

Chapter 1

Project Management: The Key to Achieving Results

In This Chapter

- ▶ Distinguishing projects
 - ▶ Breaking down project management
 - ▶ Coming to grips with the project manager's role
 - ▶ Cycling through the phases of a project
 - ▶ Eyeing potential problems with your project
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Successful organizations create projects that produce desired results in established time frames with assigned resources. As a result, businesses are increasingly driven to find individuals who can excel in this project-oriented environment.

Because you're reading this book, chances are good that you've been asked to manage a project. So, hang on tight — you're going to need a new set of skills and techniques to steer that project to successful completion. But not to worry! This chapter gets you off to a smooth start by showing you what projects and project management really are and helping you separate projects from nonproject assignments. The chapter also offers the rationale for why projects succeed or fail and gets you into the project-management mindset.

What Exactly Is a Project?

No matter what your job, you handle a myriad of assignments every day: prepare a memo, hold a meeting, design a sales campaign, or move to new offices. Or maybe your day sounds more like this: make the information systems more user-friendly, develop a research compound in the laboratory, or improve the organization's public image. Not all of these assignments are projects. How can you tell which ones are? This section can help.



Large or small, a project always has the following ingredients:

- ✓ **Specific outcomes:** Products or results (check out Chapter 2 for more on describing desired results)
- ✓ **Definite start and end dates:** Projects don't go on forever (refer to Chapter 5 for developing a schedule for your project)
- ✓ **Established budgets:** Required amounts of people (see Chapter 6), funds (see Chapter 7), equipment (see Chapter 7), facilities (see Chapter 7), and information (see Chapter 7)



Each ingredient affects the other two. Expanding specific outcomes may require more time (a later end date) or more resources. Moving up the end date may necessitate paring down the results or increasing project expenditures (exceeding the established budgets) by paying overtime to project staff. Within this three-part project definition, you perform work to achieve your desired results.

Projects come in a wide assortment of shapes and sizes:

- ✓ **Large or small**
 - Installing a new subway system, which may cost more than \$1 billion and take 10 to 15 years to complete, is a project
 - Preparing a report of monthly sales figures, which may take you one day to complete, is a project
- ✓ **Involving many people or just you**
 - Training all 10,000 of your organization's staff in a new affirmative-action policy is a project
 - Rearranging the furniture and equipment in your office is a project
- ✓ **Defined by a legal contract or an informal agreement**
 - A signed contract between you and a customer that requires you to build a house defines a project
 - An informal promise you make to install a new software package on your colleague's computer defines a project
- ✓ **Business-related or personal**
 - Conducting your organization's annual blood drive is a project
 - Having a dinner party for 15 people is a project

No matter what the individual characteristics of your project are, you define it by the same three ingredients: outcomes, start and end dates, and resources. The information you need to plan and manage your project is the same, although the ease and the time to develop it may differ. The more thoroughly you plan and manage your projects, the more likely you are to succeed.



A project by any other name — just isn't a project

People often confuse two other terms with *project*:

- ✓ A *process* is a series of routine steps to perform a particular function, such as a procurement process or a budget process. A process isn't a one-time activity that achieves a specific result; instead it defines *how* a particular function is to be done every time. Processes like the activities to buy materials are often parts of projects.
- ✓ A *program* can describe two different situations. First, it's a set of goals that gives rise to specific projects but it can never be completely accomplished. A health-awareness

program and an employee-morale program are examples. These programs never completely achieve their goal (for example, the public will never be totally aware of all health issues as a result of a health-awareness program), but one or more projects may accomplish specific results related to the program's goal (such as a workshop on minimizing the risk of heart disease). Second, a program sometimes refers to a group of specified projects that achieve a common goal.

Defining Project Management

Project management is the process of guiding a project from its beginning through its performance to its closure. Project management includes three basic operations:

- ✓ **Planning:** Specifying the desired results, determining the schedules, and estimating the resources
- ✓ **Organizing:** Defining people's roles and responsibilities
- ✓ **Controlling:** Reconfirming people's expected performances, monitoring actions and results, addressing problems, and sharing information with interested people

Successfully performing these activities requires:

- ✓ **Information:** Accurate, timely, and complete data for the planning, performance monitoring, and final assessment
- ✓ **Communication:** Clear, open, and timely sharing of information with appropriate individuals and groups
- ✓ **Commitment:** Team members' personal promises to produce the agreed-upon results on time and within budget



Projects are temporary, created to achieve particular results. So when the results are achieved, the project should end. But this transitory nature of projects may create some challenges such as the following:

- ✓ **Additional assignments:** Project managers may be asked to accept a new project in addition to — not in lieu of — existing assignments. And they may not be asked how the new work may affect their existing projects. (Higher management may just assume the project manager can handle it all.) When conflicts arise over a person's time, the guidelines or procedures to resolve those conflicts may not exist or may be inadequate.
- ✓ **New people on new teams:** On small projects, project managers often seek the help of other people. But on larger efforts, people who haven't worked together before may be formally assigned to a project team. In fact, some people may not even know each other. These unfamiliar relationships may slow the project down because team members may
 - Have different operating and communicating styles.
 - Use different procedures for performing the same type of activity.
 - Not have had the time to develop mutual respect and trust.
- ✓ **No direct authority:** For most projects, the project manager and team members have no direct authority over each other. Therefore, the rewards that usually encourage top performance (such as salary increases, superior performance appraisals, and job promotions) aren't available. In addition, conflicts over time commitments or technical direction may require input from a number of sources. As a result, they can't be settled with one, unilateral decision.

Knowing the Project Manager's Role

The project manager's job is challenging. She often coordinates technically specialized professionals — who may have limited experience working together — to achieve a common goal. The project manager's own work experience is often technical in nature, yet her success requires a keen ability to identify and resolve sensitive organizational and interpersonal issues.

Looking at the project manager's tasks

Historically, the performance rules in traditional organizations were simple: Your boss made assignments; you carried them out. Questioning your assignments was a sign of insubordination or incompetence.

But these rules have changed. Today, your boss may generate ideas, but you assess how to implement them. You confirm that a project meets his real need and then determine the necessary work, schedules, and resources.

It doesn't make sense to handle a project any other way. The project manager must be involved in developing the plans because she needs the opportunity to clarify expectations and proposed approaches and then raise any questions.



The key to project success is to be proactive. Instead of waiting for others to tell you what to do,

- ✔ Seek out information because you know you need it.
- ✔ Follow the plan because you believe it's the best way.
- ✔ Involve people who you know are important for the project.
- ✔ Raise issues and risks, analyze them, and elicit support to address them.
- ✔ Share information with the people you know should have it.
- ✔ Put all important information in writing.
- ✔ Commit to your project's success; ask and expect other people to do the same.

Staving off potential excuses



Be prepared for other people to fight your attempts to be proactive. And trust me, you'll have to be prepared for everything! This short section provides a few examples of excuses that you may encounter as a project manager and the appropriate responses you can give to keep the project on track.

- ✔ **Excuse:** Our projects are all crises; we have no time to plan.
Response: Unfortunately, this logic is illogical! In a crisis, you can't afford not to plan. Why? Because you have a critical situation that you have to address with limited time and resources. You can't afford to make mistakes. And acting under pressure and emotion (the two characteristics of crises) practically guarantees that mistakes will occur.
- ✔ **Excuse:** Structured project management is only for large projects.
Response: No matter what size the project, the information you need to perform it is the same. What are you to produce? What work has to be done? Who's going to do it? When will it end? Have you met expectations?
 Large projects may require many weeks or months to develop satisfactory answers to these questions. Small projects that last a few days or less may take 15 minutes. But you still have to answer the questions.

✔ **Excuse:** These projects require creativity and new development. They can't be predicted with any certainty.

Response: Some projects are more predictable than others. However, people awaiting the outcomes still have expectations for what they'll get and when. Therefore, a project with many uncertainties needs a manager to develop and share initial plans and then assess and communicate the effects of unexpected occurrences.

You may never encounter these specific excuses or you may encounter them on a regular basis. No matter. Adapt these response examples to address your own situations.

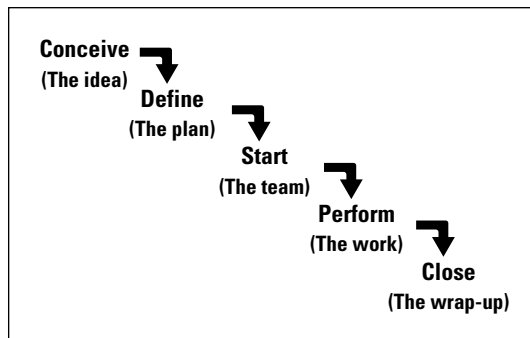
Considering the Life and Times of Your Project

Do you have a good grasp of what a project manager does and what makes a good project manager? If so, you're ready for the basics of a project. Every project, whether large or small, entails five distinct types of work:

- ✔ **Conceive:** Coming up with the idea
- ✔ **Define:** Developing a plan
- ✔ **Start:** Forming a team
- ✔ **Perform:** Doing the work
- ✔ **Close:** Ending the project

For small projects, this entire process can take a few days. Larger projects may take many years! No matter how simple or complex the project, however, the process is the same. (Check out Figure 1-1.)

Figure 1-1:
Guide your project through the five phases of its life.



The conceive phase: In the beginning . . .

All projects begin with an idea. Perhaps your organization's client identifies a need, or maybe your boss thinks of a new market to explore, or maybe you think of a way to refine your organization's procurement process. When an idea forms, your project has entered the conceive phase.

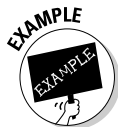


Sometimes this phase is informal. For a small project it may just consist of a discussion and a verbal agreement. In other instances, especially for larger projects, a project requires a formal review and decision.

Decision-makers consider the following two questions when deciding whether to move ahead with a project:

- ✓ **Should we do it?** Are the benefits we expect to achieve worth the costs we'll have to pay?
- ✓ **Can we do it?** Is the project technically feasible? Are the required resources available?

If the answer to both questions is "Yes," the project can proceed to the define phase (see the following section) where a project plan is developed. If the answer to either question is a definite, iron-clad "No!" then under no circumstances should the project go any farther. If nothing can be done to make it feasible and desirable, it should be cancelled now. Doing anything else guarantees wasted resources, lost opportunities, and a frustrated staff.



Suppose you're in charge of the publications department in your organization. You've just received a request to have a 20,000-page document printed in ten minutes, which requires equipment that can reproduce at the rate of 2,000 pages per minute.

You check with your staff and confirm that your document-reproducing equipment has a top speed of 500 pages per minute. You check with your suppliers and find out that the fastest document-reproducing equipment available today has a top speed of 1,000 pages per minute. Would you agree to plan and perform this project when you can't possibly meet the request? Of course not.

Rather than promising something you know you can't achieve, consider asking your customer whether she can change the request. For example, can she accept the document in 20 minutes? Can you reproduce certain parts of the document in the first 10 minutes and the rest later?



Sometimes you're convinced that you can't meet a request or that the benefits aren't worth the cost. Be sure to check with the people who developed or approved the request. They may have information that you don't, or you may have additional information that they weren't aware of.

Performing a benefit-cost analysis

A *benefit-cost analysis* is a comparative assessment of all benefits you anticipate from your project with all the costs to introduce the project, perform it, and support the changes resulting from it. Benefit-cost analyses help you to

- ✔ Decide whether to undertake a project or decide which of several projects to undertake
- ✔ Frame appropriate project objectives
- ✔ Develop appropriate *before* and *after* measures of project success

You can express some anticipated benefits in monetary equivalents (such as reduced operating costs or increased revenue). For other benefits, numerical measures can approximate some, but not all, aspects. If your project is to improve staff morale, for example, you may consider associated benefits to include reduced turnover, increased productivity, fewer absences, and fewer formal grievances. But, whenever possible, express benefits and costs in monetary terms to facilitate the assessment of a project's net value.

Consider costs for all phases of the project. Such costs may be nonrecurring (such as labor, capital investment, and certain operations and services) or recurring (such as changes in personnel, supplies, and materials or maintenance and repair). In addition, consider:

- ✔ The potential costs of not doing the project
- ✔ The potential costs if the project fails
- ✔ Opportunity costs (the potential benefits if you had spent your funds successfully performing a different project)

The farther into the future you look when performing your analysis, the more important it is to convert your estimates of benefits over costs

into today's dollars. Unfortunately, the farther you look, the less confident you can be of your estimates. For example, you may expect to reap benefits for years from a new computer system, but changing technology may make your new system obsolete after one year.

Therefore, two key factors influence the results of a benefit-cost analysis:

- ✔ How far into the future you look to identify benefits
- ✔ The assumptions on which you base your analysis

Although you may not want to go out and design a cost-benefit analysis by yourself, you definitely want to see whether your project already has one and, if so, what the specific results were.

The excess of a project's expected benefits over its estimated costs in today's dollars is its *net present value (NPV)*. The net present value is based on two premises:

- ✔ **Inflation:** The purchasing power of a dollar will be less one year from now than it is today. If the rate of inflation is 3 percent for the next 12 months, a dollar today will be worth \$.97 12 months from today. In other words, 12 months from now, you'll pay \$1 to buy what you paid \$.97 for today.
- ✔ **Lost return on investment:** The amount you can earn if you invest your money conservatively today. For example, if you put \$1 in a bank and received simple interest at the rate of 3 percent compounded annually, 12 months from today you'll have \$1.03 (assuming 0 percent inflation).

To address these considerations when determining net present value, you specify the following numbers:

- ✔ **Discount rate:** The factor that reflects the future value of \$1 in today's dollars, considering the effects of both inflation and lost return on investment.
- ✔ **Allowable payback period:** The length of time for anticipated benefits and estimated costs.

In addition to determining the NPV for different discount rates and payback periods, figure the project's *internal rate of return* (the value of discount rate that would yield an NPV of 0) for each payback period.

Beware of assumptions that you or other people make when assessing your project's potential value, cost, and feasibility. For example, just because your requests for overtime have been turned down in the past doesn't guarantee they'll be turned down again this time.

The define phase: Establish the plan

When you know what you hope to accomplish and you believe it's possible, you need a detailed plan to describe how you and your team will make it happen.

Include the following in your project plan:

- ✔ An overview of the reasons for your project (Chapter 2 tells you what to include)
- ✔ A detailed description of results (Chapter 2 explains how to describe desired results)
- ✔ A list of all work (Chapter 4 illustrates how to identify all required project work)
- ✔ The roles you and your team members will play (Chapter 10 explains how to describe roles and responsibilities)
- ✔ A detailed project schedule (Chapter 5 explains how to develop your schedule)
- ✔ Budgets for required personnel, funds, equipment, facilities, and information (Chapter 6 illustrates how to estimate resource needs)
- ✔ Assumptions (Chapter 2 discusses how to frame assumptions)

In addition, be sure to identify and describe how you plan to manage any significant risks and uncertainties. (Chapter 8 explains how to identify and plan for risks.)



Always put your plans in writing; it helps you to clarify details and reduces the chances that you'll forget something. Plans for large projects can take hundreds of pages, although a plan for a small project can take a few lines on a piece of paper (or a tablecloth!).

The success of your project depends on the clarity and accuracy of your plan and whether people believe they can achieve it. Whenever you consider past experience, your plan is more realistic; and whenever you involve people in the plan's development, you encourage their commitment to achieving it.



Often the pressure to get fast results encourages people to skip the planning and get right to the tasks. This strategy can create a lot of immediate activity, but it also creates significant chances for waste and mistakes.



Be sure your project's drivers and supporters review and approve the plan in writing (see Chapter 3) before you begin your project. For a small project, you may only need a brief e-mail or someone's initials on the plans.

The start phase: Get ready, get set

Preparing project work requires the following (see Chapter 11 for details):

- ✓ **Assigning people to all project roles:** Identify the individuals who'll perform the project work and negotiate agreements to assure they'll be available to work on the project team.
- ✓ **Giving and explaining tasks to all team members:** Describe to each team member the work that he or she is to produce and how the team members will coordinate their efforts.
- ✓ **Defining how the team will perform the necessary tasks:** Decide how the team will handle routine communications, make different project decisions, and resolve conflicts.
- ✓ **Setting up necessary tracking systems:** Decide which system(s) and accounts you'll use to track schedules, work effort, and expenditures.
- ✓ **Announcing the project to the organization:** Let the necessary people know that your project exists, what it will produce, and when it will begin and end.



Suppose you don't join your project team until the start phase. Your first task is to understand how people decided (during the conceive phase) that the project was possible and desirable. If people have overlooked important issues, you need to raise them now. When searching for the project's history, check minutes from meetings, memos, letters, e-mails, and technical reports. Then consult with all of the people involved in the decision.

The perform phase: Go!

Finally you get to perform the project work! This phase entails the following (see Chapters 12, 13, and 14 for more details):

- ✓ **Doing the tasks:** Perform the work that's in your plan.
- ✓ **Continually comparing performance with plans:** Collect information on outcomes, schedule achievements, and resource expenditures; identify deviations from your plan; and develop corrective actions.
- ✓ **Fixing problems that arise:** Change tasks, schedules, or resources to bring project performance back on track with the existing plan, or negotiate agreed-upon changes to the plan itself.
- ✓ **Keeping everyone informed:** Tell people about the team's achievements, project problems, and necessary revisions to the established plan.

The close phase: Stop!

Finishing your assigned tasks is only part of bringing your project to a close. In addition, you must do the following (see Chapter 15 for discussions on each of these points):

- ✓ Get your clients' approvals of the final results.
- ✓ Close all project accounts (if you've been charging time and money to special project accounts).
- ✓ Help people move on to their next assignments.
- ✓ Hold a postproject evaluation to recognize project achievements and to discuss lessons you can apply to the next project. (At the very least, make informal notes about these lessons and how you'll use them in the future.) See Chapter 15 for how to prepare, design, and conduct a post-project evaluation.

Anticipating the Most Common Mistakes

The short-term pressures of your job may encourage you to act today in ways that cause you to pay a price tomorrow. Especially with smaller, less formal projects, you may feel no need for organized planning and control.



Don't be seduced into the following, seemingly-easier shortcuts:

✔ **Jumping directly from the conceive phase to the perform phase:** You have an idea and your project's on a short schedule. Why not just start doing the work? Sounds good, but you haven't defined the activities! Other variations on this shortcut include the following:

- "Our project's been done many times before, so why do I have to plan it out again?"

Even though projects can be similar to past ones, some elements are always different. Perhaps you're working with some new people, using a new piece of equipment, and so on. Take a moment now to be sure your plan addresses the current situation.

- "Our project's different from before, so what good is trying to plan?"

This is like saying you're traveling in an unknown area, so why try to lay out your route on a road map? Planning for a new project is important because no one's taken this particular path before.

Although your initial plan may have to be revised during the project, you and your team need to have a clear statement of your intended plan.

✔ **Omitting the start phase completely:** Time pressure is often the culprit here. People don't appreciate the need to define procedures and relationships before jumping into the actual project work. See Chapter 11 for a discussion of why this phase is so important — and get tips on how to complete it.

✔ **Jumping into the work when you join the project during the start phase:** The plan has already been developed, so why go back and revisit the conceive and define phases? Actually, you do this for two reasons:

- To identify any issues that the developers may have overlooked
- To understand the reasoning behind the plan and decide whether you feel the plan is achievable

✔ **Only partially completing the close phase:** At the end of one project, you often move right on to the next. Scarce resources and short deadlines encourage this, and a new project is always more challenging than wrapping up an old one.

However, you never really know how successful your project is if you don't take the time to ensure that all tasks are complete and that you've satisfied your clients. And if you don't take positive steps to apply the lessons this project's taught you, you're likely to make the same mistakes again or fail to repeat this project's successful approaches.

Do I Have What It Takes to Be an Effective Project Manager?

You're reading this book because you want to be a better project manager. However, before you really jump in, I suggest you do a quick self-evaluation to see what your strengths and weaknesses are. By answering these ten questions, you'll get an idea of what subjects to spend more time on so you can be as effective as possible. Good luck.

Questions

1. Are you more concerned about being everyone's friend or getting a job done right?
2. Do you prefer to do technical work or manage other people doing technical work?
3. Do you think the best way to get a tough task done is to do it yourself?
4. Do you prefer your work to be predictable or constantly changing?
5. Do you prefer to spend your time developing ideas instead of explaining those ideas to other people?
6. Do you handle crises well?
7. Do you prefer to work by yourself or with others?
8. Do you think you shouldn't have to monitor people after they've promised to do a task for you?
9. Do you believe people should be self-motivated to perform their jobs?
10. Are you comfortable dealing with people at all organizational levels?

Answers

1. Although maintaining good working relations is important, the project manager often must make decisions for the good of the project that some people don't agree with.

2. Most project managers achieved their position because of their strong performance on technical tasks. However, after you become a project manager, your job is to encourage other people to produce high-quality technical work rather than to do it all yourself.
3. Believing in yourself is important. However, the project manager's task is to help other people develop to the point where they can perform tasks with the highest quality.
4. The project manager tries to minimize unexpected problems and situations through responsive planning and timely control. However, when problems do occur, the project manager must deal with them promptly to minimize their impact on the project.
5. Though coming up with ideas can help your project, the project manager's main responsibility is to ensure everyone correctly understands all ideas that are developed.
6. The project manager's job is to provide a cool head to size up the situation, choose the best action, and encourage all members to do their parts in implementing the solution.
7. Self-reliance and self-motivation are important characteristics for a project manager. However, the key to her success is to facilitate interaction among a diverse group of technical specialists.
8. Although you may feel that honoring one's commitments is a fundamental element of professional behavior, the project manager should ensure that people maintain their focus and should model how to cooperatively work with others.
9. They should be, but the project manager should encourage them to remain motivated by their job assignments and related opportunities.
10. The project manager deals with people at all levels, from upper management to support staff, who perform project-related activities.