



Learning about the Project Management Function in an Organization: Data Gathering and Presentation to the Client (Part 2)

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In Part I we looked at the beginning of a high level approach to taking the initial steps to learn about an organization's project management function. The client, who is a service company, had plans to grow their project management function by an additional 100 project management employees worldwide within 2 – 3 years and increase their revenue by 50% within the same time frame through the introduction of new products and services. The client was provided a list of questions prior to a face-to-face meeting. Overall, the following was gathered prior to the meeting (responses based on the questions asked – see Part I: Taking the Initial Steps Toward Understanding the Project Management Function in an Organization):

- Individuals are assigned to participate on a project team based on availability first and then based on experience.
- There is no particular methodology followed.
- Only a small number of the project managers had certifications.
- The project manager is selected based on availability and is usually brought into the project once the budget has been provided and a desired due date for the project has been established.
- Deadlines for the project and the project budget are set by the executive team/project sponsor (project sponsor is, in most all cases, a member of the executive team.)
- Once a due date is set for the project, it is normally released throughout the company so that marketing and sales can begin preparations. In certain circumstances, if something major is missed, for example – a need for outside resources – the due date will be adjusted based on project manager recommendations. However, in most cases the company strives to make the due date by increasing the number of resources on the project (which increases the project budget). Rather than missing a deadline, they are more apt to increase the budget.
- Project managers do not manage global teams or outside contractors. They usually select project managers from the area where the team is located (so, if the project is based out of the office in Madrid, the entire project team is from that office). Outside contractors, when used, are selected and managed by the Procurement department.
- Overall, project teams seem effective in:
 - Status reporting
 - Working together as a team
 - Developing the Work Breakdown Structures and the project schedule
 - Working within the project scope and managing change requests
 - Meeting major milestones (although sometimes it means increasing the resources on the project to do so)



- Some project teams use Microsoft Project®, others use Microsoft SharePoint® for all project activities, and still other offices use Oracle Primavera. There is no consistency among software used although there is a desire to standardize at some point.
- The success of projects is not formally measured – however, projects are considered successful if they meet or come close to the due date (even if the budget is increased to meet a timeline.)

During the meeting with the client, we talked about some of their challenges and issues on projects based on their responses to the initial questions. We learned that:

- Approximately 80% of projects went over budget by 5% - 25%. This was due to deadlines that couldn't be missed and individuals being assigned to projects without the proper expertise.
- There were not enough project managers to go around and frequently project managers were assigned to 3 – 4 projects at a time and were being spread too thin to effectively take a lead role on the project. Turnover was approximately 2 in 5 project managers on an annual basis (over the last 4 years).
- There was no consistent way to do projects – no methodology is used and no consistency from project to project (not even within the same office). Additionally, although some project teams captured lessons learned, nothing was ever done with that information. Some project teams never bothered with capturing lessons learned.
- Project managers also had a functional management responsibility. In fact, many of the project managers “fell into the role” and were functional managers prior to being named project managers.
- There has been no formal training program for project management staff; although some individuals took training on their own. Since many of the employees learn project management skills “by the seat of their pants” – there is a high level of frustration among staff and sometimes even the easiest of projects runs into problems. Frequently staff are not able to problem solve and do not recognize issues on projects – even issues that arise regularly. The same risks keep “popping up” project after project with no planning ahead of time for how to manage risks. Since lessons learned are not captured and best practices not applied, there is no past project information to draw from.

Given the client's desire to make some improvements around the project management function with a goal of increasing staff in that area and increasing revenue based on new products and services, it was urgent to develop a plan to move forward and correct current issues prior to bringing on new staff.

The following plan was presented to the client to move forward to address their challenges and continue to grow the project management function. These suggestions were based on the responses to the initial questionnaire and follow up conversations with the client to analyze the project management function.



- PRINCE2™ Methodology was decided upon for consistency among all offices. Some of the overseas offices were familiar with it and it was easily customizable to meet the specific needs of the client. Additionally, the client was setting up a Microsoft SharePoint portal where the project management function had access to tools, templates, and documentation from past and current projects, with plans to add Microsoft Project Server and Microsoft Portfolio Server in the future to allow for central management of projects as well as develop some business intelligence around projects and project portfolios. This would be the main source of all project management information for the company.
- All project managers would work toward obtaining their PMP® certification and project team members would work toward obtaining their CAPM® certification. The company would provide formal training programs and certification exam preparation support.
- Additionally, the company would work to ensure some individuals on project teams had specializations in risk management and scheduling management. These would be aligned to the PMI® Scheduling Professional and Risk Professional certifications. This would enable key areas on projects to have support from individuals with expertise in these areas.
- It was decided that project managers needed to be involved from the beginning – prior to decisions being made on timelines and project budgets – for all projects. They would have input on budgets and timelines based on staffing needs and availability of the right people for the job.
- Since frequently a project manager with a particular expertise is required, going forward project managers would be assigned to projects outside of their region/country. This means that a project manager based in the United States may be assigned to manage a global project team and a project based in Ireland. A variety of training would be provided to all project managers including managing cultural differences and leading virtual teams.
- Additional project managers would be hired – new hires would need to have at least 5+ years managing projects of \$2M or more. Additionally, the company would look at promoting some current employees who were working on projects, but not currently leading them, into project manager roles. This would help with the current project managers being spread too thin. Too often all suggested projects within a particular year are expected to be completed within that year. There is nothing strategic about the project selection process. In one particular case, due to a lack of strategy and information sharing between divisions, similar projects were being run simultaneously rather than being consolidated and run as one project to conserve resources. This is a significant waste of money and resources. By more strategically selecting projects, across all offices, more time can be spent on the right projects with less stretching of the project managers across too many projects, and, reducing the budget for all projects overall.
- An assessment of current project management staff would be made to determine strengths and development areas. Strategic learning & development programs would be put in place to ensure that project management staff had the technical and critical skills needed to be effective



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– including problem solving and decision making, risk identification and analysis and capturing lessons learned/sharing best practices.



Summary

The items above that we designated as part of the plan to address challenges was prioritized in conjunction with the client. Some tasks were managed by the client completely; in other cases tasks were outsourced. The goal was to ensure a more formal project management function within the company (eventually the client wanted a central PMO with regional offices reporting into the central PMO.)

The Microsoft SharePoint site was a wonderful “gathering place” for all of the individuals working on projects. It included templates, project plans (past and current), best practices, lessons learned, a list of project resources and expertise, and many other items. It enables the project teams to go to one central place to get documentation they need or to ping others for their opinions/thoughts on a particular issue being faced by the team.

Once the project teams started focusing on certain tasks – such as identifying risks and planning for/managing those risks, they learned that much of that analysis, when done, would provide a starting point for future projects. In many cases, potential risks were the same from project to project. Similarly, by sharing information on problems that arose and how they were solved, it made other problems that were similar easier to solve and in a shorter time frame.

Upfront approximately 5 – 8 days was spent in working with the client to gather data and provide an analysis and opinion/recommendation on how to best move forward. The data the client received enabled them to determine where investment would have the greatest impact on helping them to meet their strategic long-term goals.