



Major Projects Association

Learning lessons from completed projects

Seminar 129 held at the Institute of Engineering and Technology, London
15th November 2006

Summary

Key conclusions

- Lead with a clear corporate strategy for learning (as opposed to training) fully supported by well designed processes and systems
- Learn from current programme and project reviews. Signal lessons using the company intranet
- Learn from successes as well as failures. Praise 'honest failure' as well as success
- Challenge inexperienced people with the 'deep end' more often – but ensure they are in easy reach of experience and wisdom
- Learning must systematically lead to action
- Leaders should promote a culture of recognising and rewarding learning at all levels
- Use root cause analysis
- Share your knowledge using written or spoken story telling
- Remember: what you take for granted may be unknown to others
- Stop bad habits. Identify what should be 'unlearned'
- Measure and manage compliance
- To sustain the corporate memory there must be a PM professional grouping

Introduction

Far too many major projects disappoint the expectations of key stakeholders and, even if project teams learn lessons from their own previous completed projects, they do not learn sufficient lessons from others.

Most projects that fail do so for a relatively small number of reasons. If these reasons are identified and good project and programme management applied to the solutions, projects should be successful. However, this will not happen in the absence of a learning culture.

The main objective of this seminar was to consider the most effective ways of learning, sharing and applying experience, and how to incorporate the learning process more effectively into an organisation's day-to-day working.

Who learns the lessons?

In the context of learning lessons it is important to decide who is being encouraged to learn and whether the benefits are going to be realised in the immediate organisation, that of the partner or supplier, or even the industrial sector as a whole.

Each of these objectives will require a different approach – and the benefits will be manifested in different ways and serve different purposes, since the people involved may be project managers, team members, trainees, internal clients, champions, internal audit, sponsors or the board.

Help from the public sector

The National Audit Office (NAO) and the Office of Government Commerce (OGC) both offer help for organisations to learn lessons from projects and are a rich source of information.

Delegates heard about the importance placed on learning within the NAO, and how lessons learned were shared throughout the organisation and externally with its clients.

For instance, a number of structures are in place to enable employees to gain information from their peers, both formally and informally, such as the 'peer assist' scheme, a non-adversarial method of help and assistance. The NAO is developing its own knowledge directory, intranet website, toolkits and guides on value for money (VfM) assessment and other financial audit skills. Work teams involve auditors, technical experts and consultants. The aim is to provide coherence in project delivery as well as furthering the NAO's reputation as a centre of excellence and trusted adviser to government and its project partners.

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Examples of government projects assessed by the NAO emphasised that for projects to be successful it was necessary to:

- Understand the true requirements and implications of a change programme
- Identify a clear managerial authority
- Focus on best value rather than lowest price
- Instigate a pilot programme
- Have constant and open communication between the client, the contractor and if necessary, the end user

Identifying lessons and solutions

The following four steps were suggested for resolving major problems in projects:

1. Investigate the situation openly and honestly
2. Appoint an independent advocate to understand the situation and act on behalf of the client
3. Use root cause analysis to determine how the project or programme can be fixed
4. And, most importantly, communicate the solution to all concerned

Leaders set the tone for learning

Leaders create the climate for learning in which transparency of information and a 'no blame' culture can flourish. A no blame culture does not mean that people can simply go on making the same mistakes, but that they are given the opportunity to learn from them without reprehension.

The three main drivers for learning lessons and finding solutions are:

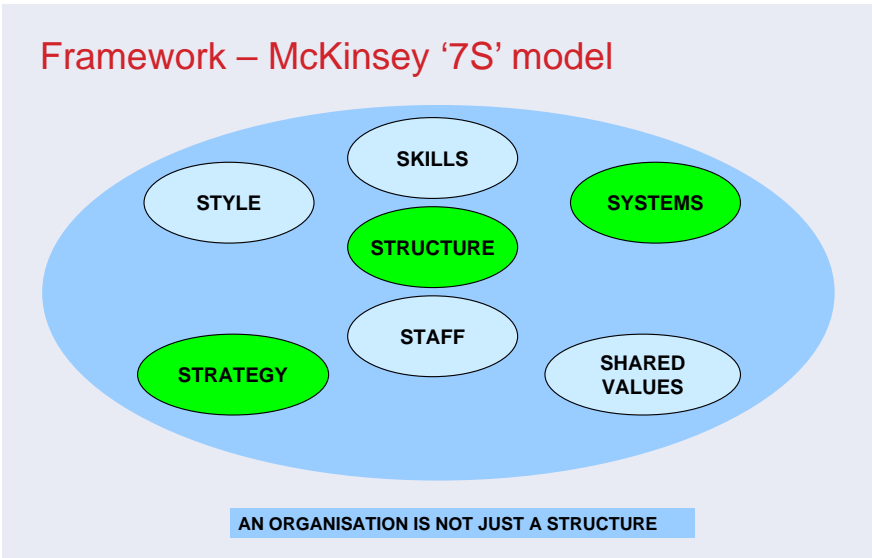
- Honesty
- Communication
- Style of leadership

Employees should feel free to inform management of potential or actual problems before they become serious and know that they will not be penalised if their honest assessment proves inaccurate. The leader's role in upholding values, giving reward and being seen to mentor, encourages employees to learn from their experiences.

There is a distinction to be made between coaching and mentoring: coaching is telling somebody what to do, based on your own experience; mentoring is encouraging the person to learn the lessons of their own experience. People in an organisation must feel valued. If they do not feel that they have a future there is little incentive to invest in organisational learning.

Comprehensive management of the learning process

Learning lessons is important in all areas of the business enterprise. As outlined in the McKinsey 7S business framework model below, structure, strategy and systems could be described as the 'hard' elements of the business, whilst staff management skills, leadership style and the shared value culture are the 'soft' issues. If an organisation is to learn lessons and embrace change, all these elements must work together.



Truly learning lessons, rather than just experiencing them, means they are more likely to be institutionalised into the processes operating within the organisation. Understanding how to assimilate the knowledge as a corporate asset could be a discriminator in the market place. Most change management initiatives tend to fail because lessons are not learned from other people's programmes and insufficient attention is paid to the environment in which the business operates.

Innovation in terms of technology, cutting costs, cutting schedules, reducing reworking and redesign tends to come strongly from lessons learned. Shared values in terms of 'doing what is right', 'respecting others' and 'performing with excellence' are all coloured by learning lessons and making the best use of them in going forward.

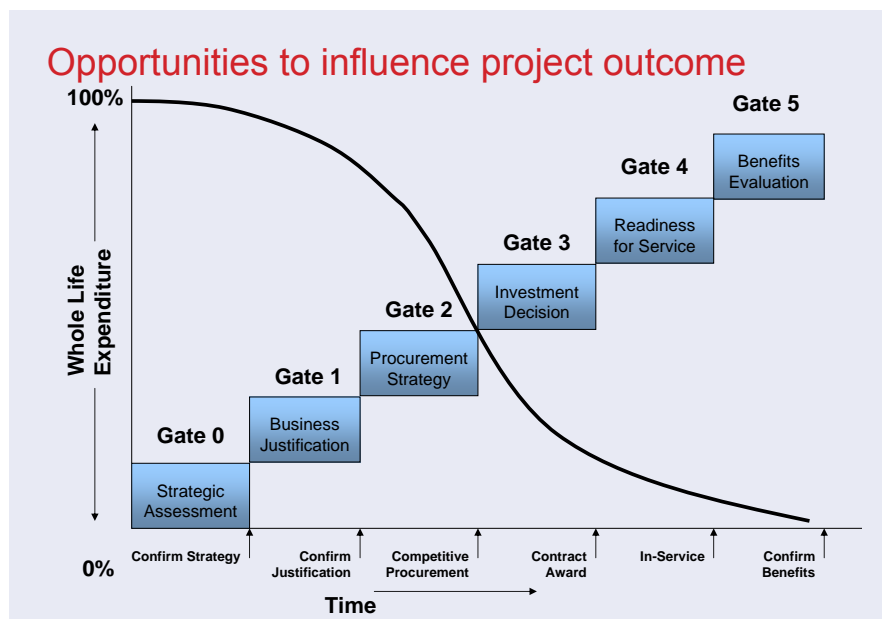
In general, learning lessons involves:

- An identification of root causes
- Non-advocate reviews
- The need for metrics
- The need for evaluation

Learning as continuous organisational change

Increasing the effectiveness of an organisation involves treating learning as organisational change. The seminar heard how within government, OGC Gateway reviews have become the principal way of learning lessons to improve standards and how they can influence activities across a wide range of construction, engineering and IT projects.

For government procurement, a review consists of a six stage cycle giving the opportunity to assess and take stock of lessons and their solutions at any stage.



The cycle starts by confirming that the project fits with government policy, then moves to business justification, procurement strategy, investment, in-service readiness and finally to benefits evaluation.

The ability of assessors to pinpoint exactly where a project is in its life cycle was one of the most important lessons learned during the first two years of the OGC's existence.

Collecting data

The drive for project excellence can be carried out by process improvement, training as a formal activity and coaching and mentoring. One organisation suggested that there are five different areas from which lessons learned can be collected and distilled:

- Client feedback reports
- Project performance internal reviews
- Audits – external and internal
- Different forms of contract
- Different cultures across the organisational group

Communicating the lessons

A communications system which breaks down some of the organisation's structural barriers is essential.

Examples of how to communicate lessons learned were discussed. One organisation has set up communities of practice on the intranet, where technical papers and project alerts are published, and where people can share their experiences. One of the most interesting aids on the interactive company website is the 'wheel of excellence', which enables staff to determine best practice on processes within the organisation.

Best practice wheel



Analysis

A wide range of insights came out of the day's seminar, but the fundamental message was that improved learning will only come about through organisational change, leading to an environment in which learning is valued and rewarded.

With the role of chief learning officer (CLO) beginning to emerge in some organisations, observations on the day's proceedings were distilled into four areas of guidance for someone taking on that role:

- Learning must be comprehensively managed: systems must be put in place and people encouraged throughout the whole organisation
- The scope of the learning must be clear: decide who is to benefit and set targets and objectives
- Leaders must set the tone: they must create a climate for learning and encourage by example
- Action based on learning must be managed as organisational change: there must be commitment at board level and consistency across the whole management system

It was felt that in some areas more discussion would have been useful, for instance how experience of lessons learned was manifested in behavioural change could have been explored further. The formulation of 'best practice' procedures, if followed too zealously, did not necessarily lead to 'best results', because every project was unique in some way. The problem of knowing how processes could be improved, but not implementing change for political or internal pressure reasons was discussed, as were the difficulties of 'unlearning'. Most organisations in moving the focus from project to programme management were now asking project managers to adopt a role which was alien to their previous ways of working.

There was something of a generation gap in the industry which meant that the experience of 'old hands' was not always passed on. Some companies encouraged and sponsored wider learning among their employees which was not necessarily connected with the immediate day job.

The importance of the NAO and the OGC as freely available sources of 'lessons learned', together with what the MPA could offer, rounded off the main messages of the day.

Participating organisations

Advance Consultancy Ltd
Association for Project Management
Atkins plc
BAA plc
BAE SYSTEMS, Submarines
Balfour Beatty plc
Bechtel Ltd
Bovis Lend Lease
Bristol Business School
British Energy
Centre for Research in the Management of
Projects (UCL/UoM)
Centrim, University of Brighton
Charles Smith Consulting
Cranfield School of Management
CSE International Ltd
Department for Transport
E-Borders
E-Change Training Ltd
EDF Energy
Greater Manchester Public Transport Authority
Groupe ESC Lille
Halcrow
Harris Management Services
Henley Management College
Human Systems International Ltd
Immigration & Nationality Directorate
John Laing plc
KBR
KPMG LLP
Major Projects Association
Metronet Rail
Middlesex University
Mott MacDonald Group Ltd
Mouchel Parkman
National Air Traffic Services Ltd
National Audit Office
PA Consulting Group
Pell Frischmann
Rolls-Royce Marine
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