



Presented to ...
PMI Willamette Valley
Chapter – Eugene Branch



How to Deliver Projects on Time and on Budget

Project Management Techniques that
Substantially Increase Your Success

Jeff Oltmann


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The Problem

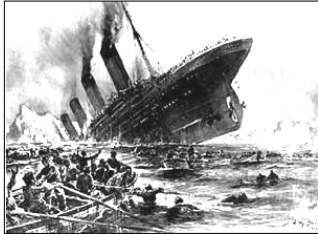
___% completed successfully

- on-time
- on-budget
- all features and functionality

___% cancelled before completion

___% completed but “challenged”


- average final cost ___% of the original estimate
- ___% of the original features and functionality



Based on The Chaos Report, 1995 and 2003, The Standish Group International Inc.

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The Problem



Metric	1994	2003	Trend
Number of projects in survey	8,380	13,522	
Fully successful projects	16%	34%	better
Projects cancelled before completion	31%	15%	better
“Challenged” projects	53%	51%	similar
Average size of schedule overrun	222%	82%	better
Average size of cost overrun	189%	43%	better
Average size of reduced scope	61%	52%	worse

Based on The Chaos Report, 1995 and 2003, The Standish Group International Inc.

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Project Management Techniques Improve Success

Percent Value Improvement – IT Organization

38% customer satisfaction	28% return on investment
38% schedule estimating	26% labor hours performance
37% alignment to strategic business goals	24% cost performance
33% time and budget to date	23% staff productivity
33% cost/hours estimating	22% time to market
32% quality	13% defect rate estimating
32% schedule performance	

Source: “Center for Business Practices: The Value of Project Management”, 2/18/2003

“97% of respondents say project management adds value to their organizations”

How to Ensure a Project's Failure

1. Ignore the project environment (including stakeholders).

2. Push a new technology to market too quickly.

3. Don't bother building in fallback options.

4. When problems occur, shoot the one most visible.

5. Let new ideas starve to death from inertia.

6. Don't bother conducting feasibility studies.

7. Never admit a project is a failure.

8. Overmanage project managers and their teams.

9. Never, *never* conduct post failure reviews.

10. Never bother to understand project trade-offs.

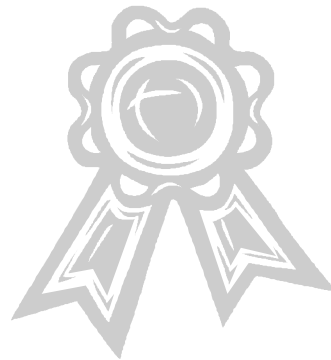
11. Allow political expediency and infighting to dictate crucial project decisions.

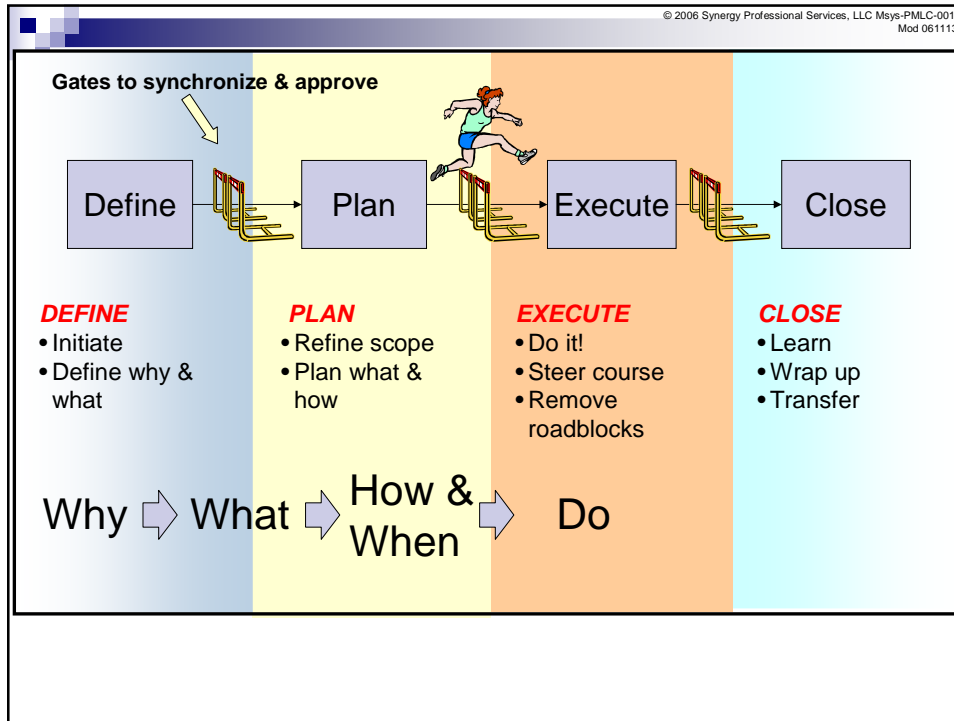
12. Make sure the project is run by a weak leader.

From *How To Fail In Project Management (Without Really Trying)*, Pinto and Kharbanda, in *Business Horizons*, p. 46, ©1996

Project Success Factors

1. Agreement on goals
2. A good plan
3. Progress measurement
4. Constant communications
5. Management support
6. Controlled scope





Define Step

Begin with the end in mind.

-- Stephen Covey

Start With a Project Charter

- Purpose: Authorization and Alignment
 - Formal recognition of project
 - An initial agreement on what and why
 - Negotiated agreement between project team and sponsor
 - Elevator pitch
 - Agreement to start spending resources on the “define” phase
- Not:
 - A white paper or design spec
 - “The boss said just go do it.”
 - “The engineers already have it designed.”
 - “Marketing has already sold some of them.”



Doing a project without a charter is like being told to drive a car without being told where to go, or even having agreement that you're allowed to start the car.


Often you hear something like “we all know what this project is about and we don't have time to write a charter.” Don't believe it! The stakeholders' expectations are often muddier than anyone really knows, and the simple act of chartering will very effectively line up initial expectations at the time that it does the most good.

You will also get clear authorization to start the project, making it easier for you to get people's attention when you start asking for their time and participation on the project.

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Value of a Charter

- Communication and internal marketing tool
- Build active agreement and commitment
- Force initial scope decisions
 - Good foundation for later detailed definition
- Get management support and resources



“More projects have died of indigestion than starvation”

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So a charter is a communication tool. It starts a discussion on what the project is. It is a focusing mechanism, not a “how to” blueprint (the blueprint will come later.) The charter helps get alignment and commitment to the overall shape of the project from project team and management sponsors. For this to happen, the sponsor and the core project team must both be involved. (Since you may not have a project team at the start, writing a charter can be an iterative process.) A project manager who writes a charter in isolation forgoes many of the benefits of the process.

The charter gets everyone off on a good start, working in the same direction. If you can't agree on a charter, how are you going to agree on the details? Many projects start to go wrong at this early step.

Targets

May be revised during further scoping and planning

Key targets

Desired start date:

Desired completion date:

Estimated cost:

Other:

Major risks

Key assumptions and constraints

Major roles and authority

Role	Name	Major responsibilities
Project manager		
Sponsor		

Approval to proceed to next phase

Project manager:

Sponsor:

Funder:

Other:

Instructions for Completing the Charter

Purpose and Responsibilities

- This form is used during the define phase of a project to get initial alignment and agreement on why the project is being initiated and what it will produce.
- The sponsor and the project manager should work together to get this charter form filled out. Involve as much of the core project team as possible to get their buy-in.
- The charter is not a replacement for a project plan. Keep it at a higher level of detail; just detailed enough to make a decision at the next gate on whether it is worth investing in detailed planning for the project.
- The completed form should be no longer than 2 – 3 pages. The entire define phase should be short, such as several weeks for many projects at a typical company.

Step-by-Step Instructions

Short Description

Enter a brief description of the project so that other people can recognize it quickly. This is just an identification tag, so don't make it too fancy.

Business Alignment

In this section, describe the why of the project. Explain the business level costs and benefits that your company will get from this project. Why is this project important and how does it link to your company's business objectives?

Deliverables and Success Measures

In this section, describe the what of the project.

- What are the tangible deliverables that the project will deliver to its customers or users?
- How will you measure whether the project successfully delivered them?
- Use the SMART test. Are the deliverables and success measures Specific, Measurable, Actionable, Realistic, and Time-bound?
- In the *out of scope* section write a short list of things that you don't plan to deliver but that other people might be expecting, based on likely misunderstandings.

Key Targets

These are order of magnitude estimates, since you are filling out this form during the *define* phase, before any detailed planning has been done for the project. These are not commitments.

Major Risks, Assumptions, and Constraints

List major risks that may significantly affect the success of this project. Also, document key assumptions and constraints that will shape the planning for this project. Capture the big stuff here – don't worry about minor items at this time.

Major Roles

List the major project stakeholders and what role you expect them to have. Make sure you include the project manager, the sponsor, and key team members (if known at this time). This is not a laundry list. List 3 – 8 stakeholders who are major internal or external customers of the project or are contributors to it. Key stakeholders are often people who do one or more of these things:

1. Provide things to the project
2. Pay for the work
3. Do the work
4. Support the results after the project is done (such as maintenance techs)
5. Use the results of the project (such as line operators and sales people)
6. Are an end customer
7. Can derail the project

Approval of Charter

Formal approval is necessary to transition this project into the *planning* phase. Get the signatures of the sponsor, project manager, and other especially key stakeholders so you are assured that they all agree on the direction that the project is taking.

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Innovative Development Methods

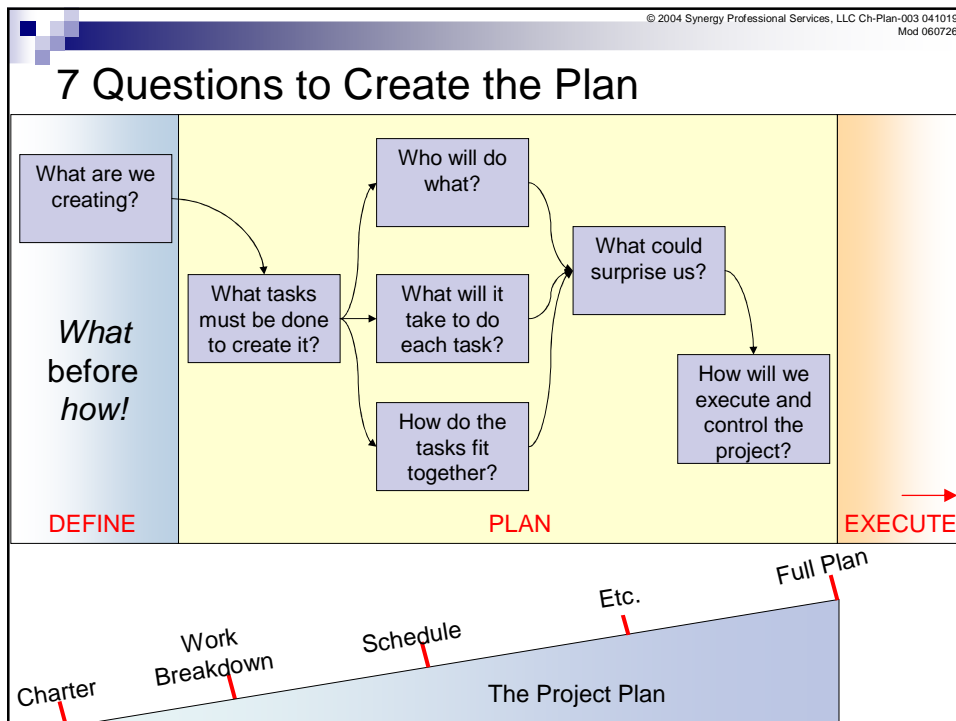
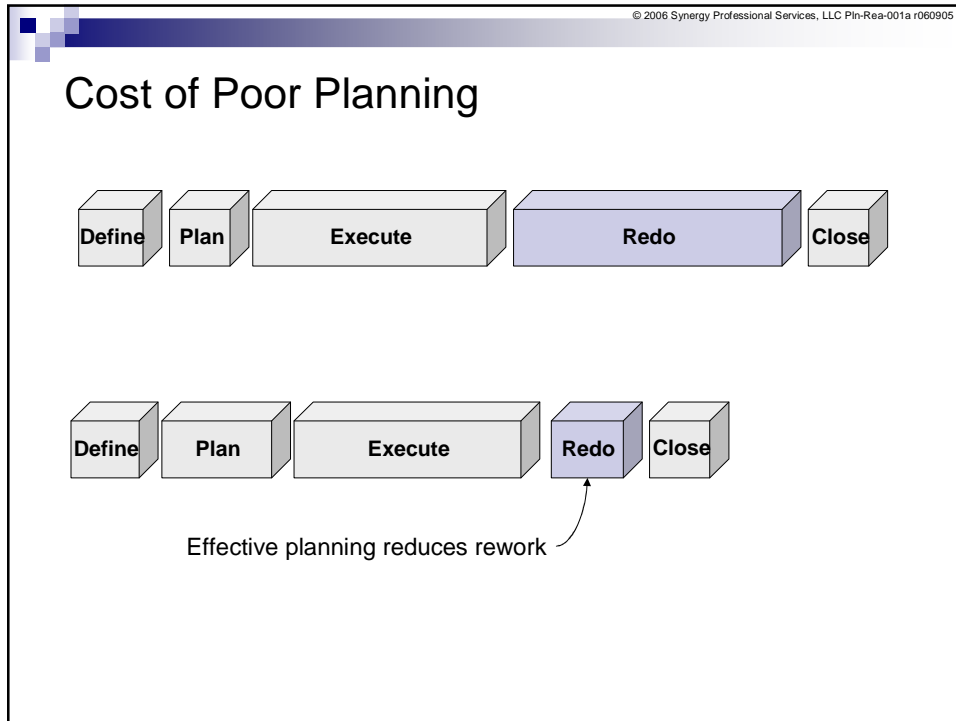
- Iterative
- Intensive feedback and rapid prototypes
- Close to customers
- Risk driven

The diagram features six yellow sticky notes with black text, arranged in a scattered pattern. The notes are labeled: 'Agile', 'Spiral', 'XP', 'EVO', 'Scrum', and 'Rapid Prototyping'. The notes are tilted at various angles, giving the impression of being placed on a surface.

Plan Step

In preparing for battle I have always found that plans are useless, but planning is everything.

-- Dwight D. Eisenhower



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Divide and Conquer

- Make the planning manageable
 - Break the entire project into smaller pieces that you can plan and control
 - Quantify intermediate deliverables
- Advantages
 - Conquer complexity
 - Convert *What* to *How*
 - Eliminate gaps and redundancies

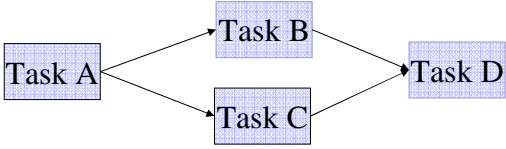
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Use Visual Tools

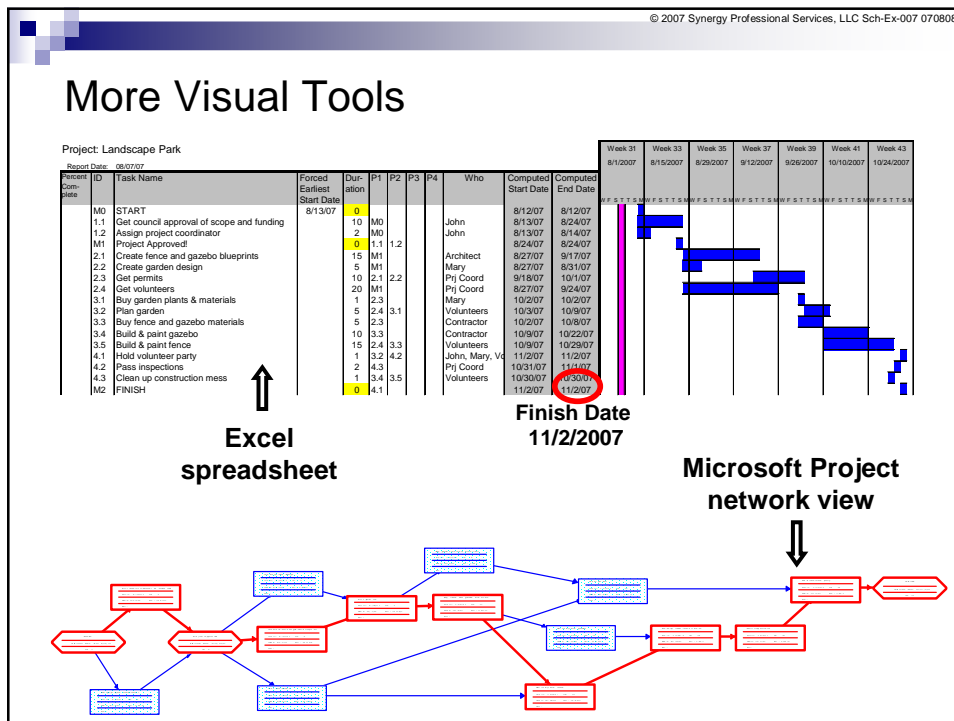
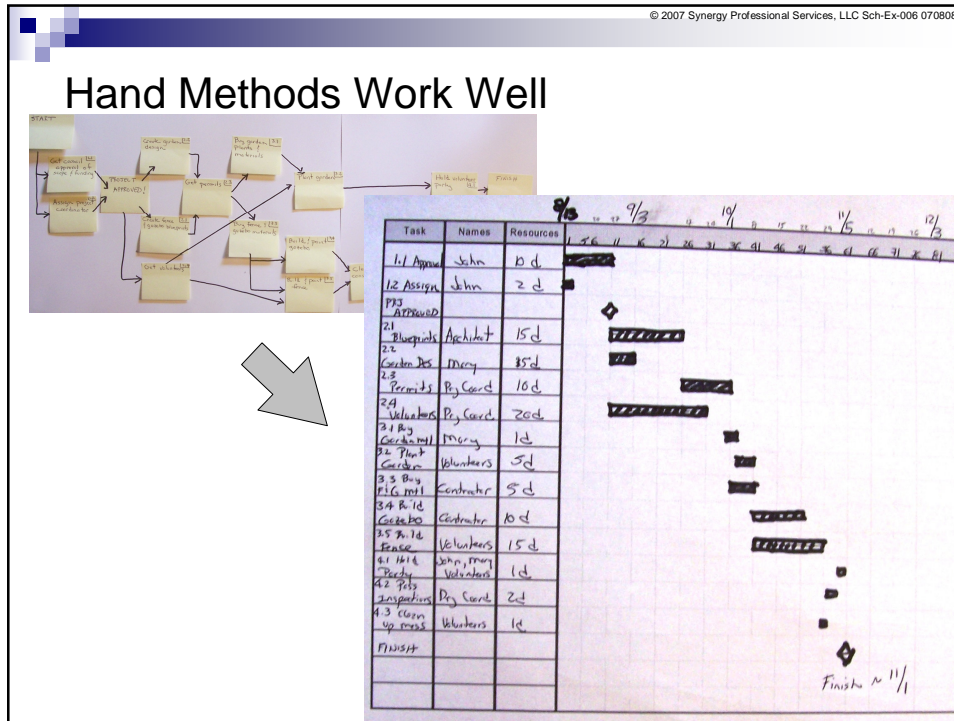
- Identify work
- Create sequence



Task Description		
Resources	Duration	Names



```
graph LR; A[Task A] --> B[Task B]; A --> C[Task C]; B --> D[Task D]; C --> D;
```



Populate Phases with Milestones

- Use milestones for ...
 - Structuring
 - Communication
 - Motivation
 - Tracking baseline



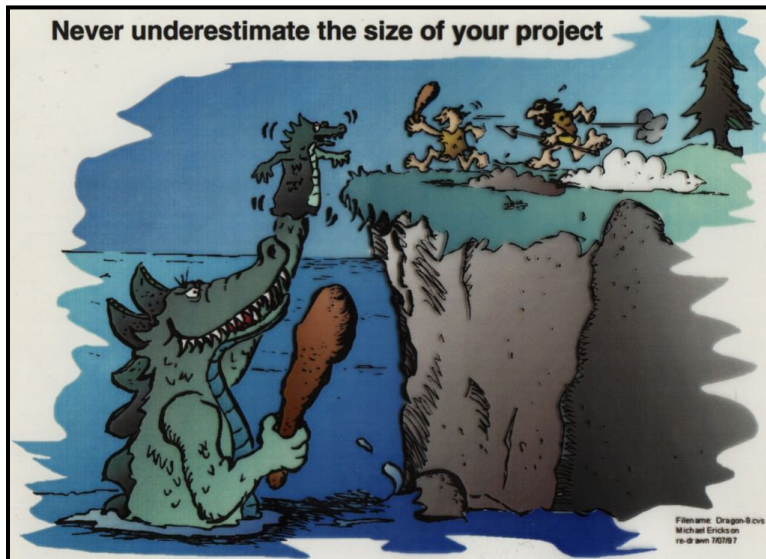
Clear milestones between and during phases are essential for communication, synchronization, and motivation. They help people work together better, both during planning and later in execution. And they help you figure out where you are in the project, which is essential for steering and making course corrections.

Execute & Close Steps

Strategies most often fail because they aren't executed well.

-- Larry Bossidy and Ram Charan

Control Scope Creep






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Monitor and Steer

Milestone	Plan Date	Last Report	Forecast Date		Comment & Recovery Action
Garden design complete	Oct 7	Sep 25	Oct 15 actual	⊙	
All soil tilled	Oct 25	Oct 27	Nov 6	⊙	Bumped from maintenance department priority list. Need escalation by George.
All plantings complete	Nov 1	Nov 1	Nov 8	⊙	Pushed out by tilling delay. Plan to double shift gardeners will partially recover days.
Start gazebo construction	Nov 10	Nov 8	Nov 10	⊙	Forecasting back on track due to extra student labor from horticulture department

Green – expect to hit plan
Yellow – problem, but recovery plan in place
Red – need help

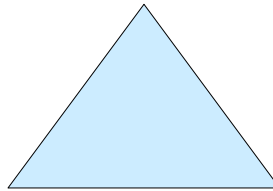


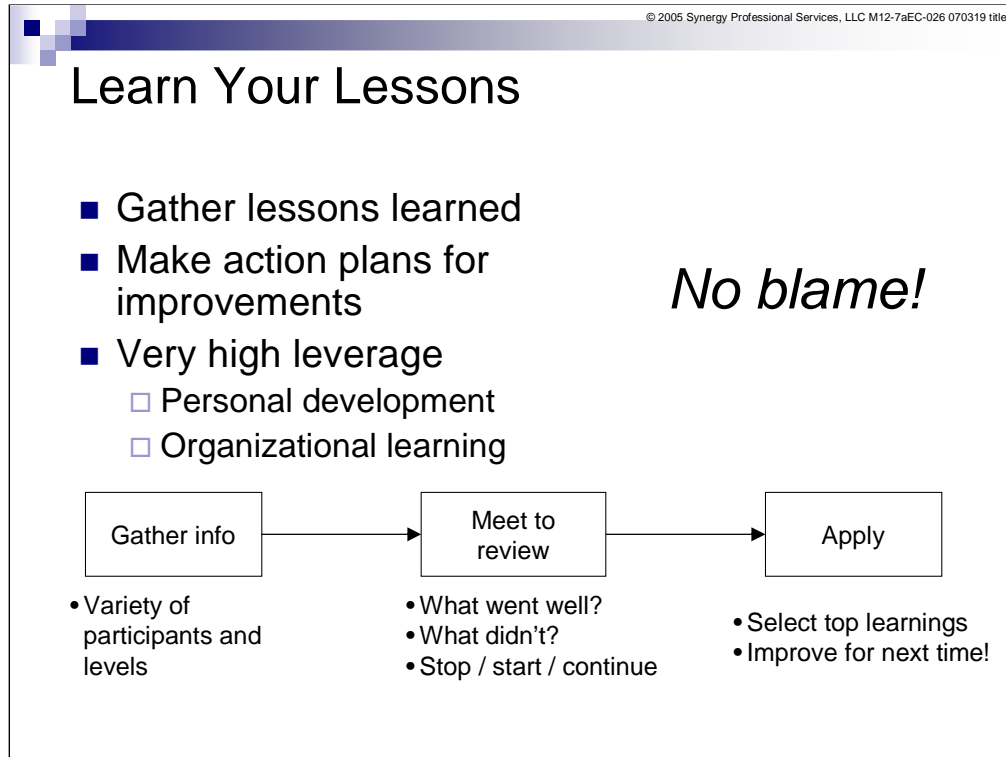
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Make Realistic Tradeoffs

Constraints on a Project

- Time—has a definite beginning and a definite end
- Scope—defined result(s) at the conclusion of the effort
- Resources—identified budget and people





Finally, just a brief word about the closeout phase of the project management lifecycle. One of the most important activities during that phase is to extract what was learned during the project, summarize it, and decide how to take action to improve future projects.

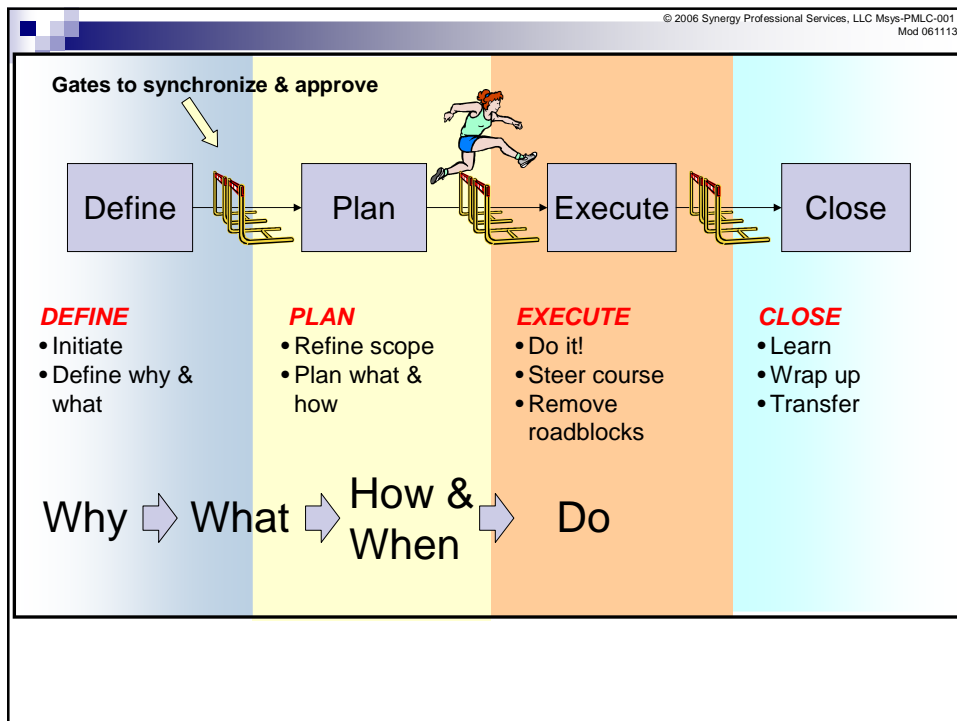
Retrospectives (also known as post mortems, and lessons learned reviews) can make a huge difference in improving the performance of a project organization over a relatively short number of projects. If done well, it causes organizational learning. Everyone in the organization benefits from the accumulated experience of many people. The key is to take action on the learnings to improve the processes and skills of the organization. Don't bother to hold a retrospective and just file the notes in a drawer without taking action.

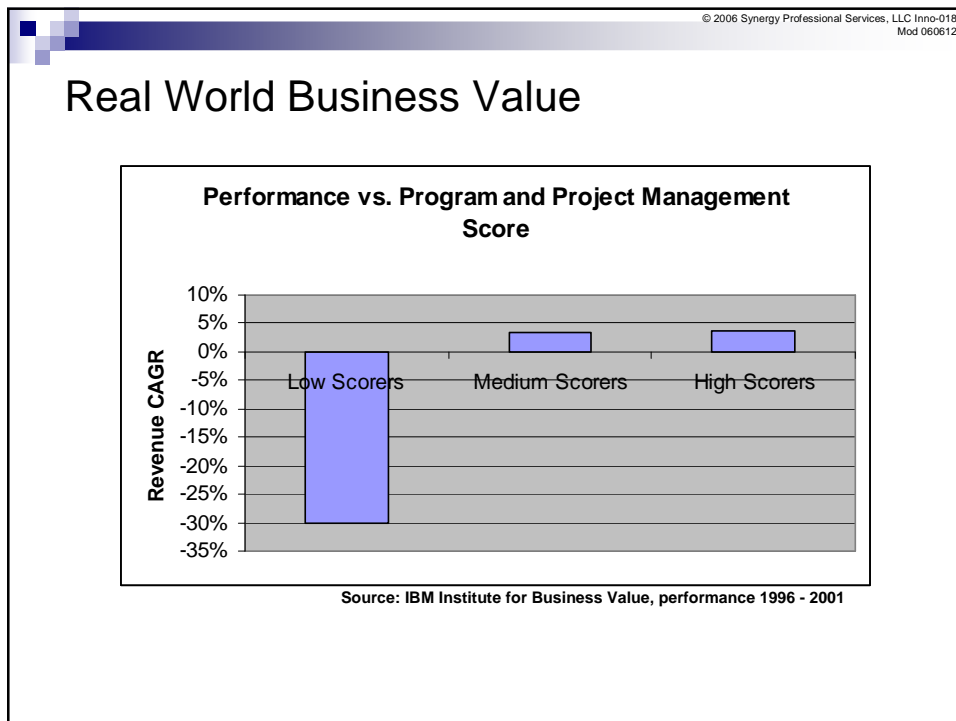
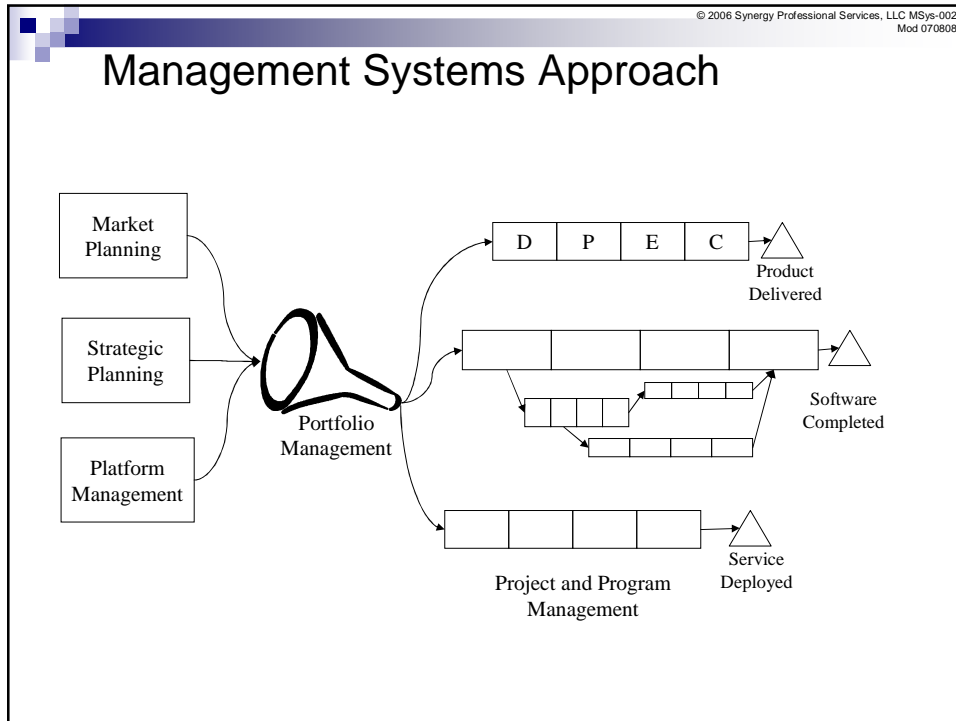
Although I'm covering this topic in the context of closeout, I believe that retrospectives should be done periodically during the life of a project. Don't wait until the end when people have forgotten the details of what happened early in the project. Hold retrospectives at the completion of key milestones or phases of work. Everyone's memory will be fresh, and the organization can start benefiting from the learning immediately rather than waiting until the end of the project.

Conclusion

Project managers are changing the world

-- Eric Verzuh





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Takeaways

Framework

- Six keys to project success
- Why -> what -> how and when -> do
- Right balance of flexibility and discipline

Define

- Importance of chartering

Plan

- Answer the 7 questions
- Divide and conquer
- Use visual planning tools

Execute

- Be vigilant for scope creep
- Monitor progress and steer
- Make realistic tradeoffs

Close

- Learn your lessons with a retrospective
- Celebrate success

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Resources

Book: <i>Fast Forward MBA in Project Management</i> , 2 nd edition, by Eric Verzuh	Readable overview of project management and enterprise program management
Short white papers by Jeff Oltmann http://www.spspro.com/SPS_cases_papers.htm	<ul style="list-style-type: none"> • Fixing a project that is in trouble • Dealing with impossible goals • Learning lessons from projects • Informal progress measurement • Building support for a project • And more ...
Extended resource list	http://www.spspro.com/resources.htm (Select "Annotated Bibliography" button)
University workshops and certificate programs (Oregon area)	<ul style="list-style-type: none"> • http://cpd.ogi.edu/ • http://www.pdc.pdx.edu/projman/
Professional Association for Project Management	Project Management Institute – www.pmi.org (national) and your local chapter