# **Project Success Survey 2018**

Driving project success in Belgium





Serving clients from Strategy through Execution





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### **1. Introduction**

To be competitive in today's world, in any industry, organisations are dealing with unprecedented change driven by factors such as the pace of change, the shifts in global economic power, generational changes, the digital economy and the emergence of global players disrupting traditional sectors. Speed, quality, prioritisation, discipline and adaptability are all key qualities that will engage customers and other stakeholders to use products or services and build lasting relationships.

In the backdrop of these changes, traditional project management methodologies are often no longer considered effective in being responsive to a customer's changing needs. To succeed in an environment with shifting demands, a business needs to be adaptive and agile – even more considering the changing environment we are working in and which has increased the risk of projects not producing expected benefits, teams failing to deliver on time, within budget or to expected quality standards, or outcomes not meeting stakeholder objectives. While, at global level, PwC has commissioned a survey on project portfolio management since a number of years, we are pleased to present the results of our first project success survey, focusing specifically on the Belgian market. Generally we witness Belgium being subject to the same megatrends as the rest of Europe or globally. Yet, how does the Belgian market respond to these pressures? What do we see as key drivers to ensure project success within our organisations, knowing Belgian pragmatism is prevalent in our minds and behaviours?

Thank you for taking the time to go through the highlights of the survey, but most of all thank you to all respondents across the various sectors in Belgium for having provided us the insights on how they consider and ensure project success!

**Wim Rymen** Partner **Thomas De Cuyper** Director

# **2.** *Key findings* The challenge of getting the basics right



The first project success survey conducted in the Belgian market, showing great diversity in respondents across sectors and positions!



## 3. Methodology

The 2018 Project Success Survey was carried out by PwC Belgium. Respondents represented organisations based in Belgium. Its aim is to provide a Belgian perspective on how organisations are trying to achieve project success in the context of an ever changing business environment.

We had 98 survey respondents from both large and mid-sized companies, spread across multiple sectors, including financial services, industry and the public sector. About one-third of the survey respondents were project or portfolio managers who were actively involved in managing large projects on a day-to-day basis. 23% were part of general or functional management while 14% of respondents were considered 'C'-level, meaning their involvement in projects was situated on the level of overall steering. Another important group of respondents were part of Internal Audit (17%). The diversity in the roles of the respondents indicates that the results comprise various different views on project management and project success, both from within the project itself and from external stakeholders.



### In what sector is your main business activity?

## 4. What makes a project successful?

What defines a successful project? What are the criteria? In simple terms, project success can be defined as "achieving project objectives within schedule and within budget, to satisfy the stakeholders and learn from experience" (Source: Project Management Stack Exchange).

With the definition of project success in mind, we asked respondents what elements they perceived to be contributing most to the success of a project. They indicated that defining and agreeing upon a clear scope (adequately supporting the objectives of the business strategy) is by far the most important element driving the success of a project. Other important elements are:

- ensuring that stakeholders are engaged in the project through proper communication and change management;
- ensuring a governance model that enables efficient and adequate decision-making;
- having the right skills and experience in the project team; and
- managing the risks and opportunities of the project.



# **63%**

of the executive management considers focused benefits management as a key differentiator for project success.

These top characteristics driving project success are confirmed across the different positions of respondents, and across different roles in projects. A point to note is that respondents who are part of the executive management (or operating in the role of project sponsor) or internal audit considered 'Focused benefits management' as more important than 'High-performing teams' compared to other respondents.



This can be explained by their different perspective of projects and the fact that these respondents are more conscious about the benefits and return on investment that projects need to bring, rather than focusing on the shorter-term delivery of the project and making sure that the appropriate skill set is available within the project team.



The results of the survey resonate to the general principles that PwC applies when considering and evaluating the projects in view of their capacity to be successful. These general principles are based on the **"Twelve Elements of Project Success"**.



#### 12 elements of Project Success

Based on research and best practices, PwC developed a methodology that puts forward 12 elements that are critical for the successful delivery of a project. The methodology has been defined in such a way that the elements can be applied to each project, regardless of the type of project or methodology used: from IT system implementations over legal compliance projects to the construction of a new factory with methodologies such as Prince2, PMBOK, custom-developed, waterfall or agile. In this methodology, each of the 12 elements comprises specific requirements and expectations to achieve project success. For more detailed information, refer to appendix 1.

Below we included some examples of the top 3 elements identified in our survey as driver for project success and the requirements behind them.



When considering the other end of the spectrum, we see that respondents consider the 'Embedded lifecycle assurance and learning' and 'Integrated suppliers' as the least important elements of driving project success.

#### Embedded lifecycle learning and integrated suppliers least often linked to project success

% of respondents who included this element as part of the 5 least important key success factors



A clear assurance framework has been defined which outlines the nature, timing and extent of planned quality reviews and embeds learning. An effective approach has been taken to engage with 'suppliers' (internal or external) including adequate governance of their activities.

However, the benefits that embedded lifecycle assurance can bring should not be underestimated. When properly implemented, embedded assurance and learning helps to address risk and issues, and ensures quality of project deliverables during the project execution. This means that problems can be tackled in a more proactive manner. In addition, when embedded in the organisation, lessons learned from one project will be captured and taken into account into other projects within the same programme or within the same organisation. Also the value of having integrated suppliers is often underestimated within projects. We see that suppliers often come with a high level of expertise and experience, but that they are not sufficiently supported by the overall project environment to fully leverage from this expertise and experience. It is important to recognise the importance of integrating the suppliers into the overall project structure so as to make sure that the full project team, and to a larger extent the organisation, is well-aligned, and that suppliers are not operating 'on an island'.



# 5. How comfortable are you with your projects?

About 50% of respondents indicate that they feel comfortable or very comfortable about the successful project delivery within their organisation. The other half is not as confident, with about 14% of respondents indicating that they are not comfortable (or not comfortable at all) with successful project delivery, and about 37% are neither comfortable nor uncomfortable.

## How comfortable are you in the successful delivery of the main projects currently ongoing in your organisation?



These findings are confirmed by the fact that 59% of respondents believe that at least 1 out of 4 projects undertaken fails to deliver the desired outcomes on time and within budget. The majority of respondents are not positive on the successful completion of projects.



### In your best estimate, what percentage of your organisation's projects are not successfully delivered (i.e. on time within budget and with benefits realised)?

# 6. Why do projects fail to deliver?

Nowadays, the need to change and adapt to the technological and industry changes is more urgent than ever. Organisations are operating in markets that are no longer constrained by geographic or legal boundaries. The complexity of the changes is increasing, and organisations need to be agile and responsive at every stage of a project to address changing requirements, deliver shareholder value and ensure sustainability. In addition, organisations are becoming highly interlinked, and collaboration should be considered a key element for the success of a project that often expands beyond national borders. On top, legal and regulatory requirements - that affect many functions of an organisation – are becoming more and more complex.

These market challenges are just the tip of the iceberg that organisations need to deal with. These trends have raised the stakes for project success and have increased project complexity. Projects are key to achieving agility and benefits and/or to meeting changing regulatory requirements. However, internally, the emphasis remains on return on investment and on the need to demonstrate tangible business value in all projects. Internal and external stakeholders also demand greater visibility of project activities that often take place in an international context involving crossborder teams and entailing ever-increasing pressure on funding.

All these factors combined put projects under pressure and so it comes as no surprise that projects often fail to deliver.

The majority of respondents indicated that at least 1 out of 4 projects is expected to fail to deliver on time, within budget or with the expected benefits or quality. But what do respondents believe are the main reasons why projects fail to deliver in their organisation?

#### We see the following 5 elements as the main causes for project failure:





### There is a lack of focus on the use of processes, tools and techniques to manage organisational change.

Projects often bring changes in the way organisations work. Managing this change and ensuring that end-users are part of this story is therefore also critical to project success. This requires effective internal communication at the right time to keep everyone up to date. It also means involving key people within the business who can act as champions towards other users to make sure that the project is anchored within the organisation. Finally, it is critical that all end-users are sufficiently trained to achieve quick adoption within the user base.

#### The objectives are not specific or measurable, and the completion date is not defined. Goals do not clearly describe the final outcome of the project undertaken.

A project should always start from a business case where the expected benefits that tie in with the organisation's strategy are translated into concrete goals and objectives. If the goals and objectives of a project are not (clearly) defined, not specific or not measurable, it is hard to tell when they are reached and when the project can be considered successful in delivering the expected benefits and contributing to the organisation's strategy. In case the organisation's strategy is changing during project execution, a clear process needs to be in place to ensure that the project goals/objectives are updated and are reflected in the project scope so as to achieve continued alignment with this strategy. It comes as no surprise that poorly defined goals/objectives increase the difficulty of ensuring that the project scope is aligned with the organisation's strategy.

### The strategy of the organisation changes when the project is already ongoing. As a consequence, the project becomes irrelevant.

A change in the organisation's strategy often means that the expected project benefits are no longer aligned with this strategy. When organisations apply a focused benefits management through regular monitoring and measuring of expected benefits, corrective actions can be taken where needed to ensure continued alignment between the project outcome and the organisation's strategy. A disconnect between these two will result in benefits not contributing to the strategy and, ultimately, in the project's failure.

Even though there are some local differences, the results of our survey confirm a number of issues flagged in the PwC's Global Project Portfolio Management Survey over the last couple of years. Poorly defined goals and objectives and unclear scope are two recurring common causes for failure as revealed by the Belgian and the Global market survey whereas lack of change management and change in strategy seem to be more important factors in the Belgian market.

2004	2007	2012	2014
Bad estimates/ missed deadlines	Bad estimates/ missed deadlines	Poor estimates in the planning phase	Poor estimates in the planning phase
Scope changes	Scope changes	Lack of executive sponsorship	Change(s) in scope mid-project
Changes in environment	Insufficient resources	Poorly defined goals and objectives	Insufficient resources

Source: 4th Global Portfolio and Programme Management Survey, September 2014

In the past 15 years, little has changed in the way programmes and projects are delivered, in the issues faced and in the results achieved. Much of it comes down to doing the basics of project management more effectively. The executive teams and project managers need to act now to do things differently and learn from the lessons in the past.

In contrast with today's economic situation and the strong tendency towards cost reductions, our survey indicates that lack of financing is not considered as an important contributor to project failure. Only 7% of the respondents considers the lack of financing in the top 5 factors that contribute in failure of projects. This is also confirmed in many projects - if the basics of project management are not properly executed it will not help to add additional resources (incl. people) to the project. Only where there is adequate project structure, project governance, empowered teams, etc., there is a good basis for a project's success. This is an important finding as, often, a solution to issues in projects is to throw in additional resources. While this can indeed be a viable solution, it should always be considered combined with the other drivers of project success.

#### **Differing perspectives**

The perception of the most important failure criteria differs depending on the position respondents hold in the organisation. This is in line with the global survey, where it was identified that, often, there is a disconnect between the executive team and project managers. Project managers focus on the project's execution and are more familiar with the project and the teams working on it. On the contrary, executive management along with general managers develop strategies and determine the vision and mission of the organisation. Both groups view failure from different angles.

Unclear scope and lack of change management have been identified by all respondents in different positions as important elements contributing to project failure. However, there is less consistency for the other factors. Although lack of financing is not identified as an important factor, the lack of resources is, which may suggest that organisations are struggling to find the right capacity to deliver the projects.



#### **Differing perspectives**

Source: 4th Global Portfolio and Programme Management Survey, September 2014



# 7. What do organisations do to make projects a success?

Now we know what causes projects to fail, we want to dig a little deeper in the measures organisations take in order to help ensure successful project delivery. The results show that most organisations do take measures since only 9% of respondents indicated that no specific actions are taken to increase the level of comfort. It is apparent that the use of project management tools (25%), the use of a project management methodology (25%) and the provision of an appropriate training curriculum (20%) are the most common measures to increase comfort over successful project execution. On the other end of the spectrum, involvement of internal audit (4%) or a quality assurance function (8%) is clearly not yet a widely adopted practice.



## Actions taken for successful execution of projects

#### Project management methodology



\* Other: SAP Solman, Eden, PM2, based on Prince2, ICB, IPMA levels, Agile, ASAP, multiple methodologies tailored to suit the project and environment, or an ad-hoc method based on project complexity.

\*Other: Involvement of several stakeholders, recurrent follow-up by management, putting together a team with experienced colleagues, and financial incentives.

#### Project management methodology

The project management methodologies most commonly used are in-house developed methodologies (not PMBOK or Prince2 based) and Prince2 with 21% and 18%, respectively, of respondents. Almost one in three respondents indicates that no project methodology is used on their projects. Given the large investment that usually comes with projects, this is striking to see. A lot can go wrong since project methodology not only provides guidance in setting up and executing a project but also enforces a process of monitoring the results. Running projects without applying a methodology means walking up a slippery slope.

A factor to consider in this respect is that traditional project management methodologies, especially in today's fast-paced digital world, are no longer perceived as effective in being responsive to a customer's changing needs. To succeed in an environment with shifting demands, a business needs to be adaptive and agile.

Agile Project Delivery methods can be an alternative here. Agile Project Delivery is a valuedriven approach that can give organisations the capacity to deliver high-priority, high-quality work and create lasting meaningful relationships with their stakeholders and customers. It ensures the delivery of products through disciplined, proven practices and allows for adjustments based on stakeholder and customer feedback, thereby increasing speed to market. However, we see that only 2% percent of respondents in our Belgian survey have indicated that Agile is a methodology which is (partly) used in project delivery. Often, Agile methods are still combined with the more traditional project management approaches. As Agile becomes a more wide-spread project delivery methodology, it is changing the way organisations deliver and control projects. Each organisation adopting Agile must consider that this is not just a software delivery method – Agile requires a significant shift in practices and behaviours that directly affect governance, human resources, risk management, internal controls and benefits management.

"Agile and DevOps will dominate ... This cross-functional iterative approach to experience design and delivery will be a big shift – fraught with false starts and missteps along the way – but will successfully lay the groundwork for sustainable customer-led innovation"

Forrester's 2017 Predictions

Generally, however, the use of a well-established project management methodology does not seem to have an immediate effect on the level of comfort respondents have in the success of a project. The use of such methodology is more seen as a required and evident precondition to deliver projects, not as a differentiator.

Using a project management methodology is one thing, but it takes training to make sure that the project team is applying the methodology correctly and is aware of how projects should work. Nevertheless, we see only 20% of respondents indicate that training is provided to employees involved in project management. For well-established project management methodologies in the market, a lot of organisations provide training aimed at becoming certified. Moreover, organisations that use in-house methodologies or tools could also develop customised learning material to ensure a consistent approach to project management.

#### Project management tooling

The project management tools used by the organisation can also play a role in the successful coordination and, eventually, the successful completion of projects. 17% of respondents indicate that the use of a project management tool is an action they take to support successful project completion.

We see that quite a large variety of tools are used, such as Clarity, Microsoft Project, other cloudbased or on-premise PPM tools and also standard spreadsheet, word processing or presentation tools. It may come as no surprise that standard spreadsheet, presentation and word processing tools are still widely used within organisations to support project management tooling. However, we see that, in a lot of organisations, this is the only project management tool in use. Leveraging from project management tools and tailoring them to the needs of the projects and programmes is an area we believe organisations can still grow in.

#### **Involvement of Project Assurance**

The Project Board (Steering Committee) is responsible for monitoring aspects of the project's performance and deliverables independently from the Project Manager. As defined in the **Prince2 project management methodology**, the Project Board can delegate these review and validation tasks to a "Project Assurance" role.

This occurs throughout the project lifecycle and can focus on areas where the Project Board has insufficient time or expertise to assess quality of project deliverables, and on areas that are of specific concern to key project stakeholders (and where an independent perspective is needed).

Project Assurance reports to the Project Board, and, where appropriate, provides advice to Project Managers and Team Managers.



Werner Jacobs CFO/CIO Vlaamse Vervoersmaatschappij De Lijn

#### Helping me sleep at night...

In 2014 we embarked on a large-scale SAP implementation. We kicked off with a core backbone for the Finance function (including fines management and sales) and for (non-inventory) procurement and are now moving into more specific areas and functionality such as investment management, contract management and procurement for inventory items. As you can imagine, for De Lijn, this is a very impactful project, representing a kind of digital transformation across all of the main business functions.

In the set-up of the project we made the conscious decision to work with different implementation partners per functional area. The main reason for this decision was to remain, as much as possible, independent of these large vendors, and as such keep control over the whole transformation program. In order to make this a successful implementation, we set out some clear objectives at the start - next to meeting the business requirements one of the core missions was to stick, as much as possible, to standard SAP, avoiding any painful and costly customisations which, in the long run, seldom pay off.

In this context we realised that keeping central control over the quality of the project would be instrumental for the success of the project. That's why we engaged an external party to assume the role of what we call a "QMO" or Quality Management Office. This external team was given the task of helping ensure consistency across the different project streams, challenging the implementation partners on the design of the SAP system (and especially challenge any deviations from SAP standard), reviewing the quality of the SAP coding, and above all sustaining quality awareness in all teams and team members. As we do not have in-house SAP technical expertise, such external QMO function also performed (technical) quality reviews on the deliverables of the implementation teams, and independently reported on this to the project/program steering committee. By working this way, we realised the different implementations on time and within budget.

For us this project assurance involvement helped to keep the projects on track, and ultimately helped me sleep at night...



This independent Project Assurance as defined in Prince2 can be set up using the three lines of defence within Risk & Quality Management. In practice, an independent project assurance party is part of the first line of defence. The second line of defence includes the organisation's risk or compliance management, and the third line of defence is internal audit.



In practice, as the first line of defence, a project assurance party is an independent sparring partner for the complete lifecycle or selected phases of the project, reporting directly to the Steering Committee and providing support in:

- establishing the right level of governance and reporting;
- identifying and responding to **risks** thereby safeguarding project progress and your organisation's future;
- keeping focus on the **benefits**;
- ensuring **consistency** and **quality** of project deliverables;
- containing **costs** and delivering **value**;
- building trust, stakeholder confidence and belief; and
- providing a third party **expert opinion** where requested.

In practice, we do not often see independent project assurance parties being involved in projects on the Belgian market. Only 8% of respondents indicated that an independent project assurance party is involved in their projects. What is more common is involvement of internal audit in projects, with almost 44% of respondents indicating that internal audit executes ad-hoc project assessments such as pre- or postimplementation reviews. However, it should be taken into account that internal audit is the third line of defence and is by nature more limited in the scope of work they can perform compared to an independent project assurance party.

#### Role of internal audit in project assurance



When looking at other roles that internal audit can take up within a project such as a consulting or participative role, we see that the Belgian market is a lot less mature. When taking on these roles, internal audit is typically involved in all project phases, from initiation to acceptance. Of course, this approach requires more resources. On top, given the rapid pace of change and the new technologies organisations are embracing, the necessary capabilities are ever evolving as well. Both factors help explain the fact that we see that internal audit functions are struggling and holding on to the more traditional assessments.

#### What about data analytics in projects?

Although the use of data analytics is on the rise, we see that this has not yet been strongly embedded in project organisations. Only 1 in 4 respondents indicates that data analytics is used to support their projects. The main opportunities in this respect are linked to monitoring of financials and general project progress.

# **Appendix 1** PwC's 12 elements for project success

#### 01 | Focused benefits management

- Benefits management is one of the cornerstones of project succes;
- The diagnostic considers the following four key faces of benefits management: Benefits governance, Benefits identification and planning, Benefits management and realisation, and continuous improvement.

#### 02 | Managed risks and opportunities

• Effective risk and issue management is based upon ensuring that the process is fit for purpose – i.e. it provides challenge and scrutiny to the project without placing excessive burden on the project team.

#### 03 | Smart financing

• Project costs and budgets should be managed to ensure that the expected benefits accrue to the organisatin within the specified financial constraints.

#### 04 | Delivery-enabling plans

- Plans provide the foundation upon which good projects are successfully delivered;
- They provide the base against which overall progress can be measured, showing in advance whether targets are achievable or not.

#### 05 | Active quality management

- This is the development and implementation of an approach and plan to monitor and evaluate the quality of the work performed within a project;
- It ensures that individual deliverables are produced and project activities are conducted in line with requirements and expectations.

#### 06 | Agile change control

• Change control arrangements are used to manage changes to scope, requirements (business and technical), deliverables and intended benefits that impact the project baseline, timing or cost.

#### 07 | Integrated suppliers

- Most projects involve a number of suppliers who work together to play a part in delivering the project;
- It is important to consider the nature of each of these suppliers, their respective roles within the project and their relationships to each other.

#### 08 | High-performing teams

- Resource management is the process of ensuring that the project has access to adequate numbers of resources with the correct skill sets and experience;
- It also addresses the need to provide resources with all the necessary facilities to perform their roles, as well as motivation through performance management processes.

#### 09 | Embedded life-cycle assurance and learning

- A project's assurance needs should be mapped over its lifecycle in order to ensure that the right assurance is provided at the right time;
- Assurance activity should be prioritised according to the specific context, content and risk profile of the project.

#### 10 | Clear scope

- It is important to have agreement on a clearly defined and documented project scope, as this provides the boundaries within which the project and its workstreams will deliver;
- Undefined scope creates significant risk to delivering business outcomes and benefits on time and within budget.

#### 11 | Engaged stakeholders

- It is essential that stakeholders are identified, assessed and managed on an ongoing basis throughout the project;
- It is important to work with key stakeholders as they are critical in driving success.

#### 12 | Strong governance and reporting

• The primary focus of governance is on the achievement of business outcomes and benefits, although key project outputs should be reported to the steering committee as indicators that the project is on track.



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