

The new firm, **Change Strategists, Incorporated** has been specially developed to provide highly-trained organizational change specialists for our corporate clients. **CSI** is a subsidiary of the **management consulting firm** Leading and Learning, Inc.® based in Los Angeles with clients across the U.S., Canada, Europe and Asia. We support leaders during change processes with focus on organizational change management, leadership development, and personal, professional effectiveness. Our client roster includes CEOs and other leaders in corporations and organizations spanning **banking, utilities, manufacturing, hospitality/entertainment, hospitals/health care systems, technology/ aerospace, service industries, government services, and nationally-based nonprofits.**

EACH ISSUE, LEAD-ZINE®, the on-line electronic leadership newsletter of Leading and Learning, Inc., focuses on a specific leadership/ management topic.

Articles are contributed by Dr. Billie Blair, President of Change Strategists, Inc., and the CSI team of organizational professionals. Other professionals with specific expertise join the **Lead-Zine®** staff each month to offer additional perspectives. These combined views provide informative and balanced perspectives on the **Lead-Zine®** topic-of-the-month to our readers – approximately 250,000 CEOs, executives, and other managers.

Leaders and managers are continually planning, executing, or controlling change. Each Lead-Zine® issue looks at aspects of change that are of current interest.

THIS YEAR: THE LEAD-ZINE® FOCUS IS ON SUCCESS STRATEGIES FOR 2009.

This month's topic: "PROJECT MANAGEMENT: 2009"

♦ For those wishing to contribute to a **Lead-Zine®** issue contact the **Lead-Zine® editor, Eli Isaacs:**
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*"When things change,
you have to change things!"*

APRIL 2009 ISSUE

"Project Management, 2009"

Billie G. Blair, PhD, Editor

Lead-Zine® looks at the timely topic of how strategy orientations will need to change in the current business and financial environment.

NELSON PETREY, DIRECTOR,
PROJECT PROCESSES, LEADNG AND LEARNING, INC.
Serves As
LEAD COLUMNIST FOR THIS ISSUE.

CONTINUOUS PROCESS IMPROVEMENT

► **Continuous Process Improvement (CPI) is intended to provide a project with reduced costs, improved productivity, enhanced quality, repeatability, risk management, control and tracking, and comprehensive documentation.**

And it is proven to work. In adverse economic times, CPI is even more critical to keeping a project efficient and cost effective.

► **This may be the time to review your project's processes; follow the precepts of process improvement.** Involve all levels and disciplines in the review. Extract the ideas that have been developing in the back of people's minds. Remember that little is sacred, and there is no box around certain practices, procedures. You may be amazed at the improvement you can achieve.

► **If you don't have formal CPI, here's the world's shortest course.** Your project is functioning on some level – document it. This is your starting point. Have everyone involved review it – together, if possible – and agree that the document accurately defines what is happening. You and your staff may find some surprises. Use brainstorming techniques to come up with improvement. Remember, there is no box around any area. Ensure that everyone has an input. Review the revised procedures with the staff to obtain general understanding and agreement. Come up with a phased implementation plan. Too much change all at once can destroy a project and morale. Have a reversion plan for when something doesn't work as planned and must be backed out and revised. Establish a periodic review cycle for the processes and a mechanism for changing them anytime a problem with the process is found or an improvement need is identified.

► **All stakeholders should be involved.** To include internal projects, marketing, customer support, procurement, contracts, HR, finance, QA, configuration management, even vendors, and, of course, your management team. Strong participation can be critical to establishing a set of processes that will work.

Many projects have lifecycles that look something like: proposal, business plan, project initiation, product development, deployment, customer support, and shut down. There are usually documents associated with each phase and product. The process development and refinement effort is likely to identify deficiencies in the document sets that must be addressed.

The process documents must define the processes, the associated standards, and the method of reviewing and changing. All these become control documents as well as living documents. As such, their integrity and revisions must be carefully managed.

** See: Dr. Blair's latest book*

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**EXPERTISE IN THREE MANAGEMENT
AREAS WILL BE ABSOLUTELY VITAL IN
2009 – PERFORMANCE, STRATEGY, AND
EXECUTING PRECISE CHANGES TO THE
ORGANIZATION.**

THE TOPIC FOR THIS ISSUE:

PROJECT MANAGEMENT: 2009

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What Should Project Management Mean for a Corporation in 2009? Steven Birmingham, Professor, Harrisburg University of Science and Technology

As the global economy stagnates businesses seek new ways to cut costs. Project managers must champion the cause of formal project management to add value to their companies. Small business makes up 99.7% of all employer firms, accounting for over half of all private sector employees. Many of these are unfamiliar with formal project management methodologies. Project managers at these companies can make a strong case to push their organization toward improved outcomes and enhanced efficiency. Executives facing decreasing sales and financial losses will be motivated to listen to ideas to improve project outcomes and the bottom line. Project managers should seize the opportunity presented to strengthen project management practices within their organization. Work is needed to educate executives on the value of project management, especially project management's ability to impact all three elements of the triple constraints of time, cost, and scope.

Examples of successful and unsuccessful projects at organizations can be used to combat the misperception that "any experienced business person is qualified to run a project." Statistics show that strong project management has led to a 54% improvement in company financial performance, a 36% increase in customer satisfaction and a 30% boost in employee satisfaction. Objections such as "planning takes too long," "we've been running projects for many years," and "we're too small to do things so formally" can be countered with phrases like "not planning costs too much," "the old way of doing things may not be sufficient in this economy," and "improving project management now will help the company grow quickly when things improve." Project management in 2009 will mean taking stock of the company's financial health and determining ways to do things more efficiently: Evaluating the organization's project management maturity and understanding how to move the organization further towards optimization; Educating executives and other stakeholders on project management value to the entire organization.

Project Management – Especially for the Championship Game J. LeRoy Ward, Executive Vice President, ESI International

Today's economy is not just a regular season game with regular teams. It's a championship game with the best rising to the top. The star organizations – the ones that are going to win - have more than a smart strategy. They have the best coaches, the ones that cut the fat and keep the team focused on the game plan while keeping their eyes on the prize. For organizations worldwide it means having the highest performing project and program managers supported by a finely tuned project management office. Although there are no guarantees in life, this unbeatable combination raises everyone's chances of success in executing the organization's highest priorities. Successful organizations know it's all about setting strategy and executing the projects and programs that form its building blocks. Enlightened executives leverage their project management "coaches" to improve their chance of success:

1 – **Enterprise-wide vantage points** - Whether it's a portfolio, program, or project manager, these experienced proven professionals are relied on by leading corporations around the world to provide executive management with an enterprise-level view of all projects. This includes how specific projects relate to organizational goals, projected project returns and current costs. They provide critical decision-making information to executives under pressure to deliver championship performance.

2 – **Project decisions** – Almost everyone needs to cut projects now, but which ones? Cut the wrong project and you lose. The use of metrics such as CPM, Earned Value Systems help to guide decisions about those to keep/cut.

3 – **Project change** – Whether it's morphing two projects into one, shutting down projects or fast-tracking new efforts, oversight of all processes by organizational professionals will assist the CEO in making valid decisions.

Lead-Zine®

Why Conventional Project Management Fails Jack Bergstrand, CEO, Brand Velocity, Inc.

Managed well, enterprise projects can improve revenue, increase savings and produce operational benefits. However, when things go wrong, large-scale projects can cost companies millions of dollars and negatively impact their corporate brands. Unfortunately, the traditional approach to project management has proven to fail either partially or completely 70 percent of the time. When there is a time or cost overrun, the Audit Committee or full Board is often responsible for getting projects back on track. Unfortunately, the projects are usually already in trouble when project problems are significant enough to get the leaders' attention.

The main reason for the high failure rate of technology projects is that the conventional enterprise project management approach – used for more than 20 years based on “manual work” principles – is inherently unproductive. Peter Drucker, the person responsible for creating the practice of management in the 20th Century, was clear that “knowledge work” productivity requires a different approach. Unfortunately, the same project management approach that works well for manual work does not work well or knowledge work – and enterprise projects are in many respects knowledge work initiatives.

As I learned running the global IT function for **Coca-Cola**, enterprise projects, which usually have large IT components, are both technical and social. If both aspects aren't holistically managed, projects will struggle. Until project teams evolve past the old manual work project management approach, and learn to effectively manage knowledge work components, enterprise projects will continue to exceed budgets and deadlines.

To effectively manage large enterprise technology projects, executives and boards need to ask the right questions and recognize the early warning signs of struggling projects. Five key questions are:

- 1 – Is there a clearly understood master project plan?
- 2 – Is the governance and change leadership process over-engineered?
- 3 – Does the company's program director have enough independent support?
- 4 – Do decision makers welcome bad news?
- 5 – Does the client use contingency planning as a project management tool?

It's clear that the conventional project management model doesn't work well enough today.

A key step to project success is focusing on the right questions. Additionally, companies can usually benefit from a objective advisor who is independent, puts senior executives at ease, provides a knowledgeable approach, and uses accelerated practices.

Is Project Management Applicable in the Current Environment? Authored by Representatives of Genius Inside

The global economic downturn has had a significant impact on how we do business and many companies are looking to optimize costs. The best way to ensure your company's survival is through strategic planning. Managers face many challenges but they can succeed by managing surprises and tracking project progress and budgets. In today's economy, how you receive, distribute and manage information may be how you distinguish yourself from others in your field, or even within your company.

Project management tools that provide a global overview of all our projects are a time-saving solution that can positively affect the outcome of a project and make the difference between project failure and success. The right tool can also help you to leverage your resources (people, money, schedules). How do you choose those tools? In tough economic times, the most important aspects of a project are budget, resources, planning, and collaboration.

Tracking costs is essential for ensuring success. If you have multiple project budgets to track, you need a comprehensive view that includes all the separate budgets. With the right tool, you are able to make the decisions that are best for the company (does the budget need to be reviewed, resources reassigned, or should the project be tabled?) Optimizing costs is imperative to project success.

Resource management is cost saving and another key component of effective project management. Centralized resource management allows managers to consult resource availability, match skills with tasks, and balance workload with capacity to ensure the most efficient use of resources, thus reducing costs and optimizing resource assignments.

Collaboration relies on cross-project cooperation to bring together information from team members, both internal and external, that help in identifying critical path calculations. Effective collaboration uses all the tools at its disposal to connect with any member of the project team and share information, plan the project, produce master schedules, manage time and costs, as well as resources and equipment. Information sharing means fewer delays, more efficient problem solving and an increased value to the company.

The Up Side of a Down Turn Nelson Petrey, Director, Project Processes, Leading and Learning, Inc.

The average investor can make money when the market goes up. The above average investor can make money when the market takes a dive. A project in a company in good financial condition with strong sales during a downturn can benefit from bad economic conditions. You don't want to waste an opportunity to benefit.

Your company, division, department or project may be able to relocate to better facilities. Companies and banks holding commercial property understand that empty income property produces no income. If you need to make capital improvements, consider that interest rates are low and many suppliers are eager to offer favorable deals. This is also an excellent time to make acquisitions. A supplier can be made a subsidiary or brought in-house. This may allow them to reduce their costs, especially overhead. The results may reduce your costs for what they supply to your project. It may add their profit margins of sales to other companies to those of your company.

In a down turn, you are also less likely to lose your key personnel. Attrition usually incurs the cost of obtaining a replacement including recruiting and training, and there is usually reduced productivity during the new employee's initial period. Need new talent? With increased unemployment, there are a lot of desirable people out there that you might not otherwise be able to find and recruit.

What about adding some high quality free labor? Six figure talent from down-sized industries may be looking for an internship in your business so they can receive training that will enable them to make a career change. And after their internship you will have the opportunity to make them their first offer of employment in their newly-chosen profession.

You will want to see our **FastPocket** series edition:



• **Earned Value Management, Techniques and Application**

which contains definitions of terminology and discusses techniques of Project Management including –

- Implementing and using Earned Value processes
- Critical Path methodology
- Metrics
- Performance Measuring
- Statement of Work
- Work Breakdown Structure
- Project Plan and Management Triangle