

HOW TO... MANAGE A PROJECT

How can you ensure a project is delivered on time and on budget? Business and employment writer **Peter Crush** outlines the issues and argues that communication is key.

The world of work may well be more “VUCA” (that’s Volatile, Uncertain, Complex and Ambiguous), but if there’s one thing futurologists agree on, it’s that “work” will increasingly be done on more of a project basis.

Organisations will flex-up or down the number of permanent staff they have as projects come and go – the so-called “Fifth Age of Work” – while rigid job titles will matter less. More important will be the skills people can bring to projects in the first place.

All of which means management of projects is fast becoming a skill in its own right. Already the Project Management Institute (PMI) and the Association for Project Management have their own certifications to help make project management a bona fide profession. But while these people can study for years to develop the best approaches to managing projects, following some simple rules can give you an advantage.



Focus on your objective(s)

Thanks to high profile mega-projects like High Speed II, project-based work has suffered a poor reputation for invariably being over-budget (see later) or late (and normally both). Delivering projects on time

substantially impacts their cost-containment and ultimate success, but the prime culprit for lateness is failure to properly set objectives, such that “project creep” sets in. This is where the scope and scale of a project can move, if not properly anchored down. Critics argue having an overly locked-in project is too restrictive, making it unable to respond to changing circumstances, or so-called “black swans” (unforeseen events). But, by the same token, managers must endeavour to control what academic John Sawyer famously called the “creative error” factor in projects. This is where there is a miscalculation of all the elements that combine to comprise a complete project, typically because managers fixate on the grand idea of the project, rather than breaking it down into its constituent parts.



Do proper budgeting

The Channel Tunnel’s cost overrun was 80% in real terms and 140% for financing, meaning it has officially been a cost (rather than a benefit) to the economy. While your projects will be much, much smaller, opportunities to bust budgets still abound – especially from project creep, but also if standard budgeting rules aren’t used. There are several working budgets project managers should create: allocated budgets (for the cost of the actual “work”),

as well as contingency budget – typically 10% to 15% of the project budget. Remember, when budgets are broken it’s normally because they’ve been based on finger-in-the-air estimates, using little or no formal financial estimating. Budgets must be set using historical data from similar projects in the past. Budgeting may also need to include some element of risk and uncertainty contingency too.



Set appropriate timeframes and milestones

Setting your objective is vital for estimating project timeframes (even more so if these are contractually important – see later). But timeframes have a more basic role than this. With responsibilities for different parts of a project often dispersed, one of the biggest risks is missed deadlines, lack of common agreement on decisions; and eventual feelings of being overwhelmed. Setting a

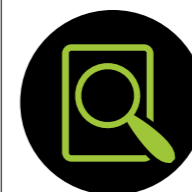
clear timeline, with milestone markers means everyone is on the same page, and there is a master template that can be used as a framework for allowing some decisions to take priority over others. Mid-term milestones will also help break a large project into smaller, actionable ones, as well as help maintain a sense of engagement and enthusiasm for the overall goal. Visual representations, like the Gantt Chart, first developed 100 years ago, can be drawn up showing concurrent, or individual activities, their percent complete rates; and even whether they are meeting optimistic, normal or pessimistic time estimates.



Identify your stakeholders

Projects involve multiple people and demand multiple skillsets. It’s the project manager’s task to identify the most efficient number of people that will

achieve the project’s objectives. However, it’s the organisational influence of key people that is often an under-rated skill. To really carry a project through, stakeholders need to feel empowered, which is why project managers often talk about creating a “Talent Triangle” team – involving those with technical, leadership and strategy and business management expertise. According to the PMI, less than half of projects are highly aligned to an organisation’s strategy, but 40% of projects which do look beyond the pure technical skills needed will either meet or exceed their original goals.



Create contracts

Projects can’t be managed successfully without properly constructed contracts. Those aimed at third party participants not only set out their key responsibilities, but in doing so should limit any potential misunderstandings

and set in stone further obligations (such as recompense terms) if things go wrong – like being over-budget, or late. Even if there are no external partners involved, an internal “contract” should at least set out the main deliverable – including who is doing them, by when and to what standard they should be. Typically, third party contracts are usually of the “fixed price, with price adjustments” variety – where there might be valid reasons for extra fees to arise if complications emerge once a project progresses. To encourage early completion, project managers should consider having incentive elements built in, or bonuses for reaching particular milestones on-time or ahead of time.



Communication

Research by the PMI reveals inadequate or poor communication is the primary reason for the failure of a project in a whopping 30% of cases – and that’s ahead of poor sponsor support, inaccurate resource forecasting and inexperienced project management skills overall. The basic rule is that you can never over-communicate, although that doesn’t mean it should be unstructured. It’s vital project management communication is framed in terms of how everyone’s actions are meeting the overall, big picture; but also how the fine detail is being impacted. Beware of software-based project management platforms, where participants in a project can see tasks being ticked off online. They can easily give the illusion of communication that is working, and good, but it’s no substitute for face-to-face meetings. This is when you can see worry in people’s faces, or confusion about the next steps ahead. It’s also an opportunity to judge people’s enthusiasm. Regular communication corrects incorrect assumptions people may have, improves low morale, and prevents unnecessary friction emerging. But more than all this, it is more likely to highlight problems early, before they turn into something bigger, which can’t easily be undone.