



Improving Project Management Capabilities

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Outline of My Presentation

1. Benefits & costs of systematic project management/PM
2. Recommended approach to improvement
3. Improving the project life cycle management system (PLCMS)
4. Strategy for overcoming barriers



1. Benefits & Costs of Systematic PM

Increased success because:

- Projects support growth strategies
- Risks are known and managed
- Achievable commitments are made
- Responsibilities are defined:
 - Portfolios, programs and projects
- Every project is well-managed
- Teams work together with commitment



Project Management Triad

1. Integrative project responsibilities
2. Integrated planning and control
3. Effective teamwork



Benefits of:

1. Integrative Responsibilities

- Key persons are accountable
- Decisions are made to benefit both the project and the organization
- Effective coordination of functional contributors is achieved
- Integrated planning and control methods and tools are properly used



Benefits of:

2. Integrated Planning & Control

- All activities for each project are well planned in coordination with all other projects
- Better allocation of critical resources
- Early identification of risks & problems



Benefits of:

3. Effective Teamwork

- Multiple disciplines work together
- Strong commitment to and understanding of project objectives
- Jointly agreed plans and schedules generate team commitment
- Outstanding team performance is achieved



Cost and Value of PM

- 80% spend <10% of project on PM
- Range: 0.3% to 15% of project total
- Beyond ROI:
 - Significant value to organizations
 - 94% say PM adds value
 - Project execution up 50%
 - Financial performance up 54%



Reasons for PM Improvement

- Not enough simply to “have project management”
- Project Management practices must be:
 - Effective
 - Based on best experience to date
 - Continually improved



2. Recommended Improvement Approach

- Identify symptoms of ineffective PM
- Relate to probable causes
 - Review literature
 - Audit performance
 - Post-completion analysis
- Rank opportunities for improvement
- Define and execute an improvement program



Use Multiple Improvement Initiatives

- Implement PM Office
- PM methodology
- PM software
- Integrate PM with company processes
- Train & develop staff
- >70% of organizations implemented 3 or more initiatives in past 3 years



Identifying Opportunities & Need

- Evaluate results: schedule, cost, people, stakeholder satisfaction
- Use formal project performance review process
 - Improve the project under review
 - Identify process and system weaknesses
 - Identify excellent practices to adopt



Possible Improvement Efforts

- Strategic project portfolio management
- Management development & training
- Organization of responsibilities
- Integrative systems, tools, methods & procedures
- Project life cycle management system (PLCMS)



Implementing Major Improvements

- Must be done as a well-coordinated management project
- Some can be tested on a pilot project
- Most require implementing on all projects within a part of the organization
- Real and case projects are effective training vehicles



3. Improving the Project Life Cycle Management System

- Design and document the PLCMS
- Re-engineer the integrated process
- Implement the improvements



Document the PLCMS for Each Project Category

1. Identify and inter-relate existing risk analysis, planning & control processes & documents within each phase
2. Define the life cycle phases
3. Identify approval points between phases
4. Describe process flow within each phase
5. Describe the PLCMS



Re-Engineer the Integrated Process

6. Apply appropriate re-engineering methods to:
 - A. Identify system constraints
 - B. Relate poor results to the process
 - C. Redesign the process to relieve the constraints



Implement the Improvements

7. Prove validity of the proposed changes and obtain approvals
8. Plan, approve and execute the improvement project
9. Repeat all 9 steps as required until optimum achievable PLCMS has been implemented



Use the “Speedbumps” Technique

- Speedbumps: barriers purposely placed to slow down road traffic
- Need to identify and eliminate them within our PM processes
- Also identify accelerators: things that speed up projects

Source: “Using Speedbumps Technique to Foster Agility,” Githens, PMI 2002 Proceedings



Examples of PM Speedbumps

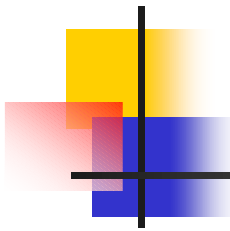
- Slow/poor decision-making process
- Poor planning & prioritization
- Lack of skilled people
- Poor communication during execution
- Turf battles
- Pursuit of perfection
- Scope changes



Successful New Product Process Has 7 Goals:

1. Quality of execution
2. Better project prioritization
3. Strong market orientation
4. Sharp, early product definition
5. True cross-functional team approach
6. Differentiated, unique products
7. Fast-paced and flexible process

Source: Cooper et al, 2001, p 333



Consider Applying TOC to the PLCMS

- “Any system must have a constraint that limits its output.”
- “The purpose of using TOC is to improve a business system.”
- Many practitioners report good results in using TOC.

Source: Goldratt 1997, Leach 2000, p 52



4. Typical Barriers to Effective Project Management

- Integrative roles below the general manager
- Shared responsibilities
- Direction from 2 bosses: project & functional
- Integrative, predictive planning and control



Typical Barriers (cont'd)

- Computer-supported information systems
- Project objectives versus department objectives
- Rewarding the team rather than individuals
- Temporary assignments on projects
- Cultural and other barriers



Use a Five-Phase Strategy To Overcome Barriers to PM

1. Identify and understand the barriers
2. Create awareness of the need for change
3. Educate and train affected people
4. Define “change projects” and use PM methods to plan and execute them
5. Modify and evolve PM practices to accommodate the barriers



Summary

- Improving PM capabilities requires change
- Implementing change requires proper use of good project management practices
- PM practices require modification and evolution to best meet the requirements of each situation



Summary (cont'd)

- Apply the systems approach to the entire project life cycle management system
- Plan and execute improvements using sound PM practices



Thanks for Listening

- Questions?
- Rebuttals?
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