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Queensland Transport

# **Complex Project Management Conference**

## **Maximising ROI**

**Through project governance clarity  
within a strategic management context**

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**August 2006**



# **Maximising (ROI)**

**Maximising Return on Project Investment involves fixing the things that don't work**

**What are the things that don't work in projects**

- 1. Business Strategy doesn't always drive projects**
- 2. Project/Program governance is often inefficient**
- 3. Organisational Learnings not captured**

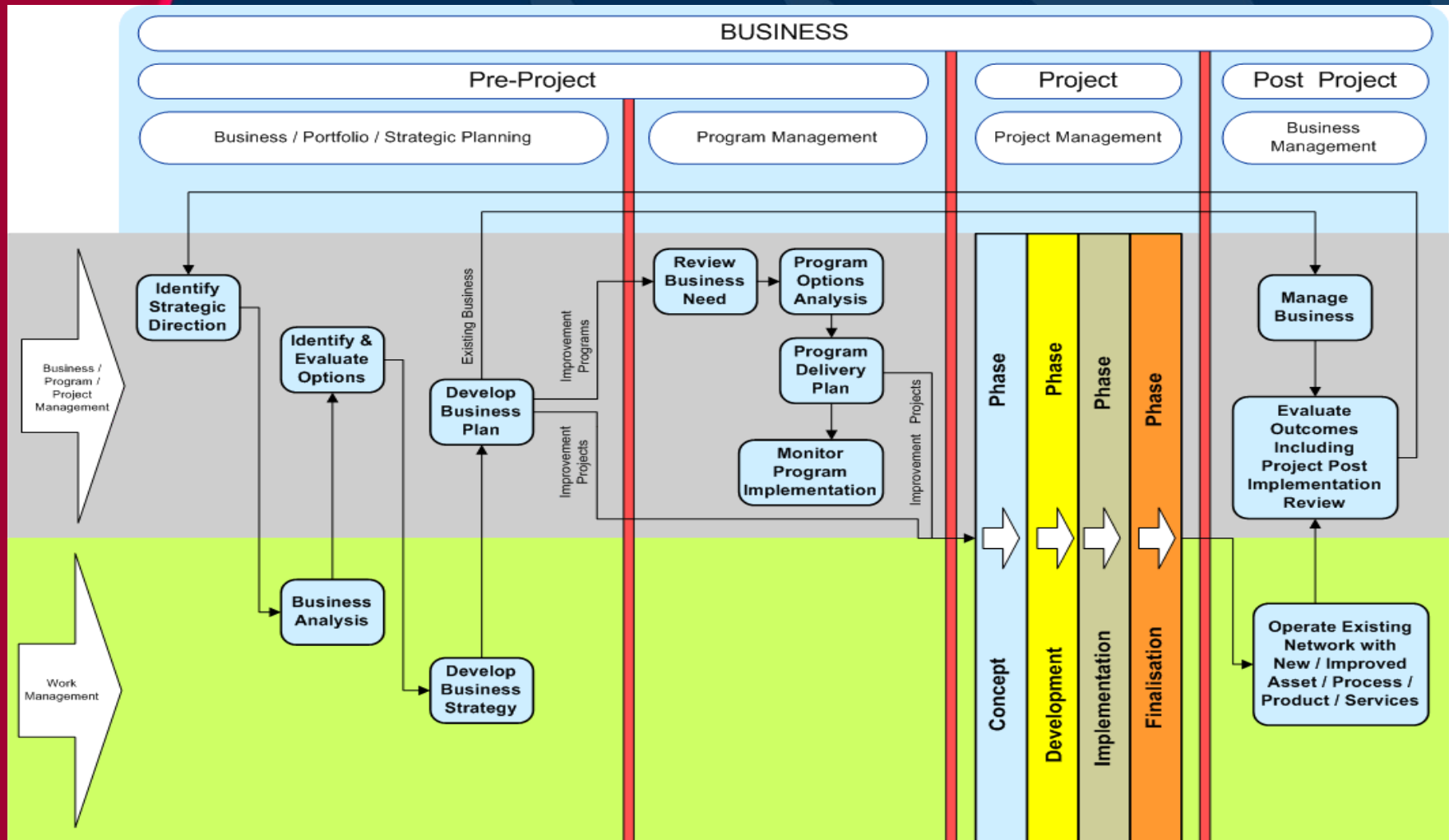


# **1. Business Strategy**

- **Separating Business Strategy from project concept phase is vital for maximising ROI/benefits realisation**
- **This is a major source of confusion in some project methodologies & in their application**
- **Another is attempting to design project & program governance processes to match existing governance processes**



# Business flow diagram





# Program Management

- **The OnQ project option analysis template is most commonly used in determining projects to be included in programs.**
- **Where a higher level strategy is in place driving the need for individual projects, and these are collected together for administrative convenience only, then an options analysis for the program may not be necessary.**



# Example

## **Torres Strait Maritime & Aviation Infrastructure Program**

**(Transport Infrastructure  
Development Scheme) (TIDS)**





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# Waier Islet – a Volcanic plug near Murray Island





# **Organisational Strategy**

**To improve Maritime and  
Aviation transport safety and  
access for Aboriginal & Torres  
Strait Islander Communities**





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# Hammond Island Finger Pier (Pre Upgrade)





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# Hammond Island – Old Berthing Dolphins







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# The Colossus at Warraber Barge Ramp







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# Iama – Yam Island (750m)





# **Program Strategy**

**Focus on most transport disadvantaged  
namely the Island communities**

- (i) Emergent works to remedy safety problems**
- (ii) Work to improve access, initially for passengers and freight**
- (iii) Work to improve access for other purposes**





# Program Prioritisation

- **Serves a disadvantaged/ remote/ isolated group**
- **Strategy determines categories/projects**
- **Political priorities**
- **Equity/Equality between groups or geographic areas**
- **The state of project concept development**
- **Funding Constraints**
- **Critical Resource availability**
- **Whole of life costs**



# Program Options Analysis

- **Airports continue sealing one airstrip a year**
- **Repair & Maintain/Enhance Finger Piers**
- **Progressively replace Barge Ramp Berthing Dolphins**
- **Replace Navigation Aids with Dolphin works**
- **Develop a transport plan & Dredging strategy**



# Torres Strait Transport Program

- **Established Governance Model**
- **Leveraged Funding arrangements**
- **Got stakeholder agreement**
- **Negotiated obtaining construction resources**
- **Retained design, planning & project management consultants in Cairns**



## **2. Organisational Project Governance challenges**

- **Failure to identify the real customer**
- **Inadequate customer involvement**
- **Leaving it to the technical experts (typical IT problem)**
- **Inefficient/complex governance**
- **Not considering the whole project lifecycle & subsequent operations**
- **Absence of a strategic management context**
- **Not recognising that project management requires different skills**



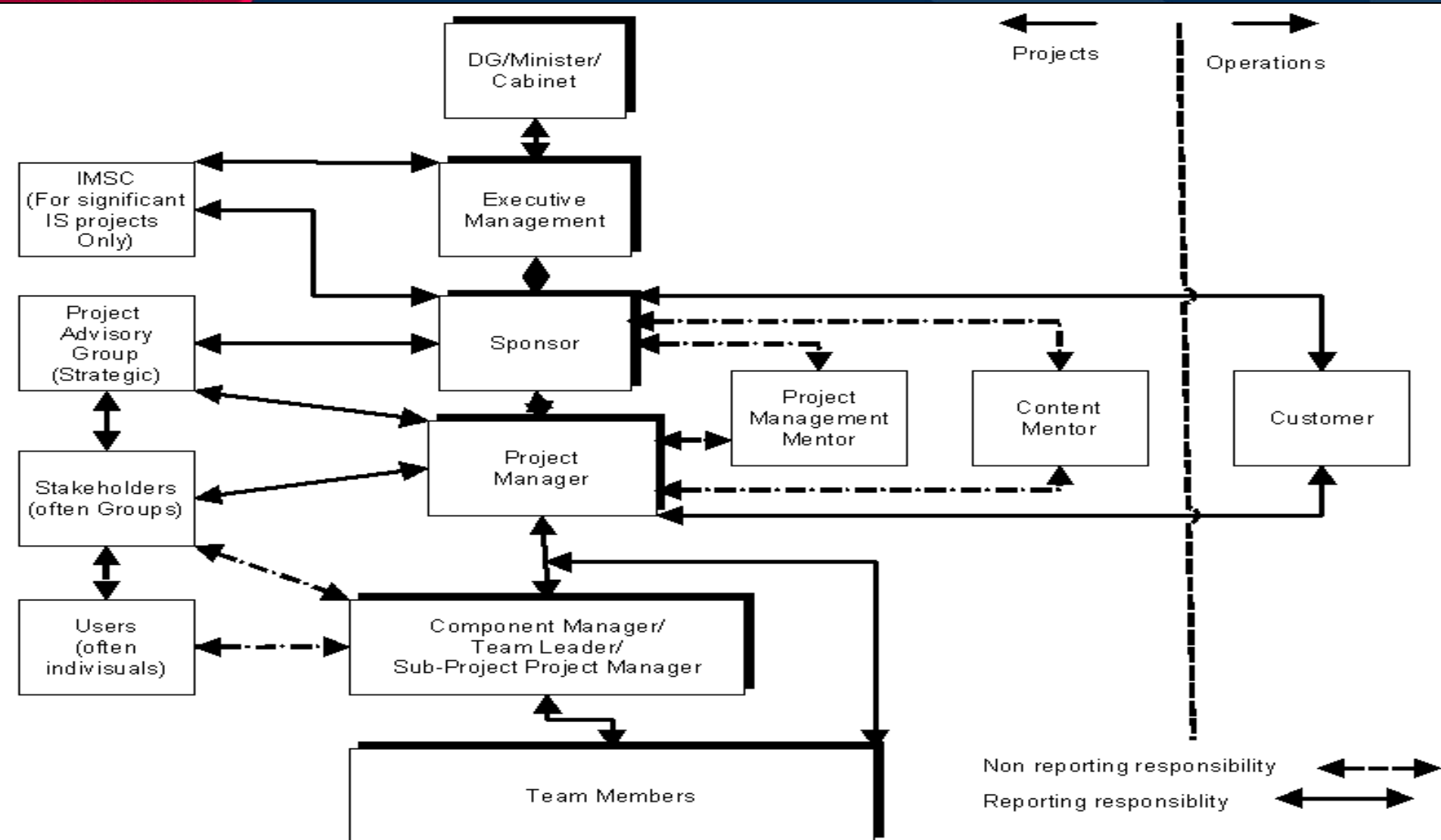
# **Governance Issues at a Project level**

- **Customer & Sponsor are not the same role/person**
- **The customer is not necessarily the End User**
  - **Building a house**
  - **Building a road network element**
  - **Building a prison**
- **Steering Committees**





# Project Governance Model





# Roles & Responsibilities for OnQ

- **Customer** – a person with authority, nominated to represent the organisation(s) that receives the business benefit of the project.
- **Sponsor** – a person with authority nominated to represent the organisation(s) delivering the project.
- **Project Management Mentor** – a person nominated to assist/advise the project manager by providing project management oversight to the project.
- **Content Mentor** – a person nominated to assist/advise the project manager by providing content oversight to the project.
- **Project Manager** – a person appointed to manage a project from initiation through until project finalisation.
- **Component Manager** – a person who manages a project component.
- **Project Advisory Group** – the group advising the sponsor and project manager.
- **Users** – people and organisations that will use the output of the project.



# **Delivery Issues**

- **Dispersed customer role**
- **Resources to work in remote area**
- **Constrained by Island water supply & accommodation**
- **Ferry**
- **Weather**



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# Hammond Island Finger Pier (Post Upgrade)







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# Yam Island Finger Pier







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# Hammond Island Dolphins







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# Poroma – Coconut Island (740m)





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# Warraber Island (700m)





# **3. Organisational Learnings**

- **Learnings Register**
- **Completion Reports**
- **Knowledge Management**
- **Training**



# Learnings Register

No #	Category	Description	Learning	Date	Author	Sections Affected
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						





# Project Completion Report

## **This report reviews:**

- **Project governance (customer, sponsor, committees & gates)**
- **Project Performance against project success criteria**
- **Product performance since handover**
- **Project management effectiveness against nine elements**
- **Lessons Learned**



# Knowledge Management

- **Queensland Transport was and is an operator & regulator**
- **That had some significant project pain**
- **Which led it to recognise that**
- **Where ever business improvement was required, there was a project**
- **This led it to record its corporate process learnings in OnQ**



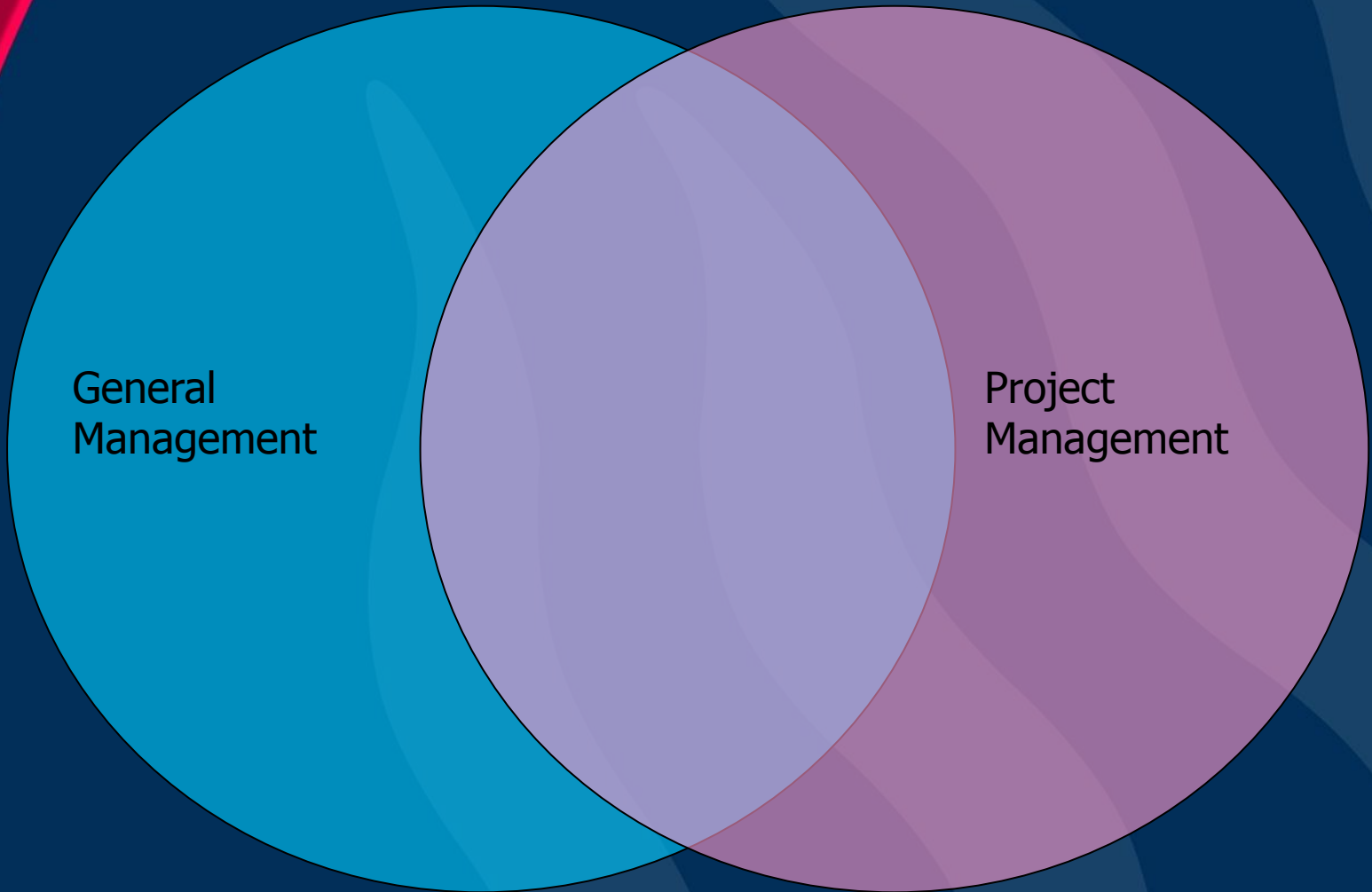
# Training

## Queensland Transport also

- **Recognised there is a difference in the skills required between general management and project management, and**
- **Developed training packages for project manager, executive level and team member training**



# Skills Overlap







# Differences between general & project management

Factor	Project	General/Production
Change		Evolutionary
Time		Ongoing
Quality		Continuous imp
Risk		Stable
Resource		Continuous
Nature		Repetitive
Scope		Exact and detailed
Cost management		Exact and known
Customer involvement		Minimal in production
Org structure		Hierarchical



# Project Management vs General Management

Factor	Project	General/Production
Change	Revolutionary	Evolutionary
Time	Finite	Ongoing
Quality	Quantum leaps	Continuous imp
Risk	Uncertain	Stable
Resource	Temporary	Continuous
Nature	Unique	Repetitive
Scope	Defined	Exact and detailed
Cost management	Degree of uncertainty	Exact and known
Customer involvement	Very high	Minimal in production
Org structure	Loose organic flexible	Hierarchical



# Training

**For training to be effective at least the first three of the following factors are needed:**

- 1. A project management framework including a methodology that is**
- 2. Accepted & valued at the project manager level and**
- 3. Is strongly supported by senior management and through**
- 4. Project Management Mentoring**

**For culture change to be effective, all four are necessary**





# Training Pitfalls

- **The temptation is to do the easy thing (training) first.**
- **Care is needed to ensure “valuing our people” is not interpreted as**
- **Blaming them and providing training to fix the problem and**
- **Avoiding fixing the much less comfortable governance issues**



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# Yorke Island (Mastg) (940m)





# What is a OnQ

## It is a Project Management Framework

**Specifically designed to:**

- **assist in avoiding the above problems**
- **Place projects in an organisational context**
- **Tailored to asset/outcome owners**
- **Covers the full project lifecycle**
- **Provides templates & gates**





# OnQ Outcomes

## OnQ proposes that:

- **Projects should be developed & delivered to provide the benefits (return) the organisation is seeking.**
- **This benefit can be either profit, return, lower operating cost or a broader qualitative outcome.**
- **The benefit can accrue to either the organisation or the community**
- **All projects must have a customer**

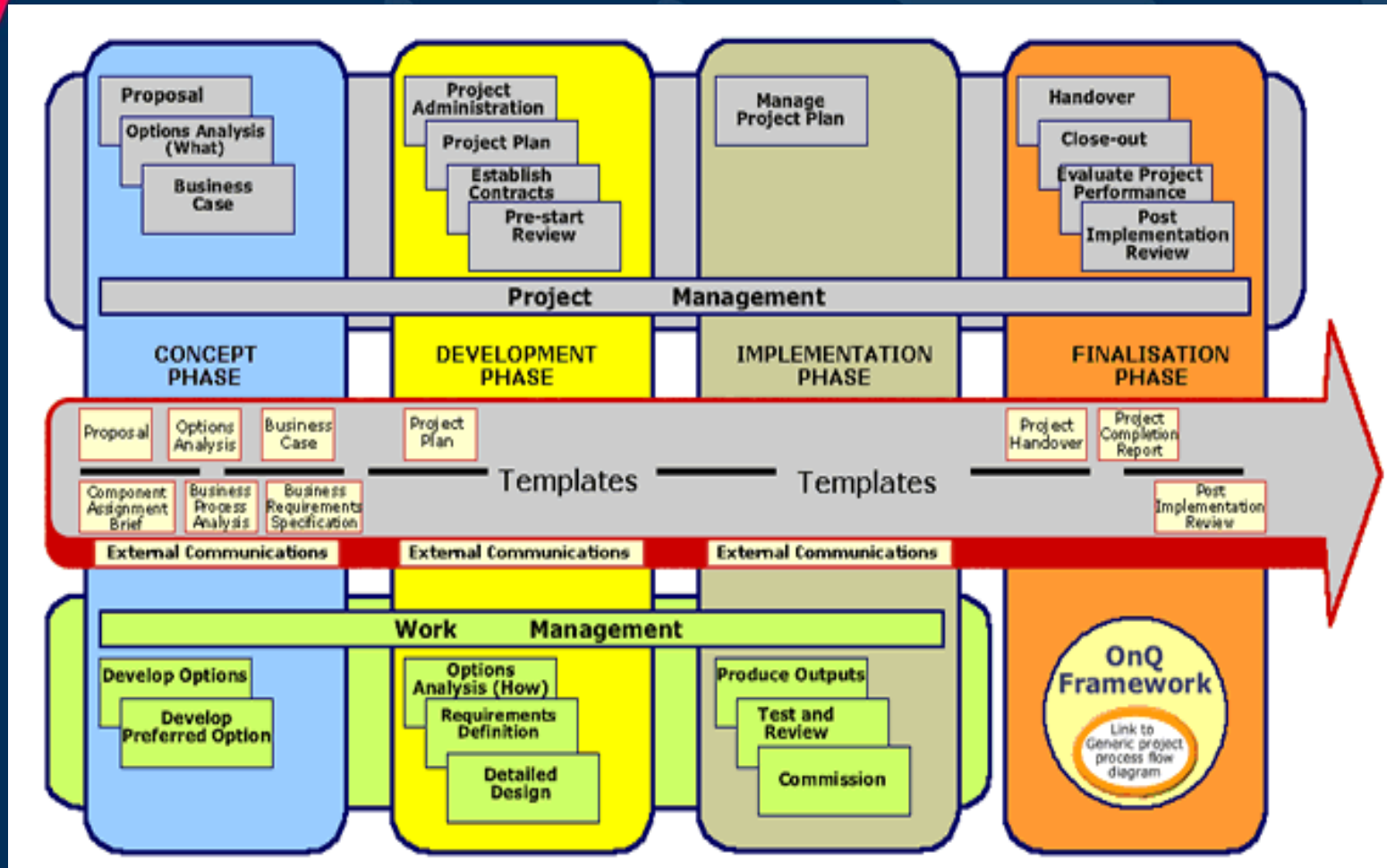


# ***On-Q Project Management Framework based on PMBoK***





# OnQ Project Methodology







# Principles

- 1 – Both customer and team must be committed to the project**
- 2 – Measures of success must be pre determined**
- 3 – Planning – first plan, then do**
- 4 – There must be a single point of responsibility for both the customer representative and the project manager**
- 5 – Control procedures must be established before the commences**
- 6 – Trade-Off –Scope, Time, Cost and Quality must be mutually consistent and attainable**
- 7 – The organisational cultural environment must support project teams**



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# Thursday Island





# **Web Address**

**OnQ is available on the internet at:**

**[www.transport.qld.gov.au/onq](http://www.transport.qld.gov.au/onq)**

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