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BENEFITS OF HAVING A PROJECT MANAGEMENT METHODOLOGY

A case study for the CAPM® Certification Course.

Contents

Introduction

A leading IT services provider creates software solutions to help companies manage productivity, claims, and client relations. It has been in business for approximately five years, and its customer base has grown tremendously in the last two years. The company forecasts that its business will continue to expand due to the increased number of service requests made by new customers. The provider started out as a small mom and pop operation, offering a variety of services that later increased in scale. Because of its rapid expansion, the company did not take the time to strengthen its operational structure and establish solid processes.

The provider is acquiring new customers on a weekly basis. Some of these new customers are large enterprises, and they have started requesting new services that go beyond what the provider currently offers.

Challenges

The IT services provider does not have a well-defined management process for handling its customer orders. As a result, it is struggling to meet deadlines and deliver on-time performance, which in turn is affecting customer satisfaction. Although the business has grown because of the quality of service provided, the company has not prepared itself to handle the growth. The lack of structure and methodology is leading to challenges in responding to new customers' requests to provide current services and expand existing services to meet those customers' needs; the provider is unsure as to how it should meet customers' business requirements.

There are also cases of overlapping initiatives to develop the same or very similar services, but the time of execution is the same or even higher at times due to a lack of communication and use of shared resources.

Solution

The first step is to develop a format to manage projects that arise from customer orders. To do this, the provider must first establish a methodology to govern its approach for processes, from managing customer requests to executing customer orders.

Identifying project requirements

Managing stakeholders

Balancing project constraints

The company should take the following steps to add structure around receiving, processing, and executing a request.

1. **Identifying project requirements:** When a project is initiated, it typically starts with the high-level understanding of the project requirements. To meet the project objectives, these high-level requirements need to be analyzed, and specific project requirements need to be identified.
2. **Managing stakeholders:** Managing a project also requires managing stakeholders. All stakeholders must work toward a single project objective for the project to be executed successfully.
3. **Balancing Constraints:** Managing a project also requires balancing the project's triple constraints: scope, cost, and time. A change in one constraint affects the other and hence the 'trade-offs' must be carefully assessed as they affect project quality.

Since the company is small and its customer base is growing leading to an expansion in service projects, a projectized approach would benefit the company in many ways.

- There will be standardization of documents, deliverables, reporting structure, etc.
- Project oversight will exist to provide transparency on the status of all projects, key deliverables, and stakeholders. This will ensure that all stakeholders are in the loop, aware of the deadlines and bottlenecks they need to resolve, and focus on other potential problems.
- Project oversight of all projects implemented in the company will exist. This will allow for sharing of information, historical documents, and lessons learned.

Lack of process and structure leads to chaos and a decrease in productivity. Typically, when companies start out small, they can function in an environment with minimum processes. As the business expands, it becomes a challenge to stay afloat as these processes do not scale very well. This is why the Project Management Body of Knowledge provides valuable inputs to organizations like the IT Services Company to select from and add structure to their business.

Approach

Now that a methodology is in place, and there is a strategy for assessing, managing, and executing service requests made by customers, the project lifecycle defined in the Project Management Body of Knowledge provides a best practice for carrying out these new requests on a larger scale.
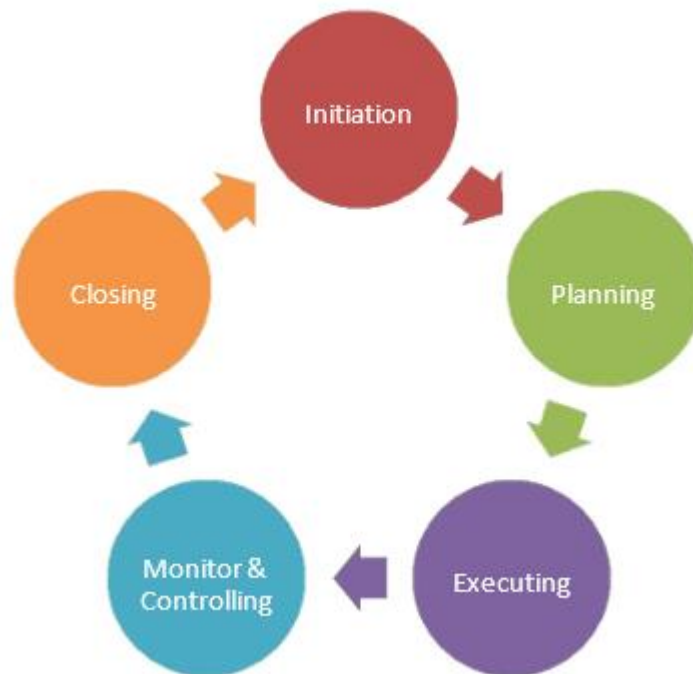
First, in the initiation phase, the business leader can assign a project manager to execute the customer order. This project manager would work with stakeholders and a team to lay out the required steps to deliver a suitable service to the customer.

Once this is complete, the team will be able to establish a plan of action for instituting the tasks required to deliver IT Service offerings. The plan will help them identify factors critical to the success of the project and critical to the customer. Therefore, the team will have direction and focus. With a set structure in place, it will be easier to execute project tasks, evaluate them as per the defined plan of action, and then properly monitor and control their accomplishments and leftover tasks. After successfully executing a well-defined plan and obtaining customer sign off, the team will be in a position to close it out upon handing it over to the customer. Having a well-defined methodology will allow for projects to capture solid information that can be shared in lessons learned and used as historical information for future projects. Ultimately, this will result in streamlining the project management process for future service projects that are similar in nature.

Every new service request that is received must go through these well-defined phases.

Final Outcome

By using best practices around having a proper project management framework, the organization's challenges around on-time service delivery, project management, and the capacity to take on more business would be resolved. Infrastructure and a defined process help to facilitate transparency among stakeholders and customers within the organization. Also, the likelihood of successful delivery increases when you know exactly which services are being worked on, when, and by whom.

More importantly, as more service requests are received, the organization will have all the information available to make an informed decision about what its expansion needs are. This decision can be based on the number of open projects as it relates to available resources.

Once an informed decision is made to take on a new service request and/or customer, Project Management best practices for managing a project will result in efficient and effective planning, executing, monitoring, and delivery processes. Timely and accurate communication throughout the process stages will ensure that all stakeholders are kept up-to-date and that the executed task meets the customers' desired business outcomes. Finally, all projects will be properly documented, ensuring all key details about the project, such as lessons learned, are captured and are made available to stakeholders and leaders of future projects.

Critical Success Factors

To successfully overcome its challenges, the IT Services provider needs to pause and invest time in establishing an operational infrastructure that would allow it to properly plan and deliver project deliverables. This includes having a

comprehensive process for managing a project and creating a project management office structure to help facilitate communication effectiveness and defined oversight to help track and monitor deadlines. Successful delivery of a project happens when there are well-defined, repeatable processes in place. This ensures all new service requests are properly initiated, evaluated, planned, executed, and delivered in a timely fashion in a consistent way.

Lessons Learned

While it may be difficult and time consuming to define and create operational procedures in the midst of business growth, the IT services provider learned that investing this time to develop a well-defined process and structure that facilitates communication, on-time delivery, and documenting lessons learned is key to achieving customer satisfaction in a cost-effective way. Without these best practices in place, stakeholders would be unaware of what is in the project pipeline, project deadlines, and project statuses. This is no way to continue doing business and still maintain great customer service. Consequently, without a formal project management methodology, it is easy to lose sight of how to deliver value to the business and the customers it serves.