsor

The sponsor may appoint the project manager

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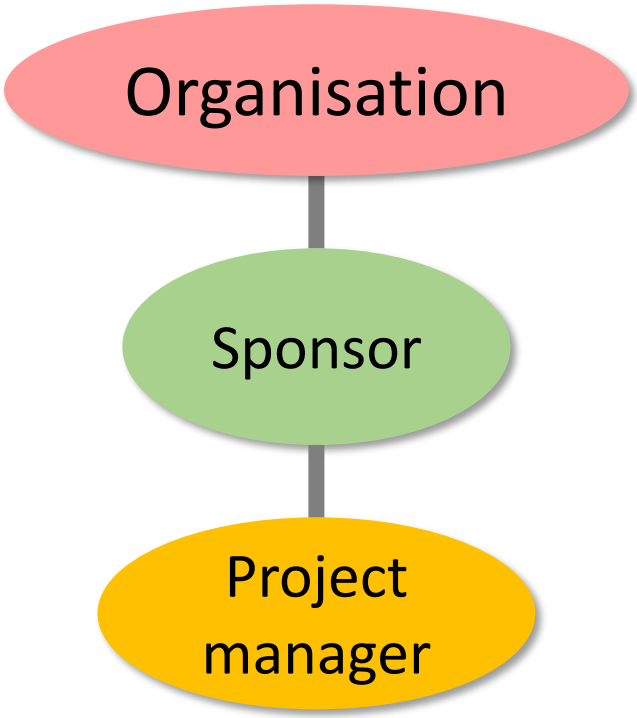
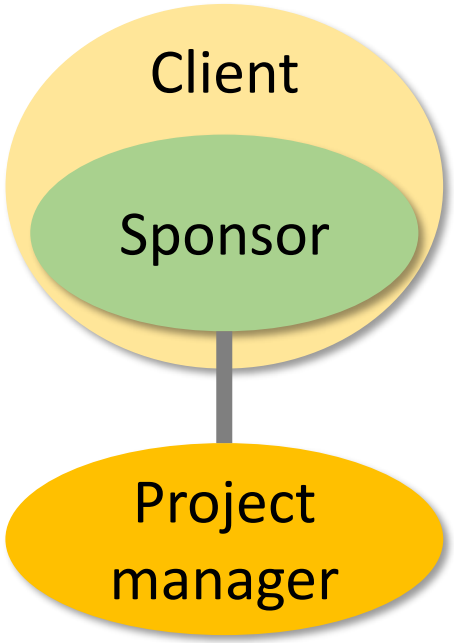
Other models



A small organisation



A start-up

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What makes an effective sponsor?

- The sponsor is passionate about the project.
- **They are visible to key stakeholders and vocal in their active support.**
- They have the right degree of power and influence to support the project.
- **They take a close personal interest in the failures as well as the successes.**
- They see their personal success as linked to the success of the project.

Sir Richard Branson, Virgin Galactic

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What undermines effective sponsorship?

- **The sponsor is not senior enough to be able to take major decisions, or stand up to key stakeholders.**
- The sponsor is appointed for convenience, not because they have the right skills or commitment.
- **The sponsor does not devote enough time to be effective.**
- There is a succession of sponsors throughout the project.

UK FiReControl project – abandoned after over £450 million was wasted. It got through six sponsors in two years.

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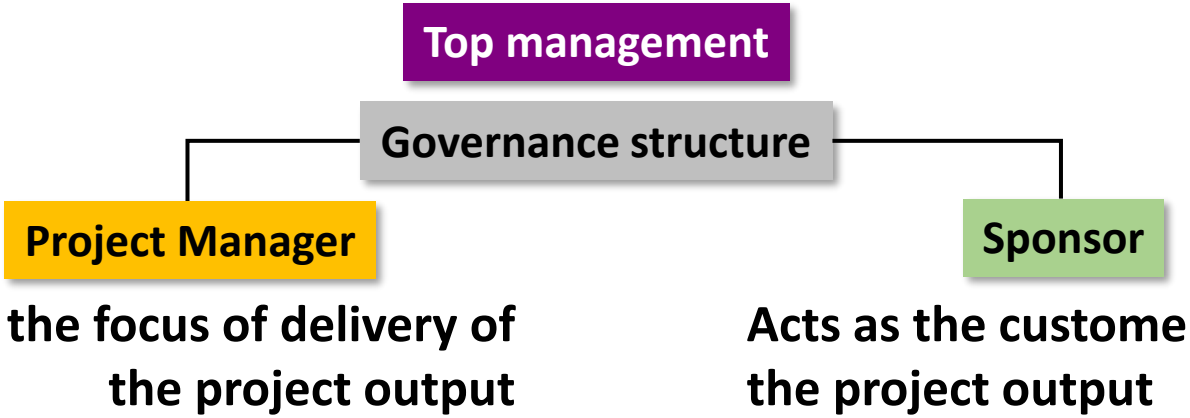
Project oversight



- GOVERNANCE ensures the project stays aligned with agreed objectives
- **Maintains focus on achieving the benefits**
- Performs specific oversight roles
- **Keeps project manager and sponsor working in the interests of the organisation**
- Steps in when either is failing to perform as required

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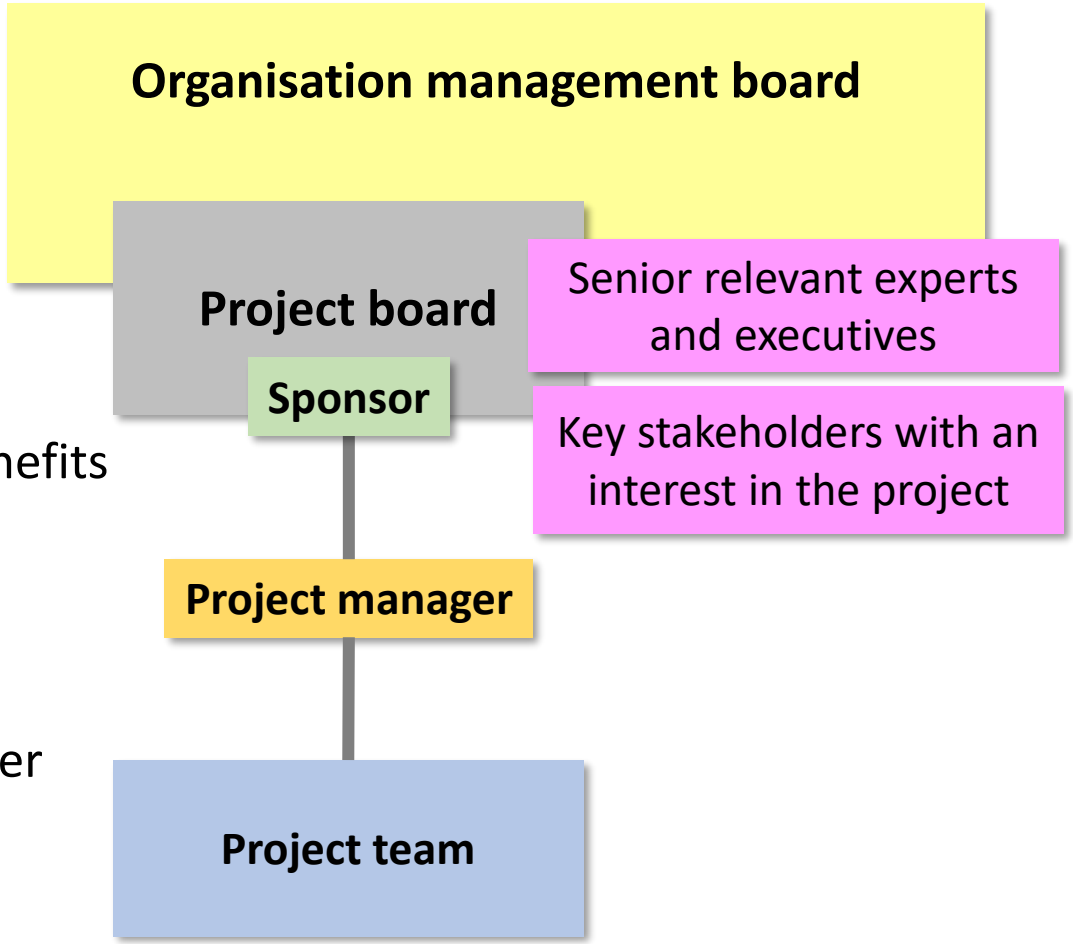
Project governance structure

The project board:

- approves the business case
- **starts the project**
- approves authorisation limits
- **allows each stage to begin**
- monitors progress towards benefits
- **approves payments**
- approves significant changes
- **resolves major issues**
- can replace the project manager
- **can cancel the project**
- signs off completed outputs
- **closes the project**



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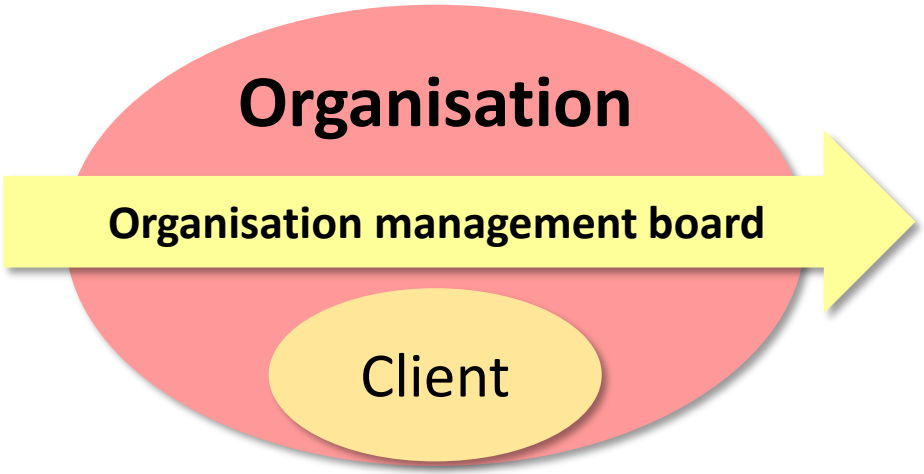
Corporate level governance



- Establishes the vision and mission, and the strategies to achieve them
- **Creates and supports its professional project management capability**
- Sets up and manages an effective portfolio management system
- **Sets selection criteria for new projects**
- Defines appetite for risk
- **Sets main board authorisation and decision limits**
- May appoint project boards
- **May appoint sponsors**
- Provides general oversight of project activity

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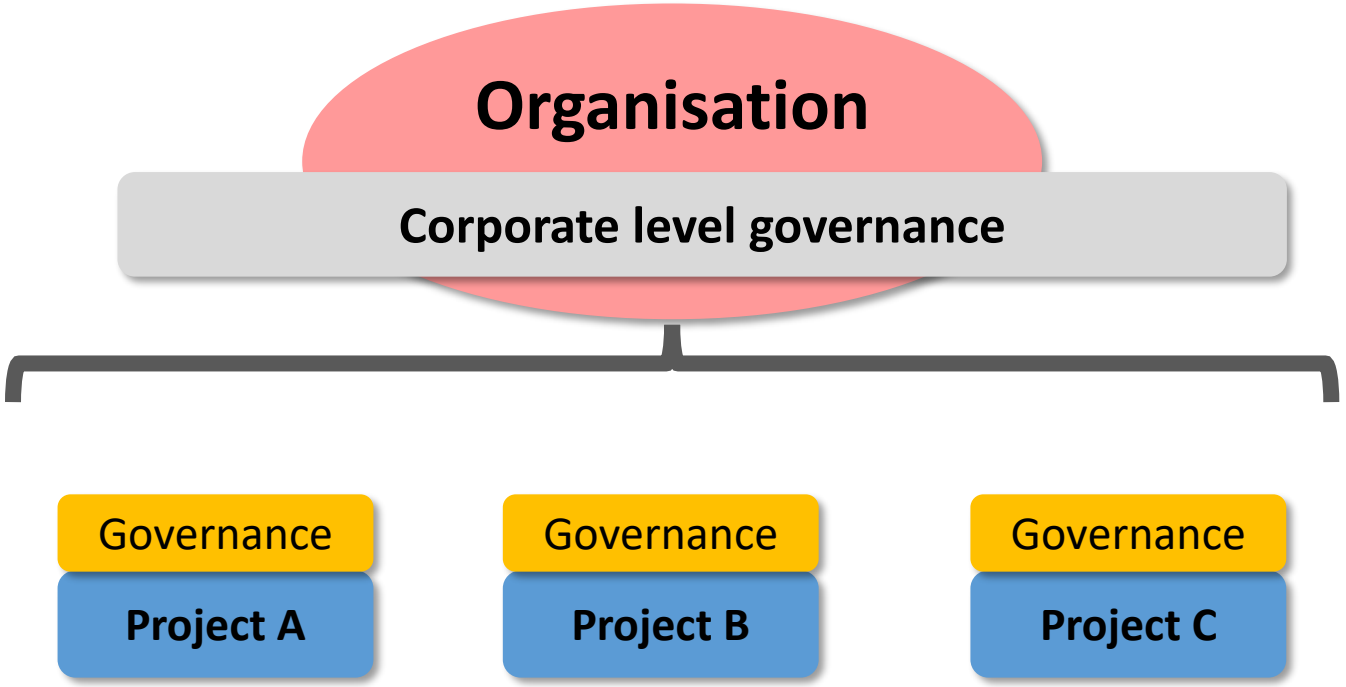
Corporate co-ordination



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Reasons why projects fail and the how governance affects them

1. **Lack of clear links between the project and the organisation's key strategic priorities, including agreed measures of success**
2. Lack of clear senior management and executive ownership and leadership
3. **Lack of effective engagement with stakeholders**
4. Lack of skills and proven approach to project management and risk management
5. **Too little attention to breaking development and implementation into manageable steps**
6. Evaluation of proposals driven by initial price rather than long-term value for money (especially securing delivery of business benefits)
7. **Lack of understanding of, and contact with the supply industry at senior levels in the organisation**
8. Lack of effective project team integration between clients, the supplier team and the supply chain.

Office of Government Commerce, *Common causes of project failure*, 2005

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