Effective Governance (A three-part series)

Part II: Using your executive steering committee.

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Visualize this:

> *You invite a bunch of people into a room (physical or virtual), and tell them they are the new executive steering committee (ESC) for project XYZ. You vaguely define their mission and leave them to figure out what it all means and how to get the job done. They might be successful for a while, but sooner or later, problems will surface. Perhaps not everyone got the same message? Maybe a member doesn't uphold a committee decision? Perhaps people will fight for control? Perhaps members will stop coming? Or never speak? Or let the executive sponsor dominate every conversation? Perhaps changing circumstances will throw everyone a curve ball, diminishing productivity and complicating results?*

Project governance is a critical area of competency for business executives, which has been a low priority, perhaps due to competing commitments. Executives are busy people and governance roles don't require training and are not considered "hard." In one national study, 98 out of 110 executives admitted they did not know what their role on the ESC was with any confidence or how they could add value to the project. Of the remaining 12 who claimed they were confident, further interviews indicated that only two of them had the correct understanding of their governance role[1].

There are myriad factors that contribute to ineffective ESC bodies:

- **Lack of role clarity and training**. Often, people don't understand their roles, have any tools to use or understand how they should be measuring their success.
- **Emphasizing the wrong goal.** Orthodox project methodologies emphasize cost management and largely ignore value management. Delivering on time and on budget is not the best lens and is almost certainly the wrong measure of success.
- **Lack of thoughtful composition of the ESC group**. For example, it may be too big or too small, or people don't really know why they're there, or don't get along, truly don't belong or can't resolve conflicts productively.
- **Analysis paralysis**. A decision that should only take 24 hours could end up taking a month if there are no established parameters for how long decision making should take.
- **Lack of goals, ground rules or boundaries.** Many ESC bodies do not have a mission, a charter, ground-rules or guiding principles for how they will make decisions and interact.

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[1]https://discover.hubpages.com/business/project-governance-failure.

So, what is the appropriate role of the ESC? Various definitions exist, for example:

- Define, protect and deliver the project's value.
- Ensure maximum value-added output for the resources that are input into the project.
- Clear obstacles from the pathway to success for the project.
- Steer a single project (or group of projects) to successful conclusion through governance-related deliberation and decision making.

The key question, then, is how do we equip the state's leaders to perform effectively in this role? We don't often offer lessons in how to be a good ESC member. There is no sanctioned class or certification. It happens slowly, over time, and only the most self-aware and disciplined leaders eventually become effective ESC members. Effective governance can contribute about 10%[2] of the available business value of the project; it's time to capture the maximum value for these committees and expensive resources.

Consider the following best practices when establishing your next executive steering committee:

- **Pick the right people[3].** Make sure those on the ESC have a vested interest in the success of the project, and they possess appropriate decision-making authority. Set boundaries for the ESC by establishing who can attend in their absence. For instance, will the sponsor allow a delegate, or prefer another ESC member as their proxy.

- **Provide training and information.** There may be some members that are new to serving on a steering committee. Leaders and project managers can help ease them into their duties by providing training and coaching.

- **Enshrine the mission in an action-driven charter[4].** As a roadmap, the charter specifies how the committee will be organized and how it will operate, all from a procedural and process point of view. This is a great tool to improve productivity, save time, minimize conflict and set expectations.

- **Explain and justify the project.** Regardless of the experience that everyone may have serving on steering committees, each person needs to understand the plan, description, purpose and current scope.

- **Develop competencies.** Members of the ESC need to have the skills and expertise to fulfill their mission. They need more than the competencies required for normal operational management and more than just a checklist of responsibilities to help them. For example, they must possess the skills to do the following:

  o Define the desired business outcomes for the project.
  o Define the correct measures of success that guide the steering process.
  o Set and protect the project's scope.
  o Affirm the business requirements.
  o Evaluate and approve the project business case.
  o Select and guide the project manager.
  o Negotiate and agree on the project's completion criteria.
  o Ask the right questions and assess the answers to ensure all is well.

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[2] https://www.totallyoptimizedprojects.com/.
[3] https://status.net/articles/steering-committee/.
[4] https://www.ittoolkit.com/articles/project-steering-committees.

- **Assist in creating and measuring value.** This includes the following domains:

  - **Project delivery success.** Project delivery success is about defining the criteria by which the process of delivering the project is successful. Essentially this addresses the classic measures: scope, duration, budget and quality. These measures are limited to the duration of the project and success can be measured when the project is officially completed (with intermediary measures being taken as part of project control processes). Besides the typical project delivery key performance indicators (KPIs), you can also look at KPIs such as overtime, project member satisfaction, stakeholder satisfaction, lessons learned (improved project delivery capabilities), etc.
  - **Product or service success.** Product or service success is about defining the criteria by which the product or service delivered is deemed successful (e.g., system is used by all users in scope, uptime is 99.99%, customer satisfaction has increased by 25%, operational costs have decreased by 15%). These criteria must be measured once the product/service is implemented and over a defined period of time. It cannot be measured at the end of the project phase.
  - **Business success.** Business success is about defining the criteria by which the product or service delivered brings value to the overall organization and how it contributes financially and/or strategically to the business. For example: financial value contribution (i.e.., increased turnover, profit), competitive advantage (i.e., 5% market share won, technology advantage), etc.

- **Establish guiding principles** for ESC members – which may vary on each project. Examples include:

  - **Get engaged.** The ESC must be inquisitive, looking for ways to help while the project team must be planning contingencies, offering the best recommendations and requesting assistance from the steering committee as needed.
  - **Set high standards.** The ESC must demand performance from the project team while simultaneously showing where their help will make that possible. Demand clear information, open dialogue and respect for the facts.

  - **Strike a balance.** A balanced presentation of the facts will help the steering committee know what decisions need to be made and what interference needs to be run. The project team members need to know they can come in with facts, even if it's bad news. Avoid focusing exclusively on one project element, like budgets or deadlines. Contain the emotional issues within a specific portion of the agenda.

  - **Be honest and transparent.** We have worked with project teams that want to keep issues and challenges away from the ESC because they think it would make them look incompetent or endanger the career of the project members. We all have seen the watermelon reporting tactic: green from the outside and bright red from the inside.

  - **Make decisions, real decisions.** A decision has not been made until people know who is accountable for it, any relevant due dates or milestones, impacted stakeholders and communication needs.

  - **Always conduct a benefits realization review:** After the organization has had the chance to use the outputs from the project, it should evaluate the extent to which the benefits identified in the original business case have been achieved.

When architected correctly, ESCs are a useful governing body for project managers that increases effectiveness **and creates an environment where all members can fulfill their duties efficiently.** A good team and clear direction can overcome many perils while enabling the successful delivery of your project.