



***Contracting for Success in Complex Projects -
A Report on the future of contracting in Complex
Projects***

www.iccmp.com



ICCPM

- An independent, international, not-for-profit organisation supporting government and industry to better deliver complex projects.
- Provides a central and coordinating role, bringing together leading thinkers and practitioners of complexity from around the world.
- Translates contemporary research on the effective management of complexity into practical solutions for delivering complex projects internationally.

Our key objectives are to:

- Develop and sustain effective collaborations;
- Educate and develop leaders and organisations on issues of complexity and managing complex programmes; and
- Develop and disseminate practical knowledge and solutions.



IACCM

- Global community of people/organisations that make trading relationships work.
- Our mission - help our members develop innovation, best practices, and operational excellence both personally and within their organisations, and raise professional status and practices worldwide.

IACCM successes include:

- Providing leadership in worldwide recognition of commercial and contracting excellence
- Develop acknowledged global standards for contracts and commercial knowledge and benchmarks
- Leaders in research, training and certifications in contracting and relationship management

2016 International Roundtable Series - Aim

- Bring together collective wisdom (global focus)
- Confirm the issues that currently prevent contract and project alignment
- Create specific and practical steps to drive major improvement
- Outcome being a clear definition of further action required

Primary Objective

To identify and explore the methods and techniques to address the emerging or resultant risks in complex contracting, caused by substantial uncertainty, demanding terms, major financial outlay and or major strategic importance.

Secondary Objectives

1. Identify and explore the **unique** contracting requirements that will enable the procurement of goods or services in complex endeavors to be successful.
2. Identify organisational cross functional readiness and maturity that is required for managing contracting complexity.
3. Identify the roles and governance structures necessary for complex contract management.
4. Identify technological, business system and contractual requirements for effective management of integrated extended supply chains (clients, prime contractors, sub-contractors).
5. Identify strategies, models, methods and tools to better measure progress and performance of complex contracts.

Why this theme?

Globally programmes and projects are expected to deliver outcomes, we have moved away from discussion about outputs particularly in the complex space.

10 Years of reporting bad news and focussing on how we fix project management, this topic demonstrates that in order to fix what is broken we need to address the shortfalls of enabling functions in projects.

Who was involved?



Australian Government
Department of Defence

Capability Acquisition and Sustainment
Group

Brooke

Brooke - Canberra and
Melbourne, Australia



CSIRO Perth, Australia



A TetraTech Company

Institute for Public-Private Partnerships
Washington DC, USA



**Transport
Roads & Maritime
Services**

NSW Roads & Maritime
Sydney, Australia



University College London
London, UK



Telfer Centre for Executive Leadership -
Ottawa, Canada

THALES

Thales Group



**Australian Institute of
Project Management**

Australian Institute
of Project Management

***More than 250 leading practitioners across seven locations: Ottawa (Canada),
Perth, Canberra, Sydney and Melbourne (Australia), London (UK), and
Washington DC (USA).***

A Report on the future of contracting in Complex Projects

What didn't we find?

- Suggestions that there was no problem or it is all their problem.
- Significant differences between jurisdictions.
- Anyone suggesting that increasing process would address the problems.
- Differences in the understanding of what complexity actually is.

What did we find?

- Leadership by Executives is still the most common solution.
 - Investment, recognition, barriers/champions for change
- Drafting, interpreting and managing contracts in complex environments does require a new and different skill set (similar if not the same as the skills identified for PMs of Complex Projects).
- There is specific and targeted research that is necessary to design customised solutions to help us manage in complex environments.
- The project management function in a complex environment is an integrating function that must have the authority to lead integrated teams.
- Executives must recognise the importance of both the PM and CM functions in delivering strategic outcomes (neither should be considered administrative).
- The business case for change exists.

Recommendations

CONTRACTING FOR SUCCESS IN A COMPLEX PROJECT

- Implement adaptable and dynamic contracting approaches.
- Move from managing the contract to managing the relationship.
- Organisations must design and develop guidance on mechanisms to enable living/breathing documents (contracts) to be used.
- Development of a global repository (database/library) of express terms that have been successfully deployed to manage complexity in contracts.

Recommendations

A BURNING PLATFORM – THE BUSINESS CASE TO INVEST

- The ability to manage in complex environments must be a core capability for all executives.
- Organisations must differentiate programs and projects based on levels of complexity
- Selection for appointments or promotions should be based on criteria that values Systems Thinking and understanding complexity as well as demonstrating the ability to manage relationships, interdependencies, multidisciplinary teams and whole system performance, and to include the use of selection panels that similarly understand these attributes.
- Increase awareness and courage to experiment with technological tools that support modelling, interpretation, data analysis, real time decision making, with AI (deep learning) capacity being critical going forward.

Recommendations

COMPETENCE TO LEAD COMPLEX PROJECTS

- Develop individual competency standards for Contract Managers aligned to complexity characteristics.
- Organisational maturity & individual competencies to be integrated and mandated when working in a complex environment.
- Executives must be educated and experienced to recognise when an endeavour is complex and apply appropriate techniques and contracting mechanisms to enable the management of the complexity within the bounds of the contract.
- Assess KPIs and develop appropriate measures that reward the necessary and desired behaviours specific to the needs of the project/contract.
- Integrate contract management into the project and develop shared understanding from inception to closure.

Recommendations

ORGANISATIONAL MATURITY TO COPE WITH COMPLEXITY

- Contract and Project Managers must be given the legitimacy to lead integrated cross functional teams.
- Longitudinal research to monitor the evolution of CM and PM maturity – research must focus on increasing the understanding of PM and CM maturity and the development of real-world case studies reporting how an organisation actually derives benefit from the application of maturity models.
- Develop a robust and truly holistic Organisational Maturity Model fit for purpose for contracting in complex environments integrating project management and contract management maturity.
- Research and develop the appropriate organisational culture characteristics and structures (including KPIs) that promotes appropriate levels of risk taking (rather than promoting risk avoidance), balanced by healthy organisational learning,.

Recommendations

ADDRESSING RISK FROM A SYSTEMS PERSPECTIVE

- Organisations must determine their “Risk Policy” position.
- Risk policy positions should be included in RFT documentation and be a requirement for assessment in responses.
- Develop a global repository/library of risks and responses as a knowledge bank to access, that articulates what the risk was, why was it considered a risk, what was done about it and advice on how an appropriate clause could be drafted to address the risk.
- For complex projects, traditional process-based risk management methods must be replaced by systemic risk management approaches, using applied systems thinking to manage risk(s) across whole project systems and seeking to achieve win-win outcomes for all parties.

Recommendations

GOVERNANCE IN COMPLEX ENVIRONMENT

- Industry lead research is required to investigate and develop appropriate dynamic governance frameworks.
- Development of appropriate education resources to build capability in managing risk and governance in complex environments particularly for board level governance mechanisms.

Recommendations

A HOLISTIC VIEW

- Design a system and processes that address how to maintain competition and probity and foster collaboration and cooperation at the same time, which must be Government and Industry lead.
- Design a system to accommodate cultural differences between organisations which have divergent goals but who must work together to deliver outcomes.
- Recognise the support of holistic approaches including systems thinking and complexity based approaches based on non-linear planning, problem structuring and sense making to project and contract development and management.
- Multi-methodological approaches must be used to improve integration between contract and project management. This includes traditional approaches such as systems engineering and complexity based approaches in balance.
- Greater sense making must be included as a core skill during the design and development of contracts to be aware of emergent outcomes.

In response...

Complexity Diagnostic Tool

INTERNATIONAL CENTRE FOR COMPLEX PROJECT MANAGEMENT

DIAGNOSING PROJECT COMPLEXITY
 The Complexity Diagnostic Tool allows you to diagnose complexity in projects and obtain a dynamic guidance report to address risks based on best practice management interventions.

Developed in partnership with **Helix 13**
 Changing Business Value With IT

WWW.ICCPM.COM

Methodology:

- the characteristics of a project;
- the external environmental influences;
- correlations in accordance to academically validated complexity types (Remington, K., Pollack, J. (2007); and;
- the allocation of role descriptions based on the complexity of a project.

Process Flow:
 Diagnose Performance → Analyse Performance → Guidance Report
 (Complexity Diagnostic Tool → Complexity Diagnostic Report)

Benefits:


- Diagnose complexity within projects
- Identify complexity-related risks
- Best practice guidance for management interventions
- Track performance over time
- Multiple stakeholder views
- Executive dashboards for cross-project comparisons
- Based on validated research and aligned to the ICCPM Competency Standard

Software Interface:
 The interface displays a dashboard with a grid of colored boxes (Structural, Technical, Directional, Temporal) and various charts and graphs.

Contact Information:
 To register your project for a Complexity Diagnostic you can do so at the ICCPM web site: WWW.ICCPM.COM
 or contact **International Centre for Complex Project Management**
 A.B.N. 77 127 367 373
 PO Box 327, Deakin West ACT 2600 AUSTRALIA
 Ph: +61 2 6120 5110
 E: admin@iccpm.com

In response...


BUILDING CAPABILITY IN COMPLEX ENVIRONMENTS



Certificate IV in Responding to Organisational Complexity



NATIONALLY RECOGNISED
TRAINING



INTERNATIONAL
CENTRE FOR
COMPLEX PROJECT
MANAGEMENT

Learning Outcomes

Be perfectly positioned for a project management or leadership role within the world of complexity with this programme, designed to provide sound theoretical knowledge of complexity theories, frameworks and tools and a broad range of skills to identify, assess and treat complexity in organisations.

The programme is highly interactive and includes group activities as well as discussions about learner's current workplace projects and organisational situations. Many activities and a workplace project have been included to allow learners opportunities to practice applying the approaches covered and to demonstrate their knowledge and skills to their own organisational situation.

The learning outcomes of this accredited course are:

1. work with managers and team members as appropriate to deal with situations where complexity is present across a range of organisational contexts
2. provide guidance to managers and teams as to the tools, methods and approaches that may be used to deal with complex situations present in organisations
3. take responsibility for own role as appropriate in applying complexity theories, approaches and systems concepts to allocated tasks
4. manage self and supervise others in the efficient use of complexity management techniques at an organisational or operational level
5. facilitate effective problem-solving techniques for effective risk management and decision making in complex environments
6. demonstrate effective leadership required in environments where complexity is present
7. facilitate an environment orientated to high performance in the workplace



Delivery

7 days face-to-face; delivered over 3 - 6 months, plus self paced study, practice applying approaches in the workplace and assessments. Students have 12 months to complete the course.

Training Calendar

We recognise that your time is valuable so we will schedule courses in major capital cities to ensure easy access to this significant professional development opportunity.

Our annual national training calendar is published on our website (<https://iccpm.com/content/training-calendar/>) or please contact the ICCPM team to discuss your training needs.

Assessments

ICCPM has carefully structured its assessments to include a variety of styles to cater for the learner needs of a broad range of students.

Students will be assessed via a combination of:

- group work and role-plays
- activities/scenarios,
- quizzes
- workplace tasks

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In response...

Certification Scheme for the Complex Project Manager: Feasibility Analysis

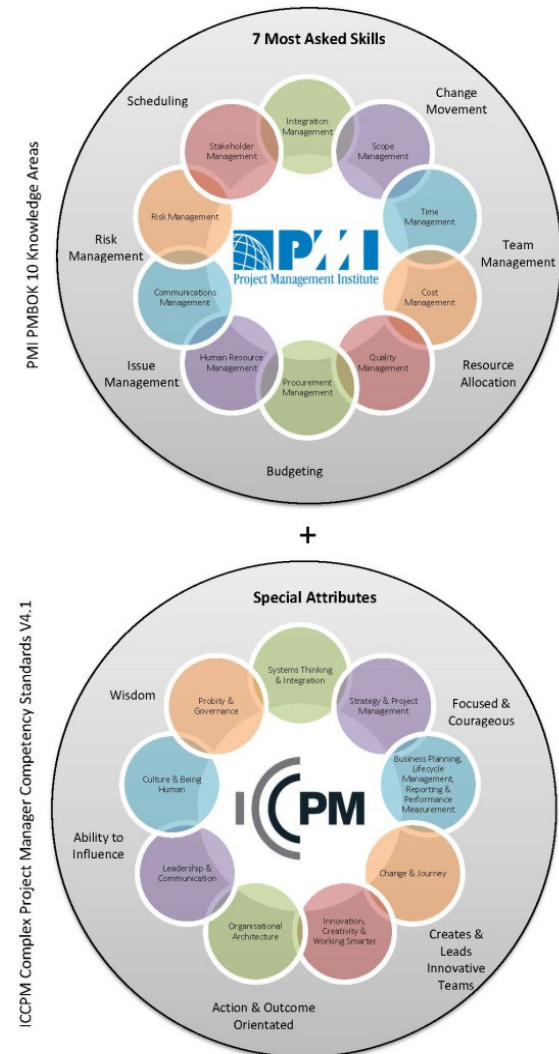
Invitation

How: Through workshops, online forums, individual and corporate submissions and through interviews to name a few.

When: After registering your interest, you will receive information relating to engagement opportunities.

Who: The ICCPM Project Manager, Mr Ian Biggs, he can be contacted through admin@iccpm.com or personally on 0427150460.

To read more about this proposal, search for the position paper: Certification Scheme for the Complex Project Manager: Feasibility Analysis, on our website www.iccpm.com



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