



# Winning Contract Managers Borrow Plays from the Project Management Playbook

Implementing project management strategies to not only meet the schedule of a contract, but to conform to performance-based requirements and control costs, increases customer satisfaction, meets performance goals, and provides contract managers with new proficiencies to close skill gaps.

BY JOHN PETERSON



#### About the Author

**JOHN PETERSON** is the director of contracting programs with ESI International. He is responsible for directing the development of new courseware and updating and revising existing courseware in the acquisition arena for the leading private sector professional improvement training provider in both the contracting and project management fields. Send comments about this article to [cm@ncmahq.org](mailto:cm@ncmahq.org).

**NO MATTER WHAT THE SPORT, PRO-**per conditioning and training is crucial for a win on game day. Both on and off the playing field, dedication to planning and preparation always yields maximum results, and on no field is this truer than in contract management, an increasingly complex discipline. Today's contract managers are required to understand the broader process of program management. In essence, they must be technical and strategic specialists in all aspects of procurement. Acquisition managers must prepare for more involvement in the "business" of all phases of the project life cycle.

In addition to these challenges, as the government's workforce ages, a potential talent crisis grows. Skill gaps exist between workers nearing retirement who hold the institutional knowledge in contract management and younger workers eager to perform the job but with minimal experience. New workers need to achieve certain competencies to perform their jobs effectively, and baseline competencies required by the job are changing at a rapid pace. Years ago, contract managers were often thought of as "clerks," but that is far from reality today. Now, possession of the complex skills required by contract

managers is an integral part of the fulfillment process, so the field seeks new and innovative ways to close skills gaps and establish new competencies. One way contract managers can complement their existing skills set is by cross training with project managers, borrowing tips from the project management playbook.

To start, it's important to be clear on terms. A project is defined as the application of knowledge, skills, and tools to activities designed to meet project requirements on time within budget and according to specifications. Using that definition, it's not a stretch to say



that the process to establish, administer, and close out a contract is a project. Both project management and the contracting process are goal-oriented, are comprised of coordinated and interrelated activities, and have a set life cycle.

Armed with this knowledge and intending to complement their skill set, what basic strategies could contract managers adopt from project management best practices to enhance outcomes?

### 1. Develop a Strategic Business Process

This means cultivating and sustaining a consistent, flexible, and repeatable contracting process that maximizes organizational resources to meet specific performance objectives. Process modification is a challenge, so to secure buy-in and successfully implement such a change, it is necessary to create a link between the application of project management tools, concepts, and theories, and an increase in agency or departmental performance.

In developing their project management expertise, contract managers will

not only gain new competencies, but will also achieve better project performance and results, leading to rewards such as increased customer satisfaction, improved cost avoidance, improved resource utilization, more consistency in work methods, increased operational readiness of products and services acquired, and retention of their best talent.

### 2. Manage Expectations

Another project management best practice on the playing field is the ability to discern the interests of all stakeholders involved in any given project and then manage their expectations, which often conflict. Stakeholders can be individuals directly involved with the project, both internal and external to an agency, or anyone whose interests could be impacted positively or negatively by the project, and their involvement must be included in developing the contract's requirement document.

While one stakeholder may see increased functionality as the ultimate measure of a project's success, others may see reduced cost as the primary goal. It is

important to consider possible conflicts and address them in the early stages of a project. This will prevent last-minute reworking of requirements or specifications. The acquisition team needs to be involved in the risk management and requirements development processes.

### 3. Optimize the Project Life Cycle

Another project management approach that enhances contract managers' performance is a better understanding of how to optimize project life cycles. Because each project is unique, project managers sweat to provide a logical framework that can be applied consistently. To do this, they divide projects into several phases, collectively known as the project life cycle. Project phases include initiation, planning, execution, control, closing, and follow-up. Each phase involves one or more deliverable that ultimately contributes to the finished project. The contracting life cycle includes requirement identification, specifications development, market research, solicitation development, evaluation of proposals,



**UNIVERSITY of VIRGINIA**  
Northern Virginia Center in Falls Church

7054 Haycock Road  
Falls Church Virginia 22043-2311  
[www.scps.virginia.edu/northern](http://www.scps.virginia.edu/northern)

## Summer 2007 Online Courses

### Project Management Graduate Certificate

- PC 503W: Introduction to Project Management
- PC 521W: Project Risk Management
- PC 524W: Introduction to Purchasing for Project Managers
- PC 528W: Topics in Project Management

### Procurement & Contracts Management Graduate Certificate

- PC 501W: Contracting Principles and Administration
- PC 503W: Introduction to Project Management
- PC 510W: Contracting by Negotiation
- PC 511W: Construction Contracting

*Online classes begin June 4th.*

**For more information,**  
visit <http://www.scps.virginia.edu/vdl/index.htm>  
Or, call (703) 536-1136.

awarding of contract, post-award administration, and closeout.

Project managers know that it is essential to invest time in the early stages—specifically the initiation and planning phases—of any project to ensure better outcomes. These stages include deliverables related to the feasibility and design of a project. Contract managers will benefit by increasing intimate familiarity with these early phases for it is here that contact terms and conditions are set. Throughout the process, consistency of the project's scope, time, cost, risk, required human resources,

desired quality, communications, procurement, integration, and professional ethics must be maintained.

#### 4. Understand the Business Case

A fourth project management fundamental that aids in contract managers' ability to score is the ability to fully understand the business case behind a project. Simply completing the daily tasks necessary to progress a project isn't enough. To truly be an asset, project managers must work to comprehend and articulate how the project contributes to overall business goals. In the

contract management arena, this approach means gathering a deeper understanding of overall agency objectives. To do so, it is important to recognize why an agency is undertaking a specific project, how it fits into overall agency strategy, the benefit/cost ratios, the internal rate of return and the risk associated with the project.

A critical component to completely understanding the business case is intimate familiarity with the project's scope. Without such knowledge, projects can easily run amok throughout their life cycles. In services acquisition, federal contract pro-



## Need help with that next project?

Let the Graduate School, USDA help you with our project management solutions.

### Project Management

Learn to organize your project, track costs and time expenditures, manage quality and risk, evaluate human resources requirements and overcome potential obstacles.

Whether you're managing an office move, implementing a new accounting system or launching a special program initiative, this course gives you the crucial skills for success.

**Note:** This course is aligned with the Project Management Institute's Project Management Body of Knowledge (PMBOK®) Guide-3rd Edition, which covers all related best practices.

**GS** GRADUATE SCHOOL USDA

Pathways to Performance and Success

For more information, visit [www.grad.usda.gov](http://www.grad.usda.gov) or call us toll-free at (888) 744-GRAD.

professionals need a full understanding of the project's scope and its desired outcomes in order to successfully utilize a performance-based acquisition approach.

### 5. Recognize the Work Breakdown Structure

The fifth trick of the project management trade that might be new training ground for contract managers is the work breakdown structure (WBS), which identifies all of the work necessary to accomplish project objectives. This tool certainly can be applied to the contracting process itself, but is extremely powerful if the solicitation requires offerors to apply it in developing their proposals and in execution of the subsequent contract.

In a performance-based acquisition, it is critical that a WBS-based contract vehicle is the solution used by the contract manager. A project's WBS is an elaborate foundation of a good contract and in fact the most critical component of a superior contract or project, particularly those that are performance based. Similar to a game plan, the WBS provides a breakdown of the work to be accomplished. From a tactical perspective, a WBS establishes the project schedule and defines work packages, thereby supporting the above statement of work. From a larger viewpoint, the tool builds understanding and communication and creates transparency.

The most significant challenge in WBS management is to understand the ownership of the structure itself. When a contract is awarded, the contract adopts the WBS proposed by the bidder in response to the original statement of objectives (SOO). The customer becomes the primary owner of the WBS. Once created, the WBS exists for the full life cycle of the contract, and only a formal contract change will affect a WBS change. Contract managers must ensure that the vendor fulfilling the contract follows and is evaluated by WBS standards including earned value management. It's a distinct and critical element in the contract award phase that must be understood to fulfill overall project objectives.



### 6. Manage Change

In the attainment of any goal, such as a long-distance race, both dedicated athletes and professionals alike find it second-

nature to follow the next tip—stay the course. In the project management arena, staying on course actually relies on the ability to effectively manage change. The quotable philosophy that “the only constant is change” is the foundation for effective change control procedures, which include the management of costs, schedules, risks, contracts, and resources.

Posing the biggest challenge to change management is the “triple constraint;” when managing change to stay the course, the project manager typically considers the three areas most often constrained: cost, money, and scope. There is seldom a project that doesn't include a stakeholder who wishes to make a change. For instance, the Bureau of Land Management used project management training when faced with project management challenges due in large part to a number of changes occurring toward the end of the 1990s. While changes can be expensive and time intensive, they can be managed. Change management plans should be identified and implemented at the outset. Both the

## Saint Louis University offers Online Contract Management Program

- Earn a minor or certificate in 17 months or less from top-ranked university
- Fulfills NCMA educational requirements for professional certifications
- Accelerated schedule of five, nine-week terms a year



Saint Louis University  
**School for Professional Studies**  
is where busy adults finish their degrees.



Apply online at [professionalstudies.slu.edu](http://professionalstudies.slu.edu) or call 800.734.6736

contract manager and project manager must fully understand the change management plans and work together to ensure that change under a contract is timely managed.

### Implementation and Closeout

The arrival of game day means contract implementation—the intersection of all process-modeled planning and preparation. In fulfillment of the contract or project, all requirements must be met and change managed in order to realize expectations and give the government what it has paid for. Project and contract managers working together, following all of the steps relayed earlier, have developed the framework for a successful implementation, yet must keep negotiation and risk strategies top-of-mind to retain best practices in successful contract fulfillment.

When at last the project's end is in sight, it may come as a huge relief to cross the finish line. The most common mistake the novice project manager may make is the failure to recognize that closeout of a project is actually a project in and of itself. Contract management is no different, and

the follow-up components at the tail end of any given contract are just as crucial as are the initial planning stages.

### Conclusion

Post game, contract managers taking a project management approach need to ensure that the stakeholders are satisfied and that value was received. They can arrive at this conclusion by asking:

- How do the players know the project is complete?
- Did the project meet its objectives and is the agency satisfied?
- Was value added to the project? What about the agency?
- Can the lessons learned be applied for future projects?

Implementing these project management strategies to not only meet the schedule of a contract, but conform to performance-based requirements and control costs, engenders increased customer satisfaction, meets performance goals,

and provides contract managers with new proficiencies to close skill gaps. By better determining performance expectations, the development and implementation cycles are shortened. Through increased accountability—understanding stakeholder needs and project scope and allocating responsibility through a WBS—a contract manager can reduce cost and make better use of funding. And with a continual analysis through the eyes of a project manager during each stage in a contract life cycle, the contract manager can make more informed, knowledgeable business decisions from the start of a contract until it closes out.

All of these project management practices and procedures, when applied similarly by contract managers, culminate into assured results: enrichment in contract management skills—filling skill gaps by creating new competencies in younger talent—and top-notch contract execution. Cross train with the project managers and consider exercising these tactics, then take notice how the next contract scores. A new game is being played with better performance and results. **CM**

THE 77 DEADLY SINS OF PROJECT MANAGEMENT.

# #17: FAILURE

STAKES ARE HIGH. SUCCESS IS THE ONLY OPTION.

Your projects are only as good as the people who lead and support them. Management Concepts helps teams succeed by assessing overall project readiness and creating a culture where exceptional project execution can flourish. The result is an environment where team members are nurtured, budgets are respected, and competitive value increases. Let Management Concepts bring the virtues of success to your organization.

Higher standards for project management.



MANAGEMENT CONCEPTS

The mind at work

---

TRAINING • CONSULTING • PUBLICATIONS

www.managementconcepts.com/sins

Call us today at: 703.270.4128