

SAIMM ZIMBABWE BRANCH CONFERENCE

DATE: Tuesday 19 July, 2011

Venue: Zimbabwe School of Mines - Bulawayo

**PAPER PRESENTATION BY MR. P. BANDA
Secretary-General of the PROJECT MANAGEMENT
INSTITUTE OF ZIMBABWE (PMIZ)**

Time 1130am to 1200pm

PAPER TITLE: Adopting formal Project Management in Revitalizing Mining in Zimbabwe

**‘CRITICAL SUCCESS FACTORS REQUIRED TO
DRIVE BANKABLE MINING PROJECTS IN
ZIMBABWE’**



ABSTRACT

Project management is critical to the success of every organization including the mining industry. PMIZ research indicates that 74% of all projects hit roadblocks, are over budget or are late. 28% of these projects fail altogether. Project managers face constant pressure to cut costs, implement projects quickly, and deliver high quality. Without thoughtful planning, execution and monitoring of efforts, organizations will lose business to those that effectively manage their projects. Project management isn't just for construction engineers and military logistics experts anymore. Today, in addition to the regular duties of your job, you are often expected to take on extra assignments - and to get that additional job done well, done under budget, and done on time.

Project Management is one of the world's most in-demand skill sets and is one of the fastest growing professional disciplines globally. Project Management is used by large corporations, governments, and smaller organizations to standardize and reduce the tasks necessary to complete a project in the most effective and efficient manner.

This Presentation by Mr. Banda will focus on the Critical Success factors that Project Managers in the Mining Industry must attend to in order to minimize failure of Mining Projects in Zimbabwe. Formal project management is critical in the drive to revitalizing the mining sector in Zimbabwe leading improved initiatives that result in measurable growth in return on investment, economic value added, sales growth, customer satisfaction and retention, market share, time to market, employee satisfaction, and employee motivation.

Introduction

The greatest challenge for all businesses globally is to balance Business as Usual and Business Change. If there was a choice, most Executives would opt for taking care of business as usual only and forget about Business Change. Why? Change management is a challenge and naturally a risk territory that managers dread. Unfortunately the environment is dynamic and requires people and businesses to shift survival strategies from time to time via change management. Fortunately there is a SMART tool that all results oriented Business Executives cannot ignore if they are to successfully manage Business Change mostly so in the high risk Mining Business Sector. This is the tool of Project Management. One in every 3 Mining Projects in Zimbabwe suffers overrun that may lead to abandonment. Why? Poor blend of the critical success factors that are required to ensure completion of the projects. What is required to revive Ziscosteel, BNC and Shabanie? Why is Zimplats, Mimosa or Atlas Copco seemingly doing well? Answer: Good Project Management -for both questions.

Presentation Objectives

This paper aims to share with SAIMM members the critical success factors required to successfully navigate mining projects within the conference theme of revitalizing mining in Zimbabwe. Dozens of literature has been published globally about causes of project failure but the following top 5 seem to emerge as the popular Critical Success Factors to any project.

- Project Planning
- Stakeholder Buy-in
- Executive Support
- Formal Standards
- Controlled Scope, Cost and Time

PROJECT PLANNING

“**Without a plan**, everything is a deviation.....,” says English business strategist Thomas Blackburn. While planning is a primary function of management which involves deciding in advance the future course of action, project planning sharply differs from other types of planning. Project planning will involve identifying and documenting scope, tasks, schedule, risks, quality and staffing needs. During the planning process the sequence and the logical inter-relationships between the various activities may be established. The project plan represents the basic tool for successfully executing a project. It forms the basis for all management efforts associated with the project. **The project manager (and his team) is responsible for bringing out the project plan**, which should be accurate and complete as far as possible without being several volumes in length. It is a document that allows the project manager to manage the details, and not be managed by the details. **The common error is that** most project sponsors impose a project plan on a project manager who was not involved in the planning process and demand results from the document.

STAKEHOLDER BUY-IN

Project stakeholders are people who are outside the project manager's scope of control and have a direct or indirect interest in the project. These people are critical in achieving project success. If a project manager cannot gain effective buy-in and support from these people, then activities such as defining scope and objectives, identifying and managing risk, benefits analysis and realization, quality requirements definition and change control are effectively compromised.

Without consensus among stakeholders as to the scope, objectives and quality requirements of the project, the project manager cannot effectively manage the project. At best, the project manager may be able to deliver a product that does not meet the needs of the majority of his or her stakeholders and does not add value. At worst, the project will simply remain in an "out of control" state with constant changes in scope and objectives until it is terminated or the team leaves in frustration. In every one of the 20 major failed projects, lack of effective project planning and stakeholder buy-in was common.

Surveys by Deloitte and Touche [1995] on the high failure rate of business process reengineering projects report that **lack of senior management commitment** as a major factor in the failures. The contemporary role of project sponsors and steering committee members goes far beyond the traditional passive roles of project approval and review. It is critical that senior business executives who have sponsored a project must be actively involved. As one project manager recently put it "To manage a project without an effective executive sponsor is to visit hell on Earth".

FORMAL PROJECT MANAGEMENT METHODOLOGY

A formal project management process is crucial to the success of any project. This means that projects cannot run on trial and error. Project Managers must be trained and oriented to the formal project management methodologies, standards, tools and techniques that the sponsor wants them to apply to a particular project.

The objective of a formal project management process is to provide a detailed plan and set of deliverables that can be easily tracked, controlled and measured and reported on to assure the proposed solution is delivered on time and within budget while meeting the strictest quality standards. The Project Management Institute's 'Project Management Body of Knowledge' (PMBOK) is probably the world's most popular methodology applied by most Project Managers as a formal tool for managing projects. The PMBOK methodology is outlined in PMI's generic 216 page handbook titled, "A Guide to the Project Management Body of Knowledge 4th Edition, which segments the Project Management responsibilities into nine knowledge areas of project risk management, cost management, scope management, time management, quality management, and procurement, human resources, communications and integration management. The PMBOK methodology is considered to be a simple process for managing projects which is also used by PMI as a benchmark for testing the competency of project managers for their certification such as the project management professional qualifications (PMP)

Besides the PMBOK methodology , the second most popular technique for managing projects is PRINCE2 of the UK origin. PRINCE2 is a widely recognized de facto standard used mostly by UK government departments. PRINCE (**PR**ojects **I**n a **C**ontrolled **E**nvironments) is described as a structured method for effective project management for all types of projects, although the influence of the I.T. industry is very clear in the methodology. Other future article will be dedicated to elaborating the application of the PRINCE2 methodology.

However knowledge of formal project management standards is not just for project managers. Team members need to know how to carry out their parts of the project and business executives need to understand how to support project management efforts in the organization. As a project manager how do you rate yourself or your project against these lessons? This paper appeared as a special article in the BUSINESS HERALD of 14 March 2011. **Critical success factor no.5 was not elaborated on this paper but can be downloaded from the PMIZ website, or requested by email.**

Peter Banda is the Secretary General & Chief Executive of PMIZ

Send your views & comments via email; info@pmiz.org.zw website link www.pmiz.org.zw