“Cookbook” for project sponsors

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Global EMBA: Economies in Transition

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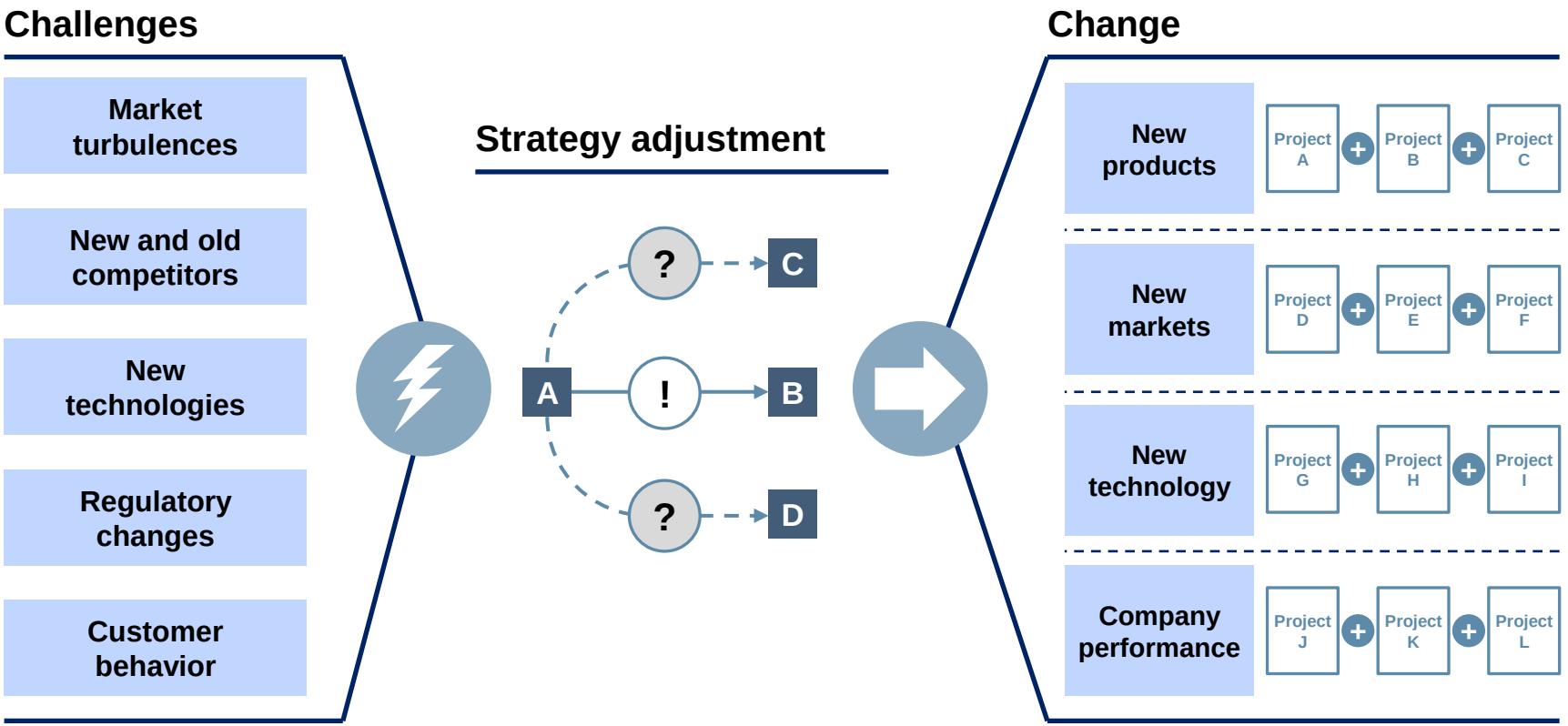
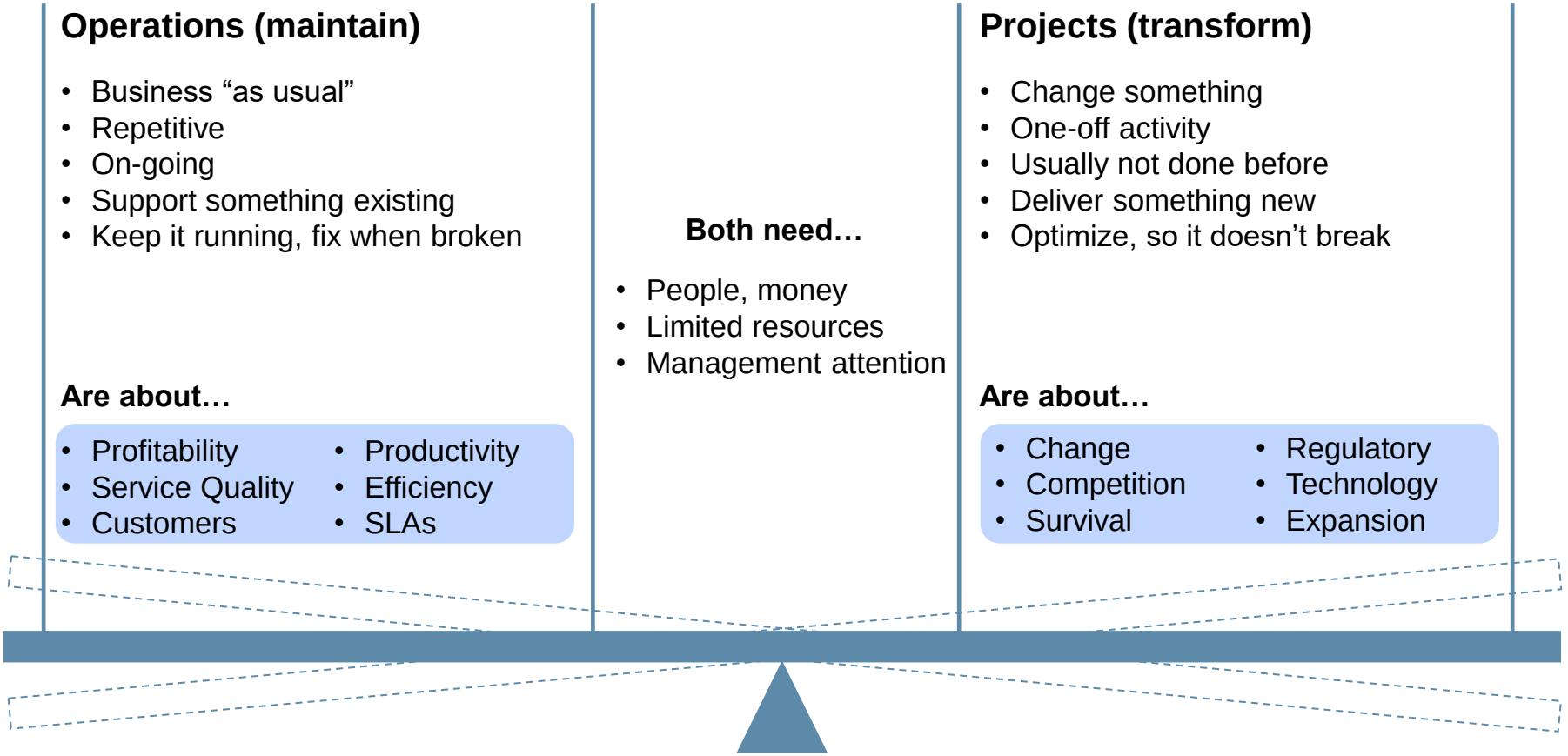
In a fast-paced, globalized business environment companies are forced to introduce change quickly and in a professional manner

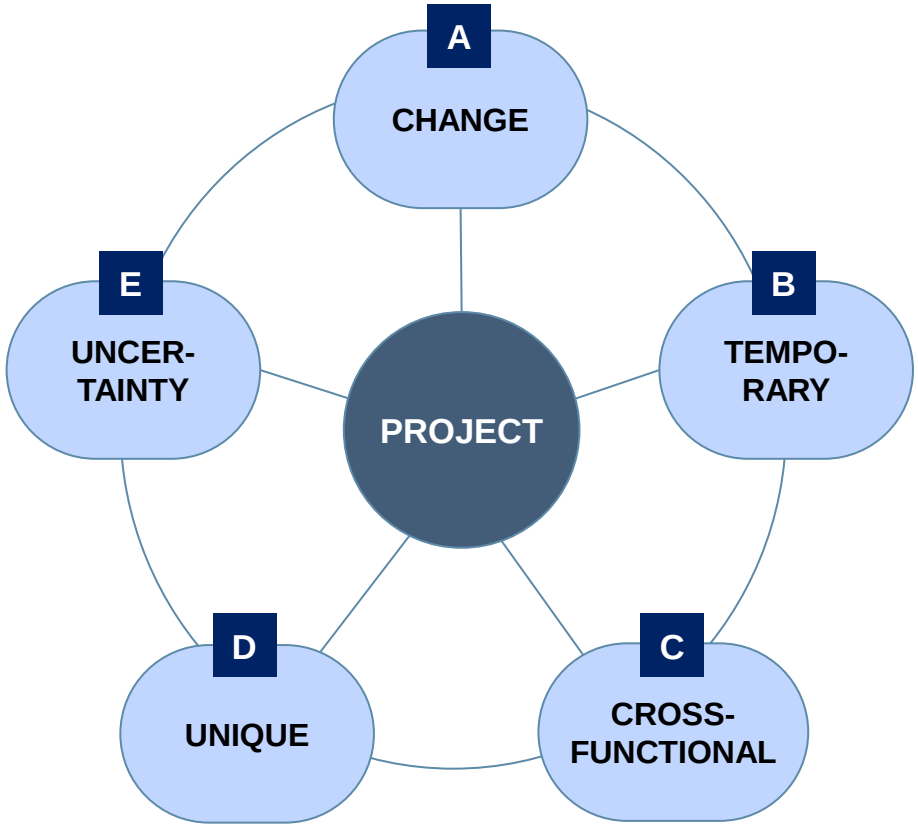


Whenever there is a need for a change, project organizations are there to manage and deliver it



A project is a temporary organization, created to deliver a result or business product according to an agreed business case

Characteristic of a project



Comments

A
- Projects are used to introduce change
- Projects are not „business as usual“

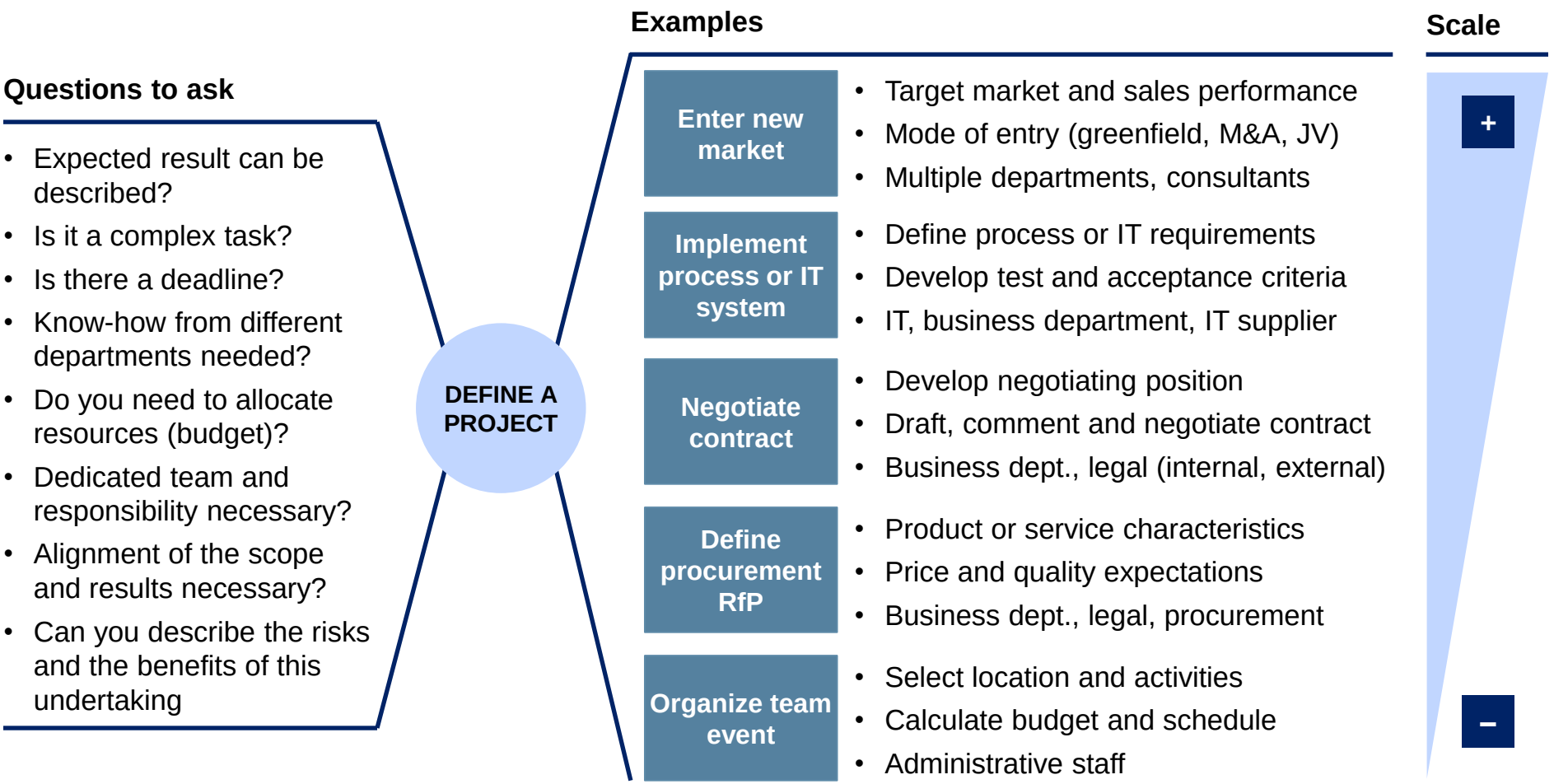
B
- Projects have a defined start and finish
- Every project organization needs to re-establish its culture, processes etc.

C
- Project organization consist of different organizational functions (complexity)
- Can also incorporate suppliers or clients

D
- There is always something unique – team, location, size, problem to solve etc.
- Methodology can be similar, but result is always unique

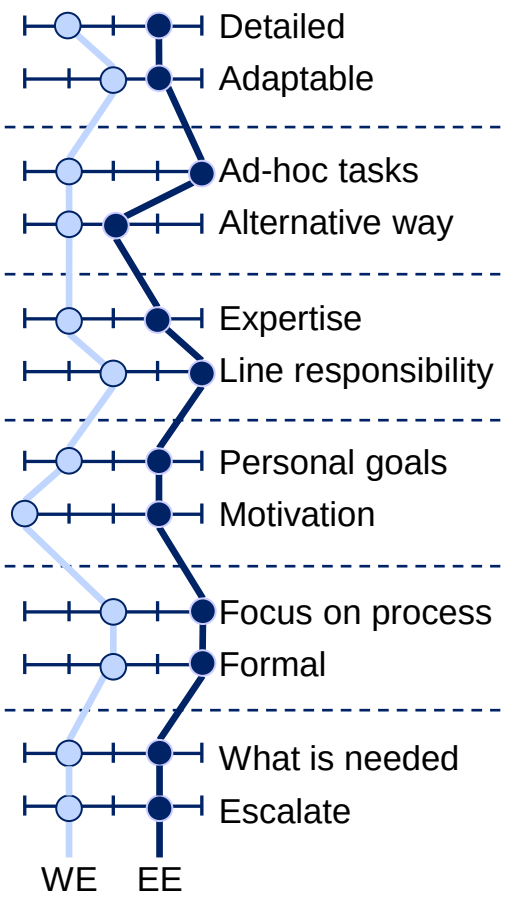
E
- All factors create risks of failure
- Therefore result and way to it is uncertain

Any given task can be executed as a project – they differ only in their complexity and allocated resources

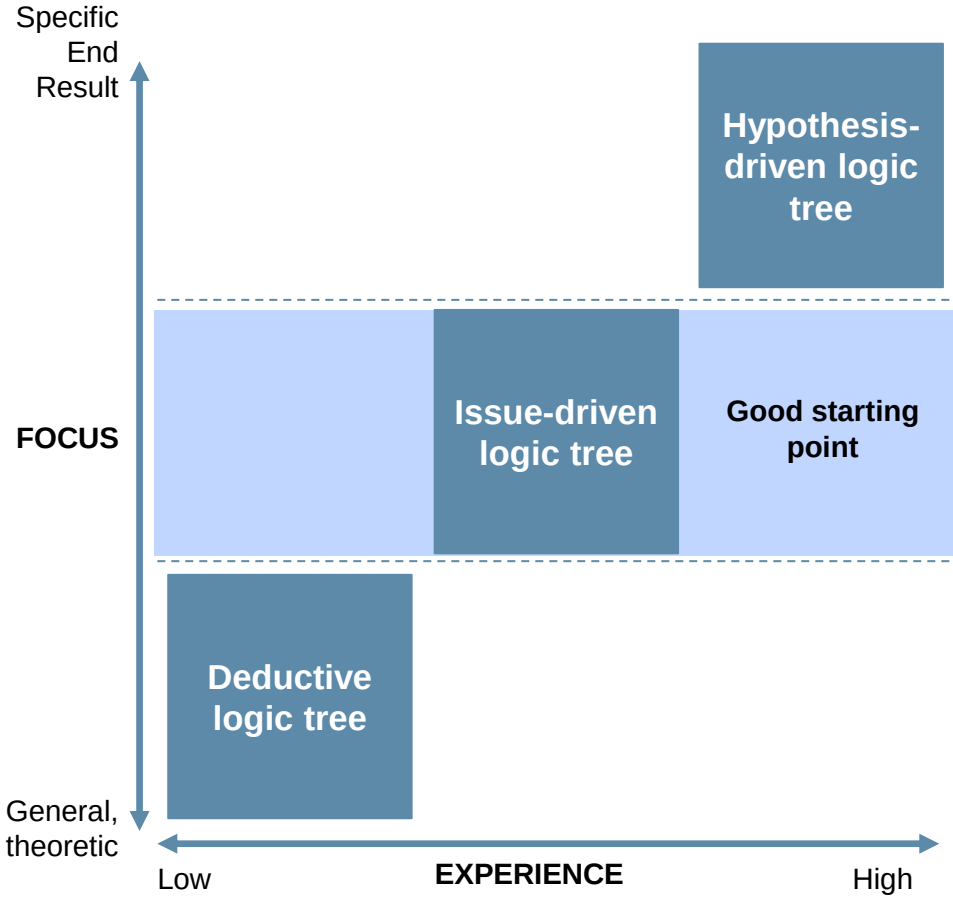


Six areas of the project setup and execution are crucial to the overall success

Area	Why is it important?	Where is balance needed?
A SCOPE	• Defines what needs to be delivered (result) • Main questions you need to answer (tasks)	General – Detailed Rigid – Adaptable
B PLAN	• It is your roadmap from A (now) to B (result) • Lists the necessary tasks, steps & resources	Critical path – Ad-hoc tasks Follow route – Alternative way
C PROJECT MANAGER	• Is the one responsible for the performance • Will steer the project to success (or failure)	PM experience – Expertise Project role – Line responsibility
D TEAM	• Composition covers all tasks & expertise • Team culture, focus and performance	Project goals – Personal goals Performance – Motivation
E TRACKING	• Know where you stand and what comes next • Adjust resources and pace along the way	Focus on result – Focus on process Informal – Formal
F STAKE-HOLDER	• Get regular feedback on the progress/results • Overall steering of the project	What is agreed – What is needed Manage – Escalate



Logic trees can be used to structure a complex issue or be used to challenge and improve the scope and plan of the project



Approach characteristics

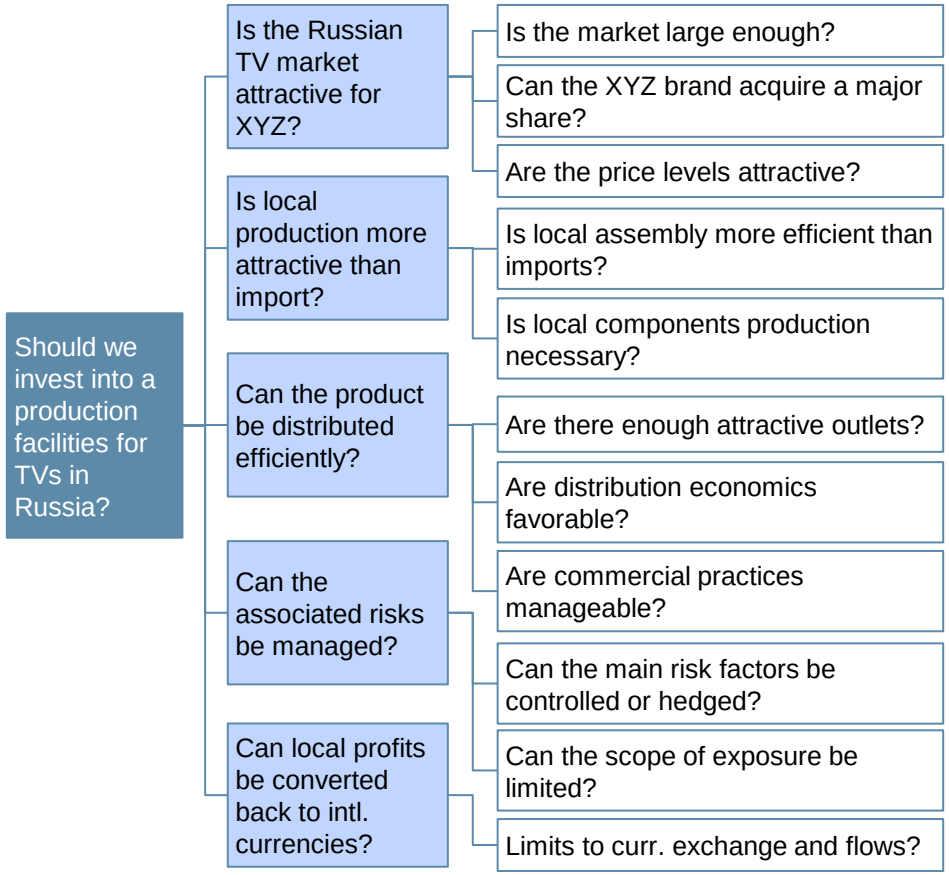
- Statements of facts and hypotheses, challenge biases
- Avoids analyzing and structuring unlikely possibilities
- Understanding of the problem at hand and experience needed, amendments when hypothesis disapproved
- Elements: Hypotheses

- Divides problem into key questions
- Examination of the most important problem areas
- Involves more detailed examination of solutions instead of problem itself
- Elements: Yes/No questions

- Divide the situation into components
- Allow for comprehensive coverage of current and future situation, identify critical issues and options
- Switch to action-centered mode necessary
- Elements: Open questions

Project scope and its deliverables should be clearly set at the beginning – size and complexity constrained by resource limitations

Issue-driven logic tree (example)



Working context

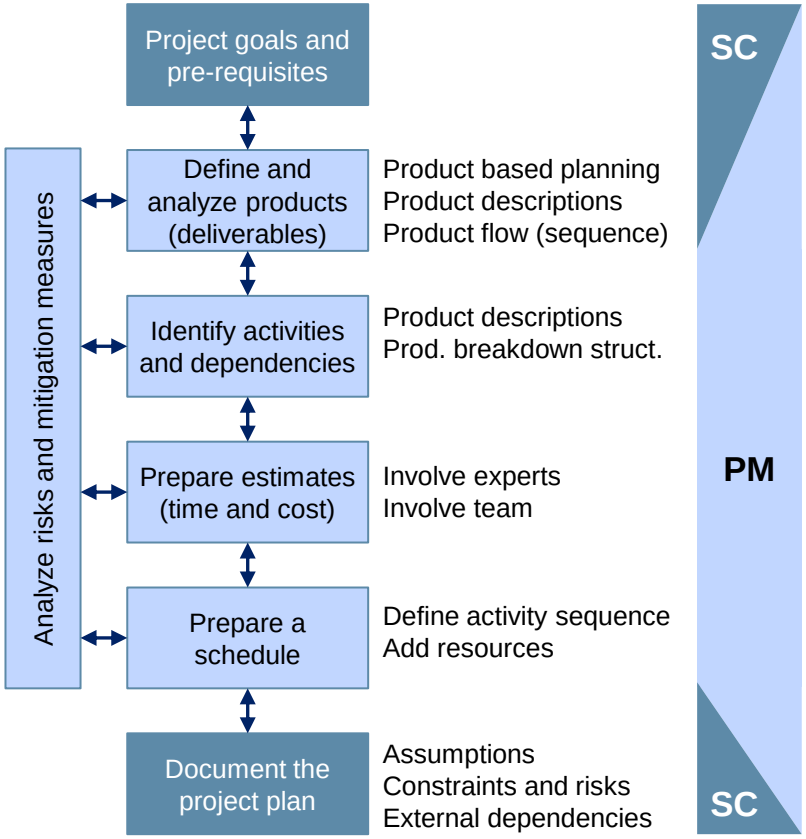
- Scoping is very detailed at the beginning, but changes in direction and deliverable later
- Due to hierarchy it is crucial to involve, on-board and agree the scope with senior level
- Site visits are important, social component in every project
- Technical details can overrule the critical issues

Lessons learned

- Start with the end deliverable – the key question, the demanded status, the vision
- Work from low to high level of detail – the questions will become modules and tasks later
- Quick check of internal staff capacity should reveal external support demand
- Cultural sensitivity module necessary
- Keep an eye on the available resources and restrictions (time, budget, project team etc.)

A good project plan describes in detail the deliverables and their dependencies, lists the planning assumptions, risks and resources

Project planning steps (example)



PM = project manager SC = steering committee

Source: PRINCE2

Working context

- Every initiative starts with a committee and a “roadmap”, deadlines are mostly strict, but add-ons are common
- Time planning is generous (cuts anyway), resource – not
- Extensive documentation requires extra time
- Decision meetings are very formal (agreement important)
- Local content is crucial, no project “copycats”

Lessons learned

- Dedicated planning session involving the sponsor, PM, experts and externals (suppliers, consultants etc.)
- Look for meaningful distribution of milestones and the critical path and baselines in every plan
- Challenge the task distribution within the team, modularity and team responsibility
- What is needed for task/module X to be done quicker (quality compromise, resources)?
- Iterations in planning and buffers for alignment, decision making and escalations

The right project manager is crucial for the project success – enable him, educate him and build a trusted relationship

Project setup

Working context

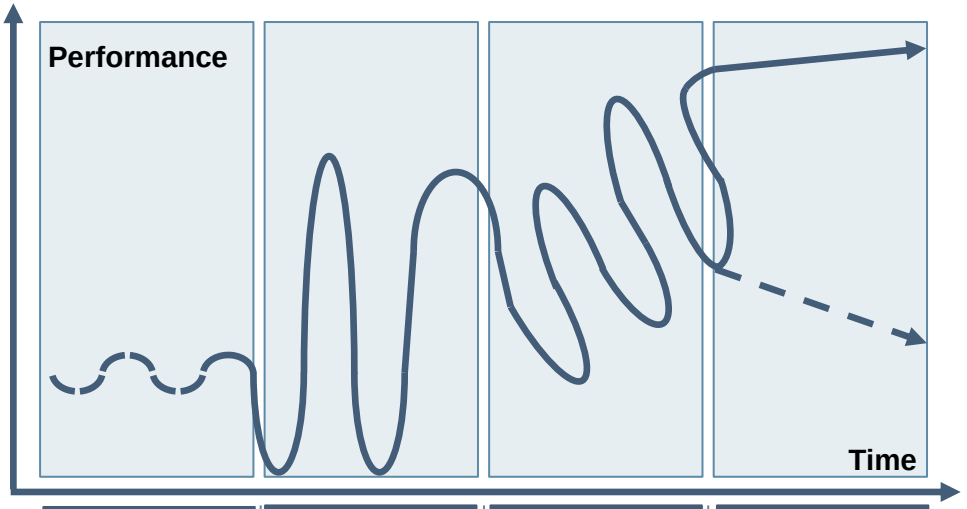
- Hierarchy and power distribution – multiple layers between SC, PS, PM possible
- Conflict between line and project responsibility (hierarchy and workload)
- PM expertise is rare, more guidance necessary, escalations more often
- Upward communication very formal, often override in manual mode by PS
- Networking capability of PM very important

Lessons learned

- PM expertise better than subject matter expertise – enable & educate, if not available
- Build trust relationship towards PM and team in order to get ideas and the correct picture
- Agree on decision and escalation rules
- PM needs to focus on project (vs line resp.)
- Best PM is always busy – how to handle?

Conflicts are there to be solved – the faster you get a team into performing mode, the better

Team development phases



	FORMING	STORMING	NORMING	PERFORMING
Interaction	• Team depends on team leader • Test rules, explore limits • Low participation on content	• Intra-group conflicts • Cliques develop • Competition for group positions • Jealousy reg. relationship to leader	• Group norms develop • Boundaries to the outside • Informal hierarchy • Slow progress	• Concentrate on actual work • Productive norms improve performance • Destructive norms
Measure	• Ask questions, collect information • Define & clarify objectives • Develop methods	• Address conflict & status struggles • Conflicts are normal, not threatening • Clarify relationships	• Define rules and formal norms • Clarify positions • Look for alternative actions	• Make use of group ideas • Encourage self-orga and steering • Initiate feedback

Working context

- Leading with authority, power struggles common
- Storming phase can last too long and destroy the team performance, clear norms (expectations)
- Over-norming occurs, slows down progress
- Bottom-up feedback culture is underdeveloped, disagreeing with seniors uncommon
- Decisions made in meetings by most senior person, relevant discussions outside of meeting
- Loyalty to a person, networks are crucial

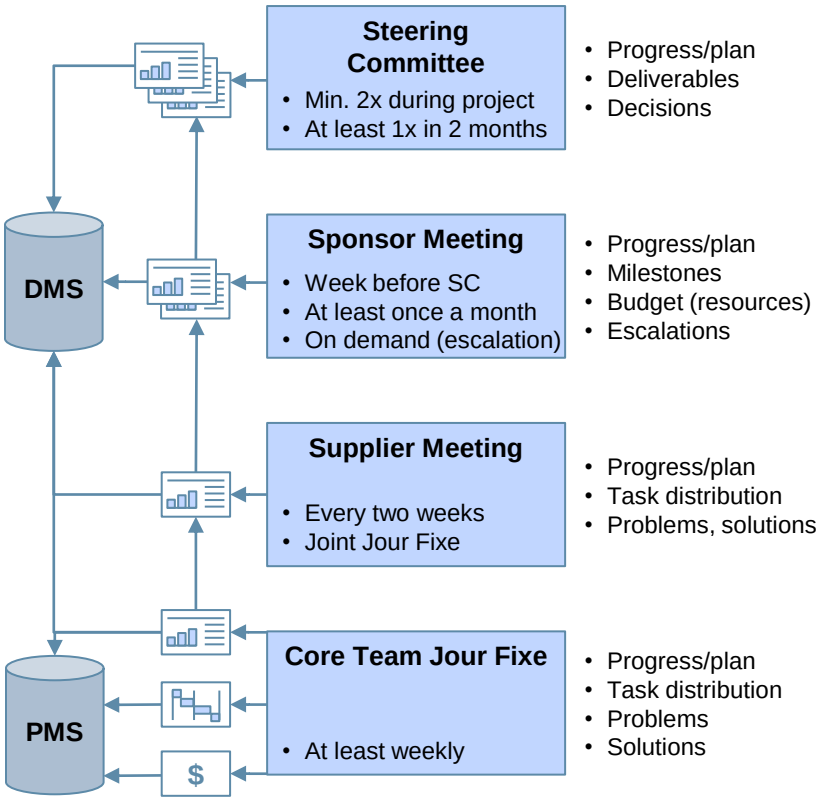
Lessons learned

- Intervene in storming phase, if necessary
- Responsibility and tasks upfront (conflict to line)
- Provide visibility not only to PM, but also to team
- Organize informal meetings (get the “real” picture)
- Tasks are important, affinity to actions
- Keep an eye on hierarchy and status (gravity)

Source: Tuckman; Baltzer, Küchendorf, Rauch

Fix sponsor and SC meetings right at the beginning of the project, define minimum of information necessary for status reports

Possible tracking setup



DMS = document management software PMS = project management software

Working context

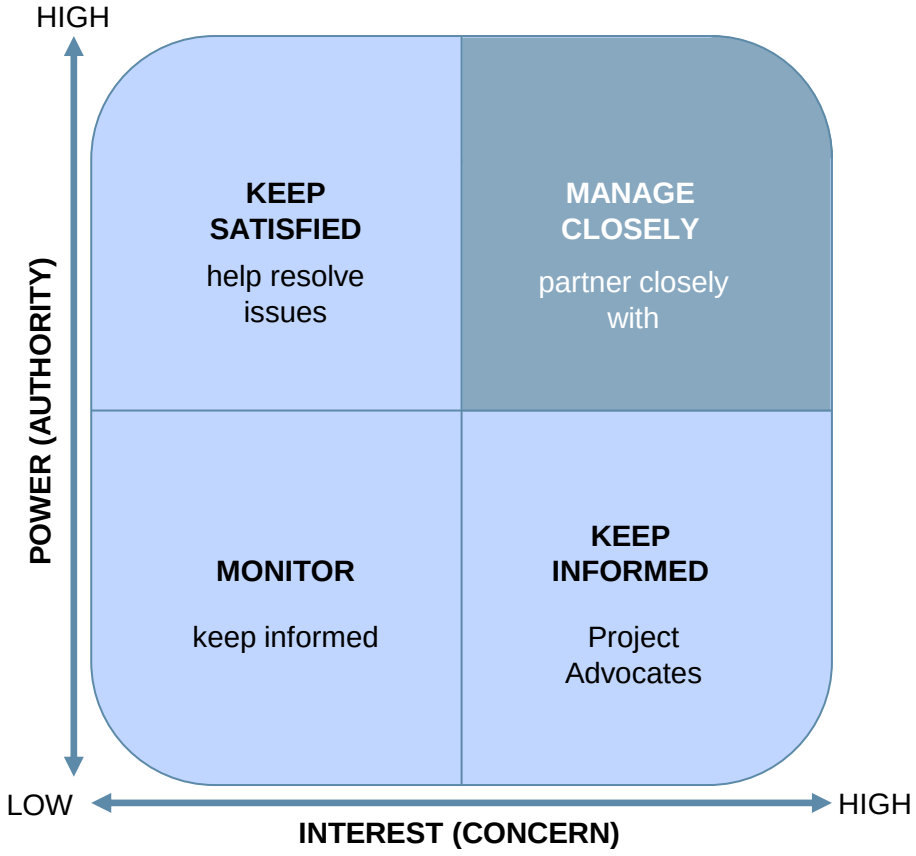
- Extensive tracking and documentation of steps
- Rather pessimistic attitude in reporting – what are the problems, not what have achieved
- The more technical details and descriptions – the better (more numbers – better knowledge)
- Formal reporting (too cumbersome to prepare), different requirements depending on requestor

Lessons learned

- Ideally use IT system for project tracking (at least Excel)
- No report without a purpose, action oriented protocols
- Project tracking should cover at least:
  - What was achieved and comes next (incl. budget)
  - Problems, solution proposals, decisions necessary
- Common reporting format and red flags criteria, esp. when taking care of multiple projects in parallel
- Clear goal and format for every meeting type

You will have to identify the allies and potential opponents of your project – take good care of both groups

Power-interest analysis



Working context

- Hard to identify all relevant stakeholders (informal networks), unexpected influencers
- Mutual influence to bypass system or achieve results
- Demonstrate mutual benefits of project results (to decision makers to improve their standing)

Lessons learned

- Identify your stakeholders early enough and prepare communication strategy with regular, targeted messages for each group
- Distinguish between need to know and decide, set communication rules
- Identify and partner with representatives of upper right quadrant (potential candidates for SC member)
- Control the information flow to manage expectations (avoid gossips and leaks)

Source: PMBOK v5, Salience model

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