SSI
Successful Strategies International, Inc.

A Training, Leadership and Mentoring Organization

How to Attain Project Success

(With Project Measurement)

PMI Registered Education Provider CHARTER MEMBER Project Management Institute

EXERCISE:

Identify the Correct Penny

(sounds easy doesn't it?)

Identify the Correct Penny

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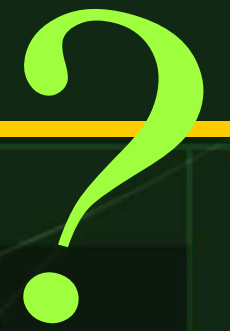
What was the purpose of this exercise?



- You grow so accustom to how you perceive things that you think you have all the answers
- You are never done learning in life
- Allow your mind to continually grow during this presentation, your career and your life

What do ALL projects have in common?

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- They produce specific products or “deliverables” **(SCOPE)**
- They have defined start and end dates **(SCHEDULE)**
- They consume certain resources; dollars, labor, equipment, material **(COST)**
- They have customers who have specific quality requirements and expectations for the product **(QUALITY)**

With that in mind…

What are some of the reasons projects succeed or fail?

Projects Succeed or Fail Based on the following:

- Did the Product meet its intended purpose?
- Is the Product operating in accordance with its "current expectations"
- Is the Product "maintainable"?
- Was the product delivered "on time"
- Was the product delivered "within budget"
- Were all of the critical stakeholders kept informed?
- Was the customer happy with the product?
- Did you define what "happy" was?

But how serious is project failure today?

How serious is project failure?

Each year, project failure costs private and public sectors of the business world billions in resources not to mention valuable time.

★ *Project failure can mean the difference between your product hitting the market before the competition.*

Insight into 13,522 projects across a broad spectrum:

- 34% of all projects succeed vs. 15% that fail
- 51% of all projects are challenged
- 43% of projects experienced overrun costs
- 82% of projects experience time overruns
- 52% of required features and functions in a project never made it to the release of the product

Source: 2003 Chaos Study by the Standish Group

What are some reasons for high failure rates among projects?

High failure rates are a result of:

- Lack of senior management understanding and support
- Lack of client involvement
- Inferior project management discipline related to the size and complexity of the project
- Inflexible procurement approaches
- Lack of communication – Organizational Culture

But two main reasons for project failures are…

1

Not adequately defining the objectives for the project!

In other words not defining up front what constitutes both success and failure for the project!!

2

And, not adequately defining the "value system" and "measurement system" to track those *project objectives!*

PMI teaches us that…

"Project Management is the application of knowledge, skills, tools and techniques to project activities to meet ***project requirements***."

Yet most project managers today don't take the time to adequately define what those requirements are before the project starts.

Source: 2000 PMBOK Guide

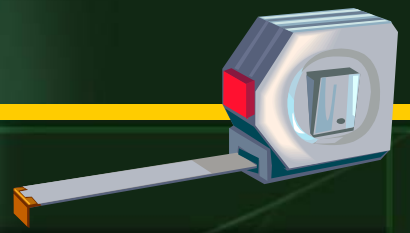
So what is meant by Project Measurement?

The 4 Aspects of a PM Measurement System

1. **Status** – Determine what is!
2. **Progress** – Determine what is or what should have been (versus baseline conditions)
3. **Forecast** – Determine where we are going to be based on “performance indicators”
4. **Path Forward** – re-align going forward plan to achieve “optimal condition”!

Using “Real Time” PM Tools

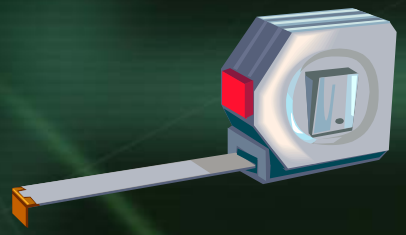
PM Measurement System



- Both quantitative and qualitative measurements of project execution activities
- Determine “out of variance” conditions
- Provide real time information
- Defining self-correcting mechanisms

Project Measurement System

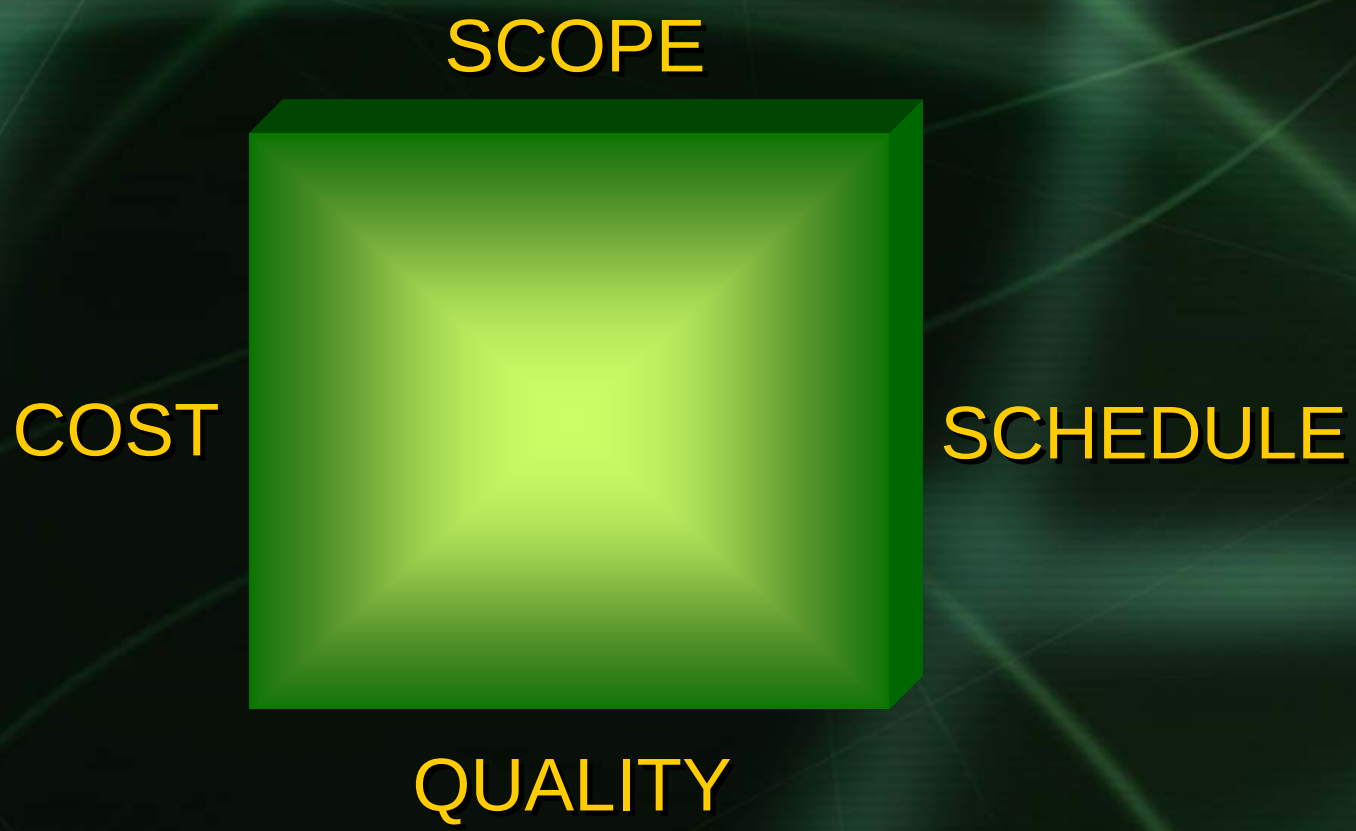
- The procedure, administration, software and resources to capture project performance and value achieved over time for:
  - Scope
  - Quality
  - Cost
  - Schedule
  - Staff
  - Contracts
  - Stakeholder Satisfaction
  - Risk



How to measure a project?

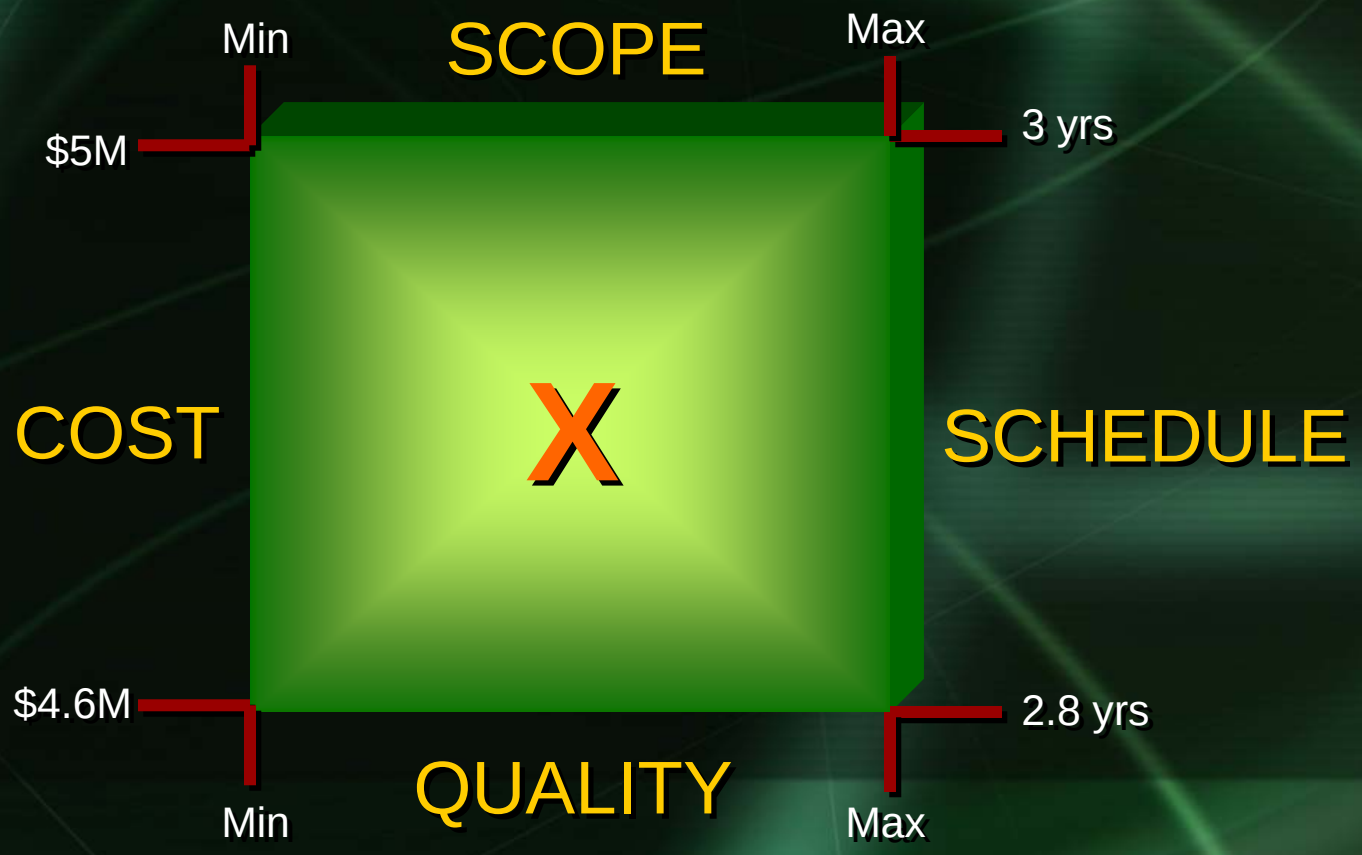
The SSI Square!

A. The SSI Square



B. Determine the priority of the "project drivers": 1 through 4; Each project may be different!

C. Determine the “tolerance range” for each of the drivers! “The schedule will be considered a success if…and a failure if…”



D. Determine the “value earned over time conditions” during project baseline (s) development for scope, quality, cost and schedule

“The Project will be 50% complete when what happens? 25%...75%...90%, etc.”

What principles guide the development and implementation of a project management measuring system?

Principles of a project measurement system

- It must support the organization's strategic priorities
- Unambiguous identification of objectives and tolerances
- Must be aligned and tailored to those ranges of acceptable and unacceptable variances
- System requires some due diligence
- Able to access "real time" information
- Must have the ability to take corrective actions and deal with "out of tolerance" measures
- It must not be cumbersome

How will this enable you to achieve project success?

How will this enable project success?

- The key is to have a realistic plan and the knowledge of what can and will go wrong (and right!)
- ***Proactive Risk Management***
  - Understanding the causes of project failure

*SOURCE: “Top ten Reason for Project Failure” 2002 – discussion thread

How will this enable project success?

Project Managers must be empowered to manage within the project thresholds; PM's constantly handle an endless list of project constraints and paradoxes:

- Authoritative vs. Delegative
- Patience vs. Impatience
- Ego vs. No Ego
- Complexity vs. Simplicity

Roles of a project manager include

- Empowered to be the:
  - Team Builder
  - Problem Solver
  - Risk and Quality Manager
  - Decision Maker
  - Planner
  - Data Collector
  - Organizer
  - Communicator
  - Motivator
  - Financial Manager
  - Facilitator
  - Change Control Manager

PIAT

Ways a project manager can influence project team members

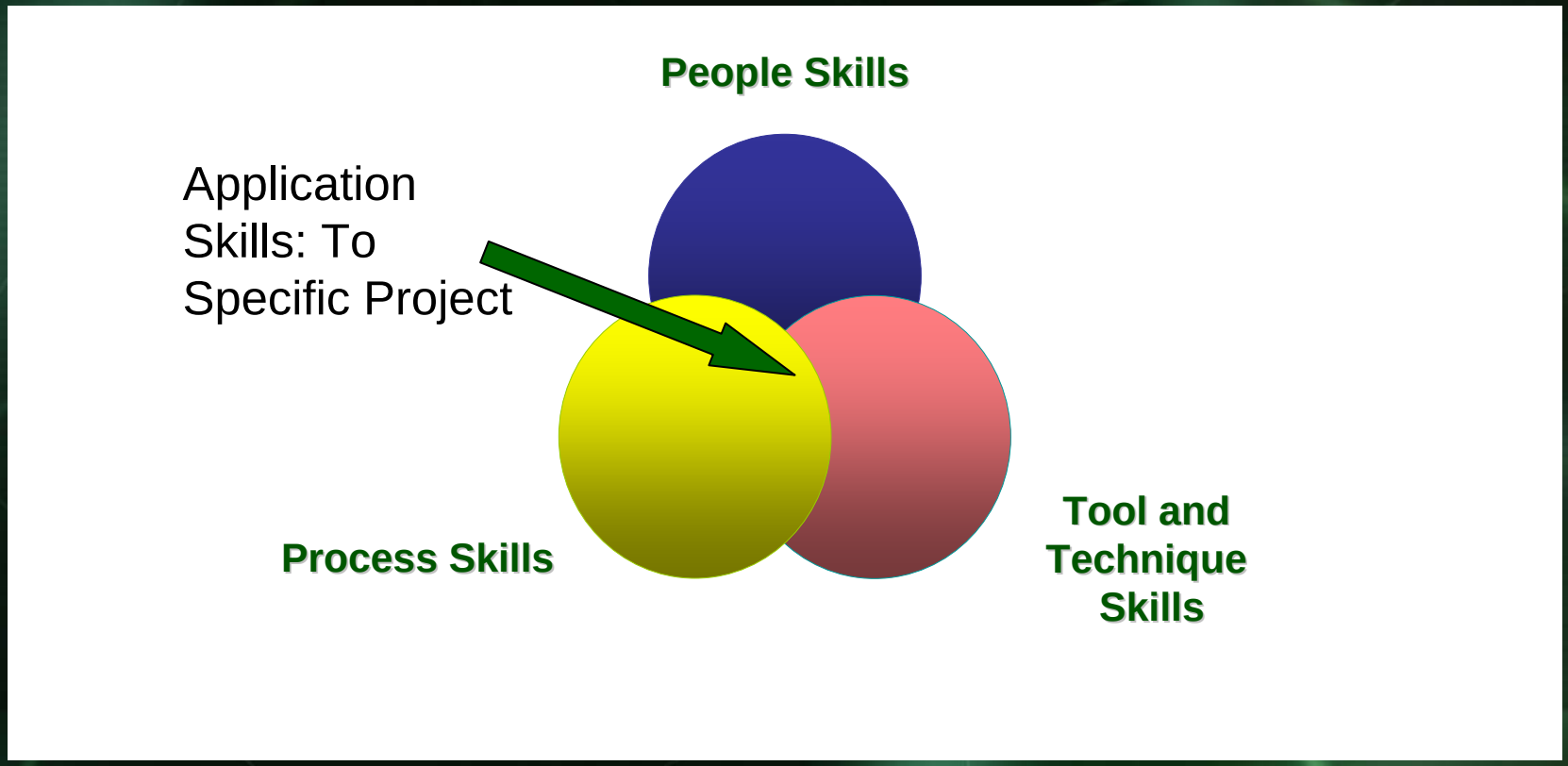
- Project Manager has more experience
- Project Manager has superior technical knowledge
- Project Manager has superior project management knowledge
- Project Manager has been given formal authority
- Project Manager has the clear visible support
- Project Manger's reputation commands respect
- Project Manager is well liked by team members

The critical missing piece to project success?

Informed and Prepared Project Managers

Project Manager: “Circle of Life”

Good project managers need to not only **KNOW** these skills but be able to **APPLY** them.



Project Success **relies heavily on:**

- **Communication**
- **Application &**
- **Education**

For Project Management Professionals (PMP)…

1 PDU Credit is available for this presentation

Simply visit:
www.pmi.org/info/PDC_PMPCCR.asp

EDUCATIONAL RESOURCES

The following texts make a good read for project managers and anyone in the business world.

The World is Flat

A brief history of the twenty first century

By Thomas L. Friedman

Freakonomics

A rogue economist explores the hidden side of everything

By Steven D. Levitt and Stephen J. Daubner

EDUCATIONAL RESOURCES

The following websites contain information for project managers including articles and tools.

www.pmstudy.com

www.gantthead.com

www.projectsatwork.com

www.pmboulevard.com

EDUCATIONAL RESOURCES

The following published articles are available on SSI's website – **www.ssi-learn.com**

Winning the War on Retaining Brain Power

By Tom Mattus

The High Cost of Employee Turnover

By Tom Mattus and Craig Ruvere

How to Attain Project Success with Project Measurement

By Tom Mattus and Craig Ruvere

Questions?

www.ssi-learn.com

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Thank You!