

ENGAGED STEERING COMMITTEES

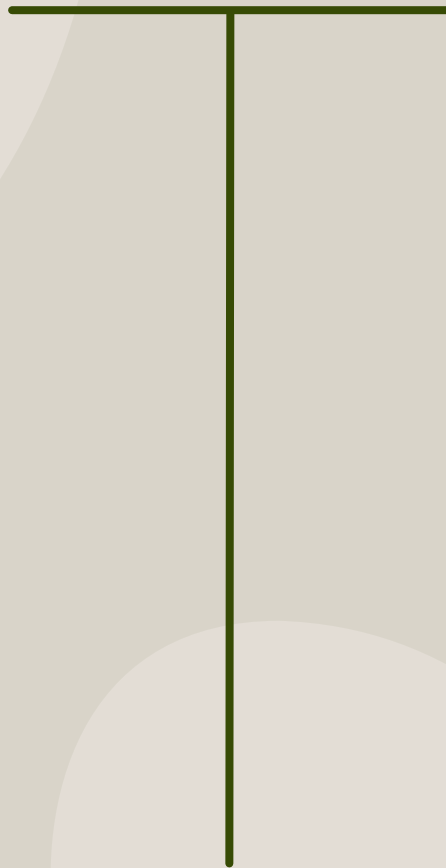
ARE THE KEY TO SUCCESSFUL PROJECTS

BY LUKAS HØJLAND & NIELS BERG



The steering committee meetings are the project manager's opportunity to make important decisions and to secure buy-in and ownership from the steering committee on risks that require high attention.

Delegating responsibility for risks to multiple members is a good way to strengthen their engagement and contributes to the progress and success of the project.





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In this article, our two experienced project managers, Niels Berg, and Lukas Højland, share their insights about why engaged steering committees are crucial in order to achieve successful projects.

Niels Berg has extensive experience in portfolio, program, and project management in the financial and public sectors. Lukas Højland has several years of experience in IT infrastructure, strategic, and cloud projects for both public and private companies.

Throughout the article, they address how an informed and engaged steering committee can help reduce risks and ensure that projects achieve their goals. The article will provide a deeper understanding of the importance of having a strong steering committee and how to achieve success in projects by effectively involving it.



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INTRODUCTION

A significant proportion of many companies' activities revolve around introducing some form of change, and although agile approaches like SAFe and the Spotify model thrive in various industries, they are not necessarily the key to achieving success with the change.

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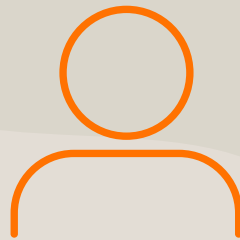
Bent Flyvbjerg, Professor of Major Programme Management at the IT University, states that when looking at agile projects compared to more traditional waterfall projects, there are no significant differences in how projects adhere to time and budget. If one delves further into Flyvbjerg's research, a grim picture of the success rate for projects as a whole emerges. In his latest book, it is revealed that only 0.5 percent of projects are completed within the set timeframe, budget, and with the planned benefits realized (Source: *Bent Flyvbjerg, How Big Things Get Done*).

Therefore, it is more important than ever to discuss the fundamental factors that contribute to successful change, regardless of the approach used. This article zooms in on one of these factors - namely, a well-functioning steering committee.

COMPOSITION AND RESPONSIBILITIES OF THE STEERING COMMITTEE

The main responsibility of a steering committee is to ensure the success of a project or change. This is done by overseeing the overall leadership and management of the project within the given context. A steering committee then, is to a project what a board of directors is to the executive management in an organization.

When assembling the steering committee, it is important that it includes at least three roles:



A STEERING COMMITTEE CHAIRPERSON

... who has project expertise and a broad network within the organization.



A SENIOR SUPPLIER

... from the organization that is responsible for delivering resources to the project.



A SENIOR USER

... who represents the "business" that will make use of the project's product(s).

During the project, the steering committee is responsible for the overall leadership and management of the project. **It must make decisions regarding the project's direction and approach** to ensure that it adequately aligns with its business case – meaning that the resources consumed by the project are balanced with the benefits obtained.

Included in the overall management is also the authority to make **decisions regarding changes to the project's scope, budget, and duration**. It is the responsibility of the committee to approve or reject expansions or modifications to the project based on an assessment of whether they can be implemented without negatively impacting the business case, and whether the business can accept the changes.

To ensure the success of the project, the steering committee must also **assist the project and project manager in addressing challenges and removing obstacles to the project's progress**. This may involve providing access to special resources, prioritizing tasks, obtaining permissions, and more.

Furthermore, it is crucial for the **steering committee members to act as ambassadors for the project**, ensuring that the right individuals within the organization are aware of the project and its deliverables. This way, the steering committee can ensure that others in the organization will assist the project if challenges arise that cannot be resolved internally within the project.

ANCHORING OF THE STEERING COMMITTEE

One of the major challenges often faced by project managers is that their steering committee is incorrectly anchored and lacks the necessary authority to make decisions on behalf of the project.

This issue commonly arises in relation to the project's budget, where the decision-making authority concerning finances has been centralized outside of the steering committee. There are valid reasons for centralizing financial management at a higher level of leadership, but it poses a challenge for the steering committee as it significantly reduces its scope of responsibility. One of the challenges is that an additional link is added to the decision-making process making it more complex, thus drawing resources from the project and compromising its progress.

When responsibility is taken away from the steering committee, it can have several implications. The reduced responsibility may result in a tendency to place individuals in the committee who lack the necessary mandate to contribute effectively to the project. In such a situation, the steering committee may end up without any decision-making authority and merely become recipients of project status reporting, which is a waste of resources and does not contribute to the success of the project.

SOLUTION

THE STEERING COMMITTEE SHOULD HAVE THE NECESSARY LEEWAY

One solution to this challenge is to provide the steering committee with a certain leeway for decision-making. This could involve allowing the committee to make changes within a range of 5-10% of the total project budget. By doing so, some responsibility is retained by the steering committee while also maintaining a certain degree of flexibility in the project.

If the central control is to be maintained, however, it is essential to ensure that the central controlling unit has a responsibility over the project portfolio that extends beyond merely approving budgets. This ensures that the unit is closer to the projects and better equipped to make decisions regarding their management.

If a situation arises where some of the steering committee's responsibilities are centralized, it is crucial for the success of the project that one or more individuals, preferably the committee chairperson, have a good understanding of the decision-making processes within the central unit—both the official and unofficial ones. This will reduce the use of resources and the time required to navigate the decision-making process.

THE STEERING COMMITTEE IS THE PROJECT MANAGER'S MOST IMPORTANT STAKEHOLDER

When the purpose of the steering committee is clear and the proper anchoring is ensured, it is the responsibility of the project manager to use the steering committee correctly and as an enabler for the progress of the project.

It is often seen that project managers, especially those who are new, are intimidated by or afraid of their steering committee and regard steering committee meetings as something that simply needs to be endured. This is understandable, as the steering committee may consist of senior management or other individuals with significant authority.

However, it is important for less experienced project managers to learn to feel comfortable in these situations, as the steering committee, if properly composed and anchored, is one of the most important stakeholders and resources to the project.

Therefore, it is a good idea to ensure that less experienced project managers receive assistance and support from more experienced project managers.

IMPORTANT: THE STEERING COMMITTEE IS NOT ONLY A CHANNEL FOR STATUS REPORTING

A pitfall that project managers are often seen falling into is that the steering committee is only used for reporting at committee meetings which are typically held too infrequently due to the busy schedules of the committee members.

Therefore, it is important for the project manager to build good relationships with the steering committee and engage them in the project between meetings by, for example:



... ensuring frequent communication with the members about progress – this doesn't need to be formal; it can easily be over a quick coffee.



... activating the members to contribute to the project's progress.



... seeking continuous feedback and input from the steering committee and being open to this input.

This engagement ensures that the project stays on course and meets the needs of the steering committee.

If there is a senior supplier (see info box), it is a good idea to have a close dialogue with them, as they help ensure that the right resources are allocated to the project, which can be crucial to its success. To ensure a flexible and timely allocation of resources, ongoing dialogue is necessary, not just during planned steering committee meetings.

When it comes to the actual steering committee meetings, it is important for the project manager to find a balance between decision-making items and reporting items on the agenda. Furthermore, the level of detail in the reporting should be considered – it is important that the meeting doesn't drown in reporting. The steering committee meetings provide an opportunity for the project manager to get important decisions through, as well as to gain endorsement and ownership from the steering committee on risks that require high attention. Delegating the responsibility for risks to multiple steering committee members is a good way to strengthen their engagement and contributes to the project's progress and success.

SENIOR SUPPLIER

A senior supplier represents the employees in the project who are responsible for designing, developing, and implementing the project's products. The senior supplier must ensure that the project has the right resources, including workforce, tools, and knowledge. Finally, the senior supplier must ensure that the project's products meet the specified criteria.

THE DECISION-MAKING MANDATE

AT STEERING COMMITTEE MEETINGS SHOULD REMAIN INTACT

It is important that the project manager works to preserve engagement from the steering committee if the members start to deprioritize the committee meetings. In this connection, it is also important to align expectations quickly and clearly, stating that it is not allowed to send substitutes or deputies for the meetings. In both cases, there is a risk of the steering committee losing its decision-making power and not being able to follow through on the decisions presented at the meeting. If a substitute is sent anyway, to demonstrate that the project should be taken seriously, the project manager can suggest rescheduling the meeting until the designated steering committee members are available.

To prepare the steering committee for the decisions to be made, the project manager should bring them to their attention early on. This can be done by clearly communicating and highlighting the decisions in the pre-read material, as well as stating them at the beginning of the steering committee meeting and indicating when they will be addressed. By doing so, the project manager establishes a success criterion for the steering committee and informs the members of the content of the meeting.




THREE MEASURES THAT CAN INCREASE THE LIKELIHOOD OF SUCCESS

Throughout the article, we have presented a range of pitfalls one can encounter when working with steering committees, including:

- 01** Incorrect composition and anchoring of the steering committee.
 - 02** Lack of engagement and ambassadorship from the steering committee.
 - 03** Steering committees being used solely as a reporting channel.
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AVOID THE PITFALLS WITH THESE MEASURES

We have also - based on our experience and knowledge in the field - provided some good suggestions on how to avoid these pitfalls with relatively simple measures. It is our experience that you increase the likelihood of success in a project by ensuring that...

-  the steering committee is composed of the right roles, and the individuals filling these roles have the appropriate level of competence and decision-making authority, ensuring that some level of responsibility and mandate is kept within the steering committee.
-  the steering committee actively engages in the project by continuously involving them in project activities - for example, by giving them ownership of risks related to the area they represent.
-  there is a good balance between decision-making and reporting at steering committee meetings.

SUMMARY

As described on page 13, the suggestions here are relatively simple - perhaps even trivial. However, the reality is that the majority of steering committees we encounter are more or less dysfunctional and suffer from one or more of the challenges we have outlined throughout the article. Often, the result is that the steering committee end up being the biggest risk to the project.

In other words – if you want to create and manage successful projects that result in positive change, it is crucial to have well working steering committees. Therefore, it is not a bad idea to start by getting a handle on some of the most fundamental aspects of the steering committee, and we suggest doing so by mastering the three measures.

- 01** CORRECT COMPOSITION AND ANCHORING OF THE STEERING COMMITTEE.
- 02** ENGAGEMENT AND AMBASSADORSHIP FROM THE STEERING COMMITTEE.
- 03** STEERING COMMITTEES THAT ARE USED FOR MORE THAN JUST REPORTING.

WANT TO KNOW MORE?



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Trustworks is a business-driven IT transformation partner that delivers results in large and demanding digital initiatives.

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