



Project Controls
E X P O

Project Controls Expo - 31st Oct 2012

Twickenham Stadium, London

**Lessons Learned from an
International Acquisition Project**



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- ☐ **Business Motivators**
 - **Knowledge Working**
 - **Decision making and management**

- ☐ **Hi Q Sigma**
 - **Project Controls**
 - **Architecture Managed Service – Ministry of Justice**
- ☐ **MasterCard**
- ☐ **Ministry of Defence**
- ☐ **Ministry of Justice**

BMT Hi-Q Sigma Overview

- A professional services company comprising of 120 consultants across offices in Bath, Basingstoke and London.
- Operating across the Defence, Justice, Energy and Transportation sectors.
- Achieved a turnover in 2011 of ~ £12M.
- As an employee benefit trust with no manufacturing or supply chain interests, we provide truly impartial advice, assistance.
- In the complex world which we know you face every day, our goal is simple and steadfast:

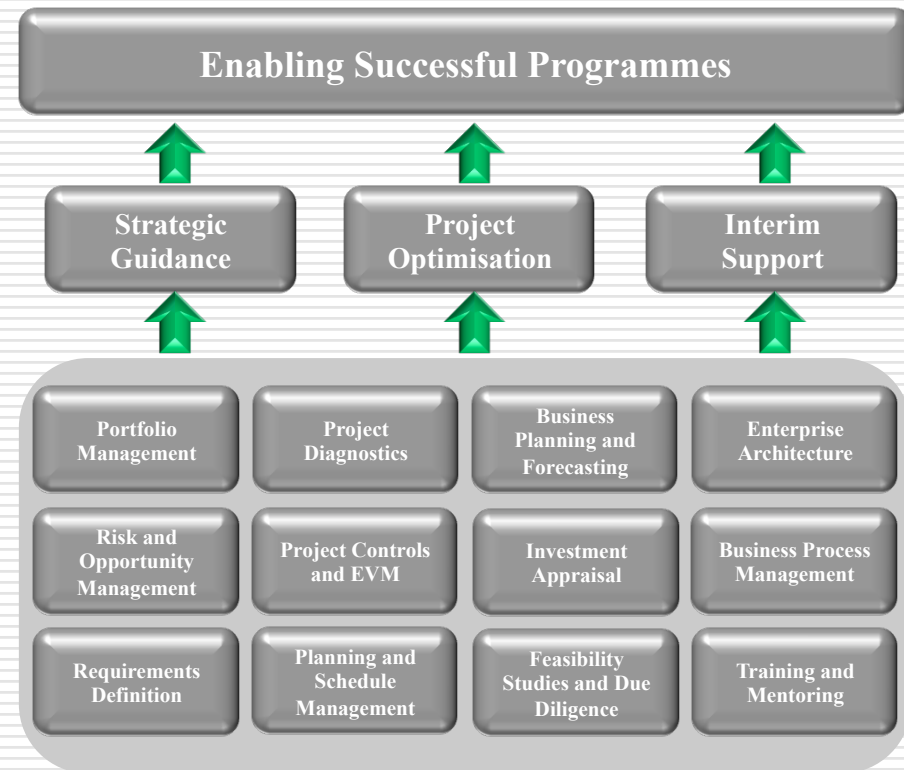
to bring clarity

BMT Hi Q Sigma Services and Capabilities

- We help to deliver complex programmes through the integration of programme management and systems engineering.

We help you achieve clarity through:

- Strategic guidance to organisations in the establishment and management of programmes
- Interventions to optimise existing programmes/projects
- Provision of quality people as interim support



Case Study Background

- ☐ **MoD Acquisition Project:**
 - **Tank gun and ammunition**
 - **Auto-feed ammo system – revolutionary in UK**
 - **Project running for 20 years**
 - **‘Craft’ based to manufacturing enterprise**
 - **International consortium:**
 - ☐ **UK**
 - ☐ **FR**
 - ☐ **Government customers, private suppliers**
- ☐ **Gun mandated**
- ☐ **My Role – Project Controls for MoD (customer)**

Situation

- ☐ **Qualification Trials for ammo and gun:**
 - **Significant Delays**
 - **Quality Issues**
 - **Low acceptance rate for trial plans**
 - **Significant ammo failure rate**
 - **Guns not being accepted**
 - **Dependencies could not be met**
- ☐ **Project Controls**
 - **No PMO in Supplier Company**
 - **Poor engagement on scheduling, risk and governance**
 - **Gun risks visible, ammo risks hidden more as problems escalated**

MoD Response – Red Team Review

☐ Conditions

- International aspect
- Receptiveness
- Limited options to manoeuvre
- Limitations of existing contracts
- Critical dependencies
- External pressures

Supplier Response

☐ Parent Company Review

- Why Get story straight, understand impact
- Not aligned with RTR
- Prepare or protect?
- Lacked rigour
- Indicated concern?

Visible Message – Rigorous action to reassure customer

Real Message – Reinforced lack of confidence in supplier

Achieved not much and may have clouded the issue.

RTR Philosophy

- ☐ Enable delivery through understanding and addressing risks and issues:
 - Brief the problem, not the solution
 - Acceptance of international situation
 - ☐ Constraints imposed
 - ☐ Formulaic approach resulting from QA entry point
 - Recognition that Funds = Power focused on the right backers

RTR Approach

- ☐ **Review Team**
 - **Skilled – Project Controls Included**
 - ☐ **Experienced**
 - ☐ **Knowledgeable**
 - **Independent**
 - **Senior buy in**
 - **Peers**
 - **Rigorous**
- ☐ **Recognised Limitations**
 - **Achievable objectives**
 - **Time and Resource**
 - **Project drivers**

RTR Output

- ☐ **Swept up, Rigorous Report**
 - **Recommendations**
 - **Action Points**
 - **Lessons**
 - **Observations**

- ☐ **What has Changed - 18 months later**
 - **New MD and Chairman in supplier company**
 - **Communication improved**
 - **Project rhythm and access to information largely unchanged**
 - **Re-baseline about to take place**

RTR Conclusions

- ☐ International aspect
- ☐ Design House to Manufacturer
- ☐ Optimism Bias
- ☐ Poor Governance
 - No Structure
 - No Process
 - Culture of failure
- ☐ Contract
 - Gun mandated
 - Poorly framed, lacked power
- ☐ Dependencies poorly thought through
- ☐ Reluctance to use ultimate sanction – Parent Company Guarantee

Observations

- ☐ **Credibility and gravitas through:**
 - **Independence**
 - **Knowledge**
 - **Skill**
 - **Reputation**
- ☐ **Impose or introduce?**
- ☐ **Timeliness – too late is too little?**
- ☐ **Entry point – politics vs need**
- ☐ **Momentum – know when to move, when to pause and when to act**

Lessons – Project Controls

- ☐ Governance is key – enduring
- ☐ Plan for challenge resolution
- ☐ If progress trumps controls then control is lost
- ☐ Agendas differ - manage stakeholders wisely
- ☐ Embed project controls via the contract
- ☐ Use controls documentation effectively – it can be powerful
- ☐ Mandate media for control
 - Software
 - Communication
 - Hard copy
- ☐ Culture - soft vs hard controls

Lessons – Project Controls

- ☐ Be prepared to use the nuclear option
- ☐ Ensure dependencies can be interrogated as well
- ☐ Mandate controls media – scheduling in excel is not good enough
- ☐ Use sanctions effectively when they are needed
- ☐ Understand escalation
- ☐ Importance of internal and external collaboration

Discussion