Professional Project Management – The Value Proposition

White Paper

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Project Management in a Information Technology (IT) World

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Preface

The playwright George Bernard Shaw once said, "The road to Hell is paved with good intentions, not with bad ones. All men mean well." This white paper will give you insight into successful project management – that is, professional project management as differentiated from a collection of "well meaning" activities.

Overview

Project management doesn't qualify as one of the world's oldest professions, but it has been with us for several decades. The Information Technology (IT) industry was among the early adopters of this new way of doing things. However, even though the IT industry started adapting early, it lagged far behind other industries that were already implementing complex and sophisticated methods of managing their projects. Initially, and for many years to come, IT projects were managed primarily as exercises in controlling the budget, and the time, spent by personnel in completing their tasks.

Fortunately, IT has grown-up over the intervening years. Today, most large IT organizations are dealing with tens and sometimes hundreds of simultaneous projects. Obviously, the management techniques needed to effectively deal with such volumes of work must not only allow for accurate cost and time accounting, but also render fundamental management decisions easier to make, allow for the tracking of multiple critical paths within a given project, and facilitate the effective and efficient use of an organization's limited resources across multiple projects. That is quite a tall order to fill!

Project Evolution

While the ways projects are being used within organizations changes, the practices of project management itself are evolving. The key skills of a Project Manager have changed in recent years, in that projects themselves have become much more complex. Matrixing, the management of multiple concurrent projects, has become the norm. One of the most fundamental and often misunderstood concepts of effective project management today is in a reversal of traditional methods of management. Project Managers now assign tasks to resources, rather than assigning resources to tasks. While this may appear to be the same thing it really is not. Projects are under more and more management scrutiny and are generally cost sensitive. Maximizing efficiency often means having people working part-time on multiple projects. That introduces a new set of issues and a new layer of complexity.

A successful Project Manager also understands there must be a correlation between business issues and technology. Projects need to be aligned with Organizational Strategy and support Organizational Goals. Not only must the current business criteria be taken into account, but future growth and expansion, shifts in technology and customer needs, and the ever-increasing globalization of business must be addressed by today's solution to a problem.

Project Management Basics

All projects share some common characteristics. They have a clear and agreed upon objective, have a defined life span, generally are doing something that is new or a one-time effort, and have specific requirements (time, cost, and performance are the three basic sets of requirements).

How does all of this affect the basic rules of project management? The fundamental tasks and issues of project management remain largely the same. Various forms of analysis such as PERT, CPM, GANNT, and WBS are used during project planning and throughout the life of the project.

Understanding the Project Management Process is key. Understanding the value and purpose of each tool, and how it supports the overall process, is also key. There are too many failed projects that had wonderful looking project plans. The plan **supports** the process – but it is NOT the process.

So what then is different?

One major change

Because organizations are now faced with large numbers of complex projects, one tenet of project management has changed – that of assigning tasks to human resources. The availability of skilled people to work on a project is often limited, and is very often the most limiting factor in project performance. With multiple concurrent projects vying for these valuable resources, the Project Manager must strategically organize the use of whatever resources they have at their disposal. This often includes the use of Consultants. Managing external resources adds another dimension of complexity to a project.

As an example, if two concurrent projects require a database specialist with migration skills, and only one is available, the Project Manager needs to be able to organize the structure of his or her projects so that the database specialist is available to work on each project. This may require performing some tasks of one or both projects out of the initially planned sequence, which may require that other tasks be shifted as well. Unfortunately, this is often not limited to two projects as it is in this example, but in reality may involve tens of projects. In addition, in a large organization, the Project Manager may also have to coordinate his or her use of these limited resources with other Project Managers who also have multiple concurrent projects.

A successful project plan will contain the following:

- <u>Problem Definition</u> - a detailed definition of the problems and/or business needs which the project is meant to address.
- <u>Value Proposition</u> – this answers the question "why are we spending all of this time and effort on the project?"
- <u>Project Deliverables</u> – specific deliverables that provide specific features and functionality in order to satisfy a specific business need.
- <u>Impact Analysis</u> – the implementation of a new system or method of doing business can have many consequences – not all intended. It is important to identify and quantify the impact of these changes, which is used to determine the true cost of the project.
- <u>Project Tasks</u> – a detailed definition of the tasks that must be performed during the project to reach the final goals of the deliverables.

- <u>Infrastructure Analysis / Estimate</u> - an analysis of the technological resources / infrastructure and an estimate of the level of effort and cost to satisfy the requirements for the project. It is important to identify gaps in current levels compared to the required levels.

- <u>Human Resources Estimate </u> - an estimate of the human resources needed, detailed by function and time required per project task for each function.

- <u>Time Estimate/Time To Completion Estimate</u> - an estimate of the total time required for each phase of the project and an estimate of the total time to completion for the project.

- <u>Cost Estimate/Total Cost of Ownership</u> – an estimate of total cost of the project and total cost of ownership to the business. A follow-on step is to perform a cost-benefit analysis to ensure the project makes both business and fiscal sense.

- <u>Project Budget</u> – an auditable budget detailing expenses for all phases of the project. The larger the project the more difficult this task becomes.

- <u>Risk Assessment & Mitigation Plan</u> – an assessment of the project risk and ways of mitigating those risks. This step is a critical but often overlooked step.

- <u>Review Methods</u> – a definition of the ways in which the project and its progress will be reviewed. This is an area where Independent Verification and Validation ([IV&V](#)) can play an important role.

- <u>Communication & Reporting Methods</u> – a definition of the ways the status of the project will be reported, to whom, and at what frequency. Often the lack of progress and/or status reports in a project is an indication of severe problems. A well-defined communication plan can act as an early warning system.

- The project will have a <u>Sponsor</u> who has the authority and desire to make sure that all necessary resources needed for the project are made available, a <u>Project Board and/or Steering Committee</u> who review and help oversee the project and its progress, and a <u>Vision Holder</u> who envisions the ultimate goal.

- The Project Manager will be responsible for defining and managing the project. This includes management of technological / infrastructure resources, human resources, project budget, project tasks, and the myriad pieces that make up the whole of the project. In addition, the Project Manager will make decisions about what project tasks may be performed in parallel, ensure that pre-requisite tasks are finished on schedule so that dependent tasks may begin, etc. The Project Manager's ultimate goal is to complete the project on time and within budget. <u>The Project Manager needs to be held accountable for the progress and ultimate success of the project.</u>

Who defines the project?

Is it the Business Analyst or the Project Manager? This is a bone of contention in many organizations.

Traditionally, the Business Analyst investigates the problems and/or business needs and requirements to discover the availability of a solution, what the best solution may be when multiple solutions are available, and reports in detail on this solution, its impact on the business departmentally and as a whole, the advisability of instituting the solution, and what its value proposition is. After these things are accomplished, the Project Manager then defines the project using these basic reports as a starting platform. Is this the best way of doing things?

While utilizing the same talent to define and even to manage the project might provide a certain level of continuity, it usually introduces more problems than it solves. There are a few exceptional individuals that are capable of consecutively performing business analysis, project definition, and project management, but in general, the skills and personality traits needed to perform these diverse tasks do not reside in a single person.

While a good Project Manager need have many of the same skills of analysis as a good Business Analyst, in order to determine the validity of a proposed solution and to assess change during a project, their personality traits are usually quite different. The Project Manager may not possess the same level of investigative skill as the Business Analyst. Conversely, the Business Analyst will usually not possess the same level of management skill as the Project Manager.

Lack of qualified Project Managers

Most IT organizations have run into the same problem: there is a great lack of qualified project management personnel available. Those that are highly experienced and qualified are among the most expensive talent on the market today, as well as the hardest to attain.

Many organizations are answering this growing need by both utilizing the services of professional Project Management Consultants, and training Project Managers in-house, usually with the help of an outside agency specializing in project management and its related disciplines.

Selecting a Project Manager

A qualified, experienced Project Manager can often mean the difference between success and failure of a project. The more complex, visible, and/or critical the project, and the more concurrent projects the Project Manager must handle, the more vital it becomes that he or she be properly qualified.

The Project Manager should also be willing and able to manage vendor relationships. If vendors are required to make the project a success, then the Project Manager should have input into the contract terms and conditions, and should have control over issues such as payment disbursement.

Business evolution – Management-by-Projects

As companies strive to compete more effectively and economically in today's increasingly global marketplace, a major change is taking place. Business practices are being redefined to enable these companies to increase their productivity, the quality of their products, and the overall satisfaction of their customer base. All organizational tiers of these companies are being re-evaluated and redefined. The new thrust is to meet new business objectives and goals on every level of the company.

The result is that more and more companies are becoming project oriented. Their business is defined as projects and they are planning, budgeting, and measuring their business success and failures via the success and failures of the incremental projects that define their business.

This may be a radical departure from the traditional ways of doing business, but many organizations are finding that it works, and it works economically, thus enabling the company to maintain an even greater competitive edge. Don't be fooled into thinking that Management-by-Projects is just a clever rearrangement of an old phrase – it isn't. The philosophies behind the concepts are different.

As a comparison: Project Management is project-wide, a profession unto itself, and is defined as the management of a project or projects. Management-by-Projects is business or enterprise wide, an environment, and is defined as the control, integration, prioritization, and inter-communication of multiple projects across the enterprise.

Problems still occur

Of course all of the old nemeses of successful projects are still with us, such as scope creep, dependence on deliverables from outside organizations over which the Project Manager has no control, etc. Multiplying the number of projects also multiplies the number of problems the Project Manager is faced with. Is there a solution to this? Not really. Only careful planning, reassessment of projects throughout their life cycle, and the ability to accommodate change can help to avoid disaster.

And yes, projects fail. Few experienced Project Managers have navigated their career without a failed project. Projects fail for many reasons, but seldom without signs. The Project Manager can address some issues, but some are outside their sphere of influence and control. Lessons learned now help prevent future failures.

Summary

We hope that this provides more insight into the value of professional project management. <u>Successful projects do not just happen; they are carefully planned and managed.</u> Failure to recognize and properly address this can lead to costly project failures. That is both bad for an organization and bad for careers. Most importantly, it is almost always avoidable.

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