Book A Manager's Guide to Project Management

Learn How to Apply Best Practices

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Recommendation

Though Michael Bender aims to be clear, tension is at the heart of his project management book. He doesn't want to overdo commonly covered material, but he also doesn't want to leave out any key terms or meaningful details. At times, this can lead to death by subtitles, where he introduces a series of topics but stops short of articulating their full meaning or import. To be fair, he shows project management for what it is – not a small city within an organization but a huge, at times overwhelming, continent inside a company. Even at its most difficult, the book gives senior managers a feel for the layers of complexity in the world of projects. Bender, who views projects as the holy grail of organizational value, tells managers how to aid and support them. He sensitizes leaders to the helpful or harmful ripple effects that their decisions have on organizational culture. *BooksInShort* recommends this as a reference book for senior executives. It isn't light or easy to swallow, but taken in pieces, it might save you from project indigestion.

Take-Aways

- The ultimate aim of a project is to add value to the organization; projects that do not add value should not continue.
- Managers must understand the project management process to support and oversee it.
- This requires establishing a culture that views projects as integral, not as ancillary.
- "Strategic alignment" pairs projects with "durable" objectives.
- "Organizational alignment" helps everyone speak a common language.
- "Process alignment" makes projects truly part of a company's daily work.
- "Oversight" helps managers keep projects on track and know when they go off-track.
- By encouraging a dialogue about how a project is unfolding, executives give project managers and workers permission to exhibit creativity within the project's bounds.
- Managers must oversee all projects to balance the company's "portfolio" of projects, ensuring that it takes only appropriate risks.
- Outsourcing is a risk with a huge upside and downside: It can provide inexpensive resources but it can also threaten the quality of the end product.

Summary

Projects and the "Executive's Role"

Projects are a fixture in the corporate landscape. They can "add value to an organization"; in fact, value is their primary concern. Project managers draw from a deep, well-defined set of tools with a long history. So why do so many projects come in over budget, miss deadlines or flounder? At least part of the problem starts at the top with the influence of senior managers. Given a bad cultural climate, a political quagmire or the wrong environment, some projects never take off, let alone land. Managers must be aware of these common problems that plague projects:

- **"The project du jour"** – When priorities change too often, people don't know where to put their energy, and projects can languish.
- **"The warm-body syndrome"** – When an executive wants to push a project, one common move is to "grab the next warm body" and put him or her on the task. This doesn't necessarily help the task, especially if the person is not well-suited for it.
- **"Project work" conflicting with "real jobs"** – Some people see projects as an "ancillary" distraction, not integral to the fabric of their work or their firm's big

goals. Projects can feel like interruptions, but they are intrinsic. To work against the assumption that projects are tangential, focus on aligning them with internal company processes.

- **"Scope creep"** – When stakeholders continually add items to a project in progress, its agenda grows, wreaking havoc on even the most carefully considered plans.
- **"Politics"** – A midstream shift in the political winds can harm a project.
- **"Forced deadlines"** – If the targeted end dates don't match the work the project requires, the venture will grow too flabby or produce work that is too thin.

Understanding and Supporting Projects

Project managers and their teams work with a "triangle of balance," striving to meet the "goals" of the project within the boundaries of "time" and "resources." Sound planning is imperative. Before the work begins, projects should undergo "progressive elaboration." This tactic (which comes from the Project Management Institute (PMI), which promulgates project management standards) calls for outlining the project's "breakdown structure" on a chart that indicates the project's work, resources and concerns at each organizational level. For good project management, push participants to use and understand a clearly defined project language, including these terms:

- **"Project"** – This "temporary" venture produces "a unique product, service or result."
- **"Program"** – This encompasses a number of products under one umbrella.
- **"Portfolios"** – This collection of programs links to the firm's "overall objectives."
- **"Project managers"** – These leaders run the team that works on the project. They don't do the project's work or provide "subject matter" expertise, but they oversee the project and make decisions for it. Most delicately, they manage the stakeholders, some of whom outrank them, so potential political pitfalls always loom.
- **"Sponsors"** – These strong advocates or "champions" at the top of the firm protect the project from executive bullying. The sponsor holds the project's purse strings.
- **"Senior management"** – These executives green-light projects and provide resources. They set the "organizational objectives" that define the company's range of projects.

> "Project managers need to create a unique project that satisfies multiple, conflicting stakeholders, using resources that don't report to them under tight budgets and time constraints – simple, right?"

When you take on the task of aligning your organization's projects with its goals, you must examine everything, from your management to the culture and fabric of the company. Although you could run into fundamental disagreements between groups and step on political beehives, don't avoid this pivotal work. In the end, alignment is about resources and the firm's ultimate destination. Three kinds of alignment are critical: "strategic," "organizational" and "process."

1. Strategic Alignment

Strategic alignment keeps projects on track and nourished. It helps project managers and teams fulfill their tasks and finish their work. Strategic alignment enables firms to clarify their "strategic objectives." To guide projects and align with them, these goals must be lasting and "durable." Project plans must be general enough to handle marketplace changes and solid enough to represent the firm's deepest aspirations. When executives change a project's goals, it suffers and the project manager struggles. Imagine aiming for one target only to find out that your boss has a different objective. Even if you can readjust, the best-case scenario involves a loss of resources. At the same time, ensuring durability often means, by definition, a loss of specificity and "clear direction." Taking a hierarchical approach can help you establish an "objectives pecking order." As the project breakdown moves down the hierarchy, the plan should pick up increasing detail. Not every level of the firm needs the same level of detail about the project's activity.

> "A stable, balanced portfolio demands that we consider all goals for a project before work begins."

The next step in strategic alignment involves "structured metrics," measurements that show if a project is advancing. Seek evidence of a "minimum" achievement (what must be done), a "target" (where you want to end up), and a "stretch" (what might happen, what the inadvertent or innovative outcome could be).

> "When an organization standardizes project activities, communication and workflow become easier and more efficient, conflict lessens and management simplifies."

Tracking project decisions requires also tracking the assumptions and prioritizations that shaped them. If a project becomes dynamic and its resources shift to new priorities, old priorities will suffer. It's better not to rank projects at all; instead, create a stable platform by prioritizing project goals. Then, choose and plan projects to fulfill those objectives. This "balanced portfolio" strategy is an antidote to "dynamic prioritization." All the projects in a balanced portfolio go through a definitional process, "ensuring that all of their objectives receive sufficient support." Such a portfolio saves wasted motion and resources, but you must be a strong manager to create and maintain true strategic alignment. And you must know your firm well so you can promote goals that matter and allocate resources to the projects that advance those goals.

2. Organizational Alignment

Projects may not recur and are not always predictable. They can burst onto the scene without precedent, pulling people and resources from their usual work into "short-term work overloads." Even if projects don't fit your usual flow, you can help ensure their success. First, create "well-defined roles and responsibilities," because people must know their place and their purpose. Establish "ownership," which emerges from a mix of doing the work (taking "responsibility"), reporting on the work ("accountability") and providing "permission" for the work ("authority"). Projects need owners – sometimes many owners – at various steps. To move your project toward completion, make use of some professional "organization alignment" constructs, including:

- **"Steering committee"** – This team oversees and manages ongoing projects, and binds managers together so that they all see every project the firm has

underway.

- **"Project management office"** – This administrative unit has a variety of purposes. Using its "tactical focus," it implements projects. It works directly with project managers by mentoring, supporting and guiding them through political turmoil.
- **"Phase gate review team"** – These monitors check with project managers as various stages of their projects reach completion. The gate review team conducts a formal review process, and it can either kill projects or let them pass to the next stage.

3. Process Alignment

As a senior manager, go a step beyond organizational alignment by thinking of projects as a "classical business process." This mind-set helps you manage all projects that require a similar set of skills. Focus on the "deliverables" that your project produces (whether those deliverables are reports, software updates or hard goods). Seek points of "interface" between projects and other organizational processes. Make sure your project has the resources and buy-in it needs. When you set up a project, link it to its "organizational objectives"; plan it in direct connection with the parts of the organization that it will brush up against later. Planning must involve the players who do the work. For clarity, prepare well and polish your internal interfaces.

"True project costs include all associated costs, including internal human resources."

Managing a project ensures that "the right things are getting done in the right way." During the project's building phase, the manager eventually must clear the path and collect the resources for completion. When the project is complete and the client is happy, the "closing" steps begin. The client formally accepts the product, and the team gathers what it has learned.

"Oversight"

As "capital investments," projects require "cost management and portrayal." Fortunately, the same tools that allow for such supervision and control also let senior managers make sure that projects comply with outside regulations and that nothing about them goes awry. While critical, such oversight isn't easy in theory or practice. To manage a project's cost, everyone must work together. A "cost management doctrine" can help. Executive management originates this document. It assures regulatory compliance, reflects the firm's "financial policy" and portrays realistic "life cycle costing," thus allowing project managers to spend a bit more now for quality components that will save money in the long run. Developing a budget for the project requires several layers of thinking and planning, including:

- **"Internal resources"** – Don't forget that any human resources from inside your organization have monetary and time costs. Yes, the people who join a project already earn salaries, but a special project takes time away from their regular work.
- **"Cost of managing"** –Projects need "in-house" management and this, too, is a cost.
- **"Risk contingency"** – Set aside money to stabilize a project that goes offtrack. If the project manager has to tap into this fund, that's a red flag about the project.
- **Other costs** – If the project uses the work of another corporate unit, account for it as "internal services costing." Someone on a project may need to travel, or the project may require "additional insurance" or a consultant. You must budget for such items.

"Vision, mission, value and quality statements designed as rhetoric will achieve their goal: rhetoric."

Once the budget is in place, track the project's fiscal progress by checking the "baseline," (what was planned), the "actuals" (what's really being spent) and the "current plan" (with updates). For project control, track all outlays and exercise oversight. Ensure that projects unfold properly and function as part of the firm's larger strategic intent, organization and process. Keep the project aligned with corporate strategic objectives.

"If work has no purpose, then don't do the work."

Use quality control to monitor the project: Determine which achievements you can measure that will show how the project is going and when it is finished. Drill down to the details; decide what success will look like. You can also use "quality assurance" to follow a project's execution. Establish a process for tracking relevant metrics. Request "regular reviews and reporting," short presentations that allow participants to communicate with you and allow you to notify them about any changes. As an executive, you establish the culture within which projects unfold. Cultures can support projects or allow them to cut corners. At best, a strong culture can help a company manage change and prevent it from disrupting projects. Align any project alterations with organizational goals. Respect the project's original "charter." Properly handled, change opens the door to "inspiration, creativity and experimentation" in projects. To manage change well, control the project's overall setting.

Two Final Items

First, monitor all your company's projects to ensure that you run a "balanced portfolio." This serves the entire organization by managing its full range of goals and opportunities. A balanced portfolio should contain enough risk – but not too much. Closely scrutinize projects whose cost might outrun their benefits. Second and finally, carefully consider the practice of outsourcing projects or parts of projects. Yes, it can save money and open up an "infinite resource pool," but outsourcing involves a good deal of risk. Do not sacrifice quality or give away your company's secrets. Establish sound methods for analyzing any work produced outside your organization.

About the Author

30-year project management veteran, **Michael Bender** is CEO of Ally Business Developers.