



## TenStep Supplemental Paper

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### **Learn How to Convince Executives of the Value of Project Management**

There is no question that a common set of project management processes provides value to an organization. Even if your organization utilizes “light” methodologies, there is still value in implementing a common set of “light” project management processes that everyone can use on similar projects. The exact argument to use for convincing executives of the value of common project management practices is going to be different from company to company because every company has a unique culture and unique problems they face. Each organization is also starting from a different reality and a different set of problems they are trying to resolve.

#### **Is Your Company Feeling Pain Today?**

If your organization delivers projects okay today, your arguments would have to focus on how project management would bring improvements in project cycle time, costs and overall quality. However, the argument is easier if you can identify areas where your organization is feeling some pain today. In that case, your executives will be much more open to changes, since they should be more easily able to see the value.

#### **Enter Project Management**

The majority of organizations have a spotty reputation for delivering projects within expectations. Characteristics of these organizations include:

- Consistently completing projects late, overbudget, or not meeting agreed upon requirements
- Weak standard processes and techniques used inconsistently by project managers
- Project management is usually applied in a reactive manner and not seen as providing value
- The time required to manage projects proactively is not built into the workplan and is considered 'overhead'
- Projects are 'successful' in spite of a lack of planning and project management, through heavy stress and overtime work throughout the life cycle

Good project management discipline is the way to overcome these shortcomings. Having good project management skills does not mean you have no problems. It does not mean that risks go away. It does not mean that there are no surprises. The value of good project management is that you have standard processes in place to deal with all of these events.

#### **The Cost of Project Management**

Of course, there is also a cost to implementing project management. This cost is at both the organizational level and at the project level. Some of the organizational costs, such as building a Project Management Office, are long-term. The costs at the project level are



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more short-term and include the one-time costs associated with having to learn new project management techniques and templates.

Ultimately, if the result of project management was that projects would complete more slowly, cost more and have poor quality, it would not make sense to use it. The opposite is true - using sound project management techniques and processes will give you a higher likelihood that your project will be completed on time, within budget and to an acceptable level of quality.

The costs and benefits are also factored in when we say that the project management processes must be scalable. You don't want to use the project management processes for a ten million dollar project if your project is only ten thousand dollars. Make sure your common processes always provide more value than they cost on projects of all sizes.

### **High-Level Value Proposition**

Showing the value of project management is difficult because it is hard to isolate the specific benefits versus what "might" have happened if project management was not utilized. One alternative is to look at the various aspects of project management and show the value associated with each component. Project management processes and techniques are used to coordinate resources to achieve predictable results. The value proposition for project management goes something like this:

*Implementing a common set of project management processes takes effort and resources. However, the value of project management to the organization is much greater, and includes:*

- *Better expectation-setting through up-front estimating, planning and project definition*
- *Faster execution through the reuse of common processes and templates*
- *Fewer project problems encountered utilizing proactive project management processes*
- *Better organizational decision-making through more effective project communication*
- *Higher client satisfaction and less rework by building a higher quality product the first time*

### **Better Estimating, Planning and Project Definition**

How many times have you heard about or been involved in a project that failed miserably? Or perhaps it just was not as successful as it needed to be. Did you ever spend time looking back to see what caused the project to go wrong? If you did, chances are that you said, "You know, we should have spent more time planning."

Project management focuses first on planning the work. This is a vital discipline, and allows the project team and the client to have common perceptions of what the project is going to deliver, when it will be complete, what it will cost, who will do the work and how the work will be done. This includes:



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- Understanding and gaining agreement on project objectives, deliverables, scope, risk, cost, approach, etc.
- Determining if the original business case is still valid. For instance, a project that requires 10,000 effort hours might make business sense. If the planning process determines that the effort is really 20,000 hours, the project may not make sense any more.
- Making sure the resources you need are available when you need them.
- Providing a high-level baseline from which progress can be compared and measured.
- Working with your client ahead of time on the processes used to manage the project.

*Value statement: Utilizing a common definition and planning process sets common expectations and makes sure that only the right work gets done. It can also result in the cancellation of projects without a viable business case.*

### **Reuse of Processes and Templates**

People intuitively understand that it is faster and cheaper to reuse something that already exists rather than to build something similar from scratch. If your organization creates a set of project management processes and templates that are used consistently from project to project, each instance represents a savings of time that would otherwise have been spent on building the processes from scratch.

*Value statement: Utilizing common project management processes and templates will result in cost and time savings associated with having to otherwise develop them from scratch on each project.*

### **Proactive Project Management Processes**

People who complain that project management is a lot of 'overhead' forget the point. Your project is going to face issues. The question is whether you will proactively resolve them or figure them out as you go. Your project will face potential risks. Will you try to resolve them before they happen, or wait until the problems arise? Are you going to communicate proactively or deal with misunderstandings caused by lack of project information?

The characteristics of the project are not all going to change whether you use a formal project management process or not. What changes is how the events are dealt with when the project is in progress. Are they dealt with haphazardly and reactively, or proactively with a smoothly running process?

*Value statement: Having proactive and consistent processes in place will ultimately help projects run faster, cheaper and at a higher quality level.*

### **More Effective Communication**

Properly communicating on a project is a critical success factor for managing the expectations of the client and the stakeholders. If these people are not kept well informed of the project progress, there is a much greater chance of problems and difficulties due to



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differing levels of expectations. In fact, in many cases where conflicts arise, it is not because of the actual problem, but because the client or manager was surprised.

*Value statement: Proactive communication allows you to better manage expectations and avoid misunderstandings and conflict, and it provides better information for decision-making.*

### **Building a Higher Quality Product the First Time**

Quality management is about putting processes in place to ensure that your work is of high quality the first time through. By practicing some simple quality management processes, you can deliver a higher level of quality and avoid the expense and time of having to fix things after the fact. Many project teams think they are in great shape until they get toward the end and start seeing problems in their deliverables. Then they realize that they have a lot of rework to do, and suddenly the schedule is shot.

*Value statement: Quality management helps you build your deliverables correctly the first time and saves costs overall by discovering problems as early in the project as possible.*

### **Other Value Points**

There are other aspects of project management that provide value, including managing scope more effectively, defining and collecting metrics, managing workplans proactively, etc. However, the points above give you a sense for how the value argument would be framed.

### **Summary**

It is not possible to give an exact set of arguments that will convince executives at every company. The arguments you use for one company might fall completely flat at another company. However, regardless of your situation today, the basic value points above probably hold true in every company. The place to start with “selling” project management to your executives is to see what type of pain your organization is facing today. Then, look at the various components of project management and see how they would have a positive impact on your environment. Ultimately, you are not going to be able to sell project management using hard metrics. Implementing project management is a culture change initiative, and for the most part all initiatives of this type are going to have to rely on some soft numbers. Make sure that you cover the direct benefits to projects in terms of cost, deadlines and quality. Also, make sure that you tie this project benefit to the overall ability of the organization to achieve its business goals today and to build the capability to better meet business challenges and to drive the business toward its future vision.