

Successful IT Project Management

*Bridging The Gap Between
Shareholder Value,
Customer Satisfaction
And Corporate Objectives*

Allan Mikoff

Vice President of Professional Development
Tampa Bay Chapter
Project Management Institute®



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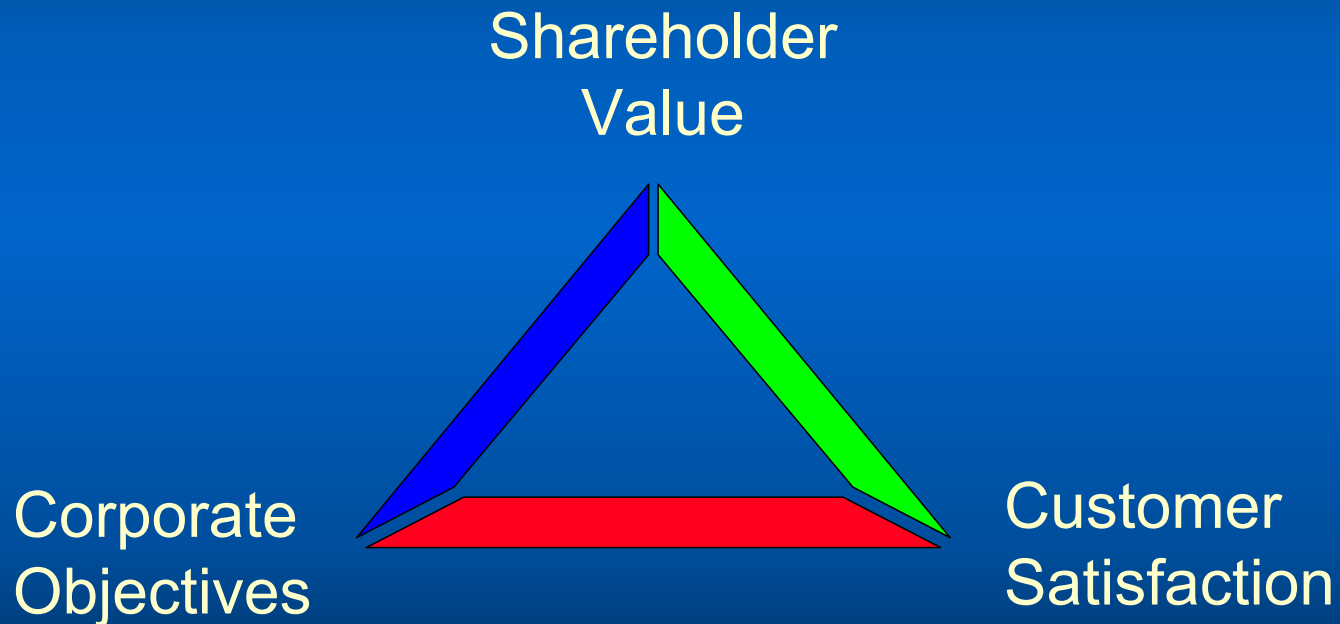
About The Presenter

- Vice President - Professional Development
 - Tampa Bay Chapter of P M I ®
 - 1998 to present
- President - Project Management Resources™
 - 20+ years of project management experience
 - » Research & Development
 - » Engineering & Construction
 - » Defense Contracting & Aerospace
 - » IT / IS - Telecommunications
- Contact
 - 727-796-9500
 - www.pmri.net



The Balancing Act

- How do you measure success?



Successful IT Project Management

- **Challenges Facing IT / IS Today**
- Need For Structured Approach
- Establishing An Asset Management Culture



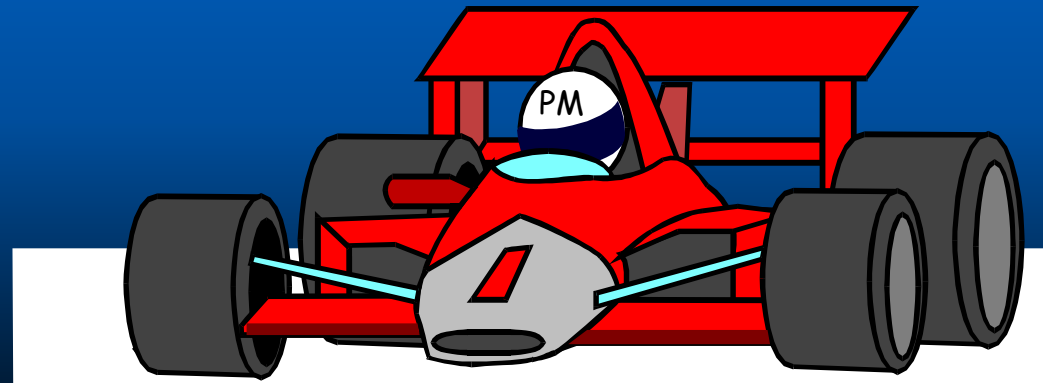
Today's Business Environment

- Global competitiveness
- Strong focus on time-to-market
- Emphasis on reduced project costs
- Integration of technologies
- Massive mergers and reorganizations
- Flatter organizations



Accelerating Trends

- Team environment
- Importance of interpersonal skills
- Multinational projects
- Dependence on technology

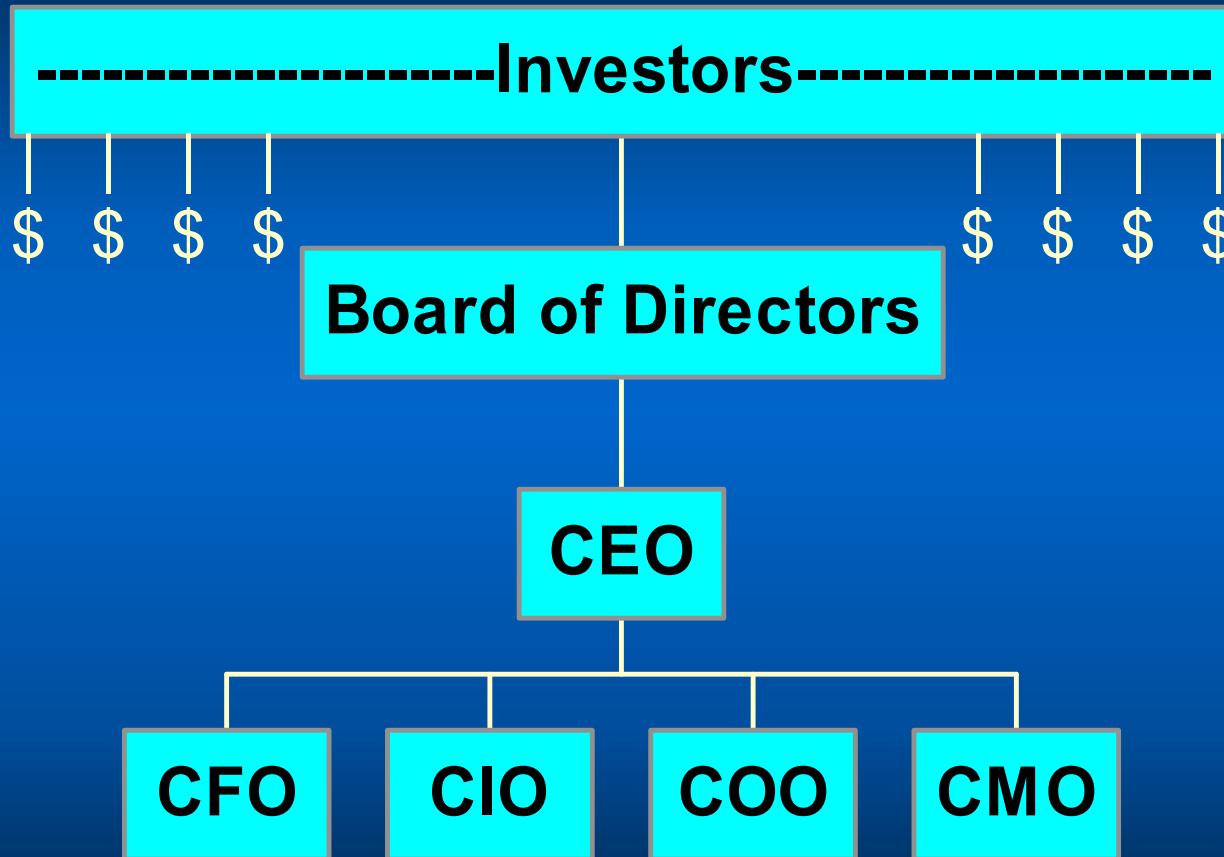


Successful IT Project Management

- Challenges Facing IT / IS Today
- **Need For Structured Approach**
- Establishing An Asset Management Culture



Who Lives In The Money Tree



Corporate Environment Has Changed

- Institutional owners outnumber individual investors
- The focus is on shareholder value
 - Total shareholder return
 - » Stock price appreciation
 - » Dividends
 - Cash flow ROI
 - Free cash flow
 - Economic value added



Wall Street Expectations

- Growth
 - Cash flow
 - » Discounted
 - Earnings per share (EPS)
 - Sales
- Meeting investor expectations
 - Stability
 - Predictability

Acknowledgements

- *The Corporate Focus on Enhancing Shareholder Value*
Gary Christle, CNA Corporation
- Presented at 13th Annual International Integrated Program Management Conference
- Source: <http://www.acq.osd.mil/pm/>



The Christle Study

- Top seven corporate “metrics” in order:

1. Cash flow

- » Cited by all and named #1 by 3 of 5 corporate level executives*

- “We manage for cash ... If we keep our eye on that ball, a lot of other things fall into place.” — CEO

2. Profit

- » Cited by all and named #1 by 3 of 5 corporate level executives *

* some cited both

The Christle Study

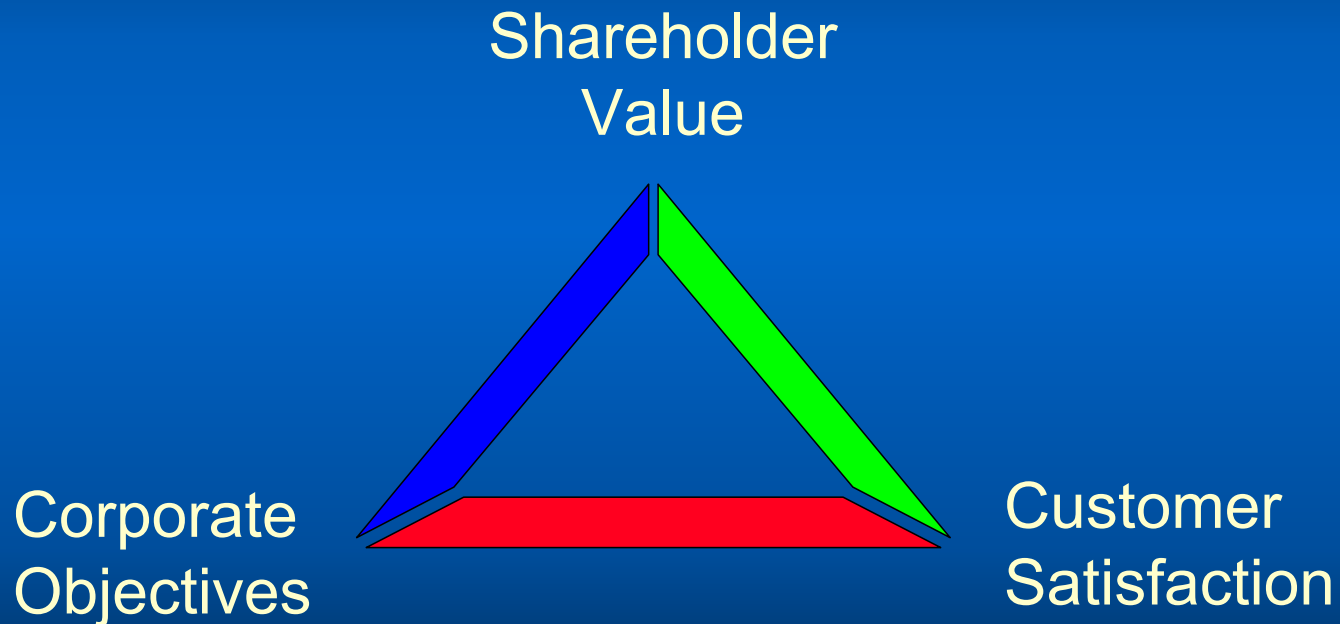
- Top seven corporate “metrics” in order (continued):
 3. Asset management
 - » Inventory
 - » Working capital
 - » Accounts receivable
 4. Orders/new business/backlog
 5. Customer satisfaction
 6. Revenue & sales
 7. Staffing & human resources

Program/Contract Specific

- Cost and schedule (all companies)
- Quality is the next most common
- Customer satisfaction (4 of 5 companies)

The Balancing Act

- How do you make it happen?



Let's Look @ # 3

3. Asset management

- Inventory
- **Working capital**
- Accounts receivable

From Concept To Reality

It's not the technology you select that matters as much as how well you implement it



What Is Project Management ?

- *PMBOK® Guide, 2000 Edition:*
 - “...a project is a temporary endeavor undertaken to create a unique product or service



Three Life Cycles To Consider

Corporate or Business Life Cycle

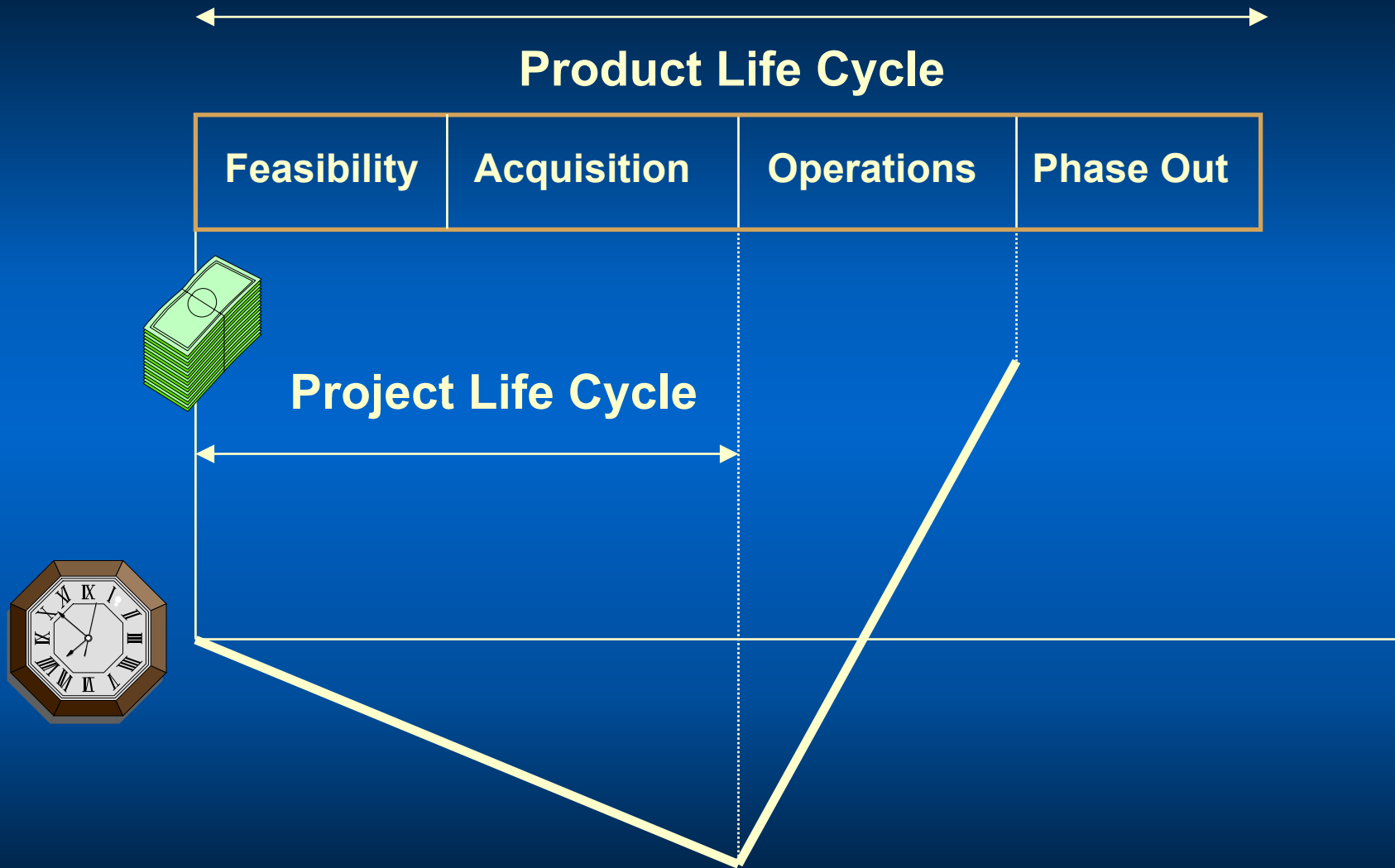


Product Life Cycle



Project Life Cycle

Product Life Cycle ROI



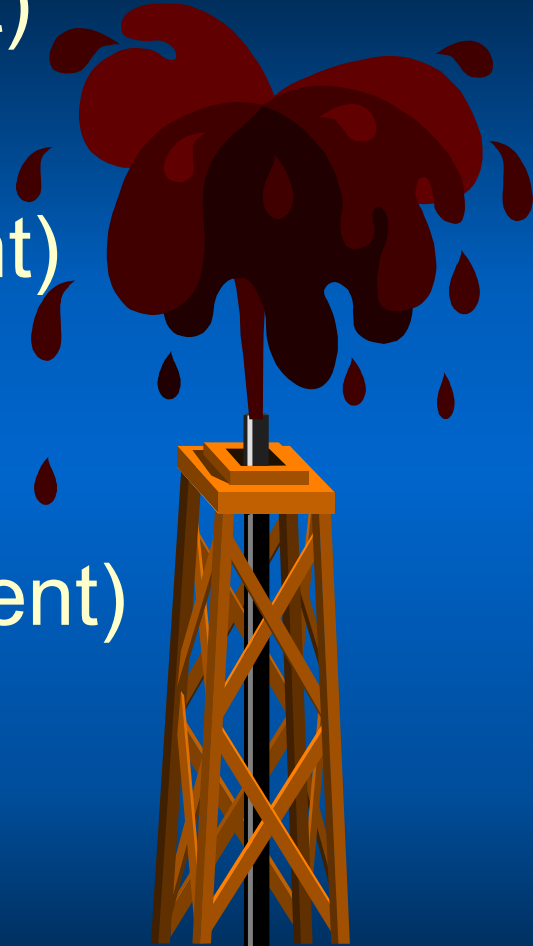
Triple Constraint

- All projects operate within the Triple Constraint of:

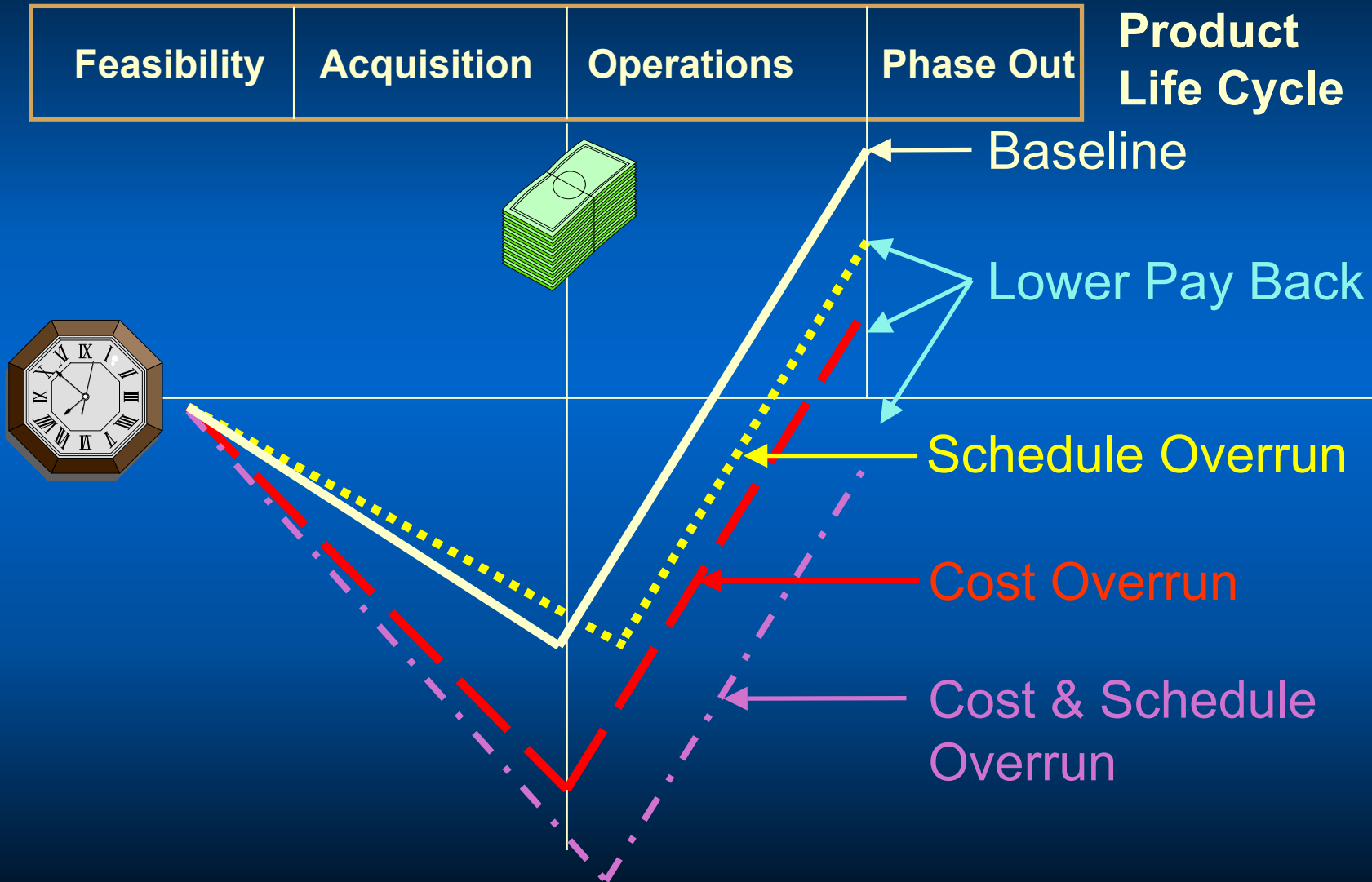


Project Management Objectives

- On schedule (Time Management)
- Within budget (Cost Management)
- Meet the technical /contractual requirements (Quality Management)
- Meet the customer expectations (Scope Management)



Product Life Cycle Cash Flow



What Is Project Management ?

- In the real world:
 - “Project management is the business process of estimating, allocating and managing working capital to yield an acceptable return on investment”
- Why?
 - Because projects are funded from working capital, not operating budgets.
- Asset Management

Successful IT Project Management

- Challenges Facing IT / IS Today
- Need For Structured Approach
- **Establishing An Asset Management Culture**



An Asset Management Culture

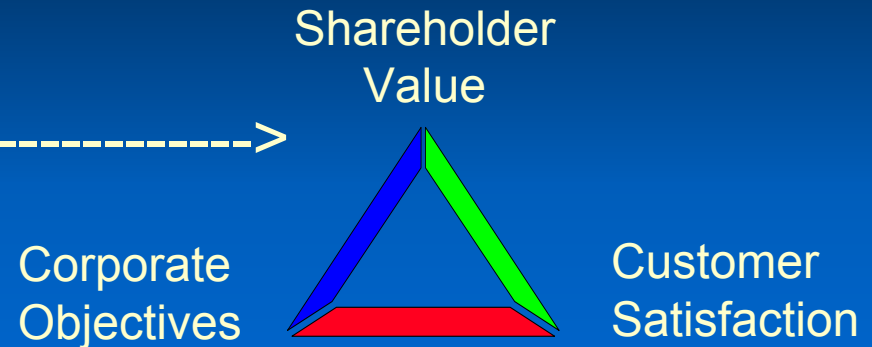
- Senior Management Commitment
- Culture Change
- Professional Development

An Asset Management Culture

- Senior Management Commitment

- Create the vision

- » Define the mission ----->



- » Paint the target ----->



- Active involvement

- » Time and resources

- » Measurable results

An Asset Management Culture

- Senior Management Commitment
- Culture Change
 - Not shock
 - Matrix management
 - Well defined policies and procedures
 - Career paths
 - Standards, tools and techniques

An Asset Management Culture

- Change Agent Strategies @ General Motors
 - Architect integrated, standardized IT systems with heavy reliance on outsourcing
 - Hire business-savvy IT executives and establish matrix management structure
 - Spearhead corporate cultural change by getting top management buy-in on IT innovations
 - Reinvent business processes
 - Rely heavily on business-defined metrics
- Source
 - *Driving Change*, InfoWorld, October 8, 2001
 - Ralph Szygenda, Group Vice President & CIO of GM

An Asset Management Culture

- Which Is Best?
 - 6σ
 - » process improvement tool
 - CMM
 - » metric measurement tool
 - PM
 - » the business process
- Compete or Compliment ?

An Asset Management Culture

- Can 6σ, CMM and PM Live Together ?

Project Definition	Process Measurement	Data Analysis	Process Improvement	Process Control
Working capital management	Existing system	Analyze the system	Re-engineer the system	Document and monitor
	Establish valid and reliable measures: Cost, schedule, specs, customer	As-is versus should-be	Validate the system	
	<i>PMBOK Guide & CMM</i>	<i>PMBOK Guide & CMM</i>	<i>PMBOK Guide & CMM</i>	CMM

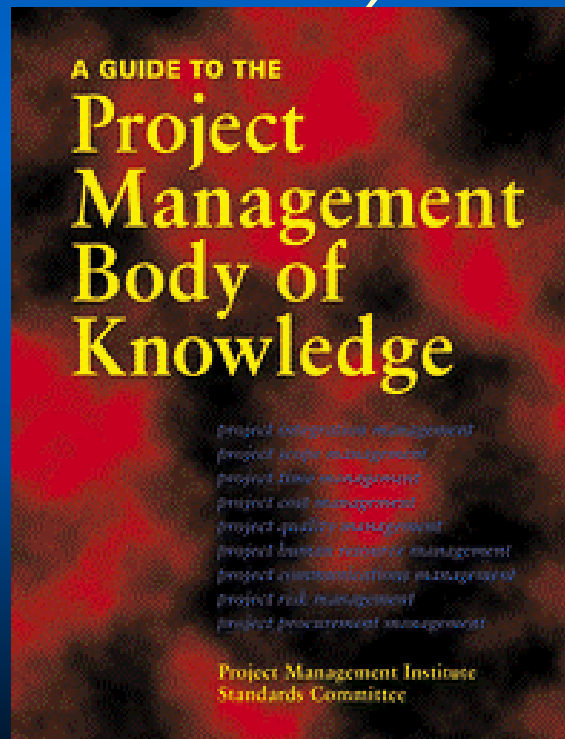
Stuff You Need To Have



Standards
Tools
Techniques

Project Management Standards

Project Management Institute *A Guide to the Project Management Body of Knowledge (PMBOK® Guide) 2000 Edition*



Integration

Time

Scope

Cost

Quality

Human Resources

Communication

Risk

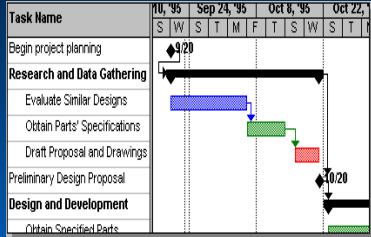
Procurement

Project Management Standards

- *PMBOK® Guide*
 - Approved by IEEE as an American National Standard



Project Management Standards



9 Knowledge Areas

Scope
Mgt.

Time
Mgt.

Cost
Mgt.

Quality
Mgt.

Project Integration Management

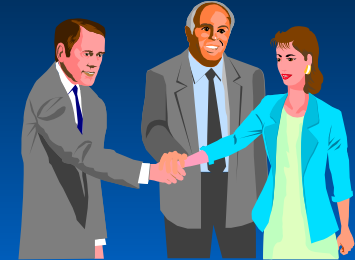
HR
Mgt.

Comm.
Mgt.

Risk
Mgt.

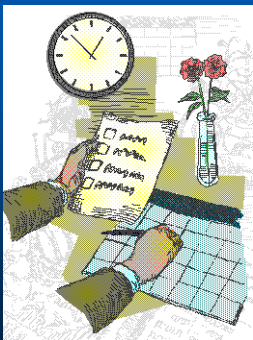
Procure.
Mgt.

Core & Facilitating



Project
Tools and
techniques
Success

Stakeholder
needs and
expectations



Project Management Tools

- What the tools can do:
 - Help develop the project plan
 - Help resource planning
 - Calculate costs
 - Perform " what-if " analysis
 - Measure progress against the plan
 - Ease future re-planning
 - Help the communication process
- Software only automates current practices

Project Management Tools

- What the tools can not do:
 - Develop policies and procedures
 - Manage the project
 - Decide corporate priorities
 - Make decisions
 - Communicate
 - Solve all of the problems
 - Automatically status activities
- Software can not create best practices

Project Management Techniques

- Project Office
 - Can cross departmental lines ...
... and respond to the needs of the entire organization.
 - Can to grow along with the needs of business regardless of any changes made to the organizational structure.
 - Can be applied to a project, a program or across the entire enterprise

Project Management Techniques

- PO Capabilities
 - Knowledge Base
 - » Regulations and standards
 - » Best practices and lessons learned
 - » Methods, policies and procedures
 - » Historical data
 - Consulting Partner
 - » Project planing, execution and change control
 - » Tools and techniques

Project Management Techniques

- PO Capabilities (continued) -
 - Business Support
 - » Alignment with corporate strategic plans
 - » Technical, cost and management proposals
 - » Litigation avoidance
 - » Procurement, risk and contract management
 - Information Systems
 - » Software configuration and operation
 - » Standard forms and reports
 - » Earned value management
 - » Integrated change control

An Asset Management Culture

- Senior Management Commitment
- Culture Change
- Professional Development
 - Things you never learned in college
 - » Sales, marketing & product line management
 - » Procurement & risk management
 - » Scope, time & cost management
 - » Business law
 - » Earned value management



Project Management ROI

- Increased Quality
 - Project
 - » Consistent planning and reporting
 - » Improved cost and schedule estimates
 - » Improved resource allocation and leveling
 - Product
 - » Improved performance
 - » Reduced scope creep
 - » Improved warranties

Project Management ROI

- Increased Revenues
 - Increased market size
 - Increased market share
 - Increased market penetration
 - Longer product life cycles



Project Management ROI

- Increased Profits
 - Reduced number of tool licenses and training time
 - Increased productivity
 - » Standardized project planning
 - » Standardized data collection and reporting
 - » Standardized communications processes
 - Faster time-to-market
 - Reduced rework



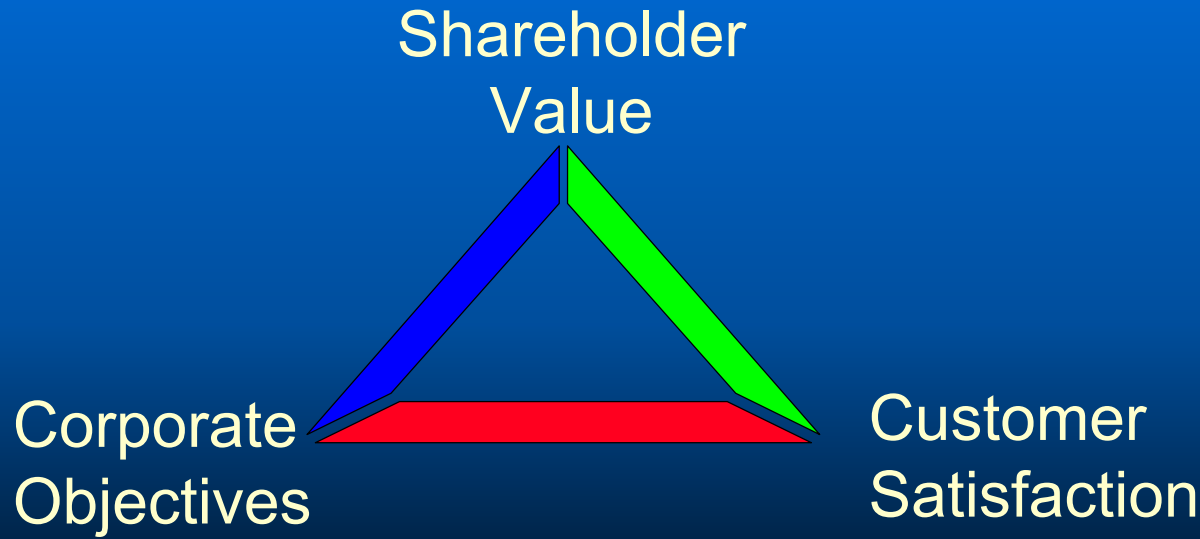
Management Rule # 2

Have fun and plan ahead



Successful IT Project Management

- Asset management is a top corporate 'metric'
- It's not the technology ...
... it's how well you implement it.



Successful IT Project Management

Tampa Bay Chapter Project Management Institute®

A value added resource in the Tampa Bay area for:

- 1. Best practices in project management
- 2. Education & training in project management
- 3. Certified professional managers (PMP®)

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Integration

Time

Scope

Cost

Quality

Human
Resources

Communication

Risk

Procurement