

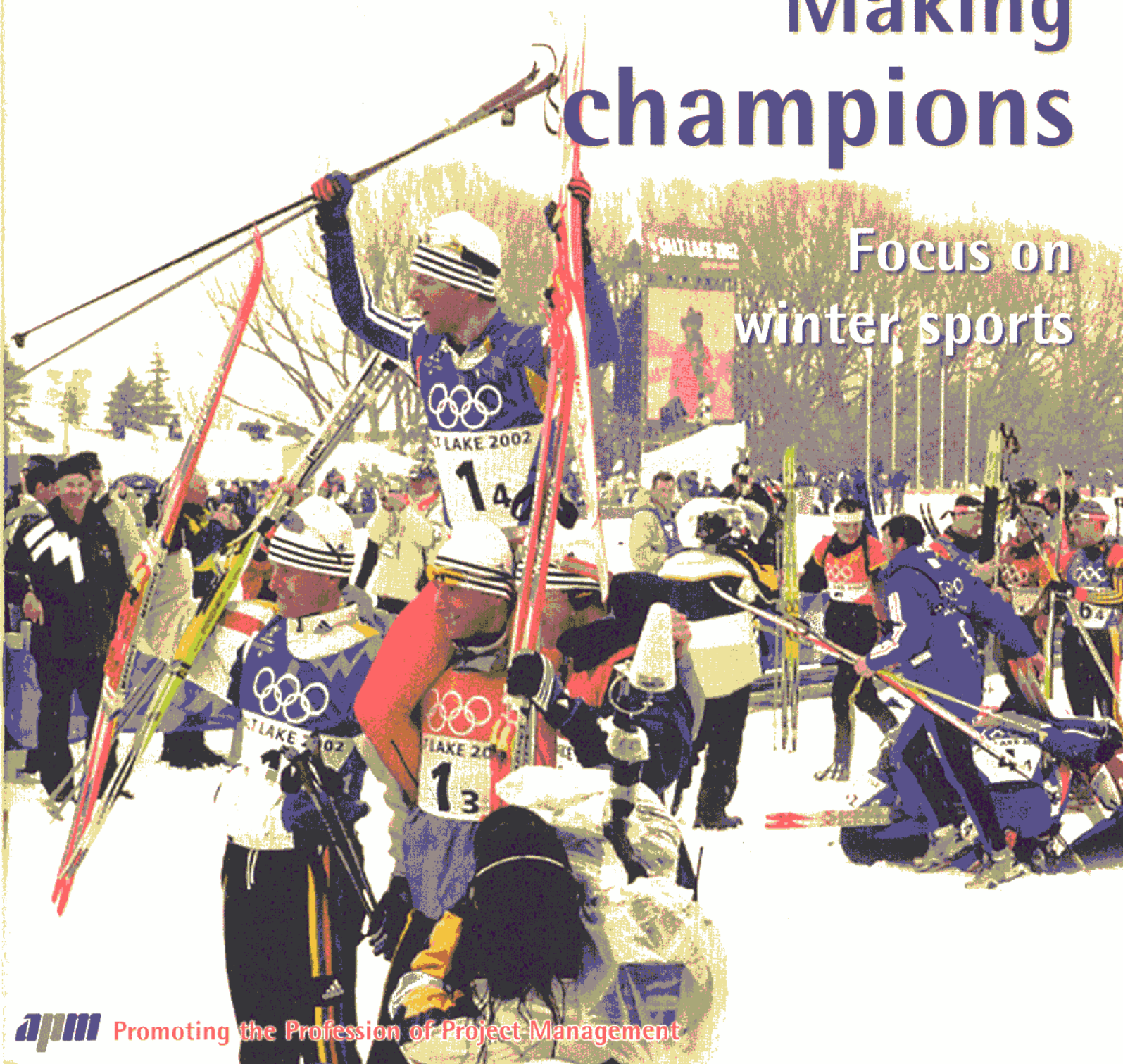
# Project

Magazine of the Association for Project Management

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## Making champions

Focus on  
winter sports





**A**NY membership organisation worth its salt needs to continually check with the 'grass roots' to ensure it is truly representing the members' best interests and that it is moving forward in the right direction

We all know of organisations where policy appears to be dictated by the more senior members, almost a parental 'we know best because we've seen it all before' attitude. Too often, such organisations stagnate and, in time, perish. Not so the Association for Project Management, one hopes.

Certainly, if the recent AGM is any indication, the elected Council and Executive Board are keen to gauge members' views on a variety of issues which will affect the future of the Association and, importantly, of each member. Your view really does count.

Such open-mindedness should be encouraged, which is why there are three issues raised in this edition of *Project* for which your feedback is invited.

One looks at the on-going debate for and against chartered status. Your views could help others to make up their minds when a future membership survey is conducted by APM (page 27).

Contributing your thoughts to the 'knowledge forum' could directly help other members (page 29). Opinions on courses and conferences attended and PM books and publications read are requested to add to the continuing professional development bank.

Finally, this month sees the publication of APM's Yearbook for 2002-2003. All members should receive a copy with this issue of *Project* and the Editorial Board would like to know what you think of the content. Do you agree or disagree with any of the views expressed? Letters to the Editor, please!

Deborah Boyce,  
Editor

**THE HOLE STORY:** Why are Dr Richard Jones and Dr Naomi Sykes down a hole in North Buckinghamshire? Turn to page 24



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**Network**, the members' newsletter of the Association for Project Management, is included with every issue.

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# PORTUGAL SCOOPS IN EURO CONTINENT

**A**S ENGLAND continues to vacillate over the future of its national football stadium at Wembley, the powers that be could do worse than to look to Portugal.

By the time that the European championships reach the crucial final leg in 2004, Portugal will have created not one but 10 stadiums and the necessary infrastructure to meet the exacting specifications of UEFA and FIFA.

Of the 10 stadiums, seven are being completely rebuilt and three are being improved. Each stadium is an independent and complex project and the overall schedule is two years – with no room for slippage.

The scope is an important aspect. The stadiums are not designed purely to host football matches. They are also expected to become important local centres for other sporting and social activities during and after the tournament. As a consequence, in general, their scope includes running tracks, swimming pools and units for other sporting activities; health and shopping centres, commercial and entertainment areas; conference rooms and auditoriums and cinemas.

These projects are subject to important constraints. All stadiums must conform to the most recent norms and requirements imposed by both UEFA and FIFA. In addition to top quality pitches, each has to be able to cope with a minimum crowd of 30,000 and the accompanying public facilities. There has to be excellent changing room accommodation for referees and players and it has to meet the needs of the world's press and media. Medical and dope-testing control rooms are required, along with the the safety, surveillance and security measures essential at today's top level football matches.

Each stadium has a different specification to bring it up to scratch. Some need renovation and adaptation, like one of the oldest urban stadiums, the Coimbra, which is to be extended from its current 14,000 capacity. Of the new stadia, two are being built in Lisbon. The Sport Lisboa e Benfica

It is not just national football teams that are working towards the European championships in 2004. Portugal, which is to host Euro2004, has to have 10 stadia match fit and up to UEFA standard. Earned value management has been brought in to help ensure that everything is ready for kick-off, as Alexandre Rodrigues and António Laranjo explain.

stadium, will have a 65,000 spectator capacity and the Jose Alvalade stadium will replace the existing, ageing ground.

The time period for the construction is the same for all projects, and they are being implemented and managed in parallel.

## Experience

Earned Value Management (EVM) is being used to help create these stadiums for the third largest worldwide sporting event, with an overall budget of €460 million. The programme will owe much to the experience of Expo 98, the last World Fair of the last millennium, held in Lisbon in 1998.

It, too, was complex, with a work breakdown structure (WBS) of 12 major



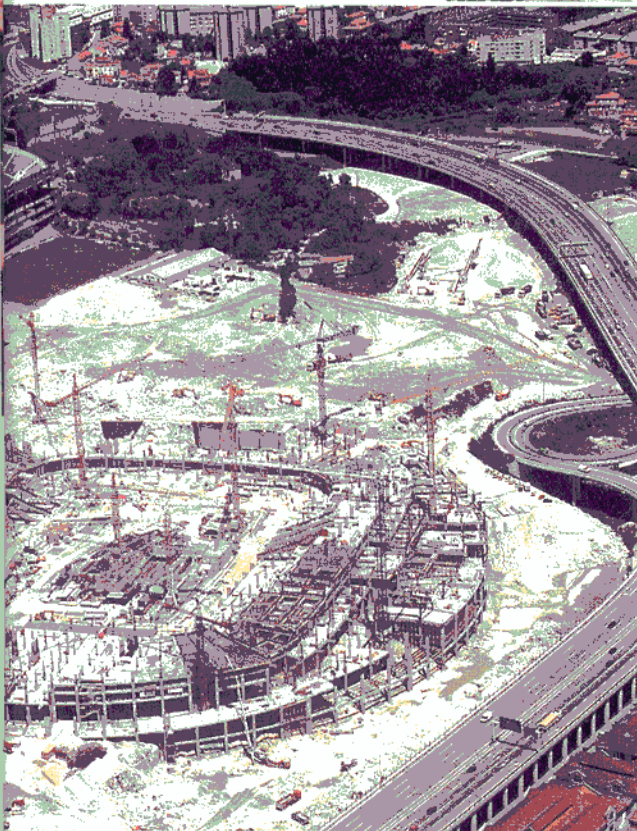
programmes, each with 75 individual projects, and an unmoveable final schedule. Each project was classified on the basis of its relative importance to the overall mission and each contained thousands of standard activities defined by the project manager. At sub-contactor level, the WBS led to thousands more tasks and actions.

As with Euro2004, there was international participation, resulting in a mandatory and rigorous risk management process and effective cost and schedule control system.

The Euro2004 stadia programme has three main objectives: to monitor and evaluate the programme, to monitor the building of all the support facilities and to monitor the building and improvement required to all national and local infrastructure.



# PRES EST



**BEAUTIFUL GAME— GREAT STADIUMS:** Above, The new Sport Lisboa e Benfica stadium will have a 65,000 spectator capacity and is the home ground of SL Benfica. Left: Das Antas stadium, home of FC Porto in Oporto, is an urban re-qualification project and will be the main component of a multi-purpose Sports City.



reach similar levels of performance.

EVM metrics such as the Actual Cost (AC), Planned Value (PV) and Earned Value (EV) are being collected and performance indices are being calculated. In addition, other metrics are being produced for better understanding of the causes of deviations and in devising effective re-planning decisions. These include:

- Staff productivity per type of work

work

- Monthly invoiced costs and determination of trend analysis
- Physical progress accomplished per type of work

The implementation of EVM at Euro2004 is based on some key requirements that needed to be assured from the very beginning of the programme:

- The evaluation of the physical work accomplished (ie the Earned Value), requires the establishment of measures for work units and the estimation of their unitary cost, for each type of work
- The value of the physical work accomplished is then calculated as the number of work units accomplished times the unitary cost
- The estimation of the labour work

accomplished is based on the estimated time to complete the task, and not on the basis of the budget remaining

- Detailed progress information must be collected on time and with accuracy

In addition to meeting these requirements, the following guidelines are being adopted as the basis for the establishment of a coherent and useful EVM-based control methodology:

- All techniques are being implemented from the very beginning in all projects (don't start half-way!)
- Information gathering is integrated within the management and quality assurance and control activities
- The specific interests of all parties involved must be addressed, so that information gathering is not seen as just 'additional effort'. Agree with all parties what information they will need to provide, and show them the type of feedback that they will receive as added-value
- Develop and provide easy-to-use templates, common to all projects, which allow for a more accurate and consistent data collection process
- Data collected is stored in and processed from a central database system
- Numerical analytical data on progress and performance is being complemented with graphical representations and images/ photos of the work underway in the field
- Produce indices that allow management to

The same control techniques are being implemented in all projects and therefore there is the possibility of producing performance metrics that can be immediately compared.

## Analysis

Because the control system is common, the metrics being collected (and their underlying assumptions), are the same for all projects, thereby providing for a valid, easier and economic comparative analysis. This will allow management to gain an important understanding about the overall programme performance. On the basis of objective data, pressure can be exerted appropriately over the right contractors, so that they will all



validate the data collected (ie 'data-quality control' indices)

- Produce comparative analyses of performance across all projects that allow management to put the right amount of pressure on the right subcontractors
- All EVM metrics and indices must be represented in graphics and on a time basis
- Process the information and data provided by the QA/QC team, and use it in the review meetings with stakeholders, thereby emphasizing its usefulness (i.e. data is being collected for visible and useful purposes)
- Keep track and analyse the results and impacts of EVM-based corrective actions, thereby demonstrating to all parties the usefulness of the method

## Improved

The information system being used at Euro2004 to support this approach has been improved from its initial version used in Expo98.

However, EVM alone – while a



**“Because the control system is common, the metrics being collected are the same for all projects, thereby providing for a valid, easier and economic comparative analysis”**

**– Alexandre Rodriguez and Antonio Laranjo**

powerful tool – is not sufficient. There are limitations and as Expo 98 demonstrated, such a large programme also requires a significant amount of human resources, a powerful information system and a great deal of commitment by all involved.

## Strategic

But the benefits at Expo 98 far outweighed the costs. EVM provided management with useful, rigorous and accurate information at all levels, on the basis of which important decisions and strategic directions were

successfully devised. On this foundation, Portuguese confidence that Europe will be impressed by the state of play in 2004 is riding high.

• António Laranjo is currently the Tournament Director of Euro2004, being responsible for the definition and implementation of the programme-wide control system (including the EVM method), in particular regarding the stadium projects. He was previously programme manager of Expo98 where he first launched this programme management approach in Portugal. He is Adjunct Professor at the Instituto Superior de Engenharia de Lisboa and is currently undertaking a PhD on Project Finance Initiatives.

• Alexandre Rodrigues is Assistant Professor at the University of Minho and also works as Project Management Trainer and Consultant for the industry, mainly in Portugal, UK and the US. He holds a PhD in project management from the University of Strathclyde. His consulting work focuses on helping organisations to adopt project management best practices, in particular EVM. He is currently collaborating with Antonio Laranjo in the development of advanced approaches for implementing EVM in the field.

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