

Communication: The Message Is Clear

Whether it's in person or via email, with a sponsor or a stakeholder, effective communication serves as the very bedrock of business. It can sway public opinion, give teams a sense of purpose, persuade executives to increase funding—and boost project success rates.

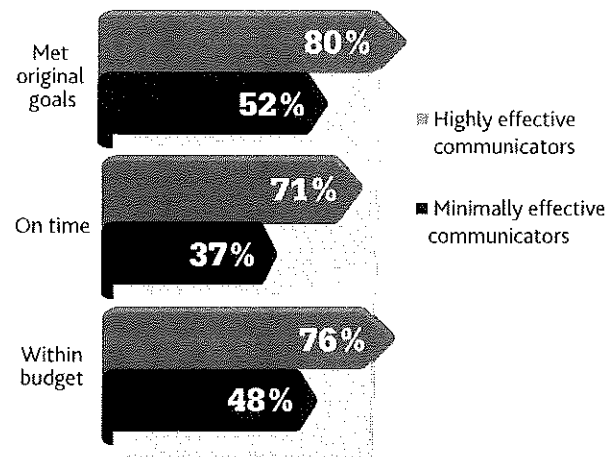
Among those organizations considered highly effective communicators, 80 percent of projects meet original goals, versus only 52 percent at their minimally effective counterparts, according to PMI's *Pulse of the Profession™ In-Depth Report: The Essential Role of Communications*.¹ Highly effective communicators are also more likely to deliver projects on time (71 percent versus 37 percent) and within budget (76 percent versus 48 percent).

A 2012 report by PwC shows similar benefits. Executives said organizations with effective and efficient communication methods are more likely to stay within scope, meet quality standards and deliver intended business benefits.²

"A good communication process keeps stakeholders engaged and project teams motivated," says Graham Colborne, PMP, manager of capital and projects at Barrick Australia-Pacific, a mining company in Perth, Australia and member of the PMI Global Executive Council.

Yet true communication both inside and outside the enterprise walls remains a rare commodity—much of which comes down to a fundamental difficulty in communicating with the appropriate clarity and detail. Sometimes it's the project manager who can't stop outlining every single technical step in excruciating detail to the executive committee. Other times it's the executive unable to translate the grand strategic vision into actual project objectives and scope. Or it's the sponsor who doesn't engage with external stakeholders beyond a press release.

Organizations that communicate more effectively have more successful projects.



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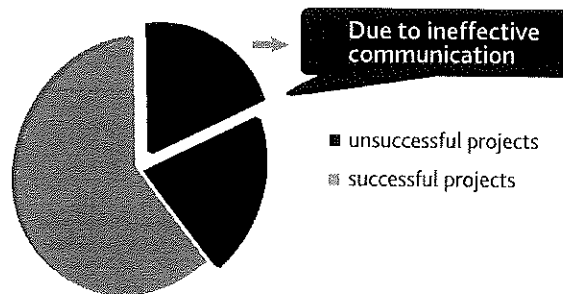
No matter the scenario, the result is the same: Lack of effective communication dramatically increases the risk projects face and the likelihood that they will fall short. Ineffective communication is to blame for more than half of projects that fail to meet business goals, according to the Pulse communication report. Of the US\$135 million at risk on every US\$1 billion spent on projects, US\$75 million—more than half—is on the line because of poor communication.

While business leaders certainly like to herald communication as “critical to success,” far too many people remain oblivious, convinced they’re doing it better than they are. Pulse findings reveal, for example, that although 62 percent of business owners and 60 percent of executive sponsors perceive themselves as communicating strategic alignment and business benefits effectively, only 43 percent of project managers agree with that assessment.

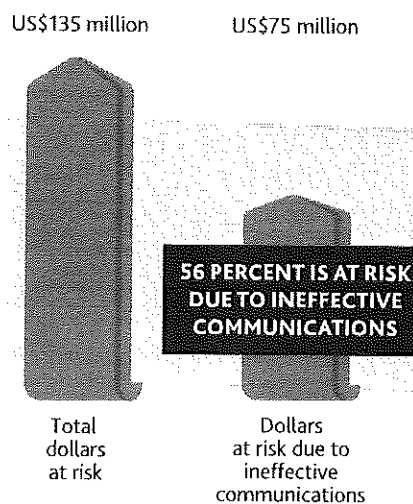
For their part, project managers and their teams must learn to speak in the language of business. Instead of going into the minutiae of the work breakdown structure, they must be prepared to speak to how the project will deliver results.

To bridge the communication gap, organizations must help everyone learn to say the right things to the right people in the right channels.

One out of five projects is unsuccessful due to ineffective communications.



The amount at risk for every US\$1 billion spent on a project.



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“You need to internalize good communication strategies as part of the project culture.”

~ **James Brown, PMI-ACP, PMI-RMP, PMI-SP, PMP, PgMP**
 Director of Program Management | Chair of the Project Management Center of Excellence
 DuPont Pioneer | Johnston, Iowa, USA

MAKE THE CASE

Effective communication doesn't just convey facts. It makes people understand the role they play in the project. Done right, communication engages everyone who touches the project, from executives and end users to project managers and their teams.

*"If you want to achieve anything, you need to reach out to people...
Tell them what you're doing, listen to what they need and adjust your
goals as necessary."*

~ **Bobbi Schroepfel**

*Vice President of Human Resources, Customer Care and Corporate Communications
NorthWestern Energy | Sioux Falls, South Dakota, USA*

As the project sponsor for a major initiative targeting the company's customer base, Ms. Schroepfel sees the power of clearly laying out the project vision to stakeholders.

Project communication planning shouldn't be limited to internal stakeholders, either, adds Ms. Schroepfel. Many projects impact user groups, leaders and communities outside of the enterprise. Whether the organization is launching a product that requires regulatory approval or adding infrastructure that will cost customers money, the community will have a say in whether that project moves forward or not, she says.

"You have to be proactive about communicating with the public," Ms. Schroepfel says. And that doesn't just mean sending out a flyer or posting an ad in a local paper. "This piece of the communication process requires significant time, energy and executive involvement to show the community that your organization is committed to the goals of the project," she says. "It's not a corporate communication challenge, it's an organizational one. And to be effective, leadership must own this part of the project."

Even after the project is finished, team leaders and project sponsors are still responsible for communicating with end users, business unit managers and executives about what the team accomplished and the value the project brings to the organization, says Craig Letavec, PMP, PgMP, director and head of project management, risk and quality at Atos, a global IT services company in Waynesville, Ohio, USA.

"Communication is one vehicle that makes people see the benefit of what you have done."

**CASESTUDY****COMMUNICATION IN ACTION**

Organization: du Telecom, Dubai, United Arab Emirates

Industry: Telecom

Lesson Learned: When a project hits unexpected roadblocks, communication helps keep customers on board.

When du Telecom partnered with organizations in China, India and Qatar to launch a global connectivity program in early 2013, it didn't want anything lost in translation.

That meant some adapting to the norms of the different cultures. First, there was the calendar to contend with. "India has a lot of public holidays compared to the Middle East," says du Telecom's Mr. Malik.

India's weekend is on Saturday and Sunday, while the United Arab Emirates and Qatar take Friday and Saturday off. "That left us four days in the week to communicate," he explains.

Scheduling meetings during the mid-week overlap got the job done—until an unexpected crisis erupted. When an undersea cable was cut near Italy in March, network data transmissions slowed across Africa and the Middle East.

The project plan had an established contingency plan: switch to the back-up network in India. However, on the day the cut occurred, India was celebrating a public holiday, and no one could reach the partner company there.

Mr. Malik immediately organized a high-level meeting to keep the lines of communication open. "We wanted the customer to understand that we had the highest executives in our company involved in solving this problem," he says.

It took a day, but the du Telecom team eventually got through to the Indian team and made the switch. Despite the delay, the client made no formal grievances about the event, which Mr. Malik attributes to effective communication before, during and after the crisis. Mr. Malik now plans to add a communication clause to contracts, requiring all partners make someone available on holidays and weekends. "It was an important lesson that will help us mitigate these kinds of incidences if they happen again," he says.



COMMUNICATION IN ACTION

Organization: Barrick Australia-Pacific, Perth, Australia

Industry: Mining

Lesson Learned: Early conversations unearth unmet needs in a project plan.

The project seemed simple enough: Barrick Australia-Pacific was extending the warehouse at one of its sites. In the past, a contractor had maintained all of the company's equipment and stored and tracked spare parts. "When we took over the equipment maintenance, all of that responsibility fell to us," explains Warwick Jones, principal capital project engineer at Barrick.

And he didn't want anything to slip through the cracks. Following the company's communication process, Mr. Jones used a standardized template to map all key stakeholders affected by the project, including executive sponsors and leaders from the mining, mobile maintenance, environmental, supply, and health and services departments. Then he brought them together to discuss the goals and potential benefits, review the project plan, and talk through any risks or priorities. "We wanted to be sure all of the issues we needed to address were identified," Mr. Jones says.

The meeting brought several concerns to light and prompted the project leader to question some of the assumptions made in the initial project plan, says Barrick's Graham Colborne.

For example, the project plan called for a two-story mezzanine with long staircases. The health and safety department stakeholders pointed out that the addition increased the risk of injury to workers carrying heavy materials. So all of the stakeholders in the meeting agreed that large equipment and products would be stored on the first floor. But that decision prompted even more changes. "It impacted the layout of the design, and the kinds of racking and shelving units that we built inside the warehouse," Mr. Jones explains.

The early discussions led to the addition of extra paved paths in and around the facility grounds to allow room for larger trolleys and forklifts. The project plan also shifted storage of less frequently used items farther away from the handling area.

If Barrick had skipped this communication step, Mr. Jones says the project team probably wouldn't have considered any of these issues. It would have followed the original plan, only to have the warehouse management team point out all the problems once the project was delivered.

"That's where you run into extra costs and increased schedules," he says. "Having a good communication process at the beginning of a project saves time and money at the end."

GIVE THE PEOPLE WHAT THEY WANT

For all communication, the medium must be as strong as the message. Some people live and die by emails filled with spreadsheet attachments. Others want a simple text. And all of those preferences should be considered as project communications are developed.

Project managers can produce the best project update in the world, but if they deliver it in a 50-page report, busy executives can't be blamed for not paying attention, says DuPont's Mr. Brown.

To streamline the information-collection process, executives should work with project leaders during the initial planning phase to define their preferred communication style, frequency and format.

DuPont project leaders, like those in many high-performing organizations, rely on a variety of push and pull communication methods to keep executives, sponsors and other stakeholders up-to-date on project progress.

At the heart of the process is a portal where all project documents are stored by and accessible to anyone related to the project. Depending on the information the stakeholders want or the format they prefer, they can view a spreadsheet of financials, a PDF of the work breakdown structure, a risk matrix or a status report document. "It's a mash-up of all the project information in one cohesive place," Mr. Brown says.

By offering the data in multiple formats, each stakeholder can access the information they need in the format they prefer. "People in different roles need to see the data in different ways," Mr. Brown explains. "The finance team will look for tables, while a stakeholder interested in strategy might click on a slide presentation."

Creating the portal doesn't ensure stakeholders will actually visit the site and read the documents, but it does let them get the information they seek in the format of their choosing whenever they need it. "We want key stakeholders to be able to easily access all the projects in the portfolio," Mr. Brown says. "It increases transparency and encourages more conversations about what's being accomplished."

To further encourage their participation, Mr. Brown's team pushes project communication to stakeholders through emails and meetings where stakeholders are invited to review progress and offer feedback. "It ensures everyone stays engaged and seeing the same messages," he says.

Communication builds trust among project teams, stakeholders, executives and customers, says Imran Malik, OPM3 assessor, CAPM, PMI-ACP, PMI-RMP, PMI-SP, PMP, PgMP, director of the program management office at du Telecom, a PMI Global Executive Council member in Dubai, United Arab Emirates.

When project teams keep customers and stakeholders updated on progress, risks and possible issues, it creates trust that the team is delivering to expectations and makes it easier to solve problems when they arise. "Trust can help you overcome even the worst obstacles," Mr. Malik says. "And that means favorable outcomes are much more likely to be achieved."

 **CASESTUDY** COMMUNICATION IN ACTION

Organization: NorthWestern Energy, Sioux Falls, South Dakota, USA

Industry: Utilities

Lesson Learned: Communicating with citizen stakeholders increases public support despite costly and disruptive engagements.

NorthWestern Energy was confident its US\$350 million infrastructure upgrade project would improve the reliability of service to its customers. But the company also knew the project would change customer rates and require major construction activities that would disrupt traffic and tear up yards for months at a time.

So before the project even broke ground, NorthWestern launched an aggressive communication plan, including a community outreach program. First, it assembled a cross-functional community stakeholder group composed of local politicians, not-for-profit group leaders and community members and business leaders to talk through project goals and collect their feedback.

Project team members met several times during the project planning process, educating the group about why the project was needed, what it would entail, where the money would go and how the company would communicate about the project to the rest of the community.

"The stakeholder group helped us understand how to bring people into the conversation," says NorthWestern Energy's Ms. Schroepfel.

The group also offered valuable feedback on the project plan, says Claudia Rapkoch, director of corporate communications and leader of the community stakeholder management effort. "They challenged a lot of our assumptions, and as a result we changed some aspects of what we are doing."

Most notably, NorthWestern found community stakeholders were far more skeptical about the benefits of smart grid technology than the company had anticipated. The group agreed it made sense to integrate the technology into the infrastructure backbone, but questioned the value of spending millions of U.S. dollars to put a smart meter on every house, Ms. Rapkoch says. As a result, the company altered the project plan so meters would be prepped for future deployment "if and when it made sense."

The company also discovered stakeholders largely supported the socialized model of pay rates, with crowded urban centers covering more of the cost of energy for the sparsely populated rural areas. "This realization didn't change the plan, but it impacted the way we talked about these elements of the project with the community," Ms. Rapkoch says.

Eighteen months after the meetings began, the construction phase of the project kicked off in 2010. Now in its third year, the project still has a dedicated communication representative who uses the group's feedback to shape the company's public-outreach efforts. These include messages about construction delays, including road signs designed to reinforce the project benefits through slogans such as: "This project will provide safe reliable energy for today and tomorrow."

The result: Despite tearing up roads, digging ditches in yards and pulling up underground cable across the region, NorthWestern Energy has had virtually no complaints, Ms. Schroepfel says.

“We made communication with the community a priority part of the project plan, and it generated support for the project and for the company.”

– **Bobbi Schroepfel**

*Vice President of Human Resources, Customer Care and Corporate Communications
NorthWestern Energy | Sioux Falls, South Dakota, USA*

PLAN OF ACTION

It's an unfortunate byproduct of today's rapid-fire paced business environment, but the reality is that communication often falls to the bottom of everyone's to-do list. Meetings get canceled, reports get ignored and questions go unasked.

Yet regular communication between the project team and organizational leadership is a critical risk management step that organizations ignore at their peril, says Kevin Lyday, PMP, director of IT within the procurement and grants office at the U.S. Centers for Disease Control and Prevention (CDC), Atlanta, Georgia, USA.

Regular project communiqués from the team help sponsors, leaders and clients stay abreast of progress and also help identify any potential problems. "The project team does what they think stakeholders want, but without feedback from those stakeholders, they can't be sure," Mr. Lyday says.

Of course, communication must go both ways: executives should clearly articulate how the project aligns with the organizational strategy, so the team doesn't make any wrong assumptions.

They may opt to hold monthly meetings with the whole team or weigh in on progress reports through email. Whatever the method, executives need to communicate the vision behind the project. Without that kind of engagement, projects often run into trouble.

"I've seen project teams march down the road on a project plan with barely a head nod from leadership," says Kathryn Yates, Portland, Maine, USA-based global practice leader for communication and change management at Towers Watson, a risk management and human resources consulting firm. "That's when projects inevitably hit roadblocks."

To avoid communication misfires, Mr. Lyday's department establishes a formal communication plan for every major IT project. It requires the business owner and all functional stakeholders to participate in a formal review at 10 stages. A dozen partners come together—from human resources, finance records management, information security, acquisitions, IT infrastructure and capital planning—to discuss progress, assess risk, and review the schedule and budget.

Crafting such a rigorous communication plan takes time and should be built into the project schedule, but Mr. Lyday contends it's worth the added effort. "It forces people to come together and talk about what we are trying to do, which helps us avoid risks," he says. "And US\$1 spent to assess and avoid risk translates to US\$100 savings later on."

Formal communications plans allow organizations to:

- Target efforts so the right people get the right message in the right channel
- Define communications responsibilities
- Foster explicit understanding of the project's strategic benefits to all stakeholders at every stage of the project

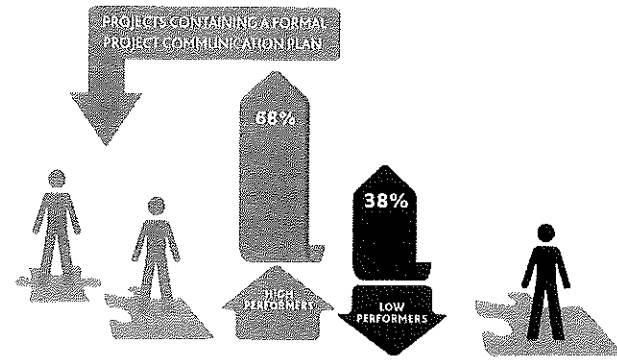
The ROI is clear: High-performing organizations—those that average 80 percent of projects on time, on budget and in line with goals—are nearly twice as likely to use formal project communication plans compared to low performers, according to the Pulse communication report.

Although communication plans should be customized to suit the organization, they typically outline what needs to be communicated and to whom, how often these exchanges should happen, in what format and why they're necessary. "You have to clarify the communication roles, responsibilities and governance as part of the project plan. Otherwise, people will focus in different directions," says Atos' Mr. Letavec.

It's not difficult in theory, he says, but a conscious effort must be made to embed this constant flow of communication in the business environment. At Atos, major projects often include a formal communication plan with a list of checkpoints, including progress updates with steering committees, risk management reviews, team meetings and communication with end users. Mr. Letavec then helps his project managers figure out when and how those communication strategies will take place and why they need to be done.

"The 'why' is essential," he says. "If people understand the importance of planning communication, they're more likely to make time to do it, and will make those interactions more meaningful."

High performers create formal communications plans for nearly twice as many projects.



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ACTION STEPS: 5 WAYS TO IMPROVE COMMUNICATION

① Position communication as a strategic function.

"Unless communication is approached through the context of what you're trying to achieve, you risk staying too focused on the tasks instead of the big-picture communication goals," says Atos' Mr. Letavec.

② Define the target.

"If you leave any one group out, you risk turning someone who could be a supporter into a detractor," Mr. Letavec says.

③ Make it a group effort.

"Everyone has to participate in the communication process or you're going to face a lot of surprises," says Barrick's Mr. Colborne.

④ Mix it up.

By integrating variety in messaging style, timing and channel, organizations ensure everyone can access the information they need, when they need it.

⑤ Get an outsider's opinion.

Communication can get stale when the same stakeholders make the same decisions year in and year out. Including a fresh set of eyes in the communication process helps organizations identify risks and potential mistakes, says the CDC's Mr. Lyday. "It brings objectivity to the plan and ensures the project team isn't deluding itself."

Even the best-laid communication plans will need some tweaking, of course, so organizations must remain agile. "Start with a basic plan, test it out and add to it incrementally as you go," suggests Mr. Letavec.

SUMMARY

The numbers reveal a simple truth: Communication is what allows projects—and the organization—to function efficiently. Conversely, when key players at any level fail to deliver their end of the communication bargain, projects face unnecessary risks.

"A good communication process helps you to be predictive," says DuPont Pioneer's Mr. Brown. "That's important, because if you are always reactive it's too late. The project is already off the tracks."

REFERENCES

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