

Project Management from the Top: An Approach for Managing Multiple, Complex Projects



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Overview

It seems that more and more work being done in companies today is performed within the context of a “project” rather than within the context of routine work. The implications of this are many and far-reaching, and suggest that executives, managers, and project leaders consider three major objectives:

- A governance process and infrastructure for managing multiple projects
- A comprehensive framework for managing risk
- An ongoing, objective, and efficient means for assessing project risk that builds internal capability

This paper presents a description of the current situation faced by most corporations today and presents a high-level framework and approach for achieving these three objectives.

Project Pandemonium

At any given point in time of an organization’s life, there are dozens of “projects” underway – projects that have a direct impact on short and long-term profitability. These projects can engage anywhere from half a dozen to several hundred employees, requiring their full or part-time attention in addition to their “regular” job. Employees leading these projects range from individual contributors to senior executives. Often there is no single point of accountability for these competing projects other than at the level of the CEO. And while new “special projects” are continually initiated, often there is no way to know whether or not a project that is already underway is attempting to address the same business issue or problem. The result? Project pandemonium!

An effective governance process attempts to bring order to this chaos through performing four major functions:

- Environmental Scanning
- Operationalizing the Business Strategy
- Prioritizing Projects and Resources
- Aligning the Organization

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These functions should be performed on an ongoing basis by a clearly accountable group of executives (a Steering Committee) comprised of business “owners”, the leaders of key support functions (IT, Legal, HR, Finance, etc.), and other subject matter experts from Marketing, Sales, Service, Manufacturing, Supply Chain Management, etc. Acting from a clearly defined set of Guiding Principles, their collective responsibilities should include the following, based upon the four key functions listed above:

- Assess and evaluate industry, competitor, and technology trends against current organizational capabilities
- Identify, evaluate, and prioritize candidate projects based on a criteria that represent a well-defined business case for the project
- Identify, allocate, and manage resources (financial, physical, capital, and people) for all planned and ongoing projects
- Monitor progress, manage risk, and routinely address issues as they arise
- Align the rest of the organization as project work becomes institutionalized and a routine part of business operations

Because most corporations today operate on the basis of managing multiple, diverse projects where accountability for project outcomes is diffused and unclear, making the shift to a more effective governance infrastructure and process represents a major shift in both thinking and acting on the part of management. As such, it is usually a major culture change that requires careful planning and execution.

A Framework for Managing Risk

Potential risk to project success comes from a number of sources. Therefore, a comprehensive, standardized risk assessment framework that can be tailored to a variety of different project types affords the opportunity to avert or mitigate those risks before they cause projects to completely blow-up.

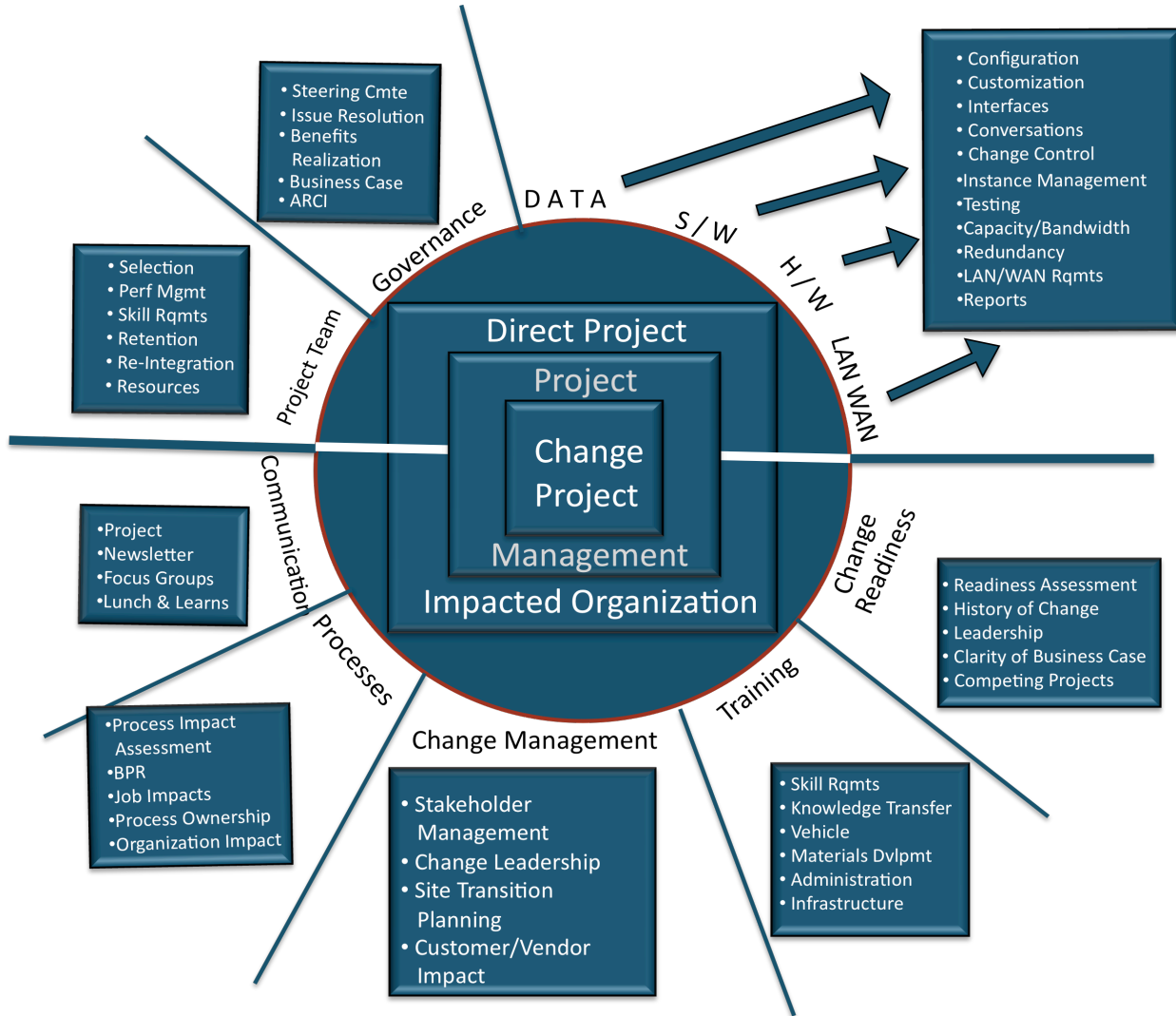
There are essentially two major areas of focus for assessing risk to a project. These are:

Direct Project: This includes anything that directly related to the project team structure and composition, governance infrastructure, hardware and software issues (if applicable), roles and responsibilities, approach/methodology, business case, etc.

Impacted Organization: This includes any potential impact to the “organization” (this term being broadly defined to potentially include customers, vendors, regulatory agencies, acquired companies, etc), and covers areas such as communication, training, process impacts, stakeholder management, change leadership, change history, etc.

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The high-level framework used for assessing risks to these two focus areas is depicted in this diagram:



Areas above the darker lines are assessed as part of the Direct Project. Most formal risk assessments are limited to these areas of potential risk.

Areas below the darker lines are assessed as part of the Impacted Organization. In our view, these areas often present the more volatile risks that have the greater potential negative impact to the project and the organization as a whole.

Most projects present potential risk from the majority of the areas depicted in the framework. However, the framework can be used in whole or in parts depending upon the scope and nature of the project. This, in a sense, makes it completely customized depending on the nature of the project.

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Risk Assessed Through Three Methods Throughout Projects Lifecycle

A good risk assessment process routinely evaluates risk at each of three major stages throughout the project life-cycle, and should include data gathered through various means including:

- Targeted interviews
- Document review
- Targeted surveys (usually through an electronic or internet-based medium)

Each of the three assessment stages requires a slightly different focus or emphasis with some planned overlap. The most critical assessment stage occurs shortly after project launch because of the importance of setting a strong project foundation. Each assessment stage focuses on observable outcomes as follows:

Stage One	Stage Two	Stage Three
<ul style="list-style-type: none"> • Project vision • Executive support • Business case • Functional and business requirements definition • Resource allocation • Stakeholder management plan • Benefits realization strategy • Communication • Project team formation • Change readiness • Training strategy 	<ul style="list-style-type: none"> • Stakeholder management execution • Communication effectiveness • Implementation planning • Process / Job / Organizational impact assessment • Site impact assessment • Contingency planning • Project governance execution • Design requirements • Data management strategy • Training plans • Project team development and integration H/W infrastructure 	<ul style="list-style-type: none"> • Change leadership • Executive alignment • Cross-functional integration and coordination • Overall implementation execution • Site transition plan development and execution • Job impact execution • Training execution • Data conversion • Contingency plan execution • Instance management • Benefits realization achievement



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Summary

As more and more work performed in organizations is performed within the context of special projects, leaders need a systematic and comprehensive approach for launching, managing, and assessing projects to increase the chances for project success. By establishing a solid governance infrastructure and process, and by following a systematic means for assessing and managing project risk, corporations can achieve this goal while building internal capability and a core competence for managing multiple, complex projects in support of business objectives.

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About Endeavor

Endeavor Management, is an international management consulting firm that collaboratively works with their clients to achieve greater value from their transformational business initiatives. Endeavor serves as a catalyst by providing pragmatic methodologies and industry expertise in Transformational Strategies, Operational Excellence, Organizational Effectiveness, and Transformational Leadership.

Our clients include those responsible for:

- Business Strategy
- Marketing and Brand Strategy
- Operations
- Technology Deployment
- Strategic Human Capital
- Corporate Finance

The firm's 40 year heritage has produced a substantial portfolio of proven methodologies, deep operational insight and broad industry experience. This experience enables our team to quickly understand the dynamics of client companies and markets. Endeavor's clients span the globe and are typically leaders in their industry.

Gelb Consulting Group, a wholly owned subsidiary, monitors organizational performance and designs winning marketing strategies. Gelb helps organizations focus their marketing initiatives by fully understanding customer needs through proven strategic frameworks to guide marketing strategies, build trusted brands, deliver exceptional experiences and launch new products.

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