



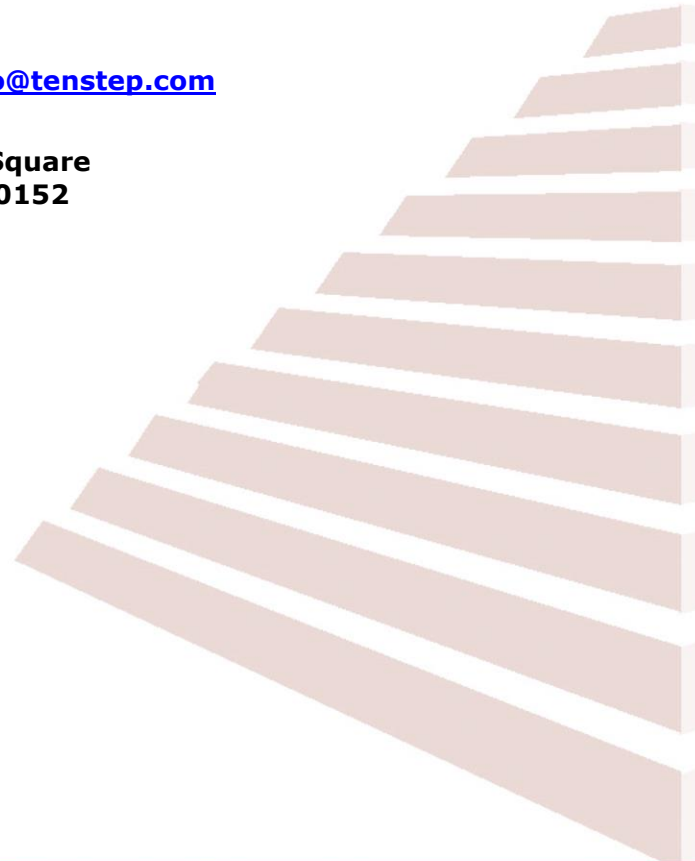
Project Management Summary of Best Practices

A TenStep White Paper

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Project Management Summary of Best Practices

Project management processes and techniques are used to coordinate resources in order to **achieve predictable results**. All projects need some level of project management. The question is whether the project will be managed **reactively or proactively**. Will it be managed ad-hoc or in a structured, disciplined manner? Think about these scenarios.

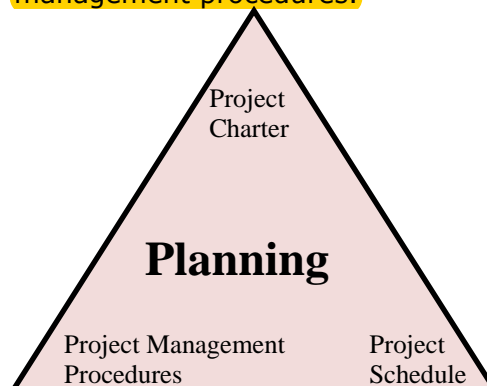
- Your project encounters **unexpected problems** (issues). Do you resolve the problems **proactively using a predefined process**, or do you hesitate when the problems arise - not knowing exactly who to seek or how to resolve them?
- There is always some **cloud of uncertainty, or risk, that events will not occur as they are planned**. Do you proactively manage the risks to resolve them before they happen, or wait until the problems arise and deal with the consequences?
- There can be many stakeholders in a project, each of who may have benefits they would like to see fulfilled. Are you going to manage scope aggressively and proactively, or wait until you are hopelessly overbudget and over your deadline before you realize that you are doing work that was not in your original project scope?

Studies have shown over the years that most projects, especially large ones, **do not end successfully**. Both McKinsey and Gartner commented on this in 2012. In 2013 Callear Consulting Ltd. compiled figures from studies completed throughout the millennium describing success/failure rates of projects. Given the odds, you might think that companies would be happy just to have their project finish

with some degree of success. However, in spite of the odds, organizations also expect projects to be **completed faster, cheaper, and with higher quality**. The only way that these objectives can be met is through the use of **effective project management processes and techniques**. In 2010, a white paper by The Project Management Institute described the value of project management as experienced by several organizations. These organizations' use of a project management discipline improved their project and/or business results. **Consider the size, complexity and other characteristics of your particular project, and build the right project management processes to effectively manage and control your project.**

You have heard the old adage – plan the work and work the plan. In essence, that is the key to successful project management. **You must first plan out the project and then monitor and control the execution of the program work.**

It's hard to overestimate the importance of proper planning. In general, project failures can most often be traced back to deficiencies in the planning process. There are three major **deliverables** from the project planning process – the **Project Charter**, the **project schedule**, and the **project management procedures**.



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Project Definition



Best Practice – Plan the Work, Utilizing a Project Chartering Document

There is a tendency for projects to shortchange the planning process, with an emphasis on jumping right in and beginning the work. This is a mistake. The time spent properly planning will result in reduced cost and duration, and increased quality (customer satisfaction) over the life of the project. The Project Management Institute supported research on “The Importance of the Planning Phase to Project Success” as a part of the 2012 Global Congress Proceedings – Vancouver, B.C. The Project Charter is the primary deliverable from the planning process and describes all aspects of the project at a high level. Once approved by the customer and relevant stakeholders, it becomes the basis for the work to be performed. The Project Charter includes information such as:

- **Project overview** – Why is the project taking place? What are the business drivers? What are the business benefits?
- **Objectives** – What will be accomplished by the project? What do you hope to achieve?
- **Scope** – What deliverables will be created? What major features and functions will be implemented? What organizations will be converted? What is specifically out of scope?
- **Assumptions and Risks** – What events are you taking for granted (assumptions) and what events are you concerned about? What will you do to manage the risks to the project?

- **Approach** – Describe in words how the project will unfold and proceed.
- **Organization** – Show the significant roles on the project. The project manager is easy, but who is the sponsor? Who is on the project team? Are any of the stakeholders represented? Have you considered external stakeholder groups?
- **Signature Page** – Ask the sponsor and key stakeholders to approve this document, signifying that they are in agreement with what is planned.
- **Initial Effort, Cost, and Duration Estimates** – These should start as best guess estimates, and then be revised, when the project schedule is completed and as more is defined about the work.

Project Schedule

After **the Project Charter has been prepared, the project schedule can be created**. The project schedule provides the step-by-step instructions for constructing project deliverables and managing the project. You should use a prior project schedule from a similar project as a model, if one exists. If not, build one the old-fashioned way by utilizing a work-breakdown structure and network diagram.



Best Practice – The Planning Horizon

Create a detailed project schedule, including assigning resources and estimating the work as far out as you feel comfortable. This is your planning horizon. Past the planning horizon, lay out the project at a higher level, reflecting the increased level of uncertainty. The planning horizon will move forward as the project progresses. High-level activities that

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were initially vague need to be defined in more detail as their timeframe gets closer.

Project Management Procedures



Best Practice - Define Project Management Procedures Up-Front

This document contains the procedures that will be used to manage the project. It will include sections on how the team will manage issues, scope change, risk, quality, communication, etc. It is important to be able to manage the project rigorously and proactively and ensure the project team and all stakeholders have a common understanding of how the project will be managed. If common procedures have already been established for your organization, utilize them on your project.

Manage and Control

Once the project has been planned sufficiently, execution of the work can begin. In theory, since you already have agreement on your Project Charter and your project schedule and project management procedures are in place, the only challenge is to execute your plans and processes correctly. Of course, no project ever proceeds entirely as it was estimated and planned. The challenge is having the rigor and discipline needed to apply

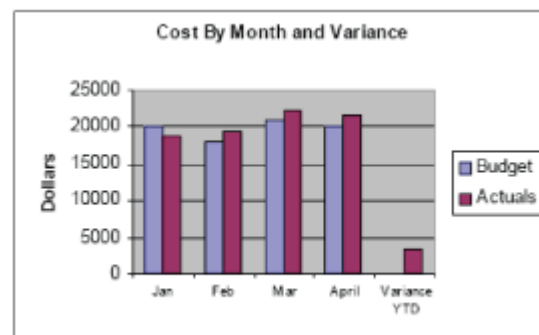
your project management skills correctly and proactively.

Manage the Project Schedule

Review the project schedule on a regular basis to determine how you are progressing in terms of schedule and budget. If your effort is small, this may need to be weekly. For larger projects, the frequency might be every two weeks.

Monitor the schedule. Identify activities that have been completed during the previous time period and update the project schedule to show that they are finished. Determine whether there are any other activities that should have been completed, but have not been. After the project schedule has been updated, determine if the project will be completed within the original effort, cost, and duration. If not, determine the critical path and look for ways to accelerate these activities to get the project back on track.

Monitor the budget. Look at the amount of money your project has actually consumed and determine whether your actual spending is more than estimated based on the work that has been completed. If so, be proactive. Either work with the team to determine how the remaining work will be completed to hit your original budget or else raise a risk that you may exceed your allocated budget.



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Best Practice – Look for Other Warning Signs

Look for other signs that the project may be in trouble. These could include

- A small variance in the schedule or budget starts to get bigger, especially early in the project. There is a tendency to think you can make it up, but this is a warning: If the tendencies are not corrected quickly, the impact will be unrecoverable.
- You discover that activities you think have already been completed are still being worked on.
- You need to rely on unscheduled overtime to hit the deadlines, especially early in the project.
- Team morale starts to decline.
- Deliverable quality or service quality starts to deteriorate.
- Quality control steps, testing activities, and project management time starts to be cut back from the original schedule.

If these situations occur, raise visibility through risk management, and put together a plan to proactively ensure that the project stays on track. If you cannot successfully manage through the problems, raise an issue.

Manage Scope

After the basics of managing the schedule, managing scope is the most important activity required to control a project. Many project failures are not caused by problems with estimating or team skillsets, but by the project team working on major and minor deliverables that were not part of the original Project Charter or business requirements. Unfortunately this is not a new learning and had even been

described in 2007 in CIO online magazine. Even if you have good scope management procedures in place, there are still two major areas of scope change management that must be understood to be successful – **understanding who the customer is and scope creep.**



Best Practice - Make Sure the Sponsor Approves Scope Change Requests

In general, **the Project Sponsor is the person who is funding the project.**

While there is usually just one sponsor, the project could have many stakeholders, or people that are impacted by the project. Requests for scope changes will most often come from stakeholders – many of whom may be managers in their own right. It does not matter how important a change is to a stakeholder, they cannot make scope change decisions and they cannot give your team the approval to make the change. In proper scope change management, the Sponsor (or their designate) must give the approval since they are the only ones that can add additional funding to cover the changes and know if the project impact is acceptable.



Best Practice - Guard Against Scope Creep

Most Project Managers know to invoke scope change management procedures if they are asked to add a major new function or a major new deliverable to their project. However, sometimes the Project Manager does not recognize the small scope changes that get added over time. Scope creep is a term used to define a series of small scope changes that are made to the project without scope change

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management procedures being used. With scope creep, a series of small changes, none of which appear to affect the project individually, can accumulate to have a significant overall impact on the project. Many projects fail because of scope creep and the Project Manager needs to be diligent in guarding against it.

Manage Risk

Risks refer to potential events or circumstances, the probability of the risk occurring and the impact if the risk does occur. Risk is almost always associated with a negative event and an adverse impact to a project; however, positive risk can be viewed as a project opportunity.



Best Practice - Identify Risks Up Front

When the planning work is occurring, the project team should identify all known risks. For each risk, they should also determine the probability that the risk event will occur as well as the potential impact to the project. Those events identified as negative high-risk should have specific plans put into place to mitigate them to ensure that they do not, in fact, occur. Medium risks should be evaluated as well to see if they should be proactively managed. (Low-level risks may be identified as assumptions. That is, there is potential risk involved, but you are 'assuming' that the positive outcome is much more probable.)



Best Practice - Continue to Assess Potential Risks Throughout the Project

Once the project begins, periodically perform an updated risk assessment to

determine if other risks have surfaced that need to be managed.

Manage Issues

In spite of best efforts at risk management, all projects of any size and complexity will have issues arise that need to be dealt with and resolved. If you have not done as good a job managing risks, chances are you will have more issues to deal with than you might have otherwise.



Best Practice - Resolve Issues as Quickly as Possible

Issues are big problems. The Project Manager should manage open issues diligently to ensure they are being resolved. If there is no urgency to resolve the issue, or if the issue has been active for some time, then it may not really be an issue. It may be a potential problem (risk), or it may be an action item that needs to be resolved at some later point. Issues by their nature must be resolved with a sense of urgency.

Close Project

Just as it is important to formally kick off a project, it is also important to successfully close the project. The value of having a planned project termination is in leveraging all of the information and experience gathered throughout the project. If the solution is implemented and the team immediately disbands, you don't have an opportunity to wrap up the loose ends, do staff evaluations, document key learnings or ensure that appropriate deliverables are transitioned to support.



Best Practice - Formally Close the Project

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When the project schedule is created, think about the activities that need to be performed to gracefully and appropriately close the project. These activities include capturing lessons learned, transitioning the project deliverable or result to the operations or support team, turning over project files, conducting project performance reviews, declaring success or failure, and celebrating project completion.

Summary

Your project may be very lengthy and costly to your organization. There are always complexities dealing with creating your project deliverable, such as technology and integration complexities when developing an information technology system. There are also challenges implementing solutions with as little impact on your customers as possible. All of these challenges can be overcome through a proper mix of planning, monitoring, controlling, and executing. The planning, monitoring, and controlling aspects are where project management processes and techniques are needed. Resist the urge to jump straight in to the execution. Proper planning and management of the effort will take more time upfront, but will be more than rewarded with efficiencies and savings throughout the rest of the project. Proper closure will help ensure that the deliverables created are used for their intended purpose. Since these deliverables were created to meet a project objective and business goal, the formal transition of the deliverables should help to achieve the business need originally defined.

Project management does not have to be a daunting task.

We have done it before.

Contact us for more information.

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About TenStep

TenStep, Inc. (www.TenStep.com) is headquartered in Atlanta, Georgia (USA), and specializes in developing, consulting and training in business methodologies. The company's flagship product is the TenStep Project Management Process®, which has been licensed to thousands of companies and individuals around the world. In addition, TenStep has training, consulting and business methodology products covering Project Management Offices, portfolio management, software development and application support.

The TenStep process is translated into 14 languages, allowing it to be utilized by organizations in most parts of the world.

TenStep meets the needs of local businesses with a network of offices in the USA and around the world.

Our training classes include:

- **Project Management (advanced and basic)**
- Preparing for the PMP® Exam

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- Earned Value Management
- Setting up and Running Project Management Offices
- Setting up and Running Portfolios
- Gathering Business Requirements
- Many, many more

Our consulting services include:

- Project management deployment and customization
- Project Quickstarts
- Setting up PMOs
- Project management coaching, auditing documentation review
- Managing your projects
- Many more

About the Author:

Tom Mochal, PMP is the president of TenStep, Inc. (www.TenStep.com), a methodology development, consulting and training company. He is also the head of The TenStep Group, a network of TenStep offices supporting the TenStep process in numerous languages and countries around the world.

Mochal is author of a book on managing people called "Lessons in People Management" and a companion book on project management called "Lesson in Project Management". Mochal also authored all of the TenStep methodology products.

Mochal recently won the **Distinguished Contribution Award** from the Project Management Institute for his work spreading knowledge of project management around the world.

Mochal is a speaker, lecturer, instructor and consultant to companies and organizations around the world.

He is a member of the Atlanta, Georgia (USA) chapter of the Project Management Institute (PMI), the American Management Association (AMA), the American Society for the Advancement of Project Management (asapm®), and is a partner in The Management Mentors, a group dedicated to building knowledge in project management, IT management and leadership/personal development.

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