Adapting Project Management to a Non-Project Organization

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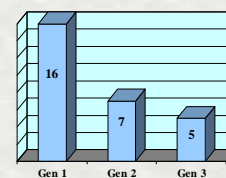
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SiTech's Business Problem

1. Brutal global competition
2. 24x7 factory operations
3. Requires constant enhancements to factory
4. Improvement projects failing
5. Fix or die

Worldwide Consolidation

16	7	5
Gen 1	Gen 2	Gen 3

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Agenda

- Some project management fundamentals
- Approach to the case
- Preparation and diagnosis
- Designing the solution
- Implementation and rollout
- Results and lessons learned

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Too Many Projects Fail

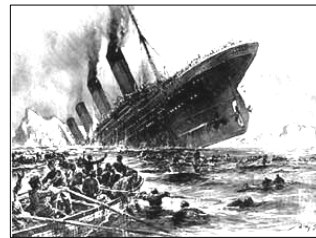_____% completed successfully
  - □ on-time
  - □ on-budget
  - □ all features and functionality

_____% cancelled before completion

_____% completed but "impaired"
  - □ average final cost ___% of the original estimate
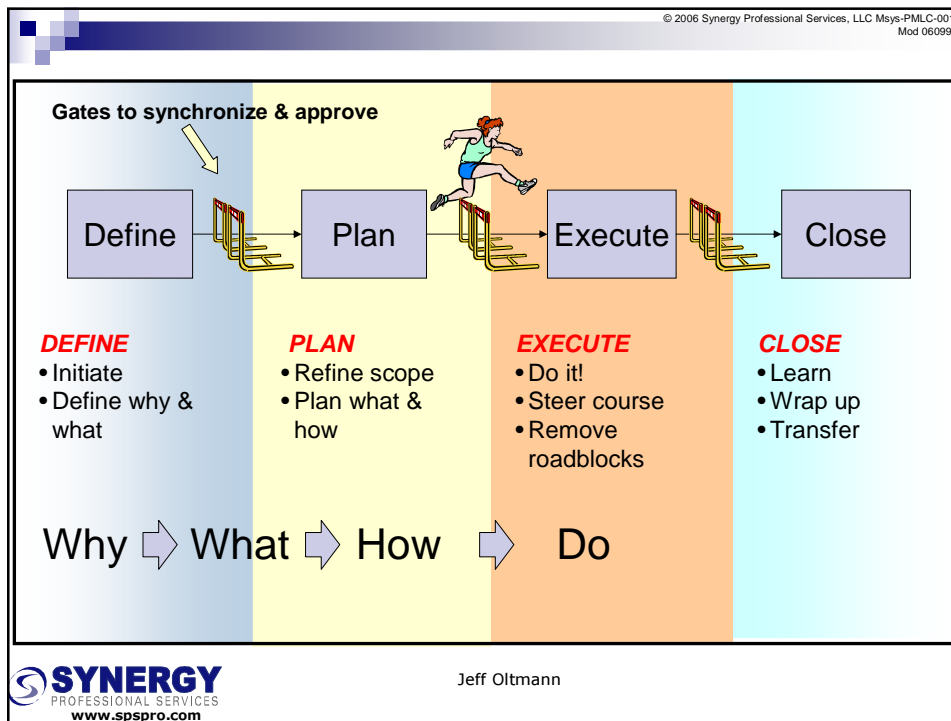 - □ ___% of the original features and functionality

Based on The Chaos Report, 1995, The Standish Group International Inc.

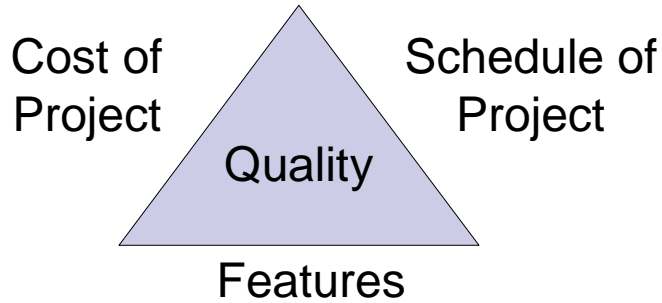Jeff Oltmann

Project Success Factors

1. Agreement on goals
2. A good plan
3. Progress measurement
4. Constant communications
5. Management support
6. Controlled scope
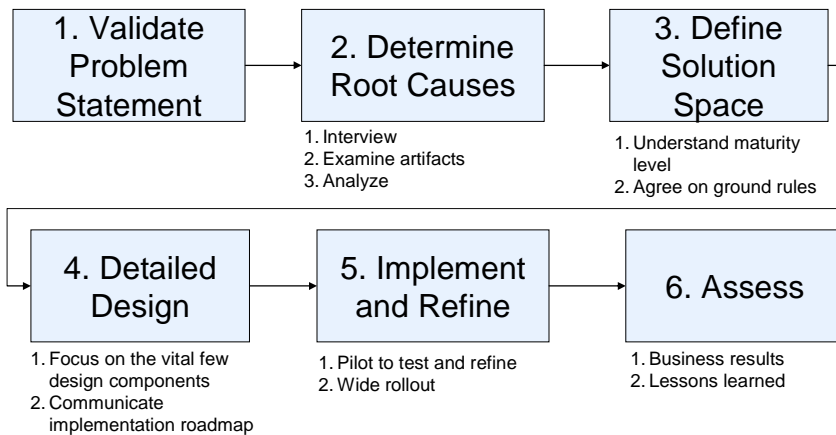7. Continuous contact with customer

Eric Verzuh
J. Davidson Frame

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Gates to synchronize & approve

Define → Plan → Execute → Close

DEFINE
- Initiate
- Define why & what

PLAN
- Refine scope
- Plan what & how

EXECUTE
- Do it!
- Steer course
- Remove roadblocks

CLOSE
- Learn
- Wrap up
- Transfer

Why ⇨ What ⇨ How ⇨ Do

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The "Triple" Constraint

Cost of Project

Schedule of Project

Quality

Features

<u>Other Constraints to Consider</u>
- Customer Satisfaction
- Risk
- Critical Resources & Skillsets

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Engagement Approach

1. Validate Problem Statement	2. Determine Root Causes	3. Define Solution Space
	1. Interview 2. Examine artifacts 3. Analyze	1. Understand maturity level 2. Agree on ground rules

4. Detailed Design	5. Implement and Refine	6. Assess
1. Focus on the vital few design components 2. Communicate implementation roadmap	1. Pilot to test and refine 2. Wide rollout	1. Business results 2. Lessons learned

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1 & 2 Prepare

Validate Problem Statement

Interview

Analyze

Examine Artifacts

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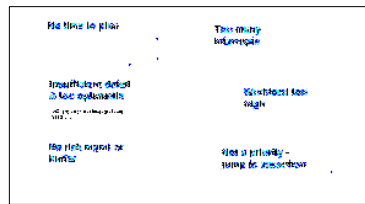
SiTech Root Problems

1. Ad-hoc project planning
2. Infrequent, subjective project monitoring and roadblock removal
3. Management didn't prioritize work and say no to some projects
4. Difficulty managing urgent interrupts from ongoing factory operations
5. Unclear roles, responsibility, and accountability regarding projects
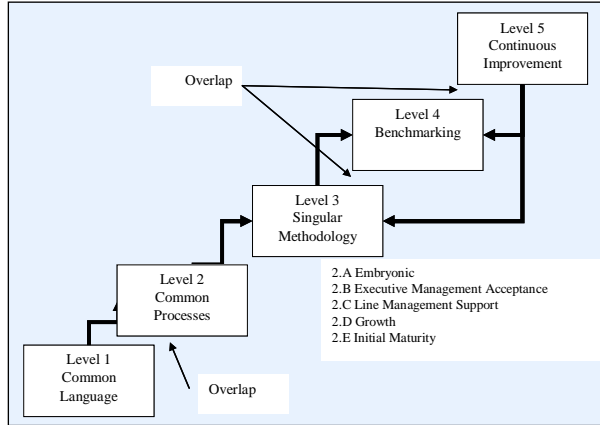6. Culture of firefighting

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Define Solution Space

Exhibit 3: Kerzner's Project Management Maturity Levels

(Diagram labels: Level 5 Continuous Improvement; Level 4 Benchmarking; Level 3 Singular Methodology; Level 2 Common Processes; Level 1 Common Language; Overlap; Overlap)

2.A Embryonic
2.B Executive Management Acceptance
2.C Line Management Support
2.D Growth
2.E Initial Maturity

1. Evaluate maturity gap
2. Understand organizational capacity for change
3. Agree on guiding ground rules

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SiTech Solution Space

Ground Rules

1. Consider whole system
2. Simplicity is king
3. Antibodies will attack
4. End users must feel long-term "ownership" of all solutions
5. Require cross-functionality

SiTech Maturity Level
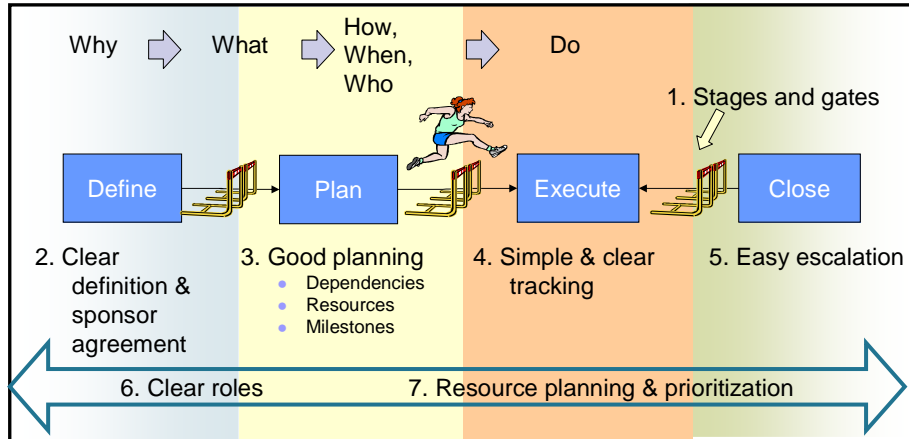**pre-level 1**
Fragmented PM Language and Protocols
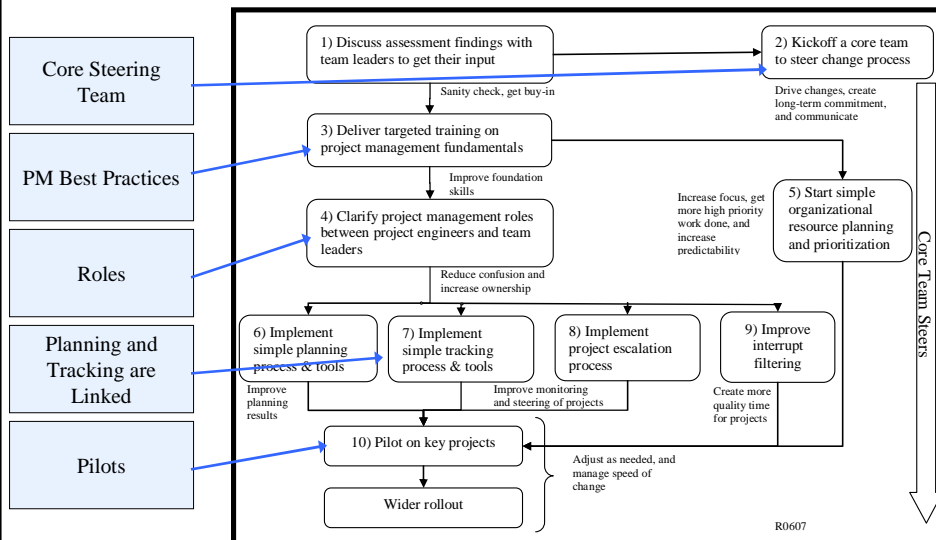

Special Obstacle
Balancing operations vs. projects

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6

4 SiTech's Design: Focus on the Vital Few

Why → What → How, When, Who → Do

1. Stages and gates

| Define | Plan | Execute | Close |

2. Clear definition & sponsor agreement

3. Good planning
- Dependencies
- Resources
- Milestones

4. Simple & clear tracking

5. Easy escalation

6. Clear roles   7. Resource planning & prioritization

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Communicate Using Solution Roadmap

Core Steering Team

PM Best Practices

Roles

Planning and Tracking are Linked

Pilots

1) Discuss assessment findings with team leaders to get their input

Sanity check, get buy-in

2) Kickoff a core team to steer change process

Drive changes, create long-term commitment, and communicate

3) Deliver targeted training on project management fundamentals

Improve foundation skills

5) Start simple organizational resource planning and prioritization

Increase focus, get more high priority work done, and increase predictability

4) Clarify project management roles between project engineers and team leaders

Reduce confusion and increase ownership

6) Implement simple planning process & tools

7) Implement simple tracking process & tools

8) Implement project escalation process

9) Improve interrupt filtering

Improve planning results

Improve monitoring and steering of projects

Create more quality time for projects

10) Pilot on key projects

Wider rollout

Adjust as needed, and manage speed of change

Core Team Steers

R0607

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SiTech PM System: Framework Components

1. Simple four-phase waterfall lifecycle
2. Permeable, reversible gates with control checklists
3. Clear definition of key project roles

Complete the following checklist

✓	Description	Person responsible for driving
☐	Kickoff is complete and critical mass of project team is on-board.	Project manager
☐	The seven planning questions have been answered in enough detail to make it likely that this project will succeed: ☐ 1. What is this project creating? ☐ 2. What tasks must we do to create that? ☐ 3. What will it take to do each task? This includes estimates prepared by people who understand how to do the work and what the constraints are. ☐ 4. How do the tasks fit together? This includes using a network diagram to review the relationships between predecessor and successor tasks. ☐ ...e us? ...e and control this project?	Project manager
☐	...ompiled and *bought into* a written ...have checked in to the project's ...lan may be composed of multiple documents. At a minimum it includes: ☐ A description of what the project will produce; for example, a statement of scope, a specification, or a table of	Project manager

Checklists in non-technical language prepare for gates

Approval to Proceed Through Gate 2

Check one of the four possible outcomes and fill in appropriate explanatory fields.

☐	Approved to enter *Execute* phase without exceptions. All *Plan* phase work is complete. Target date for completing Gate 3 (Acceptance Approved) is
☐	Approved to enter *Execute* phase with the following exceptions. Follow-up actions must be completed by the dates shown. Target date for completing Gate 3 (Acceptance Approved) is

Description of exception	Follow-up action and due date

☐	Not approved for these reasons. Retry date i...
☐	Cancelled for these reasons.

Approvals allow exceptions and procedure changes

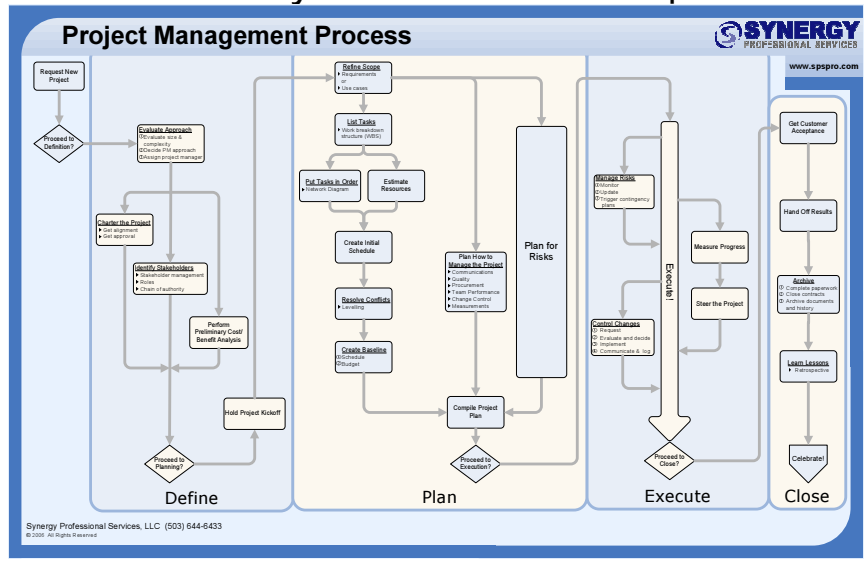**Signatures**

	Signature	Date
Sponsor		
Project Manager		

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SiTech PM System: Process Component

Project Management Process

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Request New Project

Proceed to Definition?

Evaluate Approach
- Evaluate size & complexity
- Decide PM approach
- Assign project manager

Charter the Project
- Get alignment
- Get approval

Identify Stakeholders
- Stakeholder management
- Roles
- Chain of authority

Perform Preliminary Cost/Benefit Analysis

Hold Project Kickoff

Proceed to Planning?

Define

Refine Scope
- Requirements
- or
- Use cases

List Tasks
- Work breakdown structure (WBS)

Put Tasks in Order
- Network Diagram

Estimate Resources

Create Initial Schedule

Resolve Conflicts
- Leveling

Create Baseline
- Schedule
- Budget

Plan How to Manage the Project
- Communications
- Quality
- Procurement
- Team Performance
- Change Control
- Measurements

Plan for Risks

Compile Project Plan

Proceed to Execution?

Plan

Manage Risks
- Monitor
- Update
- Trigger contingency plans

Control Changes
- Request
- Evaluate and decide
- Implement
- Communicate & log

Execute!

Measure Progress

Steer the Project

Proceed to Close?

Execute

Get Customer Acceptance

Hand Off Results

Archive
- Complete paperwork
- Close contracts
- Archive documents and history

Learn Lessons
- Retrospective

Celebrate!

Close

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SiTech PM System: Web Toolkit Component

General
1. Overview of SiTech's PM process
2. Flowchart of steps for running a project
3. Exit checklists for all four phases
4. Instructions and forms for all gate approvals

Define phase
5. Charter tool*
6. Definition refinement tool

Plan phase
7. Requirements management tool
8. Stakeholder management tool
9. Risk planning tool
10. Work breakdown tool
11. Schedule creation and tracking tool

Execute phase
12. Progress reporting tool
13. Management dashboard for tracking portfolio of projects
14. Change request tool
15. Issue and action item tool
16. Checklists for hand over to operations

Close phase
17. Retrospective tool
18. Archiving instructions

* All tools include templates, instructions and completed examples

Exhibit 8: Content of SiTech's PM Toolkit

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Define Toolkit Example

Purpose:
• Get alignment & authorization

Tool:
• Concise 2 page charter
• No PM jargon

Business Value

Desired Deliverables

Measures of Success

Initial Targets

Major Risks & Assumptions

Stakeholders & Responsibilities

Written Approval to Plan

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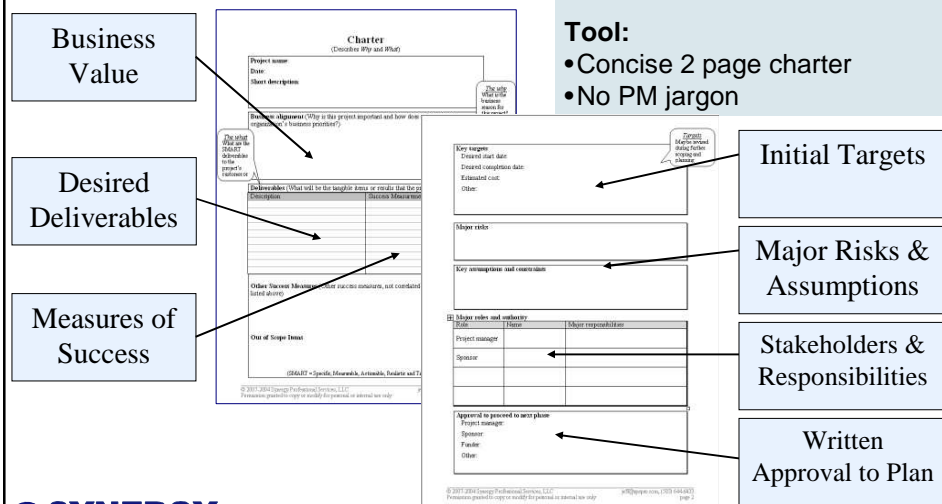
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Plan Toolkit Example

Purpose:
- Make basic planning easy

Tools:
- Visual techniques
- Excel-based schedule tool
- Basic risk planning

Move Project
Report Date: 10/20/08

Percent Com-plete	ID	Task Name	Forced Earliest Start Date	Dur-ation	P1	P2	P3	P4	P5	Who	Comment	Start Date	End Date
100%	1.0	Start	9/10/08	0							Kickoff party!	9/10/08	
100%	2.0	Write a charter		10	1.0					Team		9/11/08	9/24/08
100%	2.1	Analyze risks		2	2.0					Jon		9/25/08	9/26/08
75%	2.2	Write plan		10	2.0					Mary		9/25/08	10/8/08
25%	3.0	Design the new office layout		15	2.1	2.2				Fred	Expect lots of arguments	10/9/08	10/29/08
	4.0	Route for review and markup		10	3.0					Fred		10/30/08	11/12/08
	M2	New layout approved		0	4.0							11/12/08	
	5.1	Movers prepare for moving day		20	3.0					Movers		10/30/08	11/26/08
	5.2	Move everything		2	M2	5.1				Movers		12/1/08	12/2/08
	6.0	Settle in		5	5.2					All		12/3/08	12/9/08
	6.2	Hold lessons learned review		1	6.0					Team		12/10/08	12/10/08
	6.3	Party! To celebrate new digs		1	6.2					All		12/11/08	12/11/08
	M3	Project Completed		0	6.3							12/11/08	

Week 37	Week 39	Week 41	Week 43	Week 45	Week 47	Week 49	Week 51
9/8/2008	9/22/2008	10/6/2008	10/20/2008	11/3/2008	11/17/2008	12/1/2008	12/15/2008

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Use Visual Tools for Simple Projects

Task A → Task B
Task A → Task C
Task B → Task D
Task C → Task D

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Demo of Schedule Tools

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Execute Toolkit Example

Purpose:
- Low-overhead progress reporting for individual projects
- Integrated view across all projects

Tools:
- Standard project status form
- Management dashboard

Subjective Health Stoplights

Progress Tracking by Milestone Accomplishment

Tracking of Spending by Type

Correspondence Enables Future Automation

Data Validation

Management Governance Process

Tracking of Standardized Gates

At-a-glance View of Portfolio Status

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Close Example

Purpose:
- Learn Lessons
- Hand Off to Operations

Tools:
- Retrospective
- Check sheets

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Approval Checklist for DEFINE Phase

Project name:
Project number:

Project managers use this checklist to prepare for Gate 1 (Definition Approved).
The project sponsor approves Gate 1 transition. This approval indicates that the
project has satisfactorily completed the Define phase and may enter the Plan
phase.

Complete the following checklist

✓	Description	Person responsible for driving
☐	Sponsor identified (Name:)	Sponsor
☐	Project manager assigned. (Name:)	Sponsor
☐	Charter team is created and active. Minimum membership is project manager and sponsor.	Project manager
☐	The project team has written the project charter using the standard charter template. The sponsor and the project manager have approved the charter.	Project manager
☐	Key stakeholders have been consulted for their input on the definition of this project.	Project manager
☐	The charter has been distributed to key stakeholders for their review.	Project manager
☐	The sponsor and the project manager have agreed on this project's approach to the planning phase, including any deviations from the standard process. List deviations below.	Project manager
☐	A section in the electronic project document repository has been created for this project, and all *Define* phase documents have been checked in.	Project manager
☐	Gate 1 review presentation to sponsor is complete.	Project manager

Comments:

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Preparation for Planning Phase

List any optional steps in the standard planning process that will not be done by this project:

List any other expected deviations from the standard process for the planning phase.

Approval to Proceed Through Gate 1

Check one of the four possible outcomes and fill in appropriate explanatory fields.

☐	Approved to enter Plan phase without exceptions. All Define phase work is complete. Target date for completing Gate 2 (Plan Approved) is
☐	Approved to enter Plan phase with the following exceptions. Follow-up actions must be completed by the dates shown. Target date for completing Gate 2 (Plan Approved) is

Description of exception	Follow-up action and due date

☐	Not approved for these reasons. Retry date is
☐	Cancelled for these reasons.

Signatures

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SiTech PM System: Governance Component

Governance is a system of management across all projects that answers questions like these:

1. Who makes decisions?
2. Who has what roles?
3. Who reviews and resolves issues?
4. Who sets priorities?

5. How is information about projects communicated, including progress measurement?
6. Who sets direction and approves things?

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5 Implement and Refine

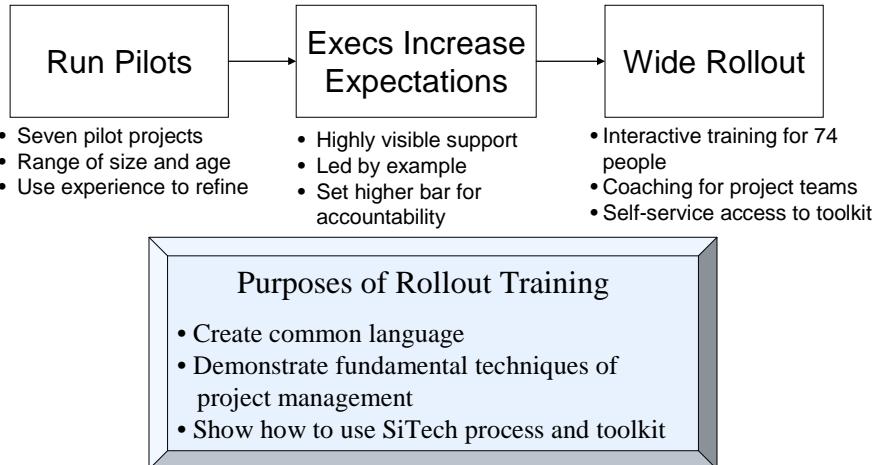| Run Pilots	→	Execs Increase Expectations	→	Wide Rollout

- Seven pilot projects
- Range of size and age
- Use experience to refine

- Highly visible support
- Led by example
- Set higher bar for accountability

- Interactive training for 74 people
- Coaching for project teams
- Self-service access to toolkit

Purposes of Rollout Training

- Create common language
- Demonstrate fundamental techniques of project management
- Show how to use SiTech process and toolkit

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6 Assess

1. PM knowledge is widespread
2. Best practices are being used
3. More projects successful
   - On-time completions nearly doubled
4. Dramatic improvement in project definition
5. Project status is more visible
6. Communication has improved

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Lessons Learned

1. Project management will always be secondary to operations.
2. Start by building a common language.
3. Contextualize project management.
4. Pick battles carefully.

5. Everything is about organizational change.
6. The system is more important than its parts.
7. Technology comes last.
8. Strong and long-lasting executive sponsorship is required.

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End Point

- Project failures were not an option for SiTech
- Front line personnel collaboratively built simple but effective PM techniques

"Because projects differ from the ongoing operations of a firm, managing them presents a new set of challenges."
Eric Verzuh

Jeff Oltmann

Contact Information

- Name: Jeff Oltmann

- Email: jeff@spspro.com

- Phone: 1-503-644-6433

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