

Project Sponsorship – Managing the Executive Role in Project Excellence
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Abstract

All projects have sponsors, but not all sponsors can articulate their role and responsibilities in regard to enhancing project success. Expecting a sponsor to automatically know their role or learn it ‘on the job’ creates the potential for miscommunication, inefficiencies, and increased project management overhead later in the project.

Project managers can increase their chances of success by setting aside time during Project Initiation to clarify with their sponsor the role each will perform during the various phases of a project. Developing this relationship early helps decrease communication risks as a project progresses and provides a baseline to assess the relationship at project phase gates.

The first part of this paper will review the steps to be taken to instill some discipline in the way sponsorship is defined and project sponsors are assigned. The second part will list out the role and responsibilities a sponsor should assume during each project phase and the last section will provide some associated tips and techniques to help implement the enhanced sponsor role in your company.

Introduction

‘Poor upper management support’ makes all of the top ten lists of why projects fail and yet, the project sponsor, who is the direct link between the project and upper management, is often one of the most poorly defined roles on the project team. Project sponsors tend to be the functional manager or departmental VP at the top of the pyramid under which the project is being executed. This role is usually assigned by default rather than by a process which attempts to match a project’s needs with a sponsor’s skill set.

An organization’s project management capabilities and maturity can be advanced by improving how the role of the project sponsor is utilized. Putting into place a clear checklist of the sponsor’s responsibilities is a useful tool for the project manager and can help avoid situations where the PM assume responsibilities that should be owned by the sponsor. It can also serve as background for discussions and negotiations around issues that fall into an ownership grey area between the PM and the sponsor. The bottom line is we need to do projects well and this is more easily achieved when every project team role is utilized to the maximum.

At my company (The United Illuminating Company; an electric distribution utility), we set out to create a training program to articulate how we wanted the role of project sponsor to function on all of our projects and to define a checklist which could be used at any time by the sponsor or project manager to do a quick assessment of how the sponsor role and/or their relationship was functioning.

Building the Case for Improving Project Sponsorship

Realizing that effective sponsorship is important to increasing a project’s chances of success, we first set out to build the case for improving capabilities in this area. Examining the current process for assigning and utilizing the sponsor role, we found our practices lacked the discipline we felt could leverage the role of the sponsor:

- Sponsor assignments were made more by functional position than project need
- Roles and responsibilities were almost never agreed to between the Sponsor and the project manager
- Business objectives driving initiation of a project did not retain an active position in the phase gate Go/NoGo discussions
- Sponsor roles differed dramatically between projects
- Communication and relationship issues increased dramatically if a project began to miss goals

Using these observations, we built a list of benefits that effective sponsorship could bring to our project management process:

- Sponsor role is uniform and easier to understand across projects.
- Delegation of tasks and responsibilities is understood and simplified.
- Communications and decision making is enhanced.
- Business objectives (not just project deliverables) remain a critical driver as projects progress.
- Unresolved issues can be effectively owned and escalated.
- Stakeholder expectations can be monitored more objectively.
- Major risks are more likely to be identified and managed early.
- Potential opportunities can be leveraged faster.

All of these could be factors in building a more successful project management environment and the relationship between the project sponsor and the project manager would be the key component of improving this capability. And the best part was, we saw this as more of a clarification of the sponsor role which could be accomplished with some short term focused training rather than a culture change with all its attendant problems.

Defining the Project sponsor Role

The foundation of improving the sponsorship role was to establish a clear and useable definition for the role of Project Sponsor which would be useful to both sponsors and project managers in establishing what each one's responsibilities would be on a project.. Anyone who has researched this area knows that little time has been spent in the PM literature clarifying the sponsor role. Even in the new edition of *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)* the project sponsor is not discussed in any detail and usually only referenced as an approver of some project deliverable. The *PMBOK® Guide* does give us the basic definition of the project sponsor:

"The person or group that provides the financial resources, in cash or in kind, for the project"
(PMI, 2003, p. 26)

This was not a definition we found especially useful in establishing an integral team role which would be active throughout the project.

Dr. Kersner's handling of sponsors and sponsorship was much more in line with our need for a practical guide and he begins the process of breaking down the role into activities to be undertaken at various points in a project. (Kerzner, 2003, Ch 10.)

We examined what we saw as the role of a project sponsor and came up with a list of primary tasks which they would need to perform on any project:

- Insuring the business objectives of the project are understood and achieved
- Supplying sufficient resources to the project to achieve its deliverables
- Resolving problems that require authority beyond that of the Project Manager
- Serving as a leadership liaison between the project team and the executive team.

We envisioned the role of the sponsor as a buffer for the project manager (and indirectly the project team) and positioned directly between the PM and:

- Senior management
- Any project portfolio management team
- External functions and agencies

And finally we reviewed the problems which could arise if the Project Sponsor is ineffective:

- Unclear requirements and objectives.
- Priority assigned to project may not be appropriate
- Project start is weak
- Communications are less effective
- Resources are not appropriately committed

- Escalated problems are not resolved efficiently
- Risks to project success increase

Together these lists gave a functional definition of the sponsor role by establishing the type of tasks they would address on the project and identifying their position in the communication channels of the team. The project manager was to focus on the project deliverables and the sponsor would be concerned with the business objectives which the project was being implemented to address. Using this simple division of focus as a tool, they would be able to determine who should be responsible for tasks and issues that came up around a project.

Assigning the "Right Sponsor"

As with any project team role, the sponsor should be matched to the needs of the project. Key characteristics which define a proper fit for a sponsor are:

- Having the appropriate level of knowledge of the project goals and requirements
- Possessing the leadership skills needed to effectively work with the project team
- Having the appropriate level of authority to act effectively within the sphere of the project
- Being able to influence the project environment and key stakeholders
- Good communication skills

The better the fit, the greater the chance the project has for success. Whatever your internal process for assigning sponsors the following questions can be very helpful as a reality check for the prospective sponsor or the project manager:

- Does the prospective sponsor have the right mix of business acumen and technical knowledge?
- Does the level of decision authority required by the project fit the sponsor candidate?
- Does the candidate have the right leadership skills (communication, vision, diplomacy, inquiry, advocacy and decision making) for the project?
- Does the prospective sponsor have the availability to serve effectively?
- What is at risk if the sponsor doesn't do an effective job?
- Should the project go forward without the right sponsor?
- What else might suffer based upon the sponsor's need to focus time and effort on this project?

The answers to these questions can shed some light very early in a project on how much time the PM and sponsor need to spend in building an effective relationship.

Project Sponsor Responsibilities by Project Phase

All projects should deliver the business objectives laid out in the business case, project portfolio brief, and any other value proposition documents used in your organization. As defined above, the project sponsor is responsible for these objectives and so the sponsor must remain active across the life cycle of a project to insure the objectives are being addressed. Working with Paul Shaltry of Catalyst Consulting, the following list of responsibilities were developed and aligned with the project phase in which they were targeted to be performed. These activities are common to all projects with the understanding that for any particular project the level of effort for each activity should be adjusted for the skill level of the team and the risk level of the project. These duties, however, need to be fulfilled at least at a minimum level for all projects.

For ease of use, the sponsor's responsibilities by project phase are presented at two levels. A high level checklist is intended as a quick reference by the sponsor and PM and the detail section which provides more educational and training detail to help clarify questions which might arise.

Initiation Phase Checklist

- Validate project business objectives.
- Align project with strategic goals.
- Determine project priorities.
- Define relationship with the project manager.
- Identify business constraints and requirements.

- Authorize project and resources including Project Manager – Project Charter

Initiating Phase Detail

- *Validate project scope and objectives.* This involves the sponsor's judgment as to whether the project is addressing the correct business problem or opportunity effectively. The project is defined within the context of overall business objectives. The sponsor must include key project stakeholders in the validation of scope and objectives.
- *Align project with strategic goals.* This involves the sponsor's judgment as to how or if the proposed project helps accomplish the company's strategic goals. This alignment is stated so that the project team understands the project's intent and relationship to goals.
- *Determine priorities.* The decision to do the project is based upon a determination of its priority relative to other work/projects underway. This is part of the Portfolio Management procedures for the strategic portfolio of projects. Departments need to do a similar assessment for operational projects.
- *Define relationship with the project manager.* This is the meeting which should occur between the sponsor and project manager where the responsibilities laid out here are discussed in detail and agreement is reached on how they will function together.
- *Identify business constraints and requirements.* The sponsor needs to have a clear sense of limitations that may apply to the project and see that they are fully considered. Also, the sponsor needs to help develop and convey business requirements that the project must satisfy to be successful.
- *Authorize project and its resources.* The sponsor, usually with the help of the designated project manager, constructs the **project charter** wherein the project manager and team, among other information, are authorized to start. Where cross-organizational resources are needed, the sponsor needs to ensure those commitments are there from other senior managers. The sponsor should secure the key stakeholder's signatures on the charter document.

Planning Phase Checklist

- Ensure validity of project's business value within acceptable risk limits.
- Ensure appropriate resource support and cross-area cooperation and commitment.
- Review and approve the Project Plan.
- Phase gate decision (go, hold, or no-go) .

Planning Phase Detail

- *Ensure validity of project's business value within acceptable risk limits.* As the detailed planning of the project goes forward, the sponsor needs to make sure that the project team has created a plan that is consistent with achieving the original objectives and capturing the desired business value of the project. Detailed planning may identify unacceptable risks or issues that might challenge the original value of the project, or require changes in scope or structure. Having the courage to cancel or restructure a project is a key role of the sponsor.
- *Ensure appropriate resource support and cross-area cooperation and commitment.* Once the project plan is fully developed, the sponsor, before signing off, needs to be assured that the plan, as now detailed, can be supported by all the project stakeholders.
- *Review and approve the Project Plan.* After the project team develops the detailed project plan, the sponsor reviews all plan components to verify alignment with project objectives. In particular the sponsor should pay careful attention to the risk management, communications and change management plans.
- *Decide on project execution (go, hold, or no-go) .* The actual end of the planning phase brings forward a baseline project plan for approval. This is a key decision point where, now that sufficient detail is available, the sponsor may authorize execution as planned, may delay execution for further planning or for avoiding schedule conflicts, or may cancel the project altogether.

Executing Phase Checklist

- Monitor business developments.
- Resolve high-level issues affecting project.
- Mentor the Project Manager and team.

- Maintain executive contacts with Vendors (if applicable).

Executing Phase Detail

- *Monitor business developments.* The sponsor must constantly be aware of developments and decisions (outside of the project purview) in the business environment that may affect the sponsored project.
- *Resolve high-level issues affecting project.* When issues or obstacles arise that are outside the scope and authority of the project manager, the sponsor must actively assist the project manager in resolving issues and securing decisions in a timely manner in order to eliminate or minimize impact to the project.
- *Mentor the Project Manager.* A sponsor should look for ways to help the project manager be more effective. However, the sponsor should not take over or interfere with the responsibilities of the project manager. This helps build rapport and better communications and strengthens the project team.
- *Manage Vendors (if applicable).* A sponsor needs to maintain a high level relationship with counterparts at third party support partners. Resolution of vendor issues often escalates to the sponsor role.

Controlling Phase Checklist

- Oversee progress to plan and constancy of project value.
- Evaluate Status Report information
- Approve or deny changes to the baseline plan.
- Make go/no go decisions at critical project review points.

Controlling Phase Detail

- *Monitor progress to plan and constancy of project value.* As a relative 'outsider' to the day-to-day project activities, the sponsor must use the approved baseline milestones as the measure of progress. Progress acceptance criteria must be clearly defined to insure the value of the project isn't compromised and opportunities to improve value aren't overlooked.
- *Approve or deny changes to the baseline plan.* When the project needs a formal change order, which will alter the approved scope, schedule, and budget, the sponsor must approve such change requests. Prior to approval or denial, it's critical that the project manager has thoroughly examined and made clear all the ramifications of the proposed change to the sponsor through the change control process.
- *Make go/no go decisions at critical project review points.* At the end of each project phase or milestone attainment, a decision on whether to proceed, defer or terminate a project needs to be made. These decisions will typically be based on current business conditions and past project performance. These review points should be detailed in the baseline project plan, which is approved at the end of the planning phase. All decisions and rationale should be communicated back to the project team and stakeholders.

Closing Phase Checklist

- Approve project closeout report
- Participate in Lessons Learned meeting
- Agrees to project closure and official release of resources
- Confirms administrative close of project

Closing Phase Detail

- *Approve project closeout plan/report.* The sponsor uses this opportunity to formally approve the closing of the project, as proposed by the project manager. Without this formality, projects tend to drift and unnecessarily consume resources. This includes ensuring that all of the financial accounting issues have been resolved including closing project accounting.
- *Participate in Lessons Learned meeting.* The sponsor needs to supply his perspective to the Lessons Learned meeting for those activities involving his responsibilities. e.g. communication with upper management, phase gate decisions, etc

- *Agrees to project closure and official release of resources.* Usually in conjunction with the approval of the closeout report, the sponsor signs off on the official release of committed resources including budget monies.
- *Confirms administrative close of project.* The sponsor needs to confirm the PM has closed all accounting, accounted for invoices, etc so no additional activity can be booked against the project.

Implementing the new Project Sponsor role

Once the business case is made and the new responsibilities outlined, the task of rolling out the new approach must be addressed. We secured the following key steps from senior management which were viewed as critical to a quick and uniform implementation of the enhanced sponsor role:

- For consistency across the organization, we lobbied for commitment from our Portfolio Management Team to identify all potential sponsors under the new definition and allocate time for all of them to go through a training class.
- Classes were aggressively scheduled over a short time frame to insure a consistency of content
- The sponsor enhancements were incorporated into the Project Management Capabilities Improvement process
- The class is offered periodically in the in-house Leadership Curriculum as a refresher and as new potential sponsors are identified
- The contents of this paper and the associated conference PowerPoint presentation represent the majority of the class material.

Evaluating the Sponsor/PM relationship

One key goal for the phase checklists is to establish a mechanism for a reality check on the effectiveness of the sponsor and the working relationship with the PM at appropriate points throughout the project.

These began to take a questionnaire form as we tried to simplify the process. At anytime during a project, but especially at phase gates and any interim lessons learned meeting, the following questions can be assessed to see how the relationship is functioning:

- Are responsibilities agreed to in the initial meeting with the PM still being performed by the sponsor
- Is the sponsor aware the current risks to the project and the impact of the risk response plans
- Are problems escalated quickly and responded to in a timely manner
- Are communications problems with the sponsor causing an increase in PM overhead
- Is the project managers taking on responsibilities which can not be effectively addressed by his level of authority and influence

If the relationship is starting to deviate from the original agreement, needed adjustments can easily be implemented or the relationship can be renegotiated.

Some quick tips and techniques for improving Sponsor/PM working relationships

- Set-up a meeting early in Project Initiation to establish respective roles & responsibilities
- Establish a resolution procedure for any issues which come up around roles & responsibilities
- Include in the Communication Plan a periodic review to revalidate and/or change responsibilities
- Establish the Sponsor role in all meetings which it is agreed they should attend
- Establish boundaries on what topics are to be escalated to the Sponsor and the procedure for escalation
- Don't delay escalating appropriate problems to a sponsor

Closing Comments

This effort started with the premise that an effective project environment requires effective project sponsorship. Project managers too often assumed responsibilities that organizationally would be much more effectively addressed

by the sponsor and sponsors too often were assigned to projects without real regard for their ability to increase the project chances for success.

By providing a framework for assisting the sponsor and project manager for establishing and maintaining their working relationship on a project, we feel we have effectively increased our capability to successfully manage projects, reduced many of the communication issues between the sponsor and project manager and enhanced the discipline around our project management methodology.

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