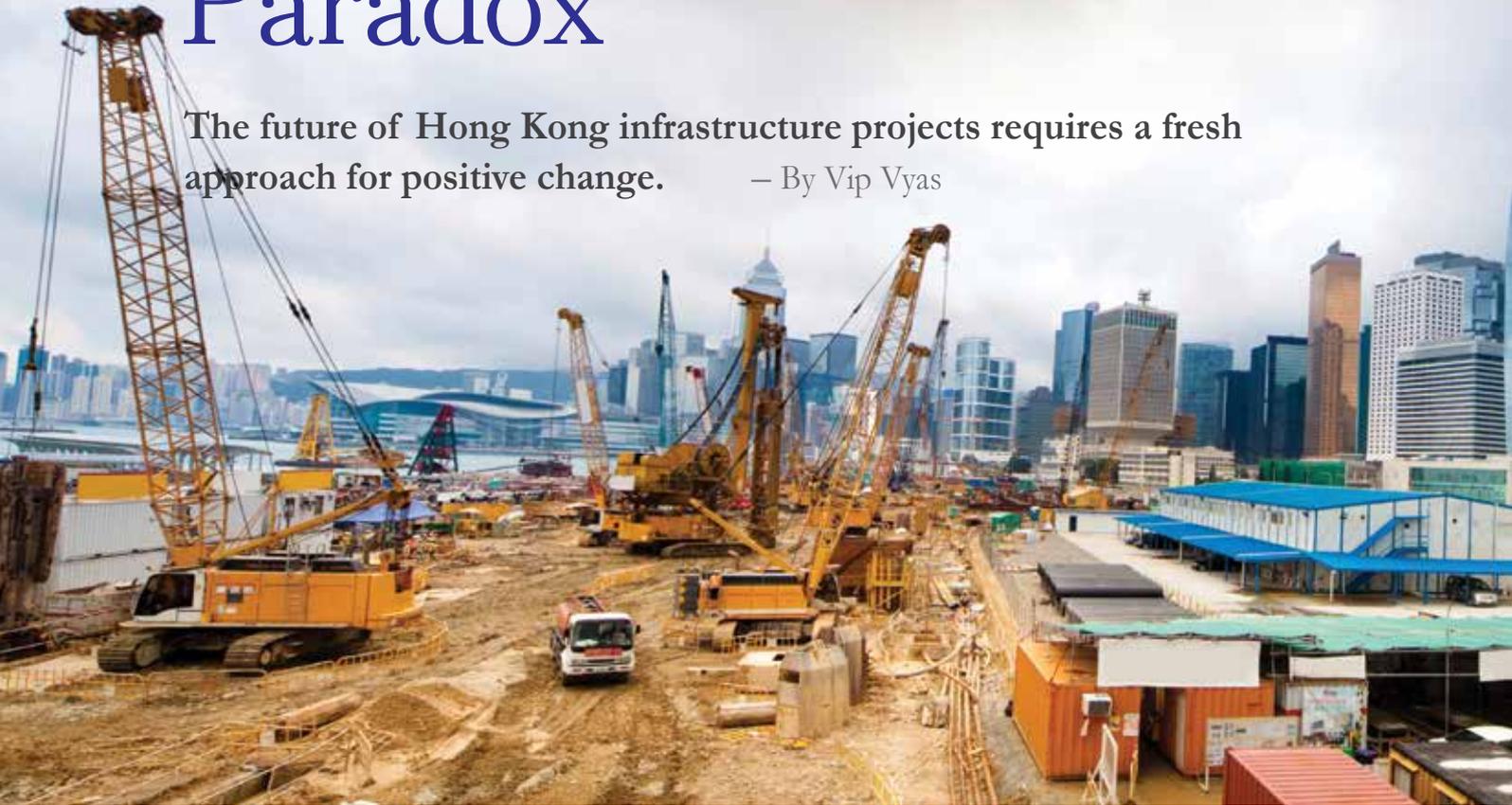


The Know-How Paradox

The future of Hong Kong infrastructure projects requires a fresh approach for positive change. – By Vip Vyas



With highly publicised delays on five major MTR projects, Hong Kong's rail operator has – once again – inadvertently raised the question of how to more effectively deliver key infrastructure projects that are central to local economic and human development.

Rather than take a swipe at an embattled organisation and its overwhelmed supply chain, perhaps this is a time for politicians and industry in Hong Kong to step back and take an authentic, fresh look at the challenges facing the delivery of large complex projects.

To start with, the under-delivery of community benefits and cost overruns locally does not make a company a global outlier. Extensive research conducted by the Saïd Business School at Oxford, covering 258 projects in 20 countries over five continents, has shown how the

problems of political interests, optimism bias and poor planning and delivery are systemic globally.

One way to address the challenge of mega-project delivery is by using Reference Class Projects to better estimate project schedules and costs.

However, this is only a partial solution. Ultimate project success hinges on the performance of the contractor who is either responsible for engineering, procurement and construction or the collection of companies (the contractor plus its value chain) that perform these activities.

“
...ultimate project success comes down to the performance of key individuals and teams.”

”
In other words, ultimate project success comes down to the performance of key individuals and teams. This is where many projects hit the Know-How paradox.

The Know-How paradox occurs when seasoned project leaders know exactly what needs to happen

“
Extensive research conducted by the Said Business School at Oxford ... has shown how the problems of political interests, optimism bias and poor planning and delivery are systemic globally.
”



2. Planning – leading and facilitating effectively focused meetings with clear outcomes; not just in planning tasks but also in planning how teams will work together to deliver the tasks and outcomes;
3. Cascading – engaging the interest, commitment and ownership of project success across the breadth and depth of key delivery organisations;
4. Learning – developing practices and processes where the Project Learn Rate exceeds the Project Change Rate, there may be pockets of excellence in one part of the project that could be adopted elsewhere, if they knew how well others were doing;
5. Sustaining – generating a cultural enthusiasm and resilience in overcoming the inevitable issues, problems and challenges that face complex projects without resorting to blame and reactive behaviours; and
6. Accountability – establishing a culture of integrity directed towards improved levels of reliability, productivity, safety and reduced re-work.

Collectively these six platforms highlight key aspects of the Know-How Paradox. Most project leaders will readily acknowledge their importance, and yet if you test how much effort project leadership places on developing and implementing them, execution shortfalls will come to the fore.

A 2013 global study of infrastructure projects estimated that the value of infrastructure investment needed in the period 2013-30 to be around US\$57 trillion. If fully funded, this would represent thousands of large-scale projects. Re-writing the future performance of these will require execution mastery of the Know-How paradox if we are to avoid the performance blind spots from the past. 

for successful delivery of the project, but are somehow unable or ineffective at being able to successfully execute those demands.

Our experience has shown that there are six key platforms where large, complex projects are particularly challenged:

1. Envisioning – establishing and maintaining a shared vision of project success across the project organisation and entire supply chain;



Vip Vyas
Managing Director of
Alchimie Asia
Vip.Vyas@alchimie.asia

Alchimie Asia is an international consultancy with expertise in delivery of mega-projects with certainty. As a management consultancy, Alchimie triggers transformation in the way leaders and organisations do business. We design and implement winning strategies that harnesses organisations' full potential.

