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In This Issue

THE INVISIBLE COST CONSTRAINT

by Lee R. Lambert, PMP - Lambert Consulting Group, Inc.

How is it possible to take a perfectly good project cost estimate, utilize an additional cost category, and thereby reduce total project cost and duration?

Synopsis
This article takes an innovative look at leadership and leadership methods utilized during the execution of a real-world "make or break" project. It tells of a time-critical, must-be-successful project, and how it is possible to take the drudgery out of hard work, keep team participants productive and dedicated to the project objective, as well as happy and enjoying the project experience … *and* save project time and money in the process.

Cost estimating, of all the project management concepts, may be the most challenging when it comes to achieving a realistic and accurate depiction of all the cost categories that determine the budget/funding needed to accomplish a project's deliverables.

The challenges of successfully estimating project costs are substantial. Serious consideration must be given to all of the potential elements that could impact the project cost estimate and specific project questions must be answered:

- Is there a linkage between project objectives and business goals/objectives (priority)?
- Is there clarity of scope definition (uncertainty)?
- What is the state of the technology/intellectual property (risk)?
- What human resources will actually do the work (skill set levels, duration and rates)?
- What purchased goods & services will be utilized (contractors, materials and equipment)?
- Where will the work take place (facility and equipment usage, travel, weather)?

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Upcoming Events

PMI Global Congress Latin America
August 11-13, 2008

Practical Innovation: Accelerating Creativity with TRIZ
September 11-12, 2008

PMI Global Congress North America
October 18-21, 2008

Advancing the PMO Symposium
November 9-11, 2008

Please join us at the NPD SIG Annual Membership Meeting at the North American Global Congress in Denver, CO USA.

"Leadership is free … unless it is absent. When it is absent, the lack of leadership cost to the project may be exorbitant."

Letter from the Chair

by Brian Piper, PMP - NPD SIG Chair

The following is a summary of events surrounding the Virtual Communities Project. Please forward any comments/questions to the Chair.

The Virtual Communities Project (VCP) is a major initiative that began in early 2007 by PMI in concert with representatives from existing Specific Interest Groups (SIGs) and Colleges to examine how member value is derived and delivered through virtual communities. The Community Transformation Project (CTP), which concluded successfully in late 2006, had similar goals in evaluating geographically-based chapters. Overall, the goal of VCP has been to identify opportunities by which current virtual communities can gain operational efficiencies and improvements. The project has also explored the relevance and applicability of new models that can be used for the creation of virtual communities in the future.

By the middle of 2007, several VCP deliverables had been met, including the completion of a member value survey, the definition of several possible community models, and input into the community performance management framework (PMF) specific to virtual communities.

The member value survey that was conducted early in the project yielded significant results. These helped to steer the direction of the models that were developed and the types of services that virtual communities of the future will deliver. The survey confirmed that the characteristics most desired of PMI virtual communities are:

- Quality knowledge delivery including tools, templates and specialized information; and
- An active community environment that offers a high degree of engagement, but is flexible to accommodate the members' time schedules.

Eighty percent of the survey's respondents said they would participate in PMI virtual communities if these criteria were met. These results demonstrate that the new community models will best serve the members' desires if they focus on knowledge and value creation.

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Oh No! You Gave me What I asked For

by Elizabeth Larson, CBAP, PMP, and Richard Larson, CBAP, PMP - Principals, Watermark Learning, Inc.

Part one of a three-part series in this newsletter: *Common Pitfalls to Uncovering Expectations*

Project professionals – specifically project managers and business analysts - realize that no matter how well projects are executed, projects still fail when customer requirements are not clearly defined and customer expectations are not met.

Uncovering expectations takes time and requires the art of consultative questioning. It demands patience with clients who have difficulty articulating their requirements. It requires a process for not only eliciting the requirements, but also for analyzing, documenting, and validating them. Finally, uncovering expectations takes a commitment to defining requirements in sufficient detail to understand what those expectations truly are.

This three- part article (to be published in back-to-back issues of Connections) discusses 5 common pitfalls and their associated risks of not uncovering expectations, and in parts 2 and 3, how a consulting approach will help mitigate them.

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Requirements and Expectations

According to various standards bodies such as PMI, IIBA, and IEEE, a requirement defines a condition or capability needed to solve a problem or or achieve an objective that must be met by a system or system component to satisfy a contract, standard, or specification.

Uncovering expectations takes a commitment to defining requirements in sufficient detail to understand what those expectations truly are.

Requirements, then, state a business need and describe how the solution, or final product, will meet that need. Detailed requirements describe such things as what the end-user of the product needs to know or do or have and how they need to use the product.

It is helpful to think of requirements as being stated, whether spoken and/or documented. Expectations, on the other hand, while also requirements, are not usually articulated by the sponsor and client stakeholders. We need to meet both expectations and stated requirements in order to satisfy business needs and produce enduring results. When we ignore expectations, even if we have been meticulous in documenting stated requirements, we are apt to develop unusable products.

Common Pitfalls

1) The Time Trap

One of the challenges cited frequently in our informal research is what we call the Time Trap. There are two parts to the time trap. The first is that project professionals usually feel they are not given enough time to define requirements, let alone uncover expectations.

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The second is that clients are not always available to define their requirements. We frequently hear from key clients that they don't have time to attend requirements workshops, for instance. We're then left with undesirable alternatives. We can postpone the meetings and delay the project, we can hold the workshops without the clients, or we can proceed with incomplete requirements. Each one of these alternatives has the associated risk of incomplete requirements, surprises, rework, and expense. Research shows the total percentage of project budget due to requirements defects is typically from 25 to 40 percent and costs the economy $59.5 billion annually (SEI study, 7/15/2005).

2) Stated Requirements Don't Meet Expectations

Another pitfall is assuming that the requirements stated by the sponsor and clients will produce a product that actually works and will be used. In other words, we mistakenly assume that if we get the sponsor and clients to articulate their requirements, the product will meet their expectations. Having sponsors state their requirements is only the beginning of the process. If we collect the requirements as given without a consultative approach, it is highly unlikely that the end product will meet expectations.

3) Ineffective Questioning

One reason that stated requirements may not meet customer expectations is because ineffective techniques are used to ask questions about the requirements. Project professionals need to master the art of asking questions to ensure expectations are discovered. Asking questions like "what are your requirements for this project?" is not apt to yield successful results. Yes, surprisingly, this is a frequent type of question asked!

"Project professionals need to master the art of asking questions to ensure expectations are discovered."

Asking the wrong questions, even when asked with good intentions, can lead to unwanted results. The categories discussed here include:

- **Open- vs. closed-ended questions**
- **Solution presentation**
- **Feature fallacy.**
- **Questioning Style**

Open- vs. closed-ended questions. Some project managers and business analysts erroneously think it best to always ask questions that allow the interviewee to expand their thoughts, avoiding what are called closed-ended questions. Asking these expansion questions exclusively can be time-consuming and can make the elicitation process longer than needed.

Solution presentation occurs when we fall into the trap of presenting solutions that sound like questions. Also known as leading questions, these closed-ended questions often force the interviewee into a position of disagreeing with the interviewer or worse yet, feeling foolish. Therefore, by avoiding leading questions, such as "wouldn't it be better to…" or "have you ever thought about…" we reduce the risk of creating barriers to communication. Listen to yourself during the course of a day and count how many times you ask leading questions.

Feature fallacy occurs when either the interviewer or the interviewee focuses on the features and functions of the product before determining how the product fits into the context of both the business and the project. It is a pitfall that occurs across disciplines. As an example, software engineers and vendors sometimes concentrate on desirable features, rather than determining whether the software will solve real business problems or the impact of the software on the organization.

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In a recent article, James Surowiecki discusses the issues related to what he calls “feature creep” (Surowiecki, May 28, 2007, p28). Citing statistics for consumer returns on defective but difficult-to-use products, Surowiecki shows how many non-defective items are returned annually. Sixty percent of those participating in a focus group picked products with more features. However, when asked to use the product, they became frustrated as “feature fatigue” took over. People are attracted to features, but will not be happy without usability.

Questioning Style. Another pitfall is asking the right questions the wrong way, which can destroy trust and create barriers between interviewer and interviewee. If we are to elicit good requirements, we need to put the interviewee at ease. We need to build trust with our stakeholders and asking questions in a way that does not facilitate communication, even if they are very good questions, can produce unintentional negative results. Here are three sins that can destroy trust. Asking ‘why’ accusingly. Sometimes the interviewer can give the impression of being a prosecuting attorney. Asking ‘why’ directly can put some people on the defensive and should be avoided.

“People are attracted to features, but will not be happy without usability.”

Showing lack of interest. There are many ways to show that the interviewer is not engaged. Checking cell phones is an obvious one. Less so are neutral non-verbals, such as lack of eye contact, slouching, etc. which while not actively presenting communications barriers, can inhibit the conversation.

Using inappropriate non-verbals, given the culture of the interviewer. How we show that we are engaged in the conversation differs from culture to culture. Making assumptions that everyone responds similarly to engagement signals and affirmation can lead to barriers and distrust.

4) Using The Wrong Techniques

Even experienced project professionals are guilty of using the same techniques repeatedly, even when the techniques are not appropriate for the project at hand. For example, using business process modeling for a reporting function may not uncover the true requirements. Using inappropriate techniques can result in clients answering the wrong questions, thereby providing incomplete or incorrect requirements. This can result in being surprised at the end of a project with sponsors saying “yes, I know that’s what I said I want. But it’s not what I really need!”

5) Accepting Solutions Presented by the Business and Technical Experts

A final pitfall is accepting a business solution provided by the sponsor and other key stakeholders. Although not a good practice, it’s common for business stakeholders to try to save time by giving specific product details (e.g. fields on a database table) without providing business reasons. Accepting solutions presented by business stakeholders forces project managers into the role of order takers, which usually leads to unusable and unused products.

A related pitfall is feeling constrained by an imposed technical solution, often forcing business needs to be subjugated to technical architectures, rather than having technical architecture support the business need. Forcing business solutions without taking exiting business processes or needs into account, invariably leads to customer disappointment.

Overcoming Requirements Pitfalls

Look for the continuation to this article in Part 2, as we explore overcoming the above pitfalls. The consultative approach described will show how being a consultant to the business helps ensure that expectations are met. Part 2 explores practical approaches to meeting and exceeding expectations through understanding the business problem. Part 3 concludes with analyzing the problem or opportunity and recommending solutions that meet real business needs, not just stated requirements.

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Oh No! You Gave me What I asked For cont.

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About the Authors

Elizabeth Larson, CBAP, PMP and Richard Larson, CBAP, PMP are Co-Principals of Watermark Learning, a globally recognized business analysis and project management training company. Each has presented numerous workshops, seminars, and training classes to thousands of participants on 3 different continents. They regularly speak on business analysis and project management topics at Business Analyst World conferences and Project Management Institute (PMI) Global Congresses. Elizabeth and Richard are frequent contributors of articles to international trade publications such as CIO; ComputerWorld; BA Times; PMI PM-Network Magazine; the University of Houston book, IT Project Management Readings; Certification Magazine, ICFAI Professional Reference Book – Project Management-Emerging Perspectives; and many others. Elizabeth and Richard are also contributing to the Fourth Edition of the PMBOK in a section on collecting requirements.

NPD SIG Webinar

"Better Requirements Development and Management"

Date: October 23, 2008
Time: 12 noon EST

Speaker: Tom Sheives, PhD, PMP
from Better Project Results Inc

The URL and phone number will be emailed later directly to members.

Abstract

Most product development projects fail because of the lack of good, clearly defined, well understood requirements. This talk presents a simple framework using techniques from the IEEE and SEI for gathering, eliciting, documenting, analyzing, and controlling changes to requirements. The framework and references provided would give the participant an understanding of how to reduce cycle times for development, reduce cost, improve quality, and improve team collaboration.

Bio

Tom Sheives is an international consultant, coach, trainer, and speaker focused on making people and project teams more successful. He trained in 2007, 170 project managers and executives in the Panama Canal Authority as they prepare for the new $5.25 Billion expansion program, voted this year as the "Most Significant Construction Project in World". He is a corporate coach with clients from Microsoft, Lockheed Martin, and other small and large companies. He has helped companies such as Texas Instruments and Alliance Data Systems improve significantly their project management processes and requirements process. Tom is a licensee of the Winslow Personality Assessment that every project manager and business analysis should take.

The Key to Project Management Success: It's "The Environment"—*Stupid!**

By Lee Lambert, PMP - Lambert Consulting Group, Inc.

I recently learned of a project failure from one of my clients, a client highly respected in the world of business and more specifically in the world of project management. Granted, it didn't experience the lackluster performance of Boston's Big Dig, which will finish six years behind schedule and nearly $12 billion overrun[1], but to most businesses a project overrunning by $2 million is not a laughing matter—it's a failure. A failed project is a failed project! Whenever a project fails, money and corporate reputations are lost and often an individuals' career is negatively impacted.

The Heralded Career Path of the Decade

In the late 1990s, Thomas Stewart wrote in *Fortune* magazine that project management would be the fastest growing career choice in the coming decade[1]. And as a predictor of the future, Stewart could not have been more accurate. Using the Project Management Institute's Project Management Professional (PMP) Certification Program[1] as a gauge confirms Stewart's career growth observation as the number of members in this elite group of "certified" professionals has grown from 6,516 at the end of 1998 to over 76,000 as the year 2003 came to a close.

These modern-day project management professionals have at their disposal sophisticated automated tools and information processing capabilities. These same professionals have been exposed to high quality, carefully targeted training and education opportunities in order to prepare them for effectively executing the vital roles they must play in today's fast paced, dog-eat-dog, take-no-prisoners business environment.

The business world has clearly and repeatedly recognized that the future is *project management.* The number of project management related tools and techniques—and the computers and software to sustain their use—has become staggering. According to LeRoy Ward, Executive Vice President for ESI International, project management costs associated with user training efforts—in-house and commercial—by organizations throughout the world are estimated to be close to $2 billion with as many as forty million student hours away from the job in 2004.

In the past few years it has become obvious to those in the project management profession that they and their chosen vocation are being taken extremely seriously by people in the decision making positions. In almost every business and service sector the capital and human resource investment in improving project management related skills has become a high priority. Objective: Projects completed according to specifications, on time, within budget, and to the satisfaction of the stakeholders!

So why, with all of this investment in equipment and training, do projects continue to experience "underperformance" in all areas of the triple constraint?[1] Why, with all of this attention and investment in time do project managers and their well-intentioned teams of eager participants continue to find it extremely difficult to meet the needs and expectations of their organization's management?

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It doesn't seem to be the lack of tools, techniques and support capabilities. It certainly isn't the absence of investment in quality training and balanced skill-set preparation. It definitely isn't the failure of senior management to recognize the important potential contribution project management can make to the bottom line. If none of these traditional "excuses" for failure can be cited, then what *is* the problem? Although some say, we don't create the necessary climate for success, I say: "It's The Environment—*Stupid!*

I believe that as the profession is presently being implemented in many (perhaps most) organizations we are destined to a litany of failures in the future. In my opinion, we have actually made a conscious decision to focus our energies first on the easy part of project management. We are developing countless tools and templates, and providing high-quality training to the people using them. We are producing bookshelves full of policies, methodologies, and procedures. We are creating Project Management Offices (PMOs) to focus power and emphasize the importance of the approach. We are establishing multiple career paths (technical and management) to accommodate those who want to pursue the project management profession. We are building "War Rooms" to provide a place to showcase the results of our sophisticated project management capabilities. Still many, many projects are failing. Why?

It's The Environment—*Stupid!* Until we come to grips with this very simple, embarrassingly obvious, but extremely vital, concept many of our projects, our organizations, our project managers, and entire project teams will continue to experience the agony of defeat. Project management as a profession will most assuredly see its reputation tarnished and may eventually become just another of those perceived "flavor of the day" concepts that showed great promise but in the end fell painfully short of its trumpeted potential.

The Environment?

What do I mean by "The Environment"? The Environment is a sense of shared mission among all the project participants. The Environment is a composite of the attitudes, beliefs and perceptions of the players. It is enthusiasm and excitement. It is wanting to *be there*, wanting to be a part of something special. It is having a sense of personal and professional significance along with the commensurate empowerment. It is knowing you can take a risk, knowing you can fall short without fatality. It allows you to be confident that when you do stumble another team member will be there to pick you up. It is waking up on Monday and not thinking about how much sick time you have available. It is coming in early and leaving late—because you want to. The Environment *is* the climate—the culture—within which the concepts of project management flourish.

The Environment is about being an integral part of something special. A team name, a logo, a slogan—an attitude! It is about actually incorporating work/life balance into the project—not just talking about it. It is not about you, it is about *us.* All project participants have *skin* in the game. The perfect project environment might best be represented by the slogan; *We Are One!* We are a project team!

When The Environment exists, it results in what has become known as a High-Performance (Self-Directed) Team. This special team may outperform its counterparts by as much as 100 percent[1]. Every organization wants one. If you don't believe me, ask someone who has been a member of a High- Performance Team—whether it was at work, in sports or as volunteers. When The Environment does not exist you have a group of individuals working together, but not as a High-Performance Team.

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Rick Pitino, a famous, and very successful, basketball coach for the University of Kentucky, Boston Celtics, and University of Louisville, frequently comments; "The only way to get people to like working hard is to inspire them. Today, people must understand why they're working hard. Every individual in an organization is inspired by something different."

If The Environment is the key to project management success, why does it get so little attention in most organizations? With a potential return on investment of this magnitude, why doesn't The Environment become a higher priority? Because in our fast-paced, I-want-it-tomorrow society, organizations don't have time to do it right yet they always seem to have time to do it over, and over, and….

According to Cleland and Ireland[1]; "The potential for a project failure or success usually has strong overtones of a strategic issue. If a product development project fails, the strategic viability of the enterprise can be threatened. Conversely, if a project succeeds, a significant contribution to the future viability of the enterprise has been made. Project Managers, team members and senior managers should be aware of how strategic issues can impact the success or failure of a project." If this is true, then wouldn't it be prudent for an organization to develop and nurture The Environment that breeds success?

Creating and Sustaining The Environment

If The Environment *is* the differentiator, then what are the secrets that senior business leaders and key decision-makers should - **no must** - think about when it comes to creating and sustaining The Environment? Actually, thinking about these topics is the easy part, doing them is when the going gets tough.

Ultimately, project success may well depend on your ability to:

- Provide clear understanding of realistic/relative project priority.
- Focus on strategic (big picture) thinking, delegate tactical tasks
- Emphasize and demand project loyalty from "matrix" assigned staff.
- Insist on cross-functional (out-of-silo) communication.
- Allow time and opportunities for spontaneous communication.
- Provide adequate resources (human and capital) to execute.
- Establish clear project roles and responsibilities.
- Allow time for "thinking" *without* "creating."
- Provide *legitimate* empowerment at all levels.
- Develop team-based incentives and rewards.
- Allow investment in a "trinkets and trash" program.
- Allow project work to be *fun*.
- Insist on clearly defined and articulated realistic requirements.
- Always listen to project team members' opinions.
- Focus attention on taking timely, fact-based, action—don't leave issues hanging.
- Encourage risk taking and accept failure.
- Avoid over-focusing on "quantitative" measures and ignoring "qualitative" measures (staff morale or *body count)*.
- Demonstrate sincere understanding of and interest in the project.
- Encourage constructive conflict and push the limits of the team.
- Worry about completion of project objectives, not personal *face time.*

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- Be willing to consider project termination recommendations.
- Not hold project participants to *your* standards.
- Provide individuals with significant development opportunities.
- Work hard at creating a project management *culture*—not just the project management *process*!

If there are sincere aspirations of taking the concepts of project management to the next level of success it will almost certainly depend on our ability to create and nurture The Environment. Our energies must now be targeted on the *soft* side of this dynamic profession. More for less, higher productivity, worker satisfaction and organizational loyalty must become the mantra.

It is time to stop talking about the benefits of high performance teams. It is time to harvest the benefits. It is time to provide inspiration. It is time to invest in creating and sustaining these unique units of enthusiastic contributors (project teams) with finely blended *hard and soft* skill-sets to assure that the profession of project management achieves its almost limitless potential and that those organizations that depend on successful projects are rightfully rewarded with cost-effective, timely results that meet or exceed the needs and expectations of the stakeholders.

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About The Author

Lee R. Lambert, PMP, of Lambert Consulting Group, Inc., is an internationally recognized project management consultant, trainer and speaker. He has published 26 professional papers and authored three books. He is a Founder of the Project Management Institute's PMP Certification Program and received the Distinguished Service Award from PMI in 1995.

A CALL FOR LEADERS

If you have interest in a volunteer leadership position associated with the NPD SIG Board, either in a Board position or in another area of interest such as surveys, webinars, finance, membership, etc., please pass along a brief highlight of your career or a résumé and your interests to Brian Piper, Chair NPD SIG, at brianjp827@aol.com.

The illusion of precision in a project cost estimate can lead to a disaster when the answers identified in the first three queries have not been thoroughly considered and factored into the final cost estimate product.

Imagine for just a minute that you and all of your project associates have done all of the "right" things. You have been able to obtain answers to all of the questions above. You know how much organizational leverage you have based on your project's priority. You have created project task duration estimates driven by inputs from those expected to do the work (and converted them to a precedent relationship driven schedule to determine total project duration).

You have correctly multiplied all of the labor hours by the appropriate contributor charge rates, and added all of the other non-labor costs, indirect costs and contingency/reserve required. You now feel very confident that your project estimate is "right on"; all cost categories have been carefully examined. You are now willing to submit the project cost estimate as an input to the Performance Measurement Baseline process. In other words, you are willing to be held accountable.

Would you believe it is possible to take this "right on" project estimate, *add* an "invisible cost category," and *reduce* the estimate by as much as 30 percent in total project cost and as much as 50 percent in project duration? Would you believe that these incredible levels of improvement could be realized at very little or no cost to the project?

Believe it! It has happened! In fact, Lambert Consulting Group, Inc of Columbus, Ohio was specifically hired as the project management consultant to help "make it happen." Lambert brought a strong record of leadership success on projects for General Electric, Pacific Northwest Laboratory, Battelle Memorial Institute and Citibank.

The Challenge and the Result

Boehringer Mannheim Corporation (later acquired by Roche Laboratories) was based in Castleton, Indiana but owned by a large chemical conglomerate in Mannheim, Germany. Boehringer Mannheim was attempting to introduce a complex medical diagnostic system product for in-home monitoring of blood glucose levels that was originally estimated to require three years of development effort, with a budget of approximately $16 million. The project, which had been deemed vital to the survival of this well established health management company, did not have the luxury of 36 months of development if it was expected to stop the incredibly rapid market share erosion caused by the introduction of a "leap frog" product by the competition—Johnson & Johnson's One Touch.

When the smoke cleared, this save-the-company project had been completed in only 18 months, at a cost of less than $12 million. The company quickly recaptured lost market share after introduction of the new product of this project and has gone on to solidify and maintain its market leadership position.

What led to this phenomenal level of project management performance? What secret ingredient was present in this project that was missing in others? Was success a project "miracle"? Was it just dumb luck? It was neither luck nor miracle; in fact, the "secret" was no secret at all: -it was *Leadership*—"The Invisible Cost Category."

The Invisible Cost Category

Throughout the project life cycle of this technology-driven, pressure-cooker environment new product development project, leadership consistently added substantial value.

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Granted, leadership usually disguises itself in the forms of personal buy-in/commitment to achieving a common goal, organizational integrity, accountability, professional and personal pride, team spirit, unwavering dedication, vision, clarity in roles and responsibilities, well defined project and task objectives (realistic expectations), empowerment, planned communications, adaptive management styles, constructive conflict resolution, social opportunities, sensitivity to personnel *and* personal needs, willingness to listen, use of a project information framework, and a prevailing winning attitude. But, no matter what form it took on this project, leadership was omnipresent.

Leadership is the intangible element in any project. Leadership is the difference between good project management performance and great project management performance. Jack Campbell, a telecommunications executive that played a major role in leading his company (ICG Communications of Englewood, Colorado) from the verge of failure. Campbell, Ph.D., PMP, and currently General Manager of NikoNet in Atlanta, Georgia, aptly described leadership in this way: "Mature (good) leadership is the difference between your people crossing the finish line totally exhausted, or crossing the finish line immediately looking for another race."

It is impossible to put a price on leadership—it truly is the invisible cost category. Realistically, leadership adds no cost. Leadership is free … unless it is absent. When it is absent, the lack of leadership cost to the project may be exorbitant. Project leadership is critical to the success of any project. And if leadership is critical, then it is important to think about it, plan for it, embrace it, and take full advantage of it. Don't miss the opportunity to benefit from it.

The Leadership Secret Unveiled

Let's examine the many elements of performance enhancing project management empowered leadership techniques that enabled this "save the company" project to achieve such incredible levels of success.

What leadership techniques enabled this project to come in nearly $5 million under the original development cost estimate, while delivering a totally new and innovative in-home blood glucose monitoring system product to the consumer market, and how was it possible to do it so much sooner than anyone thought possible?

Creating and Articulating (Communicating) a Common Vision/Goal

Frequent and comprehensive communication within the organization articulated how vital this project was to the future of the company. Since the introduction of a far superior product by the company's competitor and the resultant loss of market share experienced since its introduction, it had become clear to the company that the deterioration to its market could not be sustained for any extensive length of time. To recoup competitive advantage, the company needed a new, much improved product ASAP! "As soon as possible" was eventually determined to be 18 months from project initiation.

This "need it yesterday" requirement was confirmed to all of the potential project participants that had originally had been identified primarily for their specific skill set level and reputation. It was made clear to everyone that the probable level of personal and professional commitment would be unlike anything they had ever experienced. They were also advised that if they were not prepared to make that level of commitment, they should say so immediately and remove themselves from further consideration. Management advised each potential participant that their decision would be respected and that there would be no negative consequences if they did not feel they could provide the commitment required.

Communicate, communicate, and communicate! In this case, good communication resulted in a team of slightly more than 200 informed and committed professionals all focused on obtaining the identical outcome, which was to meet the organizational objective of introducing a superior medical diagnostics product to the consumer marketplace and to do it in record time.

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Clarity in Roles and Responsibilities

Using the project work breakdown structure (WBS) as the framework, project participants were afforded the opportunity to thoroughly understand the work content of their assigned work package (using the initial Responsibility Assignment Matrix, or RAM). More importantly, each contributor was encouraged/expected to challenge the work definition until that contributor was perfectly satisfied that the management objective was technically unambiguous and that there was mutual agreement on realistic time and cost expectations.

The creation and documentation of very well defined work package completion criteria made it easy to monitor progress and confirm that both management's and the performer's expectations were met. This approach to determining work assignment allowed careful evaluation and consideration of the potential impact associated with a work content/skill set match disconnect (accuracy of estimating time and cost) and served as a consistent, professional conduit to eventually obtaining performer buy-in and whole-hearted, internalized commitment.

Once individual performer buy-in and commitment was evident, management extended total empowerment rights (including authority consistent with the confirmed skill set capability) to the individual performer. Management also invoked the freedom and flexibility of a "no news is good news" philosophy when it pertained to work progress measurement and problem analysis. Only significant disruptions of "shared" expectations required formal reporting (including suggested corrective action to be taken) to higher levels of management.

Critical Interface Recognition

The concept of creating a detailed input/output work flow diagram, utilizing the work package level of the WBS, enabled the individual project participants to determine how critical the timing (start and completion) of their specific work responsibilities were in relation to other project work packages.

Because a Critical Path Method (CPM) was utilized, the mutually agreed upon precedent relationships determined the project duration and its most "linear critical" sequence (path or chain) of work packages. Risk assessment and consideration of uncertainty impacts and resource availability on the individual work package durations were used (the Program Evaluation and Review Technique [PERT] and Monte Carlo Simulation; Critical Chain were not used on this project) to analyze a broad spectrum of timing related interfaces and to assess the potential impacts of "path convergence" as a derivative of these variables.

A strong sense of selflessness, willing followers, and good-timely information are three of the most vital elements that a leader needs to be successful in the project environment. Leaders need to know *where* they are leading their followers. But leading is *not* enough, if leaders lead in the wrong direction—Germany's Adolph Hitler and the Rev. Jim Jones in Guyana were powerful but misguided leaders who led their followers to destruction. In today's technology-driven information processing environment, leaders don't have to worry about being able to get project information quickly. In fact, information overload may well be the biggest problem facing today's project decision-makers—too much information, too fast, and often conflicting.

In this project, the conscientious use of an integrated logic network schedule approach and its related tools and techniques provided everyone in the project with a clear view of where they and their work were going and effectively highlighted the path they needed to take to get there.

With clear, well-defined project information as the window, the role of project leader "rotated" to whomever was appropriate under specific circumstances or unique project conditions. In other words, leadership was not considered the sole domain of the project manager.

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All project participants had access to critical project timing and interface information. All project participants, having been fully empowered, understood their obligation to "step up" and take a strong leadership position when it was required. This working-level leadership could most easily be recognized as "timely and effective communication."

The use of a CPM approach to planning and scheduling the project established the framework for leadership. Interface responsibilities and potential impacts of "missed" interface connections were quickly assessed through a series of "what if" manipulations, considering a variety of inputs. These inputs included combinations of optimistic/pessimistic time estimates, float variables, resource constraints, standard deviation ranges, and past work package performance. From these what-if exercises, forecasts were made and control, in the form of decisions, was executed.

The sooner the potential for a project interface disconnect was identified, the more quickly communication based, work content directed, leadership could be exercised. The leadership-inspired conversion of project management from a traditional "reactive" approach to an aggressively "proactive" method may well have been a prime contributor for the project's success in producing the desired product in approximately half the anticipated time.

Hard Work Should Be Fun!

When people enjoy what they are doing they do more of it, more often. The logic of this is that leaders in a project setting must understand the importance of creating and nurturing a team-based environment where individual contributors feel good (about the work they are doing and about themselves) whenever they are in that environment, although the value of establishing this "fun to be involved" setting can't realistically be measured.

On the new medical diagnostic system project, the normal workday for any individual contributor on the team was 12–14 hours, six–seven days a week. Yet, no one was ever *asked* to work overtime. There was never the need to pressure people to "give a little extra" for the project cause. Project team members knew exactly what was expected and needed and they simply set about "getting it done" the most effective way possible. In fact, on this project, the project manager had to continually remind people it was time to *Go Home!*—home to their families, home to relax and recharge. These dedicated, almost obsessed, individual contributors could not wait to complete their project work packages, move on to the next one, and successfully finish the project they were committed to. What vital intangible leadership activities made this team *want* to keep going?

In an intense project environment individual contributors typically spend significantly more waking hours with their project team members than they do with their own family members. To keep morale high and ease the strain of project intensity, project leaders invested time and effort into creating and nurturing a " fun team" mentality, where the focus was consistently on getting things done together *and* having of fun doing it.

The axiom that the longer the hours an individual works, the lower the individual's productivity rate will be goes out the window in a stimulating setting where the project team also has fun while doing their job. Participants who are actually enjoying their work experience will happily give four to six hours of free professional labor each day. On this project, creating an atmosphere of fun in the workplace paid off. The "cost avoidance" numbers on the "invisible cost category" for a team of 200 over 18 months represented an unquestionably profitable return on investment.

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Having "fun" and keeping people connected and committed was accomplished by the following innovative company-sponsored leadership activities: "Trinkets 'n' trash" or "beads 'n' wampum" were sent to the participants' homes every month. These items—mugs, T-shirts, kites, hot plates, paper weights, hats—had a team name, team logo, team slogan and a derogatory, but tasteful, remark about the competition (cost: approximately $75,000). A team kickoff party was held, where Ron Myers (then head coach of the Indianapolis Colts football team) presented a sports-based inspirational message (cost: $10,000). Frequent lunches, parties, and a variety of entertainment were provided spontaneously throughout the duration of the project (cost: approximately $10,000). A "bring the family to work" day was conducted in a carnival-like atmosphere, with rides, games and toys (cost: approximately $10,000).
When countless other miscellaneous "fun" tactics implemented by the leadership on this project were estimated and added to the total, the cost of fun approached $120,000; which made the labor cost "avoidance" to the project—much of it attributable to these leadership-driven concepts—amount to more than $12 million (250,000 hours of "free labor" at an average charge rate of $50/hour). In the world of cost tradeoff analysis, the decision to "invest" in fun was a "no-brainer."

Leadership Is Free

The project management process-enabled, leadership-driven financial and time "savings" numbers that can realistically be quantified and measured for this project were significant and impressive. But, these numbers do not begin to take into account the substantial beneficial market implications associated with being able to get a high-quality product to market in half the normal time. Nor do these numbers consider the cost of false starts and rework typically associated with not effectively using the powerful project management tools and techniques to create and nurture the even more powerful concepts of leadership in a high-performance project team setting. Project information adds tremendous value, but the vision and will of good leaders that exponentially minimize the unknown variables of a project bring a totally new dimension to the project workplace and cannot be overemphasized.

Project management creates the foundation for effective leadership. Effective leadership converts personal potential into realized performance at all levels of the project. Successful projects and happy people are the result. The best part about leadership is that it is *free*!

Why a New Tool Won't Fix Poor Technique

By Michael Vinge and Michelle Burke - Principals, Trissential

Sometimes, executives try to buy project management success by simply purchasing an expensive **enterprise project management (EPM)** tool. But rushing headlong into buying an EPM tool is like buying a powerhouse golf driver when what you really need is a lesson on fixing your swing.

So why do so many executives shortcut process improvement and go straight to the purchasing stage? Because they don't have the patience to track how projects are managed.

We've helped many companies with project management after they paid big money for an EPM tool that didn't yield the expected results and that sometimes made things worse. For example, some companies purchase a pricey tool and then use it only for time management activities. In other cases, project managers lack training in best practices, so they don't use best practices in their scheduling tasks. In still others, project managers end up using MS Project on their desktop while keeping a shadow schedule in an EPM tool because they consider the tool too difficult to use.

If you organization has these kinds of project problems, now is the time to step up and show these project managers how a good project is planned and executed

The Three-Phase Approach

We recommend a holistic approach that breaks improvement into three phases; a phased approach allows you to assess your capabilities before jumping headlong into a purchase.

1. Assessment. Conduct an assessment that considers your project managers, the project management processes and the use of project management tools. Depending on your organization's size and complexity, this assessment should take four to eight weeks.

The assessment involves rating your project management skills and capabilities, measuring the maturity of your processes, measuring how fully you use project management tools, and creating an executive report that summarizes all this information.

2. Improvement planning. This planning phase should provide a visual representation of the planned activities, a detailed statement of work that describes how the improvement will take place, a detailed project plan that sequences the work and describes the resources required, and an executive presentation that summarizes all this information. After we performed this planning phase for a client, the director of the project office said that the translation of activities into a visual map helped guide his team on where to go next. The information provides everyone from the project managers to the executives, with an easy-to-understand picture of how we are going to make the improvement happen."

3. Execution. Execute the improvement project using project management best practices. We have found that this phase offers tremendous value by allowing project managers to participate in the improvement project as team members and stakeholders so they can observe the experienced project manager run the project correctly.

If your organization is planning a project management improvement effort, has purchased an EPM tool that isn't being fully leveraged, or is planning on buying an EPM tool in advance of adopting best practices, consider performing an assessment. **Then create a holistic improvement plan that considers all three aspects of improvement: people, process and of course, tools.**

Michael Vinje and Michelle Burke are principals at Trissential, a management consulting firm specializing in project management and headquartered in Minneapolis. Contact them at ProjectExpert@ciodecisions.com.

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LETTER FROM THE CHAIR CONT.

Moving forward with the survey results in mind, discussions among VCP team members produced two new community models that are different in governance structure than the current SIGs and colleges. The new models are not separately incorporated entities but instead are communities within PMI. This will allow community leaders to focus almost entirely on delivering knowledge and value to the membership, as opposed to managing administrative and financial issues.

One of the models is open to PMI members only, but the other will allow limited access to registered users who are not members, thus opening up a wider field of knowledge exchange. Both of the community types will be responsible for delivering a set of core services that will be deployed via the PMI technology infrastructure.

Phase 2 of VCP began in 2008 and is being supported day-to-day by an internal team of selected PMI staff members. This team brings together representatives from the Component & Community Relations, IT, Customer Care, Knowledge Delivery, Legal, Marketing, and Project Management functional areas of PMI. The current focus of the team is on finalizing IT requirements and building pilots of the International Development and Human Resources collaboration sites.

Supporting the project externally is the Virtual Communities Advisory Group (VCAG), which consists of experienced PMI SIG leaders. The VCAG is actively involved in all actions and decisions of the project. In his newly appointed role as Virtual Communities Program Developer, David Sabol is the liaison between the two teams, and is responsible for overall support of the rollout and transition of the virtual communities to new community models.

A deliverable package that includes VCP work done to date will be one of the key inputs for the July SIG/College leader meeting, which will take place in Philadelphia, Pennsylvania, USA. Currently, as a result of feedback from SIG leaders and VCP executive sponsors, VCP Managing Sponsor, Brantlee Jacobs, CAE, requested that the development team organize the package into specific areas to clarify some of the known details about the formation, transition, structure and roles within the new virtual community models.

Brian Piper, PMP
NPD SIG Chair 2008