

Creating a Controlled Environment for Project Success

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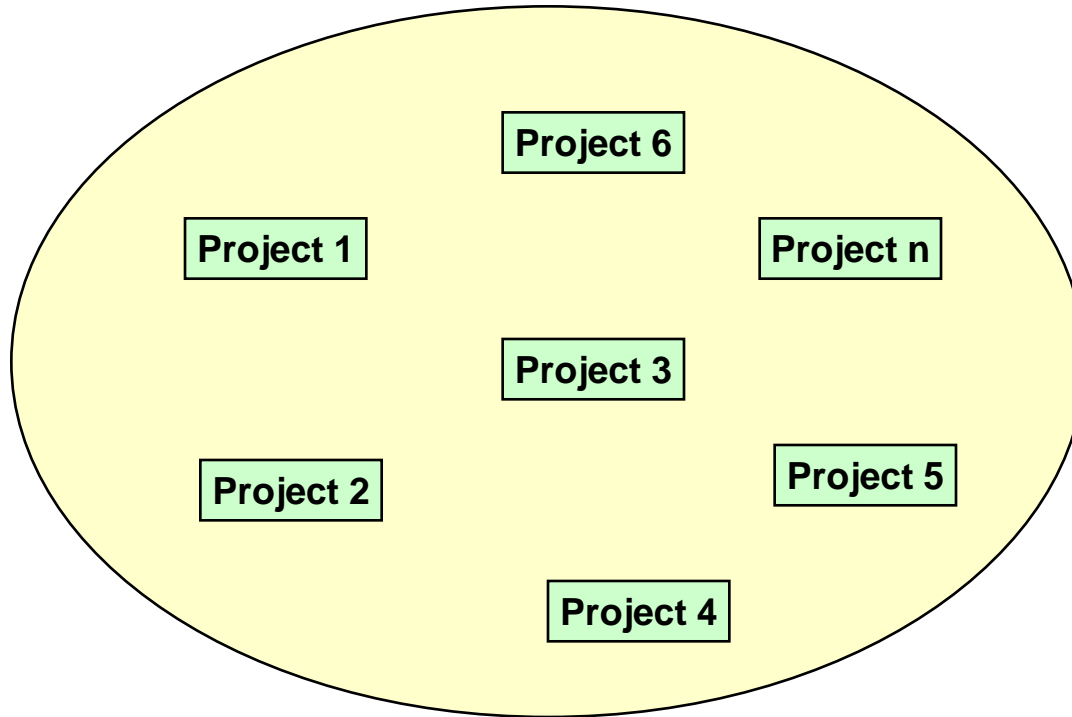
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Topics

- ★ **What is a ‘Controlled Environment’?**
- ★ **Computer Special Systems Group**
- ★ **The Activities of a Manager**
- ★ **Conclusion / Questions**

PRINCE2® 2009

PRojects IN a C ontrolled E nvironment



Controlled Environment = Organization or Multiple Organizations

Computer Special Systems

Part of Digital Equipment Corporation (now part of HP and many other companies)

★ Worldwide Organization

- 12 business units worldwide (3 in Europe)
- 2500 people
- Full product development capability (vertical integration)
- 200 to 300 projects per year (all high risk and visible)
- Revenues around \$250 million (all specials).

★ Products and Services

- Custom (Bespoke) Product Development
- Low volume products and services
- Key pieces of major systems sales

The *Change* Equation

Why we Changed?

$$\text{Change} = V \times D \times N > C$$

V = Vision of the end state

D = Dissatisfaction with current state

N = Practical Next Steps

C = Cost (Psychological and Financial)

All change comes from the inside!

Also called, Beckhard's Formula, Page 117, *Making Sense of Change Management*, Cameron and Green, 2004.

Results of the Change!

★ Reputation

→ Rated number 1 field organization for a minimum of 7 years

★ Business Performance

→ 2x (DE), 5x (FR), and 10x (UK) growth in Europe over 4 years

★ Capacity and Capability

→ Project Managers able to handle multiple projects easily

→ < 2x increase in overall resources

★ Development of people

→ Developed our own managers from within

→ Dual career paths for technical people.

★ Stock Options!!!!

The Activities of a Manager

(from various management gurus)

★ Planning

- ◆ Mission / Purpose, Setting Objectives and Strategies, Establish Budget

★ Organizing

- ◆ Establish or change the team structure, activities, controls, roles and responsibilities

★ Resourcing

- ◆ Obtain, allocate or release the resources to deliver the objectives (people, equipment, facilities)

★ Integrating

- ◆ Motivation and Communication, Collaboration
- ◆ Initiating / Directing / Sponsoring Programmes and Projects

★ Measuring

- ◆ Collecting and analyzing performance information, Reporting
- ◆ Identify issues and take corrective action

★ Developing People

- ◆ Training and coaching
- ◆ Succession Planning

Activity: Planning

★ Mission / Purpose

- Values, Vision
- Products and Services
- Each team's contribution to mission / purpose

★ Setting Objectives and Strategies

- Goals ... SMART
- Strategies ... the means to achieve objectives

★ Establish Budget

- Doing and improving the work.
- (dual nature of work).

Planning: What we did

Mission / Purpose, Setting Objectives and Strategies, Establish Budget

- ★ **Formal Management Directives (FMD)**
 - Provided planning guidance / structure to managers
- ★ **Purpose / Mission / Vision**
 - Clear for Group, Area, and Business Unit
- ★ **Up to 5 Programmes per year**
 - All other internal programmes prioritised and deferred
- ★ **Worldwide Change Programme**
 - Called: Project Management Programme (PMP)
 - Covered how we delivered products and services
 - Structure, people (jobs, roles, skills), process, tools, facilities and rewards.
 - Extended Formal Management Directives to product development (including Project Management)

Planning (2): What we did

Mission / Purpose, Setting Objectives and Strategies, Establish Budget

★ Set Team and Individual Objectives

→ Set Annually

→ Individual objectives

- ◆ Managers had team objectives
- ◆ Covered both current job (work and improvement)
- ◆ Allocated programme objectives
- ◆ Objectives included Tolerance.. Ranges of success.

★ Budgets – One Plan per Revenue / Cost Centre

→ Team budgets included current year work and programme activities (sum of all revenue / cost centres)

→ Used project models (small, medium, large) for budgeting resources

→ Allocated training days for the year (tied to objectives)

- ◆ Programme training
- ◆ Individual Development

Activity: Organizing

- ★ **Establish or change the team structure**
 - Relationships, structure
 - Manager roles and responsibilities
 - Contribution to the overall mission / purpose.
- ★ **Analyse activities and controls**
 - Work and products
 - Flow / sequence
- ★ **Roles and Responsibilities**
 - Decisions
 - RASCI
 - Job Descriptions

Organizing: What we did

Establish or change the team structure, activities, controls, roles and responsibilities

★ Analyzed work across business units

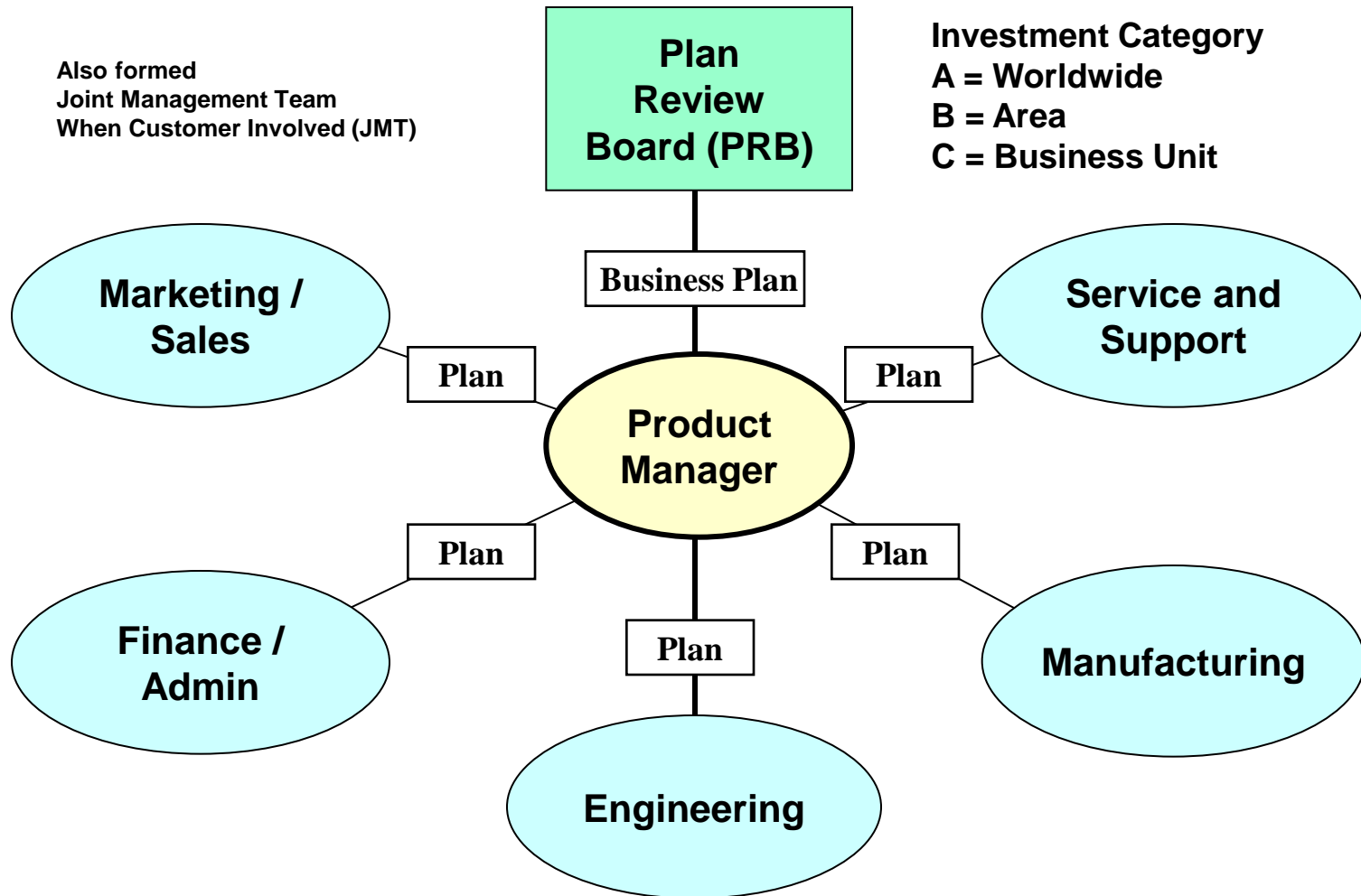
- Established formal project lifecycle products / milestones
- Established project management activities
- Documented Team structure and Job Descriptions
- Agreed as additions to Formal Management Directives.
- Established a new organizational structure aligned to the design.

★ Analysed the work of the managers

- Established decision making criteria
- Looked at their responsibilities and information needs

Organizing (2) –Product Team

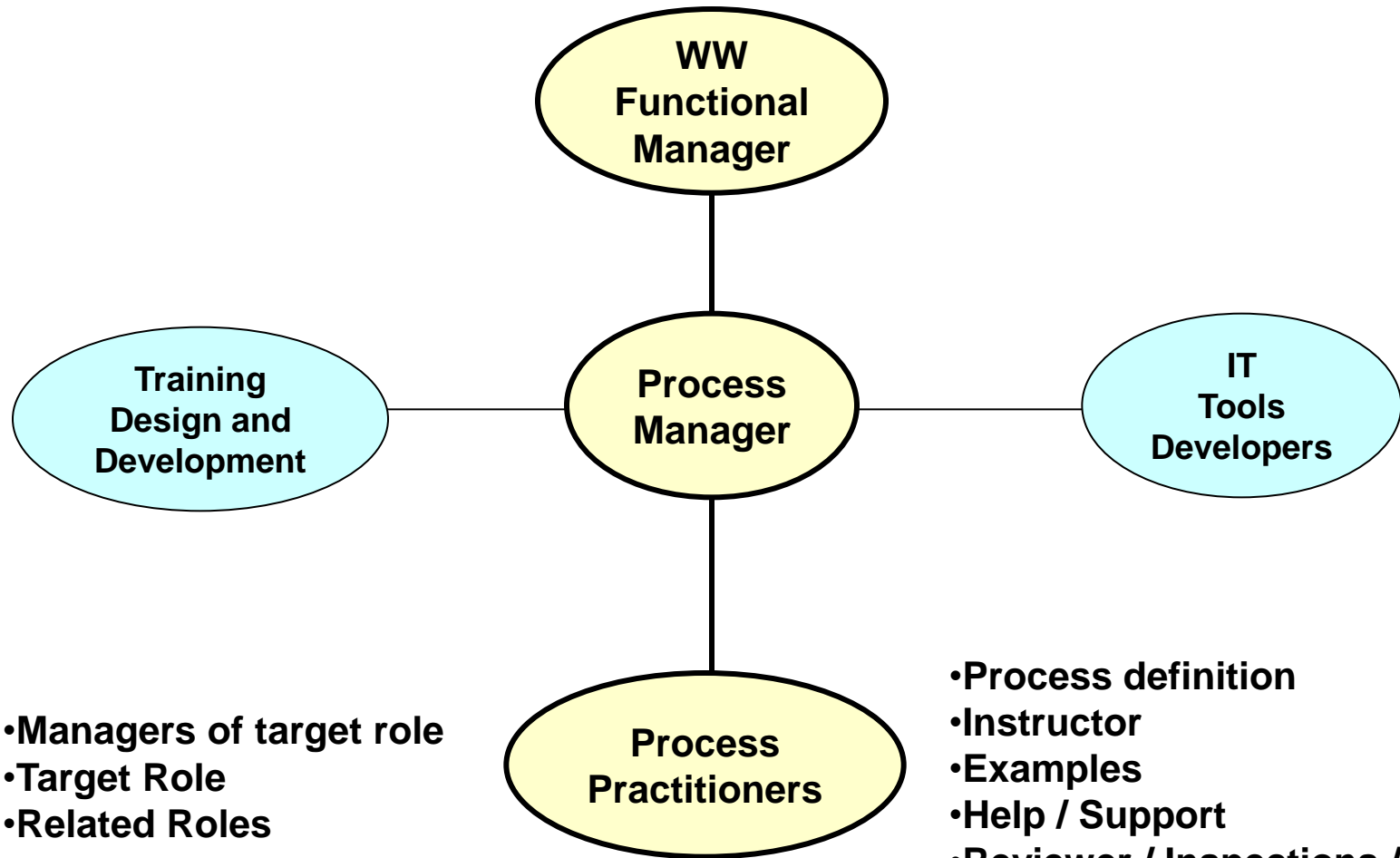
Establish or change the team structure, activities, controls, roles and responsibilities



A single individual takes on a functional role to represent the function on the product team. The individual is responsible for planning, resource assignment, and technical aspects of the role. Each role aligns their response to Product Manager goals.

Organizing (3) – Process Team Roles

Establish or change the team structure, activities, controls, roles and responsibilities
(Established Communities of Practice)



- Managers of target role
- Target Role
- Related Roles

- Process definition
- Instructor
- Examples
- Help / Support
- Reviewer / Inspections / Audit

Activity: Resourcing

★ Obtain, allocate or release the resources to deliver the objectives (people, equipment, facilities)

→ Obtain

- ◆ Procurement (Purchasing)
- ◆ Recruit and Select

→ Allocate

- ◆ Allocate to direct work (programmes, projects, process)
- ◆ Allocate to indirect work

→ Release

- ◆ Return or decommission resources
- ◆ Release or move people from teams

Resourcing: What we did

Obtain, allocate or release the resources to deliver the objectives (people, equipment, facilities)

★ Team Resource Plans

- From models to approved plans
- Mix of permanent or contract staff
- Planned at Standard Cost by type of resource
- Managers measured on Cost variance
- Included current commitments (backlog)

★ Resource Allocation

- Projects identify Resource Requirements as part of their plan
- Managers provided resources according to requirements
- Procurement against approved plans.

★ Process work

- Process work agreed and planned Including (Instructor, Inspections, etc) – funded at standard rates for resources.

★ Indirect time (not allocated to projects)

- All indirect time (training, holidays, sick time, etc) planned and tracked.

Resourcing (2) - Priorities

Obtain , allocate or release the resources to deliver the objectives (people, equipment, facilities)

Resource allocations protected according to:

1. Safety / Security Issue (Problem)
2. Customer Down / Warranty Issue (Problem)
3. Project Near Delivery
4. Project in Delivery Backlog
5. New Business Development.

Activity: Integrating

★ Motivation and Communication

- All directions
- Aligning the contribution of the team

★ Collaboration

- All directions
- Participating in projects and programmes

★ Initiating / Directing / Sponsoring Programmes and Projects

- Appropriate strategy to achieve objectives

Integrating: What we did

Motivation and Communication, Collaboration, Reporting
Initiating / Directing / Sponsoring Programmes and Projects

★ Integrated Planning and Reviews

- Single Product Team ... supported from many views
- Understand priorities from other functions perspective

★ Communication and Motivation

- See the effect of a decision on the business bottom line.
- Celebrated success...
- The information was read and feedback provided.
- Escalation was a request for help!!

Activity: Measuring

★ Collecting and analyzing performance information

- Progress against agreed objectives
- Actuals / Forecast against budget
- Progress against approved project plans
- Monitor risks

★ Reporting

- Upwards, across

★ Identify issues and take corrective action

- Identify issues
- Take corrective action

Measuring: What we did

Collecting and analyzing performance information
Identify issues and take corrective action

★ Plans were the basis for measurement!

- Business plans
- Project Plans
- Operating Plans.

★ Reporting

- Report must be delivered on time
- Report reviewed by functional management (monthly)
- Product Managers presented Business Plan to a PRB at stage boundaries

★ Quality Inspections (Quality Reviews)

- A critical part of measuring ... check the process and the project.

★ Measuring Implementation

- Informal → Formal
- Numbers trained
- Time to be trained
- Numbers of new instructors

★ Objectives

- Individual Objectives Reviewed quarterly

Activity: Developing People

★ Training and coaching

- Deliver training and coaching (to learn materials)
- Attend training (to learn to apply materials)
- Coaching to help apply and use;
- Feedback and improve the training

★ Succession Planning

- Ensure that critical skills, knowledge and experience are available and developed for critical positions.

Developing People: What we did

Training and coaching
Succession Planning

★ Development Objectives

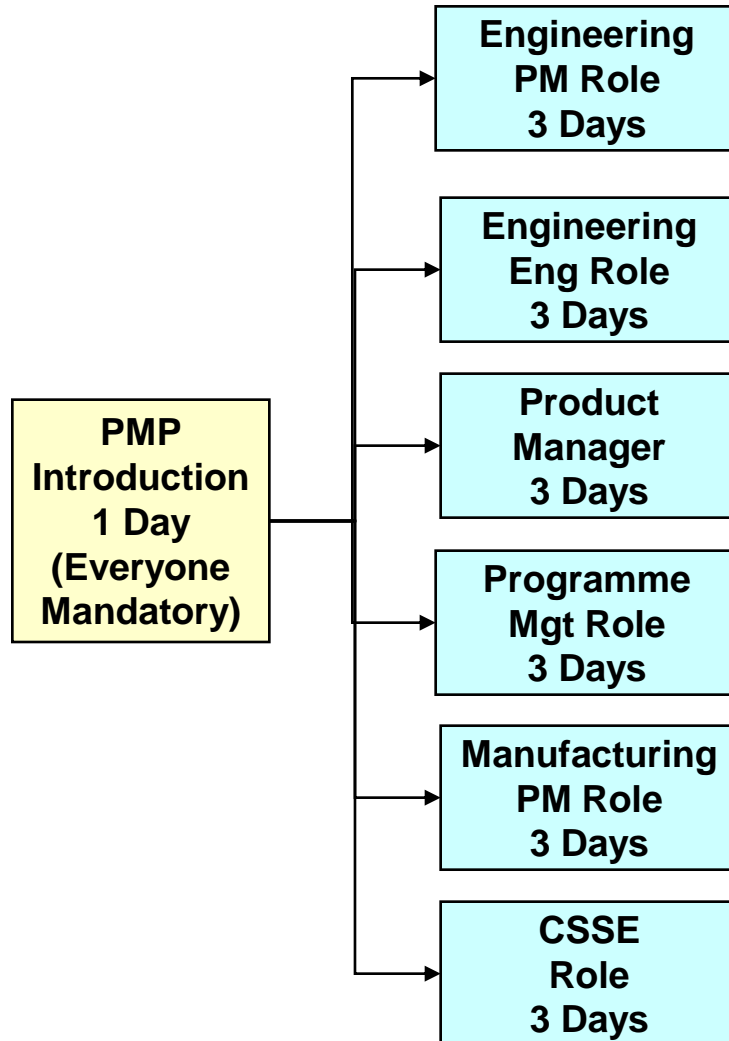
- Job descriptions highlighted areas to move to next job level.
- Development objectives identified and measured
- Encouraged to take on more responsibility
- Focus on next assignments
- Generally OK to stumble ... support provided as long as provided early warning!!!!

★ Other Development Activities

- Quality Inspections (See other projects)
- Instructor (learn by teaching)
- Take on other roles (job enrichment)

Developing People (2)

Training and coaching
Succession Planning



Audience:

Target Role and those who work with the Target Role

Instructors:

Target Role or
Managers of Target Role
'Attend, Observe, Teach'

Examples:

All training had a relevant and integrated example project (copyable)

Objective:

Ready to do the work at the end of the Training.

Summary / Conclusion

Very simple ...

Managers

(Line, Functional, Product and Project Managers = WE)

Created a
Controlled Environment
for
Project Success

The Role of the Line / Functional Manager Changed!!!!

Questions / Discussion

- ★ The Change Equation?
- ★ Activities of a Manager?
- ★ Your role as a manager?

Thank you for your participation!!!

I welcome any feedback or opportunities to help

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More information on www.process-aide.com