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PRACTICAL PROJECT MANAGEMENT

Background Notes



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INTRODUCTION

Frequently in the media we read of:

- Projects overrunning their budgets and timescales
- Products taking longer to come to market than planned
- New services failing on the day of their launch
- The need for change in the Public Sector

These receive high profile publicity but we rarely think about what has gone into the success stories:

- The incredible success in hosting of the Olympics and other major events
- The successful launch of new ground breaking drugs
- The smooth introduction of new ways of working
- Meeting changing demands and financial constraint in the public sector

Problems with projects can generally be attributed to one or more of the following:

- Lack of Focus – vision of the outcomes
- Lack of planning
- Poor organisation
- Bad scheduling
- A lack of cost controls
- Poor co-ordination of resources
- Bad monitoring and feedback
- Lack of flexibility when dealing with variables

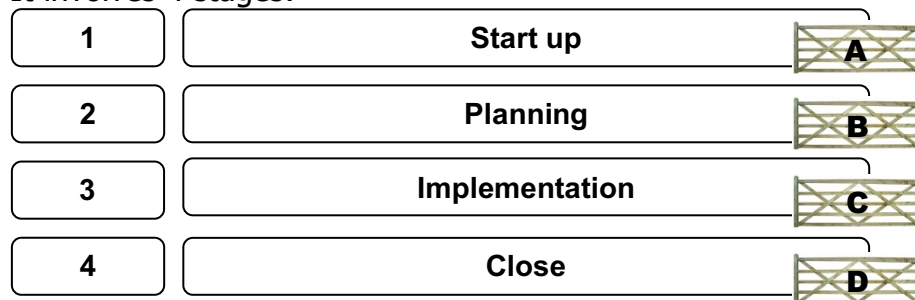
Project Management is about the managing and facilitating of all these areas.

Many projects are massive, high profile examples. However, by their nature all projects, no matter how small, are important to the organisation concerned otherwise they would never be launched in the first place. Some require much less formality but the application of the principles in a 'scaled' way is always useful. It also means that somebody else picking up a project will understand what is going on!

A PRACTICAL APPROACH

The workshop that these notes support is intended to provide a foundation of project management knowledge and a sound understanding of how some basic principles and stages can be applied practically no matter what the size of the project.

It involves 4 stages:



The gates represent the need to 'shut the gate' behind you. Not allowing the project to be pulled back into a previous stage.

This workshop is based on the application of 8 key activities spread across the 4 stages and documentation that can be used to record them:

The 8 Elements

1. Clear project objectives and clarity of project scope
2. Clear project structure and governance
3. Allocation of resources
4. Stakeholder analysis
5. Risk analysis
6. Work breakdown
7. Scheduling
8. Monitoring

The linkages with other methodologies such as Prince2 will be discussed during the workshop but the fundamental goal of successful and controlled projects and outcomes is the same.

1. CLEAR PROJECT OBJECTIVES AND CLARITY OF PROJECT SCOPE (Start-Up)

Defining the Project Brief

All projects start with a need, which has originated from:

- Market Research – customer's needs
- Demographic or Social Change
- New Practices and Techniques
- New Technology
- Business Planning
- Strategic or development Planning

A project should be initiated as a result of a sound business case i.e. the justification for going ahead with the project. The job of the project manager is initially, to clarify the feasibility of the project and to ensure there are clear Terms of Reference.

A business case should cover:

- Reasons for the project
- Alternative options
- Cost
- Time scale
- Expected benefits
- Expected negative impacts
- Risk

This will entail answering the 7 Key Questions:

- 1) What initiated the project?
- 2) What are the expected outcomes?
- 3) What resources are to be given to the project?
- 4) What is the project time frame?
- 5) What impact will it have on the service?
- 6) Does it conflict with other goals in the organisation
- 7) Does it get the organisation closer to where it is aiming to go?

So often projects that fail, on post analysis should never have been started or should have had greater clarity of foresight or a greater level of resource. The objective of going through the 7 Key Questions is to eliminate those projects that are doomed to fail before they even start.

Projects need, if successful, to either add value or enhance services. They are often therefore initiated as a result of a business demand or a need to improve internal processes. Usually people do have an idea as to what they expect the outcomes to be. The issue is, are those expectations well defined and realistic? Often the real test is to the level of resources an organisation is prepared to commit to resource the project. Similarly, satisfy yourself that the time frames are realistic.

One of the potential problems with a a project is that circumstances change and send the project out of balance.

Defining Goals and Objectives for The Project

Teams work far better when they have clarity of purpose, understanding what the end goal is.

Similarly, individuals within teams work better when they understand their personal objectives within the project and how these fit together to arrive at the overall goal. This also has the effect of explaining how their inter-dependence is crucial – That each member of the project team is dependent upon the other and therefore the necessity for each member to achieve their own objectives so as not to let down other project team members.

Giving the project a title – creating the overall goal and setting mini objectives is usually achieved far better when the project team have direct input to the process. This way the project manager quickly achieves 'buy in' by members of the team both to the overall goal as well as their own specific objectives.

Try to build energy into the team by differentiating work on the project from their other duties. Don't be afraid of being creative.

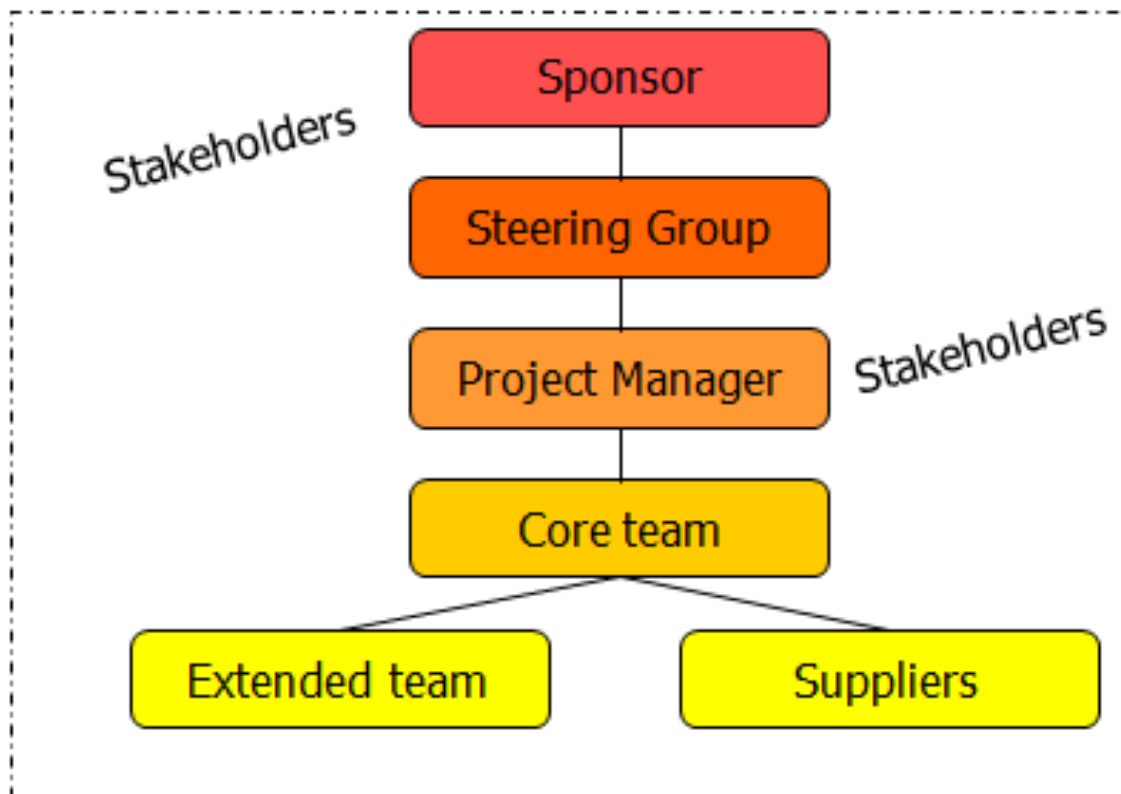
The most used acronym to help remember the essential qualities that a statement of objectives must have is SMARTA

S pecific	-	Clearly understandable and well defined
M easurable	-	Ability to measure the outcome
A ttainable	-	Must be able to be achieved
R ealistic	-	Not an impossible objective
T ime Limited	-	Clear time frame objectives
A greed	-	Agreed

2. CLEAR PROJECT STRUCTURE AND GOVERNANCE (Start up)

Responsibilities, who does what in the project and how it will be monitored should be clearly set out at the beginning of the project. This will ensure accountability and also avoid confusion later on. Typically, this will involve:

Project Governance

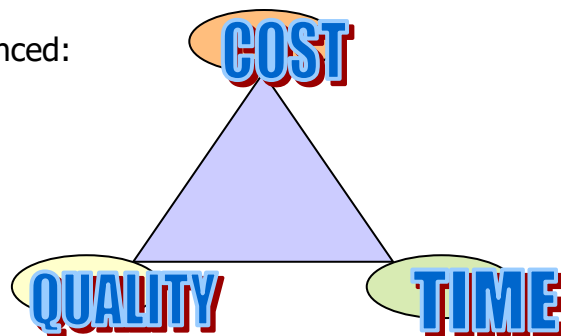


3. ALLOCATION OF RESOURCES (Start up and planning)

In simple terms there must be some realistic identification of the resources required for successful completion of the project. One of the most frequently identified issues contributing to projects failing is a lack of proper resources.

In a large project this will be a part of the Business Case but in any project being realistic is the key and understanding the implications and relationships between the various project outcomes.

Is the project correctly balanced:



As well as identifying resources required at the start up stage this will need to be reviewed and updated after detailed planning and throughout the project and the monitoring process.

One of the key resources is time.

In arriving at this estimate consider the following:

- Who is doing the job?
 - Have they done it before?
 - What is their experience?
 - Therefore, would their time estimate be reliable?
- How similar is this to other jobs we have undertaken?
 - What historical data is available to draw on?
 - What is the average time taken on similar projects?
 - Is this a reliable time estimate resource?
- How is the project different from any others undertaken?
 - What are the likely variables?
 - Are there possible variables outside your immediate control?
 - How could we limit the variables?

- Is our performance dependent on our client's performance?
 - How can we negotiate and contract the client so that inter-dependence is clearly understood, agreed and binding?
- Is the time estimate driven by when the decision to proceed with the project is given?
 - Therefore how long is the time estimate valid?
- Subcontract/Outsource is another possible tool to achieve outcomes within the timeframe.

Having established your time estimate this needs to translate into resources.

These will to some extent have been determined by the time estimates and usually consist of:

- People
- Equipment
- Software
- Premises

The nature of the resources required will depend upon the nature of the project. The key considerations here are:

- Availability
- Effect on the cost
- Effect on the timeframe

Bear in mind that more people does not always increase the speed with which a job might be done in direct ratio. There are some projects where there is an optimum level of labour to be used and thereafter any increase can be counterproductive. An example is cleaning an aircraft – there is an optimum level of labour to achieve optimum efficiency.

Once time estimates and resources have been factored the last element to consider is cost. The costs should naturally fall out of the above calculations but there are some key issues to consider:

- Will the costs vary with time?
- Will costs escalate if overtime is involved?
- When are the costs you have included subject to review? I.e. salary reviews, equipment price reviews
- Is there an agreement with suppliers for a notice period on price reviews? Are they able to quote fixed prices for a period?

- Where any overseas issues are concerned, consideration must be given to possible currency fluctuations
- Similarly if any external funding is involved, consideration needs to be given to possible interest rate fluctuations.

4. STAKEHOLDER ANALYSIS (Planning)

An essential element of the planning process and throughout the project is to conduct and monitor some form of stakeholder analysis.

This involves understanding who:

- a. Has an interest in the project
- b. The project should involve

In Local Government it is likely that many projects will have a wide range of stakeholders as a result of inter agency working, shared services, community engagement, staff engagement etc.

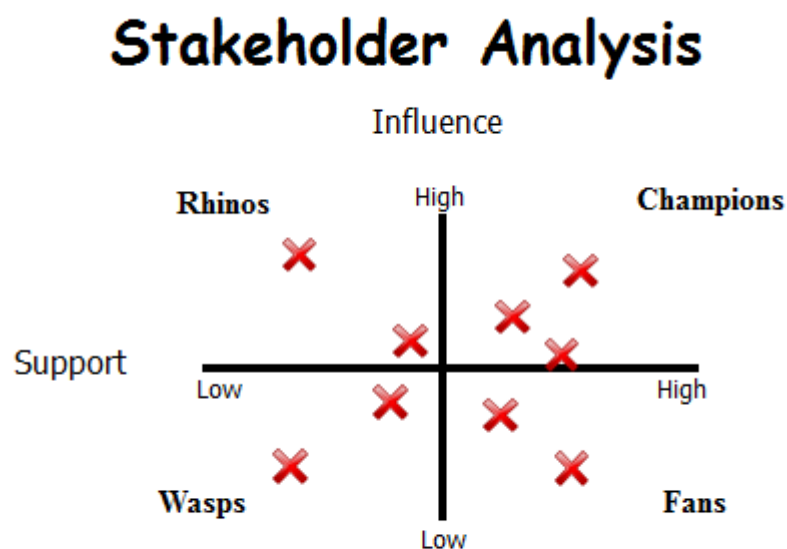
In particular elected members will often be important stakeholders and as such project managers and team members need to develop skills in political awareness and sensitivity.

It is not only important to understand and listen to the views of stakeholders but also to engage and positively influence those who can significantly impact on the success or otherwise of the project.

The Key questions are:

- What is their interest or involvement in the project?
- What does the project need from them?
- Their perceived attitude or risk they create?
- What actions need to be taken?

Various approaches can be used to conduct your stakeholder analysis. The main thing is that it informs actions required to address stakeholder issues. These could involve improved communication strategies or relationship building.



5. RISK ASSESSMENT (Planning)

Once the objectives are determined you can start planning the project. Unfortunately, even the best of planning does not always work and therefore a safeguard to the planning process is to try and assess where the risks of problems may be.

The easiest way of approaching this is to ask yourself what might go wrong.

Assessing risk is always a difficult issue since in theory anything could go wrong. It is therefore often better to consider the risks involved in a planned fashion. The following 6-point plan may well prove helpful in conducting a risk assessment:

- 1) Political Risk – might the project be halted or amended by either external or, more likely, internal politics? Where is that most likely to come from? Are there safeguards that we can undertake? Would signed agreements help prior to commencing the project?
- 2) Economic Risk – Changes in economic circumstances can affect projects when organisations consider what can I cut? The project may be at risk. Is it worth considering a plan B, less expensive solution as a back up or again would up front funding or funding allocation make it less likely to be cut?
- 3) Technical Risk – What are the technological risks involved in undertaking the project? Could these be pre-empted with a bit of forethought and therefore solved or minimised before the project starts.
- 4) People Risk – We consider the choosing of the project team later in this programme but one of the key issues here is to consider the likely length of the project and to ensure, as far as one is able, that the project team are committed to seeing the project through to its conclusion and or that there are understudies who are regularly appraised as to the development of the project who could take over if necessary without a huge learning curve. How the team work together, complete their area of the project etc. is discussed later in the programme.
- 5) External Suppliers Risk – Ensuring that external suppliers are committed to the project both in their own internal planning and finance is extremely important. Therefore, checking out their ability to complete or fund their element of the project is crucial. Researching a second string supplier, if possible, is also always an important tactic so that they can be put in place if necessary.

- 6) Insurance Risk – Are there any elements to the project that could be appropriately covered by existing or additional insurance? Or any use of a third party, are they appropriately insured? Again examination of these areas can reduce the potential cost of the project, if appropriate.

Of course, other variables can hit the project but in our experience the key likely issues are the ones outlined here.

Having taken care to consider these risks and put plans into action to minimise these risks by having signed agreements or a plan B can preserve the project and make it a success, whereas without this level of planning the project may falter or fail.

To prioritise your attention to risk multiply the probability of occurrence by the impact on the project.

6. WORK BREAKDOWN (Planning and Implementation)

Successful scheduling is informed by breaking the project down into manageable tasks that can be:

- Planned
- Organised
- Assigned
- Scheduled
- Monitored

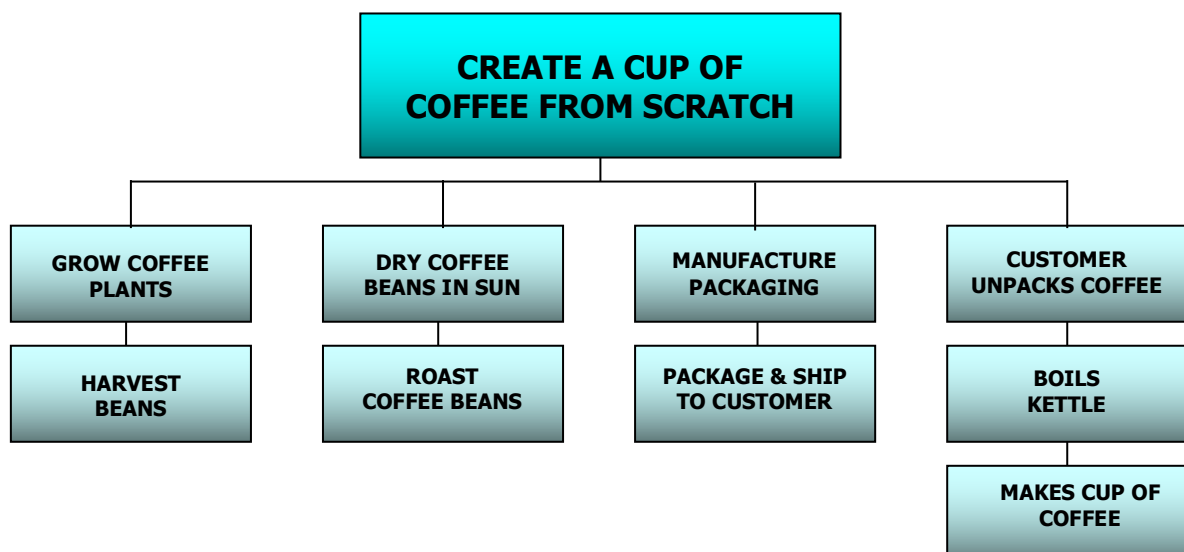
Apart from the need to manage and track each element of the project, it also helps to determine the specific skills and capabilities required to successfully complete the specific task. It is also necessary to check the numbers of people required, if relevant.

Creating a **Work Breakdown Structure (WBS)** also enables you as the project manager to clarify with your project team precisely what aspects of the project they are responsible for.

Finally once the WBS has been established you can then consider how the work can be sequenced in the most efficient manner.

So a WBS is a crucial first element in planning a project.

Creating the WBS needs careful consideration and is usually best facilitated by creating a family tree which starts with the project goal. It then breaks down into the main tasks and then further into sub tasks and then finally into Minor tasks. Do not break the work down too far. Recognise that the project team can deal with the real detail in the areas for which they have responsibility.



7. SCHEDULING

Over the years various techniques and methodologies have been developed to be used as tools for helping people manage their projects efficiently and effectively. However, often the techniques get viewed as an end in themselves. This is not the case. The techniques are simply means to assist in achieving the project purpose or objective. The key is to use the methodology and the tools appropriate to the project.

Until the late 1950's the prime method for scheduling projects was the bar chart. Developed by Henry Gantt for the purpose of plotting the progress of a project these are known as Gantt charts. They are extremely simple to create and offer a highly visual method of demonstrating the progress of a project and as such remain the best tool for explaining and demonstrating to the project team what needs to be done within specific timeframes. As an operational tool the main drawback is that it is more difficult to demonstrate how slippage on one task will necessarily affect subsequent tasks.

Constructing the WBS And Gantt Chart

As explained earlier the process starts with a Work Breakdown Structure or WBS. We then need to estimate time, equipment and resources. From these we can complete our first draft of the Gantt Chart

Summary

Project planning and scheduling is about:

- Managing series of logical and parallel tasks that lead to the project meeting its objective within the defined time
- Agree your time, equipment and resources estimates
- Identify potential delays and problems
- Co-ordinate all the resources available to reprioritise if necessary and be flexible to achieve the project time objective

8. MONITORING

- Control monitoring is about not just the reporting of information but the management of information. Therefore, comparing progress to the plans so that corrective action can be taken to manage deviations and bring the plan back on course
- The only way a project is really in control is if all the team members are in control of their own work, on time, within cost
- Project evaluation and review should be a key stage to assess whether corrective action is required or not.

Some examples of documentation that can be used to achieve this are provided on the workshop.

MAINTAINING MOMENTUM

Ensure that throughout the project you do not lose sight of the fact that:

- Individuals make up teams
- Teams complete co-ordinated tasks

There is a natural tendency to concentrate solely on tasks whilst ignoring the needs of team building and team dynamics and the needs of individuals.

CONCLUSION

Following completion of the project, whether it was successful or otherwise consider, what would I have done differently, go back through the stages:

- Could the WBS have been better defined?
- Were the estimates accurate?
- Was the critical path accurate?
- How well did I manage the team?
- Could the presentations and meetings have been conducted better?
- Did I manage the variables well?
- Were there situations I could have managed better?
- Was my monitoring effective?
- Did I miss anything?
- How could I improve?