

An Olympian decision that sets deadlines against costs [Print](#)

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THE PROBLEM

The costs of constructing London's 2012 Olympic venues have risen since the city won the right to host the games. Last month, members of parliament expressed concern that critical decisions remained unresolved, such as the role of the venues after the games and the costs of security. It is a rule of thumb in large-scale construction projects that the longer a decision is left unmade the greater the costs will be of incorporating it. How can a project manager balance the need to push ahead - potentially with incomplete information - with the increased costs of late changes?

THE ADVICE

THE EXECUTIVE

Matts Larsson

Few projects start with complete information and total certainty. If they did, we wouldn't need project management. Project management standards and best practices provide a framework within which a project may be scaled up even when unforeseen variables arise. In other words, project managers must be capable of designing and following a process that executes a strategy, whether it is the 2012 Olympics or a multinational product launch. This process begins with assessing competences and existing processes and systems, then addressing weak spots. It entails training, co-ordinating and communicating with all participants so they have an understanding of their role in the outcome. If the whole organisation is not on board, you are operating on shaky foundations. Regular performance measurement, benchmarking and other assessment should provide the safeguards to deliver accountable results, even in the face of ever-creeping project scope. In order to be effective, a governance body needs to understand its role as well as the fundamentals of project management, otherwise the project manager's task is impossible. Governance and time will always conspire to ensure every Olympics is a difficult project.

The writer is director of global training and development at Tetra Pak

THE CONSULTANT

J. LeRoy Ward

As the organisers of the games face rising costs and uncertain information, they know one thing for certain: the 2012 Olympic Games in London will start at a certain time on a fixed date. Project management is a game of trade-offs of time, cost and scope. Scope drives time and cost. Any programme manager worth his or her salt should be obsessed with understanding the programme's scope, and the earlier the better. Typically this might be done in a planning workshop attended by team members and important stakeholders. Reviews follow at each milestone, where the group discusses the work and what is left to do. All too often, however, milestone reviews turn into rubber stamps rather than rigorous examinations of the programme status. To measure progress accurately, programmes need to use metrics-based measurement tools, such as earned value management, and mitigate the risk at the first sign of resource or schedule variance that falls outside acceptable parameters.

The writer is executive vice-president of ESI International, a project management training company

THE PR

Chris Salt

Achieving consensus on decisions while managing rising cost is a perilous balancing act. Effective contingency provision at the start of a project allows for some wriggle room. But no amount of planning up front will account for all eventualities. Demonstrating momentum and the progression of a project, while managing expectations on completion times, is critical. Hence Lord Coe's move to manage expectations on London versus Beijing last week. A project manager who makes haste slowly, keeping an eye on timing and cost control, will build the requisite confidence and support of all stakeholders for his or her decisions. But ensuring the timescale for the decision-making process is understood by all, including the media, is sometimes overlooked. Only with regular communication can project managers sustain the support of all those concerned. Of course, this must be buttressed by a realistic project plan. Time for the communication process must be built in, allowing for feedback, revisions and further consultation. Surprise can never be a part of the project manager's armoury.

The writer is a partner at The HeadLand Consultancy

THE PROJECT MANAGER**Gregory Balestrero**

The project manager is always driven to meet the requirements of the project. One way of defining the crucial requirements - what might be called the "iron box" - is as cost, time, scope, quality and risk. All must be met for a project to be considered successful. In a project as complex as the Olympiad, however, the iron box requirements are far more complex than any single building or facility. It is like constructing a complete sports city, only for it to disappear at the end of the games. In this case, the "payback" of this unique venue will rarely be recovered during the games - that may only happen long after it is absorbed and integrated back in the London community. In this case, if the requirements are not crystal clear at the beginning of the project then the entire project is at risk. Only a rigid discipline of risk management, coupled with rapid executive decision-making, will allow the project requirements to be met.

The writer is president and chief executive of the Project Management Institute

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