PROJECT INITIATION: LESSONS LEARNED REPORT

An insights study into major project initiation in Defence

———

June 2021

COPYRIGHT

The Ministry of Defence has actively considered the needs of blind and partially sighted people in accessing this document. The text will be made available in full on the Department's website. The text may be freely downloaded and translated by individuals or organisations for conversion into other accessible formats. If you have other needs in this regard please contact the MOD.

Ministry of Defence
Whitehall
London
SW1A 2HB
United Kingdom
Telephone 020 7218 9000
Website **www.gov.uk/government/organisations/ministry-of-defence**

FOREWORD

Major project delivery is a complex and transformational activity for any organisation and the UK Government delivers some of the most complex and innovative projects in the world.

The Integrated Review 2021 describes the vision for the UK's role in the world over the next decade. This includes an emphasis on openness as a source of prosperity, a more robust position on security and resilience, a renewed commitment to the UK as a force for good in the world, and an increased determination to seek multilateral solutions to challenges like climate change.

Projects deliver the strategic choices that underpin UK Government priorities. This includes developing high-tech capabilities in the newer domains of cyberspace and space, as well as the traditional domains of land, sea and air. This includes building the next generation of naval vessels and delivering plans for eight Type 26 and five Type 31 frigates, and developing the Future Combat Air System.

Initiation is often the hardest stage for any project. These early stages have the most impact on outcomes. That is why it is essential that projects are set up for success right from the beginning. Whilst successful project initiation can take more time at the start, this will be repaid many times over later on in delivery.

This report presents an impact assessed list of success criteria for project initiation, with validated lessons. Together, they provide an insight into the Defence projects system and the lessons that are being learned. By making sure we are learning the right lessons from projects that have gone before, and embedding them into the system going forward, we can help improve future project delivery.

We hope these insights will not only help you set up your project for success, but also increase understanding across the project delivery system as a whole.

Mike Baker
MOD Chief Operating Officer

Nick Smallwood
IPA Chief Executive

Paul Adamson
PA Consulting Global Head of Delivery

EXECUTIVE SUMMARY

At the outset of major projects, there is often a strong desire to start delivering value as soon as possible, which is a challenge because everything seems urgent and important.

This report summarises the findings from interviews conducted with Senior Responsible Owners and Project Directors from five major Defence projects that revealed a diverse understanding of initiation. This acknowledges that initiation is not just something which happens when a mandate is signed, but may be needed at other points through the lifecycle, for example if there are significant changes in the direction, leadership, team size, or project structure.

The insights in this report, which were gathered from those same interviewees, revealed that building trust is the key success factor in initiation. By establishing trust between different parties, whether that is within project teams, between projects and their sponsors, or between projects and wider stakeholders and delivery partners, it is easier to deliver.

The report highlights five key areas in which building trust is key to successful project initiation. These are

- Leading with confidence
- Seeing the big picture
- Delivering through people
- Planning flexibly
- Making good investment decisions

Each section of the main body of the report contains two or three lessons, which you can find on the next page, supported by examples from our case studies and suggestions for how these lessons could be applied. The introductory sections outline why project initiation was chosen as the focal point for this report, before being followed by the five main sections.

The Appendix provides a brief explanation of the methodology and a bibliography of relevant material. This report is the culmination of a collaborative effort between the MOD Project Delivery Function, the Infrastructure and Projects Authority and PA Consulting. We hope that this attempt to share insights and lessons will prove helpful to leaders and project professionals across Defence, and be relevant to those involved in project delivery across the broader public sector.

> By establishing trust between different parties, whether that is within project teams, between projects and their sponsors, or between projects and wider stakeholders and delivery partners, it is easier to deliver.
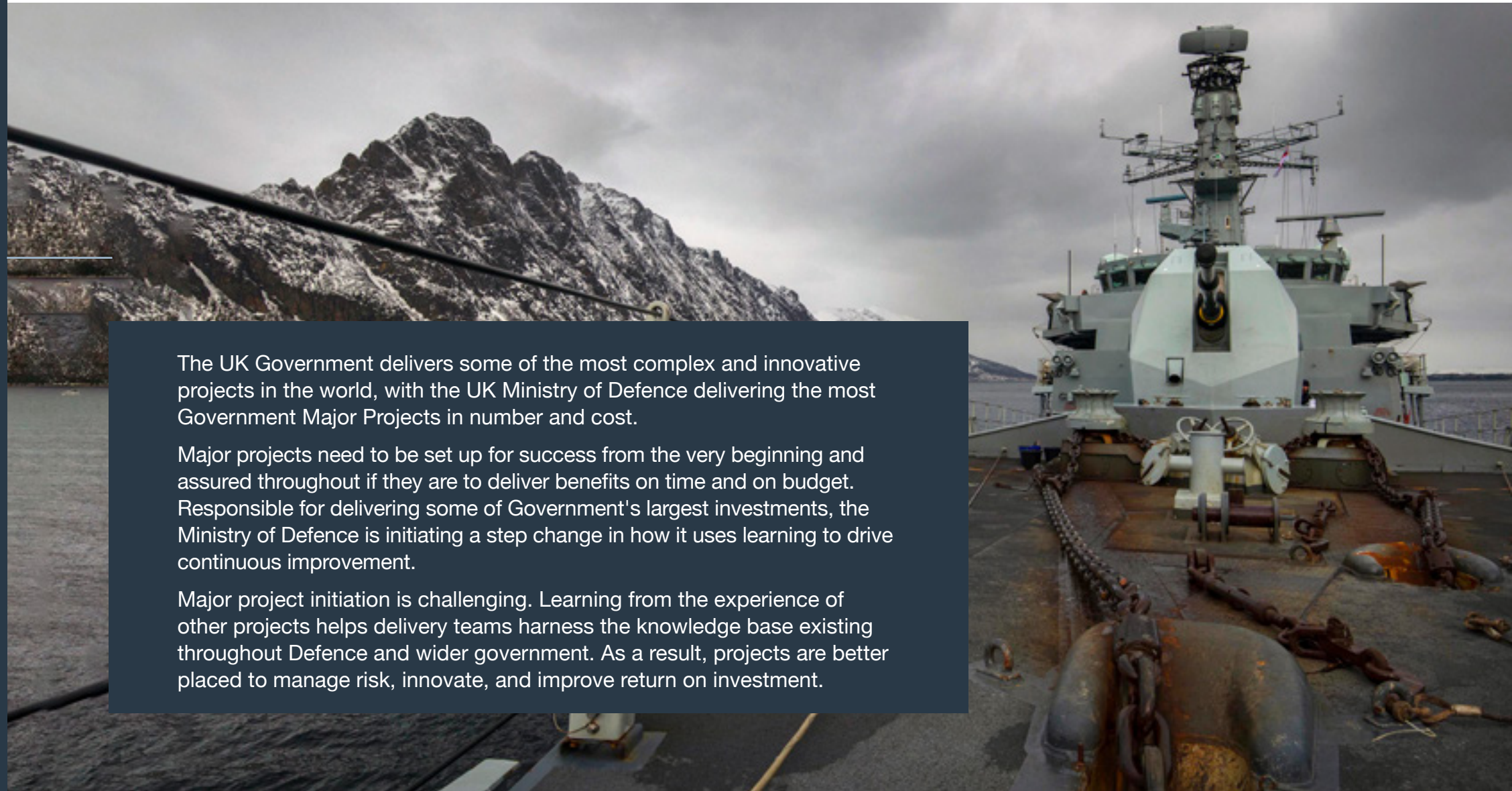
CONTENTS

WE NEED TO CONTINUOUSLY LEARN HOW TO SET PROJECTS UP FOR SUCCESS

The UK Government delivers some of the most complex and innovative projects in the world, with the UK Ministry of Defence delivering the most Government Major Projects in number and cost.

Major projects need to be set up for success from the very beginning and assured throughout if they are to deliver benefits on time and on budget. Responsible for delivering some of Government's largest investments, the Ministry of Defence is initiating a step change in how it uses learning to drive continuous improvement.

Major project initiation is challenging. Learning from the experience of other projects helps delivery teams harness the knowledge base existing throughout Defence and wider government. As a result, projects are better placed to manage risk, innovate, and improve return on investment.

SETTING UP FOR SUCCESS MEANS INVESTING TIME AND FOCUS EARLY

————

Projects are nothing more than a way of changing from state 'A' to state 'B'. Project initiation is about understanding what needs to happen to bridge these two states. In the same way that you need a good idea of the route before you set off on a journey, project initiation is where you focus on where you want to go and what you need to get there.

The scale of Defence creates complexity. Some parts are larger than entire government departments. Taking initiation decisions in large and uncertain environments requires confident leadership and access to a range of skillsets, sometimes over many years. The way the project establishes itself should translate to delivery of long-term value and a lasting impact in the minds of the recipients. Consequently, it is essential to invest time and thinking power at the earliest point.

Project initiation in the Ministry of Defence has several characteristics.

- **Initiation is dynamic.** When discussing their experiences initiating projects within Defence, the Senior Responsible Owners interviewed

for this report tended to focus on issues relating to investment and business case cycles. In contrast, Project Directors were more focused on enabling their teams to perform highly in day-to-day delivery.

- **Initiation is not instant.** Many projects are multi-decade and multi-billion-pound endeavours, and boundaries between regular business and project initiation can take time to determine and finalise.

- **Initiation is a leadership activity.** New members joining the team, especially leaders, will take time to adapt to their new circumstances. Leaders need to be capable of setting direction in unfamiliar environments and surrounding themselves with experts that can empower, support, challenge and listen to them.

- **Initiation can happen multiple times.** This acknowledges that initiation is not just something which happens when a mandate is signed, but may be needed at other points through the lifecycle, for example if there are significant changes in the direction, leadership, team size, or project structure.

Building trust is the crucial success factor

Trust is the key success factor for many of the project leaders interviewed for this study. By establishing trust between different parties, whether that is within project teams, between projects and their sponsors, or between projects and wider stakeholders and delivery partners, it is easier to deliver. This sets the foundation for integrated teams that work as set out by a senior military SRO interviewed:

Build mutual trust and respect → Integrate the team → Prioritise the 'mission'

LESSONS

————

LEADING WITH CONFIDENCE		• Communicate a clear and coherent vision to create buy-in • Establish the responsibilities for project leadership • Embody leadership behaviours and ways of working expected from project teams
SEEING THE BIG PICTURE		• Ensure effective mandates have clear outcomes and provide the authority for delivery • Use the initiation phase to test the requirement and create options
DELIVERING THROUGH PEOPLE		• Consolidate expertise within the project • Carefully estimate the resources required • Develop peer and mentor networks to lean on for support
PLANNING FLEXIBLY		• Establish a realistic baseline and keep track of assumptions • Use governance forums to provide effective challenge and support
MAKING GOOD INVESTMENT DECISIONS		• Truly integrate your approvals and assurance process • Engage early, openly and frequently with commercial partners • Understand your route-to-market and develop a procurement strategy early

SECTION 1:
LEADING WITH CONFIDENCE

Defence draws from a blend of military and civilian leadership skills to build teams that have the full range of project management expertise and domain knowledge.

Lesson

Communicate a clear and coherent vision to create buy-in

Project leaders are responsible for embodying a project's ambition from the outset, and for maintaining clarity and continuity in the approach as the project progresses.

Doing this consistently and convincingly is difficult because most major projects in Defence involve multiple organisations with multiple leaders, each of which may have different expectations and ambitions for a given project. A clear and coherent vision is needed to build consensus and align these ambitions effectively. At this stage it can be more important for all groups to agree than for any one group to be right.

However, due to the broad stakeholder landscape and regular turnover of posts every two to three years within Defence, it is often necessary to build and maintain buy-in for a project repeatedly'. This may mean revisiting initiation assumptions when key stakeholders change roles. Consequently, one of the most important skills for a project leader is the ability to communicate their project's vision effectively and consistently, translating a potentially complex technical or methodological terminology into language which can be understood by a range of changing stakeholders who may not be closely involved in the day-to-day work.

Application

- Bring your leadership team together in a single virtual or in-person workshop to agree a vision which accurately reflects their common goals. Remember you are trying to get everyone on the same page, not necessarily your page.

- Develop and maintain a core project narrative which highlights the project's contribution to strategic or organisational objectives and its relevance to different groups of stakeholders.

- Create products, such as animated videos or rich pictures, which visually articulate your project's vision.

- Discuss your vision and core narrative with a wide range of stakeholders to understand whether it is working and which elements of it are most compelling to different people.

Ensuring that concepts and design can be easily understood and there is governance and standardisation of this is important, otherwise you end up with ponds and puddles that need to talk to each other and they don't understand what each other is meant to do.

SRO for Land ISTAR

Lesson

Establish the responsibilities for project leadership

Sixty percent of the Senior Responsible Owners interviewed for this report highlighted that they do not have enough time to properly dedicate to the projects. Appointed to project leadership positions, they are often also leaders in their respective organisations, with demanding day-to-day roles. Leading complex projects requires a different skillset that may be outside of their established ways of working. In large scale complex projects within Defence, individuals appointed to leadership roles may come from different organisations, meaning that a Senior Responsible Owner may not always have direct line authority over a Project Director or Project Manager.

Project leadership is not the same as leadership in the field, in the air, or at sea. Where leadership can fail is when leaders struggle to lead in unfamiliar environments, not surrounding themselves with experts that they then empower, support, challenge and listen to.

Establishing the roles, responsibilities and delegations between Senior Responsible Owners, Project Directors and Project Managers helps clarify the levels of accountability for making effective decisions. This is crucial to enable Senior Responsible Owners to make the best use of their time and to avoid becoming too invested in detailed minutiae. For example, one of the Senior Responsible Owners interviewed for this report said that he became too invested in the details of a specific workstream to properly update key stakeholders on the broader strategic picture, meaning that they were unable to flag possible delays to delivery in advance.

Application

• Remember that Senior Responsible Owners are expected to dedicate sufficient time to the role. Infrastructure and Projects Authority guidance sets out that Senior Responsible Owners for GMPP projects should spend at least 50% of their time on their projects, up to Full Business Case. The Defence aspiration is to move progressively from the current expectation of 40% towards 50% or more. Be creative with how you spend this time. Stakeholder management can happen as part day-to-day business

• Responsibility has to follow accountability. Use a RACI (Responsible, Accountable, Consulted and Informed) Matrix to guide the contracting process. The process of creating this is what makes it useful to define the roles of team members. This must be widely communicated and reflective of people's capabilities and roles. It should be used proactively as a model for empowerment and holding to account.

• Extend the RACI exercise to external stakeholders as part of a thorough stakeholder analysis.

> The real challenges can come as a result of what was and wasn't done in the initiation process.
>
> **SRO for Future HR**
>
> If you demanded absolute certainty before you got started, then you wouldn't make a decision for another four years.
>
> **SRO for Future Combat Air System**

Lesson

Embody leadership behaviours and ways of working expected from project teams

Projects are by definition temporary organisations which have been formed for a particular purpose. In Defence they often involve people from multiple organisations, each with their own pre-existing cultures and behaviours. To drive progress on their own objectives, projects must set supporting standards for behaviours and ways of working. For example, one of the projects we explored is held in a protected or 'secret' information environment, but projects need information to flow. The IPA's The Art of Brilliance explains how to foster open cooperative team environments by being approachable.

The COVID-19 pandemic has been a prime example of this, with many projects prioritising the well-being of their people to enable them to cope with additional circumstantial pressures. Initiation provides an important opportunity to set the tone for the project and develop these cultures and behaviours to forge a distinct team ethos and identity. Project leaders play a key role in demonstrating these cultures and behaviours in action.

Application

• Hold a launch event (preferably in-person, but otherwise virtually) at the earliest opportunity to enable team members to build familiarity and develop relationships with each other.

• Collaboratively develop a 'ways of working and team culture' charter to be completely transparent about what is expected from the team. Mandate that project leaders stick to the points agreed.

• Advocate and hold one-to-one conversations to build trust, openness and strong relationships between project leaders and team members. Where possible, conduct these conversations face-to-face.

• Set up 'office hours' or 'surgeries' during the regular working week which can be reserved as time dedicated to speak to team members.

• Maximise use of plain English in project documentation.

> Leadership in project initiation is different to delivery – sometimes it requires a change of mindset, sometimes you need to change the people involved.
>
> **SRO for Type 31 Acquisition**

> There is nothing more powerful than seeing your leadership home-schooling, making it ok for them to home-school too.
>
> **Project Director for Future HR**

SECTION 2:
SEEING THE BIG PICTURE

Major projects in Defence can last for decades and cost billions of pounds - the required outcomes must be kept in focus

Lesson

Ensure effective mandates have clear outcomes and provide the authority for delivery

Defence projects range from small and short-term to major and multi-decade. The large projects often involve capabilities that are continuously updated and upgraded, for example Combat Air capability or Nuclear Deterrence. Regardless of the project's size, mandates provide the central source of authority for a project. They trigger the initiation of a project and can be in the form of a policy decision, a strategy, or a central directive.

However, outcomes and benefits can be difficult to quantify in tangible terms, for example the value of deterrence. It can be challenging to make trade-off decisions against benefits. The level of change driven by multiple organisations, leadership teams and political cycles adds even further complexity in a Defence setting. Additionally, multi-decade budgets receive a lot of pressure. This means that often mandates are 'bottom-up' and written by committee.

An agreed and robust mandate is crucial to building a shared understanding of success across the project.

Application

- Focus the mandate on securing commitment and alignment from relevant stakeholders, including Her Majesty's Treasury.

- Agree a robust evaluation criterion at project outset to quantify and measure benefits achievement.

- Use a PESTLE (Political, Economic, Social, Technological, Legal and Environmental) analysis to understand the impact of the project on its macro-operating environment.

- Review and revise the mandate at key points in the project lifecycle to check for any 'drift'. As business cases are updated at each approval point, translate this into a revised mandate and use this to communicate a single narrative to your stakeholders.

We should self-reflect more... 'Is there anything from best practice we are missing here?' Reflection is crucial.

SRO for Future HR

Clear delivery mandates for projects are a basic requirement.

SRO for Future HR

Lesson

Use the initiation phase to test the requirement and create options

Concept development is about identifying what project will be initiated, rigorously testing and exploring different opportunities and options and considering what benefits are being sought. It is vital for military capability projects where the expected operating environment may be ten to fifteen years in the future. The concept and pre-concept phases are what Defence uses to assess this uncertainty and ensure that outcomes are not limited by existing assumptions.

This phase can inform the development of a future investment pipeline that supports the political strategy and Defence needs, making the approvals process more transparent and predictable for its users. It is about taking advantage of the time and space to explore different possibilities and different futures. Drawing on a dedicated, diverse resource pool with a whole-of-organisation view can create a more robust and intelligent investment portfolio and pipeline that creates a transparent link between project outputs, project outcomes, and policy goals.

For one major capability project, Defence chose to break it down into two multi-year projects focused on technological research and development and then capability acquisition. This same project developed a National Value Framework to make sure that they were "initiating the right programme" and articulating their benefits through the lens of military capability, cost, national prosperity, and international influence.

Application

- Use a 'Theory-of-Change' model or Logic Map to illustrate the relationship between policy creation, concepts for potential investment, approved investment pipeline and current investments. Once created, revisit this tool frequently (e.g. at least yearly).

- Create a 'Concept Discovery Team' using robust qualifying criteria and evidence to inform which new proposals are invited to proceed through appraisal and evaluation.

- When testing concepts, ensure that these are supported by resource plans which forecast the expected resources required to deliver each option.

- Develop a Value Framework to help identify the benefits that the project is seeking.

- Discuss government tools and products with the IPA to help set you up for success.

> FCAS can be used as an instrument of foreign policy to secure international influence. This is not because of selling a certain number of fighter jets, but because selling Defence equipment allows us to establish defence and security relationships with other nations.
>
> **Project Head for Future Combat Air System**

SECTION 3:
DELIVERING THROUGH PEOPLE

Complex projects require an array of different skills and mindsets. Building the right team from the outset is essential to achieving success.

Lesson

Consolidate expertise within the project

Bringing in the right talent to projects at the outset is only half of the equation. Complex projects require niche skills that are in high demand, which means they are difficult to access in the first place. The rate of staff turnover within the civil service is recognised as a barrier to continuity. Likewise, military postings often change on a two-year basis. Together, it can be difficult to embed knowledge sustainably. The fixed-term nature of many employment contracts for project staff means that they are not necessarily attractive to top talent.

Defence leaders have highlighted the importance of developing a long-term skills profile and complementary resourcing strategy as early as possible within the project lifecycle. This enables projects to consider the demand for different skill sets throughout the project lifecycle and identify how to 'build, buy or borrow' the required talent. For individuals performing essential roles within project teams, developing succession plans was also highlighted in several interviews as a useful way of ensuring projects retain important expertise through change.

Application

- Develop a skills profile and strategic workforce plan that determines how to: identify and deliver core resource; identify and deliver surge resource; and identify and deliver access to expertise that the project will require but the organisation does not already possess.

- Develop succession plans for key roles which enable continuity within the team and provide opportunities for team members to grow and expand their skill sets while on the project.

- Set up thorough onboarding and offboarding processes which help team members acclimatise rapidly. Collate and record their feedback when they leave the team. Establish clear guidance on knowledge management and use collaboration platforms like MS Teams to assist with information sharing.

- Establish Learning from Experience (LFE) as a core component of projects during initiation, for example, via collaborative events such as feedback sessions or through easy access to helpful online resources, as well as drawing on learning from other projects which may be relevant due to thematic similarities, size and scope of their challenges or similar stakeholder landscapes.

- Map out options for permanent employment for team members once the project finishes to provide them with longer-term career flexibility.

Lesson

Carefully estimate the resources required during initiation

Projects are often under-resourced during initiation. This is because sometimes it is difficult to quantify what is required. Skills and experience are often in short supply and the best people will usually be delivering the highest priority work already. Moving people across the Ministry of Defence and across government is not easy and can take months. This means that whilst projects are planning for an approval gate, they need to already be scoping the resource requirements for the next phase of work – even though they do not have the project approved.

Operating in this uncertainty from a human resources perspective is challenging, and often requires the full-time focus of a project team member. The result of this situation is that projects go through substantial fluctuations in resourcing as they move through the approvals process. This is also because for large projects in Defence, the military posting cycles and personal career choices for civil servants mean that teams typically change each two to three years. Resourcing strategies are consequently critical to maintaining project pace and business continuity.

One of the Senior Responsible Owners interviewed for this report remarked that technical and specialist expertise is often overlooked on projects, which can result in a "dreadful realisation that we have to deliver something, finding resources, scrambling around to make do and mend" – getting resourcing right from a technical perspective is crucial to progress.

Application

- Use a decision-making tool to help with identifying the right balance of capabilities, skills and experience a programme may need. For example, Defence has developed an SRO Decision Support Tool.

- Use the Project Delivery Capability Framework to understand the technical and behavioural competencies needed from the delivery team.

- Encourage your delivery team to make use of development options like, the Government Online Skills Tool.

> We should have created additional capacity to do long-term skills planning early on in the programme's lifecycle.
>
> **SRO for Future Combat Air System**

Lesson

Develop peer and mentor networks to lean on for support

Defence projects are so complex and novel that it is often challenging to find people who have done the same things before. During the interviews conducted for this study, several SROs and Project Directors highlight that existing support networks are insufficient and that this should be addressed to ensure they are properly supported in their roles.

While formal training qualifications are helpful and can play a key role in upskilling project leaders in core project leadership competencies, peer networks offer opportunities for them to learn from colleagues who have faced similar challenges on projects in the past, or can also be used to develop mentoring relationships with experts in relevant fields. Accessing these networks early on during initiation and maintaining relationships throughout the project lifecycle enables project leaders to access individuals who hold this expertise quickly and at the point of need.

Application

- Identify forums and bodies which already exist where they may be able to access opportunities for mentoring or peer-to-peer sharing. For example, the Army Reserve General Staff Corps or the RAF's 601 Squadron can provide access to senior leaders from across industry and academia.

- Attend recommended training courses on project leadership, for example Major Projects Leadership Academy and Project Leadership Programme, or an introductory SRO course, depending on the scale and complexity of your role. All major project SROs are expected to attend MPLA.

- Remain in contact with project leadership training cohorts, checking in with them when possible to share challenges and reflections on leading complex projects.

- Differentiate stakeholders from decision makers and consider different approaches for both. For example, a "friends and family" concept can provide appropriate challenge.

- Critical Knowledge Mapping workshops help you to understand what knowledge you need. Advocate mentorship opportunities for your senior leadership team to share knowledge and experience.

> We redesigned the governance dashboard – so we can be open and can communicate with stakeholders again… [also] We have a friends and family concept, a group of people around the programme that are very interested.
>
> **SRO for Joint Crypt Key Programme**

SECTION 4:
PLANNING FLEXIBLY

Project initiation involves dealing with uncertainty. Use the time to challenge biases and iterate towards a realistic solution.

Lesson

Establish a realistic baseline and keep track of assumptions

At the beginning of the lifecycle, most projects will develop a plan that sets out key milestones and activities on a timeline and will try to identify their main risks and manage them via tools such as a Risk Matrix and Risk Register. Defence projects often involve many dependencies between internal organisations, delivery agents, industry partners or even international partners.

It can be easy to overlook the importance of doing active risk management. Ineffective risk management introduces poor assumptions to a project's baseline, resulting in more time taken to deal with problems as they arise. By contrast, more proactive forward planning around risk, assumptions and dependencies helps projects to absorb changes more effectively.

Defence programmes and portfolios are a vital lever to check dependencies. One of the projects interviewed for this report changed its risk approach from an 'aggregate projects risk' view to a holistic programme risk view.

Application

- Use the right risk tools. Different tools have different advantages from accessibility to project systems integration. Options include Strategic and Capability Risk Analysis, Threat Analysis, Investment and Portfolio Risk Analysis, and Project Risk Management.

- Seek out comparable benchmarks from other projects to establish a baseline schedule against which to compare. Use this evidence to support your decision making.

- Use ranges for cost and time estimates. Ranges can absorb small changes and help to build trust between suppliers and delivery teams. This trust is very beneficial for the conversations that take place at sensitive points in the project lifecycle. The IPA's Cost Estimating Guidance provides more detail on this.

> It's ok to "out" problems, let's get them fixed, don't hide them.
>
> **SRO for Joint Crypt Key Programme**
>
> You need to do scheduling based on what you know for certain and not what you think is going to happen.
>
> **Project Director for Future HR Systems**

Lesson

Use governance forums to provide effective challenge and support

Based on the interviews conducted for this study, there are two main reasons why governance boards sometimes fail to hold projects to account effectively. By getting both right early on during initiation, projects can ensure that governance boards are set up to drive constructive challenge and support through the lifecycle.

The first of these reasons is that there is a perception within Defence that projects feel interrogated by governance boards, especially when they pursue pointed, detailed lines of questioning. This can sometimes result in project teams becoming defensive and covering over problems in delivery. Conversely, some projects engage in what was referred to as "green washing" in some of the interviews conducted for this study. This is where projects apply a "green" RAG rating to a particular activity and avoid addressing problems which may already exist. These can be overcome by honest and transparent evaluation of concerns, whereby project teams use the flagging of such concerns to highlight areas where they are seeking help from governance boards.

The second reason is that some governance boards are set up without specific guidance on how they should be holding projects to account. Several of the project leaders interviewed for this study reflected that governance boards in Defence are often too large to have any meaningful effect. Governance boards should be configured so that they consist of individuals who hold genuine decision-making authority. By reducing the number of people in attendance, this avoids treating such forums simply as a means of stakeholder engagement with too little focus on important strategic questions.

Application

- Actively check the risk approach is appropriate. Learn from the experience of other projects through a programme or portfolio risk approach.

- For GMPP projects, consider establishing a board of Non-Executive Directors to bring in external insight at key points within the project lifecycle.

- Limit membership of Project Boards to individuals who hold genuine decision-making authority. A separate stakeholder engagement board could be used to involve other stakeholders whose support is important, but who are not key decision makers.

- For complex projects with cross-industry or international partners, involving representation from these different organisations in governance processes as early as possible is crucial to build trust among delivery partners during initiation.

> As a leader, if you intuitively feel like the right things are not coming up, then you are probably not framing the problem correctly.
>
> **Programme Director for Land ISTAR**

SECTION 5:
MAKING GOOD INVESTMENT DECISIONS

By engaging your approvals community and industry
partners early, you can create more and better options.

Lesson

Truly integrate your approvals and assurance process

A robust approvals process is essential to ensuring return on
investment. This is difficult in Defence as different organisations have
their own approvals processes in addition to the central Investment
Approvals Committee and Joint Requirements Oversight Committee.
Navigating these layers to secure the required funding adds time
and complexity into projects. Developing a truly integrated approvals
process, backed up by an Integrated Assurance and Approvals
Plan, helps streamline the process by charting a project's journey
and identifying the key individuals and parties from which approval
will be sought.

Bringing the relevant decision makers into this process early enables
projects to accurately understand expectations. For example, on
the Future Combat Air System Technology Initiative, a research and
concept development project with a high-risk appetite, the team
took time to agree an approvals management process with the
MOD Investment Approval Committee which allowed for flexibility.
This has allowed the project to make decisions quickly and drive
progress at a fast pace.

Application

- Create an Integrated Assurance and Approvals Plan (IAAP) to map
  out the key approvals points and maintain this throughout the course
  of the project, providing clear guidance on how a project can and
  should interact with the approvals and assurance process.

- Create an approvals strategy around an acceptable risk appetite
  when dealing with complex and/or long-term change projects.

- Determine what the appropriate threshold is (including parameters
  for measurement – time, cost, benefits) for scope changes part-way
  through implementation that would benefit from a bespoke
  approvals approach.

- Negotiate the approvals framework with the relevant body
  (e.g. the Investment Approvals Committee) that allows projects the
  autonomy to make quick and value for money spending decisions
  when appropriate without the need to have these verified.

Lesson

Engage early, openly, and frequently with commercial partners

When dealing with multi-year, potentially multi-billion-pound capability upgrades such as Type 31 or Future Combat Air, understanding the commercial landscape is as important as understanding the technical landscape. It can be easy to overlook this during initiation because projects are uncertain about where they will obtain funding from. If the strategic thinking is too constrained and not informed by delivery agent experience, this can lead to overspecification of requirements and reduce the options available.

However, there is no point wasting time, energy and resources developing technical requirements if these are misaligned with the commercial approach. The importance of expert professional acquisition and delivery advice cannot be overstated. A close commercial partnership will allow you to understand your contractual landscape and supplier potential. For highly complex projects, this can be advice on how to scope and package it.

On the Type 31 Acquisition Project, the team took time to iterate the technical and commercial requirements in unison. Building strong commercial relationships from the outset and through initiation enables projects to 'bake in' agility to their design and delivery plans. Maintaining strong relationships with commercial partners provides projects with the necessary visibility to map a clear, broad and flexible view of their procurement pathways with align with project and/or portfolio strategies, and the technical requirements needed for the solution to realise the agreed benefit.

Application

- Develop the commercial partnership at the outset of the project.

- Use commercial acumen to build market-facing requirements that can be contracted with a supplier and delivered.

- Draw on lessons introduced within the NAO's [Commercial and Contract Management: Insights and Emerging Best Practice](#).

> We gave absolute clarity on the number of ships we would buy, and what the ships were for. It stopped the normal process of buying too few ships, too late, and for too much money. Recognise there is a commercial boundary as well as technical boundary from the start.
>
> **SRO for Type 31 Acquisition**

Lesson

Understand your route-to-market and develop a procurement strategy early

In Defence, the challenge is achieving the continuity needed to pull through innovation in an environment where every phase that uses industry has to be competed. Agile concept development can happen far quicker in a digital than physical environment and this presents extensive opportunities for government. There is often a tendency to over-specify requirements early on, but it's important to resist this as it can be a barrier to innovation. Harnessing commercial acumen can support development of outcome-based requirements that give the supplier more flexibility to deliver.

For acquisition projects, and particularly those where exporting is one of the main objectives, the stakeholders interviewed for this report emphasised the importance of developing a procurement and commercial strategy as early as possible during the project lifecycle. This strategy provides the framework for assessing procurement options based on their likelihood of delivering the programme's benefits and can usefully be tested with the market. It's also a necessary tool for understanding the recommended contracting route, procurement regulations and associated timescales.

Type 31, for example, prioritised writing a procurement strategy from the outset based on the direction set out in the 2017 National Shipbuilding Strategy. By testing this strategy early via market engagement, the Royal Navy realised that it would not be possible to have the first ship delivered in line with the initial target dates, as stagnation within the domestic shipbuilding market meant that the key shipyards involved in the procurement process required significant upfront investment. Because of this insight, the Royal Navy has been able to run a successful procurement competition and still expects the first ship to be delivered far quicker than any previous naval acquisition project.

Application

- Understand your contracting landscape to build a view on any constraints and opportunities related to the scope and requirement.

- Commission early supplier analysis to understand how you can unlock maximum market potential. Defence requirements are often niche with few available suppliers, so it's important to understand capability and capacity early.

- Use soft market testing to engage with suppliers and understand potential delivery options.
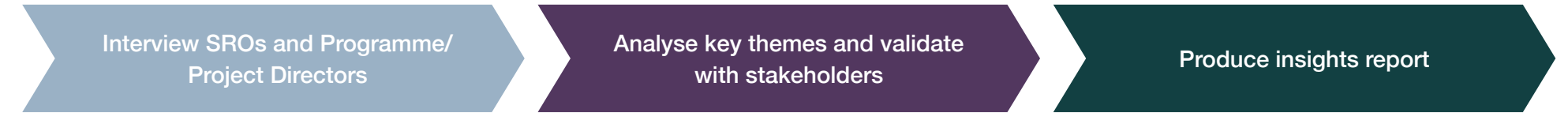
> The lesson here was failing early and learning fast.
>
> **Programme Director for Type 31 Acquisition**

THIS STUDY APPLIED AN INSIGHTS-FOCUSED METHODOLOGY

This study followed a targeted methodology that chose Defence projects from across the department's portfolio, both GMPP and non-GMPP, which could provide a lens to some of the dynamics that the Ministry of Defence manages.

Type 31 Acquisition	Future Combat Air Systems	Joint Crypt Key	Land ISTAR	Future HR Systems

Through a semi-structured interview approach, insights were gathered from 12 Senior Responsible Owners and Project Directors across Defence. Once the interviews and subsequent write-ups were completed and approved by the interview subjects, the IPA, MOD and PA team mapped out more than 170 data points. At a series of workshops, these insights were evaluated, themed, and packaged for analysis with senior stakeholders. The most relevant lessons were then shortlisted to form the basis of this report: an impact assessed list of success criteria with validated lessons.

Interview SROs and Programme/ Project Directors	Analyse key themes and validate with stakeholders	Produce insights report

The projects selected cut across military capability, transformation, and service delivery. They contain a variety of organisational models split across MOD Head Office, the Front-Line Commands (British Army, Royal Navy, Royal Air Force), other government departments, and delivery organisations. They each have unique challenges from industry partnering to international partnering, with different lifecycle length. Together these projects represent a sub-set of the Defence portfolio, with a range of initiation learning that may be relevant to projects across the wider public sector.

BIBLIOGRAPHY AND EXTRA RESOURCES

- Cabinet Office and Infrastructure and Projects Authority, Government Functional Standard for Project Delivery (2018).

- Cabinet Office and Infrastructure and Projects Authority, Principles for Project Success (2019)

- Cabinet Office and Infrastructure and Projects Authority, Project Delivery Capability Framework (2018)

- Department for Transport and Infrastructure and Projects Authority, Lessons from Transport for the Sponsorship of Major Projects (2019)

- Dr Will Roper (Former Assistant Secretary of the United States Air Force for Acquisition, Technology and Logistics), There is No Spoon: The New Digital Acquisition Reality (2020)

- Infrastructure and Projects Authority and HM Treasury, Project Initiation Routemap (2015)

- Infrastructure and Projects Authority, Cabinet Office and HM Treasury, IPA Annual Report 2019-2020 (2020)

- Infrastructure and Projects Authority, Cost Estimating Guidance (2021)

- Infrastructure and Projects Authority, The Art of Brilliance: A Handbook for SROs of Transformation Programmes (2019)

- Infrastructure and Projects Authority, The Role of the Senior Responsible Owner (2019)

- Jay R. Galbraith, Designing Organisations: An Executive Guide to Strategy, Structure and Process (2001)

- Jeff Sutherland, Scrum: The Art of Doing Twice the Work in Half the Time (2015)

- John Hagel and Gemma Mortensen, World Economic Forum, Systems Leadership And Platforms: How to Mobilize People to Transform Systems and Build the Platforms to Scale These Efforts (2019)

- Matthew Syed, Rebel Ideas: The Power of Diverse Thinking (2020)

- Ministry of Defence, Defence Project Delivery Functional Strategy 2021-2023 (2021)

ACKNOWLEDGEMENTS