

The Chief Project Officer

An Essential Part of
the Future C-Suite



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Introduction

by Professor Adam Boddison, Chief Executive, Association for Project Management



As organisations navigate the uncharted waters of today's 'project economy', who is steering the ship?

Those employed and working as project managers ('the profession') make a significant contribution to the UK economy, with project-related work being responsible for 2.13 million full time equivalent roles and generating £156.5bn of Gross Value Added (GVA) annually; equal to 8.9% of UK total GVA². Our research also shows that the number of projects being undertaken by organisations in the UK is increasing³. This suggests skills, tools and leadership strategies need to adapt at pace.

Projects span all industries and locations, fulfilling countless societal needs. During the pandemic, there was a clear need to expedite digitisation projects in all walks of life, from banking, to booking dental appointments to managing data for major infrastructure builds. In 2022, geopolitical disruption, supply chain chaos, and escalating energy and raw material costs are driving the need for projects that will streamline business-as-usual (BAU) operations, and safeguard productivity in uncertain times.

Against this backdrop, organisations are beginning to consolidate responsibility for orchestrating and implementing continuous transformation and strategic initiatives within a single C-suite role – that of the Chief Project Officer or CPO.

At Association for Project Management (APM), our vision is a world in which all projects succeed. This vision encapsulates all that we want to achieve as the only chartered membership organisation for the project profession. We recognise this is ambitious and challenging, but we also believe it's achievable. Inspiring people to understand how to plan and deliver projects successfully can truly change the world. APM celebrated its 50th anniversary in 2022, which allowed us to reflect on all we've achieved over the past five decades, but also encouraged us to look to the future, and the opportunities and challenges that will come.

We believe that by having a CPO sitting on the executive board, projects will be more skilfully executed and brought to fruition with the least risk. This individual will be in a strong position to manage the ethical and governance elements of projects, and to streamline the project portfolio in ways that will accelerate growth and create more value. Equally, this leader will be able to champion sustainability and diversity as projects progress, helping meet the environmental, social and governance (ESG) agenda most exec boards are now so firmly wedded to. They will also ensure a 'golden thread' of shared information runs through each project from the top down. "That's essential for managing expectations



and communicating every stage of the journey, even into the legacy stage of the project," says Sue Kershaw, APM's current President, who was chair of our roundtable discussion for this white paper.

As was noted during the lively discussion, it helps enormously to have highly skilled individuals driving major strategic projects in any organisation. Project professionals are already well established as influential board members in US organisations, and the UK has started to see the benefit in recent years too. For example, the London 2012 Olympics was a success largely due to the fact that 50% of the executive board were 'project people'. "This drove the projects in a different way due to the skillset of the leadership team," explained Sue Kershaw, who was involved as Deputy Director of Transport for the Olympic Delivery Authority (ODA). "That was so powerful because it really drove a different way of thinking. And it delivered the results we wanted." Similarly, top-level professional project management has benefitted organisations ranging from Cumbria NHS Foundation⁴, to the National Trust⁵ in recent years.

The discussion was revelatory and fascinating, so I'd like to thank the eminent guests who took part. For me, the key take-away was this: To thrive in the project economy, most UK businesses should appoint a CPO to their executive board – or at the very least, a senior project professional with the authority to influence strategic decision-making.

"Quietly but powerfully, projects have displaced operations as the economic engine of our times."

Harvard Business Review, 2021⁶

⁶ hbr.org/2021/11/the-project-economy-has-arrived

Discussing the future of project management and the role of the CPO were a group of project and business experts. They shared their views during a roundtable discussion in 2022.



Sue Kershaw (Chair)
Managing Director for Transportation at Costain and APM President



James Hampson
Vice President for Major Programmes and Projects Group (Europe) at Jacobs



Mark Dearden
MEH Alliance Director at Sizewell C Programme



Ruth Humphrey
Head of Business Development and Strategy at Siemens Mobility



Andrew Reynolds
Global Chairman & UK/Europe Chief Executive at RLB UK



Professor Adam Boddison
Chief Executive at APM

¹ hbr.org/2021/11/the-project-economy-has-arrived

² apm.org.uk/media/35641/apm_methodology_may2019-v2.pdf

³ APM research carried out by Censuswide (2022) shows that 78% of project managers say their organisation has increased the number of projects it is working on in the preceding 12 months.

⁴ apm.org.uk/resources/find-a-resource/case-studies/case-study-cumbria-nhs-maternity-transformation-project/

⁵ apm.org.uk/v2/media/20cjed3l/project-management-company-of-the-year-2015-national-trust.pdf

Section 1

Context: Which problems could a CPO solve?

Despite the shift from operations to projects as the economic engine of our times, only 22% of projects are wholly successful, according to our research⁷.

Our panel acknowledged that, too often, projects fail to be delivered on time, on budget and on target. They spoke of how stakeholders are too rarely focused on the core values of the project, and often benefits achieved are difficult to measure, because no clear objectives were specified at the offset. The following challenges were identified:

Managing risk and governance

Organisations face many pitfalls when it comes to project management today. Chief amongst these are problems regarding risk, the panel agreed. In particular, organisations need to become more adept at recognising threats to project delivery, which can be distinct from other risk factors affecting businesses. CPOs will have the experience and competences needed to recognise and address these.

"In project management, if you're not doing the fundamentals around assurance and governance, risk management and process, then you've got a long way to go," noted Mark Dearden. "If you are 18 months or two years into a really challenging programme, it's

easy to lose sight of what was originally proposed. Much of what was promised may then not be realisable, because there hasn't been enough informed debate around risk from the beginning."

Managing risk boils down to having an individual in the C-suite asking the right questions during a project's life cycle. Our experts felt too often this is not happening. In some organisations, the CEO (Chief Executive Officer) or COO (Chief Operating Officer) may be able to take on this responsibility, but there will inevitably come a point when these people need to focus on other things. This is when risks go unchallenged and there is no "governing conscience" guiding the project, as Mark put it.

"Managing risk boils down to having an individual in the C-suite asking the right questions during a project's life cycle."



James Hampson, who hails from a mega-scale construction programmes background, made the point that transparency is an issue impacting how projects are viewed at different levels of management. "I don't think we do a good enough job in the construction industry of giving CEOs the understanding of the quantum of what's happening. When you are dealing with vast, complex,

billion-dollar programmes, they become enterprises in their own right. So, from the CEO's perspective, do they understand every aspect of risk to delivery?"

Sue Kershaw agreed that it's "really difficult to get that golden thread of understanding" between the top-level management and investors, and those project-managing on the ground.

⁷ apm.org.uk/media/1621/conditions-for-project-success_web_final_0.pdf

Lack of clarity: What is a project and who owns it?

Knowing who owns a project is a sticking point in organisations today, and this hampers project progress. Combined with the exponential growth in projects, this obscurity leads to silo thinking, project overload, demotivation, projects not delivered, resources wasted and value lost.

Failure to differentiate between a project and BAU activities is a common problem, our experts noted. This exacerbates the issue of project ownership. Ruth Humphrey suggested that often a change project falls into the remit of “whoever’s normally in charge of that area”, meaning that when more urgent issues arise, the project can be put on hold. “Or frequently the project is given to the most enthusiastic about it, rather than the person best qualified to lead it,” Ruth added.

CEOs in particular need more clarity over what constitutes a project in the first place, suggested Adam Boddison. “If something is clearly defined as a project, there’s a whole mobilisation of the right skills and the right people. If you’re going to put in a new CRM, for example, that naturally attracts the right type of thinking and the right skillset. But when it’s something which is very close to BAU, there can be a lack of focus, and possibly the wrong people managing the process.”

To clearly define projects, the right language is required too. “You do need individuals who understand projects and project language,” said Mark Dearden. Adam Boddison added: “I see PMs as needing to be ‘multilingual’. By that I mean able to use project terminology with others from the profession, but also able to translate this into leadership terminology for the wider C-suite and sector terminology for the specific context.”

Project management skills gap

A core characteristic of the project economy is that organisations are moving from operations to projects, which requires skilled capability⁸. “This is putting pressure on the CEO to think about the skills within the existing team to be able to execute projects effectively,” said Andrew Reynolds. “Skills need to evolve in senior management as change sweeps through the business, to be able to undertake projects robustly. So, for example, a business manager probably will not have the skillset of a project manager.”

We also need to move away from the assumption that anyone who’s vaguely organised can run a project, suggested Ruth Humphrey. Mark Dearden noted: “What’s needed is for the CPO or equivalent to be putting in the basics around career development for the project team, personal development standards, implementing assurance and governance. Very often, these basics don’t yet exist.”

James Hampson of Jacobs said that in his organisation, which is headquartered in the US, “you’re not allowed to manage projects at certain levels unless you have various qualifications”. With some of the company’s infrastructure build programmes commanding budgets in the billions rather than millions “the quantum difference is off the scale and needs to be recognised”. You certainly need the right kind of entrepreneurial touch and excellent project management skills to fit that enterprise zone scale, he noted.

It was felt that although AI and machine learning are beginning to impact some elements of project management that could free up experienced project professionals to apply their skills where they’d be most beneficial – for instance, automating the compilation of board reports – most organisations are not at this level of technological maturity today. “We need to fully professionalise project management before we automate it,” was Sue Kershaw’s view.

“...the project is given to the most enthusiastic about it, rather than the person best qualified to lead it.”



⁸ hbr.org/2022/04/the-rise-of-the-chief-project-officer

Section 2

Chief Project Officer – Is the C-suite ready for this role?



Hiring an executive – such as a CPO – responsible for project management would raise the status of projects in the eyes of other leaders and stakeholders in the business. The CPO would act as the ‘conscience for the project’, clearly defining the goals, benefits and values.

There’s a view that having a CPO would future-proof a business, by having the capability and courage to fully sponsor projects, train project managers to the necessary standards, and give assurance around delivery, even if projects take years to complete.

Another consideration was how powerful the CPO could be in the base level drive for better value and higher business productivity. “There could be a lot of value in a CPO actually just bringing some really strong governance to approaches on projects generally,” said Andrew Reynolds.

Sue Kershaw called for CPOs to oversee strong collaborative efforts to speed up and streamline project work. She referenced the achievements of ‘Project Speed’ which was adopted by Network Rail

during the pandemic. “This was about delivering projects faster, greener, better and actually facilitating genuine collaboration of people in the room, who wanted to shave money off things, who wanted to do them faster. Some projects were delivered hundreds of millions of pounds cheaper, and up to a year faster. So, we’ve proven we can do it with genuine collaboration. It’s about adopting a mindset that is constantly challenging the ways things are done.”

CPOs can save organisations vast sums by being pragmatic in the decision-making process, and preventing bad projects from being executed in the first place. Instilling agile working practices and changing course when required will also protect costs, schedules, and resources, the panel agreed. A good example of this is the award-winning London City Airport Digital Tower Project⁹, whereby strong and adaptable project control processes underpinned success for this ground-breaking digital transformation scheme.



“Some projects were delivered hundreds of millions of pounds cheaper, and up to a year faster. So, we’ve proven we can do it with genuine collaboration. It’s about adopting a mindset that is constantly challenging the ways things are done.”

⁹ apm.org.uk/blog/how-to-deliver-award-winning-projects/

One important question posed was: Where would the CPO role fit within the C-suite?

One consideration is that an incoming CPO will 'step on toes'. For instance, there might be issues with the COO or divisional executives feeling undermined by a newcomer taking on the project remit. "Executives can be quite protective of their domains, particularly regarding projects that are close to BAU operations," said Ruth Humphrey. "They're likely to be thinking: will someone else coming in add cost to my project? Will they slow things down? Are they actually going to add value?" This, she noted, comes back to making sure the entire C-suite recognises the value of having skilled project professional in situ.

As mentioned earlier, it will always pay to be clear on the dividing lines between parts of BAU work being 'projectified' and internal change projects. It could be that the COO continues to manage BAU project operations, but the CPO is required in addition, to oversee and govern ongoing internal transformation.

"If you're looking at internal projects – so classic change projects, digitisation projects and the like – you're going to need a CPO there," asserted Ruth Humphrey. "But do you need it over all the smaller customer projects that you do at the same time? I'm not sure. It might be a lot easier to group together all the internal projects under one heading and give a CPO ownership of that. But if you try to grab all of the customer projects for the CPO, you'll be saying goodbye to the COO and completely turning the organisation on its head, which may not be the best course."

"My concern about the C-suite is, it's constantly growing," said Sue Kershaw. "Today we see specialisms that didn't exist even as recently as a few years ago. If we add a CPO, you begin to wonder

how many more Cs can fit on this string of pearls. Something's got to give. Do you risk governing by committee, which is never good for anyone?" Andrew Reynolds agreed. "I think the C-suite can get too big. But there must be a role for the CPO in certain circumstances. I think as you move from organisational management to project delivery, you're going to need that clarity of purpose of what the CPO is there to do. The board will need to be clear on whether the CPO role is there to deliver the outcome or is it there to navigate the project? I think that's where it can become blurred. There are differences of allocation depending on the project."

Even if organisations embrace the rise of the CPO, it's surely the case that CEOs themselves need a broader skillset in the project era, proposed Adam Boddison. "The vast majority of MBA programmes are based on the three pillars of marketing, finance and HR, in one form or another. Relatively few also include project management very explicitly as core content. And I do wonder whether this should be the fourth pillar of MBA programmes. This would fundamentally change the mindset in the C-suite and enable roles like the Chief Project Officer to be widely accepted." Sue Kershaw agreed, saying this is already being considered by a few leading MBA programme providers.



"The board will need to be clear on whether the CPO role is there to deliver the outcome or is it there to navigate the project?"

Section 3

A C-suite fit for the project era – Six essential steps

As outlined, projects have displaced operations as the economic engine of our times. In a project economy, organisations can future-proof themselves by appointing a CPO to their executive board, assigning them responsibility for continuous transformation and strategic initiatives, as well as supporting project teams and assuring project delivery to required criteria. To ensure this new role succeeds, organisations should take the following steps.



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Lay a foundation of good fundamentals in governance and assurance

The best possible starting point in project management is building a foundation of good fundamentals in governance and assurance. “In this way, the CPO can be responsible for the total de-risking of your portfolio of projects. The Chair of any organisation would want that,” said Sue Kershaw. “With a dedicated project leader there is also a powerful governing conscience, so you are actually looking ahead as well as looking back, being much more proactive, and much more agile.” Mark Dearden warned that: “There’s a lot to do to get the current shop in order. C-suites need to understand risk, basic governance and assurance, and informed decision-making – these fundamentals just aren’t in place often enough today.”

1

Establish a project culture in the C-suite

The lack of clarity and ownership in the project space is one of the most common challenges voiced by CEOs and executives, our panel agreed. “Having a project culture in place will ensure the entire C-suite understands the purpose of a project, and who is sponsoring it and accountable for it,” said Ruth Humphrey. “A project culture on the board, with someone taking overall responsibility for programmes, is absolutely crucial if you want long-term benefit realisation and value creation – and ultimately a better bottom line – to come through,” added Adam Boddison.

2

Prioritise ethics and values

If we accept that an essential aspect of the CPO role is to serve as a role model, it follows that a code of ethics is required from the outset of a project to guide the team. Unfortunately, ethical problems and conflicts of interest are evident in business life, so project management does need an ethical framework, which is very much part of APM’s chartered journey. “Project leaders often have to deal with ethical dilemmas on issues with shades of grey. This requires professional judgement and the active management of certain issues,” says Adam Boddison. “After all, reputations are based not only on a company’s delivery of its products and services, but also on how it values its relationships with its stakeholders.”

3

“Implementing a ‘thread of understanding’ between the top-level strategic decision-makers of a business and the project management of each part of the enterprise will be vital...”

Weave a golden thread of communication

Implementing a ‘thread of understanding’ between the top-level strategic decision-makers of a business and the project management of each part of the enterprise will be vital, our panel concluded. That transparency must apply whether it’s a public sector or private sector project, said Sue Kershaw. “When you’ve got stakeholders or investors who demand a return, you need that golden thread of information from the top, down through the organisation to whoever’s project managing. That’s essential for managing expectations and communicating every stage of the journey, even into the legacy stage of the project.”

4

Acknowledge behavioural change as a delivery target

Organisations need to embrace the journey from IQ to EQ at the heart of project management, and accept that many projects will be more about supporting behavioural change than physical additions. The CPO role will be shaped by the degree to which software and AI supplant human tasks, and indeed the duties of project leaders themselves will change as digital systems come in. “A transformation within a large organisation could affect many people. This is why the Chief People Officer and the Chief Project Officer must be at the forefront together. There needs to be a strong double act between these two roles going forward,” proposed James Hampson. Adam Boddison said he saw the emergence of the CPO role as “perhaps a catalyst for a wider reset of C-suite roles”.

5

Keep building project management skills

As a baseline, Project Management Offices (PMOs) should have professional qualifications to their name. APM’s qualifications offer a clear route to achieving Chartered Project Professional (ChPP) status, recognising the competence and success of project professionals. Project leaders will be under pressure to create high-performing teams, and that will require highly polished skills of their own. CPOs will need to manage and persuade across multiple departments, communicate effectively, and evaluate, develop, coach and motivate their PM professionals. Their business acumen must also be outstanding. “Project leaders need to connect the project benefits and purpose to concrete business priorities. This will help win buy-in,” advised Mark Dearden. Organisations should never lose sight of the increasing skills required of a CPO to appreciate new digital capability and how this will impact project management, both internally and externally. Andrew Reynolds said: “The impact of digital in a progressive world is going to be massive. MBAs are beginning to reflect this, and it will be central to the CPO role going forward.”

6

Conclusion

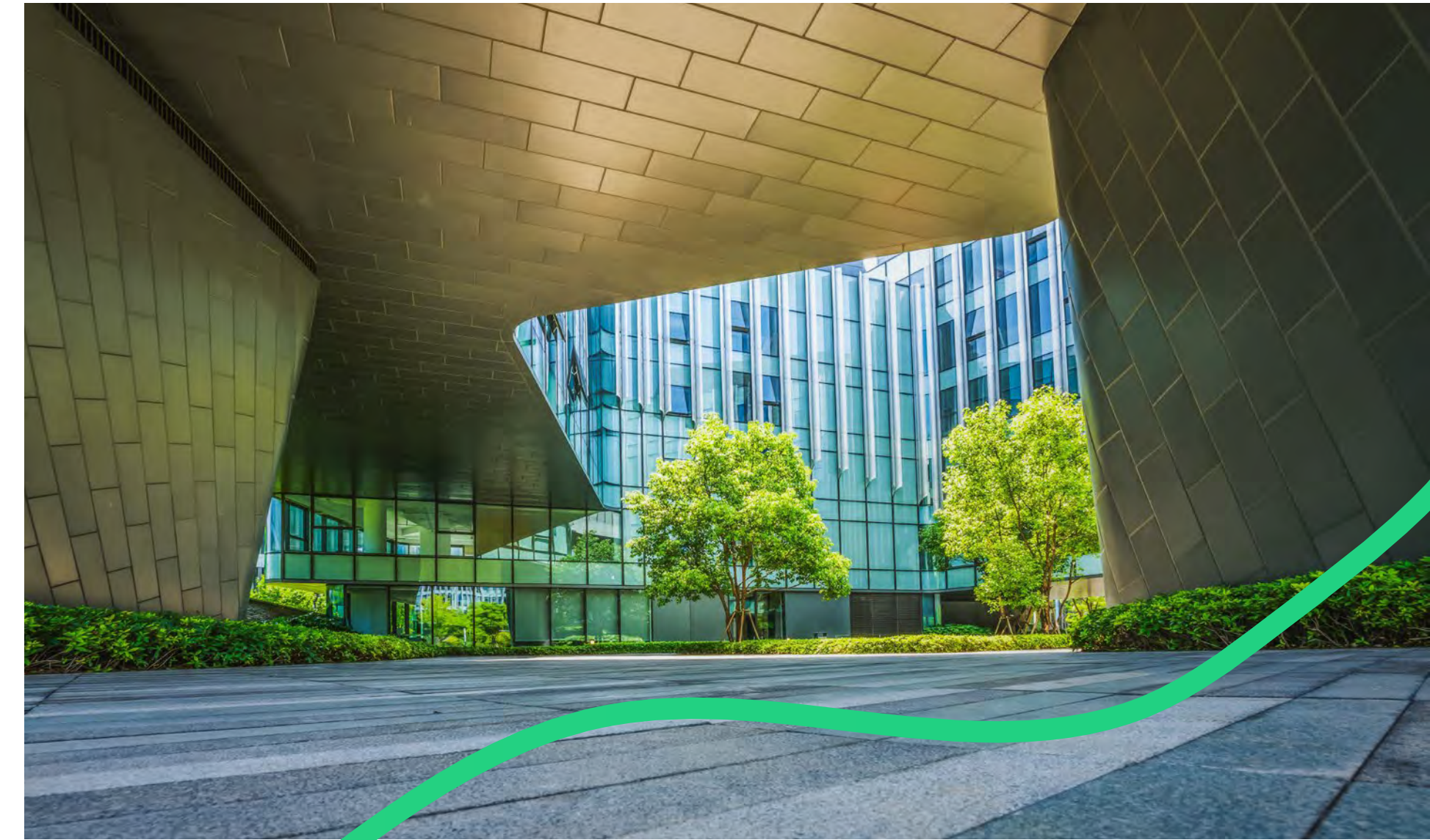
Tomorrow's project management

Our panel felt that to improve project success rates and to future-proof organisations in these times of extreme change and instability, the CPO will become indispensable in the coming decades.

Long-term, AI and machine learning will have an impact on project management; particularly on the more admin and process-related elements. But in the meantime, basic skills in risk management, governance and assurance, and communication urgently need upgrading in the project space.

"My prediction is that by 2030, we will see the majority of large organisations hiring a CPO onto the executive board. Where having a CPO is not viable, project managers should be encouraged to have a strategic influence," said Adam Boddison. "Equally important, smaller organisations will benefit from having Chartered Project Professionals in their ranks, able to deliver improved project outcomes, for the benefit of society.

"Organisations pressing ahead without project experts risk failing to meet major strategic goals, spending more and, ultimately, losing competitive edge."



"Organisations pressing ahead without project experts risk failing to meet major strategic goals, spending more and, ultimately, losing competitive edge."

Find out more about our qualifications apm.org.uk/qualifications

Find out more about becoming a Chartered Project Professional (ChPP) apm.org.uk/chpp



What will a CPO deliver?

Well-managed projects help organisations generate value and keep growing. Having a CPO in place to oversee and champion projects will ensure their bottom-line targets are delivered and that the end results maximise economic gain by saving time and money, and driving greater efficiencies and know-how. The CPO role may not be needed in every business, but APM and the panel for this white paper agreed the role will be particularly effective for large and mid-sized companies.

Here are six key objectives for any incoming CPO



To bring clarity on what constitutes a project, how many are being carried out, how well developed they are, ethical framework and order of priority.

1

To free up the CEO and other executives from project leadership, so they can focus on other elements of business performance but continue to champion projects in the C-suite.

2

To break down silos within the business, and help facilitate cross-division collaboration for more efficient delivery of projects.

3

To control the number of changes and additions made to an original project scope, so that projects don't become unwieldy, go over budget or take too long to complete.

4

To hire, manage, motivate and sponsor a team of professional project managers, ensuring they are fully trained for the project pipeline.

5

To provide visibility on the value expected from strategic initiatives and critical projects, with a focus on legacy as well as short-term commercial gains.

6



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