



Client: Global Mining Company
Industry: Mining
JMJ Service: *High-Performance Projects™* Consulting

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JMJ's *High-Performance Projects* approach brought out a passionate commitment from leaders who successfully won over the skeptics. Their multifaceted model combined the excellence of the 'hard' aspects of project management with excellence in the 'soft skills.' JMJ is the expert in building high-performance cultures.

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Project Director
Global Mining Company

Mining Multinational Works With JMJ Associates To Achieve Successful Project Turnaround

Business Challenges:

Fund managers around the world have been focusing closely on the ability of the resource companies they invest in to deliver cost-effective projects on time. “Blow outs” have been impacting projects all over the world. Even though cost pressures at this writing (September 2009) have decreased since the Global Financial Crisis, there are still regions suffering from acute shortages of resources and consequent increases in wages, salaries and materials.

The project cited herein was running late by many months, with no clear path to completion. Cost overruns were projected to be significant, but the exact scope of the overruns was not well understood.

As a result, the project's owner decided that a change in the project leadership team was imperative. The crucial task was to “re-baseline” the project's schedule and cost in order to create certainty and stability, and to drive the project to a successful outcome.

JMJ Associates was brought in by the new Project Director to address the major changes required to successfully deliver the project. This included creating a culture of shared success and implementing a leadership intervention process through which project leadership aligned on all facets of the project, developed shared commitments and achieved sustained high-performance.

Client Goals:

- Re-baseline the project schedule and cost to create certainty and stability
- Develop a culture of shared success and commitment among owner and contractor teams
- Drive the project to successful completion



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How JMJ Helped:

Working with the new Project Director—who also conducted technical reviews of engineering, costs, planning and controls—JMJ examined the “subjective” aspects of the project: attitudes, beliefs, values and intentions of individuals and an assessment of the existing culture. Twenty-five individual interviews were conducted on site and at the project’s engineering office.

On the positive side, industrial relations and safety performance ranked well relative to the owner’s other projects in the region. Morale on site was improving. Technical design was leading-edge. The project team comprised many hard-working, high-caliber people who were committed to producing an outstanding facility.

On the negative side, there was a distinct lack of urgency. Morale in the engineering office was low. People appeared complacent despite the poor condition of the project, preventing any possibility of improving performance. There was serious division between the owner and contractor teams. Open communication was hindered by fear of passing on anything that could be considered bad news. There was considerable conflict between certain project and functional departments. A number of leaders were not sufficiently visible on site, remaining remote from the action. The schedule was highly uncertain, with severely impaired ability to measure and control progress and costs. Direction and clarity of goals was missing. Disputes over technical issues dominated the attention of managers. Problem-solving was poor as a result of defensive behavior.

The new Project Director’s preference was to inspire people to action rather than replace them. Skill levels were acceptable; the missing ingredients were a high-performance culture and effective leadership. Additionally, the tight labor market in the region made large-scale team replacements impossible.

With JMJ’s input, the Project Director articulated a vision for the team as “Zero Harm, One Team, Delivery Focus.” Zero Harm demonstrated that project leaders were authentically committed to safety and taking care of people, which were critical elements in retaining good people and eliciting discretionary effort. One Team harnessed the efforts of a demoralized group by removing unproductive conflict from the system, encouraging team work and discouraging cynicism and division. Delivery Focus was the re-baseline of schedule and cost, with clearly defined goals and milestones on the way to successful project commissioning.



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The Project Director realized that a mission and vision roll out was going to be insufficient to enable the team to work together effectively. JMJ worked with him to develop an integrated, multi-faceted strategy of leadership development, communication and implementation to create the desired shift in culture and performance.

JMJ's *High-Performance Projects™ (HPP™)* approach supported the leadership intervention. This model ascribes equal importance to the subjective aspects of project management (e.g., culture, values, beliefs, and the intentions and attitudes of individuals) alongside the traditional focus on "objective" elements (systems, controls, planning, performance measurement and behavior).

In the JMJ model, leadership is the key driver to creating conditions in which outstanding results can be accomplished. Leadership is treated as an ongoing activity, rather than a character trait or a set of behaviors. Under the JMJ approach, leaders:

- Establish a level of mutual appreciation and respect among the project leaders and team to create a powerful foundation of relationship.
- Develop a shared understanding of the current perceptions of both owner's staff and contractors, and between functional and line personnel.
- Align on common objectives and outcomes for a highly successful project outcome
- Create the conditions for coordinated action among the leaders so that milestones are met.
- Bring about individual and group commitment to achieving the result.
- Agree on a set of commitments and expectations that will provide sustainability to the action plans.
- Deal effectively with breakdowns and setbacks from the commitment.

Senior leadership on the project took a number of steps to illustrate their commitment to the "One Team" philosophy:

- Owner and contractor teams were fully integrated over a relatively short period of three months, and a senior contractor representative assumed the overall Project Manager position.
- All functions were integrated into a clearly defined and transparent matrix, with clarity of roles and responsibilities.
- The physical division in the project office was eliminated by everyone—owner's team and contractors—moving to the same floor.
- Cynicism was not tolerated, as evidenced by the departure of a small number of senior members of the project team who were seen as a negative influence.
- Most senior leaders moved to the project site in order to be present full time.
- The Project Director delegated significant spending authority to project leaders, no matter if they worked for the contractor or owner, demonstrating trust and reducing bottlenecks.



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Importantly, leadership constantly reinforced to the previously demoralized team that the project was going to be recovered successfully, demonstrating an authentic positive attitude backed up by meaningful action. This was supported by JMJ's *HPP* team model, a four-phased approach that includes:

1. Plan – JMJ assessed the current culture and operating environment, diagnosed (with key stakeholders) both the strengths to build on and gaps to fill in on the way to becoming a high-performing project, and designed the *HPP* process so that it was tailored for the client's needs. Using a proprietary diagnostic methodology, a cross section of staff were interviewed to understand their perspectives of the project, including goals, outcomes, objectives, progress, teamwork, contractor relationships, communication, systems, safety, perceptions of leadership and the challenges going forward. Interviews were analyzed and captured in a summary report.

2. Create – JMJ connected the team to current project reality, to each other personally and to the concerns of all stakeholders. In a workshop setting, project leaders were invited to build foundation-setting relationships and develop a shared understanding of the current state of the project using the report. Taking responsibility for the current state allowed leaders to start with a clean slate from which they created and committed to accomplishing a set of extraordinary outcomes. Leadership crafted a compelling statement of strategic intent and made personal commitments to the outcome of the project.

3. Align – The leadership team aligned on operating principles that reflected the way they would work together going forward. Various constituencies within the project aligned on a set of expectations between each group to set clear expectations and allow coordinated action moving forward.

4. Accomplish – Leaders received ongoing support in the form of monthly performance coaching for both individuals and teams to create an environment of high performance. They focused on leading people as much as managing resources, learned to deal with rapid change proactively and creatively, and ensured that progress was sustained.

Comments from the project team illustrate their perception of the benefits of JMJ's approach: *"It was all about going forward and taking strong steps...passion, pride, resolve, conviction, energy and dedication on a daily basis."*



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Results:

Overall, the *High-Performance Projects* approach has, in partnership with client, created excellent results. For example:

- Achieving beyond stretch objectives on the revised budget KPI
- Achieving beyond stretch objectives on the revised safety KPI
- Just missing target (but well ahead of threshold) on the revised schedule KPI
- This was achieved despite having to deal with an unusual number of serious setbacks in construction including:
 - Replacement of large sections of pipeline that failed hydro testing
 - Major remedial work on a large percentage of the rubber-lined pipe spooling
 - Repair of faulty rubber lining in multiple tanks
 - Repair corrosion on multiple tanks

The Project Director assessed JMJ's work on developing a culture of shared success and the leadership intervention program to be highly successful. He said, "*JMJ's High-Performance Projects approach brought out a passionate commitment from leaders who successfully won over the skeptics. Their multifaceted model combined the excellence of the 'hard' aspects of project management with excellence in the 'soft skills.'*" JMJ is the expert in building high-performance cultures."