



# **“Pay Me Now, or Pay Me Later!”**

## **Establishing a Framework to Manage Risk**



**The Power of Perspective**



# Executive Summary

**This guidebook analyzes the value of having a comprehensive project and portfolio management (PPM) solution when it comes to risk management. It essentially addresses two critical components: a) the process for standardized project risk management and b) how a PPM solution can assure that project risk will be minimized.**

When it comes to process needs, there are several variables, e.g. establishing the risk lexicon (how high is high for impact, for probability); establishing tolerances (how much can an organization stand in terms of overruns on time and cost); and establishing the correct tools (e.g. building a risk-oriented project charter with “kill criteria” at the bottom).

When it comes to PPM assurance, there are four key metrics:

- Processes create consistency of action that leads to predictability, which leads to lower uncertainty and a lower risk profile
- As projects evolve, the reporting and tracking functions of PPM create an environment where we can detect trends
- Reporting and tracking functions raise visibility to a broader number of stakeholders. More stakeholders equals more folks who can identify and escalate risks
- Communications management. Everyone knows who’s supposed to talk with whom about what. There’s a need to assure the proper players are in “the loop”

These are fundamental issues that are not adequately recognized by management. Often the “excuse” given is there is a lack of credible information to support decision making. A well developed and expertly implemented PPM solution is the catalyst to significant improvements in project risk management. This guidebook provides those answers.

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## CHAPTER 1

# How to implement a sophisticated risk management capability

Some of you might remember an old TV advert for an oil company on US television – with the punchline: “Pay me now, or pay me later!” It dealt with the need to change a car’s oil. The gist of it was that you could pay the company a small amount now (\$39) or be negligent and end up paying considerably more later – about a hundred times more – to replace the car’s blown engine. The same logic applies to a lax risk management approach. Pay now, or pay (a lot more) later!

Managing risks in today’s high-pressured, take-no-prisoners project management world is a vital process that can easily determine the success or failure of an organization striving to achieve its strategic objectives. Don’t let the failure to manage risk events prevent you from delivering high-quality projects on time and within budget. Risk management demands a comprehensive capability of generating and formatting information that facilitates the process.

The secret to effective risk management is the availability of high-quality, thoroughly integrated and easily accessible decision support information. The decision support information that empowers project managers and executives alike doesn’t just happen! The organization must invest adequate time and resources to create the foundation for identifying and managing project risks.



A professional office setting where three business people are collaborating. A woman in a light-colored blazer and teal top stands, pointing at a document held by a man in a dark suit and glasses. Another woman is partially visible on the left, looking at the document. The man is seated at a desk with a laptop, and the document he holds features a line graph. The background shows a bookshelf with various items.

# Good Risk Management is Based on Good Information

Identifying potential project risk events is easy. Managing them is how project managers demonstrate their prowess. Being consistently successful in managing risks is directly dependent on the product of a PPM process—information. Information that supports estimating the potential impact of the risk event on the project or other components of the organization. Additionally, the PPM supports evaluating the probability of the risk event actually occurring.

Once the analysis of the information is complete, including forecasting and/or trending, the approach to managing the risk must be chosen. There are many choices regarding the handling of a risk event. The project manager can choose to Avoid, Accept, Transfer or Mitigate the specific risk event. The impact of the handling technique selected can be easily assessed using the PPM to assure it is the most effective choice with the least impact. Is your organizational leadership enabling project managers to manage risk or are they merely creating the illusion of risk management?

Is your organization willing to do the necessary work to establish and implement a sophisticated risk management capability? What does it really take to establish a world-class risk management process? To answer this question I went to Carl Pritchard, one of the world's foremost risk management professionals. Carl was quick to agree that the power of a PPM significantly increases the potential for successful risk management. Carl suggested the framework for the risk management process must be developed before maximum value from a PPM solution can be realized.

To create a standardized risk policy the following must be accomplished:

1. Establish the risk lexicon (How high is high for impact and probability)
2. Establish the tolerances (How much can they stand in terms of overruns, or schedule slips)
3. Establish risk management tools (Build a risk oriented Project Charter—with KILL criteria)

Simply having a risk management process does not guarantee results. Having a proven PPM solution and a consistent risk management process will help. A PPM solution and the information it generates will affirm that project risk is managed more effectively. Some of the critical advantages of a PPM are:

- Processes create consistency of action. That leads to predictability, which leads to lower uncertainty and a lower risk profile
- As projects evolve the reporting and tracking functions of the PPM solution creates an environment where we can detect trends quickly
- Reporting and tracking functions raise visibility to a broader number of stakeholders. More stakeholders—more people who can identify and escalate risks
- Improved communication management. Everyone knows who is supposed to talk to whom, about what. The proper players are in the “loop”

So you purchase a sophisticated PPM solution. Done! That was easy! Not so fast my friend! The power of the PPM is unquestionable. If the users are properly trained on how to use the power of the PPM and the senior decision makers are willing to actually “make decisions” you will have found the pot of gold at the end of the rainbow. Unfortunately, history shows that it takes time to fully realize the benefits. Users must be committed to the use of the PPM. No excuse for not using the PPM is acceptable! Remember, just because you have implemented a PPM doesn’t mean it will be accepted by the user community!





# Getting a Call From Microsoft's CIO

I experienced this “lack of use” phenomena at a major U.S. software company. It was 2010 when I received a phone call from a gentleman named Tony Scott.

I had no idea who he was so I was a little cautious. He introduced himself as Tony Scott CIO of Microsoft! He had my attention!

I wondered out loud why he was calling me. He said that Microsoft was implementing a new project management process and he wanted me to come to Microsoft Headquarters in Redmond, Washington to help kick off their new methodology. He made it clear what he wanted was a “cheerleader” to fire up the 300+ project managers in attendance.

I was a little intimidated by the thought of addressing 300+ of Microsoft finest PMs. Initially I declined. Then Tony mentioned the money and I felt much better about accepting the engagement. When I arrived at SeaTac airport I was picked up by limo and taken directly to Microsoft HQ. The auditorium was standing room only and the first presentation was made by the development team that had just completed a major overhaul of Microsoft Project. Good stuff—many significant improvements.

Then it was my turn. I took the stage and, as usual, I spent a little time establishing expectations. I admitted to them the reason I was here was to get them “excited” about the power of the new Microsoft Project (at the time they commanded 72% of the project management software market). Basically, I acknowledged I was here as a “cheerleader”.



Then I pointed out the fact that Microsoft is so powerful I assumed all of the PMs were Microsoft Project users. To confirm that was the case I asked, by show of hands, how many of you use Microsoft Project to manage your projects? No response. I asked again. Finally, about 37 hands went up. Only 37 of over 300 were using Microsoft Project. I was stunned. Tony Scott was also stunned. He left the room and he was not smiling. I had to ask: “Why aren’t you all using the most powerful PM tool in the world?”

After a long delay a young lady finally raised her hand and said, “I don’t use it because it is too complicated!” I closed out the conversation asking: “You are all successful Project Managers. If you’re not using Microsoft Project what are you using?” Answer: Excel Spreadsheets! Fact: Tony Scott subsequently left Microsoft, but I’m told he made it clear the day after my “pep rally” that Microsoft PMs would no longer use Excel!



### Moral of this story:

If you have a powerful information system available – USE it. Don’t “risk” wasting time looking for reasons not to use it! Never forget that a “fool with a tool is still a fool”! Effective use will define success.



A man and a woman are in a server room. The man, on the left, has a beard and is wearing a grey sweater over a light blue shirt. The woman, on the right, is wearing a white shirt and a blue lanyard. They are both looking at a laptop held by the woman. The woman's right hand is pointing towards a server rack on the right side of the frame. The background shows rows of server racks with blue lighting.

# Measuring a Project's Performance Baseline



Today's PPM takes the concept of information systems to a new level. Once a project's Performance Measurement Baseline (PMB) is prepared the benefits of the new PPM are the abilities it has to prepare and present information in a format that makes it easy to understand and provides timely project data at specified levels. These reports can be prepared on a regular schedule or on demand by individual decision makers. The reports and formats are easily "tailored" to the needs of decisionmakers.

The PPM solution will quickly highlight potential risks and provide the data needed to conduct in-depth analysis. My personal opinion: "If I had a PPM in the 1960s & '70s I would rule the world of project management." There is no reason for any project manager or executive to

be surprised about the risks and related challenges facing their projects! PPM solutions, when implemented correctly, provide a holistic view of the project and how it contributes to the strategic objectives of the organization.

While a PPM solution has amazing power: Power to digitize and streamline business processes. Power to centralize and consolidate systems. Power to prioritize projects and programs. Power to enable much more to be accomplished with significantly less effort; it is that same power that can lead to a very serious problem: The idea that—"If a little information is good, a lot must be even better!" This problem can lead to analysis paralysis and the perceived failure of the PPM solution to deliver value.







## CHAPTER 2

# Answers You Should Get Before Tackling Risk Management



In summary, if you and your organization have an objective of improving risk management capability remember this:

1. In order to effectively manage risks the organization must invest the time creating a consistent risk management methodology that incorporates input from throughout the organization.

2. Once the risk management process has been established the most efficient and cost-effective PPM solution necessary to support the process must be selected and implemented.

3. ALL users in the organization must be trained in the capability and use of the PPM system.



## CHAPTER 3

# How Cora Systems Powers Enterprise PPM & Transformation

## Key Aspects of the Cora Solution

Cora Systems is a worldwide leader in providing enterprise PPM solutions to global organizations and government agencies, such as Honeywell, Allergan, PwC, City of London and the UK's National Health Service.

Cora is a proven foundation for the delivery of projects, digital transformation and strategic objectives. Fully digitizing program and project lifecycles, providing total transparency, empowering decision-making, and streamlining governance and reporting. Every day, across more than 50 countries, over \$20 billion worth of projects are managed on the Cora platform.

## Powering Enterprise PPM & Transformation

Cora PPM contains a comprehensive suite of functionality that provides the strategic capabilities to optimize capacity, analyze scenarios, track benefits, inform all stakeholders and integrate across the enterprise. The platform acts as the bedrock for delivering major transformation programs.



### Complete Enterprise Project & Program Management

Cora PPM provides the control, governance and insight required to identify, prioritize and authorize extensive enterprise portfolios that align to strategy and deliver ROI.



### Digitize & Streamline Business Processes

Cora PPM digitizes all your portfolio, program and project processes, surfacing information when, where and how it's needed. Transform the way you manage your program lifecycle, providing the transparency, intelligence and decision-making capability to drive change across your enterprise.

"With Cora, we're able to sit around the table at senior management level and understand where we are much better than previously."

#### Paul Moody

Director of Global Engineering Projects,  
Allergan Pharmaceuticals



"We are happily using Cora to manage the portfolio of projects that makes up our £1.7bn Superfast Program, and our £294m Local Full Fibre Networks Program. It works well at a low level for project planning, risk and issues, change logs, benefits tracking, weekly reports, etc. Then the PMO can roll up and summarize that low-level data into a full program/portfolio view."

#### Justin Leese

Program Director, Local Full Fibre Networks,  
Department for Digital, Culture, Media & Sport (UK)







## Integrate, Centralize & Consolidate

Cora PPM acts as a single point of entry for all project data and facilitates easy integration with any enterprise technology architecture. Providing you with an immediate, consolidated view of all your project portfolios and deliverables. Complete visibility and insight are acquired through instant information “roll-up”, linking top-down goals with bottom-up contributions of each and every initiative.



## Swift Enterprise Deployments

Accelerate time to market and improve return on investment by leveraging best-practice implementation supported by our team of experts.



## Mapped to Your Processes

Cora PPM is configured to each client’s specific business processes, and we are methodology agnostic – we’ll tailor the platform and the templates to fit your chosen project methodology be it Agile, PMBOK, PRINCE2 or other.

“It’s great to have that cascade of information to highlight issues and risks for the right people who can then intervene. The functionality to do that in a more controlled environment, to take it through the different authorization layers, we see as really valuable.”

**Patrick Beattie**  
Director, PwC



“Cora really allows us to drill down into information so we can give our senior management the key decision-making information to make informed decisions on all our schemes.”

**Ian Thrupp**  
Head of Planning and Project Controls, WSP



“Cora as a platform gives us that single source of truth to what’s going on in the organization and also gives us the ability to prioritize what’s really important to us. Being able to put that information in front of our board and our executive team to say, ‘Here is all of the change that’s going on. What’s the most important to you?’ and then actually allocate the resources and funding for those projects to help move us into that strategic position is invaluable.”

**Sarah Malin**  
Head of Program Management, CityFibre



# The Value

Digitize your programs and lifecycles, gain greater insights, more informed decision-making, and streamline your governance and reporting.

## 🕒 Strategic Insights

Roll out failsafe, strategically-aligned projects that utilize resources and deliver maximum value.

## 🕒 See The Full Picture

Quickly view data dashboards that visualize the health of your portfolio and drill-down to focus in on any issues.

## 🕒 Support Governance

Ensure the right people have the right oversight with multi-level access protocols.

## 🕒 Easily Scale

Small to large, local to global, all in the cloud.

## 🕒 Complete Control

Manage scope, financials, progress and quality of project delivery in one centralized system.

## 🕒 Seamless Collaboration

No matter the team – internal or contractor, desk-based or mobile – integrations make workflows seamless.



# \$20 BILLION

Worth of projects managed on Cora PPM.



# 400,000+

Projects live on Cora at any one time.



# 50+

Countries where Cora is in use.



# 1

Platform & version of the truth.



# Author Bio

Lee R. Lambert (PMP, PMI Fellow, CEO Lambert Consulting Group) has logged 50+ years of project management experience and is considered one of the world's thought leaders on project management methods and how they can be utilized to create and sustain value-added leadership and collaboration capabilities. He is one of only 70 in the world to receive the honor of PMI Fellow. He is a past president of the Central Ohio PMI and was one of the founders of the Project Management Institute's project management professional (PMP) credential. His book, *Project Management: The Common Sense Approach*, is a bestseller in the field.

As VP of Staff & Organizational Development for the Project Management Division of the largest contract research organization in the world, Lee was responsible for creating and implementing a Leadership Development program focused on improved performance for project managers and supporting functional/line managers.

During his decades of platform training Mr. Lambert has provided learning opportunities to more than 50,000 professionals in 23 countries. He is regularly called upon to provide Keynote presentations on Leadership, Communications and other Project Management topics. He has also provided consulting support to dozens of major corporations, including General Electric, IBM, Motorola, Citigroup, Sprint, AT&T, Roche, Nationwide Insurance and Westinghouse to name a few. He has earned his nickname as a "Pragmatic Evangelist".



An aerial photograph of a dark asphalt road with yellow dashed lines, winding through a dense, lush green forest. The road curves from the top center towards the bottom left. The trees are tall and coniferous, creating a thick canopy.

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