

Due Diligence to Enable Project Success



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PSPMF 2024 ●●●●●
Public Sector Project Management Forum

Agenda

- 1) Introduction
- 2) How is project success measured?
- 3) Need for due diligence
- 4) Business Case
- 5) Benefits Case
- 6) Due diligence for the human impacts of change
- 7) The portfolio perspective

Introduction



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Colliers Project Leaders (CPL)

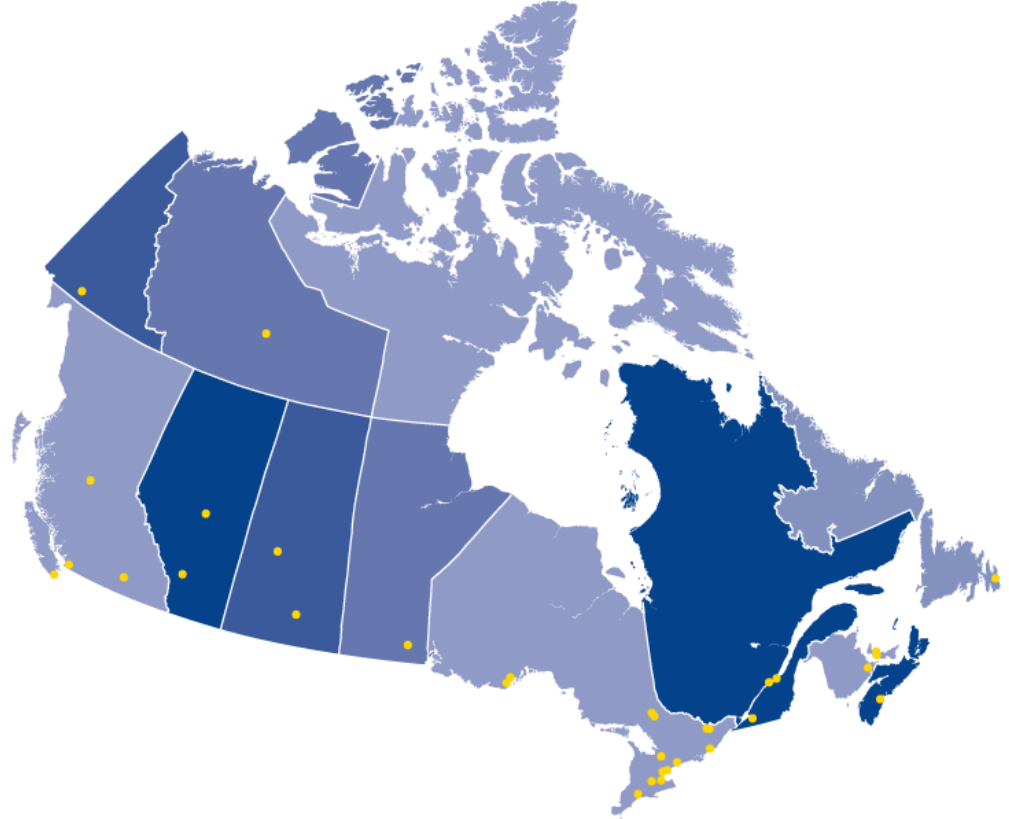


30+ offices
across Canada

15,000+
public and private
sector projects

ISO
9001:2015

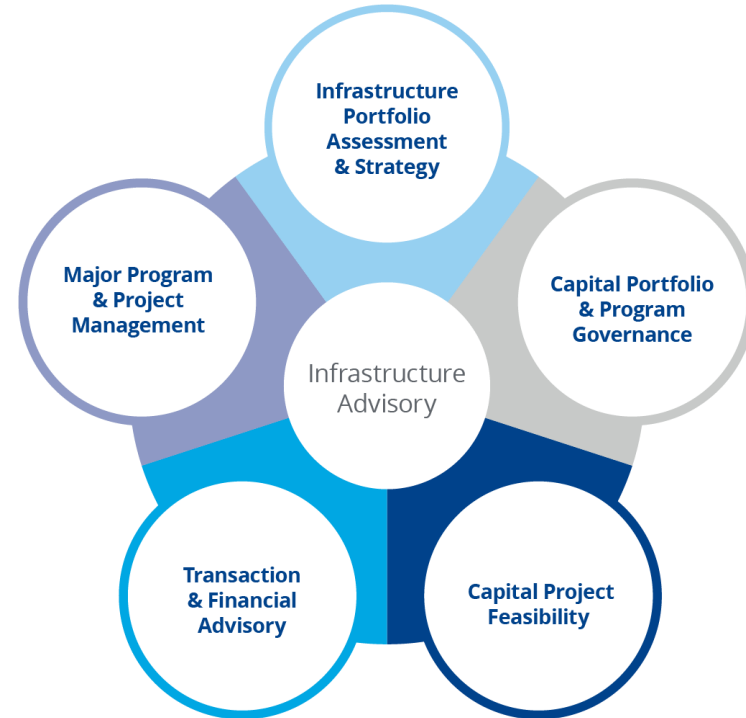
30+
years of service



CPL Infrastructure Advisory



- Develop a holistic **strategy and planning** to maximize value
- Optimize delivery of major **capital programs**
- **Improve outcomes** through investments in new and existing infrastructure
- **Governance**, frameworks, oversight reviews and assessments
- Validate **project viability** and investment decisions
- Design successful **alternative financing** and procurement solutions



What is Project Success?

Basics

Project Success is generally understood as:

On time & on budget

Deliverables:

Product or service resulting from a project

PMBok Definition of Quality:

Totality of characteristics of an entity that bear on its ability to satisfy stated or **implied requirements**

Benefits

Value that is created from the project

*What
really
matters*

The Need for Due Diligence



\$30B in Product Development

Requirements:

- Double Decker - More Passengers (525 standard to 853)
- 1200 Unit Production
- More people = more \$
- 254 units produced
- Most international airports couldn't accommodate it with substantial infrastructure changes
- Prematurely decommissioned in 2021

Business Case

Key Attributes of a Business Case Framework

- Strategic Alignment
- **Options Appraisal / Alternatives**
- **Risk** Analysis
- Financial Attributes
 - Capital Cost
 - Revenue
 - Life Cycle / **Operating Costs**
- Scope / **Out of Scope**

Have you ever been handed a project or list of projects with out a scope but only a named deliverable? (infamous "capital list")

Case Study

Project Without a Business Case



- Client was moving forward to design (\$2M) for a performing arts centre
- High level feasibility study conducted
- No public consultation
- Unclear on funding availability
- No understanding of future operating costs
- Unclear on capital requirements
- Site options not analyzed
- Total project had not been approved by municipal council

Business Case vs. Benefits Case



Case Study - Benefits Case

Mill Cove: Green Marine Rapid Transit

- Federal ICIP Program \$180B
- Objectives
- Jobs & Growth
- Support Sustainability and Resiliency
- Inclusive & Accessible projects to improve social inclusivity
- ~\$265M Project Budget
- The conventional “Business Case” approach was insufficient to substantiate many of the ICIP projects



Benefits Case



1. Inclusion & Accessibility



2. Regional Growth



3. Land Development



4. Sustainable and Resilient

5. Other Factors:

- ✓ Reduced Travel Time
- ✓ Affordability
- ✓ Reduced Accidents / Healthcare
- ✓ Job Creation

Benefits Case Framework

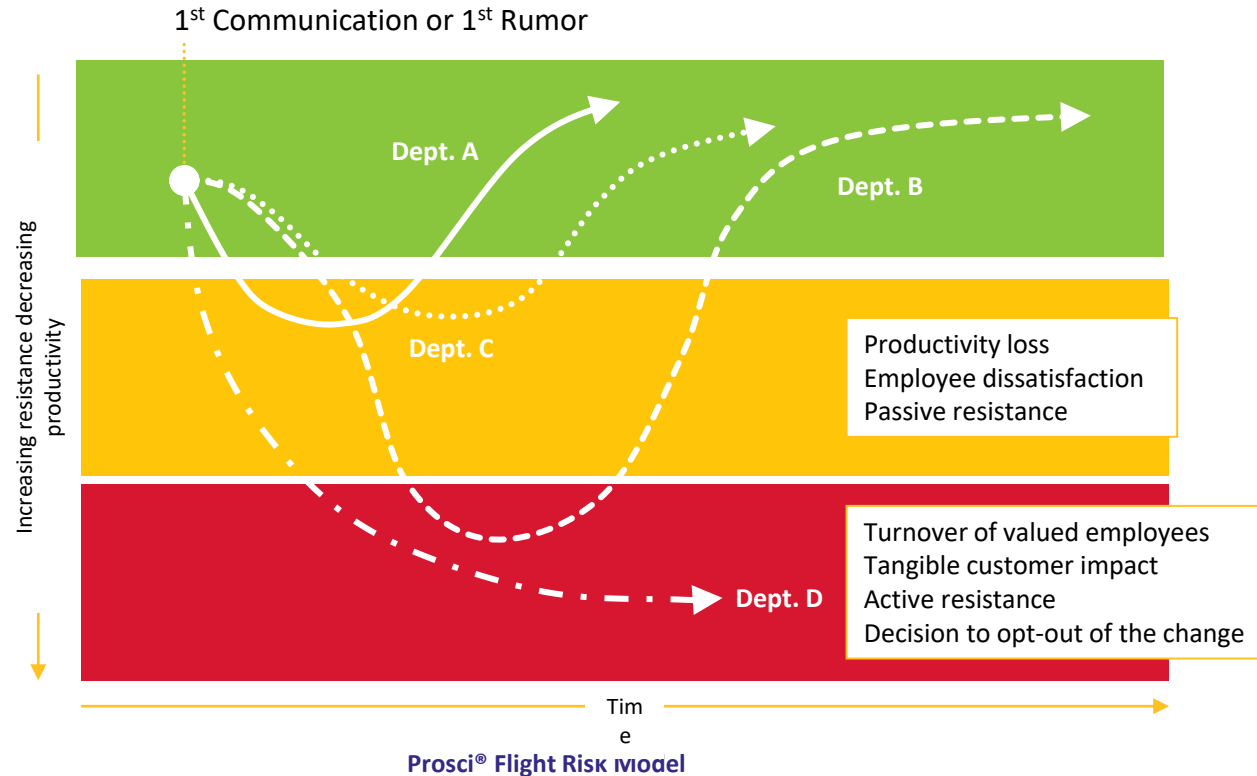


Another Dimension

Due Diligence - The Human Impacts of Change



Why is human focused change management so important?



Case Study - Failed Change Management Due Diligence

Govt. of Canada - Phoenix Project

Identified Change Management Issues

- Lack of sufficient risk planning and management
- Insufficient consultations
- Leaders did not accept feedback
- The real cost of change not considered
- Significant training shortfalls
- Sustainment plan fell short (corrective team overwhelmed)
- Beyond the technology shortcoming there was massive resistance to change by employees and management



Portfolio Due Diligence



Case Study – Making Sense of Competing Priorities

Due Diligence at the Portfolio Level

Noteworthy Notes

- Portfolio perspective vs. project perspective
- Often done at departmental not enterprise level
- Integrated approach is key to success

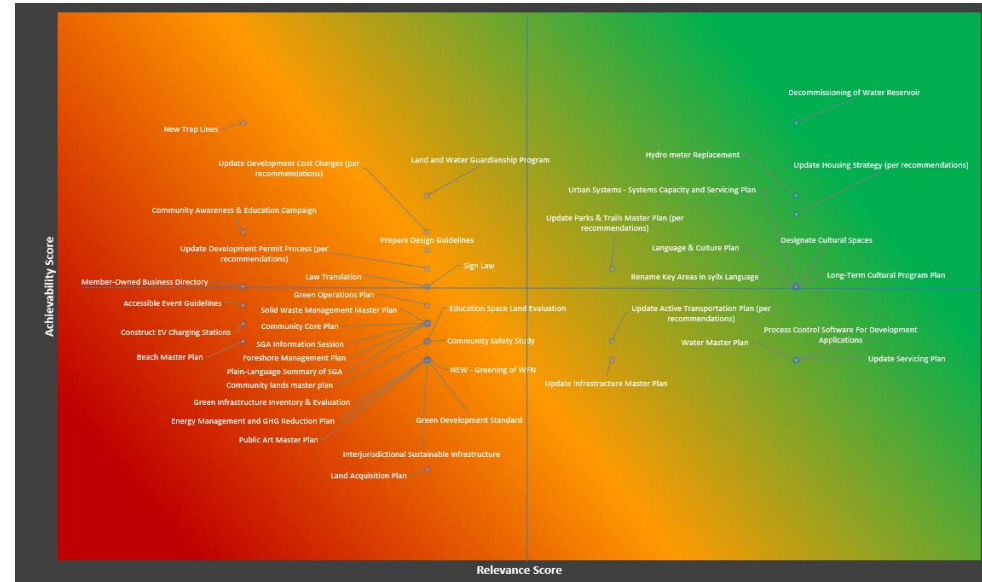
Criterion

Relevance:

- Linkages to strategic or service obligations

Achievability:

- Staff capacity
- Skills/ experience
- Sufficient pre-planning
- External resource dependency
- Financial sufficiency
- Complexity



Questions & Discussion





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