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Sponsoring Change
A Guide to the
Governance Aspects of
Project Sponsorship

Second edition

Sponsoring Change

Second edition

Association for Project Management

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Contents

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Purpose

The purpose of this document is to guide board members and senior managers to adopt good practices regarding sponsorship of change projects. Effective sponsorship has been shown to be one of the key factors in delivering change project outcomes successfully.

The guide will help:

- improve understanding of the board's role in applying effective sponsorship of change;
- improve understanding of the role of the project sponsor in governance of any change endeavour;
- develop and improve sponsor competence;
- explain why a sponsor needs to be accountable for project success;
- assure board members, senior managers and others that good sponsorship and robust governance requirements are applied across all projects and programmes managed in their organisation, reduce risks to the organisation and maximise the benefits realised from projects and programmes; and
- ensure that there is a more constructive and productive relationship with those delivering the change project.

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Introduction

*"The effectiveness of the project sponsor is the best
single predictor of project success or failure"
NAO annual review of projects – 2015*

Organisations spend a significant proportion of their annual budgets on projects, and projects are the primary vehicle for achieving an organisation's strategy. Many of the reasons cited for project failure are linked to the role of the project sponsor. Despite the importance of the role, there has been little guidance for the individual who has been asked to sponsor a project.

This guide has been updated from the original version published in 2009 and explains:

- why every project[1] needs a sponsor;
- how the board's support is important for sponsor and project success;
- the attributes of an effective sponsor that are critical to success;
- what a sponsor does for the business;
- what a sponsor does for a project manager;
- some useful pointers in choosing and selecting a suitable sponsor (Appendix 2).

Sponsors are variously titled, according to practice within their organisations, and may be located at different organisational levels. Whatever a sponsor's level of authority, at a minimum they will be accountable for the project business case, budget, and high-level stakeholder engagement.

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[1] The terms projects, programmes, project management and programme management are defined in the *APM Body of Knowledge*, and the PMBOK, BS6079. For brevity, this guide uses the term 'project' as being inclusive of project-based programmes and portfolios. Thus, when this guide recommends that every project should have a sponsor, it implies, equally, that every programme and portfolio should have a sponsor.

The programme or project sponsors are accountable for the realisation of desired outcomes and benefits from any investment. They provide the governance link between the organisation's senior executives (the board[2]) and the management of each project.

This APM *Sponsoring Change* guide complements the APM *Directing Change* guide which sets out good practice for the overall governance of enterprise-wide project management and individual projects – one of the core principles being that every project or programme shall have a named and competent sponsor. *Directing Change* also explains the board's responsibility for the overall governance of change and change management across the enterprise and provides checklists for boards and sponsors regarding their governance responsibilities.

The board is accountable for overall sponsorship of the organisational strategy, ensuring a clear line of sight with business-as-usual operations and individual projects and programmes in the organisational portfolio. Clear governance arrangements should be in place for an organisation to undertake any complex change activity. The board is therefore ultimately accountable for ensuring that an appropriate sponsor owns each programme and project and holding them to account for that delegated responsibility, including acting on their behalf in setting the appropriate tone and leadership.

Projects exist to change organisations, their services, performance and/or reputation and impact upon the business to some extent. Business strategy emanates from the board and will guide changes to the business through projects. It is vital to the board that their strategy is turned into reality, confirming the benefits (qualitative and quantitative), understanding the risks and defining boundaries, constraints and dependencies. The board, in setting the agenda for good sponsorship, should consider the important principles described here and ensure they are understood and underwritten.

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[2] In this guide, the term "board" refers to executive boards, their equivalents in the public sector and to councils in companies limited by guarantee. It does not refer to project boards, which are described separately in section 4 – Organisational context.

Sponsoring Change

Section 6 of this book describes how the sponsor provides accountability, confidence, transparency and understanding to the business, by performing the following advocacy and leadership activities:
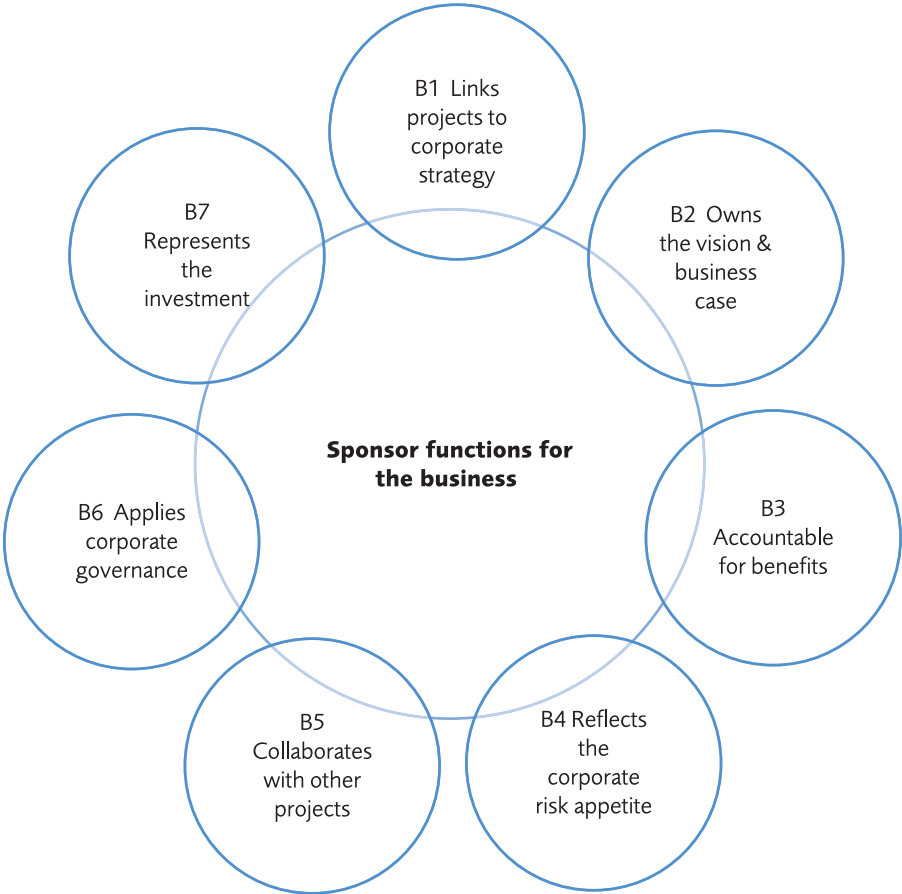
3

Research and reviews

Reports continue to be produced highlighting the failures of high-profile projects, or the poor project delivery success rates in particular sectors. Over the past couple of decades, the focus has shifted from the methods and tools of project delivery, to the people running and leading them. Many reports and academic papers have been written emphasising the importance of effective sponsorship and sponsors in achieving successful project outcomes. Key messages from some of these are outlined below.

APM research in 2015 *Conditions for project success*

> *"the environment in which projects operate and the conditions for project success are at the heart of improving outcomes. And yet, having spoken to over 850 project professionals and thought leaders across the private and public sectors, APM has revealed that while the key to success is known, this practice is often not applied. As a result, nearly 80 per cent of projects fail to wholly meet their planned objectives".*

The study concludes that there are five critical success factors (out of 12) that boards should consider to improve project outcomes:

- **Effective governance:** How do we assure ourselves that the project is where it should be, and who is providing the confidence for us?
- **Goals and objectives (alignment):** Must ensure that corporate strategy and project outcomes are aligned.
- **Capable sponsors:** Have we systems and processes in place to select and support sponsors? Do we have organisational capability?
- **Supportive organisations:** Sponsors should have appropriate organisational support in terms of clear authority, access to decision makers and adequate resources. There should be continuity of sponsorship through the lifecycle and the provision of professional and ethical leadership consistent with its culture and values.

- **End users and operators (stakeholders):** Who is assuring us that the business will accept seamlessly the change and benefits being delivered by the project?

APM *Measures for assuring project success*, published in 2016

This document contains a useful toolkit for business leaders to understand where to concentrate effort in assuring successful project outcomes. Of relevance to sponsorship are the sections:

- **Client[3] and scope:** Clear and controlled baseline requirements, objectives, success criteria, business case, terms of reference, contracts and benefits realisation.
- **Risk and opportunities:** Management of risk and opportunity through the lifecycle of the project.
- **Organisational capability and culture:** People and behaviours.
- **Solution:** The deliverables and outcomes to meet the client requirements.
- **Performance:** Measuring all facets of performance against the baseline requirements, variance analysis and management action.
- **Governance:** The project infrastructure is aligned to corporate structures.

The National Audit Office (NAO) report (January 2016) to the Public Account Select Committee

A key finding was for:

- *"improvements to accountability with greater clarity about the role of SROs[4] (sponsors)"*.

Over the past few years, the NAO has observed that project governance, and in effect ownership, has to be strengthened. These observations have come following underperformance on, and failures of, some major projects and programmes. Lessons learned and experience has shown that the appointment

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[3] The client is the individual or organisation for whom the project outputs are being produced. In some circumstances the client may be the sponsor. See Appendix 1 for more information.
[4] Senior responsible officer/senior responsible owner (SRO) – alternative terms for sponsor.

Appendix 1

Alternative governance structures

Projects and programmes

In project management terminology, a programme refers to a group of related projects. This guide uses the word project to refer to both projects and programmes. **This guide recommends that each programme and each of its constituent projects should have a sponsor**. These will usually be different people.
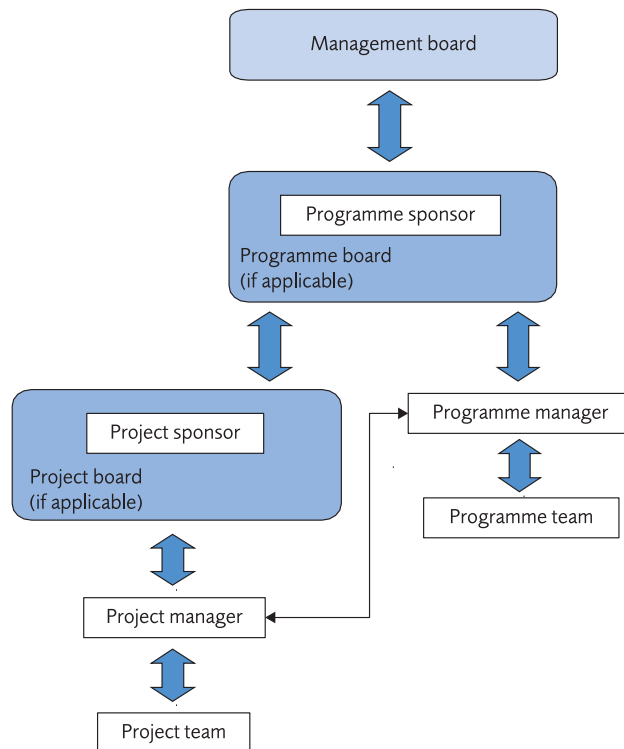
Figure A.1 Project and programme governance structure

Appendix 2

Choosing a sponsor

The following lists expand upon the five personal attributes identified in section 5.

Understanding
- ☐ Understands the organisation's governance arrangements
- ☐ Understands the sponsorship role
- ☐ Understands the project context
- ☐ Appreciates how the project contributes to the corporate strategy

Competence
- ☐ Provides clarity of direction
- ☐ Identifies and focuses on what matters most
- ☐ Manages people and other resources effectively
- ☐ Makes effective decisions and takes decisive action when necessary
- ☐ Motivates people
- ☐ Negotiates effectively
- ☐ Has relevant experience
- ☐ Has sufficient appreciation of the project's technical requirements
- ☐ Has a good understanding of project management
- ☐ Self-aware about strengths and weaknesses
- ☐ Demonstrates good judgement
- ☐ Commercial awareness of risk
- ☐ Strategic risk management
- ☐ Value management

Credibility
- ☐ Respected by major stakeholders
- ☐ Ability to influence internal and external stakeholders
- ☐ Evident track record
- ☐ Motivated to act in the long-term interest of the organisation

Appendix 3

Glossary of key terms

Ref	Name	Definition	Source
1	Assurance	P3 Assurance is the process of providing confidence to stakeholders that projects, programmes and portfolios will achieve their scope, time, cost and quality objectives and realise their benefits	*APM Body of Knowledge 3.6.1 P3 Assurance*
2	Board	The organisation's management board (not project board). The role of an organisation's board can be summarised as: ■ providing entrepreneurial leadership; ■ setting strategy (and sponsoring the change portfolio); ■ ensuring the human and financial resources are available to achieve objectives; ■ reviewing management performance; ■ setting the company's values and standards; ■ ensuring that obligations to shareholders and other stakeholders are understood and met	*UK Corporate Governance Code*
3	Change initiatives	A change initiative is a structured and complex endeavour moving an organisation from the current state to the desired future state. An initiative may be one component of the organisation's vision and strategic plan for the future	
4	Change management	The structured management approach involved in organising and controlling change initiatives	*APM Body of Knowledge Glossary*: change management
5	Culture	The set of shared values and norms that characterise a particular organisation or part thereof. Values can resonate with employees' higher ideals and rally them around a set of meaningful goals. They also focus employees' attention on organisational priorities, which then guide their behaviour and decision-making. Organisational culture can limit the scope for strategic change	Adapted from ft.com/lexicon