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<u>Project Management for Managers</u>

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About the Author

This course was written by Gary J. Evans, PhD, PMP. Dr. Evans is President and owner of CVR/IT Consulting LLC. He has held senior positions in several organizations including Saber Consulting (Director), Rational Software (Program Mgr), and Common (VP IT). Dr. Evans has delivered successful projects in commercial, R&D, public sector and not-for-profit environments, including IT department and PMO startup, business process reengineering, design and development of software applications, PM maturity assessments and COTS implementations. Throughout his career Dr. Evans has focused on the implementation of effective project management and business process, the design and development of information systems to support that process, and management of change to ensure successful delivery of new systems. Dr. Evans is a noted trainer and public speaker, and is the author of advanced project management courseware, an Organizational PM Practice Assessment Tool, and a Project Template Library that is currently used all over the globe.

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About this Course

Background

Within virtually every enterprise there is growing understanding of just how crucial successful projects are to financial well-being. After all, our ability to reach Strategic Objectives largely depends on the success of our major initiatives. In parallel with this understanding is the realization that all levels of the organization must become conversant with the primary principles of project management.   It is only through a shared understanding of how projects are choen, funded, planned and executed that we can truly become proficient at achieving regular project success. *Project Management for Managers* delivers a power-packed overview of the essential project management concepts and techniques that every business manager must know.

Purpose of this course

Learn the knowledge, skills, tools and techniques that promote consistent project success.

Course Structure

- Presentation and discussion of each topic
- Hands-on exercises to reinforce key concepts

Course Impact: You leave with the experience of:

- Using a Project Charter to define a project
- Confirming Scope by development of a Work Breakdown Structure (WBS)
- Identifying and analyzing Project Risks
- Planning for Rollout and Transition
- Much, much more…

Section 1: Introduction

Project Management for Managers

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Section 1: Introduction

- –Definition of Project
- –What is the source of project failure?
- –What is the source of project success?
- –Defining project success
- –Project and product life cycle
- –Course blueprint

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Definition of a Project

A project:

- Is temporary
- Creates a unique product, service, or result
- Consumes resources
- Involves risk
- Is an investment
- Is intended to create a Business Value
- Is a Human Endeavor

A project has many characteristics:

- It is temporary: it has a beginning and an end
- The output of every project is unique.
- Projects consume resources of all kinds; human, money, raw materials, facilities and more
- All projects have some element of risk. There is no certainty that they will end with the intended outcome.
- Every project is an investment. An organization uses it time, money and other resources in a body of work that it hopes will produce a desirable outcome. It has a cost, an intended return and risk, just like any other investment.
- Every project is done in order to create some value (referred to in this course as Business Value). Business Value is the reason for doing the project.
- Projects depend on people for their success.

Projects are characterized as having objectives, milestones, assumptions and constraints.

- Project and Business Objectives must be distinct
  - **Business Objectives** speak to the Business Value that the sponsoring organization hopes to gain from the project. Business value is obtained after the project is complete. The project sponsor determines the business goals and is accountable for meeting them.

  - **Project Objectives** speak to the specific deliverables and results that will be completed during the project. The project team is responsible for meeting assigned project milestones. However, the Project Manager is accountable for reaching project objectives, and is responsible for managing the project in such a way as to maximize potential Business Value.

- **Milestones** are points in time when an objective has been met or some condition reached. A milestone has zero duration. Example: Completion of the Planning Phase

- **Assumptions** are anything that we say is true for purposes of planning, but which we know may not be true. Assumptions are a source of project risk. Example: We

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assume that subject matter experts will be available for requirements analysis. However, we currently have no commitment from them.

- **Constraints** are any limitation on the planning or execution of a project. These must be known as early in project planning as possible so that project plans can take them into account. There are many potential sources of project constraint, e.g. time, cost, scope, resources and quality. Examples:

  o Project must be completed by 15 July

  o Total budget for this project may not exceed $1.5M

How big are projects in your organization (by cost or time)? What does it take for a body of work to be called a project? This varies greatly from one organization to the next.

Ongoing operations are work that is the same day to day. The output is not unique and they may not have a specific start and end date. Examples of Ongoing Operations:

- Manufacturing of washing machines
- Payment of invoices

Definitions

- Project
  – *A temporary human endeavor undertaken to create a defined Business Value through delivery of a unique product, service or result*

- Program
  – *A collection of projects that are managed together in order to obtain benefits unavailable if they were managed separately*

- Portfolio
  – *A collection of projects, programs and other components that, together, fulfill one or more current business strategies of the enterprise*

A **Program** is a collection of components, i.e. projects and possibly other programs, that are managed together in order to obtain management control that would not be available otherwise. Programs are often created around a shared resource pool to enhance resource planning, or around a shared objective where many different avenues of work must be completed in order to reach a common goal. The goals, standards and budget of a program are often larger than and/or distinct from those of any component.

A **Portfolio** is a collection of projects, programs, and possibly other portfolios and even ongoing operations that, in total, operate as a whole to fulfill at least a portion of an organization's strategic goals. Project Portfolio Management is that set of business processes that link the strategies of an organization with its projects. Key concepts in Project Portfolio Management include:

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- Every project is an investment and should be selected, funded and managed as such
- Every project should support Business Strategy

Sources of Project Failure

- Inadequate planning
- Lack of control, e.g. scope creep
- Nonexistent or lack of upper management support
- Lack of project direction; poorly defined project goals
- Poor risk planning
- Lack of end user / customer support
- Poor communications
- Insufficient or inappropriate resources
- Inadequate and poorly managed requirements
- Unrealistic expectations

The "Sources of Project Failure" list shown is representative of what the Standish Group has found in their CHAOS Study year after year. It also closely matches the results of our in-class exercise, "What causes projects to fail?" The point is that our experience is shared by many others. The sources of project failure are common and widespread, and we must include plans for dealing with them when we plan our projects.

Reasons for Project Success

- Executive support and organizational commitment
- Clear project definition and business objectives
- Correct and complete requirements
- Practical plan and realistic expectations
- Clear roles and responsibilities
- Involvement of skilled resources, including experienced project managers
- Adequate risk management and quality methods
- Integrated change control
- Effective communication
- Effective project methodology

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It should be no surprise that project success factors are roughly the mirror of sources of failure. To the extent that these factors are present in your organization, your projects are more likely to succeed. Management has direct control of most of these factors.

Perspectives – Defining Success

We can distinguish four levels of project success:

- Project delivery must succeed
- The project must produce a tactical result
- The project must provide the intended results at an acceptable cost
- The project must support corporate strategy

As Project Management is traditionally taught, project success consists of delivery of expected scope to the customer within the time, cost and quality constraints established for the project. Unfortunately, this definition of project success falls short. Organizations do not commission projects merely to install software or refurbish a building. They do projects in order to gain some value. If that value is not delivered, the project is not a complete success. In fact, we can distinguish four separate levels of project success, and it is important for organizations to consider project outcomes at all of these levels.

Project Delivery Success

If the project team provides all intended scope to the customer within planned time, cost and quality constraints, and if the customer accepts those deliverables, then the project has attained Project Delivery Success.

Tactical Success

If the organization realizes the Business Value that was intended as an outcome of the project, e.g. if an updated business process is used effectively and the expected improvements are obtained, then the Project Sponsor has attained a Tactical Success.

Investment Success

If Business Value is realized for a reasonable cost, e.g. the planned Total Cost of Ownership of the project, then the organization has attained an Investment Success.

Strategic Success

If the Business Value is in alignment with and supports one or more current Business Strategies, then the organization has attained a Strategic Success.
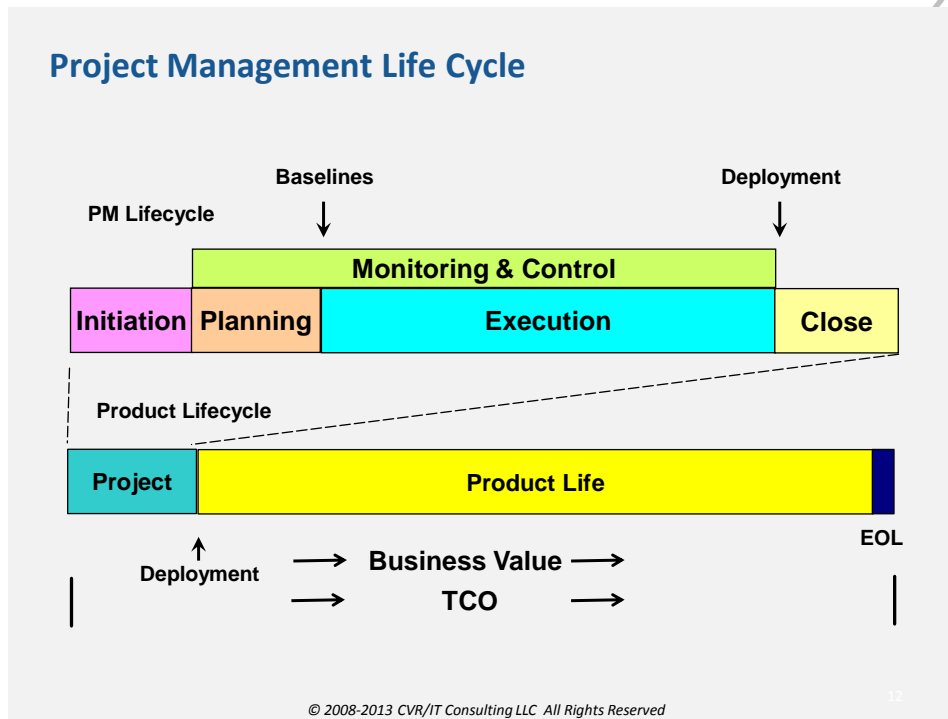
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Delivery Success is not enough

We must be doing the Right Projects

We must manage our investment in Projects

This course will assume that there is more to Project Management than simple delivery. Project delivery is simply the means to an end, and it is that end, Business Value, that is the ultimate goal. So management must do its part and select the best projects for the organization, launch them in the best order and at the best time, and in general manage its substantial investment in projects to the benefit of the enterprise.

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Project Management Life Cycle

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This figure demonstrates that Business Value begins to accrue after deployment, which occurs at the end of the project. The project may take only months, but the Business Value can accrue for years. Note that TCO (Total Cost of Ownership) includes all project and post-project costs. To determine Return on Investment, one must measure Business Value and TCO.

Project Management Lifecycle

The Project Management Processes roll out over time as shown in the Project Management Lifecycle. Note that the Monitoring and Control Phase runs in parallel with Planning and Execution. Every project phase has its own set of project management deliverables. For example,

- Initiation has the Project Charter as a deliverable
- Planning has the schedule and budget as deliverables

Each deliverable contributes to the planning, execution and/or control of the project

The Project Management Plan is an integral part of the Project Management Lifecycle. It is a set of formal documents developed during the Planning Phase, approved by the Sponsor and used to manage project execution. It is also a living artifact that "grows" and matures as the Project Manager gains greater understanding of the project through a process called Progressive Elaboration. The Project Management Plan can be a single document, or it may have many constituent parts including, for example, Scope statement, WBS, Schedule, Risk Management Plan and Communication Plan.

The Project Management Plan serves to guide project execution and enhance project control. It establishes key milestones and management review dates and contains the project baselines against which project progress is measured.

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Product Lifecycle

The Product Lifecycle extends well beyond that of the project. While product development may be completed in months, the product may live on for years. For this reason it is important to consider Total Cost of Ownership (TCO), i.e. the total cost of product development plus the cost of product maintenance and support over the entire lifespan of the product, when working on product design. Shortcuts in design can cause enormous increases in TCO by increasing the need for maintenance and support.

Business Value and Total Cost of Ownership (TCO)

Also shown is the fact that Business Value, which is the intended value and purpose of the project, is not realized until after project delivery is completed. This is because Business Value is usually generated only after deliverables are integrated into operations and put into use. If deployment goes well and project deliverables are of sufficient quality, realization of Business Value may occur quickly. However, if deployment causes disruption of ongoing work, or if deliverables quality is not sufficient to support effective use, or if stakeholders are not properly prepared to use the deliverables, Business Value realization can be delayed and/or diminished. This will be discussed further at the end of this course under the topic of Transition.

Total Cost of Ownership (TCO) includes all of the cost of project delivery plus the cost of ongoing maintenance and support during product life. When calculating the Return on Investment of a project it is necessary to compute Business Value with the TCO.

Plan for this course

Course Blueprint	
• Project Success and Failure • Definitions • The Project Initiation Phase • Managing Scope • Project Schedule • Budget • Quality	• Managing Risk • Communication • Project Execution • Procurement • Status Reports • Change Control • Transition Planning • Project Close

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