

success through delivering results



Taking the NIKE Approach (Just Do it!)

VIC AIPM Forum 31st August 2006

Project Management – a Passing Phase

1. The Case For
2. The Case Against
3. A possible Future

Project Management

A tourist walked into a pet shop and was looking at the animals on display. While he was there, another customer walked in and said to the shopkeeper, "I'll have a C monkey please." The shopkeeper nodded, went over to a cage at the side of the shop and took out a monkey. He fitted a collar and leash, handed to the customer, saying, "That'll be \$5,000."

The customer paid and walked out with his monkey. Startled, the tourist went over to the shopkeeper and said, "That was a very expensive monkey. Most of them are only a few hundred pounds. Why did it cost so much?" The shopkeeper answered, "Hatchet monkey can program in C - very fast, tight code, no bugs, well worth the money."

The tourist looked at a monkey in another cage. "Hey, that one's even more expensive! \$10,000! What does it do?"

"Oh, that one's a C++ monkey; it can manage object-oriented programming, Visual C++, even some Java All the really useful stuff," said the shopkeeper.

The tourist looked around for a little longer and saw a third monkey in a cage of its own. The price tag around its neck read \$50,000. The tourist gasped to the shopkeeper, "That one costs more than all the others put together! What on earth does it do?"

The shopkeeper replied, "Well, I haven't actually seen it do anything, but it says it's a project manager".

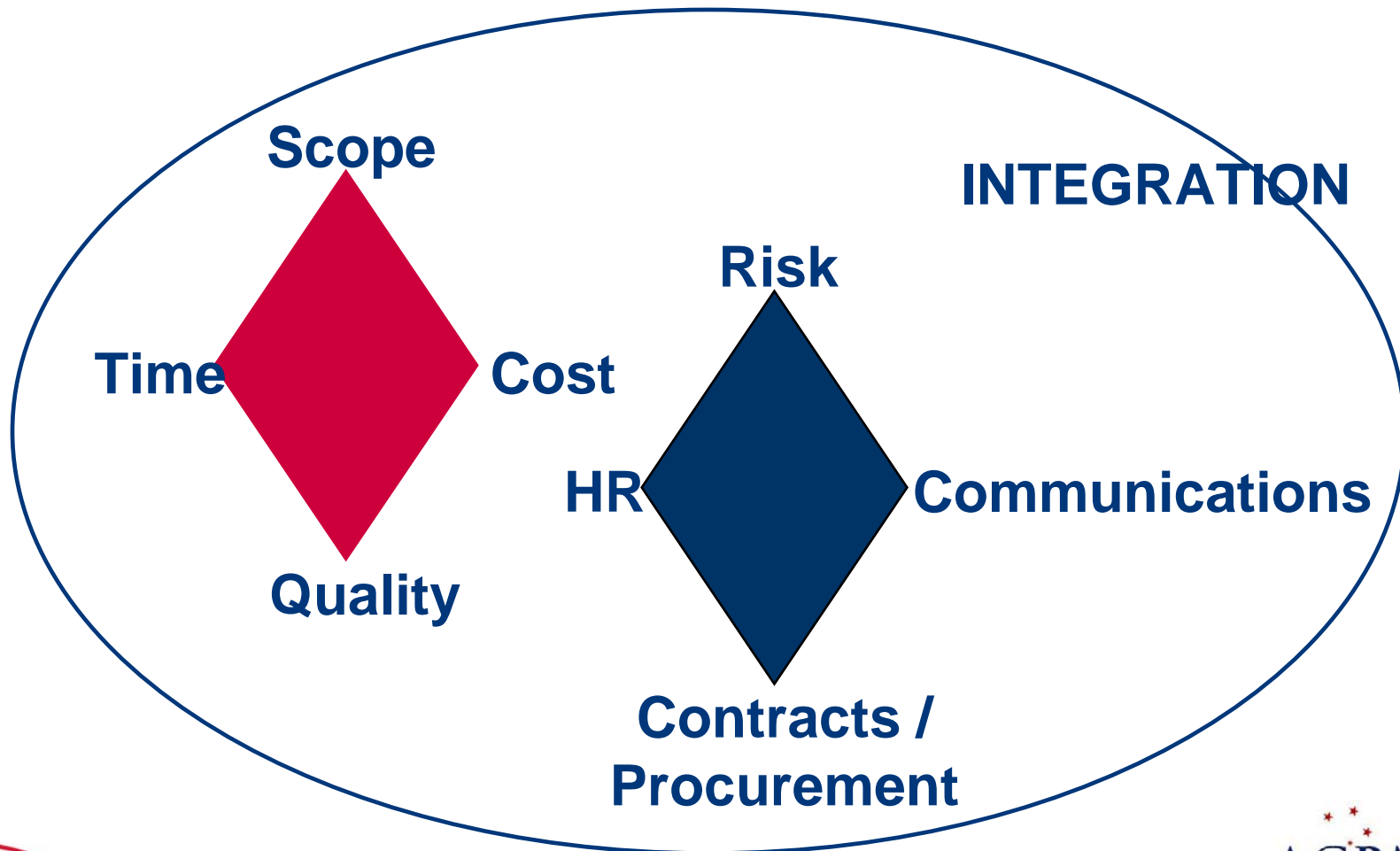
IT Project Management I

1. Programmer produces code he believes is bug-free.
2. Product is tested. 20 bugs are found.
3. Programmer fixes 10 of the bugs and explains to the testing department that the other 10 aren't really bugs.
4. Testing department finds that five of the fixes didn't work and discovers 15 new bugs.
5. Repeat three times steps 3 and 4.
6. Due to marketing pressure and an extremely premature product announcement based on overly-optimistic programming schedule, the product is released.
7. Users find 137 new bugs.

IT Project Management II

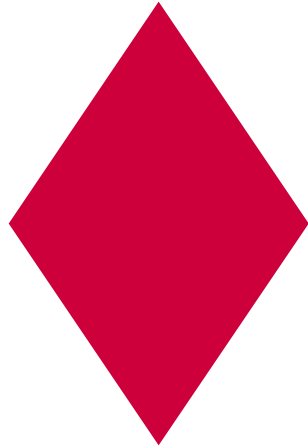
8. Original programmer, having cashed his royalty check, is nowhere to be found.
9. Newly-assembled programming team fixes almost all of the 137 bugs, but introduce 456 new ones.
10. Original programmer sends underpaid testing department a postcard from Fiji. Entire testing department quits.
11. Company is bought in a hostile takeover by competitor using profits from their latest release, which had 783 bugs.
12. New CEO is brought in by board of directors. He hires a programmer to redo program from scratch.
13. Programmer produces code he believes is bug-free...

Nine Knowledge Areas



Scope Management (DMBoK)

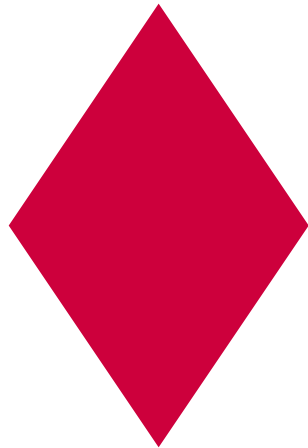
Scope



- Things always change anyway
- Time in workshops = Time not DO-ing
- Scope Change control? Try the DMBoK version: Do it then get forgiveness later!

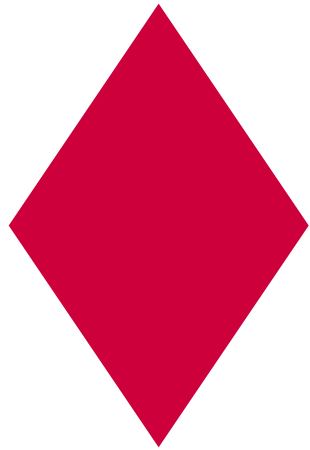
Time Management (DMBoK)

Time



- Gantt Charts - GIGO
- Work Breakdown Structures - Post-its on walls = litter and frivolity
- Critical Path? DMBoK approach - Work backwards from deadlines!

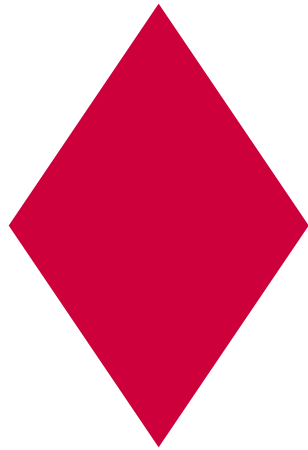
Cost Management (DMBoK)



Cost

- There's only a fixed amount of \$\$\$
- Contingency = Slush fund
- DMBoK says "Do more with less"

Quality Management (DMBoK)



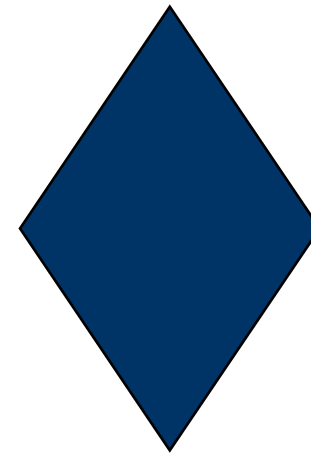
Quality

- You can't keep everyone happy
- Time boxing – otherwise we'll be here forever
- The DMBoK says "Get it right first time then you don't need all that testing and rework"

Risk Management (DMBoK)

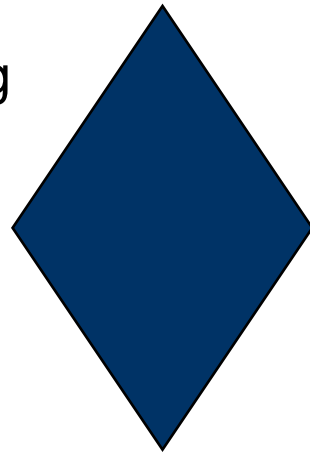
- Get it right – haven't you done it before?
- No Contingency, No Slush fund
- The DMBoK says Risk = Opportunity

Risk



Communications Management (DMBoK)

- Too much Talk → Action!
- 50% of job communicating
→ Do twice as fast
- DMBoK Do unto Others...

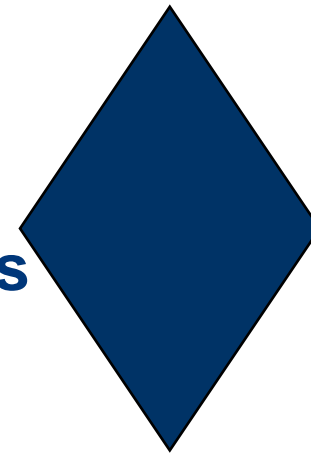


Communications

Human Resources Management (DMBoK)

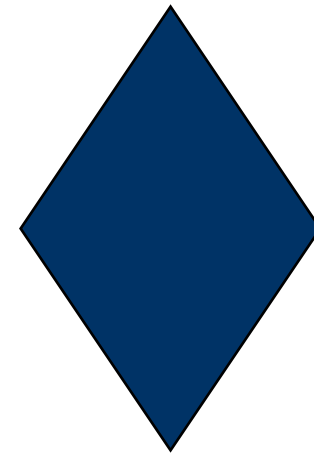
- Resources are expendable – go for deadlines
- Training ? During the project?
- DMBoK says Drive them hard and they'll grow into it

**Human
Resources**



Procurement Management (DMBoK)

- Relationships >> Contracts.
- RFTs, RFPs = Loss of time
- DMBoK says Go for the Handshake.
- (or Go for the Lawyer)



**Contracts /
Procurement**

The Facts Today

- Experienced Project Managers remain in short supply
- Projects are inherently risky by definition – this can only be reduced by careful planning
- Testing is critical to project success
- Communications is critical to stakeholder management
- Better defined = better performing contracts, and
- The Number 1 contributor to project failure is a lack of Executive support not inexperienced Project Managers

So what next for Project Management?

For Project Management to stay relevant it must become

1. More **Credible** → Benefits Management
2. More **Relevant** to Executives → Strategically aligned
3. Better **Set up to succeed** → Program/ Portfolio Management

The Truth About Project Benefits

Lack of Benefits Management across the Board

- **59%** of Organisations have **no formal Benefits Management** process (of those that DO, only 18% enforce it)
- Only **13 %** of Organisations **track benefits** until they are realised
- Only **23 %** of Organisations **integrate Benefits** with Operational Plans

Benefits Leakage

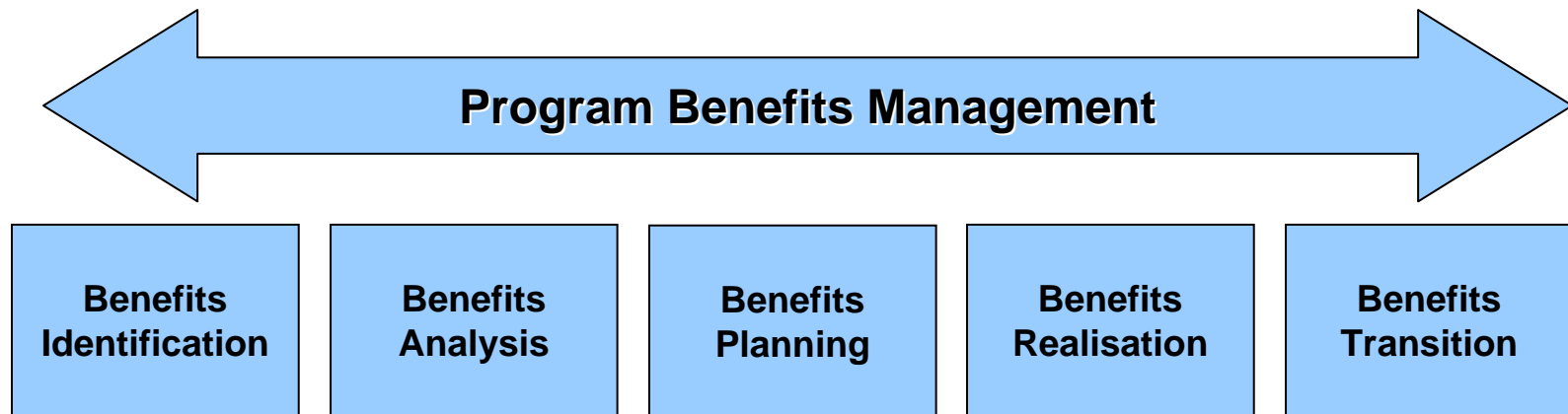
- **86%** of Organisations **lose 1/4** of their benefits

Benefits Realisation

- Only **2 %** of Organisations claim they **achieved all their project benefits** all the time over the past 12 months

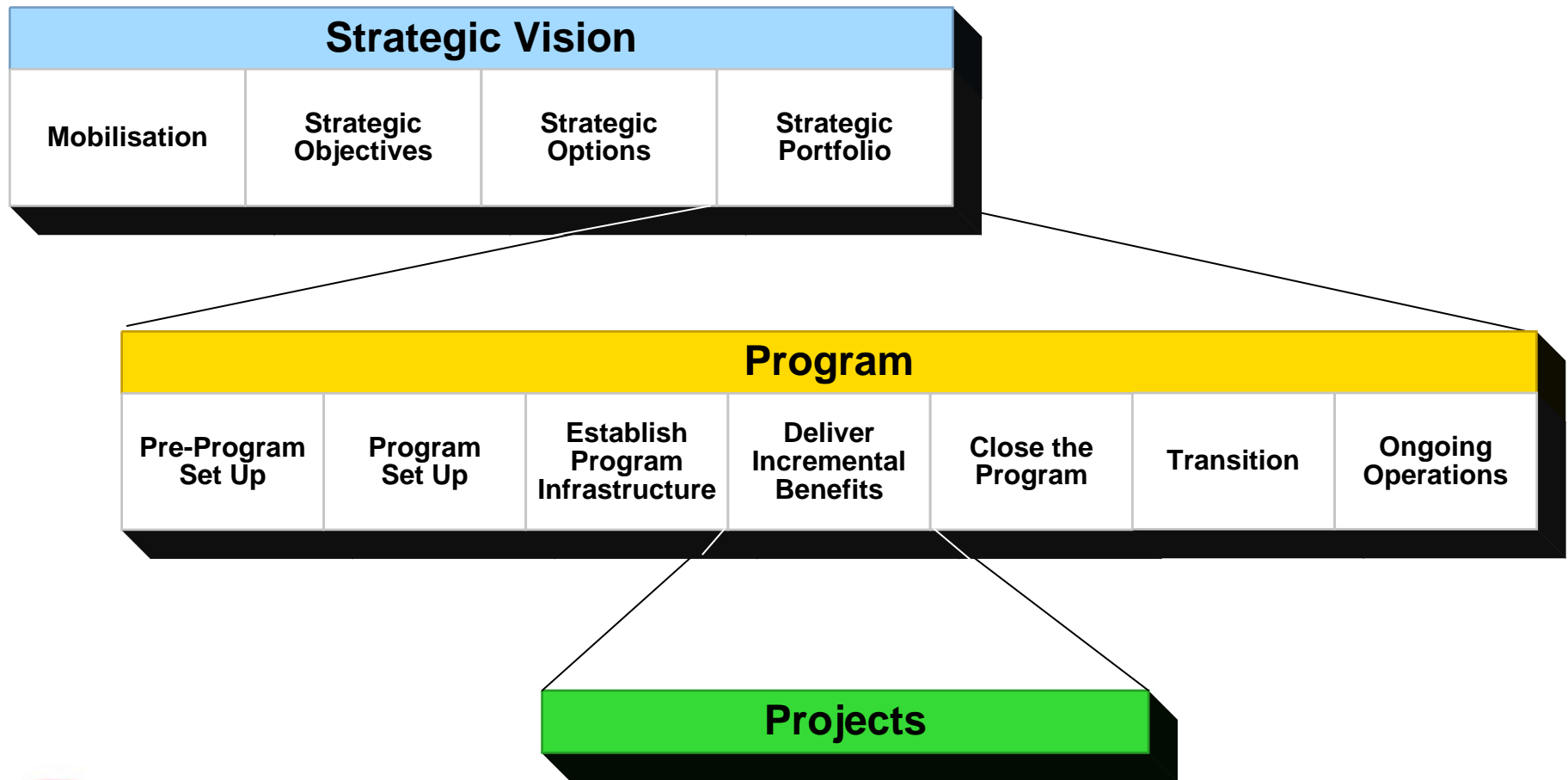
Source: KPMG Global IT Project Management Survey 2006

1. Improving Credibility: Introducing a Benefits Management Framework

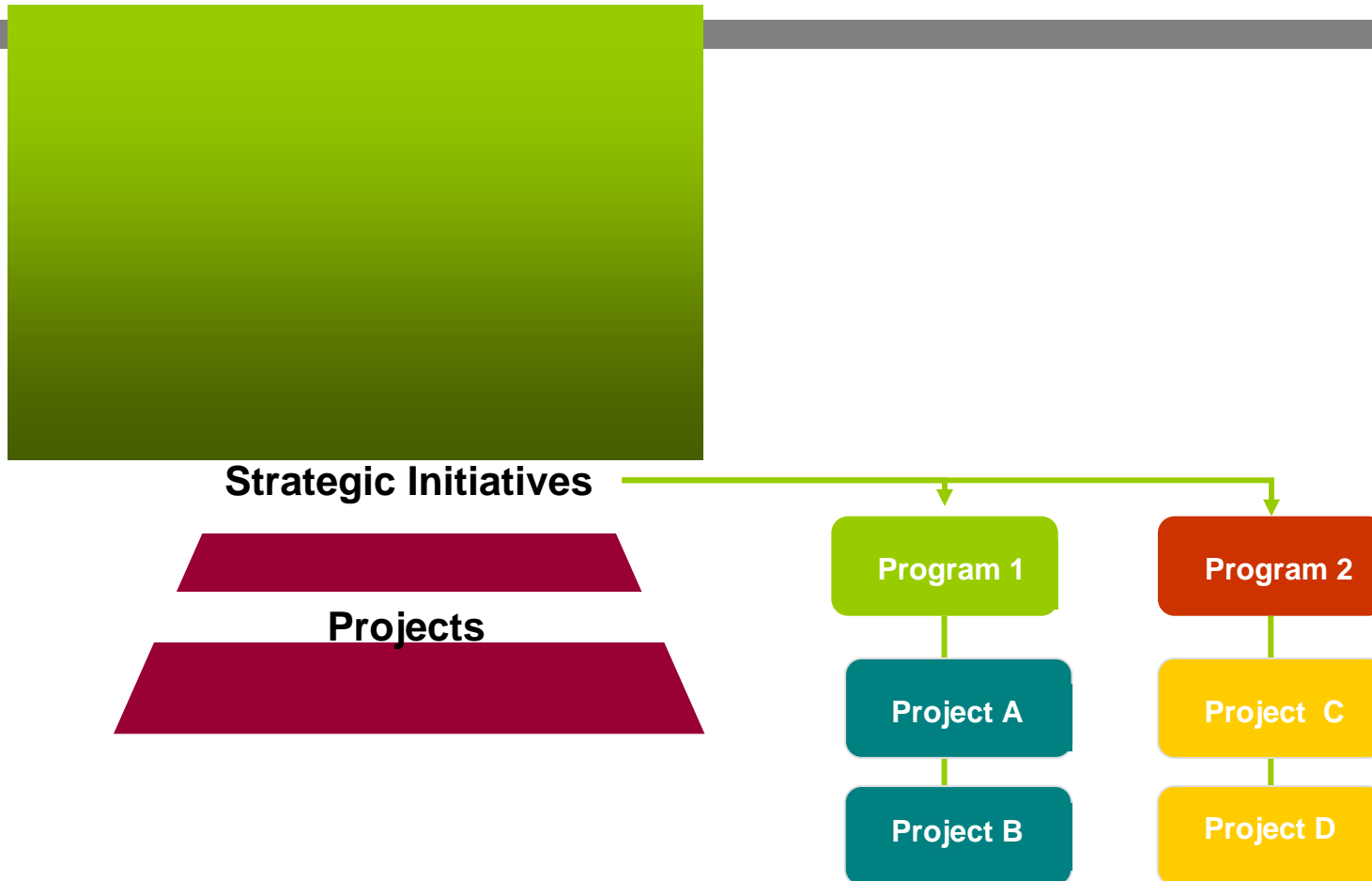


The Standard for Program Management, figure 2-3, Program Life Cycle and Benefits Management, Project Management Institute, 2006

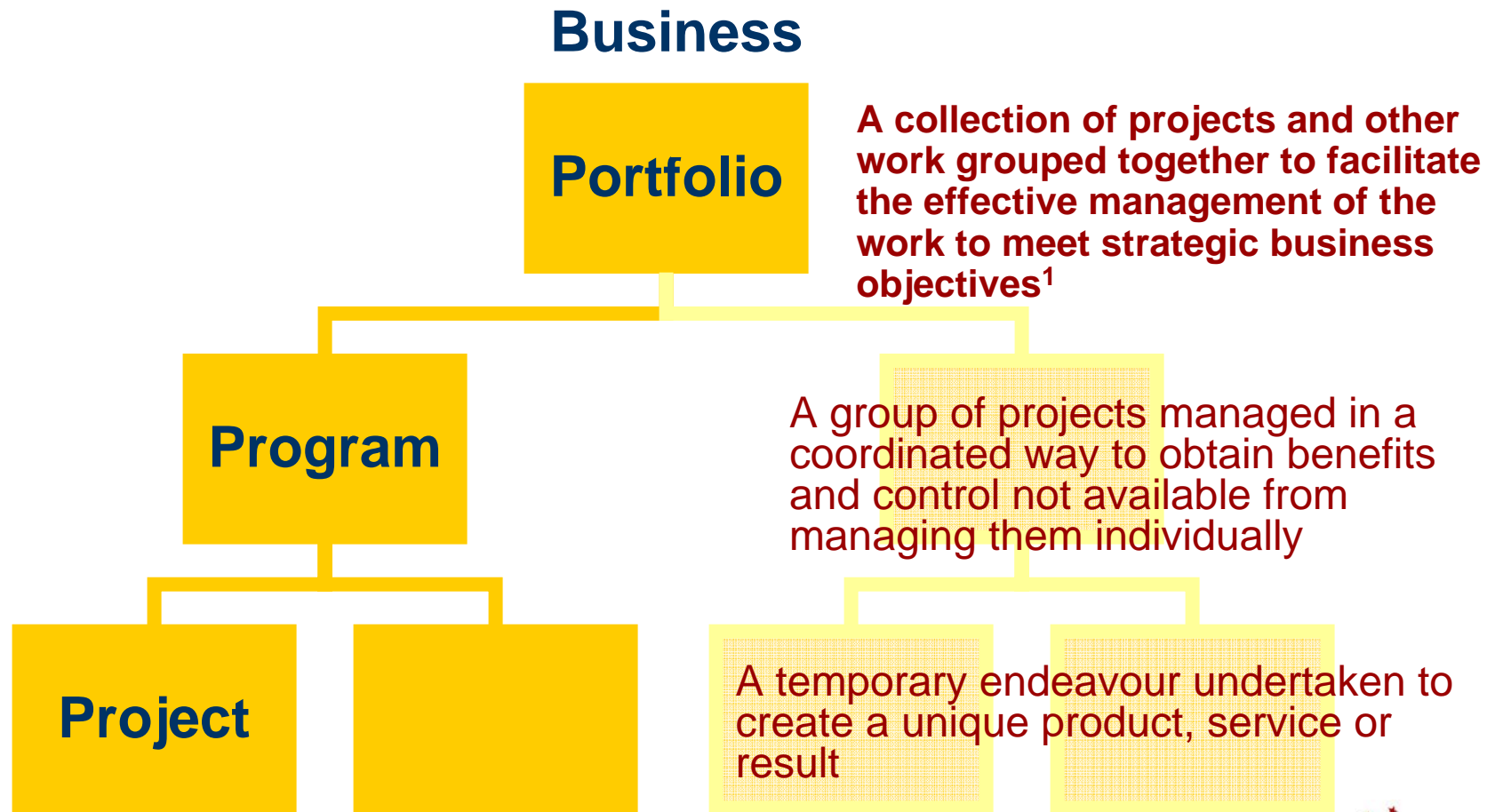
2. Improving Relevance: Formal Strategic Alignment



Every Project contributes to the Mission



3. Delivering on Projects through Program – Portfolio Management



Project v Portfolio Management Focus

Tactical

Strategic

Project
Management

Portfolio
Management

- Are we doing projects well?
 - Scope, Budget, Schedule, Resources, Deliverables, etc.
- Are projects on time and budget?
 - Schedule, Status, Forecast Cost, Budget, Actuals
- Do resources know what they are doing?
 - Task Assignments, Schedules, Timesheets

- Are we doing the RIGHT projects?
 - Visibility, Alignment, Risk, Priorities, Balance, Value
- Are we spending in the RIGHT areas?
 - Strategic Objectives, Client Expectations, Estimated Cost, Budget
- Do we have the RIGHT resources?
 - Primary Skill, Resource Type, Allocation, Capacity

Ensuring Key Success Factors are in place

Studies by the Standish Group on IT projects conclude that project success is higher in projects with the following key success factors:

- 1) Strong Executive support*
- 2) Adequate User involvement
- 3) Experienced Project Managers*
- 4) Clear Business Objectives*
- 5) Project Scope not too Large*

How many of these challenges are mitigated by formal Program-Portfolio Management?

Summary

Project Management – a Passing Phase?

1. The Case For ?
2. The Case Against ?
3. A possible Future
 - Benefits delivered
 - Projects strategically aligned
 - Many project problems SOLVED

success through delivering results



Taking the NIKE Approach QUESTIONS?

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