

SUCCESSFUL PROJECT MANAGEMENT

Is there a recipe for project success? How can the odds for successfully delivering a project to your stakeholders be dramatically improved? How do the "Best of the Best" view capital projects?

A quick review of what project management is and is not will be helpful. Prior to 1996 the definition of project management was open to anyone's definition. There have existed many views as to what it is, both in its functions and processes. Standardization took place in 1996 when the Project Management Institute established its "*Guide to the Project Management Body of Knowledge*" (PMBOK). With the book's articulation of nine knowledge areas, project management processes were brought out of the fog of uncertainty into the clear light of day. The Project Management Institute defines project management as *the application of knowledge, skills, tools, and techniques to project activities to meet project requirements. A project is a temporary endeavor undertaken to create a unique product, service, or result.*¹

Yet, even today, thirteen years later, corporate job postings for the position of project manager are radically inconsistent. I am finding more and more, after twenty-five years, that most "project managers" I have worked with, barely know, or have relevant experience in even one dimension of the business. Most are not experienced in how the complete project management process is "supposed" to work and thereby unable to make decisions to either maintain or improve the bottom line goals. For projects to be successful, there must be a fundamental understanding of the Project Management Processes.

After a benchmark survey² of some 60 major corporations and 2,000 large capital projects, similar conclusions were reached about the best projects:

1. Instead of viewing the capital projects as the line responsibility of the engineering department, they view projects as the principal means by which the corporation's capital asset base is created. The view technology and engineering as elements in the supply chain that result in competitive products, not as non-integrated functions.
2. An excellent project system consists of business, technical, and manufacturing functions working together to create uniquely effective capital assets.
3. The importance of Pre-Project Planning (PPP) for business, facility, and project planning integration is hard to over-state. While fewer than one project in three meets all its authorization business objectives, 49 out of 50 projects that achieved a best practice PPP index score also met all objectives.

¹ *A Guide to the Project Management Body of Knowledge, Third Edition* (Project Management Institute: Newton Square, PA, 2004)

² *The Business Stake in Effective Project Systems*, Independent Project Analysis, Inc.. Presentation to The Business Roundtable of Western Michigan, Grand Rapids, MI, 1997.

So, is there is a recipe for project success? The Standish Group's CHAOS 2001³ research report revealed at least ten factors that contribute to a project's success.

1. **Executive Support** influences the process and progress of a project. Successful projects reached agreement among stakeholders on the goals of the project. Though this may sound easy to accomplish but in real life it can be one of the most challenging aspects of a new project. This is because each stakeholder has a different interest in the project, and often they conflict with each other.

2. See item 2 benchmark survey above. Lack of **user involvement** traditionally has been the number one reason for project failure. On time, on budget, and on scope mean nothing if the project does not meet the users' needs or expectations.

3. 97% of successful projects have an **experienced project manager** at the helm. Successful projects placed overall project responsibility on a project manager (schedule, technical, cost).

4. Successful projects established **clear stakeholder responsibilities**. Many key stakeholders today are unclear about their role in a new project. Successful projects were found to have defined roles and responsibilities described for each key stakeholder. This was often achieved using responsibility allocation matrices.

5. Successful projects had a means of **measuring project progress**. In order to know the true status of a project, its progress had to be measurable. Methods such as Earned-Value Management (EVM) were often used to measure and track project progress.

6. Successful projects **emphasized risk management**. Not only were risks identified throughout the project lifecycle but they were quantified, prioritized, and effective risk responses were developed.

7. By creating a **minimal, obtainable base level of requirements** and then developing those features, the effects of change will be reduced. Changing requirements is as certain as death and taxes.

8. Successful projects all use a **formal methodology**. It provides a realistic picture of the project and the resources committed to it. (*PMBOK*) Certain steps and procedures are reproducible and reusable; thus, the tendency to reinvent the wheel is minimized and project wide constancy is maximized.

9. Successful projects had **constant open communications between stakeholders**. As projects progressed, key stakeholders met often to examine the status of a project and to exchange vital information that kept them aligned around project goals.

10. Successful projects had **reliable estimates**. Estimating is just plain hard. Add to the difficulty the development and purchasing of components and their integration into existing applications. The more realistic, and reliable the estimates, the more confidence the stakeholders have in them.

³ *Extreme Chaos by the Standish Group International*