Designing Governance to Get Things Done

IPMA 2011

I have made good judgments in the past. I have made good judgments in the future – Dan Quayle
Agenda

- Context:
  - Why governance matters
  - The link between governance and delivery

- Designing Effective Governance
  - Factors to Consider
  - Structure
  - Decision Making Models

- Practicing Effective Governance

- Question and Answer

- 15 minutes
- 20 minutes
- 15 minutes
- 10 minutes
Context: why governance matters

Governance is the act of governing ...(or not?)

2/3 of all projects fail. Poor governance is a leading cause.
Context: why governance matters

Increasing demand for results in a high stake world

The need for speed and predictability

Clarity of direction in the absence of a clear destination
Context: why governance matters

- The flexibility to adapt to changing conditions
- A careful balance of organizational goals and individual needs
- The reality of leadership turn-over
Context: why it matters here

- Results?
- Competing priorities?
- Integration?
- Transparency?
- Customer perception?
- Other?
Context – the link to delivery...

- Scope creep
- Schedule slippage
- Scrap & rework
- Talent flight
- Team silos
- Organizational stiff-arm
- Project shut-down

Poor governance … the root of many delivery issues
Design Effective Governance

Design Factors

- Structure
- Complexity
- Decision making models
- Leadership profile
- Culture

Execution Factors

- Prioritization
- Rhythm
- Diversity
- Mindsets
- Follow through
No one governance model is right or wrong

Structure

Peer

Single Executive

Multi Executive

Enterprise

Committee
## Structure

### Match the model to the situation

<table>
<thead>
<tr>
<th>Model</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Peer Model</strong></td>
<td>• A team of equals - no one is in charge &lt;br&gt;• Highly collaborative &lt;br&gt;• Contained projects</td>
</tr>
<tr>
<td><strong>The Single Executive Model</strong></td>
<td>• One vested executive with sole accountability for business results &lt;br&gt;• One or more capabilities required &lt;br&gt;• Directive or consultative decision making models</td>
</tr>
<tr>
<td><strong>The Multi Executive Model</strong></td>
<td>• Two or more vested executives with equal accountability for business results &lt;br&gt;• One or more capabilities required &lt;br&gt;• Directive or consultative decision making models</td>
</tr>
<tr>
<td><strong>The Committee Model</strong></td>
<td>• Governance by committee &lt;br&gt;• No one entity accountable for business results &lt;br&gt;• Majority rule or consensus decision making models</td>
</tr>
<tr>
<td><strong>The Enterprise Model</strong></td>
<td>• Fully vested senior executive sponsor representing the enterprise &lt;br&gt;• Advisory steering committee with key stakeholders engaged &lt;br&gt;• Scaled project team structure represents multiple capabilities and organizations</td>
</tr>
</tbody>
</table>
Complexity

The more complex, the more structure governance requires

- **Single executive model**
  - Multi executive model
    - Example: Department process improvement

- **Enterprise model**
  - Example: Agency merger

- **Peer-based model**
  - Single executive model
    - Example: Security upgrade

- **Committee model**
  - Example: Standards

Degree of Complexity

- High
- Low

Breadth of the Program

- Contained
- Widespread (enterprise)

Governance structure
Structure

Design governance to drive clarity at all levels

**Environment**

- **Organization**
  - **Project**
    - **Team**

**Steering Committee**
- **Sponsor**
- **Project Director**
- **Project Manager**
- **Team Leader**
## Structure - Roles

*Centralize authority at each level*

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
</tr>
</thead>
</table>
| Steering Committee (6-8)            | • Externally focused  
                                   | • Used to gather input and perspective on issues  
                                   | • Accountable for support and stewardship |
| Sponsor (1-2)                       | • The CEO of the initiative/the ultimate decision maker  
                                   | • Accountable for the vision and business outcomes  
                                   | • Assumes the risk |
| Project Director (1)                | • The COO of the initiative  
                                   | • Drives direction and coordination across work streams  
                                   | • Accountable for the plan and execution of the plan |
| Project Manager (1-N)               | • The leader for the initiative  
                                   | • Drives work and decisions across work streams  
                                   | • Accountable for delivery against the plan |
| Team Leader (N)                     | • The leader of an individual work stream  
                                   | • Accountable for the delivery of that work stream |

*Note - steering committees don’t make decisions, sponsors do*
Decision Making Models

Who makes the decision is important, how it is made is vital

Common Decision Making Models

- **Directive**
  - ‘I make the decision’

- **Consultative**
  - ‘I want to hear your perspective, but it’s my decision’

- **Oligarchical**
  - ‘We make the decision and we’ll let you know’

- **Check in**
  - ‘I’ll make the decision but will check in to make sure you are on board’

- **Consensus**
  - ‘We all have to agree’

- **Majority Rule**
  - ‘Let’s vote’
## Decision Making Models

**Match the model to the situation and be deliberate**

<table>
<thead>
<tr>
<th>Model</th>
<th>Most appropriate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directive</td>
<td>When the issue is critical to the organization and the right option matters</td>
</tr>
<tr>
<td></td>
<td>When accountability is vested in 1 leader</td>
</tr>
<tr>
<td></td>
<td>Highly political, divisive or time sensitive issues</td>
</tr>
<tr>
<td>Oligarchical</td>
<td>When the options matter</td>
</tr>
<tr>
<td></td>
<td>When accountability is equal among leaders for results</td>
</tr>
<tr>
<td></td>
<td>When the impact is broader than one leader</td>
</tr>
<tr>
<td>Check in</td>
<td>When the options matter</td>
</tr>
<tr>
<td></td>
<td>When there may be organizational push back</td>
</tr>
<tr>
<td></td>
<td>When accountability is vested in 1 leader</td>
</tr>
<tr>
<td>Consultative</td>
<td>When the options matter</td>
</tr>
<tr>
<td></td>
<td>When group engagement is vital</td>
</tr>
<tr>
<td></td>
<td>When the impact is broad</td>
</tr>
<tr>
<td></td>
<td>When accountability is vested in 1 leader</td>
</tr>
<tr>
<td>Consensus</td>
<td>When group ownership is important</td>
</tr>
<tr>
<td></td>
<td>When the options are equally attractive</td>
</tr>
<tr>
<td></td>
<td>When accountability doesn’t matter</td>
</tr>
<tr>
<td>Majority Rule</td>
<td>When options have no impact and are equally attractive</td>
</tr>
<tr>
<td></td>
<td>When accountability doesn’t matter</td>
</tr>
</tbody>
</table>
Leadership Profile

Inventory leadership styles and capabilities
Culture

Adapt governance to account for culture

Family

Hierarchical

Innovative

Market Driven
Practicing Effective Governance

“If you’re not practicing, somebody else is, somewhere, and he'll be ready to take your job.”

–Brooks Robinson
Prioritization

Consistency in prioritization reduces ambiguity

- **Basis**
  - Value
  - Impact
  - Risk

- **Mechanisms**
  - Issue escalation
  - Decision criteria
  - Go Live criteria
  - Scope management
  - Reporting
  - Communications
Rhythm

• The Business of Leading the Project
  • Financial and scope management
  • Resource and schedule management
  • Status reporting
  • Issue resolution
  • Risk management
  • Strategy validation

• Patterns
  • Normal operating conditions
  • Crisis management
  • Quarterly review

Predictability breeds trust in the process
Diversity

If everyone at the table thinks like you, you have failed

- Throw the org chart out
- Focus on
  - Accountability
  - Impact
  - Stakeholder network
  - Paradigm & perspective
- Don’t forget about
  - The Customer’s Voice
  - The Devil’s Advocate
Mindsets

- Big Picture Thinking
- Connecting the Dots
- Monitoring the Vitals
- Big Ears
- Architecting Solutions
- Balance
Follow Through

- Clear communication
- Visible support
- Front line visibility
- Validation
- Adjustment

Active governance doesn’t happen behind closed doors
Evaluation

- Number of levels
- Consistency in decisions
  - Values to outcomes
  - Process
- Timeliness
- Stickiness
  - Actions taken
  - Re-opened issues
- Issue pipeline
  - Closure rate
  - Holdbacks and hand grenades

Regularly evaluate governance effectiveness
Questions