Governance Critical Success Factors
for Programs and Projects

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March 30, 2016
What does Governance mean?

Governance is about making the right decisions to keep your program focused on organizational outcomes.
What is Program/Project Governance?

• A tool to provide a decision making framework that is logical, robust, repeatable and sustainable to govern an organization’s capital investments.

• This allows the organization to have a structured approach to conducting both its business as usual activities (e.g. strategy and functional operations) AND its business change, or project, activities.
Top 10 Barriers to Success for Programs/Projects:

- Resistance to Change: 82%
- Inadequate Sponsorship: 72%
- Unrealistic Expectations: 65%
- Poor Project Management: 54%
- Case for Change not Compelling: 46%
- Project Team Lacked Skills: 44%
- Scope Expansion / Uncertainty: 44%
- No Change Management Program: 43%
- No Horizontal Process View: 41%
- IT Related Problems: 36%

Source: Deloitte Consulting Survey of Fortunes 1000 CIO
Success Factors for Program & Project Management

There are 4 principles of project management effectiveness the Program and Project Governance Framework accounts for:

1. **Ensuring the right person or group is accountable for the success of the project**
2. **Ownership of the project should be different from ownership for project outcomes**
3. **Separate project oversight from project decisions**
4. **Separate program/project governance from organizational governance**
Why is Governance important to program and project management?

The key is to establish the right governance for your program or project goals: key timelines and dependencies with the right stakeholder engagement.
Critical success factors for project governance

Seeks to provide appropriate standards and processes to do the right work right – based on the right drivers

Guiding Principles

Critical Success Factors

Organizational Drivers: = Mission Priorities + Executive Orders/Directives + Congressional Direction + Government Accountability Office Reports
Effective Governance – Guiding principles

These guiding principles serve as the underpinning for the establishment of any governance regime

Guiding Principles
1. Network inclusiveness
2. Relationship
3. Governance Histories
4. Cultural Geographies
5. Leadership
6. Decision-making Authority
7. Mutual Accountability

Ideal governance will be mission and strategy driven, underpinned by policy, transparency and accountability
No single “best practice” governance model

There are many factors to consider when determining the governance model

- Centralized versus decentralized management control
- Complexity of involvement across organizations
- Skills and experience of executive leadership team
- Access to management information and degree of desired decision making transparency
- Other regulatory and risk management influencers
- Organizational strategy
Best practice considerations

Getting the style, membership, and frequency is dependent on organizational culture and expected outcomes

• Determine the decision making style (consensus, vote)
• Minimize review committees and shift to decision making, action oriented committees
• Determine the members for the right level of decision making
• Geography and personal relationships do matter
• Determine meeting frequency – set by outcomes/decisions needed
• Utilize temporary committees for short term, focused tasks
• Delegate decision authorities to drive local decisions close to the customer
Invest in the right degree of support infrastructure

Success is dependent upon having the right staff, tools, structure and communications

- Establish a governance executive secretariat responsible for meeting management, dashboard control and follow-up
- Develop the appropriate supporting tools to enable management of business performance, as well as impact assessments and business case development associated with key decision requests
- Establish “working teams” to tackle specific topics; to conduct the analysis and formulation of recommendations for decision
- Communicate key decisions made/approved/rejected and provide rationale to broader organization
- Publish meeting outcomes to reinforce strategy and drive transparency
Impact of implementing effective governance

You know you have governance right when everyone sees the value and outcomes

From

- Unorganized meetings where conversation goes in circles but no decisions are made
- Ineffective meetings without the appropriate decision makers present
- Lack of accountability for decisions, everyone placing blame on others
- Lack of clarity as to who is accountable for making various decisions

To

- Crisp, effective meetings where everyone understands the purpose of the meeting
- The right people in the room to make the decisions being discussed
- Single points of accountability, shared understanding of who is responsible for each decision
- Shared understanding of who is accountable for making important decisions
Effective program governance provides the best possible framework for decisions to be made. This is critically important for large federal agencies because it identifies accountabilities and responsibilities of scope and funding-related decisions across multiple project areas.

<table>
<thead>
<tr>
<th>Role Name</th>
<th>Decision Major Area</th>
<th>Decision and Subject</th>
<th>Decision Qualifiers</th>
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<tbody>
<tr>
<td>Program Sponsor</td>
<td>• Program scope</td>
<td>• Change in scope and timelines</td>
<td>• Final authority on change in scope, timelines, and deliverable approvals</td>
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<td>• Capital and Operational expense budget</td>
<td>• Approval of budget</td>
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<td>• Final deliverable approval</td>
<td>• Additional approvals</td>
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<td>• Risk Management</td>
<td>• Deliverable sign-off</td>
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<td>Steering</td>
<td>• Program scope</td>
<td>• Change in scope and timelines</td>
<td>• Consulted and advised on scope and timeline changes, as well as deliverable</td>
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<tr>
<td>Committee</td>
<td>• Capital and Operational expense budget</td>
<td>• Approval of budget</td>
<td>approvals</td>
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<td></td>
<td>• Issues &amp; risks</td>
<td>• Additional approvals</td>
<td>• Provides support and guidance for issue resolution</td>
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<td>Program</td>
<td>• Project scope</td>
<td>• Issue resolution</td>
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<td>Manager</td>
<td>• Final deliverable approval</td>
<td>• Risk mitigation</td>
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<td>• Escalations</td>
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<td>• Risk Identification &amp; Management</td>
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<td>• Presentation of changes and deliverables to steering committee</td>
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<td>• Decision to escalate issues</td>
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<td>• Risk mitigation activities</td>
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1. **Independent Verification & Validation (IV&V)**
   - Provides management with an independent perspective on Program/Project activities and promotes early detection of variances to a plan.
   - IV&V Should focus on the 4 “P”s:
     - Process
     - Products
     - Progress
     - Pro-active

2. **Earned Value Management (EVM)**
   - Provides Program/Project managers help in measuring performance
   - It is a systematic process used to find variances based on the comparison of work performed and work planned
   - Used on the **cost** and **schedule** control
   - Requires time phased budgets to specific work tasks
   - Requires constant monitoring and updating of project plans/work breakdown structure (WBS)
3. Critical Path Methodology (CPM)

- The essential technique for using CPM is to construct a model of the project that includes the following:
  - The WBS activities required to complete the project
  - The time (duration) that each activity will take to completion
  - The dependencies between the activities.

- CPM calculates
  - The longest path of planned activities to the end of the project
  - The earliest and latest that each activity can start and finish without making the project longer
- Determines “critical” activities (on the longest path)
- Prioritize activities for the effective management and to shorten the planned critical path of a project by:
  - Pruning critical path activities
  - Fast tracking" (performing more activities in parallel)
  - Crashing the critical path" (shortening the durations of critical path activities by adding resources)
Critical Elements of Project Governance
Critical Elements of Project Governance

Guiding Principles

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Effective Governance
Critical Elements of Project Governance

The Elements of Project Governance

- Program Management
  - Contract Performance Assessments
  - Budget Guidance
  - Project Performance Assessments
  - Project Delivery Performance
  - Project Driven Requirements
  - Budget Oversight & Performance

- IPT Management
- Project Management
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The Elements of Project Governance
Getting From Good to Effective Project Governance

1. Define focus
2. Apply or establish Goals and Standards
3. Monitor and evaluate adoption