



20 Years of Project Management

An Interactive Discussion



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25 Sep 2008

Why consider project management?

- Earn over \$100K
- Remain at cutting-edge of biz & tech
- Accelerate your career growth
- Gain & instill confidence
- PMP & Six Sigma certifications highly marketable
- Project managers in high demand
- Applicable across all disciplines, industries and geographies



Challenges: deadlines, highly visible, ambiguous, stressful

Where do these ideas come from?

- US Air Force
- IBM
- Toyota
- Ernst & Young
- Six Sigma, SAP, PeopleSoft
- Leading projects for:

- Johnson & Johnson, McKesson Corporation, Exxon Mobil, Shell Chemical, Chrysler, 24 Hour Fitness, Abbott Labs, Pfizer, JP Morgan Chase, Reynolds & Reynolds, Newport News Shipbuilding, and many others

Johnson & Johnson

IBM



TOYOTA

ERNST & YOUNG

Most admired companies always on outlook for top PMs

What is Project Management?

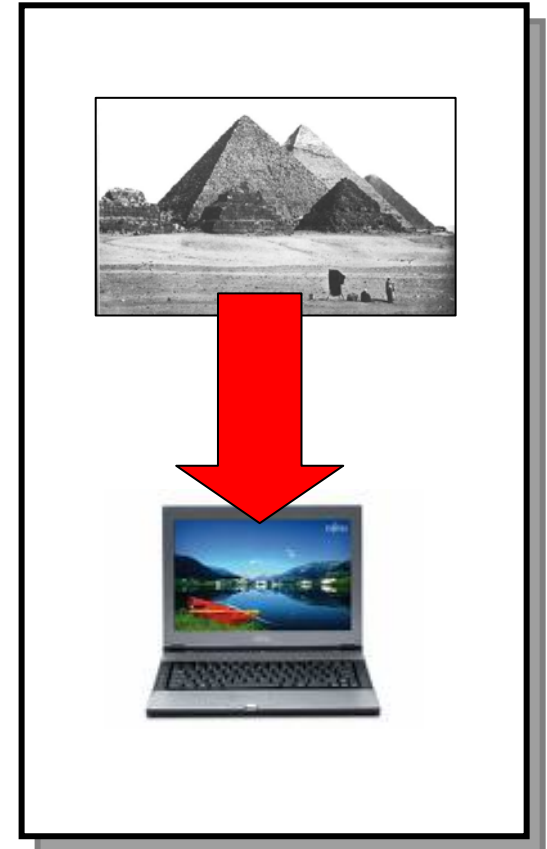
The use of modern leadership and management methods and systems to execute a project from start to finish towards the achievement of a specific goal or set of goals.



PM's Role
The Project Manager's (PM's) role is to Plan, Execute, Close / Hand-off projects

History of project management

- Pyramids & Great Wall of China
- WWII & Manhattan Project (A-Bomb)
- US Navy & Air Force
- DuPont and the Aerospace & Defense industry
- Auto Industry and General Business
- Information Technology



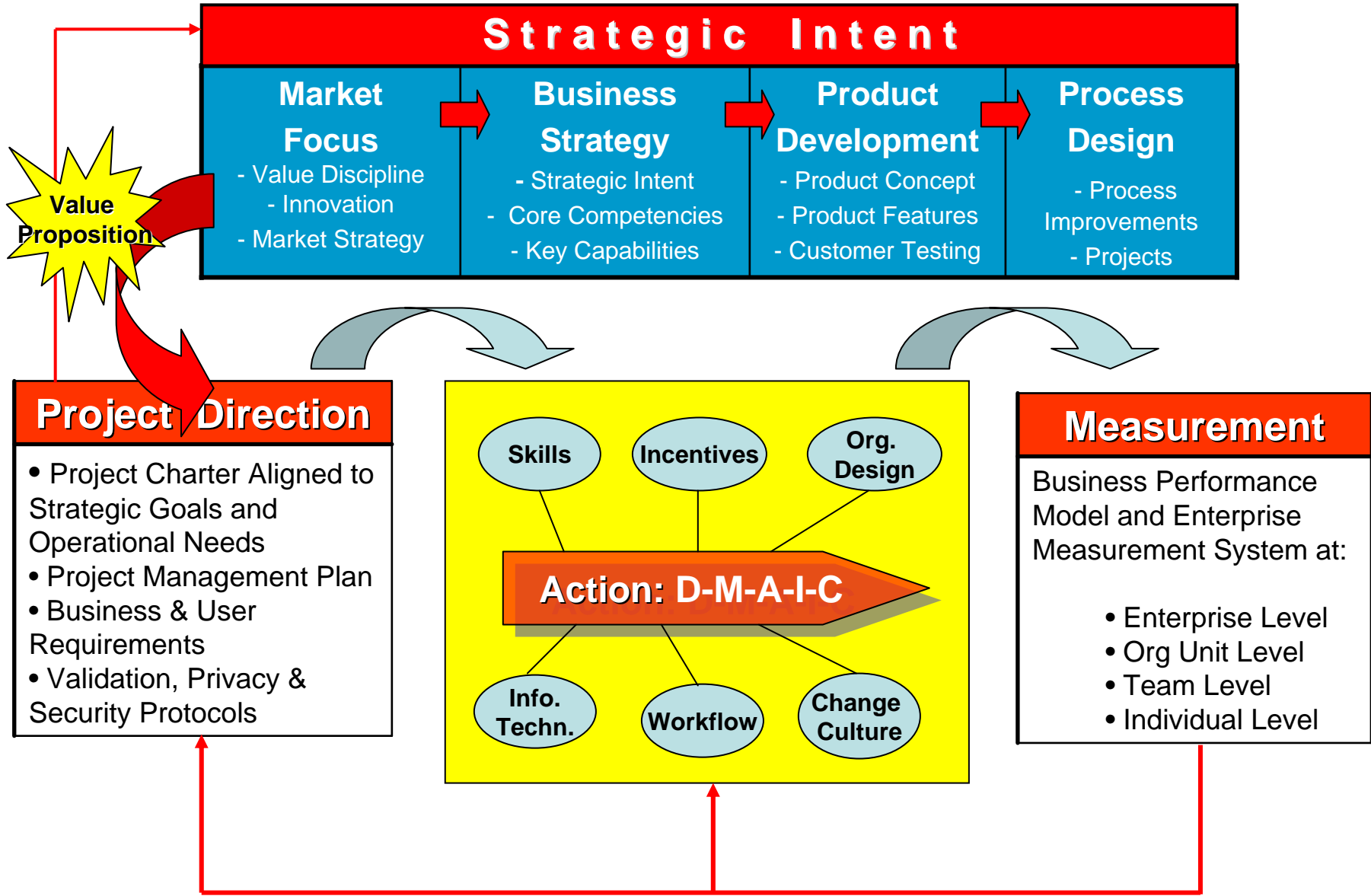
Modern-day project management methods from WWII / US military

Project Management Methodologies

Technology (SAP's ASAP)	Business Process (6 Sigma's DMAIC)	8 Discipline (Auto's 8D)
1. Project Preparation	1. D efine Project	1. Use Team Approach
2. Business Blueprint	2. M easure Baseline	2. Describe the Problem
3. Realization	3. A nalyze Root Cause	3. Implement and Verify Short-Term Corrective Actions
4. Final Preparation	4. I mprove Process	4. Define and Verify Root Causes
5. Go Live & Support	5. C ontrol Process / Problem	5. Verify Corrective Actions
		6. Implement Permanent Corrective Actions
		7. Prevent Recurrence
		8. Congratulate Your Team

Some of the most common approaches to managing projects

The Big Picture



Six Sigma Project Approach

Six Sigma Phases	Key Deliverables
1. D efine Project	<ul style="list-style-type: none"> • Business case / Value proposition • Project charter • Change leadership strategy
2. M easure Baseline Performance	<ul style="list-style-type: none"> • Measure baseline performance using quantitative & qualitative information • SIPOC diagram, Pareto charts, process flows, value stream maps
3. A nalyze Root Cause	<ul style="list-style-type: none"> • Root cause analysis • Fishbone diagram, why-why, causal loops
4. I mprove Process / Problem	<ul style="list-style-type: none"> • Improvement plan, change leadership plan • Brainstorm ideas, simulate, pilot, TRIZ, De Bono's thinking hats / lateral thinking
5. C ontrol Process / Problem	<ul style="list-style-type: none"> • Control charts, control plans, SOPs, checklists, status review, performance measurement and tracking

DEFINE: The case for change

The **Value Proposition / Biz Case** should provide project guidance and assist in prioritizing business & user requirements and screening process improvements initiatives.

- **Enhance customer service** by reducing complaint handling time by 30% without a degradation in quality or service
- **Reduce supplier cost** by 40% through qualified low-cost country sourcing and process efficiency gains
- **Reduce by 50% the costs associated with the proliferation of disparate systems** (Access and Paradox databases, Excel spreadsheets, etc.), none of which meet regulatory compliance
- **Speed time to market** from 21 weeks to 9 weeks through better change control and online collaboration

Communicate biz case in operational, financial and emotional terms

DEFINE: The project charter

Problem Statement

- We must reduce overhead expenses by 27%, from \$xM to \$YM by 2Q2009

Scope, Approach

- This project will reduce Corp. Executive, HR, IT, Finance/Accounting, & Purchasing expenses through internal and external process efficiencies and lower cost sourcing alternatives.

Core Team

- John Doe (COO)
- Jane Smith (HR)
- Alan Greenspan (Finance/Accounting)
- Bruce Lee (Purchasing)
- Sarah Palin (Sales & Marketing)
- Bill Gates (Information Technology)

Objective

- Drive down overhead cost by \$M without sacrificing customer satisfaction or operational performance

Deliverables

- Prioritized portfolio of cost reduction mini projects to reduce overhead costs
- A process for driving costs out via competitive bidding and sourcing
- Annual savings realize

Timeline

- | | |
|-------------------------|-----------|
| • Kickoff | 1 Jan 08 |
| • Scope / Goals Defined | 21 Jan 08 |
| • Baseline Assessment | 15 Apr 08 |
| • Projected Savings | 20 Apr 08 |
| • Implemented Solutions | 1 Sep 08 |
| • Savings Realized | 1 Jun 09 |

Benefits

- Lower cost structure for Company X
- Established process for process efficiencies and seeking the lowest cost at highest quality.

DEFINE: The project status updates

Key Milestones

	Status	Orig. Date	Rev. Date
1. Scope	R		
2. Baseline Costs & Performance Metrics	Y		
3. Compare Baseline to Best in Class	Y		
4. Decide Process vs. Sourcing Alternatives	Y		
5. Define Potential Savings	Y		
6. Implement Process Efficiencies	G		
7. Complete SOWs for Alternative Sourcing	G		
8. Track Savings Realized	G		

Legend:

B	G	Y	R
Complete	On Schedule	At Risk	Off Schedule

Top Priorities

1. Agree on focus and scope of project
2. Determine who will fund the project and ROI
3. Identify baseline performance vs. best in class
4. Estimate projected savings

Decisions

1. What is the focus/scope of the project?
2. What are the (revised) project milestones?

Accomplishments

1. Gathered and presented proposed scope of work to Susan T
2. Created initial draft of project work plan and budget
3. Arranged meeting for steering committee decision on revised scope and budget

Risk & Issues

1. Meeting postponements resulting in project delays
2. Unable to deliver on targeted savings by 3Q2009



DEFINE: Prioritize business requirements

“Kano” Business Needs and User Requirements

Basic Needs (must have; does not increase satisfaction)

- Regulatory Compliance (HIPAA, TS 16949, PCI, 21 CFR 11, ISO, 820 CFR, etc.)
- Secure, Scalable System
- Global, Centralized System via Web
- Basic Features Provided
- Excellent Response Time for Users

Automobile Example

- **Basic:** safe
- **Performance:** fuel efficiency
- **Excitement:** alternative fuel vehicle

Performance Needs (required for satisfaction / growth)

- Reporting and Analysis Tools
- Ease of Use, Navigation
- Integration and Data Migration Capabilities
- Full-text Search Capabilities

Excitement Needs (nice to have; potential game changer)

- Internationalization and Localization Features (foreign languages, time standards)
- Online Discussion Capability
- Web-based Ability to Customize, Enhance

MEASURE: Balanced scorecard performance

Financial

- Stock price down 70% in past 2 yrs
- Overhead costs 30% higher than industry sverage
- Cost of IT resources to manage over 130 systems is 2xs our competitors

Growth

- Only 5% of revenue from new products (3 yrs or <)
- Avg training hours per employee at 50% of industry average

Process/Internal

- No standard processes for basic operation
- Multiple systems and spreadsheets for data entry (137 total)
- Approval process takes 3-6 weeks

Customer

- JD Powers customer satisfaction and quality ranks us worst in the industry
- Complaints growing faster than our ability to resolve them (avg. 1,800 per month)

MEASURE: Change readiness culture

A recent IBM-sponsored CEO survey found that 65% of participants believe that the “extent of change management needed over the next two years will be significant” (vs. moderate or little).

Yet only 15% responded that they were “very successful” managing change in the past

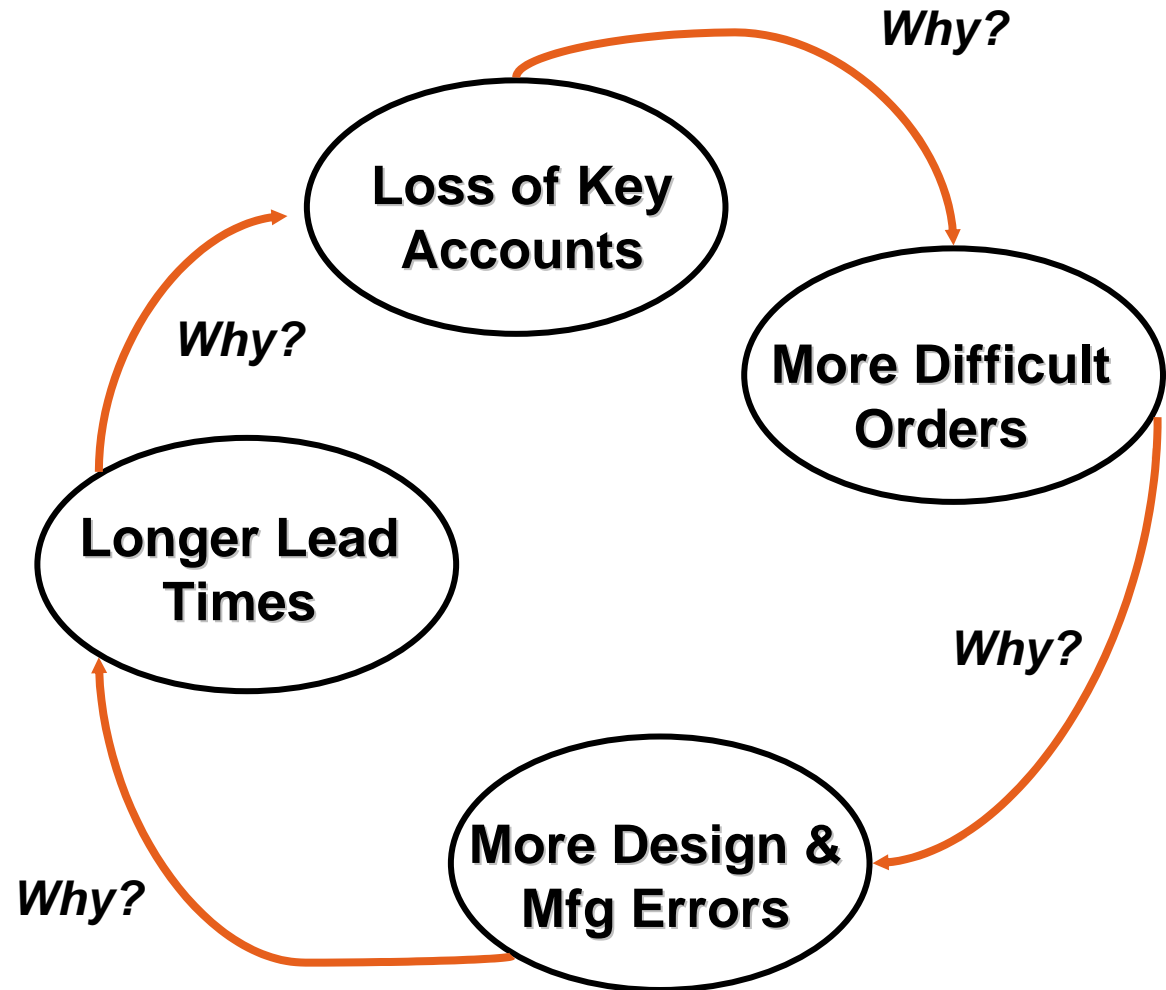
MEASURE: Change readiness culture



ANALYZE: Root cause via causal loops

Understand the knock-on effect of seemingly disparate events

Then determine how to break the cycle!



IMPROVE: Gap analysis

Current State Condition	Future State Practices	Plan to Close Gap
<ul style="list-style-type: none"> • Business processes manual and very inefficient with many paper based approvals 	<ul style="list-style-type: none"> • Streamlined and automated processes with less non-value added steps resulting in higher worker productivity and lower costs 	<ul style="list-style-type: none"> • Redesign of current processes; min. approvals • Roll-out corporate wide Lean Six Sigma training • Implement global change leadership plan
<ul style="list-style-type: none"> • More than 130 different disparate systems -- and growing 	<ul style="list-style-type: none"> • A single, central system with global access via Web for managing operations at lower cost with less complexity 	<ul style="list-style-type: none"> • Install and implement enterprise wide system • Implement company wide change leadership plan
<ul style="list-style-type: none"> • No global visibility of costs and problems 	<ul style="list-style-type: none"> • Central database with reporting and analytical tools for greater executive visibility 	<ul style="list-style-type: none"> • Web-based reporting and analysis • Trained and educated staff

CONTROL: Ways to monitor and control

There are many examples of ways in which to control processes following the completion of a project, including:

1. Standard Operating Procedures
2. Checklists
3. Control Charts
4. Control Plans
5. Audits
6. Status reviews
7. Web-based project management software
8. Other



Some Lessons Learned

1. Build a strong **case for change** from a financial, operational and “people” perspective
2. Select a **winning team** with a proven track record; provide **proper rewards**, incentives and consequences
3. Require **timely decisions** (2 days avg. / 2 wks max.)
4. **DON'T automate** poor processes
5. Use **external influences to drive internal** change / acceptance
6. Build **critical mass** to create groundswell of support (recruit the power players and natural leaders)
7. Keep laser beam focus on **critical path items** (e.g., scope creep, integration/data migration, customer / user acceptance, customizations, specialized reports, testing/validation; H/W purchases)
8. Look at issues from **multiple perspectives**
9. Deliver **quick wins** to build momentum and show results
10. Track “**before vs. after**” performance to make your case



Resources/References

1. www.pmi.org PMI (Project Management Institute Certification)
2. www.allpm Project Managers portal
3. www.asq.org American Society for Quality or biz process / quality
4. www.Big4.com Top IT and biz consulting firms
5. www.johnkotter.com **Leading Change** by John P Kotter
6. www.denisonconsulting.com Denison Culture Survey: How culture is tied to financial performance
7. www.personalitypage.com Myers-Briggs personality preferences for team building and conflict resolution
8. www.SAP Leading ERP software company
9. www.triz40.com TRIZ (Theory of Inventive Problem-Solving, 40 Principles)
10. www.edwdebono.com Dr. Edward de DeBono (**THE** Authority on Creative Thinking - Lateral Thinking and Thinking Hats)
11. www.SmarterSolutions.com Forest Breyfogle's Smarter Solutions: Six Sigma Training (In Person)
12. www.sixsigmamindpro.com MindPro: Lean / Six Sigma Training Certification (Online Videos)
13. www.isixsigma.com: Six Sigma portal
14. <http://24.73.162.22:8100> Streale's web-based Six Sigma Project Management



Thank You

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