



# Project Management Essentials for Small Business

**Small Business Development  
Center Workshop**

**October 17, 2006**



H2 PERFORMANCE CONSULTING

# How would you assess your Project Management skills?

**Very Familiar – I am a project manager and/or I have received formal project training**

**Basic Knowledge – I've done a lot of reading and research and/or I've worked on projects.**

**Little Knowledge – I'm here to learn about project management**



# Top Reasons for Poor Project Performance

- 81% - When serving on a project team, employees aren't relieved of some of their routine responsibilities
- 80% - Employees don't receive training in project management methodologies before serving on a project team
- 69% - Project teams aren't given enough resources to accomplish their goals
- 62% - Project teams throughout the organization fail to follow a standard methodology for defining planning and implementing projects
- 55% - The right people aren't selected to lead or serve on project teams
- 46% - Project teams aren't given clear, attainable goals



# Course Objective & Outline:

## Objective:

- Provide **YOU** the knowledge necessary to effectively prepare you and your organization for managing projects successfully.

## Workshop Outline:

- How to recognize when to use project management techniques
- How to develop your role as a project manager and strengthen business relationships
- How to use SMART approach to goal setting
- How to develop a work breakdown structure (WBS) structure
- The importance and use of Gantt and PERT charts
- How to use the Critical Path Method (CPM) to manage projects

# What is a project?

**A project is a temporary endeavor undertaken to create a unique product, service or result.**

Project Management Body of Knowledge, 3<sup>rd</sup> Edition

**Temporary**



**Start & End Date**

**Creates Unique Product**



**Benefits to the Organization**



# What is Project Management?

A Discipline of organizing and managing resources in such a way that these resources deliver all the work required to complete a project within defined scope, time, and cost constraints



# Applying Project Management Techniques...

- Is success or failure going to be reported to leadership?
- Will you be required to report status to an external stakeholder or client?
- Does the requirement have a set budget?
- Are there risks of accomplishing the objective(s)?
- Is the requirement set to be met within a specific timeframe?
- Is there an expectation of quality?

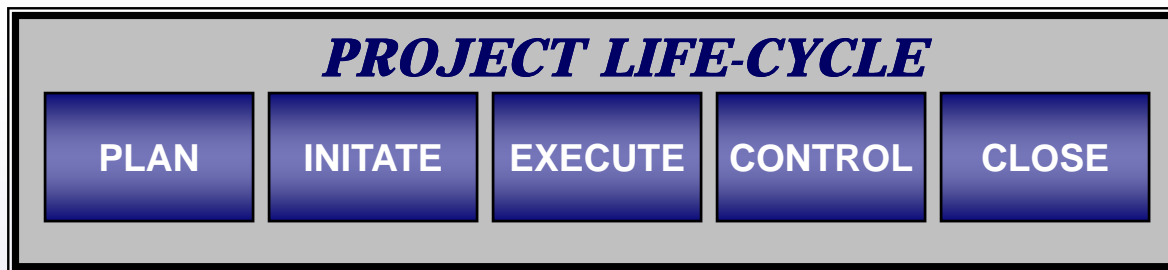


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# The Project

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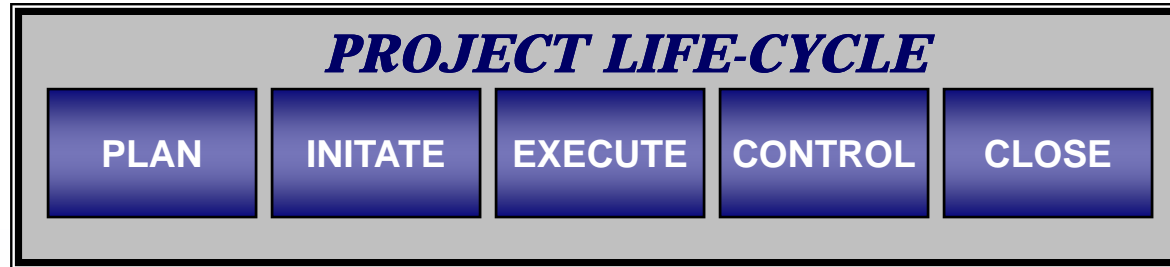
# A Project Management Framework



The Project Management Institute's Project Management Body of Knowledge (PMBOK) is the most widely accepted standard for Project Management.



# PMBOK Project Life Cycle



The project life-cycle defines the phases that connect the beginning of a project to its end. The sum of the phases is the project life cycle.

The lifecycle:

- ✓ Provides a framework within which to work
- ✓ Helps an organization standardize procedures and terminologies
- ✓ Provides management better data from which they can make decisions

# PMBOK Project Knowledge Areas

Areas of project management defined by the knowledge requirements and described in terms of processes, practices, inputs, outputs, tools and techniques.

**Project Management Body of Knowledge, 3rd Edition**



**PROJECT KNOWLEDGE AREAS**

**Scope**

**What is included/excluded in the effort?**

**Time**

**How long will the project take?**

**Cost**

**How much will it cost?**

**Quality**

**What are quality standards? Lamborghini or VW Beetle**

**Human Resources**

**How many people are required with what skills?**

**Communication**

**What needs to be communicated to whom?**

**Risk**

**What can go wrong that will impact the project?**

**Procurement**

**What must be purchased to accomplish the project?**

**Integration**

**How will the end product be integrated with daily operations?**

## Scope

### What is and is not the work to be done on the project?

#### Deliverables

- ▶ Work breakdown structure
- ▶ Project Charter

#### Do's

- ▶ Document all assumptions
- ▶ Keep language simple and business-oriented
- ▶ Clearly indicate what is included/excluded
- ▶ Define project deliverables
- ▶ Record and review scope changes

#### Don'ts

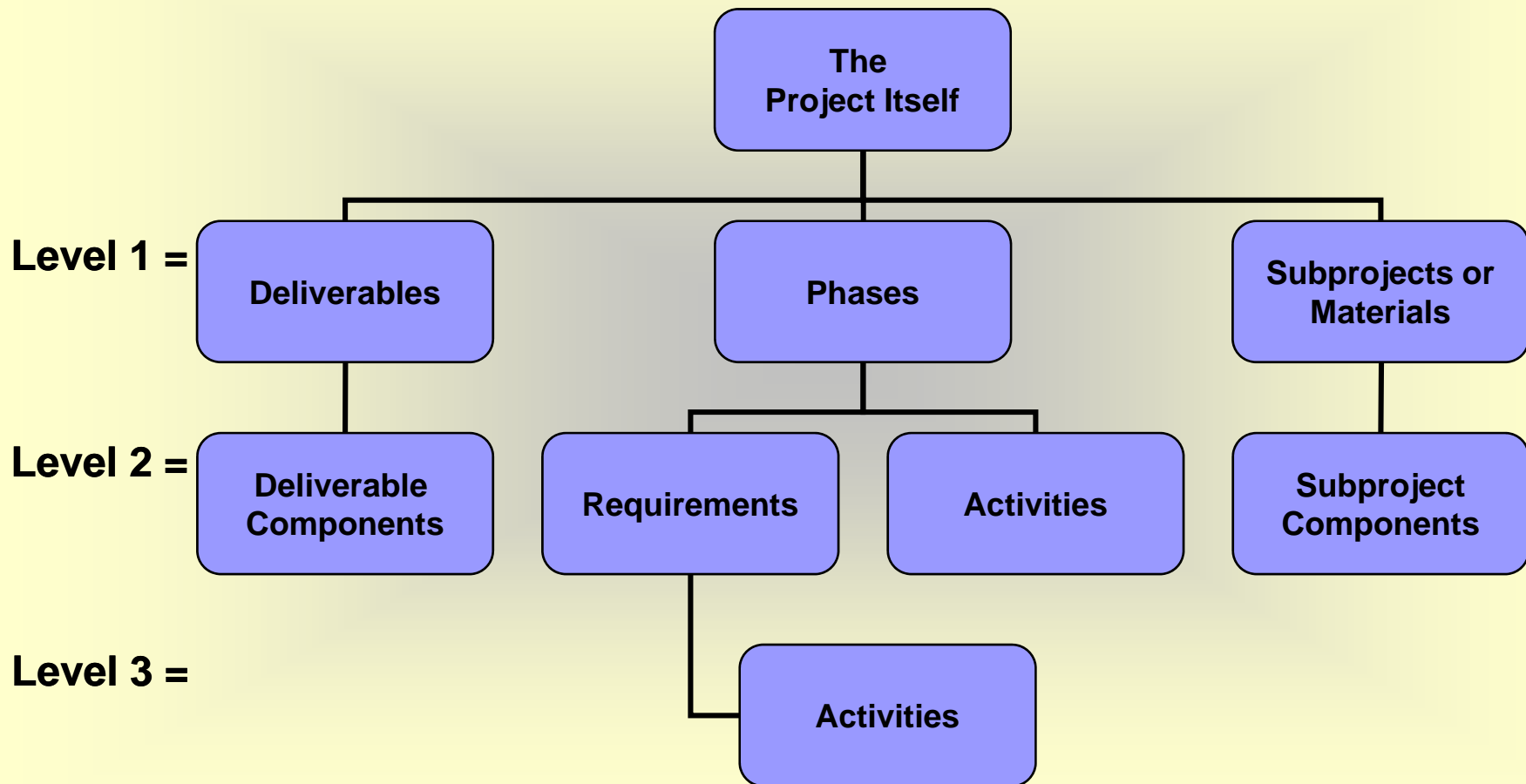
- ▶ Over scope or under scope
- ▶ Fail to align with business objectives
- ▶ Forget to document pertinent processes, systems, customers, and other objects that will not be in the project



1. Executive buy-in and sponsorship is a MUST...
2. INSIST on stakeholder involvement

# Work Breakdown Structure Exercise

Deliverable-oriented hierarchy that defines only the work of the project



# Critical Success Factors

## *Know the Answers to These Key Questions:*

1. How will you know when the project is done?
2. How will you know if the project was successful?
3. Who gets to make the call on questions 1. and 2.?



# SMART Goal Setting

|                    |  |
|--------------------|--|
| <b>S</b> pecific   | <i>WHAT</i> are you going to do? <i>WHY</i> is this important? <i>HOW</i> are you going to do it?                  |
| <b>M</b> easurable | Establish concrete criteria for measuring <b>progress</b> toward the attainment of each goal.                      |
| <b>A</b> chievable | A goal needs to <b>stretch</b> you slightly so you feel you can do it but still be within reach.                   |
| <b>R</b> ealistic  | Be sure to set goals that you can <b>attain</b> with some effort! Goals should never be too easy or too difficult. |
| <b>T</b> imely     | Set a timeframe for the goal. Putting an end point on your goal gives you a clear <b>target</b> to work towards.   |

Source: [goal-setting-guide.com](http://goal-setting-guide.com)

## Time

### How long will the project take?

#### Deliverables

- ▶ Project Schedule
- ▶ Activity Durations

#### Do's

- ▶ Define project start and end dates
- ▶ Identify constraints & assumptions
- ▶ Closely track progress to the plan
- ▶ Include stakeholders
- ▶ Define key milestones & deliverable dates
- ▶ Error on the conservative side

#### Don'ts

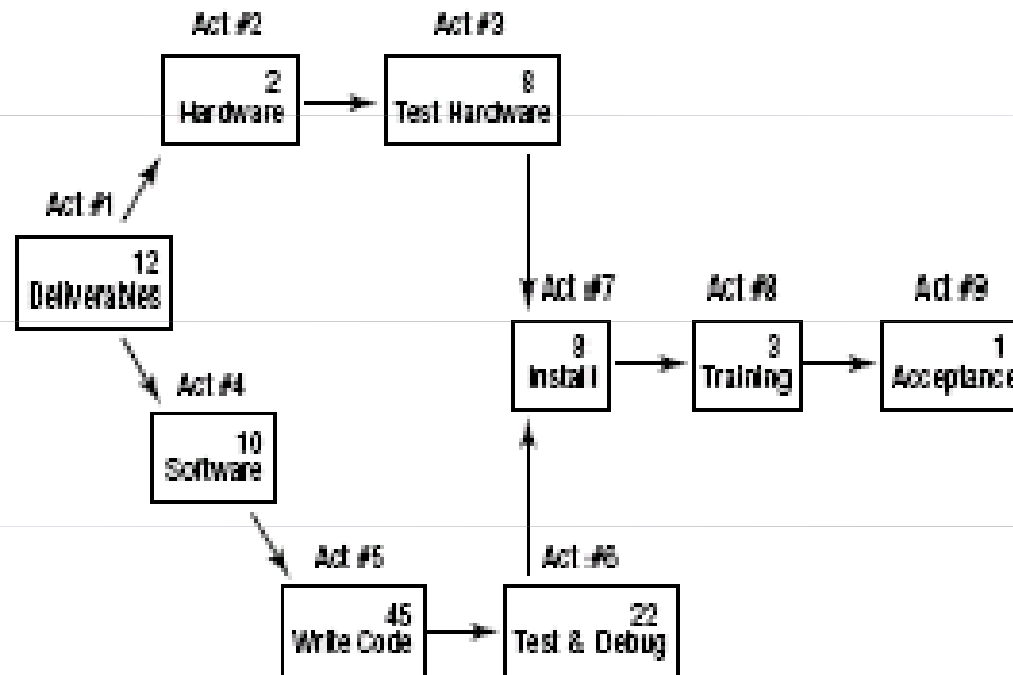
- ▶ Fail to align with business objectives
- ▶ Forget to obtain stakeholder and executive agreement
- ▶ Rush thru this process
- ▶ "Wait to see" when activities run behind



1. Closely manage the schedule or it will manage you

# Critical Path

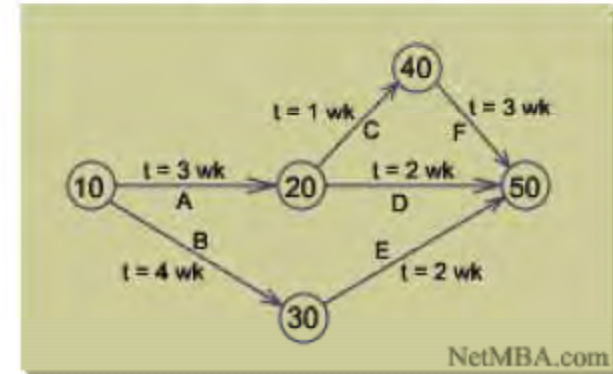
- Provides one time estimate per task
- Creates the longest duration path through the network diagram and determines the shortest time to complete the project



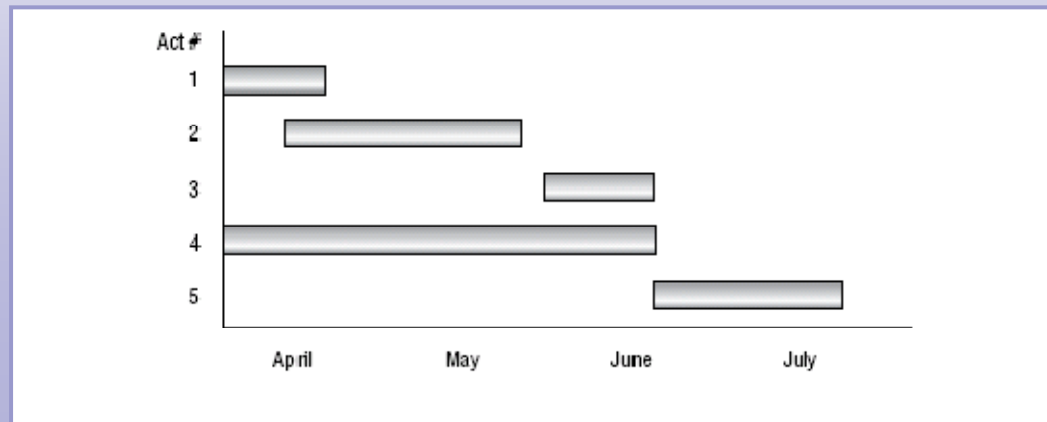
# Critical Elements

- Program Evaluation and Review Technique - PERT Charts
  - 'Network' diagrams
  - Shows interdependencies of all
  - Shows workflow

PERT Chart



- Gantt Charts
  - Depicts timeframe by activity



## Cost

### How much will it cost?

#### Deliverables

- ▶ Project Budget
- ▶ Cost Estimate

#### Do's

- ▶ Include all costs over the project life-cycle
- ▶ Closely track actual to budgeted
- ▶ Document costs methods
- ▶ Identify constraints & assumptions
- ▶ Involve subject matter experts
- ▶ Know the quality of estimates

#### Don'ts

- ▶ Confuse pricing with a cost estimate
- ▶ Just cost contractor costs
- ▶ Need complex software
- ▶ Budget beyond the project
- ▶ Track variances only on the aggregate level



1. Obtain feedback from subject matter experts before finalizing
2. Track actual costs closely
3. Hold the project manager accountable

## Quality

### What are quality standards?

#### Deliverables

- ▶ Quality Plan

#### Do's

- ▶ Build quality into project
- ▶ Recognize relationship between quality, time and cost
- ▶ Define quality standards & how they will be implemented

#### Don'ts

- ▶ Make quality control an extreme constraint to success
- ▶ Accept poor quality
- ▶ Do rework yourself (PM)



1. Quality begins with the scope/requirement/design

## Human Resources

### How many people are required with what skills?

#### Deliverables

- ▶ Project Team assignments
- ▶ Individual Development Plans

#### Do's

- ▶ Leverage the 'right' skill sets
- ▶ Allow time for training and learning
- ▶ Negotiate for talent wisely
- ▶ Tie staff to activities
- ▶ Use resources effectively

#### Don'ts

- ▶ Staff the team with clones of you (Project Manager)
- ▶ Make assumptions about individual skills and knowledge
- ▶ Assume experience equates to talent and success



1. Teams are made of individuals, so individual development is critical
2. Communicate, Communicate, Communicate!

## Communication

### What needs to be communicated to whom?

#### Deliverables

- ▶ Communication Plan
  - Project Reporting

#### Do's

- ▶ Know your audience/method
- ▶ Define 'success' early and communicate frequently
- ▶ Pulse frequently for expectations
- ▶ Establish a standard lexicon

#### Don'ts

- ▶ Make email the primary means of Communication



1. Communications are the lynch pin to the projects' success

# Project Metrics Audiences

## Address Two Audiences:

Project Managers  
responsible for the  
successful completion  
of the project



Executives charged  
with project oversight  
and deliver of  
Business Value-Add





# Project Performance Measures

## Key Objectives:

- Assess project status
- Develop early warning indicators
- Monitor product quality
- Manage schedule, budget, and scope
- Track the project's alignment with business goals

## Risk

### What can go wrong that will impact the project?

#### Deliverables

- ▶ Risk Management Plan

#### Do's

- ▶ Assess early and frequently
- ▶ Contingency thinking is your best friend
- ▶ Have a standardized risk questionnaire
- ▶ Operate in 'turn-over' mode

#### Don'ts

- ▶ Pretend like there are no risks
- ▶ Force things that are 'too hard'



1. For every risk there should be a root cause and response plan
2. Obtain feedback from subject matter experts

## Procurement

### What must be purchased to accomplish the project?

#### Deliverables

- ▶ Statement of Work

#### Do's

- ▶ Define your minimum performance requirements
- ▶ Balance your options
- ▶ Know your contract types
- ▶ Have specific evaluation criteria

#### Don'ts

- ▶ Assume purchase lead times
- ▶ Forget to define how multiple vendors/contractor will work together



1. Advanced planning is required!
2. Require vendors/contractors to report progress towards defined milestones

## Integration

How will all project processes be managed and the end product integrated with daily operations?

### Deliverables

- ▶ Project Plan
- ▶ Project Status Report

### Do's

- ▶ Plan from back to front
- ▶ Prepare stakeholders for product delivery
- ▶ Get the necessary approvals/acceptance
- ▶ Prepare project team for reassignment

### Don'ts

- ▶ Think 'build it and they will come'
- ▶ Manage sub-teams of a large project in silos



1. Stay on top of project processes and their impacts
2. Obtain customer/stakeholder satisfaction feedback



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# The Project Team

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# Whose Who in Project Management

|                             |   |
|-----------------------------|---|
| <b>Executive Oversight</b>  | Provides guidance/oversight to ensure alignment with corporate strategy and/or resource availability.   |
| <b>Project Stakeholder</b>  | Business units or individuals that will receive project product or are impacted by the project.   |
| <b>Project Manager</b>      | Responsible for overall project management and timely, quality delivery of project solution.  |
| <b>Project Team Members</b> | Active project participants responsible for developing accurate, high-quality, project deliverables and reporting as assigned by project manager. |



# Project Teams and Project Managers

## Exercise

- Project Team – What do you expect from your project manager?
- Project Managers – What do you expect from your project team?

# Leadership and Management

***“Leadership and Management are two distinctive and complementary systems of action.”***

## Leadership

- Establishing Direction
- Aligning people
- Motivating and inspiring

## Management

- Planning and budgeting
- Organizing and staffing
- Controlling and problem solving



# Survey Results:

Ranking enablers of more effective Groupwork and Teamwork

## Top 9 of Importance:

1. Clear and measurable objectives
2. Personal commitment
3. Management attitudes
4. Teamworking skills
5. Accountability
6. Empowerment
7. Overcoming departmental barriers
8. Roles and responsibilities
9. Project management skills

Source: PM Network Magazine

# Lessons from Geese on Teamwork

- Teammates who share a common direction and sense of community can get where they're going quicker and easier when they travel on shared power.
- It pays to take turns doing the hard tasks and sharing the leader's role.
- Sometimes team members need to hear a little honking.
- Stand by one another in times of trouble.



# Stages of Team Growth

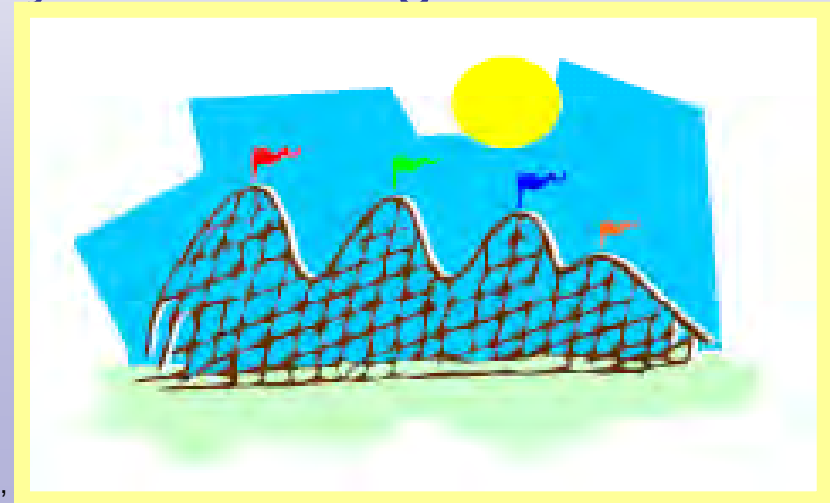
**Stage One: Forming** – What is acceptable team behavior? Moving from an individual to a team member.

**Stage Two: Storming** – Excerpting individual behavior and resisting group formation. How do I fit in?

**Stage Three: Norming** – Accepting your role and responsibilities as well as everyone else's.

**Stage Four: Performing** - Everyone working towards a common goal.

**Stage Five: Adjourning** – Project work is completed and the team disbands.





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# The Organization

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## Helpful Tips...

- Encourage Project Management knowledge and skills at all levels of the organization
- Establish a project management framework with supporting materials
- Reward and advertise good behavior
- Keep it simple but useful and effective
- Adapt your project management approach
- Progressively mature the organization's capability
- Recognize that it is the 'People' that make or break a Project



**There are two ways to win...**

**do projects right  
or  
choose the right projects**



H2 Performance Consulting

**Holy Smith, PMP**  
Managing Partner

5036 Skylark Court  
Pensacola, FL 32505  
off (850) 474.0844 cell (850) 572.6422  
holly.smith@h2pc.com



H2 Performance Consulting

**Hazel Wiggington**  
Managing Partner

5036 Skylark Court  
Pensacola, FL 32505  
off (850) 474.0844 cell (850) 516.5546  
hazel.wiggington@h2performanceconsulting.com

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## Communications Difficulties Mean Teams Don't Know...

if projects met deadline

44%

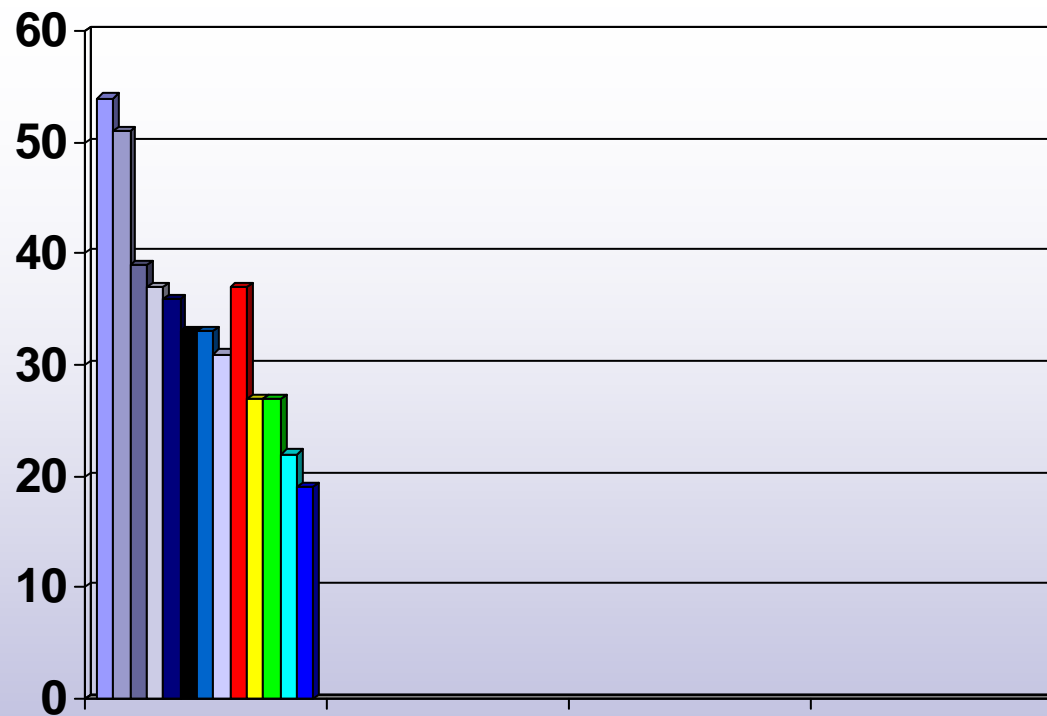
if projects are on/off budget

64%

if projects met specifications

64%

# SKILL SETS CIOs DEMAND



- Project Management
- Application Development
- Business Process Management
- Security
- Database

## How many project management business cases actually are approved annually by executives/leaders?

