



PROJECT BENEFIT REALISATION AND PROJECT MANAGEMENT

THE 6Q GOVERNANCE APPROACH

**RAYMOND C. YOUNG
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Table of Contents

[Cover](#)

[Title Page](#)

[Copyright Page](#)

[List of Illustrations](#)

[Preface](#)

[Authors CV](#)

[Raymond C. Young - Career Summary](#)

[Vedran Zerjav - Career Summary](#)

[1 Introduction](#)

[The Board, Governance and Projects](#)

[Key Concepts](#)

[References](#)

[2 How to Govern Projects: Six Questions](#)

[Q1. What is the Desired Outcome?](#)

[Q2. How Much Change?](#)

[Q3. Sponsor](#)

[Q4. Success Measures](#)

[Q5. The Right Project Culture](#)

[Q6. Monitoring](#)

[References](#)

[3 Tools and Techniques](#)

[Q1. Strategy - Diagnostic Toolkit](#)

[Q2. Change - Tools and Techniques](#)

[Q4. Measurement - Tools and Techniques](#)

[Q6. Monitoring - Tools and Techniques](#)

References

4 Further Insight

When Do You Ask Each 6Q Governance™ Question?

The Best Guidance Available

Reference

5 The Future of Project Management and Governance

Where Do We Go from Here?

The History and the Future of Project Management

Conclusion

References

Appendix A: TechMedia

Background

Project Initiation

Package Selection

Board Reluctantly Convinced

The Project - Stated and Unstated Objectives

A False Start ...

Stage 1

Stage 2

Outcomes

Appendix B: SkyHigh Investments

Background

Project Initiation

Establishing Project Governance Structure

Requirements Analysis

A Useful Delay

Package Selection: Understand Workarounds and Trade-offs

[Obtain Funding](#)

[Project Implementation: Monitoring and Managing Risks](#)

[Outcomes](#)

[Appendix C: The Agency](#)

[Background](#)

[The Finance Department](#)

[Project Failures Within Finance Branch](#)

[Accrual Accounting and Other Drivers for Change](#)

[The Right Advice and the Right People](#)

[Initiating Project - Request Funding](#)

[Winning Allies](#)

[Overcoming Dissension in the Ranks](#)

[A Cautious Phased Approach - Phase 1: Proof of Concept](#)

[Phase 2 - Implementation](#)

[Creating an Environment to Succeed Against the Odds](#)

[Revising the Project Plan](#)

[The User Experience](#)

[The Outcomes](#)

[Further Reading](#)

[Index](#)

[End User License Agreement](#)

List of Tables

Chapter 3

[Table 3.1 An overview of change management theories.](#)

[Table 3.2 Examples to assess required change.](#)

[Table 3.3 Six sources of influence.](#)

[Table 3.4 Six sources of influence.](#)

[Table 3.5 6Q_governance diagnostic.](#)

Chapter 4

[Table 4.1 Correlation of 6Q Governance constructs with project success.](#)

Chapter 5

[Table 5.1 The future of project management.](#)

List of Illustrations

Chapter 1

[Figure 1.1 6Q Governance \(TM\) as a business canvas.](#)

Chapter 3

[Figure 3.1 AcdB layout on a whiteboard.](#)

[Figure 3.2 Worked example: TechServ! It's not an IT project, it's a customer...](#)

[Figure 3.3 Typical output from a stakeholder analysis.](#)

[Figure 3.4 Helpful output from business process mapping.](#)

[Figure 3.5 A typical logic map.](#)

[Figure 3.6 An example of a Results Chain.](#)

[Figure 3.7 A weak AcdB logic.](#)

[Figure 3.8 Initial value chain.](#)

[Figure 3.9 Enhanced value chain.](#)

[Figure 3.10 Value chain enhanced with projects identified through influencer...](#)

[Figure 3.11 Prototype project reports.](#)

[Figure 3.12 Screenshot of step 1 of the project initiation process - busines...](#)

[Figure 3.13 Prototype project portfolio management reports at DSTG.](#)

2

[Figure B.1 Project governance structure.](#)

[Figure B.2 Project timeline.](#)

Project Benefit Realisation and Project Management

The 6Q Governance Approach

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List of Illustrations

[Figure 1.1](#): 6Q Governance (TM) as a business canvas.

[Figure 3.1](#): AcdB layout on a whiteboard.

[Figure 3.2](#): Worked example: TechServ! It's not an IT project, it's a customer service project.

[Figure 3.3](#): Typical output from a stakeholder analysis.

[Figure 3.4](#): Helpful output from Business Process Mapping.

[Figure 3.5](#): A typical logic map. *Source*: Arnold [19].

[Figure 3.6](#): An example of a Results Chain. *Source*: Thorp, J. (2003).

[Figure 3.7](#): A weak AcdB logic.

[Figure 3.8](#): Initial value chain.

[Figure 3.9](#): Enhanced value chain.

[Figure 3.10](#): Value chain enhanced with projects identified through influencer analysis.

[Figure 3.11](#): Prototype project reports.

[Figure 3.12](#): Screenshot of step 1 of the project initiation process - business case. *Source*: DSTG.

[Figure 3.13](#): Prototype project portfolio management reports at DSTG.

[Figure B.1](#): Project governance structure. *Source*: Young, 2005.

[Figure B.2](#): Project timeline. *Source*: Young, 2005.

Preface

As we are writing this handbook, the COVID-19 crisis is unfolding, creating challenges and opportunities of unprecedented scale for the economies and societies around the world. A number of projects are having their budgets axed and objectives put on hold but at the same time, many new projects are being initiated to help us all prepare to function and live in the 'new normal'. Project sponsors, investors, and financiers are taking a risk-averse view as to what projects will be needed and what to support in the post-pandemic 'brave new world'. Indeed, we felt that this handbook is a timely response to the challenges of this situation, focusing on project benefits and the design of projects in the light of their benefits, rather than the conventional criteria of project success.

Our ambition is to help organisational project clients and their project executives navigate these uncertain times. The book is deliberately brief and written for Corporate Boards and their 'accidental project sponsors'. Managers do not suddenly acquire the knowledge to govern a big project when they are promoted to senior management. It is far more common to be delegated the role and to become a project sponsor by 'accident'. Once delegated, the common experience is to find most of the advice one is given is not helpful, and success or failure becomes dependent on your instincts as a project sponsor. In the post-pandemic world, projects are more critical to the survival of organisations and we cannot fall back on such a hit-and-miss approach. This handbook addresses this issue by distilling the experience of senior managers and presenting guidance in the form of six key questions illustrated by case studies.

The guidance is informed by decades of research and has been tested against a database of hundreds of projects to confirm its effectiveness. It is also supported by a companion website (www.6qgovernance.com) where readers can read the latest insights and post questions to the authors and their peers to get timely advice on how to govern their projects for the new normal.

Authors CV

Raymond C. Young - Career Summary

Raymond Young is an international authority in project governance. His research has been published by Standards Australia as HB280-2006, a handbook explaining how boards and top managers influence business projects to succeed. His career objective is to help clients realise strategic business benefits from their projects rather than to simply come in on-time on-budget.

Raymond is a Fellow of the Australian Institute of Project Management (FAIPM) and a Fellow of the Governance Institute of Australia (FGIA). He is a founding member of the committee that developed the Australian and international governance standards AS8016 and ISO38500. Raymond's career alternates between industry and academia. He has recently taken up a Senior Associate Professor role at Xi'an Jiaotong-Liverpool University in Suzhou, China after a lengthy period as an academic at both the University of New South Wales and the University of Canberra. He has a decade of management consulting experience culminating in a CIO role within Fujitsu Australia.

Until recently, Raymond has been advising Australian Federal Government agencies on how to improve their project, programme, and portfolio management practices. His other expertise includes performance measurement, business process reengineering, activity-based management, and logistics. His significant clients have included Colgate-Palmolive, BHP, Commonwealth Bank of

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1

Introduction

The Board, Governance and Projects

A corporate board's role is to 'ensure management is focused on above-average returns while taking account of risk' [1, 2]. At a minimum, in our post-COVID world, the board needs to ensure the survival of an organisation. For most organisations, business-as-usual is not an option because the environment has changed so much. Projects have always been important but now they are even more so because projects are the vehicle to take us from where we are now to where we need to be to survive *and* thrive. Project failure is not an option and projects are more of a boardroom issue than they ever were.

However, at the board and senior management level, we have tended to think of projects as someone else's problem. Boards willingly take oversight of a company's strategy but they seldom follow through on the insight that strategy [3] is implemented through projects. When we pause, reflect, and examine the success rates of strategy and projects, all the evidence suggests there is a very large strategy to performance gap [4]. Fewer than 10% of strategies are fully implemented [5], most large projects fail to live up to expectations [6] and between half to two-thirds of projects either fail outright or deliver no discernible benefits [7]. There is a major deficiency in practice. Projects are troublesome with high capital costs, long time frames, and difficulties in delivery. Apart from the funding decision, most of us would prefer not to have to deal with projects at all. However, the world has changed and now, unless projects succeed, there may be no business at all. Boards

and their advisors need to discuss projects in terms of the strategic benefits to be realised and go beyond the traditional focus on time and cost.

Project results appear to be no better in the public sector where hundreds of billions of dollars are invested annually in projects that contribute little to policy goals [8, 9]. If this pattern were to continue into the post-COVID-world: huge sums of money will be wasted, more people will die, and the economy may take decades longer than necessary to recover. At the senior management level, we need to go beyond issues of probity and simply doing it right. We need to learn to focus on the more important issue of realising strategic benefits in the right projects.

This book has been written to address the needs of the board and senior management. It deals with projects, but it is not a project management book. Instead, it focuses on implementing strategy, policy, and creating value through projects.

This book has been written because boards and top managers need better guidance. There is a paradox in project management: Project management is a mature discipline but following the standard guidelines does not automatically lead to success [10, 11]. There is widespread confusion [12] between project management success (on-time on-budget) and project success (realisation of business benefits) and most project management books incorrectly imply that one will lead to another. The guidelines that exist do not explicitly acknowledge that it is more important to realise strategic benefits than to simply come in on-time and on-budget. This notion is particularly important in the world of the new normal where it will be even less important to focus on time and budget criteria of projects and focus on achieving strategic goals of organisations. A classic example occurred during the 2008

Global Financial Crisis when the Australian government spent billions of dollars on school buildings to keep the economy moving. Schools got a new hall whether they needed one or not and the public dialogue was all about time and cost. The expenditure helped the economy, but no one thought to question whether equally important strategic educational goals such as literacy and numeracy had improved because of the projects. We risk repeating the same mistake as we commission projects to overcome the downturn in the economy caused by COVID-19.

Projects rarely succeed in realising their expected benefits without the top management support [13, 14] and this is even more the case in the post-pandemic world. Project management books provide little to no guidance for the senior management and, as a result, top managers are often not sure how to govern their projects to succeed. This insight informed the development of an international standard ISO38500 [15] and is based on HB280 [16]: an Australian Handbook for boards and their senior managers on how to govern ICT projects to succeed. HB280 is a research report distilling the experience of senior managers to identify what they did right and what they did wrong in governing their projects to succeed (or fail). In the words of one senior manager, ‘These big projects are a little like marriage, you don’t do them often enough to get practiced at it [and it is valuable to debrief to identify what you did to cause them to succeed]’.

HB280 presented five cases and distilled the lessons learned into six key questions that boards and their delegates should be asking when governing projects. These six questions were trademarked as 6Q Governance™ to make them more memorable. The 6Q Governance Framework has been tested with an international dataset to prove it works with all types of projects [17]. We see an adaptation of this framework as particularly well suited for

the current transition into the new normal where projects need to be constantly revisited and interrogated by their clients and sponsors rather than have their requirements frozen in time and driven to completion with the least disruption. This handbook will show boards and their senior managers how to apply the 6Q Governance Framework by asking just six key questions at different stages in a project lifecycle. This is the first handbook to present projects in the context of the needs of the top manager and is written for board members, their 'accidental' project sponsors, the business project manager, and their project advisors.

A Diagnostic Toolbox for Project Executives

Our aim in this handbook is to set forward the basic diagnostic toolbox that will help executives understand the strategic health of their project portfolio and to know whether they are on track to realise the benefits that they were originally set out to achieve. We are offering the equivalent of a doctor's stethoscope and a diagnostic map: six places to check to determine the health of your project. As in any medical check-up, the general condition will depend on how several forces interact with each other in a systemic way. If a doctor requests a blood test for example, what we will get is a few measurements with values within certain ranges that are deemed as normal for any given parameter. If the blood counts are all within the expected ranges, no action is to be taken. If, however, a certain value is found to be outside the 'normal' range, then action needs to be taken to explore the nature of the 'disease'.

Our method establishes dialogue and questioning as the main mode of engagement to achieve alignment between projects, strategy, and policy and, thus, undertake a project health check. The diagnostics will allow us to probe into different aspects of the project in order to guide reflection

on the different options for the project business case and if and how it is going to fulfil its objectives. These questions are the backbone of our thinking in this book and they are the equivalent of the diagnostic map shown in [Figure 1.1](#). Armed with the knowledge of where to look and listen, you are the stethoscope to bring your projects into strategic conversations.

We next introduce a toolbox grouped by six questions that you can use to make sense of any given number of projects in their organisation and then govern at the right time. These six questions were derived by rigorously looking at both successful and unsuccessful projects and asking what could have been done to improve the business outcome. The 6Q Governance business canvas is given below and each of its areas will be elaborated in more detail in [Chapter 2](#) of this book.

Q1: What is the desired outcome?	Q2: How much change is required?		Q6: Monitor: are we on track?
	Q3: Who should be the sponsor?	Q4: How do we measure success?	
	Q5: Do we have the right project culture?		

Figure 1.1 6Q Governance (TM) as a business canvas.

The rest of the handbook is organised in the following way:

- Key concepts