

How Project Management Adds Value

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Overview

- What is a project?
- Why are projects successful?
 - Can projects succeed “by accident” or by chance?
- Projects, programs, and portfolios.
- The goal is a successful project.
- How does a project manager (PM) contribute to a successful project?
 - What does a PM do? What does the project team do?
- How project management adds value.
- Does good project management guarantee success?
- Conclusions and additional information.

What is a project?

- Projects are temporary endeavors.
- Continuous, ongoing work is not a project.
 - Examples: payroll, facilities maintenance.
- Projects produce specific deliverables.
 - There must be at least one deliverable.
 - Deliverables can be tangible (e.g., software) or intangible (e.g., training).
- Any work done on a project must trace back to deliverables.
 - If it's not needed to produce a deliverable then it's not needed.

Why are projects successful?

- Good up-front planning and preparation.
 - Plan your work then work your plan.
- Clear, consistent, and timely communication.
 - Horizontal and vertical throughout the organization.
- Detailed attention to execution, monitoring, and controlling.
 - Once projects are planned out they do not run themselves!
- Projects require both leadership and management.
- Proactive rather than reactive issue management.
- Can projects succeed by accident/by chance? Rarely!

Projects, Programs, and Portfolios

- Projects are undertaken to implement the strategic plan of an organization.
 - Projects tie back to the larger plan.
- A collection of inter-dependent projects is called a program.
- The total collection of projects in an organization is called a portfolio.
 - Active projects.
 - Proposed projects.
 - Suspended projects.

The goal is a successful project

- A successful project produces the required deliverables within defined constraints.
- Constraints include time, budget, process, scope, and quality.
- The project team produces the deliverables.
- The Project Manager:
 - Leads the team.
 - Manages the project to stay within the constraints.
- Project management value is realized through the PM role on the project.

What does a PM do?

- PMs are responsible for successful project delivery.
- A PM is both a manager and a leader.
 - PMs lead the overall effort and set the direction to deliver projects.
 - PMs manage the many aspects of a project.
- Many books and articles have been written recently about the difference between leading and managing.
 - In the extreme, managing is insuring the execution of something pre-defined.
 - Leading is setting the vision, driving the “what” and “how.”
 - There are very few pure managers or leaders.

What does a PM do (Con't.)?

- There are many artifacts developed during a project not usually listed in the set of deliverables.
 - Examples include budget, status reports, schedule development and updates.
 - Necessary for project success.
 - Vary by project. Some projects don't have a budget.
 - Dictated by organization policies and best practices.
- These artifacts are used during and beyond a project.
 - Initiate (charter, scope, budget), plan (schedule, scope, management plans), execute (schedule), monitor and control (schedule, budget, Mgt. plans), close (all).
 - Future projects can use past project's artifacts as a guide.

What does a PM do (Con't.)?

- Why do we develop these artifacts?
 - They are used to communicate the constraints on the project. Budget is a good example. Scope is another.
- The PM is usually responsible for these artifacts.
 - Development, more in Initiation and Planning.
 - Usage, more in execution and monitoring & controlling.
- A project is “in control” if it is executing according to plan while *staying within defined constraints*.
- The PM is responsible for keeping projects in control by both leading and managing.

What does the project team do?

- The project team should be focused on producing the project deliverables.
- The team also assists with and reviews some of the additional artifacts (scope, budget, schedule, etc.)
 - This is critical!
- The project team should not be burdened with the additional work associated with the artifacts.
 - They should not worry about managing the budget.
 - They should not worry about stakeholder status reporting.
 - Note: the team has input into all of these.

How Project Management adds value

- To see where project management adds value, we need only examine the project artifacts in more detail.
- These artifacts are a value-add to the project.
 - If they added no value then why produce them?
- For each of the examples that follow, ask “What would happen if we did not do this?”
- The artifacts, such as management plans, schedules, etc., are defined in the PMBOK.
- Not every organization requires or uses all the artifacts listed in the PMBOK.

How Project Management adds value (Con't.)

- Example: Risk Management.
- The PM works with stakeholders, experts, and the team to identify project risks.
 - Example: new technology.
- The PM documents these risks and works to develop mitigation strategies with the team, experts, etc.
- During project execution the PM:
 - Works with the team, sponsors, key stakeholders, etc., to monitor the identified risk events.
 - Adjusts probabilities and mitigation strategies as needed.
 - Watches for new risks.

How Project Management adds value (Con't.)

- Example: Budget and Financials.
- Budget is a critical, often-watched performance metric.
- The PM forecasts the project spend.
 - Often detailed by quarters and category (e.g., hardware).
- As the project progresses the PM tracks and reports projected against actual spend.
- The budget plan is used in part to assess additional required spending (e.g., additional hardware).
 - Often unforeseen additional spending is required.
 - Budget contingency funds can be used to mitigate certain risks.

How Project Management adds value (Con't.)

- Example: Project Schedule (Timeline)
- Project schedule is another performance metric.
- There are many planning tools on the market which facilitate developing dynamic project schedules.
 - Examples: MS Project, Basecamp, Mercury ITG, Tempo.
 - Projects never track to their original schedule. Therefore, a dynamic project schedule is critical.
- During execution the PM monitors progress and makes adjustments to keep the project on schedule.
 - This is often **much** more complex than it sounds!
 - There are training programs developed specifically for schedule development.
 - Schedules do not maintain themselves.

How Project Management adds value (Con't.)

- Example: Scope Management
- The PM works with the project sponsors and key stakeholders to define a clear project scope.
 - The Scope defines what should, and often what should *not*, be produced.
- The PM plans the schedule (time, budget, resources, etc.) to produce the deliverables described in the Scope.
- The PM also authors, presents, and gets agreement on a process to change Scope.
 - Often this includes a change approval process and an impact assessment.
- The PM manages the project to insure any Scope change follows the agreed-to process.

How Project Management adds value (Con't.)

- Example: Resource Management
- Resources are everything needed to produce the deliverables.
 - People, equipment, security clearances, software, office space, etc.
- As the project work breakdown is elaborated, resource requirements for the work packages and tasks are identified.
- Resource planning and management depend on many other plans, such as budget and procurement.
- The PM develops the detailed project resource requirements and works to acquire the resources.
 - Resource managers to acquire the needed skilled people.
 - Procurement for external resources (e.g., consultants), new resources (e.g., computers and software), training, etc.
 - Works with other groups such as Security and Facilities.
 - Communicates resource requirements to stakeholders.

How Project Management adds value (Con't.)

- Example: Communications Management
- Excellent communications are **critical** to project success.
 - Stakeholders must know how a project is progressing, what is being done, what issues are being worked, how the project is tracking against schedule and budget, etc.
- The PM identifies and documents all required project communications, including content and level of detail.
 - Sponsor, management, and key stakeholders.
 - Project team.
 - Other stakeholders such as customers and resource managers
- Communications also includes record-keeping.
 - Meeting notes, change requests, a good repository, etc.

How Project Management adds value (Con't.)

- Example: Quality Management
 - There is a direct relationship between scope, time, cost, and quality.
 - The PM must manage the schedule and budget to produce all the deliverables to a sufficient, predefined level of quality.
- Example: Procurement Management
 - The PM may handle contracts, statements of work (SOWs), invoicing, etc.
 - The project team should not be burdened and distracted with this!
 - Many environments (e.g., governments) have strict procurement requirements and guidelines.
 - The PM is responsible for gathering whatever information is needed to insure the rules are followed.

Does good project management guarantee success?

- The short answer: no.
- Projects are often started with less-than-complete information.
 - We often learn along the way what we're *really* trying to produce and what it will take.
- Unforeseen factors can doom a project.
 - Loss of critical resources.
 - Dependence on external factors, e.g., cheap energy.
 - Mergers and acquisitions.
- Key point: Good PM minimizes the likelihood of failure.

Conclusion

- Project Management and the PM deliver concrete value to an organization by:
 - Managing and leading.
 - Managing the artifacts so the team doesn't need to.
 - Keeping projects on-schedule and on-budget.
 - Identifying, tracking, and minimizing risk.
 - Facilitating vertical and horizontal communications
 - Optimizing performance and collaboration.

Additional Information

- Project Management Institute (PMI)
 - Website: www.pmi.org.
 - New PMI research on value: www.pmi.org/value.
 - Training materials, best practices, certifications.
- Professional networks and groups
 - LinkedIn (www.linkedin.com). Many, many groups.
 - GanttHead (www.gantthead.com). Articles, tools, blogs.
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