

# HOW TO IMPLEMENT MODERN PROJECT MANAGEMENT IN YOUR ORGANIZATION

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This presentation is a part of the Welcom Software Technology seminar series about Modern Project Management. The objective of this handout is to provide practical guidance on how to implement modern project management in your organization. It offers tips and techniques that have been used on implementations varying in size from less than a hundred to over three thousand staff. The suggested approach is software independent but does place some critical requirements on the automated tools used to enable modern project management.

## **Create the Vision of Modern Project Management**

The first step in this approach is to create the vision to enroll senior management and allow a focused discussion of the future state of modern project management in the organization. The following is a sample vision statement.

Our future lies in managing by projects and requires modern project management.

Our business is undergoing overwhelming change. Modern project management contains a powerful set of techniques that will allow us to manage change. By organizing our work as projects we will cut across the traditional functional lines and integrate the company's resources to achieve specific objectives.

People are the key to our success. We will not focus only on getting the best people, but on getting the best from them. Modern project management is process driven and will provide the mechanism for getting the best from our people.

Implementing modern project management will allow us to perform multiple projects in an increasingly complex environment and measure our performance improvements.

In developing a vision statement, the organization must determine the boundaries of project management. As explained in this seminar, project management has its own concepts, approaches, tools, and techniques, but also overlaps with three other domains.

General Management:	Finance and Accounting, Sales and Marketing, Personnel, Legal, Purchasing
Technical:	Engineering Design, Construction, Quality Assurance and Control
Industry Specific:	Pharmaceutical, Banking, Telecommunications

It will help if the vision statement is depicted graphically. The next step is to turn the vision into a tangible initiative that will require resources and time.

## **Develop a Mission Statement with Objectives and Goals**

The Mission Statement provides project or program, objectives and measurable goals. The following is a sample Mission Statement.

The company will organize all new development work as projects from October 1, 1995. Any existing development work due to be completed after December 1, 1995 will also be reorganized. Project management will be recognized as a specific discipline and all project team members will be trained on a 'just-in-time' basis in specific techniques and assessed in these areas as part of the personal appraisal process. Projects will be assessed at key points against predefined standards for improved project coordination, better utilization of project resources, improved monitoring and forecasting of workload, and conformance to quality requirements. Procedures and guidelines to support staff will be developed and tools will be put in place that minimize the procedural knowledge required to carry out project management roles.

To achieve this overall objective the following goals have been established:

1. Identify target development projects - 6/1
2. Create job role descriptions - 6/1
3. Create project performance standards - 6/1
4. Carry out skills assessment - 7/1
5. Establish "just in time" training infrastructure and procedures - 8/1
6. Reorganize 50% of target projects by 8/1
7. Revise personal appraisal process - 9/1
8. Reorganize all target projects - 10/1

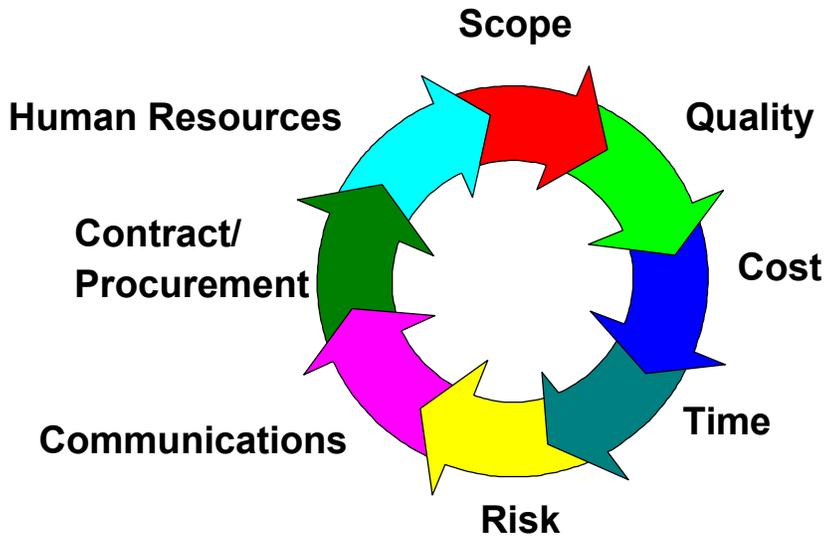
With this framework sketched out you now need to check your organization's capability to meet these goals and objectives.

## **Start with your People**

This is one aspect of pre-implementation that is often neglected and yet it is mission critical. Many organizations are developing a single overall approach (competency model) as a way of responding to the organizations rapidly changing job skills' requirements. These models identify the skills required and the how they will be provided. It is not sufficient to just add the modern project management skill requirements to other existing organizational and technological initiatives.

A suggested approach is to develop a basic set of project management competency levels that is achievable within the organization. One approach is to build these competency levels around the eight project management subject areas identified by the Project Management Institute, taking account of the size and type of project.

# Subject Areas



To gauge whether the competency levels are realistic, you must assess all target project team members using a questionnaire or interview process. This process will provide valuable feedback to help determine the speed and direction of the project management implementation and provide a baseline for ongoing measurement. A strategy is required for developing, supporting, and rewarding the development of these job skills. The following are some areas that need to be examined as part of the strategy. (Remember to answer the what, when, who, where, why, and how.) This activity requires coordination across the organization's traditional functional areas and management commitment.

Develop	Skills to be measured - test, assessment of deliverables, peer review New skills - project workshops, external training, on the job training
Support	Infrastructure - training, project support, functional support Management - involvement as sponsors, line managers, and leaders
Reward	Infrastructure - formal, informal, ties to existing company system

The next two areas focus on the existing work environment and how it can be changed to enable modern project management.

## Review your Current Standards and Procedures

Many companies or parts of organizations have at some time implemented project management. Any associated standards or procedures need to be reviewed and either refined and integrated into the proposed solution or discarded. In many cases existing standards or procedures will be beyond the proposed organizational capability – for example, project managers with 5 years experience will be responsible for project budgets previously supported by cost engineers or finance staff with 15 or more years experience. In such case the standards and procedures must be simplified and automated support becomes a critical success factor.

In the areas where gaps are identified, new standards and procedures can be developed, or purchased and refined. Methodologies are available that detail project management activities providing “what do I need to do,” techniques providing “how to,” deliverables providing “what should it look like,” and standards providing the “framework.”

The initial roll out may not cover all the subject areas of project management, but the following is a list of major project management deliverables that require the development of some standards and procedures.

<b>Project Management Subject Areas</b>	<b>Major Deliverables</b>
Scope	Scope Document Work Breakdown Structure Cost/Benefit Analysis Change Management Configuration Management
Quality	Quality Assurance Procedures Quality Plan Quality Control Procedures
Cost	Project Budget Earned Value Reports Project Cost Plan
Time	Schedule Update Process Schedule Reports Project Estimate
Risk	Risk Management Plan Risk Response Document
Communications	Project Communications Plan Issue Resolution Procedure
Human Resources	Resource Planning Process (identify, plan, acquire) Conflict Resolution Procedure
Contract/Procurement	Procurement Plan Dispute Resolution Procedure

To encourage the use and continuous improvement of the standards and procedures, they must be readily available. For some time, companies have documented their project management standards and procedures but kept them as hard copy manuals that reside on the bookshelf. Now it is possible to either take existing or develop new project management and technical standards and procedures and maintain an interactive copy of them. With on-line standards and procedures there is no need to wait until a project is complete to make use of the experience in other areas. Lessons learned for a particular task can be passed on to another project team member just beginning that task. Individual work processes can be improved within a matter of weeks and months rather than years.

As the final part of this review, it is necessary to identify any outages or potential conflicts caused by other company initiatives, for example, ISO 9000 certification, TQM, Business Process Re-engineering, etc. All issues raised must be addressed during the pre-implementation period. As mentioned earlier, modern project management does overlap with other domains and the inputs, outputs, and processes need to be complementary wherever there is an overlap.

## **Examine your Project Workload**

The other aspect of the organizational environment that needs to be examined is the workload, both current and prospective. Project measures need to be developed around the principle objectives of completing a project on time, within budget, to the quality specified, and achieving client satisfaction. Process measures covering the effectiveness and efficiency of how project management deliverables are produced also need to be developed. Examples of process measures are: the time (elapse and/or resource) it takes to prepare for a project kickoff meeting/ proposal/ quality review; the number and types of projects that can be carried out at the same time; the number of earned hours that can be achieved by a specific group; and staff utilization rates.

The principle in establishing these measures is to define and track only those measures that will be used in decision making processes. The project and process measures must be implemented prior to the roll out of the modern project management initiative (by at least three to six months) to provide quantifiable measures of the gains and losses. This is a reminder that the driving force behind any initiative is to be more profitable.

A survey of current and prospective workload needs to be carried out, logged, and updated from this point onwards. This is another aspect of the implementation that is mission critical – the total scope must be quantified and tracked. On the basis of this information and the above sections, a detailed roll out approach can be developed. One suggested approach is to apply it to all new projects that meet minimum criteria from a particular date onwards rather than an incremental approach. This approach would adjust the initial scope and objectives based on organizational capability.

## Prepare the Organization

Many project management implementations focus on the project teams and devote little time and resources to preparing the project sponsors and business partners. It is assumed that they will know their roles and understand the required project management techniques. By providing some education and training that orientates management, a higher level of understanding and commitment can be achieved. This approach also helps solve the dilemma of what level of senior management involvement is required – the answer is very little if they understand the information that is generated and the purpose of the techniques being used. Following their orientation, formal management commitment must be gained and communicated throughout all levels of the organization. One approach is to formally sign off all implementation documents and have management give lunch time presentations on what they have signed off.

These top down overview sessions need to highlight the:

- project and process measures that will be regularly communicated
- lines of communication
- support structure

The person who is accountable for the roll out needs to be in place prior to the overview sessions.

## Implement the Support Structure Provide Expert Support

There are many ways this can be accomplished that do not necessarily require a large amount of additional resources, either during the transition or ongoing. Some areas to check prior to establishing the support structure are:

1. Qualified part time resources – project managers currently on leave of absence or retired.
2. Local colleges – research students and faculty members engaged in project management.
3. Project Management Institute – recommended suppliers and job search directory.
4. Automated tools that can be centrally administered by an existing group, e.g. LAN administrator.
5. Local third party support services.

The support structure must be in place prior to the first ‘just-in-time’ training session.

## **Commence Just-in-Time Training**

'Just-in-time' training is one of the key elements of the Welcom Software Technology seminar. Many project management implementations fail because the training overhead is excessive for the people and the organization. It can be both ineffective and inefficient. By taking a 'just-in-time' training approach and providing as much of an automated support structure as possible, training can be minimized and consistent quality deliverables can be produced. This approach can also accelerate the start of a project and reduce the learning curve of the project team.

The 'just-in-time' training approach may seem inefficient at first sight, especially if multiple classes are required for relatively small audiences. Smaller workshops producing actual project management deliverables, mentoring provided by in-house staff, computer based training, and video conference training can provide an effective and efficient result. One other advantage is the lowering of the stress level by avoiding the need to learn many techniques in a short period of time. The capability for 'just-in-time' training will impact the scope and objectives of the implementation.

## **Commence Project Management Roll Out**

Assuming all the above sections have been adequately addressed and reviewed, the roll out can begin. The emphasis should be on communication, the integrating function in project management. Some suggested implementation coordination tips:

- Formalize the commitments that are made. Do not rely on verbal agreements.
- Keep an action list that notes critical actions and the committed date and the person/people responsible. Update this list and review it at a weekly meeting.
- Have all implementation team members meet for 15 minutes every morning during the first month of the implementation. This is an operational briefing. If there are any major problems, hold a follow up at the end of the day.
- All team members have lunch together once a week. No formal agenda.
- Seek the advice of the organization on increasing effectiveness. Allow genuine feedback and encourage positive suggestions.

The initial success of the implementation depends heavily on the effectiveness of communication and the empowerment of the implementation team. This paper does not suggest a particular organization structure for the implementation. Any permanent organization structure cannot be assessed until at least six months into the implementation – form should follow function. Until then, the implementation team expands and diminishes in whatever areas are required.

## **About the Author**

Ian Koenig has been on the project management steering committees of three major U.S. corporations. He has more than 17 years experience in project management and controls and has been responsible for implementing several project management methodologies. Koenig spent four years managing the implementation of project management for over 3,000 staff. He is currently on the board of the Houston Chapter of the Project Management Institute. He is also a member of the American Association of Cost Engineers and the UK-based Association of Project Managers.