Project Management: Planning

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This is the second in a three-part series on Project Management. This edition looks at the key parts of a project plan and the importance of project communications.

In Part 1 we learned how strong project management has become, for many companies, a competitive advantage. The benefits include meeting budget, schedule, and performance objectives combined with increased customer/sponsor satisfaction. The questions to now address include: how can I plan and execute projects more effectively? How can my company gain this competitive advantage?

Most companies recognize that it takes time to develop this competitive advantage. It can also be a painful process as firms realize the problems reside with a lack of structure in planning, very little process for execution, and organizational obstacles. And, this assumes that you have in place project managers that have some experience and training in the subject.

Many times we find that poor execution has occurred because of poor planning. When it comes to rescuing projects that are in trouble, the first thing to ask is: can I see a project plan? This simple question will not result in a simple response. What may constitute a project plan to one company is something entirely different to others.

In the quest to rescue projects, I have reviewed many project plans. In general, one finds most firms consider a project plan to consist of a Gantt-chart schedule combined with a budget; *sometimes* a technical description is attached. While these three parameters may *help* in defining the scope of a project, these alone are not enough to adequately plan and manage a project. According to the Project Management Institute (pmi.org), there are nine key areas that must be addressed. These include: project scope, quality, human resources, integration with other departments or projects, procurement, communications, risks, schedule and costs.

The first step for you, the project manager, is to think beyond what consists of the typical plan. Outlined below is the table of contents of what should be contained in *every* project plan. Depending on your industry and the size of your project, some items may vary; but fundamentally, you need to cover all of these topics.

Sample Table of Contents— Project Plan

1. Executive summary
   - ❑ Project overview and objective(s)
   - ❑ Key Deliverables with discussion of costs/schedule
   - ❑ Critical success factors (what do we need to succeed?)
   - ❑ Impact within the organization or upon other projects

2. Project scope
   - ❑ High-level Work Breakdown Schedule (List of tasks/activities)
   - ❑ Scope statement
   - ❑ List of assumptions and constraints

  ❑ Schedule Discussion (high-level)
  ❑ Milestones
  ❑ Durations & key dependencies

3. Budget
  ❑ Itemized budget
  ❑ Cash flow graph

4. Resources
  ❑ Required human resources
  ❑ Project team: individual roles and responsibilities
  ❑ Organization chart

5. Procurement Plan
  ❑ Identify long lead items/hardware
  ❑ Use of bids/RFP's; role of procurement organization

6. Communications:
  ❑ Key stakeholders
  ❑ Managing scope changes
  ❑ Status reporting (How often, content, who gets one)
  ❑ Issues Resolution Log (Problems to resolve and action items)
  ❑ Project Meetings (How often, who attends)
  ❑ Documentation required

7. Quality
  ❑ Testing
  ❑ Compliance with industry or company standards/guidelines
  ❑ Client acceptance criteria
  ❑ Documentation

8. Risk management
  ❑ Risk reviews (How often and content)
  ❑ Mitigation strategies

9. Project Closeout
  ❑ Disposition of resources/pay final invoices
  ❑ Final project meeting & lessons learned review
  ❑ Issue summary project report
  ❑ Closing accounts

Appendix
  Detailed Project Schedule (Gantt-chart)
  Detailed Budget

Using the above format will force the project team to think through the key issues confronting your project and ensure that everyone starts on the same page. These steps can be the first "process" to get you up and running. A key question to consider is: Do we plan and manage small projects the same as large ones? The answer is "Yes." Every project still needs to meet budget, schedule and performance objectives. The above Table of Contents is appropriate for small or large projects; however, the depth for each topic will vary. Therefore, in future when you think about developing a project plan, the above roadmap will serve you well.

Finally, project communications is arguably one of the most important aspects of managing a project. One important task is to identify the key project stakeholders and determine what and

when information should be provided to them. Key stakeholders would include not only the project team, but also the client, critical suppliers, executive sponsors or others with a vested interest in the project's outcome. Once you know the stakeholders *expectations*, it is then a matter of defining the communications. Clearly, project status reports are important, key issues (contained in an issues log); schedules & budgets, project plans and meeting minutes are all integral to communicating with the project participants.   Yes, it is a lot of work, but the purpose is to *set up expectations* and eliminate end-of-project surprises.

It is important to recognize that stakeholders may reside in different functional areas (engineering, accounting, marketing, etc.) of a company. As a result, you will many times find they have different goals, objectives and perspectives. Part of the project manager's job is to ensure that the key stakeholder perspectives (i.e. *expectations*) are captured during the project's concept and planning phases. And, this becomes more critical in that most companies manage projects by use of a matrix organizational structure. That is, team project members are drawn from various functional areas of the company, which complicates life for the project manager: He or she generally will have full *responsibility* for a project but may not have the required *authority*. Hence, the project members may report to the project manager for a project, but their real loyalty is with the functional manager that signs their paycheck. Similar to a matrix organization, you can also arrange your communications based on a matrix as shown below.

Sample Communications Matrix

	Project Plan	Status Reports	Schedule	Meeting Minutes	Scope Change Requests	Issues Log	Procurement Log	Final Report
Executive Sponsor	x	x		*	x	*		x
Client	x	x	x	*	x	*		x
Project Manager	x	x	x	x	x	x	x	x
Project Team	x	x	x	x	x	x		x
Legal		x		x				x
Finance		x		x	x		x	x
Marketing		x						x
Procurement	x	x	x	x	x	x	x	x
Manufacturing	x	x	x	x				x

* As required

If there were one piece of advice when assigned a team within a matrix organizational structure, it would be communicate, communicate and communicate.

Next time in part 3, we will look at the importance of assessing project risks and some elements of disaster recovery.

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