Tasmanian Government
Project Management Guidelines

Version 6.0 - March 2005

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Tasmania

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Tasmanian Government Inter Agency Steering Committee

Tasmanian Government Project Management Advisory Committee

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John R. Smyrk, Sigma Management Science Pty Ltd

Australian Bureau of Statistics

The Thomsett Company

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Preface

Projects - we all get caught up with them in some form or another, as a Project Team member, Project Manager, Project Sponsor or as a Steering Committee member, but why do we conduct some of our business within projects and put so much emphasis on good project management?

A project involves a group of inter-related activities that are planned and then executed in a certain sequence to create a unique product or service, within a specific timeframe, in order to achieve outcomes/benefits. Nationally and internationally, changes in technology, information infrastructure and work processes are being managed through projects. Project management is a formalised and structured method of managing change in a rigorous manner. It focuses on producing specifically defined deliverables by a certain time, to a defined quality and with a given level of resources, so that planned outcomes/benefits are achieved.

In Tasmania, there is a whole-of-government commitment to the application of better practice with regard to project management. The establishment of the Inter Agency Steering Committee (IASC), and the widespread use of the Tasmanian Government Project Management Guidelines, evidence this commitment.

These Guidelines build on the knowledge gained by experienced Project Managers in the Tasmanian State Government who have contributed to the Guidelines ongoing development. They include contributions from the Project Management Information and Resources Project (PMIRP) Team, Project Services team and staff of the Inter Agency Policy and Projects Unit, Department of Premier and Cabinet (DPAC), IASC and the Project Management Advisory Committee (PMAC).

The Guidelines include advice and contributions from John Smyrk, Sigma Management Science Pty Ltd, who is the Consultant for the Tasmanian Government Project Management Framework (TGPMF).

These are guidelines and are not an attempt to provide the definitive answer to project management, as there is none, but a chance to enable organisational learning through drawing on the experiences of others. As such, they form the basis of the Tasmanian Government Project Management Framework (TGPMF). The TGPMF is meant to be adapted to suit the needs of individual agencies and individual Project Managers.

The Guidelines identify the Key Elements that should be applied in all projects, no matter what the size and complexity. This application still requires a level of judgement, and provides an appropriate starting point for thinking of relevant issues and initiating important project management tasks. The identified Key Elements reflect areas covered by ‘A Guide to the Project Management Body of Knowledge’ (PMBOK), but also include elements arising from ongoing collaboration with practising Project Managers within the Tasmanian State Government.

The Guidelines are designed to be a working reference and not intended to be read as a complete text. Their focus is on the management of individual projects; the same principles apply, however, for management of programs of projects and Portfolio Project Management. The Guidelines are a living document, and are reviewed on an ongoing basis, incorporating responses to issues and concerns raised by those project participants working within Tasmanian Government projects.
Background

The *Tasmanian Government Project Management Guidelines* (previously known as the *Guidelines for Project Management*) Versions 1.0 - 3.1 were published and edited by the former Information Strategy Unit (ISU) and produced in co-operation with the former Corporate Information Projects Unit (CIPU) within the Department of Premier and Cabinet, Tasmania. Pre-1996, Rob Thomsett was the Project Management Consultant. Since 1996, John Smyrk, Sigma Management Science Pty Ltd, has been the Project Management Consultant.

From May 1999, the Policy Development and Management Unit, eServices Group undertook a project to improve the quality and accessibility of information and resources relating to project management tools, techniques, processes and training needs for project participants - the *Project Management Information and Resources Project* (PMIRP). This project was formally closed in May 2001. The development and release of Version 4.0 of the *Tasmanian Government Project Management Guidelines* was one of the outputs from this project.

Development history

Project Services, Inter Agency Policy and Projects Unit, DPAC, Tasmania has developed the current version (Version 6.0) of the *Tasmanian Government Project Management Guidelines*.

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<td>Initial Release&lt;br&gt;Draft document discussed at workshop of Project Managers from the Tasmanian State Service.</td>
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<tr>
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<td>Updated to reflect recommendations from Project Management Workshop 5 September 1996.</td>
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<td>Restructured into a single document and information reordered based on feedback from Project Management Workshop 16 July 1997.&lt;br&gt;Inclusion of Year 2000 section, updates to Risk and Change Management sections and Business Case guidelines incorporated.</td>
<td>Preamble Sections 1.3, 1.3.1, 1.3.2, 2, 3.1, 3.2, 4, 4.1, and 4.2</td>
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<td>3.1</td>
<td>July 1998</td>
<td>Minor restructure to incorporate new sections on scoping a project, conducting a project feasibility study, assessing project success, closing a project and managing contractors/consultants and probity issues.&lt;br&gt;Revision of section on Project Risk Management.</td>
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<td>Major restructure to include the identification of the Key Elements and the structuring of sections to reflect each of these Key Elements. This version was the result of extensive consultations during the implementation of the Project Management Information and Resources Project (PMIRP). All</td>
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<td>5.0</td>
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<td>All sections supporting the Key Elements were completed. Extensive revision to the Risk Management Section.                                                                                                 Sections 2, 4, 6, 7, 10 Appendix 1</td>
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<td>6.0</td>
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<td>All sections revised in the light of ongoing consultation with practising Project Managers, including the capturing of learnings from several large whole-of-government and cross-Agency projects. This version reflects a growth in project management maturity within the Tasmanian Government. Preface All Sections Appendix 1 Appendix 5</td>
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Version 6.0 is the direct result of ongoing research into better practice and consultation with Tasmanian Government Agencies via the Project Management Advisory Committee, Project Management Forums, the formal Advisory and Review Service, John Smyrk, Sigma Management Science Pty Ltd, and other feedback from Project Managers and participants.

This version also reflects key learnings from major projects including whole-of-Agency, whole-of-government and cross-Agency projects involving significant business changes. The management of large programs of projects and a move towards adopting Project Portfolio Management practices within several Agencies are included in these key learnings.

(Refer to Section 3.6: Project Portfolio Management (PPM))
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Introduction

What is the purpose of this document?

This document provides an overview of the essential components of a project management methodology, ie the ‘what’, ‘when’ and ‘why’. Examples of ‘how’ can be found in supporting documentation, such as the Project Management Templates, Knowledge Base, Fact Sheets and Frequently Asked Questions, which are available from this website or from PMInfo@dpac.tas.gov.au.

As a framework, the document provides a structured approach to managing projects within the Tasmanian State Service. It does not cover other essential elements for the management of projects, such as developing the skills the Project Manager needs to be able to manage projects effectively. These skills include common sense, well developed interpersonal skills, a sense of humour, team leadership skills, writing skills, time management skills and so on, which are generic management skills, and not specifically related to project management.

How should these Guidelines be used?

Most of the principles that apply to significant projects also apply to smaller projects. However, the extent to which these principles are applied will vary depending on the complexity of the project.

These principles can also be applied to the management of programs of projects or Portfolio Project Management activities.

Agencies may adopt a scaled down version of these Guidelines to support the management of smaller projects. Criteria defining the size of the project should also be developed. An example of possible criteria for sizing a project can be found in the Project Sizing Resource Kit.

These Guidelines have been developed with the assistance of practising experienced and novice Tasmanian State Service Project Managers, and are designed to reflect the requirements of most Agencies. However, they will need to be adapted to the precise organisational situation.

The general rule of project management is to look ahead and try to plan before acting until the law of diminishing returns sets in. How much planning is possible in advance is very much dependent on the nature of the project or the characteristics of the change being undertaken.
1 Project Management - The Basics

A project involves a group of inter-related activities that are planned and then executed in a certain sequence to create a unique product or service within a specific timeframe, in order to achieve outcomes/benefits.

This section of the Tasmanian Government Project Management Guidelines includes:

- What is a project?
- What are the essential characteristics?
- What is project management?
- Why project management?
- The life of a project - a generic high-level conceptual view of the life of a project that links the key project management documents to each stage
- Key elements in the project life - must be considered no matter what the size and complexity of the project
- Project sizing - why is it important to determine project size?

What is a Project?

A project involves a group of inter-related activities that are planned and then executed in a certain sequence to create a unique product or service within a specific timeframe, in order to achieve outcomes/benefits.

Projects are often critical components of an organisation’s business strategy, or relate directly to policies and initiatives of the Government.

Projects vary in size or complexity. For example, they may:

- Involve changes to existing systems, policies, legislation and/or procedures
- Entail organisational change
- Involve a single person or many people
- Involve a single unit of one Agency/organisation, or may cross Agency/organisational boundaries
- Involve engagement and management of external resources
- Cost anywhere from $10,000 to more than a $1 million
- Require less than 100 hours, or take several years

What are the essential characteristics?

A significant project in the Tasmanian State Government is usually characterised as having:

- Definable, measurable project outcomes/benefits that relate to the Tasmanian Government and Agency corporate goals, including Tasmania Together
- Project outputs, required for the attainment of the project outcomes/benefits, produced by a Project Team(s)
- Project governance structure
- Risk management processes aligned with Agency risk management practices
- Well-defined Project Team(s)
- Criteria to measure project performance

The structure of a project will vary, depending on the benefits it is intended to provide. To achieve these benefits, a project may need to be structured into a number of sub-projects, or a program of projects may need to be established.

**What is Project Management?**

Project management is a formalised and structured method of managing change in a rigorous manner. It focuses on developing specifically defined outputs that are to be delivered by a certain time, to a defined quality and with a given level of resources so that planned outcomes/benefits are achieved. Effective project management is essential for the success of a project.

The application of any general project management methodology requires an appropriate consideration of the corporate and business culture that forms a particular project’s environment.

**Why Project Management?**

In recent years there has been increased accountability requirements on public sector agencies, leading to a greater focus on effectiveness and efficiency in the way business is conducted. In a rapidly changing environment with diverse issues and projects, project management can support the achievement of project and organisational goals, as well as give greater assurance to stakeholders that resources are managed effectively. Gartner estimates that using a moderately rigorous project management methodology, as compared to a loose methodology, improves productivity by 20 to 30 percent.¹

Applying a formalised project management framework, or methodology, to projects can help with clarification of, and agreement to, goals, identifying resources needed, ensuring accountability for results and performance, and fostering a focus on final benefits to be achieved.

Research indicates that 85 - 90% of projects fail to deliver on time, on budget and to the quality of performance expected. The causes include:

- Lack of a valid business case justifying the project
- Objectives not properly defined and agreed
- Lack of communication and stakeholder management
- Outcomes/benefits not properly defined in measurable terms
- Lack of quality control
- Poor estimation of duration and cost
- Inadequate definition and acceptance of roles (governance)
- Insufficient planning and coordination of resources
- All of these causes could be addressed by the application of project management tools and techniques.

(Refer to the *Project Management Fact Sheet: Why Project Management?*)

1.1 The Life of a Project

A high-level project management approach that fits most projects at a macro level is presented diagrammatically in Figure 1. It should be emphasised that this model represents an over-simplification of most projects, but is included to make sense of what can be a quite messy and non-linear process in reality.

![Generic Life of a Project Diagram](image)

*Figure 1: High-level conceptual view of the generic life of a project*

**INITIATE**

Project initiatives may originate directly from Government policy, such as Tasmania Together, or from an Agency’s corporate and Business Unit planning processes, that in turn are driven by Government policy. Other new initiatives may be identified outside these processes due to changes in Government policy or other external factors, or just a good idea!

Projects are usually justified in terms of corporate objectives and should be closely aligned to them. This alignment is explored through initial scoping and planning documents, such as the Feasibility Report, the Project Proposal or the Business Case.

In the case of large and/or complex projects and programs of projects, it should be noted that considerable time is spent in this INITIATION or Business Case development phase. This phase can be a separate project in its own right where large and/or complex issues are involved, particularly in the area of major business changes involving new or enhanced IT systems. Experience has taught us that in this situation, a Project Brief or Project Business Plan should be developed and endorsed by the Project Sponsor/Steering Committee, particularly as a great deal of resources and time can be committed at this early stage. Clear understandings of why the Business Case is being undertaken should be established in the INITIATION Phase.

(Refer to the Good Practice Fact Sheet: Planning a Major Business Initiative)

It is not unusual for this phase in the project life to be revisited after the approval of the Business Case in the light of more detailed planning activities, including business process mapping.
**SET-UP**

Once a project is approved and funded, there is an initial SET-UP period involving the appointment of the Project Manager and Team, planning and documentation activities (including the development of the initial Project Business Plan), and the organisation of the resources required to produce the outputs. This period must be allowed for in any initial planning. If the project is not approved obviously it will not continue to the other phases, but in the case of large and/or more complex projects the SET-UP can take a great deal of time.

**MANAGE**

Viewed as the most productive (and hectic) phase, it involves the production of the project outputs. Ongoing management of the stakeholders, risks, quality, resources, issues and work of the project is indicative of this period in the life of the project. The main management documents are the Project Business Plan and the Project Execution Plan. At the same time, the Business Unit(s) is preparing to make the changes necessary to utilise and manage the outputs, which is documented in the Outcome/Benefits Realisation Plan.

**FINALISE**

Closing a project involves the handover of the project outputs to the Project Business Owner(s) for utilisation by the Project Customers, in order to realise the project outcomes/benefits. The strategies to support the change management process, and appropriate methods of measuring and reporting the progress toward achieving these benefits, are documented in the Outcome/Benefits Realisation Plan. After the project’s success has been evaluated, the Steering Committee formally closes the project and celebrations can commence.

This phase involves moving from the project (operational) activities to the ongoing business (transactional) activities.

*Table 1* further describes the relationship of the documentation to each of the Project Life Phases. Project documentation is detailed in *Section 13: Documentation* and the *Project Management Fact Sheet: Project Documentation*.

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<td></td>
<td>Project Proposal</td>
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<tr>
<td><strong>Purpose</strong></td>
<td>Converts an idea or policy into the details of a potential project.</td>
</tr>
<tr>
<td><strong>Owned by</strong></td>
<td>Project Proposer or Sponsor</td>
</tr>
<tr>
<td><strong>Produced by</strong></td>
<td>Responsible Officer</td>
</tr>
<tr>
<td><strong>Accepted / endorsed by</strong></td>
<td>• Cabinet • Senior Management • Line Manager</td>
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Table 1: Main Documents and Project Life Phases

Please Note: For any of these documents, the party that accepts/endorses it will be predicated by the size and complexity of the project.

### 1.2 Key Elements in the Project Life

_Figure 2_ details the Key Elements that the Project Manager needs to consider, no matter what the size or complexity of the project. The extent to which each of these elements is managed and documented depends, once again, on the size and complexity of the project.

Many of these Key Elements exist in an embryonic state in the INITIATION Phase, and are further developed if the project progresses through the other two phases. The Key Elements, or lack of application of, are often referred to in reports regarding reasons why projects fail.

#### 11 Key Elements

- Planning and Scoping
- Governance
- Organisation Change Management / Outcome/Benefit Realisation
- Stakeholder Management
- Risk Management
- Issues Management
- Resource Management
- Quality Management
- Status Reporting
- Evaluation
- Closure
Diagram 2 shows that these Key Elements exist throughout the life of the project.

Figure 2: Key Elements in the Project Life

KEY ELEMENTS – A BRIEF EXPLANATION

PLANNING AND SCOPING

No matter how small the project, a clear definition and statement of the areas of impact and boundaries of the project should be established. The scope of the project includes the outcomes, customers, outputs, work and resources (both human and financial). For large and/or complex projects the scope should be detailed fully in the *Project Business Plan*. For smaller projects, a *Project Plan*, with a brief description of each of these elements and a timeframe for implementation, may be all that is required.

(Refer to Section 2: Planning and Scoping and Section 13: Documentation)

GOVERNANCE

It is important to establish the management structure for the project that identifies the specific players, their roles and responsibilities and the interaction between them for the life of the project. For small projects, it may be only the Project Manager and a Senior or Line Manager. For larger and/or more complex projects it will be necessary to establish a more formalised governance structure, as outlined in Section 3: Governance.
ORGANISATIONAL CHANGE MANAGEMENT/OUTCOME REALISATION

Organisational Change Management is the management of realigning an organisation to meet the changing demands of its business environment, including improving service delivery and capitalising on business opportunities, underpinned by business process improvement and technologies. Any project planning activities must consider the amount of organisational change required to deliver the project outputs and realise the project outcomes/benefits. Once a project delivers its outputs to the Business Owner(s), these outputs must be utilised by the Project Customers to enable the project’s outcomes/benefits to be realised. This stage of the project is therefore referred to as outcome/benefits realisation.

For small projects, it may not be documented formally except in any implementation plans developed. For large and/or more complex projects, planning for this change is closely linked with Stakeholder Management, Communication Strategy and Outcome/Benefits Realisation Planning.

(Refer to Section 4: Organisational Change Management)

STAKEHOLDER MANAGEMENT

Stakeholder Management involves the identification of people or organisations that have an interest in the project processes, outputs or outcomes/benefits, and planning for how their involvement will be managed on an ongoing basis. It may be done very quickly for a small project, whereas a large and/or more complex project will require a formal stakeholder analysis, a Stakeholder Management Plan as part of the Project Business Plan and ongoing monitoring and review of progress. Stakeholder Management is closely related to Communication Strategy and Planning.

(Refer to Section 5: Stakeholder Management)

RISK MANAGEMENT

Risk Management describes the processes concerned with identifying, analysing and responding to project risk. It consists of risk identification, risk analysis, risk evaluation and risk treatment. The processes are iterative throughout the life of the project and should be built into the project management planning and activities.

For small projects, a brief scan and ongoing monitoring may be all that is required. For large and/or more complex projects, a formalised system for analysing, managing and reporting should be established, including the use of a Risk Register.

(Refer to Section 6: Risk Management)

ISSUES MANAGEMENT

Issues Management involves monitoring, reviewing and addressing issues or concerns as they arise through the life of a project. If issues are not addressed they may become a risk to the project. For small projects, a brief scan and ongoing monitoring may be all that is required. In large and/or more complex projects, it is advisable to maintain an Issues Register that should be reported on regularly to the Steering Committee.

(Refer to Section 7: Issues Management)

RESOURCE MANAGEMENT

Planning for managing the people, finances, and physical and information resources required to perform the project activities is vital, no matter what the project size or
complexity. For small projects, this planning may not be documented, but for large and/or more complex projects, detailed documentation will enable better management of the resources, as well as transparency for the Key Stakeholders. Formalised monitoring and reporting on progress against budget is an important element in reporting to the Steering Committee in large and/or more complex projects.

(Refer to Section 8: Resource Management)

QUALITY MANAGEMENT

The purpose of Quality Management in projects is to ensure that the project outputs are delivered fit-for-purpose. If outputs are not fit-for-purpose there is every likelihood that planned project outcomes/benefits will not be realised, or realised to a much lesser extent. It can be achieved by developing quality criteria for the outputs themselves and by ensuring that all project management processes are conducted in a quality manner.

Quality Management involves a process for the management of changes, problems, issues and incidents that emerge during the production of the outputs. These quality management procedures need to be planned for by the Project Manager just as thoroughly as the actual work of the project. For small projects, these procedures may not be formalised, but should be scanned for during the life of the project.

(Refer to Section 9: Quality Management)

STATUS REPORTING

Formalised regular reporting on the status of the project, with regard to project performance, milestones, budget, issues and risks is a major requirement for large and/or complex projects. Reporting is usually to the Business Owner(s), Project Sponsor and Steering Committee. The frequency of this reporting varies. With very small projects it may consist of fortnightly consideration of any issues that could affect progress and a regular meeting with the Senior Manager/Project Sponsor. For large and/or more complex projects, it forms an integral part of the quality management of the project.

(Refer to Section 10: Status Reporting)

EVALUATION

No matter what the size or complexity of the project, the measurement of project success against well-defined criteria is necessary. Established criteria will help to determine whether the project is under control, the level of adherence to documented plans, methodologies and standards, and achievement of outcomes/benefits. For small projects, evaluation might consist of ongoing monitoring through discussions with the Line Manager and affected staff, with a debriefing at the end. For large and/or more complex projects, formalised reviews are highly recommended, both during the project, at the end of major phases and post completion.

(Refer to Section 11: Evaluation and the Project Management Templates: Project Review and Evaluation, Project Phase Review and Project Review and Closure)

CLOSURE

Planning for the closure of a project is important. Essentially, successful project finalisation involves formal acceptance of project outputs by the Business Owner(s), an internal review of project outputs and outcomes/benefits against the Project Business Plan, disbanding the team and ‘tying up loose ends’. In a large and/or complex project,
an external post-completion review/audit, before formal closure by the Steering Committee, often occurs. The extent to which procedures for closure are formalised depends on the nature and size of the project.

(Refer to Section 12: Closure and the Project Management Fact Sheet: Closing a Project)

Table 2 broadly summarises where each of the Key Elements sit within the Life of a Project.

<table>
<thead>
<tr>
<th>Key Element</th>
<th>INITIATE</th>
<th>SET UP</th>
<th>MANAGE</th>
<th>FINALISE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning and Scoping</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Governance</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Organisational Change Management</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Stakeholder Management</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Risk Management</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Issues Management</td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Resource Management</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Quality Management</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Status Reporting</td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Evaluation</td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Closure</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

Table 2: Key Elements in the Life of a Project

1.3 Project Sizing

Why is it important to determine project size?

One of the major problems facing any project is the extent to which the Key Elements of the project management methodology should be addressed, and the level of detail in any of those elements. It is not appropriate for all projects to do all project management activities to the same level of detail and with the same level of discipline.

The Project Sponsor or Project Officer preparing the Project Proposal and/or the Business Case makes an initial determination of the project size. Once a project has been approved and funded, and a Project Manager appointed, the size of the project should be determined formally.

One of the first tasks for a Project Manager is to determine the size of the project. As the size of the project will determine the level of detail and discipline of project management activity to be applied, it is important that the project size is approved.

For a small project, the Project Sponsor should approve the level of application of the project management methodology. For a medium or large project, the proposed project sizing and level of application of the project management methodology should be approved by the Steering Committee.

The result of the process should be a clearly defined and accepted agreement as to how the project will be managed, including the level of detail and discipline that will be employed.

(Refer to the Project Management Fact Sheet: Project Sizing)
2 Planning and Scoping

A clear definition and statement of the areas of impact and boundaries of a project should be established, no matter how small the project. A project should be achievable within a relatively fixed timeframe and resource constraints, and the scope of a project should take these factors into consideration. This process of planning and scoping a project is also covered through actions surrounding the creation of initial planning documents.

It should be noted that it is not a static process, and that the scope of a project must be re-examined many times over the life of the project, particularly where a great deal of change is involved. The key is to obtain clear sign-off where scope changes are required during the life of the project.

This section of the Tasmanian Government Project Management Guidelines includes:

- From outcomes to inputs - the ITO Model - the relationship between inputs, outputs and outcomes/benefits, including a definition of project scope
- Input-Transform-Outcome (ITO) Model diagram
- Documentation - what will be produced
- Planning and managing project activities
- Tips from Project Managers

Project initiatives may originate directly from Government policy, such as Tasmania Together, or from an Agency’s corporate and Business Unit planning processes, which in turn are dependent on Government policy. Other new initiatives may be identified outside these processes due to changes in Government policy or other external effects.

Projects are usually justified in terms of corporate objectives and should be closely aligned to them. This alignment is explored through initial scoping and planning documents surrounding discussions and review.

The early stages of the project can be the most crucial for later project success. If the project is unfeasibly defined and scoped, and not properly linked with the organisational goals and objectives of the Agency, it will probably not be completed successfully. Considerable time should be allowed in the INITIATION Phase of the project life for initial planning and scoping activities, as often it is the most neglected Key Element, due to pressure just to ‘get on with doing the project’. This pressure should be resisted vigorously.

2.1 From Outcomes to Inputs - the ITO Model

It is imperative initially to define a project in terms of the outputs and outcomes/benefits the project should achieve. It helps to link directly the actual outputs of the project (be they a computer system, procedures, policies or whatever) and project activities with the organisational goals and directions of the Agency.

John Smyrk’s Input-Transform-Outcome (ITO) model is an effective tool for doing the initial project scoping.
A project uses inputs in the form of budget and resources. The Project Manager normally manages the process to deliver agreed project outputs in the form of services or products. Customers, through utilisation, transform the project outputs into the desired project outcomes/benefits.

The following Input-Transform-Outcome (ITO) Model diagram illustrates the way the work/components in a project are undertaken - from left to right.

![ITO Model Diagram](image)

*Figure 3: John Smyrk’s Input-Transform-Outcome (ITO) Model diagram*

However, in initially scoping a project, each component of the ITO Model is considered from right to left. In simple terms, it means that identification takes place in the following sequence:

- The outcomes/benefits and other long-term changes that are sought from undertaking a project (OUTCOMES)
- Project Customers who will use the outputs to generate the outcomes/benefits (UTILISATION)
- Products and services that the Customers need to use in order to generate the outcomes/benefits (OUTPUTS)
- Work that is required to produce the outputs (PROCESS)
- Resources (both human and financial) that are required to undertake the work to produce the outputs (INPUTS)

**Scope**

These five areas listed above form the scope of the project. By defining each of these areas, the scope of the project will be determined. Project Scope is defined as a clear statement of the areas of impact and boundaries of the project.

The ITO model is a method of defining and scoping a project, providing greater confidence that the work undertaken will lead to the achievement of the originally intended outcomes/benefits.

An important distinction between outputs and outcomes in this model is that outputs are controllable by the Project Manager, while outcomes are usually not controllable (although they can and should be influenced). These outputs and outcomes are not to be confused with the outcomes and outputs identified in Agency/organisational budgets, although they should have a direct relationship. The project outcomes and outputs described here will have been specifically identified for the project.

Valuable advice for Project Managers, seeking endorsement or approval from their Project Steering Committee for a change of scope and/or delivery time for outputs, is to ensure that a scan for all political statements made by the Government, in relation to the project, is conducted. This scan will demonstrate to the Steering Committee that its decision will in no way conflict with, or cause embarrassment to, the Government.
Outcomes

Outcomes are the benefits or dis-benefits that will be achieved from the utilisation of the outputs delivered by the project. Wherever possible they should be defined in measurable terms, quantitatively rather than qualitatively.

(Refer to the Project Management Fact Sheet: Language Matters)

Dis-benefits arise from undesirable outcomes that flow automatically from the project. Dis-benefits must be taken into account when valuing the project from the perspective of those stakeholders who will be impacted by the dis-benefits.

Target Outcomes

A number of outcomes/benefits should be selected as the Target Outcomes for the project. These outcomes/benefits comprise performance information against which the project will be assessed, including:

<table>
<thead>
<tr>
<th>Target Outcome:</th>
<th>The measurable benefits that are sought from undertaking a project.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(eg Improved access to quality project resources specifically designed for small projects for Tasmanian Government project managers and participants)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Performance Indicator:</th>
<th>The measure that will be used to indicate the level of achievement of the outcome(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(eg Increase in the number of quality project resources specifically designed for small projects for Tasmanian Government project managers and participants)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Measure:</th>
<th>The actual mechanism for measuring the level of the performance indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(eg Difference between the number of quality project resources specifically designed for small projects prior to the commencement of, and following closure of, the Year of the Small Project (YSP))</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Baseline:</th>
<th>The current level of the performance indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(eg 1 quality project resource specifically designed for small project has been developed prior to the commencement of YSP)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Target Level:</th>
<th>The targeted level of performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(eg 8 quality project resources specifically designed for small project developed through YSP)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Target Date:</th>
<th>The date by when the target levels are to be achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(eg 27 February 2004)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accountability:</th>
<th>Who is accountable for the achievement of the targeted outcome(s) and reports on the progress towards the target?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(eg Manager IAPPU, is accountable for improved access to quality project resources specifically designed for small projects for Tasmanian Government project managers and participants. 6 monthly Status Reports will be presented to the IASC for 2 years following YSP closure.)</td>
</tr>
</tbody>
</table>

N.B. Examples have been taken from the Year of the Small Project Business Plan.
The identification of the outcomes becomes integral to the initiation of any Outcome/Benefits Realisation Plan developed, to plan for the management of the changes brought about by the project, and arrangements for ongoing measurement of achievement against outcomes/benefits once the project is formally closed.

(Refer to Section 4: Organisational Change Management)

John Smyrk suggests the use of a Customer Map to assist in identifying Target Outcomes and outputs.

<table>
<thead>
<tr>
<th>Number #</th>
<th></th>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Name of OUTCOMES</td>
<td>Name of Outcome A</td>
<td>Name of Outcome B</td>
</tr>
<tr>
<td></td>
<td>OUTPUTS</td>
<td>Name(s) of customer(s) who will utilise the output on the left to generate the outcome at the top</td>
<td>Name(s) of customer(s) who will utilise the output on the left to generate the outcome at the top</td>
</tr>
<tr>
<td>1</td>
<td>Name of Output</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3: John Smyrk’s example Customer Map

It should be noted that usually there is not a direct one-on-one relationship between the outputs and outcomes, but the sum of the outputs, through their utilisation, should link directly to the outcomes.

**Outputs**

Outputs are the new or revised products or services delivered by the project to the Business Owner(s) to manage on behalf of the Project Customers. They are usually expressed at a high-level, and can be broken down into various components or deliverables. In determining the project outputs, fitness-for-purpose or quality criteria should also be determined. In other words, what criteria will be used to test whether the outputs meet the needs of the Project Customers, and will in turn enable outcomes/benefits to be realised.

Outputs may be produced, and outcomes/benefits achieved, at earlier stages in the project rather than just in its closing stages. The arrows in the ITO model represent causality, rather than a strict chronological sequence. Figure 4 uses the Tasmanian Government Project Management Guidelines as an example to illustrate the difference between project outputs and outcomes/benefits.
Project Management Guidelines

2.2 Documentation

Once the scope has been defined and agreed on, the particulars can be documented, initially at a high-level in the Business Case or Project Proposal, and after approval to proceed with the project, at a more detailed level in the Project Business Plan.

(Refer to the Project Management Fact Sheets: Developing a Business Case and Developing a Project Business Plan)

In the case of small projects, obviously the level of detail will be less.

(Refer to the Managing Small Projects Resource Kit)

Once documented, sign-off by the Project Sponsor/Steering Committee to the Project Business Plan should be obtained so that a formal agreement exists as to the scope of the project. This formal agreement assists in avoiding project ‘scope creep’ - a commonly used term to describe the risk of stakeholders attempting to add extras, such as outputs or outcomes/benefits, during the course of the project.

If additions occur, the scoping of the project should be revisited in order to show clearly the effect these ‘extras’ will have on the resources, time, cost and quality of the project. Other reasons for revisiting project scope include changes to the business environment in which the project is operating, availability of new technologies, legislative changes etc. In every case, agreement and sign-off to planned changes to project scope must be obtained from the Project Sponsor/Steering Committee.

Scoping can be an iterative process depending on the nature of the project, but major changes to scope must be documented clearly and signed-off by the Project Sponsor and Steering Committee.

Cutter observes that the initial scope of a very large project, with a major ICT component, is never right, as one cannot set the project scope correctly until the basic...
requirements and general design are known. However, it does not prevent broad scoping and documentation from occurring at the level of determining the Target Outcomes, the Business Owner(s) and high-level outputs.

2.3 Planning and Managing Project Activities

John Smyrk refers to a two-layered management model for a project. One is the **Control Layer**, or ‘above the line’, the other is the **Work Layer**, or ‘below the line’. It is a useful distinction for the Project Manager as it provides the distinction between the management of the project, ie the methodology, and the management of the work of the project required to produce the outputs. John Smyrk argues that the Project Manager should be spending up to 15% of their time on ‘above the line’ activities if the project is to be managed in a quality manner, in order to achieve its stated outcomes/benefits.

Once the project has been properly scoped, it becomes easier to identify the major activities required to produce each of the outputs. It is useful to break a larger project down further into phases, which is a major section of work in a project that delivers outputs, but not outcomes/benefits. Large projects that may take several years to complete should be scoped in stages, with each stage producing outputs for utilisation, allowing for some outcomes/benefits to be generated.

Activities, tasks, timeframes and milestones then can be identified for each phase, linked to the delivery of the outputs. Milestones are significant scheduled events that act as progress markers in the life of a project. The breaking down of work into related tasks is called the **Work Breakdown Structure**, sometimes described as an **Activity Decomposition Chart**.

The result of this initial planning is called the **Project Development Schedule**. The high-level results of this initial planning will be documented in the **Project Business Plan**, under the Project Development section, which gives an indication of the major project phases, milestones and target dates.

More detailed planning of major project phases, activities, milestones, tasks and the resources allocated to each task can either be documented in the **Project Execution Plan** (in the case of large and/or complex projects), or through the use of scheduling tools, such as Microsoft Project® or other similar tools, that enable the Project Manager to track progress towards the delivery of each output against identified milestones.

(Refer to the **Project Management Template: Project Execution Plan**)

Each output is detailed, in turn, with its associated activities, tasks, milestones and timeframes. The interdependencies of the work required to achieve each of the major milestones are also identified.

In estimating timeframes the **Critical Path Method (CPM)** is often used. The **Critical Path** is the chain of activities that links the start to the finish of the project, and for which any delay will cause the project to be delayed by the same amount of time. Project Managers, who need to shorten the duration of their project, work on the critical path tasks and add resources and change predecessor relationships to shorten their critical path tasks.

(Refer to the **Project Management Fact Sheet: Project Estimation and Project Management Proformas: Milestone History Monitor and Work Breakdown Structure**)

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Another planning and budgeting method that may be employed in large and/or complex projects is **Rolling Wave Planning**. This approach to planning involves delaying spending time on in-depth analysis of future tasks until that level of detail is needed for the project planning activity. The rolling wave Gantt chart shows near tasks in detail, distant tasks at a high-level only and lists those tasks to be left for later discussion.

Small to medium-sized projects often use the *Small Project Business Plan* as the management document, supported by keeping day-to-day project plans, such as Gantt Charts, Timeframes and Task Lists etc. Whatever planning tool is selected, it should enable the identification of major milestones with tracking and progress reporting against them.

Many tools exist to support Project Scheduling activities. Information about some that are available can be accessed from this website.

### 2.4 Tips from Project Managers

Practising Tasmanian State Service Project Managers have made the following comments:

- Scoping activities precede any other project management activities.
- For scoping to occur adequately, there needs to be a full analysis of stakeholders and all stakeholders must be adequately involved.
- With projects that are initiated by edict, active stakeholder involvement is still necessary (though there is a need to facilitate an appreciation of constraints).
- Express the scope in ways that people understand and appreciate.
- Make sure the important stakeholders sign-off on the scope of the project.
- Be aware of related projects, developments and standards early.
- Carefully define what is in and outside the scope.
- Beware of scope creep.
- Change initiatives do not necessarily have to be translated into single projects. They may be achieved through a series of interlinked projects.
- Ensure that project activities align with the scope. Be aware that some people may be operating with differing agendas that have not been formally defined in the scope.
- Continually monitor the scope and project actions in relation to it. There may be a need to redefine the scope or bring the project back on track.
3 Governance

It is vital to establish the management structure for the project that identifies the specific players, their responsibilities, accountabilities and the interaction between them for the life of the project. Ultimate responsibility and accountability for the project must be clearly defined and accepted at an appropriately high-level within the organisation.

This section of the *Tasmanian Government Project Management Guidelines* includes:

- The objectives of project governance
- Project roles - of each position in a project governance structure example
- Steering Committee roles and functions
- Project Management governance models - generic for small to medium, and large and/or complex projects
- Program of interlinked projects (Program Management)
- Project Portfolio Management

3.1 Objectives of Project Governance

The objective of project governance is to plan and manage the project throughout its life. This process involves the realisation of project outcomes/benefits, with high levels of productivity and quality, and with manageable levels of uncertainty (risk).

Key to effective governance:

- Governance, including roles and responsibilities, is clearly defined, agreed to and signed-off by the Steering Committee, as detailed in the *Project Business Plan*
- A ‘Steering, not Rowing’ Committee representative of the Project Business Owner(s), and Key Stakeholders, as appropriate
- Status reporting of the project’s progress is against the milestones, as outlined in the *Project Business Plan*, as well as identified risks and issues for the project

In developing a governance structure for a project, and the roles used within it, there is enormous flexibility. There are also, however, some general principles that should be applied.

The ultimate responsibility and accountability for the project must be defined clearly and accepted at an appropriately high-level within the organisation. The appropriate level is the managerial level that has discretionary control over the bulk of the resources that will be expended in the project process. For a large and/or complex project, it will generally be a member of the senior executive. For small projects, a Line Manager may fill this role. For the purposes of these Guidelines, this role is called the Project Sponsor.

It is highly recommended to include representatives from each major Business Unit that will have responsibility for managing the project outputs on an ongoing basis (the
Business Owner(s)) on the project’s Steering Committee. A Steering Committee member from outside the organisation, to provide a ‘reality check’ and represent broader Government interests, is also recommended.

Project governance structures within and across Agencies are management structures developed specifically for the project, and not necessarily a reflection of operational line management structures. These different management structures have been known to cause some conflict with regard to accountability and reporting. It should be very clear to all concerned how the project governance structure will operate within the general management structures of the Agency.

Project activities are managed through the project governance structures; ongoing operational or transactional activities are managed through the existing line management structures. They may be one and the same thing, with the same players, but the distinction between the two types of activities, project and normal business activities, should be conveyed clearly. This distinction assists with defining the accountability and reporting arrangements that form the basis of any sound governance model.

One final point to note is that where projects are Commonwealth Funded, there is usually a funding agreement that includes processes for decision-making, reporting and accountabilities. The Project Sponsor/Steering Committee should be apprised fully of the terms of any funding agreement, as there may be important implications for the project governance processes.

**Selecting the right Project Manager**

The Project Manager is the key person around which the project will ultimately revolve, and appropriate selection of the Project Manager and Team, resourcing of the Team and delegation of authority is critical.

For large and/or complex projects, project management knowledge and experience are at least as important as knowledge of the business area(s) in which the project is being run. However, Project Managers should have, or seek to obtain, knowledge of the business area, in order to be able to communicate effectively with Project Team members and project clients to ensure that business issues and concerns are addressed.

The Project Team should include at least one person with an intimate knowledge of the business area, and preferably more. It may also be an advantage if one or more Project Team members are novices or inexperienced in the business area, so that fundamental issues are not overlooked, or simply taken for granted. Many issues can be uncovered through the process of explaining a project to those participants with little background in the area. Finding the right combination of people with project management, technical and business area skills, let alone people who are able to function effectively as a team, can be quite a balancing act for those people involved in projects.

### 3.2 Project Roles

The following list of project roles gives an indication of the type of accountabilities, responsibilities and tasks generally allocated to those people involved in a project.

As projects vary, including in size and complexity, the roles required, and even the tasks and responsibilities within those roles, will vary.

The information below provides a starting point, which should be discussed with the appropriate groups or persons nominated to fill positions in a project’s governance
structure, with the agreed breakdown of accountabilities and responsibilities documented for large and/or complex projects. The most crucial issue is to have clearly assigned roles and transparency of the project governance structure.

However, all projects must have, as a minimum, the roles of Project Sponsor, Business Owner(s) and Project Manager within the governance structure (though not necessarily different persons). That is:

- A person responsible and accountable for the project and securing of its Target Outcomes (Project Sponsor)
- A person(s) who will manage the project outputs after project closure, and is accountable for realisation of the Target Outcomes (Business Owner(s))
- A person who will manage the project and deliver the outputs (Project Manager)

Corporate Client

In a large, complex or politically driven project, the Corporate Client is the champion of the project and has ultimate authority. They promote the benefits of the project to the community, and may be viewed as the ‘public face’ of the project. For example, the Corporate Client may be the Premier, Minister of the State or Head of Agency. In a small, less complex project, the Project Sponsor would fulfil the role of the project champion. The Corporate Client may also be the funder of the project (Project Funder).

Project Sponsor

The Project Sponsor has ultimate accountability and responsibility for the project and is a member of the Steering Committee, usually the Committee Chair (sometimes referred to as Project Owner).

The Sponsor oversees the business management and project management issues that arise outside the formal business of the Steering Committee. The Sponsor also lends support, by advocacy, at senior levels, and ensures that the necessary resources (both financial and human) are available to the project.

The Corporate Client and Project Sponsor may be the same person for some projects. The Project Sponsor is ultimately responsible for ensuring that project Target Outcomes are secured before formally closing the project. This responsibility might be delegated to senior management where the Business Owner(s) is not within the same Agency.

The Project Sponsor may also be the Business Owner for the project and can also be the funder, but it varies within Government, depending on the budgetary arrangements and decisions about who will be managing the outputs after the project closes. In the case of large whole-of-government projects, the project funds may be managed by one Agency on behalf of the Government, but there may be several Business Owners.

The Project Sponsor must be identified for all projects, no matter what the size or complexity.
Steering Committee

The Steering Committee is responsible for policy and resourcing decisions essential to delivery of project outputs and the attainment of project Target Outcomes. It is also responsible for ensuring appropriate management of the project components outlined in the Project Business Plan, including ultimate accountability for ensuring appropriate risk management processes are applied.

(Refer to Appendix 2: Steering Not Rowing: A Charter for Project Steering Committees and their Members)

Business Owner

The Business Owner(s) is responsible for managing the project outputs for utilisation by the Project Customers. There may be one or more Business Owners, at a number of managerial levels, depending on the size of the project. The Business Owner(s) must be satisfied that the project includes all of the outputs necessary for outcome/benefits realisation. Each output must be specified and delivered fit-for-purpose. Usually the Business Owner(s) is accountable to the Project Sponsor or their delegate(s), who may be Senior Management in the Agency, for the realisation of project Target Outcomes. One or more Business Owners are usually Steering Committee members.

During the development of the project outputs, the Business Owner(s) also may be required to contribute resources to the project, in order to ensure that the outputs are being developed satisfactorily. This involvement is continuous from the early conceptual stages through to reviewing and/or testing the completed products.

The Business Owner(s) must be identified for all projects, no matter what the size or complexity, even if they are the same entity as the Project Sponsor, or indeed the Project Manager.

Business Customers

There may be other Government Agencies or Business Units that will utilise the project outputs, but do not have management responsibility for their ongoing maintenance or accountability for the realisation of outcomes/benefits. These are known as the Business Customers. Sometimes the Project Observer or the Project Business Owner(s) represents the interests of the Business Customer(s).

Project Customers

The person or entities that will utilise the project outputs to generate the outcomes/benefits. For example, the Tasmanian public who transact business with Service Tasmania.

Project Observer

In a large, complex or politically driven project, possibly involving whole-of-government or more than one Agency, the Project Observer is usually present at Steering Committee meetings or Project Team meetings to act as an information channel to the Agency they are representing. The Agency may not necessarily be represented on the Steering Committee if they are not Business Owners, but may wish to capture the learnings for possible related projects in the future.

The Project Observer cannot participate in decision-making while attending meetings, but may raise issues for discussion on the understanding that those issues may or may not be addressed or resolved as part of the meetings. The issues may be considered outside of the formal meeting structure.
The Project Observer has accountability to the Agency they are representing. If issues arise that may have implications for the Agency, they have a responsibility to report these issues back to their Agency. The Agency may then wish to raise these issues formally with the Project Sponsor.

The Project Sponsor/Steering Committee Chair should agree to the role of the Project Observer before that role is implemented.

**Quality Consultants**

Large projects generally engage one or more quality consultants to undertake formal quality reviews of the project’s processes or outputs. These consultants work independently of the Project Team, and are often contracted from outside the organisation.

There are two distinct classes of Quality Review:

- One class focusing on the project as a whole in terms of structure, processes and progress toward outputs
- One class focusing on the quality of products or services (outputs) being produced within a project in a technical field (eg law, IT, construction)

(Refer to Appendix 3: A Charter for Quality Advisory Consultants and Appendix 4: A Charter for Quality Review Consultants)

**Project Manager**

The Project Manager is contracted, by the Project Sponsor and Steering Committee (or in small projects, the Project Sponsor), to deliver the defined project outputs. They are responsible for organising the project into one or more sub-projects, managing the day-to-day aspects of the project, developing the Project Execution Plan(s), resolving planning and implementation issues, and monitoring progress and budget. The Project Manager will:

- Develop and maintain a Project Execution Plan(s)
- Manage and monitor the project activity through detailed plans and schedules
- Report to the Project Sponsor and Steering Committee at regular intervals
- Manage (client/provider/stakeholder) expectations through formal specification and agreement of goals, objectives, scope, outputs, resources required, budget, schedule, project structure, roles and responsibilities

It is essential that the Project Manager has demonstrated high-level project management skills. A Project Manager cannot lead effectively unless they have credibility. For most projects, it means the Project Manager must have knowledge of how the outputs will be created and how they will achieve the outcomes/benefits described in the Outcome/Benefits Realisation Plan.

The Project Manager must be identified for all projects, no matter what the size or complexity.
**Project Team**

The Project Team is led by the Project Manager, working for the successful delivery of the project outputs, as outlined in the *Project Execution Plan(s).* It is desirable that the Project Team includes representatives from the Business Unit(s) affected by the project. The composition of the Team may change as the project moves through its various phases. The assessment and selection of people with the requisite skills required for each phase of a project is critical to its overall success. The skills should be explicitly identified as a part of the project planning process. The Project Team is responsible for completing tasks and activities required for delivering project outputs.

**Reference Groups**

Reference groups provide forums to achieve consensus among groups of stakeholders. The group may already exist, have an indefinite life span or may continue for the life of the project. One such group might be a general reference group delegated by the Steering Committee to monitor or modify the *Project Business Plan* for approval by the Steering Committee. The group also may consist of collection of people with like skills to address a particular set of issues. An information technology reference group is an example.

**Working Groups**

Working groups consist of small specialist work groups, each dedicated to producing a well-defined output within a specific timeframe. A working group has no life beyond the delivery of that output. Working groups probably involve one or more members of a Project Team to support activity.

**Consultants**

Consultants are employed from outside the organisation to provide specialist or other expertise unavailable from internal resources. The consultants may report directly to the Chair of the Steering Committee (or perhaps the Chair of a general Reference Group). Typically Project Consultants may include:

- Information technology specialists who define and manage the technological aspects of the project
- Representatives employed by stakeholders to ensure their interests are represented and managed
- Legal advisers who assist in the development and review of the contractual documentation
- Auditors who ensure compliance with internal and external audit requirements

**Contractors**

Contractors also may be engaged to work as part of the Project Team. Contractors are employed, external to the business area, to provide a specified service in relation to the development of project outputs. Examples include:

- Prepare and deliver training to staff in the business area
- Develop and deliver marketing programs
- Develop guides and/or manuals
- Develop business application software
3.3 Steering Committee Roles and Functions

For a larger project, an effective Steering Committee is crucial for the project’s success. *Steering Not Rowing: A Charter for Project Steering Committees and their Members* is included as Appendix 2 of these Guidelines. This Charter emphasises the important role that Steering Committee members play in a project, both individually and collectively, and was created as a guide for Steering Committee members.

The primary function of a Steering Committee is to take responsibility for the business issues associated with a project, including ultimate responsibility for ensuring appropriate risk management processes are applied. Members of a Steering Committee ensure these issues are being adequately addressed and the project remains under control. In practice, these responsibilities involve five main functions:

- Approval of changes to the project and its supporting documentation
- Monitoring and review of the project
- Assistance to the project when required
- Resolution of project conflicts
- Formal acceptance of project deliverables

3.3.1 Approval of changes to the project and its supporting documentation

The Steering Committee is responsible for approving major project documentation. Specifically, the Steering Committee approves:

- Prioritisation of project objectives and outcomes/benefits
- Budget
- Outputs or deliverables
- Schedule and budget constraints
- Risk minimisation strategies
- Project management and quality assurance methodologies

The Steering Committee is also responsible for any major changes to the project. It should be provided with the following information in support of a proposed change:

- Nature and reason for the variation
- Effect of the change
- Revised *Project Business Plan*, if appropriate
- Suggested actions for the Steering Committee to consider

Changing or emergent issues may require the project scope to be adapted so the project meets the original or modified outcomes/benefits. The Steering Committee is responsible for approving or rejecting these changes to the project and for ensuring that additional resources are provided for incorporating these changes, if required.
3.3.2 Monitoring and review of the project

The Steering Committee reviews the status of the project at least at the end of each phase and determines whether the Project Team should progress to the next phase.

The review focuses on major project documentation and any variations in the key components, such as outcomes/benefits, risk, costs, returns and output quality.

3.3.3 Assistance to the project when required

The Steering Committee assists the Business Owner(s) and Project Manager in completing the project by ensuring the project is adequately resourced and has the backing of people with authority.

Steering Committee members should be active advocates for the project’s outcomes/benefits and help facilitate broad support for it.

If Steering Committee members represent the interests of some or all stakeholder groups, they should facilitate the communication of these interests. They may also help illustrate to stakeholders how the project serves these interests.

At times, outside of Steering Committee meetings, the Project Team may also seek the particular knowledge or experience of individual Steering Committee members.

3.3.4 Resolution of project conflicts

Project conflicts can arise from conflicts in resource allocation, output quality and the level of commitment of project stakeholders and related projects.

The Project Manager is generally the first reference point for the resolution of problems and can solve most internal project problems.

Problems arising, which are outside the control of the Project Manager, are referred to the Project Sponsor or Business Owner(s) for resolution, but there may be occasions when the Steering Committee is asked to help resolve such disputes.

3.3.5 Formal acceptance of project deliverables

Following review and/or acceptance by the Business Owner(s), the Steering Committee formally reviews and accepts project outputs. Once these deliverables have been accepted by the Steering Committee, any changes must be formally approved.

To achieve this function effectively, Steering Committee members must have a broad understanding of project management concepts and the specific approach adopted by the Project Team.

3.3.6 Steering Committee Membership

For Steering Committees to work effectively, the right people must be involved. Steering Committee membership should be based on individual skills and attributes, rather than on their formal roles, and members should maintain membership of a Steering Committee even if their role within the organisation changes. However, representatives of important stakeholder groups also should be included. One way of ensuring that the Steering Committee takes responsibility for whole-of-government issues is to include someone from outside the Agency/organisation on the committee.
3.3.7 Steering Committee Meetings

A Steering Committee meets regularly throughout the course of a project to keep track of issues and the progress of the project. The Project Manager should attend these meetings to be a source of information for Steering Committee members and to be kept informed of Steering Committee decisions. Ideally, the Project Sponsor should chair the Steering Committee meetings. A Steering Committee meeting may cover the following agenda:

- Introductory items, such as:
  - Apologies
  - Minutes from last meeting
  - Matters arising from minutes
- Project Business Plan issues - amendments, revisions or arising related issues
- Project management issues, including progress reports and consultants’ reports
- Important issues at the time of the meeting, such as a budget committee submission, proposed tendering arrangements, sign-off of functional requirements, related projects and so forth
- Review of actions arising from previous Steering Committee meetings - may be useful to keep a formal list of these actions, in order to track them effectively
- Plans for the next meeting

The Steering Committee has responsibility for the project until the project’s outcomes/benefits are secured. These outcomes/benefits may not be secured until after the Project Manager and Team have completed their involvement.

(Refer to the Steering Committee Resource Kit)
3.4 Project Management Governance Models

*Figure 5a* presents a generic project governance model and is used as an example only. It includes all of the entities that might exist. Not all projects will include all of the entities listed. The model can be modified to allow for diverse corporate cultures and project constraints. For example, for some projects it may be appropriate to collapse or combine some of the entities, as depicted in the example at *Figure 5b*, into a single function, person or document.

![Diagram of Project Governance Model](image)

**KEY:**
- Direct relationships that may be managerial or contractual (or both)
- Indirect relationships that may exist in some circumstances. They may also be managerial or contractual (or both)

*Figure 5a: A Generic Project Governance Model for larger, more complex projects*

The governance model above indicates most of the possible stakeholders that might be incorporated in a project governance structure, as well as an indication of some of the ways in which they would be most likely to interact. In the case of a program of projects, a cascading model is used sometimes to show the complex governance arrangements. As projects evolve, their model of governance may change. For example, Project Team members, Working Groups and/or Reference Groups may move in and out of the immediate governance sphere of the project, as the nature of the project tasks change.
Obviously, for smaller projects such a complex structure would be unnecessarily unwieldy and duplicative. Figure 5b provides an alternative example.

Figure 5b: An example Project Governance Model for small to medium sized projects

For example, on a smaller to medium-sized project, with stakeholders primarily within a single Business Unit, an appropriate governance structure might be:

- Project Sponsor - Divisional Director responsible for Business Unit
- Business Owner - Manager of Business Unit
- Project Manager and Team - nominated staff from Business Unit
- Independent Quality Review - employee from a related Business Unit

On a small project, within a single Business Unit (usually managed as part of a number of small projects), the governance structure may only involve the Project Sponsor/Line Manager, who is also the Business Owner and the Project Manager.

3.5 Program of Interlinked Projects

For multiple related projects or program of projects, a single governance structure may be employed. A core Steering Committee with responsibility for overall outcomes is recommended. The governance structure may largely be stable for all of these projects (for example, same Steering Committee members, single Reference Group, same Quality Review Consultant - across all sub-projects) or be quite different for each sub-project. The set-up in these cases will be dependant largely on stakeholder diversity among sub-projects, project size, and the differences or similarities in the nature of the sub-projects.

When drawing a project governance model, the temptation exists to attempt to include project relationships as well (for example, sub-project breakdown). While it is useful to document these relationships diagrammatically, they should be recorded in a separate diagram, or a cascading model might be employed.

The main requirement is to ensure that the governance models for programs of projects, and the projects within them, are clearly defined in the high-level Project/Program Business Plan, including clear delineation of the roles, responsibilities, accountabilities and reporting requirements.

(Refer to the Project Management Knowledge Base for examples of large Project/Program Business Plans)
3.6 Project Portfolio Management (PPM)

Project Portfolio Management is the management of prioritised projects within the Agency, Business Unit, across government or organisation. It is a dynamic process requiring re-prioritisation, as necessary, to meet changing business requirements or emerging opportunities. The term is derived from the business world of managing a portfolio of financial investments (investment portfolio). PPM usually refers to the management of a portfolio of projects with a large investment in IT. The focus is on effective planning processes to achieve value from business/IT alignment. While the discipline of project management remains focused on delivering individual projects successfully, PPM focuses on delivering programs of projects successfully.

gantthead.com[^3] suggests that best practice in this area involves the Agency/organisation establishing mechanisms to manage both the approval/prioritisation of projects, and the coordination of project delivery. The Agency/organisation adopts a formal process for tracking project processes from inception to completion or cancellation. Several Tasmanian Government Agencies are moving towards this model, particularly with regard to projects with a major ICT component. Project Portfolio Management tools are available to support this process. However, the governance processes that the Agency/organisation employs to manage its projects must be examined, and potentially reengineered, before any tools are investigated. The key to effective portfolio management is governance.

(Refer to the Project Management Fact Sheet: Project Portfolio Management)

Within the Tasmanian Government, the Inter Agency Steering Committee (IASC) has been established, comprising Agency Deputy Secretaries. The purpose of the IASC is to support, at a high level, the efficient use of Government resources, and reduce duplication in activities related to eGovernment, particularly where cross-Agency and whole-of-government projects and issues are involved. Its role can be likened to the role of a Project Board in managing a portfolio of projects across government, each with their own dedicated governance structures. This role does not prevent members of the IASC from forming Steering Committees for large cross-Agency or whole-of-government projects. In that case, now the role is one of Project Steering Committee member, as opposed to member of the Project Board with responsibility for high-level oversight of the Tasmanian Government Portfolio of Business and ICT projects.

[^3]: Benchmarking and Best Practices primer
www.gantthead.com/Gantthead/content/whitePapers/Benchmarking_and_Best_Practices_Primer.doc
(Accessed 10 Feb 2005)
4 Organisational Change Management and Outcome Realisation Planning

Planning for organisational change, in the context of these Guidelines, is from the perspective of planning for the achievement of the targeted outcomes of the project. Projects are all about change and almost always involve people and relationships. Information in this section is closely linked with Stakeholder Management and Communication Planning in Section 5. Planning for organisational change, closely linked with outcome/benefits realisation planning, is a substantial discipline in its own right.

This section of the Tasmanian Government Project Management Guidelines includes:

- Organisational Change Management - including a definition, and planning for organisational change, both during and after the project
- Outcome/Benefits Realisation - including a definition and planning
- Roles and responsibilities - Business Owner(s), Steering Committee, Project Sponsor, Project Manager, Project Team members and Stakeholders
- Outcome/Benefits Realisation planning documentation - description of what is produced

Definition

Organisational Change Management is the management of realigning an Agency/organisation to meet the changing demands of its business environment, including improving service delivery and capitalising on business opportunities, underpinned by business process improvement and technologies. It includes the management of changes to the organisational culture, business processes, physical environment, job design/ responsibilities, staff skills/knowledge and policies/procedures.

Clarification of terms

It is easy to confuse Organisational Change Management with the term ‘change management’. Management of organisational change is sometimes referred to as change management, a term that can cause confusion in project management circles because it has three other possible interpretations:

- In projects, it can refer to the formal method of managing requests for change that may affect the scope of the project
- In projects with an IT systems component, ‘change management’ refers to specialised procedures for managing technical change
- In reengineering projects, ‘change management’ can imply replacement of the current Managers
4.1 Organisational Change Management

Projects are used as the vehicle for implementing changes to an Agency/organisation. Projects are all about transformation and are intended to create change of one kind or another, no matter how small or large.

Organisational Change Management/Outcome Realisation Planning has been identified as a Key Element (refer to Section 1: Project Management - The Basics) in the management of projects, as projects bring about changes, either across Agencies or within an Agency or Business Unit(s). These changes must occur in order for the outcomes/benefits from the projects to be realised by the Agency/organisation.

While these changes are often monitored during project implementation, in the past not enough attention was paid to the management and use of the project outputs once the project closed. For the changes to be effective and the full benefits achieved on an ongoing basis, planning for change, both during and after the project, is very important.

Very few projects are carried out in isolation in an Agency, organisation or Business Unit. Overall strategic direction for the management of change within the Agency/organisation may have been established already, and articulated in relevant Corporate/Strategic Plans or similar documents. The relationship to Tasmania Together and other Government strategies also must be considered. This Key Element of project management should be considered in the light of the overall organisational approach and the extent to which the project is involved in bringing about change.

4.1.1 Planning for Organisational Change

The main elements of organisational change are:

- Transition Planning
- Communication Planning
- Training Planning

These elements are supported by key activities, such as:

- Identifying change agents to support the change
- Building and maintaining effective project sponsorship
- Acknowledging and managing resistance
- Using collaborative approaches
- Executing a staged implementation
- Monitoring and evaluating

(Refer to current Organisational Change Management research or Agency manuals for further details)

Transition Planning

Transition planning involves planning for the new, post project environment. It can be achieved by seeking the answers to the following questions:

- What is the current situation? (Current situation)
- How will the project(s) change it? (New situation)
- How will the Business Unit/Agency move from the current situation to the new situation? (Transition arrangements)
- What are the costs and resource requirements of the transitional arrangements (if any)?
To assist in identifying the effect that the project(s) will have on the business processes, it is necessary to examine these processes (pre-project) within the Agency/organisation, in relation to the three areas outlined above. Often baseline data for measuring performance can be gained from this activity. Planning describes how the transition will occur to enable the business process in the future to be as operational (everyday) as the current processes.

This transition is achieved by comparing the current business process in the three areas, with a basic understanding of what will change in the new business process. For example, does the project deliver a new tool (eg an IT application) or a re-structured organisation or modified policies/procedures?

Transition planning should include consideration of the following:

- Organisational culture, including business processes, and how these will be changed
- Physical environment
- Job design/responsibilities
- Required skills and knowledge
- Policies and procedures, which need revising or developing
- Work flow/processes

The current situation should be described, the new situation predicted and transition activities, related to each of the above areas, identified. No project is static and the exact nature of the extent of the changes will become progressively clearer during the progress of the project. Project INITIATION activities, particularly in the case of large and/or complex projects or programs of projects, aimed at implementing significant business changes, increasingly involve the use of business analysis and business process mapping techniques and tools to capture the existing business processes, before determining what has to change.

(Refer to the Good Practice Fact Sheet: Checklist for Major Business Initiatives)

**Figure 6: Transition from current to new business processes**
Three areas support business processes in an organisation:

- Tools (e.g. IT systems, infrastructure)
- Organisation
- Procedures/policies

**Communication Planning**

Communication is one of the most important aspects of leading change. An effective communication strategy contributes to the success of organisational change management. It is as important to communicate internally as it is externally.

It is vital that a *Communication Strategy* and action plan be central to any planning for the management of organisational change. This type of communication is aimed at those directly affected by the changes. These change processes include strategies for identification of change agents as leaders for the change, identification of those people who may be unwilling to accept or support the changes and how to work with these processes and other strategies, as referred to in the literature surrounding change management as a discipline. This Strategy can be considered to be separate from a *Marketing Plan* that aims at communicating the benefits of the change to Project Customers.

The Tasmanian Government has developed a Whole of Government Communications Policy and Tool Kit, which can be found on www.communications.tas.gov.au, that provides detailed information, templates and tools in this area.

Organisational change management is a continuous process - a program, not a single event. During this process, people may experience high levels of confusion and uncertainty as they move through a transition stage, before achieving full implementation of the change. Clearly communicated and effective support and direction from Senior Managers is essential during this period.

One of the roles of the Project Manager is to plan the *Project Communication Strategy*, within the context of the overall Agency Communication Strategy and in collaboration with the Agency Communications Manager. This Strategy is closely aligned with Stakeholder Management planning and is explained in more detail, with regard to project communication planning activities, in Section 5: Stakeholder Management.

**Training Planning**

In order to ensure that planned changes affecting business processes are successful, a Training Plan should be developed. This plan should identify:

- Which groups or individuals require training
- What are the training requirements
- How, where and when the training will be delivered
- Who will deliver the training

While the project budget may cover the initial training activities, the Business Owner(s) should be prepared to include the ongoing training requirements for new staff within their annual operational budgets and as part of the organisational change management activities. The Business Owner(s) also may fund training that falls outside of the scope of the project. For example, in order to utilise a new software application, staff may require training in general computer skills, touch-typing or Graphic User Interface (GUI) training if they are unfamiliar with the environment.
4.2 Outcome/Benefits Realisation

Planning for organisational change in the context of these Guidelines relates to planning for the achievement of the targeted outcomes/benefits of the project. In addition to planning for the measurement of the outcomes/benefits, this planning prepares the business areas for the new operational environment that will exist once the Project Team has handed over the outputs, the Team has been disbanded and/or the project is closed.

The purpose of Outcome/Benefits Realisation planning, and its documentation, is to ensure that:

- The final stages of the project are managed in a satisfactory manner
- The utilisation of the projects outputs are linked to the planned project Target Outcomes
- The success of the project’s outputs are assessed and corrective action performed if required
- The planned project outcomes/benefits are realised to a significant extent, prior to formal project closure

Definition

Once a project delivers its outputs to the Business Owner(s), these outputs must be utilised by the Project Customers to enable the project’s outcomes/benefits to be realised. This stage of the project is therefore referred to as outcome/benefits realisation.

4.2.1 Planning for Outcome/Benefits Realisation

Outcome/Benefits Realisation planning is all about gaining commitment from the Business Owner(s) to manage and maintain the outputs in a quality manner, and to ensure that reporting of progress against the realisation of the Target Outcomes occurs at agreed intervals after the project closes.

It is strongly recommended that the Project Steering Committee reconvene at an agreed appropriate time after project closure, in order to sign-off on the progress towards outcome/benefits realisation. This recommendation assumes that the high-level Business Owner(s) are represented on the Steering Committee. An alternative is for the Project Sponsor to nominate appropriate persons, such as Senior or Executive Management, to take responsibility for receiving outcome/benefits realisation progress reports.

As part of the INITIATION Phase of a project, the Business Owner(s) for each of the high-level outputs from the project must be identified and included within the governance structures. It is the Business Owner(s) who will accept responsibility for the ongoing management of the project outputs once delivered, the realisation of the Target Outcomes from the use of those outputs and subsequent flow of benefits.

John Smyrk, Sigma Management Science Pty Ltd, refers to three factors that determine outcomes. These factors are the quality (fitness-for-purpose) of the outputs, the predisposition of the project customers and the external influences. Planning within the project for outcomes/benefits realisation therefore should include:

- Output Quality Management - Control
- Management of change during the project - Influence
- Risk Management Planning - Mitigate
Maintenance Planning

Where a project involves new business systems and procedures, it is important to develop a Maintenance Plan that identifies the maintenance requirements for the outputs (for example, the service requirements of equipment; applications; infrastructure or buildings; the system administrator and support manuals for a system). This planning may require the development and negotiation of maintenance contracts or service level agreements.

Issues that need to be resolved include determining who will be responsible for maintenance and upgrades, the processes that will need to be put in place to ensure that maintenance occurs on a regular basis and records management procedures etc. The Business Owner(s) should ensure that any maintenance costs, licence renewals or annual contract fees are included in their annual operational budgets.

Performance Measurement

As described in Section 11: Evaluation, some time after the project outputs have been delivered, an evaluation of the project, to assess if the Target Outcomes were attained, should be conducted. Mark E Mullaly in the Cutter IT Journal refers to creating a culture of benefits realisation. He states that to move to a culture of measurement that supports benefits realisation, organisations must redefine the process of project initiation, implementation and post-project evaluation. There should be clear guidelines for the articulation of benefits, planning for benefits realisation and the roles and responsibilities for attaining those benefits.

The Target Outcome measures developed before the start of the project, or during the Outcome/Benefits Realisation planning activities, should be used as a baseline when conducting this type of review. These measures include baseline data, target levels and target dates.

This measurement is closely aligned with the initial scoping of the project and planned evaluation strategies. It is important to identify the Target Outcomes and performance measures for the project. This identification will assist with planning for the monitoring and measurement of performance during the project and after the project is closed.

Performance measures must be carefully thought through at the time they are devised. The data must be available now and into the future. The measures must not be subject significantly to events beyond the control of the project and must be relevant.

The Project Business Plan details the Target Outcomes, performance indicators, performance measures to be used, baseline data, target levels, target dates and accountabilities. These elements should be used for Performance Measurement.

4.2.2 Roles and Responsibilities

Business Owner(s)

The Business Owner(s) has ultimate accountability for ensuring that the Outcome/Benefits Realisation Plan is developed. They also monitor the progress and effectiveness of the plan, as they will ultimately reap the rewards of a successful project once the outcomes/benefits are realised. Business Owners are formally responsible for reporting progress towards Outcome/Benefits Realisation at the second point of formal project closure, which is when the Steering Committee can be satisfied that the Target Outcomes have been secured.

(Refer to Section 12: Project Closure)

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Steering Committee and Project Sponsor

The Steering Committee and Project Sponsor must endorse the *Outcome/Benefits Realisation Plan*. They are responsible for ensuring an effective *Project Business Plan* is in place throughout the life of the project, which forms the baseline for the development of the *Outcome/Benefits Realisation Plan*.

Project Manager

The Project Manager is responsible for ensuring:

- Scoping of the project adequately details the planned Target Outcomes and performance measures
- Identification of the customers who will utilise the outputs and how these will be utilised to generate the outcomes
- Fitness-for-purpose of the criteria for the planned outputs in relation to achievement of the Target Outcomes
- Continual monitoring of the project to identify any changes to the scope that will affect the final outputs delivered
- The Business Owner(s) has assistance with the initial development of the *Outcome/Benefits Realisation Plan*

While the Project Manager’s responsibilities are completed after the project outputs are delivered and accepted, it is advisable to make sure planning for how the outputs are managed, and who will be responsible, is carried out much earlier.

Project Team members

The other Project Team members can assist with the development of the *Outcome/Benefits Realisation Plan*, particularly if they are the people who will be involved in the management of the outputs once the project closes.

Project Stakeholders

Project Stakeholders must be able to provide input into the *Outcome/Benefits Realisation Plan*, especially if they are members of the Business Unit/Agency that will be affected by the changes.

4.2.3 Outcome/Benefits Realisation Planning Documentation

The results of planning for the organisational change, associated with the delivery of the project outputs and their utilisation to generate the desired outcomes/benefits, can be captured in an *Outcome/Benefits Realisation Plan*. This plan ideally should become the management document for the Business Owner(s)/Steering Committee of the project, in the same way that the *Project Business Plan* is the management document for the Project Sponsor/Steering Committee.

The document captures agreed plans for the management of the change brought about by project implementation. It should be formally signed-off by the Project Sponsor and Business Owner(s), and should be updated on a regular basis to reflect any changes agreed to either during the project or after project implementation. For smaller projects, an agreed implementation and management plan may substitute for an *Outcome/Benefits Realisation Plan*. Procedures should be in place for the ongoing management of the outputs and realisation of outcomes/benefits before the project closes.
Initial planning activities, together with the need continually to revisit planning activities throughout the project lifecycle, are often seriously underestimated or allocated insufficient time due to political or organisational pressures. To ensure appropriate and effective Organisational Change Management and Outcome/Benefits Realisation planning sufficient resources must be allocated (in terms of staffing, time and skills) to these processes initially and at frequent intervals throughout the life of the project.

(Refer to the Project Management Template: Outcome/Benefits Realisation Plan)
5 Stakeholder Management

It is important to develop an understanding of the values and issues that stakeholders have, in order to address them and keep everyone involved for the duration of the project. If a project does not have the necessary support from those providing resources and those who will be utilising the outputs, it is unlikely to be successful. The creation of a coalition of interest and support for the project is important.

This section of the *Tasmanian Government Project Management Guidelines* includes:

- Stakeholder Management and planning - including a definition and classification of Stakeholders
- Stakeholder analysis
- Communication strategies - including planning

5.1 Stakeholder Management and Planning

Definition

The stakeholders in a project are those individuals or organisations whose interests are impacted by, or who can impact the interests of, the project. The potential stakeholder community surrounding a project can be difficult to identify because:

- It is often a large, diffuse and amorphous group
- The interests of stakeholders are usually so varied

Stakeholder Management is the process by which you identify your Key Stakeholders and win their support. Stakeholders can be defined as Key or Non-Key for the purpose of planning management strategies:

- Key Stakeholders are those individuals or groups whose interest in the project must be recognised if the project is to be successful - in particular those stakeholders who will be positively or negatively affected during the project or on successful completion of the project
- Non-Key Stakeholders are those individuals or groups whose needs do not have to be recognised for the project to be successful, but who will be identified as a result of identifying all stakeholders

Classifying Stakeholders

For the purposes of formalised stakeholder management procedures, classifying the Key Stakeholders into groups is a useful tool and allows management strategies for like groups to be developed and implemented.

The management strategies adopted may be formal, informal, detailed or broad, depending on the needs and size and complexity of the project. Stakeholder management activities can consume project resources, therefore these activities should concentrate on what will contribute to the project’s success or where lack of communication will lead to failure.
The nature of someone’s stakeholding in a project will be peculiar to the circumstances of the project. However, there are a number of generic stakeholder classes within government projects that provide a useful starting point for analysis.

The following table provides a list of classifications that may be adopted by a project to categorise groups of project stakeholders. Classifying stakeholders into groups allows management strategies for like groups to be developed and implemented. It also helps with identifying what the project requires from each group and what actions they should be undertaking.

The list is not definitive, nor will every project use every classification. It may be necessary to break some groups down into sub-categories (eg breaking the outcome-impacted group into those stakeholders that receive a benefit and those stakeholders that receive a dis-benefit (negatively impacted)).

An early review of the stakeholder list is required to identify critical stakeholders who should be involved in all project planning and review sessions. Classification of stakeholders may, and probably will, change as the project progresses.

<table>
<thead>
<tr>
<th>Group</th>
<th>Group Description</th>
<th>Stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review</td>
<td>Groups/organisations that need to review (or audit) the project and its outputs/outcomes</td>
<td>eg Quality Review Consultant, Auditor, Minister of the Crown, Member of Parliament, Budget Committee</td>
</tr>
<tr>
<td>Related</td>
<td>Projects-related projects and change activities that will impact on the project</td>
<td></td>
</tr>
<tr>
<td>Outcome</td>
<td>Individuals/groups/organisations/related projects that will be impacted by the achievement of the project’s outcomes</td>
<td>Beneficiaries are those persons to whom target benefits are expected to flow; Impactees are those who will experience some form of penalty (dis-benefit) because of the project</td>
</tr>
<tr>
<td>Provider</td>
<td>Groups/organisations that will be required to provide inputs and services to the project</td>
<td>eg can be internal and external, and provide resources, specific expertise or products etc</td>
</tr>
<tr>
<td>Output</td>
<td>Groups/organisations that are responsible for the delivery of the project’s outputs</td>
<td>eg Project Team, Consultants</td>
</tr>
<tr>
<td>Utilisation</td>
<td>Groups/organisations that will be required to implement and utilise the project’s outputs to enable the realisation of the project’s outcomes</td>
<td>eg Business Owner(s), Business Customer</td>
</tr>
<tr>
<td>Outcome</td>
<td>Client groups that are the corporate owners/spONSORS of the project, supporting the delivery of project outputs and realisation of the outcomes/benefits</td>
<td>eg Corporate Client, Project Sponsor, Steering Committee</td>
</tr>
</tbody>
</table>

**Table 4: An example of how to identify and classify Stakeholders**

While it is a useful tool initially to classify stakeholders into generic groups for the purposes of identification, the individuals or groups within each category should then be identified specifically and targeted in the **Stakeholder Analysis** process. The large **Project Business Plan Template** provides further support in this area.
5.2 Stakeholder Analysis

Those entities that have an interest in a project must be identified and the nature of their interests analysed. To undertake a project without a thorough understanding of every interest that is held in the project is, by today’s standards, very risky, but also professionally unacceptable. There are three forms of stakeholder analysis that should be carried out during a project:

- Foundation analysis - performed during project initiation
- Regular updates completed at the end of every phase
- Ad hoc updates carried out whenever events suggest that there has been a change to the stakeholder environment

This analysis is best carried out by the Project Team in consultation with potential stakeholders or representatives of potential stakeholder groups. It includes:

- Identify/review all stakeholders
- Analyse/review nature of stakeholding for each
- Categorise/confirm as key and non-key, and prioritise based purely on your own judgements about the ‘importance of the stakeholder’
- Perform/review buy-in analysis for Key Stakeholders, ie what is required to engage them in the project and gain their commitment, and how to communicate with them

<table>
<thead>
<tr>
<th>#Ref Code</th>
<th>Stakeholder</th>
<th>Key or Non Key</th>
<th>Nature of stakeholding</th>
<th>Key issues for project</th>
<th>Engagement and commitment process</th>
<th>Planned action detailed in?</th>
<th>Who?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Unhappy neighbour</td>
<td>Key</td>
<td>a) Lobby against Vandalism b) Disturbed</td>
<td></td>
<td>How will we engage this stakeholder and gain their commitment?</td>
<td></td>
<td>Communication Plan</td>
</tr>
<tr>
<td>(For Example) Building a community hall</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Risk Register</td>
<td>Marketing Consultant</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Issues Register</td>
<td>Contractor</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Change Mgt Plan</td>
<td></td>
</tr>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Work plans</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Budget</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>Resources</td>
<td></td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Action List</td>
<td></td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>WBS</td>
<td></td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Action List</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Communication Plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Risk Register</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Protect site</td>
<td></td>
</tr>
</tbody>
</table>

Table 5: An example adapted from a Primer by John Smyrk, Sigma Management Science Pty Ltd

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5 Smyrk, John (2004) Primer example - Managing Projects for Outcomes, Course material
Stakeholder analysis is used for a variety of purposes, including:

- Management of change - as a precursor to buy-in analysis
- Management of risk - threats are often uncovered (directly or indirectly) from an examination of stakeholders
- Management of issues - analysis of stakeholders is one of the most fruitful sources of key issues for a project
- Project promotion and marketing - knowledge of stakeholders helps focus marketing and promotional activities in support of the project

Tactics for achieving and sustaining stakeholder commitment include:

- Active involvement of all who can affect, and be affected by, the project in the definition and planning stages
- Legitimisation by the Project Manager of their actions in the eyes of those stakeholders who are affected, or who can affect, the realisation of the project’s outcomes/benefits. The Project Manager should establish credibility and engender trust. Apart from having demonstrable skills, expertise and experience, ways of legitimising actions include:
  - Establishing good personal relationships - expertise alone does not inspire trust and credibility
  - Illustrating that actions are being driven by the needs of the stakeholders and that their needs and requirements are being considered seriously
  - Using the recommendations of consultants, or established formal methodologies, to support the project
  - Involving senior executives as project champions to lend the project authority
- Project communication and persuasion - others should be aware of the project and interested in its proposed outcomes/benefits early in the project, if their cooperation and involvement is required later. Project communication is a particularly important issue for whole-of-government projects. The communication strategy should appreciate differences in separate stakeholder groups and cater for their requirements.

### 5.3 Communication Strategies

Communication is a major component of a successful project. Two key success factors, as identified by Gartner, are the involvement of the Project Sponsor, through informed and continuing interest, and simple mechanisms for project communications, preferably face-to-face.\(^6\)

The best way to approach communication is to develop a clearly planned approach. Without effective communication, Key Stakeholders could miss out on vital information and may not understand why change is needed.

In large and/or complex projects, all communication takes place in the context of an overall communication strategy and plan. It should involve the Agency Communications Manager or a Communication and Marketing professional, depending

on the nature of the Key Stakeholders identified and the focus of the project or program of projects.

The Tasmanian Government has developed a Whole of Government Communications Policy and Tool Kit, which can be found on www.communications.tas.gov.au, that provides detailed information templates and tools in this area.

(Refer to the Project Management Fact Sheet: Developing a Project Communication Strategy)

It is imperative that any Project Communication Strategy that is developed defines:

- **Target Audience** - think about each stakeholder group and the target audience within them. Determine what their communication needs are:
  - Mandatory (eg Project status reports, steering committee and reference group meetings)
  - Informational (eg Forums, project information on website)
  - Marketing purposes (eg newsletter, one-on-one meetings, presentations on outcomes/benefits, milestone celebrations, project memorabilia)

- **Research Requirements** - the need for research will vary with the complexity, cost and nature of the project. Determine what types of research will be required.

- **Key Messages** - what are the three or four key points you want stakeholders to understand and act on? Consider what outcomes/benefits, such as educating, reassuring, informing or consulting, your messages are intended to achieve?

- **Communication Strategies** - what are you going to do to get your messages across? (eg For a large complex project, is a major marketing campaign required? For a small project, is a presentation to staff that will be affected by the change all that is required?)

- **Communication Mechanisms/Tools** - which method/tool would be most appropriate to implement your strategies? How are you going to get your messages across, and which tools will suit which Stakeholders?

- **Priorities** - who will be responsible for implementing each action and when?

- **Budget Requirements** - what are the costs associated with each action, how much is required and appropriate?

- **Monitoring and Evaluation** - whether and to what extent the outcomes/benefits have been achieved, and if not, why not?
Types of communication to be considered can be categorised under **Verbal**, **Electronic** and **Written**.

<table>
<thead>
<tr>
<th>Verbal</th>
<th>Electronic</th>
<th>Written</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presentations/briefing sessions</td>
<td>Personal email to identified stakeholders</td>
<td>Mailouts of important documentation</td>
</tr>
<tr>
<td>Networking facilitation</td>
<td>Possible ListServer</td>
<td>Advertising</td>
</tr>
<tr>
<td>Staff meetings</td>
<td>Internet/intranet including:</td>
<td>Pamphlets and brochures</td>
</tr>
<tr>
<td>Seminars/workshops</td>
<td>o Online Forums</td>
<td>Information in Agency newsletters etc</td>
</tr>
<tr>
<td>Stakeholder consultation</td>
<td>o Fact Sheets</td>
<td></td>
</tr>
<tr>
<td>Events</td>
<td>o Newsletter</td>
<td></td>
</tr>
<tr>
<td>Launches</td>
<td>o Web sharing of ongoing project planning by internal and external stakeholders</td>
<td></td>
</tr>
<tr>
<td>Social gatherings</td>
<td>Fax stream etc</td>
<td></td>
</tr>
<tr>
<td>Visitation programs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Table 6: Types of Communication*

(Refer to the *Project Management Fact Sheet: Developing a Project Communication Strategy* )

**Tips from Project Managers**

Practising Project Managers identified what they considered to be the three most effective means of communication. These were:

- Email
- Internet/intranet
- Face-to-face meetings

It was recognised, however, that not every staff member of an Agency/organisation might have email/internet access. Every Agency/organisation has different communication mechanisms. Cultures and individuals exposed to the same method of communication will respond differently.

**Marketing/Communication**

A distinction can be made between marketing and communication strategies in that:

- The *Communication Strategy* is aimed at ensuring ongoing commitment and support by all Key Stakeholders for all aspects of the project
- The *Marketing Strategy* is aimed at ensuring Project Customers fully utilise the outputs from the project

While both have an element of ‘selling’, marketing is focused on ‘selling’ the outputs of the project to the Customers. Communication strategies are focused on ‘selling’ the project to the Key Stakeholders. The *Communication and Marketing Strategy* may be one and the same, depending on the nature of the project and its Customers. Examples are available in the *Project Management Knowledge Base*. 
6 Risk Management

There are always risks associated with a project. The purpose of risk management is to ensure levels of risk and uncertainty are properly managed, so that the project is completed successfully. It enables those participants involved in a project to identify possible risks, the manner in which the risks can be contained and the likely cost of mitigation strategies.

Ultimate responsibility for ensuring appropriate Risk Management processes are applied rests with the Project Sponsor and Project Steering Committee. Processes for escalating business risks to Senior Management should occur as part of the overall Agency or whole-of-government risk management processes, including information and physical security risk management plans. Project Risk Management activities also should be conducted using Agency Risk Management processes where they exist.

The processes by which risks will be managed during the project should be documented in the Project Risk Management Plan, which can be included in the Project Business Plan or developed as a separate document, depending on the size and complexity of the project.

This section of the Tasmanian Government Project Management Guidelines includes:

- Risk Management - including a definition of risk
- Main elements of Risk Management
- Roles and responsibilities - in ensuring successful Risk Management
- Documentation - what a Risk Management Plan and Risk Register should cover

Definition

Risk refers to any factor (or threat) that may affect adversely the successful completion of the project in terms of delivery of its outputs or adverse effects on resourcing, time, cost and quality. These factors/threats include risks to the project’s business environment that may prevent the project’s outcomes/benefits from being realised fully.

Successful projects try to resolve risks before they occur - the art of Risk Management!

It should be noted that sometimes risks may be associated with opportunities, such as the use of a new technology, and acceptance of the risk needs to be based on the costs of rectifying the potential consequences versus the opportunities afforded by taking the risk.

Risk Management describes the processes concerned with identifying, analysing and responding to project risk. It consists of risk identification, risk analysis, risk evaluation and risk treatment. The processes are iterative throughout the life of the project and should be built into the project management planning and activities.

The Project Sponsor/Steering Committee has ultimate responsibility for oversight of the Risk Management Plan, including ensuring mitigation strategies are implemented, and identification of when mitigation actions will be undertaken, for all high-grade risks. All information should be documented in the Risk Management Plan.

Risk management is conducted initially as part of the assessment of the project’s viability and documented in the Project Proposal or Business Case, depending on the size of the project. This documentation occurs during the INITIATION Phase of the
An ongoing review of risks should be conducted throughout the life of the project to ensure that changing circumstances are tracked and managed.

All projects require a degree of risk management, but the effort expended will depend on the complexity, size and scope, including outcomes/benefits, customers, outputs, work and resources. Large and/or complex projects, involving significant investment and/or major outcomes/benefits, require formal and detailed risk management activities on an ongoing basis.

Issues Management and Risk Management are closely linked, as some issues, if not managed, may become risks. This linkage is the reason why it is recommended that major issues also are identified and managed.

(Refer to Section 7: Issues Management)

### 6.1 Main Elements of Risk Management

The main elements of the Risk Management Process, as described in the *Australian Standard for Risk Management* (AS/NZS4360: 2004), are shown below:

![Diagram of Risk Management Process]

*Figure 7: Elements of the Risk Management process*
Communicate and Consult

Since stakeholders can have a significant impact on decisions made, it is important that their perceptions of risk be identified and documented, with the underlying reasons for the perceptions understood and documented. Communication and consultation with all Key Stakeholders should be an ongoing process and not just part of the initial risk identification and analysis process. This process can be tied in with the overall Communication Strategy for the project and need not be a separate activity.

Before developing the Risk Management Plan for large and/or complex projects, the Steering Committee and other Key Stakeholders should be brought together to undertake initial risk identification and analysis activities. As a minimum, changes in risk status must be reported to the Project Sponsor and the Steering Committee as part of the Project Status Report.

(Refer to the Project Management Fact Sheet: Developing a Project Communication Strategy Plan and the Project Management Proforma: Project Status Report)

Establishing the Context

The context for the risk management process is the business environment in which the project is being implemented. This context includes political, organisational and strategic sources of risk. The project scope, including outcomes/benefits, customers, outputs, work and resources, also forms part of the context and can help highlight potential sources of risk.

Identification of the context for the risk management processes must include, particularly in the case of large and/or complex projects, identification of risks to the business environment where the project operates. Processes for escalating business risks to Senior Management should occur as part of the overall Agency or whole-of-government risk management activities, including information and physical security risk management.

The Tasmanian Government Information Security Framework - Risk Management Guidelines recommend the adoption of a consistent risk management framework for all risk management activities within an Agency/organisation, which includes a single approach to determining and grading of likelihood, seriousness/impact and risk levels for all risk assessments conducted by the Agency/organisation.

The processes by which risks will be managed during the project should be documented in the Project Risk Management Plan, which can be included in the Project Business Plan, or developed as a separate document, depending on the size and/or complexity of the project.

Risk Identification

Before risks can be properly managed, they must be identified. A very broad identification, analysis and evaluation of project risks should form part of the Project Proposal and/or Business Case. Once the project has received approval to proceed, risk identification usually is done initially by involving Key Stakeholders, including Steering Committee members. Brainstorming sessions to identify and clarify the main risks, which may prevent the project achieving its stated outcomes/benefits, are one way of doing the identification.

It is important to define clearly the scope of the project at this stage so that the identification of risks can remain focused on what potentially threatens the delivery of outputs (level of resourcing, time, cost and quality) and the realisation of outcomes/benefits by the Business Owner(s). Risks also can be categorised, for
example in terms of type (ie Corporate Risks, Business Risks, Project Risks and System Risks). These categories can be broken down into other categories, including Diseases, Economic, Environmental, Financial, Human, Information and Physical Security, Natural Hazards, Occupational Health and Safety, Public Liability etc. Establishing categories can assist in ensuring all relevant risks are identified.

(Refer to the Project Management Fact Sheet: Developing a Risk Management Plan)

Another way of establishing categories is to take each of the Key Elements of project management, as outlined in Section 1 of these Guidelines, and identify which risks may impinge on the application of each Key Element.

Once all risks have been identified, a filtering process should be used to determine which identified risks:

- Are best left, as the likelihood and seriousness would be so low that mitigation strategies are not required
- Need monitoring, but no proactive mitigation strategies required at this stage
- Are avoided by changing the scope of the work of the project, with appropriate sign-off
- Have to be escalated for the attention of Senior Management within the Agency as a risk to the overall Agency or whole-of-government business
- Need planned mitigation strategies, as detailed in the Risk Register

The results of this exercise should be documented in a Risk Register for the project.

Risk Analysis

Risks can be analysed according to the likelihood they will be realised and the level of seriousness/impact they will have if they do occur. That is, risks are classified whether there is a low, medium or high likelihood they will occur, and according to whether their level of seriousness/impact will be low, medium or high if they happen. From this classification, a priority listing for evaluation and action can be developed, separating the acceptable risks from the unacceptable ones.

Examples of possible risks might include a loss of funding (the effect of which is a lack of resources), an influenza epidemic (the effect of which crucial Project Team members become sick) or that crucial stakeholders are not interested in the project (the effect of which is they do not provide important input into the project or take responsibility for it).

Table 7 illustrates, at a simple level, how this analysis can be done using the examples above. Assessing the likelihood and seriousness of risks to a project provides a good indication of the project risk exposure.

<table>
<thead>
<tr>
<th>Risk</th>
<th>Likelihood</th>
<th></th>
<th>Seriousness</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low Med</td>
<td>High</td>
<td>Low Med</td>
</tr>
<tr>
<td>Loss of funding</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Influenza epidemic</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Lack of stakeholder commitment</td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Table 7: Example of risk analysis

In practice, it is often difficult to analyse the likelihood/seriousness of risks quantifiably and that is why a qualitative word scale often is used.
Risks analysed in *Table 7* can be graded easily using the risk matrix in *Table 8a.*

<table>
<thead>
<tr>
<th>Likelihood</th>
<th>Seriousness</th>
<th>Low (Insignificant adverse impact, note only)</th>
<th>Medium (Reasonable adverse impact, needs monitoring)</th>
<th>High (Will have significant adverse impact)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Low</strong></td>
<td></td>
<td>E</td>
<td>D</td>
<td>C</td>
</tr>
<tr>
<td><strong>Medium</strong></td>
<td></td>
<td>D</td>
<td>C</td>
<td>B</td>
</tr>
<tr>
<td><strong>High</strong></td>
<td></td>
<td>C</td>
<td>B</td>
<td>A</td>
</tr>
</tbody>
</table>

*Table 8a: Risk matrix for grading risks*

*For example:* Low Likelihood/Low Seriousness equates to an *E* grading for overall risk exposure. High Likelihood/Medium Seriousness equates to a *B* grading for the risk exposure.

In the case of large and/or complex projects, the matrix should be expanded to ensure an *A* Grading is automatically assigned to any risks defined as extremely high seriousness; that is, any risk which, if realised, will cause the project to fail. An example of an Extreme Risk to the project might be unexpected legislative changes.

<table>
<thead>
<tr>
<th>Likelihood</th>
<th>Seriousness</th>
<th>Low</th>
<th>Medium</th>
<th>High</th>
<th>EXTREME (Major adverse impact on project or Business Owner operations)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Low</strong></td>
<td></td>
<td>E</td>
<td>D</td>
<td>C</td>
<td>A</td>
</tr>
<tr>
<td><strong>Medium</strong></td>
<td></td>
<td>D</td>
<td>C</td>
<td>B</td>
<td>A</td>
</tr>
<tr>
<td><strong>High</strong></td>
<td></td>
<td>C</td>
<td>B</td>
<td>A</td>
<td>A</td>
</tr>
</tbody>
</table>

*Table 8b: Risk matrix for grading risks*

The resulting *Grades* of risk help the Steering Committee and Project Team to focus on treating the most important risks, once analysed, evaluated and prioritised, and to mitigate them before the project progresses much further into the MANAGE Phase. That is not to say that risks may not re-emerge after treatment and is why it is stressed that risk management is an iterative process throughout the life of the project.
Table 9 recommends the type of actions that should be used, and agreed to, in relation to each grade of risk.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Risk Mitigation Actions</th>
<th>Who</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Mitigation actions, to reduce the likelihood and seriousness, to be identified, costed and prioritised for implementation <strong>before</strong> the project commences or immediately as they arise during project execution</td>
<td>Steering Committee/Project Sponsor</td>
</tr>
<tr>
<td>B</td>
<td>Mitigation actions, to reduce the likelihood and seriousness, to be identified, costed and prioritised. Appropriate actions implemented during project execution</td>
<td>Steering Committee/Project Manager</td>
</tr>
<tr>
<td>C</td>
<td>Mitigation actions, to reduce the likelihood and seriousness, to be identified and costed for possible action if funds permit</td>
<td>Project Manager</td>
</tr>
<tr>
<td>D &amp; E</td>
<td>To be noted; no action is needed unless grading increases over time</td>
<td>Project Manager</td>
</tr>
</tbody>
</table>

**Table 9: Recommended actions for grades of risk**

There are more sophisticated tools available to assist with risk analysis and many include extensive numeric scales and algorithms. For very large and/or more complex projects, it is wise to investigate the use of these tools, although the approach above is a starting point and is easily explained to non-specialists. Levels in the Risk Matrix tables, for example, can be expanded to four or five depending on the nature and size of the project. **The approach above is just a suggested starting point.**

**Risk Evaluation**

Risk analysis helps those people involved with a project to evaluate and prioritise the most significant risks for careful management. Risk evaluation involves assessing the risks in order to prioritise those risks that should be addressed by treatment or mitigation plans. Once risks have been analysed and graded in terms of likelihood and seriousness they have to be evaluated. Risk evaluation involves monitoring and understanding the factors that can reduce project success and determining what is an acceptable or unacceptable risk based on agreed criteria.

Risks can result in four types of consequences:

- Benefits are delayed or reduced
- Timeframes are extended
- Costs are advanced or increased
- Output quality (fitness-for-purpose) is reduced

Once this evaluation has been undertaken decisions then can be made. For example, that a risk is acceptable in terms of extended timeframes, as the project is not tied strictly to set deadlines, but is not acceptable if it reduces the planned benefits or affects output quality. If, on the other hand, a project has fixed deadlines, then the decision might be made that the level of risk is acceptable in terms of reducing the quality of the outputs, with a view to enhancing quality after the initial deadline has been achieved.

Once priorities are agreed, mitigation strategies must be developed and implemented for all unacceptable risks.
Risk Mitigation/Treatment

Risk mitigation actions or treatment reduce the chance that a risk will be realised and/or reduce the seriousness of a risk that is realised. The costs of these actions should be identified as part of the EVALUATION activities. There are two broad types of risk mitigation or treatment activities:

- **Preventative** - planned actions to reduce the LIKELIHOOD a risk will occur and the SERIOUSNESS if it does occur. In other words, what can be done now? For example, if a risk were identified that the project’s major clients will not have the technical expertise to utilise adequately the technology the project is implementing, an appropriate preventative action would be to provide technical training. Preventative actions for Grades A and B risks should be implemented before the project progresses very far into the MANAGE Phase.

- **Contingency** - planned actions to reduce the SERIOUSNESS of the risk if it does occur. In other words, what should be done if? For example, a possible action in response to the previous risk might be that ongoing technical support and advice is provided to the client Agency/organisation once the technology is implemented.

Risk mitigation or treatment actions should be cost efficient and effective in that they help reduce the risk exposure of the project. Conscious decisions need to be made regarding the wearing or transferring of certain risks as opposed to the costs of mitigation.

For serious risks, an extremely effective risk mitigation strategy can be justified more easily in terms of its cost. A portfolio of cost-effective risk mitigation actions forms part of the *Risk Register* for large and/or complex projects. Mitigation strategies to reduce the likelihood and seriousness of risks should be built into the budget and activities of the project. Mitigation strategies should be measured, comparing cost and benefits.

RECOVERY actions are those subsequent actions that allow you to move on after a risk has occurred. They include management of residual risks. Hopefully, the seriousness of a risk’s impact on the project will have been reduced due to the planned contingencies being implemented. These recovery actions should be built into the work breakdown structure for the project. In other words - what should be done and when. A good example is disaster recovery planning in the case of a new IT system or, in the case of the previous example, the client organisation hired people with technical expertise as the ongoing IT support did not provide a final solution.

Monitor and Review

Risk management is not a one-off activity. Risks should be monitored throughout the project, as their likelihood or impact ratings may change or new risks and previously treated risks may emerge. As a guide, risks and the effectiveness of the mitigation strategies should be assessed approximately every two weeks. Over a long, significant project there should also be regular formal monthly reviews. It is important to remember that the whole process is iterative throughout the life of the project. Regular reporting, at agreed intervals, of *Risk Status* must be conducted by the Project Manager and must be required by the Project Sponsor/Steering Committee.

(Refer to the *Project Management Proforma: Project Status Report*)
6.2 Roles and Responsibilities

The Project Sponsor has ultimate accountability for risk management. They ensure there are adequate resources for managing the project’s risks and there is adequate active participation in the risk management process by a wide cross-section of stakeholders. They ensure also that any corporate or Agency/organisation risks, identified during the project, are escalated for the attention of those people responsible for their management. They also monitor the progress and effectiveness of the Risk Management Plan.

The Steering Committee oversees the Risk Management Plan and its periodic review. It is accountable for ensuring an effective Risk Management Plan is in place throughout the life of the project, and that appropriate mitigation strategies are being implemented for all high-level risks.

The Project Manager is responsible for monitoring and managing all aspects of the risk management process under the direction of the Project Sponsor/Steering Committee, including:

- Developing the Risk Register and Risk Management Plan
- Continual monitoring of the project to identify any new or changed risks
- Implementing the planned mitigation strategies
- Continual monitoring of the effectiveness of the Risk Management Plan
- Regular reporting on the status of risks to the Project Sponsor and the Steering Committee

In large projects, the Project Manager may choose to assign risk management activities to a separate Risk Manager, but the Project Manager should still retain responsibility. It should be noted that large projects are a risk, and the need for the Project Manager to reassign this integral aspect of project management may be an indication that the project should be re-scoped or divided into several sub-projects, overseen by a Project Director.

It is important also to remember that the person directly responsible for risk management does not generally conduct all risk management assessments themselves, but facilitates the analysis by involving relevant people, particularly Key Stakeholders, and by providing appropriate mechanisms for discussion and documentation.

Other Project Team members are some of the people who can assist with the identification, analysis and evaluation of risks, and can assist in the development of the Risk Management Plan. They can also be responsible for risk mitigation actions.

Project Stakeholders, Steering Committee, Reference Groups, external consultants, and importantly, the Business Owner(s) should provide input into the Risk Management Plan, especially assessment of potential risks and risk mitigation actions. They may also be allocated responsibility for some risk mitigation actions.

It is important to remember risk management cannot be the responsibility of one person entirely, and that it is a communal activity involving a range of people associated with the project.

(Refer to the Project Management Fact Sheet: Developing a Risk Management Plan)
6.3 Documentation

Risk Management Plan

A Risk Management Plan should be included as a section in the Project Business Plan, or as a separate document, depending on the size of the project, and should cover, at a minimum, the following:

- The process for identification, analysis, evaluation and treatment of risks, both initially and throughout the life of the project, including estimated costings
- The process for transferring approved risk costings into the project budget
- The process for transferring risk mitigation activities into the project Work Breakdown Structure
- How often the Risk Register will be reviewed, the process for review and who will be involved
- How Risk Status will be reported and to whom
- Who will be responsible for which aspects of risk management
- Include, as an appendix, a snapshot of the major risks, current gradings, planned mitigation strategies and costings, and who will be responsible for implementing any mitigation strategies (the snapshot may be a copy of the Risk Register)

Risk Register

A Risk Register is a useful tool for outlining all the risks identified before and during the project, for keeping a record of their grading in terms of likelihood and seriousness and a record of the proposed mitigation strategies, costings and responsibilities. The Risk Register forms the basis for the Risk Management Plan. In small projects, the Risk Register is the Risk Management Plan. In large and/or more complex projects, a more detailed Risk Management Plan should be developed for approval by the Steering Committee.

The Risk Register should cover:

- A unique identifier for each risk
- A description of each risk, and how it will affect the project
- An assessment of the likelihood it will occur, and the possible seriousness if it does occur (low, medium, high)
- A grading of each risk according to a risk assessment table (eg Table 8a or 8b)
- A description of the mitigation strategies, which can include preventative (to reduce the likelihood) and contingency actions (to reduce the seriousness)
- Who is allocated responsibility
- In large and/or more complex projects, costings of each mitigation strategy

(Refer to the Project Management Proforma: Risk Register)
7 Issues Management

An issue can be defined as a concern that may impede the progress of the project if it is not resolved. Issues management is one of the skills that all Project Managers must master. Projects of any size have to deal with issues. If issues are not addressed they may become a risk to the project. Issues must be resolved quickly and effectively.

This section of the *Tasmanian Government Project Management Guidelines* includes:

- Issues Management - including a definition
- Issues Management Flowchart
- Issues Register structure
- Tips for managing issues

**Definition**

Issues Management involves monitoring, reviewing and addressing issues or concerns as they arise through the life of a project. Issues can be raised by anyone involved with the project, including the Business Owner(s), Steering Committee members, Reference or Working Group members, the Project Manager, Project Team members and other Key Stakeholders.

**Issues Monitoring**

For small projects, a brief scan and ongoing monitoring may be all that is required. In large and/or more complex projects, it is advisable to maintain an Issues Register. From this register the issue, current status and resolution, where appropriate, should be reported regularly to the Steering Committee as part of the Project Status Report. (Refer to Section 10: Status Reporting)

An Issues Register should be established as part of the ongoing project management activities. The Project Manager and Team need to have a process for capturing issues as they arise, updating and reviewing them so that they can be managed and resolved as the project moves forward. Once a resolution is agreed on, the appropriate activities are added to the project work plan to ensure the issue is resolved, and to the project budget if appropriate.

If the project is medium to large or quite complex, separate Issues Registers might be established for each of the major outputs as they are being developed. If an issue cannot be resolved it could become a risk, and if identified as such should be added to the Risk Register. Small projects also can benefit from the establishment of an Issues Register, as it is low maintenance and high value in terms of keeping the project on track and managing the issues, preferably before they become risks.
7.1 Issues Management Flowchart

The following diagram represents the process of managing issues during the life of a project.

- **Concern/Issue identified/raised**
  - Enter in the Issues Register
  - Regular review of Issues Register
  - Can Issues threaten success of the project?
    - Yes: Enter in the Risk Register; analyse etc
    - No: Determine action and cost
      - Does the Issue require higher-level decision?
        - Yes: Add action to work plan or ‘To Do’ List and update budget
        - No: Add action to work plan or ‘To Do’ List and update budget

- Action and cost approved?
  - Yes: Add action to work plan or ‘To Do’ List and update budget
  - No: Direction provided by Steering Committee
    - Issue raised in Status Report for Steering Committee

Figure 8: Issues Management Flowchart
7.2 Issues Register Structure

An Issues Register is basically a form, often in a MS Word® table, for the systematic recording of issues. It usually contains the following for each issue:

- A unique number
- A description
- Who raised the issue
- Date reported
- Priority rating
- The person or group responsible for resolving the issue
- How it is resolved (included as an action in the project work plan and budget, documented in the Issues Register or closed)
- Status, usually open or closed
- Date resolved

For example:

<table>
<thead>
<tr>
<th>Issue Number</th>
<th>Description</th>
<th>Raised By</th>
<th>Date</th>
<th>Priority</th>
<th>Responsible Officer</th>
<th>Actions &amp; Progress Notes</th>
<th>Status</th>
<th>Date Resolved</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Lack of Agency representation on Project Working Group</td>
<td>Working Group</td>
<td>1/09/01</td>
<td>High</td>
<td>Jane</td>
<td>Letter of invitation from Director to Agencies who are unrepresented</td>
<td>Open</td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>Lack of registrants for next Forum</td>
<td>Project Manager</td>
<td>1/11/01</td>
<td>High</td>
<td>Senior Project Officer</td>
<td>Send out reminder via the ListServer</td>
<td>Open</td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td>How to show links between PM documents</td>
<td>Project Team member</td>
<td>10/09/01</td>
<td>Medium</td>
<td>Senior Project Officer</td>
<td>Matrix to be developed and published</td>
<td>Closed</td>
<td>30/11/01</td>
</tr>
</tbody>
</table>

Table 10: Example of an Issues Register

Project Team meetings should include, on the agenda, a review of current issues for each meeting. Current issues should be reported in the Project Status Report. In the case of a small project, it may be a verbal discussion between the Project Manager and Project Sponsor/Senior Manager.

If it is unclear as to whether an item belongs on the Issues Register, or is something that needs to be dealt with, but will not impede the project, it can be recorded on an action list kept by the Project Team until resolved.

(Refer to the Project Management Proforma: Issues Register)
7.3 Tips for Managing Issues

- “Try to make sure you solve the root cause of the issue, not just the symptom, which will ensure that the issue does not resurface later in the project.

- Try to gain a resolution and, where appropriate, approval to proceed as quickly as possible so that the project can move forward.

- In many cases items that are classified as issues are really action items. Action items are areas that must be followed up on at some time. They may or may not involve problems for the project. Maintain a separate Action Items listing as part of Project Team, Steering Committee, Reference and Working Group meetings. The important thing is to record them somewhere.

- Issues can come from team members, project stakeholders or other sources. It is good practice to encourage people to help identify solutions along with the issues.

- Try to engage the Project Sponsor/Steering Committee in the resolution of issues from very early in the project. It can be done through the Project Status Report. Earlier issues management experience will cause the Project Sponsor/Steering Committee to see problems as temporary hurdles that need to be overcome.

- If a large issue looks too difficult to be resolved in a timely manner, break it down into logical sub-issues.

- In many cases issues arrive in pairs, or a number may be encountered in a short timeframe. Their relationship to each other needs to be examined, and then the issue most likely to be the root cause can be addressed. The resolution of this issue may substantially resolve others.”

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7 TenStep Project Management Process [http://www.tenstep.com/open/0.0.0TenStepHomepage.htm](http://www.tenstep.com/open/0.0.0TenStepHomepage.htm)
8 Resource Management

Planning for managing the people, finances, physical and information resources required to perform the project activities is vital no matter what the project size or complexity. For small projects, the planning may not be documented, but for large and/or more complex projects detailed documentation will enable better management of the resources, as well as transparency for the Key Stakeholders.

This section of the *Tasmanian Government Project Management Guidelines* includes:

- Financial resources - managing these resources for a project and the importance of planning for purchases required to develop project outputs
- Human resources - managing the human side of projects and a Project Manager’s perspective of managing consultants and contractors
- Physical resources - including considering the physical requirements of the team
- Information resources - including their management

8.1 Financial Resources

During the SET-UP stage of a project, a detailed project budget should be developed that reflects the resources required to complete the project’s activities and tasks. This budget should include the costs required for:

- All project staff salaries and on-costs
- Project Team accommodation costs
- Physical resources (refer to Section 8.3: Physical Resources)
- Services or consultancies necessary to undertake the project
- Project management costs, ie any costs associated with risk mitigation strategies and quality assurance

The project budget also may include an estimate of the financial contribution made by another organisation to provide an accurate cumulative total cost for the project. At this stage the funding arrangements (source) for the project should be known and documented in the *Project Business Plan*.

In addition, it is important to plan how you will make purchases during the project. It can be achieved by developing a procurement plan that could form part of the *Project Business Plan* or *Project Execution Plan*. A procurement plan enables you to:

- Identify important issues arising through the procurement cycle, and to document how they are to be dealt with and by whom
- Establish a time scale and sequence for the procurement activity - this activity is particularly important if an open tender process is to be followed, as the steps required in the process, if done correctly, can be time consuming
• Provide a framework against which the Project Manager can monitor progress and outcomes/benefits, and evaluate them so that they can take corrective action
• Record the procurement methods, the proposed contractual arrangement, the strategic objectives and the targets and performance measures
• Record project terms of reference, accountabilities and responsibilities - Project Sponsor, Project Manager, Procurement Manager and Technical Adviser

For information on financial management within your Agency, contact your Finance branch or equivalent. For additional information on purchasing on behalf of the Tasmanian Government, related Department of Treasury and Finance publications, including the *Handbook for Government Procurement* and the available Tasmanian Government common use contracts, go to [www.purchasing.tas.gov.au](http://www.purchasing.tas.gov.au).

Once the estimate of individual costs has been identified and linked to project activities or milestones, an overall project budget can be developed. This linking enables monitoring and reporting to occur throughout the project of actual expenditure against the planned expenditure for the project. Depending on the size and complexity of the project, information on actual project expenditure can be maintained by the Project Team (small projects), or using the Agency/organisation’s Financial Management Information System whereby the project expenditure is uniquely identifiable by appropriate cost coding (large and/or more complex projects).

There are a number of tools that can be used to assist with reporting the actual project expenditure against planned expenditure. They can be in tabular form or graphical representation.

Any approved changes to the initially approved project budget should be documented, and any issues that arise as a result of the budget or the funding arrangements can be recorded for later reference during an evaluation of the project.

As identified in *Section 12: Closure*, at the end of the project there may need to be thought given to what will happen to any excess funds or how any deficit will be funded.

**Probity**

Probity is essentially the consideration of ethical issues relating to procurement. In practice, it entails not only doing the right thing, but also having evidence of the right processes that will stand up to scrutiny. Some general principles identified include:

- Ensure best value to the public in monetary terms
- Ensure fairness and impartiality (determine evaluation criteria in advance)
- Deal with conflicts of interest that could influence outcomes
- Ensure accountability (maintain detailed records and support material)

It is essential that probity considerations be built in, as they cannot be adequately resolved once problems occur. Security provisions cannot counter conflicts of interest. A probity auditor aims to ensure processes are consistent with policies and guidelines, and must be independent.

There is a range of approaches that can be taken on probity issues. A useful resource on this topic is *Probity Guidelines for Procurement (2004)*, commonly called *Probity Guidelines*.

(Refer to the Government’s Purchasing website at [www.purchasing.tas.gov.au](http://www.purchasing.tas.gov.au))
8.2 Human Resources

During the SET-UP phase of a project, a detailed analysis should be undertaken to identify the personnel to complete the project’s activities and tasks on time and to the required level of quality. This analysis should include a study of the mix of skills and the number of staff needed for the project, over its life. The costs for these staff, including any training requirements, should be reflected in the project budget.

(Refer to Section 8.1: Financial Resources)

Experience has taught us that recruitment timeframes and budget must be estimated adequately in the project planning and approved documentation, with realistic project start and finish dates established for the project. More time should be allocated to this activity than often is currently allowed in the SET-UP phase. It is also advisable to establish realistic Project End Dates to allow for leave periods before Project Finalisation.

The Project Team may include personnel from another Agency or organisation in the form of an in-kind contribution or to facilitate transcendence across organisational boundaries. At this stage, the resourcing requirements should be known and documented in the Project Business Plan.

When employing people from another Agency, consideration should be given to the capture of information, such as recreational leave balances on recruitment, and reconcile them with recreational leave balances at the end of an employee’s work period on the project. Currently, a major issue for projects is the amount of leave often carried by project personnel due to the very nature of project work with its timeframe demands. This issue can result in serious implications for project budgets.

It is recommended that staff should exit projects with the same amount of, or less, leave than they brought with them, to assist in solving this issue for projects across government, taking an enterprise-wide or whole-of-government approach to project management.

Where project personnel are carrying large amounts of leave, it is advisable to report on these leave entitlements to each Steering Committee meeting as part of the Project Manager’s Status Report, so that this key issue can be monitored and hopefully addressed.

Some large and/or complex projects have partly addressed the leave issues through collaborative decisions, such as voluntary closing down project activities for a time, for example over the early January or around Easter periods. Obviously this shutdown time is not always possible.

People are our most valuable resource and you should ensure that the OH&S requirements of your Project Team are addressed within your Project Business Plan. This information may include the fact that weekend work is required, which will have leave accumulation and OH&S issues that must be addressed.

In addition, it is important to plan how and when you will engage the project personnel, and the type of employment conditions. Additional information on the recruitment of personnel can be obtained through your Agency’s Human Resources branch, or equivalent, and through the Office of the State Service Commissioner (www.ossc.tas.gov.au).
In addition, consideration should be given to the development requirements for the Project Team by way of formal training or team building activities. Your Agency’s Human Resources branch should be able to assist you in determining the method to use for conducting performance review and development sessions and handling staff issues that may arise.

Any approved changes to the initially approved project personnel should be documented, and any issues that arise as a result of the skills mix or Project Team structure can be recorded for later reference during an evaluation of the project.

As identified in Section 12: Closure, there should be plans for releasing resources before the project is to be finalised, and Project Teams should gradually be wound down. The movement of project staff from the project to other roles, including the timing of their move and the capture of their project knowledge, should be planned.

8.2.1 Contract Management

The main purpose of contract management is to ensure that both parties meet their obligations and that Agencies obtain value for money through satisfactory performance under the contract.

For additional information on contract management, refer to your Agency’s Tender Review Committee (or equivalent). Additional information on the engagement and the use of consultants may be found in the Treasurer’s Instruction No. 1309 – Protocol for the engagement and use of contractors – Goods and Services [link]

8.2.2 Managing Consultants and Contractors - a Project Manager’s Perspective

Managing consultants and contractors can be an important aspect of a Project Manager’s role. Participants at a Project Managers’ Forum made the following suggestions on this topic:

- Be rigorous in selection (use previous performance as a guide)
- Elements of a good contract:
  - precise
  - clear
  - well-documented
  - focused on the deliverables/outputs, rather than how they are achieved
- Remember: If it is not in the contract it is not in the deal!
- Payment details to consider:
  - when
  - deliverables
  - penalties
  - how much
Penalty provisions often are not enforceable. It is important to include these provisions in the contract, but think about why they are being included - it may be a sign that something is not right!

The relationship between the outsourcer and vendor is important - work at maintaining it so that issues can be resolved easily without referring to the contract.

The role of the individual is important. The company is only as good as its people, but people can change.

Ownership of intellectual property needs to be resolved.

Consider including clauses that cater for the Government picking up individuals/expertise if a company fails.

Make your Request for Proposal document as detailed as possible and include contract conditions. It will shorten the negotiation time later.

Consider the role of the prime contractor. Assess whether you will get the return for the premium you will pay.

In order to maintain a good relationship at the ‘working’ level, consider escalating problematic issues to someone or a group with political clout (such as the Steering Committee or an executive Manager) earlier rather than later. Hopefully, then the resolution of such problems will not impact too severely on your personal working relations.

Project Managers should have a good awareness of contracts and negotiations.

Bring in specialised negotiation expertise as and when required.

Make yourself aware of Government policy resources in this area, such as Departmental pro formas, Treasury instructions etc.

Encourage consultants to work with Departmental staff and resources to enable the transfer of knowledge.

When dealing with an organisation that you have not worked with before, you need to be aware of the organisation’s culture in order to work effectively with them.

8.3 Physical Resources

During the SET-UP phase of a project, a detailed analysis is required to identify the physical resources needed to enable the projects activities and tasks to be completed. This analysis may include accommodation, which may require modifications and/or fit out to accommodate the team, vehicles, computers and infrastructure, phones and any other equipment or assets. The costs for these things should be reflected in the project budget.

(Refer to Section 8.1: Financial Resources)

As identified in Section 12: Closure, there should be plans for disposal of any assets that were acquired for the project and who will manage them on completion of the project.
8.4 Information Resources

During the SET-UP phase of a project, a detailed analysis is required to identify internal and external sources of information, and to document the information. Records management arrangements to be adopted for the project must take into consideration the needs of the project and Agencies/organisations providing information to the project. For example, the level of application of document control, information storage, backup of hard copy and soft (electronic) copy records and documents, and the level of documentation to be maintained. If there are costs associated with obtaining and storing any information, they should be reflected in the project budget.

(Refer to Section 8.1: Financial Resources)

In addition, appropriate security and confidentiality is important. Additional guidelines on privacy and security can be obtained from your Agency and through the Inter Agency Policy and Projects Unit, Department of Premier and Cabinet (this website).

As identified in Section 12: Closure, at the end of the project consideration should be given to the handling, disposal and retention periods of information supplied to the project. Records management processes should have been in place from the beginning of the project and should utilise the Agency’s Records Management system.

(Also refer to the Archives Act 1983 at www.thelaw.tas.gov.au)

Any issues that arise as a result of the information management arrangements can be recorded for later reference during an evaluation of the project.
9 Quality Management

The purpose of quality management in projects is to ensure that the project outputs are delivered fit-for-purpose. If outputs are not fit-for-purpose, there is every likelihood that planned project outcomes will not be realised, or realised to a much lesser extent. It can be achieved by developing quality criteria for the outputs themselves and by ensuring that all project management processes are conducted in a quality manner.

Quality management in a project increases certainty and reduces the risk of project failure. It involves a process for the management of changes, problems, issues and incidents that emerge during the production of the outputs. The management of this process may vary from project to project.

This section of the *Tasmanian Government Project Management Guidelines* includes:

- Planning to achieve quality results - the purpose of quality management in a project
- Quality strategy - including a description
- Quality Management Plan - including its components
- Quality improvement - including implementation

9.1 Planning to Achieve Quality Results

The purpose of quality management in projects is to ensure that the project outputs are delivered fit-for-purpose. It is achieved by planning the required level of quality for the project, including determining what criteria will be used to judge whether outputs are fit-for-purpose. It is generally accepted that it is a lot more expensive to rectify a defect or fault in a project output at the end of the process than it would have been had the problem been identified during the development process, despite the cost of ensuring the quality along the way.

Quality management increases certainty and reduces the risk of project failure. It can also provide opportunities for continuous improvement of outputs as they are being produced. Every project must have a *Quality Management Plan*, or a formal framework, to ensure that project outputs are fit-for-purpose.

The Project Sponsor/Steering Committee is responsible for determining the level of quality assurance that is needed. It is essential that a Project Manager and Team clearly understand the requisite quality requirements when preparing or reviewing project estimates, including estimates of time, cost, resources and work requirements. All projects must include adequate provision for quality assurance activities to meet these requirements. The results of the planning process may be captured in the *Quality Strategy* and *Quality Management Plan*, which can be separate documents or form part of other documents, such as the *Project Business Plan* (small projects) or the *Project Execution Plan* (large and/or more complex projects).
9.2 Quality Strategy

For large and/or complex projects, a separate Quality Strategy should be developed from which the Quality Management Plan is derived. The Quality Strategy should include:

- Critical outputs - project outputs that need to be delivered fit-for-purpose, and the criteria that determine their suitability
- Processes - activities in the work plan that must be undertaken correctly
- Quality issues faced in both the development of the outputs and application of the project processes
- Relevant standards that should be applied
- How these standards will be satisfied

9.3 Quality Management Plan

For large and/or complex projects, a separate Quality Management Plan should be developed. In the case of smaller, less complex projects, quality management planning can be included in the Project Business Plan. The Quality Management Plan should include the following components, which are described in more detail below:

- Quality philosophy
- Relevant methodologies and standards to be applied to both the development of the outputs and the management of the project processes
- Integration of projects within a program or sub-projects within a project
- Monitoring and reporting procedures
- Change, problem, risk and issue management
- Output review and acceptance procedures
- Documentation and record keeping
- Responsibilities of Key Stakeholders, with regard to the Quality Management Plan

9.3.1 Quality Philosophy

The quality philosophy should reflect the overall intentions and approach to be applied with regard to quality throughout the project. Where there is an existing Agency-level approach to quality, the quality philosophy for the project should reflect and build on the organisation’s philosophy. For example, the outlined approach may include reference to partnerships between Key Stakeholders in the project and how they will contribute to project quality.
9.3.2 Methodologies and Standards

The relevant methodologies, standards and guidelines should be listed, with individual sections identified as appropriate, which may include:

- Records management, web publishing, information security, privacy and other whole-of-government information technology policies and guidelines, available from this website
- Tasmanian Government Project Management Framework, available at this website
- Output development methodology, such as IT or construction industry methodologies
- Standards, such as AS/NZ 4360:2004 Risk Management

9.3.3 Project/Program Integration

Where there are programs of projects, or large and/or complex projects, possibly divided into sub-projects, it is important to define the interdependency management processes to be applied. In other words, how will critically related activities be monitored and managed. According to *AS ISO 10006-2003 Quality Management Systems Guidelines for Quality Management in Projects*, they may include:

- Project initiation and project plan development - evaluating customer and other stakeholder requirements, preparing a project plan and initiating other processes
- Interaction management - managing the interaction during the project
- Project change management and control - anticipating change and managing it across all project processes
- Closure - closing processes and obtaining feedback

**Interlinked Projects**

A series of interlinked projects is less risky than one larger one, for several reasons:

- Dividing the change initiatives into smaller areas of action reduces complexity
- It is easier to produce identifiable outputs and outcomes from small projects, which can be used to feed into later projects, ie even if the full objectives of the change initiative are not met, identifiable achievements are met
- It can be easier to respond to changing or unanticipated circumstances, as projects lifecycles are much shorter and new or emerging issues can be pursued through the planning stages of future projects
- It allows for substantial learning, which is integral to many change initiatives, but is not always well supported

One possible risk of this approach is that those people involved with a series of projects may lose sight of the broader objectives of the change, or simply not achieve them. Sometimes, major change initiatives are translated into single projects. It should be pointed out, however, that the alternative of structuring as one large project has a very
poor record of success. Large, ongoing projects commonly do not achieve their intended objectives. Project Managers should be aware that this approach is likely to involve substantial problems, and projects are extremely unlikely to be delivered on time and within budget.

Carefully coordinating the series of projects, either by linking them through an overarching project, or carefully coordinating them with strategic planning processes, can mitigate this risk. Related projects may be coordinated by organising them as sub-projects in a larger project. This linking is suitable when the objectives and tasks involved with each sub-project are relatively well understood, but is less suitable with projects involving substantial innovation, negotiation or complex issues that are not greatly understood.

Alternatively, the projects may be viewed as products of a continued process of strategic planning, which is recognised to be an emergent process. This approach is more suitable for projects involving innovation, negotiation and complexity that cannot be adequately anticipated up-front. The strategic planning process should include Key Stakeholders involved with the projects and be a carefully managed, ongoing activity that reviews past progress, as well as future directions. If strategic planning is viewed as a one-off or periodic exercise for Senior Managers, or focuses only on longer-term time horizons, there can be little relationship between strategic planning and project management processes.

The latter approach, focusing on the close relationship between strategic planning processes and projects, can result in the more effective implementation of planned change initiatives. However, strategic planning processes are outside the scope of project management. If these processes are non-existent, or not effectively in place, those project participants involved in planning the change initiatives might find it easier to obtain commitment (i.e. funding and resources) if they can define set deliverables, timeframes and activities. In this case, carefully coordinating a series of projects or sub-projects would be more appropriate for managing emergent or unanticipated issues. As with many project management decisions, an adequate appreciation of the project context is crucial.

9.3.4 Monitoring and reporting

This topic is covered in Section 10: Status Reporting.

9.3.5 Management of Change

This section is not aimed at addressing organisational change management (refer to Section 4: Organisational Change Management - Outcome/Benefits Realisation Planning), which should be addressed through an Outcome/Benefits Realisation Plan. Management of change in this context refers to managing changes to:

- Project scope, where the term ‘scope’ covers objectives, Target Outcomes, outputs (including their fitness-for-purpose), stakeholders, the work to be done, budget and human resources, as defined in the ITO Model
- Project processes being used in the project
- Methodologies and standards adopted for the project

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Planned, Emergent and Unanticipated Changes

No matter how well a project is planned, there are likely to be unforeseen circumstances or issues that simply cannot be determined up-front. Types of change can be divided into two major categories - planned and unplanned. Unplanned change can be subdivided further into emergent and unanticipated, based primarily on awareness and control of the changing circumstances:

- Planned - change that is planned and, basically, implemented as anticipated
- Unplanned
  - Emergent - a proactive response to unforeseen circumstances (for example, additional or conflicting requirements may become apparent and are responded to; alternatively, circumstances may change)
  - Unanticipated - change that is unplanned and unforeseen (for example, people may use implemented technology in a way that was not intended)

Unplanned change is likely to happen, no matter the competency and preparation of the Project Manager. Governments change or are restructured. New technologies develop and old ones become redundant. People’s opinions or viewpoints change. Changes that involve negotiation or substantial learning (either organisationally or individually) tend to involve a great deal of emergent or unanticipated change. The outcomes of learning or negotiation can be anticipated, but not wholly planned, as they tend to emerge over time.

Unplanned change does not have to be unmanaged. Emergent and unanticipated issues can be addressed, either within the scope of a single project, or by translating a major initiative for change (a vision for change) into a number of interlinked projects, rather than one monolithic project.

Signs that there is a need to consider carefully the management of emergent or unanticipated issues include:

- Difficulties in determining project requirements in depth
- Those project participants affected see it as a major issue (so indicating a need for major negotiation and/or learning)
- A high degree of technical or other types of innovation
- A rapidly changing or vague project context

In practice, dealing with such issues within the scope of a project involves:

- Anticipating and planning for possible changes through risk analysis contingency plans
- Keeping track of emerging or unanticipated issues through issues management procedures
- Bringing issues, which could have a major impact on the nature or substance of the project, to the project Steering Committee so they can re-evaluate the project or make adjustments
- Using an iterative process of change within the scope of a single project. An example of such an approach for information systems development projects is Rapid Application Development (RAD) - RAD is highly recommended by some international consulting groups for projects involving innovation or organisational changes, such as data warehousing.
In practice, it involves recognition of, and planning for, desired outcomes/benefits on a large-scale, strategic level without committing to a particular set of implementation tactics (including the number, nature or scope of projects down the track).


### 9.3.6 Problem management

A problem is a potential defect with an output. It may be real or perceived, but both types of problems need to be managed.

This section may not be applicable to all projects, and in some cases problem management may be addressed in the *Project Execution Plan* or separately in *Acceptance Testing Plans, Quality Management Plans* etc. Regardless of where problem management is documented, it should describe the process for recording, monitoring, updating, and closing problems. As a result of a problem being identified, it may be necessary for a request for change to be made. A reference should be included to direct the reader to the process for project change control.

### 9.3.7 Risk management

This topic is covered in *Section 6: Risk Management*.

### 9.3.8 Issue management

This topic is covered in *Section 7: Issues Management*.

### 9.3.9 Output Review and acceptance procedures

This section should include a description of the approach to:

- Progressive reviews or appraisals to be conducted throughout the project. These reviews are undertaken progressively, as quality cannot be built in at the end of a project. These reviews should be identified and included in the project schedule, and may include the use of a Probity Auditor, or other external consultants with the relevant ‘technical’ experience, to provide advice or perform a review of outputs or their components.
  (Refer to *Section 8: Resource Management*)
- The Business Owner(s) should conduct final review and acceptance before the outputs are endorsed by the Steering Committee.
- Project Phase Review - to provide an opportunity to evaluate the success of the phase and capture the lessons learnt. This review should involve a range of Key Stakeholders. Phase reviews should be identified and included in the project schedule.

### 9.3.10 Documentation and record keeping

This topic is covered in *Section 8: Resource Management*. 
9.3.11 Responsibilities of Key Stakeholders

The successful implementation of the Quality Management Plan is dependent on a commitment to quality by the Steering Committee, Project Sponsor, Business Owner(s), Project Manager, Project Team Leaders and Team members. The Key Stakeholders and their responsibilities need to be identified in relation to the Quality Management Plan.

9.4 Quality Improvement

When quality management is being effectively undertaken in a project, there will usually be areas identified for improvement. These identified improvements (changes) are undertaken through the management of change processes.

(Refer to Section 9.3.5: Management of Change)

By building in regular reviews of both output development processes and project processes, quality improvement can be carried out throughout the life of the project. Those projects employing quality consultants, for advice on both output quality and/or project management quality, must ensure that provision is made, through both the project governance processes and within the quality plan, to action accepted recommendations.

Quality Improvement in project management within an Agency/organisation can be assisted further through end-of-project and post-project reviews that help to capture lessons learnt. It has proven more successful when the Agency/organisation has a corporate approach to Quality Improvement.

(Refer to Section 11: Evaluation)
10 Status Reporting

Formalised regular reporting on the status of the project is an integral part of the quality management of the project. The frequency of status reporting will vary, depending on the size of the project and the requirements of the Steering Committee/Project Sponsor.

This section of the *Tasmanian Government Project Management Guidelines* includes:

- Purpose of the Project Status Report - including a definition of project status reporting and suggested structure for it
- Status Report structure
- Frequency of reporting

Definition

Project status reporting is regular, formalised reporting on the progress of the project against the *Project Proposal, Project Business Plan* or *Project Execution Plan*. Usually it is reported by the Project Manager to the Project Steering Committee, Project Sponsor or Senior Manager, depending on the size and management structure of the project. Status reporting also can be to individuals or committees that are contributing to the work of the project, such as Reference or Working Groups, Quality Consultants etc.

10.1 Purpose of the Project Status Report

Formalised regular reporting on the status of the project is an integral part of the quality management of the project. In order to make appropriate decisions, the Steering Committee, Project Sponsor or Senior Manager needs to be informed properly about the status of the project. The Project Manager should establish this reporting as part of the management activities for the project.

Another purpose for the *Project Status Report* is to provide an ongoing history of the project, which becomes very useful in terms of tracking progress, evaluation and review. *Project Status Reports* form part of the project review processes, both during and after completion of the project.

The *Project Status Report* is a document that is used by the Project Manager for formalised regular reporting on the status of the project to the Steering Committee, Project Sponsor, Senior Manager or other Key Stakeholders.

Depending on the size of the project, the substance of the report is based on:

- Regular review of project progress, against the project plan, at Project Team planning meetings
- Sub-project status reports to the Project Manager, in the case of large projects
- Regular review of project progress against the milestones in the approved *Project Business Plan*
• Regular meetings with the Project Sponsor/Senior Manager
• Regular review of the effectiveness of actions as outlined in the Risk Management Plan, and their effect on the gradings for likelihood and seriousness for project risks
• Regular review of the Issues Register
• Regular review of progress against budget
• Regular updating of milestones

These status reports should highlight any problems that are occurring or have the potential to occur.

10.2 Status Report Structure

While the Project Sponsor/Steering Committee should agree to the proposed structure of the Project Status Report and frequency of reporting to them, the report should include, as a minimum, the following:

• Status of the project:
  o description
  o milestones for the last reporting period
  o milestones for the next reporting period
  o impact of achievement/non-achievement of milestones for the remaining period of the project
• Budget Report - with respect to planned expenditure, actual expenditure deficit/surplus and revenue against planned output delivery, if appropriate
• Risk Management Report - specifying any changes to the major risks identified since the previous report, and modification to the strategies put in place to manage them; any new risks that have arisen since the last report, as identified in the Risk Register
• Issues Report - including areas of concern, specific problems and any action/decision that needs to be taken by the Steering Committee or Project Sponsor/Senior Manager, as identified in the Issues Register
• Any general information
• Recommendations

It is important to keep the report focused, and to report on/against milestones, not percentage of work completed. A milestone can be defined as a progress marker that identifies when significant points in a project have been reached. Milestones are anchored within the timeframe for the project, and reflect the critical path towards the final delivery of the outputs. If milestone slippage is occurring it could be a danger sign that the project will not be completed within the specified timeframe.

(Refer to the Project Management Proforma: Project Status Reporting)
10.3 Frequency of Reporting

The frequency of status reporting will vary, depending on the size of the project and the requirements of the Steering Committee/Project Sponsor.

With very small projects, it may consist of fortnightly consideration of any issues that could affect progress by the Project Manager and/or a meeting with the Project Sponsor/Senior Manager.

For large and/or more complex projects the Project Status Report forms an integral part of the project, as information for the reports is drawn from the project management processes in place for the project.

In either case, meetings should be scheduled regularly to discuss project status, either verbally or based on the written status report. The meetings should be often enough that progress could be reported against a number of milestones since the last meeting.

Ideally, the timing for the meetings should be linked to key milestone dates (including the end of a phase), and not to a pattern (for example, the last Friday in the month). In reality, it is not always possible and depends on the nature of the project. Prior notification of meeting dates/times should be provided to members via an agreed meeting schedule.

In the case of projects with a Steering Committee, it is important that the Project Manager attends Steering Committee meetings and speaks to the Project Status Report. Usually, the Project Manager does not have voting rights on the Steering Committee, but should be there to answer queries and concerns and to take appropriate action.

(Refer to the Project Management Fact Sheet: Steering Committee ‘nuts and bolts’ )
11 Evaluation

Regardless of the size or complexity of the project, a measurement of the project’s success against well-defined criteria is necessary. Establishing criteria helps with the measurements taken during the project and after the project has finished. These measurements include determining whether key performance milestones are being met, how well managed the project is, and whether the specified project outputs have been delivered and the outcomes realised.

This section of the *Tasmanian Government Project Management Guidelines* includes:

- Project performance measures, including:
  - Examples of performance measurements that may be used to evaluate a project’s performance
  - The importance of establishing baseline measurements
  - The need to determine if a project is under control
  - A definition of a successful project
  - A number of ways in which the success of a project can be assessed
- The crucial role of the Steering Committee, particularly in achieving success
- Minimising project failure

"Evaluating the performance of a project is important because:

- What gets measured gets done
- If you don’t measure results, you can’t tell success from failure
- If you can’t see success, you can’t reward it
- If you can’t reward success, you’re probably rewarding failure
- If you can’t see success, you can’t learn from it
- If you can’t recognise failure, you can’t correct it
- If you can demonstrate results, you can win public support”

11.1 Project Performance Measures

Project management involves three stages of measurement:

- Pre-project measurements generate the baseline metrics
  (Refer to *Section 11.1.1: Establishing baseline metrics*)

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Osborne, David and Ted Gaebler (1992) Reinventing government: how the entrepreneurial spirit is transforming the public sector. NY: Plume [extract]
• Measurements taken during the project reveal whether key performance milestones are being met
  (Refer to Section 11.1.2: Determining if a project is in control)
• Post-project measurements reveal whether the completed project has delivered the specified project outputs and that Target Outcomes are realised
  (Refer to Section 11.1.3: Assessing if a project has been successful)

These measurement stages are described in detail in the following sections. As a general rule, evaluation of project performance can occur by way of:

• An ongoing basis throughout the project by the Project Manager, Project Team members and the Steering Committee formally and informally assessing the project’s performance
• Independent external assessment of project performance by suitably qualified personnel
• A review undertaken at the end of a phase to enable the Steering Committee to determine if the project should proceed to the next phase
• An external one-off review to determine if the project should continue - this type of review is normally commissioned by the Steering Committee if it has concerns whether the project should be aborted
• Reviews conducted at the end and/or after the project is completed

11.1.1 Establishing baseline metrics

It is important to establish pre-project measurements (metrics) for the criteria that will be used to evaluate a project. These metrics should include evaluating how successfully the project was executed, and to what degree the project achieved the level of planned change.

The baseline metrics should be documented in the Project Business Plan, and should include:

• Project management methodology to be used during the project
• Output development methodology to be used during the project
• Project objectives
• Target Outcomes and planned performance measures, including baseline information*
• Project outputs and their defined fitness-for-purpose (level of quality)
• Milestones based on the planned schedule of work
• Project budget and planned expenditure

*A key measure of the success of a project is the degree to which the Target Outcomes are realised. As far as possible, the planned Target Outcomes should be documented and stated in measurable terms so that their realisation can be evaluated effectively at a later date. For example, if a project is justified in terms of improved efficiency, the precise areas in which these efficiencies will be obtained should be documented. For instance, a project may improve the efficiency of a process by cutting the amount of
time taken to finish particular tasks or could avoid certain tasks. If a project is justified in terms of cost-savings, precise areas where these savings will be achieved should be documented so their realisation can be evaluated at a later date. Quantifiable measures include avoided cost, increased revenue and greater or improved efficiency.

(Refer to Section 2: Planning and Scoping)

11.1.2 Determining if a project is in control

Project control is the process whereby evaluation is made to determine the degree to which the Project Business Plan is being met. The focus is on:

- Actual application of project management methodology compared to the planned approach
- Actual application of the output development methodology compared to the planned approach
- Achievement of project milestones against planned dates
- Quality of the outputs produced against planned fitness-for-purpose criteria
- Actual project costs within those budgeted
- Resources being allocated as planned

Evaluation can occur by way of:

- Ongoing basis throughout the project by the Project Manager, Project Team members and the Project Sponsor/Steering Committee formally and informally assessing the project’s performance
- Individual external assessment of project performance by consultants
- Review undertaken at the end of a phase to enable the Steering Committee to determine if the project should proceed to the next phase
- External one-off review to determine if the project should continue - this type of review is normally commissioned by the Steering Committee if it has concerns whether the project should be aborted

For this reason, a Project Manager’s Status Report to the Steering Committee must always include reporting against the agreed performance measures for the project, to enable them to monitor effectively the project’s management and progress. Control can be demonstrated by showing the existence of a Project Business Plan, Project Execution Plan or Outcome/Benefits Realisation Plan, and the satisfactory achievement of results against these plans.

Despite the best of intentions, it is inevitable there will be changes needed during the life of a project. Sometimes there will be valid reasons for including changes. On other occasions, it may be appropriate to defer a change until after the completion of the project. There are also changes that originate from outside the Agency/organisation that will affect the project.

Occasionally, in urgent or emergency situations, it may be necessary to implement project changes before undergoing the necessary approval processes and updating the project documentation. Until the changes have been approved and reflected in the project documentation, the project is, by definition, out of control.
11.1.3 Assessing if a project has been successful

A project can be considered successful if:

- Project objectives have been met
- Target outcomes are realised
- Project outputs are delivered on time and to the agreed quality
- Costs are within those budgeted
- Current requirements of all stakeholders are met

This type of evaluation is usually conducted at the end of the project. The Project Business Plan should detail the types of review, when they should take place, who is responsible for arranging and managing the reviews, who will undertake the reviews and who is responsible for accepting the reports produced by the process. Ideally, an independent body conducts these types of review and the cost for the reviews should be included in the project budget.

(Refer to the Project Management Template: Project Review and Evaluation, or for small projects the Project Management Template: Project Review and Closure)

A review conducted at the end of a project is a useful way of identifying issues and concerns that may be relevant to other projects. Often projects that have radically gone wrong are audited, but many useful lessons can be gained from reviewing any project. Depending on the needs or requirements of the Steering Committee and Project Sponsor, one or more of the following may be assessed:

- Performance against objectives, Target Outcomes and outputs
- Performance against budget and schedule
- Quality or fitness-for-purpose of the outputs
- Effectiveness of the methodologies applied
- Lessons learnt by Key Stakeholders
- Any other criteria, such as critical success factors, as determined by the Steering Committee, Project Sponsor or other funding or governing body

These review methods can be grouped into five categories. The Steering Committee and/or Project Sponsor may choose to evaluate either all categories or selected categories:

- Project performance review
- Project output quality review
- Project outcome realisation review
- Project management methodology review
- Project output development methodology review
Project Performance Review
This type of review can include evaluating the performance of the project against the baseline measures for:

- Achievement of objectives
- Realisation of Target Outcomes
- Number of outputs delivered and accepted
- Budget - actual expenditure versus project budget
- Schedule - actual achievement of milestones versus planned

The only qualitative measure in this review should be the achievement of the project objectives. Other criteria, determined by the Steering Committee, Project Sponsor or other funding or governing body, could be included in this type of review.

Project Output Quality Review
During the project or at the end of the project, an evaluation of the quality or fitness-for-purpose of the outputs is needed to assess stakeholder satisfaction with the outputs delivered by the project. The fitness-for-purpose criteria developed before the start of the project should be used as a baseline when conducting this type of review.

Despite the Project Team applying a well-accepted methodology in developing the outputs and developing technically ‘correct’ outputs, it is important to assess if the stakeholders are satisfied with the outputs that were produced. As such, this type of review often is done better from an objective point of view, and conducted by someone external to the organisation. The results can be fed into a future continuous improvement project.

Project Outcome Realisation Review
Some time after the project outputs have been delivered, an evaluation of the project is needed to assess if the desired outcomes were attained. The Target Outcome metrics, developed before the start of the project, should be used as a baseline when conducting this type of review. The Target Outcomes should be quantitative. Other outcomes/benefits can be evaluated, but would be qualitative.

The timing of this review will depend on the target dates for achievement of the Target Outcomes. The Outcome/Benefits Realisation Plan should include a plan for conducting this review.

Project Management Methodology Review
Prior to the Project Team and Steering Committee being disbanded, an evaluation of the project to assess the effectiveness and appropriateness of the project management methodology applied is useful. This type of review captures valuable learnings for future projects. It is a review of the processes adopted for the project and not a review of individual performance.

When listing project management problems as part of the review, a distinction should be drawn between defects because project management processes were carried out improperly and defects because the project management process itself was flawed.
Project Output Development Methodology Review

Prior to the Project Team and Steering Committee being disbanded, an evaluation of the project to assess the effectiveness and appropriateness of the development methodology used to develop the project outputs is useful. This type of review captures valuable learnings for similar projects conducted in the future. Again, it is a review of the processes adopted for the project and not a review of individual performance.

11.2 The Crucial Role of the Project Sponsor/Steering Committee

The Project Sponsor and Steering Committee members should realise that, ultimately, the success of the project is their responsibility. Only they can redefine the scope, or decide to close the project if it becomes clear the project objectives are unattainable. They should remember that the Project Manager and Team may be too involved with the project to give adequate advice all the time on this issue, and they should keep a close eye on the project’s progress in meeting the success criteria defined above. They should also recognise that they have an important role in defining success measures, and these measures may be assessable throughout the course of the project, not just at the end.

11.3 Minimising Project Failure

There are many reasons why projects fail. Gantthead lists the following top 10 reasons why projects fail:

1. “Inadequately trained and/or inexperienced project managers
2. Failure to set and manage expectations
3. Poor leadership at any and all levels
4. Failure to adequately identify, document and track requirements
5. Poor plans and planning processes
6. Poor effort estimation
7. Cultural and ethical misalignment
8. Misalignment between the Project Team and the business or other organization it serves
9. Inadequate or misused methods
10. Inadequate communication, including progress tracking and reporting”

All of these causes would be substantially addressed by the application of project management tools and techniques. Projects that are not considered successful can be quite demoralising for those involved. However, they are generally useful (if expensive) learning exercises. All large-sized organisations have some examples of projects that can be considered failures.

10 www.gantthead.com/article.cfm?ID=187449
Gartner has observed that using a project office is ‘best practice’ for delivering successful projects. The project office acts as a competency centre for project management focusing on implementation of a standard methodology, resource evaluation, project planning, consistent project management practices, and project review and analysis.\(^{11}\)

Project Services, Inter Agency Policy and Projects Unit, Department of Premier and Cabinet, is an example of such a centre in the Tasmanian State Government.

12 Closure

Projects can be closed because they are completed successfully, or because it is clear the proposed benefits of the project are unlikely to be attained or are unlikely to be relevant in the current organisational context. To gain formal acceptance of project outputs, and confirm the realisation of the outcomes, the closing down of a project should be planned.

This section of the *Tasmanian Government Project Management Guidelines* includes:

- Formal project closure - what happens if a project is not formally closed
- Project closure steps - the steps involved in formally closing a project, and a two staged approach to closing projects
- Review and closure - including descriptions of the two formal project closure events
- Closing an unsuccessful (incomplete) project

**Definition**

Project closure is the formal ‘ending’ or termination of a project. Usually it will occur once all of the work of the project is finished, all of the outputs have been delivered and accepted by the Business Owner(s), and the Target Outcomes have been generated or secured. The steps involved in closing a project should be planned and documented at the beginning of the project, but the process may vary from project to project.

12.1 Formal Project Closure

As previously defined, a project involves a group of inter-related activities that are planned and then executed in a certain sequence to create a unique product or service, within a specific timeframe, in order for outcomes/benefits to be realised. It means that all projects have an ‘end’ date by which time all of the inter-related activities are completed.

Projects that are not formally closed often ‘drift on’. Usually it is a sign that there has been a loss of control of the project, and symptoms, such as continually changing scope, a continued demand for resources and an indeterminate final delivery date, are displayed. It results in, among other things, lack of ownership by the Business Owner(s), a failure to embed the outputs into the normal business operations of the organisation, continued use of resources and changed and/or enhanced outputs. In addition, project documentation is often not finalised and filed according to relevant Records and Information Management Guidelines.

(Refer to *Section 9: Quality Management*)

The Steering Committee, or Project Sponsor in the case of a small project, is responsible for formally closing a project. The Project Sponsor, in consultation with the Project Manager, may propose the decision as to the timing for closing the project.
It is important to ensure that all project activities are satisfactorily completed. As the end of the project approaches, it may help to produce ongoing checklists of outstanding work. Other means to ensure outstanding work is not forgotten include controlling work at a greater level of detail, holding more frequent Project Team meetings and/or creating a special taskforce for completing outstanding work.

The Project Business Plan will provide the basis for the Steering Committee and/or Project Sponsor to determine when the project will be closed, but there can be a problem when the realisation of the outcomes/benefits is spread over a period of time, eg a year or more. The Project Team usually disbands once the outputs have been delivered and accepted, and there is often no project budget once the Team has disbanded. In this case, a decision will need to be made as to whom and how the residual tasks are performed, eg arranging and managing the post-project review/evaluation.

### 12.2 Project Closure Steps

The final stages of a broadly successful project can be most rewarding. It is at this stage that people can finally see the realisation of plans and objectives. At the same time though, the ‘tying up of loose ends’ can be tedious and people can be more motivated to work on new projects. However, it is important that a project is satisfactorily closed, based on the following general approach:

- **Acceptance of project outputs/deliverables by the Business Owner(s)**
  
  Be it a technical system, a building or a set of policies, the outputs of the project should be successfully transferred to the project’s Business Owner(s). It should be planned well in advance, and preferably, in the initial project plans. It is important to ensure the Business Owner(s) will accept the handover date when they are given formal responsibility for the outputs/deliverables. Additionally, the Project Team should ensure that the design of the product is adequately recorded.

- **Disbanding the Project Team and ‘tying up loose ends’**
  
  It is important to ensure that all project activities are satisfactorily completed or responsibility for any outstanding activities (loose ends) has been re-assigned. You may need to consider:

  - **Project Staff** - what steps are being taken to manage the movement of project staff from the project to other roles, including the timing of their move and the capture of their project knowledge. There should be plans for releasing resources before the project is to be finalised, and Project Teams should be gradually wound down. It should be done compassionately, as people often have put a great deal of effort into the project and it will create bad feelings for both this project and the next one if they feel they are treated unfairly at this stage.

  - **Issues Management** - identify any outstanding issues, and who will continue to progress the issues.

  - **Risk Management** - identify any risks that will transfer to an operational area, and who will take on responsibility for monitoring them.
o **Financial Management** - outline the final financial position, and what will happen to any excess funds or how any deficit will be funded.

o **Asset Management** - describe any assets that were required by the project, and who will manage them on completion of the project.

o **Records Management** - identify what arrangements have been put in place for the storage, security and backup of hard copy and soft (electronic) copy records and project documents.

o **Post-project Responsibilities** - list any matters that are outstanding, what actions are required to address them and who is responsible. It should include such things as outcomes yet to be achieved, outputs not yet delivered, maintenance of the outputs and other operational matters, such as meeting future training requirements, that are outstanding or have not been formally agreed prior to this stage.

- **Post-project reviews**
  A post-project review is a useful way of identifying issues and concerns that may be relevant to other projects. Often projects that have radically gone wrong are audited, but many useful lessons can be gained from reviewing any project. Ideally, an independent body conducts this type of review and the cost for the review should be included in the project budget.

  (Refer to **Section 11: Evaluation** for additional detail of the different types of project reviews that might be undertaken)

- **Formal closure by Project Sponsor/Steering Committee and disbanding the Steering Committee**

  The Steering Committee should continue until such time as they are satisfied that all of the project closure activities have been addressed to their collective satisfaction, and formally agree that the project is closed.

- **Project completion celebration**

  Whether a formal product launch or an informal gathering for those involved in the project, a project completion celebration is a good way to mark the end of what may have been a significant period for those project participants involved.

### 12.3 A Two Stage Approach to Closure

As described in **Section 11: Evaluation**, a project is not complete once the project outputs have been delivered, but when the project outcomes/benefits have been realised. For example, the development of a technical system may have been justified in terms of the greater efficiency that would result through the utilisation of the new technology. In this case, the project is not completed fully when the technology is implemented in the organisation, but only when these efficiency goals have been attained. These realised benefits should be measurable and documented.

As discussed in **Section 12.1: Formal Project Closure**, there can be a problem when the realisation of the outcomes/benefits is spread over a period of time, eg a year or more. One approach to solving the problem of the delivery of outputs, acceptance by the
Business Owner(s) and delivery of the outcomes/benefits being spread over a period of time is to look at a project having two closure points:

- **Closure Stage 1** - when the Project Team disbands after the project outputs have been delivered to, and accepted by, the Business Owner(s)
- **Closure Stage 2** - when the targeted project outcomes/benefits have been secured

**Closure Stage 1**: The Steering Committee will need to be satisfied that the following matters have been satisfactorily addressed:

- A final Project Manager’s *Status Report* or *Project Closure Report* has been endorsed by the Steering Committee
- All of the outputs have been produced, as per the *Project Business Plan*
- Project outputs have been handed over and accepted by the Business Owner(s) - requires a written statement of acceptance by the Steering Committee or Project Sponsor, or may form part of a formal handover and acceptance process adopted by the project
- The Project Sponsor and the Business Owner(s) have approved the *Outcome/Benefits Realisation Plan*
- Achievement of the project outcomes/benefits has been assessed at this point in the project life cycle
- The ‘lessons learnt’ have been captured from the Project Manager, the Project Team members and any other Key Stakeholders
- A post-project review, as detailed in the *Project Business Plan*, has been completed and accepted (Refer to Section 11: Evaluation)
- The Project Team has been disbanded
- Physical resources and assets have been disposed of, or re-assigned appropriately, such as office equipment, computers and software licences
- Financial resources have been fully accounted for, all costs have been paid and any surplus distributed appropriately
- Documentation, including electronic and hard copies, have been filed in accordance with the Records Management Plan outlined in the *Project Business Plan* and Agency Records Management Guidelines

It is at this stage in the project that the project completion celebrations usually take place.

**Closure Stage 2**: In the case of large and/or complex projects, the Steering Committee will need to be satisfied that, in addition to the points above having been satisfactorily addressed, the following have been addressed also:

- The target dates for realisation of the longer-term project outcomes/benefits have been reached, and an assessment of their achievement has been made
- A post-project review, as detailed in the *Project Business Plan*, has been completed and accepted - the *Project Business Plan* should detail the type of review, when it should take place, who is responsible for arranging and
managing the review, who will undertake the review and who is responsible for accepting the report - this review may have already been completed at the end of the previous closure stage

- The ‘lessons learnt’ have been captured from the Steering Committee, the Business Owner(s) and any other Key Stakeholders not covered in the previous closure stage
- A final report by the Business Owner(s) on progress against the Outcome/Benefits Realisation Plan has been endorsed

In some cases the points listed for Stage 2 are satisfactorily addressed at the same time as Stage 1, or accountabilities in Stage 2 are formally delegated to Senior Executive groups, in which case the project will have one closure point.

At both stages of closure, the decisions should be recorded and added to the formal records for the project. For example, the Steering Committee decisions should be minuted and any decisions made by a Project Sponsor should be noted.

(Refer to the Project Management Fact Sheet: Closing a Project and the Project Management Template: Project Closure Report)

12.4 What’s the Difference - Review and Closure?

There are a number of different processes, referred to in this section, relating to formally closing a project. There are basically two different events:

- **Reviewing or evaluating a project or a project phase**
  The *Project Business Plan* for the project should detail the type of review(s), when it should take place, who is responsible for arranging and managing the review(s), who will undertake the review(s) and who is responsible for accepting the results of the review(s). There may be more than one review, each one examining different aspects of the project.
  (Refer to Section 11: Evaluation)

- **Completing the closure activities**
  Tying up the loose ends to ensure that when the Project Team disbands, the new or modified processes, services and/or outputs will be maintained and used in a transactional way.

There are a number of templates available to assist with conducting project reviews, conducting a review of a phase of a project and closing both small and large projects.

(Refer Section 13: Documentation)

The guides to these templates explain why, who and when to review a project, and which template may be most suitable.

12.5 Closing an Unsuccessful Project

It is important to recognise that projects can be closed at any point during their project life cycle.

Closing a successfully completed project can be challenging at the best of times, but closing (or stopping) a project that will probably not achieve its objectives can be
seriously difficult, especially if considerable resources have already been expended on it. Many unsuccessful projects have not been completed at the appropriate time and left to ‘drag on’.

The Project Sponsor/Steering Committee is ultimately responsible for closing down a project, whether it is successful (complete) or unsuccessful (incomplete). Signs of an unsuccessful project that may need to be closed before being completed include:

- The impetus for the project has disappeared or is greatly reduced
- The Project Team is unable consistently to meet major project milestones
- The activities involved with the project do not match with the stated objectives of the project
- It is clear the clients will not accept the outputs from the project
- Major project risks are realised and are unmanageable
- Key Project Team members leave the project

It is important to remember the Project Manager often will not be able to indicate if their project is in need of closure. Not only could it be viewed as a severe loss of face, but also they may simply be too engrossed to provide adequate advice.

Essentially, the steps a Steering Committee should take for closing an incomplete project include:

- If there are serious problems with the project, informally discuss the pros and cons of closing it with members of the Steering Committee
- Facilitate an independent project review - that is, obtain another opinion from someone without any stake in the project
- Discuss the ramifications for closing the project with those who will be affected by the decision - ensure that any decision to close the project will not be untenable for any major players, especially executive management
- Formally discuss the closure of the project in a Steering Committee meeting - any decision to close or continue with the project should be justified formally, and the reasons for it documented
- Facilitate activities involved with wrapping up project activities and removing resources
- Facilitate a formal external project review so that lessons can be learnt for future situations

For the Project Manager and Team responsible, the decision to close an incomplete project can be distressing and demoralising. They should remember that the reasons for project failure can be complex and varied, and that responsibility rarely rests entirely with one or two individuals. In this situation, it is important to ensure that project resources are appropriately redeployed.

There should also be debriefing sessions for all those people involved with the project and the group as a whole. In some cases, it may be useful to replace the Project Manager and/or other members of the Project Team with new people who can close down the project as quickly as possible.

Please Note: The Project Management Fact Sheet: Closing a Project is available.
13 Documentation

Project management documentation provides both a record of decisions and a means of documenting assumptions on which these decisions are based. Creating the documents also can help the Project Team focus on the tasks required at a particular stage in a project and should not be viewed as superfluous to the project. Such documentation is usually generated by the Project Manager and Team, and approved by the Project Steering Committee. It is important to remember that it is the project processes that are the focus - documentation is not an end in itself.

This section of the *Tasmanian Government Project Management Guidelines* includes:

- Levels of documentation - corporate, business and project
- Description of documents - the purpose of each of the commonly used project planning and management documents

13.1 Levels of Documentation

The approach advocated in these Guidelines uses three levels of documentation:

- A **corporate level** at which the Steering Committee takes ownership of, and responsibility for, a *Project Business Plan* - other documentation included at this level is a *Feasibility Report* and/or a *Business Case*, and any project funding submissions to senior management

- A **business level** at which the manager of the Business Unit (the Business Owner(s)) takes responsibility for an *Outcome/Benefits Realisation Plan* and other documentation required to support the testing, training and use of the project outputs to achieve required outcomes/benefits

- A **project level** at which the Project Manager and Team take responsibility for the development of a *Project Execution Plan* and various other project documents used to produce the outputs/deliverables

The full set of project documentation defined in these Guidelines can be a heavy load for a small project. However, small projects also demand a certain level of documentation. The Project Manager should consider which documents are required, based on decisions regarding the project size, and look at using scaled-down versions for small projects.

13.2 Description of Documents

The following commonly used project planning and management documents are described in the sections below:

- **Major Documents** (describe the management and direction of the project)
- **Other Documents**
- **Proformas** (assist in the management of the project; for example, the *Issues Register* is used to help manage any project issues)
13.2.1 Major Documents
- Project Proposal
- Business Case
- Project Business Plan
- Project Execution Plan
- Outcome/Benefits Realisation Plan
- Project Closure Report
- Project Review and Closure Report
- Project Phase Review
- Project Review and Evaluation Report

13.2.2 Other Documents
- Business Needs Analysis
- Project Brief
- Feasibility Study/Report
- Risk Management Plan
- Stakeholder Management Plan
- Organisational Change Management Plan
- Implementation Plan
- Communication Strategy/Plan
- Marketing Plan
- Training Strategy
- Handover Plan

13.2.3 Proformas
- Project Status Report
- Risk Register
- Issues Register

These templates are available on this website.
Major Documents

**Project Proposal**

The *Project Proposal* is usually the first document outlining what change is proposed. It introduces the project, providing sufficient information for a decision to be made as to whether it should proceed to the next step, eg preparation of a *Business Case*.

It is the document that converts an idea or policy into a proposal for a project, and contains basic details of the project’s aims and the resources required, as a minimum, for the next step to be implemented.

It converts an idea or policy into the details of a potential project, including the outcomes, outputs, major risks, costs and stakeholders.

It expands the initial concepts, in order to:

- Provide broad details of the objectives, outcomes, outputs, scope, budget (costs), milestones, major risks, stakeholders, related projects of the initiative and an estimate of the resourcing and time required
- Define the guidelines/standards to be applied throughout the initiative
- Gain authorisation to proceed to the next step of the initiative

**Business Case**

The *Business Case* is a one-off, start-up document containing basic project details of what the objectives are, as well as exploring options and listing the required resources.

It is used by senior management to assess the justification of a proposed project, or to assess the development options for a project that has already received funding, and also to obtain approval, including resourcing.

If approved, it confirms senior management support and/or funding for a recommended course of action. For major project initiatives, it may also be used to support a submission to Cabinet and/or its Budget sub-Committee.

The project begins once the *Business Case* and associated funding has been approved.

**Project Business Plan**

The *Project Business Plan* is the high-level management document for the project. It is owned, maintained and utilised by the project’s Steering Committee to ensure the delivery of defined project outcomes/benefits.

Once approval is given for the project to proceed, the *Business Case* can be used as the basis for preparation of a *Project Business Plan*. This plan enables the Project Sponsor/Steering Committee to monitor effectively the project from start to finish. It also identifies the project outputs and outcomes/benefits. It provides an overview of all the project components, and describes the roles and responsibilities of each of the parties.

As a complex project proceeds from milestone to milestone, the *Project Business Plan* will need periodic formal review, even re-creation, to document the changed conditions or objectives.

The Steering Committee may require the Project Manager or Project Team member to maintain the *Project Business Plan* on their behalf.
Project Execution Plan

The *Project Execution Plan* is the ‘road map’ used by the Project Team to deliver the agreed project outputs, and it outlines the responsibilities of the Project Team and stakeholders.

It expands the *Project Business Plan* by specifying operational (day-to-day) management procedures and control plans, including:

- Detailed project plans
- Resource schedules
- Quality procedures
- Output purchasing and development plans
- Risk management plan
- Project budgets

A *Project Execution Plan* will need periodic review and updating by the Project Manager. Appropriate support within the Project Team is required to administer this plan.

Outcome/Benefits Realisation Plan

The *Outcome/Benefits Realisation Plan* is used to support the organisational change management process required for effective utilisation of the agreed project outputs by the Project Customers. It assists in ensuring the achievement of the project outcomes/benefits described in the *Project Business Plan*.

It describes how the project outputs will be maintained by the Business Unit(s) in order for the outcomes/benefits of the project to be realised, and contains the project outcomes/benefits and how they are to be utilised and measured. It may also include how outputs will be managed after the project closes.

The Business Owner(s) is responsible for creating and updating the *Outcome/Benefits Realisation Plan*, and for reporting on progress toward the achievement of the outcomes/benefits to senior management and the Steering Committee or its nominee.

Project Closure Report

A *Project Closure Report* is best suited to large and/or complex projects. It is a useful tool to assist a Project Sponsor and/or Steering Committee to ‘tidy up’ any loose ends and formally close the project. It represents the formal ‘ending’ or termination of a project, and may follow on from a *Project Phase Review Report* or a *Project Review and Evaluation Report*.

Its purpose is to provide confirmation that outputs have been delivered and project documentation has been completed, as well as including any outstanding issues with recommendations on how they should be resolved. Effectively, it is the final Project Manager’s *Status Report*.

The Project Manager usually completes a *Project Closure Report* in time for the final Steering Committee meeting. Statements from the relevant Business Owner(s), confirming that the project outputs have been formally accepted, implemented and any required training completed, can support the *Project Closure Report*.

Where the Business Owner(s) is responsible for reporting progress towards the achievement of the longer-term Target Outcomes, the details should include how the measurement and reporting are to be undertaken.
**Project Review and Closure Report**

The *Project Review and Closure Report* is ideal for capturing lessons learnt from small projects and formally closing the project, including a ‘tidy up’ of any loose ends. Its purpose is to assess the success of the project, inform future projects, provide confirmation that outputs have been delivered and that project documentation has been completed.

The Project Manager usually completes it in time for the final Steering Committee meeting. It provides confirmation that project documentation has been completed, that outputs have been delivered and accepted by the Business Owner(s) and the Target Outcomes have been or are being generated, as well as including any outstanding issues with recommendations on how they should be resolved. Effectively, it is a final Project Manager’s *Status Report*.

A *Project Review and Closure Report* can also be used for a large and/or complex project if a detailed review is not being undertaken.

**Project Phase Review Report**

For large and/or complex projects, for which a phased approach has been adopted, a *Project Phase Review Report* is appropriate:

- At the end of a phase, to provide an assessment of how successful the phase was in meeting its targets, including delivery of the assigned outputs, before seeking approval to proceed to the next phase. The Project Manager or Project Team member could undertake the review, as long as they remained objective.

- At any time during a phase, to provide an assessment of the progress of the project, where the Project Sponsor or Steering Committee are seeking to make an informed judgement on the need to ‘stop’ a project. This type of phase review should be undertaken by an independent person (ie not the Project Manager or Project Team member).

**Project Review and Evaluation Report**

A *Project Review and Evaluation Report* is best suited to large and/or complex projects. Its main purpose is to verify that the project has been completed successfully, with the assigned outputs delivered *(Post-implementation)*.

It contains an analysis of how successful or not the project was in delivering its outputs and generating the targeted outcomes/benefits, as well as including such things as lessons learnt, time taken and budget spent. It is usually prepared at the completion of a project, once the outputs have been accepted and handed over to the Business Owner(s), and the Target Outcomes can be measured.

It can also be a useful tool, at any stage of a project, to report to the Project Sponsor and/or Steering Committee an assessment of the progress of the project, including any shortcomings in the project’s activities, thus enabling timely action to address any deficiencies discovered through the review process. It may also be used in these circumstances to make an informed decision about closing the project, providing validation of a decision to ‘stop’ the project, as well as capture the lessons learnt for the future.

This type of project review should be conducted by an independent person (ie not the Project Manager or Project Team member).


Other Documents

**Business Needs Analysis**

A *Business Needs Analysis* identifies the business processes that will be influenced by, or have influence on, the outputs produced by the project, and matches them against the organisational business needs.

It is a mapping of the business processes, accompanied by a description, either as part of the initial analysis prior to the approval of the project or during the project.

It is prepared by a suitably skilled Project Officer or consultant, owned by the Project Sponsor and approved by the Steering Committee.

**Project Brief**

A *Project Brief* outlines what is to occur in the Initiation Phase of a project. Where a project is being completed that may form part of a larger project, e.g., a project to develop a *Business Case*, or where an output is to be delivered from this initial phase, the brief’s purpose is to document how the project or its activities are going to be managed.

The Project Manager prepares it once the project has been approved by the Steering Committee and is owned by the Project Sponsor.

**Feasibility Study/Report**

The Feasibility Study phase for a project is optional, but recommended. The purpose of a Feasibility Study is to assess the viability of a potential project. A *Feasibility Report*, developed from the Feasibility Study, is presented to senior management to determine whether the project has sufficient merit to continue into more detailed phases.

The results of this phase are used to support the development of the *Business Case*. In most instances, the result of a Feasibility Study is the development of a *Business Case*.

A Project Officer prepares the report, which is owned by the Project Sponsor and approved by the Steering Committee.

**Risk Management Plan**

A *Risk Management Plan* describes how risks are to be managed in the project. It contains details of the processes to manage risks; for example, the risk review frequency and process of review, responsibilities and accountabilities.

It is prepared and maintained by the Project Manager once the project has been approved and resources allocated. It is owned by the Project Sponsor and approved by the Steering Committee.

For large projects, it may be a separate document; for small to medium projects, the *Risk Management Plan* can be detailed in the *Project Business Plan*. 
**Stakeholder Management Plan**

A *Stakeholder Management Plan* is a listing of the stakeholders of the project, how they are to be engaged and what actions are being undertaken to communicate with them. Its purpose is to ensure all stakeholders who are affected by, or who may affect the project, are managed to maximise their positive impact and minimise their negative impact.

The Project Manager, with input and assistance from the Project Team, prepares it once the *Project Business Plan* has been approved. It is owned by the Project Sponsor and approved by the Steering Committee.

For large projects, it may be a separate document; for small to medium projects, the *Stakeholder Management Plan* can be detailed in the *Project Business Plan*.

**Organisational Change Management Plan**

An *Organisational Change Management Plan* is a plan to manage change within the organisation(s) required to realise the project’s outcomes/benefits. Its purpose is to manage the requirements for organisational change, by identifying the changes, and when and how they are to be implemented, to implement successfully the outputs and achieve the desired outcomes/benefits.

The Project Manager, with input and assistance from the Project Team and Business Owner(s), prepares it once the *Project Business Plan* has been approved. It is owned by the Project Sponsor and approved by the Steering Committee. In some circumstances it can be documented as part of the *Outcome/Benefits Realisation Plan*.

**Implementation Plan**

An *Implementation Plan* documents the implementation of the project outputs, to enable the implementation of the outputs to be managed successfully. It contains details on what, how, when, who etc are required to utilise the outputs.

The Project Manager, with input and assistance from the Project Team, prepares this plan once the *Project Business Plan* has been approved. It is owned by the Project Sponsor and approved by the Steering Committee, and may be included as part of the *Outcome/Benefits Realisation Plan*.

**Communication Strategy/Plan**

A *Communication Strategy/Plan* details the communication methods and tools for the project, to ensure all stakeholders are engaged and to maximise support for the project. It contains a list of all stakeholders and what communication strategies will be undertaken.

The Project Manager, with input and assistance from the Project Team, prepares it once the *Project Business Plan* has been approved. It is owned by the Project Sponsor and approved by the Steering Committee. In some circumstances it can form part of the *Stakeholder Management Plan*.

**Marketing Plan**

A *Marketing Plan* is similar to the *Communication Plan*, but for a general audience. Its purpose is to ‘sell’ the project, and contains details of stakeholder groups and how they will be influenced through the project’s communication strategies.

The Project Manager, with input and assistance from the Project Team, prepares it once the *Project Business Plan* has been approved. It is owned by the Project Sponsor and approved by the Steering Committee. In some circumstances it can form part of the *Stakeholder Management Plan*. 
**Training Strategy**  
A *Training Strategy* details the training of the users of the project outputs. Its purpose is to enable the business users to acquire the requisite skills to utilise the project outputs, and contains details on the training requirements for the various user groups and how and when that training is to be conducted.

The Project Manager, with input and assistance from the Project Team, prepares it once the *Project Business Plan* has been approved. It is owned by the Project Sponsor and approved by the Steering Committee. In some circumstances it can form part of the *Outcome/Benefits Realisation Plan*.

**Handover Plan**  
A *Handover Plan* details the requirements for handover of the project outputs. Its purpose is to ensure that all outputs are successfully handed over to the Business Owner(s), and contains details of all the outputs, when they will be handed over and the requirements for those outputs to be utilised.

The Project Manager, with input and assistance from the Project Team, prepares it once the *Project Business Plan* has been approved. It is owned by the Project Sponsor and approved by the Steering Committee. It can form part of the *Outcome/Benefits Realisation Plan*.

**Proformas**  
**Project Status Reports**  
The purpose of status reporting is to report to appropriate people on actual progress against planned progress. Status reports should:

- Be concise
- Report progress to date
- List the next steps to be completed
- Identify issues of concern

They should include reporting against the performance measurements for the project, identifying both successes and failures, and contain details on progress against milestones, the current status of risks, issues, budget and recommendations. These reports should be communicated to members of the Project Team, management and other interested parties, as appropriate. The Project Manager prepares the reports prior to Steering Committee meetings.

**Risk Register**  
The *Risk Register* is a listing of all risks and their current status, including how those risks are being managed. Its purpose is to document and track the management of the risks associated with the project.

The Project Manager, with input and assistance from the Project Team, prepares it, and should be updated fortnightly, or at least monthly, to reflect any changes in the risk status. This document should be maintained separately to the *Project Business Plan*.

**Issues Register**  
The *Issues Register* is a listing of all issues associated with the project, including details of how these issues are being managed and their current status. Its purpose is to document and monitor the issues associated with the project.

The Project Manager, with input and assistance from the Project Team, prepares it as an internal working document. Issues that are brought to the attention of the Steering Committee for consideration are escalating into risks, and consideration should be given to adding them to the *Risk Register*. 
Tips from Project Managers

At Project Management Forums, participants made the following suggestions concerning documentation:

- Canvas all stakeholders for input during document production
- Ensure independent review
- Don’t swamp stakeholders with too much documentation at any one time
- Documents are only one mechanism by which to communicate with Stakeholders
- Obtain agreement with the Steering Committee as to what documentation is required by them
- Assign responsibility for development, acceptance and maintenance of documents
- Don’t assume the Project Manager has responsibility for all documentation
- Documents can provide a knowledge base for future projects
- State the purpose/intention of each document - ask yourself what would happen if you did not have this document
- The minimum required documents for a project are a Project Business Plan and a Project Execution Plan
- Establish a baseline for monitoring and reporting purposes
- Formally document decisions and actions from meetings
- Clearly define and agree on project governance
- Ensure the process for issues management is defined
- Establish a consistent structure and approach for status reporting
- Minimum reporting to the Steering Committee includes:
  - Milestones
  - Risks
  - Issues
  - Budget
- Ensure that there are resources and time scheduled in the Project Business Plan to develop, review and maintain documents
### Appendix 1: Project Management Glossary

**Version 4.0 - March 2005**

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Acceptance Testing</strong></td>
<td>Formal testing conducted to determine whether or not a system satisfies its pre-defined acceptance criteria, and to enable the customer to determine whether or not to accept the system.</td>
</tr>
<tr>
<td><strong>Accepted</strong></td>
<td>The recorded decision or formal sign-off by the customer that an output or sub-output has satisfied the documented requirements and may be delivered to the customer or used in the next part of the process.</td>
</tr>
<tr>
<td><strong>Activity Decomposition Chart</strong></td>
<td>Refer to <em>Work Breakdown Structure</em></td>
</tr>
<tr>
<td><strong>APT Methodology</strong></td>
<td>An approach to the development of software applications owned by APT Systems. It is one of the methodologies, used by some agencies in the Tasmanian Government, with an emphasis on quality management processes.</td>
</tr>
<tr>
<td><strong>Assumptions</strong></td>
<td>Assumptions are factors that, for planning purposes, will be considered to be true, real or certain. Assumptions generally involve a degree of risk and also should be reflected in the Risk Management Plan.</td>
</tr>
<tr>
<td></td>
<td>Refer to <em>Risk Management Plan</em></td>
</tr>
<tr>
<td><strong>Authorised</strong></td>
<td>The recorded decision that a deliverable or output has been cleared for use or action after having satisfied the quality standards for the project.</td>
</tr>
<tr>
<td><strong>Baseline Metrics</strong></td>
<td>A set of indicators to set as measures against which to judge and report progress or performance.</td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td>Refer to <em>Outcomes</em></td>
</tr>
<tr>
<td><strong>Business Case</strong></td>
<td>A one-off, start-up document used by corporate management to assess the justification of a proposed project, or to assess the development options for a project that has already received funding. If approved, it confirms corporate management support and/or funding for a recommended course of action.</td>
</tr>
<tr>
<td><strong>Business Customer(s)</strong></td>
<td>There may be other Government Agencies or Business Units who will utilise the project outputs, but who do not have management responsibility for their ongoing maintenance or for the realisation of outcomes/benefits. These Agencies/Units are known as the Business Customers. Sometimes the Project Observer or the Project Business Owner(s) represents the interests of the Business Customer(s).</td>
</tr>
</tbody>
</table>
**Business Owner(s)**
The Business Owner(s) is responsible for managing the project outputs for utilisation by the Project Customers. There may be one or more Business Owners, at a number of managerial levels, depending on the size of the project. The Business Owner(s) must be satisfied that the project includes all of the outputs necessary for outcome/benefits realisation. Each output must be specified and delivered fit-for-purpose. Usually the Business Owner(s) is accountable to the Project Sponsor or their delegate(s), who may be Senior Management in the Agency, for the realisation of project Target Outcomes. One or more Business Owners are usually Steering Committee members.

The Business Owner(s) **must be identified** for all projects, no matter what the size or complexity, even if they are the same entity as the Project Sponsor, or indeed the Project Manager.

**Constraints**
Factors that will limit the project management team’s options. For example, a predefined budget, deadlines, technology choices, scope or legislative processes.

**Consultant**
An organisation or individual contracted to provide high-level specialist or professional advice to assist decision-making by Agency management. Consultants will be expected to exercise their own skills and judgement independently of the Agency.

**Contract**
An agreement for provision of goods and/or services, between two or more parties, intended to create a legal obligation between them and to be legally enforceable.

**Contractor**
An organisation or individual contracted to provide a specified service to an Agency. A contractor will usually work under the supervision of an Agency Manager to provide services that are not readily available in the Tasmanian State Service.

**Corporate Client**
The high-level champion of the project who has ultimate authority. They promote the benefits of the project to the community.

**Corporate Goals**
The goals or objectives identified by an Agency/organisation to support the core business of that Agency/organisation.

**Cost Benefit Analysis**
The economic and social justification for a proposed project.

**Critical Path**
The chain of activities that link the start to the finish of the project, and for which any delay will cause the project to be delayed by the same amount of time.

**Customer(s)**
See **Project Customer(s)**

**Deliverable**
A tangible, verifiable work output, such as a Feasibility Study, a detailed design, a working prototype, any report, manual, specification, programming or other output, developed as part of a project. Usually a component of a high-level output descriptor.

**Development Plan**
Description of how the project activities will proceed to create the output(s).

**Dis-benefit**
Dis-benefits arise from undesirable outcomes and must be taken into account when valuing the project from the perspective of those stakeholders who are adversely impacted (impactees).
Document Control

All documents, whether electronic or hard copy, need to be uniquely identifiable. In most cases, it is also necessary to track the changes that occur to the document and record its distribution throughout the document’s development and subsequent revision(s).

Document control includes:

- The use of version numbers on documents (version control)
- Maintaining a history of the development of versions (build status)
- The use of numbered copies of documents (controlled documents)
- Maintaining a list of recipients for distributed copies (distribution list)

Environment Baseline

Provides details of the project’s environment (eg office equipment, software, hardware, communications etc) so as to define a baseline that is then managed accordingly.

Feasibility Report

A report that is developed as a result of a Feasibility Study, and is presented to senior management to determine whether a project has sufficient merit to continue into more detailed phases.

Refer to Feasibility Study

Feasibility Study

A study to assess the viability of a potential project. It includes a cost/benefit analysis and results in the development of a Feasibility Report.

Refer to Feasibility Report

Fitness-for-purpose

The features by which the quality of an output is determined. In other words, what criteria will be used to test whether the outputs meet the needs of the project’s Business Owner(s) and Customers, and will in turn enable outcomes to be realised.

Gantt Chart

Horizontal bar charts that can graphically depict the time relationship of tasks, activities and resources in a project. Named after Henry Gantt, an industrial engineer who introduced them in the early 1900’s.

Goals

Refer to Objectives

Governance

The management structure created for the life of a project.

Refer to Governance Model and Governance Structure

Governance Model

A generic model that indicates the people most likely to be incorporated in a project governance structure. It is also an indication of some of the ways in which the people would be most likely to interact.

Governance Structure

This diagram indicates the specific people that will provide the management for a particular project and the interaction between the players (also known as a Responsibility Chart).

Implementation Plan

Describes how the outputs will be delivered to the Business Owner(s), including any special requirements such as stage implementation or ‘roll out’, training and delivery requirements.
Input(s) There are two types of inputs:
- Information - which is not used up through use
- Resources - which are used up, i.e., funds and labour

ISO Standards The International Standards Organisation (ISO) has developed a set of international standards that can be used in any type of business, and are accepted around the world as proof that a business can provide assured quality.

Issue A concern raised by any stakeholder that needs to be addressed, either immediately or during the project. As issues are reviewed during the project, they may become a threat to the project and a mitigation strategy prepared. They are usually documented in an Issues Register.
Refer to Risk Analysis and Issues Register

Issues Register A list of all issues, details of how these issues are being managed and their current status.

ITO Model John Smyrk, Sigma Management Science Pty Ltd developed the Input-Transform-Outcome (ITO) Model. It is an effective tool that helps to link directly the actual outputs of a project and project activities with the intended project outcomes/benefits, organisational goals and directions of the Agency/organisation.

Key Elements These are essential aspects of managing projects that must be considered no matter what the project size or complexity. They are identified and explained in the Tasmanian Government Project Management Guidelines: Section 1.2.

Key Stakeholder(s) An individual or group whose interest in the project must be recognised if the project is to be successful. In particular, those who may be positively or negatively affected during the project or on successful completion the project.
Refer to Stakeholder(s) and Non-Key Stakeholder(s)

Large Project Refer to Project Size

Maintenance Plan A detailed plan to support the ongoing maintenance of an output once it has been implemented, including the management of future changes (both enhancements and fixes).

Medium Project Refer to Project Size

Milestone A significant scheduled event that acts as a progress marker in the life of a project. A milestone is either passed or it is not, the achievement or non-achievement of which is monitored and reported.

Non-Key Stakeholder(s) Stakeholders who do not need to be recognised in order for the project to be successful, but who will be identified as a result of the process of identifying all stakeholders.
Refer to Stakeholder(s) and Key Stakeholder(s)

Objectives The goals that define the strategic direction of an Agency/organisation, and are delivered through the work of projects. These objectives may be found in a Corporate Business Plan, Strategic Plan, Budget Papers or Tasmania Together.
Outcome/Benefits Realisation Plan

Describes how the project outputs will be managed by the Business Owner(s), and utilised by the Project Customers in order for the Target Outcomes and benefits of the project to be realised. Also includes strategies to support the change management process and appropriate methods of measuring and reporting the progress toward achieving these Target Outcomes and benefits.

Outcome(s)
The benefits and other long-term changes that are sought from undertaking a project. Project outcomes are achieved from the utilisation of the outputs delivered by a project. Not to be confused with Agency Budget Outcomes.

Refer to Target Outcome(s)

Output(s)
The services or products delivered to the Business Owner(s) by the project. Not to be confused with Agency Budget Outputs.

Output Management Plan

A detailed plan for the management of the changes (both enhancements and fixes) to an output while it is being produced.

Performance Measures

Criteria for measuring a project’s success, whether the project is under control and the level of adherence to documented plans, methodologies and standards.

Phase

A section or ‘chunk’ of work in a project for which there are no measurable outcomes at the end, although some outputs may be produced. Large and/or complex projects often scope the work in phases to enable each phase to be planned in more detail on completion of the previous phase. Also provides periodic points for review or Project Phase Reviews.

Post Implementation Review

A review of a completed project. It may be a review of one or more aspects of the project. For example, whether the outcomes (benefits) were realised, the fitness-for-purpose of the outputs produced or the project and quality management processes selected and applied.

Refer to Project Outcomes Review and Project Output Review

Probity

The consideration of ethical issues relating to procurement. Some general principles include: ensuring best value to the public in monetary terms, ensuring fairness and impartiality, dealing with conflicts of interest that could influence outcomes and ensuring accountability.

Program

A group of related projects that are managed in a coordinated way, usually with an activity that is ongoing, and has an overall Program/Project Business Plan.

Refer to Project

Project

A project brings about change and involves a group of inter-related activities that are planned and then executed in a certain sequence, to create a unique product or service (output) within a specific timeframe so that outcomes are achieved.

Projects are often critical components of an organisation’s business strategy or relate directly to policies and initiatives of the Government.

Refer to Project Classification and Project Size
Project Customer(s) The person or entities that will utilise the project outputs to generate the outcomes. For example, the Tasmanian public who transact business with Service Tasmania.

See also Business Owner and Business Customer

Project Management Quality Advisory Consultant This role provides an informal ongoing review, both of documentation and application of management processes, in addition to providing independent advice to assist the Project Manager and Team.

Project Brief The Project Brief is a specific purpose document outlining what is to occur in the INITIATION Phase of a project. A Project Brief is particularly useful where an output, which will result in a decision to proceed or not with the proposed project, is to be delivered from this initial phase. It also may be used instead of a small Project Business Plan for small projects.

Project Business Case Refer to Business Case

Project Business Plan The high-level management document for the project. It is owned, maintained and utilised by the Steering Committee to ensure the delivery of project outputs and the realisation of defined project outcomes.

Project Execution Plan The ‘road map’ used by the Project Team to deliver the agreed project outputs. It outlines the responsibilities of the Project Team and stakeholders.

Project Management Quality Review Consultant This role involves undertaking independent reviews and reporting to the Project Manager and Steering Committee on whether the management processes involved in the project are appropriate and effective.

Project Management Project Management is a formalised and structured method of managing change in a rigorous manner. It focuses on achieving specifically defined outputs that are to be achieved by a certain time, to a defined quality and with a given level of resources so that planned outcomes are achieved.

Project Management Framework The formalised structure, processes and tools employed by an organisation or enterprise to the management of all projects.

Project Management Methodology A pre-defined set of tasks that are designed to provide a guide or a checklist for developing and implementing projects.

Project Manager The Project Manager is contracted by the Steering Committee to deliver the defined project outputs.

Project Metrics Measures used to indicate progress or achievement of a project.

Project Observer In a large, complex or politically driven project, possibly involving whole-of-government or more than one Agency, the Project Observer can be present at Steering Committee meetings or Project Team meetings to act as an information channel to the Agency they are representing. They usually have no voting rights.

Project Outcomes Review A review of a project, involving as many project participants as possible, to assess if the desired outcomes/benefits were attained.

Refer to Project Output Review and Post Implementation Review
Project Output Review  
A review of a project, involving as many project participants as possible, to evaluate the fitness-for-purpose of the outputs, the amount of deviation that occurred from the original specifications requested by the customer and the final result, and how any changes to these specifications were managed and approved.

Refer to Project Outcomes Review and Post Implementation Review

Project Phase  
Refer to Phase

Project Plan  
Refer to Project Schedule

Project Portfolio Management  
The management of prioritised projects within the organisation, Business Unit, Agency or across government. It is a dynamic process requiring re-prioritisation, as necessary, to meet changing business requirements or emerging opportunities.

Project Proposal  
The initial document that converts an idea or policy into the details of a potential project, including the outcomes/benefits, outputs, major risks, costs, stakeholders and an estimate of the resourcing and time required.

Project Schedule  
A detailed plan of major project phases, milestones, activities, tasks and the resources allocated to each task. The most common representation of the project schedule is in a Gantt Chart.

Refer to Gantt Chart

Project Size  
Projects vary in size or complexity, for example they may:

- Involve changes to existing systems, policies, legislation and/or procedures
- Entail organisational change
- Involve a single person or many people
- Involve a single unit of one organisation or may cross organisational boundaries
- Involve engagement and management of external resources
- May cost anywhere from $10,000 to more than $1 million
- May require less than 100 hours or take several years

The Tasmanian Government Project Management Framework does not have a formal process for determining and grading the size of projects, but tools are provided on the website. The actual project sizing is left up to the judgement of the Project Sponsor.

Project Sponsor  
The Project Sponsor has ultimate accountability and responsibility for the project and is a member of the Steering Committee, usually the Chair. The Sponsor oversees the business management and project management issues that arise outside the formal business of the Steering Committee. The Sponsor also lends support by advocacy at a senior level and ensures that the necessary resources (both financial and human) are available to the project. The Corporate Client and Project Sponsor may be the same person for some projects.

Refer to Corporate Client

Project Stage  
Refer to Stage
<table>
<thead>
<tr>
<th><strong>Project Status Report</strong></th>
<th>A regular report on the status of the project, with regard to project performance, milestones, budget, issues, risks and areas of concern, to the appropriate people.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Team</strong></td>
<td>The Project Team is led by the Project Manager working for the successful delivery of the project outputs.</td>
</tr>
<tr>
<td><strong>Purchasing Plan</strong></td>
<td>Provides a detailed plan of the process for acquiring the proposed goods and services to support the delivery of the project’s outputs.</td>
</tr>
<tr>
<td><strong>Quality Assurance</strong></td>
<td>The application of planned, systematic activities, within a documented management framework, that provides confidence that the outputs from a process meet the Business Owner’s requirements.</td>
</tr>
<tr>
<td><strong>Quality Control</strong></td>
<td>The process of monitoring the adherence to documented quality assurance procedures.</td>
</tr>
<tr>
<td><strong>Quality Management</strong></td>
<td>Quality management is the policy and associated procedures, methods and standards required for the control of projects. The purpose of quality management is to increase certainty by reducing the risk of project failure. It also provides the opportunity for continuous improvement.</td>
</tr>
<tr>
<td><strong>Quality Management System</strong></td>
<td>Defined policies and procedures that provide a formal framework describing the way an organisation conducts its core business. The performance of each quality management procedure generates objective evidence by which to measure the performance of the Agency/organisation and its management.</td>
</tr>
<tr>
<td><strong>Quality Plan</strong></td>
<td>Summarises the quality management approach and how it will support the delivery of the project outputs.</td>
</tr>
<tr>
<td><strong>Rapid Application Development (RAD)</strong></td>
<td>The use of highly structured project planning sessions that entail the use of intensive team-based analysis, design and development sessions. Assists in shortening the IT system development process.</td>
</tr>
<tr>
<td><strong>Reference Group</strong></td>
<td>A committee that provides forums to achieve consensus among groups of stakeholders. Often provides expert advice on the development of project outputs. There may be more than one Reference Group for large projects.</td>
</tr>
<tr>
<td><strong>Resources</strong></td>
<td>The people, finances, physical and information resources required to perform the project activities.</td>
</tr>
<tr>
<td><strong>Responsibility Chart</strong></td>
<td>Refer to Governance Model and Governance Structure</td>
</tr>
<tr>
<td><strong>Risk</strong></td>
<td>Any factor (or threat) that may adversely affect the successful completion of the project. They are usually documented in a Risk Register.</td>
</tr>
<tr>
<td><strong>Risk Analysis</strong></td>
<td>Undertaking a process to assess identified threats to the success of the project, which results in working papers of the current assessment for each threat (both likelihood and seriousness), a risk grading and strategies for mitigating the risks. The results of this analysis are usually captured in the Risk Register.</td>
</tr>
<tr>
<td></td>
<td>Refer to Risk Register</td>
</tr>
</tbody>
</table>
Risk Management Describes the processes concerned with identifying, analysing and responding to project risk. It consists of risk identification, risk analysis, risk evaluation and risk treatment. The processes are iterative throughout the life of the project.

Risk Management Plan Summarises the proposed risk management approach for the project.

Risk Register A document that records the results of a risk analysis process. It includes the identified threats to the success of the project, the current assessment for each threat (both likelihood and seriousness), a risk grading and strategies for mitigating the risks.

Rolling Wave Planning This approach to planning involves delaying spending time on detailed analysis of future tasks until that level of detail is needed for the project planning activity. It can also be used for budgeting purposes.

Scope A clear statement of the areas of impact and boundaries of the project. The scope of a project includes the Target Outcomes, other benefits, customers, outputs, work and resources (both financial and human).

Scope creep Any modification to the scope of a project that has not been authorised or approved by the appropriate individual or group.

Refer to Scope

Slippage The extent to which the project is falling behind time in relation to the Project Development Schedule.

Small Project Refer to Project Size

Stage A major segment of a project for which there are outputs and outcomes at the end. For example, the staged introduction of the Government Directory Service into each Agency.

Stakeholder Management Plan Identifies and summarises stakeholder involvement, including identification of stakeholders for related projects.

Stakeholder A person or organisation that has an interest in the project processes, outputs or outcomes.

Refer to Key Stakeholder(s) and Non-Key Stakeholder(s)

Steering Committee A Project Steering Committee is the key body within the governance structure that is responsible for the business issues associated with the project. It is essential to ensuring the delivery of the project outputs and the achievement of project outcomes/benefits. Its responsibilities include approving the budgetary strategy, defining and realising benefits, monitoring risks, quality and timelines, making policy and resourcing decisions, and assessing requests for changes to the scope of the project.

Refer to Appendix 2: Steering Not Rowing: A Charter for Project Steering Committees and their Members and also see Steering Committee Charter
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steering Committee Charter</td>
<td>A charter developed for use by Steering Committees for Tasmanian Government projects. The Charter describes the basic role and functions of a Steering Committee, both as a collective group and as individual members. Refer to Steering Committee</td>
</tr>
<tr>
<td>Strategic Information Systems Plan</td>
<td>The development of this plan is the first phase of the IT System Development Life Cycle, as defined in the APT Methodology. It examines future and business process requirements and identifies the infrastructure and applications required. It results in a list of potential business initiative projects that are costed, prioritised and put forward for endorsement by the Agency/organisation. Refer to APT Methodology</td>
</tr>
<tr>
<td>Target Outcome(s)</td>
<td>The measurable benefits that are sought from undertaking a project. Target Outcomes are achieved from the utilisation of the outputs delivered by a project. Stated, identified targets and measures are developed for gauging progress towards their achievement. Refer to Outcome(s)</td>
</tr>
<tr>
<td>Test Plan</td>
<td>A detailed plan that addresses all aspects related to the test of an output or sub-output. It should include test scenarios, the test schedule and define any necessary support tools.</td>
</tr>
<tr>
<td>Test Specification</td>
<td>Describes the test criteria and the methods to be used in a specific test to assure the performance and design specifications have been satisfied. The test specification identifies the capabilities or program functions to be tested and identifies the test environment. It may include test data to support identified test scenarios.</td>
</tr>
<tr>
<td>Testing</td>
<td>The process of exercising or evaluating an output, such as an IT system or system component, by manual or automated means, to confirm that it satisfies specified requirements or to identify differences between expected and actual results.</td>
</tr>
<tr>
<td>Threat</td>
<td>Refer to Risk</td>
</tr>
<tr>
<td>Version Control</td>
<td>A control or identification system for documents, outputs and sub-outputs, enabling stakeholders to identify readily each different release.</td>
</tr>
<tr>
<td>Work Breakdown Structure (WBS)</td>
<td>It refers to the breaking down of the work in a project into related tasks, sometimes described as an Activity Decomposition Chart.</td>
</tr>
<tr>
<td>Working Parties/Groups</td>
<td>Specialist committees dedicated to the production of defined output(s) in accordance with project plan requirements.</td>
</tr>
</tbody>
</table>
Appendix 2: Steering Not Rowing: A Charter for Project Steering Committees and Their Members

The purpose of a Steering Committee is to take responsibility for the business issues associated with a project. A Steering Committee’s role is crucial to a project’s success. It is responsible for approving budgetary strategy, defining and realising benefits, and monitoring risks, quality and timeliness. Those people directly responsible for running a project and managing its stakeholders rely on Steering Committee members for guidance and support in their endeavours.

The role of a Steering Committee

Without an effective Steering Committee, a project is unlikely to succeed. Collectively, a Steering Committee’s role is to:

- Take on responsibility for the project’s feasibility, business plan and realisation of outcomes/benefits
- Ensure the project’s scope aligns with the requirements of the stakeholder groups
- Provide those people directly involved in the project with guidance on project business issues
- Ensure effort and expenditure are appropriate to stakeholder expectations
- Address any issue that has major implications for the project
- Keep the project scope under control as emergent issues force changes to be considered
- Reconcile differences in opinion and approach, and resolve disputes arising from them
- Report on project progress to those people responsible at a high level, such as Cabinet
- Take on responsibility for any whole-of-government issues associated with the project

Once developed, a Project Business Plan defines the project scope and the Steering Committee, as a whole, must own the document.

The role of individual Steering Committee members

At a minimum, the Steering Committee includes representatives of the Corporate Client(s), the Project Sponsor(s), the Business Owner(s), with the Project Manager attending meetings but not a member. Individual Steering Committee members are not directly responsible for managing project activities, but provide support and guidance for those people who do manage them.
Thus, individually, Steering Committee members must:

- Understand the strategic implications and outcomes of initiatives being pursued through project outputs
- Appreciate the significance of the project for some or all major stakeholders and represent their interests
- Be genuinely interested in the initiative and the outcomes being pursued in the project
- Be an advocate for the project’s outcomes/benefits
- Have a broad understanding of project management issues and the approach being adopted
- Be committed to, and actively involved in, pursuing the project’s outcomes/benefits

In practice, it means they:

- Ensure the requirements of stakeholders are met by the project’s outputs
- Help balance conflicting priorities and resources
- Provide guidance to the Project Manager and Team and users of the project’s outputs
- Consider ideas and issues raised
- Review the progress of the project
- Check adherence of project activities to standards of best practice, both within the organisation and in a wider context

The generic governance models described in Section 3.4 of the Tasmanian Government Project Management Guidelines illustrate the place of the Steering Committee in the structure of a project.

(Refer to the Steering Committee Resource Kit for additional Steering Committee information)
Appendix 3: A Charter for Project Management Quality Advisory Consultants

The purpose of the Quality Advisory Service is to assist the Project Manager with selection and application of appropriate project and quality management methodology and processes. In addition, the Quality Advisory Consultant provides a contact for discussion of project and quality management issues independent from the Project Team. The Quality Advisory Consultant strives to facilitate project success by assisting the Project Manager to deliver appropriate outputs and the Steering Committee in achieving the intended outcomes/benefits. Advice is based on the Tasmanian Government Project Management Framework.

Role

The role of the Quality Advisory Consultant is to:

- Advise the Project Manager on the application of the Tasmanian Government Project Management Framework in a way that is suitable for the project
- Observe the application of the project’s management processes and make suggestions to the Project Manager regarding potential for improvement
- Provide guidance and support to the Project Team on the principles of project and quality management
- Offer independent opinion regarding project and quality management issues
- Raise issues and provide advice to the Steering Committee for consideration

In practice, this service is achieved by:

- Regular discussions with the Project Manager
- Attending management meetings (e.g., Steering Committee, Project Team)
- Monitoring the application and effectiveness of documented management processes

Scope

The Quality Advisory Consultant assists with definition and application of management processes, but does not consider the technical suitability of the products delivered through the application of those processes. Advice is focused on future and current activities. The Consultant focuses on processes that influence directly the degree of success in achieving intended business outcomes, such as project planning, issue management, and change control. Since these types of activities are common to all projects, the interaction with the Consultant also should be of long-term benefit to the Project Manager.

The aim is to assist the Project Manager in applying the Tasmanian Government Project Management Framework in a way that is suitable for the project’s technical activities. These activities are project-specific and result in the substantive deliverables from the project.
Reporting

The Quality Advisory Consultant is appointed by the Steering Committee for the project and is not a member of the Project Team. They operate from an *independent* perspective, and advise both the Steering Committee and Project Manager.

The Quality Advisory Consultant acts in the best interests of the project in dealings with both the Project Manager and the Steering Committee. This approach provides a resolution path for issues that the Project Team may be reluctant to raise with the Project Sponsor or the Steering Committee.

Responsibilities

The Quality Advisory Consultant is responsible for the provision of appropriate advice, in respect to management processes, to improve the likelihood the business outcomes/benefits being realised. They may also report significant risks to the project that become apparent through undertaking the role.

Services and Deliverables

In practice, the Quality Advisory Consultant may:

- Consider project management documents, in order to identify opportunities for improvement in management processes
- Attend and offer verbal advice during Project Team and Project Sponsor’s regular meetings
- Attend and offer opinion at Steering Committee meetings
- Provide written confirmation to the Steering Committee in respect to verbal advice offered
Appendix 4: A Charter for Project Management Quality Review Consultants

The purpose of the Quality Review Service is to ensure that the project management activities were appropriate for the project, through identification and reporting of successful project and quality management processes, and those activities where improvements are possible for future projects or phases. It is not intended to be a quantitative exercise that provides approval of the management processes used for a project. The main concern of the Quality Review Consultant is to provide independent evaluation of the suitability of the management processes employed to deliver the intended outcomes/benefits for the project. Advice is based on the Tasmanian Government Project Management Framework.

Role
The role of the Quality Review Consultant is to:

- Review the project management framework for a project using the Tasmanian Government Project Management Framework
- Review the application of the project’s management processes
- Report findings regarding the above to the Steering Committee and provide recommendations for future consideration

In practice, this service is achieved by:

- Reviewing project documentation and records
- Discussing the selection, application and effectiveness of management processes with the Project Team and stakeholders

Scope
The Quality Review Consultant concentrates on the processes and outputs from the management activity for a project from a historical perspective. The benefits from the Quality Review, therefore, come from application of the recommendations to future projects or to subsequent phases of the current project. The Consultant focuses on those activities that directly relate to successful outcomes/benefits for the project. These types of activities are common to all projects and are referred to as project management activities. They include tasks such as project planning, issue management and change control.

The aim is to ensure that the project management framework was suitable for the project’s technical activities and to provide recommendations for future improvements.

Reporting
The Quality Review Consultant is appointed by the Steering Committee for the project and is not a member of the Project Team. They review the project from an independent perspective and report to the Steering Committee.
The Quality Review Consultant is able to raise any issue for the attention of the Steering Committee that they feel is important. This function provides a resolution path for issues that the Project Team may be reluctant to raise.

Responsibilities

It is the Quality Review Consultant’s responsibility to raise any issue within the scope of the review that may threaten the project in any way. They may also suggest improvements in project management activities, as appropriate, for future application.

Services and Deliverables

In practice, the Quality Review Consultant may:

- Review project management documents and provide written feedback to the Steering Committee or Project Sponsor
- Provide written recommendations in relation to historical project management issues
- Discuss findings at Steering Committee meetings
Appendix 5: Where To Get Additional Help

There are many sources on the topic of project management and many organisations that provide specialist project management skills and methodologies. In addition to these resources, within your Agency/organisation there may be guidelines and standards that should be consulted.

The core document supporting the Tasmanian Government Project Management Framework is the *Tasmanian Government Project Management Guidelines* (this document). Listed below are other resources and tools that have been developed to support these Guidelines.

**Project Management Website**

Project Services, Inter Agency Policy and Projects Unit has developed a website to provide access to a set of tools and information that have been developed to assist project participants in Tasmanian Government projects.

The website provides access to information to enable all project participants to understand:

- The skills and knowledge they need for a project
- How to obtain the skills and knowledge required
- Their roles and responsibilities
- The fundamentals of the Tasmanian Government Project Management Framework
- Where to get further help through access to proforma documents (templates), examples of completed project documents from other projects (examples) and obtain information and contact details for other Tasmanian Government projects

**Project Management Templates**

There are a number of project management Templates that support the Project Management Framework outlined in these Guidelines. The number of available templates will increase as more templates are developed, and existing templates will be reviewed and updated on a regular basis.

Access to the Templates is available on this website.

**Project Management Knowledge Base**

Over the past few years, a collection of related project management information, articles and Tasmanian Government examples have been collected. This information has been catalogued in a Project Management Knowledge Base. The volume of available information and examples will increase over time, and existing information will be reviewed and updated/replaced on a regular basis.

Access to the Knowledge Base is available on this website.
Tools

This section of the Project Management website contains information and resources on:

- **Proformas**
  - Issues Register
  - Risk Register
  - Status Report
  - Steering Committee Agenda
  - Steering Committee Terms of Reference

- **Project Sizing Calculator** - a tool to assist the Project Sponsor and/or Project Manager to determine the appropriate sizing for their project

- **ListServer** - information and subscription to the Project Management opt-in email subscription service

- **Project Management Forums** - current scheduled Forums on various Project Management topics

**Roles and Resources** - this section’s aim is to provide a self-directed learning tool, which brings together information that will assist project participants to identify their own project management needs in relation to the knowledge, skills and competencies required for their project role(s), and to select learning strategies to meet those needs

Publications

Available on this website:

- Fact Sheets
- Frequently Asked Questions
- Resource Kits
- Project Management Booklet - A Quick Guide
- Getting Started Brochure
- Presentations
- Project Newsletters

Other Resources, Information and Tools, (including Fun Things To Do, Links to Tasmanian State Government Agencies, other significant Government websites and Project Management websites of interest) are available on this website.

Department of Premier and Cabinet Library

The Department of Premier and Cabinet’s library holds other resources that may be of use to those involved in projects. In particular, access to the Gartner Group reports. These are available to personnel in most Tasmanian State Government Agencies.

References

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  (accessed 10 Feb 2005)
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  No. TU-09-2012] [held Resource Centre, IAPPU]
- Smyrk, John (1996) Business Case Development [course notes]: PSMO Tasmania  
  Executive/Management Development Programs, Hobart 1996. Sydney: Sigma  
  Management Science Pty Ltd
- Smyrk, John (2004) Primer example - Managing Projects for Outcomes, Course material
- TenStep Project Management Process  
  www.tenstep.com/open/0.0.0TenStepHomepage.htm (accessed 10 Feb 2005)
  Prentice Hall

Contact Information

General information, support and advice can be obtained by contacting Project Services,  
Inter Agency Policy and Projects Unit, Department of Premier and Cabinet - email  
(PMInfo@dpac.tas.gov.au).