Unified Project and Portfolio Management

Simple and Intuitive User Experience

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Microsoft® Project 2010

Session: 16

Project Management Best Practices

- Describe best practices for project management

- Explain the techniques to create and track project schedules efficiently

- Describe the golden rules to manage risks, costs, and project issues

- Identify tips to manage stakeholders

- State the best practices to measure project results against stated goals

- Describe the process to capture and review the lessons learned by the end of project

- A business need is essentially the gap between what is required or possible and what is currently available.

- On identifying the gaps, a project is created to close them.

- Efficient management of a project is essential to ensure that its objectives are achieved.

- Project management is the art of balancing project goals against the constraints of scope, time, budget, and quality.

- Project management offers a group of tools and techniques for efficiently managing a project.

Understanding the Scope of a Project

- The golden rule for starting a project is to understand the scope of the project.

- The scope of a project essentially defines its boundaries.

- A scope statement answers the following questions about the project:

What are the objectives of the project?

What does the project intend to achieve (also called the project outcome)?

What are the business goals for the project?

What are the client's expectations? Have they done anything similar before and what was the result of that project? What was good and what could have been done better?

Are there any documented procedures and specifications that must be adhered to?

What would be the communication protocol with the project stakeholders to move forward with the project?

What are the technical requirements for the project?

- Once there is clarity on the project scope, the next step is to identify the project stakeholders.

- Project stakeholders are those entities within or outside an organization who:

Have a stake in the project
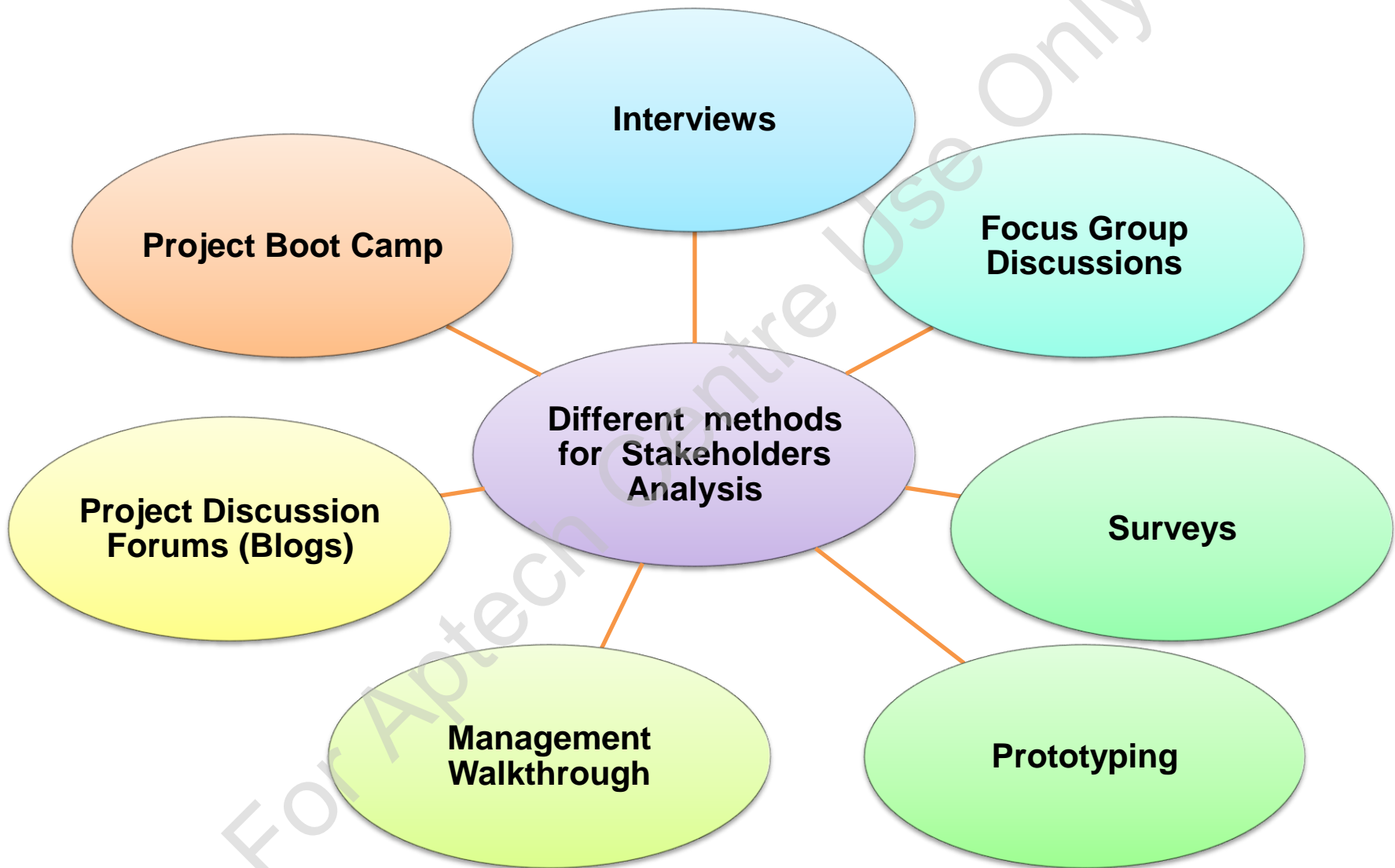
Play an active role in the project

Have interests that are affected by the outcome of the project

- A golden rule in project management is to engage and involve key project stakeholders early during the project requirements definition phase.

Interviews

Project Boot Camp

Focus Group Discussions

Different methods for Stakeholders Analysis

Project Discussion Forums (Blogs)

Surveys

Management Walkthrough

Prototyping

The stakeholders for a project would be:

Business Sponsor	Client Project Manager	Client Expert	Other Vendors

- A best practice before executing a project is to conduct a feasibility study, which helps in assessing whether the project will execute successfully.

- When selecting projects to address the organization's business needs, it is very important to measure both its achievability and its benefits.

- A feasibility study answers the following two key questions:
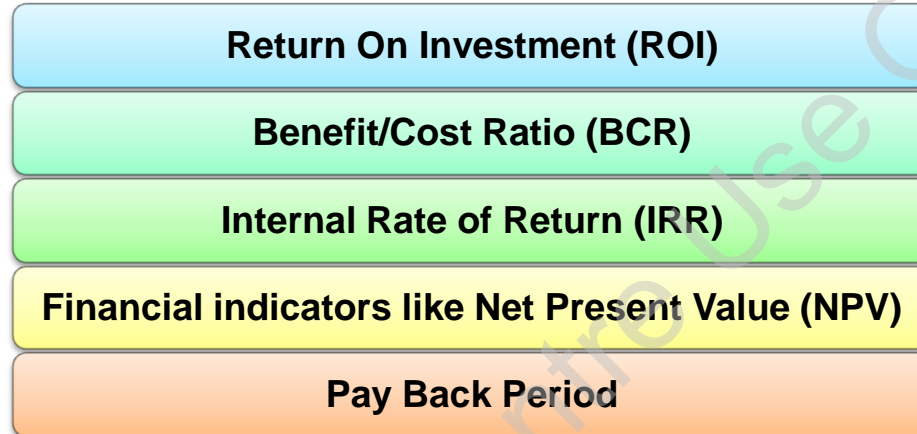
> Is this project doable?

> What will be achieved by doing this project?

- The process of measuring the achievability and benefits of a project is called project feasibility study.

- The benefits of a project can be measured in a number of ways.

- The most common methods include:

Return On Investment (ROI)

Benefit/Cost Ratio (BCR)

Internal Rate of Return (IRR)

Financial indicators like Net Present Value (NPV)

Pay Back Period

- The achievability of a project can be measured by performing an overall project risk analysis.

- In performing a risk analysis, the following critical project parameters need to be assessed:

Financial Commitments

Stakeholder's Readiness

Project Complexity

Availability of Capable Resources

Defining Clear and Measurable Project Mission 1-3

- Every project has a purpose, be it to address problems or take hold of opportunities within a specific timeline.

- To attain clarity on the purpose of the project, it is critical to have a clearly defined project mission at the start of the project.

- For defining a clear and measurable project mission, it is important to:

> Diagnose the business problem

> Define a set of solutions to address the business problem

> Define a set of clear and measurable business goals for the solutions

> Propose a set of system requirements that meet the set of business goals

> Conduct an impact analysis to select the system requirements that will have the best possible impact on the set of business goals

> Develop system requirements in small iterative steps

Calculate at each step, the impact of the system on the project goals

Adjust the business goals and future enhancements based on the feedback from the measures

Repeat the 'build and calculate' cycle until the goals are met

Achieve project success and reassign resources to other tasks

◆ In planning for a project, project managers need to find answers to the following questions:

What is the scope of the project?

Who is the client and why do they want to execute this project?

What is its title?

What is the project goal; what needs to be achieved?

When do the project goals need to be achieved?

What are the specific aims?

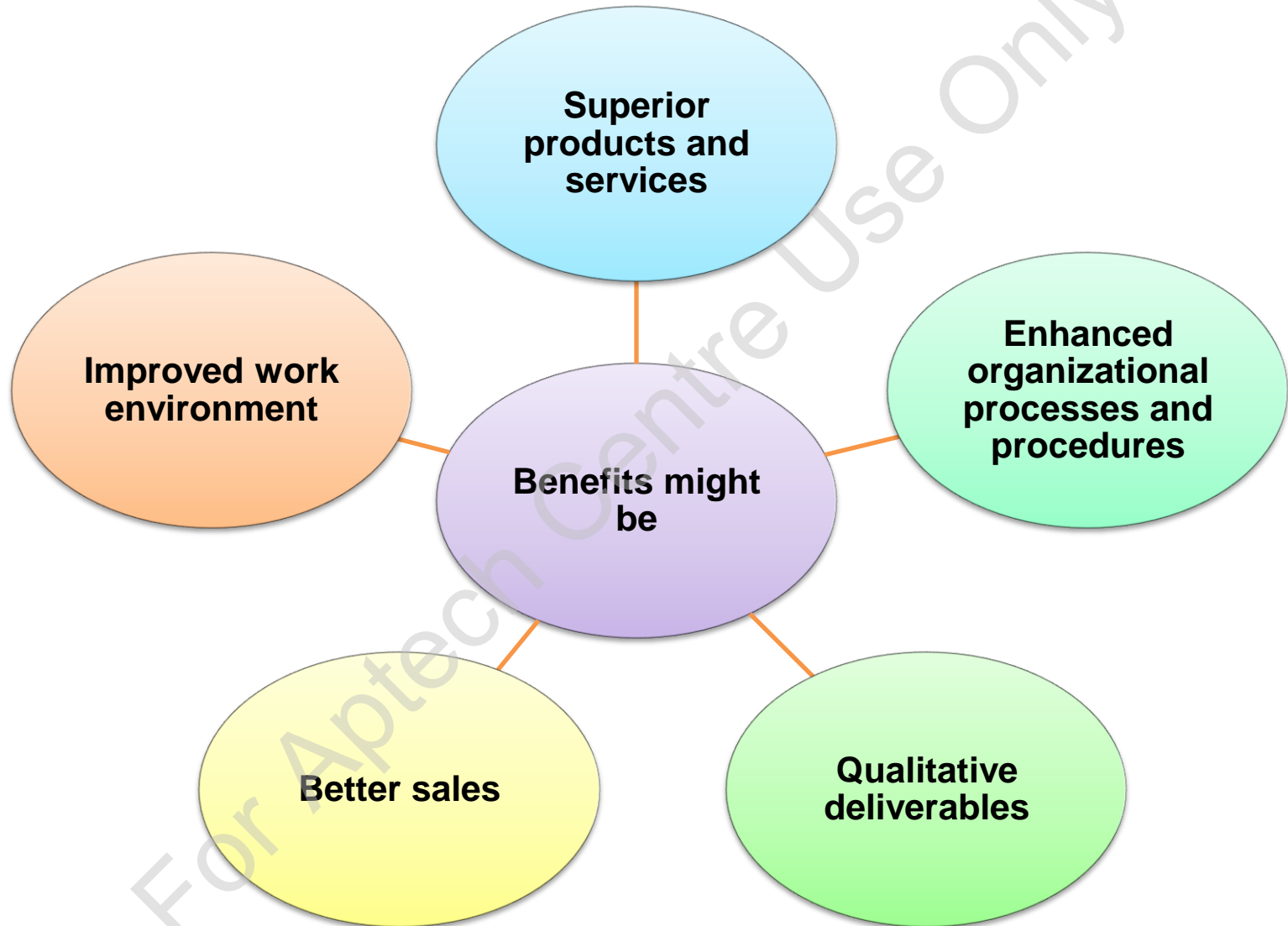Why are these goals essential to the project?

- All planning is useless unless there is a dedicated project team to carry out the project.

- The project team must involve qualified, capable, and committed team members.

- Project team members with common goals and commitments are necessary to ensure successful execution of the project.

- A project team charter should be developed to ensure clarity of project purpose, clearly delineate roles and responsibilities, establish lines of accountability, and fix ownership.

- When managing a project, the team should be committed to it until the end.

- While discussing the benefits of the project with the team, communicate the benefits that are most vital to the organization, its stakeholders, employees, and its clients.

Superior products and services

Improved work environment

Enhanced organizational processes and procedures

Benefits might be

Better sales

Qualitative deliverables

In addition, communicate the achievable benefits to each team member, such as:

Acquiring hands on new skills and knowledge	Working in an enjoyable environment	Expanding business contacts	Enhancing career potential

- To plan a project, start by defining a list of tasks and the resources required for executing those tasks.

- Identify if there are any tasks with interdependencies; that is, the tasks that cannot start before another task starts or completes.

- Tools like MS Project are specifically designed to assist in project planning.

- Besides organizing the required people and resources, it is useful to plan for an early prototype along with Quality Assurance to tackle issues before they become unmanageable.

- The entire project team should be involved in planning the project.

◆ Project planning involves the following activities:

Defining measurable project objectives

Chalking out strategies to achieve the objectives

Preparing a list of deliverables and tasks

Estimating the resources required

Assigning responsibility for completion of tasks

Calculating approximate project duration and project cost

Preparing a project schedule clearly showing the inter-dependencies among various tasks

Preparing a risk mitigation plan which lists the major risks and the plan to mitigate them

Preparing a workable communication plan which involves senior management

- One major challenge faced by project managers is to maintain the project on schedule and keep the project under the estimated budget.

- If the project is delayed, the project costs may also increase.

- The golden rule is to prepare realistic project schedules and reliable cost estimates.

- Realistic schedules and timelines are easier to maintain.

- The interdependencies between tasks should be clearly spelt out and critical tasks should be monitored closely.

- If any critical task is delayed, then it might badly impact the project schedule.

- Take into account all hidden or associated costs.

- A safe practice is to build in a small contingency budget to take care of unforeseen expenses.

- The more the unknown or uncertain factors in projects the higher the need for a contingency budget.

- All projects are faced with certain risks and a project manager must anticipate the risks that a project may be subject to.

- A golden rule is to design project plans with contingency for risks and flexibility to meet sudden changes and challenges.

- The project plan must include a risk mitigation plan, which classifies all the risks that the project team can identify and specifies the mitigation measures for each of the risks identified.

- The project team constantly needs to monitor every risk and proactively identify and manage the risks with high impact and high probability.

- During the course of a project, it is common for the project team to be faced with multiple requests for changes.

- These changes may be minor and can easily be accommodated or they could be such major changes that may require re-working the project plan.

- One must not immediately begin to make the requested changes.

- It is important to first assess whether the changes requested will have a positive or negative impact on the project objectives.

- A project may involve multiple stakeholders with differing and often conflicting interests, personalities, and motivations.

- It is the foremost duty of a project manager to continuously engage and manage the key project stakeholders.

- A common mistake is to assume that stakeholder needs and expectations are unchanging.

- The reality is exactly the opposite. As the project progresses, new stakeholders with new expectations may appear.

- Another factor that varies is the interest and control level of stakeholders.

- The team should proactively identify the needs and expectations of project stakeholders and address their issues and concerns promptly.

◆ A few tips to effectively manage stakeholders are as follows:

Identify all the stakeholders and their roles at the beginning of the project

Ensure that all the stakeholders commit on the project's deliverables

Get consensus on how to handle changes in the project

Practice good communication

Keep the project vision visible

Engage stakeholders throughout the process

Agree on what is done

Empathize with other stakeholders

- Project Manager can measure project results against the project goals or objectives.

- Continuous monitoring is the last key to successful project execution.

- Monitoring will detect if the project is going off-track and enable the team to make the necessary corrections in time.

- Once the project is closed, project managers must plan to hold a review meeting.

- This meeting will give them the opportunity to solicit client feedback.

- This is important not only as learning tool but is also a testimonial for the efforts the project team has put in.

- Before conducting the project review meeting with the client, the project manager should hold an internal team meeting.

- During internal project reviews, gather details from the project team.

- The project manager should document the findings of all review meetings.

At the end of this process, following three types of lessons should be captured:		
The Good	**The Bad**	**The Ugly**

◆ These lessons need to be documented and shared with all so that future project performance is improved.

◆ As part of institutionalization of the project, appropriate training, learning, ownership, and expression of interest on improvements are important steps.

Summary 1-2

- There are 10 golden rules that can be applied to project management for successful execution of projects.

- Understanding the scope or project management and defining boundaries for a project is an important golden rule.

- The second golden rule is to identify the stakeholders in the project before starting the project and engage them early in the project.

- The third golden rule is to conduct a feasibility study of a project and assess whether the project is doable and will execute successfully.

- The fourth golden rule is to define a clear and measurable project mission at the start of the project.

- The fifth golden rule is to communicate the project goals to a capable and committed team with common goals and commitments to successfully attain the project mission.

- The sixth golden rule is to follow the manageable project phase approach by structuring the project into more controllable phases to minimize risk.

- The seventh golden rule is to monitor the project schedule and costs and ensure timely delivery of project outcomes while keeping the project under estimated budget.

- The eighth golden rule is to manage risk and change in a project and having a risk mitigation plan along with a change control process.

- The ninth golden rule is to continuously engage and manage the key project stakeholders.

- The tenth golden rule is to measure project results against stated goals, capture lessons learned, and institutionalize them.