

CURE-ALL ...OR CURSE?

CAN PROGRAMME and project management (PPM) really be a source of competitive advantage to the financial services (FS) industry? A tough question and this article doesn't seek to offer a universal answer, for there is none. But it may provoke thinking about how and when PPM could and should be deployed.

Perhaps some of the over-exuberant use of PPM arises from those who think that they have found an elixir, while others dismiss it as yet another new-fangled technique from business school that blinds them with science. Some live by Gantt charts, risk logs, change control and mandatory PPM support offices where methodologies are the order of the day. Others find the sheer overhead and complexity to be harder work than the project itself.

Project management is acknowledged to stem from heavy construction roots, where men are men who wear hard hats and use expletives to get the job done. When the principles of scientific management combined with the awesome technical depth of military development of PPM, it gave birth to techniques and systems such as PERT and simulation. Suddenly the world of the project manager became fully armed to take on the mightiest challenge – even military campaigns came to be fought by PPM approaches.

Acceptance

Little wonder that industrial management techniques reached banking, insurance, investment management and City trading. In recent decades, industrial engineering-trained professionals broke into a whole variety of banks and financial institutions. Then the arrival of increased computing power meant that there was at least some acceptance that PPM had a role to play.

But it was – and to an extent, still is – only applicable to the management of buildings and facilities belonging to FS organisations, or probably their IT folk in backwaters hundreds of miles north of the Square Mile. At least these

Programme and project management is becoming widely adopted as the financial sector faces up to the challenges of today's highly competitive industry. But, warns **Luke Degan** (right), choose your weapon carefully!



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modest beginnings placed PPM on the agenda.

Today, the combined deployment of PPM by these global and even some provincial FS players might easily overshadow the construction industries from whence they came in terms of scale and complexity. Is such widespread uptake by FS really justified and worthwhile? It depends.

Broadside

The nub of the issue is that globalisation is here to stay and will continue to deliver a broadside to the UK FS industry's battleships. Enormous differences in the capability and wealth of developed nations compared to those of emerging economies continue to level the field of play beyond all expectations.

The international financial services industry produces strategic responses and huge step changes that need results yesterday! Large players possess a momentum all of their own. Witness the growth of call centres, firstly in the UK and now to locations such as India. AXA, Prudential, GE Capital are just a few of the big guns who are undertaking such massive projects of change through a mix of outsourcing, partnerships or even in-house.

Their agenda of change is driven by a host of factors, such as:

- increasing liberalisation of their previously protected cartels, merger and acquisitions
- proliferation of new products and services, entry of non-traditional

players who are not weighed down by baggage

- customer attitudes to switching allegiance

Such a dynamic market place that is internationally connected at the click of a mouse makes the FS industry one of the most uncomfortable places to be.

If the UK's FS players are to survive and remain competitive, then the need to outsmart the competition is ever-present. The management 'to do' list includes:

- constant innovation
- process efficiency
- staff productivity
- cost effectiveness
- robust systems
- delivery channel access
- customer care service improvements
- focus on core competencies
- diversification to enable one-stop financial shopping
- repeat sales to gain greater share of wallet
- launch/sustain/integrate disparate brands
- unify accounting systems
- build single customer picture to cross-sell
- manage and reduce risk
- install money laundering controls
- prepare for Euro-entry or not?
- satisfy regulatory compliance and capital adequacy requirements
- build/re-vamp trading and settlement systems that support investment managers who

- regularly risk millions in transactions
- increase premium and risk-adjusted pricing
- build alliances to compete or collaborate
- to name but a few !

Not all of these initiatives apply equally to all, but open season is here to stay and each institution needs to consciously translate its strategy into implementation. Once that's been agreed, be prepared to change direction yet again as the scene shifts without prior warning. Radars on full scan!

Hard-pressed

The central challenge for hard-pressed FS executives who may well come from a traditional mindset is often: "I didn't join a bank to be a project manager, I'm a banker for heaven's sake." Unfortunately, many well-qualified and time-served 'bankers' no longer meet the new world order.

Almost every FS player aspires to be 'World Class', 'No 1', 'The Best', in all that they say and do. If being top dog is the prime driver in the organisational mission, then the best of British good luck – because expectations have been raised and now it's time to deliver.

The current FS scene is akin to all-in wrestling in which the number of players and rules of the game constantly change. The last one to remain standing may be the only reasonable measure of success ... but wait! Someone just jumped into the ring and caught one player when they weren't looking – and so it continues, but faster.

What does all this mean for a PPM? The range and diversity of initiatives demanding the simultaneous attention of PPM sponsors and directors is often risk-laden and the only certainty may be failure. Many projects and programmes are already deemed to be behind schedule, because a competitor bank/insurer/investment house has just

launched the most exciting whiz-bang initiative, attracting customers like bees to a honey-pot. Standing still is no option.

Highly skilled PPM professionals who can handle the bricks and mortar projects need to go far beyond the obvious and visible outcomes of a new building or system installation where the rate of progress (or lack of it) is measurable and self-evident. Projects and programmes in the intangible world of financial services require all the usual skills and qualifications plus a certain something more. Some of these attributes include:

- clarity of project deliverables and outcomes which may be unclear
- tenacity to carry the heavy responsibility of delivering a project which may be a movable feast
- drive for a clear and regularly refreshed mandate for the project
- financial/accounting expertise (for there will surely be a business-defining return on investment (ROI) and deadlines)
- stakeholder buy-in (over and above the formal mandate, hearts as well as minds need to be won, but you may be up against poker players)
- communications which enable you to hack it in the boardroom as well as facing staff whose circumstances may be life-altering as a consequence
- leadership of a project team that may be a mix of conscripts, eager volunteers, naive or even negative individuals. Skills transfer and mentoring often helps
- political savvy to differentiate between supporters and saboteurs
- experience in estimating resources, durations, project elements, deliverables, risk assessments, ROI (whatever the preferred method).
- not being mesmerised by tools and techniques which become an



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end in themselves
 In short the ability to cut through the **** is a terrific help. Unsurprisingly, those affected appreciate a no-nonsense attitude over and above the formalities and PPM processes that may or may not be in place.

Mission

PPM sponsors and directors desperately want to know that they can report to their next board meeting ideally good news, but if it is going to be bad they need to be told ASAP! User staff prefer not to be patronised and want to understand how the change might affect them personally. Project team members seek to constantly know that they are on a mission of worth and the destination deserves astronaut-like commitment.

The PPM professional in FS, as in other sectors, needs to be in control and be able to sleep at night. This will demand skills, tools, techniques, qualifications and experience, but like life, there is no dress rehearsal – this is it!

- Luke Degan is the founder and Chairman of APM's Financial Services Specific Interest Group (FS SIG) and its equivalent study groups with the Institute for Management

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- The FS SIG seeks to foster and encourage senior change managers from the FS sector to accelerate the quality and contribution of the project and programme management profession, nationally and internationally. The FS SIG also seeks to provide a sector-based focal point that is complimentary to other SIG's, such as Programme Management, as well as the branches that offer regional support.

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PROJECT PETE

by Mitch

