Exploring the Role of the Project Sponsor

Lynn Crawford and Christine Brett
Project Management Program
University of Technology, Sydney

Abstract

To be effective, project managers are expected to 'get upper management on side', or ensure that they are at a level within their organisation at least one higher than the project team, and by inference in a position of influence. As organisations define more and more of their activities as projects there are increasing numbers of project managers and these project managers are expected to manage widely varying projects and teams consisting of any number of team members from any level within the organisation. Not all of these project managers can be part of senior management, giving rise to a need for a mechanism to give authority to the project manager who may no longer have access to or the direct support of the 'executives' or 'upper management'. This need is often addressed, either formally or informally, through what is commonly referred to as a project sponsor.

Despite the general acceptance of a project sponsor role in the management of projects, the actual role and responsibilities of the project sponsor are often unclear and in fact differ considerably across organisations. As with the majority of project management roles, there is considerable variation in definition and often considerable confusion as to the sponsor's role and how the sponsor may contribute to or effect the project's outcome.

This paper explores the definition and role of the project sponsor, identifying where the role is most likely to be of use, and providing guidance, based on literature review, survey data and interviews, for definition of the role.

The need for a project sponsor

Modern project management is generally considered to have its origins between the 1930's and 1950's (Morris, 1994:2). Stretton (1994a) and Morris give examples that demonstrate that the project manager, in the early 1950's, generally had total responsibility for the entire project, such projects being major construction projects, often in remote locations, or defense and aerospace projects such as the Polaris project (Morris, 1994:26).

From the 1970's onward, project management has been adopted by an increasing number of industries (Stretton, 1994b), to a point where organisations have begun to adopt a management by projects approach to all *non-repetitive initiatives* (Dinsmore, 1999:5; Dinsmore, 1996; Graham et al. 1997). As project management was adopted more widely, it was no longer possible for all project managers to have the seniority within their organisations that had been enjoyed by the project managers of major construction and defence projects. It is not surprising therefore that the authority of the project manager, required for delivery of project outcomes, became a matter of concern (Morris, 1994:152). This lead to articulation of the need for *upper management support*, and *management commitment* for the project and project manager (Harrison, 1993).

The term 'project sponsor' appears to have emerged at the end of the 1980s. In 1990, Briner, Geddes, and Hastings, in their book, 'Project Leadership' (1990), wrote of the project sponsor as the 'project manager's boss'. J. Rodney Turner (1993) discussed the sponsor as the 'owner' of the project, the person who paid for the work and controlled the flow of the money. Turner made the distinction between the *sponsor* as the *owner*, and the *champion* as the project's *advocate*.

Regardless of the precise definition of the role, the term 'project sponsor' has come into widespread use in the context of projects. On closer examination, it appears that the term and the role are more frequently used in the context of internal projects, projects where both the project owner or client and the project manager and project delivery team are within the same organisation. The term is less widely used where the project is delivered to the client or owner by a separate organisation through a contractual arrangement as is generally the case, for example, in construction projects. In such cases, the contracting organisation, reponsible for delivery of the project, will not generally need to identify and appoint a project sponsor, as the relationship between the owner and the contracting organisation will be defined by the contract. The client or owner organisation, may however appoint a

project sponsor, responsible, on behalf of the client or owner organisation, for the interface with the contracting organisation delivering the project.

This helps to explain the need for a project sponsor. The project sponsor role becomes relevant where there is a need to identify a person responsible for the project on behalf of an organisation and as Kerzner says: *Project sponsorship has evolved into the best way that executives can provide support for a project regardless of whether internal or externa*l (Kerzner, 1998:471). Where there is no contractual arrangement to spell out the role and responsibilities of a project sponsor, there is need for a formal definition of the role. This has generated much discussion of the subject in books, articles and conference papers, but considerable confusion still remains.

In an attempt to achieve greater clarity, a research project was initiated. The project involved a thorough review of the literature dealing with the role of the project sponsor; a survey of project management practitioners (primarily members of PMI New Zealand Chapter); and nine case studies. Response to the survey was disappointing, with only 34 valid responses being returned from a target audience of 295 project management practitioners. Of the responses, 13 were from the IT sector, and the balance distributed over a wide range of industries. The majority (76%) were from private sector organisations. Organisation structures were primarily hierarchical (90%) with a fairly even spread between centralised (57%) and decentralised (43%) decision making.

Of the case studies, seven were internal, cross-functional projects and all but one had a project sponsor. In the case of the projects delivered by external contractors and not directly concerned with internal systems, the project sponsor was based in and represented the interests of the client / owner organisation. In the majority of cases, both in the survey (90%) and the case studies (in seven of nine cases), there were steering committees for the project. In 44% of cases in the survey and in five of the nine case studies, the project sponsor was a member of the steering committee. The role of the steering committee and the relationship of the project sponsor and steering committee will not be dealt with in this paper in the interests of brevity.

Due to the poor response from the survey, further research will be conducted. Sufficient has been gleaned, however, from the literature, and confirmed in practice through the survey and case study interviews, to allow the following observations to be made as guidance for organisations in providing clearer definitions of the role of the project sponsor and guidance for those acting in the role.

Project Sponsor or Project Champion

Returning to the Briner, Geddes and Hastings (1990) description of the project sponsor as the 'project manager's boss' it is worthwhile considering the range of entities to whom the project manager might report. Review of both literature and practice reveals the following: client, owner, sponsor, champion, steering committee, project control group. Much of the confusion relating to the role of the project sponsor concerns the use of the terms project sponsor and project champion. As indicated above, Turner (1993) distinguishes between the *sponsor* as the *owner*, and the *champion* as the project's *advocate*. The PMBOK Guide® (PMI, 1996:15), under the heading of 'Project Stakeholders' says that the sponsor is *'the individual or group within the performing organisation who provides the financial resources, in cash or in kind, for the project'* without mentioning a project champion. Morris (1994: 257) also describes the sponsor as *the person providing resources for a project: the person who should be responsible for ensuring that the project is successful at the business or institutional level*, while *the champion espouses a cause*. Turner refers to the project champion as *a senior user, who argues the case for the investment, and wins priority for it over other demands for available funds* (Turner, 1995:xvii).

Although others (Cleland, 1998:234; Dinsmore, 1993:48) blur the distinctions between the roles of champion and sponsor, there is general agreement that the role of the project sponsor will have within it that of the project champion. The project sponsor will generally be expected to act, at a senior management level, as an advocate for the project; to ensure that the project delivers the desired business outcomes (Morris, 1994:257), providing internal political support for the project and ensuring priority for funding and resources.

It is useful, however, to distinguish the project sponsor as a formal role within an organisation from that of the informal role of project champion, as advocate for the project. While there should only be one project sponsor (Curry, 1995), there is no limit to the number of project champions, or advocates, who may be members of the executive, the CEO, as Turner (1995) suggests, a senior user or any other person who can use their influence for the benefit of the project. As long as it is accepted

that the role of the project champion is informal, there is no need for a clear definition of the role. On the other hand, the project sponsor, as a formal role, with distinct responsibilities for the project, does need clear definition.

Selection and appointment of the project sponsor

Practice suggests (Kay, 1997; Ingram, 1994; Stevens, 1998) that appointment of a sponsor is a vital factor in project success and this is supported by the failure of the one case study in the research supporting this paper for which there was no sponsor. Selection and appointment of the project sponsor are also important to success.

Although it is generally agreed that the project sponsor should have some understanding of project management (Dinsmore, 1993:48), this is often not the case. More importantly, the project sponsor must be at a sufficiently senior level in the organisation to provide the necessary support for the project. This will mean, particularly in the case of cross functional projects, at senior executive level. For smaller projects, conducted entirely within a business unit or division, it may be sufficient for the project sponsor to be at the top level of that unit or division. It is generally considered that the higher the level of the project sponsor within the organisation, the higher the probability of success of the project (Graham et al. 1994; Buttle, 1997).

The most successful approach appears to be where the project sponsor has a particular interest in the project outcomes and is self-appointed (Graham et al. 1994). This was the method for selection of project sponsor for 54% of the respondents to the survey reported in this paper. In the survey, the next most popular method of appointment was by the executive team (34%). If a project sponsor is not appointed in any other way, it may be necessary for the project manager to both identify and lobby for appointment of a sponsor bu this was the least reported method of appointment in the survey (10%).

Guidelines for the role of project sponsor

The role of the project sponsor will ultimately be determined by the nature of the organisation and the project type. Respondents to the survey reported in this paper identified the following aspects of the role, in descending order of importance or frequency of inclusion:

1. Budget allocation responsibility
2. Supports project politically
3. Is consulted on decisions by the project manager
4. Approves the project plan
5. Provides project objectives
6. Makes major decisions for the project
7. Ratifies decisions made by the project manager or team
8. Finds resources for the project
9. Is responsible for the project's scope
10. Issue management
11. Risk management

The following characteristics of the role have been identified from the review of literature and supported by preliminary research.

Resources and budget

Project sponsors are commonly seen as providing or contributing to procurement and allocation of resources for the project (Dinsmore, 1993:48; Kliem, Ludin, et al, 1997:64; Curry, 1995). Whether or not the project sponsor actually provides the resources (in cash or in kind) for the project (eg where the project sponsor is senior executive of the client/owner/user division or unit), the project sponsor will generally be responsible for ensuring that the project is managed within the approved budget and may be required to assist in securing additional resources. The role also includes protecting the resources for the project, as in ensuring that resources are not drawn from one project for the benefit of another (Graham et al. 1994).

Support

The project sponsor should provide support for the project, the project manager and the project team. This is done in a number of ways. The project sponsor represents the organisation's support for the project (Graham et al. 1994) and should therefore act as an advocate for the project as well as providing the contact with the executive and line management (Kerzner, 1998:471) and protecting the project team *from the ongoing corporate politics* (Cleland, 1998:236). The sponsor should also be visible and known to the organisation to be effective in this aspect of the role. Cleland (1998: 236)

suggests that the project sponsor should provide career advice and support to project team members, but this is not an often mentioned aspect of the role.

Decisions

The project sponsor should delegate authority to the project manager and project team to make decisions within the scope of the approved project plan. Only decisions that fall outside this ambit and in particular those involving other parts of the organisation should be referred back to the project sponsor. The sponsor may be required to make major decisions concerning the fate of the project, especially where there are indications that it may fail to meet its objectives (Kliem, Ludin, et al, 1997:29; Curry, 1995). This includes assistance with solving of major problems and dealing with issues relating to project success.

Vision, Strategy, and Policy

The project sponsor must promote and maintain the vision for the project throughout it's life cycle (Curry, 1995:8), ensure that alignment is maintained between the objectives of the project and corporate strategy (Stevens, 1998) and guide the project manager in terms of corporate policy (Graham et al. 1994). The vision must however be commensurate with the project sponsor's level of authority within the organisation.

Business alignment

The actual outcomes or product of the project and the realisation of benefits are generally considered to be part of the project sponsor's role (Meikle et al. 1996; Safaie et al. 1998; Meadows, 1998).

Project objectives

Setting of project objectives is a clear and generally agreed role of the project sponsor, consistent with providing clear direction for the project (Kerzner, 1998:473; Kliem, Ludin, et al 1997:64; Kay, 1997). Such objectives may be included in a project charter that also appoints the project manager.

Planning and organisation

The project sponsor should approve project plans which will be prepared by the project manager. According to Kay (1997), the project sponsor typically provides guidance in up-front planning, and determining of the organisational structure for the project.

Monitoring and reporting

The project sponsor should monitor progress against baseline and in terms of achievement of business outcomes although it is definitely NOT the role of the project sponsor to manage the project.

Approvals and changes

It is generally agreed that the project sponsor should approve changes to scope or project baseline (Buttle, 1997; Meikle et al. 1996; Green, 1998; Krainski, 1998) and sign off key deliverables (Kliem, Ludin et al, 1997:64).

Pitfalls in project sponsorship

Recognise and define the project sponsor role

It is vital for the effectiveness of the role of the project sponsor that it be formally recognised and have visibility within the organisation. Problems may arise when the role is not well defined or understood within the organisation. It is important that the project sponsor does not usurp the role of the project manager, by becoming too closely involved in the management of the project.

Provide guidance and training for project sponsors

Sponsors may not frequently act in the role and may not therefore understand what is required (Morris, 1994). As senior members of the executive, they may not have an understanding of project management. Given the importance of the project sponsor role to project success, some form of guidance, training or support should be provided for the role.

<u>Acceptance of the role</u>

The project sponsor must not only understand but accept the role (Kerzner, 1998:477).

<u>Change of project sponsor</u>

For many reasons, including promotions and organisational restructuring , project sponsors often change during the course of a project,. Such a change can cause loss of focus and may constitute a threat to the success of the project. As with one of the case study examples, the new project sponsor may not have the same sense of ownership or vision for the project as the initial sponsor. Potential difficulties in changeover should be considered and addressed.

Conclusions

Although a considerable amount has been written about the role of the project sponsor with general agreement and evidence concerning the importance of the role in achieving desired project outcomes, the role remains unclear and inconsistent in it's definition, not only between but within organisations. Effort and resources are generally provided to assist in definition of roles and training for project managers and project team members, but clear and agreed definition and training for the role of the project sponsor are relatively neglected. There is considerable scope for improvement in project performance and success by giving greater attention to the definition, preparation for and recognition of the importance of the project sponsor role.

References

Briner, W., Geddes, M. and Hastings, C. (1990) *Project Leadership*, USA: Van Nostrand Reinhold.

Buttle, T. (1997) A hitchhiker's guide to project management. Project Management Institute: 28th Annual Seminars and Symposium. Chicago, Illinois: Project Management Institute.

Cleland, D. (1998) *Field Guide to Project Management*, USA: van Nostrand Reinhold.

Curry, H. (1995) Project Sponsorship. *PM Network* (March).

Dinsmore, P. (1996) On the Leading Edge of Management: Managing Organizations by Projects. *PM Network* (March):9-11.

Dinsmore, P.C. (1993) *The AMA handbook of project management*, New York: AMACOM.

Dinsmore, P.C. (1999) *Winning with enterprise project management*, New York: AMACOM.

Graham, R.J. and Englund, R.L. (1997) Creating an environment for successful projects: the quest to manage project management. San Francisco: Jossey-Bass Publishers.

Graham, R J and Englund, R. (1994) Leading the change to project management. PMI 2325th Annual Seminars and Symposium. Project Management Institute.

Green, D. (1998) Project control through earned value. PMI 29th Annual Seminars and Symposium. Long Beach, California: Project Management Institute.

Harrison, F.L. (1993) *Advanced Project Management*, Third edn. Aldershot: Gower.

Ingram, T. (1994) Managing client/server and open systems projects: a 10 year study of 62 mission-critical projects. *PM Network*

Kay, B J. (1997) Who needs a project sponsor? You do. Project Management Institute: 28th Annual Seminars and Symposium. Chicago, Illinois: Project Management Institute.

Kerzner, H. (1998) *Project management: a systems approach to planning, scheduling and controlling*, Second edn. USA: van Nostrand Reinhold.

Kliem, R.L., Ludin, I.S. and Robertson, K.L. (1997) *Project management methodology, a practical guide for the millenium*, New York: Marcel Dekker.

Krainski, D A. (1998) Implementing change of project management software with the leadership team. PMI 29th Annual Seminars and Symposium. Long Beach, California: Project Management Institute.

Meadows, D. (1998) The ten vital signs of a project. PMI 29th Annual Seminars and Symposium. Long Beach, California: Project Management Institute.

Meikle, K and Seidman, W. (1996) Leading the project revolution: senior manager's role in project management solutions. PMI 27th Annual Seminars and Symposium. Boston, Massachusetts, USA: Project Management Institute.

Morris, P.W.G. (1994) *The management of projects*, edn. London: Thomas Telford.

PMI (1996) A Guide to the Project Management Body of Knowledge. Upper Darby, PA: Project Management Institute (USA).

Safaie, F K and McCandless, R S. (1998) Benchmarking information technology projects. PMI 29th

Annual Seminars and Symposium. Long Beach, California: Project Management Institute.

Stevens, S M. (1998) Seven steps to success for project managers. PMI 29th Annual Seminars and Symposium. Long Beach, California: Project Management Institute.

Stretton, A. (1994a) A short history of project management: part one: the 1950s and 60s. *The Australian Project Manager* **14**, 36-37.

Stretton, A. (1994b) A short history of project management: part two: the 1970s. *The Australian Project Manager* **14**, 48

Turner, J.R. (1993) *The Handbook of Project-Based Management*. Maidenhead: McGraw-Hill.

Turner, J.R. (1995) *The commercial project manager: managing owners, sponsors, partners, supporters, stakeholders, contractors and consultants*, London: McGraw-Hill Book Company.