

The Complete Guide to

Creating and Managing New Projects

for Voluntary Organisations

Alan Lawrie

DSC

Third edition

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DIRECTORY OF SOCIAL CHANGE

Published by
Directory of Social Change
24 Stephenson Way
London NW1 2DP
Tel. 08450 77 77 07; Fax 020 7391 4804
email publications@dsc.org.uk
www.dsc.org.uk
from whom further copies and a full books catalogue are available.

Directory of Social Change Northern Office
Federation House, Hope Street, Liverpool L1 9BW
Policy & Research 0151 708 0136

Directory of Social Change is a Registered Charity no. 800517

First published 1996
Second edition 2006
Third edition 2010

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ISBN 978 1 906294 40 3

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

Cover design by Kate Bass
Text designed by Stephen Strong
Typeset by Marlinzo Services, Frome
Printed and bound by Page Bros, Norwich

Contents

1	Introduction	1	6	Planning and costing a project	69
	What is a project?	1		About planning	69
	Do we not have enough projects already?	1		Using milestones to plan	71
	Two types of projects	4		Costing the project	75
	Projects and the sector	4		Understanding the financial structure of the project	78
	Four factors in a successful project	6			
	Four balancing acts	7	7	Getting it organised	81
2	About project management	9		Developing the project's structure	82
	A project framework	9		Common project design faults	84
	A model framework	9		Staffing the project	86
	On being a project sponsor	15		A partnership-based project	87
	The key stages of a project	16	8	Managing the project	93
3	Turning an idea into a project	17		The start-up	93
	Creative innovation	17		Creating teamwork	93
	Types of innovation	18		Keeping the project on track	95
	The process of innovation	19		Dealing with problems and setbacks	96
	Exploring possible sources of new ideas	21		Reviewing the project	98
	Managing innovation within the organisation	23		Moving the project on	102
	Lost opportunities	25		How to review the project's progress	105
	Testing the idea	25		Okay . . . so who does it?	106
	Carrying out a feasibility study	31	9	Closure and beyond	107
	Running a pilot project	35		Developing an exit strategy	109
	Making the decision to go ahead with the project	35		Managing closure	109
	Risk analysis	36		Choosing your exit	111
	Will it work?	36	10	Project evaluation	113
	Outline structure of a feasibility study	38		Meeting the need to be accountable and report on performance	114
	Eight reasons not to go ahead with a project	39		Monitoring and evaluation for learning and development	114
	A risk analysis matrix	41		Defining the terms	115
4	Project definition	43		Measuring up	116
	Putting the definition stage together	43		Measuring outcomes	117
	About outcomes	44		Demonstrating outcomes	118
	Success criteria	46		Managing project evaluation	119
	Managing the definition stage	48		Designing a project evaluation	119
	Mapping a project's stakeholders	49		Making evaluation work	121
	Why do they want it?	52		Ways of using project evaluation	121
5	Building the case	57		Learning from mistakes	122
	Creating a steering group	57		Watch out for side-effects	123
	Building a network of support	58		Project measures and indicators	124
	Building a financing strategy	58	11	The project-based organisation	127
	Funding strategy	61		Funders and projects	127
	Building your case	63		Organisational implications	128
	Ways to build support for a new project	66		Building the project-based organisation	128
	A business case	67		Nine practical ways to survive projects	131
				Ready for projects?	133
				Further reading	134
				Index	135



Acknowledgements

The **author** would like to thank Brian McCausland and Peter Baker for giving freely of their time in reviewing the draft manuscript. Their suggestions and comments were invaluable.

Introduction

In an average year around 9,000 new charities are registered and 115,000 new commercial companies are formed. Throughout the economy new products and services are being introduced at an increasingly fast pace. Despite uncertainties concerning future funding and future prospects, there is continual interest in creating new organisations and new projects.

This book looks at the key decisions and processes involved in starting up a successful project. It is relevant to two types of new project:

- a project set up as an entirely new and independent organisation with its own legal status
- a project created within an existing organisation – this could be a new service, activity or venture.

What is a project?

Often, the term 'project' is used loosely. There are several definitions of what is (and is not) a project. Here are four of the most important features.

1 A project is unique

There should be an idea behind a project that is new, different and innovative. It is not just a copy of what has happened before.

2 A project is time-limited

Projects usually have a limited life. Often, funding or other constraints limit a project's ability to become a permanent organisation.

3 A project creates changes

Projects should have clear plans of what they want to change. There needs to be a vision behind the project. It should make some measurable difference: the changes should last after the project has gone.

4 A project is goal-orientated

A new project needs to have a realistic and achievable plan and strategy to enable it to use all of its efforts to make maximum impact. The way it is managed and organised needs to be goal-orientated.

Sometimes projects lack these features or they are not developed fully. Often, projects have them at the start but lose them as they become more concerned about internal issues and their long-term survival. Projects can very easily stay past their shelf-life.

Projects can be independent or housed in organisations. Planning and managing them requires a different approach to many of the traditional ways in which we have run our organisations. It also needs a willingness to adapt to new ideas.

Do we not have enough projects already?

In the United Kingdom there is an abundance of charities, housing associations, statutory services, self-help groups, not-for-profit agencies and assorted quangos. In England and Wales there are more than 180,000 organisations registered with the Charity Commission. So why spend time creating more projects?

It can appear to be more effective to do something new, and it seems easier to start something new – either inside or outside of an organisation – than to try to change what an existing organisation is doing. Most of the discussions about managing change are about doing new things. However, often the reality is harder. Organisational changes fail not because people do not want to do something new, but because they refuse to give up the old. Many organisational changes are blocked because it seems impossible to stop doing existing things and break with the past. A new organisation or project does not have the history and traditions which can hold a new idea back.

New projects travel lighter

Managed well, new projects can create a new identity, build relationships, operate flexibly and work faster. In an established organisation it is easy for routines, structures and a sense of 'this is how we do it here' to get in the way. A new project can have a focus and vision that is clear and a sense of direction which can unite and excite people. In an established organisation issues of vision, values and direction can become confused. The long-term survival of the organisation and maintenance of the status quo become more important.

It is easier to sell a new project

For different reasons, people who control resources seem attracted to backing new projects rather than providing long-term support to existing ones. This can create a cynical atmosphere, as applicants play a game with funders: applicants automatically use words such as 'innovative' and 'creative' to repackage existing activities. In addition, very few funders are willing to commit themselves to a long-term investment. The National Lottery's distribution boards have funded activities mainly on a project basis.

There is no hard or reliable evidence about the success or failure of new projects in the not-for-profit sector. The evidence from various studies of small businesses suggests that as many as one in five will cease trading within two years of their being established. Market forces can decide their viability easily: if there is no demand for a product the effects will be clearly felt. Feedback from the not-for-profit market, however, is less immediate and not so defined or predictable. Moreover, success is much harder to define. If a charity fails to meet its objectives it is likely that it will struggle to continue, until at some point either it will fade away gradually or become moribund. In the public sector, if a statutory project or programme does not operate as intended, action to remedy it can be late or non-existent, and it is likely that the project will be quietly forgotten. Resources will be taken away from it to be used in another project. Furthermore, a profit test is only appropriate for a commercial company; some not-for-profit projects lack any measurable sense of success or failure.

In researching this book the most useful evidence was anecdotal. I was unable to discover the essential ingredients that would make any new project work. No foolproof recipe on how to start a successful new project is on offer. Often, factors such as chance, serendipity, creative thinking and inspired leadership are crucial to the success of a new project. These factors are frustratingly difficult to package and replicate. However, it is possible to describe the main tasks and processes involved and to suggest techniques and tools which can make the process of starting up an internal and external process easier to manage.

Books that suggest simple formulae to guarantee success are dangerous because many of their case studies are inclined to go through disasters and crises after publication: today's stars often fall. Two things can be learned from this: first, that success is usually only a temporary phenomenon; second, that the critical factors which create success can be lost along the way. However, in the research and discussions for this book, eight features kept cropping up as important issues in creating and managing the successful start-up of a new project.

1 Clarity of purpose

Here, there is a strong sense of vision and values. People involved in the project are focused on making a difference. They have a clear vision of what they want to achieve and the main steps towards it. Vision is the overall sense of what the project aims to do, change and achieve: it is about the difference that the project intends to make. Values are the ethos and principles that underpin the actions taken. Statements of vision and values need to be clear enough to unite people within the project and to explain the project to the outside world.

2 A sense of energy

Activities and work on the project have a feeling of direction and even urgency around them. People want the project to happen and are prepared to run an obstacle course to overcome the barriers and hurdles in their way. The people leading the project need to be able to inspire confidence and communicate the project's vision and values.

3 People think objectively about the project

The people promoting the project regularly stand back and think through their assumptions about the project realistically. They ask, or have to answer, searching and even awkward questions, such as: will it really work? Is it really that new? Will it make a difference? They do not allow their enthusiasm for it to get in the way of dealing with hard issues.

4 It works in an open and participative way

New people are welcome; information is shared. Formal and informal networks of supporters, backers, friends and experts are formed to help the project get off the ground. Many people are encouraged to have a stake in it.

5 A team effort

Often, one or two individuals have a critical role in getting the project up and running, and without them, nothing happens. However, they operate as catalysts by involving and supporting other people. Few individuals have the talents, skills and patience to carry out all of the tasks involved in starting up a new project. The people at the centre of the project seem to operate as leaders and coaches rather than sole performers.

6 A flexible way of working and managing

Decision-making structures, budgets, job descriptions and organisational systems need to be clear, simple and capable of responding quickly to change. A tendency to create bureaucracy and to add structures and overhead costs must be kept in check. New projects need to be able to make decisions quickly, act on them and move resources flexibly. Continuous change and uncertainty is accepted as the norm.

7 A clear identity

A new project needs to have an easily understandable identity and image. What it is for, what it will (or will not) do and what it values need to be presented in such a way that people can understand and pick up the central message quickly. People connected to the project should be able to describe its central ideas in headlines rather than having to write pages.

8 The work is exciting and challenging

New projects get a sense of energy from the feeling that they are being creative and are breaking new ground. Effective projects have an atmosphere around them and a style that is often dynamic, fast and informal. Some risks are allowed.

These features need managing, they do not just happen. They need leadership, organisation and teamwork. Starting a new project is hard work and needs determination to see it through.

It is interesting to note that the issue of finance and available resources is absent from this list: it is not that they are not important, but that they need to be viewed in a proper

perspective and considered at the right time. Usually, in a successful project the idea, needs and project vision are developed first and the search for cash and resources comes second. Often, trying to do it the other way round will mean that the project becomes funder-led. All of the ingenuity, ideas and energy behind it are suppressed to ensure that it fits the perceived interests and constraints of possible funders.

Two types of projects

One way of classifying new projects is to divide them into 'supply-side' and 'demand-side' projects.

A supply-side project is one which is developed because resources are available for a particular type of project. Money becomes available (often as a result of underspending at the end of the financial year) and invitations to put forward projects are invited. The lead-time in getting a project up and running has to be fast; usually the project has to be in place by a deadline. Mistakes can be made easily as things are done quickly; in working with supply-side projects, some organisations have had difficulties. Often the project is finance-led, no time is available to test it out or consult with its users, and at times all of the emphasis is about getting the money spent before the end of the financial year. For example, one organisation now keeps several project outlines 'on ice'. Should resources become available, it can adapt the project quickly to fit the relevant criteria.

Demand-side projects are a result of people recognising new or existing needs or gaps in provision. Often someone with a view or a sense of vision is crucial in acting as a catalyst to get people to recognise a need and generate an idea to meet it. Demand-side projects usually take longer to develop; considerable work is needed to explain the project, win support and secure backing for it. Demand-side projects can struggle to get access to funding.

Projects and the sector

The increased use of projects raises several issues and challenges for voluntary agencies. Some of these challenges are not particularly new, but the movement to projects does mean that managers need to think carefully about how their organisation approaches project management and how fixed-term projects can change the nature and operation of their organisation. Some of the key issues for the voluntary sector are outlined below.

Funding becoming project-based

Increasingly, funders and commissioners have moved away from open-ended support to organisations and now prefer to support specific projects rather than to core fund an organisation. Organisations need to develop management and financial systems that show the real cost of the project, including the cost to the organisation of taking it on and managing it.

Funders looking for impact

Funders and commissioners need evidence that the initiatives they fund are delivering and making a difference. The specific and focused nature of a project should make measurement easier; however, one needs to be able to measure both the activity of the project and the longer-term effects and changes that it creates. It is not enough to show that a project is busy.

What comes first: the funding or the need?

Many voluntary organisations have run into problems by chasing whatever funding is available. Organisations can fall into the trap of bidding for projects, not because the project fits with their vision or priorities, but because they need to take on a new project to keep

the organisation going. Chasing funding and reinventing an organisation to fit with whatever is currently in vogue can lead to an organisation losing its sense of identity and purpose.

Stop–start–stop

The short-term nature of projects can lead to organisations having to expand rapidly as they take on projects, then scale down as projects come to an end. This can lead to organisational anxiety and stress, as an organisation has to reconfigure itself regularly to deal with changes in its size and range of projects.

Need to think beyond the project

Projects by their nature are usually fixed term. However, most of the issues and user needs that organisations deal with are longer term and cannot be packaged neatly into a two or three-year project timeframe. The project might end, but need and expectation are likely to continue.

Always developing new projects

The increased use of projects means that organisations have to be able to define and win support for new projects. Organisations need to find ways of developing projects that are innovative, challenging and appealing to potential backers, but also realistic and achievable.

In researching this book, five core factors were identified to be useful in helping organisations cope with projects.

1 A clear organisational vision and strategy

Clarity about the organisation's purpose and its immediate direction should ensure that projects fit into the bigger picture. In addition, such clarity should help the organisation to test ideas for new projects, in order to ensure that they fit with the organisation.

2 An organised approach to project management

As organisations become more project-based, they need to develop a consistent and practical approach for designing, planning and managing projects.

3 Flexible structures and ways of working

Organisations need to be able to cope with the need to start up new projects, manage staff on short-term contracts and ensure that the organisation is able to support and develop new projects.

4 Robust costing and planning techniques

In the past, organisations have often undercosted their activities and failed to plan. In order to survive, organisations need to be able to cost projects accurately and fully, and have a planning system to ensure that a project can deliver, and can review and monitor progress.

5 A strong and permanent core

Organisations need an infrastructure or core which can coordinate, organise and oversee projects, and this core needs to be permanent. Its role is more than a management or bureaucratic one; it needs to be able to connect all the organisations and provide quality leadership and support to ensure that projects are effective.

No logical formula

Experience suggests that the life of a project does not follow a logical and tidy path. This book is designed around six main processes and groups of tasks, which usually are not neat and tidy incremental steps, but are inclined to merge. Management of a new project requires coordination of all of the tasks and careful organisation.

Encouraging innovation

There is little point in new projects simply copying what is being done already; it would be easier simply to extend or replicate what is already working rather than go through the work involved in creating a new project. However, new ideas are often rare or discouraged by the way that we work. Innovation and creative thinking can be in short supply, and they need to be encouraged, supported and managed.

Testing the idea

There are several ways of testing out a new idea. Independent studies can be commissioned to research the idea’s feasibility and viability. Pilots can be developed. It is also possible simply to run with the project and see if it works.

Building the case for the project

Before a project can be launched other people will need to be involved and feel a part of it. The essential idea and vision behind the project needs communicating and marketing. A network of alliances, backers and supporters needs to be built around the project.

Getting the project going

The project needs to develop a strong sense of momentum to drive it through its start-up. There must be a strong sense of teamwork. One innovator is usually not enough. The project also needs to develop a plan to guide and monitor the start-up.

Designing the project

Projects need to be goal-centred, fast-moving and able to use limited resources flexibly. Much traditional management practice and many organisational systems militate against this. Projects need to find ways of organising that support to enable them to meet their vision rather than constrain it.

Getting the project organised

Detailed decisions about legal structures, finance and staffing will have a profound impact on the project. These issues must be planned and managed in a way that supports and enhances the project’s strategy rather than restricting it.

Four factors in a successful project

Successful project management is about connecting four different and sometimes conflicting factors.

A clear need for the project or a problem	The idea or vision behind the project
Opportunity for the project	Capacity of the project to deliver

1 A clear need for the project or a problem

A project works best when the people developing them understand and appreciate the needs and problems that it has to tackle. It is important to evaluate the need or problem properly. What is its root cause? What are the symptoms? What is the scale of it?

2 The idea or vision behind the project

Projects need a vision to unite all of their activities and efforts. It is from the vision that strategies, objectives and workplans flow. The big idea behind the project should be clear enough to show how it will make a significant and sustainable difference to the need or problem.

3 Opportunity for the project

Projects need to have or create the space in which to operate, and need to be supported and backed actively with more than just money. There must be support for the project from key people and a genuine commitment to see it through.

4 Capacity of the project to deliver

Projects need the right balance of skills, energy, resources and organisation to get up and go and deliver results. Projects need to be designed so that they are able to make an impact and create results.

All of these factors need to be looked at and evaluated equally in the design of a project. Too much focus on one or two factors can lead to others being ignored.

Four balancing acts

New project development can be hard. Internal and external factors can easily be stacked against you. Here are four of the main issues with which most new project developers have to juggle.

1 Insecurity and short-term vision

One senior local authority manager commented:

Timespans have become shorter. We are under pressure to have things up and running much quicker. We need to see projects delivering much faster. Lead times have been cut. This is partly because we are often under pressure to spend money from central government and other funding programmes before a fixed deadline, and also because our policymakers are increasingly impatient for change and seem to regularly change and alter priorities. For me, long-term planning is about 18 months. I doubt that there are many people who could commit themselves to supporting a project financially for more than one year or two. Long-term and secure funding is unlikely to happen.

This situation can cause insecurity easily and discourages long-term planning, and it can create a 'hand-to-mouth' existence for projects, living from one grant application to another. Consequently, any long-term vision is lost or shelved.

2 Security versus flexibility

At the start of a new venture it is impossible to be certain of how things will work once it is up and running. What skills will be needed? What will be the pattern of costs and income? What will be the issues that the project will deal with? Therefore, it is logical to resist detailed planning and try to keep things flexible. However, funders often want to see stable and safe projects with detailed workplans and proper control systems. Understandably, staff want secure terms and conditions of employment with a detailed job description. Managing the balance between stability and the need for flexibility and responsiveness is a difficult act in most organisations.

3 Fear of risk and wanting innovative solutions

In the private sector the companies that are committed to new product research and development accept that many new ideas in which they invest time and money will never

make it to market. This money will never produce a return on their investment. These companies have learned to live with, and indeed plan for, failure. In the voluntary sector, such a view is rare. Trustees are concerned about their legal responsibility as guardians of charitable money, funders express sharp concerns about wastage, and managers are concerned about their credibility if projects do not succeed. However, the issue of risk and the potential for failure need to be considered if an individual or organisation is to do anything beyond being safe, ordinary and predictable.

4 Balancing planning and doing

No feasibility study, market research report, cost–benefit analysis or external consultancy report will guarantee that a project will work. Often, only doing it can test it properly. Many successful projects were never planned, tested or piloted properly, the people behind them just set them up. They worked hard at ensuring that the project worked. Such talk of bold innovation and social entrepreneurship usually overlooks a host of projects that did not deliver. Project failures are conveniently forgotten. To win resources and manage risk, promoters of new projects increasingly have to demonstrate that their idea is tested properly, is needed and has been designed. You need to decide how much time to put into testing and designing the project, and when to ‘grasp the nettle’ and launch it.

Three different perspectives on projects

I am starting to get worried. Sure, our estate has got major problems, but I am getting fed up with all these well-intentioned projects that keep turning up and then disappearing. Some organisations seem to be able to grab whatever funding is going, parachute into an area, make all sorts of promises about what they are going to do, and then just at the point when people are starting to use and rely upon them, they close down as the funding has ran out. Sometimes I wonder why they bothered!

Volunteer secretary, community association

I have noticed a familiar pattern in three-year projects. In the first year, a worker is appointed, who then has to spend most of the year trying to find out what it is that they are supposed to be doing. This usually involves trying to reconcile what is actually wanted and needed with whatever was in the original funding bid.

In the second year things start to happen. The work starts to appear, people get involved and expectations rise.

In the third and final year, project workers start worrying about their future employment. Some might leave before the end. Demoralisation sets in. The project either ends suddenly or it fades out. This can't be a sensible way to organise things.

Finance manager, medium-sized voluntary organisation

The trustees of our foundation are clear that we want to be an innovative funder. We do not see it as our role to fund things on a permanent basis – that should usually be the job of government. Our role is to pump-prime things, demonstrate practice and ‘give wings’ to new ideas. That's why we encourage organisations to develop realistic projects.

Secretary, charitable foundation

About project management

Organisations often approach projects in an unplanned and *ad hoc* way. An application is made for funding, based on a rough idea for a project or on what the organisation thinks that the funder will back. The funding is agreed, and then there is a sense of urgency to appoint staff, get organised and get the project up and running before the deadline.

A worker in a health agency described how projects were approached in her organisation:

Sometimes we get bounced into running a project. There is little time given at the start to any detailed objective setting or planning – all the work goes into the funding bid. If the bid is successful, we are inclined to throw the project together. Project workers are given a blank sheet of paper and told to get on with it. Core staff are asked to get involved in the project alongside their day job. It's a mess. When a project does work, it is usually despite the organisation!

A project framework

This chapter introduces a framework for managing projects. The framework is drawn from ideas and concepts which have influenced the development of project management as a specific discipline or branch of management thinking. This approach aims to tackle some specific features of managing projects.

Projects need clear lines of accountability

Various players have an investment or an interest in a project – some might have put the money up for it, others might have backed it in other ways. The project might affect the work of other people.

Projects need to involve people

Few projects are a one-man or one-woman show. Projects need to draw people in, get cooperation and work with and through other people.

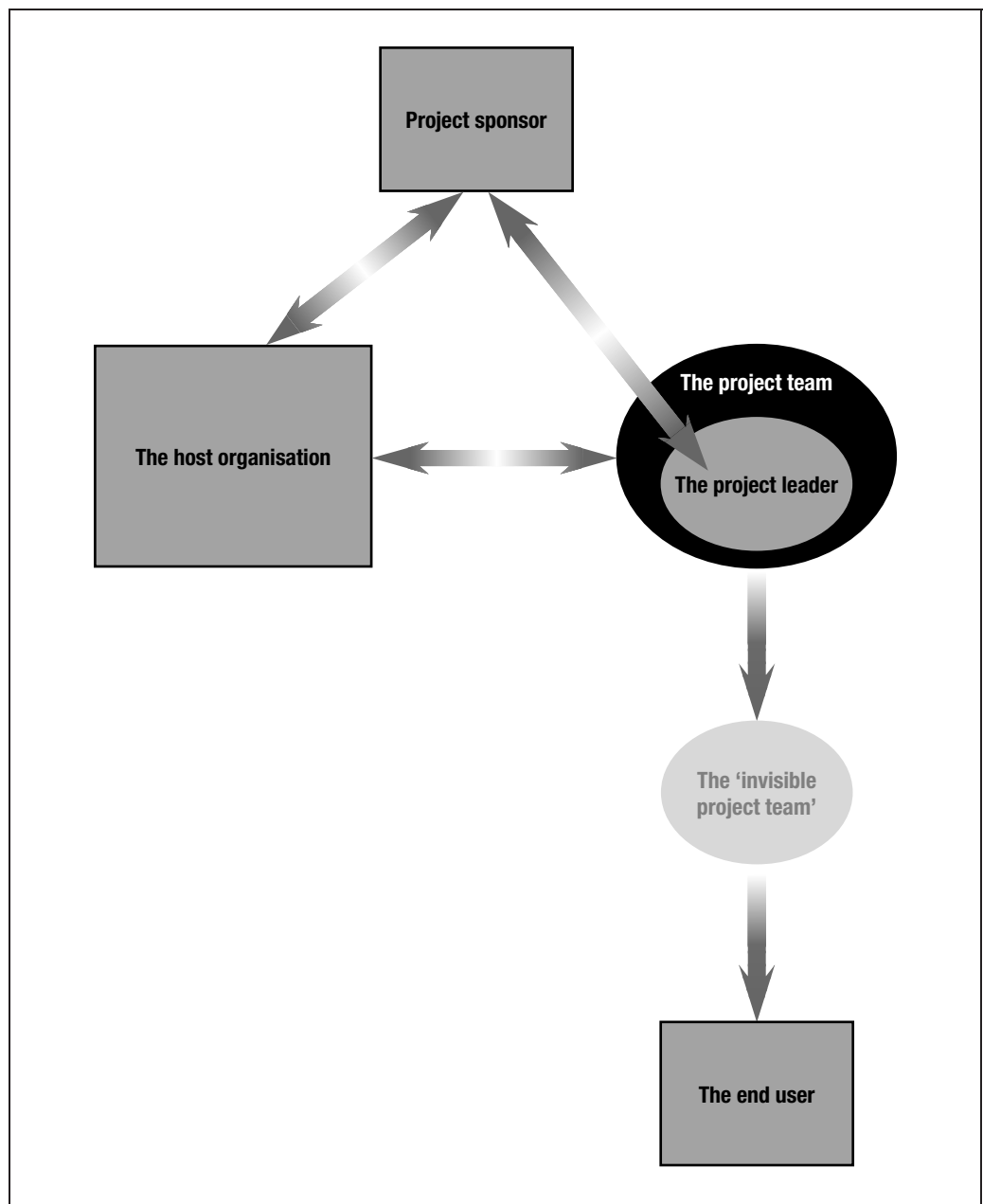
Projects are about delivery

Projects are expected to deliver. Often there are high expectations. They need to get on with it and not be a 'talking shop'. Projects need structures that are simple and flexible, and support rather than hinder their work.

A model framework

This framework has been developed from those used in different organisations.

The project sponsor is the agency that approves the project and allocates the resources for it. Their role might be an active sponsoring one: the project might be their idea, they might have written the brief and commissioned the delivery of the project, or their role might just be a simple funding one, where they have chosen to back a bid to run a project. In larger organisations there might be an internal sponsor, such as the chief executive or a management board. An external sponsor is often a funder.



The host organisation is usually a permanent body which has taken the decision to manage the project. The project might be an integral part of the host agency's work or the host agency's role might be a more detached one of providing a base for the project. The host agency is responsible for managing the project and being accountable for its resources and performance. Often the host organisation has a key role in managing the relationship between the project and the project sponsor, where the host has to report to the sponsor on the project's performance, and the host is usually the accountable body. In addition, the host can play a valuable role in smoothing out and resolving any problems that might occur in the relationship.

The project leader is the individual responsible for delivering the project. The project leader might be recruited and employed just to work on the project – when the project ends, their contract ends – or they might be a worker in the host agency who is seconded to work on the project alongside their other duties. In addition, there may be a project team made up of people who will work with the project leader to deliver the project.

The invisible project team is an interesting concept. In their work on project management, writers Briner, Geddes and Hastings (1996) use the concept of the invisible project team to describe this role. These are the people with whom the project needs to work to be successful: their support, goodwill and commitment will be crucial to the project's long-term success:

- potential partners
- early or pilot users
- representatives
- opinion formers
- gatekeepers
- resource controllers
- people who will carry on the work after the project.

The end-users are the individuals or groups who should benefit from the project: they might be identifiable individuals or communities. Often, contact with the end-user comes through the invisible project team, and in this model, several potential conflicts or tensions need to be managed.

The sponsor and the user

An interesting issue can be about what the sponsor thinks is needed and wanted and what the intended users actually need and want. Solutions to misunderstood problems can be delivered from on high but fail because no one has bothered to find out what is really needed. Often the sponsor is driven by the need to deliver targets or spend money, or has an outdated view of what is needed. A key role for the project leader is to resolve this issue, and not to assume that because the sponsor has decided to back something, it will work.

The host and the project

Although the project is a temporary part of the host organisation it needs to have a level of independence to operate. The project needs an identity and focus, but this should fit with that of the host organisation, as it is the host that carries the responsibilities and risks. The host organisation needs to be properly and fairly paid for the work involved in taking the project on and supporting it. It is very easy for a host to have to subsidise an undercosted project: resources and people's time can leak from the host to the project. Conversely, in some instances hosts cream off a project management fee and do very little for it. A useful approach is to draw up an agreement between the host and the project, setting out the roles of the project and the host and arrangements for managing resources.

To whom is the project leader accountable?

Project working can lead to confusing working relationships. One project manager described how he felt that he had several bosses:

My line manager, the project sponsor, the project steering group and key users all have very strong opinions about what I and the project should be doing – sometimes I feel that I am being pulled in several different directions at once.

Therefore, it is important that the definition of what the project is about and the project plan are clearly agreed and documented and that lines of accountability are simple.

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Index

A

accountability 9, 11, 13, 14, 16, 90, 91, 114, 115
accounts 109
ACEVO 76
achievability 5, 27, 67
achievement 98, 114, 118
activity sheets 118
adapting 17, 21, 22, 26, 128
added value 64, 77, 124, 131, 132
additionality 64
advice 32, 45, 66, 99, 115, 130
advisory group 101
affordability 67
agendas 23; hidden 15, 48
agreements 25, 46, 49, 60, 90; funding 45;
host-project 11, 13, 15–16, 97; staff 86;
service 76, 114
aims *see* goals
alliances 6, 25, 58
alternatives 28–9
appraisal, options 67; project 35–6, 63
approval, of projects 9, 12, 23, 24, 35;
sample 55
aspirations 43
attitudes 26, 119; to risk 26, 36
audits 19, 124
authority, project 12

B

bailing out 26
Beckett, Samuel 122
benchmarking 122
blaming 98, 100
break-even point 75
Briner, Wendy 11
budgets 3, 13, 15, 18, 23, 24, 26, 62, 77, 78, 83,
96, 97, 104, 129
building the case 6, 63–8
bureaucracy 3, 77, 82–4 *passim*
business case 63, 67; plan 63, 68
business, community 108

C

capital 75, 78
case studies 17, 19–23 *passim*, 27, 30, 31, 33,
37, 38, 47, 52, 53, 59, 68, 72, 87, 99, 101, 102,
104, 106, 108, 115, 122, 123, 128, 131, 132
cashflow 78, 129, 132
central government 60, 75, 76

change 1–4 *passim*, 28, 45, 46, 81, 82, 103,
117–19 *passim*, 127, 128
clarity 5, 46, 121, 131
client/purchaser 65
closure 16, 26, 63, 72, 74, 75, 107–12;
management of 109–10; reasons for 110;
costs 75
collaboration 14
commissioning, project 4, 12, 32
commitment, to project 30, 57, 82
committees 23, 82, 83, 101
communication 13, 16, 43, 58, 81, 89, 91, 97,
114, 119, 131
competition 28–9, 101
complacency 102
complaints 20, 112
confidentiality 115, 119
conflicts 11, 20, 46, 47, 58, 81, 85, 90, 94, 101,
110; of interest 57; management of 20
consolidation 102
constitution, organisational 31
consultancies/consultants 8, 33, 47, 48, 57,
61, 62, 79, 80, 120, 130
consultation 27, 28, 32, 53, 59, 62, 72, 74, 79,
110
contingency funds 78
contracts 24, 25, 29, 45, 60, 65, 68, 76, 102,
114; staff 86–7, 129, 131
core, organisational 5, 30, 127–30 *passim*,
132, 133
cost-benefit study 8, 37, 67
cost/costing 4, 5, 13, 16, 24, 29, 36, 55, 59–61
passim, 67, 75–8, 96, 97, 109, 116, 124, 127,
129, 133; allocation 77–8; capital 75, 78;
core 60, 76; development 24, 76; direct/
indirect 76–8; fixed/variable 75–6; full
cost recovery 76–8; justifying 77;
management/organisational 15, 76–8;
opportunity 25, 125; overheads 3, 60, 61,
76, 77, 124, 127; recurring/non-
recurring 75; start-up/closure 75, 78
creativity 3, 6, 17, 22, 29 *see also* innovation
credibility 8, 12, 28, 36
critical path model 70
curiosity 19–20, 102

D

dashboard 105
Decca Recording Co. 36

decision-making 3, 23, 35–6, 38, 68, 83
 definition, evaluation 113
 definition, project 1, 12–16 *passim*, 43–55,
 57, 58, 61, 71, 90, 97, 100, 121;
 managing 48–9; sample 54
 delays 85
 delegation 12, 57, 79, 83, 85
 delivery 5, 9, 13–14, 27, 36, 63, 79, 81, 89
 demand 28, 100, 107; -side projects 4
 demonstration project 35, 111
 dependency 61, 70, 72
 deputy/assistant 85
 design, evaluation 119–20
 design, project 5–8 *passim*, 13, 14, 81, 82,
 84–5, 128; faults 84–5
 development, ideas 17–41 *passim*
 development, project 5, 7–8, 23–5 *passim*,
 54, 55, 58, 76, 82–3
 development fund 24
 diaries 35, 117
 difference, making 28, 31, 45, 46, 81, 100, 113,
 117, 119, 128
 discussion groups 19, 33, 36–7, 117
 disillusionment 98
 donors 65
 Duell, Charles H. 36
 duration 1, 5, 40, 103 *see also* permanence

E

earmarking/restricting funds 61, 78
 effectiveness 30, 114, 116 *see also* working
 efficiency 30, 116
 end date 109
 enterprise, social 8, 99, 109
 evaluation 3, 6–7, 12–14 *passim*, 16, 19, 21,
 35, 36, 40, 43, 44, 63, 70, 73, 74, 75, 79, 96, 97,
 100, 102, 109, 111–25 *passim*, 130; action
 plan 120; definition 113; design 119–20;
 interpretation 120; management
 of 119–22; ownership 121; process/
 programme 119; purpose 121; reasons
 for 119–21 *passim*; sharing 120;
 techniques 121; terms 115–16; using 121–2
 exit strategy 12–16 *passim*, 63, 99, 107–12
passim, 128; sample 112
 expansion 103
 expectations 9, 43, 46–8 *passim*, 53, 93, 98,
 107, 118, 125

F

failure 2, 8, 26, 35, 100, 122
 feasibility 6, 8, 16, 17, 25–39 *passim*;
 legal 26

feasibility studies 6, 25–6, 31–4, 38–9, 43;
 design 32–3
 feedback 2, 20, 22, 29, 32, 34, 37, 47, 62, 66,
 72, 81, 96, 100, 114, 117–19 *passim*, 121, 122,
 124, 129
 fees 11, 59, 60, 76, 89, 101
 finance/funding 2–7 *passim*, 9, 12–14
passim, 16, 24, 27–30 *passim*, 40, 43,
 58–62, 101, 108, 109, 111; strategy 59–62;
 structure 78–9
 fit 4, 5, 11, 13, 26–9 *passim*, 31, 40, 55, 67, 68,
 81; legal/constitutional 31; skills/
 management 31
 Fixed-term Employees' Regulations (2002)
 87
 flexibility 3, 5, 7, 20, 26, 78, 81–3 *passim*,
 124, 129, 130, 132, 133
 focus 2, 11, 94
 focus groups 36–7, 117, 120, 121
 follow-on 110
 follow-up 80, 111, 117, 124
 founder, role of 104
 foundations 60
 Full Cost Recovery model 76–8
 funders 2, 4, 7–9 *passim*, 26, 29, 35, 36, 46,
 65, 78, 88, 108, 109, 114, 115, 124, 127–8 *see*
also sponsors
 fundraising 59–62 *passim*, 71, 108
 future 5, 12, 14–16 *passim*, 90, 107, 109, 110,
 113, 128

G

Gantt, Henry L. 70; chart 70, 74, 132
 Geddes, Michael 11
 goals 1, 7, 14, 15, 43, 65, 89, 90, 93, 94, 116, 118,
 121 *see also* vision
 grant aid 60, 114

H

Handy, Charles 129
 Hastings, Colin 11
 host organisation 5, 10–16 *passim*, 31, 46,
 49, 51, 57, 61, 81, 82, 97, 101, 107, 133; payment
 of 11, 15, 59, 101; role of 12–13

I

ideas 17–41, 119, 131, 133; day 21;
 feasibility 25–7, 31–4; sources 21–2;
 testing 25–9, 31–4
 identity/image 2, 3, 5, 11, 89, 133
 impact 1, 2, 4, 7, 20, 25, 28, 29, 31, 45, 62, 64,
 84, 114, 117, 119, 124, 127

implications 127–33
 income 25, 27, 29, 59–62, 78, 108, 109, 129,
 132; earned 60, 75, 109; earmarked 61, 78;
 sources 27, 29, 58, 60–2 *passim*
 indicators, performance 113, 124–5
 information 13, 26, 32–9 *passim*, 91, 118, 119,
 125; using 34
 information technology 83
 infrastructure 5, 127–9 *passim*
 innovation 1, 2, 5–8, 17–39 *passim*, 131;
 management of 23–4; types 18
 inputs 45, 64, 65, 116
 insecurity 7
 interviews 33, 35, 117, 120, 121
 introducing project 15
 involvement, of people 9, 14, 16, 35–6, 43,
 54, 90, 102, 119, 121

J

Jewkes, John 17
 job creation 28, 85; description 3, 7, 23, 24,
 82, 84; shadowing/enlarging 20
 joint venture 67

K

Kelvin, Lord 36
 knowledge 13, 107, 132 *see also* skills
 Kolb, David 113

L

language 63, 115, 131
 launch, project 16, 62, 71–5 *passim*, 81, 93
 layout, office 82
 lead body, in partnership 88–90 *passim*
 lead-time 4, 7, 62, 66, 111
 leader, project 10, 11, 13–14, 19, 24, 93–4, 108,
 122
 leadership 2, 3, 5
 learning 14, 16, 19, 22, 35, 62, 99, 102, 110,
 113–15 *passim*, 121, 122–3, 129, 131, 133
 Learning and Skills Council 59
 legal feasibility 26; responsibility 8, 13, 16,
 36, 57
 leverage 64
 liabilities 36
 life-cycle, project 98, 103–5
 links/linking 5, 51, 62, 66, 99, 129, 132, 133
 local authorities 22, 25, 50, 60, 62, 68, 75, 94,
 108, 127

M

management 1, 3–6, 9–16 *passim*, 23–4, 31,
 32, 47–9, 69–71 *passim*, 79, 90–1, 93–106,
 109–10, 119–22, 129, 130, 133; of
 closure 109–10; of evaluation 119–22; of
 expectations 48; framework 9–14; of
 innovation 23–4; interim 86; of
 planning 69–71
 market, project 28–9, 32, 62, 109
 market research 8, 26, 29, 62
 marketing 6, 12, 23, 58, 59, 62, 125
 match funding 64, 66
 measurement 4, 63, 83, 85, 113–18, 124–5; of
 outcomes 117–18, 124; of performance 63,
 83, 85, 113–17 *passim*
 meetings 23, 84, 97
 milestones 63, 67, 69, 71–3, 79, 94, 96, 97,
 100, 105, 117; sample report 80
 Mintzberg, Henry 18
 mission drift 97, 98
 mistakes 4, 15; learning from 122–3
 monitoring 5, 6, 12, 13, 16, 43, 46, 69–71
passim, 79, 83, 89, 90, 96, 97, 101, 114–15, 118,
 119
 moving on 102–4

N

National Lottery 2, 60, 68
 need, for project 4–6 *passim*, 8, 11, 14, 15, 17,
 18, 22, 24, 25, 27–9, 32, 33, 40, 43, 54, 62,
 100, 107, 128
 networks 3, 6, 12, 13, 21, 47, 58, 66, 110
 newsletter 59
 non-financial resources 29–30

O

Office of Government Commerce 67
 one-off project 111
 one-worker project 9, 14, 30, 84, 91
 opinions 11, 26, 33, 34, 37, 72, 124
 opportunity 7, 17, 22, 25, 129; lost 25, 125
 organisation 1, 3, 5–7 *passim*, 9–16, 23–4,
 81–91, 128–30
 Osborne, Stephen 39
 outcomes 12, 15, 16, 27, 31, 38, 44–6, 52, 64,
 66, 94, 98, 100, 116–19;
 demonstrating 118–19; measuring 117–18
 outputs 12, 15, 31, 36, 38, 45, 46, 64, 88, 113,
 116, 117, 119, 124, 127
 overheads 3, 60, 61, 76, 77, 124, 127
 overload 24, 83, 96, 113
 ownership, of evaluation 121; of project 30

P

paperwork 83, 85
 partnerships 58–60 *passim*, 65, 66, 72, 81, 87–91, 94, 111, 122, 123; contributions to 89
 payment, to host 11, 15, 59, 101
 peer support 17
 performance 105, 115, 124; indicators 115; measurement 63, 83, 85, 98, 105, 113–16 *passim*; reporting 114; review 98
 permanence 81, 91, 103, 107, 108, 111
 pilots 6, 15, 17, 25, 26, 35, 38, 66, 110
 plans/planning 5–16 *passim*, 18, 23, 24, 47, 53, 63, 66, 68–74, 79, 94, 97, 99, 114, 120, 128, 129, 132, 133; management of 69–71; techniques 69–72, 133
 Practical Quality Assurance System for Smaller Organisations (PQASSO) 115
 preferences 27, 34, 37
 pricing 78
 private sector 7–8, 24, 28
 problems 6, 10, 14, 15, 21, 22, 27–8, 32, 96–8, 100
 profile 15, 36, 66, 94, 93
 Programme Evaluation Review Technique (PERT) 70
 Projects in Controlled Environments (PRINCE) 70
 purpose 3, 5, 13, 90, 93, 94; of evaluation 121

Q

quality assurance 63, 115, 124; PQASSO 115; standards 115
 questionnaires 33, 37, 120

R

reactions, to project 20, 26, 32–4 *passim*, 117, 124
 records/recording 16, 48, 100, 109, 110, 117–19 *passim*, 125
 redundancy payments 87
 rejection, project 39–40, 66
 relationships 2, 10, 11, 57–62 *passim*, 65–6, 75, 79, 104
 rents 60
 reporting 10, 82–4 *passim*, 90, 109, 112
 reputation 12, 13, 26
 research 28, 33–4, 39, 62, 111; market 8, 26, 29, 62
 responsibility 11, 13, 14, 83, 89; legal 8, 13, 16, 36, 57
 results 7, 27, 30–1, 41, 46, 89, 114 *see also* outcomes

reviews 5, 16, 19, 24, 33, 35, 71, 79, 83, 84, 90, 91, 97–101, 105–6, 114, 124; best value 116; mid-point 91, 97, 99; sheets 20
 rights, employment 87
 risks 3, 7–8, 11, 15, 19, 25, 26, 36, 40–1, 55, 67, 89; analysis 36, 38, 41, 66; attitude to 36
 ruining a project 14
 rules 94

S

sabbaticals 20
 sample papers 54, 55, 79, 80, 112
 scope, of project 44, 93, 97, 98
 secondments 10, 20, 57, 86
 security/stability 7
 services 60, 115
 'shamrock organisation' 129–30
 showcasing 121
 side-effects 46, 118, 123
 skills 7, 14, 31, 40, 67, 71, 94, 98, 132, 133
 solutions 20–2 *passim*, 28, 32
 sponsors 9–16 *passim*, 23, 40, 49, 66, 79, 96, 109, 112, 114, 130 *see also* funders
 staff 5–7 *passim*, 13, 16, 20–1, 35, 36, 43, 72, 74, 76, 79, 81, 82, 84, 86–7, 107–9 *passim*, 120, 122, 129–32 *passim*; freelance 130; movement 20, 132; recruitment 86
 stages, of project 98
 stakeholders 3, 13, 14, 16, 48, 96, 117, 119; mapping 49–52, 58
 standards 29, 115, 124
 start-up 3, 5, 6, 12, 29, 35–6, 72, 75, 81, 93; costs 78
 steering group 11, 14, 30, 32, 33, 57, 83, 84, 108
 strategies 1, 5–7 *passim*, 18, 58–68 *passim*, 103, 109–11 *passim*, 114, 127, 130, 133; financial 59–62; *see also* exit strategy
 structures 3, 5, 6, 9, 14, 16, 20, 24, 31, 78–9, 81–3 *passim*, 90, 133; financial 78–9
 subsidising 11, 15, 40, 77, 78, 97, 109
 success 2, 6–7, 13, 26, 44, 94, 98, 103, 114, 110; criteria 13, 46–8 *passim*, 98, 100, 103, 116, 121
 supervision 84, 86, 131
 supply-side projects 4
 support 4, 5, 7, 12, 13, 16, 27–30 *passim*, 43, 57–68, 133
 surveys 19, 21, 33, 34, 117, 120, 121
 sustainability 27, 64
 synergy 31, 65

T

take-up rate 124
 targets/targeting 11, 48, 63, 64, 127
 tasks 5–6, 70, 72, 83–5 *passim*, 94, 106
 teamwork 3, 6, 10–11, 13, 14, 16, 20, 81, 82,
 93–4, 97, 98, 110; invisible 10, 11, 97, 110
 technology 18, 83, 84, 130
 terms *see* language
 testing 6, 8, 16, 25–9, 31–7, 43, 62
 time, development 23, 26, 46, 57, 70, 84;
 lag 78
 top-heaviness 81, 84
 track record 43
 trading 60, 109
 training 19, 28, 47, 72, 74, 89, 99, 102, 110, 112,
 122, 125
 transfer, of project 31
 trusts 60
 trustees 8, 15, 35, 36, 47, 71

U

uncertainty 25, 29
 undercosting 5, 11, 14, 59, 75, 77
 underspending 4, 68, 108
 unique selling proposition 28
 updates 97, 132
 urgency 3, 96
 users 11, 13, 27, 30, 36, 46, 47, 58, 96, 107, 114,
 119, 124–5
 US Navy 70

V

value for money 30, 65, 114–16 *passim*
 values 2, 3, 18, 36, 43, 65, 89, 94, 116, 121, 130
 vision 1–5 *passim*, 7, 17, 18, 25, 28, 30, 43, 47,
 89, 94–6 *passim*, 99, 128–30 *passim*, 133;
 statement 65
 voluntary sector 4–5, 8, 17, 18, 27, 39, 75
 volunteers 17, 29, 30, 54, 55, 58, 79, 80, 105,
 112

W

wants 11, 27, 52–3
 wastage 8
 ‘waterline’ technique 36
 work breakdown schedule 70, 72, 73, 94
 working/what works 6, 8, 11, 36–7, 43,
 98–100 *passim*, 113, 114, 116, 119
 workshops 99, 121
 worst-case scenario 36

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