



# INSIGHTS 2017

## THE GROWING IMPORTANCE OF PROGRAMME MANAGEMENT AND THE DELIVERY PARTNER

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Helping to deliver  
one version of the truth

## HOW DO YOU TAKE LESSONS LEARNT FROM ONE ENVIRONMENT TO ANOTHER?

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**MARK HOLMES**  
COO FOR CONSULTANCY, MACE

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*Mark is the COO for Consultancy at Mace. He joined the business in 1992 and was made a director in 1996. Throughout his career he has been driven by a desire to challenge conventional ways of doing things and to really make a difference to his clients' businesses.*

*Mark was instrumental in setting up and establishing Mace's project management and consultancy business in the UK in both the private and public sectors and developed our hub in North America, as well as continuing to push the international expansion of our cost, CRE contracts and FM business, Macro, across our four overseas hubs.*

Clients are facing increasingly complex conundrums when managing projects and programmes. Be it working across multiple locations, or managing a number of projects at a single location. Ensuring consistency across all works – regardless of geography or time zone – is critical to meeting a basic project objective.

But how is this to be achieved? How do we get to “one version of the truth” and ensure all teams are not only working to the same objectives, but are making decisions based on the correct set of data?

At Mace, we have undertaken delivery partner, programme management and project controls commissions across numerous projects, clients, sectors and industries and there are some key lessons we can share, regardless of your industry, whether you are in the private or public sector or size of your business:

- 1. One size does not fit all:** it is vital you understand what the business objectives are and tailor your solution around them, being mindful of cost and time factors when making your assessment;
- 2. Disciplines do not change, but need to be adapted:** “best practice” comes in many shapes and sizes. Understanding which is best suited to your company's needs is the imperative of good project, programme and portfolio management;
- 3. Building on lessons learnt:** taking the lessons learnt from our retail clients who are very focused with efficiency savings as a benefit into our property and infrastructure clients brings a unique solution. Many clients can become very focused on the construction aspects of the project at the expense of value for money across their portfolio of works – being mindful of all aspects is vital to project success;
- 4. Dealing with change:** adapting and changing through the life cycle of any commission or project is crucial. Dealing with change should be part of any good solution and should not be avoided;

5. **Establish an assurance framework:** understanding your business and project, and then building your delivery framework early around these needs is fundamental. Failure can often be attributed to not understanding those goals and not establishing the right framework; and,
6. **Driving performance improvement:** if it's set up properly then the data you obtain from the programme manager or delivery partner should be able to start to provide evidence and trends and benchmarks that enable you to incrementally improve your business.

It is about having solutions and environments that can be adapted to each commission's unique needs, but always aligning to industry "best practice" standards. It is vital that we understand where the delivery responsibility aspects lie and how we assure delivery certainty, as well as managing and driving the required benefits.

We've asked some of our client experts to share their experience and lessons of using a delivery partner and managing PMO. Despite working across sectors, geographies and public and private, you'll see some common themes we can all learn from.



## USING A DELIVERY PARTNER TO MANAGE A SIGNIFICANT PROGRAMME OF MULTIPLE PROJECTS

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**COLIN NAISH**  
EXECUTIVE DIRECTOR, LLDC

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*Colin joined LLDC in 2011 from the Olympic Delivery Authority to lead the construction delivery of the post-Games transformation works. Prior to ODA, he was Brunel University's Director of Projects for the delivery of their campus redevelopment programme and, as Associate Director at Arup Project Management, managed the delivery of numerous University teaching, research and student accommodation buildings.*

The delivery of London 2012 was driven by the success of the client and delivery partner relationship. The Olympic Delivery Authority (ODA) proved to be an intelligent client and the Delivery Partner an expert manager of the client's supply chain. The Delivery Partner approach was mutually successful, allowing the ODA to deliver its objectives and the Delivery Partner to achieve financial success and an enhanced reputation and required an environment of mutual trust and cooperation and allowed for the progressive agreement of task orders for specific tranches of work. It financially incentivised the Delivery Partner to meet or exceed key delivery targets and performance indicators. To enable success, the Delivery Partner was empowered to discharge its contract obligations through appropriate levels of delegated authority, with ODA providing the required check and challenge, governance and assurance.

Moving from the pre-Games Olympic venue to post-Games Legacy Transformation delivery required a transition from a mega programme to a regular programme; the budget reduced from £billions to £millions and durations reduced from years to months. The London Legacy Development Corporation (LLDC) took over the role of client. Its desire was to retain all the benefits of the Delivery Partner approach and prove that the methodology was scalable to the smaller but no less challenging task at hand.

A Delivery Partner for LLDC was procured, seeking to obtain the same behaviours (open and honest relationships with trust and cooperation leading to mutual success), environment (empowerment through delegated authority, accurate data to facilitate timely decision making) and delivery expertise but with a simpler mechanic, the test being to see if similar levels of performance could be achieved through true partnership working alone.

The LLDC's Delivery Partner contract is straightforward; it sets out the scope of service, the day rates for different grades of staff and the office and IT facilities that the LLDC will provide. The Delivery Partner is embedded in LLDC's office and has become totally aligned with the Development Corporation's objectives and the delivery of its priority themes. The task order mechanic has proved to be very flexible across a programme of projects varying in size and complexity; task order deliverables and resource

levels are agreed, a single task order is raised for the smaller projects from project initiation through to completion, staged task orders are raised for the larger projects.

The results have been remarkable. Through partnership working alone, all challenges have been met, all opening dates achieved with a safety record exceeding that of the ODA's by a Delivery Partner that takes professional and personal pride in successfully meeting the task order deliverables within the pre-agreed task order fee value.

The need for an intelligent client close enough to the project to be able to effectively provide the check and challenge remains, forming the first line of LLDC's three lines of defence: Management Controls (by LLDC's SRO/Project Sponsor), Compliance (by LLDC's PMO) and Assurance (by independent review).

With the transformation of all the Games-time venues now complete, LLDC is preparing for the construction delivery of the new Cultural and Education District and considering how it can further improve the performance of the intelligent client function and its working relationship with their expert Delivery Partner. Some of the areas being explored are:

- How to stop complacency slipping in to a long-term delivery partnership
- How to ensure the Delivery Partner's A-team is deployed to LLDC
- How to incentivise Delivery Partner performance without impacting partnership working

The LLDC's application of the ODA Delivery Partner methodology has shown it to be both scalable in approach and flexible in application across a challenging programme of legacy transformation projects of varying technical complexity and programme duration on the Olympic Park.



## PMO FACILITATING NEW WAYS OF WORKING

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**STEWART BACKHOUSE**  
HEAD R&D PLACES PMO, GSK

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*Stewart began his career with GSK in 1986 as Controls Engineer. Since then he's held positions across the business and in 2011 was appointed Head of R&D Places Programme Management Office. Stewart has a proven track record in leading Programme Management, Engineering, Quality Compliance and Facility Operations functions in the highly dynamic and heavily regulated pharmaceutical environment locally, regionally and globally.*

*The challenge for GSK was to rationalise its global R&D real estate portfolio. Stewart Backhouse explains how PMO helped the business not only achieve its efficiency objectives, but also allowed them to bring teams together to achieve a common goal and enhance the GSK brand.*

As a result of mergers and acquisitions over recent years, the R&D real estate had grown around the world and the R&D organisation occupied the available space in a somewhat unconstrained way and with a lack of strategic focus. Space and equipment utilisation was under 20%. There was a problem to be solved.

The problem, at its core, was a problem of change, demanding new ways of working and attention across the range of PESTEL dimensions as well as multi geography and multicultural considerations and tackling deeply embedded legacy practices. The programme required innovative, sustainable and acceptable solutions; all delivered during a period where unprecedented R&D productivity was expected. There could be no interruption to the business.

The solution centred on 'One Version of the Truth'. One version of:

- the R&D strategy, driven and sponsored from the very top of the organisation, the President of R&D, effectively cascaded, reinforced and understood across the entire global R&D organisation;
- an underpinning space charging model to drive unprecedented and commercial and real estate focus into R&D leadership;
- hard targets for footprint reduction, cost savings and sustainability;
- 'Visionary' targets to inform real estate strategy and space designs – two global hubs, one in the U.S. and one in the UK and fewer satellite locations. This gave us increased opportunities for collisions, collaborations, energy and vibrancy in our offices, as well as reinforcing our global branding, giving the offices the same look and feel;
- credible space design guidelines for labs, offices and amenity spaces that support achievement of the footprint and operating cost targets, driving appropriate space allocations; and,
- programme governance; a hierarchical model comprising a Global Steering Team, a Global Programme Management Office (PMO), multiple regional Project Delivery Offices (PDO) and local Project Teams.

Having developed its strategy, appointed its Programme Steering Team, R&D gained board endorsement to progress programme planning and return with refined details for approval.

Headed by a GSK Director, a global PMO organisation was mobilised to develop and refine the details, ensuring critical focus on achieving the hard and visionary targets whilst avoiding business interruption. The PMO operated as the programme hub; strategic direction was taken in and programme development, tactical response and project requirements were issued out. The PMO maintained global programme development, implementation, governance, monitoring and reporting.

Comprising discipline experts from Programme and Project Management, Strategy & Planning, Design and Change Management, R&D Change Management, EHS (Environment, Health and Safety), IT, Finance, Procurement, HR, Communications and the R&D business, all parties worked in concert around 'One Version of the Truth' owned and driven by the PMO.

Under the guardianship of the PMO, all parties were focussed and incentivised to hit the targets. Design and Change Management developed new space designs, fully informed by and in consultation with R&D. Strategy and Planning allocated space based on the new space designs at the same time as improved R&D adjacencies. The Design and Change Team worked in concert with R&D change to define new ways of working to enable innovative space design and drive efficiencies in equipment utilisation. EHS vetted designs and new ways of working throughout. IT developed supporting platforms. Comms assisted in taking the broader user community on the journey and the project teams managed the delivery. Despite inevitable challenges along the way the programme is on track to hit its hard targets, vibrancy, energy and collaborations have demonstrably increased and through design governance, R&D achieved its branding target.

The PMO played a pivotal role gluing this all together, developing, nurturing and governing the community to facilitate and drive change whilst ensuring the guardianship that made solving the problem a reality.



## USING A PMO TO DELIVER COMPLEX CHANGE

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### **GORDON ALEXANDER**

MACE HEAD OF PROGRAMME CONTROLS AND SENIOR PROGRAMME CONTROLS MANAGER FOR 4LM PROGRAMME, LONDON UNDERGROUND

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*Gordon has over 15 years' experience designing, developing and implementing successful programme environments, Gordon's expertise includes programme controls and assurance of strategic and high-capital value programmes and is currently leading a client project controls team on behalf of London Underground for a £5.4bn modernisation programme.*

London Underground is modernising four of the oldest lines: District, Metropolitan, Circle, and Hammersmith & City. Together these make up nearly 40% of the London Underground network and includes the oldest part of the network, built in 1863. As well as circling central London, the lines serve suburbs in the West, North West and East of the capital and carry around 1.3m passengers a day.

To date, 192 new trains have been successfully delivered with the last of the legacy fleet due to be removed shortly from timetabled service. The programme is now in its second phase which focuses on replacement of the existing signalling with modern Automatic Train Control (ATC), supported by associated enabling works, to deliver faster, more frequent and more reliable services.

In 2015 London Underground appointed Mace and CPC as the Programme Support Partner (PSP) to enhance programme delivery capability as a component of an integrated LU team. The PSP helps support effective collaboration between all parties and has a remit to drive an integrated programme management approach throughout the ATC Programme.

As with many programmes, the key challenge for the PMO is to navigate the mass of available data and convert it into transparent and actionable management information. Ultimately, to add value we must present trusted information to the right people, at the right time to facilitate effective decision making. To do this there are five key lessons which can be applied:

1. We are here to support delivery – behaviours have to default to “how can we help?” and “what do you need?” Identify people’s frustrations with current processes, seek to address root causes and grow confidence in PMO as a key member of the delivery team;
2. Rigorous and disciplined reporting against the programme baseline. Be objective about where you are versus where you planned to be. Clear accountability for deliverables. Assure information before it is presented;
3. Keep it simple – No jargon; clear, concise and graphic reporting – use data analytics but discuss the issue not the metric;



4. Know who the information is for and how they intend to use it – agree the content of reports early and be prepared to evolve to suit the phase of programme and changing focus of external assurance; and,
5. The information will not be perfect: establish some simple “rules” to help manage decision making:
  - a. 80/20: Timely, Relevant, Reliable;
  - b. Latest responsible date for action;
  - c. Understand the priorities – time, cost, quality.

Since joining the team, PSP have worked closely with our London Underground colleagues to focus the PMO on supporting delivery. This has helped the programme respond to emerging issues effectively while also identifying savings opportunities and building headroom into the budget.

As a PMO we will adapt our outputs to meet the developing needs of the programme and wider organisation in order to maintain the trust that we have developed with the leadership team and as expenditure peaks over this year and next, a continued focus on doing the basics well will provide the platform needed for a complex programme to be delivered successfully.



## WHAT DOES SUCCESS LOOK LIKE?

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**ZOE MADAMS**  
PMO SERVICES DIRECTOR, MACE

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*Zoe Madams' 25 year career in Project Controls and Programme Management has allowed her to be actively involved in some of the country's largest infrastructure programmes including the West Coast Route Modernisation, London 2012 and most recently setting up the PMO for Heathrow Expansions.*

The challenge for most project and programmes is being able to understand the needs at specific points of their lifecycle. Many clients and project teams want to define the “end point” without establishing a road map of the process they need to get there and the specific steps that need to be taken.

Taking “control” doesn’t always mean establishing a mature systems environment from day 1. In fact it’s more important to have the right principles in place from day 1, otherwise your system infrastructure could fail.

It is about setting the culture for standardisation, developing tangible and sensible processes that can evolve over time, as your project data matures.

These are some important stepping stones:

1. Take control early: setting the ground rules, integrated coding (WBS), templates and a well thought out intranet which systems can be integrated into at a later date are key. Combined with “communicating” how you intend to manage the works will prevent teams establishing their own ways of working in silos.
2. Make your systems and processes specific to your project needs: each part of the project lifecycle comes with specific requirements, and you need to understand each one. Avoid developing the full integrated solution too early; systems are evolving and industry is changing – it is important to “future proof” but establish a plan aligned to your gateway process which allows for maturing as the project develops.
3. Keep it simple: many projects have so much data it stops being meaningful. Establish your “success criteria” at each significant stage gate and build your Management Office environment around that criteria. It is a pre-conceived idea, that the more complex the environment the better the data. The reality is, the simpler the solution, the easier it is to manage, the more likely it is that teams will support and the better the data produced.

4. Establish the current framework: do not duplicate tasks that the supply chain should be undertaking. It is vital that you set the structure that allows “data to be inputted only once” and if that data is integrated from the supply chain then establish that framework within your contracts. Many projects duplicate schedule and cost data at project and programme level, incurring unnecessary time and money.
5. Change Happens: the needs of a project will change and this isn’t just about managing change against a baseline, which is fundamental to any successful project. The whole ethos can change, such as funding, supply chain, scope; you need to be able to adapt. “Future proofing” should happen at each significant point in your project lifecycle and your environment should be able to adapt.

Success is about having a project controls and programme management environment that allows all the teams to be able to undertake their day-to-day tasks in a systematic manner, and not overcomplicate what those needs are. To achieve a “single source of the truth” environment, you need your resources to produce the data – all the systems and processes then need to do is harness that content.



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