**Webinar**
The Value of Project Management

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# Today's Topic Areas

- Why project management matters
- The role of the leader in successful project management
- Considerations for success in project management

# Why Project Management Matters…

▸ The work of the organization is comprised of projects

▸ The projects launched and completed *must* enable organizations to achieve their mission

▸ Project management best practices enable for…

  ▸ improvements in achieving short-term and long-term goals

  ▸ consistently delivering business results

  ▸ reducing or eliminating spending on projects that will fail

# Why Project Management Matters…

▸ This isn't recent news…

  ▸ A survey completed by McKinsey & Company found that nearly "*60 percent of senior executives said building a strong project management discipline is a top-three priority for their companies as they look to the future*."

(McKinsey & Company, January 2010. Results based on a survey of 1,440 senior executives.)

# Why Project Management Matters…

## Benefits to the Organization

▸ Projects launched aligned to strategy

▸ Reduction in the roll out of projects that will fail

▸ The right projects, at the right time

▸ Increased competitive advantage

▸ Lower costs

▸ Increased efficiencies

▸ Improved customer satisfaction

## Benefits to Employees

▸ A better way to accomplish work overall

▸ Ability to participate on innovative projects

▸ Increased collaboration and knowledge sharing

▸ Increased comfort level and confidence in taking on initiatives

▸ Reduced stress and frustration

*"80% of global executives believed having project management as a core competency helped them to remain competitive during the recession."*

Economist Intelligence Unit report: *Closing the Gap: The link between project management excellence and long-term success*, October 2009

# The Exec's Role in Project Management

- Executive support needed for project management practices to be successful
- Executive = Project Sponsor
  - Mentor, catalyst, motivator, barrier remover, boundary manager
- Executive involved in…
  - Evaluating the project to ensure continued viability
  - Providing resources to ensure project success
  - Ensuring alignment of projects to strategy and achieving vision

# A Goal of a Project Management Strategy

▸ The right projects – *at the right time* – to...

  ▸ Improve competition

  ▸ Meet customer needs

  ▸ Increase profitability

  ▸ Reduce expenses

  ▸ Meet strategic goals

  ▸ Stay focused on the right path

  ▸ Enable for innovation

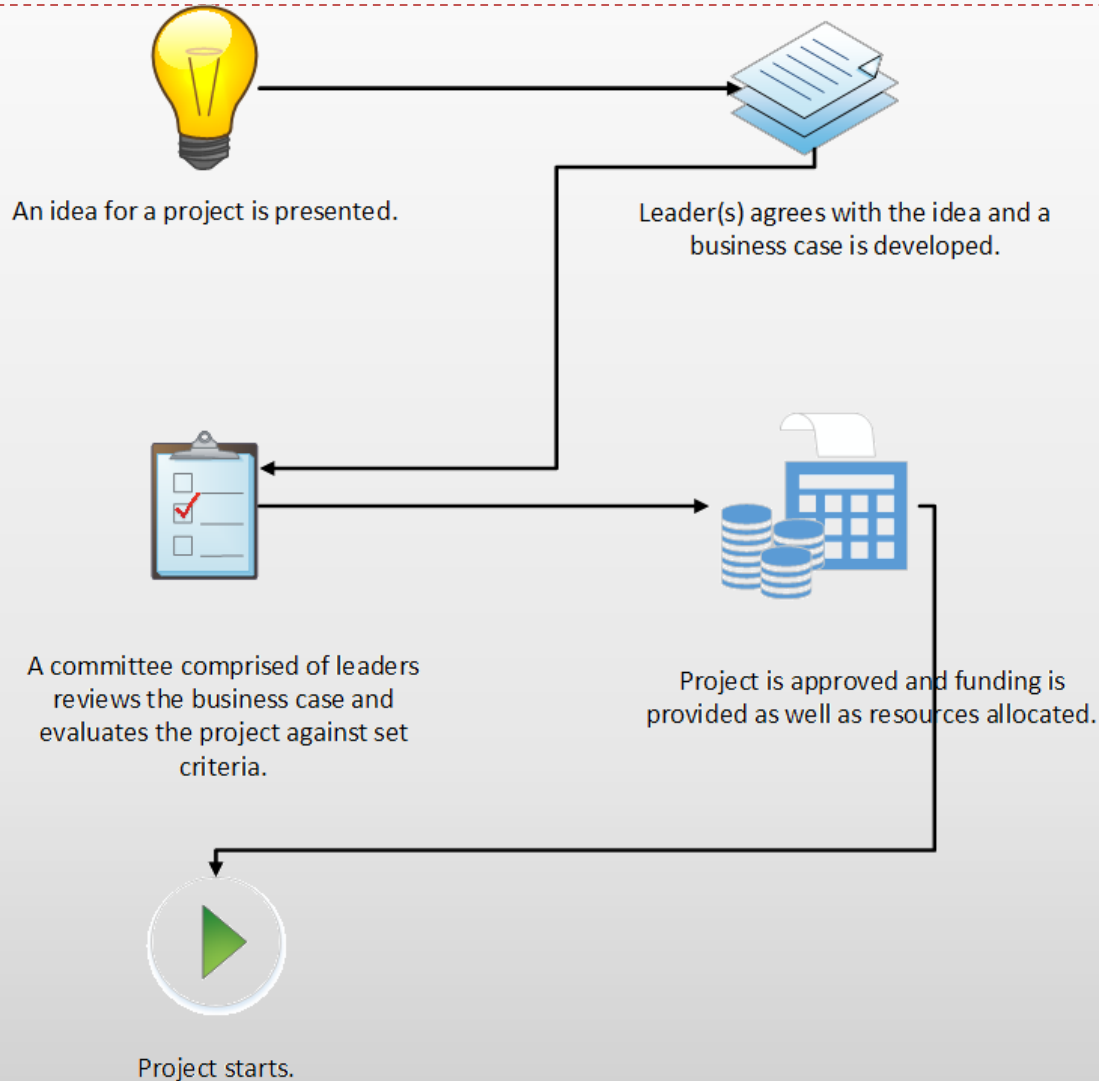You need a plan in place to select the right projects at the right time and coordination among the leadership team.

# Project Management Best Practices include…

- ▸ Standardized processes, tools, templates, software
- ▸ Competency development
- ▸ Resource planning and allocation
- ▸ Collaboration space/knowledge base
- ▸ PMO or Center of Excellence

# Project Governance

- Management approach to support and manage project selection and delivery

- Provides a decision making framework to ensure investment in right projects

- Larger organizations – may have a formalized structure (Project Governance Council)

- Smaller organization – a business case may suffice

- Business case
- Process to retain alignment
- Method of regular communications
- Appointment of PM to lead day-to-day
- Roles & responsibilities/ accountability

- Progress reporting standards
- Issue escalation and resolution process
- Risk identification and management process
- Review of all project deliverables to ensure alignment to scope

# Getting a project approved..



An idea for a project is presented.

Leader(s) agrees with the idea and a business case is developed.

A committee comprised of leaders reviews the business case and evaluates the project against set criteria.

Project is approved and funding is provided as well as resources allocated.

Project starts.

# Select and Prioritize Projects

- Ensures alignment of projects to organizational strategy
- Ensures alignment with customers and stakeholders needs and expectations
- Use a variety of criteria to select and prioritize
- Watch for "red flags"

# Project Selection Processes

▸ Should address…

  ▸ A ranking of value and benefits of the project

  ▸ An appraisal of risk in achieving those benefits

  ▸ An inventory of resource availability

  ▸ An idea of the optimum size of the project pipeline for effective utilization of resources, limited budget monies and project success expectations

# Smaller Organizations…

▶ …might select and prioritize by asking questions

- ▶ Is the project aligned to our strategy?
- ▶ What else is going on that will impact our ability to be successful?
- ▶ Will it add benefit to our portfolio of products and services to clients?
- ▶ Is it of interest to our clients?
- ▶ Is funding necessary and available?
- ▶ Does it leverage our core competencies?

# Weight Criteria

▸ **Use weights to evaluate criteria**
   ▸ Some criteria more important than others so carry a heavier weight...for example

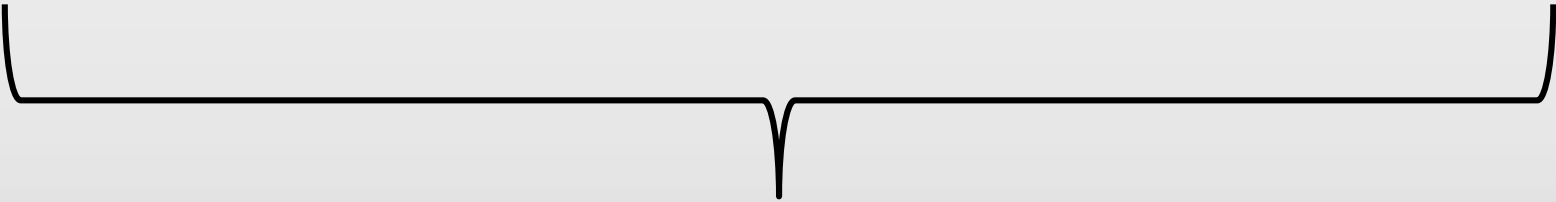| Criterion | Importance Weight |
|---|:---:|
| Time to market | 3 |
| Potential ROI | 3 |
| Risk of the new opportunity | 1 |
| Solution lifecycle (durability) and future market potential | 2 |
| Cost associated with project | 2 |

*3 = High; 2 = Medium; 1 = Low*

| Project | Criterion | (A) Importance Weight | (B) Score | (A x B) Weighted Score |
|---|---|---|---|---|
| Project A | Time to Market | 3 | 2 | 6 |
| | Potential ROI | 3 | 3 | 9 |
| | Risk | 1 | 2 | 2 |
| | Solution Lifecycle | 2 | 3 | 6 |
| | Cost | 2 | 3 | 6 |
| | | | TOTAL | 29 |
| Project B | Time to Market | 3 | 1 | 3 |
| | Potential ROI | 3 | 2 | 6 |
| | Risk | 1 | 2 | 2 |
| | Solution Lifecycle | 2 | 3 | 6 |
| | Cost | 2 | 2 | 4 |
| | | | TOTAL | 21 |

| High Value<br>High Risk<br><br>Postpone and shift right | High Value<br>Low Risk<br><br>Good to go |
|---|---|
| Low Value<br>High Risk<br><br>Rethink project | Low Value<br>Low Risk<br><br>Retarget and shift up |

▸ What documentation is essential?

- ▸ Charter & Scope
- ▸ Risk management plan
- ▸ Communication management plan
- ▸ Change request and change log
- ▸ Status report
- ▸ Lessons learned checklist

Need to determine what documentation works best for the organization based on a variety of factors. Keep it simple!

# Resource Planning

‣ Broader than just people

- ‣ Equipment, tools, technology

‣ Consider..

- ‣ What are the required resources?
- ‣ When will they be needed?
- ‣ Secure resources and assign to specific tasks

## Project Kick Off

▸ 1$^{st}$ meeting

▸ Increased collaboration

▸ Understanding of project

▸ Define roles and responsibilities

▸ Ensure common processes

## Lessons Learned

▸ Last meeting

▸ What went well?

▸ Where do we need to improve?

▸ Enables for improved in how projects are done

# Check in on Status

- Look for the following from the team:
  - Weekly updates
  - Overall schedule status
  - Overall budget status
  - Overall scope status
  - Issues or challenges??

# Making Decisions

▸ Have a process so you get what you need from the team to make a decision

- ▸ Key points of the problem
- ▸ Various options to address
- ▸ Team's preferred option
- ▸ Cost of the preferred options and other impacts
- ▸ When a decision is needed

# Keep Tabs on your Projects

▸ Watch out for…

   ▸ Schedule slippage

   ▸ Tasks or activities over budget

   ▸ Project team can't solve minor issues

   ▸ Changes not well managed

   ▸ Excessive rework and poor quality

# Lessons Learned and Continuous Improvement

- Executives should be involved!
- As simple as…
  - What went well?
  - What improvements are needed?
  - What else should be shared?
- And…how will you measure the effectiveness of project management overall?

# How will you communicate for buy-in/support?

▸ Multiple channels

▸ Focus on value to organization *and* to individuals

▸ It's a change!

# Questions?

## What are your questions?

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