

Executive Engagement: The Role of the Sponsor

Too often, the term “project sponsor” conjures up the image of a disconnected executive whose main responsibility is to secure the **project** funds and then come in for the victory lap when it is all over. But an engaged executive sponsor—with a vested business interest in the project from kickoff to close—can mean the difference between success and failure.

Indeed, one of the most common reasons why projects fall short is a lack of executive sponsorship and management buy-in, according to the *KPMG New Zealand Project Management Survey 2010*.ⁱ In addition, PMI’s 2010 *Government Program Management Study* found that 81 percent of program managers at U.S. government agencies said that strong support from at least one executive-level sponsor had a high impact on project success.ⁱⁱ

According to Diego Nei, project portfolio manager at CEACRE, a not-for-profit institution in Salvador, Brazil, the sponsor’s key responsibilities include:

- Providing clear direction for the project and how it links with the organization’s overall strategy
- Securing project resources
- Ensuring the project is on time, on budget and on scope

- Providing feedback on status reports and making sure they reach the necessary stakeholders
- Championing the project at the executive level to secure buy-in

Despite the strategic importance of the role, the KPMG survey found that 68 percent of companies do not always have an effective sponsor.

In many cases, they are simply too busy. “Sponsors typically have a day job, too—often a demanding one,” says David West, senior technical director at engineering firm WSP, London, England. **“Not devoting sufficient time to the project is a common failing.”**

But that could be a fatal error.

“The project sponsor has as big an influence on the outcome of the project as the project manager,” says Terry Cooke-Davies, PhD, group chairman at consultancy Human Systems International, London, England, and author of *Aspects of Complexity: Managing Projects in a Complex World* [PMI, 2011].

In an increasingly competitive marketplace marked by economic fluctuations, project sponsors cannot afford to take a hands-off approach. “The

recession and global competition have forced everyone to focus only on the top priorities,” says Mike Haran, PMP, PgMP, program manager at businesses services group Experian, Chicago, Illinois, USA. **“Sponsors are under continuous pressure to deliver better results with fewer resources. This means that an executive’s commitment is even more important now than before.”**

The Sponsor versus the Project Manager

Because the executive sponsor and the project manager will ideally be working closely from start to finish, both need a clear understanding of their roles.

“They must see themselves as compatible members of a project team,” says Dr. Cooke-Davies. “Each needs the other. **It cannot be the executive sponsors seeing themselves as the project manager’s boss. That way lies ruin.**”

Dr. Cooke-Davies suggests sponsors and project managers put together an “emotional contract” that covers:

- The time commitment each can expect from the other
- The frequency and nature of reports from the project manager

- How often they will meet
- How the sponsor expects the project manager to deal with problems and when they will be escalated to the sponsor

Once guidelines are in place, it is up to the sponsor to walk the fine line between being a vested party and a micromanager. Dr. Cooke-Davies says sponsors have to be very clear that they are not a project manager. **“Sponsors have to let the project managers manage the project and create the environment to allow them to do that.”**

Instead of always turning to the sponsor, project managers should be encouraged to make many of the day-to-day calls on their own. “Project managers can’t spend most of their lives providing information to the sponsor so they can make a decision that the project manager should be making,” he says.

Each person has his or her own part to play.

“A sponsor and a project manager have different roles: The sponsor authorizes the project, the project manager executes the project,” says Dennis Creech, director of North American professional services and project management at Cincom Systems Inc., Cincinnati, Ohio, USA. **“A sponsor who gets involved in the details of the daily execution of the project has crossed that line and makes it difficult for the project manager to fulfill their role.** More than one person running a project causes

confusion for everyone and jeopardizes the project.”

The best sponsors make themselves available to the project manager and encourage communication, whether the news is good or bad.

“The best rule of thumb is no surprises,” Dr. Cooke-Davies says. “Talk openly about the project risks.”

The Project:

The Organization: WSP, London, England

The Sector: Construction and Engineering

The ROI: Strong sponsorship brought diverse stakeholders together to create a project plan that made business sense for everyone.

When David West, senior technical director at engineering firm WSP, came on as a sponsor for the £132 million project to revamp Edinburgh Waverly train station in Scotland’s capital, a full array of stakeholders was ready to take action. The only problem was that each of them had their own vision for how the project would unfold.

There was little doubt about the need. The United Kingdom’s largest train station outside of London was operating at maximum capacity during peak traveling hours, causing congestion and wear-and-tear on facilities.

In 2004, the overhaul kicked off. The first part of the project called for developing longer platforms, remodeling stations to take advantage of the new

platform capacity, and adding new escalators and elevators. The next stage, which includes building the escalators and lifts at the Waverly Steps entrance, is currently in progress and scheduled for completion in 2012.

Although the Scottish government is the primary investor, several key stakeholders could have helped or hindered the project. For example, Mr. West explains, the City of Edinburgh Council was keen to see major improvements that would enhance the station’s image as a “gateway to the city.” The council also has the power to grant planning permissions for various aspects of the project.

And Network Rail, which owns the station, was working on a major upgrade of the Edinburgh signaling center at the same time. The agency came in with its own plans for a much larger scheme but lacked the funding to deliver it.

One of the biggest sticking points was a planned retail deck over the entire station. It was an ambitious goal—and completely unaffordable. That meant Mr. West had to find an acceptable middle ground. **“My sponsorship challenge was to develop an affordable scheme which had sufficient benefits to be attractive to all the stakeholders and which did not preclude further development in the future,”** Mr. West says.

Mr. West first set up a project steering group with representation from all major stakeholders. “The steering group was the forum where all key stakeholders met and

debated the issues,” he says. “This was where the competing aspirations were reviewed, analyzed and gradually whittled down to the one option that all stakeholders wanted to see delivered.”

He then created a table stake setting out the joint objectives, to be signed by each stakeholder representative. Ultimately, the retail deck was scrapped, but a 28,000-panel glass roof got the go-ahead.

As the owners of the project business case and guardians of the investor’s interests, project sponsors must be the ones to secure buy-in from every stakeholder.

“The executive sponsor has to take diverse and often competing stakeholder interests and negotiate a common ground that all stakeholders can agree on and collaborate to deliver,” he says. “The executive sponsor’s job is to do this so as to deliver maximum possible value to the investor—and negotiate the option with the best business case.”

Once the sponsor sorts out each stakeholder’s desires and demands, he or she must then communicate to the project manager what needs to be delivered to meet those goals—and then let the project manager oversee the details.

In the end, the renovation project was launched in a much shorter time period, and remains largely on schedule and under budget. “It illustrates the importance of stakeholder management and finding the common ground,” Mr. West says.

The Sponsor As Translator

The role of the sponsor starts at the very origin of the project. Not only do sponsors lead the project through the selection process until it is formally authorized, they also play a crucial role in the development of the initial scope and charter.

“The first duty of the project sponsor is to define the project,” says WSP’s Mr. West. “The project sponsor identifies what the project must achieve and defines the project that will deliver that. This requires a good understanding of how the organization operates and of the corporate strategy.”

Once the project’s organizational goals are defined, the sponsor must translate that vision into clearly understood deliverables for the project manager and team, Mr. West says.

But most project sponsors do not devote enough time explaining how the project aligns with the overall strategy, says James Brown, PMI-SP, PMP, PgMP, senior manager, research program management office at agronomy company Pioneer Hi-Bred International, Des Moines, Iowa, USA.

And that can create what Mr. Haran calls “ambiguity poisoning”—what the project manager suffers from when he or she cannot clearly understand what the executive is asking for.

By making the effort to draw a clear connection from project to strategy, sponsors provide team members with a sense of purpose. And that can serve as

a major motivational tool. “Teams get really energized if their project is affecting the bottom line of the organization,” Mr. Brown says. “Lay it on the line for them, make it personal. Tell them why the project is important for them and for you.”

At the same time, sponsors must act as liaisons to the organizational stakeholders, communicating how the project will integrate into their overarching strategy and goals, Mr. West says. **That means ensuring everyone who will be potentially impacted by the project knows what to expect.** “Since the nature of projects is to deliver change, they often affect almost every department of the organization in one way or another, and the departments have to be prepared if the benefits are to be fully recognized.”

As the project progresses, sponsors must also relay any information requirements, progress reports or warnings from the project manager.

The Project:

The Organization: New Balance, St. Louis, Missouri, USA

The Sector: Consumer Goods

The ROI: Strong team alignment and motivation from the sponsor helped a team meet its rigid deadline.

At athletic shoe company New Balance, the commitment of one executive sponsor helped keep an IT project running on track.

Looking to improve its retail experience, New Balance

launched a project to develop an application for in-store iPads that would make product information readily accessible. And because the app launch needed to coincide with the opening of a new retail store, the deadline was unmovable.

“It was imperative that the sponsor play a key role,” says Jessica Janko Prior, PMP, senior project manager. “The project had absolutely no room to miss these goals. With a tight timeline and the entire project team being dispersed across the country, aligning the team was a challenge.”

At the kickoff meeting, the sponsor began by communicating a clear business case for the project, backed by objectives, benefits and vision so everyone knew their responsibilities.

“As the project plan was developed, the sponsor continued to play a very involved role to make sure that the plan was complete and detailed, including all of the project scope,” Ms. Janko Prior says. **“Throughout the project, the sponsor was continually looking at expectations and making sure that they were all being met with the processes the project team was following.** If he felt that key sponsors needed more information, he asked that more information be provided. If he felt a team member was not fully participating, he insisted that the team adhere to processes and provide full participation.”

The sponsor also made himself accessible to the team throughout the project and attended all project-related

meetings to make sure the team saw his commitment on a regular basis.

“It allowed for better communication and expectations from the beginning between myself as the project manager and him as the sponsor,” Ms. Janko Prior says. **“Any time the project manager and the sponsor can have enough accessibility to each other, it allows for them to develop a better working relationship, one vision and continued reporting, which leads to project success.”**

The sponsor also played the champion role well, using management discussions to advocate for the project. “This was a key success factor for the project, as it showed his commitment and played a major part in keeping the team excited about the project and its outcome,” she says.

And when the project came to a successful close, the sponsor publicly recognized the team for a job well done.

“Overall, the project sponsor made the project easy for me to manage due to the fact that he was so involved with the morale and the accountability of the team,” Ms. Janko Prior says.

Chief Project Champion

Perhaps the most important role for the sponsor is as project advocate. As such, effective sponsors must know how to convey the project vision to anybody who can influence the outcome. “They see how much better the world will be when the project is complete and have developed the

storytelling skills to put that message across,” Dr. Cooke-Davies says. That may happen in a boardroom full of fellow executives or, informally, in the organization’s hallways.

Another facet of the role is supporting and motivating the project team through the good times and the bad. Sponsors should not take all of the credit when things go right and they should not allow the project manager and the team to take all of the blame when things go wrong.

“I’ve had CEOs red in the face screaming at me and had my sponsor brave enough to say, ‘Hey wait a minute Mr. CEO, here’s the problem,’” Mr. Brown says. “I tell sponsors to look in the mirror and ask, ‘How do you want to be viewed by your team, your peers, etc. If you can treat the project manager the way you’d want to be treated, you’ll have teams clamoring to work for you again.”

Sponsors should have consistent interaction with team members, including at project meetings. Not only will that help sponsors stay on top of the project’s progress, it will also demonstrate to the team that the organization is invested in the project.

Support does not always have to be formal, either. Sometimes it may mean simply ordering in dinner when the team is working late or celebrating small milestones along the way.

“Sponsors want to do what the team needs them to do,” says Dr. Cooke-Davies. “Sponsors encourage the project manager to communicate their worries,

their fears, their successes and their hopes.”

Summary

Being an effective project sponsor requires striking a delicate balance of involvement and trust in the project team.

Project sponsors must effectively communicate the organization’s vision, goals and expectations to the team throughout the life cycle without crossing the line into

micromanagement. The sponsor and project manager also need to agree from the beginning on their roles to ensure a harmonious and productive relationship.

Along with supporting the project manager and team, the sponsor must keep the organization apprised of the project’s progress and benefits, advocating for it at every turn.

“The sponsor should cultivate a positive

environment and generate a positive buzz for the project’s benefits each day,” says Mr. Haran. “They need to constantly let people know what the project is and why it’s important to the rest of the organization.”

It is an admittedly difficult role, but one that can ultimately ensure the success of a project.

ⁱ *KPMG New Zealand Project Management Survey 2010*, KPMG. Results based on interviews conducted in August 2010 with nearly 100 organizations in the country.

ⁱⁱ *Program Management 2010: A study of program management in the U.S. Federal Government*, PMI. Results based on a survey of forty “successful” programs across a variety of U.S. government agencies, published in June 2010.