



ISRC Notes – January 1999

Managing Projects and
Managing Change
An ISRC Roundtable Discussion

The largest group of members attending an ISRC function for the 1998/1999 year participated in a lively and open discussion of the problems, opportunities, necessary skills, and understandings important for the successful implementation of Information Technology projects. Presentations were made by Mr. Don Gregersen, Gregersen Business Advisors, Inc., and Mr. Mike Perroni, Browning Ferris Industries, Inc., to stimulate additional discussion and demonstrate examples of change management and project management ideas in practice.

Introduction and Overview

The successful IT project begins with a clear definition of the project with realistic goals, continues with total commitment by all stakeholders and effective project management, and results in happy users properly prepared for the changes it will involve. In the real world however; it is estimated that 31% of all development projects are cancelled before completion, more than half have significant overruns of both time and money, and \$81 billion each year is spent on cancelled projects.

Finding the keys to project management and managing implementation of the changes experienced by the Users were the topics of discussion at our January meeting. The first task was to develop a list of skills that the members have found to be key in successful Project Managers. Next Don Gregersen presented his model for managing change, which lead into a group discussion of tactics for driving change. Mike Perroni then presented his Company's experience with implementing a very large SAP application and showed some of the tools and techniques they used to complete this project on time and on budget. The general membership then shared their experiences on project management.

The Great Project Manager

The membership defined the "great" project manager as someone who:

1. Is disciplined and can follow processes, but has the ability to get outside the box
2. Is a leader who
 - Can clearly define roles
 - Can sets and manage expectations
 - Has strong relationship management skills
 - Can be a coach/mentor
 - Has the ability to delegate



- Has ability to manage failure and learn from it
3. Is a strong communicator who
 - Can deliver bad news as well as good
 - Can articulate the vision of the project throughout the organization
 - Has ability to say “no”
 4. Is a good negotiator who
 - Can work with vendors
 - Get buy-in of Users
 - Get top down commitment
 - Has strong knowledge of the organization and its politics
 5. Has a degree of self awareness and
 - Knows when to seek help
 - Has good credibility
 - Has strong marketing skills

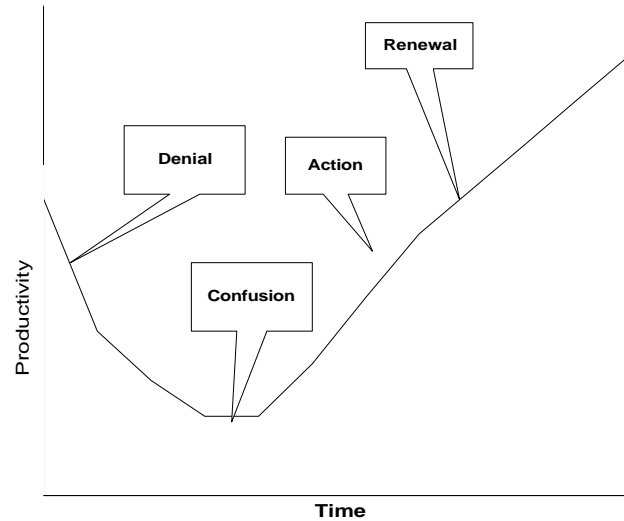
The organization for its part needs to provide an environment that encourages good project management and recognizes that project management is a serious profession. Management needs to recognize that developing stable, repeatable processes for project management across the organization is just as important as developing people with the skills to become great project leaders.

Managing Change

Don Gregersen discussed his regenerative change model that reflects the stages a user goes through after implementation of a new system along with the affect on productivity. The U-shaped model (following page) has phases for denial, confusion (bottom of the productivity curve), corrective action and finally renewal (improved productivity). Don also outlined a “vision process”. This process allows all Departments to align their goals together and assure that change is being properly coordinated. The key to the process is that it results in employees taking ownership of the change. Don suggests that in order to put maximum effort where it will do the most good, we should identify the feelings of the users towards change and not spend time on the 10% who will never want it or even the 20% who really want it. Rather the change management effort should be spent on the remaining 70% who are open to sensible change.



Change Productivity Curve



Tactics for Driving Change

Using Gregersen's change model as a starting point the members outlined a series of tactics for driving the change process associated with new systems implementation. These can be clustered as follows:

1. Tying into the Organization
 - Understand corporate culture because these are not universal solutions
 - Link and integrate concurrent change activities
 - Use Sponsors at the highest levels
2. Using good communication to achieve buy-in
 - Communicate the benefits to the lowest possible level
 - Nurture the seeds of change rather than being IT driven
 - Utilize user focus groups
 - Use people outside IT, but within the Company, and focus their efforts
3. Use Champions
 - Has to have full responsibility and authority
 - Should be a co-project leader with Project Manager
 - Should receive equal recognition from the Company
 - There must be a mutual respect between Champion and Project Manager
 - Must be assigned full time to the project
 - Have demonstrable authority



- Must be representative of peers
- 4. Determine in advance how to measure change so you know if you have achieved the benefits
 - Set the accountability for the outcomes
 - Select appropriate metrics
 - Make sure there is a clarity to the benefits expected
 - Identify stakeholders and their specific benefits
- 5. Remember, the change is not complete until the old activity is eliminated

Project Management – the BFI Experience

Mike Perroni described the successes and shortcomings of the recently completed initial phase of their SAP installation. The project management problems for implementing such a huge project across 500 locations while completely reengineering the purchasing and virtually all other back office operations was a real study in effective control. Mike discussed the lessons they learned and their expectations for the future. During the question and answer period Mike shared a specific “hot skills” problem. Once his staff developed SAP skills it was very hard to retain them after the project installation was done and the second phase not started. Half the staff accepted lucrative offers outside the Company.

Managing Projects Ideas from the Members

Drawing on the many years of experience in the audience, the members shared their ideas for successful project management as follows:

1. Estimating and costing
 - Don't estimate too early – make sure you know what you are estimating first
 - Decompose estimates to the lowest level possible
 - Use models of previous experience for estimating
 - Check your estimates with benchmarks
 - Classify or categorize estimates by degree of certainty
 - The weaker the estimate, the more contingency must be added
 - Articulate assumptions used and
 - i. validate those assumptions with users
 - ii. monitor the assumptions in case changes could invalidate them
 - Have a measuring system for keeping track of estimates versus actual
 - Show change orders as a separate category of expense
 - Keep history for future estimating



2. Managing teams
 - Align team members to the mission
 - Have reward structures that reflect team approach
 - Have clear role definitions and tie them to tasks assigned
 - Have a proper mix of skills within each team
 - Interleave the technicians with the business analysts in task assignments
 - Team building:
 - i. Have an assimilation process for new members
 - ii. Physically co-locate team members
 - iii. Teams can expand and contract with work load but keep the core in tact
 - iv. Maintain formal and informal communication lines
 - v. Provide training on team building
3. Vendor coordination
 - Be clear on roles and responsibilities both Firm and Vendor
 - Codify those roles with written contracts
 - Achieve mutual respect across team
 - Avoid labeling as people as “vendor”
 - Assign vendors to distinct pieces rather than interleaving them throughout
 - Make sure it is clear who is “Managing” the people and relationships
4. Quality assurance and assessing performance
 - Fix the responsibility for assuring quality - this is broader than just an IT issue
 - Define the deliverables clearly
 - Define project acceptance criteria
 - Build the success measures into the system so that they can be monitored
 - Work with the stakeholders’ expectations to make sure they don’t evolve into something not intended

Summary

Successful project management and change management in many ways is an art. It is a combination of having strong processes in place and matching highly skilled people to managing roles. Several overriding concluding thoughts were brought out in the session. Don’t make promises you cannot keep and deliver on the promises you make. Make sure that all stakeholders are fully aware of the costs and benefits and that they are committed to the project. Determine the measures of success early in the project and track them continuously throughout the development and implementation stages as well as afterward. Use a process to support planning, monitoring, and controlling project activities. And, as



was repeatedly exemplified in the general discussions, remember that project management is 20% technical and 80% dealing with people.

For Additional Information:

<http://www.pmi.org/>

Project Management Institute. An organization for Project Manager professionals

<http://ricis.cl.uh.edu/CMM/TR24/tr24.html>

Carnegie Mellon Capability Maturity Model of software development

