

This chapter is taken from *Business Driven Information Technology: Answers to 100 Critical Questions for Every Manager* by David Laube (ed.) and Ray Zammuto (ed.). It was sponsored by The College of Business at the University of Colorado, Denver. Published September 2003 by Stanford Press.

Each chapter in the book is a response to a question. This chapter answers the question, “**Why is it important to explicitly state the intended business result of an IT project? How should this be done?**” Please note – what is expressed in this chapter is true not only of IT projects, but also of strategic initiatives.

Question 95: What role does a project’s steering board need to play in the technology implementation process?

William W. Casey & Wendi Peck

IT projects that reach across the enterprise have many stakeholders—people with a strong interest in the project’s approach and outcome (**Q50**). Those stakeholders may support or subvert the project; their advice and acceptance often drive project success.

Use of a steering board is one way to engage those stakeholders. Steering boards offer practical and political advantages, ensuring that the project receives key strategic input, as well as ensuring that interested parties believe that they have been sufficiently represented.

A project’s steering board comprises executives representing the various groups of stakeholders. For example, in a project designed to install an order and billing application, the departments represented might include Sales, Customer Service, Finance, Distribution, and IT. Therefore, an executive from each area would sit on the board.

The *executive client* chairs the board (**Q93**). Only one person should occupy this position, no matter how many business units are affected by the project. If in doubt about the identity of this *client*, choose the executive representing the business unit with the most at stake in the outcome of the project, or the one paying the largest portion of

the project's costs.

Generally, the other board members should occupy positions at the level of the person chairing the board, or slightly below. Board members who rank much lower than the chair may receive scant attention from the chair, or may not speak up. Neither should the chair occupy a lower organizational rung than the other board members, for similar reasons.

To Steer or Not To Steer

Does the steering board actually steer? The answer is either yes or no, depending on which of two steering board models are employed.

It does steer in the *committee model*, which sets the steering board at the apex of the project. The chair guides and facilitates, but wields no more authority than the other members. The chair and other steering board members serve as co-equals.

This model produces a sense of inclusion among steering board members because of its inherent use of power sharing. Some projects never get off the ground without this political advantage. On the other hand, this model produces the usual pitfalls of committees-in-charge, messages and directives conflict, disagreements drag on, personal agendas exert inordinate weight, and the task of managing multiple bosses devours the project manager's time.

Clear role definition for each steering board member can help mitigate these dangers. By assigning categories of decision making to each member, the board can reduce the number of group decisions that inevitably slow the project's progress. The project manager also plays an important role in this model. As the person the steering board often sees as accountable for project success, the project manager can often

force an agenda and obtain decisions from the board that he or she feels are essential for the project to successfully proceed.

The *strong leader model* is the non-steering alternative to the committee model. In this model, the chair seeks consensus and works mightily for it, but retains the right to decide, if consensus cannot be reached. Steering board members who believe their interests are being trammled can escalate their concerns to higher management (unless, of course, the steering board chair is the CEO). In most organizations, escalation is not done lightly, but its possibility helps ensure that the chair considers the interests of the whole enterprise, not just his or her own portion of it.

Member Accountabilities

In the strong leader model, the chair is accountable to ensure that the *business purpose* of the project is achieved.. In the committee model, the committee members experience shared accountability for project success – along with all the potential hazards of collective responsibility.

All board members have three broad accountabilities: (1) Advise and advocate *on behalf of their constituencies*, to influence favorably the conduct and outcome of the project, (2) Advise and advocate *on behalf of the project*, to influence the acceptance and engagement of their constituencies, and (3) Ensure the delivery of any element of the project which is due from that member's organization. The third accountability is particularly important when business process changes are significant parts of a project. The board member must make sure that the process redesign, employee training, data conversion and testing activities that his or her organization has committed to are successfully handled. Board members are accountable to their immediate managers to

perform these three accountabilities.

The IT seat on the *client's* steering board possesses those three accountabilities, plus an additional one. The IT executive must ensure, as far as practicable, that technology decisions serve the long-term interest of the total organization, such as conforming to architectural standards and advancing the organization's technology strategy.

Board members are not accountable in any direct way to the chair. The chair is normally in no position to hold the board members accountable and, doing so would undermine the checks and balances that are normally built into the steering board structure.

The Board's Business

Unless there exists a project portfolio management process that allocates resources across multiple projects (Q76), it is the board's job to accept or reject the business plan that supports the project. This function is most likely to occur when the board is actually a standing committee, such as the CEO's executive committee, and not an ad hoc committee formed to head a particular initiative.

The board also accepts the project plan (or a high-level version of it), including the project's measure of performance and statement of scope, which it must then manage against. As the project unfolds, there will inevitably be unforeseen events that trigger strategic tradeoffs between the project's intended results, schedule, and costs (including availability of resources). It is the board's role to plan and control these tradeoffs as much as possible—or explicitly accept the increased risk of not doing so. To be able to make the needed strategic tradeoffs, the board monitors the project's

progress against major milestones and formally accepts its major deliverables.

One important role of the board during the project is to exercise the right to approve any changes in scope—at least above a certain amount. This is particularly important when scope changes have cross-organizational impacts. Scope changes often consume the project's contingency ([Q99](#)), the use of which should also be controlled by the board. In addition, if the project strays too far off course to correct, the board may be obliged to kill it ([Q100](#)).

Board Meetings

Steering boards should meet as often as needed, but monthly meetings are typical. Early in the project, late in the project, and at crisis points, the steering board may meet more often. When the steering board convenes on a regular basis, instead of a reactive basis, the need for hastily assembled crisis control meetings diminishes considerably. The chair leads the meetings using an agenda the project manager has developed with input from each board member. Ideally, supportive information should accompany that agenda in advance of the meeting so that board members can come prepared to contribute. Periodic project updates can occur between meetings if necessary through e-mail or Web-based communication channels.

Summary

Regardless of whether an organization employs the *committee* model or the *strong leader* model, well structured and well conducted steering boards offer a dramatic opportunity; they can empower enterprise-wide projects to stay relevant to the organization and to make the right strategic tradeoffs along the way. In the end, steering boards ensure that all the stakeholders stay involved, creating the political,

organizational and financial strength so essential for project success.

Resources

Web Based Resources

Business 2.0: Web Guide—Management Style.

<<http://www.business2.com/webguide/0,1660,4570,00.html>>.

CIO.com: Leadership and Management Research Center.

<<http://www.cio.com/research/leadership>>.

Articles

Davenport, Thomas H. "Saving IT's Soul: Human Centered Information Management."

Harvard Business Review on the Business Value of IT. Boston: HBSP, 1999. 1-34.

Goldfarb, Eric. "The CIO as Coach." CIO.com 15 July 2000. 16 Dec. 2002

<http://www.cio.com/archive/071500_re.html>.

Ross, Jeanne W., and Peter Weill. "Six IT Decisions Your IT People Shouldn't Make."

Harvard Business Review 80.11 (2002): 84-91.

Books

Cleland, David I., and Lewis R. Ireland. Project Management: Strategic Design and Implementation. 4th ed. New York: McGraw-Hill, 2002.

Fleming, Q. W., and J. M. Koppelman. Earned Value Project Management. 2nd ed. Newtown Square: Project Management Institute, 2000.

Project Management Institute. A Guide to the Project Management Body of Knowledge (PMBOK Guide). Newtown Square: Project Management Institute, 2000.