



The **vision** to succeed

Gates – the ultimate challenge Rod Sowden - P3M3® & MSP® Lead Author

We know that successful organisations have effective decision gate processes to ensure that they are delivering the right projects and programmes in the right way. Consequently, in the 2008 version of P3M3¹, a key attribute was added to achieving level 3 maturity, and that was the existence of a gate process. This has proved to be the Achilles heel for many organisation who have tried to implement them. This article highlights some of the issues that we have seen and some of the pitfalls that can be avoided.

The addition of this characteristic was founded on two key principles, firstly that a gate process would provide the basis for ensuring there was control over what initiatives were starting within the organisation, so the organisation is doing the right things. The second principle was that it would establish a mechanism for stopping initiatives that were no longer doing the right thing for the organisation so it would provide the control to stop the right things going wrong.

The lack of a gate process being in place is one of the most common reasons for organisations not achieving level 3 maturity during assessments. Implementing gates is the point where the business and

P3M teams become accountable for their performance, so the concept is threatening to both groups.

All the best practice guidance and bodies of knowledge have assurance and decision gates built into them, specifically Management of Portfolio defines the need linked to funding release, MSP has End of Tranche Reviews for ongoing viability and PRINCE2 has End Stage Reviews, so it is rather surprising that none of this seems to be happening in anything other than an ad-hoc way.

It is worth remembering why we need some sort of gates, here are five key justifications:

1. **Controls the volume** of projects and programmes in delivery to enable balancing the capacity of the portfolio
2. **Provides the lever to stop**, for whatever reason, it is common for programmes or projects to continue to fail as there is no way of stopping them, the bigger the project the harder it is to stop.

Decision Gates help organisations to ensure they are doing the right things in the right way. Mature organisations use them, immature ones don't - this is not a coincidence

¹ Portfolio, Programme and Project Management Maturity model

Rod was the lead author for P3M3® Version 2, MSP® 2007 and 2011. In addition, Rod has a number of other published books including the MSP® Survival Guide series and the Easy Guide to Project Planning and can be contacted by email to rod.sowden@aspireeurope.com

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Part of the confusion could stem from the widely adopted UK government “Gateway®” process, which is actually a peer review but has been widely adopted as a Gate approach. This is not a criticism the excellent Gateway philosophy but the way it is interpreted

- 3. Reduces the likelihood of failure** by having independent expertise and emotionally unattached judgement applied.
- 4. Basis for improving knowledge management** by gathering and sharing lessons learned
- 5. Protects individuals** leading a project or programme from unreasonable blame if things go wrong

Assurance reviews versus Decision Gates

These are different, but are often confused. Assurance Reviews advise and Decision Gates make decisions. The first is an independent assessment with wise counsel, and provides confidence to the organisation that initiatives are on track, these can sometimes be conducted with internal resources, often called Peer Reviews. The Decision Gate provides a stop, go or change direction decision based on the business alignment and imperative. These are not exclusive approaches, as they are both needed, the Assurance Review helps to provide clarity of thought and expertise for the decision making authorities at the Decision Gate.

Common causes of failure for Decision Gates

It is no coincidence that high performing organisations have the gates working effectively, low performing organisations do not. With this in mind, here are some of the problems that we have noted commonly occur:



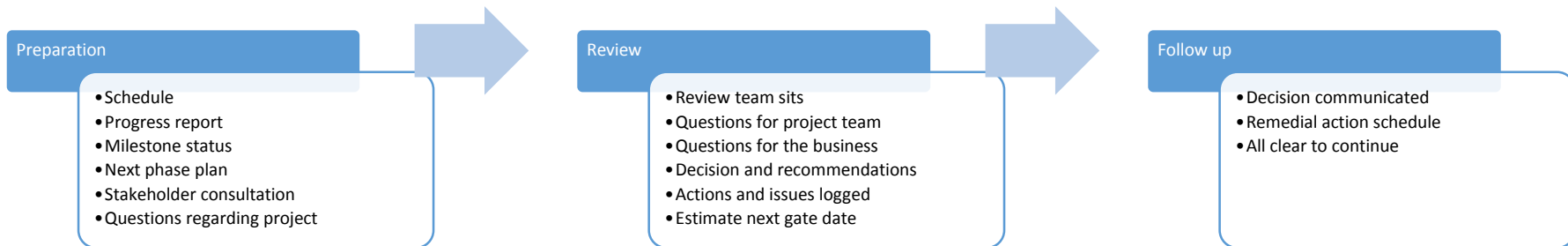
- **Lack of purpose.** Private companies often have a clearer purpose, they exist to make money so want to stop projects that are wasting money at the earliest opportunity. Public sector organisations worry about the same thing, but once money has been lost they are more likely to keep going rather than be blamed for waste and write off. So the purpose of the process needs to be very clear
- **Lack of cultural support.** Organisations at lower levels of maturity often suffer because senior managers see the process as an affront to their authority and stopping a project as a management failure rather than a business decision.

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- **Lack of authority.** A decision gate should have people with the right, knowledge, experience, level of authority and independence to ensure that their reviews are credible and recommendations respected. The Decision Gates are part of the decision making process and must have the authority to stop or go or re-direct, far too often we see projects receiving “red flags” continuing happily and shouting “don’t worry”.
- **Lack of competency in the reviewers.** Being a good project or programme manager, or a subject matter expert does not make you a good reviewer neither does being an outstanding technician or industry expert. People need to be trained on the process, how to handle the face to face elements of the review along with making effective recommendations that don’t

overwhelm, but do focus on the root causes of issues not the results.

- **Lack of supporting process.** Failed implementations often result from weaknesses in the underpinning review process or the organisation does not think through the 3 stages of a review. The preparation and follow on are as important as the actual gate events. Poor or rushed preparation will lead to poor recommendations which will undermine the process, this applies to Assurance Reviews and Decision Gates

Guiding principles for Gate implementation

The following are some key principles that will help with your implementation.

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- 1. Earning the right to proceed.** Too often initiatives undergo a review with little threat to their continuation. The focus should be on earning the right to continue through a viable value for money proposition and ongoing control of risks. When setting up a Gate process, there should be clear and distinct terms of reference to differentiate between Assurance Review and Decision Gates. Remember that the point of the review is about ensuring that the organisation is “doing the right things” and “doing things right”. Unfortunately the majority of projects fail to build genuine decision stages into their plans, so the opportunity is avoided from the outset.
- 2. Whole organisational commitment.** There has to be commitment from all levels in the organisation and a cultural willingness to learn. This is a common problem, without the commitment of the executive board then it will definitely fail as it will be seen as a bureaucratic control rather than an opportunity to excel. We say whole organisation because without the middle and senior managers being committed too, the value can get lost in noise, reviews being ducked, review actions being deferred or avoided by giving superficial responses. Where a Portfolio

Board is in existence, then they can act as the Decision Gate based on recommendations of an Assurance Review.

- 3. Robust supporting process.** There must be integrity for the approach, if an initiative is Red flagged and no action is taken then everyone is wasting their time. There must be respect for the people involved in the Assurance Review and also respect for the people ultimately making the business decision, their perspectives may be very different. The process for dealing with the outcomes of the reviews has to be really clear and not open to subversion, there may be a need for a project that is red flagged to continue, but everyone in the system should understand that, otherwise it is meaningless. Too often gates are seen as the place where you get told off, balance this with praise for those doing well.

- 4. Take a whole system approach.** Gates of any sort do not work without some organisational context, so building an integrated approach that uses maturity assessments (P3M3) to understand organisational capability, independent (assurance) reviews to provide independent challenge and Decision Gates to decide on the business viability and alignment



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provide the integrated approach. The inherent systemic weaknesses identified by organisational capability will permeate through all the levels. The same topics that provide organisational capability assessments should be the basis for all the reviews.

- 5. Emotional independence.** It is very easy for Assurance Reviewers and Decision Gate members to become wrapped up on the emotion of the decision making process and the desire to either make something happen or to stop it, it is also possible for personalities to become part of the process. When designing the approach, remove the Assurance Reviewers from the business Decision Gate member to increase the chances of success.
- 6. Focus on quality not quantity.** This covers a number of areas, firstly a review needs to have time to do its job properly, so allowing a few days to review a complex programme is simply inadequate and result will be superficial. The amount of time spent should be proportionate to the level of risk. If the review team only have access to limited or poor quality information the quality of their output will again be limited, they can only assess what is in front of them, so if you have weak information management the quality of the reviews will be limited as well.

- 7. Build on solid foundations.** Before gates can be successful there needs to be a well-developed lifecycle and supporting infrastructure. This will help to set the criteria for evaluation by clearly setting out what the project should have in place by the time it reaches the gate, and how long it should have taken to arrive at the gate. This provides the decision making framework, without it ambiguity will increase along with the potential for conflict.

In summary, there is well trodden path of failure for the adoption of review gates of any type, in this paper we have set out the common reasons for this failure which we hope will help with understanding of the pitfalls.

We hope that the guiding principles will help you with your implementation, if you use these to inform the development of your plan, and ensure you avoid the common pitfalls, we are confident that you will have a fighting chance of success.

If we can help in any way, we are always happy to discuss and share experiences. You may also find it useful to read our paper called “Solving the riddle of integrated assurance”