

MANAGING THE UNPREDICTABLE

*An exclusive presentation for
Tylenex Medical*

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- What do the Great Wall of China, the ceiling of the Sistine Chapel, the Apollo 11 moon landing, the Olympic games, the 1985 Live Aid concert, Microsoft Windows and Viagra all have in common?
- ***They were all the results of successful projects!***

Today's Agenda

- If you haven't guessed it by now, the topic of today's presentation is **project management**
 - What is a project
 - What is project management
 - Why use project management
 - How project management works

Change is the Rule!

- In today's dynamic and unpredictable business environment, **change is the rule!**
- Thus, every business is really in two businesses at once today
- They are – *simultaneously* – in their core business and in the change business
- **Change is the engine that drives the future!**

What is a Project?

- The simplest definition of a project is that a **project represents change** –
 - Something new is wanted or needed
 - *That something must be designed and built*
 - New ways are wanted or needed
 - *The new ways of doing things must be mapped out, tested and rolled out into the real world*
- **Projects close organizational gaps!**

Project Work is Everywhere!

- When a business thrives on innovation and is growing exponentially – like Typenex Medical – **new projects can emerge out of nowhere on an almost daily basis!**
- Simply put, growing businesses are constantly experiencing organizational gaps thereby spawning a constant stream of new projects

Project Work is *Your Work!*

- Forget the textbook definitions of a project manager – in today's business world ***we're all expected to manage projects***
- The ability to manage projects (aka change) of any kind or of any scale is a critical skill for every professional or manager at every level in today's businesses

Project Work is *Your Work!*

- Although you may not have a formal background in project management techniques, it doesn't mean you can't manage a project – these are skills that anyone can learn
- Once learned, project management techniques are skills that you will use many times over throughout your professional career (*and even personally if you're planning a wedding or a room addition*)

What Project Management Is

- Simply put, ***project management is a consistent, repeatable process – a system*** – for managing change – for harnessing the unpredictable
- Think of project management as a ***common set of skills, techniques and best practices*** that can be used to guide any type of organizational project, be it large or small

What Project Management Isn't

- Project management is not simply a software tool – *it's a way of doing things; it's an approach to doing something!*
- Projects have been successfully completed throughout history, predating both formal project management techniques and project management software
- Today's formal project management techniques and project management software systems are merely tools to help manage projects

Keep It Simple

- **Project management works best when it's kept simple**
- How do we keep our projects simpler and more successful? Projects are more successful when:
 - They're tightly defined
 - Kept short – 90 days or less is best
 - Larger projects should be broken into a series of smaller, more manageable projects or phases
 - We use a process – a system – a way of doing things – that we already know for defining, managing and controlling the project
 - We learn from others – and ourselves – about what worked (best practices) and what didn't (project history)

Project Characteristics

- Projects are temporary; when the objectives of the project are fulfilled, the project team is disbanded
- Projects have a definite beginning and end; *they are typically not the work routines that we repeat day to day, week to week or moth to month*
- Projects include more unknowns, assumptions and risks than current operations
- Projects operate at a different level and employ a different organizational structure and processes to deliver project outcomes to the organization

- “I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the moon and returning him safely to the earth”
 - **President John F. Kennedy, 1961**

From Idea to Action

- It doesn't hurt to dream big things
 - More often than not projects have a murky beginning; they begin as merely a vision, an idea or a dream
- Project work relies greatly on the the wisdom of the late Steven Covey – **we begin projects with the end in mind:**
 - All things are created twice
 - We create them first in our minds; then we work to bring them into physical existence – bringing ideas into physical existence is the real work of project management

From Idea to Action



Project management is forward-looking and objectives-driven

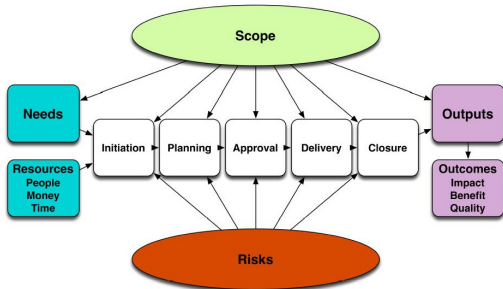
Purpose, Risks and Rewards

- Every project should have a real business purpose;
 - The project should fill an identified business need or gap
- Every project should have real business value – a payoff
 - The benefits or reasons for completing the project should outweigh its costs
- Every project has risks
 - Because projects require work not done previously and create results that are new or different from previous results they are inherently risky endeavors

The Project Management Model

- A project management model is a way or approach of completing the work of a project; there are many such models in existence
- The model we will review today is based on the concept of the **universal systems model**
- The systems model is a simple and straightforward method of describing how something works (or at least should work)
- Project work progresses incrementally from idea to action by moving through a series of defined stages

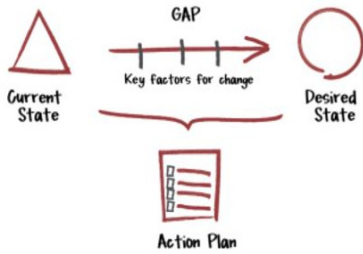
The Project Management Model



The Purpose of a Project

- Projects are typically initiated to **choreograph changes** to fill an organizational need or shortcoming – aka a gap, or force for change
- Typical change initiatives include:
 - Enhancing the organization’s competitive position through a product or service innovation
 - Improving the organization’s financial performance through process, productivity or quality improvements
- The first step in every project is to perform a gap, or needs analysis; the gap or needs analysis is needed to formally and clearly define the purpose – or objectives – of the project

Gap Analysis



Gap Analysis Yields Required Actions

Current Activity	Gap & Actions Required	Vision
1. ~~~~~	• ~~~~~ • ~~~~~	~~~~~
2. ~~~~~	• ~~~~~ • ~~~~~	~~~~~

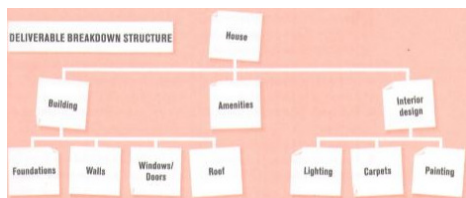
Action Planning

- Gap analysis defines the scope, or boundaries of the project by identifying the desired outcomes – the objectives - for the project
- The next step is to figure out what specific actions must be taken to reach a project's objectives

What Will Be Produced

- Projects produce outputs
- To plan what will be produced by the project we need to create a list of things – outputs – that the project must produce or deliver (aka **deliverables**) to meet the project's overall objectives

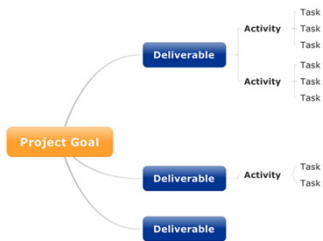
Deliverables Breakdown Structure



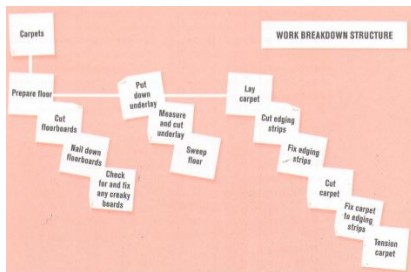
Breaking Down Project Work

- Deliverables must now be broken down into the tasks or activities that will be necessary to create them
- You need to delineate in thorough detail what's involved in the project
- The resulting list of tasks is referred to as the work breakdown structure (WBS)

Breaking Down Project Work



Work Breakdown Structure



Developing the Work Plan

- From the work breakdown structure, a detailed working plan, called a baseline project plan, must be created
- Each project task requires resources, these are the inputs in the context of the project planning model

Developing the Work Plan

- For each project task we must determine the following details:
 - The amount of effort (hours or days) required to complete the task
 - The resources (persons) needed to complete this task
 - What other (non-people) resources will be needed to complete this task
 - When the task can be started
 - The sequence of how tasks must be completed
 - What other tasks depend on this task
 - What other tasks must precede this task

From Plan to Action

- Once the detailed project plan is completed, the project plan is reviewed with the project stakeholders to secure approval (funding) for the project to proceed
- Once approval is secured, the project can proceed from planning to delivery
- Delivery means that the tasks outlined by the plan are completed as scheduled
- Periodic progress checkpoints should occur throughout the life of the project to insure everything is going according to plan and when things aren't, that contingency plans are made to keep the project moving forward

Managing the Unpredictable

- We use **risk management techniques to help us effectively manage the unpredictable nature of a project**
- These techniques help us to mitigate the risks of project failure as well as disruptions to the project

Project Risks: Managing the Unknown

- “There are known knowns. These are things we know that we know. There are known unknowns. That is to say, there are things that we know we don’t know. But there are also unknown unknowns. There are things we don’t know we don’t know.”
 - *Donald Rumsfeld, Former Secretary of Defense and Retired Business Executive*
- Rumsfeld’s jumble of words actually have considerable worth to project planning

Project Risks: Managing the Unknown

- The “known knowns” are our scope, constraints, and assumptions
 - We plan for these aspects because they are known
- The “known unknowns” are risks
 - We know about these aspects, but we don’t know how likely they are to occur or their severity
- But what about the “unknown unknowns”?
 - Can we simply ignore what we don’t know?
 - The answer is, of course, no
- But how can we plan for what we don’t know?
 - Project managers plan for the “unknown unknowns” by incorporating contingency buffers into the project plan to accommodate the unforeseen

Active Engagement

- How do projects become one year late? One day at a time.
 - Frederick Brooks
- Every project needs daily attention
- The project manager should spend a portion of every day keeping tabs on the status of the project
- You can't simply plan the work and walk away from the plan; stuff just won't get done like it should, especially if resources are part time to the project
- Communication is job one for the project manager, period; Nothing is more important to project success

Project Delivery

- Once a project plan is prepared and accepted, the longest running stage of the project management model occurs – the delivery or actual completion of the project deliverables
- Throughout this stage of the project, the status of each task must be carefully monitored
- The project plan is continuously updated to reflect all work progress
- Tasks are re-estimated on a running basis
- If there are any kinds of problems or issues (i.e. cost overruns, schedule slippage, resource availability) with any given project task, it must be noted and its impact on the project plan must be evaluated

Stoplight Reporting

- A simple and very effective means of communicating project task status is the stoplight report
- Project tasks are 'in the green' when they are happening as planned, are ahead of plan or have been completed
- Project tasks are 'in the yellow' when they are happening but not happening entirely as planned; they may be experiencing minor cost overruns or schedule slippage
- Project tasks are 'in the red' when they are not happening as planned; they may be severely late, have not started yet, or have been delayed due to unforeseen circumstances



Project Closure

- At long last, the project is complete and the project is ready to be closed out
- Final acceptance of the deliverables and acceptance of the outcomes should occur
- Final evaluation of the completeness and accuracy of the project plan should occur
- Final updates of the project plan should be completed
- The project team should concur on and document the lessons learned in terms of the team's successes and failures in the project's planning and completion
- The project team is disbanded

Session Wrap Up

- In today's session we reviewed
 - All projects can be managed as a progression of work from project initiation through project closure by looking ahead, planning ahead and moving ahead
 - Projects are more efficiently managed and more likely to be successful when the organization has a project management process or system in place to effectively manage any project-oriented work undertaken by the organization, regardless of scope or expected duration
 - Although project management isn't rocket science, flying rocket ships into space and back requires project management
