

## PM WORLD TODAY – PM TIPS & TECHNIQUES – SEPTEMBER 2008

### 7 Keys for Sustaining Project Excellence

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“Sustaining Project Excellence” – easy to say, tough to achieve. Everyone knows the end goal – *consistently* finishing projects on time, within budget and meeting desired business results. And everyone has seen the impact of not having project excellence. Some examples include:

- Capital equipment installations late, over budget with problems that created equipment inefficiencies and lost production;
- New products that do not meet target windows and fail to deliver on revenue expectations;
- Major system upgrades that have significant cost overruns and still do not meet customer expectations;
- Cross-functional project teams have poor morale with resources finding a multitude of reasons to not support projects they are assigned to support;

But how does an organization achieve and sustain project excellence? Is purchasing project management software the answer? Should everyone get project management training? How about an organizational mandate to be a high-performing project organization?

Too often organizations fall into the trap of a Silver Bullet approach—one simple, fast, low-cost activity that will take care of what is really a major change—when what is really needed is a planned, long-term, comprehensive approach.

There is more to achieving and sustaining project excellence. The seven critical components that are necessary for sustainable project success are:

1. Project Management Processes
2. Organization Structure
3. Project Management Tools
4. Capable People
5. Involvement and Communication
6. Project Performance Management
7. Leadership.

## 1. Project Management Processes

Organizations typically have a hodgepodge of project management practices with no common processes. Everyone has a personal approach leading to inefficiencies, confusion and conflict.

Two fundamental processes need to be established: Project Portfolio Management and Project Management. Project Portfolio Management is the linchpin between management initiatives for strategic and organizational change. A scalable Project Management process creates a common approach for managing individual projects. With both Project Portfolio Management and Project Management processes in place the organization has repeatable approaches for identifying the right projects within the organization's resource capacity and executing projects effectively.

*Using project portfolio management, a billion dollar airport expansion project easily received a realistic increase in funding that was needed to meet project goals.*

## 2. Project Management Tools

Project management software without project management process understanding is asking for the automation of poor project management information. Project management software selection should follow the establishment of project management processes. In addition, a rational decision-making process should be used that includes establishing criteria, evaluating software alternatives including the risks associated with alternatives. This will avoid an expensive software decision that does *not* deliver desired results. Software doesn't manage projects—people do!

*Project managers struggled to use a widely used software program, relying on only some of the robust features offered. After completing project management training, they were able to make better use of the program and eventually selected project management software specifically designed for their business.*

## 3. Capable People

Capable people in the right positions will support project success. This means more than assigning people to roles. Roles and role descriptions establish selection criteria for key roles such as Project Manager, Resource Manager, Sponsor and Sub-project Manager and set clear expectations for performance. The role descriptions should include required competencies which can be used for individual development. Just because someone is available does not mean they are capable. Based on the roles, development plans can be established and executed to build any needed capabilities.

*When a natural resource company began experiencing rapid growth, demand for project work skyrocketed. Project teams combined training and actual project work to skill up while meeting the demands of growth.*

#### 4. Involvement and Communication

Death by Meetings – a common affliction to project management creates meeting avoidance and meeting non-attendance. Wasted time, personal frustration, and confusion are all symptoms of this affliction. When questions of who and how people should be involved (both individually and in meetings) go unanswered, project managers end up driving projects alone rather than in a team, striving together to achieve results. An established structure and guidelines for involvement support the flow of information and the necessary commitment to the project.

*When the project manager for an annual trade show used the work breakdown structure to determine the agenda and attendees for meetings, project meeting times were halved.*

#### 5. Organizational Structure

Living in a resource jungle, scarce resources, the life blood of projects, are fought over and may the best project manager win. Because most organizations cannot justify the cost of totally dedicated resources for each project, they use a matrix approach to resourcing. People, the key resource, are pulled from multiple parts of the organization. They report to various functional managers with a dotted line support to various project managers. In addition to their functional responsibilities, they are expected to deliver above their normal workload to the project. What results is free-for-all battle for limited project resources.

Another key structural decision is whether or not to establish a Project Management Office (PMO) to support project performance at an organizational level. To create a functional PMO, organizations need to set clear objectives, structure PMOs to address project needs, and build credibility for the function. To build this credibility, the PMO should provide project management, advisory, and support functions (e.g. software administration, training, etc.)

*The increasingly flat organizational structure at a software company had resulted in a lot of projects vying for scarce resources. A PMO provided the structure needed to make the best use of people and focus funding on critical projects.*

#### 6. Project Performance Management

The lack of project performance accountability is a barrier to achieving results and creates a culture of blame. Performance measures and standards are critical both at the project and individual level and they must be backed by mechanisms for meaningful consequences and feedback. Finally, project performance needs ongoing management to provide a project environment with the information, resources and tools that project teams and individuals need for success.

*During an annual shutdown for maintenance at a manufacturing facility, project performance is closely monitored on a daily basis, actions are quickly taken to ensure project progress if problems develop. Close monitoring and risk management were credited for reducing the time the plant was offline by 30%.*

## 7. Leadership

Leaders must step up and support a high performance project organization by *walking the talk*. Critical behaviors include funding the necessary support activities and tools (e.g. training, software, PMO structure, etc.) and reinforcing the use of critical project management behaviors performed by Project Managers, Project Sponsors, Project Resource Managers, Portfolio Managers, Project Resources. Key activities include:

- Focusing on the right projects
- Controlling the volume of projects
- Improving the project support structure
- Maintaining a supportive project environment
- Managing involvement (broadened to include stakeholder management/engagement)
- Ensuring a project and portfolio management common language
- Monitoring and reporting in an efficient and effective manner
- Practicing patience

*A senior manager at a major beverage company established a project stage/gate process as well as training for his entire group of project managers and their leadership. This senior manager actively participates in the stage/gate process review meetings and attended both a three day project management workshop as well as a one-day overview for his direct reports. As a result, better decisions are made about which projects are implemented and there has been improved project execution – projects meeting their time, cost and performance requirements.*

## Sustaining Success

One final thought—the road to project success is a journey not a single step. It takes leadership commitment, a vision with a plan as well as a concentrated effort over time to achieve.

## REFERENCES

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KEPNER-TREGOE (KT) provides consulting and training services to organizations of all sizes including many of the Fortune 1000. KT helps clients implement their strategies by embedding problem-solving, decision-making, and project execution methods through individual and team skill development, issue resolution, and process improvement.

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