Book Managing Project Delivery

Maintaining Control and Achieving Success

Trish Melton and Peter Iles-Smith
Butterworth-Heinemann, 2009

Recommendation

Dr. Trish Melton and Dr. Peter Iles-Smith show you why managing and delivering a project involves much more than merely cranking out the design, and sticking to your charts and timetables. The work of the project has to be aimed at its core purpose, but keeping that at the forefront may well require revising the project in midstream. The information in this book is correct, copious and concise to the point of being terse, but unfortunately its presentation leaves some things unclear. Have you ever received a binder full of material at a seminar or class? Remember how the sheets made a great deal of sense at the time, but seemed a bit cloudier when you referred to them a year later? This book reads a lot like the material in such binders, with tons of bullet-point lists, charts and diagrams, but not enough prose to create a flow of ideas from one piece of information to the other. The accompanying online templates may mitigate this effect. Still, if you are new to project management, you may be a bit overwhelmed. *BooksInShort* recommends this solid book to experienced project managers who will be well-equipped to handle this complex material with little difficulty and to get a great deal of utility from it.

Take-Aways

- Controlling project delivery will help you limit the chaos most projects experience.
- Projects that work together should be managed in programs. Programs that draw on the same resources should be managed as a portfolio.
- Excellent project managers often get promoted to manage programs and portfolios.
- • Create an overall control plan using three basic planning tools: the "Project Business Plan," the "Setup Plan" and the "Project Control Plan."
- Together they will give you a clear, ongoing view of each facet of project delivery.
- The project business plan links the project to its business outcomes. Use it as your baseline and contract with the project's sponsor.
- Your setup plan is the formal statement of how you intend to deliver the project.
- Providing the actual benefits the project is intended to fulfill is the true mark of whether the project has succeeded or failed.
- The project control plan links costs, scope and time as you manage project delivery.
- Never take the outcome of a project for granted: manage the budget, satisfy the sponsor, watch the risks, and keep all your plans up-to-date and flexible.

Summary

Project Facts of Life

Delivering a project does not mean simply grinding out the project plan to the letter. It means delivering the project's promised benefits. If you don't do that, you've failed.

The four stages of project delivery are "business case development, project delivery planning, project delivery and benefits delivery." The project plan is only fulfilled if the intended benefits materialize. As a project manager, you must handle many variables and uncertainties as you guide a project to meet its purpose. Remain flexible. You can adapt most aspects of the project plan as needed, as long as you still deliver the desired benefits.

> "The aim of this book is to introduce the need for controlled project delivery to...project managers who have had both good and not so good experiences."

Before you embark on managing a project, be sure you can clearly state why and how it will satisfy the business needs it was designed to meet. Clarify what it will deliver, how the delivery plan will meet its goals, what conditions could cause it to fail to meet its purpose, when it has to be accomplished, who is on the project team, what their roles are, and who your sponsors, supervisors and stakeholders are. Of course, you must know what the project has already cost and is going to cost. Chaos in project delivery is a sure indicator of a project that will fail to deliver its purposes, benefits and goals. Your job is to realize those benefits, not just to complete a stack of steps. To avoid chaos, create an overall control plan that gives you a clear, ongoing view of your whole project through the use of three main planning tools:

1. **"Project Business Plan"** – This planning tool focuses on the project's sponsors, the benefits it is designed to create and the business change it is supposed to effect.
2. **"Project Setup Plan"** – This focuses on the project's type and scope, its funding and the makeup of the project team.
3. **"Project Control Plan"** – This describes the project's risks, its review processes and its contracts, not only with vendors, but also with other departments which are involved or affected. It outlines how you will control the project to deliver on its promises.

Understanding the Delivery of Projects, Programs and Portfolios

A project is a set of activities designed to accomplish a specific goal outside the company's usual activities. Every project has a time frame and assigned resources. When a company links a number of projects together to accomplish a specific goal, that constitutes a program. The benefits and goals of the projects within a program share dependencies. Projects or programs that depend on the same pool of resources make up a portfolio. Projects, programs and portfolios all are:

- **"Activity-based"** – They move forward as specific actions are completed.
- **"Resource-based"** – They use a limited pool of people, money and tools.
- **"Benefits-based"** – They are designed to accomplish specified outcomes or changes.

  "Project delivery is about change – both internally within the project and externally within the business. The role of the project manager is to facilitate that change to deliver the benefit."

You can use comparable processes whether you are managing a project, a program or a portfolio. Companies often promote good project managers to administer programs and portfolios, even though those jobs require a larger scope. The core of all successful projects, programs and portfolios is a talented project manager.

Your Project Business Plan

Your project business plan connects your project and its purpose to your company, and helps maintain a solid, mutually supportive relationship. This document defines the needs the project is supposed to meet. It outlines how the project manager and project sponsor will work together to achieve that result. No matter how well the project you are managing seems to be going, never fail to give your sponsor project information. Active sponsor participation greatly increases your chance of success.

  "This book demonstrates the importance of integrating the hard and soft elements of project delivery, ensuring that 'no project is an island'."

To execute your project business plan, manage the issues surrounding sponsorship and the delivery of benefits, as well as the issues that will arise as the project progresses and changes your company. Manage the way your project connects to your firm's business strategy at the intersection where many factors come together: your business case, your project's stakeholders or customers, and your company's readiness to implement the project and accept its outcome. The business case is your baseline for managing your project business plan and your sponsor. Work with your stakeholders and customers, internal and external, to make sure that what you are delivering – and how – meets their needs, but stay within the project's scope. Ensure that what they expect is in line with what your project team is undertaking. If it is not, you must bring one or both sides into alignment with the project's promised benefits. Your project business plan must fit within your larger control plan, so it is consistent with a successful overall project.

Executing Your Setup Plan

Use your setup plan to manage your project's people – the core of getting your project accomplished. Supervise your project team, motivate the team members and provide a vision of the project's purpose so they share the desire to fulfill it. One of the ways to deliver a high value project is to think and operate your project in a lean way. Only carry out truly necessary projects, deliver them with all the promised benefits, on time, and on or under budget. Always pay attention to the budget. Money matters to everyone. If one part of your project blows the budget allocated to cover other areas, you can't just hope no one will notice if you point to the on-target pieces. Budget control is crucial in every facet of a project. Examine and tailor your overall control plan so that it works in your project's real world. A great paper model is useless if it can't function in actuality.

  "Project delivery is achieved by people and impacts people."

Never take a project's outcome for granted. Even if you think the project is just like something you have done before, or that it will be so short and contained you can simply whip it out, don't believe it. Create a roadmap everyone involved understands. Follow it as you manage. If you try to do work too off-handedly, you may provoke different expectations from various constituents, leading to disruptions that could cause delays or reworking, or could lead to failure.

Using Your Control Plan

Your project's control plan will succeed to the extent that you work with your team to manage all kinds uncertainty. Use the control plan to monitor the project's activities; compare them to your forecasts and overall project plan. Identify and manage risks that threaten your project's deadlines. To create an effective control plan, address four primary project governance concerns: "risk management, contract and supplier management, project controls and project review." If you fail to get these four areas right, you leave your project vulnerable to difficulties and even failure no matter how well you execute some of the other pieces.

  "If you are just monitoring what is happening, that's history. If…you take that history and use it to assess the future, you are starting to control the world

around you (your project)."

Do not try to manage your project without a solid control plan. If you don't have one, you will find it much more difficult to monitor the progress of your project, control changes or create meaningful forecasts. However, after you write your control plan, continue to approach your project flexibly and to adapt the plan as needed. Use it to coordinate your project's cost, size and schedule while managing uncertainty and guiding your project to a successful conclusion.

How Projects Go Wrong

Many things can go wrong as you deliver a project. If you know what threats to look for, you can fix them early and head off many failures. Some project managers don't create a solid delivery plan, but – as the old saying promises – failure to plan amounts to planning to fail. Other projects hit trouble because they don't follow their roadmaps, or they establish project controls and don't implement them. Many projects fail because they were created to look good on paper without any connection to the actual stakeholders, project team or available resources.

> "A good project manager needs to be a control freak (continually looking at progress in the context of the uncertainties within the project and business environment)."

Weak sponsorship also can doom a project. Almost nothing is more frustrating to a project manager or more threatening to a project than a lack of solid backing from senior management. Without it, you will never have resources when you need them. No one will hail any of your team's accomplishments, and – without a heavyweight inside sponsor – complaints from within the organization will undercut any changes the project manages to create. Every project is determined by a mix of corporate goals and its own internal priorities. Your project is a success if you meet both sets of objectives. If you miss both, you know you have a complete failure on your hands. However, a project manager can exercise great project controls and meet the stated goals, and still fail to deliver on the project's business objectives. You can also fail to meet some project objectives and still satisfy certain business goals. Do these mixed-bag projects represent success or failure? Your project sponsors are likely to let you know how it looks to them. In any case, treat your failures as learning experiences and take them in a positive light.

Project Profile: A Large Capital Engineering Project

A big drug company believed that its new product would be a success, so it would need more capacity to meet demand. The new plant also had to provide redundancy in case the company's main plant suffered any production interruption. Given this large, complex undertaking the project team carefully chose four critical success factors:

1. Create sufficient capacity at each site to make the new product.
2. Be ready far enough in advance for the product to be supplied from each site.
3. Lower the risk of customer complaints by meeting all regulatory requirements, matching supply with market demand and maintaining high quality.
4. Keep costs in line with the project's budget.

> "The intention of all project review...is to understand a situation and learn from experience so that the next project will not repeat the mistakes of the last."

After three years of hard work, the team completed the project successfully, in spite of the inevitable hiccups in any project this size. The lessons they learned included:

- Contract management doesn't stop at budget concerns. Proper contracts also assign responsibility and frame what parties will manage which risks. Big projects may call for customized mechanisms to handle each specific risk.
- New technological concerns may require adjusting the project's requirements.
- Provide appropriate reports to each audience. One size never fits all and too much information is almost as bad as not enough.

Project Profile: A Small Accounting System Improvement Project

A midsized European consulting firm had to improve its accounting function. Reports from its current system were so out of date that various departments were creating their own spreadsheets and systems to try to work with the information, which was sometimes inaccurate or incomplete. Staffers even had difficulty reconciling the accounts. The team created a vision statement for improving the accounting process that set out five critical project goals:

1. Meet the company's needs.
2. Comply with customer requirements and all accounting rules.
3. Deliver the new system on time and on budget.
4. Gain stakeholder support so people would use the new system.
5. Identify the "voice of the customer" and creating metrics to satisfy it.

> "A project manager can learn a lot from failure – whether it's your own or not."

The project was a clear success. It inspired changes in user behavior that ensured complete, accurate data. The team learned that the company should use project management tools for all projects, no matter how small. Getting the internal business changes right turned out to be just as important as meeting the project's technical demands. The team also was quite pleased with the results of using Lean Six Sigma as part of their business improvement process. //

About the Authors

Dr. **Trish Melton**, a Chartered Chemical Engineer, is managing director of a management consultancy. She has experience in the chemical, pharmaceutical and healthcare industries. Dr. **Peter Iles-Smith** is a project management and engineering consultant in the oil, gas, chemical and pharmaceutical industries.