



Connecting Process to Practice

White Paper

Optimising the Project Workflow Environment

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Purpose

The purpose of this paper is to discuss how to create an adaptive, collaborative, template-driven project workflow environment that will deliver better project results and meet stricter requirements for the ongoing monitoring of project risks, benefits and outcomes. This paper refers to the PRINCE2 methodology because it is used in many organisations trying to address these crucial issues, but it applies equally to PMBOK, PMI, and ISO 9000 processes and methodologies.

In the face of increased project activity to meet the demands for new services and technology, improved service delivery, operational efficiency, and savings are expected. Organisations are further challenged by a renewed focus on robust and measured business cases, stakeholder engagement, governance and a generally more holistic and collaborative approach to projects. These pressures are exacerbated by the trend to modularise projects, resulting in many more projects of a smaller size, for which adequate controls are increasingly a large overhead.

This paper discusses an approach to dealing with increased project activity in the face of these demands, and how to overcome the inevitable challenges effectively.

Overview

The Changing Project Environment

Organisations are creating an ever-increasing number of individual projects – each with associated business cases and allocated budgets; many are quite small in scope or repeatable in nature. In this environment, best efforts do not guarantee success – what is needed is a simple, effective, systematic approach. Without such a simple approach, a large portion of every organisation's projects (usually the smaller and less formal ones) have no real controls over them. Larger projects are often not managed properly either because of the complexity of the tools deployed.

The main reasons organisations fail to meet their project objectives are as follows:

- Unclear or changing scope requirements.
- Absence of integration with other initiatives.
- Unavailability of experienced project managers.
- Unsuitable task management tools and processes.
- Poor project management methods and capabilities.
- Absence of executive sponsorship and management buy-in.
- Ineffective workflow management to meet governance requirements.

There are three critical success factors to improving organisational project performance and outcomes:

1. **Governing the approach to change**, as much as the detail of the change itself, including the goals and activities.
2. **A sound process environment and methodology** that can be adapted simply and effectively to each specific organisation's or department's needs, and that incorporates a capability to manage issues, risks, achievements, benefits, progress, authorisation, and reporting.
3. **A seamless collaborative culture** that enables all participants to manage their environment within the context of the outcome as a whole, and to raise issues or concerns without fear or favour whether they are employees, third parties, or casually involved.

At the fundamental level, projects are about change – so these factors affect every project. Without a clear plan for how change will be achieved, how success will be measured, and how ongoing improvements can be made – change can be expensive, disruptive, and fail to deliver the benefits for which the change was funded.

Moderately-sized organisations have hundreds of projects active at any time in a varied workplace, with project managers, participants, and stakeholders contributing a wide range of skills, experience, motivations, and capabilities. There is a constant flow of staff, contractors, partners, vendors and customers into and out of teams throughout the organisation and its departments. Managers are challenged to maintain control over access, issues, collected intelligence, and the multiple needs, wants, enthusiasm, and resistance across all the participants and stakeholders. Managers also typically prefer to employ an “ad-hoc” or “practical” approach to project management, meaning best-efforts with no possibility for process improvement or accurate measurement.

This paper shows how to create an adaptive, collaborative, template-driven workflow environment that enables project teams, small and large, to use proven methods to create, update, change, authorise, monitor, and execute project plans reliably.

Comparative Project Tactics

Recent data gathered from many Commercial and Government organisations provides an evidence-based understanding of project environments and of the characteristics of improved solutions.

The majority of organisations are using Microsoft Project (MSP desktop), documents, spreadsheets, Microsoft Enterprise Project Manager (MS EPM), and enterprise tools like Clarity or SAP. There are many other tools with smaller levels of representation. Surprisingly, the majority of control systems still rely on “project workbooks” of MSP, MS Word and MS Excel templates.

What’s missing?

Microsoft Project (on the desktop) and spreadsheets are the current standard for running projects. This approach has serious deficiencies including the following:

- **Siloed information** with no structured connectivity between participants and other project stakeholders, or in fact amongst themselves.
- **Ad-hoc project processes** and plans, preventing systematic learning from success or mistakes.
- **Manual creation of reports**, with inconsistent formats and no simple and quick consolidation.
- **No effective re-estimation capability**, and hence no way to deliver earned value reporting or effective project control.
- **No built-in benchmarking** of project performance to identify opportunities for improvement.
- **No single repository** of project data, risk, issue, benefit realisation, and re-estimation data for ease of reporting, compliance, and governance.

High Level solutions

Microsoft EPM is a tool that can be used to initiate projects and to connect users who have internal network access to one or more project plans. MS Project and MS EPM have their roots in a “management as planning” paradigm, where projects are typically treated as unique and project plans are developed in an impromptu manner to meet new needs. The underlying requirement is that user training in MS EPM will be extensive, along with training in project methodologies. The technical architecture of MS EPM means that it is difficult to compare the performance of activities *within* a

project, let alone across multiple projects or portfolios. Analysis of project success or failure is at the project level, and applying systematic changes to ensure success is not really an option, and standardisation is almost impossible.

Enterprise applications like SAP that have project management modules are extremely rigid in their design and application. Advanced training and experience is required in order to be able to exploit them. Their advantage is the ready integration with the financial systems and project accounting, but this is little compensation for the unintuitive approach to project management methodologies and processes. Their inflexibility makes them unwieldy for smaller dynamic projects where the project participants come from many walks of life, and where project outcomes are simple and of short duration. For larger projects, very few project managers are trained in their finer points, making effective use of them even more unlikely.

Enterprise Project solutions, like Prima Vera and Clarity (formerly Niku) suffer from the major disadvantages of sheer complexity of learning and application, which makes them costly to apply to all except the most complex of projects. They are not suited and are difficult to apply to smaller and more repeatable projects. These applications need managed distribution and security on the organisation's network, and while some have web-based front ends, there is still the need for power users to have access to the desktop application in most cases. For these and other "enterprise" products, license costs are just the tip of the iceberg.

New Generation Alternatives

There are, however, new generation project process tools, which deliver significant benefits to large complex projects as well as to smaller, repetitive and less formal ones. These tools tend to embrace improvement methodologies, and some include knowledge management, and support project methodologies like PRINCE2¹ and industry or organisational standards.

The inherent collaborative nature of New Generation alternatives enables a simpler and more effective approach to project control to be implemented that meets even the most stringent governance requirements fully, yet simplifies the task of managing and reporting on projects – even for inexperienced or "ad-hoc" project managers.

What to look for in an Ideal Solution

Ideal characteristics

- Be easy to learn and to use, so implementation costs are minimised.
- Be easy to maintain, so ongoing costs are known and minimised.
- Provide one repository for all project data – schedule forecasts, financials, benefits, issues, risks, re-estimates, resource management, methodologies, and documentation – so controls are easily configured and visible to all stakeholders.
- Embed knowledge management capabilities for process and methodological support, including any related documents, so all methodological improvements and standards are automatically updated and available to all users.
- Be accessible by all project resources, within and external to the organisation, including casual and third party resources, so all users see the same system.
- Enable a variety of profiles so different user groups see different levels of detail or different details based on their roles.
- Enable templated approaches to repetitive project work (which can be up to 80% of projects undertaken) so methodology and shared learnings can be embedded in the template and it is always up-to-date.

¹ A comprehensive project methodology

- Enable assignment of resources (top-down) alongside selection of tasks (bottom-up) so that finite scheduling of individual work to specific people or other resources is necessary only to the degree that is practical.
- Provide a library of standard reports along with a flexible ad hoc reporting facility, so that reports are available to all qualified stakeholders at any time, freeing the project manager to manage the project.
- Provide a high-level milestone management capability so that even projects not using this toolset can be managed at the stakeholder level.
- Facilitate peripheral project responsibilities such as steering committee actions and involvement, so participants at all levels are aware of their tasks and obligations.
- Be readily enhanced so that highly specialised requirements for important users can be addressed in reasonable timeframes.
- Provide an on-demand license model so costs are adjusted to actual needs.

Internet/Intranet Delivery

A "Software as a Service" solution delivered over the Internet to a user's browser, enables instant and extensive access for all users, whether inside or external to the organisation. User devices are variable – PCs, laptops, tablets, PDAs, mobile phones and so on, delivering the solution to all users quickly, effectively, and securely. Such an environment enables the establishment of inter-organisational "virtual" teams. The work environment must be able to connect all stakeholders, including project managers, contactors, vendors, customers, steering committees, executives, project office, program managers, operational experts, and workers (participants). In those circumstances where project personnel do not have access to the Internet, timesheet and forecast data is collected on worksheets, and keyed into the project repository by the PMO or project administrative staff. Projects with limited access will always have this additional overhead – so it is useful to persuade Client site managers to provide Internet access for this purpose.

Reports

The manual preparation of reports is a constant bug-bear for all project managers and administrators. The environment must enable the production of standard reports from project data, allowing project managers and participants to capture free-text highlights and concerns directly into project plans. This increases the level of accuracy and improves the timeliness of reports. Reports contain ALL key issues and accurate forecasts of ongoing work. This level of reporting generates significant cost savings as it presents an accurate picture that facilitates corrective action, allows project managers to work on managing projects rather than producing reports, and tracks actual benefits, continuously demonstrating the value of each project to all stakeholders. Steering Committees and executives should receive automatically-produced status reports and action lists.

Templates

Linking current documents and document templates to units of work creates significant process improvements. Rather than having to search for instructions, or trawl through the organisation's usually scattered knowledge base, key documents are instantly available to contributors when they need them. Similarly, document outputs are easily stored in the proper project context. This approach facilitates the entire delivery process, even for project work in remote locations. This also reduces or even eliminates the need for desktop procedures manuals. Procedures should be "bite sized" and delivered in the context of the work being done. This simplifies continuous updating and process improvement.

Issue and Risk Management

Integrating issue and risk management functions means these activities are moved off the desktop and into a shared environment easily accessed and updated by all participants (according to strict security rules). The same access controls allow qualified stakeholders to see up-to-the-minute risks and issues either specific to a project or portfolio, or within their own area of interest. For example, the steering committee can see at any time the risks and issues report for their project.

Participants should be able to raise issues or risks or comments of any kind so they are visible in the on-line project documentation. The project manager is responsible for addressing these either through mitigation actions built into the project plan, or documented reasons for disregarding or explaining the issue. Risk management should use the standard categorisation and management outlined in AS4360.

Benefits

The same goes for benefits. Too often, benefits are not addressed in a project once approval is given. In a sense, a benefit is the obverse of a risk. A risk needs to be mitigated in order to prevent a negative benefit. A benefit needs to be tracked and supported in order to prevent a risk to its achievement. Risks are managed down, benefits are managed up. If they can properly manage risk, systems should manage benefits equally well. There should be a benefits management process and appropriate actions to track them in the project – it is vital that the benefits outlined in the business case are not forgotten and remain in focus for the duration of the project.

Local Support

In an Australian context, it is an advantage for an Australian solution to be available with these characteristics, and using an open-source platform. Open-source lowers the cost of maintenance and development, and provides a highly flexible ability for integration with other enterprise systems – a necessary step in any implementation. Local support can tailor specific requirements to the local business environment.

The Challenges of Changing Organisational Behaviour

Changing organisational behaviour is difficult, expensive, and often unsuccessful. There are three key aspects of achieving organisational change.

1. Communicating the need for change

If the reasons for change are not clearly communicated – including the implications of not changing – there will be a natural resistance. People do not automatically resist change, but they resist being changed against their will or perceived best interest.

2. Participating in the change

To understand the reasons for change people need to participate in the change process. They need to be part of the decision – hence the communication. They need to feel their interests are embedded in the change itself. They will accept the change if the process is collaborative and consultative. They will embrace the change if they had a hand in deciding how best to implement it.

3. Transforming the way people do things

Organisational change is the total of personal change (behavioural) and institutional change (cultural). Both issues hinge on an alignment of personal and institutional values. Most change will impact people's values one way or another. A new way of doing things is a change of values, so for people to change, it must be easy to work

in the new way and there must be a clear and immediate benefit. It is also crucial to reinforce good behaviour early in a project (rather than just at the end), and that contextual support for new ways of doing things is always at hand. Process changes are at the heart of these, so it is important to understand which parts of the new process are being followed and are delivering better results, and which parts are not. Knowledge of success and failure can then be used to fine-tune and improve the way the new process connects to organisational practice. Without the ability to measure the effect of the change, it is impossible to make corrections accurately.

How to address the challenges of organisational change

Communicating the need for change comprises a series of related and repeatable projects. Rather than just sending people on courses and hoping some of it sticks, the first step is to prepare the target workplace for change. Learnings from one project can be applied to others, so the campaign to instil the desire to change is reliable, cost-effective, and successful. These institutional changes can be made using project templates that capture training needs and communication plans to run a series of repeatable projects for each work team and department.

The operational needs of participants must be taken into account. The immediate benefit of changing their behaviour should be visible for all stakeholders. The change process must accommodate the daily reality for a typical Project Manager, the Project and Program Management Office (PMO), Steering Committee and Senior Executives, and direct project contributors.

Each participant should be supported by easy-to-use, easy-to-learn, embedded training notes in the context of the work being done in a collaborative project environment (e.g., based on the PRINCE2 methodology²), and using a workflow capability (not usual in project management environments). The workflow elements of the PRINCE2 methodology enable authorisations and work packets to be managed across the project landscape.

Once the elements of change are in place, the transformation needs to be tracked so that corrections can be made. There are two elements to this – the program to monitor the effectiveness of change (benefits realisation), and the adjustments that need to be made to the workflows themselves to make sure they run smoothly and are consistently followed.

Key Project Roles and Responsibilities

The Project Manager

Project managers have a very varied profile and range from “accidental” project managers to full time professionals. For large or high profile projects, the project manager will be experienced and have a practical approach to getting the project across the line. In these cases the project manager may be on contract.

Often project managers use disparate tools. For example, there may be a MS Project plan that captures the initial delivery schedule, while the project is actually run using a spreadsheet. The issues register may be diligently managed and emailed to project participants when updated, say, after the weekly or fortnightly meeting, meaning it is rarely up-to-date. Issues and risks may reside in completely separate repositories. If the project plan is updated, it is often emailed to senior stakeholders, again, not up-to-date at other times. These projects typically involve external team members – subcontractor staff, vendors, or external agencies.

² PRINCE2 methodology is outlined on page 11

Reporting to steering committees or project sponsors is often manual and is therefore subject to inaccuracies and labour intensive. In addition, the lead time between the commencement of report preparation and review means that senior personnel are making decisions based on old information. Typically, it is difficult to assign and manage resolution of the action items that result from progress and steering meetings, because the action lists are handled by yet another “system”. Indeed, the “published” project plan may be what the project manager wants stakeholders to see, rather than an accurate picture of the current status.

An experienced project manager will usually manage their projects successfully, but this success is not captured, replicated, or easily shared. The knowledge, skills and learning from a project are usually known only to the project manager and some of the immediate team. For example, if department ‘A’ has successfully completed a project and department ‘B’ is embarking on a similar project, then there will be many benefits sharing the project knowledge and process. Savings will be achieved by department ‘B’ (particularly in the areas of project development and processes), risk will be significantly reduced, and project success will be more dependent on standard and efficient processes rather than key personnel who may leave at any time.

The Program and Project Management Office

The PMO has 4 key areas of focus:

1. **Standards and processes.**

While the development of standards and processes is not difficult, reliably connecting effective processes to daily practice is. Other challenges include: knowing which processes are working; knowing where processes should be tweaked to get better results; managing the constant introduction of new processes and process improvements; managing the often high training overheads as a result of all these changes; and implementing changed processes and standards without sending out yet another set of documents.

2. **Stakeholder and project support.**

Stakeholder and project support involves understanding what information is needed and then making this available. Typically this involves getting status updates, providing consolidated reports, resolving problems, providing up-to-the-minute forecasts and budgets, and responding to specific requests.

3. **Quality assurance and control.**

Quality assurance and control is the daily tracking of project and program health, and ensuring that governance activities like risk management and steering committee meetings are held as planned. Adherence to process workflows is also a critical quality assurance activity.

4. **Identification of opportunities for improvement.**

Identification of opportunities for project delivery improvement is another important PMO activity. This requires individual project performance to be benchmarked against similar projects currently active or historical.

Each of these key areas has their own unique challenges. The PMO is often required to ask project managers to produce reports mandated by the process, and this takes them away from their duty of steering the project towards success. Equally, the PMO may have to ask project managers for updates in specific formats to consolidate information to produce ad-hoc reports, and this is typically seen as a distraction. Similarly, reminding project managers that governance activities must be scheduled, and clearly identifying real training needs, serves to complicate the PMO role. While the intention is to help, the perception is often of hindrance. The good news is that the appropriate approach and toolset can address these situations.

Steering Committee

Steering Committee members typically have a range of projects for which they have governance responsibility. They also have many other activities making demands on their time. What will benefit these participants is a standard and consolidated view of all governance duties (in a consistent format), providing a clear view of issues and follow-up actions that the steering committee can focus on, and all project data, including current schedule, forecasts, risks, and budgets available for detailed reviews if necessary. These are milestone reports and committee action lists.

Another important capability for steering committees is to see a consolidated view of projects to provide program or portfolio reports. As part of this approach, it is useful to have a milestone management capability across a broad range of projects - related or otherwise. This delivers excellent management insight to all projects.

Participants

The people doing the work need to know what to do, how to do it and by when it needs to be done. They need to know how to flag problems that prevent them from achieving their targets. These project resources will come from all walks of life and can be employees, partners, contactors, consultants and vendors. They may not be familiar with the software containing their work schedules, or expectations of how to deliver the work itself, and they may be involved in multiple projects and tasks.

There is considerable additional benefit to have links to relevant standard material. For example, if a user is unsure of the latest guidelines regarding risk management, there should be a link to relevant documents regarding risk. This does not absolve users from doing their own research, but it does provide them with an easy and excellent start.

Similarly, organisations may want to provide relevant links to their own documents and procedures. For example, an intranet link may provide the accidental project manager with an outline of the procedures required when managing a project. This provides significant benefits as users have up-to-date information in a timely manner. In addition, it reduces staff anxiety and improves the performance of those reluctant to ask questions. There are benefits to management as they are less diverted by the day-to-day tasks of their team members.

Successful PRINCE2 Deployment and Adoption

About PRINCE2

PRINCE2 is the preferred project management methodology of a broad range of organisations, including the NSW State Government. It describes how a project is divided into manageable stages to enable efficient control of resources and regular progress monitoring.

A PRINCE2 project is driven by the project's business case, which describes the justification, commitment, and rationale for the deliverables. The business case is regularly reviewed during the project to ensure the business objectives are still being met, even though they may change during the lifecycle of the project,.

There are often different groups of people involved in projects: the customer, one or more suppliers and the user-base. PRINCE2 provides a common language across all the interested parties involved in a project. Coordinating customers and suppliers involves contracts and contract management. Although these aspects are outside the scope of PRINCE2, the method provides the necessary controls and breakpoints to work successfully within a contractual framework. A methodological toolset should support the workflows that are part of contract management and governance.

Collaborative functionality assists organisations in synchronising these activities using a combination of flexible and mandatory flags. Together with functions like benefits identification and realisation management, such functionality is necessary in any business process and project management solution for organisations that use or are adopting PRINCE2.

Pre-built PRINCE2 workflows - that include risk review, steering committee review, progress review, authorisation and redirection - are productive features of any toolset implementing PRINCE2. Where relevant, project activities should be able to be flagged as "requiring approval" or "mandatory" to ensure that appropriate PRINCE2 governance steps can be locked in without a rigid process getting in the way of the manager's completing the work. For example, steering committee members or project sponsors should be alerted when they need to approve an item of work, saving the project manager from having to remember and walk the approval around.

A key part of PRINCE2 is the management of issues and risks, so an integrated issues management environment that allows all participants to register, view, and update issues relevant to their project contribution is especially important when the project involves participants that are not co-located.

Enabling project plan templates to be pre-loaded with risk profiles means that risk management is easier to accomplish. Important capabilities would include a full and audit log of risk management and mitigation decisions and activities. This approach delivers better results because templates can be updated to reflect new risk management knowledge.

Regular, accurate and consistent reporting supports any project environment and is mandated for PRINCE2. Updating the project plan with status, schedule, forecast, and progress information should be simple and on-line, to ensure reports are accurate and timely - whether standard or ad-hoc.

How can the rollout of PRINCE2 practice be optimised?

The capabilities that support the PRINCE2 methodology have been outlined above. The chosen toolset must have those capabilities, and certainly must be available to all participants with an equal degree of support. It must be easy to deploy and easy to learn – resistance will build quickly if there are difficulties here. The landscape is littered with the so-called panaceas of project and organisational improvements which lie mouldering in disuse, months if not years, after their initial implementation.

Project management reports, (including steering committee reports), and simplified reporting procedures must meet PRINCE2 requirements. These reports should be automatically generated to make them more accurate and useful than manually-built reports (because they use the on-line and up-to-the-minute repository). Further, the library will contain reports with consistent formats to be used on single projects, or to consolidate information on programs or portfolios. This allows qualified report users to see information across projects for consolidation, comparison, or benchmarking.

Project and document templates, training notes and standard procedures should be attached to “best practice” project initiation plans. These create a standard set of project processes that can be used by even the most “accidental” of project managers, and still take advantage of the methodology and the continuously improving processes across the organisation.

It is important to be able to “workflow” tasks to workers’ to-do lists so that work is communicated at the time it is ready to be done – which may be before or after the current schedule suggests. A crucial part of the methodology is an approvals mechanism - whereby some work must be approved by a senior stakeholder or participant before it can be signed off as “done”. A further refinement is to allow specified tasks to be flagged as “mandatory”. This means these jobs cannot be deleted or ignored – they must be signed-off and the digital signature logged.

Summary

Key characteristics of the toolset to support the successful rollout and organisational adoption of a project methodology, like PRINCE2, include the following:

- An easy to learn, easy to use, online workbench for project work
- A simplified way to introduce, execute, and fine-tune a chosen methodology
- Easy delivery to the browser for distributed teams
- Low installation and software administration overhead
- Standardised and customisable reports that capture methodology guidelines

Of course other methodologies can be supported by this approach – PMBOK, PMI, and ISO 9000 styled methodologies can be templated and standardised in the same way.

About TeamFrame Easy PMO

TeamFrame is an Australian high performance project , program and portfolio management consultancy.

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