KPMG

Swedish Project Review 2017

Gearing Up for Transformation

Preface

by Henrik Bagewitz and Håkan Olsson

The world around each organization is constantly changing in an increasing pace implicating a wide spectra of development needs. With current headlines and new technology determining the path, transformation is key to ensure a sustainable business model and desired outcomes. In this changing environment, independent of business size or sector, change initiatives are primarily managed as projects.

Organizations are facing a situation where time is of the essence with demanding customer preferences and increased competition being apparent. At the same time, resources and capabilities are not enough for turning every new idea or expressed need into a project. Hence, to prioritize which projects to initiate is critical to deliver the necessary results in line with business objectives, strategy and values. Also, each individual project must be tailored and executed in the most efficient way to ensure benefits are realized.

Through this national review of project, program and project portfolio management, we aim to assist in explaining project related obstacles, opportunities and trends in Sweden 2017. The review is a collaboration between KPMG Project Advisory and PMI Sweden Chapter. It covers different focus areas key to project success based on KPMG's and PMI's leading frameworks. By comparing the respondents' perceived relevance of these areas with actual performance we identify and highlight potential gaps for improvement. In addition, we have elaborated on what you can do about the current situation by proposing hands-on recommendations.

We are grateful for the valuable insights shared by all participants in this one of a kind report. A special thanks goes to Kostas Viglas from PMI together with Martin Gustavsson Dahl and Lisa Bergström from KPMG for their efforts. It is our belief and ambition that coming together increases our chances of success significantly. In 2017, executing the right projects in the right way is a key to competitiveness and more often a prerequisite for surviving the game in the long run.

Thank you and enjoy.

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Table of contents

Executive summary

Through this review, we see a need to stress the fact that projects are key for business transformation and strategy execution. Principles of project management are firmly established and widely accepted by many organizations in Sweden today, yet the outcome still leaves room for improvements. However, we are glad to reveal signs of substantial progress showing that organizational capabilities are actually improving in this practice.

What is the key for improvement then? The short answer is that there is no silver bullet available. Increased maturity in this management field requires long term engagement and commitment where the different aspects of project, program and project portfolio management need to be integrated to reach its full potential. Tailored governance structures, projects being strategically aligned, scalable and fit-for-purpose processes and methods, well managed capacity planning providing the right skill sets in the right time, mature benefit, risk and quality management, proactive and adequate information sharing and reporting, a flexible organization embracing change – these are all important aspects to be successful.

Numerous investigations in the international arena show that the possible effects by getting better in prioritizing projects, executing them in an efficient way and keeping focus on achieving the benefits, have a double-digit potential of improvement. Indisputably, there are benefits to gain for organizations furthering their maturity within this field of management.

Only 15 % of the respondents in this review claim that most of their projects (75-100 %) reach quality criteria in terms of delivering on time, within budget and with 80 % of the expected benefits realized. We have deliberately chosen a definition of project success taking benefit realization into account and the result clearly illustrates that benefits are challenging to catch.

In terms of maturity in organizations, 76 % have got a formal policy for managing business cases. However, after project closure as much as 82 % of the organizations rate their follow-up and measurement of benefit realization as low to medium, indicating that there is room for significant improvement within benefit management.

Another focus area of improvement is the alignment of projects with strategy. 98 % of the respondents categorize the importance of governance and strategic alignment as high to medium for reaching organizational objectives. Still, 25-30 % do not apply project portfolio management practices as a means for prioritization ensuring that the right projects are executed.

Risk management reduces uncertainty in the project process and enforces proactivity to deal with the unknowns. As such it is a core component of the project process being strongly correlated with the project result. On a project portfolio level, the composition of the project portfolio should reflect the risk appetite in the organization. Hence, when executing strategy through transformation initiatives, this area is considered to be very important. As much as 95 % of the respondents do some sort of risk management. Still, there is room for improvements – only 30 % manage risk after planning and 56 % do not manage risk at project portfolio level.

Moreover, capacity management is an area identified as important for project success, where performance clearly lags behind and organizations struggle. Engaging the right competence at the right time is essential to solve complex challenges. As a matter of fact, 92 % of the respondents rate the importance of capacity management as high to medium for project success and increased value of the organization. However, as much as 79 % rate the availability of the right resources in their projects as low to medium and 69 % rate the planning of capacity as low to medium.

We would like to stress that a shift in attitudes and application of project, program and project portfolio management practices could be seen in some areas having a positive impact on the outcome. The signs of progress indicate a movement towards a more mature practice – it is time to gear up for transformation.

Firstly, the alignment of strategy to projects has improved. As much as 95 % of the respondents categorize the alignment with organizational strategy of the projects they manage as high to medium (50 % as high).

Secondly and already pointed out, in 2017, 15 % of the respondents believe most of their projects reach the quality criteria. This is an upward trend – in 2014 only 8 % reported that most of their projects reached the quality criteria.

Further on, a significant majority applies quality assurance and control in some way and the acknowledgement of QAs as a means for improving results has increased from 56 % to 75 % since 2014. Organizations that never apply QAs have decreased from 21 % to 3 % during the same time.

Also, the importance of executing projects with reliable processes seems to have reached more organizations. In 2014, only 8 % of the Swedish organizations considered their own project management process to be formalized, well-proven and effective for achieving its purpose. In 2017, this number has increased to 21 %.

The survey includes 342 completed responses, mainly provided by Project Managers, Head of PMOs and CxOs representing different organizations and sectors.

⟪ Still relevant from 2014

- Still 25-30 % of the organizations have no project portfolio management

- Benefit realization management still needs major improvement

- Ability to manage change is still moderate

New in 2017 ⟫

- Alignment of strategy to projects has improved

- Positive trend in reaching quality criteria in terms of projects completed on time, on budget and with realized benefits

- Increase in application of quality assurance

- Increase in formalized, well-proven project processes

Governance & Strategic Alignment

The importance of Governance & Strategic Alignment

In terms of reaching organizational objectives, governance and strategic alignment of projects is considered as a crucial focus area. 98 % of the respondents categorize the importance of governance and strategic alignment as high to medium for reaching organizational objectives. With harder competition, financial and competence based resources being limited, executing the critical initiatives is for many organizations key to survival.

Organizations where projects are initiated with a clear strategic alignment tend to complete their projects more successfully. As much as 95 % of the respondents categorize the alignment with organizational strategy of the projects they manage as high to medium (50 % as high). Even though this subject has been seeing an increasing trend for the past four years there is still room for improvement. As a matter of fact, lack of strategic alignment costs more than bad project execution as it puts focus on other parts of the business than its "must win battles". Making priorities is more difficult in practice than in theory.

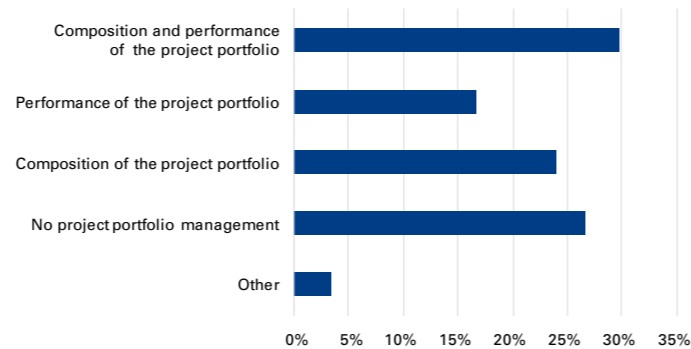| Percentage of projects that meet quality criteria	< 25%	25-50%	51-75%	> 75%
High alignment of project to strategy	6%	24%	54%	16%
Medium alignment of project to strategy	12%	33%	41%	14%
Low alignment of project to strategy	50%	14%	29%	7%

Project portfolio management as a means for realizing strategy

The realization of organizations' strategic objectives can be facilitated by deploying a project portfolio management process. By doing so, organizations can prioritize and monitor to ensure the most optimal project portfolio. They are also able to prevent the portfolio from being overloaded causing low efficiency. Hence, both composition and performance can be controlled.

The objectives behind different projects vary and the ability to choose the most beneficial projects for organizations is key. If the project portfolio process is managed appropriately and continuously reassessed, it ensures that the right projects are executed and that they are aligned with organizational strategy.

The number of organizations lacking deployment of project portfolio management has been stable at 25-30 % in Sweden for the past few years. This indicates that a comprehensive part of organizations has embraced project portfolio principles at some level. Still, the application must be more efficient to ensure strategic objectives are reached.

How does your organization focus on project portfolio management?

The importance of a strategic PMO

Mature PMOs can increase the possibility of completing projects successfully. If the PMO is responsible for project portfolio management, the organization can benefit from a holistic view of all ongoing activities. The PMO can oversee appropriate governance to ensure strategic alignment. It also enables executives to make informed and proactive business decisions by evaluating individual projects in the context of the entire portfolio.

The use of PMOs has seen a decrease since 2014. In 2017, only 57 % of the respondents have a PMO compared to 67 %

in Sweden 2014 (70 % of organizations globally in 2016). PMOs face many prominent challenges as they are dealing with the most complex and critical initiatives of the organizations. In our view, first and foremost, striving to be an executive partner enabling increased business value is key. This review reveals 62 % rate the PMO alignment to organizational strategy as being low to medium, i.e. indicating the perceived value added by PMOs is generally not strategic in its character. Therefore, dealing with expectations, measuring and communicating the value of the PMO are vital activities not to be underrated.

Senior management sponsorship and engagement is key to success

The fact that 56 % of the respondents rate senior management's engagement in high priority projects as being high indicates opportunities for improvement in this important area (high to medium 86 %; in 2016 the number of active senior management sponsors globally were 59 %). An active executive sponsor of the project could make the difference between project failure and success. The sponsor should ensure connection to strategy and benefits, communicate accordingly, support the project team and make effective decisions for the project. Our findings indicate that projects with an engaged sponsor meet quality criteria more often – see the following table.

Worthy of note, there is an identified gap in how senior management and project managers look upon their involvement and how projects are managed. 75 % of senior management rate their own engagement in projects as high while only 54 % of the project managers agree. Further on, 13 % of the project managers claim that most of their projects are successful but for senior management respondents that number reaches 31 %. Different frames of references stress the need for a consentient approach and a better dialogue.

Percentage of projects that meet quality criteria	< 25%	25-50%	51-75%	> 75%
High engagement of senior management	6%	22%	53%	18%
Medium engagement of senior management	14%	32%	41%	13%
Low engagement of senior management	22%	44%	31%	2%

This is what you can do:

☑ Make sure project portfolio management is supported by prioritization criteria closely connected with business strategy

☑ Establish a PMO supporting strategic alignment, enabling informed and proactive business decisions and managing capabilities for effective project execution

☑ Build and implement a robust benefit management process and business case structure to secure that the right projects are started. Increase the usage of the program management framework as this has a more apparent focus on strategic alignment and benefits

☑ Senior managers should acknowledge the fact that most strategic initiatives are executed as projects or programs and that their engagement and application of leading practices have a major impact on the outcome. Project managers should not just be a passive recipient of top down guidance, but need to actively supplement the top-down transformation process
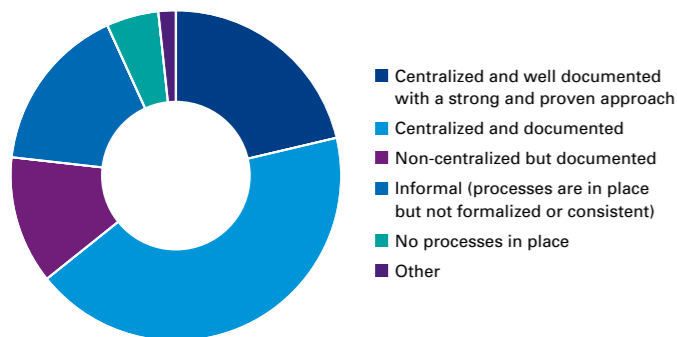
Processes & Methods

Capacity Management

Managing transformation with well-proven project processes

In order to deliver the expected outcome, projects need support by relevant processes and methods for initiation, planning, execution, monitoring and closing. Successful deployment of program and project portfolio management is in need of similar structures. The survey shows that 96 % categorize the importance of project-related processes as high to medium. This means that many organizations do recognize the importance of project, program and project portfolio management processes and methods for increased value of their organizations when managing transformation activities.

In 2014 only 8 % of the Swedish organizations considered their own project management process to be formalized, well-proven and effective for achieving its purpose. In 2017, the number has increased to 21 % which indicates that organizations are increasingly aware of the importance of project processes and methods. But above all it shows that too many organizations still do not adopt the processes in an appropriate way and are experiencing process compliance issues.

What degree of structured and formalized processes and ways of working does your organization have?

- Centralized and well documented with a strong and proven approach
- Centralized and documented
- Non-centralized but documented
- Informal (processes are in place but not formalized or consistent)
- No processes in place
- Other

Better project quality with structured processes

Organizations with formalized project management processes and methods tend to have a higher degree of successfully completed projects than organizations with informal ways of working. Evidently, giving project-related processes and methods formal status is a challenge for many who would benefit from using proven project management methodologies and assigning qualified project managers.

Percentage of projects that meet quality criteria	< 25%	25-50%	51-75%	> 75%
Have formal processes	9%	27%	48%	16%
Do not have a formal process	18%	31%	42%	9%

One size does not fit all

Flexibility in organizations is rather low as only 17 % consider their organization to be agile – see Organizational Change for further elaboration. A challenge for many organizations is to make sure that processes and methods are applied in a scalable manner serving their appropriate purpose for each individual project. It is important to acknowledge that the characteristics of projects within an organization often differ in terms of complexity/risk and the use of processes and methods should be applied accordingly to be efficient. The fact that formalized processes actually enforces prioritization might by some be perceived as rigid management.

PMO ensuring well-suited processes

The pragmatic PMO can ensure a suitable deployment of processes and methods as well as setting training requirements and providing coaching/support. Also, lessons learned derived from evaluations and project reviews can be applied by the PMO to new projects, thus improving the implementation of future projects by making sure processes are fit for purpose.

This is what you can do:

☑ Learn from and apply leading practice processes and methods

☑ Make sure processes and methods are fit for your purpose

☑ Scalability and how processes and methods are applied is important, one size doesn't fit all

☑ Communicate the value of a common approach and use of structured and formalized processes

☑ A pragmatic and supportive PMO creates structure without sacrificing efficiency and focus on business results

Capacity management as part of the project portfolio management framework

Projects are complex at their core and the right mix of people is important for project success. The project team needs to be a compilation of adequate competences put together to solve the unique challenge the project was initiated for in first place. Resource allocation should identify key competences and preferably prioritize them among projects in an operational, tactical and strategic time perspective with the purpose of anticipating and balancing resource demand and supply. In order to make this happen, capacity management is a vital capability for organizations. 92% of the respondents rate the importance of capacity management as high to medium for project success and increased value of the organization. The table to the right shows this correlation. As a matter of fact, not only financials are a limited resource in need of prioritization, but competence is often the limited resource key to success. Hence, capacity management needs to be part of the project portfolio management framework to be handled effectively.

Jörgen Olofsson
CIO, Svenska Spel

"In order to implement our priority initiatives with quality and the right skills, we have introduced a forum that allocates resources here and now but also takes a more planning perspective. Capacity management is not easy, but a prerequisite for the success of both projects and the daily delivery."

Composing the accurate skill sets is challenging

Regarding allocation of resources, finding the accurate competences is often a struggle. Projects are in many organizations partly staffed with competences from line business which can be challenging if capacity management is not handled throughout the organization. Further on, time is often of the essence which means that projects tend to get the resources available at the time for project start rather than being part of a resource allocation plan. Again, making priorities and planning ahead can be hard. Regardless of the reason behind, we can conclude that this is an area with great potential for improvement. As much as

79 % rate the availability of the right resources in their projects as low to medium and 69 % rate the planning of capacity as low to medium.

Percentage of projects that meet quality criteria	< 25%	25-50%	51-75%	> 75%
High availability of needed resources	3%	14%	54%	30%
Medium availability of needed resources	10%	31%	48%	11%
Low availability of needed resources	16%	32%	42%	10%

This is what you can do:

☑ Integrate a resource allocation process with your project portfolio management framework to make sure appropriate resources are available for the projects you run

☑ Strive for making active and conscious priorities

☑ Identify the key competence areas following your project portfolio pipeline and make appropriate resourcing plans with the relevant stakeholders involved

☑ Apply resource allocation principles from an operational, tactical and strategic time perspective. Capacity management "here and now" doesn't provide the full capability

☑ Make sure management act to solve resource issues as soon as possible. Projects not being properly staffed face an evident risk of low performance

Benefits & Financials

Comprehensive improvement opportunities in Benefit & Financial Management

In the context of prioritizing projects from the project portfolio pipeline when competition is high and resources are limited, practicing benefit and financial management becomes a vital instrument for success. This review shows that benefit and financial management is an area of crucial importance with as much as 90 % rating the importance as being high to medium. On the one hand side, this is what one should expect since all projects should be initiated to add value in relation to the resources needed. On the other hand side, given the low performance, a more obvious gap in understanding would not have been surprising. Globally, benefits realization maturity has been quite stable on a low level the past four years and the results from this survey indicates this trend remains. Alarmingly, 80 % of the respondents in this review rate the performance of benefit and financials management as being low or medium making improvement necessary.

Keep track on benefits throughout the project lifecycle and after project closure

Before initiating a new project the organization should evaluate if the outcome of the project is aligned with strategy and satisfying enough given the resources it will need. Still, results show that projects that never should have been initiated in the first place are given "go-decisions". Moreover, projects that have been given a "go" are not properly evaluated in relation to their expected benefits, business cases are not updated properly or followed by active decisions along the project lifecycle. As a matter of fact, after project closure 82 % of the organizations rate their follow-up and measurement of benefit realization as low to medium.

By including benefit management early in the process, the organization can draw attention to attitudes of stakeholders, the impact on the organization, risks of realization and the configuration of the process for managing change, but most of all make informed decisions based on the expected benefits for each individual project. Organizations are generally in need of supporting structures for identifying, categorizing and esti-mating benefits and a clear structure for tracking and measuring benefits throughout the project lifecycle and after project closure. These are important stepping stones to make appropriate plans and make conscious decisions, implement, measure and learn to enable future improvements. This review calls attention to the importance of this area. The benefit realization process maturity level is positively correlated with meeting the project quality criteria.
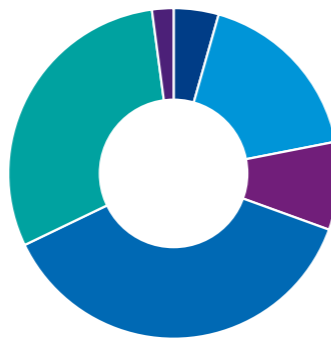
Percentage of projects that meet quality criteria	< 25%	25-50%	51-75%	> 75%
High benefit realization process maturity level	2%	26%	40%	31%
Medium benefit realization process maturity level	18%	36%	37%	10%
Low benefit realization process maturity level	8%	24%	54%	14%

Percentage of projects that meet quality criteria	< 25%	25-50%	51-75%	> 75%
High rate of monitoring benefit realization after project closure	3%	20%	48%	29%
Medium rate of monitoring benefit realization after project closure	7%	26%	51%	15%
Low rate of monitoring benefit realization after project closure	16%	32%	43%	8%

On the positive side, this review shows that business cases are often used in organizations. In 2017, as much as 76 % have a formal policy for business cases. The trend is quite stable – in 2014, 84 % had formal processes implemented. To identify valuable projects, business cases are essential and by reviewing the business case in each phase of the project the alignment of organizational strategy can be fulfilled and benefits managed effectively.

What does the application of business cases look like in your organization?

- Business cases are never used for projects
- There is no formal policy or formal procedure
- There is a formal policy but it is rarely used
- There is a formal policy but it is only used for projects with a certain value or impact on the organization
- There is a formal policy and it is always used
- Other

This is what you can do:

☑ Make sure you have a tailored benefit and financial management process including both tangible and intangible benefits. Integrate with project, program and project portfolio management

☑ Managing and tracking benefits is essential before project start, in all project phases and after closure. "Do not leave your business case unattended at any time!"

☑ Let the insights on expected benefits have steering consequences. If the business case does not deliver enough value in relation to the need of resources, do not be reluctant to take corrective actions

☑ Strive for a benefit oriented mind-set throughout the project organization going beyond the triple constraint and project deliverables

☑ Ensure ways to measure the main benefits, sometimes through secondary effects

☑ Acknowledge benefit management as a separate discipline in need of its own process and baseline documentation

Organizational Change

Driving transformation requires thorough change management

Many organizations face a reality where standing still is not an option and change is a constant state rather than an exception. From an organizational point of view, change management capabilities are critical to be flexible and adapt to the demanding business environment. In fact, as much as 92 % rate the management of organizational change as high to medium for project success and increased value of the organization. Initiatives to manage change need to be approached disciplinary due to the high costs and time efforts called for. Sustainable change requires a comprehensive and flexible plan that aims to fulfil business benefits. By actively engaging key stakeholders and identifying their expectations and needs, a complete and adoptable solution could be reached.

"For us it is important to be fast-moving, adapting to changing market conditions, customer preferences and current regulations. It must characterize our entire organization in culture, processes and methods. We are constantly developing our business."

Tuva Palm
CTO/CPO Nordnet

Low performance in managing Organizational Change

Alarmingly, 83 % rate the agility of their organization as low to medium. Further, 78 % rate the priority given to have a culture receptive to organizational change as high to medium indicating many organizations actually do prioritize change capabilities even if application is difficult. Moreover, the success in formulating an appropriate strategy for changing market conditions is rated as low to medium for 61 % of the organizations. No improvements could be seen regarding the ability to manage change; the number has remained stable since the last survey KPMG did in 2014. Not surprisingly, smaller organizations rate their performance higher in formulating proper strategies in a changing environment than larger organizations. Regarding perceived agility, 43 % of organizations with a turnover of <2MSEK consider themselves to be agile, the corresponding number being 7 % for >5BSEK organizations. Knowing that
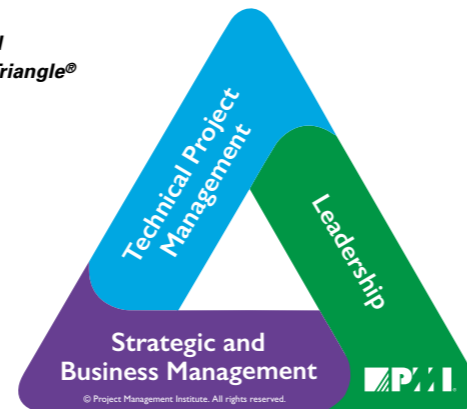
transformation and strategy execution is mainly managed through projects and programs, change management practices need to take a more prominent appearance in organizations.

Change management being an important skill set for project managers

The ideal skill set for a project manager should include a combination of technical project management, leadership, and strategic and business management expertise according to the PMI Talent Triangle®. Technical project management is still key to the project management profession but mastering change mechanisms becomes increasingly important as projects tend to take a more transformative approach. It is generally a precarious and complicated task to change mind-sets, behaviors or values within an organization which further stresses the need to embrace change management capabilities. The project manager becomes an ambassador for change. Gladly, as much as 76 % rate the adoption of change management practices as high to medium (and change management practices as an important skill set for project managers) – the table below also indicates that organizations embracing change management principles have more successfully completed projects. The importance is also recognized by PMI globally which has led to the release of the standard for managing change in organizations.

Percentage of projects that meet quality criteria	< 25%	25-50%	51-75%	> 75%
High adoption of change	9%	19%	48%	24%
Medium adoption of change	6%	32%	51%	11%
Low adoption of change	21%	36%	38%	5%

The PMI Talent Triangle®

Technical Project Management

Leadership

Strategic and Business Management

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This is what you can do:

☑ Let change management competence be an important skill set for all leaders in your organization and for project and program managers in particular

☑ Identify key stakeholders, how they influence the change initiative, plan for action and manage expectations and needs accordingly

☑ Make sure the objective for change is clear – measure and follow up the process

☑ Communicate transparently (why, how, what, when) and with continuity

☑ Ensure opportunities for stakeholders to influence, encourage enthusiasm, curiosity and highlight positive examples of change

☑ Acknowledge that change in behavior and capabilities is going to demand both resources and benefits even for a period of time after formal implementation

Performance & Quality

The importance of Performance & Quality Management
Project quality can be interpreted and defined from different angles. Certainly, respondents of the survey forming the foundation for this review do not share the same perception of project performance and quality. This is a question of expectations defined by the question: "When is the project successful?" Delivering the project in line with planned scope, time and cost is part of the answer. However, projects should be initiated to deliver benefits why this aspect, in our view, must also be central in the definition of success. The quality of the delivered outcome (product/service/solution) is another relevant aspect to consider. Moreover, compliance with processes and decided ways of working should not be ignored. Further on, quality is a matter of a subjectively experienced value to be taken into consideration.

Applying performance and quality management enables pro-active decision making. By measuring and following up performance, it also enables the organization to learn and develop its capabilities further. In this field, the respondents are unanimous – 95 % rate the importance of performance and quality manage-

ment as high to medium. Still, there a significant room for improvement. In 2017, only 15 % of the respondents claim that most of their projects reach the quality criteria in terms of time, budget and realized benefits. However, the number of successful projects are facing a positive trend; in 2014 only 8 % reported that most of their projects reached the quality criteria.

A shift in attitude and application of quality assurance
Project members and related key stakeholders could benefit from being challenged by quality assurance reviews (QAs). The QA analyses the progress, budget and deliverables and could be executed proactively, at specified toll gates, based on an incident, or as a retrospective evaluation. It should aim to shift peoples' perception of assurance and control as unnecessary interventions to be integrated natural activities in the project process. Gladly, the recognized importance of QAs for project success has increased from 56 % to 75 % since 2014 and organizations that never apply QAs have decreased from 21 % to 3 %. Even so, more than half of the respondents still apply QAs on an irregular basis with lack of structure. In order to ensure alignment of strategy, benefit realization and delivery according with planned constraints, organizations need to monitor and coordinate their projects based on formal and standardized routines.

When is quality assurance used?

Upon completion of milestones	~38%
Upon deliverables	~37%
After completion of each project	~22%
For projects of significant importance	~15%
For projects above a certain size	~10%
When necessary	~33%
Never	~3%
Other	~6%

Organizations lack structures for measuring process compliance
96 % consider project related processes important for project success, yet only 43 % follow up project compliance with

processes and formalized ways of working. Not surprisingly, follow up on project accuracy is more implemented than follow up on compliance. 73 % of the respondents state their organizations measure delivery of scope, time and cost according to plan. This is however quite contradictory – if projects fail to deliver it becomes important to evaluate the process. How a project is reviewed and monitored must constantly be reassessed in order to ensure project success. As a matter of fact, as seen in the table below, more projects are successful if compliance with project-related processes are monitored.

Percentage of projects that meet quality criteria	< 25%	25-50%	51-75%	> 75%
Measure and follow up project compliance with processes	7%	20%	53%	20%
Do not measure and follow up project compliance with processes	14%	36%	42%	8%

This is what you can do:

☑ Decide on tailored project, program and project portfolio performance and quality criteria on an organizational level. Measure, analyse and improve

☑ Set the usage of quality planning, assurance and control as standard activities in all projects

☑ Implement QAs in critical projects and programs. Including an external independent party could contribute with valuable insights and support

☑ Follow up on different aspects of quality in the projects you run

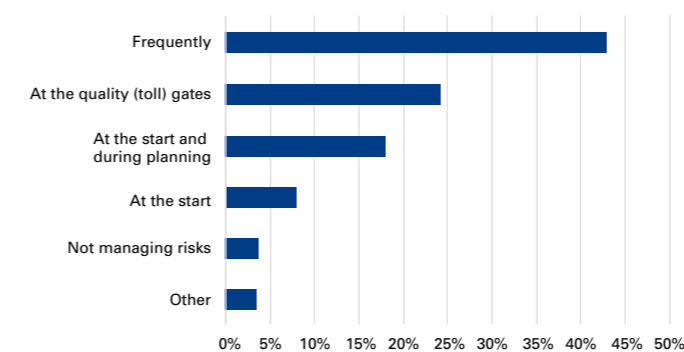☑ Create a culture for learning and development where performance and quality management become critical enablers

Risk Management

Risk management as a part of the project process

Managing risk is a core part of project steering and management, gradually decreasing uncertainty when working through the different phases making decisions along the way. Not surprisingly, a majority of the organizations consider risk management indispensable in terms of project success. In 2017, 95 % of organizations do some sort of risk assessment.

With what frequency does your organization manage risks within projects?

Still, 30 % do not manage risk after planning. This means that the awareness of the risks and ability to act accordingly is limited in the execution and close-out phases of the projects. Monitoring and managing risks continuously throughout the project process will provide more reliable and resource lean projects. Lack of frequency in managing risks leads to the opposite, jeopardizing project success.

Risk at project portfolio level

The composition of the project portfolio should be a result of the risk appetite decided for the organization. Hence, when executing strategy through transformation initiatives there are a few questions each organization should raise. How much risk are we willing to take? How do different portfolio compositions affect the risk for positive strategy execution and increased business value? Could we segment the portfolio to manage the risks in a structured manner?

Low risk projects could be necessary for compliance reasons or for maintaining the business while others, if they succeed, could create a potential market advantage. It is well known that the

projects with the highest potential value generally have the highest risks and vice versa. Therefore, finding a risk balance in the project portfolio is key to success. Also, aggregating the main project risks could increase the understanding of the risk structures in the organization and the values at stake. However, as much as 56 % of the respondents claim that their organization do not work with risk at the project portfolio level making this an obvious area for improvement. Illustrated in the table below, managing risk at the project portfolio level corresponds to more successfully completed projects.

Percentage of projects that meet quality criteria	< 25%	25-50%	51-75%	> 75%
Work with risk on a project portfolio level	6%	23%	51%	19%
Do not work with risk on a project portfolio level	15%	30%	44%	12%

This is what you can do:

☑ Implement an adequate risk process for project, program and project portfolio level management

☑ Present early-warnings and main project risks on an aggregated level

☑ Create a risk repository and highlight the reasons for project success and failure

☑ Make risks and issues key subjects at steering committee meetings

☑ Segment the project portfolio in different risk levels to enable decision on risk balance, being prepared to take high risk on part of the portfolio to create high value

☑ Use more advanced and scientific methods like Monte Carlo for higher accuracy

Reporting & Information

Accurate information as instrument for governance

In order to take informed decisions and actively steer the projects, programs and project portfolios throughout their life-cycles, relevant and proactive data is considered an important enabler. 90 % rate the importance of managing reporting and information for project success as high to medium.

However, sharing the right information, at the right time to the right target group in a smooth and accurate way is not easy. There is room for improvement identified since 60 % rate the accuracy of reporting as low to medium. This review indicates that high accuracy of reporting actually supports organizations to reach the quality criteria – actions for improvement are necessary.

Percentage of projects that meet quality criteria	< 25%	25-50%	51-75%	>75%
High accuracy of reporting	7%	26%	44%	24%
Medium accuracy of reporting	12%	28%	51%	9%
Low accuracy of reporting	17%	32%	42%	8%

Above all, relevant reporting and information requires that the receiver, often being senior management, knows what purpose the information will be used for, i.e. what kind of steering effects the information should lead to. It also demands that the frequency and condensation of information respect their time constraints. The following table signals that for the higher the accuracy of reporting the better alignment of projects to organizational strategy. In order to steer the organization in the right strategic direction it is important for senior management to trust the information provided. It is also important to find ways of balancing the need for key information to travel fast through the governance structure with the communication effort for both project team and receiver. Reporting, data analysis and interpretation can be time consuming. Thus, every organization should strive for effective management of projects with reporting and information being well tailored to deliver in line with different needs. Scalability must be considered when managing reporting and information sharing.

Alignment of project to strategy	High	Medium	Low
High accuracy of reporting	55%	44%	1%
Medium accuracy of reporting	45%	51%	4%
Low accuracy of reporting	46%	44%	10%

System solutions to support reporting

Relevant information sharing clearly requires an effort from the sending and the receiving part throughout the project, program or project portfolio. Organizations should strive for making reporting and information sharing simple and reliable. The fact that 48 % do not have any supporting software for project-related reporting and visualization points out an area with potential for improvement.

A system solution is rarely the main answer to improved ways of working and changing behaviors. However, an appropriate system solution could act as support in gathering, analysing and visualizing information efficiently and concurrently. Relevant templates within the software provide information transparency and reliability in the project process and should reduce the manual steps required.

Anders Eklund, Head of PMO, Skolfastigheter i Stockholm AB

"Our objective is to provide a sound educational environment in pleasant and suitable premises for present-day and future schools in Stockholm. SISAB has approximately 250 on-going projects comprising a total investment of nearly 2 BSEK annually. By implementing a supporting system solution we aim to simplify management of project-related information and to increase our decision making capabilities"

This is what you can do:

- ☑ Define the purpose and value of reporting and information sharing

- ☑ Establish a scalable and tailored project, program and project portfolio reporting framework for different levels in the organization

- ☑ Provide relevant templates and guidelines

- ☑ Evaluate the capacity of your implemented or potential system solution focusing on efficiency, transparency and reliability for analysis and decision making

Knowledge & Leadership

The right competences to ensure proper delivery conditions
When initiating a project, a new organization is formed with a single purpose to deliver the specific project objectives and its predicted benefits. Every project is by definition unique, hence the composition of competences must be well aligned with the project challenges for creating prosperous delivery conditions. When prioritizing resources for projects, financials are key but adequate competence is too. As a matter of fact, 95 % rate the importance of knowledge and leadership management for project success and increased value of the organization as high to medium.

Learn from the past
To initiate a formal process for knowledge transfer means that capturing, sharing and developing knowledge within the organizations could be ensured. The knowledge gathered from a formalized lessons learned process could be used for developing new strategies, but also be included in training to transfer the knowledge. However, working with lessons learned is challenging both in terms of adherence to the process but also in terms of making the relevant information available. Results show that as much as 68 % of the respondents rate their active work done with lessons learned as low to medium. Hence, this is an area for improvement.

Define competence standards and career paths
Another key aspect for improvement concerning knowledge management and leadership is to ensure the right project-related skill sets. Working in projects is complex and demanding which should be reflected in the level of experience, education and certification in order to be successful. Organizations should ensure competence requirements are well defined to set an appropriate competence standard. Results indicate that organizations are actually working actively with defining competence requirements with 71 % rating their performance in this subject as high to medium. Again, the PMI Talent Triangle® should be considered for setting out project manager requirements.

Furthermore, the fact that 51 % of the respondents have no defined career path for project managers shows that there are improvement possibilities in how this field of management is valued and developed. The fact that different projects demand very different talent, experience and skill sets needs to be more acknowledged in organizations. In terms of transformation, many project managers are dealing with this as part of their daily activities. The ability to drive change and navigate in a complex

and fast-moving environment is expected to be increasingly important but must be supported by relevant structures for knowledge management and leadership to flourish.

Percentage of projects that meet quality criteria	< 25%	25-50%	51-75%	> 75%
Have a defined career path for project managers	8%	24%	49%	19%
Do not have a defined career path for project managers	13%	32%	45%	11%

A mentor to restore knowledge
Knowledge and leadership could be enhanced by offering mentorship and coaching within the organization. However, the acknowledgement and active work done in this area is by more than 75 % rated as low to medium. A mentor or coach could effectively provide expertise to other people within the organization. Formal mentorship processes could contribute to restore knowledge and support the transfer of tacit knowledge. In this context, the PMO as a centre of excellence could be the suitable partner for supporting the organization.

This is what you can do:

☑ Follow a mandatory and tailored lessons learned process ("for us, by us")

☑ Require lessons learned are applied in new projects before start-up

☑ Create a career path for project managers

☑ Prioritize competence development through education, certification and knowledge transfer
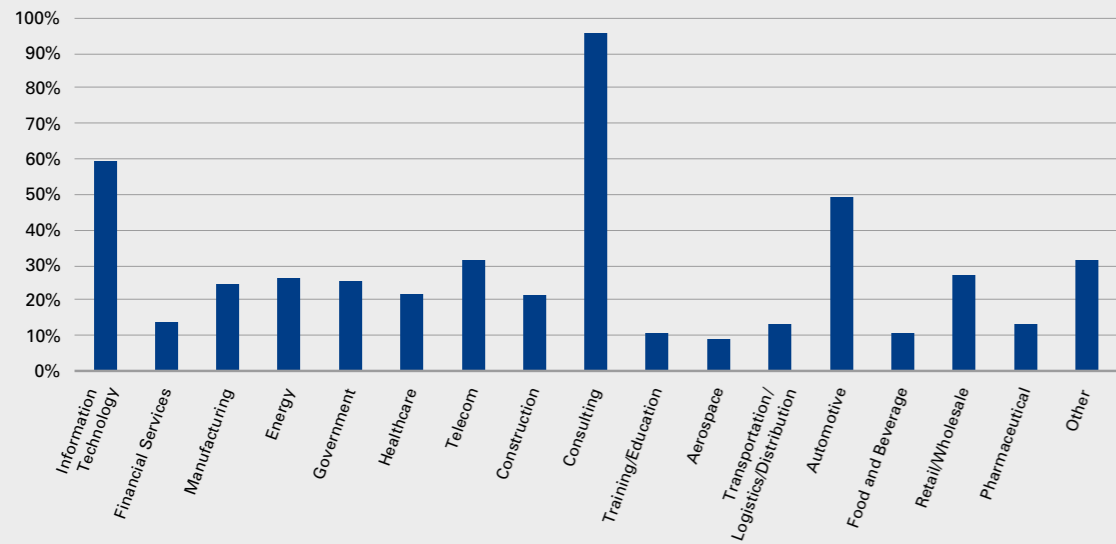
☑ Provide coaching and mentorship
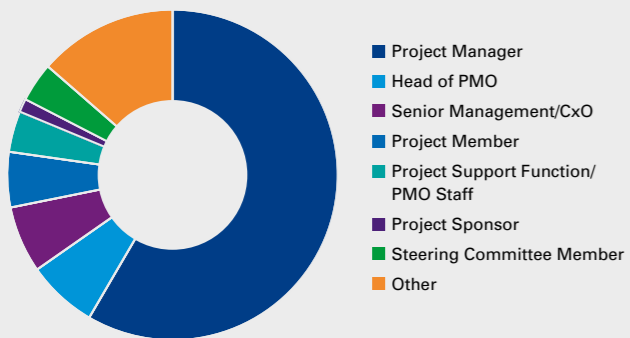
Demographics

A total of 342 respondents, mainly Project Managers, Head of PMOs and CxOs, active within the twenty sectors of the Swedish business society completed the online survey being the foundation for this review. The charts on this page depict the distribution of respondents across their business sectors, the respondents' position within their organizations as well as the size of the companies they represent in terms of annual gross turnover. The fact that the majority of the respondents are PMI members and thereby experienced within this field of management is expected to have a positive effect on the survey results, hence being important to stress for the interpretation of the statistics. Also, the extensive representation of the consulting sector needs to be considered.
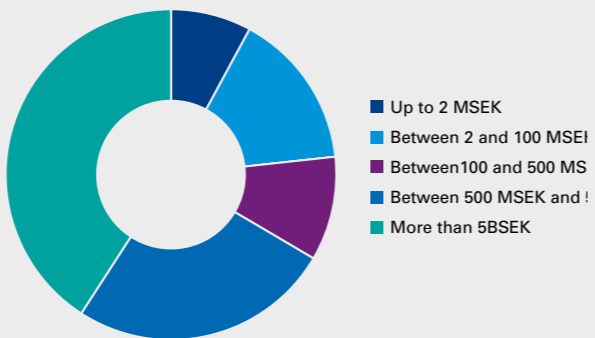
Primary focus of respondents' organizations

Respondents' job roles

- Project Manager
- Head of PMO
- Senior Management/CxO
- Project Member
- Project Support Function/ PMO Staff
- Project Sponsor
- Steering Committee Member
- Other

Annual revenue of respondents' organizations

- Up to 2 MSEK
- Between 2 and 100 MSEK
- Between 100 and 500 MS
- Between 500 MSEK and !
- More than 5BSEK

KPMG

KPMG is a global leader in Project Advisory with a strong Swedish presence. Our professionals work to inspire confidence and empower change. What drives us is a desire to pass on business insights and provide our leading expertise tailored to each client's specific needs.

PMI
SWEDEN CHAPTER

PMI is the world's largest non-for-profit membership association for the project management profession represented in nearly all countries in the world. It holds over 700 000 credential holders, volunteers and members. PMI Sweden chapter work actively to be an optimal and sustainable force for change in our society measured by the fact that organizations have embraced and appreciated projects as a way of working. The Sweden chapter engages 1600 members and 100 volunteers.

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