

executive
guide
to project
management

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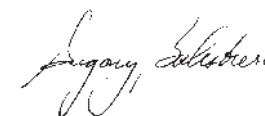
no more excuses.

In a rapidly changing marketplace, executives must employ everything realistically at their disposal to achieve business results. Your customers depend on your ability to deliver, your shareholders expect to see the benefits of their investments, and your employees count on your leadership abilities. Feeling the pressure yet?

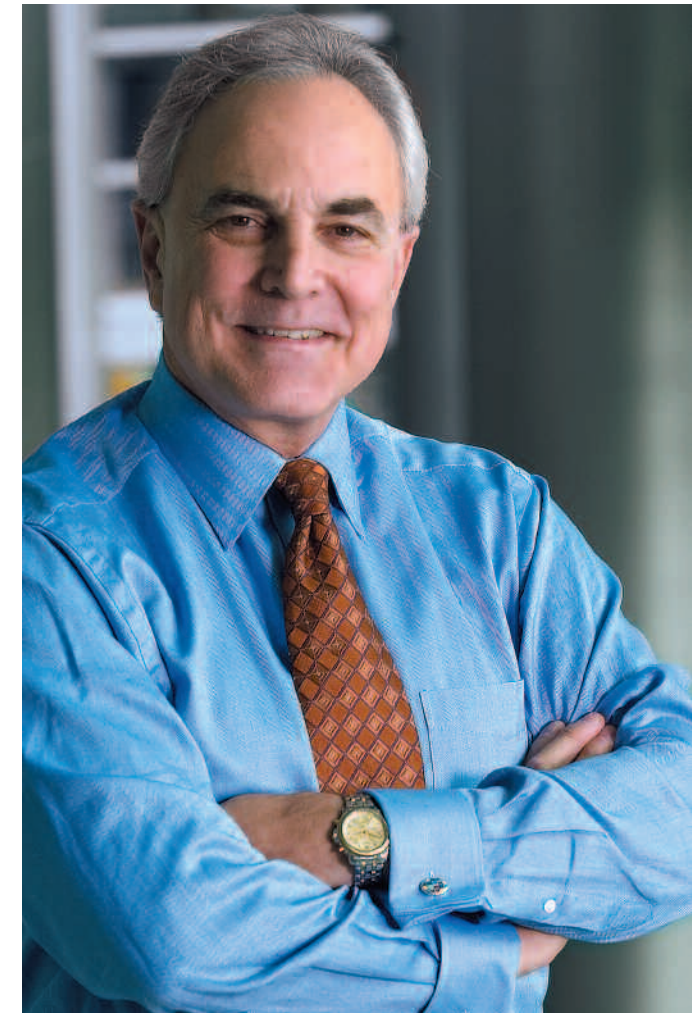
Enter the power of effective project management ... many leading companies consider it their best kept “secret” to success, but not because the practices are exclusive or difficult to grasp. Their competitors simply and inaccurately portray project management as low-level tools instead of the consistent, necessary best practices vital to increased success rates at all levels. They don’t get what’s in it for them as executives, and as a result, they never will be able to compete with the *Forbes* 2000 firms that do invest in high-level training, process consistency and strategy. Unless an organization can consistently deliver predictable results, time after time, it stands to lose a great deal more than money. Excellence in project management can guarantee the desired results.

Perhaps you are looking for proof of project management’s worth or know someone else who needs more clarity about how it works. This guide contains—in the business terms you appreciate and understand—an outline of the project management process, the full benefits and key considerations involved in its implementation, and your role in making it happen at your company. This guide helps to give you the tactical and strategic advantages you need to advance in the eyes of your customers, shareholders and employees. There really are no more excuses.

Cordially,



Gregory Balestrero
Chief Executive Officer, Project Management Institute



“Unless an organization can consistently deliver predictable results, time after time, it stands to lose a great deal more than money. Excellence in project management can guarantee the desired results.”

PHOTO BY MICHAEL JUSTICE

03: Letter from the CEO	90: Recommended Reading
06: Contributors	92: For More Information
76: The View	94: Checklist of Champions

features:

- 08 **Project What?**
Today's executives are beginning to understand how project management can convert business strategy into business results. by Jill Colford
- 18 **The Seven Deadly Myths of Project Management**
Failing to reassess your strategic decision-making could be the biggest sin of your business career. by Samuel Greengard
- 28 **Well-oiled Machine**
To achieve better business results, you'd better be ready to perform some enterprise maintenance. by Ross Foti
- 30 **Success and the Sponsor**
Effective executive sponsors can mean the difference between profit and loss. by Virginia Fairweather
- 38 **Breaking the Code**
Even as a title, *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)* is a mouthful. While it may not be an executive page-turner, this project management resource holds the key to enterprise success. by Jeffrey Bouley
- 48 **Around the World in 8 Enterprises**
Looking for proof that project management contributes to enterprise success? It's apparent from Amman to Neckarsulm and everywhere in between. by Peter Fretty
- 62 **Windfall**
Faced with electricity shortages, New Zealand turns to mother nature for help. by Kelley Hunsberger
- 68 **Frequently Asked Questions**
If you're wondering how project management can change your bottom line, these answers will fuel your entrée into the business stratosphere. by Lorna Pappas
- 80 **The Same Language**
To the uninitiated, project management terminology can sound like double speak. However, with an understanding of a few critical terms, executives can control costs and improve enterprise success. by Sarah Fister Gale

executive speak:

- 16 **Kiron Chatterjee**: CEO/BPI Asia Ltd.
- 26 **Antonio Ahn**: President/Samsung Electronics Lainoamérica
- 36 **Shashi Bhargara**: Vice President of Delivery Mumbai Development Center/Ness Technologies
- 46 **Peter Heintel**: Global Application Industry Executive, Manufacturing/EDS
- 60 **Jorge Espinosa Vargas**: Manager, Project Office and Product Technical Information/Volkswagen de México
- 66 **Thomas O'Neill**: CEO/Parsons Brinckerhoff Ltd.
- 74 **James A. Rispoli**: U.S. Assistant Secretary for Environmental Management
- 88 **Wilhelm Syring**: Director of Delivery Excellence/IBM Germany

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Today's executives are beginning to understand how project management affects the bottom line.

PROJECT WHAT

by Jill Colford illustration by Christian Northeast



PLAN, MANAGE, LEAD.

In its simplest form, that's what project management is.

If that doesn't peak your interest, think profit, ROI, quality. Again, quite plainly, that's what project managers deliver.

Because delivering projects on time and on budget is crucial to any successful business, project management has quickly made its way onto the radar screen of senior executives. In a recent *ComputerWorld* study, CIOs were asked to name their number one challenge in 2006. Was it the always-prevalent budget constraints or regulatory requirements in this Sarbanes-Oxley age? No, their answer was project management. Even the best ideas are just words on paper without well-constructed and well-managed plans to turn them into reality.

Once thought of as middle management concerns, projects have grown in complexity and now encompass enterprise-wide, million-dollar projects that cut across global and virtual teams. It's a no-brainer for senior management to jump on the project management bandwagon. "For CEOs, project management is a proven way to accomplish their strategies and is a low-risk means to an end," says Mike O'Brochta, senior project manager at the U.S. Central Intelligence Agency (CIA).

What You Need to Know

So just what is project management and what do project managers actually do? In essence, project management is a set of principles, techniques and practices applied to a range of activities to meet the requirements of a specific effort. Projects, unlike repetitive or ongoing operations, have a clear beginning and end. While your business often may produce similar deliverables, allowing you to leverage past hard-won lessons, each effort is unique, with its own leadership challenges.

Project management certainly is not the business world's flavor of the month. It has been around forever. Just look at the Pyramids, the Eiffel Tower, the first moon walk—even the World Cup—and you'll see the work of project managers. Although it's one of the oldest professions, project management wasn't recognized formally until the last 40 years. Not coincidentally, the spotlight on global business results also got exceedingly bright within the same timeframe.

"The bottom line is that project management is about converting business strategy into business results," says Judy Balaban, PMP, director, Project Management Office, at Dow Jones & Co., Princeton, N.J., USA. "It provides a standardized process that can offer repeatable results and can streamline your company."

Previously, employees often became accidental project managers because of their positions and responsibilities. But now, an increasing number of

workers are seeking out project management positions and receiving specific education and training.

This is good news for executives—certifications, such as the Project Management Professional (PMP®) following a practitioner's name verify that a leader has the knowledge and skills needed to get the job done right. "You wouldn't hand over your books to someone not formally trained in accounting," Ms. Balaban explains. "So why would you want someone who is not trained formally in project management to handle your strategic initiatives?"

Project managers in the past mostly have been described as the ones who organize, plan and monitor a project. But today's project managers have larger responsibilities, are leading global and virtual teams and need a larger set of skills. Now more than ever, project managers have formal leadership training. With that knowledge comes raised expectations that their knowledge, techniques and skills will be taken seriously.

Projects need to be aligned with corporate goals, because they affect the entire organization and its stakeholders.

"Project managers need to become mini-CEOs these days," says Jerry Manas, president of The Marengo Group LLC, a project management consulting firm specializing in project management office startups, and author of *Napoleon on Project Management: Timeless Lessons in Planning, Execution, and Leadership* [Nelson Business, 2006]. "The skill sets are changing. As opposed to just somebody to lead an effort and create a project schedule, project managers really need to be savvy with stakeholder management, assist with the business case development, speak the language of business, and understand the business implications of their projects."

Today's complicated, expensive projects are no longer stand-alone efforts. Projects need to be aligned with corporate goals, because they affect the entire organization and its stakeholders, says Paul Dinsmore, president of Dinsmore Associates in Brazil. He contends that a project is truly successful only if it delivers the benefits the organization envisioned at the beginning and only if the stakeholders are pleased with the outcome.

This larger-picture view has become increasingly important as CEOs come to understand the benefits of efficient project management. Once thought of as a tactical concept and not a strategic one, project management now is being discussed in the executive suite and the boardroom.

It has been around forever. Just look at the Pyramids, the Eiffel Tower, the first moon walk—even the World Cup—and you'll see the work of project managers.

Why It's Critical

Although project management long has been a key issue in industries such as IT, aerospace and construction, it now has moved into every major industry. That's because the benefits that can be reaped—and the pitfalls if you ignore it—are substantial.

1 Doing more with less: A company simply expends more resources and staff time than would be needed without project management processes. “Projects will more likely reach success if they're done in an organized, planned way,” Mr. Manas says. “A lot of companies without project management methodologies spin their wheels and keep spinning their wheels and nothing ever gets done.”

Using the standardized processes of project management translates into projects that are on budget, on time and repeatable, all of which translate into a positive effect on the bottom line.

2 Faster to market: As any businessperson knows, saving time translates into cost savings. “Because there is a formalized process, it can be understood across the entire organization. You're speaking the same language, so you're not spending a lot of time deciphering. We all say the same things and work the same way,” Ms. Balaban says. “You're utilizing your resources more efficiently, so it's streamlined and you have cost-savings.”

Because timing is critical for any product launch, poor project management can translate into a loss of market share to competitors and sales growth opportunity, Mr. Dinsmore says.

3 Starting with best practices: Some senior managers would argue that companies can't succeed without efficient project management. “If you don't adopt project management principles, your chances of success are greatly reduced,” says Mr. O'Brochta, who as director of project management training and certification programs at the CIA trains more than 2,000 project managers each year. “And if you do succeed, it comes at a greater cost. You might achieve your goals, but your people are burned out. And if your success is due to heroes, the results are less repeatable.”

Not only is time lost relearning how to do projects your company may have done in the past, it is not building an organized record of how results—both positive and negative—were achieved so that future project managers benefit.

4 Competitive advantage: An adeptly performed project—one that exceeds customer demands—has a lasting effect on a company's reputation and credibility in the marketplace. As any executive knows, word of mouth can make a bigger difference with potential clients than any marketing campaign. And, just as surely, poor project management can negatively influence a company's relationship with its customers.

In addition, employees whose projects are well-supported through established processes, a formal career path and executive support have a real sense of accomplishment and community. It promotes loyalty and focuses a team to achieve better results—teams feel they are in a project together and they're going to deliver together.

Getting Up to Speed

So, now that you know what your company stands to gain from project management, how can you begin to transition your culture? Project managers don't expect their CEOs and other senior managers to know all the ins and outs of project management. However, they do expect executives to hear their concerns and consider their advice.

The easiest way for CEOs to get up to speed on how to support project management and the impact it has on their company is to set up a project management council. “This group would include a small number of volunteers from within an organization who are passionate about raising the project management bar,” Mr. O'Brochta says. “It's important for executives to hear this from their own people.”

Such a group will readily generate a list of actions that the executive can take to increase the probability of project success. “A project management council is a silver bullet to bridge the gap between executives and project managers to achieve project successes,” Mr. O'Brochta explains.

Ms. Balaban also advises working with experts in project management to tailor executive training sessions—or “crash courses”—to help you and your management team quickly gain an understanding of project management competencies, strengths and weaknesses and how the profession specifically relates to your company.

Project managers don't expect—or actually want—interference into the detailed work they are doing, but they are motivated when senior management takes an interest. In addition, they will readily report how their efforts are progressing, their resource needs and other specifics to help you make the right decisions for the enterprise. Take the time to tell your staff how their projects contribute to organizational growth and align with the overall strategy, and you'll get even better reporting and results.

Mr. O'Brochta believes that project managers mostly want their executives to “behave like executives and ask the right questions.” That's why he

Small, Big, Bigger, Biggest

Subproject: A smaller portion of an overall project.

Project: A temporary endeavor undertaken to create a unique product, service or result.

Program: A group of related projects managed in a coordinated way. Programs usually include an element of ongoing work.

Strategy: The use of portfolio management processes to select and support project or program investments.

Source: A Guide to the Project Management Body of Knowledge (PMBOK® Guide).



A project management council is a silver bullet to bridge the gap between executives and project managers to achieve project successes.

Certifiable Success

Not Ph.D. or MBA, what are those letters that appear after a project management practitioner's name and what do they mean?

The Project Management Institute currently has two globally recognized credentials:

CAPM: The Certified Associate in Project Management (CAPM®) is designed for project team members and entry-level project managers, qualified undergraduate and graduate students who have an understanding of project management but don't plan on making it their career. The credential means that an employee has 1,500 hours of work on a project team or 23 hours of formal project education. To executives, a CAPM shows that functional team members will all be on the same page when it comes to processes and terminology—there's less of a project management learning curve.

PMP: The Project Management Professional (PMP®) designation tells employers that a leader has demonstrated a solid foundation of project knowledge and adheres to a code of professional conduct. The credential means that a practitioner has accumulated at least 35 hours of project management education, 7,500 hours in a position of responsibility leading and directing specific tasks and 60 months of project management experience. What's more, having a staff of PMP holders tells your customers that you're serious about achieving results.



has developed a “cheat sheet” that executives can use when meeting with their project managers, which includes the following questions:

- * What can I do to help?
- * What are the requirements?
- * What is the plan?
- * What is the status compared to the plan?
- * What are the top risk areas and mitigation strategies?
- * How do the stakeholders feel?
- * What is the basis?
- * How do you know?

This list of expected questions “helps minimize traditional distractions to get into the project details, to solve the project issues, or to do the project manager’s job for them,” Mr. O’Brochta says.

Putting People First

So exactly what are project managers looking for from executives? They expect to be given clear objectives, the responsibility to implement a documented project plan, enough time to achieve their objectives, be isolated from other pressures, and be held accountable for the project’s success or failure.

In a nutshell, they expect their executives to support and act. “A fundamental truth is that project success depends not only on the actions of the project manager, but also on the executive,” Mr. O’Brochta says.

Project management might seem daunting for CEOs, but with a focus on the vision and leadership aspects of it—which is an executive’s bread and butter—it’s more accessible. “Project management should be called ‘people management’ because that’s really what it is. It’s understanding people and leading them to achieve objectives,” Mr. Manas says. “Taking all the science out of it, it’s really all about leadership.”

The business world is fast, flat and complex. The competition is fierce. To remain profitable, we must work faster, better and cheaper with more people, different partners, across more cultures and time zones. The only way to manage this complexity, deliver on time and remain profitable is to employ a trusted management technique. Project management makes us work faster, better, cheaper.

PHOTO COURTESY OF PMI



the seven deadly myths of project management

Failing to reassess
your strategic
decision-making
could be the
biggest sin of your
business career.

by Samuel
Greengard

Do you think with your gut or your head?

Unfortunately, many executives cling to untested and downright false assumptions when confronted with tough investment decisions.

The business world has grown exponentially more complex and challenging, but many CEOs continue to rely on many of the same approaches to planning and execution—whether they have proven value or not. Management myths that have been around for years continue to ensnarl otherwise bright business decision-makers. These myths, half-truths and misconceptions often seem logical enough. However, they usually lead to less than desirable results ... and sometimes total failure.

On the front lines of business, one reality hasn't changed: An experienced project manager transforms chaos into clarity, and a set of clearly defined business processes drives outstanding results.

The project manager is more important than the underlying framework.

There's no question that a great project manager is worth every penny he or she earns. A person with the right skills, knowledge and training can simplify interactions, streamline business processes and take project execution to a higher level. In fact, the belief that virtually anyone can do the job with a minimal level of training is a recipe for disaster.

Yet what often goes unrecognized is that the project manager is a facilitator and not the actual mechanism driving an initiative. "An effective project management framework produces results for an entire organization, whereas a really good project manager produces results only for the project he or she works on," says Michael J. Cunningham, CEO of Harvard Computing Group, a Devens, Mass., USA, software and consulting firm. He notes that many organizations have well-defined hiring processes, carefully managed manufacturing systems and highly targeted marketing methods, but when the topic turns to project management, they believe the fate of the project rests solely with the project manager.

That's simply not the case. Just as the world's best tour guide can't make an unappealing locale feel like paradise, a project manager can't produce eye-popping results using mediocre systems and sub-par business processes. In fact, Mr. Cunningham, also author of *Finish What You Start: 10 Surefire Ways to Deliver Your Projects on Time and on Budget* (Kaplan, 2006), argues that many of today's hot management strategies, including Six Sigma and Balance Scorecard, are more about establishing standards than applying a magic one-size-fits-all formula. "A project management framework is the railroad track that keeps the locomotive moving in the right direction," he says.

At German electronics and electrical engineering giant Siemens AG, 12 different criteria lie at the heart of effective project management. These include recommendations for human resources management, quality

management, knowledge management, project procurement and the special needs of small projects. "Each topic is handled by a special task force that provides support to ensure that it is implemented systematically," says Edward Krubasik, a member of Siemens AG's corporate executive committee.

Siemens also uses a project controlling system to track more than 2,000 projects and oversee financial data, cash flow, front-end slippage, quality data, customer satisfaction, employee motivation, and deadline and progress controls. It also relies on quality gates, expert roundtables and ongoing project assessments.

The Reality: Before assigning blame for multiple missteps, recognize that the fault may rest in an outdated or misaligned process.

Computers and information technology have revolutionized project management. They've simplified the process of tracking milestones, deliverables and an array of other factors, including regulatory requirements. Unfortunately, some organizations become so reliant on technology that they lose sight of a basic issue: Humans must make business decisions that combine experience, knowledge and intuition.

A few years ago, business managers typically received rotational assignments and learned about different aspects of project management, including estimating, budgeting, scheduling, and project design and engineering. By the time these individuals had graduated to full-fledged project manager status, "they had sufficient experience to be able to look at the output of a software program and render an independent decision on whether the information makes sense," says James G. Zack, PMP, executive director of corporate claims management at Fluor Corp., Aliso Viejo, Calif., USA.

Today, this often isn't the case. Organizations may find themselves in deep trouble before an inexperienced project manager recognizes that the data doesn't add up and corrective action is necessary. The answer? Ongoing mentoring, education and training, including conferences, professional associations, certifications, classroom instruction and in-house sessions. "Virtually all great project managers are made rather than born," says Joel Koppelman, co-author of *Earned Value Project Management* [Project Management Institute, 2002] and CEO of software firm Primavera Systems, Bala Cynwyd, Pa., USA. "They receive the necessary training and gain valuable experience over years."

The Reality: An investment in your staff often goes farther than an investment in technology.

Today, flexibility and agility are essential to success. The ability to adapt and make project modifications often determines whether an organization thrives or flounders. Yet too little structure may lead to disaster. Frank R. Parth, PMP, president of Project Auditors LLC, a Rancho Santa Margarita,

Computers and software can replace skills, knowledge and experience.

A good project manager can make changes on the fly and adjust and adapt to enterprise needs.

The widespread use of metrics and measurements will guarantee success.

Calif., USA, training, project audit and project service firm, says that many organizations take staffing issues too lightly.

Some executives believe that it's all right to pull team members off a project if they're needed somewhere else. "This is extremely frustrating for the project manager ... and team members who feel they've wasted weeks of work," he says.

Executives also unwittingly undermine projects by reassigning team members without speaking with the project manager or informing leadership of the change. In some cases, a project manager may not be aware of the reassignment until a deliverable is late. Mr. Parth believes that project managers should select team members and handle other personnel issues without corporate interference. How an organization approaches these decisions frequently accounts for substantial "differences in productivity," he explains.

The Reality: Before pulling staff off a successful project to help a struggling team, realize the implications the reassignment will have on both teams.

In today's number-crunching world, more than a few organizations focus on performance indicators with laser-like precision. One problem with this approach is that a group of metrics may not provide a true measure of quality, says Björn Bergqvist, vice president of professional services at NFS, a global treasury consultancy. He is located in Gothenburg, Sweden. Without the right metrics, the numbers often are misleading or useless. In addition, unless an organization can translate the numbers into identifiable action, employees may perceive that the measurement system is only a punitive device.

A broad set of metrics—focused on costs, project milestones and project deliverables—is essential. However, unless an organization rewards group success and avoids the blame game, individuals have an incentive to hide bad news. Metrics are a snapshot of the past, while a savvy employee offers a glimpse into the present or future. "When people become scared or when a kill-the-messenger approach exists, people stop reporting problems," argues John Gregory, PMP, director of the project management office at Budco, a Highland Park, Mich., USA, marketing services firm.

The most successful organizations balance metrics and human insight. Executives steer away from a punitive culture and even reward managers and teams that identify problems before they blow up. They train them to recognize potential landmines and oversee a project more effectively. They also rely on software and systems that provide a high level of transparency across the organization. "When project teams have a combination of tools and skills, there are fewer surprises," Mr. Cunningham explains.

The Reality: Metrics rarely tell the whole story. If you want the real reason behind a success or failure, ask staff about problem-solving efforts and how that knowledge can be used to improve metrics on the next project.

A major selling point for information technology is that it can help an organization standardize business processes. Factor in dozens of offices or manufacturing plants in far-flung locales, and the potential gains are enormous. Similarly, a single project management framework makes it easier to deploy tools and processes and ensure a high level of consistency and uniformity.

The problem is: What works in one country may wreak havoc in another. "Cultural issues can have a profound effect on a global project," says Seth Hishmeh, chief operating officer at USAS Technologies, a New York, N.Y., USA-based professional services and technology consulting firm with offices in India and China. "How people deal with a problem or manage a particular process can vary greatly from one country to another."

For example, in many countries and cultures it's unacceptable to speak up or question a superior. In the United States, employees usually are eager to offer input. When disparate cultures collide, "innovation and expertise must be modified appropriately," says BonnieJean Butler, program manager at Collaborative Consulting, Tyngsboro, Mass., USA. Other problems include miscommunication and misunderstandings.

Mr. Hishmeh says that a good way to break through the cultural barrier is to seek input on the front end of a project rather than simply rolling out mandates from headquarters. It's also wise to avoid micromanaging teams in other locales. And while many individuals speak English, it's essential to make sure that work teams truly understand the purpose and business context of an initiative. Last, an organization must create an environment based on trust—where people aren't afraid to speak up and aren't fearful of retribution.

The Reality: There's no such thing as one-size-fits-all when it comes to the global stage. Account for culture and business environment when adapting your processes in global offices.

The sobering reality is that it's almost impossible to catch up once a project falls behind schedule. Yet staying on a timeline is one of the trickiest and most confounding aspects of project management. "Project stakeholders often have multiple responsibilities and limited time to dedicate to project implementations. There is often pressure to skimp on the project initiation and planning phases and begins the implementation phase," says Rebecca Lucas, client transition manager at Pricoa Relocation Hong Kong Ltd., a division of Prudential Financial Inc., Hong Kong. As a result, "the project plan will often fall behind schedule, and worse, the scope of the project will often wander outside the original charter for the project."

Making matters worse, most executives believe that there's simply no way to anticipate the mélange of issues and problems that typically pop up. That's not true, says Tom Hallett, director, project management at McGraw-Hill Co., Jersey City, N.J., USA. The vast majority of problems

A single project management framework will succeed globally.

Major problems and delays don't become apparent until the project has entered the execution phase.

Adding more
people will
get things
done faster.

emerge within the first 30 days—and their origins usually date back to the planning process. “There’s often a lack of scope, inadequate buy-in, poor communication and unrealistic ideas about time and resources,” Mr. Hallett says. The problem is exacerbated by employees assigned to handle tasks in addition to their regular duties. They wind up overwhelmed and perform all their responsibilities less effectively.

It’s vital to understand which skills the organization needs and make sure that project managers and others have the knowledge and tools to execute the project plan. There’s no substitute for sponsorship, leadership, due diligence and sound analysis, Mr. Hallett says. “In some cases, thorough up-front analysis and planning will indicate that a project doesn’t make sense or the organization needs to handle it in a completely different way. A strong project plan will identify problem spots before they occur.”

The Reality: Begin with the end in mind—including the possibility of delays, cost overruns and quality shortfalls. Risk management is one of the greatest benefits of a strong project management-centered culture.

It’s always tempting to believe that more brawn and brainpower will get a project completed faster. Unfortunately, project management isn’t about throwing maximum resources at a problem and witnessing a transformation. “Project management is like a pond. It is impossible to add new fish without upsetting the balance of the ecosystem and causing unexpected reactions,” Mr. Bergqvist says.

This problem becomes particularly severe when an organization finds itself falling behind schedule and scrambling to get back on track. Yet simply adding bodies may lead to the proverbial “too many cooks in the kitchen” scenario. Even experienced project managers and teams can crash as they run into resistance and legacy thinking.

As a better approach, thoroughly map out the organizational structure and understand what tasks each layer of the organization needs to accomplish to achieve project success. This also helps avoid imbalances in workload and ensures that tasks reflect the abilities, time and resources of a particular group. “A project is not an isolated organism. It requires feedback internally as well as from customers and suppliers,” Mr. Bergqvist notes.

No less important is the sharing of data, information and knowledge. Too often, tools and expertise already exist within an enterprise but those involved in a project don’t know about them or encounter roadblocks from others looking to protect their turf. A well-designed portal or knowledge management system will slice through the inefficiency and help managers and others glean best practices firsthand.

The Reality: The best way to help a project back on course is to determine what’s at the root of the delay. It’s better to throw more thought at a problem than more hands.

executive speak: Antonio Ahn, President,
Samsung Electronics Latinoamérica, (Zona Libre),
Panama City, Republic of Panama

Samsung's presence in Latin America continues to rapidly grow. As a company, we are continuously evolving to ensure that we are meeting the needs and expectations of our customers. **Project management has enabled our organization's ongoing transformation**, keeping projects on schedule and budget. Samsung looks to project management to continue to be a key driver of our business success.

PHOTO COURTESY OF PMI

Well-oiled Machine

To achieve better business results, you’d better be ready to perform some enterprise maintenance. [by Ross Foti](#)

It’s time to grease the wheels.

In business terms, “maturity” describes how close your processes are to best practices based on your unique circumstances and industry competitors. By looking at your overall effectiveness, ability to accurately measure your processes and aptitude for continuous improvement, you ensure your company will drive toward better results.

In government agencies, much like the larger business world, the competitive landscape for IT services requires continuous improvement, according to Francis P. Florio, PMP, IT project coordinator for Pinellas County, Fla., USA.

The county’s IT organization was intensely aware that if it didn’t perform to expectations, its duties could be outsourced. “Outsourcing and small in-house IT organizations were beginning to appear within county agencies,” Mr. Florio says. “This erosion of confidence and shrinking workload had to be addressed aggressively.”

Based on this reality, the IT organization began working toward improvement in early 2004 using PMI’s *Organizational Project Management Maturity Model (OPM3®)*. With a focus on continuous improvement, the group sought to strengthen the link between strategy and execution. “Continuous improvement no longer would be just something desired,” Mr. Florio says. “It became an individual and organizational responsibility.”

But how do you strengthen the link between strategy and execution? “Through a systematic management of projects, programs and portfolios to deliver strategic business initiatives in a consistent, reliable and predictable way,” Mr. Florio says. “And that is organizational success.”

Map to Maturity

There are a variety of roadmaps out there, from Capability Maturity Model Integration (CMMI®), which comes from the software industry, to International Standards Organization (ISO) processes, which take a manufacturing-centric bent. As one of the few completely focused on project management processes’ impact on company-wide health, PMI’s *Organizational Project Management Maturity Model (OPM3®)* guides a company through continuous, repeatable improvement at the enterprise level.

OPM3 creates a framework for companies to align strategy with projects. The model provides:

- ★ Knowledge about organizational project management, maturity and what constitutes best practices in organizational project management
- ★ Assessment tools to explore a company’s current state of maturity
- ★ Improvement assistance to help organizations identify a path for and embark upon improvement.

For more information, visit <http://opm3online.pmi.org> or e-mail: opm3info@pmi.org.

In addition, PMI’s OPM3® ProductSuite offers certifications, tools and services that expand the capabilities of OPM3 so organizations can achieve even greater progress. To find out more about OPM3 ProductSuite, head to www.opm3productsuite.com.

5: Repeat the Process

“Other assessments followed, beginning with the project management office and a subset of the IT department and management team. Another assessment included broad-based IT and customer participation, including management and executives. The general process for assessments followed the OPM3 guidelines, but attention to detail became more focused. Planned improvements during the various iterations included standards, planning issues and measurements, among others.”

4: Implement Improvements

“The utilization of OPM3 will bring about organizational change. Buy-in and support from top management is extremely important. Prepare for change at all levels and on all fronts. Negotiate, educate and create buy-in through information exchange and clear statements of benefits that will accrue to individuals as well as the organization. Tie the success of individuals through their project efforts to organizational success.”

High Five

Through OPM3, Pinellas County’s IT organization has achieved five benefits:

1. Work is more predictable
2. Schedules are followed more closely
3. Issues are addressed more proactively
4. Project management processes are more consistent
5. Customers have greater confidence in delivery.

Since 2004, Pinellas County’s IT organization has completed several improvement cycles. This graphic of the OPM3 framework offers an overview of the process in Mr. Florio’s own words.

1: Prepare for Assessment

“The questions in the assessment can be intimidating and confusing to those who are not relatively familiar with *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)* and OPM3. Some pre-assessment education is really worth consideration, followed by some good old-fashioned hand-holding, even during the answering of questions. Other assistance like cue cards of helpful hints and [jargon-free] wording, without compromising integrity, meaning or content would be beneficial.”

2: Perform Assessment

“Preparation of the initial assessment was a knowledge-acquisition effort for my immediate superior and myself. Included was the familiarity with OPM3, its content, concepts, purposes and operation. A thorough, comprehensive review of our project, program and portfolio efforts followed.”

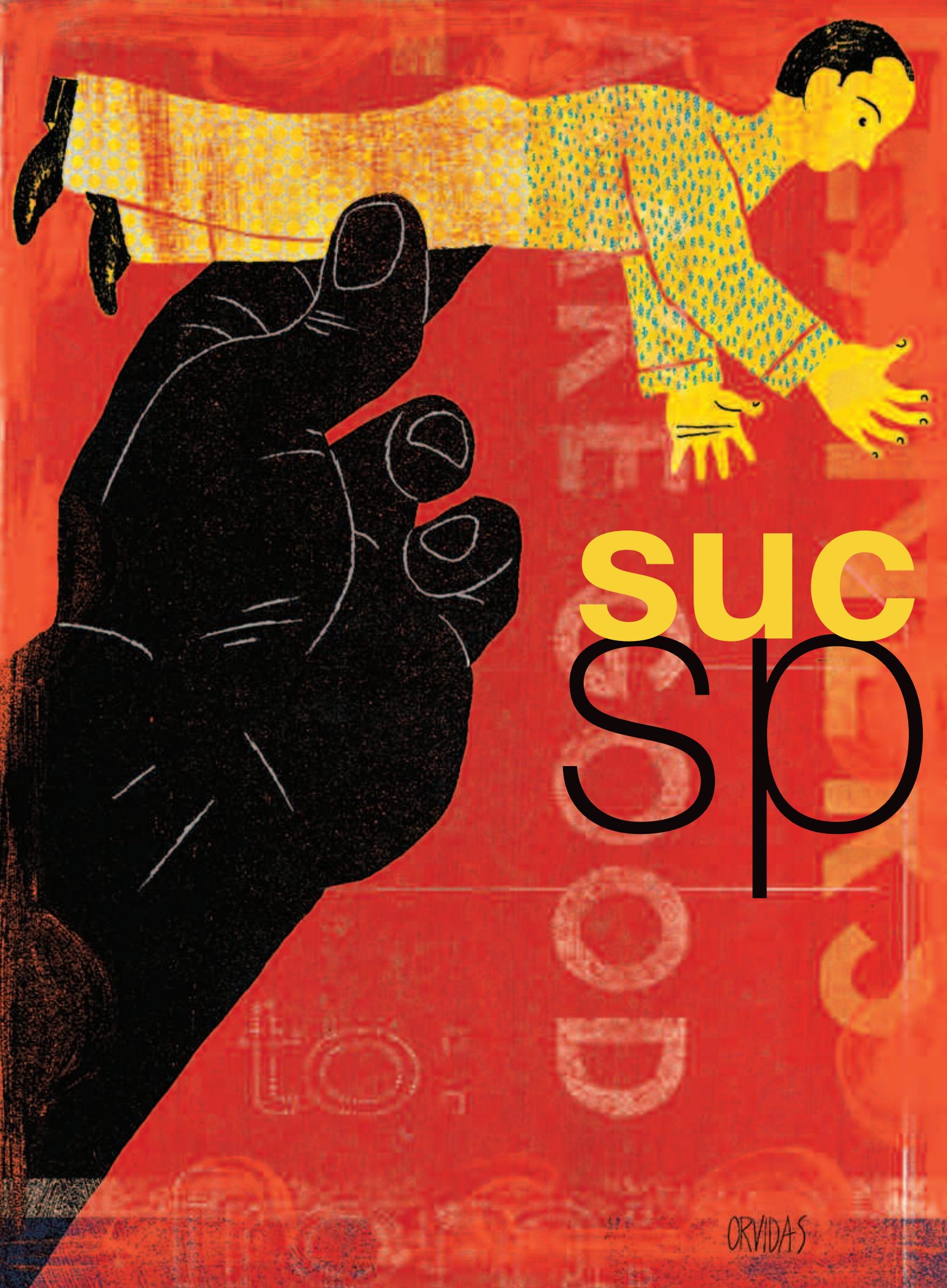
“At this point, individual assessments—by my immediate superior and myself—were executed. The results were reviewed as separate assessments for comparison purposes, including graphs for the OPM3 continuum, the project and program portfolio score.”

3: Plan for Improvements

“Next, a review of best practices was conducted—those that we had done and those that we had not. A review with the director and selected members of the management team verified areas of improvement to address first. There were far too many to entertain all at once.”

“Selecting the attainable most necessary improvement areas for our stage of maturity was necessary to demonstrate knowledge of the process, the success and effective utilization of the model, and the development of specific plans for improvement and implementation.”

“As far as specific plans for improvement, each enterprise or organization will be guided by its level of maturity, most glaring needs, business pressures, improvements required prior to other very necessary changes being addressed, and so forth.”



success
sponsor

and the success sponsor

Effective executive sponsors can mean the difference between profit and loss. by Virginia Fairweather

ILLUSTRATION © KEN ORVIDAS/THEISPOT.COM

ORVIDAS

With a project to analyze worldwide overhead outputs versus costs, Letraset International, London, U.K., saved £900,000 per year.

he next time you're mulling the benefits of enterprise project management, consider this: With a project to analyze worldwide overhead outputs versus costs, Letraset International, London, U.K., saved £900,000 (£4.9 million or US\$9 million today) per year. The truly amazing part is how quickly the company was able to reap rewards despite a unionized workforce and a culture highly resistant to change. The project took only six months for study, and nine to implement efficiencies in business operations, such as off-shoring and outsourcing—a success by any measure.

However, the project would have been considerably less successful without the leadership influence of an executive sponsor. Terence J. Cooke-Davies, Ph.D., a member of Letraset's executive board of the graphics division, set up a 20-person team and appointed the "brightest person in the company" to be project manager. Dr. Cooke-Davies had another secret weapon: a "personal passion" that enabled him to defend the project to his executive board peers and to convey his commitment and enthusiasm to the team.

Still foggy on what an executive sponsor is and does? Dr. Cooke-Davies, now executive chairman of Human Systems International, London, defines the role as "a member of the executive team tasked with responsibility for projects on behalf of the organization, whose primary job is governance, to see that the project meets the organization's goals and complies with its policies."

The concept of the executive sponsor probably has been around longer than the title, says Lynn Crawford, professor of project management at the ESC Lille Graduate School of Management in Lille, France, and CEO Asia-Pacific of Human Systems International. She makes the distinction between external and internal projects: Executive sponsors are responsible for internal efforts—restructuring the company, developing an innovative product or constructing a new capital asset—rather than an external job for a client.

Starring Role

Definitions aside, there are responsibilities and qualities that contribute to success. According to Shelley Gaddie, president of Project Corps, Seattle, Wash., USA, they include:

- * Accountability for delivering both project and post-project benefits to the owner
- * Regular reporting of tangible evidence of progress and the post-project benefits to a higher authority
- * Assurance that time (personal and organizational) and budget are available to the project team
- * Authority to investigate and resolve issues that arise during the project
- * Responsibility to identify and actively manage all project risks.

Successful executive sponsors must be politically connected throughout the organization and be willing and able to engage in regular dialogue with project team members and stakeholders, Ms. Gaddie says. They need to go beyond "management by report," and, to ensure they have a stake in delivery, they should benefit significantly from the value the project will provide. Finally, she says, sponsors must be willing to hand over sponsorship to someone else or even kill the project, if necessary.

Perhaps the No. 1 factor in how well an executive sponsor achieves change is how "active and visible" they are, according to Jeff Hiatt, president and CEO of Prosci, Loveland, Colo., USA. His assertion is based on Prosci's four studies of 950 change initiatives in 59 countries. "It's not enough to sign a memo and show up at a kick-off meeting," Mr. Hiatt says.

It's no coincidence that sponsors also are called champions. They must explain repeatedly and clearly to employees why the project is necessary and the risks involved if no change is made. By building a coalition of peers and managers while participating in the project, sponsors can help ensure support and quick decisions.

The executive sponsor who doesn't fit these expectations, however, is likely to fail as an effective leader of change. Unfortunately, Mr. Hiatt says, some top business executives prefer to delegate their sponsorship responsibilities or move on to other business priorities too soon.

Project Value

In the simplest terms, executive sponsors guarantee value, both at the project level and throughout the enterprise. Because a company's executive team usually is comprised of functional leaders, each area has projects and visions that align with the firm's strategic plans. Teams may fight over scarce resources, so the executive sponsor presents the rationale for resource allocation.

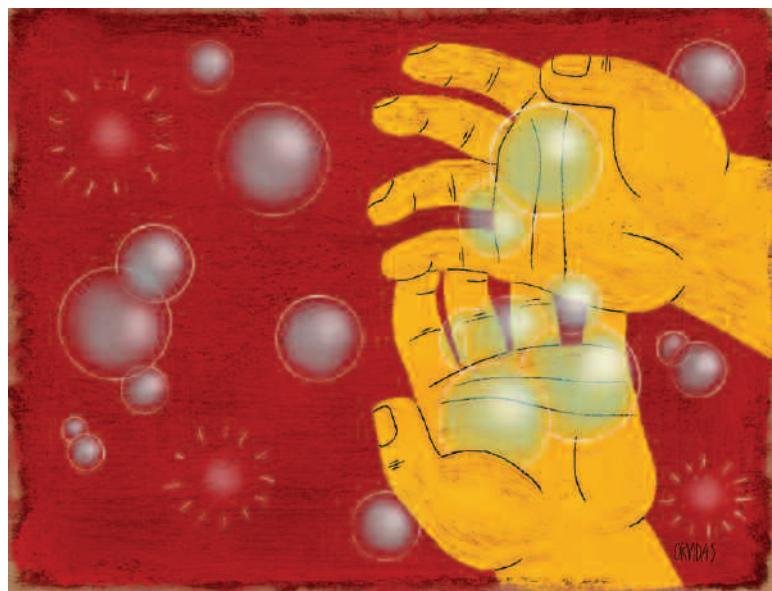
With value in mind, the sponsor's duties start with making the business case to the other executive team members. The rationale should provide the project justification in terms of return on investment as well as company policy and goals, according to Paul C. Dinsmore, PMP, president of Dinsmore Associates, Rio de Janeiro, Brazil.

The executive sponsor is the critical link between senior executives and project staff, ensuring that all "understand why the project is important and why scarce resources should be devoted to it," says Art Drake, director of

Executive Evolution

Paul C. Dinsmore, PMP, had his work cut out for him as executive sponsor for Engevix Engenharia, Rio de Janeiro, Brazil. The project was a rail line to link the world's largest iron ore mine in Carajás, Brazil, to the port city of São Luís, Brazil. The existing project manager was having conflicts with the owner, and political issues were impeding progress. In response, Mr. Dinsmore, president of Dinsmore Associates, Rio de Janeiro, Brazil, appointed a new technically proficient project manager—who unfortunately needed improvement on his people skills.

Mr. Dinsmore encouraged the new manager to spend 50 percent of his time over the following two months visiting with staff, chatting, building relationships and looking for snags in the project. The new project manager not only changed his behavior, but also found opportunities to extend the firm's contract, and the engineering firm's workers ballooned from 80 to 440.



Common Mistakes

Managing from behind a desk. Sponsors have to get out of their offices to underscore their commitment. Employees want to hear an executive from the upper reaches of the company say the project will provide benefits. Sponsors must convey how the project advances the company's goals and vision.

Assuming other executives support the project.

Selling the business case to peers at the executive level is not the end of the sponsor's role. The sponsor has to track the project progress and ensure that other executive team members provide necessary resources—people, time and money—for the life of the project.

Abdicating responsibility. The project manager and the team cannot champion the project without the executive sponsor's continued and visible support.

Neglecting the potential downside. Employees must understand the risk of not succeeding with the project and acquire a sense of urgency about the project's importance.

Micromanaging. Sponsors shouldn't interfere with the team's work unless it's necessary. Everyone needs to be clear on the project's value and informed of progress.

Passivity. An effective sponsor displays enthusiasm and belief in the project. The sponsor cannot assume a "trickle-down" effect; the message has to be repeated consistently.

Sources: ADKAR: A Model for Change in Business, Government and our Community [Prosci Learning Center Publications, 2006] and The Right Project at the Right Time, Paul C. Dinsmore and Terence J. Cooke-Davies, [Jossey Bass 2006].

PMO operations and strategic analysis for Group Health Inc., New York, N.Y., USA.

If the scope is unclear, problems loom. For instance, Cesar Palagi took preventive measures for a megaproject he sponsored for Petrobras, the Rio de Janeiro-based oil giant. First, he and the executive team looked at the company's strategic plan and initiated US\$2 billion oil field development projects in Campos Basis, offshore Brazil. He worked closely with his team members as they examined the fields, and proposed alternative designs, implementation and operations for each, weighing the

economics and risks. The process was clearly scoped with specific targets in writing.

The tight schedules for multiple sites posed potential problems. To keep the project on track, Mr. Palagi invited major suppliers of long-lead items to biannual meetings to devise recovery plans should anything in the supply chain fail. Before any contracts were signed, Petrobras and the suppliers agreed on actions, milestones and dates. Everything was summarized in a one-page document so it could be checked regularly and was clear to top-level executives at the suppliers and at Petrobras, where they were briefed in regular presentations. If a change order for more funds was required, the situation was clear, and swift action could be taken to prevent slippage.

This process was highly successful and is still used today for offshore oil projects, four years after it was devised, adds Mr. Palagi, now the reserves and reservoirs manager for Petrobras in Houston, Texas, USA.

Changing Course

Projects don't exist in a vacuum, however. Just because the business case justifies launching an

effort, it doesn't guarantee the team will reach the goal. The business environment is constantly changing—markets fluctuate, technology evolves and the world adapts. The executive sponsor must be a superlative strategist who monitors project scope to ensure the end-result will deliver strategic benefits. Often vested interests fluctuate, prompting the sponsor to review the project's goals, strategy and scope with the project manager.

The first time he undertook the role of sponsor, Dr. Cooke-Davies inherited a computerizing project providing logistical support to Letraset's worldwide operations that was already underway. Because no one owned the project, employees saw it as an IT problem—not as a way to improve efficiency and save money. In hindsight, Dr. Cooke-Davies would have stopped the project, refashioned the business case and conveyed the need for the changes in the project.

Many employees tend to isolate IT from the larger business, and that sometimes leads to project failure, Mr. Drake says. Executive sponsors are responsible for ensuring strategic alignment and must make their executive peers and the project team understand the value of the project to the entire company, its goals and vision for the future.

Of course, any new project means change. Employees' jobs change and the company's everyday activities also may shift. No one likes change, and employees need assurance from the top down that the project will result in a lasting improvement across the enterprise, says Wayne Mott, PMP, who works on software implementation with IBM's Business Consulting Services in Omaha, Neb., USA. People need to know that if they don't embrace that idea, "the company will find others who will," he says. "In certain cases, where employee resistance to change is more passionate, it may become necessary for project sponsors to further support the project initiative by indicating that embracing the changes is not an option and failure to do so may result in reassignment or termination."

Mr. Hiatt agrees. He says the executive sponsor who tolerates persistent resistance from mid-level or even senior people creates the idea that it's OK to opt out and there are no real consequences from doing so. "Dealing with severe and persistent resistance to change shows seriousness of purpose," he says. "The consequences of not moving ahead are real and severe."

The bottom line? Dr. Cooke-Davies stresses that the "emotional" leadership at all levels of an organization—motivation and support—is necessary for the project to succeed and to ensure the consequent benefits. This leadership occurs at three levels: sponsors have to focus on the task, manage relationships and examine their own attitudes and values. They have to convey a passionate belief in the project.

The executive sponsor who tolerates persistent resistance from mid-level or even senior people creates the idea that it's OK to opt out and there are no real consequences from doing so.

ILLUSTRATION © KEN ORVIDAS/THEISPOT.COM

At Ness, we execute complex projects with technology that changes rapidly. Skilled project managers enable us to reduce risk, maintain clear direction and complete projects on time. Our project managers undergo a rigorous training regime, and we encourage them to earn Project Management Professional (PMP®) certification. Training and certification has helped our project managers to be agile and adept at managing change.

PHOTO COURTESY OF PMI



break



ing the code

Even as a title, *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)* is a mouthful. While it may not be an executive page-turner, this project management resource holds the key to enterprise success.

by Jeffrey Bouley

Virtually all organizations,

from the small not-for-profits to the multinational *Fortune* 500 enterprises, need to complete projects to move forward with their missions and strategies. However, simply hiring a professional project manager, or even an entire staff, isn't a surefire way to achieve results. Realizing this, some organizational leaders might seek a resource that will tell them explicitly how to run their projects for maximum success.

The truth be told, there is no such resource, just as there is no single best business book or self-help resource that can meet the needs of every executive in his or her job. Each industry is different and even within an industry, each business must build a project management system that is right for that organization's culture and mission.

However, that doesn't mean there aren't resources to help facilitate the process. The key project management tome is called *A Guide to the Project Management Body of Knowledge*, more commonly referred to as the *PMBOK® Guide*. If that title doesn't grab your attention, think in terms of the results it supports: consistent, achievable, quantifiable and concrete.

Among its other notable features, the *PMBOK® Guide* has been approved by the American National Standards Institute (ANSI) as an American National Standard since September 1999. Many industries accept and rely on ANSI Standards to help them establish their processes and tolerances.

ANSI also is the official U.S. representative to the world's leading standards bodies: the International Organization for Standardization (ISO) and, via the U.S. National Committee, the International Electrotechnical Commission. This is important, given that the standard is a global resource and not simply a North American one.

Fact and Fiction

To some, the *PMBOK® Guide* is simply a publication used by project managers to prepare for a credential examination, typically the one for the Project Management Professional (PMP®) credential. But it's actually much more than that; it can help organizations properly create their project management cultures and processes and help them stay on track once they have a project management system in place.

"Whenever a project manager starts a project, he or she should consult the *PMBOK® Guide* to discover which processes apply and with what level of rigor to apply them," says Joanne Gumaer, PMP, president of IlliniaQ, a Toronto, Ontario, Canada-based project management, consulting and training firm. "Executives with a vested stake in project outcomes need to be aware that the *PMBOK® Guide* exists and that it supports the formal project management procedures to assist them in executing the company's strategy."

The *PMBOK® Guide* states the "whats and the whys" of project management, adds Richard A. G. van Ruler, PMP, president of the PMI Netherlands Chapter. While these generalities don't provide answers for every single task on a project, he says they can help project managers to secure support for projects in business cases and help executives to appreciate project management as beneficial to their organizations.

For an executive to understand the importance of the *PMBOK® Guide* and to give the knowledge therein a proper place in an enterprise, he or she must first understand what the global standard is—and what it is not.

"The *PMBOK® Guide* is a foundational reference. It is a document created by practitioners of project management to present, in general terms, the body of knowledge that is generally accepted and widely recognized as good project management practice," explains Patti Harter, manager of career management projects for PMI. "This is not a how-to guide with detailed directions, however. It is a reference to help assure that you will meet your project requirements in your organization. If executives and project managers follow the processes outlined in the *PMBOK® Guide* to the appropriate degree given the priority of the project, they have a better chance of meeting their requirements and strategic aims."

Others would go a bit farther, calling the *PMBOK® Guide* the *de facto* international standard for project management. David Baccarini, an associate professor at the Curtin University of Technology in Perth, Western Australia, counts himself among them.

"If executives want to understand what the global project management community considers to be the basics of project management, the *PMBOK® Guide* is the obvious first port of call," says Mr. Baccarini, the immediate past president of the Western Australian Chapter of the Australian Institute of Project Management. "It also provides executives with a possible benchmark for appreciating the level of maturity of project management within their organization."

The global standard's origins go back more than 20 years, when PMI and its volunteers codified the *PMBOK® Guide* from the expansive body of knowledge in the project management profession. Currently in its third edition, the *PMBOK® Guide* offers processes that PMI describes as "generally recognized as good practice on most projects, most of the time."

cliffs notes

Latest edition published: 2004

Pages: 380 (also available as CD-ROM)

Publisher: Project Management Institute (PMI)

Sections: 5

- The Project Management Framework
- The Standard for Project Management of a Project
- The Project Management Knowledge Areas
- Appendices
- Glossary and Index

Chapters: 12

- Introduction
- Project Life Cycle and Organization
- Project Management Processes for a Project
- Project Integration Management
- Project Scope Management
- Project Time Management
- Project Cost Management
- Project Quality Management
- Project Human Resource Management
- Project Communications Management
- Project Risk Management
- Project Procurement Management

“Whenever a project manager starts a project, he or she should consult the *PMBOK® Guide* to discover which processes apply and with what level of rigor to apply them.”

This does not mean that the knowledge described should be used in its entirety, nor should any principles be applied uniformly on all projects. “The *PMBOK® Guide* establishes the ground rules for a project system, in that it identifies the expectations and confines that an organization should approach in project management,” says Joseph Phillips, PMP, director of education for Indianapolis, Ind., USA-based Project Seminars. “It’s like sports. Understanding the rules of football is critical for you to play the game properly and effectively, but it doesn’t make you a good football player. The *PMBOK® Guide* establishes the rules, but it’s the savvy and experience of the people involved with the projects that make them successful.”

A Love Story

Sometimes companies become too enamored of the *PMBOK® Guide*, particularly in the early stages of using it to help form a project management system, says Jim Joiner, PMP, director of the Project Management Program for The School of Management at the University of Texas at Dallas, Dallas, Texas, USA. But if people approach the learnings in the right way, that infatuation will wear off and people can get down to business.

“I’ve seen companies post quotations of principles in the *PMBOK® Guide* around the company,” he notes. “That’s not uncommon during the ‘initiation phase’ of building a project management system, and looking at those quotations on a wall or referring to the guide regularly at first isn’t bad.”

Once a company has a project management process in place, there is less need to refer to the global standard, Mr. Joiner says. There is a danger, though, that some could start to look to the *PMBOK® Guide* like a cookbook and lose sight of the big picture, which is to create a project management system that is aligned with the values, mission and goals of the organization.

“*PMBOK® Guide* is a foundational document because it is generic,” Mr. Joiner points out, adding that it is a compilation of knowledge from many sources and many different kinds of projects. “I am careful when teaching from the *PMBOK® Guide* to tell people not to apply it page-by-page for every organization or every project.”

How it Applies

So how should an executive want his or her project teams to approach the *PMBOK® Guide*, and how should he or she apply those principles when giving teams marching orders or keeping tabs on ongoing projects?

The ideal situation begins with an organization taking time to truly examine the principles in the global standard to find out what works for them, incorporate other practices that they develop in the course of forming a project management system, and create a hybrid of the principles in the *PMBOK® Guide* and their own project management culture, Mr. Joiner says.

But should it be an ongoing resource? More often than not, project managers use the book as a global standard, possibly refer to it when creating a project management system for an organization and then do not look at it again, according to Jim Pennypacker, the director of the Center for Business Practices, Havertown, Pa., USA. And that’s just fine, he maintains.

“The knowledge in the global standard becomes part of the culture in which you operate day to day, so it has an impact on how you make decisions,” he says. “But I doubt that too many project managers go back to it like a technical document, nor should they. It’s a little like when you learned how to drive. You read all the documentation, but don’t go back to it to remind yourself how to use your turn signal.”

He acknowledges that there are legitimate reasons to refer back to the *PMBOK® Guide* for occasional refreshers, but he warns against using the global standard as a problem-solving tool.

Nor should the global standard be used to put everyone on project teams into a lockstep formation, cautions Ms. Harter. “The *PMBOK® Guide* is intended to get across the key concepts in project management and get people thinking in a common way about projects,” she notes. “But that’s to get people in general agreement about key issues and procedures. This isn’t ironclad law. We want people to be speaking a common language, but that doesn’t overrule the need to use creativity, common sense and ingenuity.”

Perhaps the most valuable contributions of the *PMBOK® Guide*, the knowledge, terminology and practices described allow all staff to have a common understanding of the field. “People can use the same terms and mean the same thing when they do, so they can concentrate on what the project is and how to make it benefit the organization—minimizing the time it takes to learn to understand each other and come to consensus on what to do,” Ms. Harter says.

Having a common framework for project management also translates to a basis for achieving corporate strategy. “[*PMBOK® Guide*] provides knowledge to execute strategies that will help business success and forming a methodology for project management,” maintains Gurcharan Singh, a senior project manager with HAPM Consultants and secretary of the PMI Malaysia Chapter.

In the end, Ms. Harter stresses, one must always remember that the *PMBOK® Guide* is just that—a guide—not a methodology in and of itself. There are project methodologies out there that companies create for themselves or that people offer up as the “right” way to do project management in certain settings, she says, but the *PMBOK® Guide* should not be viewed in that light.



“It’s a little like when you learned how to drive. You read all the documentation, but don’t go back to it to remind yourself how to use your turn signal.”

“We want people to speak a common language.”

“The *PMBOK*® *Guide* is rather process-oriented and does not provide insight toward its benefits in business jargon.”

Executive Reading?

Executives should know that the *PMBOK*® *Guide* exists and should understand that it will help project managers to execute the organization's strategic projects more effectively and benefit the bottom line, Ms. Gumaer says. But she is torn on whether it is something executives should crack open for a read themselves.

“I see value in a project manager breaking down the *PMBOK*® *Guide* to them in general terms or the executive finding a summary of the *PMBOK*® *Guide* to know what is in there and why,” she says. “But I don't know that an executive who doesn't already have a project management background would want to read it, unless the organization is very small and the executive will be very involved with executing projects.”

Mr. Phillips has a somewhat different take. “The fish rots from the head down,” he says. “If managers don't adopt and buy into a good project management strategy, project managers throughout the company will always be going in different directions.”

Although he agrees that executives should read the document, Mr. van Ruler suggests that future editions might benefit from the addition of an executive summary that details “what's in it” for executives. “The *PMBOK*® *Guide* is rather process-oriented and does not provide insight toward its benefits in business jargon,” he notes.

Mr. Phillips concurs that the *PMBOK*® *Guide* is on the technical side and thus a “dry read,” so executives probably should not try to digest the entire global standard. However, he says the document does an excellent job of laying a groundwork for project management to which any organization can adapt, and skimming the global standard could be a good idea for executives—at least for those executives most invested in the planning and implementation of major projects.

Don't know where to start? Mr. Joiner has a lesson plan for you. He recommends reading the first chapter of the *PMBOK*® *Guide* in its entirety, then skimming over the next three chapters. “Then give it back to the project managers.”

Mr. Baccarini provides a similar take, recommending that executives read the first three chapters, which he says provide an excellent context for project management.

“The *PMBOK*® *Guide* offers ways to get consistency in the enterprise, and that will facilitate success in projects, success in reaching customers, success in aligning projects to corporate goals, and so on,” Mr. Joiner says. “Key executives should take an hour and a half to examine the global standard. Reading that first chapter and skimming the remainder of those first hundred pages can give a good flavor of what project management is all about, how it fits into the enterprise and why it's so critical to the bottom line.”



The project management discipline has significantly improved over recent years and more projects are completed as planned today than 10 years ago. Without a tough project management discipline and rigor, you cannot be successful anymore. What used to be a nice-to-have asset has developed into one of the key differentiators. We call it “the ability to handle complexity.”

PHOTO BY AXEL HESS

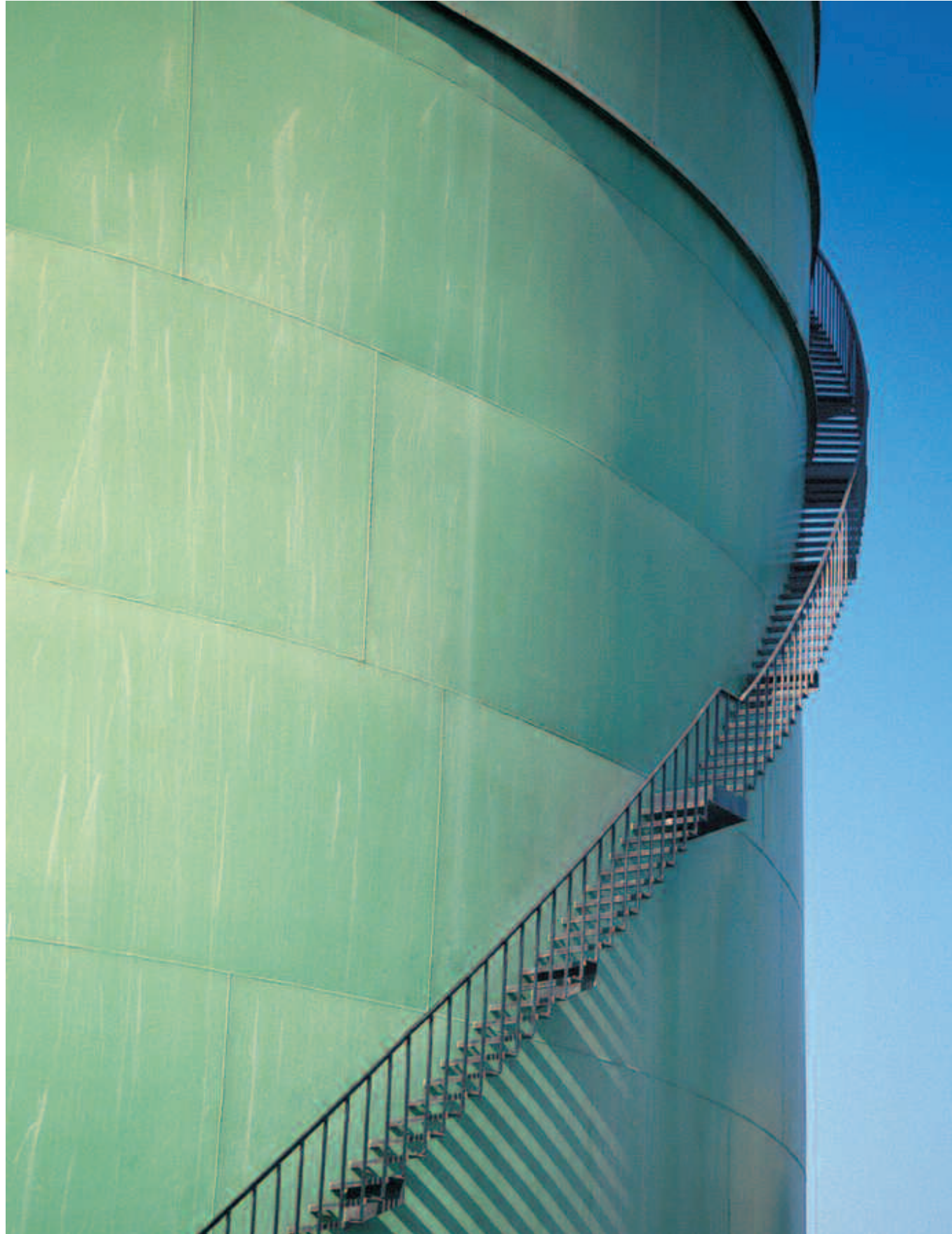
around
the
world in

Looking for proof that
project management
contributes to enterprise
success? It's apparent from
Amman to Neckarsulm
and everywhere in between.



enterprise

by Peter Fretty



Jordan Petroleum
Refinery Co.,
Amman, Jordan

speeding technology adaptation

When Sakher Al Khreisha, PMP, joined the Jordan Petroleum Refinery Co. (JPR), as its CIO, the organization was struggling with its enterprise resource planning (ERP) implementation in part because of the lack of a solid project management philosophy. Understandably, this problem was of primary concern for an organization focused on embracing the latest technology and methodologies.

“Even though the ERP project has been there for many years, unfortunately it lacked all the project management practices and elements. No proper project plans, no proper managers in place, no proper communication, no project follow up,” Mr. Al Khreisha says. “So, I had to start from the beginning with a project management taskforce to properly train the entire team.”

The good thing about the training exercise was that Mr. Al Khreisha’s staff quickly realized through personal involvement the importance of embracing project management across corporate disciplines. “They even spread their know-how to other staff in different departments—a true sign that the training was a success,” he says. “Now there is a common ground for running most of the projects we have across the company—a true benefit as employees move from one department to another.”

Due to institutionalization of consistent project management practices across the enterprise, within six months the IT department managed to go live with the ERP project in January 2006. Taking into account the risk in place and all other project management practices, JPR management has definitely realized the result of embracing the project-centric philosophies within the organization’s confines.

“With good planning and better communication, project implementation is not at risk any more,” Mr. Al Khreisha says. “However, we are still at the beginning of a long trip. It is not easy to do this shift in work, but with the appropriate way in communicating at all levels, the trip can be smooth and the target can be reached.”

case summary:

- A lack of project management principles made enterprise resource planning (ERP) difficult for the Jordan Petroleum Refinery Co.
- The company’s CIO launched a project management taskforce to train the entire team.
- Consistent practices helped the company go live with its ERP project in January 2006.

TDS Group, Neckarsulm, Germany

In offering IT consulting, outsourcing and human resource services, the TDS Group needs a dynamic and efficient operations model to succeed in a competitive marketplace. To help meet its goals—the firm handles 580,000 payroll transactions per month for mid-size enterprises and major corporations—TDS has embraced the basic principles of project management.

The expansion of TDS's core business toward consulting and human resources services led to increasingly complex customer projects, according to Tilman Hess, PMP, TDS AG, division manager. "Besides the traditional hosting services, TDS had to deal with a variety of parties involved, different customer systems, application management and the need for flexible and reliable transitions," Mr. Hess says. These demands also are reflected by numerous standards and certifications that create the basis for TDS's business—International Standards Organization 27001, DIN ISO 9000 and various others like Good Manufacturing Practice.

The project management system implemented and directed by Mr. Hess fits into and extends the existing workflow standards to non-standard business operations and transitions, says Andreas Lowinger, PMP, principal of PMSolution and president of the PMI Frankfurt Chapter. "Due to improved communication and transparency, the focus of the parties involved easily changes from individual work to a broader understanding of the overall objectives," Mr. Lowinger says.

Another important advantage is the increased efficiency and reliability in pre-sales processes, Mr. Hess explains. "Each project is assessed by standardized criteria to find an adequate project organization, to identify and minimize risks and to calculate the overall project cost," he says. "Since assessment criteria and estimates reflect past project experience, they allow both competitive and profitable fixed-price offers."

In essence, professional project management is considered an enabler for TDS's long-term services. "One of the key factors for success is the smooth transition and integration of individual IT systems under operating conditions," Mr. Hess says. "Project management helps to meet these objectives by reducing risk and downtime to a minimum, thus underlining the position of TDS as one of the leading organizations in this area."

For project management to work within the TDS Group, the basic concept of project management had to be deep-rooted within the organization, but on a level that allows for area-specific modifications and extensions. "This was more helpful than high, sophisticated approaches that are pragmatic. Easy-to-use solutions meet the changing demands in modern business environments," Mr. Hess says.

case summary:

- Increasingly complex projects led TDS Group to embrace basic project management principles.
- The company implemented easy-to-use solutions to meet its constantly changing business needs.
- Project management has helped the company reduce risk and downtime.

UnumProvident Corp.,
Chattanooga, Tenn., USA**ensuring**
effectiveness

Fleeing strategy adaptations can yield initial success, but to evaluate a methodology's ultimate success, you must find processes that stand the test of time. UnumProvident Corp., an industry leader in disability income protection, is a prime example of how project management can play a vital role in successfully impacting organizational performance.

Project management has helped develop information systems while solidifying the company's insurance products, according to Thomas R. Mathis, FLMI, PMP, of UnumProvident's IT project management office (PMO). "Our company is the result of several mergers and acquisitions, and following our last major merger in the late 1990s, it became evident that our project managers from different predecessor companies were approaching their

case summary:

- At UnumProvident Corp., inconsistent project management approaches led to organizational ineffectiveness.
- The company invested a significant amount of time and money in developing a project management standard.
- A common project terminology has created clear lines of communication for all team members.

jobs in significantly different ways—even using different terminology," Mr. Mathis says. "This made it difficult to achieve success with teams that were necessarily made up of people from two or more project management cultures. We were investing millions of dollars every year in IT projects, with hundreds of business and IT people involved."

The corporate management team knew that organizational effectiveness and efficiency were hampered by inconsistent approaches and, in some cases, a complete lack of discipline. To address this issue, UnumProvident has invested significant time, effort and money in developing and deploying a standard project management methodology. "With a solid methodology in place, project teams have templates, guidance and documented best practices for doing their work," Mr. Mathis says. "Now, communication can be based on a common terminology. As a result, team members who move from one project to another have less to learn during their transitions."

When strong project management professionals are doing their jobs well, communication channels are clear, which provide a backbone for team members to focus quickly and effectively on individual tasks. "Efforts are coordinated and integrated," he says. "Quality is higher, and so is team morale."

Looking at the big picture, company-wide satisfaction confirms that the executive-level commitment has allowed the company to achieve greater consistency, greater clarity in roles and responsibilities, stronger partnerships between IT and the business, fewer performance issues and fewer defects. "Teams experience less heartburn and higher success rates, which ultimately means improved customer satisfaction," he says. "In addition, we have documented processes and results that demonstrate to auditors that we're in compliance with regulatory requirements and sound business practices."



building on a base



Leighton
Group,
St. Leonards,
New South
Wales,
Australia

Few would argue with the belief that the construction industry has been using project management for centuries. So for Australia's largest project development and contracting firm, the Leighton Group, it has been the natural way to run the business since it was formed more than 50 years ago.

"We have always had a project-based organizational structure. The employee development path in Leighton revolves around projects and project management," says Robert Turner, planning and controls manager at Leighton Holdings Ltd. "Current work in hand comprises 95 construction projects valued at more than A\$20 million, with over 20 projects greater than A\$150 million. So our junior project managers are managing A\$5 million projects, with our most experienced project directors managing projects as large as A\$2.5 billion." With the size and complexity of many of Leighton's projects, there are career opportunities for specialization in specific project management disciplines such as time and cost planning, contract management, cost control, design management, operational health and safety, environmental management, industrial relations, stakeholder management, estimating and construction management.

case summary:

- As Australia's largest project development and contracting firm, the Leighton Group requires team members with specializations in disciplines such as time and cost planning and contract management.
- To maintain its competitive edge, the company often reviews and updates its project management systems.

"Staffing our projects with the right range of project management-oriented people has been a key to our ongoing success. In addition, we support our project management practitioners with well-developed project management systems that are continually reviewed and updated to maintain their competitive edge," Mr. Turner says. "Our focus on providing effective project management services means better outcomes for our clients. Striving to manage projects better than our competitors is what drives our business."

Organizations like Leighton develop systems as a major source of competitive advantage, explains Steve Keys, director, Primavera Australia Pty Ltd. "They develop skilled practitioners with deep levels of experience, constantly update and refine core processes and use best-in-class adaptive tools," he says. "For organizations like Leighton, project success is business success."

coming together

TradePortal
Software,
Irvine,
Calif., USA

As a software developer serving the highly regulated financial services industry, TradePortal Software has seen firsthand that customer requirements are more difficult to accommodate when software is subject to much more demanding scrutiny than in other industries. As a result, all work and development at TradePortal must be managed using a process that is traceable and thoroughly documented, explains CEO Dave Smithey. “We needed to track tasks throughout the organization regardless of location and time zone. However, we needed the flexibility to add documentation as well as the ability to know when a task got started and subsequently how the task was moving through the company to completion,” he says.

The ability to automate and manage work processes while making them transparent to the entire organization has been one of the most noticeable benefits of project management principles. Through project management, companies can boost overall efficiency and help workers answer the most basic productivity-based questions. Then, the entire TradePortal team—from the CEO down to offshore team members in other countries—gets a report at the end of the day highlighting whose projects or tasks are overdue and who or what they’re dependent upon. The result is that people are far less likely to waste valuable hours during the day web surfing instead of

working, which comes through in the end product.

Some of the tangible benefits of applying project and task management techniques recognizable at the executive level include increased customer satisfaction, faster training and ramp up for new employees, clearer accountability and less employee downtime—all of which ultimately have an impact on the bottom line. “Cut time-to-completion on similar projects also is huge. For example, TradePortal opened a data center, capturing each step of the process and all the related information, including key contacts and documentation,” Mr. Smithey says. “Two years later, we had to open another new data center and discovered that up to 65 percent of the information captured from the first data center was reusable, cutting costs and time-to-completion significantly.”

Furthermore, ideas that come from surprising areas of the organization are captured and acted upon. “Otherwise these valuable ideas can be easily lost or forgotten,” Mr. Smithey says. “In the long term, empowering employees to collaborate and share information and ideas keeps the organization nimble and competitive.”

case summary:

- TradePortal Software needed a global task-tracking system with documentation capabilities.
- Using project management principles, the company opened a new data center to streamline information collection.
- Expanded communication empowered TradePortal employees to share ideas.

Isthmus IT, San José, Costa Rica

In the software industry, many operations have learned to become fire-fighting units. To avoid this unfortunate management norm, Isthmus IT has predicated good project management practices. The company understands that such practices not only contribute to a solid performance on individual development projects, but also do wonders to improve the quality of life of people who work within the organization, according to Adolfo Cruz Luthmer, development director and PMI Costa Rica Chapter president.

“This is a big plus. We don’t want our people coming to the office every Monday wondering what would be the problem that day,” Mr. Luthmer says. “Instead, we want our people happy to come to a place where they know they will be productive, consistent and innovative without having to spend the entire day solving troubles that could be avoided in the first place.”

Mr. Luthmer adds that in embracing project management, the firm has noticed four powerful underpinnings that each lead to more successful product developments:

1. People know what to do, so they do not improvise
2. People know how to do the tasks in front of them, so they do not reinvent the wheel
3. Traceability—including measuring and documenting—becomes commonplace in everything that is done
4. Team members continuously learn from the process to improve the way they work—a true sign of lessons learned.

While many of the benefits have an impact on the organizational bottom-line, Mr. Luthmer recognizes that knowledge management and organizational culture have been the

main areas benefited. “This is translated in a team of committed people that has the ability and the opportunity to provide more and more value to our customers, processes and basically to our organization,” he says. “With project management in place, we are able to produce more with less, which is simply the result of being consistent in doing the things right the first time; and learning from the success and mistakes in the process.”

The underlying message: Project management is very much alive because there is always room for improvement. “Success is not a destiny but a path, and we at Isthmus have embraced it very seriously,” Mr. Luthmer says. “Besides all the techniques, methodologies, software, templates, procedures and other useful tools that

exist, project management is a matter of people dealing with people, and that is the most complex part of it.”

case summary:

- Project management halted Isthmus IT’s trend of last-minute damage control.
- Employees benefited from consistent methods and documentation.
- Improved knowledge management and organizational culture helped the company produce more with less.

setting the tone

getting the big picture

JetAccess Internet System Solutions,
Guadalajara, Mexico

Upon joining JetAccess Internet System Solutions, a developer and distributor of enterprise resource planning (ERP) systems, sales developer manager Antonio Martinez embraced consulting and project management as an essential activity.

“Planning, coordination and communication within all different departments of the enterprise are key for successful implementation of ERPs,” he says. “Normally you work on the implementation without shutting down the business process, which means you run in parallel the implementation and the normal business operations creating a safety stock of final products to allow the smooth transition into the new system.”

According to Mr. Martinez, JetAccess has seen firsthand the importance of embracing a project management philosophy. “The tools are important to track and discover all the little details you normally encounter during a project—if you don’t put them into black and white, the issues are almost impossible to detect in advance and that’s precisely when problems come. That means losing control and, of course, money,” he says.

As a direct result of taking a project management path, the company has been able to avoid mismatched delivery dates and deliverables, an overload of people, cash overflow crunches and missing activities. “Essentially, project management allows us to have an overall picture of the participants, analyze critical paths, track advances and effectively manage the unavoidable business changes,” Mr. Martinez says.

The benefits translate directly into customer loyalty. “Following project management philosophies and using appropriate tools give us competitive advantages and business growth,” Mr. Martinez says. “For us, project management is part of a working culture.”

case summary:

- Failure to track small details resulted in big problems for JetAccess Internet System Solutions.
- By implementing project management, the company put an end to mismatched delivery dates and deliverables.
- As a result, customer loyalty soared and the company gained a competitive edge.

RCG Information Technology Inc.,
Makati City, Manila,
Philippines

by the dashboard lights

In providing software development, testing and maintenance services worldwide, RCG IT Information Technology needs robust project management to survive. “We also needed credentials to allow us to differentiate our services from the competition,” says Richard McGonegal, vice president of RCG IT and president/managing director of RCG Information Technology Inc. “We proceeded to get Capability Maturity Model® (CMM) level 2 in 2000 and Capability Maturity Model Integration (CMMi) level 5 in 2003. CMM is a great platform to integrate embracing project management (level 2), with the software engineering (level 3), metrics (level 4) and improvement (level 5).”

Since embracing project management, RCG IT has seen its entire staff begin to speak the same technical language. “We also are very focused on delivery, which is only possible if you have repeatable processes and rigorous project management,” he says. “Software production still is more art than science and the productivity of different developers can vary.”

Mr. McGonegal explains that as a result, RCG IT approaches the whole software production process as an onion—where quality assurance is the outer layer followed by project management, quality control and the software development process as the core. “Software development is a chaotic process—project management has helped us make it more predictable,” he says. “We don’t always like what it is predicting, but it gives us advance warning.”

Mr. McGonegal sees the company’s achievement of advanced maturity as the glue that allows the company to combine metrics with process improvement. Good project management breeds success, success generates more business, more business requires growth and growth dilutes the company knowledge base, he says. “So the real lesson learned is how important training and orientation are to quickly absorb new staff rather than diminish our collective ability.”

According to Mr. McGonegal, linking project management to executive dashboards is one crucial way to appeal to executives. “At our company, all summary reporting is done via a dashboard we call vital signs—it presents 12 metrics that we use to objectively determine the health, or lack thereof, of our projects,” he says. “As it assigns a color—red, yellow or green—to a project’s health, it makes it very easy, and unambiguous, to focus attention on the projects that need it.”

case summary:

- Embracing project management helped the RCG Information Technology team speak the same technical language.
- Achieving an advanced maturity united the company’s metrics with process improvements.
- Dashboards let RCG focus attention on projects and garner executive support.

The empowerment of the people is one of the key factors for success in modern industry. At Volkswagen de México, we direct our efforts to educating our people to undertake successful projects that will allow us to preserve our leadership in the automotive industry. Project management provides the basis to construct efficient projects, optimizing the use of human and financial resources.

PHOTO BY YURI BENITEZ



New Zealand

has been in the middle of a power struggle since 2000. The country's limited forms of power generation often have led to significant shortages and highlight the need to explore another energy resource.

In November 2003, Meridian Energy Ltd., New Zealand's largest state-owned energy generator and leader in the renewable energy sector, began construction on Te Apiti wind farm in Manawatu, New Zealand. As a result of project managers' hard work—and executive decisions that enabled success—Te Apiti was completed five days early and within its NZ\$200 million budget.

Why Wind?

Because the average capacity for hydropower stations in New Zealand is close to 58 percent, due to the unpredictability of rainfall and storage. Meridian Energy was committed to finding additional sources of renewable energy, especially ones that enhanced the effectiveness of hydropower, the dominant energy resource in the company's portfolio. "Currently, wind farms and hydropower stations are the only proven, environmentally responsible and economically viable means of generating renewable energy on a large scale," says Keith Turner, Ph.D., chief executive, Meridian Energy, and the driving force behind Meridian and renewables development. "They also work extremely well together. When the wind blows we can preserve our hydro storage, and when the wind stops we can quickly bring our hydro plant into play."

Also, Meridian's simultaneous development of a wind farm in South Australia provided the company with an example on which to achieve economies of scale with the purchase of the generating equipment, which helped make Te Apiti an economically viable proposition.

by Kelley Hunsberger

photos courtesy of Meridian Energy Ltd.

Power Surge

New Zealand's trouble with electricity started because both its population and economy were growing tremendously, but no major power generation upgrade had taken place in nearly 20 years. And the cornerstone of the country's energy supply, the Maui offshore gas field—the largest gas, condensate and oil field in New Zealand and producer of about 25 percent of the country's electricity—began to decline much faster than anticipated. The resource no longer could fill the demand for power during years when inflows into the country's hydropower storage lakes were low.

windfall

Faced with electricity shortages,
New Zealand turns to mother nature for help.

Where the Wind Blows

When searching for a location for Te Apiti, wind characteristics, road access, transmission access and capacity, topography and geology of the site were key considerations. “These things have a direct impact on the cost and hence commercial viability of the site,” says David Green, project delivery manager, Meridian Energy Ltd.

The Manawatu Gorge in Manawatu, New Zealand, was selected as the location for the wind farm. “Extensive monitoring of the wind in Manawatu showed that the winds through the gorge are some of the best-quality wind resource in the world for wind generation of electricity,” Mr. Green says.

Plan of Action

After the location for the Te Apiti wind farm was chosen, senior management regularly reviewed and updated the plan that outlined procurement, implementation of health and safety policies, risk reviews, roles, responsibilities and reporting requirements.

Daily on-site meetings and weekly senior management meetings with all the vendors also were held to keep the project on schedule and prevent any problems that might arise. “Clear communication and regular meetings resulted in issues being resolved at an early stage and confidence generated within all contractors to meet the requirements of the project in a professional manner,” Mr. Green says.

Tied to the Community

Community and stakeholder consultation was one of Meridian Energy’s important best practices. A community liaison position was created to keep public interest and support up, regular meetings were held with community leaders and site visits were allowed. Six weeks of public consultations were held after the project was announced, allowing those interested to find out more about Te Apiti.

“Te Apiti went from consent to completion in just over a year and we see this as an extremely positive example of what can be achieved when communities and companies work together,” Dr. Turner says. He visited the project on many occasions with government and industry representatives and was onsite to tie the last piece of reinforcing steel in the last foundation base when it was completed.

Rain Delays

Weather turned out to be one of the project’s major challenges. During the Te Apiti wind farm’s project life cycle, the Manawatu area experienced double the normal rainfall and on 4 February 2004 it peaked with a 50-year-record storm, followed by a 100-year-record storm 10 days later, resulting in flooding and a civil emergency, and the loss of 37 percent of possible construction days.

Instead of waiting for better weather, however, Meridian was able to make up the time by re-sequencing work. Work schedules were revised and processes were made more efficient so that all contractors and staff were required to assist with flood recovery and meet project targets. For instance, the time allowed to pour concrete for each of the turbine foundations was reduced from seven hours to 4.5 hours.

Going With the Wind

The result: Te Apiti wind farm, the largest wind farm in the southern hemisphere, has achieved a capacity factor of 45 to 50 percent, compared to a world average of 25 percent. And for the next 20 years it will be capable of producing 90 total megawatts of energy—enough for 45,000 average households—without giving off harmful greenhouse emissions.

“New Zealanders have expressed a strong preference for wind generation as the best means of meeting our future energy needs because it is seen as clean, renewable and non-greenhouse gas producing,” says Alan Seay, principal communications and external relations manager at Meridian Energy. “We are now looking at projects much larger than Te Apiti in other locations around New Zealand and we see wind eventually contributing as much as 20 percent to 25 percent of total New Zealand electricity production.”



executive speak: Thomas O'Neill, Chairman and CEO,
Parsons Brinckerhoff Ltd., New York, N.Y., USA

Our entire business is made up of a series of projects. That's where the work gets done, how we build our reputation, where we make our money and it's our primary client interface. Because 80 percent of our business is repeat business, the better we manage projects, the better company we have. I'm certain that if we didn't have an emphasis on project management, we'd be out of business in a couple of years.

PHOTO BY SCOTT GRIES

If you're wondering how project management can change your bottom line, these answers will fuel your entrée into the business stratosphere. **by Lorna Pappas**

frequently asked questions

Why should my organization invest in project management?

MANY ORGANIZATIONS FACE THE CHALLENGES of missed deadlines, failed deliverables, overrun budgets and project plans derailed by constant changes in goals and process. The good news? Proven tools and processes exist to overcome these seemingly impossible challenges.

“Project management concepts and strategies have helped thousands of companies and government agencies across all sectors—from industry goliaths in the *Fortune* Global 500 to entrepreneurial start ups—improve their abilities to execute projects and improve the bottom line,” says J. LeRoy Ward, executive vice president of ESI International, Arlington, Va., USA, a provider of project management services.

The practice of project management “cuts through the standard organizational functional boundaries to deliver a new, mission-critical product or service successfully while tactically executing an organizational strategy,” notes Miroslav Jankovic, PMP, a project management consultant based in Belgrade, Yugoslavia, and president of the PMI Yugoslavian Chapter. “From a senior management point of view, project management offers effective steps to align and integrate all company assets—including people, knowledge, technology, processes and management systems—in a successful way to create new values,” Mr. Jankovic says.

Short Take: One of the fastest growing business and professional methods in organizations worldwide, project management is widely accepted as the best approach for bringing a degree of certainty in a modern, fast-paced business environment.

How do I lead culture change to accommodate project management?

THERE'S NO SINGLE ANSWER TO THIS QUESTION—the one certainty is that culture change is a necessity. For an example of one successful approach, take a look at Stryker Europe, one of the world's largest medical device companies, which pursued an organizational culture and business challenge when it acquired Howmedica from Pfizer Corp. The newly combined business needed an entirely new MIS backbone, infrastructure and systems. Stryker Europe had one year to detach Howmedica from Pfizer and integrate both companies' technological architectures into a cohesive business. More than 30 new MIS professionals were hired, and a new support center established, to champion the project.

“A new and appropriate organizational culture was required, and project management clearly was the solution,” states Jaume Gallifa, PMP, managing director of Gallifa & Partner LLC of Vevey, Switzerland, a project management services firm. Mr. Gallifa, then MIS EMEA director of Stryker Europe, oversaw the MIS integration of Howmedica.

Internal billing to stakeholders in other countries and legal entities was a challenge, since there was no basis or mechanism for establishing project charges. “We created a new project controller position and new project accounting system, with appropriate coding for all activities, which was included in all budgets, invoices and time sheets,” he explains. “In addition, all project budgets were prepared and approved in such a way that internal customers could anticipate and formally commit to project capital costs and expenditures. By doing this, we were also able to separate operational and support MIS charges from project investments, practically becoming an internal business unit.”

To interface with human resources, Stryker Europe linked salary raises and bonuses with project success, and strategic portfolio management with organizational development. Mr. Gallifa and the divisional management team addressed the annual rolling strategy review and budgetary process by introducing program and strategic portfolio management to prioritize and budget for projects at least six months in advance (prior to detailed planning and execution).

Stryker Europe changed its IT culture by now “selling” its projects to country and functional managers, and corporate officers, while still assuring project execution and MIS support within a highly regulated industry. “The culture of our stakeholders also changed as we introduced project management. We literally had to teach our clients how we were running our shop and indicate at all times how to interface with our project management processes,” Mr. Gallifa says.

The integration of Howmedica into Stryker Europe was accomplished successfully, on time and within budget. “Later we learned that modifying an organizational culture to accommodate project management is not about knowing how to execute projects, but implementing project portfolio management and investing heavily in operational project management maturity throughout the company,” Mr. Gallifa says. “It took Stryker Europe three

“We literally had to teach our clients how we were running our shop and indicate at all times how to interface with our project management processes.”

years to reach the desired level of project management maturity, the point at which project management was fully integrated with all other general management and functional policies and processes of the company.”

Short Take: Any project management implementation requires executive buy-in and support. To ensure your company reaches the desired level of maturity, actively plan for culture change within your business transition plan, taking into account the idiosyncrasies of your specific business, its customers and other successful examples within your market.

How involved should executives be in the typical project management process?

MANY PROJECTS ARE EXPENSIVE, time-critical and involve some degree of complexity and risk. Factor in “good governance,” and you cannot afford to fail.

“A consistently applied project management methodology helps tighten timelines, reduce project costs, and provide better reporting and accountability,” notes W. John Sabin, PMP, project manager at Saudi Aramco in Dhahran, Saudi Arabia. “Ultimately, a good methodology aids in driving the initiatives that meet your company’s strategic objectives.”

Mr. Sabin offers a sample IT project methodology in which the model project is divided into phases and steps, each with its own deliverables, deadlines and staffing requirements:

Definition. Plan and ramp-up your staff, and handle administrative tasks such as securing office space, conducting high-level project planning for future phases, and preparing spending and staffing level estimates by phase. Though scope and cost were approved as part of the overall project, time and money allocations will continue to be massaged within each phase.

Operations analysis. Document current business processes and the IT landscape (routinely called the “as-is” analysis). Key points are to confirm today’s business processes, obtain source documentation and acquire the necessary supporting business reports.

Future design. This phase involves lots of brainstorming, redesign and correction of as-is process weaknesses, and enhancements to business processes and hardware areas. Here you must prioritize enhancements to prevent scope creep. “Be sure not to create future ‘to-be’ processes that really are just dressed-up, ineffective as-is processes,” Mr. Sabin says.

Realization. Here’s where the project really starts to come together. What was agreed upon in the future design phase is finally performed, such as configuring the system, building enhancements and interfaces, developing conversion programs and creating training materials. Testing is crucial.

Cutover. Final end-user training is performed and any important legacy data also is converted to the new system.

Go-live. Go to production and begin using the new system. Support is key here, as well as project closeout activities.

Mr. Sabin notes that any project management methodology needs solid executive support. “When projects fail, it is not the methodology that fails, but the people running the implementation who have failed to recognize risks and control the project’s scope. Therefore, it is imperative that you support the project and its team and the methodology being used.”

Short Take: There are key gates throughout the project management process for executive involvement, but foremost, executives are needed for strategic decisions, visible leadership support and scope control.

How do you maintain a good connection to each project’s activities and status without getting bogged down with details and micromanagement?

“THE ANSWER IS MILESTONE MANAGEMENT,” says Charles Perry, CEO and partner of Insight Management Group, a Cranston, R.I., USA-based consultancy. “Every project is made up of tasks that should be grouped into logical sets spanning a timeframe of two to four weeks, sometimes longer, but never several months. Each set or milestone becomes a mini-goal or stepping stone that leads to the project’s successful conclusion.”

To maintain a status and avoid details, have your project manager provide a standard report at a defined frequency and at each milestone level. When milestones run behind or completely miss their dates, it’s time to get involved. “The reality is that milestones don’t fall apart quickly. Standard reporting techniques for collecting status and interpreting it for management provides early warning of problems and avoids any surprises that can be embarrassing to you and the company, not to mention the lost dollars in taking corrective action late in the process. Since bad news can flow up the chain slowly, a good project manager will keep you informed so that no surprises evolve,” Mr. Perry says.

Executives at Harvard Pilgrim Health Care of Quincy, Mass., USA, rely on a traffic light exception reporting system, typically called a dashboard, to allow project details to speed by, yet alert them of any roadblocks. “Project status is deemed green if everything is going as planned, yellow if corrective action is needed or underway, and red when senior management attention is in progress,” says Lisa DiTullio, director of Harvard Pilgrim’s project management office (PMO). Status can go from green to yellow when resources evaporate, the original estimate becomes inaccurate, a scope changes or external dependency slips, for example. “When yellow goes to red, executives step in to oversee the plan to mitigate issues and risks,” she says.

“Ultimately, a good methodology aids in driving the initiatives that meet your company’s strategic objectives.”

Notes David Cochran, Harvard Pilgrim's senior vice president of strategic development, "The bulk of our project portfolio proceeds under the oversight of its team and the PMO, without consuming executive supervision time. We are able to rely on exception reporting to focus attention on those projects that are off target and require executive support. This approach is dependent on creating a business culture that supports early problem identification and escalation so that issues are addressed in a timely fashion, and where no news is good news."

Short Take: Refine your reporting system to help speed issues up the management chain. By staying in tune with what project managers report, executives know if and when to kill a project to avoid large-scale failure, and re-deploy resources to other business objectives.

How do I validate the cost of training my people in project management?

JUST LOOK AT OTHER LEADING COMPANIES who routinely invest in training. For instance, several years ago, Siemens Enterprise Networks (SEN), San Jose, Calif., USA, shifted its corporate strategy from selling hardware to selling integrated solutions, which greatly increased the need for expert project management. "Pursuing project management was key to remaining competitive," recalls Kandi Miller, vice president of information management.

In that pursuit, SEN established a PMO, developed competencies for project management and rolled out a comprehensive training program. In two years, nearly 3,000 SEN managers and project employees participated in a project management training initiative, which improved the organization's overall project success rate by 30 percent.

HP Services of Palo Alto, Calif., USA, also realized its business was becoming more solutions- and project-focused and that it needed to standardize its project management practices. The objectives were clear: reduce the number of troubled projects, increase operating margins and provide for a flexible project workforce. "As we reviewed projects, we needed to train our project managers in fundamental project management practices and provide them with a pragmatic approach to executing projects," says Ron Kempf, director of HP Services Project Management Competency Development and Certification.

HP Services launched a multiphase initiative including an integrated series of courses based on a standardized and universally accepted set of project management practices that prepared HP project managers for certification as Project Management Professional (PMP®) credential holders. "Increasingly, offering PMP [holders] has become a key evaluation factor in the bid process, and now it's essential to winning new business," Mr. Kempf remarks.

As a result, HP Services reduced the number of troubled projects, improved project execution, with 70 percent of projects running at or better than budget (well above the industry average of 50 percent) and increased operating margins by as much as 50 percent.

Short Take: An investment in your staff is an investment in your company, every bit as valuable as infrastructure improvements and technology. Your competitors invest in training to improve their execution—can you afford not to?

How can we determine if we launched the "right" projects to meet our strategic goals?

AS PART OF THE PROJECT'S SCOPE DESCRIPTION, at the start-up and planning stage, identify and describe the project's expected business outcome, including the degree of its contribution to each corporate goal (with starting and ending metrics) and when value can be anticipated. "Expected business outcomes are the criteria by which the business success of each project will be determined," Ms. DiTullio says.

This year Harvard Pilgrim launched a pilot program of six projects that will receive detailed scrutiny on business outcomes. The initiative identifies targeted business outcomes before project launch, establishes a quantifiable method of measurement, determines when success can be measured, assigns ownership and a timeframe for collecting and reporting all data, and more.

After project closeout, areas to investigate will include:

- * Did the project end on time?
- * Did it experience significant scope change?
- * Did it deliver on targeted, expected business outcomes?
- * Did it deliver on ROI?
- * Were we successful?
- * What can we learn for next year's planning?

Short Take: Be aware that results tracking must evaluate the success of a portfolio over time. Since many projects' benefits don't accrue until long after project closing, it is critical to understand expected results in terms of the overall business goals and when those results should be anticipated.

Where can I find more answers?

The Project Management Institute is the world's leading project management authority and association. Executive support is just one of its missions. To learn more, visit www.pmi.org or call +1-610-356-4600.

In two years, nearly 3,000 Siemens Enterprise Networks managers and project employees participated in a project management training initiative.

With the size and complexity of our projects, any variation in performance can lead to large impacts to the bottom line. Effective use of project management practices equips us with the tools necessary to ensure good financial stewardship of the taxpayer dollar and gives us confidence as we work to meet our environmental and regulatory commitments.

PHOTO BY CHARLES LEDFORD



the view: from below

Performance Anxiety

Financial impact, including revenue generation and cost savings, are primary factors companies should consider when prioritizing projects.

Although companies strive to be in the 95% to 100%

performance range for all projects, they actually achieve an average performance rate of 80% to 90% in completing projects on time, on budget and with benefits realized.

Lack of proper communication and inadequate project planning and prioritization are the key factors in causing project delays.

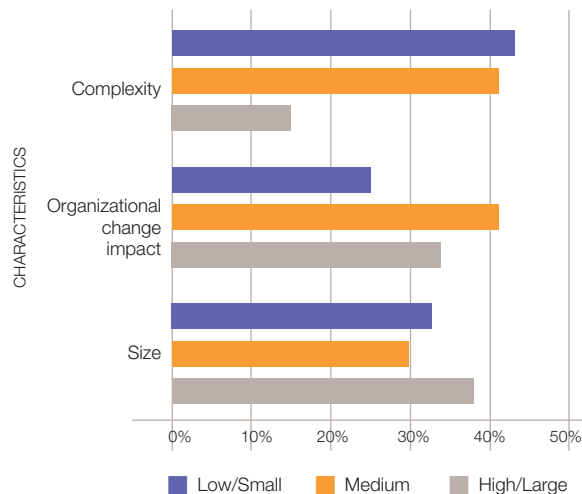
Time tracking, project dashboards and financial management functionality are the tools and methods used most often by firms to aid in project management.

Source: Best Practices, "Benchmarking Project Management: Performance Measurement, Processes and Tools," February 2004.

Face of Failures

Complexity, size and organizational change impact can promote project failures, which is why companies need a well-structured project management system.

Extent to Which Project Characteristics Contribute to Project Failures



Source: KPMG UK, "2005 Global Programme Management Survey: How committed are you?"
Note: Results based on survey of more than 600 organizations in 22 countries. Survey participants included a range of organizational representatives, including executives, general managers, internal audit heads, program managers and project managers. The measure of the individual characteristics influencing the project. For example, a low level of complexity correlates to a lower level of failure.

Making the Case

86% of project managers report the existence of a formal policy or process for creating business cases at their organizations and almost half prepare business cases for all their projects.

1/3 to half of project managers may fail to include fundamental considerations in their business cases. Also, they often fail to link project benefits to performance targets.

Source: KPMG UK, "2005 Global Programme Management Survey: How committed are you?"
Note: Results based on survey of more than 600 organizations in 22 countries. Survey participants included a wide range of organizational representatives, including executives, general managers, internal audit heads, program managers and project managers.

Projects Planning Projects

Because defining the work for very large projects can take a great deal of time, companies should consider structuring such work as a project in and of itself, known as a discovery project.

Steps to Take

- 1 Estimate whether defining the project is a large enough job to warrant a discovery project.
- 2 If a discovery project is appropriate, create a project definition and work plan for this initial project.
- 3 Get project definition for discovery project approved by your sponsor.
- 4 Manage the discovery project like any other project, including managing scope, risk, quality, communication and other concerns.
- 5 Final deliverables of the discovery project are usually the project definition and work plan for the subsequent large project.*
- 6 The resulting project definition for the larger project should be approved by your sponsor.
- 7 Once the project definition is approved by the sponsor, the second, larger project is ready to begin.

*Note: The discovery project could result in the creation of project management procedures, communication plan, risk management plan and any other high-level, upfront deliverables required by your organization.
Source: TechRepublic.

Under Par

Both managers and project team members sound off on factors leading to project under-performance:

84% say when serving on a project team, employees aren't often relieved of some of their routine responsibilities.

80% say employees don't often receive training in project management methodology before serving on a project team.

69% say project teams aren't usually given enough resources to accomplish their goals.

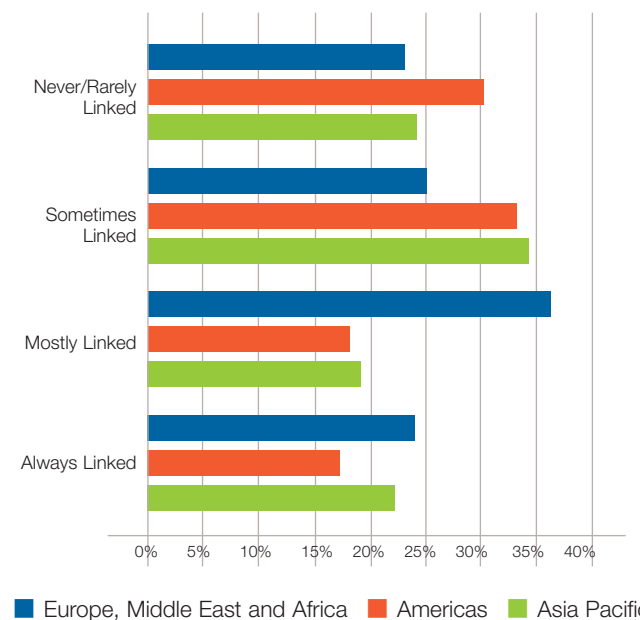
62% say it isn't customary for project teams throughout the organization to follow a standard methodology for defining, planning and implementing projects.

55% say the right people aren't usually selected to lead or serve on project teams.

46% say project teams aren't often given clear, attainable goals.

Source: Quality Progress magazine, Guttman Development Strategies and Kepner-Tregoe.
Note: Data based on responses from 1,905 from managers and individual project contributors in a cross-section of industries.

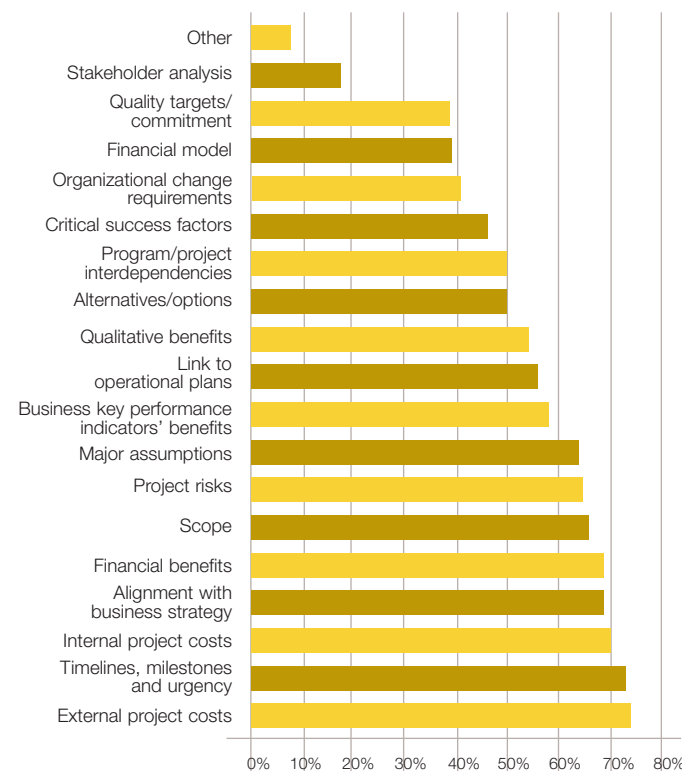
Project Benefits Linked to Executive Performance Targets



Source: KPMG UK, "2005 Global Programme Management Survey: How committed are you?"
Note: Results based on survey of more than 600 organizations in 22 countries. Survey participants included a wide range of organizational representatives, including executives, general managers, internal audit heads, program managers and project managers.

Make Your Case

Percentage of organizations using various considerations in project business cases:



Source: KPMG UK, "2005 Global Programme Management Survey: How committed are you?"
Note: Results based on survey of more than 600 organizations in 22 countries. Survey participants included a wide range of organizational representatives, including executives, general managers, internal audit heads, program managers and project managers.

Project Management and Application Development

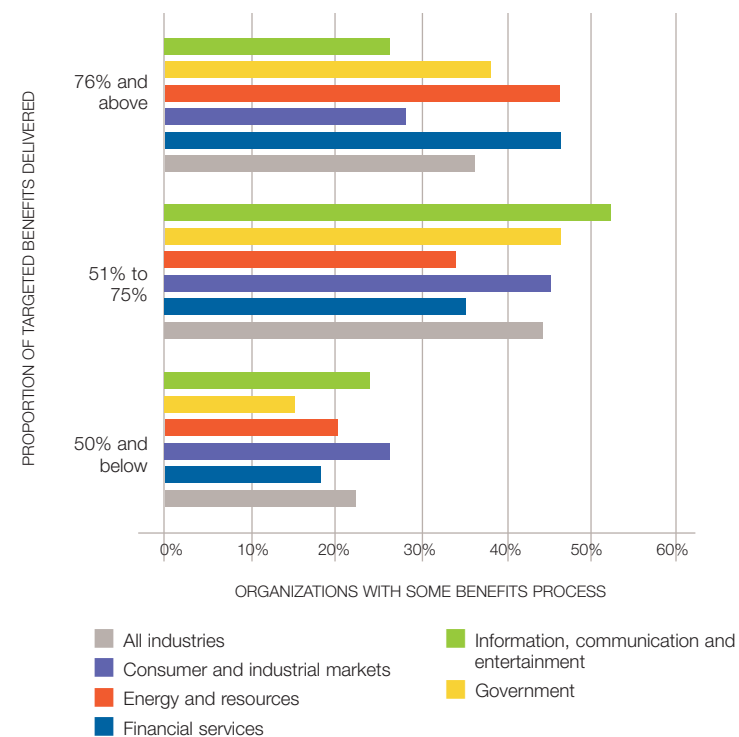
If your IT organization exhibits any of the following symptoms in its application development projects, make an effective project management process a high priority:

- Approved initiatives out-of-sync with business needs
- Key business-enabling projects not implemented
- Requirements and costs not well-defined or understood
- Project surprises, such as dependencies and unknown commitments
- Staff members make strategic decisions instead of management
- Slipped due dates and project cost overruns
- Duplicate or unclear project roles and responsibilities
- Project processes and procedures defined but "gathering dust"
- Project resources over-committed
- New project initiative generation process is a mystery
- Frequent emergencies, with a reactive mode being standard operating procedure
- Extensive rework late in development process
- Overlapping or redundant projects

Source: TechRepublic and Enterprise Computing Institute.

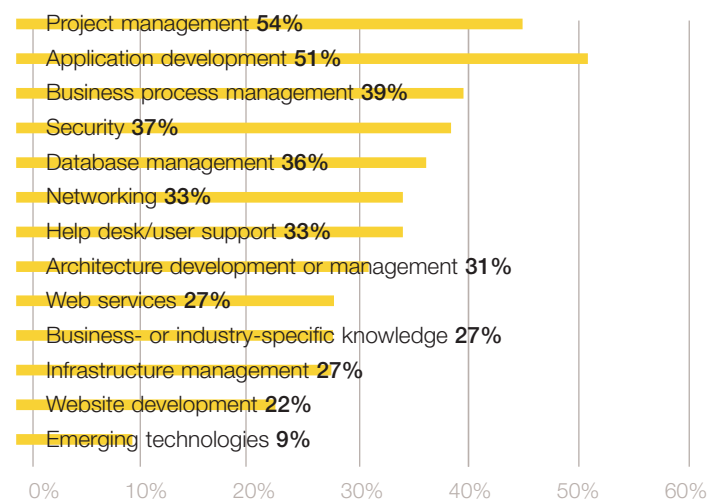
the view: from above

Proportion of Targeted Benefits Delivered



Source: KPMG UK, "2005 Global Programme Management Survey: How committed are you?"
Note: Results based on survey of more than 600 organizations in 22 countries. Survey participants included a wide range of organizational representatives, including executives, general managers, internal audit heads, program managers and project managers.

Skill Sets CIOs Need Most From New Hires



Source: "The State of the CIO 2006," CIO magazine.

Benefits of Successful Portfolio Project Management

70.4% report better project alignment with the organization's overall business strategy

57.4% report improved focus (the organization is now working on the right projects)

46.3% report smarter budget allocation (the organization is now spending money in the right areas)

42.6% report an increase in overall cost savings

Source: Project Management Solutions, Havertown, Pa., USA.

Process Improvement

Companies that align projects with strategy and leverage project management offices (PMOs) are more successful in getting projects to come in on time and on budget, compared to organizations that do not have such processes in place.

Percentage of respondents with PMOs **63%**

Have process in place to align projects with corporate strategy **63%**

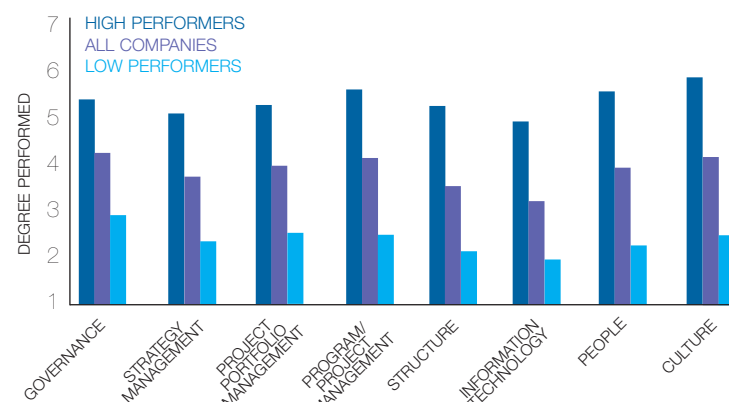
Feel that projects "always" or "often" come in on time and on budget **62%**

Source: Robbins-Gioia, September 2005.
Note: Data based on a survey of 100 senior information technology executives.

Strategy Dictates Success

Organizational success is tied directly to a company's ability to integrate corporate strategy and project management.

Performance of Strategy & Projects Best Practices



Source: Center for Business Practices, "Strategy and Projects: A Benchmark of Current Best Practices," January 2006.
Note: Results based on a poll of 87 senior project management practitioners about their organizations' use of a comprehensive set of strategy and project integration best practices.

The High Cost of Poor Management

Many projects are completed and meet their goals, but the time and money required to do so can be high if project management methodologies are not consistently applied and if success isn't rewarded.

Managers and team members who say their projects:

Were completed:	82%
Met their goals:	89%
Were late:	36%
Went over budget:	26%
Always/often are on time and on budget:	32.6%
Don't often follow a standard methodology:	62%

When a project succeeds, **58%** of project participants say top management only occasionally or rarely acknowledges the success publicly, or doesn't recognize it at all.

87% say their organizations only sometimes, rarely or never give financial bonuses for project success.

61% cite no link between employees' annual reviews and their performance on project teams.

Source: Quality Progress, Guttman Development Strategies and Kepner-Tregoe, "Project Teams: How Good Are They?" February 2006.

Note: Results based on survey e-mailed in September 2005 to half of the readership of Quality Progress. Of the 46,828 people who received the survey, 1,905 responded. Twenty-nine percent of respondents were individual project team contributors, 42 percent were first-line and middle managers and 15 percent were senior managers. Respondents represented a cross section of industries. Roughly half worked for companies with more than \$200 million in revenue and more than 1,000 employees.

Company Trends

70%

have had portfolio management process in place at company less than two years

87% developed portfolio management process in-house

13%

have implemented a portfolio management software tool

Source: Project Management Solutions, Havertown, Pa., USA.



Mature Behavior

The more mature the organization, the more benefits the organization realized due to their portfolio management practices.

In particular, the rating of benefits improved in moving in project management maturity from Level 1 through Level 3 on the Center for Business Practices' maturity scale (1-5):

	Level 1	Level 2	Level 3
Allocating resources optimally	2.7	3.1	3.6
Killing poor projects	2.8	2.9	3.5
Spending in the right areas	3.1	3.5	3.8
Working on the right projects	3.4	3.5	3.6
Eliminating project redundancies	3.1	3.2	3.4
Increased cost savings	3.3	3.4	3.6
Better aligning projects to strategy	3.7	4.1	4.2
Increased profits	3.2	3.4	3.8
Managing gaps in portfolio	2.8	3.4	3.6

Source: Center for Business Practices, "Project Portfolio Management Maturity: A Benchmark of Current Business Practices," 2005.

Note: Results based on survey of 54 senior-level portfolio management practitioners, with 37.7 percent of the companies surveyed having annual sales greater than \$1 billion, and 35.8 percent having annual sales less than \$100 million. Of the responding companies, 90 percent were at project level 1 or 2 for portfolio management maturity. None were at level 4 or 5. Industries covered were manufacturing; professional, scientific and technical services; and finance and insurance.

To the uninitiated, project management terminology can sound like double speak. However, with an understanding of a few critical terms, executives can control costs and improve enterprise success.

the same language

by Sarah Fister Gale

WHEN YOUR PROJECT MANAGERS START TALKING, do your eyes glaze over? Do you smile and nod, hoping to pick out a familiar business term? Do phrases like Monte Carlo analysis, work breakdown structure and cost performance index all merge together into one nebulous exotic language that you simply don't understand?

You are not alone. Most executives advance through the ranks of operations management and have little education in the philosophy and language of project management. When project managers start talking about their work, they speak in a specialized lingo that could be confusing for anyone who hasn't had many hours of project leadership experience, says Frank Saladis, PMP, president of Project Imaginers, Staten Island, N.Y., USA. "Project managers speak their own language, when executives just want a high-level overview of the project and how it impacts bottom line."

As a result, executives often fail to understand or, worse, misunderstand what project managers are talking about, says Alex Brown, PMP, strategic planning

office manager for Mitsui Sumitomo Insurance Group USA, Warren, N.J., USA. "A lot of executives think the only difference between management and project management is the Gantt Charts, but it's so much more than that. There is a whole process and philosophy to project management," he says.

To combat this miscommunication, Mr. Brown offers a half-day course to Mitsui executives on what project management is and why it's important. As he points out, it creates better lines of communication and gives executives greater control over outcomes—and that translates into more successful projects.

Executives don't need to understand all of the details of the project management profession, but it serves them well if they understand the high-level objectives of consistent processes because a lot of them translate into bottom-line impact. For those executives not fortunate enough to take Mr. Brown's crash course in the language of project managers, here's a list of terms and ideas that every executive should know to survive a conversation with a project manager, save money and validate project results.

Familiar Terms You Don't Really Know

This "most dangerous" category of project management terms results in two people having a conversation about two entirely different subjects. A lot of these terms may sound familiar, but in the world of project management, they can have vastly different meanings.

Project Plan. This simple term is given far less credit than it deserves by non-project managers. "A lot of people think it means 'project schedule,' but a project plan is so much more robust," says Nan Wolfslayer, standards project specialist for the Project Management Institute (PMI), Newtown Square, Pa., USA.

A project plan is part of the project manager's toolbox that ensures effective control of time and cost/budget over time is managed within the project environment. This formal, approved document guides both project execution and project control. The project plan is primarily used to document planning assumptions and decisions, facilitate communication among stakeholders, and document approved scope, cost and schedule baselines. A project plan may be summarized or detailed.

By understanding the details in the project plan, executives can choose which are important for regular reporting. "If executives take the time to read and be involved in the project plan, they can define how they want that communication to happen," Ms. Wolfslayer says.



Project Schedule. The project schedule is the planned dates for performing schedule activities and the planned dates for meeting schedule milestones. As part of the project plan, the project schedule is not just a timeline for the project; it delineates what tasks will be accomplished when and by whom.

A good project schedule gives executives a bird's-eye view of the project, showing them at a glance what already should be accomplished and what will happen next. In addition to detailing progress, the project schedule gives executives a way to identify the root of delays and missed milestones.



Resources. Commonly mistaken as the budget or financial aspect of the project, the term “resources” has a much more specific definition. It includes all of the skilled human resources in specific disciplines, either individually or in crews or teams; as well as the equipment, services, supplies, commodities, material, budgets and funds.

“You can have a well funded project, but if you don’t have the resources to complete it, you can’t get the project done,” Ms. Wolfslayer says.

Risks and Issues. These two terms refer to quite different things but often are confused, says Robert Gan, PMP, director of consulting services for Rogan Strategic Management in Malaysia.

A risk is an uncertain event or condition that, if it occurs, has a positive or negative effect on a project’s objectives; while an issue is a point or matter in question or in dispute, or a point or matter that is not settled and is under discussion or over which there are opposing views or disagreements.

“A risk is a contingent event, which may or may not happen and has impact on the project in terms of delay, additional costs or quality being lower or not quite to spec,” Mr. Gan says. “Issues, however, are project problems that have occurred and, if left unresolved, can become a project risk.”



Reserve. The reserve is a provision in the project management plan to mitigate cost and schedule risk. It is typically used with a modifier (such as management reserve, contingency reserve) to provide further detail on what types of risk are meant to be mitigated. The specific meaning of the modified term varies by industry or discipline area.

“Often management thinks of this as a ‘fat’ to be trimmed, but in reality, the reserve is needed to cater to an anticipated event if it happens,” Mr. Gan says. “If it’s not used, it is saved and forms part of the bottom line, for instance, project profit.”



Scope. In the world of operations, scope is the financial plan defined by the CFO and usually is based on the previous year’s budget. In project management, however, scope goes much farther. It includes the sum of the products, services and results to be provided as a project, including all the deliverables and associated tasks, defining what the project team will accomplish with the allotted budget, as well as what it won’t.

The project budget is based on scope, and its financial projections are anchored on far more concrete strategies than adjusted annual expenditures. A scope statement should be appealing to executives because it offers, in rich and tangible detail, a plan for where the money will go and what stakeholders will get for their investment.

“Project scope requires careful management to ensure that it does not expand without proper justification and approval,” Ms. Wolfslayer says.

Stakeholder. “Executives often don’t realize how many people and groups are referred to in the term ‘stakeholders,’” says John Ghanotakis, PMP, senior project manager, PTS Consulting, Tokyo, Japan. “Stakeholders for a project go beyond management and key people.”

The stakeholders include the people and organizations, such as customers, sponsors, performing organizations and the public, that are actively involved in the project, or whose interests may be positively or negatively affected by execution or completion of the project. They may also exert influence over the project and its deliverables.

“By not understanding this term, the executives will not be able to understand the structure and methodology of major projects and the components that need to be addressed,” Mr. Ghanotakis adds.

When you recognize who the real stakeholders are, you have a better handle on who is impacted and who is responsible when things go wrong.



Terms That Save Money

These bottom-line terms let project managers know how much money they've spent, where the money has gone, and whether they are going to meet their goals. With an understanding of these terms, executives gain much more intimate knowledge of the financial workings and outcomes of the projects they sponsor.



Earned Value. In simple terms, earned value (EV) is the value of work performed expressed in terms of the approved budget assigned to that work for a schedule activity or work breakdown structure component. It is also referred to as the budgeted cost of work performed (BCWP).

Project managers use EV management as a forecast method to predict how much the project will cost, and how long it will take to complete based on current project performance, says Kim Liegel, PMP, senior project manager for Symantec, Springfield, Ore., USA. "For example, the project may have expended 50 percent of the budget, but that doesn't mean it's 50 percent complete," she says. "After adding in the factor of time spent against the project compared to budget, it may turn out that 50 percent of the project budget has been spent, but only 25 percent of the work or scope has been completed. The project is really behind schedule and will likely run over budget."

EV management information can help the project manager and executive management to correctly interpret true project performance. "[Calculating] this earlier in the project rather than at the end provides project managers and executive management a chance to remediate the situation," Ms. Liegel says.

Work Breakdown Structure (WBS).

One of the most important documents in a project, the WBS is the project manager's road map toward successful project completion.

It is the hierarchical decomposition of the work to be executed by the project team to accomplish the project objectives and create the required internal and external deliverables. Broken down into work packages, it organizes and defines the total scope of the project. Each descending level represents an increasingly detailed definition of the project work.

When reviewing a WBS, executives should pay attention to the milestones that will show whether the work is getting done on time, within budget and the quality constraints.



Milestones. Defined as the significant points or events in the project, regular quantifiable milestones allow executive sponsors to follow a project's progress, such as "the foundation for the building will be poured by 15 April."

"Executives should not agree to milestones that are ambiguous or unverifiable, such as a section of code will be written by a particular date, as there's no easy way to prove that," Mr. Brown says.

Milestones also should be scattered regularly throughout the project. "If a project manager tells you that all the milestones will be at the end of the project, that should raise a red flag," he adds.

Change Control. Popular with Total Quality gurus, this term refers to the identification, documentation, approval or rejection, and controls changes to the project baseline that impact time, cost or quality.

As the project gatekeepers, executives must give their approval and make decisions before any of these changes can happen. The power to oversee changes should not be delegated because when you give that power to someone else, you lose the ability to accurately gauge time and cost.



Critical Path. People grossly misuse this term, says Eric Morfin, PMP, project management office (PMO) director of Chiron Corp., Emeryville, Calif., USA. Most people think the critical path refers to all of the important tasks on a project, but in fact, it refers only to the inflexible tasks on a project.

The critical path is generally the sequence of schedule activities that determines the duration of the project. It is usually the longest path through the project, however, a critical path can end, as an example, on a milestone that is in the middle of the project schedule and that has a finish-no-later-than imposed schedule constraint.

"Everything on the critical path is important, but not everything that's important is on the critical path," Mr. Morfin points out. This small but important distinction can have a huge impact on cost and completion dates, because when inflexible tasks change, the entire project will be delayed.

For example, in a clinical trial for a new drug, the protocol must be written before the trials can begin—it's a critical path task. Conversely, the database in a clinical trial must be validated, but this can be done at any time during the project, which makes it flexible. "Delaying validation doesn't delay the project," Mr. Morfin says.

Lost in Translation?

For more information about project management terms, obtain a copy of PMI's *Combined Standards Glossary* at www.pmibookstore.org.



A Little Goes a Long Way

No one expects executives to study project management or spend hours poring over work breakdown structures and other project documents, but it does help if they understand enough to ask questions and follow along.

“Project management can definitely overwhelm executives,” Mr. Brown says. But by learning these terms, they can more quickly get a handle on a project’s progress and results, and that translates to more success and a lot less confusion.

“Focus on risk and rewards, tradeoffs, impact and probability, purpose and expected outcome,” Mr. Gan adds. “When you stick to facts and figures that show trends and indexes, you should improve communication.”



executive speak: Wilhelm Syring, Delivery Excellence Executive,
Global Business Services, IBM Germany, Hamburg, Germany

Personally, I consider project management capabilities a universal education. On the operational level, a common language helps to build powerful teams and to find adequate problem-solving approaches. **Solid methods and tools complement personal skills by leveraging efficiency.** The maturing community successfully contributes to new projects by applying lessons learned and managing portfolio complexity.

PHOTO BY BERT BOSTELMANN

recommended reading

A Guide to the Project Management Body of Knowledge (PMBOK® Guide)—Third Edition

PROJECT MANAGEMENT INSTITUTE, 2004

As the recognized global standard in project management, this updated third edition of *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)* should sit proudly on every executive's shelf. Used and referenced by aspiring and experienced project managers for more than 10 years, the *PMBOK® Guide* is the essential source for understanding the elements of project management. The fundamentals of the discipline—from project life cycle and organization to industry-accepted best practices and processes—each have been updated to reflect the evolving and ever-improving nature of the field. In-depth discussions on each of the critical knowledge areas provide significant value to the executive-level reader, as a company-wide understanding of the processes and practices of project management becomes increasingly vital in achieving organizational goals and missions.

Translating Corporate Strategy into Project Strategy

PETER MORRIS, PH.D., AND ASHLEY JAMIESON, MS

PROJECT MANAGEMENT INSTITUTE, 2004

Peter Morris, professor of project management at University College London, London, U.K., has long advocated the inclusion of project management principles in the pre-execution stages. In *Translating Corporate Strategy into Project Strategy*, Dr. Morris demonstrates how this approach delivers lasting business benefits and sustained value. The result of a year-long research project sponsored by the Project Management Institute (PMI), the book details the importance of having management “capable of creating, deploying, and maintaining enterprise, portfolio, program and project strategies.” This more holistic approach to managing projects is demonstrated through numerous case studies across a swath of industries and is accompanied by proven strategy implementation processes to effectively engage project management at the front-end, where the biggest influence toward a project's ultimate success can be made.

The Standard for Portfolio Management | Project Management Institute, 2006 | The authoritative guide to the processes and practices of project portfolio management.

Napoleon on Project Management: Timeless Lessons in Planning, Execution, and Leadership | Jerry Manas | Nelson Business, 2006 | An old-world perspective on a new-world process.

Identifying and Managing Project Risk: Essential Tools for Failure-Proofing Your Project | Tom Kendrick | American Management Association, 2003 | Details the art and science of controlling project risk.

Organizational Project Management Maturity Model (OPM3) Knowledge Foundation | Project Management Institute, 2003 | The indispensable resource for organizations looking to achieve project maturity.

The Little Black Book of Project Management | Michael Thomsett | American Management Association, 2002 | A quick and easy guide to understanding project management principles.

Role of the Executive Project Sponsor (Management Briefings Executive Series) | Robert Buttrick | Financial Times Management, 2002 | In-depth knowledge on directing projects successfully.

Project Management Case Studies

HAROLD KERZNER, PH.D.

WILEY, 2006

Project Management Case Studies presents a comprehensive collection of real-world case studies. Compiled by Harold Kerzner, Ph.D., a leading authority on project management, it includes more than 90 case studies from actual companies that illustrate both successful and unsuccessful implementation of project management methodologies. Logically arranged and clearly presented, this second edition details real project management scenarios in areas such as implementation, culture, risk management, execution, ethics and many more. Key questions follow each study, inviting the reader to apply the lessons to their own organization.

Project Portfolio Management: A Practical Guide to Selecting Projects, Managing Portfolios, and Maximizing Benefits

HARVEY A. LEVINE

JOSSEY-BASS, 2005

Project Portfolio Management offers proven business practices that guide executives and program managers in the selection, development and implementation of projects with real enterprise value. Former PMI president Harvey Levine's well-structured and articulate guide discusses the inherent challenges, from value and risk analysis to portfolio selection and management. Through comprehensive background material, numerous case studies and contributions from leading experts, *Project Portfolio Management* offers guidance for managers at any level in creating and managing a healthy portfolio of projects that will deliver the best results.

Project Management Roles & Responsibilities

J. KENT CRAWFORD

CENTER FOR BUSINESS PRACTICES, 2004

More a point of reference than a cover-to-cover read, *Project Management Roles & Responsibilities* is a concise yet comprehensive guide detailing the individual functions of project management personnel. Written for managers looking to develop a new team—or those needing to improve an existing one—this handy guide from the Center for Business Practices is useful for executives at organizations of any size. In addition to presenting the requisite skills and backgrounds for more than two dozen project management positions, *Project Management Roles & Responsibilities* discusses the function of the executive in supporting project teams, building project manager competency and reining in project controls.

www.pmibookstore.org

for more information

Since 1969,

The Project Management Institute (PMI®) has provided project management insight, best practices and enterprise support for the project management profession and across a variety of industries. Today, the organization boasts more than 220,000 members in more than 160 countries.

research

PMI conducts research in the field and sets professional project management standards of excellence. Through ongoing research and working sessions, PMI continuously works to update the available professional body of knowledge and industry-accepted best practices. With a focus on improving the profession as a whole, the Institute helps make project management indispensable to business results.

certification

By offering various levels of professional certification, PMI helps ensure qualified project management practitioners advance project success rates. Currently, PMI provides globally recognized credentials for Certified Associates in Project Management (CAPM®) and Project Management Professionals (PMP®), and in the coming months, a new certification for program managers will be available.

corporate council

Organizations on the by-invitation-only Global Corporate Council collaborate with PMI to increase public awareness of best practices. These elite, industry-leading companies include the likes of Booz Allen Hamilton Inc., McLean, Va., USA; The Boeing Co., Chicago, Ill., USA; Deloitte, London, U.K.; Huawei Technologies Co. Ltd., Shenzhen, China; IBM, White Plains, N.Y., USA; and Lockheed Martin Corp., Bethesda, Md., USA.



community

Across the globe, PMI's chapters and various component groups offer a wealth of resources to project managers, including educational and training opportunities. The organization's Specific Interest Groups (SIGs)—covering IT, aerospace and defense, construction, and government specializations, among others—advance industry-specific knowledge. What's more, through PMI's network of Registered Education Providers, employers can find the best staff learning options available.

standards

PMI proactively develops and promotes global standards of excellence in project management. By engaging practitioners in the field, its members and global companies, the Institute works to improve project management understanding and skills worldwide. As a result, the PMI Standards program is recognized as a Standards Development Organization by the American National Standards Institute (ANSI). In addition, *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*—Third Edition is:

- An ANSI American National Standard
- An Institute of Electrical and Electronics Engineers (IEEE) Standard
- A reference in an International Organization for Standardization Technical Report on managing software projects.

To learn more about project management and how to best implement it at your company, contact:

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checklist of champions

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Still at a loss on where to start? Here's a comprehensive list to ensure you're off and running.

- + **Fully appreciate the complexity** of projects in your portfolio and how they are interrelated. Actively make key strategic decisions that provide clear and unambiguous direction.
- + **Establish project priorities** within this environment. Provide necessary financial support in a timely manner.
- + **Broadcast enterprise strategy** and how projects contribute to goals.
- + **Display and demonstrate buy-in and endorsement** for a project-centric culture. Practice what you preach.
- + **Empower project managers** to make authoritative team decisions. Make yourself available for critical decisions outside their purview.
- + **Approve and sign** key project planning deliverables and documents in a timely manner. Steward any changes to scope to ensure your business doesn't get off track.
- + **Promote performance visibility** within the organization, to all stakeholders, and potential and interested clients.
- + **Review project status** and progress regularly so issues do not surprise you. Provide necessary resources when needed.
- + **Ascertain** that the right project manager and functional team members are selected.
- + **Ensure** that project risks are determined and managed.

Source: Miroslav Jankovic, PMP, MBA, BSEE, a project management consultant based in Belgrade, Yugoslavia.

Worldwide organizations
will embrace, value and utilize
project management and
attribute their success to it.

—PMI Vision Statement

