KPMG

Swedish Project Review 2020

Decoding the path to digital adoption

Preface

by Henrik Bagewitz and Konstantinos (Kostas) Viglas

The Swedish Project Review is Sweden's leading index on project-related capabilities. In a collaboration between KPMG Project Advisory and PMI Sweden Chapter, it provides industry-specific benchmarks, points out trends and areas for improvement. This is the fourth consecutive issue of the report with 429 participating respondents, combining KPMG's and PMI's professional experience and judgements with gathered insights and conclusions from more than 2 000 professionals within the field of project management, in Sweden.

New IT solutions and technologies are constantly changing the business landscape – a forward-leaning organization, receptive to change, is imperative for most organizations in order to stay relevant and competitive. Many organizations are currently running major business transformations, incorporating the opportunities of new IT solutions and technologies. In the Swedish Project Review 2020, we focus on this journey with the purpose to capture main challenges and critical success factors encountered along the way. The insights cover a range of sectors, industries and roles that all bring out different and valuable perspectives.

We would like to thank all of you who have contributed and made the Swedish Project Review 2020 possible. Your participation truly supports and enhances the understanding of project-related capabilities of Swedish professionals and organizations today. A special thanks goes to the KPMG project team, managed by Pontus Jespersson, together with PMI's efforts with main involvement from Ola Stensson, Mikael Cohen and the board of directors. We sincerely hope that the condensed facts and insights provided in this report will give you the confidence to move forward in your most strategic and challenging endeavors.

Henrik Bagewitz
Director, Head of Project Advisory, KPMG

Konstantinos (Kostas) Viglas
Director of Research, PMI Sweden Chapter

Digitalization accelerates the integration of IT and business

In retrospect, the IT function has often been kept separate from core business functions, both from an operational and an organizational perspective. IT has commonly been regarded as a cost-driver, or an entity creating limited value for business operations, even though dependencies between the two have existed since the introduction of IT technologies. In recent years, opportunities created by new technical solutions available on the market, as well as an increasing digital awareness has challenged the traditional view of the IT function.

Explicitly articulated during the in depth-interviews, a mutual understanding between business and IT is necessary to ensure successful and accurate outcomes of a project. Encouraging close collaboration between business and IT by actively working together reduces the potential knowledge gaps and misalignment between the units. At the same time, positive synergy effects are realized when combining different perspectives.

"It is preferable that both business and IT are represented within a project team throughout the entire project to achieve the desired outcome. An organization has the opportunity to draft requirements solely by the business during the initiation of a project, then handed over to IT for implementation. If doing so, the organization must be prepared for a disappointing outcome. There will be significant adjustments throughout the project and combining different aspects over time is therefore important to achieve the planned benefits", Caroline Marken, Siemens.

A critical success factor is to ensure the engagement from both IT and business during the initial stages of a project instead of initiating a project within a department and then try to onboard other units later in the process. Organizations also need to consider if competencies inhouse are sufficient or if new IT and business partner(s) could make the difference in terms of speed and competition. Not including the necessary competencies and stakeholders from the start makes it is easy to miss aspects such as the complexity of integrating solutions or overlooking critical business requirements. Challenges also arise when strategies and future visions are defined separately, leading to fragmented solutions and strategies without the full context in mind.

"When initiating a system change or a digitalization initiative, you need to be aware of the related processes and the business context surrounding the change. The change will affect the business, and the implications need to be thoroughly understood and included in the project change management plan", Niclas Hybinette, RSA Scandinavia, Codan/Trygg-Hansa Insurance group.

To enable an integrated approach, organizations should ensure that the project methodology applied is designed to encourage close collaborations, with project teams consisting of necessary competencies and steering committee representatives from different, yet relevant parts of the organization. The project manager has a responsibility to establish an inclusive culture and collaborative way of working as well as identifying any critical gaps in knowledge and competence.

In our current society and business landscape, technology has become a key accelerator for organizations to develop further; therefore, relevant digital acumen should be integrated as a core part of the business to succeed. IT, as we know it today, can no longer be seen as an administrative, separate entity, but rather as an integrated business partner delivering value to the organization. On the other hand, business leaders must no longer rely on digital competence outside their core team, but need to step up to embrace and release the potential of new digital solutions. Digital strategies and development initiatives should not be considered as separate from the business, but rather an integrated part and enabler to succeed.

SIEMENS
Ingenuity for life

Siemens is a global powerhouse focusing on the areas of electrification, automation, and digitalization. The group consists of multiple domains, including financial services where Caroline Marken acts in the role of Nordic Head of Business Development.

One of the recent trends in project management is the switch to agile methodologies, where a product owner and scrum master is replacing parts of the project manager's role. Marken argues that the different roles are important; however, they should be seen as complements rather than replacements. *"A great project manager works actively with stakeholder management. As a project manager, you should not be afraid of escalating issues, a fairly common situation, especially in companies with a high-performance culture – no one wants to be a blocker. The product owners, on the other hand, should drive a sustainable product in the long term and ensure that outcomes of a project remain successful".*

A critical factor to make a product sustainable is to integrate IT and the business to reach the full potential of the product. Bringing IT and the business together is generally a journey of redefining historical pre-judgments that IT is mainly a cost-driver, generating limited value. Marken confirms that increased demands driven by digitalization accelerates integration, which highlights the importance of the topic. Through a mutual understanding between IT and the business, the project outcome will be more precise and aligned with expectations from both parties.

Caroline Marken
Nordic Head of Business Development, Siemens Financial Services

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Lantmännen

Lantmännen is a cooperative enterprise owned by 25 000 farmers, working as a business partner of agricultural companies. Lars Medin is IT manager for Group Functions at Lantmännen ekonomisk förening, where he has been working since 2005.

One of the many drivers of internal digitalization is potential efficiency and security benefits, *"Making the organization more efficient enables an enhanced working environment with new collaborative tools and a shift from old-school technologies that includes traditional e-mail and file storage. This shift causes additional positive effects, with a greater level of security including detailed traceability and protection".* Medin argues that drivers such as security are beneficial to make internal digitalization initiatives prioritized, especially in dialogues with decision-makers since Information Security is rising on decision-makers' agenda. Medin points out that diverse user groups have different drivers for change, which makes it essential to know the users and adapt the message considering dimensions such as different generations of age and differences in IT maturity. *"Technology itself or the knowledge about technology is rarely the problem. The challenge is to make people adapt to new ways of working. It is important to make decisions and adhere to it throughout the transition. Ambiguous messages easily create uncertainty and hinder successful implementations".*

Lars Medin
IT Manager Group Functions, Lantmännen ekonomisk förening

RSA

Codan/Trygg-Hansa Insurance group is the Scandinavian part of the global insurance group RSA. Niclas Hybinette, an experienced program and project manager with almost 20 years of experience within the subject, has been with the Scandinavian insurance group for three and a half years.

Today Hybinette manages critical, complex programs and projects where leadership and the human perspective are key, including stakeholder management. He describes that several factors drive the digitalization journey, including meeting changing customer expectations, sustainability, new technology and innovations, increased efficiency, and resource reallocation. He argues that simultaneously initiating too many digital initiatives, however, is associated with significant risks and underlines the importance of deciding what to digitalize based on potential business impact and benefit. He further describes the importance of an interplay between people and technology. *"Even though technology is essential, it is even more about people, both employees, suppliers, and customers. It is important to understand that technology is just an enabler; and that we depend on the people. […] There is always a business context surrounding the technology, which needs to be thoroughly recognized and understood".*

Hybinette highlights the importance of understanding the goal and expected benefits before introducing and delivering the desired change. At the same time, the project organization also needs to have the capability to adapt to unpredictability and future changes. Working in an agile way, with a high level of transparency, combined with an open mindset, will ease the governance even when the most difficult changes arise. The unpredicted changes will put the project manager and stakeholder in front of the main challenges since it is within their responsibility to manage decisions related to the changes.

Niclas Hybinette
Senior Global Project Manager, RSA Scandinavia, Codan/ Trygg-Hansa Insurance group

Agile ways of working to deliver sustainable digital solutions

People have become accustomed to user-friendly and frequently updated digital solutions and applications. The phenomena have increased the importance for organizations to act with flexibility and in a fast-paced manner to stay relevant and deliver value using different technologies. Results from our research emphasize that the customer should be a focal point in driving digitalization.

Many organizations have adopted agile methodologies to stay relevant in the eyes of the customers and end-users. In terms of digitalization, agile methods are still gaining ground, and the awareness of agile methodologies also increases. Some organizations claim to be agile when applying Kanban boards or performing daily stand up meetings, but genuinely being agile goes far beyond the practice of single activities. Mainly it is a change of mindset and culture. Peter Strömberg, Avanza, stresses the importance of establishing an innovative culture allowing mistakes, thus encouraging teams to try new creative ideas.

"Avanza's culture centers around innovation and building new ideas and at the same time, avoid pointing fingers. We will make mistakes repeatedly, but we are all in this together as a team to do what is best for the customer", Peter Strömberg, Avanza.

During the interviews, respondents emphasize the need for reducing the risk of delivering unwanted solutions based on out-of-date requirements. Agile principles and methodologies reduce complexity and simplify the learning process for customers and end-users since the change is distributed in smaller portions, making the solution recognizable, meaning the risk of being out-of-based drastically declines.

"The perceived speed of taking smaller steps and doing things that bring out the most value is important. We are moving away from the waterfall mindset since there is too high of a risk that when you are done after two years, it is not really what was initially requested", Daniel Lindén, TV4.

Are agile methodologies suitable for all digital initiatives? Our respondents state that there still might be projects that require a more traditional project management approach, but agile principles could beneficially be embraced in any context to further increase propulsion. Two years ago, in "Swedish Project Review 2018 – Embracing agility", the research emphasized the correlation between agility and having established processes and methods. The analysis is still highly relevant, especially when integrating agile principles in traditional project management to ensure transparent ways of working.

All agile principles revolve around the team, enabling team members to work more efficiently together to produce or deploy qualitative solutions that are released more quickly, thus shortening the decision-making process and time to market. Some of the respondents claim to avoid driving initiatives as projects at all to prevent significant releases based on old requirements and instead drive releases as a normal part of the daily work.

"Major changes are always challenging, regardless of approach. Therefore, we like to breakdown changes into smaller pieces and smaller transitions to ensure that all internal and external users are aboard and to avoid a big bang", Daniel Lindén, TV4.

In terms of delivering digital solutions, agile methodologies enable organizations to provide sustainable solutions with the customer in focus at a faster pace. However, becoming agile does not happen overnight; it is an organizational transformation that among other aspects requires proper leadership, a cultural change, and efficient performance management. While legacy organizations need time to make the changes needed, many startups and unicorns are agile in their mindset from day one. With new business models and technologies, they tend to drive digitalization in a fast pace.

AVANZA

Avanza has its foundation in the savings, investments, and pensions market. Avanza has no traditional physical offices; instead, all customer interaction is performed using digital channels. In 2019, as well as 2018, Avanza was awarded "Bank of the year" by Privata Affärer. Peter Strömberg, CIO since 2014, describes the culture at Avanza as fundamental for their business, and built upon the idea of doing things together and inhouse.

The company has worked in an agile manner since 2007, and Strömberg states that *"we believe in starting with ideas on a small scale and break down a problem into smaller pieces rather than initiating more traditional projects with pre-studies, etc. The approach has resulted in a minimal number of projects being initiated, except when the project originates from a regulatory context where nature is a bit different, and Avanza cannot affect the end-state or define the requirements"*. As such, traditional waterfall methods are advantageously avoided, even when initiating a project. Instead, planning in sprints with a consistent flow of releases, are core activities in all initiatives.

Staying relevant in the fast-evolving environment is naturally a challenge for many organizations. Strömberg describes Avanza's culture of innovation as an influential factor for continuously developing the business, and that the somewhat "fearless" development of client services helps the culture stick and to evolve. To stay ahead, Avanza continually evaluate and reassess their technical setup. *"We are actively working with cleaning out legacy parts of the technical landscape, it is equally important as coming up with new ideas. Having a relevant technical platform to build upon makes us light-weighted and eases future changes of technology"*.

Peter Strömberg
*Chief Information Officer,
Avanza*

TV4 is one of the most well-known TV-channels in Sweden. Together with its streaming service CMore and the Finnish equivalent MTV Fi it forms TV4 Media, where Daniel Lindén is Head of IS/IT, where he worked for the past 13 years.

TV4 is operating in a sector with a high level of competition, and new competitors are regularly rising, especially within the digital streaming services. The way customers consume television and content has changed drastically over the past years, which is the number one driver of TV4's digital adoption. Behavioral changes have made an impact on the business model and enforced an establishment of a direct link with the customers instead of broadcasting the services via other business partners, as for the non-digital services.

To keep the organization adapt and adhere to changes in the market, TV4 has applied an agile way of working with continuous change in small steps, trying to avoid significant changes in one step. *"Change is hard, and people are, in general, not willing to change. We are always trying to change, to keep evolving as a business, but we do it in small steps to decrease complexity and avoid doing multiple things at the same time"*. The traditional waterfall project methodology increases the risk of performing projects with a long duration where the outcome is not in line with needs or expectations. Instead, with an agile model, companies can be open to changes in business needs and adapt along the way. Prioritization is critical, and initiatives bringing the most business value should always be on top of the agenda, which is central to the agile project methodology.

When it comes to the critical aspects of change management, Lindén emphasizes that education and information are the main cornerstones. A success factor for change is to ensure that change management covers both the technical and business aspects. The different elements of change should not be rationalized or combined, but instead identified, for the change effort to be adopted and fully covered.

Daniel Lindén
*Head of IS/IT,
TV4 Media*

Change management is imperative to succeed

Introducing systems and new technologies allow organizations to elevate and excel in their performance. Our research shows that project management professionals in Sweden share this view. More than 92 percent of the respondents perceive the importance of introducing new systems and technologies as medium to high. However, successfully introducing new technologies and solutions is not exclusively about enabling new features, it is just as much about organizational change and establishing new ways of working.

"One part of the project is to help the customer prepare for an organizational change, that is one of our most important objectives when implementing the platform", Robin Johansson & Linn Brandes, ServiceNow.

Our research shows that change management is often the utmost challenging aspect when introducing new systems and technologies to an organization; the technology itself could be a challenge to implement but is rarely a problem in comparison. People are, in general, not open to change, even though most people claim to be. In the end, all organizations consist of people with diverse backgrounds, adhering from different generations and by default, different technical understanding and maturity. It is essential to recognize the fact that various stakeholders might benefit from different types of change management activities, thus the efforts should be tailored accordingly.

"Change is always a challenge, and information is key to success. You need to motivate the people affected by the project and make them understand the incentives. Why are we doing it? Does it make sense? How will it make your and the company's life easier?" Lorna Stangeland, ATEA.

Our interviewees highlight transparent and strategic communication as a central element of change management. Increased efficiency and lower costs are typical drivers associated with digitalization projects. Thoughtless communication related to such projects is often interpreted as efforts to a tightened workforce and lay-offs, creating apparent means for resistance and ambiguity. Associated communication is challenging, nevertheless most apparent when initiatives lack a strong or unclear linkage to the overall strategy.

"One of the major challenges when implementing new software or systems is when there is no defined strategy for change management processes. The issue is generally linked to inadequate involvement and buy-in from senior management, causing unnecessary resistance from the organization", Robin Johansson & Linn Brandes, ServiceNow.

Change management is complex, and there is no silver bullet on how to solve the puzzle. However, avoiding conflicting messages, keeping the communication transparent but careful, and adjust change management activities with the impacted stakeholder characteristics in mind surely eases the journey. However, what is most important is to ensure that the planned change management activities happen, and not get lost along the way.

ATEA

Since the early 2000s, ATEA has grown to become a leading player in the field of IT infrastructure through mergers with several leading organizations in the Nordic and Baltic region. Lorna Stangeland has been Senior Vice President within Supply Chain Management at ATEA since 2017.

With significant experience in industry logistics, Stangeland underlines the importance of maximizing efficiency and productivity, which are primary drivers for introducing new technologies and systems at ATEA. *"Wherever we can use data to minimize manual work is beneficial. Usage of data simplifies work and enables us to work proactively with fact-based information. We work continuously with automation, to help employees accelerate in their performance, and become more productive and efficient".*

Stangeland argues that the most challenging issue of introducing new technologies and systems is change management, and in particular, making people believe in the transformation. *"You need to make people understand why the initiatives are beneficial for the company, and you need to communicate the purpose of the change".* Stangeland explains that change is a time-consuming process that often faces initial resistance. However, a definite "domino effect" is created when new ways of working gain trust within the organization, but that the phase, when the process implementation is not fully completed, require *"[...] a strong project leader that can lead the team through the transformation".* Lastly, she states that a clear picture of what the organization will look like once the transformation is done is vital to facilitate the process and a fundamental prerequisite to make the outcome last and generate long-term benefits.

Lorna Stangeland
Senior Vice President
Supply Chain Management, ATEA

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servicenow

ServiceNow is a cloud computing company providing Software-as-a-Service solutions to its customers, a product which made ServiceNow win the desirable Forbes Innovation Award, thus ranking the company as number one among the world's most innovative companies in 2018. Linn Brandes is Senior Engagement Manager, and Robin Johansson is Principal Engagement Manager, leading, guiding, and supporting customers and partners during the implementation of the ServiceNow platform.

Brandes and Johansson describe the implementation as a project requiring a new mindset within the customer's organization, enforcing an innovative and cross-functional way of working. *"Part of the project is to help the customers prepare for an organizational change, a ServiceNow implementation can have a huge impact on the organization, and it is not just a tool implementation".*

When implementing the platform within the customer context, the interviewees repeatedly highlight the importance of ensuring that the customers take full ownership of the platform regarding making the solution permanent. *"The customers themselves must understand and take ownership of the implementation outcome and value realization. Organizations must ensure proper training measures and preferably establish internal owners because if not, who is supposed to train, develop, and create visions going forward? The organizations must be able to embrace the product and the decision to implement, not hide behind a new technology".*

Successful organizations think in terms of strategic, tactical, and operational aspects enabling a successful and sustainable implementation as well as maintenance of the platform.

Regarding platform maintenance, it is valuable to have a platform owner with a holistic perspective keeping the business in mind; thus, the owner operates on a high level in the organization as it eases the collaboration throughout the entire organization. Among the most critical success factors are alignment to corporate strategies and long-term platform governance. The latter is an essential element in the current agile landscape where the chain from demand to release of features needs to be managed in a structured manner with anchoring in the client's needs. Critical decision lies within budget governance and outlining the main structure for the long-term management of the solution.

Linn Brandes
Senior Engagement Manager, ServiceNow

Robin Johansson
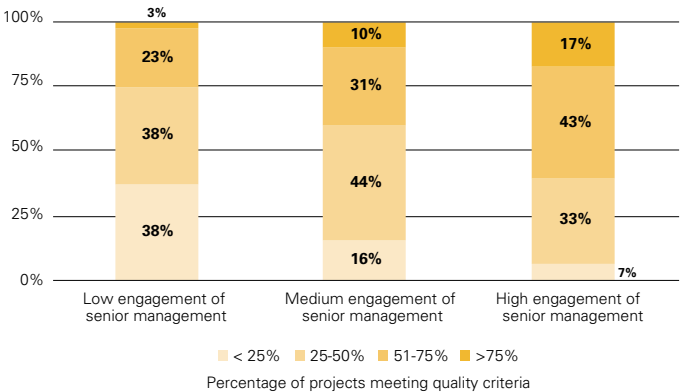*Principal Engagement Manager, ServiceNow*

Governance & Strategic Alignment

There is a widespread understanding that governance and strategic alignment is highly associated with project success, which has been stated in reports from previous years and is further supported by the 2020 year's survey. The importance of having projects aligned with the overall strategy of the organization is rated medium to high by 98 percent of the respondents. Despite the acknowledgment of importance, only 50 percent rate their organization's capability within the area as high, indicating room for improvements. Furthermore, findings show that large-cap organizations believe that aligning projects to the organizational strategy is more important than small and medium enterprises do. A reason is that larger

organizations in general run and continuously initiate several projects simultaneously, which supports the need to prioritize and validate initiatives towards the overall business strategy.

The involvement of Senior Management enhances the level of alignment between project outline and overall strategy, this is a factor strongly linked to the project success. Despite this correlation, the 2020 year's findings reveal a decline of 18 percent in the engagement from Senior management compared to 2017. Worth mentioning is that Senior management rate their own involvement as higher than the average respondent, i.e. Senior management overestimates their own involvement.

FIGURE 1

Indicates the correlation between senior management engagement and project results.

< 25%   25-50%   51-75%   >75%

Percentage of projects meeting quality criteria

FIGURE 2

In your view, to what degree is senior management actively engaged in high priority projects?

Low engagement   Medium engagement   High engagement
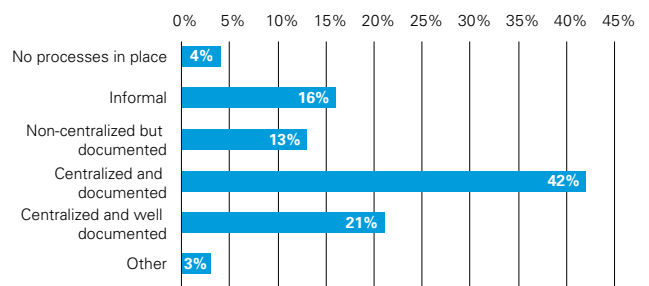
Processes & Methods

Previous years' research shows that having the right processes and methods in place for running projects is one of the key project success factors. This year's research further confirms the fact that ensuring processes are fit for purpose with strong and proven approach increases the likelihood of project success. Organizations with centralized processes with strong and proven approach have a 74 percent success rate, while organizations having no or informal processes have a success rate of less than 28 percent. The results also suggest that many organizations have understood the significant importance of processes and methods. It is 64 percent of the organizations claiming to have centralized and documented processes and methods, out of which 21 percent have an even higher maturity level complemented with a strong and proven approach.

All projects are related to uncertainty and complexity at different levels. Having a structured approach does not only enhance overall project performance, it also enables a higher maturity level of other project management knowledge areas such as Benefit & Financial management and Risk management. The research shows that organizations with well-established processes and methods are 140 percent more likely to perform well in Benefit & Financial management, and almost 80 percent more likely to be high performers in Risk management. This indicates that processes and methods are embedded across all areas of project management.
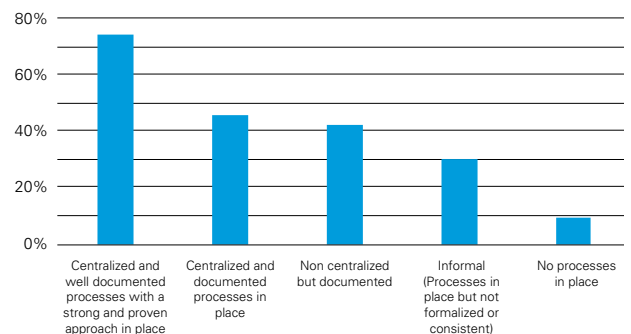
FIGURE 3

To what degree does your organization have structured and formalized project related processes and ways of working?

- No processes in place: 4%
- Informal: 16%
- Non-centralized but documented: 13%
- Centralized and documented: 42%
- Centralized and well documented: 21%
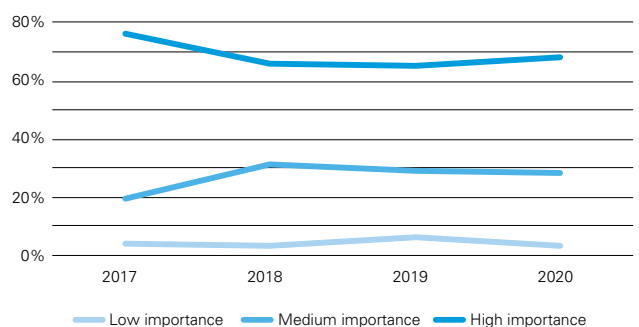- Other: 3%

FIGURE 4

Indicates the correlation between maturity level related to processes and methods and project success.

Shows the number of organizations that succeed with a majority of their projects for different maturity levels.

FIGURE 5

In your view, how important are project related processes and methods for project success and increased value of your organization?

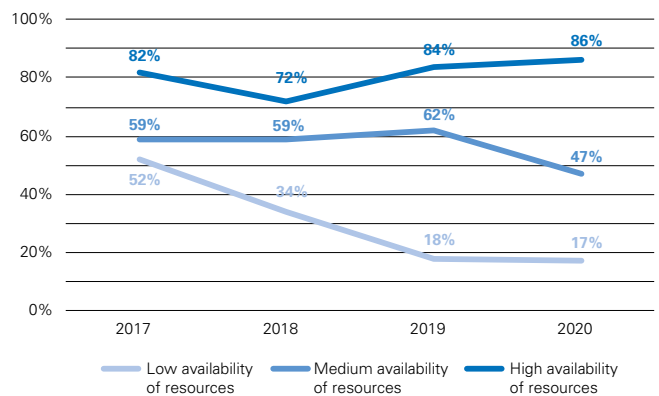Low importance · Medium importance · High importance

Capacity Management

Previous data has provided a nuanced understanding of changes over the last years and highlights an increase in the perceived importance of capacity management for project success and increased value to the organization. In 2019 the number of respondents rating the importance as medium to high was 61 percent compared to 73 percent in 2020. To further reflect the rise in importance of capacity management, the survey reveals a decline in respondents rating the importance of capacity management as low. In 2017 the number was almost 8 percent compared to 2020 when the number declined as low as almost 4 percent. In summary, the results regarding the importance express an apparent direction; capacity management remains a key challenge for organizations, thus the awareness around and the importance of the area increases.

96 percent of the respondents rate the importance of capacity management as medium to high which further emphasizes the importance of the subject. Despite the awareness of capacity management's important role in organizations, a similar gap as in 2019 has been identified this year, namely the gap between importance and performance. Only 18 percent rate the availability and resource allocation capability within their organization as high. This implies major improvements are possible since the probability to succeed in projects is more than five times higher for organizations with a high-functioning capacity management ability compared to organizations where it is regarded as low-functioning.

The increase in importance and awareness also reflects in maturity level aspects regarding organizations' ability to allocate competencies and resources within projects. Since 2018 the maturity level has increase from almost 12 percent to 18 percent, which reflects an overall increase of 56 percent. The improved ability is further reflected through the response rate of low ability declined from roughly 27 percent in 2018 to almost 21 percent in 2020 which corresponds to an overall decline of 23 percent.

FIGURE 6

How capacity management has affected successful projects over the last three years.
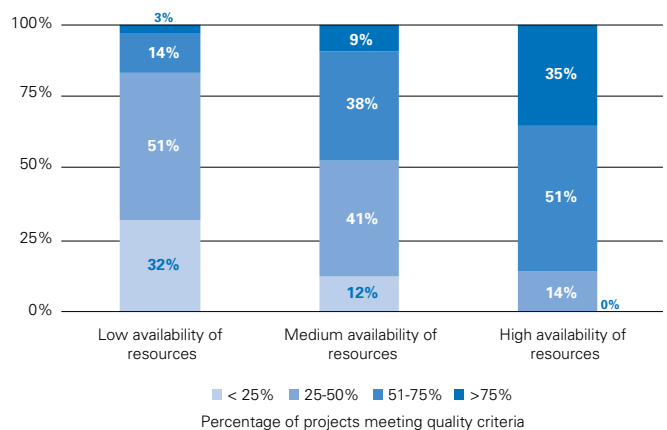
The percentages represents organizations with a success rate of at least 50% of all their projects.

In 2017 52% of organizations with low availability of capacity succeeded with the majority of projects. The corresponding number in 2020 is 17% indicating that capacity management has increased its importance for successful projects.

FIGURE 7

Indicates the correlation between competences and resources available and allocated as needed and project results.
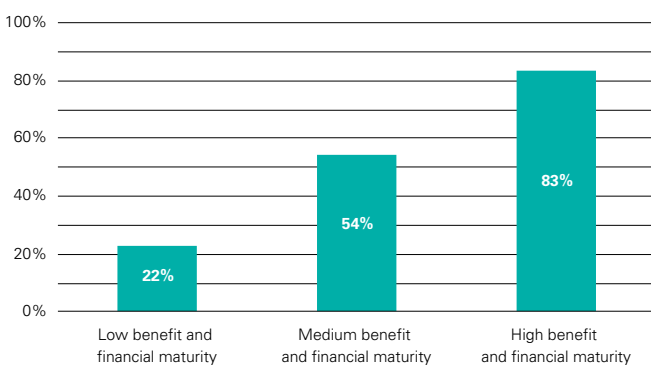
Benefits & Financials

Only 15 percent of the respondents rate their organization's project-related maturity level within the area of benefit and financial management as high. This is interesting, due to the unanimous consensus of importance, as 93 percent of the respondents rate the importance as medium to high. It is further highlighted that the maturity level within the organization reflects the final project outcome. If the maturity level within the benefit and financial management area is definite high, the rate of project success is almost four times higher compared to organizations with a low apparent maturity level. Altogether, this should be a strong incentive to focus effort and bridge the gap between the perception of importance and actual maturity level, and thereby improving the organization's overall project performance.

However, the trend indicates the opposite and by comparing the findings of the 2020 year's research with the findings of 2019, an increase of almost 23 percent is identified in respondents stating the maturity level as low. Furthermore, a decline of 18 percent stating the maturity level as high is confirmed between the years 2019 and 2020.

FIGURE 8

Indicates the correlation between maturity level related to project-related benefits and financials and project success.

Shows the number of organizations that succeed with a majority of their projects for different maturity levels.

FIGURE 9

How would you characterize your organization's project-related benefit and financial management process maturity level?
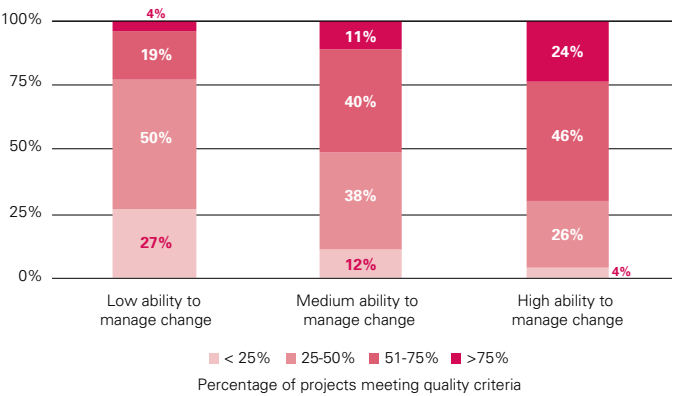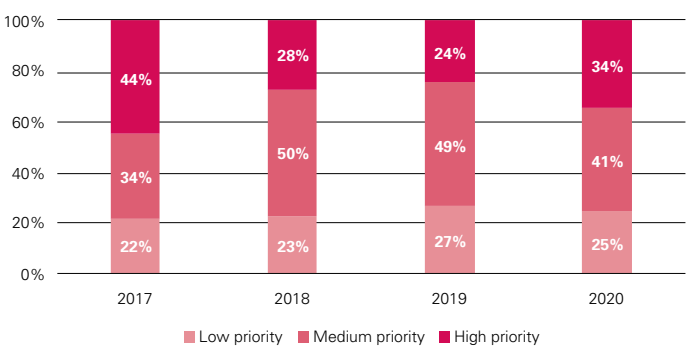
Organizational Change

Today's constantly evolving business environment puts pressure on organizations' ability to adapt to change. Like previous years, the 2020 year's research confirms the value of organizational agility with 93 percent rating the importance as medium to high. Despite the high level of consistency regarding importance, alarmingly, 75 percent state that their organization's ability to manage and adapt to change is low to medium. At the same time, in comparison to previous years, an increase is recorded of respondents stating the priority of organizational change as high. This means that even though organizations in general are on the lower scale when it comes to the maturity of managing change, the upward trend of priority will hopefully engender increased maturity years to come.

Not surprisingly, there is a correlation between prioritizing organizational change and the ability to adapt to organizational change. More interesting is the correlation between prioritizing organizational change and project success. Organizations confirming a high priority of organizational change have a two and a half times higher rate of project success compared to the organizations that make organizational change a low prioritization. Findings confirm a clear message, namely that organizational change management is a key element of success, but many organizations are still struggling.

FIGURE 10

Indicates the correlation between ability to manage and adapt to chand and project results.

Percentage of projects meeting quality criteria

Legend: < 25% · 25-50% · 51-75% · >75%

Ability	< 25%	25-50%	51-75%	>75%
Low ability to manage change	27%	50%	19%	4%
Medium ability to manage change	12%	38%	40%	11%
High ability to manage change	4%	26%	46%	24%

FIGURE 11

Indicates the level of priority within organizations in creating a culture receptive to organizational change.

Legend: Low priority · Medium priority · High priority

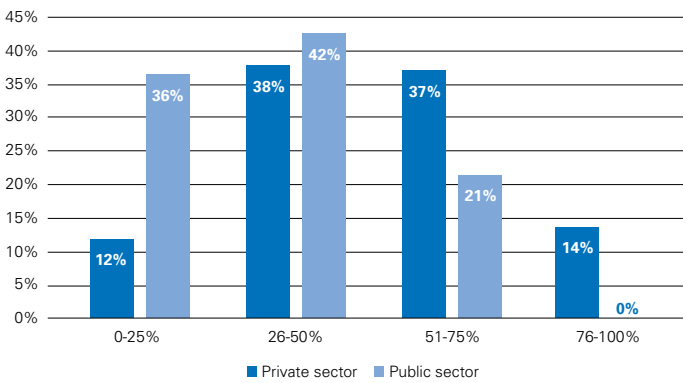| Year	Low priority	Medium priority	High priority
2017	22%	34%	44%
2018	23%	50%	28%
2019	27%	49%	24%
2020	25%	41%	34%

Performance & Quality

Aligned with the result from previous years' studies, a vast majority of the respondents in 2020 confirm that performance and quality management is critical for project success, 93 percent rate the importance as medium to high. However, there is room for improvement since only 15 percent of the respondents' rate their organization's capability within the area as high. An incentive for working towards improvement is that organizations with a high level of maturity are four times more likely to succeed with their projects when it comes to project-related performance and quality management, compared to the ones with a low

maturity level. The two sectors that estimated the highest rate of project success are construction and information technology with success rates of 64 percent and 58 percent, respectively. The superiority can be explained by the fact that projects are core part of the business within the industries. Like previous years, the public sector is still lacking behind with only 21 percent of successful projects, which confirms a decreasing trend since 2017.

FIGURE 12

For the last 12 months, how many of the projects in your organization do you estimate have delivered on time, within budget and realized benefits of at least 80 %?

Private sector · Public sector

FIGURE 13

Indicates the correlation between maturity in performance and quality management and project results.

< 25% · 25-50% · 51-75% · >75%

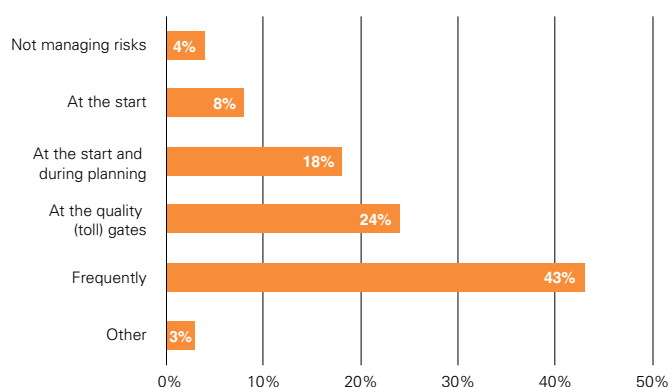Percentage of projects meeting quality criteria

Risk Management

A vast majority of the respondents do regardless of size or sector agree upon the fact that risk management should be incorporated in all projects. The results show that 95 percent rate the importance of managing risk as medium to high, which is a minor increase compared to 93 percent in 2019. Despite the unanimous opinion regarding importance, the number of respondents rating their organization's maturity level as high is surprisingly only 19 percent. Nevertheless, the trend is yet positive with a slight increase compared to last year. Even though the maturity level is considered low, as many as 95 percent of the respondent's state that their organizations do manage risk to some extent, but with a wide variation in frequency. A motivating factor for continuing to further develop efficient risk management is that organizations with a high maturity level for project-related risk management, have a project success rate almost three times higher than organizations rating their risk management maturity level as low.

Furthermore, the largest (more than 5B SEK in total annual revenue) and smallest (up to 2M SEK in total annual revenue) organizations in the 2020 year's study rate the importance of managing risk higher than the average. A plausible reason is that larger organizations tend to drive more costly and complex projects, thus taking a higher risk which understandably results in a strong willingness to manage and mitigate risks. Smaller organizations, on the other hand, invest a greater percentage of their resources when performing projects meaning the stakes are higher, thus a great incentive to incorporate effective risk management. However, findings support a clear message for increasing project success; all organizations, regardless of size, should strive towards a higher maturity level of project-related risk management with a more consistent frequency as one of the primary quick-wins.
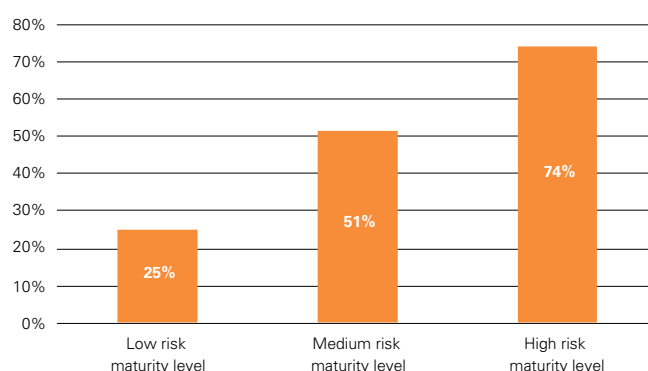
FIGURE 14

With what frequency does your organization manage risks within projects?

FIGURE 15

Indicates the correlation between risk maturity level and project success.

Shows the number of organizations that succeed with a majority of their projects for different maturity levels.
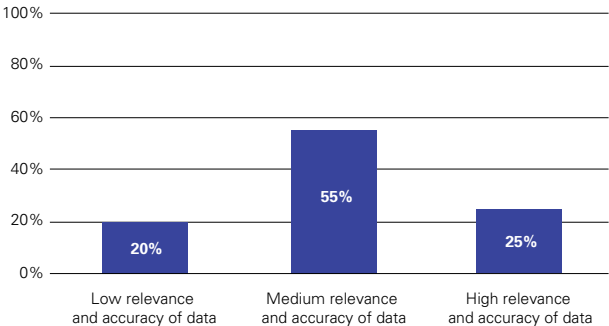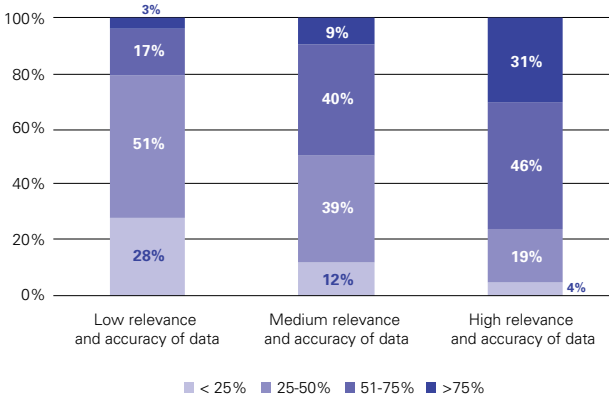
System & Data

Efficient data utilization can enable organizations to achieve better results not only in general but also within the project context. The respondents also acknowledge the potential with this area since 92 percent rate the importance of managing data and reporting as medium to high. Furthermore, 91 percent of the respondents confirm that their organization utilizes system support for project management. Despite this, only 21 percent of the respondents rate the relevance and accuracy of their data as high. The current increasing awareness of data and the value data potentially bring, might be a reason for the relatively low rating of accuracy, since many organizations tend to become more aware of their data management abilities. An improvement within the area is considered beneficial, as the respondents rating the relevance and accuracy of their organization's project data and reporting as high, have over three and a half times higher project success rate compared to the ones rating it as low. The results of the study show that organizations with the lowest yearly revenue (up to 2M SEK) believe that managing project-related data and reporting is more important in comparison to organizations with a larger revenue.

Project Managers and Head of PMOs rate the importance of data and reporting as higher compared to other project roles. An assumed reason is that these roles are more dependent on project data and reporting in their everyday tasks, where better results are experienced as the relevance and accuracy of data and reporting increases. Other project roles might only see the administrative burden of data and reporting and then rate the importance as lower in comparison.

FIGURE 16

In your view, how relevant and accurate is the project related data and reporting of your organization?

FIGURE 17

Indicates the correlation between relevant and accurate data and reporting and project results.
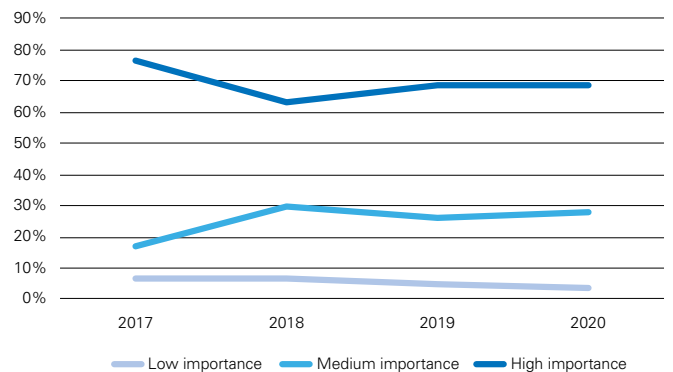

Percentage of projects meeting quality criteria.

Knowledge & Leadership

The fact that society becomes more knowledge-centric makes human capital considered the main resource in most organizations. 97 percent of the respondents rate the importance of knowledge and leadership as medium to high, which is the highest perceived rating for this area during this report's four years of history. This further confirms the importance of human capital as the main resource. Despite the opinion that the area is highly important, only 17 percent of the respondents rate their organizations' maturity level in this field as high. Instead, a larger correlation can be identified between the organizations' maturity levels and project success. Organizations with high maturity levels, are two and a half times more likely to succeed with their projects, compared to organizations to which the recognized maturity level within the area is low.

In this research, the respondents were asked to what extent they acknowledge or actively work within four key areas of knowledge & leadership; lessons learned, education and certification, competency and requirements and at last mentorship and coaching. The respondents tended to rate their capability on an equal level for all four areas, either equally low or equally high. This points towards the conclusion that an organization's viewpoint regarding the subject tends to permeate the entire organization as it reflects all four areas – caring about one of the four means caring about them all. The one area that differs slightly from the rest is the acknowledgment and active work with mentorship and coaching. Organizations with more than 5B SEK in total annual revenue, claim to work more actively with mentorship and coaching than organizations with lower revenue.
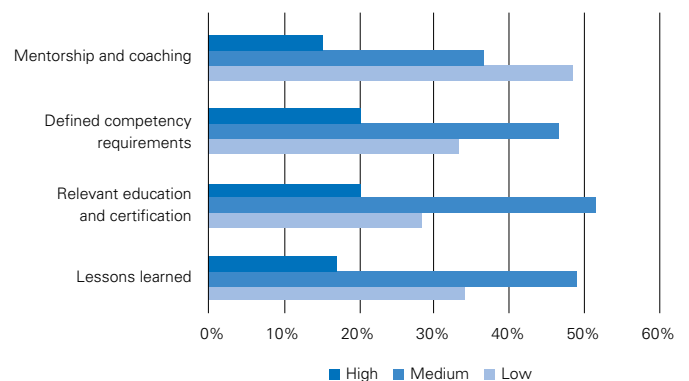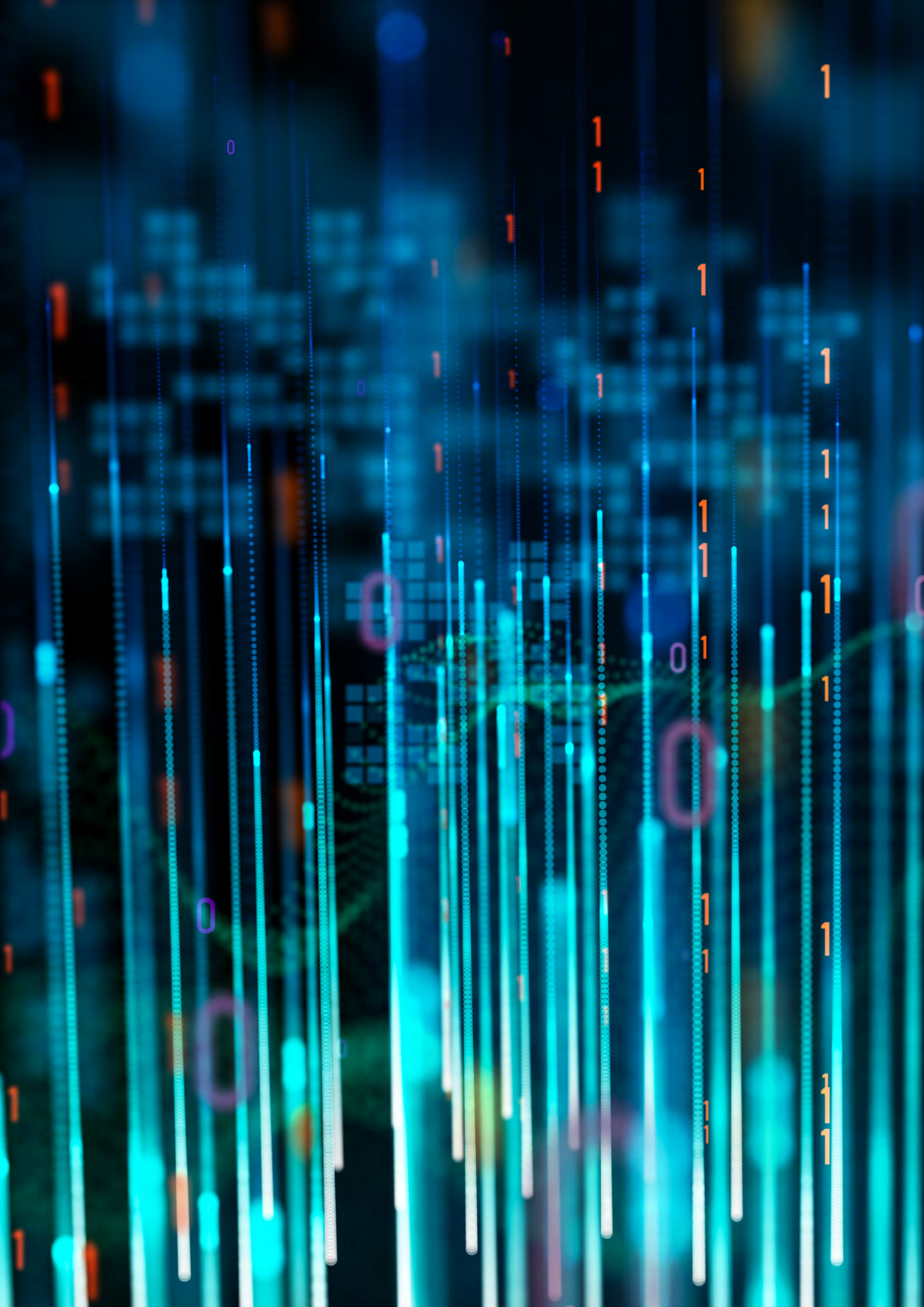
FIGURE 18

In your view, how important is management of Knowledge and Leadership for project success and increased value?

FIGURE 19

To what extent do you your organization acknowledge and activley work with.

Summarized conclusions

This year, we have focused on how digitalization is impacting traditional project management capabilities. Current trends have forced us to slightly shift our priorities and perception of which areas are essential for project success and for reaching strategic objectives. Areas that are becoming significant for organizations facing business transformation are, among others, how to make the most out of existing data, how to ensure sufficient resources with appropriate competence and skill-sets, and how to manage various changes related to digitalization.

This year the perceived significance for processes and methods in project management has declined. Possibly, the growing agile and flexible mindset has disrupted our belief in centralized processes within project management and thus challenged its perceived importance. Some of our deep-dive interviews consider the agile way of working as an enabler and differentiator for staying relevant on the market. At the same time, implementing agile principles without fully understanding the method, or overlooking the change in organizational mindset, can potentially do more harm to projects and people within the organization than creating an advantage.

Succeeding with change management and making employees comfortable when the business context is changing is a continuous challenge for most organizations, with 3 out of 4 organizations rating their capability within organizational change as low to medium. At the same time, the research shows a trend of organizations assessing their priority of change management higher, which certainly indicates a higher focus on change management for project success. When it comes to the journey of digitalization, organizational change management is one of the critical elements for making new solutions or technologies stick with its benefits realized. In such projects, the technology itself is rarely seen as the central challenge; instead, the main issue is regarded as bringing affected people onboard. This means that understanding the impact a new technology has on the business context will be crucial to succeed. However, it is common that technology is the main focus when planning change management activities in a project. For example, when

introducing a new system, it is more common with training initiatives related to the use of the system, rather than the new processes and way of working.

Understanding and embracing the potential created by digitalization is a challenge for many organizations, even for the most mature. One way of addressing this issue is to integrate and bring the IT function closer to the core business. The obvious purpose is to enable positive synergies, a mutual organizational understanding and to ensure that the progress aligns with the strategic objectives. Although this integration requires a shift in mindset and a need for greater transparency, it is considered essential for keeping up with the digitalization journey ahead. Undeniably, the digital journey has just begun.
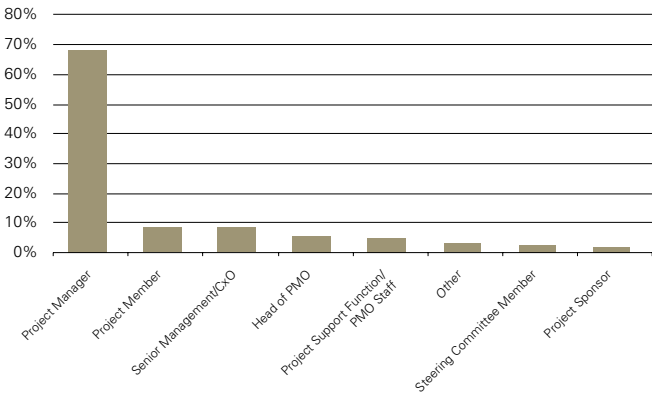
Key takeaways:

- Integrate your digitalization strategy and initiatives as a core part of your business strategy and priorities

- Acknowledge appropriate digital knowledge and experience as a key element to succeed

- The project manager remains a key role to deliver successful projects, enable digital adoption and change

- Ensure that the digitalization initiatives are linked with your customer priorities and preferences

- Drive innovation and digital adoption supported by agile principles to ensure speed, relevance of solutions and cost efficiency

- Embrace change management as a vital means to succeed; the technology itself is rarely the barrier

- Articulate the targeted benefits and the business case

- Capture the value of data to accelerate your relevance and make informed business decisions
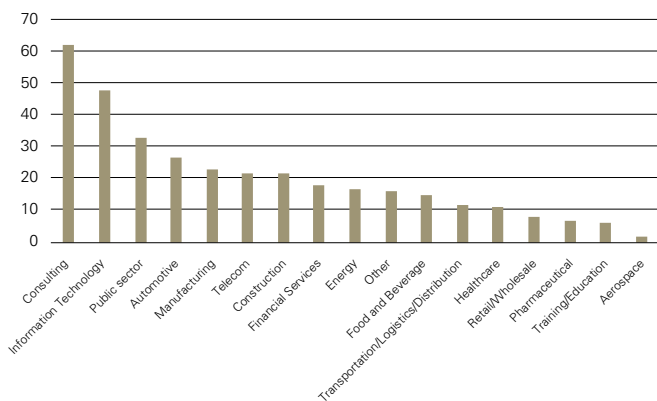
Demographics

The Swedish Project Review 2020 is based on a total number of 429 respondents, a comparable figure with previous years. The survey is supplemented with in-depth interviews focusing on this year's theme Decoding the path to digital adoption. The interviews are held with representatives from seven different companies working in various fields and with different pre-conditions and experiences of digitalization journeys.

In terms of gross turnover and the distribution between large, mid, and smaller companies,38 percent of the respondents represent organizations with more than 5B SEK gross turnover, 31 percent represent organizations in the range between 500M SEK and 5B SEK, and 31 percent represents organizations with a gross turnover below 500M SEK.

The respondents are mainly represented by project managers, Head of PMOs and project members. The distribution is consistent with previous versions of the study and therefore enhancing the comparability for relevant trend analyses over the years. The respondents are mainly represented within consulting, information technology, and the public sector.

In summary, this year's report is based upon a wide range of organizations in terms of roles, industries, and sizes. The distribution is more evenly spread compared to previous years within all parameters.

FIGURE 20

Which of the following best describes your job role?

FIGURE 21

Please select the term that best describes the primary focus of your organization.

FIGURE 22

Which of the following best describes the total annual revenue of your organization?

- More than 5 BSEK
- Between 500 MSEK and 5 BSEK
- Between 2 and 100 MSEK
- Between 100 and 500 MSEK
- Up to 2 MSEK

Notes

KPMG

KPMG is a global leader in Project Advisory with a strong Swedish presence. Our professionals work to inspire confidence and empower change. What drives us is a desire to pass on business insights and provide our leading expertise tailored to each client's specific needs.

PMI Project Management Institute. Sweden

PMI is the world's largest non-for-profit membership association for the project management profession represented in nearly all countries in the world. It holds over 700 000 credential holders, volunteers and members. PMI Sweden chapter work actively to be an optimal and sustainable force for change in our society measured by the fact that organizations have embraced and appreciated projects as a way of working.The Sweden chapter engages 1600 members and 100 volunteers.

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