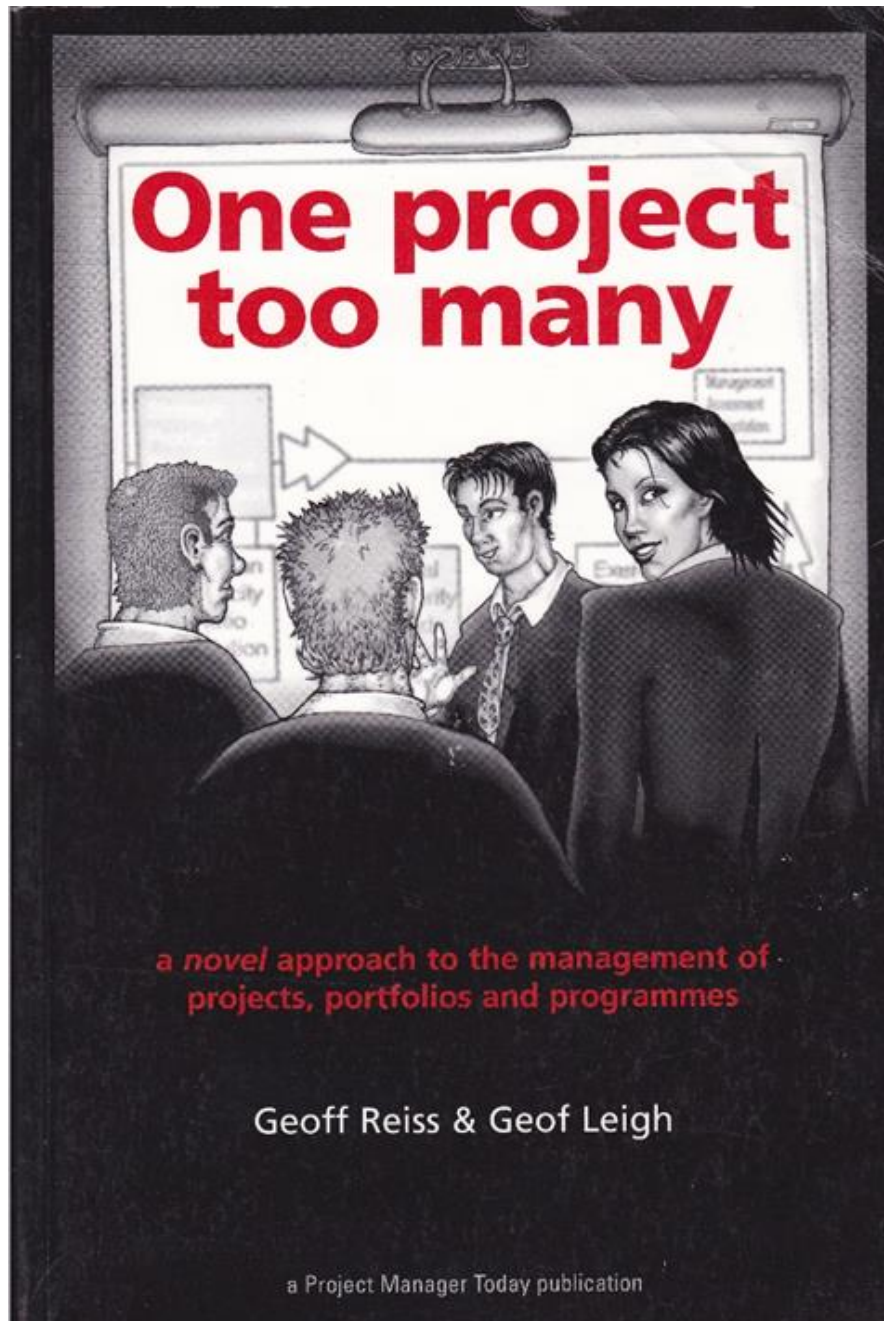


# ***One project too many***

Managing projects and living to tell the tale

Geoff Reiss and Geof Leigh



This edition of 'One project too many' has been edited so that it uses the same terminology and approach as the Praxis framework.

# One Project Too Many

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# One Project Too Many

## *Prologue*

Here is a word of advice for anyone thinking of running a project: don't.

There are few human endeavours where you will find more opportunities for entertainment, a sense of achievement through fine teamwork and long term damage to your career.

So when someone offers you the chance to run a project you may:

A: grab the opportunity with both hands whilst scanning the situations vacant pages

B: hand in your notice there and then

C: hide behind any convenient piece of office furniture or slow moving colleague.

All three options may get you into serious trouble and may even cause you to join the long-term unemployed. At root the problem is this: personal success in projects is vanishingly rare.

In the unlikely event that the project goes as smoothly as a baby's bottom and you deliver the right thing on time, to budget and appear to encounter no great problems, you'll be disappointed to discover that no one will take a blind bit of notice. They will all be far too busy worrying about other projects that are deep in the doodoo - and that will include almost all projects but yours.

If however your project goes normally, which is as smooth as an old alligator's bottom, people will regale you with views on you how you should have done it, how they would have done it in your place and how your career is now in a terminal nosedive.

Therefore there is only one strategy for succeeding in project management. You must learn to run your projects as smoothly as you can so that they achieve all of their objectives, whilst in the background, carefully orchestrating a series of small but apparently enormous problems that you may be observed to brilliantly overcome.

Despite all this project and programme management can be enormously rewarding.

You have bought, borrowed or stolen this book so you may be intent on a career in project or programme management. If so, this book is designed to help you with the smooth bit. No one needs a book to teach them how to create their own obstacles.

To help you to understand the practical problems of managing projects and your career, this book is written partly as a novel and partly as a text book.

The (hopefully) three dimensional characters will meet a wide range of practical problems as they try to get their organisation up to speed so as to effectively run a portfolio of projects and programmes while simultaneously running an important and challenging project.

You will understand their problems. You will share with them a variety of sources of fact and formal text book knowledge. You will read how they apply the text-book knowledge to their work.

This is like a huge case study. You will find that all the actual detailed documents, including bar charts, risk registers and so on are available and you are free to download these and use them in any way you wish.

We hope you will find the story realistic, a tale you will be able to understand and relate to. But the story is after all only a vehicle in which ride the ideas and techniques of project management.

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But why a novel? We have tried hard to weave into the tale as many of the practical problems and great ideas that no simple text book can hope to convey; those that come alive within a realistic background. If you keep your eyes open you will get a wide variety of hints and bits of common sense that may help you in your own work. Common sense is in very short supply in project management.

To help set the scene at the beginning, there will be more novel than text book. The first few chapters focus on the issues organisations face when trying to introduce formal portfolio management. If you are really only interested in running a project you can skip over chapters 1 to 3 and start at 4.

To avoid undue stress you can be assured that no one quits, gets fired or has a nasty accident. We could not end the story with an unsuccessful project so the project will end satisfactorily and yes, this is a work of fiction. To maintain an appropriate level of tension you may like to remember that at an important meeting someone will spill some hot coffee on a project plan and on a colleague's expensive clothes.

We hope you will enjoy it, gain a lot from it and, if you insist in getting involved in project management, that you escape intact.

## ***Chapter 1: Bob starts his new job and does not like everything he finds***



In this chapter we find that the supermarket chain, SpendItNow, has a portfolio of projects and programmes that are not run effectively – and certainly not run as a coherent portfolio linked to the company’s strategy. In fact, they don’t even know how to spell ‘portfolio’.

### ***Part 1 - Bath time***

Bob reflects in his bath. His bath plays a large part in his life. After his wife and children the bath comes a close third in his personal list of *very important things*. Some days it overtakes the family and leaps into first place.

While some people go to Church on Sundays, Synagogues on Saturdays or Mosques on Fridays, Bob bathes on Sunday mornings. He put a religious level of enthusiasm, dedication and preparation into his bath-time routine. If we were to peer, shy and embarrassed, into his sanctuary we would see, arranged in an orderly manner the following items: coffee in his favourite cup, sponge, plastic duck and soap, the correct brand of newspaper and the radio suitably tuned to BBC Radio Four. All these items are correctly placed and, like the paraphernalia of any religious occasion, vital to the Sunday morning ritual.

Bob Sherunkle is the grandson of a Ukrainian immigrant and his build shows his Eastern European ancestry. His jaw is firmly chisel-like and his still dark hair shows the early signs of the pattern baldness which will one day leave him with a short curtain of hair around the rear of his squarish head.

His dark brown eyes are a little small for his face and a little close together. His head is a little small for his large and very fit frame.

His mind is fast to the point of being quixotic but only while relaxed in his favourite way does he feel that his mind is in top form. *CEO. Chief Executive Officer*, he muses. He likes the sound

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of that a lot. He is not overtly ambitious but he was almost as pleased as his much more ambitious wife had been when was headhunted from a smaller, specialized retail group to land his new job. He thought long and hard before accepting his new job as Chief Executive Officer of the only slightly down-market supermarket chain called SpendItNow.

He started work in his own off-beat style by visiting a number of stores anonymously weeks before he actually joined the company. He knows that the management and especially the head office employees of such companies are often very inward looking.

He had been heard to say in his previous job: 'They spend far too much time playing internal politics, staring at their own navels and protecting their oversized rear ends'.

He also knows that most people spend at least half of their time at work seeking personal power and respect, neither of which help the company forward.

Bob knows that the stores are the only places where money, the life blood of all commercial organisations, flows into the company and that everything should be subservient to the stores. So he started by making his shop visits and liked what he saw. But now he is *in post* and wants to make a mark on the organisation, to do something that would improve the company, get his name welcomed and respected around the business and *make a difference*.

Today nothing anywhere near good enough comes to his mind. So after the soak, coffee, a failed attempt at a too difficult crossword and a boring episode of the Archers he gives up, stands up, dries off and dresses.

'Answers', he says to his mirror, 'are easy. Good questions are hard to find.' His mirror reflects on this statement but wisely decides not to join in the argument.

So he tracks down someone whose opinion on many things he respects and asks Anthea, his wife, what she sees as the best and worst parts of supermarket shopping.

Anthea is as usual distracted. She is nearly always flitting from activity to job to assignment. Anthea is petite, brunette and from an old Scottish family. So old is her family that they all speak with a far back English public school accent. So old is her family that Bob was not at all the sort of person she was expected to marry, a factor playing a large part of the reason for her choice.

She answers Bob's question with half a mind: 'with your new job, the best bit is being able to afford almost anything I see and the worst bit is being forced to now shop at SpendItNow in case a journalist sees me being disloyal in a decent store. I've got friends secretly buying nice things for us at M&S'.

Bob presses her to really think about the real question and explains why he wants her views. Anthea takes a break from important but not urgent matters such as emptying the dishwasher and finally getting round to cleaning the potatoes for lunch and gives the matter some thought. After a few more half-hearted peelings she says the most tiring, time consuming and generally irritating part of the whole process is the check-out and especially the queuing at check-outs. 'Can't you get rid of that somehow?'

Bob sits in his bath exactly one week later and during Desert Island Discs dreams up the e-Trolley. It seems perfect for him: he needs to make a mark in his new job, he needs to get to know people and he wants everyone to know about him. This e-Trolley might also set his company above all the others or at least level with the major competitors.

Later, now dressed, he outlines this to his wife over breakfast.

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‘So here’s the idea. You have a trolley with a built-in barcode reader. You, the customer, scan the things you pick up and a little display tells you what you brought, how much it costs and how much you’ve spent so far. When you go to the check-out the trolley already knows what you have and you can simply pay and go. You don’t need to unload everything so you could pack your stuff straight into bags or boxes of whatever and lift them straight into your car.’

Anthea stops with one hand on the fridge door and the other on a bottle of milk. She considers for a moment and comes out with a typical slightly class-ist understatement. ‘That sounds good but we are talking about SpendItNow – might there be the slightest little problem with theft? Aren’t people going to scan half the items and just walk out?’

Bob is ready for this. ‘Ah yes. The polite term in the retail arena is ‘shrinkage’. This 21<sup>st</sup> century trolley is going to weigh the contents and check that your purchases tot up to roughly the right weight. We tell everyone that if the weight is wrong they’ll be asked to check out in the normal way – we’ll explain that something could have been scanned twice and we don’t want them to pay twice for anything. Actually this should be enough of a deterrent to keep shrinkage to about the same levels we have now. Also we might add RFID tags to the produce. What do you think?’

Anthea’s butterfly-like mind is already off on other matters: ‘What for heaven’s sake is a retail arena – a place they stick tails back on circus lions? Boiled or poached for breakfast? And what is RFDI?’

Bob explains that RFID, not RFDI is a small gadget, cheap enough to get fixed to almost anything that can be scanned by a bigger device. ‘It’s usually an RFID device that checks you as leave a store between those metal gates. You can’t hide things in your bag or your knickers, the RFID system works through clothing and bags, the ‘R’ stands for Radar, I think.

### ***Part 2 - Bob takes his ideas to the Board***

Bob goes to the next board meeting with an overview of his vision for a supermarket e-Trolley and the effect it would have. He puts together a few slides for his colleagues to outline the idea. He is able to identify loads of benefits in terms of customer satisfaction levels, fewer check-out counters and therefore staff, more shelf space, fewer queues, reduced breakages at the check-out stage and so on. Of course at this stage these benefits are only expressed in words, there are no numbers.

He asks that the Retail and IT Directors come back to the next board meeting to outline their thoughts on this idea.

They do come back but make a pretty poor job of responding. The two directors have ganged up and decided that this e-Trolley project is a crazy idea that will never work and, more importantly, would lead to a great deal of extra work for them and their teams. They figure that if they come back with negative feedback the idea will get dropped and they can return to their normal quiet lives. They don’t yet know Bob.

The Retail Director outlines the worries he has about theft and of customers trying to scan their own goods using a barcode reader. He also talks about the way customers worry about laser scanners shining in all directions. Some are bound to be concerned that they will be blinded or made impotent or get cancer. Bob nods agreeably. The IT Director outlines the technical problems his team would have with the internal systems and databases and drops in all sorts of acronyms and technospeak. Bob continues to nod sagely but says nothing.



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Both of these senior managers feel that they are winning this battle and that the e-Trolley project will die a quiet death almost before seeing the light of day. They both talk about how their resources are committed to all sorts of on-going projects so they *'couldn't really look at this idea seriously at the moment'*.

Bob quietly asks how these other projects stack up in terms of the [benefits](#) they will deliver.

The two directors glance at each other and the first frisson of doubt is clearly visible in their eyes. They waffle away about benefits. The IT Director talks in very general terms about the reduced support costs of rolling out Windows 10 to the head office staff and the switch to an Oracle database. He is excited about the expansion of the existing on-line shopping system that is 'being looked into'.

The Retail Director talks about the new warehouse and transport racking system, the proposed store in France and the study absorbing a seemingly immense number of resources all of whom have been involved in the possible takeover of a smaller supermarket chain.

Bob begins to suspect that they do not have a proper system for selecting the best projects to do – something he has seen many times before. He politely and quietly asks ever more pointed questions and the two directors begin to feel less and less certain about the firmness of the ground they are metaphorically standing on. Bob receives a load of management babble but as many facts and figures as his bathroom mirror gives him, i.e., none at all.

Bob becomes convinced that they do not have a proper system for selecting projects nor any kind of vision of the future except one in which they keep their own jobs.

It soon becomes clear that they have no real system for running projects either.

The directors get a growing feeling that the e-Trolley project is sitting on much firmer ground than some of theirs, their own projects' foundations being on the liquid side of quicksand. In this mood they adopt a very human approach – they rationalize their failure to stop the project by talking about how the new CEO forced through his own pet project which may be a fine project but which never got the chance to be studied properly.

Bob stops asking questions and makes a statement: 'I think we have to know exactly why we plan to undertake any major investment.

'We have to be as sure as we can that the projects we choose to undertake are within our capacity to deliver change, do not bring about more change than we can absorb and deliver a sensible return on our investment. Is that reasonable?'

This is the point at which everyone present except Bob begins to nod. The more perceptive Retail Director feels a slight cold wind blowing up his trouser legs. Some members of the board closest to the quicksand make a leap for the solid ground alongside Bob who stands there like Indiana Jones ready to save anyone who wants to be saved.

The Chief Financial Officer (CFO) nods more rapidly than most and thinks to himself that he is going to like working with Bob. The CFO has had the idea for some time that the senior players all have their own pet projects which they push through for often very unclear reasons. He knows for example that the Retail Director has a 'place in France' which is ostensibly for him and his family but which occasionally sees young female visitors who are very unlikely indeed to be a part of any director's immediate family. The proposed new store would create very a convenient need for him to visit France regularly.

Bob expected this interplay. He didn't know about the 'place in France' but anticipated that many investments were being made with very little support and even less investigation. Most

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projects in the past relied on the eventual investment/return calculations being lost in the mists of time.

The worst possible case in Bob's mind is the IT department that has an annual budget it is quite determined to spend. So strong is this desire to spend every last penny of the budget that it invests large sums on technical improvements that people outside of IT can detect only through the raft of new faults, attendance at a large number of IT conferences and an incredible sum on budgetary control hardware and software. The training and consultancy budget makes Bob wince.

### ***Part 3 - Bob organises two away-days.***

Bob likes away-days where everyone is out of the office, out of reach and un-distracted. If he could he would take them all to bathe collectively, like that that scene in the Blues Brothers movie where all the characters appear out of the steam in a Turkish bath. As his own bathroom is a little small for major conferences, he dreams of a Turkish or Roman bath where at least his creativity could flow freely. He knows this is slightly on the impractical side of impossible.

At a local conference centre they drink too much coffee, eat too many croissants and discuss the issues of investment and projects. They spend a little time wondering why it is that you only ever find bottles of Rose's Lime Juice and little white mints on conference tables and decide to check their own sales levels of the lip-puckering drink that is so ideal for people giving speeches.

Bob, with the firm backing of the CFO, convinces them with very logical arguments that there is a strong case for a proper project selection process. This causes some disquiet amongst those who will now have to defend their pet projects against an oncoming tide of financially backed logic.

They decide to set up a selection process and Bob asks for, and is authorised to bring in, a major consultancy to sort things out.

Back home over dinner Bob tells his wife Anthea about the effect their idea has had on the company and what he now plans to do. Anthea mentions Jason: 'Your nephew Jason does something in that area doesn't he? Are you going to open some wine? Jason will be at the party next Sunday. Are those Mange-tout done?'

Bob has learned that whilst much of Anthea's verbal cascade is totally rhetorical, it often contains an absolute gem. He runs over the dialogue in his mind searching for the bright, gleaming bit. Jason, Wine, Mange-tout, Party!

'Party! What party?' he asks.

'You know – we are going to your brother's for their anniversary next Sunday', says Anthea. 'We leave mid-morning and arrive in time for a light lunch. Jason's sure to be there.'

Bob is forced to reluctantly re-arrange his morning bathe on the following Sunday but does get to meet Jason at the family do, talks to him about the problem he has at work and the processes he thinks he needs. Jason lays out a few options and seems to know his stuff about the topic. Jason says that portfolio management is the correct term.

Some other family members wonder what Bob and Jason are so engrossed in and inevitably this starts rumours.

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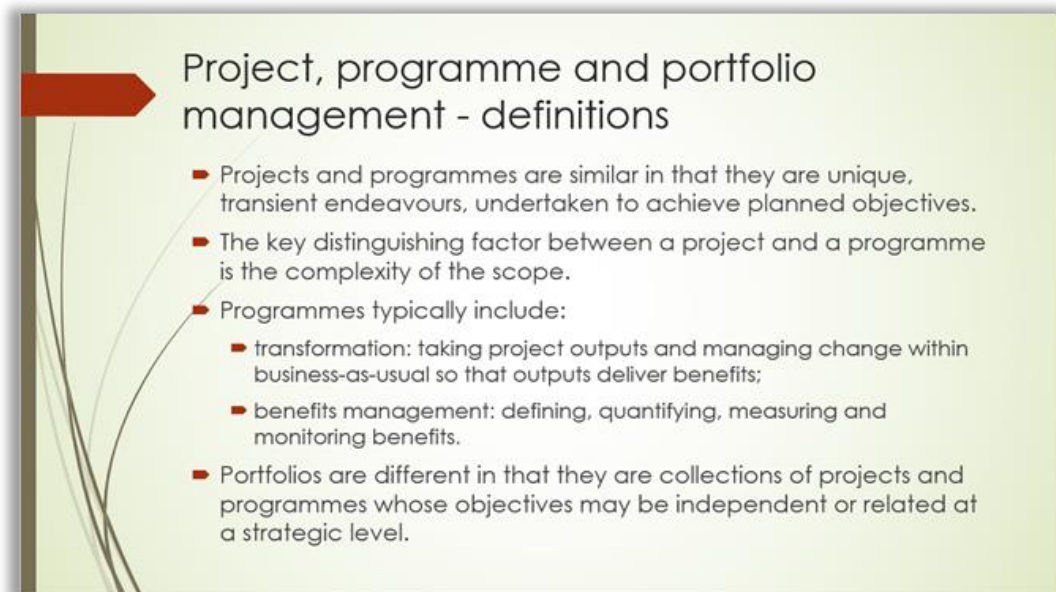
After a little of Bob's persuasion, Jason takes a day off from his job with a major consultancy and come to speak to the other SpendItNow directors about portfolio management.

Jason's face and build is much softer than Bob's, the result of Bob's elder brother whose appearance gives away his Ukrainian upbringing but who married a French beauty when Bob was a teenager. Jason has an odd mixture of French chic and Ukrainian firmness. He has a slight, elegant build but the strong face of his Eastern European ancestors. Many women find this mixture of deep, dark set eyes and slim elegant body very attractive.

Bob organises another away day with all the SpendItNow directors to talk about best practice in portfolio management with Jason as their visiting expert. Jason takes almost all of the content of his PowerPoint slide presentation from a source he knows about and is sure his audience will be ignorant of the [Praxis framework](#).

Jason stands alongside the slightly wobbly projector screen where his first PowerPoint slide is displayed.

The slide defines the major terms in P3M. Jason needs to get the board thinking about the topic and warms them up with some definitions that he has adapted from the Praxis web site.



Jason emphasises that these are very simple explanations and that the group needs to think about their own context and what they want to achieve.

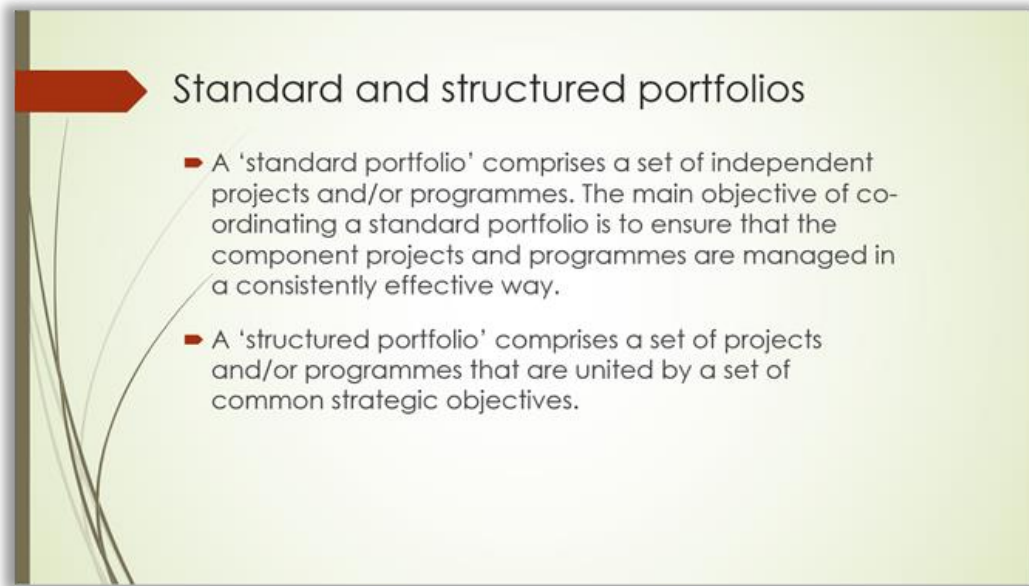
'Ultimately, it's all about thinking strategically and realising benefits. These could be financial or non-financial. Financial benefits include reducing the cost of, or increasing the income from an operation. Sometimes, and especially in the public sector benefits may be in terms of improving levels of service or image'.

He finishes the slide having described what a portfolio is and explains: 'Once strategic objectives are established, the organisation can identify projects and programmes that help attain them and think carefully about the benefits they are designed to bring about.'

Having worked with companies like this numerous times before, Jason knows that he needs to get the board to understand that they have a portfolio of projects and programmes and they need a structured approach.

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With a click of his mouse Jason throws up a new slide on the slightly wobbly screen.



One of the directors is already looking rather cynical about this 'load of management twaddle'. Jason quietly explains that, in his experience, many large and successful companies use this approach for managing projects and programmes.

Some of the others are just a tad less cynical and are sitting upright and taking obvious interest. Others are looking downright scared or simply half-asleep

The Chief Financial Officer has long been convinced that SpendItNow is roughly as good at selecting beneficial projects as a dead rat. He asks for real life examples of what portfolios look like.

Jason explains that they look different in different contexts.

'For example, many organisations use the term portfolio for a group of projects that simply benefit from a consolidated approach, maximising the way resources are utilised.

'Jobbing engineering companies, software houses contracting for work, architectural practices and many other types of organisation run many simultaneous projects each of which results in the delivery of a separate product to a customer.

'The common elements of the projects are that they run simultaneously or at least overlap with each other, they share resources and are supposed to generate some income.

'Praxis calls this a *standard portfolio*'.

Various directors point out that this does not relate to SpendItNow. They do however agree that their organisation does have a strategic vision for the future and that all projects and programmes should help to deliver that vision.

'That', explains Jason 'is a *structured portfolio*.'

'Hang on a moment' says the CFO, who is still trying hard to shake off the image of a dead rat that has become lodged firmly in his mind, 'we've been spending money on project management training and consultants for years. How is this different?'

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Jason explains that until now, SpendItNow has been focused on managing individual projects and hasn't addressed the big picture. 'It's important to manage projects well but it's even more important to do the right projects'.

The CFO supportively comments that a structured and organised way has got to be a good thing. 'The expense of carefully selecting our projects and programmes would be tiny in comparison with the investments we make', he says.

Jason takes the view that SpendItNow is a classic example of an organisation that would benefit from a formal [portfolio management process](#).

'From what I understand, the company carries out a whole range of projects and programmes. Every single one of them is designed to bring about a change, or perhaps we should say *improvement* to the business', he says. 'You don't do projects because the organisation is paid to do them; they are designed to change the company for the better. Could one of you outline a recent project or programme and the benefit it delivered please?'

This apparently innocuous question causes the directors to do a great deal of staring down at their notes, the tablecloth and through the window thoughtfully. No one looks anyway near the space currently occupied by Jason.

The simple and rather worrying truth is something no one wants to acknowledge and few are prepared to admit: if the recent projects were conceived and designed to deliver change then that original objective has been lost in the mists of time. And that 'if' is so big it ought to be in capitals as many projects had the key objectives of satisfying a whim whilst keeping everyone employed and looking busy.

The IT Director was just about to offer the project to switch over to Windows 10 and Oracle databases for discussion. Then he remembered that it had absorbed many IT resources for an amazingly long period of time and caused a number of temporary contractors to be hired in, many of whom have stayed on drawing their enormous day rates and happily working on something or other. He also recalled the desperate but largely unsuccessful effort of trying to explain to Bob how this had actually helped the company.

The Human Resources Director thought of the management training programme that had gone well and been welcomed but quickly realised that he had no idea what the resultant benefit of it had been.

Only Bob's number one fan, the CFO, offered a thought after waiting a suitable period and after a meaningful glance at Bob. By this time everyone had realised they had nothing to be proud of in this area.

'Jason', he asks, 'Sixteen years ago we spent a fortune on that Year 2000 bug thing and we are still here in business. Our world didn't collapse that night. Does that count?'

Once the very relieved laughter dies down Jason says that it certainly does.

'There are certain projects that an organisation must undertake just to stay in business and these are the highest priority projects of all. For example, you have to react to legislative changes because, if you don't, you're dead in the water and out the game, belly up. Right?'

Various uncertain nods greet this mad mixture of metaphors.

He presses on: 'Didn't you introduce a loyalty card a little while ago. What was the effect of that?'

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The Retail Director feels many eyes looking at him and feels pressed to speak.

‘Yes’, he says slowly picking his words with more care than a criminal in the dock, ‘we did do that’. He searches his memory for help. Nothing much emerges as his memory seems to focus on the fire escape he noticed in the corridor outside of the room. But, in the nick of time, inspiration arrives via another route: ‘Our competition were starting to offer deals and discounts and points and air miles and other incentives so we thought we had better keep up with them to maintain our competitiveness’.

Jason asks the room as a whole: ‘Do we know how much the loyalty card cost to get off the ground?’

Now it is the CFO’s turn to slowly pick his words but not for reasons of uncertainty about his knowledge. He is uncertain about the impact his response will have but it was not his responsibility so he thinks ‘what the heck’.

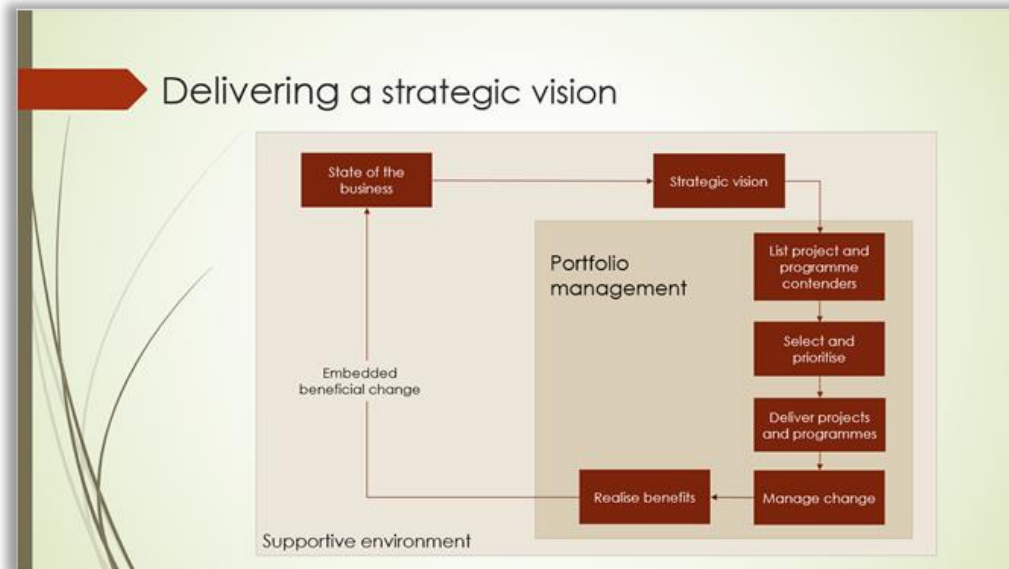
‘I don’t think we do. We did have a marketing team working on the card design, in-store promotions and the discounts and gifts we gave away. I recall approving a budget for this. Part of this team was made up from our own people so they didn’t cost much but some were hired-in specialists and boy, did they know how to write an invoice. We did some staff training at the stores to get them ready. And we did an IT project to control the cards and to track all the loyalty point count information so customers’ claims could be checked. But how much time and money went into it is something I don’t know – it got lost amongst the Marketing and IT budgets’.

Jason picks up on something the CFO just said: ‘You said your own team didn’t cost much. Let’s be careful here – one of your major costs in any project will be the cost of your own people. Surely those people are well paid and would be doing something useful elsewhere if not part of the project team. Never overlook the cost of your own people.’

And so it became clear to the board of directors of SpendItNow that not only were the benefits of their projects unclear, not only was there a complete lack of a system to predict costs but there was no system to work out how much a project had cost after it had ended. Jason started to see this company as a relatively green-field site. He knew what any successful consultant knows: the worse the start point the easier it is to impress.

Having rather given up on the activity of trying to find a project from the recent past that has shown any form of measurable improvement to the organisation, they move through a discussion about the current project workload and Jason displays a slide showing how the overall vision leads to a portfolio of programmes and projects that eventually implement change and deliver benefits.

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They take a break for tea and some collective reinforcement before reconvening in their seats. Magically the staff at the conference centre have found yet more Lime Juice and little peppermint sweets.

When they restart Jason explains that in this process the organisation defines its current reality and its visions for its future. Where it is now and where it wants to be. There will be many mixtures and combinations of programmes and projects that might be able to deliver that future and many projects that the members of the organisation want to do for a variety of other reasons, some valid and some less so. These are listed by the portfolio management team and then whittled down to a selected few.

'They must all be aligned with the organisation's strategy', reminds Jason who calls these *Contender projects and programmes*.

He states that most organisations take on far too many and deliver too few. He tells the tale, well known in professional circles, of a very successful consultant working for a major bank.

You can download Jason's PowerPoint presentation [here](#) to use as you see fit – don't worry, he'll never know.

On his arrival the bank had 150 projects and of these around 40 ended with some degree of success. One of his major contributions was to establish a resource availability constraint where he kept a watchful eye on the organisation's ability to deliver change. In the next year they started only 50 projects and delivered on all of them. He therefore dramatically reduced costs and delivered more. Hardly rocket science but very, very worthwhile and much appreciated by the board of directors.

SpendItNow will be unable to deliver all of these *contender projects and programmes* as they all demand resources of both people and cash, and the combined demand will normally outstrip availability by some distance.

Once the best projects and programmes are selected, the managers run them to deliver benefits back to the business users. This leads to a new reality, a new and improved organisation.

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Jason says: 'I'm making this sound like an annual process of *portfolio management* and for some organisations it is exactly that. But for many, and probably for your company, it is a continuing, on-going process of identifying and prioritising existing projects and new possibilities, perhaps resulting in a quarterly strategy review. In some organisations, where the outside environment has a major effect, this process can mean canning projects well into their [life cycles](#) and deep in their budgets.

The CFO bristles: 'I don't like the idea of canning projects where we have already spent loads of money just because it rains'. Everyone laughs and glances out of a window.

Jason explains that the 'outside environment' refers to what your competitors are doing, legislation and a whole range of marketplace driven effects on a project's [business case](#).

He says, 'This can work both ways. If you were developing a production process to produce a particular product line and there was a major health scare likely to seriously damage your sales prediction, you might can the project.' If on the other hand a major competitor withdrew or simply went out of business at a convenient moment your new product might succeed beyond your wildest dreams despite the development project having gone over budget and way behind schedule.

'The key point here is success is measured in terms of the effect on the business and not in terms of the delivery of the new system'.

Jason clammers up onto a hobby horse and from this lofty position starts to jab his finger towards his audience. 'I think there is a very macho thing in most organisations about delivering projects on time whereas time is often quite low down the list of important factors.

For example, delivering a new IT system a month late may be unimportant in the context of a five year [payback](#) period. (The IT Director, famous for late delivery, at this point starts to relax for the first time on this away day). It is the benefit that counts above all. Now the late delivery of a project or programme may easily reduce the benefits but I think most organisations focus on time simply because it is so easy to measure. It's the benefit that counts every time.' The IT Director tenses up again.

Whilst excitedly delivering this speech and jabbing his finger at the audience Jason has nudged the wobbly screen with his elbow. His audience is slightly taken aback by the ferocity of his delivery so he backs off.

He quietly states, 'Thus portfolio management is a never-ending cycle of improvement.'

After a short respite and a look back at the slide still displayed on the quaking screen, Jason also says: 'The whole process must take place within a supportive environment where everyone understands the strategic vision and the route to that vision.'

To clarify this he uses as an example of one of his previous clients. This organisation had a strategic vision of being the leading player in their market. This was their main objective. They tried to set up projects and programmes to improve quality control, customer care and service delivery. It is not really very important but they happened to be an airline with a fleet of airplanes to maintain, ticket sales offices to manage and operational services which included flight crew and IT.

Each of these divisions of the company set up their own projects and programmes in line with the overall objective but focusing on their own sphere. They were pretty lucky to have discreet divisions so there were virtually no cross-functional programmes.

'What's so bad about cross functional programmes, Jason?' This comes from the CFO.



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‘Well, they are notoriously difficult to manage in larger organisations as they typically need authority to be spread across areas where authority is rarely shared. I don’t really know why but cross-functional projects and programmes have a reputation of being trouble makers and being a common source of risk. One major system integrator rates having more than one division of their own company involved in a project as being the highest risk factor’

‘This makes sense to me’, says Bob, ‘in my last company we had endless problems caused by different divisions heading toward different objectives and timescales, and especially, assigning different priorities. Still this doesn’t apply to us, does it?’

Jason draws a large cross over the key box on the slide (Strategic Vision) to emphasis the point that SpendItNow do not have any form of vision of the future and nor do they have a strategy for getting there and therefore no overall strategic portfolio. Jason points out that without these components they are really starting a top-down process half way up.

After some discussion they decide to sketch out the programmes and projects that are actually going on at the moment. They discover that they have three functional programmes, one per functional grouping within the company plus a whole series of minor projects. Most projects fall into one of the three functions but the loyalty card project, which should have been complete by this stage, had two components: one in Stores Operations (which includes IT) and one in Purchasing and is therefore cross-divisional or cross-function initiative

They discuss the other projects and identify the key question of risk; how to define the level of uncertainty associated with each project. They also discuss the as-yet unformed e-Trolley project.

The directors seem impressed with Jason, his performance seems to go down well and Bob admires the way he handles the small audience. Jason actually finds this quite easy as it is something he has done many times before.

### ***Part 4 - Bob worries about Jason***

In the cold light of day Bob has two worries about Jason. Firstly he’s a consultant and Bob is wary about consultants of all kinds, even family. Bob thinks that ‘all kinds’ is not a useful term as there is only one type of consultant: the type who you hire to answer some specific questions but who spend their time unhelpfully developing yet more questions which you can then hire them to solve.

Worry number two is that Jason and Bob share a surname and he does not relish being lambasted for nepotism. Nepotism in all forms of UK life is a definite no-no, except that is, in the royal family where it is mandatory.

It is exactly at this moment that Bob realises a third worry – Jason is a little theoretical, has plenty of experience of telling others what to do but little experience of actually doing anything for himself.

Later on, a small sub-process in his brain will wonder where a phrase like ‘lambasted for nepotism’ came from. Even later he will realise he should stop watching talk shows on late night TV.

After Jason leaves the group, Bob is just about to delicately lead the discussion round to the possibility of hiring someone like Jason rather than a much more expensive management consultant when the CFO comes to his rescue with the same suggestion. This sounds much better coming from an independent source, which is exactly why the CFO and Bob had previously arranged to handle it this way.

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Despite the worries expressed quite openly by Bob they decide to take a chance and offer Jason a job with the company.

And so the SpendItNow directors, led from the back by Bob and from the front by the CFO, offer Jason a job with a brief to implement portfolio management within the organisation. The directors realise that this is going to be much cheaper than an external management consultant so the board members can blame Jason and Bob if it all goes terribly wrong and pat themselves on the back for saving money if it all goes well.

Later that evening, Bob finds it very easy to persuade Jason to leave his consultancy career for a few years and come and sort out SpendItNow's portfolio management. Jason is unable to peer around the edge of his large ego and worry about the family issue as he just knows he is the best person for the job.

The discussion has also convinced the board to give the e-Trolley project a chance. They say they think that it might just work out and, as some think but don't say, if it fails, it will 'bring Mr Sherunkle down into the real world where projects just sort of happen and life is more relaxed'.

They decide not to decide to go full ahead just yet but do decide to put someone onto the idea to have a good look and generally check it out. They don't use the terms but they are about to set off on a *discovery project*, one designed to investigate an idea before any big commitment is made.

The CFO is inspired by all of this common sense and appoints a project manager to look at the whole e-Trolley idea. He searches for someone who is not too closely tied into one specific part of the organisation and it is clear that this new project will cover almost all departments and functions.

In more formal terms, the board has approved a project that is effectively the 'identification phase' of a programme – see [life cycle](#) for more information.

Anna Key is that project manager, and she is charged with coming up with a report on the viability of the e-Trolley idea.

Anna is a very striking lady. Men admire Anna's appearance. Women admire her ability to get up early enough to look the way she does. She is so efficient that many of her colleagues are quite intimidated simply by her presence. She is nearly 30; has short dark hair; large brown piercing eyes; a neat nose and high cheekbones. Her background is indiscernible and few, if any, dare ask her much about her personal life in case their inquiries are taken as 'unprofessional'. Unprofessional is one of the last things you would want to be anywhere near Anna. Unprofessional would be down on her no-no list along with sexist, racist and smelly.

Whilst she would admit it to no one, including herself, Anna leads a sometimes lonely life, moving from work to gym to supermarket and city centre flat without much in between. She does relax with her close, mostly female, friends when they get together but an increasing number are getting married and having babies. Some are still fairly happy to spend time with Anna despite her obvious boredom with babies, their ailments and other household matters. These same women will also be happy if Anna stays permanently on a different continent to their husbands.

Anna knows little about project management and has never heard of programme management or portfolio management, but she has been involved in assorted projects and sees this opportunity as a great chance to progress her career. Working on a high profile project and close to the new CEO is her idea of 'getting somewhere'. She has visions of herself at board

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meetings and knee-deep in thick carpet and immediately gets annoyed with herself with such trivial ambitions. But the project appeals to her much more than a bag of nappies ever could.

And if many of her ambitions were driven by her father's ambitions for his, at the time, slightly disappointingly female child, this does not diminish in any way her enthusiasm and drive.

On the other hand, she has yet to meet Jason.

## ***Chapter 2: Jason jumps ship and gets involved in the project portfolio***



In this chapter, the company takes a significant step towards building a structured portfolio that is clearly linked to a strategic vision.

### ***Part 1 - Anna and Jason meet***

Anna arrives at the office early figuring that a new job deserves an early start. A few glasses of a reasonable white wine with her pals last night meant that today, for once, the gym got by-passed. She also wonders which (almost certainly male) idiot had bought the shiny new sports car that sparkled in the sun shining on the company car park.

By the time Jason manages to get past the over-zealous security guard and into his new office, Anna had tied up the loose ends of her other responsibilities and cleared her desk for the new project. Her desk features only a lamp, a smart laptop and three pens in a brushed aluminium box. The mental desk clearing takes much longer than the physical.

Jason and Anna are introduced and start to get to know each other. This quickly and despite any logical rationale becomes a sparring session. We join them in the third round.

‘So you have neither training nor experience of project management?’ says Jason to Anna.

‘Not much at all and nothing formal. I’ve worked as part of the team on a few projects and I am a qualified accountant’. After a moment’s reflection comes a probing forehand: ‘How are you on finance?’

‘We did spend a lot of time on finance at Harvard and as a consultant within the big four you have to be very comfortable with a balance sheet and cash flow forecasts. Have you managed many teams before?’

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'I have had a small team on budgeting for some time but I have really focused on the management reporting side ensuring that the board have appropriate management information for every meeting', she explains. She does not mention that her small team was actually a spotty work-experience youth whom she managed to put up with for three weeks before passing him on to an unsuspecting credit control manager.

Later Anna will describe Jason as patronising. In her mind this is as bad as being a racist bigot with a side line in blood sports. Her discovery that Jason owns the Lotus in the car park does little to enhance her opinion of him. Jason will describe her as 'professional' and as someone who 'wants to do well' but he thinks of her in the same terms as those hopeful secretaries in his old office; thus unwittingly supporting Anna's view. They are both adults and professionals and therefore they both, in their own way and in their own minds, think about finding ways to work together. Jason does better with this than Anna who just annoys herself.

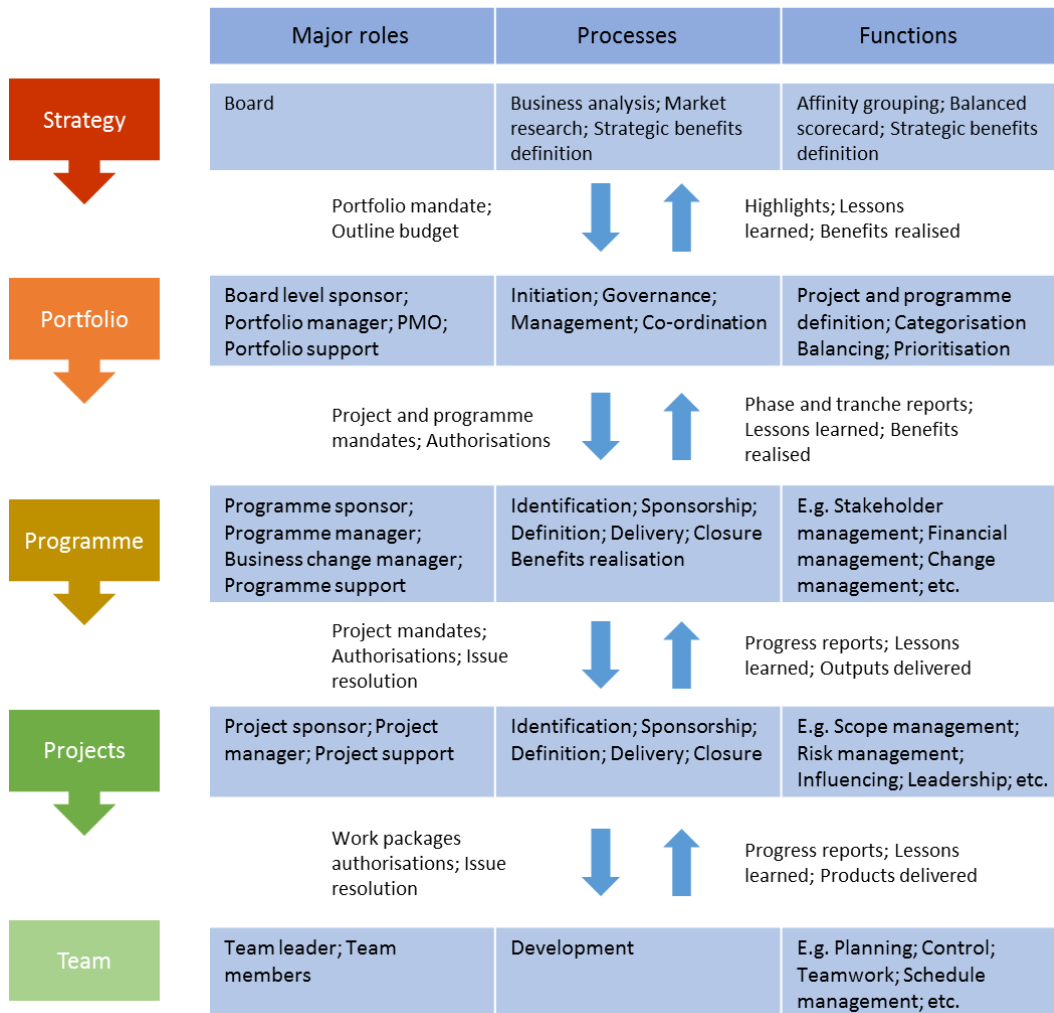
Jason has brought with him from his previous job a number of sources of information and knows the value of presenting material created by others especially when they can be described as experts. From time to time both he and Anna refer to a website which, in a rare moment of agreement, they refer to as 'the framework'. They use this to get concepts, ideas, methods and structures across to their colleagues.

Their first introduction to the framework is to get an idea of current best practice in portfolio management and some ideas for the overall structuring of the portfolio management organisation.

They find that topics like [benefits management](#), [risk management](#) and [organisation management](#) as well as techniques like [WBS](#) and [PERT](#) for projects are all available on the website.

After a quick review, they decide to investigate each topic as and when they find a need. They draw up a diagram that summarises the overall structure and this is worth a moment of your time in quiet contemplation, dear reader.

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Jason explains that there really is little point in arguing whether a specific initiative should be called a project or a programme.

He says, 'There are some things that are clearly programmes and others that are clearly projects but there is a wide range of initiatives that you could call either way. There is however clear water between project management and programme management. Programme management is a layer that links the projects to the strategy; it is a pretty important layer in any organisation.'

### ***Part 2 - Bob's article***

Bob's office is not as magnificent as you might expect especially if you had recently left a 'big four' management consultancy or had seen the office of the previous CEO of SpendItNow. Bob's simple but efficient desk supports a neat laptop with a landing pad to which the screen, network, Phone, GPS and assorted other cables are connected. He has a USB coffee cup warmer.

That Bob is a bit of a gadget freak comes as a surprise to Jason. There is a piled-high in-tray labelled 'IN' and a thinner tray of reports and other papers labelled 'OUT'. The third tray is mysteriously and perhaps musically labelled in equally firm letters 'SHAKE IT ALL ABOUT'.

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Bob's desk sports one executive toy – a model excavator - to remind him of his humble start at the muddy end of the world of commerce.

Bob had asked Jason to get to know the senior management team and find out what projects are actually going on. After his first few days in the business Jason manages at last to grab a few minutes of Bob's time.

It is very much Bob's style to have a small lounge area where two two-seater couches form an L shape containing a low coffee table.

Bob and Jason now sit on these settees sipping coffee delivered by Bob's healthy and physically fit looking Personal Assistant, Andrew. Jason is reminded of his Aunt Anthea's views of young female workers in the office environment. Anthea Sherunkle much prefers female employees likely to spend any significant amount of time near her husband to be old, ugly and happily married to a sumo wrestler.

Jason outlines his concern that the more people in the company he meets the more he turns up odd projects and bits of work going on.

He complains to Bob: 'Not only are there loads of odd projects going on but many of them seem to have some bizarre objectives. I found a group of people in IT working on maintenance for a system that had not been in use for nearly a year! I found another group who were spending money on a facelift for a warehouse in Pontefract and another group planning to replace the building altogether.

'We seem to be spending a lot of money and devoting a great deal of people's valuable time to activities that could not, under virtually any circumstances, deliver any benefit to the company.

'Of course some of these are recognised as projects but many are just sort of happening. The only differences are that they are not seen as projects and no one seems to be accounting for the time being sent. In fact I don't think anyone accounts for the time they spend on anything at all.'

Bob gets the picture and it does not surprise him much. The mental picture he gets is of a faceless group of people stuffing ten pound notes into a drain in a gutter in a street that seems to have hundreds of drains stretching out into the middle distance each of which is also surrounded by a group of faceless people bending over the drains with money-sized pieces of paper in their fists.

He turns his mind back to Jason's presentation. Half his mind notes that Jason hardly ever talks, he always seems to *present*. '.....and I think we need to devote some time to finding out what projects are going on and what are coming up and grab the horns of the bull on this one.'

'I agree completely', says Bob, 'I'll organise another away-day and get everyone to send you details of any projects they're doing at the moment. I'll mention what you have found in general terms without listing any specific project. That way they'll be forced to mention everything in case you, or another director, already knows about it'

Jason, just for a moment, gets a glimpse of the yawning gap between management consultancy and management but quickly shakes this off as too disturbing by half. He is however delighted to have got Bob's commitment to this process.

Bob gazes out of the window for a moment. Uninspiring is a very polite word for the view of next-door's factory that is available from Bob's window. But inspiring it must be for Bob comes up with one of those two plus two moments that mark great managers and executives.

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'Our HR people have asked me to write something for the next house newsletter so perhaps something about the way we do projects might start a pincer movement on unnecessary projects. If we get everyone thinking about projects and why we are doing them as well as getting all the managers to report to this event you're planning we could get some..... err.....weeding done right now.'

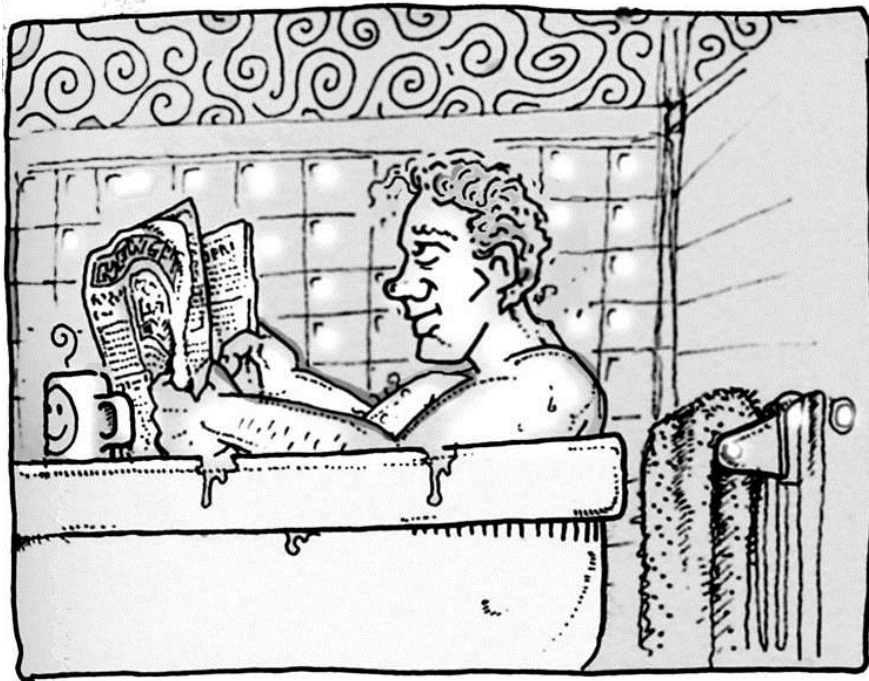
'There you go', says Jason in a way that, being a little condescending, slightly tests their family and business relationship, 'what will you say?'

Now it is not every day that a house magazine of a large organisation carries a photograph of its CEO in the bath, however modestly this is arranged. Photos of senior people standing on a staircase or sitting behind a desk and certainly wearing a suit are much more normal. This issue of the house magazine is a complete change from the norm and gets everyone talking in the canteen, corridors and smoking areas in the company car park where it breaks up talk of the new Lotus sports car.

Cautiously at first but with increasing vigour the editor, having read the article written by Bob, has talked him into posing for a side-on picture of in his favourite Sunday haunt. Fortunately for all concerned only his head and a bit of shoulder is visible above the side of the bath.

This is the article that appeared a few days later in the house journal below the instantly famous picture.

*Bath Tub Projects By Bob Sherunkle, CEO.*



*I've been thinking about the many projects we run at SpendItNow.*

*Somewhere, I thought, there must be a cornucopia from which brilliant ideas for projects flow. But my search recently ended in the bathroom when I realised I was asking the wrong question.*

*Let me explain.*

*In most organisations many, probably most, projects start off life in the mind of a senior manager taking a bath on a Sunday morning.*



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*On Monday, now fully dressed, said senior manager rushes into the office with a head full of the new initiative. By Tuesday afternoon a team will be working on a feasibility study and by the following month the company will have committed to the project.*

*The bathed manager focuses on the excitement, pleasure and sense of achievement the project should deliver. He is forced to come up with a few reasons to 'justify' the project. But, let's face it, the very partial originator of a project is about the worst person to justify their own ideas. Life would be simpler if an independent group evaluated each project.*

*It is a bit like setting off for a drive in the country: there is no specific objective other than to have the fun of driving the car and maybe keeping the kids quiet for a bit. If the car passes a pleasant pub serving tasty food the travellers might stop, eat and say 'that was a lucky find'. The drive ends when they get back home. Like many projects, at journey's end, some money has been spent, some people have had a good time but they are all back where they started.*

*This is fine for countryside excursions but not a great way to start projects.*

*This organisation will soon be starting down a route that will lead to a very different way of thinking about projects.*

*In this new world, we will first set our own overall, corporate objectives in a strategy document. This will try to describe the kind of organisation we intend to be in the future. We will aim to define the differences between our current and future states therefore defining the organisation's ambitions. We will bring as many people as possible into this process – everyone will have their say about where the company should head and about how it should get there.*

*When we have outlined our ambitions for the future we will have a vision to work towards – the state we hope to be in – a destination for our journey.*

*To get from our current state to the future is the journey the company will set out upon. Business change is a journey with a start point and a destination; projects are the vehicles we choose to use.*

*Instead of starting off talking about projects, we'll start by talking about the improvement and the benefits we would like to bring about and aim to deliver.*

*Then we will try to find projects that will deliver those required changes and those benefits, all of which align with the overall strategy, all of which lead towards the organisation's vision.*

*Here is a simple example from another organisation – one of our competitors. They aimed to improve customer relations and carried out a survey showing the percentage of customers that come back to shop in the stores regularly. In an attempt to raise this from 10% to 20% over two years they decided to run some customer care training and introduce a loyalty card scheme.*

*The loyalty card scheme involved three projects: An IT support system, a marketing launch and the setting up of a new team to run the card services. They combined a customer care training workshop with an introduction to the loyalty card for the staff. Two years later a second survey showed that their repeat business was up to 18%. Not quite the 20% they aimed for but pretty close.*

*It is the way of thinking that attracts me – they knew what they wanted to achieve and established projects to achieve it.*

*You will find your managers are being encouraged to think firstly about benefits, change and improvement and then about instituting projects to bring about the desired change. They will monitor each initiative throughout its life from concept to the harvesting of the benefits.*

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*We can all still enjoy our projects (and our Sunday morning baths) but in the new world the destination will define the journey and the journey will define the route we take.*

### **Part 3 - Another away day**

And so it happens. A mere 30 days pass before Bob, with Jason sitting at his right, opens an all-day workshop in the local conference centre. The agenda is simply the company's project workload. Most of the board are present and quite a few senior managers. IT is especially well represented.

Bob does not say but does remember that before this meeting and in the first few hours and days after the event was arranged, blood was spilled. Fortunately businesses tend to use terms that over-dramatise the boardroom battles and wars between departments. The only real blood that was spilled leaked from a secretary's finger after a small accident with a pair of scissors.

But all sorts of silly, useless and misguided projects got summarily canned.

Calling the meeting had the effect of getting each Director to instigate a search for project expenditure within their specific divisions. This led to a minor witch-hunt amongst the senior managers and this in turn led to some hard words in the lower levels of management. A cascade of quiet cancellations and abandoning of projects immediately followed. Much of this was done on the basis that saying 'we cancelled that some time ago' is a lot better than hearing the imperative: 'cancel that' even if 'some time ago' was actually yesterday morning.

A large number of miscellaneous bits of on-going work, too small to be regarded as projects but nevertheless collectively draining away a very significant amount of resource time failed to come to light. A number of people, each working on self-initiated mini-projects were allocating their time to assorted budget categories where the budget owner was not very watchful.

One team leader had had her team working on a little home-brewed idea to provide some new automatic reporting on the sales database. Her plan had been to collect a large number of brownie points by showing everyone the finished article and being only slightly smug about it.

The time spent on this work had been allocated to another project where the project manager didn't seem to know why his budget was loaded by the addition of a group of activities that he knew nothing about.

This project was arguably not a terribly good idea as another team in another area were officially working on exactly the same problem, the wheel was therefore being invented twice.

The unofficial project team, and others like them, simply stopped work on the project with a sigh. Those teams where timesheets were not being done at all or where timesheet reports were so vague as to be less use than no timesheet at all, simply redirected their efforts. A number of mini-projects got unceremoniously and quietly dumped with phrases like 'this one is going on hold for the moment' and 'we'll have to switch priorities' being employed. Thoughts and expressions mostly unprintable in a project management textbook were also widely employed.

By the time the away day workshop starts, only projects that at least make some kind of sense, or are so far down the track as to be unstoppable, have survived. The lack of smugness and the slightly worried brows of the team prove the value that workshop has already delivered and removes any danger of Bob and Jason looking like the Spanish Inquisition.

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Jason starts off by presenting the overall structure diagram from the framework summarising the overall [portfolio management process](#).

He leads the discussion and gets on with the business of the day explaining how the diagram shows that an organisation's vision of the future should lead to portfolio management – the process of identifying and authorising programmes and projects of work. Portfolio management at a strategic level leads to the definition of programmes and these in turn lead to specific projects. He points out that there will be normally a range of independent projects as well.

The diagram also suggests the roles people should take, all of which leads to a smoothly run business with good control over its programmes and projects. This is a very high level overview of the framework and there is much greater detail which Jason says they will keep for later.

He tries to warm up his audience and to get them to think about the overall vision and strategy of the organisation.

Jason then proposes that they think of about the programmes and their benefits.

He says, 'Once we have defined our programmes it will be a simple matter to define the projects that will best deliver the programme and its benefits. It is quite rare for a single project to deliver benefits, it nearly always take a few projects, managed together as a programme to maximize the return on investment.

'The strategy outlines where our business should be going, our collective ambitions and aims. Benefits arise from the changes or improvements deliver to the organisation and the projects and programmes are a way of delivering those changes.'

He goes on to explain:

'Projects create outputs.

'Programmes combine outputs to create an outcome.

'The organisation utilises the outcome and realises benefits. The benefits are measures of the improvement achieved. All of these must be consistent with the strategic vision'

'For example', he says, 'we might want to enter the French market with the intention of stemming the huge drop we have observed in alcohol and tobacco sales in our stores near the South coast ports. To do that we would need to acquire some stores in the right locations, extend our computer systems into those stores and add the ability to work with and convert Euros, set up a new marketing and point-of-sale team to work in French and so on.

'We could probably calculate the income levels we might expect over time without the change and the levels we might expect with the change. We can estimate the investments we will need to make and this means identifying the projects we need to undertake along with their likely costs. We can also estimate the demand each project will make on our own people.

'By combining the investments, benefits and resource demands of the portfolio any organisation can take sensible decisions about all current and possible projects and programmes.'

Bob realises that Jason's occasional ability to put a foot straight into the nearest available cowpat has surfaced again. Bright, young Jason has just told the mature and experienced board that they have been making non-sensible decisions for some years. Bob thinks he had better wade in, first slightly attacking and then supportively.

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‘That is an approach but there are two points in my mind. In the example you just gave you said we would have to handle Euros. Now there might be many projects that share this need such that we are already getting ready for Euros when we think about the French market – how would we deal with that?’

Jason says ‘that kind of thing is very common. Sometimes one project contributes to a wide range of different benefits and in different ways. Some people categorise their projects into three types:

**Direct:** projects that contribute to direct benefits.

**Enabling:** projects that deliver no direct benefit but which are vital to the delivery of a whole range of benefits from other projects – your Euro project?

**Passenger:** projects that can only add to benefits expected from other projects.

‘Also’, Jason continues, ‘it is not hard to draw a diagram connecting benefits to programmes and projects. I hope you are familiar with a benefits map.....?’

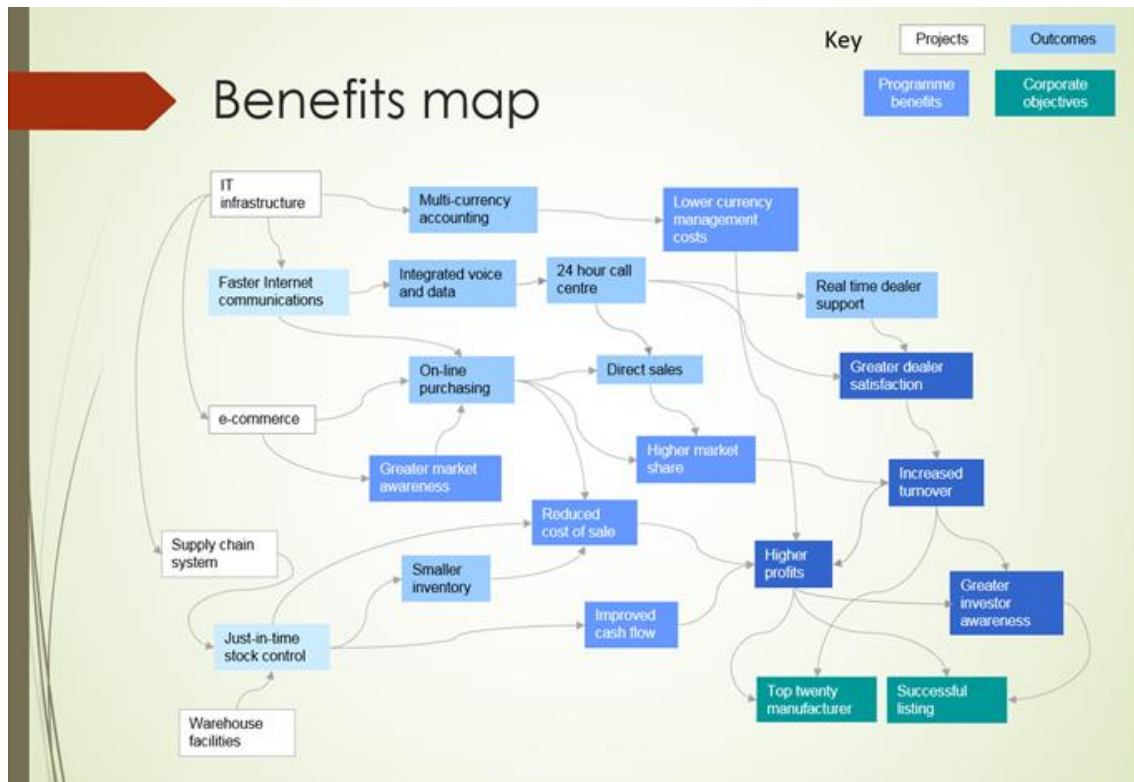
Jason’s eyes sweep the room searching for anyone prepared to announce their lack of knowledge on this topic. His eyes cloud over slightly when he realises where he learned and used this technique. When he worked as a consultant he would frequently challenge everyone to admit that they don’t know about some technique before proceeding to blind them with his expert knowledge of it. But at SpendItNow he is part of the same team and he needs them to understand.

He quickly moves on.

‘Well a benefits map shows the benefits we aim to deliver and implications they have for change at different levels and locations of the organisation. Here’s one I prepared when I was doing a consultancy job for [Brook Bicycles](#), just down the road from here. They’ve given me permission to use it as an example.’

Jason brings up a slide to show the example benefits map and asks everyone to note that most benefits are achieved through a number of outcomes and that each outcome is supported in turn by a number of outputs.

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He goes on to explain 'A single output may contribute to multiple outcomes and a single outcome may depend on multiple outputs. The relationships between outcomes and benefits may be equally diverse'.

They furiously agree that the impact of change is a major barrier to the achievement of most benefit and any improvements in understanding at the 'shop floor level' can only be a big help. Most people have absolutely no idea why they are being asked to change something and most people dislike change of any kind so the whole thing makes them suspicious and often cynical of their management's motivation.

Once this concept and the language it uses has been absorbed, and trying to resist a slight smirk, Jason asks Bob, 'You said you had two points?'

Bob racks his brain for his second point and finds it third drawer down on the left. He wanted to address the slight insult to the directors that Jason had made earlier – the one about them not making sensible decisions.

'You are making this sound like quite a mechanical process but it is true to say that this company, like many others, has been doing loads of projects and been very successful to date relying on something other than this technique?'

Jason gets Bob's point in a flash and realises that some compliments are called for: 'Please don't get the idea this is a mechanical process. It is only a framework within which experienced and knowledgeable people can make decisions. That knowledge, experience and those 'hunches' if you like, are all what makes a board and therefore a company work really well.'

The non-executive director has risen from his somnambulant state and asks a question that hints at what he has missed. Fortunately for him it is not that unreasonable a question.

'Is a benefit part of a project or is a project part of a benefit?'

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Jason replies that benefits and projects are separate. A few projects have only one benefit or, to look at it a different way, some benefits are achieved through only one project. But in most cases there is a many-to-many relationship between projects, outputs, outcomes and benefits, which is why we group these projects into programmes.

Jason explains that starting off with a single project and trying to understand if it is viable is worthy but does not address a number of key issues connected with the other projects running at the same time and those planned for the near future.

He writes some key words on a handy flipchart and explains each one

*Prioritisation:* Where is this project or programme in terms of priority relative to others?

*Resources:* What resources does it require and how does that fit with the availability of resources in the organisation?

*Logical dependencies:* Some projects logically depend on other projects. For example a multi-site software implementation project may depend on the installation of a new cloud based infrastructure. What projects depend on the project under consideration and on what projects does it, in turn, depend?

*Shared benefits:* Some benefits depend on a group of projects. For example a new hospital ward is only useful when the building project, equipment commissioning and the project to provide the staff and support are all complete. A delay in any one of those three separate projects will prevent the opening of the ward.

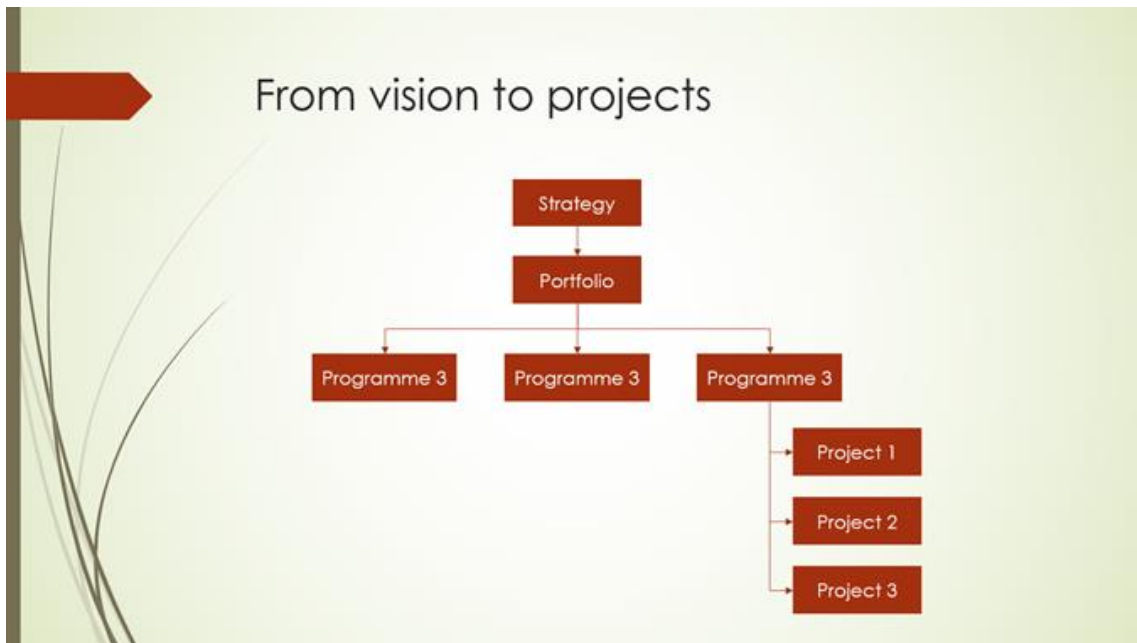
*Degree of change:* Most organisations recognise that there is a non-numeric but still relevant, maximum and sensible level of change that an organisation can deal with. This applies to the organisation as a whole but also to separate departments, groups, functions and individuals.

Only by examining the overall portfolio can this be understood and considered.

‘But,’ says Jason ‘there is much of this technique we cannot use today as we don’t have ways of collecting all the necessary information. So we are going to rely on your expertise to estimate and comment on each project, programme and benefit.

‘So let’s take a look at our whole portfolio. In principle, it will look something like this’. He calls up another slide.

## One Project Too Many



‘This should ideally be a top down process’, he explains ‘but as we have a number of projects already up and running we need to think these through in terms of our strategy.’

‘Starting from the bottom up, you can see that projects are grouped into programmes and these programmes are grouped under the overall portfolio and this relates to the organisation’s vision.’

‘Also whilst many organisations break their projects into functional areas there are often cross-functional projects and these often cause the most problems.’

The ever-interested CFO pops a question: ‘Are you saying we should merge our programmes into one overall portfolio?’

‘No, not just yet. Firstly we should get a better understanding of our important projects and programmes.’

Everyone’s thoughts turned to Bob’s recent article in the house magazine.

Jason pauses for breath and sips his ever-present water: ‘Do we have a strategy for the future and can we express it in a few words?’ Jason avoids the vision element at this stage as this would probably take all day to explain, never mind resolve.

A long and rambling conversation follows which, unsurprisingly does not end with a degree of agreement on the challenges the organisation faces.

Based on what he knows the company is already doing, Jason proposes a brief strategic statement:

*In order to retain market share, Spenditnow must increase customer volume by 8%. This will be achieved by increasing retail space and widening the product range.*

The Retail Director is keen to get on and says: ‘Let’s move on to the projects.’

Jason is less keen to do so: ‘Let’s see what initiatives we might set up to deliver this strategy. For example if we want to get deeper into the larger store marketplace do we need to build some new large stores, buy some or extend stores we already have?’

## One Project Too Many

'All of the above', says the Retail Director who finds himself getting enthusiastic about all this despite his earlier cynicism.

Having swung back to talk about overall, long term strategy they do agree that they all wish the business to grow - and growth for SpendItNow translates into larger stores. For some this was so basic as to be under the level of consciousness.

For the director who nodded off early in the day the whole discussion is definitely below his level of consciousness as he has again slipped into slumber. It appears that his wife has recently given birth and the baby is causing them both sleep deprivation.

After a discussion in which the Retail Director plays a large role, some general points are agreed about the opening of large stores, the closing of some smaller ones and assorted extensions to existing stores. This is all expressed in very general terms and only occasionally are specific stores mentioned and only then as examples.

The Retail Director knows the number of stores and can quickly relate them to size expressed in terms of floor area, turnover and number of tills: 'So in summary,' he says, 'today we have two superstores, 50 medium sized units most of which are in outer-suburban areas and 35 small stores in areas of high-population but with limited space.'

'If the trend for us should be towards more Superstores and larger stores, these smaller units are going to be very hard to expand and improve. I think we need to sell some of them off.'

Another director throws his proverbial hat into the proverbial ring: 'The easiest way of quickly establishing ourselves with a much larger number of new, large stores is through acquisition.'

'As you all know I have been looking at StackemHigh and they have a number of suitable units very few of which compete geographically with any of our own stores. We both have stores near Gwent but apart from that they are already in areas we have identified as being our own target zones. Their typical unit is a new-build, out of town, large superstore and could very easily be changed to our brand. So by following through with the acquisition talks we could get on a fast track to quick expansion.'

They also decide to take Bob's desire for a better check-out system as a specific example of an innovation that supports the strategy, partly because of his seniority, partly because an unstructured survey of customers showed this to be an issue and partly because it was suspected that their competitors were working on the same problem.

They decide that they simply do not know enough about Bob's check-out ideas to seriously evaluate the idea. Jason translates this into a short introductory discussion about risk and how the risks associated with the project are high because the idea and the technologies are unknown at this early stage. They decide it is a strategic imperative to find out more about this idea which is becoming firmly established in their minds as the e-Trolley project.

They then realise that they have assembled the beginning of a strategic portfolio.

The IT Director feels it is time to contribute before his life becomes intolerable: 'What you say is true but the barrier to this is going to be in the IT area. StackemHigh have a completely different approach to IT systems and we could not easily integrate their systems with ours.'

He would, at this point, normally dive off into long technical discussions about the differences between distributed and centralised databases and multi-access processing but somehow such topics seem too detailed for this level of conversation. With an extreme personal effort of will he stays at the high level:



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'We would need to install whole new systems in their stores as part of the refit and arrange some kind of data transfer from their legacy systems to our own databases. If we don't do that we will not be able to take full advantage of our buying power, we will be prevented from using our loyalty cards in these shops and I have no idea how we would work stock control and pricing.

'So yes, by all means, let's go ahead with the take-over but please do not forget that the IT side will take nearly a quarter of my team for the best part of a year, and that's before we even consider the e-Trolley.

'We can do everything eventually but we can't do everything today. Miracles, in IT, take time.'

This news does not go down well just as bad news has a habit of not doing. The one-liner about miracles taking time helped to give the bad news something soft to land on when it eventually stopped going down.

In a fairly rough and ready way they start taking the process to its next stage by trying to estimate what work they could actually handle in the next year. Jason makes notes on the whiteboard.



Bob notes with satisfaction that his brainwave has earned itself a name – the e-Trolley project – a shopping trolley that will automate the customer's check out process.

'There are two issues to face,' Jason explains, 'There is the hard, quantitative ability of the resources to deliver new work in IT, retail, PR and so on and it should be possible to estimate at a broad level the resources that will be required for each initiative and to compare this with the availability we either have or can get. I know it is usually possible to increase resources, given enough notice. This can be done by hiring in contractors or expanding the work force and some allowances can be made for this.

'And we cannot forget the business as usual workload – known these days as BAU – and the non-project workload.

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‘Most people,’ he explains, ‘have a normal job to do apart from their project workload and this can be thought of as a very high priority project. BAU has to be considered if we are to plan realistically with the resources we can actually make available for project work.

‘Additionally,’ Jason smiles at the group, ‘people like to take holidays, get sick, go off on training courses and take maternity and paternity leave. We should assemble data on these as well to ensure reasonable allowances are made.

‘But there is also the change limit – the impact of change on the organisation and specific groups within it. Organisations that make a lot of simultaneous changes tend to get overloaded with change and this is much harder to estimate and prepare for. Some organisations that have adopted too many initiatives have floundered as some of those changes have been delivered but others have not and staff were de-motivated.’

Jason does not elaborate on his previous employer and ‘big four’ consultancy that had made exactly this mistake. That this catastrophe had taken place within their own organisation and not for a client made it worse.

The result had included a great deal of introspection by people who thought that ‘*we of all people know how to run projects*’; the creation of a new system for approving internal projects; the premature ending of a number of aspiring project managers’ careers; the incidental and unofficial creation and transfer of some people to the new ‘scapegoat’ resource pool and a few departures of disaffected staff.

However, he does talk a little about a *contour of change*. This he explains, refers to the fact that change can effect an organisation in a patchy way. There is a contour, which if it were possible to sketch, would show that some groups are hardly affected by change at all and yet others suffer from a wide range of simultaneous changes which they find confusing, overwhelming and very hard to deal with. Such people are unlikely to have great respect for their management.

So Jason pleads for a small number of carefully selected programmes and projects that are:

- Strategically aligned
- Highly beneficial
- Within the capacity of the organisation’s ability to change
- Within the capacity of the organisation to accept change

One athletic looking director speaks aloud a thought that is currently coursing through a number of brains: ‘Surely you are saying that the way to improve on the delivery of projects and programmes is simply to take on fewer of them? That seems a bit like reducing your time for a marathon by shortening the length of the race’

Jason has heard this before: ‘It is better to run and complete 4 half marathons than to fail to finish in 2 full races. We will be better off if we set and achieve some objectives than if we set and don’t achieve all of our possible targets. What is important is the number and value of the benefits we deliver rather than the number of projects we start’

The conversation moves on to setting targets for benefit delivery. It takes some time for some of the board to get their heads round the difference between an output and a benefit.

They decide that a new store is an output, the increase in income from that store is a benefit. A new warehouse or goods handling mechanism would be an output but reduced handling costs and reduced damage would be benefits.

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They decide that a new IT system is a deliverable but, with some humour, some mention that they have never seen any benefit from any IT system ever. The IT Director asks if better information is a benefit.

‘That raises a good question’, says Jason. ‘It is a benefit to the people receiving the information as they are in a more informed position. Such people are called *stakeholders* as they have a stake in the project or programme’.

‘Some stakeholders will benefit from a programme but many will not. A group of people who are to be made redundant by a cost cutting exercise or replaced by some technology are clearly stakeholders who will not benefit from the change.

‘Project and programme managers talk about [stakeholder management](#) being a process of identifying all stakeholders and their interests. Some managers find the concept of *disbenefit* useful as it describes the negative effect some changes have on some people.

‘So we must decide if we are talking about benefits owned by the whole organisation or benefits to the many and varied stakeholders in the organisation. When we talk about [benefit management](#) I think we must concentrate on benefits to the whole organisation.

The Retail Director asks if all benefits are financial.

Jason explains that financial benefits are important to many organisations but there are other types of benefits and some organisations have a mixture of financial and non-financial benefits and some have only non-financial benefits.

‘Government’, he says’ spends considerable time considering non-financial benefits. Think for a moment about education, health and social security where you will see the objective is to balance delivery of a range of services and the cost of running the operation. I do not think we should get into the issue right now but many people are using the *Balanced Scorecard* approach to define their non-financial strategies so that the impact a programme will have can be approximated and aligned with an expressed strategy.’

A number of people are prepared to admit not knowing much about Balanced Scorecards so Jason briefly explains.

‘A Balanced Scorecard provides four *perspectives* each relating to major non-financial measure of the organisation’s perceived success such as customer satisfaction, staff motivation, image in the market. The original authors did propose their own set of four perspectives but there is no reason why an organisation should not choose its own. Each perspective also contains a number of *Key Performance Indicators* (KPIs). Each KPI should preferably be measurable and include items such as:

- % of staff leaving the organisation per annum
- levels of customer satisfaction derived from customer surveys
- lengths of queues or waiting times
- amount of time taken to answer support calls
- % of repeat customers
- levels of complaints
- levels of wastage and theft

‘KPIs are therefore measures of the success of the organisation in non-financial terms. The amount of impact that a programme will or does have on the organisation in non-financial terms can be thought about and sometimes measured in terms of these KPIs.

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'KPIs may vary considerably between organisations reflecting the organisation's functions, purposes and priorities.'

The CFO listens to this short discussion on KPIs but maintains the view that all benefits in the end come back to hard cash. 'I've not worked for government, but there is no point of improving our customer loyalty levels unless they come back and spend money in our stores. There is no value in a better material handling mechanism unless it reduces the wage bill and the cost of damaged goods. In a business like ours, there is only hard cash at the end of the day.'

Whilst they all agree this is the case they do recognise that some non-financial benefits are very hard and perhaps impossible to translate into cash. 'What part of our total turnover can be regarded as due to an increase in customer loyalty?' asks Bob, 'How does our advertising help our bottom line?'

In the end they all accept that it is impractical to think about anything other than both financial and non-financial benefits and that they need to prioritise their own non-financial benefits in some way based on the idea of Key Performance Indicators.

'In these terms can we think about the benefits of some of the programmes and projects we have identified? Let's start with the e-Trolley idea. What might it achieve?'

### ***Part 4 - The e-Trolley, justified***

Jason sees that no one else is about to commit commercial suicide and put the e-Trolley project in a chair with a bright light shining in its eyes and give it the third degree so he does so himself. He raises the challenge for Bob to justify his project in benefits terms partly because it shows him to be a fearless member of the team able to put his own career behind the good of the company and partly because he convinced Bob two days before the meeting that it was essential for the e-Trolley project to be well argued. Jason has learned a lot about internal politics.

Bob agreed to let Jason question him in this way on the proviso that Jason helps with the benefit case. So Bob is able to list all of the benefits he and Jason had been able to dream up in pretty general terms for the e-Trolley project. Jason almost succeeds in keeping a know-it-all smile away from his face.

The first benefit, 'says Bob', is in improved customer satisfaction though quicker and easier checking out. I read a survey carried out by one of those Watchdog TV programmes recently. By the way, they are called watchdog programmes because most of the audience are family pets'

A dutiful chuckle circulates the room despite the poor joke.

'Anyway, the survey showed that the single most annoying element in the whole shopping experience is the check-out process. People dislike the queuing and jockeying for position and are convinced that other queues seem to always move faster than their own.

'People spoke about feeling harassed into unpacking and re-packing quickly so as not to delay others. Everyone hates having to unload all of their purchases and then repack them. In addition, our own very simple preliminary survey shows a surprisingly low fear of the technology (except amongst the older group of customers) plus a good measure of support for an attempt to do something about the check-out problem. We got nearly 100% support from the disabled customers.

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'To complete this first benefit there will be better service levels as the customer should know how much they have spent so far and can price any item using their own barcode scanner. This will save both our staff and our customers some considerable time.

'Secondly we will increase the sales of certain items especially in the hygiene and pharmaceutical areas. We believe there are a significant number of people who do not buy personal things from us because they have to be counted and displayed for all to see. Some people are intimidated by having their depilatories, suppositories, prophylactics and even hair dye displayed to their fellow shoppers. I estimate a 0.05% increase in sales due to this change.

'Thirdly we will be able to reduce the number of check-out points in many stores. This will release floor space for display shelving and reduce the number of staff we need to keep each store running. I estimate a 7.5% reduction in both check out staff and required floor space in the stores that take on the e-Trolley. It will be like expanding every store, something that would normally cost us thousands at a large store and even more on a superstore.

'Fourthly we lose a lot of goods by breakage at the checkout. A significant quantity of goods, and especially fragile items like glass containers including jars and bottles as well as cakes and soft fruit, get trashed at the checkouts. As a policy we replace these items free of charge to avoid the inevitable arguments about whose fault it was. I estimate this to save us £500,000 per annum.

'We will use this new technology to generate some good public relations and publicity. We'll be seen as a progressive, thinking organisation that does its best to help our customers to make their lives easier.

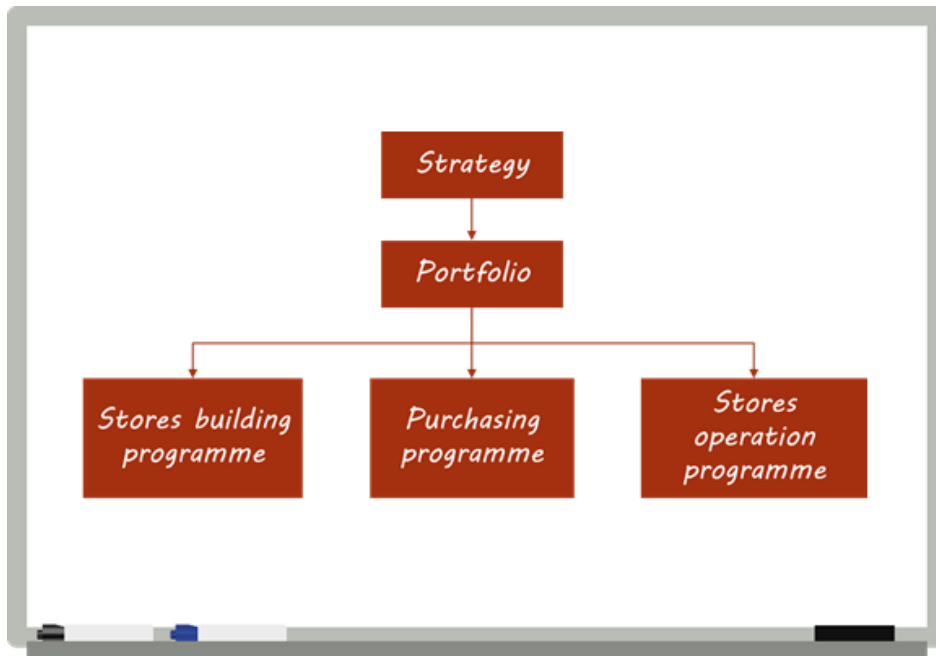
'Finally I think we are going to reduce shrinkage. We lose a lot of goods through various forms of carelessness and theft and I do not expect this new system will add to the problem, it should bring about a reduction. Customers will not be able to use a check out station operated by a neighbour or friend who kindly misses a few items. We will lose about the same quantities under people's coats and in their bags as we do now. I will be conservative and not put any value on this. All of these benefits need work but I hope you can see the trend.'

Bob has made a strong case and knows it. He has been weak on some numbers but his authority and confident delivery make up for any shortfalls in facts. Within the SpendItNow hierarchy this has been the best-presented and most explicit case for undertaking any project there has ever been and that by some considerable distance, so whilst it may not be perfect it is far better than any other previous attempt. Jason smiles inwardly and glances round the room. Oddly he finds himself wishing Anna had been there to see it.

Once the collective jaws of the directors have been scraped off the conference room floor and whilst still on a high they adjourn to lunch, a part of the day's proceedings many had been looking forward to. No one was looking forward to lunch as much as Jason had been looking forward to Bob's justification of the e-Trolley.

With Jason's help and after a great deal of discussion, they break down the overall strategy into three programmes and Jason's diagram now looks like this on the whiteboard:

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The e-Trolley pilot project stays in the list of projects to do and they come up with a general list of initiatives but decide to leave the acquisition to one side recognising that the window of opportunity might soon slam shut on the stubby fingers of delay.

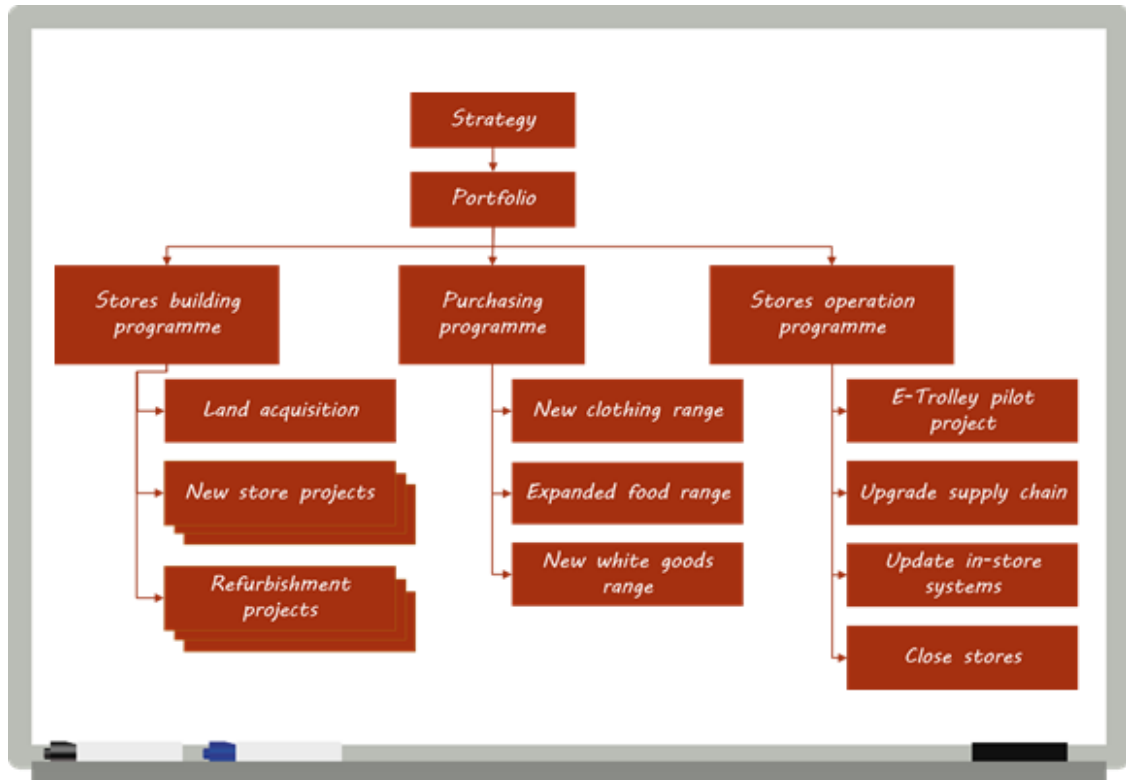
After some discussion and defensive statements from various directors a complete list is drawn up. Jason fiddles around with his computer whilst the others drink coffee and he assembles a diagram showing the current level of knowledge about the projects and programmes, and highlighting the gaps that need filling in. He projects this onto the screen for all to see.

They realise that having worked on a more rational basis they have set themselves on a route that actually makes sense.

They note that there is a cross functional project in the Stores Systems Project which supports and plays a part in both the Stores Building Programme and the Stores Operation Programmes. They decide after some discussion that responsibility for the project must lie clearly somewhere and eventually plump for the Stores Operation Programme.

Jason draws the result of the discussion on the whiteboard.

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The IT Director feels slightly mollified as his workload has been shown as being difficult to manage.

Jason makes a rare mistake by congratulating them and almost as hastily steps back to cover his tracks. Directors and senior managers do not like to be congratulated or castigated by any young man but Jason manages to both in one sentence. : 'Well done everyone – we've managed to bring a clear vision out of chaos.....ah.... I mean that this morning we had.... I mean *I had*..... a great deal of confusion about where the organisation is going and now I am much clearer. Thank you all for that.

Jason thinks to himself that first he belittled them, then he insulted them and finally he made it seem that they did all that work for his benefit.

He is really glad that Anna wasn't around to see that.

Bob touches Jason on the shoulder and gives him a warm smile as the event closes and the directors set off for home in the gathering gloom of evening.

### ***Chapter 3: Jason and Anna preach P3 management as it should be done and realise what they have done so far***



In this chapter Anna learns about [matrix management](#). She and Jason start to explain to senior managers how the company can greatly improve its currently rather chaotic approach to its portfolio of projects and programmes.

#### ***Part 1 – Roles and responsibilities***

The following month Jason and Anna run a workshop with some of the senior management looking at the theory of [project, programme and portfolio management](#) (P3M).

Their preparation for this workshop has extended to the creation of a small pack of information they intend to hand out plus a schedule for the day.

Jason and Anna are both the sort of people who are always very well prepared. On the rare occasions that they attend a meeting without preparation they stutter, falter and stumble. They are distrustful of people who wander into meetings late asking: ‘what is this meeting is about?’

There had been quite a prickly conversation about who should open the day. At first Jason assumed he would start the meeting but Anna can be relied upon absolutely to pick up on any assumption about male and female roles.

Actually Anna is in a supporting role as she is no expert in these areas. In a very Anna way she is picking it up quickly through diligent work at home over many evenings spent with text books, websites and notebook. She has written copious notes in her own hand as this she finds this prompts her memory.



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When they decide how to run the day, Jason makes the mistake of being slightly condescending when passing the role across to Anna. Anna had bristles at this, looks sharply at Jason and matches him nicely with a withering statement: ‘no, you start, the men will feel more comfortable with another man’ said in a tone that suggested that fleas and cockroaches do tend to feel more comfortable with other fleas and cockroaches.

On the day, Jason, trying to be as un-flea-like as possible opens the workshop by saying: ‘Good morning ladies and gentlemen. This workshop has been designed to promote discussion about the roles and responsibilities that P3 good practice suggests we need.’

‘We have used the [Praxis Framework](#) to source our information and this offers a wealth of good practice. I believe you are all aware of Praxis? It does however have to meet the requirements of many organisations and our challenge today is to interpret this for our own organisation. The result of our work today will form the basis of a tailored framework for SpendItNow.’

One of the senior managers asks: ‘What is the difference between a framework and a methodology?’

A wag replies from the back; ‘the price.’

Jason joins in the laughter and goes on to explain that Praxis is actually free. He then glances across at Anna who is rather stony faced at this exchange in a come-on-let’s-get-on-with-it kind of way.

Jason continues: ‘On the screen is the overall structure of a strategic portfolio’

‘This is the tip of an iceberg in that you can drill down into each area to find more and more details about the topics.’

You will see that there are three columns in the main matrix alongside the general levels of management of a project orientated organisation.

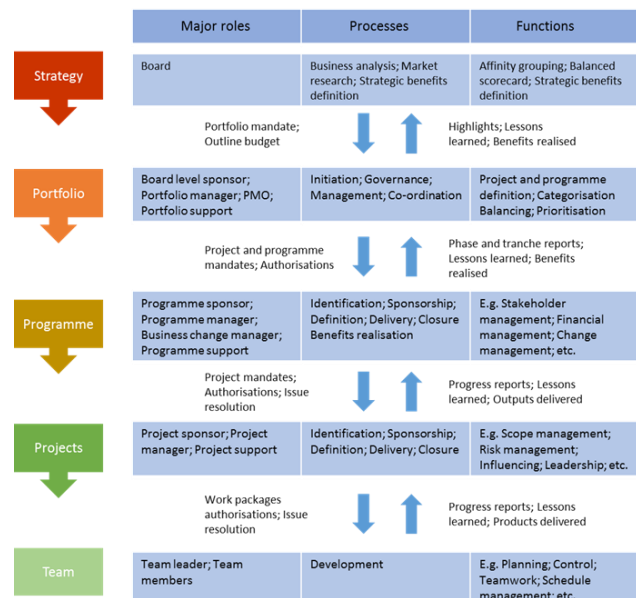
The rightmost column contains information about the functions used to manage programmes and projects. You will learn there how to plan projects using techniques such as [critical path analysis](#) and prepare a [risk register](#) amongst many other things. These are very likely to apply to us as they are fundamental techniques.

Right on cue, Jason hands over to Anna who takes the floor. In her arms a few sheets of paper rustle together in an important manner. She hands out a copy of these to each delegate.

Anna starts her part: ‘Thank you, Jason. Now Ladies and Gentlemen, my role today is to lead a discussion where we define a number of roles for SpendItNow.’

The roles we would like to start off with are three of the key roles in P3 management:

- Portfolio Manager
- Programme Manager
- Project Manager



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Anna continues in line with the agenda she and Jason had prepared a few days earlier.

‘In summary, the portfolio management team provide overall co-ordination of the projects and programmes ensure that they fit in with corporate strategy. A programme manager manages a programme by delegating projects to the project managers and monitoring their progress. Programme managers also look after links and interactions between the many projects in their programmes. Project Managers manage a specific project or projects.’

Anna beams around the room adding her personality to the weight of her words, words she recalls only copying out a few days earlier. To her relief no one questions her and this is why she beams. It is relief that lights up her smile.

She says: ‘You have before you a ‘straw man’ – what some people call an Aunt Sally - a start point if you will. Actually you have three straw men as you have the three definitions as start points.

‘I suggest that we break into three groups and read through the three role definitions. Each group will then assume one of the three roles and each group can ask the others about their roles. This might sound a bit like a game but it should work well.’

This is what the three teams read (these are just the high level definitions – the full descriptions are contained in [Anna’s files](#))

And it does work well. Three groups are formed and three groups read the three definitions and three groups get coffee and return to the table armed with various questions.

### **SpendItNow – Draft Role Definitions**

#### **Role: Portfolio Management Team**

The Portfolio Management Team will have overall control of all programmes. One person or a team may fill this role. If the latter, then one member of the team should be designated chairperson, and one member given the responsibility for day-to-day responsibilities. The Change Manager and Technical Authority will normally be members of the team. The Programme Managers will normally attend meetings but will not be decision makers. This role includes delegating authority to the Programme Managers.

### **SpendItNow – Draft Role Definitions**

#### **Role: Programme Manager**

The Programme Manager establishes and manages the overall programme plan. The role carries out day-to-day management of the group of projects in the programme. To do this the Programme Manager must ensure that the management and support environment for each project is adequate. Project progress, risks, issues, changes, variances and exceptions must be monitored. It is particularly important that the Programme Manager takes early control of any problems which impact more than one project on the programme.

The Programme Manager is the link between the projects and the portfolio management team and therefore to the strategy of the organisation.

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### **SpendItNow – Draft Role Definitions**

#### **Role: Project Manager**

The Project Manager is given the authority to run the project on a day to day basis, within constraints and tolerance set by the Project Sponsor.

The prime responsibility is to make sure the Sponsor and stakeholders are comfortable that the solution is likely to produce the required output(s). This will require the project to deliver products. The role must ensure the project delivers these products, on time, in budget and to agreed quality standards.

Whilst this goes on Anna and Jason huddle.

Jason unobtrusively boasts about his long experience of dealing with senior managers in a training environment by telling Anna how, almost regardless of seniority, age and experience, grown men in these workshops revert to their school days. 'They will do almost anything you ask as, for the duration of the workshop, you are the teacher and they are school kids. They even start to skip bits of work and become slightly naughty after a day or two. It is a very rare person who remembers that the company is paying for this training and the delegates should be treated as customers.'

At one level Anna doesn't really believe this but at another level – the level where she sees the way men act when on their own – she is more than happy to accept everything Jason says on this topic as being completely reasonable. Accepting anything from Jason is a concession, accepting everything he says makes her feel weak and less than totally self-reliant and this is a feeling she has never liked.

However, as Jason goes on in the most insulting and amusing of tones about school boys with grubby knees and less than ideal personal hygiene, Anna is reduced to stuffing her knuckles into her mouth to stop her giggles coming out and being heard by the senior managers.

Later she will wonder when she last giggled with a man.

Later still, she will wonder when will be the next time.

The three teams reassemble at the table and Anna, now fully composed, asks for comments:

One of the directors asks about programmes, 'If I read this correctly, larger organisations have many programmes broken down into a number of projects?'

Jason is ready to answer as the local expert. He clears his throat and says, 'Let's take a large motor manufacturer who plans a move into a new geographical market. The strategy is to start profitable trading in, say, Korea. To achieve this, the wide variety of functional departments into which the company is split need to do work that moves towards this target.

Let's try and list the functional departments you would expect to find and think about the work they would have to undertake. Any ideas?'

The director thinks about and says that they are certain to have a manufacturing function, a marketing function and another for IT.

'If they plan to manufacture in Korea they will have to think about a new plant or assembly facility. Marketing will have to get ready to run campaigns in the new market where the needs will be wholly different and they will probably need local input and the IT people will need new

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systems to deal with parts and production and so on in the new markets. Is that what you mean by functions?’

Jason says, ‘That’s an excellent example but yes – the manufacturing function will have a number of projects to run to get their own function into shape for this new challenge. Don’t forget that they might have subsidiaries dealing with passenger cars, lorries, buses and motorbikes. Image how each group would have their own range of programmes and projects to address.

‘Large programmes tend to be spread across the functional structure of the organisation. A significant risk is run by most organisations when they run cross-functional programmes or projects, as involving more than one function is often a cause of problems and difficulties.

‘Based on this approach then, what roles do we have?’ asks another director who contribution to this story is so brief as to remain anonymous.

‘I think we will move towards having a portfolio management team which will report to the main board of directors. Three programme managers and a number of project managers will report into this team’, replies Jason.

Anna thinks to herself that anyone who can say ‘I think we can move towards’ without a trace of humour deserves to be management consultant. This would be fine if Anna had not been brought up by Mr Henry Key, her bombastic, disappointed but widely experienced father, to keep well away from double glazing salesmen, estate agents, politicians, management consultants and other outright crooks.

The Chief Financial Officer has been listening to all this and jumps in as keenly as ever without being asked: ‘We looked at the programme manager’s role and we rather felt that we had misused this title in the past’, he looks at his fellow team members for confirmation and gets two nods from people still wide awake and continues, ‘so we talked relationships – what is the relationship between a programme manager and a project manager?’

Before Jason can reply a wise old bird notes that ‘we have been using the title programme manager as an excuse to pay our better project managers more money – the job is just the same isn’t it Jason?’

‘It is often used as simply a mechanism for retaining staff but it shouldn’t be. A project manager is a direct report to the programme manager. The programme manager accepts responsibility for delivering the whole programme and divides the work into projects. He or she (Jason glances over to Anna at this point) defines these projects and highlights the inter-relationships between those projects. But he (another glance) leaves the project managers to run their own projects in their own way as much as possible as long as their plans fit within the overall programme plan. The programme manager monitors the projects not so much in terms of timescale and budget but in terms of their objectives, their deliverables and their dependence on other projects.

‘Let’s take an example. A programme manager wants to err.....’

Jason is not a master of the art of analogy but realises that he needs a sound example of the sort of thing he means that the delegates can relate to. His eyes cast around in a slightly panicky search for inspiration when Anna leaps to his help.

Anna spent a good part of the morning listening on the radio to the Olympics so says ‘If the programme was to run a successful Olympic Games, what projects would there be, Jason?’ Rescuing Jason has restored her normally cast-iron self-confidence.

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‘Well, says Jason, ‘there might be a project manager for each sport and for each major event – so perhaps there would be one for the 100M sprint, one for the Javelin and one for the Marathon’

‘Which project manager’s for the high jump?’ asks one manager? They all laugh until another says ‘All of them’ at which point they laugh even more. Even Anna smiles at this.

Jason waits until they settle down before going on. ‘The programme manager gives each project manager their mandate or brief and tries to ensure that nothing has been left out, nothing falls down in the cracks between the projects. He tries to motivate the project managers. His first concern is with the overall programme – in this case the event – he defines the overall event, oversees the preparation of the programme documentation and worries about programme level risk. He shares out resources to the project managers and watches for positive and negative impacts of one project on another.’

The audience demands an example and Jason starts to remember why he doesn’t normally use analogies as things can so easily get out of hand.

‘A positive impact for example’, he says whilst thinking quickly, ‘is that the scoring systems must be working before any of the events can take place. A negative impact is, umm....’

Anna to the rescue once again, ‘Making sure that no one throws a Javelin off course and impales a sprinter.’

Jason realises he needs to get out of the Kingdom of Analogy before it loses its ‘ogy’. He says with inspiration, ‘Anna, let’s take your current project – are you truly a programme or project manager? Tell us about your project please.’

Anna dutifully describes the e-Trolley project. Everyone has heard something about it but few of them had thought about the IT, retail and marketing projects that will eventually deliver the successful working solution.

‘In one sense I guess I’m really a programme manager’, she says, ‘in fact I sound like a Programme Manager handing projects out to the project managers. Can I get a pay rise please?’

Jason is half way into saying that this isn’t really the time or place to....when he realises that everyone is starting at him as he missed the joke completely. This is not as surprising as the fact that Anna has made a joke. ‘Oops’, he thinks. ‘What *is* going on in that women’s mind?’

Jason also points out that the programme in the case of the e-Trolley is preceded by the initial pilot to see if the concept is viable. Anna is to be a project manager of the pilot and the full programme will depend on the findings of the pilot. He emphasises that the current project is just to test the idea.

In effect, the pilot project is a sophisticated form of the identification phase of the programme [life cycle](#)

‘The project deliverables,’ Anna explains, ‘will be a set of reports outlining the feasibility of the e-Trolley concept including a business case, risk register, programme plan as well as technical papers and designs. It may well be that the company decides not to proceed with the programme past that point for a whole raft of reasons including technical issues, risks, costs and other priorities. How unusual is this two stage approach, Jason?’

‘It is very common. The roll out project has a clear dependency on the pilot project and there is a *check point or boundary* between them. Some people talk about *gates* in such cases where

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the work has to pass through a *gate review* before proceeding. Anna's responsibility is to deliver enough information for the programme management team to make a sensible decision about the next phase of the programme. She should not be biased either way.

The third group is tempted into the discussion. 'We looked at the project manager's role', reports Sue Denim, their spokesperson, 'and we read about the project definition documentation. This is something some of us have used in the past but don't anymore in our area of the company anyway. We spent ages drawing up the documents but didn't know what to do with it. Could we see good example and understand what should happen to it. Who should approve these documents?'

Jason sees and seizes the chance to redeem himself from his most recent gaff. He says that the definition documentation should be the basis of the project and should lay down the objectives, schedule, budget, targets, risks and a whole range of other characteristics of the project. For projects that are part of a programme, project-level documents should be approved by the programme manager and should be referred to at each project meeting to check that the project is on target and that its target is still valuable.

The morning is nearly over when Jason takes the floor again after the coffee has been served, slurped and drunk and cleared away by the hotel staff.

'I would like to discuss another relationship issue which seems to be a problem in this company.'

A momentary flash of concern races across Anna's brow as she thinks for a moment Jason is talking about the slightly fraught relationship he and she share but in another moment she realises that this is a really silly thought – Jason would never raise a personal relationship issue in public, would he? She thinks that would be like one of those ridiculous public proposals of marriage on the London Eye or the stage at a London show.

Her relationship with Jason is a thought that will trouble her for a few days to come.

Jason continues: 'the question is this: what is the relationship between the project managers and the people that actually do work on their projects?'

'Anna will soon be running a project in SpendItNow but there will be no staff members devoted to working on the project full time so she will have to take some people away from their normal work and get them to work on the project. It is very likely that there will be competition for those people coming from the other project managers and their usual line managers.'

'After lunch I would like to take you through this issue.'

Lunch is a short affair with, to the disappointment of some, no alcohol, no heavy food and a complete absence of cream cakes. Jason and Anna tempt quite a few of the attendees outside for a short walk around the conference centre's sunny grounds taking a long route back to the meeting room.

All of this minor manoeuvring is less concerned with good healthy living than it is to do with keeping everyone awake immediately after lunch.



During the walk, they see some work going on to drain the lake in the grounds of the conference centre. Little do they know that the company that manages the centre is also wrestling with the concept of project management.

For an approach to managing small, simple projects read Mike Watson's book, [Managing simple projects](#)

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At some conferences where lunches can be long, heavy and washed down with wine, it is not uncommon for a few people to settle into a boring presentation where the lights and presenter are equally dim and the projector gently hums. This is a great opportunity to catch up on the sleep they missed last night. You could rightly accuse pairs of complete strangers of sleeping together in most conferences.

Jason and Anna want their delegates to keep going hence the light lunch, refreshing walk, a sneakily turned down room thermostat and the generous and strong coffee available from lunchtime onwards.

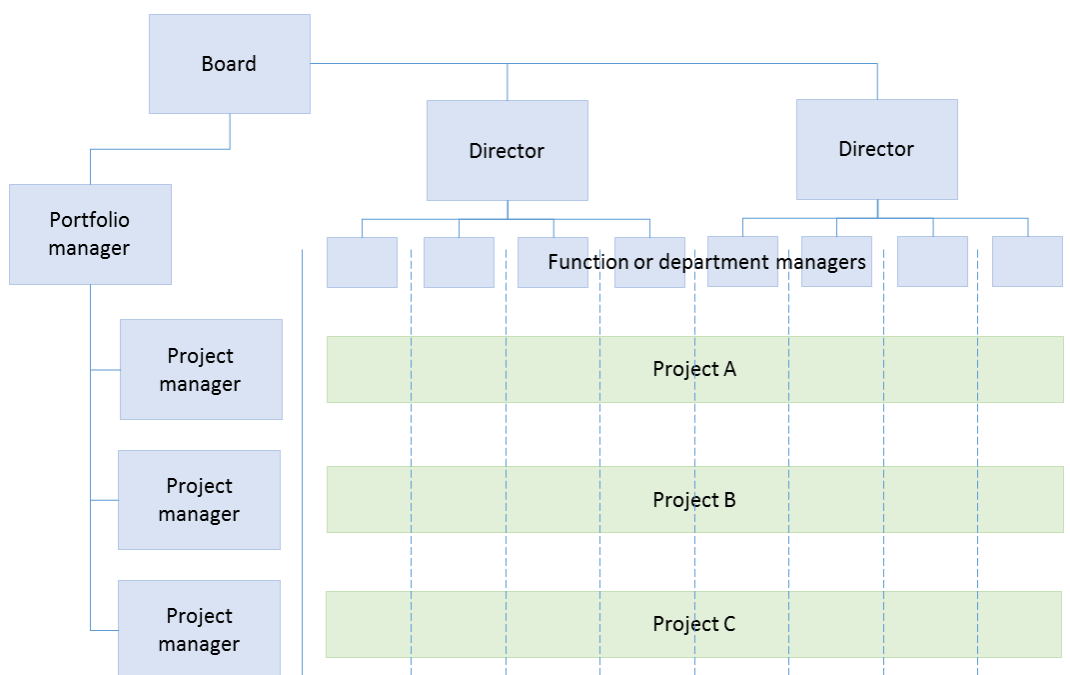
Jason switches into presentation/lecture mode and starts his talk about relationships.

## Part 2 - Jason explains matrix management

‘Let us first of all take a look at the [matrix organisation](#) in its classic forms. I’ll briefly run through the ones with which I’m familiar and try to state the advantages and disadvantages as I go’, he says whilst displaying this diagram on the screen.

‘The functional managers or team leaders lead a team of specialised people. In our case we have functional teams in Retail, Transport, Marketing, HR and quite a number of specialist teams in IT including the database people and the teams that maintain our own applications.

‘The teams form the vertical columns in the matrix. Then the project managers have to try and get work done in each of these disciplines to deliver their projects. The project manager has to try and *pull* their project across the matrix where rows and columns cross. Where a specific project needs some work doing by a specific specialist team, this might be called a [work package](#).



‘In this approach a work package is the work being done by one functional team on one project. There are a few ways in which a project manager can get a work package carried out

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and some are relevant to us. There doesn't have to be consistency across all projects or departments.

'Our first approach is *delegation*.

'In this arrangement you give the project managers a budget and let them 'buy' work from the functional departments. Each project manager is given work to do, in the shape of projects, by the programme manager. Projects are farmed out depending on the availability of the project manager's time, knowledge of the client or the type of work, conflicting holidays and other workload.

'In a delegation matrix, once the project manager has been given the job he works out a budget and a project plan. These two documents may be quite simple and he may only need to plan down to the first level - perhaps only five or ten budget items and activities.

'The project manager then hawks the plan and budget around the various internal functional departments asking questions like 'would you like to do the design for this job?' or 'How about the moulding of this new gizmo?'

'The project manager defines the work to be done, what the inputs will be to start the work, what he expects to receive at the end of the work, the timescale, quality standards and reporting processes.

'Informally, as he is within his own company, he is seeking quotations for executing the various stages of the work. The functional departments essentially bid for the work. The project manager does not get involved with who actually does the work and may meet no resources face to face. He may not know when the actual work is to be done but as long as it fits within his project milestones he should be happy. The functional department manager takes away the job and come back some time later with his part of the job done. The project manager accepts the project back and passes it along to the next department.

The CFO has been listening to this intently: 'I think this is what we actually do but we have never thought about it. How else can you progress a project?'

Anna says, 'I do agree that some work on some projects has been done in this general way. However, I've been working in just such a team and it has rather been a favour that a functional team has done for a persuasive project manager. I did some work on the French opportunity and it was really nothing to do with my day job so I had no idea how important it was. I ended up doing the work in my own time.'

Jason is supportive, 'That's quite common. Your thinking, Anna, would have been formed by the particular project manager who was probably enthusiastic about his or her project but you didn't have a total, rounded picture of the workload. And we will come to another approach in a few moments, I promise.'

'The delegation approach works exceptionally well where there is more than one functional department that can compete for the work or where there are geographical distances.

Sometimes small working groups are encouraged to set up shop within the company and offer themselves to do work. Within the same organisation real money rarely changes hands. The project manager may have a budget, part of which gets transferred to the functional departments. The functional department manager has a profit target so the artificial 'income' from the project managers gets balanced against the only too real wage bills and invoices to calculate the profitability or budget of the functional group.



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‘Sometimes this budget is expressed in *man-days* or *Full Time Equivalents* (FTE) which is the amount of time a typical employee works in a day.

‘Motivation can be a concern in a delegation matrix. The departmental heads are motivated towards making a profit just as if they were external contractors performing a sub-contract. Sometimes the interests of ‘quick and profitable’ for the functional department and ‘high quality’ for the project manager conflict. Also the functional managers are going to prioritise those jobs that will maximise departmental ‘profit’. Such prioritisation may not be in the best interests of the company nor in the interest of a specific project.

‘The project manager tends to be a little distant from the work in this arrangement. Even in-house, the project manager may never get to meet with and discuss the problems with the people actually working on a project. The project manager has no right to get involved with resource allocation at all. The job might be done by everyone in the department in one day or by one person over the next three months but as long as the agreed milestones and other specifications are met, the project manager should be happy. If the functional manager permits, the project manager may meet with the people working on his or her assignment.

‘Another little disadvantage of this approach is that there are no highly motivated, enthusiastic project teams - the project team does not exist.

‘However, on the plus side, the functional departments get very good at carrying out the project work that arrives from the many project managers, often rapidly and frequently. They work within their own specialist field and are surrounded by like-minded people from whom they can beg favours and give advice. The specialist departments become centres of excellence within which expertise on a specific topic is developed and maintained. People spend their lives climbing the functional ladder becoming ever more senior and expert in their jobs.

‘In some organisations the project manager can discuss their needs with contractors outside the company. The relevant internal department (if there is one) is in competition with a number of outside agencies who would be only too happy to take on some of the workload. Indeed sometimes some of the better people within the company leave and set up their own small, efficient companies to tender for work. Instead of a standard and probably friendly agreement between the project manager and the functional manager, there will be a need for a formal contract but the principle holds firm.’

Anna asks, ‘What happens if a department’s work is delayed?’

Jason replies, ‘As long as those delays stay within the agreed milestone plan there is no problem and no delay to the project. But, life being what it is, the delays will probably mean that some resources are engaged for a longer period than expected and therefore they will not finish the work on time nor be free for their next job. As soon as a functional department realises it is going to miss a deadline it should tell the project manager who should tell the other departments down the line about the delays.

‘The project manager has every reason to be honest. But often the functional departments don’t realise or won’t admit that they are going to be late until it is too late to correct the situation and then the group or work package next-in-line gets upset at being let down. The person doing the letting down is the poor old project manager who has to go to the next department and tell them something like, err, for example, that as the design for the new product is not ready, the prototype assembly work cannot begin on schedule.

‘In a competitive world you can guess which design manager is going to the bottom of this project manager’s list for the next job.’

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One of the managers contributes a thought, 'In a non-competitive world bottom of the list equals top of the list as there is only one name on the list – isn't that where we are?'

'Yes', says Jason, 'but let's take a look from the departmental manager's perspective, and by the way these people are sometimes known as Functional Managers.

'Departmental managers can help by planning their work. From their perspective they have many project managers who bring them work and they have to try to satisfy them all. Each project manager, each job, starts as just two milestones: a start and a finish. Start means the start of this department's role in this project and finish means the end of this department's contribution.

'The departmental manager looks at the sort of work involved and, knowing the people under his control, decides who is going to do what and when. He assigns individuals to do the work.

'The departmental manager does this kind of thing by balancing an individual's strengths and weaknesses against the urgency of the job, their holidays and training plans and the non-project work that must never be forgotten. The plan starts off with a list of unconnected jobs, gets broken down into small sub-projects and then gets extended with resource allocations.

'At this level the functional department might be scheduling work with simple spreadsheets.

'That is all I wanted to say about the delegation process. Let's move on to the *Full time assignment matrix* sometimes known as *loan* or *secondment*.

'This is another approach and a much more personal one at that. The project manager is once again given the job to do and approaches the functional managers but this time asks to borrow staff. Conversations start like this; 'I'm going to run the dam project in Malaysia and I need a concrete technologist, 40 carpenters and some good luck.'

'The functional manager thinks about this and assigns a concrete technologist person to the project manager for the duration. How the roles are changed! Instead of doing the job for the project manager like a contractor, the functional department is lending out bodies like a temporary staff agency.

'The project manager is building a team of people on loan to the job from the various specialist departments and the team will set about this project as one united group. The project manager must clearly plan in detail enough to predict his demand for resources of all kinds. His budget will be hard hit if he has carpenters and concrete technologists sitting about on his dam project waiting for some dam thing to do.

'Now we are typically talking about quite large projects where a team of specialists are working full time for the duration of their time on the project. Very often the person on loan moves from the head office to a project office. The project manager builds his team and tries his best to weld them together to work together and achieve the project. This is what happens every day in construction and heavy engineering work all over the world. The functional manager's job is to have the right sort of people just about to come free when they are needed.

'The ideal departmental or functional manager should run a tight department where people move from project to project or business-as-usual with a minimum of breaks. The functional or departmental manager would provide advice to their staff members about their careers, their training and what will be good for them do. The functional manager hires in new people, bids a fond farewell to good people that leave and breathes a sigh of relief when not so good ones go. The functional team may have their own workload of on-going business-as-usual work to

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balance against the demands of the many projects. Whilst there is a pool of expertise in such organisational structures, it tends to be spread around the place, country or even world.

‘Departmental managers may therefore organise ‘knowledge exchanges’ (sometimes known as [communities of practice](#)) bringing together, for example, all the concrete technologists from the various projects in hand around the globe as well as the technicians in head office. At these events the company’s total experience in a topic is collected in one room so they can swap ideas and experiences. Our man in Malaysia might give a lecture to his fellow specialists about the special problems of laying concrete in tropical conditions. Perhaps someone else is working in the office on a different but equally interesting technical problem.

‘The department head keeps in touch with the many project managers and especially when one of her specialists is likely to becoming free off a job. She must find something to convert the unemployed resource into an employed resource - ideally another job. Her role is to balance having people ready to drop onto new projects with a low running cost and the performance of the on-going non-project workload.

‘The project manager is rather well off – there is a full time team who are likely to become quite excited and motivated about the project as they live, eat and breathe it every day. Not for them the diverting and disconcerting life working on forty two projects with as many managers.’

One of the senior managers at the event has had a team on loan for some time and remembers something that made him sore.

‘The problem I had when I tried this was that every resource has two bosses, two lines of authority. Somehow the project manager and functional manager must manage the resources between them. Clearly, the long term future and career path of an individual should lie with the functional manager as he or she has a long term perspective on the person’s future. The project manager can say, at any time that he no longer needs the loaned resources and pass them back to the functional manager.

‘Equally what happens if the resource is a poor timekeeper or fails to perform in some other way? Who issues the formal warnings? I have had problems and issues that need addressing in this two-boss environment.’

Jason agrees this is a real problem but only where the person is shared between two managers at one time. In the *part time assignment matrix* the resources are grouped into functional areas and loaned out to the project teams as before. The demands that the project make on each person’s time are such that they are required only on a part time basis.

‘Of course this part time loaning is much more common in businesses that involve technology like our own.

‘The effect is that each person has a number of ‘pulls’ on their time. The demands of many projects add to the many normal demands of the functional department and these all pull resources in many directions at the same time. This is because there are many, rapidly changing priorities on each activity and those priorities are set by different people.

‘The result is often that each resource is frequently or even most of the time, on the start-up curve. They frequently find themselves having to pick up a job, gain or refresh their understanding of the requirement and start work. As they begin to ‘get into’ the activity they climb the learning curve and become efficient at performing the work.

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‘Just as they reach, or sometimes before they can reach, a level of efficiency the resource’s priorities are changed again by a manager and the resources is persuaded or told to drop the current job and start on another.

‘Of course some managers do this with their own full time staff but the problem is much worse in a multi-project, multi-department environment.

‘These problems can lead to low morale as the resources feel that whatever they do they will be unsuccessful and continually let people down’.

Jason ends his monologue: ‘Having said that, this is the most common system of all and one we will most likely use, we just need to be prepared for it.’

Jason pauses and sips his water. ‘The next arrangement is the ‘resource pool’ – something that is quite popular in many organisations.

‘In the resource pool system resources, perhaps of mixed specialisms, are collected in one or more resource pools and loaned out from that pool to the project teams.

‘There may be one pool for each type of resource – network people, cabling people, Windows experts. Or, in a smaller organisation just one pool containing all resources.

‘All of the problems mentioned above in the secondment or loan approaches still occur except that there is no background departmental workload. It is necessary to develop some strategy to decide on prioritisation – a method of deciding which resources should spend what time on each project. This can be a committee of project managers or it can be a ‘resource pool manager’.

It is possible in a pool system for resources to lead a very quiet and undemanding existence without doing very much work as there is no direct manager responsible for each resources overall time. A time recording system that is used to record time spent in such a way that ensures project managers’ approval reduces this danger.

‘The resource pool is different to the functional team in that it exists solely to loan people out to other teams especially project teams. The resource pool has no business as usual apart from personal development issues like training and experience sharing.

‘The resource pool manager’s objective is to have all of his people fully utilised by the project teams and to have no one ‘on the shelf’. The resource pool manager has no business as usual workload. The pool manager also makes sure no one drowns.’

Jason notes which people look up in surprise, who smiles and the others who take this as it comes until they realise something is going on. He likes to keep his delegates awake.

He goes on. ‘A resource pool is a special case of the specialist team. The pool will represent a group of people covering a certain range of specialist skills. People in the pool will have a career and try to progress from junior prawn sexer to the dizzy heights of senior prawn sexer and eventually to consultant status.

‘There will be a team leader who manages the team and tries to help the team share knowledge and experience.

‘OK then’, pipes up a senior manager, ‘what’s the difference, or just the key difference between a resource pool and a functional department?’

Jason looks at Anna who looks back with eyes seeking help. He is ready.

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'Specialist teams contribute to projects either by:

A - accepting and performing work packages that form part of a project

B - loaning their team members to form project teams

Resource pools only have option B available.

Also resource pools have no business as usual workload, apart that is from keeping up to date with their technology.

'Resource pools are in the business of loaning people out to project teams and tend to be found where there is a fairly consistent project workload. If all of the resource pool members are loaned out to project teams and performing useful functions....hang on, let's not be too unrealistic: if all of the resource pool members are loaned out to project teams and being charged to those projects, then the resource pool manager is probably meeting their objectives.

'I know of an architectural design practice – a specialist architectural practice who might well have designed your local leisure centre – that operates a resource pool containing architects, drafting people and other specialists.

'They have a number of design projects on the go at any one time and these design projects combine the input from a range of specialists. Jason actually said 'range' but his notes said 'rage'. One of the managers, a thin lady wearing severe glasses and tightly pulled back hair asks what the collective noun for specialists ought to be. This little diversion is rather surprising for this lady but Jason and Anna let them list such words as a pride, a school and the eventual winner: a shortage. Anna and Jason glance at each other agreeing that a light moment is fine at this stage.

'So when someone awards the architectural practice a new project the pool manager appoints a project manager from the pool and said PM sets off to evaluate the project and prepare a plan for the design activities.

On the basis of the plan the PM and the resource pool manager decide what resource will be made available to the project team and loan those resources from the pool the project. The PM then 'owns' the people and has a project team to work with.

Some people are loaned full time and others on a part time basis.

The assembled group of SpendItNow managers and executives discuss the advantages and the problems people encounter when setting up these schemes.

They realise that many organisations actually operate a range of such processes. Some projects are made up from loaned project team members and yet delegate some specific work to specialist departments.

Jason summarises the differences between delegation and loan.

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Delegation	Loan
<ul style="list-style-type: none"> <li>• Defined work package</li> <li>• Timescale</li> <li>• Inputs and outputs</li> <li>• Budget</li> <li>• Quality standards for work</li> </ul> <p><i>The functional team leader instructs and receives updates from team members. The project manager plans at the work package level.</i></p>	<ul style="list-style-type: none"> <li>• A person with a skill</li> <li>• Start and end dates</li> <li>• % of their time</li> </ul> <p><i>Project Manager instructs and receives updates from team members. Resource pool managers loan staff to projects.</i></p>

They all agree that most organisations give little or no thought to these matters, Jason argues that this lack of understanding is a major cause of project failure. Resources are unclear of their work and less of their priorities. People are dragged from job to job in a very demoralising and depressing way. Some try to work very long hours to meet the many demands of their many managers and some do very poor work with the same objective. Very many projects get delayed and these delays cause future work priorities to change and cause similar problems later on. This rapidly becomes a downward spiral from which it is very hard to recover.

They make a number of decisions about the way the organisation should work and needs to work, and decide to take these decisions to Bob and the rest of the board in a written report.

After the away day they do continue the work and eventually complete a report in a state ready for the board. To do so they have to ignore the rules they themselves are writing as they have no agreement to do this work nor any way of recording the time spent.

The board decide not to act quite yet but to test the whole approach as far as possible on the e-Trolley project. Jason to a larger degree worries about how you can test a whole organisational system on one single project.

However, it's agreed that most of Anna's project will be based on loaned resources and all the people on her project will be very firmly requested to complete regular and timely timesheets. She will delegate the IT component to the IT department who will set up their own project manager to manage the work packages that will make up IT's contribution to the e-Trolley project.

Jason is pleased that he will be working with Anna on this project but realises that no one has yet told her of her good fortune – her project is to be a test of the e-Trolley ideas but it will also to be a test of the company's new framework for project and programme management.

## ***Chapter 4: Anna assembles the documentation for a pilot project. Jason and Anna discuss PMOs***



In this chapter Anna starts to learn about a structured approach to managing projects including some processes and documentation. Jason explains [risk registers](#), estimating, project [support](#) and different kinds of [project management office](#).

### ***Part 1 – Anna needs help from Jason***

Anna gets a call from Bob and pops round to his office at the appointed time. Bob greets her and offers her coffee. She has had mixed feelings about this appointment. On one hand she is immediately suspicious. She does not normally get invited to have coffee with the CEO so what could he want? She had asked Jason but he either didn't know or wasn't saying. She hoped this was not another senior member of staff who was about to become unprofessional. On the other hand she is ambitious and has been mixing with directors quite a bit recently so this might be opportunity calling. She just hopes it isn't going to be the sort of opportunity that ambitious Hollywood starlets seem to go in for.

After a few moments with Bob it all comes terribly clear. He is totally professional, he is not about to sack her but the news is even worse. He wants her to put together a viability study for the e-Trolley pilot project to be used as an example of best practice within the organisation.

'What I need', Bob says, 'is a really full and professional study to show how these things ought to be done. I want you to understand that this study will set a standard for all future projects. I want you to take your time with it, get it absolutely right, and use all the expert help you can get and please be as dispassionate and honest as you can be.'

Anna thinks quickly and says: 'So I can take a suitable current or just-about-to-start project and do a viability study to set a standard for future viability studies?'

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'Not quite', smiles Bob, 'We need complete the e-Trolley pilot project and use it to kill two birds with one trolley.'

Anna is faced with a significant challenge: she knows that people that run major, high profile projects take major, high profile risks with their careers. She read in a project management book once that the critical path in every project runs right past the chief executive's garden gate. If you are very noticeable at work you are at the point of greatest personal risk. Everyone always thinks they have a better way of doing everything but when it is the ultimate boss you have to listen - and obey. Or at least seem to obey. In the world of project management it is much better to be mostly out of sight.

Anna now has a high profile project and Bob is asking her to increase its profile by leaps and bounds.

Anna realises that she may not be the ideal person for this assignment and says: 'I am delighted you thought of me but I guess Jason is much more expert at this kind of thing that I am. Does he know about this?'

'Oh, yes he does and thoroughly approves. You see if Jason did this study it might seem like a family matter. It doesn't matter why or if it's fair or not, people will not see the study as being independent. Also Jason freely admits to being a bit of a theorist when it comes to projects – he will help you a lot with the theory but he probably doesn't have much more practical experience than you have.'

'What time scale do you have in mind for this report?'

Bob says that he has spoken to her Director who has released her from some other rather boring work and freed up two days a week for the next month. 'Is that OK?'

'I don't really know at this stage as this is not something I have done before but I'll get back to you in two weeks if I think there is going to be a problem.'

Bob smiles and thinks that he would have made the very same response, 'Very sensible. I think you'll do fine.'

'In that case', Anna says fighting a rising tide of panic, 'I'll get right on with it. Just a few questions – you know the amount of knowledge I have about this project is actually very small - what have you in mind for the e-Trolley trial?'

'Ah, yes, well I think we should try and build a few prototype e-Trolleys and get a few outlets to give them a go for a few weeks at least. We may not be able to run the weighing systems or test the RFID function in this pilot, but it would be good if we could. But we really must be able to run the automatic connection with the tills otherwise the whole trial will be a waste of time. I guess I'm really looking to this project to test the whole idea in reality before we commit to a major roll out. I cannot imagine us changing the layout of any stores for the trial but if this goes well we will have major refit programme running in parallel with the e-Trolley programme and roll out across all, or at least most, stores.

'Don't forget this project is only the trial so the benefits are hazy – what we are trying to do here is to test the ideas so that we can decide on the major rollout of the e-Trolley

'Whoever makes a success of this will find themselves running the single most important programme in the company next year.'

'There is another reason for that last statement. I am on a mission to bring this company into the 21<sup>st</sup> century and I want to establish much better controls over our projects – how we



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choose them, how we run them and what we get back from them. I do not want a hugely expensive and unhelpful set of complex processes – the sort of thing we might easily end up from a major consultancy - but I do want to put in place some simple controls. I hope we will run the pilot project according to good practice – I want this to be a shining example of how a project ought to be done.

‘So by running this project you will have the best knowledge of our new programme and project management framework.

‘So what are you waiting for?’

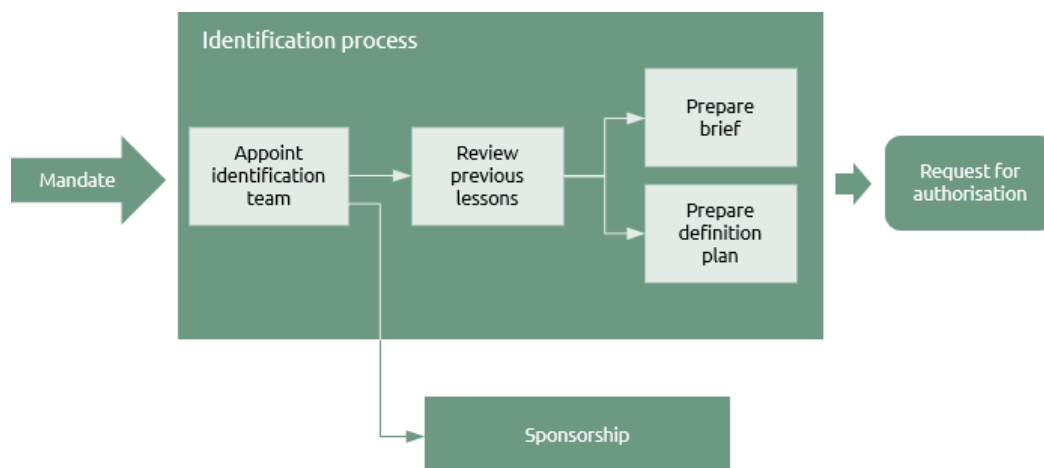
Anna sets a new world record for the obstacle course from Bob’s office to the general office. She wades through the deeply piled carpet, sidesteps the coffee tray being delivered to the board room, and dives into the executive lift, fidgets as the lift slowly lowers itself down three floors, runs across the lift lobby, past the post room, through the double doors into the general office and into her own cubicle. She has the framework up and running as fast as her computer can cope without even looking at her email in-tray and without giving a customary stroke to the small furry purple racoon glued to her monitor.

During her blind dash numerous thoughts ran round her brain. Bob obviously thought he was motivating her by hanging out the carrot of ‘the most important project in the company’ but this to Anna is the most worrying thing of all. If, by some miracle and enough late nights, she succeeds with the e-Trolley trial project she gets another chance to screw up in front of the CEO and everyone else in an even bigger project. A future spending more evenings hunched over a laptop trying not to nibble chocolates beckons. This she feels is about as motivating to her as a mousetrap is to a mouse. It should have a huge sign over it saying ‘Keep Away – Don’t be tempted.’

Also, she thinks, what was that about weighing and RFID?

As she calms down she does remember that the project will be interesting and if she can get through the project and survive she will have a great new paragraph on her CV and will have achieved something very important for the company and for herself. She just needs to make sure she does this on her own terms. It certainly will not be humdrum and boring and she will get to meet all sorts of new people and that is always an attraction for people like Anna.

Feeling more positive she searches through the framework for the [identification process](#) and finds it looks like this:



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In this case Anna realises that she doesn't need to implement the full process. She also realises that the project sponsor and programme sponsor are both taken by Bob at the moment. She of course is the project manager (otherwise known, she thinks, as the sacrificial lamb) and Jason is the project and programme support.

She wonders what life would be like in a mature organisation where the project sponsor and support function were experienced people who know exactly what their roles were and where they are going.

She thinks that she is supposed to have a project **mandate** by this stage and maybe that arrived verbally from Bob. She wonders if she should be working towards a project **brief** or something further down the line.

She considers that the e-Trolley trial project is not really a part of a strategic programme unless it is regarded as the identification phase of the full e-Trolley programme.

'Oh hell', Anna thinks, 'this is already giving me a headache. I'm off to find Jason.'

Jason has been patiently ploughing through emails and waiting for Anna to arrive. He knows full well that all people hate a smart-arse so he tries to keep his grin welcoming rather than know-it-all when Anna pops her head round his door. This being nearly lunchtime they head for the canteen to talk.

On the way there she brings him up to date with the developments of the day and asks where to start.

Jason says that 'project' and 'programme' are very loose concepts to most organisations. He quotes a project management expert: "*All projects contain within themselves smaller component projects and are often themselves part of a larger project or programme.*"

He also quotes the same expert on programmes: "*projects deliver outputs, programmes deliver outcomes*" and that "*programme management is the orchestration of business change*".

Anna thinks Jason ought to be floating cross-legged a couple of feet above the canteen table, wearing a saffron robe and clicking finger castanets. She thinks he is like any senior management consultant: his advice is mystical and may be meaningful but is of absolutely no value to her current position.

'Can we concentrate on the next few steps, that's all I can deal with at the moment?'

'OK, OK', says Jason. 'The programme in this case is called the e-Trolley Rollout. At this early stage we suspect that the programme will contain seven projects something like this:

- 1: a pilot to test the technology and then subject to the outcome of that pilot:
- 2: the development of an e-Trolley
- 3: some far reaching changes to store layouts especially around the check-out areas
- 4: a major publicity campaign
- 5: a staff training project for check out staff and security people
- 6: an IT project to modify check out processes
- 7: an IT project to modify other systems to support the new processes

## One Project Too Many

Your project is project number 1 – the pilot. The board have approved the programme up to the end of project 1. In other words there is a commitment for a pilot of the e-Trolley idea but that is all. The board have put a gate at the end of the pilot at which a decision will be taken about the other projects. In a very casual way Bob has given you a programme mandate. It's verbal at the moment but we will tie it down later.'

Jason then relates this to what the framework says about the project and programme life cycle.

'All project and programme [life cycles](#) start with two phases called identification and definition. Normally, at the end of the identification phase a brief is presented to the sponsor who then decides whether to proceed on to the definition phase.

'In our case, what has happened is that the board has said we should complete a pilot 'project', but this is effectively the identification phase of the e-Trolley programme. This is a sufficiently large and complex piece of work that we will run it as a small project.

'Our objectives are twofold: firstly we will be testing the technology to see if the idea of an e-Trolley is achievable. Secondly, we will be judging whether the roll out of the e-Trolley programme is likely to be desirable and viable financially. These three elements, achievability, desirability and viability will form the basis of the brief and outline business case for the e-Trolley programme.

Although we are running the pilot as a project we won't use the full method. We won't have separate identification and definition phases for the pilot project, we'll combine them. The pilot doesn't need its own [business case](#) it would be good practice for us to prepare some plans for Bob's approval before incurring a lot of costs.

Anna makes a mental note to look up the [definition process](#) in the framework as well.

She muses, 'I expected what a lot of people call 'best practice' to be a set series of processes that everyone has to follow - each one a process with a variety of documents. But it seems that it's much more about using good practice as a starting point and adapting it to each set of circumstances?'

Jason nods, 'Pretty much. It can get very heavy handed if you try to apply it the same way on every project when you don't need to. It can be quick and simple. You have to modify the processes to suit your own environment and the project you are running but a few simple steps do avoid a great deal of wasted effort due to misunderstandings and poor communications. There is no one single 'best' way of doing this'.

'OK', says Anna, 'I can live with a simplified approach. So in a sense we have two phases. The first is to prepare a set of definition documentation for the pilot – that's going to take about a month. Phase two is the actual pilot and that might take, I don't know, 6 to 9 months.

'Of course,' continues Jason, who is now on a roll 'not all programmes have the need for a pilot project but there is usually some initial investigative work and prototypes and so on before any big commitment is made. Such projects are often called *discovery* projects. The pilot in this case makes it more complex than usual. But if it all works out well we will be able to show a brilliant case study of how an organisation should run programmes and projects.'

In around a month therefore, Anna will present the completed definition documentation for the project and if that is accepted she will continue with the job of running the full pilot. If the technology is proven to be viable, the project will end with a brief for roll out programme and

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then there will be a need for a programme manager. Anna wets her lips and gets cold feet simultaneously.

They realise that some parts of the documentation are going to be either lightweight or non-existent but it is an opportunity to get the clearest possible definition of the project and its objectives at every stage. At least where it is short of fact she can say so and fill out the gaps later. Jason says that a shortage of knowledge can go into the [risk register](#).

Bob has already outlined the benefits he expects to get from the whole e-Trolley programme and Jason gives Anna the notes Bob used in the director's away day when they selected their overall direction. This is just background information for Anna but Jason explains that will form a major part of the report at the end of pilot.

'It will be a matter of comparing investment, risk and benefit i.e. a business case for the programme.

Jason and Anna talk a little about the definition documentation for the pilot project and in the conversation they decide to formally name it the e-Trolley Pilot Project or ETP project for short.

Jason also explains that the ETP project will deliver no benefit back to the organisation as a whole. 'It is only a pilot – what I described as a *discovery project*; it is designed assess the viability of the full e-Trolley programme that will deliver benefits. It will have outputs but not benefits, or at least none I can currently see.'

They start trying to identify the objectives of the ETP project. Jason has strong views on this issue of objectives: 'Most project managers are doomed to failure as the major stakeholders each have very different expectations. Even if the project manager fully achieves his or her own objectives and is totally satisfied with the outcome, there will nearly always be those who are dissatisfied as they expected something different. Their expectations may not have been better, bigger or even reasonable but they will almost certainly be different.

'It therefore makes absolute sense to have the clearest possible statement at the outset of the project of the overall objectives and to get this agreed and signed off. There may still be that background feeling of dissatisfaction in many people's minds but at least you can show how you delivered what everyone agreed you should'.

'I'll give you a really good example in this case. Do you think you should be seen to have failed if the organisation decides after the trial not to proceed with the e-Trolley?'

'Hell, no'. Anna is getting ready to get angry. 'I'm supposed to set up a trial to test the ideas. If the trial runs smoothly I will have achieved my objectives. It is not my role to make the trial a success'

'Exactly', says Jason, 'you must clarify what you are trying to achieve and distance yourself from the results of the trial. In fact you want to be seen to be dispassionate about the success or failure of the e-Trolley itself. See what I mean?'

Anna, calms down again and says that she certainly does and also that she realises that one strong way of defining a project is also to define what is *not* part of the project.

She asks, 'What was that about a risk register, I've never seen one of those.

Once SpentItNow becomes more mature in P3 management, they will realise that risks come in two flavours: 'threat' and 'opportunity'.

For now, like many organisations they see 'risk' as being synonymous with 'threat'.

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‘Well, it’s just a list of risks that gets kept up to date. It rates risks, explains who is going to look after them and how they are going to be managed.’

Risks, she comes to understand, are those things that might go wrong and that might have an impact on the outcome of the project.

Jason explains: ‘One reason for creating a list of risks is to think about the steps that can be taken to mitigate each risk. For example there is a risk that someone will break into your flat and steal all your jewellery. You recognise this risk so you take out an insurance policy to deal with it. When you plan a trip to one of the stores in mid-winter you know there is a significant risk of rain so you take an umbrella. We just need to apply this thinking to the project.’

‘Of course as the project proceeds, your view of each risk will change, some will become bigger worries and some will get smaller, some will disappear altogether.’

‘It doesn’t say this in the text books but I happen to think risk registers are about sharing risks. You see, if you know about a risk and keep it to yourself, you take it on your own shoulders. If you set risks down and publish them you share the risks with everyone else. It is only fair really.’

Jason notes Anna’s eyebrows meeting in a perplexed frown and realises he is not reaching her with this theoretical explanation.

‘Let’s take a simple example’.

Those eyebrows now elevate in that way she has of reacting to anything even marginally patronising, such as the word *simple*.

Jason hastily changes tack. ‘I mean let’s take an example from normal life. Let’s imagine we think about going on holiday together. So we discuss where to go and how to get there and what we are going to do. Let’s say we choose a winter ski holiday in Switzerland. Say you know that you have an old injury to your knee that might mean a very brief time on the piste and a much longer time limping around the bar getting piste.’

‘You have a risk that the holiday might be a failure for us both but you forget to tell me about it. If your knee injury does re-occur I might reasonably say that had I known about this we could have done something different and I blame you for ruining the holiday.’

‘Very sympathetic, I must say’, says Anna.

‘Exactly. But I would be much more sympathetic if I had known about the risk and accepted it beforehand. Swap roles – let’s say it is my ankle that has a problem and you find yourself skiing alone.’

‘I’d be forced to carry on with some of those famously ugly ski instructors wouldn’t I? But I see what you mean. If I get a list of things that might go wrong on the project we can prepare for them and we collectively share them and that takes a load of my shoulders.’

Jason continues, ‘One of the best examples of risk sharing is the label on a packet of pills. If you obey all the warnings almost no one would ever take an aspirin. But if you do, and it has a bad effect on you, the manufacturer can always claim to have warned you. It’s for this reason that hotel baths carry warning notices reminding you that wet surfaces are slippery. They are nothing like as slippery as the hotel’s lawyers’.

Lunch is finished and it is time to put their trays on the conveyor that whisks their cups, plates and wrappers away to the washing up place. ‘Shall we go?’ says Anna.

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Jason looks Anna straight in the eye 'On a skiing holiday or back to work?'

'Back to work..... for the moment.'

To break a slightly embarrassing silence Jason suggests she takes a look at the relevant pages in the framework before she goes any further. She does and finds that on non-complex projects, the framework suggests that identification and definition can be combined to avoid unnecessary bureaucracy.

She realises that her mandate, the one given to her briefly by Bob in their meeting was incomplete and that she is going to have to fill in a lot of detail before she can seek approval for her definition documentation.

After some thought, a few emails and a review of the [organisation management](#) section, they agree that Anna is not in a position to appoint a project management team yet but she can design the team. Jason says that in a mature organisation they would specify the roles or titles of the team members in case of changes but for SpendItNow they agree to cut a corner and use people's names.

At their next chat Jason raises the concern that Bob will not really have the time to act as sponsor.

'Can you really see our esteemed CEO attending project meetings, signing off the various documents you will need and making decisions at a project level?' I know he needs and wants to be involved but he can only realistically maintain a high level of interest. Let's suggest that the project needs a sponsor who can act on a more day to day basis.'

'Fine', says Anna, 'we're also going to need input from IT on the computing implications, Retail Ops on shop layouts and Marketing on their side. What do we call those people: Team members, representatives...?'

'We're not going to need them, *you're* going to need them. But you're right, the project needs people to co-ordinate the work from these specialist functional areas. It might help to give them an exalted title and to emphasise their contribution to the project. How about Technical Consultant?'

'Well, I am going to need them to do some actual work, you know. How about Technical Manager'

'Not bad. But remember that material about [matrix organisations](#) we used in the presentation? The work a functional group does on a project is called a [work package](#). You, as project manager, asks each functional group to carry out a package of work and you bring these work packages together to deliver the whole project. So we can call these people work package managers. Then we can ask the relevant department heads to appoint someone to do the job. It also means each functional department can have work package managers for each project. How's that? I think it is about the best we can do in this organisation at its current level of maturity'

'Fab. We will need a work package manager from IT for the computing bits – barcode readers, checkout till programmes, databases and whatever; someone from Retail for shop layouts and check-out modifications plus a representative from Marketing for the PR and publicity angle.'

'Agreed. And if we go ahead with a weighing system built into the trolley we will need someone from Engineering to sort out the weighing devices. We won't need any devices in this pilot but we do need to have a design for a weighing system by the end of the pilot for the recommendation.'

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So the project team that Anna proposes looks like this:

Project sponsor	Required
Project manager	Anna Key
Project support	Jason Sherunkle
Work package manager: IT	Required
Work package manager: Marketing	Required
Work package manager: Engineering	Required

They agree over a paper cup of coffee that she will have a go at a first draft of the objectives.

Before parting Jason reminds Anna about risk: 'You will need a risk register as a part of the brief'

Anna smiles her I-am-a-self-assured-woman smile. 'I read an article in a project management magazine about risk management after that talk we had in the canteen'.

Jason has had a frustrating few days with the senior and middle levels of management in SpendItNow trying to create some semblance of order. 'No worries on that account,' he says', there is absolutely no risk of any management round here!'

Anna tinkles a laugh before Jason goes on.

'I think you should start a risk register, just create a short list of potential risks, their probability of occurring, the impact if they do happen and what steps you plan to take to manage those risks.'

They agree that Anna will create a list of things that can go wrong with the e-Trolley project before they meet again to discuss.


### ***Part 2 – Anna gets to work***

Anna spends a commuting train journey thinking about things that can go wrong with the project. She discounts the risk of earthquake, tempest, hurricane and being struck by lightning as they are just too unlikely and if they did happen her project would be way down the list of problems facing the company. On the other hand she knows that very unlikely things do happen.

She remembered a girlfriend's story about an accident-prone husband who had, when they were unsuccessfully 'trying for a family', set off for the sperm bank for a count. He had managed to drop his fresh sperm sample onto the marble floor in the lobby of their block of flats smashing its jar just as her parents arrived for lunch one day.

Dragging her mind back to supermarket trolleys she typed her first list and emailed it to Jason. It looks like this:

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 Send	From ▾	Anna
	To...	Jason
	Cc...	
	Bcc...	
	Subject	ETP project

Here is my first go at a list of risks for the ETPP. What do you think?

- Weighing system unworkable
- Weighing system not sensitive enough to work reliably
- RFID technology too new and inappropriate
- Barcode reader too difficult to handle
- Trolley/store communications system unworkable or unreliable
- e-Trolley too complex and not welcomed by customers
- e-Trolley not welcomed by staff
- Pilot reveals unacceptably high levels of theft

Anna.

Jason rather unkindly takes the list to pieces and sends back this email the next day. He happened to be in a terrible mood and it shows.

 Send	From ▾	Jason
	To...	Anna
	Cc...	
	Bcc...	
	Subject	ETP project

Anna,

You have listed a number of risks but they are not connected with your project. These are risks to the long term roll out but should not be seen as risks to the trial. I have said before you must distance yourself from the success or failure of the trial. Your job is to set up a fair trial and obtain a dispassionate finding.

Many are about reaction to the rollout. You must think about the risks to your pilot project itself.

Zero out of ten. Try again

Jason



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This gives Anna pause for thought. That Jason was quite right did not excuse his unhelpful approach. A few choice and unladylike names for Jason meandered through Anna's mind. She thought about a new register starting with: *project manager walks out in a huff leading to collapse of project*. She thinks perhaps Jason had had a bad time with his girlfriend or whatever.

Once she has calmed down she tries again. Her second risk register is much nearer the mark.

### ETP Project Risk register

- Unavailability of sufficient resources to set up fair trial
- Unavailability of sufficient volunteer stores to set up fair trial
- Difficulty of setting timescale and budget for trial due to unfamiliarity with this type of project
- Lack of senior management support leading to low prioritisation of work
- Lack of departmental manager support leading to low prioritisation of work
- Inconsistency in project team – team members may leave due to other priorities
- Trial system may, due to practical considerations, inaccurately model future environment and prevent fair trial

She pops rounds to Jason's office to run through this list.

Jason feels much happier with this list plus his mood has by now improved. He says that the list shows the importance of letting everyone know about these sorts of risk. Anna had brought together a list that will show many people in the organisation how their contribution to the project or at least a contribution from an area they have responsibility for, could make or break the project. The list, once published, will also made it clear that responsibility for the success of the project is shared around the organisation.

The agreed register is in [Anna's files](#).

Anna has also started, especially in the last two items, to distance herself from the results of the trial by associating herself with a fair trial rather than the any particular outcome of the trial.

Jason asks if there were any steps they could initiate to reduce those risks, to mitigate them. He explains how in some projects the team take out insurance policies. Some building sites, especially renovations of famous structures, are protected by a temporary external envelope to allow work to proceed even in extremely bad weather.

They agree that by getting Bob to publicly back the project and getting buy-in from the senior management they should get support and commitment from the important groups within the company. One of the risks related to Bob himself.

Jason outlines a worry to Anna: 'Throughout the project there will be times when you need a sponsor. We talked about this role before but left it unnamed and I have been thinking about it.'

'Bob is keen on this project but he probably won't really have enough time to make the day to day decisions you will need. This is a specific element of the "Lack of senior management support leading to low prioritisation of work" risk you listed, but Bob will just say that he will make time if you raise it with him. I think we need to emphasise the role of a sponsor who will

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take the client role and make those rapid decisions. It will reduce the likelihood of that risk significantly.

‘Now, can we summarise the steps we think need to be taken to mitigate the risks and give each risk an owner? You should identify an owner for each risk and give that individual the responsibility for monitoring and reporting the risk, and also suggesting if and when steps should be taken.’

‘Hold on’, says Anna, ‘I can’t give these senior managers jobs to do – I can’t tell them to take responsibility for these risks. If I tried I would risk whatever support I might get from them in one easy step.’

‘You’re right – but you can suggest that responsibility needs to be taken and add the risk that these the other risks do not have owners and for that matter that the organisation does not have experience at risk management.

‘I think you will have to take responsibility for some risks yourself. What can you do about the unusual nature of the project and the problems that gives you in setting a timescale and budget?’

After a moment’s thought Anna replies. ‘I can try to set expectations that the project may exceed its budget and timescale as this is an innovative project totally outside of our experience. Have you any better ideas?’

‘Classical project management suggests that you allow a [management reserve](#) for unknown factors. The London Olympic team announced a £2bn reserve at the start of the programme that led up to the 2012 games. This is an amount of money or time, or both, that is set aside to allow for just this sort of thing. Reserves can have owners and there can be more than one. In this case I suggest you have quite a large reserve owned by the sponsor who may release additional funds if you put forward a compelling case.

‘If you do spend it all you still bring the project in on budget. If you don’t need it you deliver the project under budget. It is very similar with a time reserve.’

In an innovative project like this I recommend a 10-15% reserve. In other words when you develop and plan and a budget add an item called management reserve and give it a value equal to 10-15% of everything else together. If your budget is £1,000,000 you would give yourself a £100,000 - £150,000 reserve. If your timescale is 10 months grab another month to six weeks as buffer.’

Anna sees some practical problems with this approach. ‘How can I tell Bob I want to have £100,000 just in case? It’s an awful lot of dosh.’

‘It might seem like a lot but it could make the difference between success and failure. I have two arguments to use. Are you ready for a short lecture?’

They refresh their cups of sparkling water from the small fridge that has recently appeared in Jason’s office.

‘Go for it.’, says Anna.

Jason has made a few notes. ‘I have three topics.

*Number 1: Runners, repeaters and strangers*

*Number 2: The reducing reserve theory*

## One Project Too Many

*Number 3: Promise little, deliver much'*

Anna settles back to absorb Jason's impromptu one-to-one lecture.

### **'Number 1: Runners, repeaters and strangers**

'Many organisations run a very wide variety of projects and understand that different approaches are needed to different projects. They talk about a range of project types – this is nothing to do with the content of the projects, it is to do with the level of familiarity they have with the type of work.

'You can see that the appropriate methods, the type and size of team and degree of risk will vary across the range of projects.

'Some organisations classify their projects into three groups relating to the level of familiarity they have with the type of work: runners, repeaters and strangers.

'Runners are the run of the mill projects that the organisation undertakes very frequently. There is often a great deal of knowledge about such projects. In the case of SpendItNow we have opened a lot of stores and we know a great deal about the work that will be required, the people we will need and the problems we will face. I found that the retail group have a database of store fit-out costs and can give you a pretty good estimate of costs based simply on the floor area of the store and a few other details. There is a standard store fitting-out project schedule listing all the likely activities that can be used as a template for each new store project – you just need to adjust the timescale for the size of the project and decide on a few options about peripheral items like car parking. We can call a normal store opening project a runner.

'Repeaters are the type of project that an organisation undertakes now and then. These are less frequent but still use the expertise within the organisation and there is usually some background data on previous projects but it will not be in a structured form. We do have a few store-within-stores where our store is a part of a larger hypermarket complex. There are only three such stores and they have different problems as we have to work much more closely with the hypermarket owners and their building team. For each project we have to develop a budget and a timescale depending on what we have to do and what the hypermarket owner expects to do. These store layouts vary a lot, there may be no shop front and we may be provided with heating and security and all sorts of other things. We might have regarded that kind of project as a repeater.

'And finally we get strangers and I cannot think of a better example than the e-Trolley. We have zero experience of this kind of thing, we have little idea what to expect. There is no material from previous projects, no lessons learned. We are truly heading into the dark. These are called strangers and guess what - it's normal to give them a special team who are better at managing unknown challenges and the wise organisation allows greater reserve due to the risk of the unknown. Does this make sense?'

Anna smiles that gently bitchy smile of hers. 'Absolutely – the only thing I can't understand is why everything IT does seems to be a stranger. But I see the point. If I can get the others to understand how unique this is I will get greater sympathy and support and no one will argue with the reserve I propose?'

Jason thinks that Anna may be getting carried away with this and feels he must balance the interests of the company. 'Except me, that is. Now let's move on to oil rigs'

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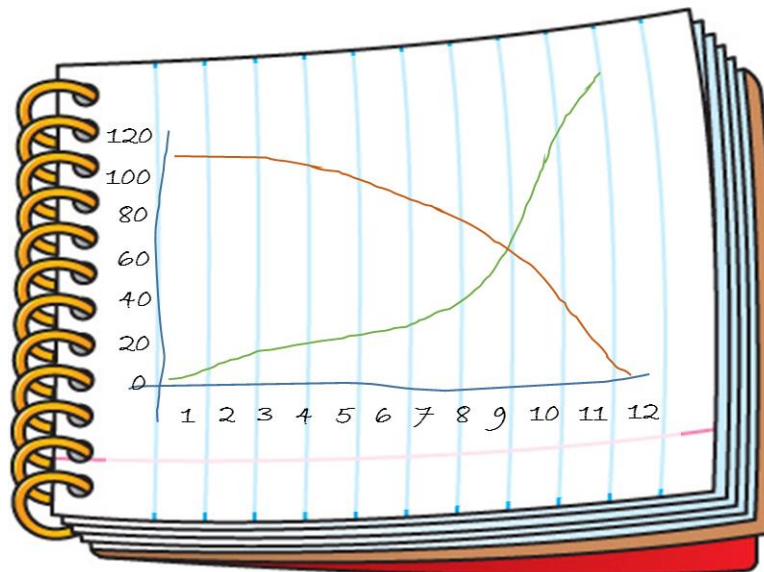
### Number 2: The reducing reserve theory

‘There is a lot of expertise in the world on the construction of oil-rigs. I am talking about those hugely expensive engineering marvels that get floated out into the North Sea, South China Sea or wherever and pump the oil from under the seabed.

‘These normally go through three stages: concept design, detail design and construction. At each of these three stages there is a *Gate* where the project team presents their current project to a group of very senior people in the oil company. Bear in mind that we are talking here about hundreds of millions of dollars being gambled on one engineering item. The project team puts forward their proposals to the board and seek approval to move to the next stage. The concept design is fairly cheap, detailed design is much more expensive and the construction phase has a huge cost and a huge risk.

However, as the project moves through these stages, the team learn more about the project and become more accurate with their thinking. In a sense becoming more accurate, itself, costs money and takes time.’

Jason sketches a simple chart on his note pad:



He explains: ‘The red line represents the amount of influence a project team has over the final cost of the oil-rig project. This starts off very high as they can execute the project in a wide range of different ways. But as the design progresses their options narrow. Once a contract is placed for the building work their ability to influence the final cost drop significantly - all they can do is choose cheaper door handles – and once the project is complete there is no possibility of changing anything at all.

‘The green line is the amount of money committed, not necessarily spent but committed in contracts. So as the project goes through the design stages the actual amount of money committed slowly rises until construction work begins when the cost rises sharply. Now why were we discussing this?’

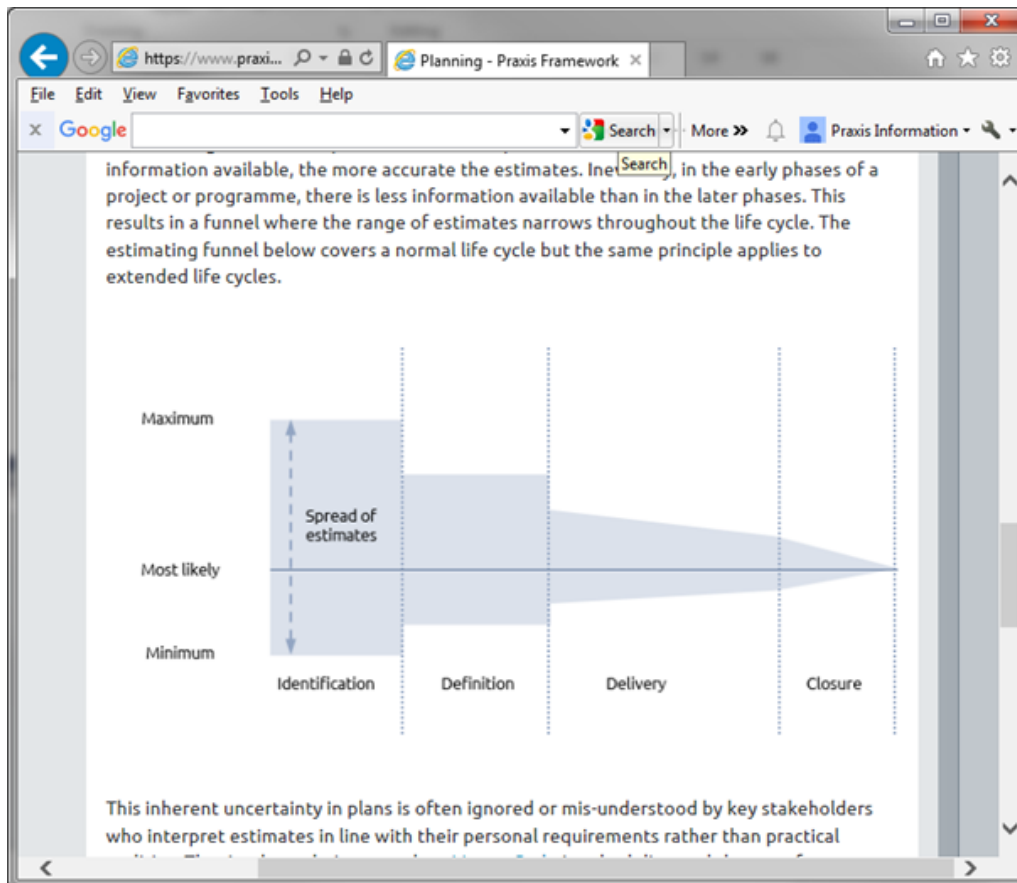
‘I was starting to wonder about that – wasn’t it do with reserves?’ she asks.

‘Oh yes, well the oil companies accept that the greater the level of knowledge, the smaller degree of reserve. When a project is complete no reserve is required at all, but when it is just getting going there are a lot of unknown areas, hence the ability to influence the costs.

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‘So they have a graph showing the level of accuracy the board should expect in cost and time estimates at each major phase of the design and build project life-cycle. This maps very closely to the level of reserve you will need on the ETP project’.

Jason calls up the framework’s [planning](#) page on his tablet.



‘You see that at the beginning of the project they expect budgets to be within a range of , say, +35% to –20% of budget. This should drop to plus 25% or minus 20% by the end the identification phase and finally somewhere around plus or minus 10% of the final figure before delivery begins. Of course the accuracy is only down to zero once the work is done.

‘If you can get this message across you can suggest a larger reserve now with the promise of reducing it when the exact nature of the project gets clearer. Get the idea?’

Anna nods vigorously. ‘Sure, but in the case of the overall e-Trolley roll out programme we are dealing with the equivalent of the identification phase aren’t we?’

‘That’s true, at the end of the pilot project you will only have a high level outline cost for the programme as a whole... but you do have much greater influence over the project. For example the total cost of the pilot is going to closely relate to the number of stores that take part in the pilot and we have yet to fix that. Let’s move on to my final point.

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### **‘Number 3: Promise little, deliver much**

‘There is a very strong tendency amongst project managers to create tight plans and budgets for mysterious reasons, sometimes on the basis that they will help the project get the go-ahead. What happens is a sort of bargaining process between the project manager and the sponsor where they strike a deal over the timescale and budget as if one is buying a carpet in a Middle Eastern souk.

‘Some senior managers take a pride in cutting 10% of the budget just for the fun of it. Perhaps they believe that all project managers add 10% for bargaining purposes.

‘On the other hand some project managers do add in huge reserves and hide them all over the place in budgets and timescales so that they can later be seen to bring either bring the project in on time or even better it. To the senior manager it is almost as bad to come in way under budget as way over budget as the spare cash could have been used to deliver more on the same or another project.

See the article [‘The human side of risk management’](#) for a very real example of this.

‘Project managers can only do this kind of thing on the kind of project I classed as a stranger as the budget for other kinds of work is too well known.

‘What I am saying here is that bearing in mind the unknown nature of the project it makes sense to be cautious at this stage. I will support caution as long as you are truthful with me and as long as we set up a cost monitoring and control process that avoids a surprise budget under-run or overrun at the end of the project. Let’s be cautious now and keep a close eye on costs, keep our budgets under control and end up very nearly smack on target. Is it a deal?’

‘It’s a deal’, nods Anna, thank you for all that. It has been an education. Its nearly lunchtime so I have better buy the teacher an apple – let’s head for the canteen.’

After lunch this sets Anna thinking more about risk and she adds a few items whilst expanding the list into a table. Whilst not really needing to, she gets her own back in a satisfactory way by ‘proposing’ Jason to own a number of risks. Revenge, she remembered, is a dish best served cold.

Anna tracks down Jason to ask a question and she knows to start with a compliment, ‘Jason, you’ve been fantastically helpful with these standard documents and I understand that we have used the framework for many of these but shouldn’t SpendItNow have its own version of the framework and its own version of Jason on some more permanent basis?’

‘You are amazing’, says Jason, ‘you’ve just defined the perfect role for a Project Management Office or PMO. Let me explain. Many organisations have a PMO that is the source of good practice and standards for P3 management across the whole organisation. You can actually assume the ‘P’ in PMO stands for project and programme and portfolio.

‘Now PMOs can have different roles and they vary a lot.’

Anna settles back as Jason switches, once again, into lecture mode.

He continues, ‘The lowest form of PMO is more often referred to as a PSO or project support office. This is simply a travel agency and secretarial bureau. They organise flights and rail tickets and hotels for the project team as they move about the world and take care of documentation. Come to think of it there is one level lower: the PSO that exists simply to take minutes. But we’ll ignore them and start somewhere sensible.’

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‘A very popular form of PMO owns the company standards and guidelines and provides advice to the project teams on how to apply the standards. This type of PMO creates and maintains copies of the templates and documents outlining the project management processes. They keep these up to date and often make them available on an Intranet site.

‘They also have staff who know the processes and standards really well so then can help new project managers, or those with a bad memory, to follow the correct procedures. There are great advantages of having a consistent approach – it makes reporting so much easier and if a project manager leaves or gets run over by a bus it is simple to take over their work.

‘Some organisations take this a step further and made the PMO into a standards and guidelines police force. The PMO monitor projects and ensure that everyone complies with the published procedures. If they find, sorry when they find, a project that is not following procedure they report it to their line management. Line management then become the judge and jury and decide what to do with the miscreant. Occasionally the PMO become police, judge and jury and have the power to intervene in a project that is not being managed to their quality standards. This approach is never successful because it alienates the project and programme teams that the PMO should be helping.

‘Some PMOs have groups of specialists in areas such as planning, risk management or communication, and these are loaned out to project teams to help with good project management. Some even have technical people, experts in the technology of the company, who are available to help in technical areas. I remember an Architectural practice that specialised in sport centres and they had a pool of swimming pool experts that could be called on.

‘The best kind of PMO is the one that runs the organisation’s entire portfolio. They decide what projects and programmes to run and delegate and appoint managers to run them. In effect there is no difference between this type of PMO and a portfolio management team.

‘Now which of those least to most powerful PMOs sounds right for us?’

Anna thinks for a few moments: ‘I like the one that owns the methods and processes but only advises and reports. I can’t see us ever being a police state. I guess that such a group would be managed by you. How many people do you think you might have?’

‘Just one or two, I think, and it is really an extension of what I am doing for you already.

Meanwhile, back at the e-Trolley project, Anna visits the framework for information about [investment appraisal](#) and [risk management](#) and this helps her assemble a solid [business case](#).

She realises that there is a very significant likelihood that she will find herself running the full roll-out programme if the pilot is a success. She is uncertain whether running that will be a good thing or bad thing. She is quite interested in the idea of the e-Trolley but by this stage sees it as an opportunity she can live without. Some other project viability studies are carried out by the individual who has the originally had the idea and these people tend to be much more optimistic about the benefits their work will deliver.

The framework confirms the value of having an independent group examine projects and programmes at the viability stage.

She visits a number of people and asks loads of questions many of which are very hard to answer. She talks to Mike Rovone, the company’s expert in weighing systems, about the practicalities of weighing devices, she talks to Sue Denim from Retail about the changes to the retail stores and she spends quite some time with Max Payne from IT talking about changes to

## One Project Too Many

the IT systems. It soon becomes clear that a new department will be required to weigh and record data about packaged products and Sue helps with defining this as well. There might be arguments over who should manage this new group.

Anna finishes her definition documentation and presents it to Bob and the board within the allotted month. She emphasizes to the CEO that this is only first attempt and she will be able to polish it into a true good practice example during the life of the project.

Nevertheless this is by far the best definition documentation ever produced within the company and Bob has no hesitation in using it as a model for all future projects. Anna modestly receives the congratulations for her excellent work and mentions Jason's inputs. Most of the other directors are impressed even if begrudgingly in some cases.

The board are not asked to give the go ahead to the project just yet but they miss the point and discuss it anyway. Bob lets them rattle on and then points out how they cannot make a decision about the project until the definition documentation is complete.

As a compromise, the project gets a provisional go-ahead and Mike Rovone is appointed to two roles: project sponsor and, because of his specialist expertise in weighing, engineering consultant.

Anna is not sure that this is such a good idea. Having the same person fulfil the role of sponsor and team member on the same project could be a problem. Unfortunately, Mike was the only person that the board thought had time to do this.

Later on Jason explains that this is not unusual. Project sponsors are often appointed, not because they have the necessary skills, but simply because they have some spare time. He recommends that they just go with it for now but put recommendations in the SpendItNow version of the framework that this should not happen in the future. They agree that they cannot achieve a wholesale change of culture overnight; they have to take it one step at a time.

Anna makes a mental note to update the risk register.

That night she lays in bed with the slight feeling that she is on a slide – first the definition documentation, now running the pilot – she is in danger of becoming a project manager and that can only lead to becoming a programme manager and that can only lead to becoming director of programmes but first of all she had better make a success of the pilot. Maybe first of all she should get some sleep.



## ***Chapter 5: Anna & Mike Rovone start a work breakdown structure***



### ***Part 1 – Anna meets her new sponsor***

Anna arranges and attends a meeting with her new sponsor Mike Rovone.

Mike's office contains a busy desk; a little-used computer; assorted samples of packaging, tins of beans, marketing books and a view of a light well through the window. He is a very long-standing manager in the Retail part of the company and has agreed to sponsor the project. He is effectively the client for this project and Anna knows enough to regard him in that light.

So, the ETP project team has been expanded by one person: Mike has two roles – one as the in-house technical expert on weighing, which he is entirely happy with. Mike is obsessed by weighing devices and very often highjacks a meeting to discuss the technical issues. His other role is as sponsor – is a role he feels was dumped on him by 'Chairman Bob' and he is not clear what this involves.

Anna is as neat and tidy as always. Today she is wearing a white blouse and a dark trouser suit where a trace of pinstripe hints at authority. Mike's white hair is all over the place, he wears a knitted waistcoat with a small stain that hopefully is no older than lunch and small spectacles. He seems to be like Albert Einstein but without the intelligence. His origins lay somewhere in Central or Eastern Europe.

She takes a seat on the visitor's side of the overflowing desk moving a copy of Weighing Monthly magazine off the chair.

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Anna starts the meeting. 'I've been appointed as project manager for the e-Trolley pilot project and I am delighted that you are to be the sponsor and a technical expert.' She amazes herself with her fluent lie about being pleased.

Mike replies, 'Yes, that's right. I understand this is the CEO's pet project and I must admit that this time he seems to have come up with a really good idea?'

Anna has decided to get Mike on her side and pretends that she is not clear about the role of the sponsor. She doesn't find this very hard to do as her knowledge of the topic is only half an hour more than his. They both visit the framework together and extract the formal description of the role.

### **SpendItNow – Draft Role Definitions**

#### **Role: Project sponsor**

The sponsor is ultimately responsible for the project. He or she, has to ensure that the project is value for money, ensuring a cost-conscious approach to the project, balancing the demands of different parts of the organisation. Throughout the project, the sponsor 'owns' the business case.

They discuss for a little while. Mike likes the idea of being a client as it appears to give him a wide ranging power without the need for any demanding work. If he thinks something should or should not be done he only has to say so. After all, he thinks, the client is always right.

Anna points out the sponsor's responsibilities and as each one is revealed, even in outline, Mike feels less sure about the authority but surer there will be work to be done.

The full description is in [Anna's files](#).

She brings the discussion back to the project itself, 'As we discussed, even in the pilot, ideally the trolley will have a barcode reader, a weighing device and possibly connection with an RFID system. Shoppers can scan each item by themselves before dropping it into the trolley. The trolley 'knows' how much the selected items should both weigh and cost so the shopper can simply fill up with purchases, and leave through the fast e-Trolley checkout. OK so far?'

'That's it', Mike replies, 'Each shop will have a number of special e-Trolley check outs where the trolley connects to the shop's systems and provides an instant check-out without all that offloading onto checkout belts and re-packing. The research shows that people really do not like the current check-out process. If they try to check out but have an item with an RFID tag that hasn't been scanned the trolley will signal politely and ask the checkout staff to confirm the e-Trolley contents. If they try to check out with an incompatible weight for the items scanned the same will happen.

'Now the weighing systems will be really very interesting as they have to be light, reliable, work on non-horizontal surfaces – I was beginning to think of an electronic.....'

Anna interrupts, 'Have you by any chance seen the documents outlining all of this – perhaps the specification in the definition documentation?'

Mike, mutters vaguely, 'Oh yes – I remember that you and Jason did one, I have a copy here somewhere.'

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Anna (remembering that the only difference between a supermarket trolley and a man is that a trolley has a mind of its own) asks, 'just how intelligent, in your view, is this new trolley going to be?'

Mike, back on safer ground, responds confidently 'It'll have a hand-held barcode reader attached to the trolley and an in-built weighing system. After that it needs a method of connecting to the shop's main system where we will need some additional processing capacity to calculate total purchase price and weight at each moment. It is the weighing part that fascinates me. Perhaps we should use a system for weighing the whole trolley with its contents on some form of minute weighbridge.....'

Anna interrupts again, 'And you have seen the budget and a timescale for this?'

Mike reluctantly drags his mind away from weighing scales to the project and, remembering that his role includes approving any budgetary changes, seizes on a moment of power. 'Oh yes. The budget and timescale were set out in definition documentation? I can tell you that these costs are pretty well fixed. I understand that you added some money on as we know this is new technology so don't come back to me for more cash'.

He thinks he is being a clever sponsor by setting himself up as a hard-nosed customer.

Anna recalls Jason telling her that it is quite common for the cost and timescale of the project to be defined long before the scope is clear. He said it is a simple fact that the project team will be asked for duration and a budget at the time when they know least about the project – the very beginning or even long before the beginning. It should be really easy to ascertain how long a project has taken and how much it cost when the project has ended but at the start it is hard. Jason had gone on to say that in many organisations actual costs and timescales are equally difficult to discover even long after the project has ended.

Anna makes a suggestion: 'I plan to get the key members of the team together to try and build a list of all the items and work that need doing to deliver the project. I think this will give us a very useful view of the project and a much better idea of the way the budget and the time should be split amongst those jobs. I'd very much like you to sit in on that – is that OK with you?'

'Fine. When shall we do it?'

'I'll sort something out'. Anna leaves this and her perfume hanging in the air as she departs to arrange the meeting.

Anna realises that Mike has displayed a very common characteristic within project teams. His main interest on the project is the weighing devices. To him this is the major challenge and he is happy dealing with it. For her, this is a technical issue that does of course need to be eventually resolved but is not yet worth thinking much about. Right now it is more important to set a timescale for the design of the weighing devices, make sure that suitable people are assigned to the activity and perhaps raise a risk that it might be the cause of technical problems but please, let's not spend time on the technical detail just yet. Mike wants to spend all of his time in his *comfort zone*.

Mike Rovone's type is a danger to any project – in his mind the whole project team should devote time to solving the weighing problems. He is not interested nor comfortable with all the other issues and challenges. If he were allowed his freedom he would arrive at the planned completion date with a perfect weighing system and absolutely nothing else to hang it on. No trolley, no communications, no project reports and absolutely no kudos for the project team.

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Anna realises she must address this problem and get the point over to her sponsor gently but quickly.

### ***Part 2 – The team start work on a WBS***

Two weeks pass before Anna assembles the working parts of Mike in her own office to discuss the parts that go into the project. She deserves a medal for so doing.

Mike is there still slightly confused between his twin roles of sponsor and weighing specialist. Anna has got him 'on-side' by telling him that he is in the best position to make sure everything they will eventually need is listed across the whole project. This has got him away from his precious scales for long enough to see all the other components of the project all of which are vital to success.

Anna starts by explaining that she now plans to develop a product breakdown structure and then a work breakdown structure.

Anna and Mike are not very clear about this technique so she visits the framework and gets information on organisational, product and work breakdown structures.

An organisation breakdown structure (OBS) shows the people in an organisation and how they relate to each other. Anna thinks that she might prepare an OBS for the project team.

A Product Breakdown Structure (PBS) shows the component parts of a product grouped into neat headings. For example, a bicycle.

The examples of a PBS and WBS are contained in [Anna's files](#).

A work breakdown structure (WBS) shows the work that is required to be done to achieve a project grouped into neat headings. The example used is preparing a meal for six.

Anna and Mike sit quietly and study the examples.

Mike thinks about how he has applied the PBS technique to weighing scales more than once and Anna thinks that whoever wrote that example of a WBS was probably a male who didn't know much about cooking and certainly didn't understand the concept of clearing away and washing up after a meal.

Anna suggests that they start building their own structure and in a very Anna style, she has already broken the project down into 6 parts each of which relates to the technical divisions of her organisation. Were she not constrained by this she might have started off in many different ways but the organisation is what it is and it will probably suit the kind of work it is designed to perform.

Anna can visualise the WBS which, if we could peek into her mind, would look currently like this:

- e-Trolley Project
  - Barcode reader
  - Weighing System
  - Docking Connection
  - Checkout station modifications
  - Store IT systems modifications

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The first thing she realises is that she has missed out project management so she mentally adds it.

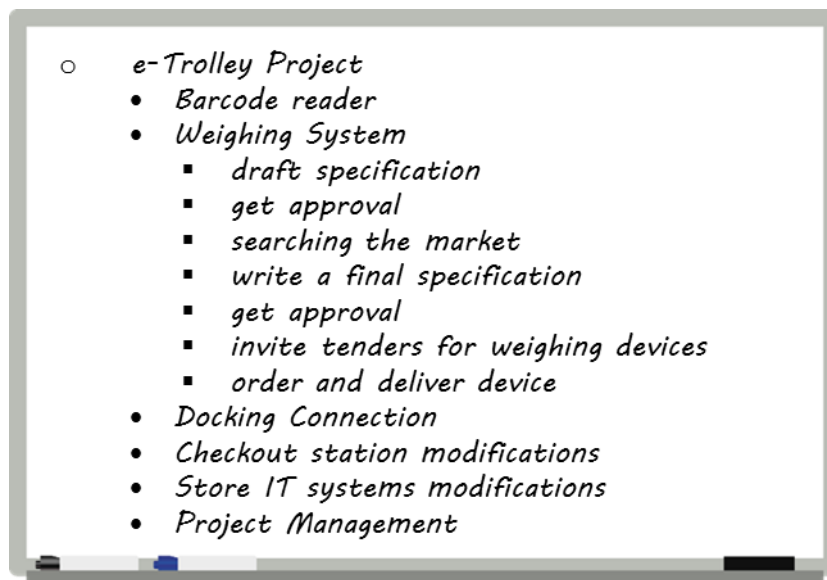
She is focusing on the major components and this has given her the first level of breakdown. It therefore follows that there will be activities like design, specification, procure and test for each of these components. Some repetition is inevitable.

Mike, the project's weighing expert, is the team leader of a group of people who specialise in hardware of this kind and he starts the ball rolling by talking about, of course, his favourite topic.

He says: 'We need to start off this part of the project by writing a draft specification, getting approval, searching the market, writing a final specification, getting final approval, inviting tenders for weighing devices, placing and order and getting delivery so as to build them into the new trolleys.'

Anna is stunned. Mike has managed to talk about the project in project management terms and has not wandered too far off into the technical issues of the weighing device.

Anna quickly sketches all this on a white board she has organised for the meeting and the WBS is now looking like this:

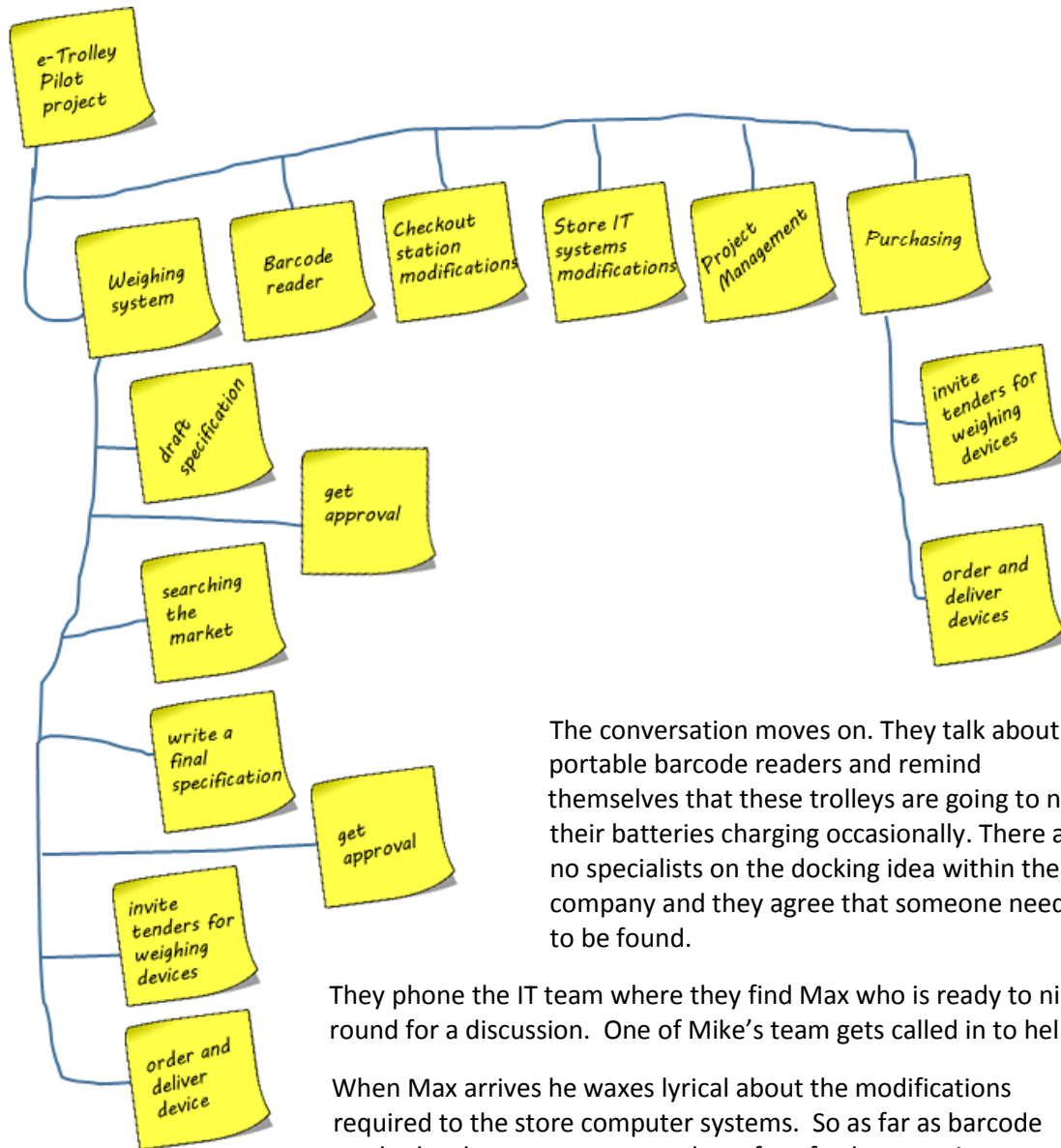


Anna lets Mike rattle on as this is useful stuff but then she realises that in his role as the weighing team leader, he has already covered some of the commercial parts of the project – for example sourcing the devices - work which is certain to be carried out by the purchasing group.

She also realises it is hard to keep the white board display tidy so she gets some Post-It notes, lists one item per sheet and looks around for something to stick them on. She weighs the pros and cons of a handy office wall, the white board and a passing, slow moving employee and opts for the white board as someone could easily brush against the office wall and ruin the work. Her desire to get close to that particular, unattractive, slow moving employee is down there with pulling her own teeth out.

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She also adds a new heading called 'Purchasing' and puts a couple of items under that new heading remembering to have a chat with the purchasing group about this project. She changes the title to the e-Trolley Pilot project.



The conversation moves on. They talk about portable barcode readers and remind themselves that these trolleys are going to need their batteries charging occasionally. There are no specialists on the docking idea within the company and they agree that someone needs to be found.

They phone the IT team where they find Max who is ready to nip round for a discussion. One of Mike's team gets called in to help.

When Max arrives he waxes lyrical about the modifications required to the store computer systems. So as far as barcode reader hardware goes we now have four further post-its.

- Barcode reader
  - Portable barcode reader
  - Trolley mount
  - Memory and battery module
  - Connection system

Anna's role at these sessions is a facilitator. She is no expert on these systems but she is good at getting people to think ahead. She asks questions and prods to help Mike find out what needs to be done to get this project to its conclusion.

A question she often asks is: 'What have we over-looked?'

The testing discussion focuses on a technical issue. They have some problems with the docking concept. They feel that a radio link might be better so that as an e-Trolley nears the checkout it

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will register its presence and create a link to the till. The alternatives involve some kind of docking connector on the trolley and checkout point or even a cable on the check-out that connects to a plug on the trolley. They all agree that whatever system is selected it will need considerable testing prior to any real life roll out.

Anna quietly listens for some time, enough time to ensure that there are answers and not an insurmountable problem.

She eventually steps in to say about this one issue: 'This is a real problem but not one that doesn't need to be addressed today. There are answers and I am sure the team will find some clever ones but there will be time in the project to resolve this technical issue. I will also recognise this as a technical risk.'

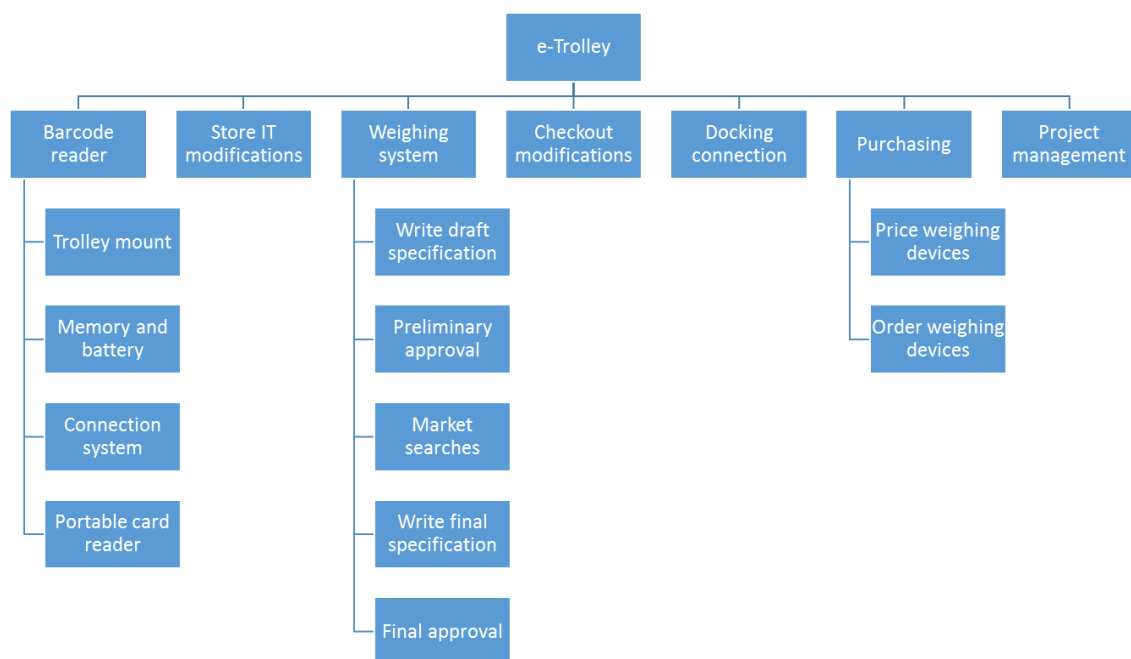
She does not belittle the problem but does postpone it. The techies feel slightly aggrieved but glow in Anna's confidence that they will crack that problem.

She does however note that a test environment needs to come from somewhere long before they go into production and that there could be a risk of delay here.

There is also a discussion about the sequence of some activities. Max starts asking all sorts of questions: 'Can we test the system before installation or do we have to set the whole thing up on site before we can run proper tests? Do we design the software first and then specify the barcode device or is the sequence the reverse?'

People do often start to worry about when these activities are going to happen and how long they will take. Again, Anna listens to these discussions but then puts down her foot to say that all she needs to do now is to get a list of the activities, the sequence can come later and is not important in a WBS.

Anna has little interest at the moment in installation and documentation and figures that the project management branch of the breakdown structure will be a no-brainer, so she collects up her Post-It notes, finds a desk and draws up the diagram to date. It looks like this:

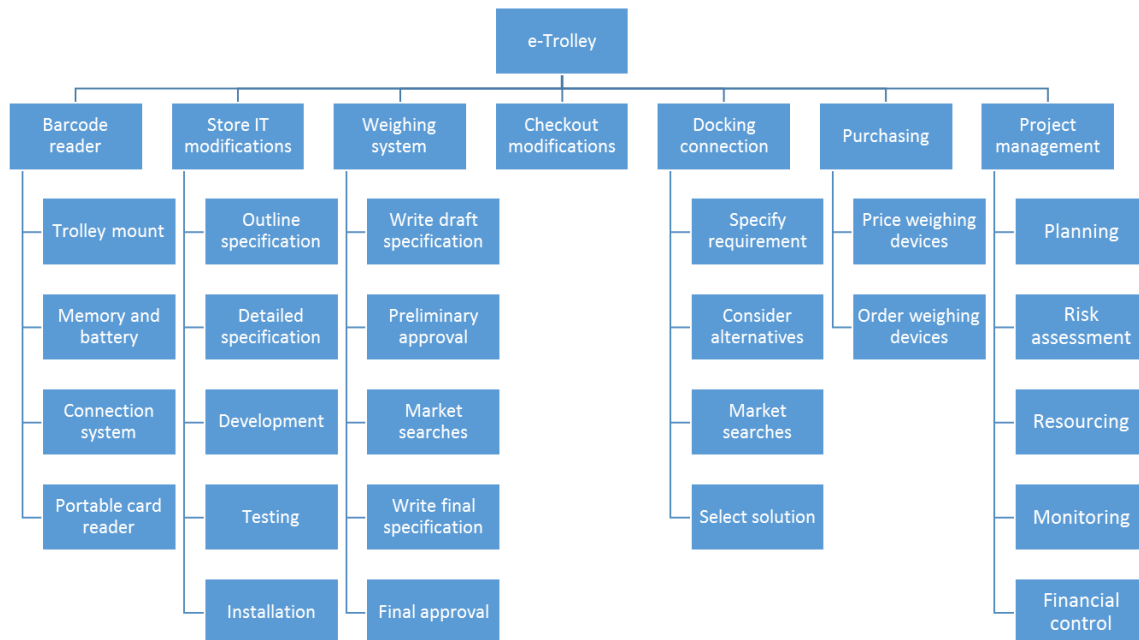


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Later than day Anna sits on a train which in turn sits on a track alongside a field containing a number of mildly curious cows. The train seems to have no current plans to move anywhere due, according to the guard's announcement to 'operational reasons'. Anna raises the question in her mind: 'What other kinds of reasons are there?'

Unlike the train, the cows seem free to move at will.

Anna uses the time and the remaining power in her laptop's battery to expand the other parts of the WBS to her own satisfaction.



She mails this to all concerned asking for input, advice and corrections. She starts to think about when all of these steps will happen.



## ***Chapter 6 Anna, Max, Sue and Mike produce a project schedule***



### ***Part 1 – Anna starts to build the team***

Anna gathers together the key players in the project for a planning meeting. One by one they enter the meeting room.

Anna is first and as neat and tidy as she always is. She appears, and is, so efficient that many of her colleagues are quite intimidated by her presence. Today she is wearing an open neck shirt and her usual dark jacket and trousers. She is alone in the room before anyone arrives and has arranged her notes and laptop and thoughts with equal tidiness.

The IT Director has become quite interested in this project and has appointed Max as the IT team leader to contribute to the e-Trolley project. Max always wears a white shirt and a suit to work, even on Fridays. Max takes work and life very seriously. He even takes humour seriously. He takes his career very, very seriously. Max plays team sports like rugby and football but never touches a computer game or visits Facebook which he considers to be *girly*. His role is to understand the input the company IT division is expected to make. He is early but not quite as early nor as well prepared as Anna. His tie and collar are undone from a shower after a recent game of squash.

The project sponsor, Mike, has an ingrained face that tells of many years visiting shop floors. He wears the same knitted waistcoat with a small stain that is now definitely much older than lunch. Like most people he is much less intelligent than his look-a-like, Albert Einstein.

Sue Denim, from the retail group, comes in last. Sue is fun. You know when she flounces into the room telling you about the problems she had getting away from her last meeting that she is definitely *in* the room. She enters in much the same way that a famous actor appears on stage: as if she expects a ripple of applause. She is ebullient and entertaining and knows a great deal about shops and supermarkets and how they work. Her background is actually in

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market research and she knows all about surveying shoppers to find out the fine points that persuade them that SpendItNow is the store they should choose. This combination of market research and retail experience makes her doubly valuable to the team. She has a way of getting people to do things. Her dress is frilly, her spectacles are as colourful as her life. She sometimes sings in the evenings at a local club.

So Anna; Max, Sue and Mike all assemble to start planning the project.

Anna nearly always runs a well prepared meeting and this is no exception. She introduces everyone and explains their roles. She asks each person to say a little about their normal role in SpendItNow, what they know about the project and what they expect from today and the project as a whole. After this she makes a few important points about the project and the meeting.

'I am really glad to have you all in the team. Max, I can leave the responsibility of dealing with IT components with you, Sue will help by finding some stores to take part in the pilot and with the organisation of the market research as we will need to understand the shoppers' opinion of this new system. Mike plays the twin roles as our sponsor and as our weighing expert and I pick up everything else.

'In broad terms this is how I see our current activity. One month from now we should present a complete finalised definition documentation to the board for the ETP project. This will explain what we intend to do, what resources and money we need and our objectives for the pilot. Until we have a full portfolio management structure in place the board of directors is acting as a portfolio board.

'I hope they will give us the green light after that presentation to commit to the e-Trolley pilot project. We shouldn't commit any expense on the pilot until we have got the go ahead, but we should be prepared to press the button and get on with it. We must have a pretty clear idea of what *it* is by the date of the presentation.

'At the moment the project is as clear as mud – the overall idea is contained in the draft specification and you'll get the general idea of what we are supposed to be planning from that. In outline, in the pilot project, we are to build and test in a few selected stores an electronic, high-tech automated check-out system. The e-Trolley may use RFID, barcode scanners and other devices to make shopping really easy.

We call this initial project the e-Trolley Pilot Project – the ETP project.'

Anna hands round copies of the early draft definition documentation for the ETP project. Our current activity is to complete this and seek the green light for the delivery phase of the project.

'I imagine that we will build, buy or otherwise acquire a number of e-Trolleys and get some IT modifications carried out to connect these trolleys to the in-house computer systems and cash registers. We will try to find some stores to take part in the trial and set up a monitoring process to observe the trials that will last about two or three months.

'The overall objective of the pilot project is to present a report on the feasibility of the e-Trolley idea to the board. This report will detail one or more technical options. There will be costings, timescales, benefits, risks and issues; enough to give the board the information they will need to commit to a major roll out of e-Trolleys across the whole organisation, throughout all of our stores.

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'I have been asked, and I ask you all, to be dispassionate about the project. We should be neither behind it nor against it. Our job is to produce the best analysis of the case we can. The whole programme could get canned because of our report and that will be fine.'

Sue breaks in, 'that might be fine for you, honey, but we'll all get jibes in the canteen that our project got canned. They might say it to your face or behind your back but they'll be there. That is just the way things are round here.'

For Anna this brings to the front of her mind a worry she had been unable to form into words. 'You're right and I don't know right now how to avoid that – let's think about it. If we can find a way of being seen as the independent researchers.....'. People need to understand that it is OK to cancel a programme if it isn't going to deliver significant benefits.

All teams progress from a collection of individuals with different expectations to a team with a common objectives. Anna is just getting her team through the early stages. A common model for this type of progression is the [Tuckman](#) model.

Anna leaves this thought floating around the room; 'Anyway, I wanted you all to hear what I understand we are here to do. Is that different to anyone else's expectations?'

They all nod. Anna has achieved something important in the world of programmes and projects and aligned everyone's thinking. She has begun the process of binding them together into a team with a common, understood aim. They even now share the common risk that Sue called *jibes in the canteen*.

### ***Part 2 – The team starts building a schedule***

Anna has managed to persuade one of her colleagues to part with the handouts of a recently attended project management training course covering project planning. As he attended the workshop at Anna's suggestion and it was paid for out of her budget, she felt within her rights to copy the few pages about planning and hand them out to her new project team. Anna, being very Anna-like, had read through the whole lot before so that she is, as ever, at least one step ahead of everyone else. She has arranged little piles of these notes on the table and hands out one to each attendee.

She first asks them to study the notes on project scheduling. They read the course notes which explain how to prepare a schedule using the [precedence](#) technique. The notes explain how to break the project down into activities each with a description of the work it represents and an estimate of the time it will take to carry out that work. It also explains how to indicate that certain activities cannot be started until others are complete or have at least begun. It shows how such a diagram can form the basis of a calculation that results in a bar chart showing when each activity can start and finish.

Jason has given Anna a short lecture on scheduling over one of their frequent lunchtime sandwiches.

See [Anna's Files](#) for the complete document: Network planning.

He hasn't bothered much with the techniques but has emphasised the importance of *planning as a team*.

'If you prepare a plan on your own it will be your plan and that's fine because for some people in the project you are the boss. However, for some people you are not the boss and in any case it's loads better if everyone thinks of the plan as *our plan*. Ownership of the plan makes a big difference to the commitment and enthusiasm of the team.'

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‘On top of that, you have experts in a variety of specialist fields and the plan will be much better with their input.’

‘And finally getting the team together to plan gives them time to think ahead and all kinds of issues and problems will be noticed and solved long before they become barriers.’

‘Let them do the thinking while you do the planning. You pull the plan together while they explain the steps and processes and jobs that need doing.’

To Anna all this makes sense. In fact to Anna most of what she had so far learned about project and programme management is simple common sense. She was waiting for the parts that were as complex as rocket science but has had no hint of any yet. Common sense with nice sounding names and loads of acronyms each with at least one ‘P’ seemed enough so far. Her father once told her that common sense is in very short supply in the world of government and commerce.

When everyone has read through the notes on planning and drunk the coffee Anna has been pouring, she opens the meeting proper.

‘Our main objective now is to create an outline schedule for the e-Trolley pilot project and to think through the issues and problems we will need to face to achieve our objective.’

‘You all know a great deal more about your specialisms than I do so forgive me if I ask stupid questions – it is just my way of trying to understand what needs to be done. I plan to act as a scribe or co-ordinator, guiding and helping the people who will do the work towards a workable plan. If we can end this meeting with an outline schedule we will be doing very well.’

She turns slightly towards Mike and says ‘Let me emphasise that we are today not trying to actually do the project but we are aiming to assemble a schedule, a specification and other documents that will go before the board in one month.’

Mike mistakenly thinks he is being asked to contribute. As you might expect he has not been hampered in his thought process by any great need to stay tuned in to Anna or the papers she has handed out. His mind has been elsewhere – probably thinking about the problems of weighing in zero gravity.

‘Great’, he says, ‘I’ve been thinking about weighing the produce and I see all sorts of problems. Some items like bags of crisps are so light that they will require very sensitive weighing and yet other items are very heavy. And what happens if the shopper puts a child or handbag in the trolley – it will make the weighing impossible.’

Anna hides her exasperation (she is thinking: he’s off again) at yet another monologue about weighing and says: ‘Of course we do need to address these problems but I am sure there are solutions and we will need to find them but today is not the time for that, it’s time to work out by when we need to find a solution, not to actually find that solution – that’s why it is called planning. Now you all have a copy of the work breakdown structure – what I would like to do is to try and understand the sequence that these activities must follow. As Mike has raised it, let’s start with this weighing issue – is there anything you need before you start designing solutions?’

Mike is feeling slightly miffed: and says ‘I am not even sure there will be a satisfactory solution.’

Anna says: ‘But you can make a serious start on solving this and you have the best team anywhere to solve it. Do you need any input from anyone else on the team? Have you assigned anyone to look into it yet?’

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Mike replies 'No and no. But I could give Timmy some time to look into it and I suppose he could start as soon as he is free. Let's give him a month to look into it, but I think this might be a waste of time.....'

Anna picks up the point, 'I was going to talk about risks later but I shall make a note that there is a real risk that we will not be able to find a suitable weighing system. I'll make this strongly in the definition documentation.'

Max has been sitting quietly soaking up this vexing issue of weighing. He has taken a quick look through the very brief project documentation and missed the implications of the weighing idea. He cautiously broaches the topic: 'Am I right in saying that the idea of weighing is to provide the basis for a rough check that the trolley actually contains what the barcode reader indicates?'

Anna (who is still waiting to start planning and beginning to doubt Jason's recommendation to plan as a team) says 'Yes that's right. It's part of the honesty check. The trolley will communicate with the store IT systems to report a list of items and therefore we get an all up weight. The store system will then prepare a bill and check the total weight of all items against the communicated weight. If it falls within a range it will accept the load. If not it will select the load for a normal check out procedure.'

Max, thinking quickly and trying to decide if he should have known this or not, says 'Right. That's neat. However there is another issue here. Our store computer systems link barcodes to prices and stock levels so we know that, let's say, an item might be 500g of beans but, and this is a big but, we hold no data about the weight of each item *including its packaging*. Actually that's not quite true – there is an exception. A member of staff weighs purchases of loose products and the weighing device prints out a barcode containing the price, type of goods and weight. But we don't know how much a can of beans should weigh *including the can*.'

Anna: 'Yes – this came out of the evaluation process. I think it means we have to set up a system for weighing goods or otherwise finding out what they weigh and then storing that in the database. It was suggested that this information might have other spin-off benefits to do with loading lorries, forklifts and shelving systems.'

Max looks at Anna thoughtfully 'I think that's right. It would mean a whole new operation – a team finding out the packaged weight of hundreds of items and entering the data into the expanded database against their sort codes. Of course the weighing can be done centrally and distributed automatically to all the stores.'

'Oh, hang on, this is not a once for ever job, we will need to keep on doing it for new products, as manufacturers and suppliers change their packaging and so on and so on.'

Anna is grateful for the opportunity to get back to planning: 'I think that gives me some new activities to add some detail to the general IT headings. We will need to set up a group somewhere to add weight information to the database as well as make the changes to the store IT systems.'

'I don't expect that we will do that in the pilot but we should have a clear understanding of the issues and budget and so on to form a part of the end of pilot report. That will mean discussing the topic with, err.... someone. We'll have to find out who that should be.'

Max, who by now is trying his best to be cooperative and even harder to make an impression on Anna, says 'Changes to the store systems might be a bit easier than you think. At the moment the checkout operator scans each item and the till sends a request to the central system asking for the current price. The central system returns a price, changes the stock level

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and allows for multi-buys', you know, like 6 bottles of wine are often offered at a discount or BOGOF.

'BOGOF yourself', says Anna, 'What does that mean?'

'Buy One, Get One Free. BOGOF', Chorus Max and Sue.

'Now the barcode reader in the trolley can do the same as the till – once the barcode reader is plugged in it will send a list of items to the till and the process from there on to the payment stage is pretty standard. All we need there is a new module that is able to accept the incoming data and feed into the existing pricing system bypassing the normal system of reading the barcode of each item at the checkout by hand.'

Sue has been uncharacteristically quiet so far and wondering why exactly it is that every man tries so hard to impress women like Anna. 'Hey, Max, you talked about plugging in the barcode reader. I thought we were thinking about a radio link of some kind?'

Max admits this 'Oh. I must have missed that bit. You mean as the e-Trolley gets close to the till it sends its data. No wires, no plugs?'

Sue explains, 'I think both the store managers and customers would much prefer that as any kind of physical connection leads to all sorts of reliability and fiddly problems. It is a radio link that we assumed from the beginning.'

Anna puts down her foot, 'As I said before we are not here to solve the technical problems but we are here to think about the process of addressing them.'

'Max what do you need to know to investigate the radio link and IT side of the data collection and weighing issues?'

Max thinks aloud, 'I could start with a short list of communication methods – maybe Sue could help me put that together. I could move right on to checking what is available and draft an outline of two or three different ways. Is that what you want?'

Anna thinks that things are going better. 'That's fine. And if you could outline the IT changes for the weighing issues and Sue could outline the work that needs to be done for the stores, we should have a good idea of what needs to be done.'

Sue waves her planning tutorial in the air, 'What do you have you in mind? I can imagine that we will need to set up a new group, a whole new department to work out the weight of each item against the barcode.'

Anna replies, 'Hang on a moment. We already have a team in the company entering descriptions and barcodes for every product – it would be natural to start there. They know how many items we add or modify each week. I could ask them how they feel about adding a weighing group to the pricing team and what would be involved. That would be Stephanie Wong wouldn't it?'

Sue smiles: 'Sure, You're right.'

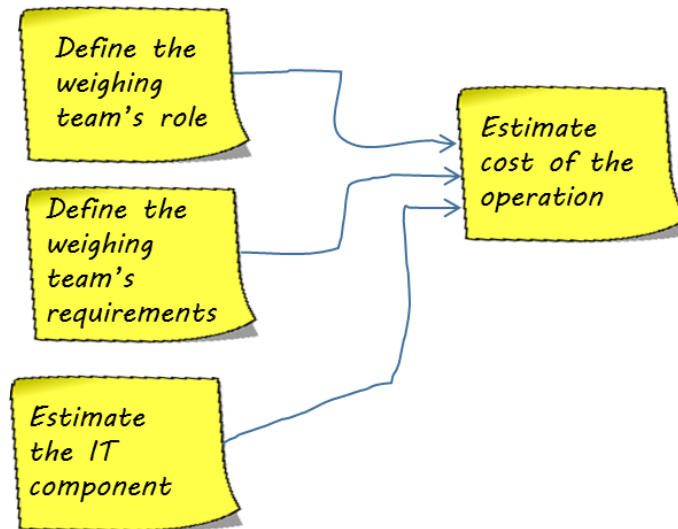
'OK', says Anna, 'I'll check with Stephanie'

Sue and Max huddle in a corner of the table together for a little while as Anna tries to avoid another interminable discussion about weighing devices from Mike by getting him involved in his role as sponsor.

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Anna has brought along a pad of sticky notes and uses these and a felt tip pen to draw some activities on the white board. To get things going she says:

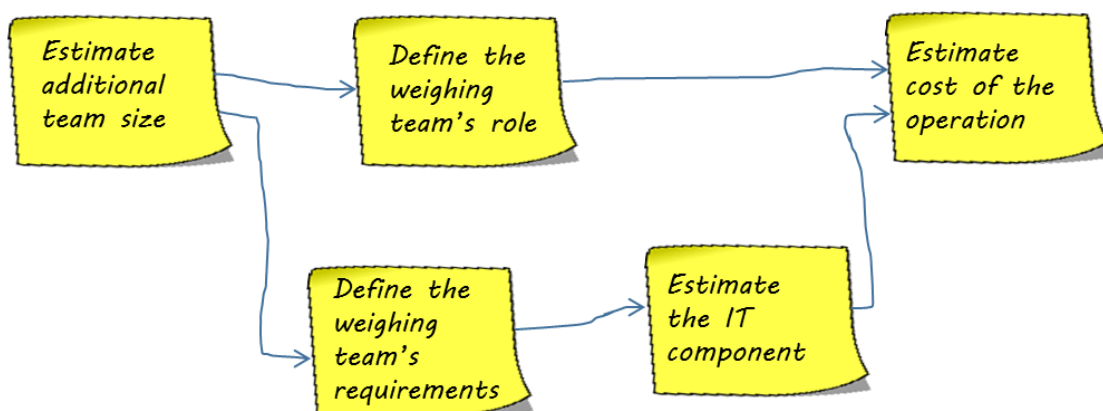
'As an example of how we need to think about sequencing the activities, let's look at the setting up of a weighing team.'



Max says, 'I think I need to know the weighing team's requirements before I can figure out the IT implications. Your, err, the plan shows them being independent of each other. Can you show that please?'

Mike asks, 'Don't we also need to calculate the size of the team we will need to do this weighing work?'

After a little more discussion, some whiteboard rubbing and sticky note moving, the tiny network now looks like this.



Max is getting into this planning work, 'You are drawing these lines between the boxes to show how they depend on each other. Does it matter where the lines and the boxes meet?'

Anna says, 'a line coming from the right hand end of one box and going into the left hand end of another box is a finish-to-start link. That means that the second activity cannot start until

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the first is complete. This is the most common type of link. For example we are indicating on this diagram that we cannot *estimate the cost of the operation* until we have both *defined the weighing team's roles and responsibility* and *also estimated the IT component*.

'In truth these activities could probably overlap a bit but we will assume the normal finish-to-start for the moment. You can get very smart with complex link types and these are discussed in the notes I handed round.'

Max says, 'The plan shows that we must know the size of the weighing team to know the on-going running costs of the new team. Is that right?'

Anna says 'Correct'.

'Well', says Max, 'surely we need to know what the weighing team should be doing before we decide how big the team will be? We have the first two activities wrong way round don't we?'

Anna covers this, 'True. Of course at this stage we should not start anything but we need to understand what we will do once the project gets the green light. I'll swap those two around. Now can we take a similar approach to the weighing problems?'

Mike feels it is time to make a comment: 'OK. OK. We have three main options: We can fix a weighing device in the trolley, we can weigh the whole trolley and we can forget about the whole weighing idea.

'I'll give one of my team, probably Timmy, a month to look into these options and come up with a recommendation for what we will need at this stage?'

Anna is pleased, 'Ideally we would have an outline of each of the systems and how each would work, how much it would cost throughout the stores to install and maintain and how long it would take to set up. Is that OK?'

Max has another thought. 'If we take option three – drop the weighing idea – we won't need Sue to instigate setting up the weighing team and I won't need to add the weight data to the store databases. Therefore can we get a decision on the weighing issue first as it will avoid loads of wasted work?'

Anna, who, by now and for both professional and personal reasons, never wants to see a set of scales again, says 'We should if we can but I think the project is based on some form of weight check. It will be a big thing to give up on weighing too early in the project.

'We are also talking about RFID. We don't use this technology much but as time goes on, more and more items will come to use with RFID tags. It might be possible to list anything in the trolley that carries an RFID tag and make sure those items have been scanned.'

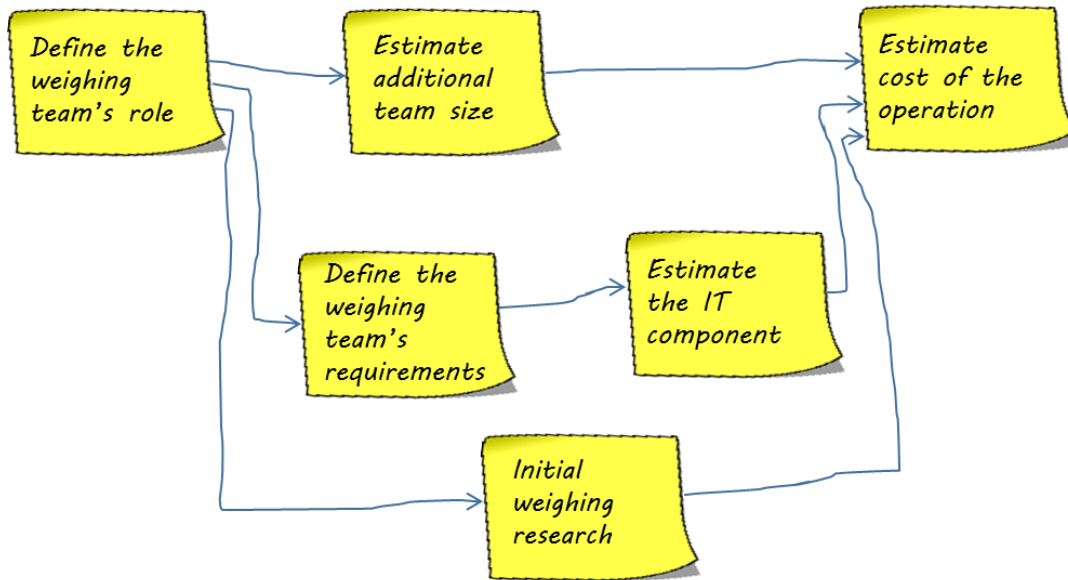
'Max looks up, 'the holy grail of supermarkets is a complete RFID system. That would mean adding RFID scanners to the cash points and extending the database even further to carry the RFID item number. That weighing team would be in a great place to add any RFID numbers to the database as well as the packaged weight data.' This is going to be some system if it all works.

Anna says, 'I know that the management team haven't thought all this through, they have asked us to do that for them, but we cannot drop the idea at this stage and certainly before we get a clear case for doing so. Don't forget this is the CEO's pet project.

Anna's network, after a little more work, looks like this:

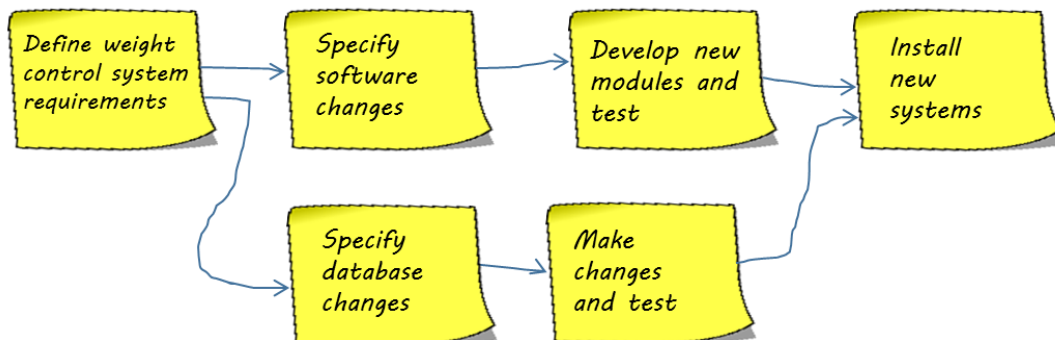


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Inspired by all this planning Max, fresh from his chat with Sue, takes his first tentative attempt at planning the IT work within the project. He adopts a flip chart, writes some activity descriptions on a few sticky notes and draws. Sue is slightly concerned at the way Mike sniffs the marker pen.

He uses the term *Weight Control Systems* to refer to the systems he envisages will be required to deal with the storage of product weights. He realises that there will not only be changes to the software dealing with prices and barcodes and also to the database itself.



Sue suggests that they change the system's name, 'I don't think we will feel great when the acronym becomes common knowledge. WC systems going down the pan, anyone?'

They agree on Weight Data Function. Max is becoming quite enthusiastic about this project. He likes the idea of the e-Trolley, he likes the idea of the project and he like the idea of getting to know Anna better. A lot better. This is the sort of thing he always saw himself being involved with – high profile projects that make a difference working with people he could admire and respect.

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He spreads his own hand drawn network on the table neatly spilling Anna's coffee over her clean and ironed trouser suit. Max is mortified. He tries to help and apologise whilst being discreet all the time. He knows it is not done to start rubbing at a woman's trousers with handkerchiefs and tissues whatever has happened.

He is really embarrassed, so much so that Anna, after a brief moment of annoyance starts to shrug off the whole thing.

'At least it wasn't too hot', she says, 'I won't sue'.

As soon as she settles back down and spreads out the plans again, Max starts to focus on the work and stops apologising. He runs through the plan he has produced as they start again to concentrate with the job in hand.

*Anna thinks to herself: Max is going to be a great help as long as I keep away from any coffee cups – he's picked up the idea of project scheduling really well. Perhaps he knew something about the technique before. OK, so he draws his arrows in a different way and a different colour pen but, hey, that's small stuff. She smiles at Max thinking that he may not be senior management but might well be one day. He is just the sort of guy you want on your team. He's good looking in a rugged sort of way as well.*

Max sees some of this in Anna's face and glows slightly.

She speaks aloud, 'That's fine, thank you Max, and I think there should also be a connection from the *Evaluate Weighing Systems* activity on the previous sheet to your first activity as the weighing system might have a huge impact on what you do in IT.'

*Max thinks to himself: I have been waiting to use that stuff I learned on the project management training workshop for months now. That's the sort of little trick that gets you noticed. I may be junior now but I plan to be senior one day.*

Sue chimes in, 'What about this radio connection – who is supposed to be finding out about that? Is there any expertise in the company for that?'

Anna replies, 'We have done very little on this so far so there are a number of questions. I propose two forms of attack. We need someone to seek out any other environment where this sort of thing is done and also someone to start checking through the supplier catalogues. That way we will have technological proposals and experience of such systems in use. I have seen some security systems where a gizmo reads an electronic badge at a distance and don't some countries have systems for charging cars on motorways using some kind of tag? There must be something available.'

Max pipes up having spotted another opportunity to shine: 'There are various radio networks around these days. You probably have Bluetooth in your phone and we have Wi-Fi round parts of the office. 'Wi' means Wireless but the 'Fi' is a mystery to me – maybe Fidelity, maybe fiddly. Bluetooth was some sort of Norse deity or chief, it was invented in Scandinavia somewhere. They are both good at short distance communications and very cheap. I can check into those systems and see if they are suitable. Any good?'

Anna says: 'Please do, Max. That would be great. Now does anyone know anyone with a hobby of flying model airplanes – they use radio communications? How about cordless phones and baby alarms? We only need a very short operating radius and it is all indoors. On the other hand if we used Wi-Fi we could offer a Wi-Fi service to our customers as well. Most people don't take their laptops when they go shopping but they do take their smart phones'

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To Anna's great surprise Mike steps in: 'Actually I do know something about radio controlled model helicopters so I can do a little checking.'

Mike has just found the best excuse possible to plough through model aeroplane books and other boy's toy catalogues in the firm's time.

Anna: 'Once we have some ideas I guess we will do a serious market study and perhaps some tests before handing over to the Purchasing Group. So the activities here are:

- Study technical market for radio systems
- Study similar environments for radio systems
- Consider alternatives
- Finalise specification
- Procure and deliver to test environment.'

Sue has a thought: 'You haven't got anyone from the purchasing department here?'

Anna had thought this through 'No I decided it was too early to involve them but we will need to think about delivery periods for quite a large number of radio/WiFi/Bluetooth/whatever links. Oh and another important factor is that the board anticipated a test installation in around five stores before a nationwide roll out.'

Sue is now on a roll, 'I see all sorts of marketing mileage in this. We should be doing press releases and PR stories and maybe changing the adverts a bit. What activities do we want for all that work?'

Anna says, 'No, wait until the pilot is a success before publicising anything?' I mean the end of the pilot project comes when we submit our report to the board and they make a decision whether to go ahead or not. That decision will trigger the PR and a whole host of other activities. By the end of the pilot project we must have a pretty detailed plan for the roll out but no commitments at all.'

Sue replies 'yes, that makes sense but during the pilot we can and must think about publicity and be ready to launch a campaign just after the tests have been considered a success. How do you show a relationship like this: If this happens – that happens; if not, something else?'

Anna's brows cross, 'I don't think you can. You just have to keep the plan up to date with the latest thinking. I haven't seen that kind of thing in any project management books. In any case, if the pilot fails we will have a major rethink and need to revise the plan again at that stage.'

'OK', says Sue, 'either which way we will need to, err, recruit a group of our stores to take part in the pilot. Do we need to spread these round the country? Should they be small or large? I can do a little scouting around on this. It will be much easier if someone senior sends out a request to the store managers explaining what this is all about'.

'That's right', says Anna, 'I hadn't thought of that at all. It's great the way planning makes you think the whole process through. Can you draft something please Sue?'

'Sure thing, honey'

Anna has, by this stage, assembled a diagram showing the major steps in the project and their relationship to each other. This is a high level plan and it will no doubt become more detailed later on but it does serve to highlight the major steps that need to be undertaken to achieve Anna's first objective – the pilot in five stores.

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She will soon have to face the challenge of asking each person to estimate how long each activity will take. Anna closes the meeting and thanks everyone, and especially Max, for their attendance. She suggests a process:

‘Thank you everyone – that’s a very good start and I feel that we can work together to do this. I will draw the network diagram showing the activities and their relationships to each other.

‘Could each of you please estimate how long each job will take you and your colleagues to carry out. An estimate in terms of weeks will do fine at this stage.

‘Then I’ll build a plan in our project management software and I’ll circulate the bar chart for comment. Is that OK?’

Everyone murmurs assent, there is a general gathering of papers and pushing back of chairs as the team start to rise to leave.

Anna has not quite finished, ‘Can we just summarise everything before we go our separate ways and can we arrange to meet again?’

They all sit back down. Anna summarises the meeting actions on the white board and later types it up and mails it round. It looks like this.

Write up notes and prepare schedule	Anna
Discuss weighing team with Stephanie Wong	Anna
Estimate durations for activities and send them to Anna	ALL
Initial look at IT based communications options	Max
Initial look at weighing options and radio control based communications methods	Mike
Outline of PR campaign	Sue
Get list of stores and managers and draft approach to find volunteer stores for the pilot	Sue
Keep away from coffee cups ☺	Max
Next meeting 17 <sup>th</sup> October	ALL

Max takes a little extra time to collect his papers together and to enter some notes in his personal organiser hoping to speak to Anna separately but she leaves with a little wave and a larger smile.

Anna’s plan is a bit messy but it’s only there until the whole thing gets entered into the scheduling software.

During the next stage some of the team do in fact gird their loins and estimate some durations.

They learn that estimating durations involves quite a lot of guess work and worry that they might easily be wrong but Anna is reassuring.

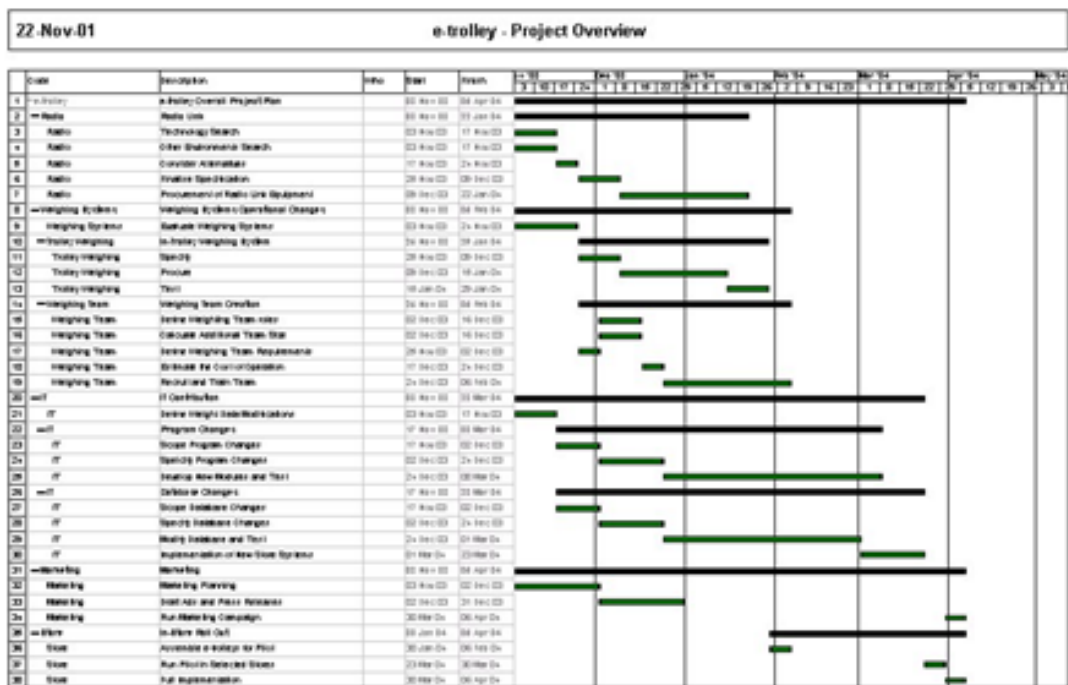
‘We can do the best we can for now but we will keep going back to look at these estimates from time and time and we will get closer to the truth. For the moment it is probably wise to play safe and be slightly generous with our time estimates.’

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It comes as no surprise when Max comes back with a few little additional suggestions and a neat table of duration estimates. Mike takes a lot of chasing before he becomes willing to make these stabs in the dark, something he finds alien to his normal engineering approach to life.

Sue also finds it hard to estimate the durations of activities where she really had very little idea of what is going to be involved.

After some discussion and bit of chasing Anna is able to enter the details into her scheduling system and by the time of the next meeting she has circulated a bar chart and a product and work breakdown structure combined in one neat page that looks like this.



Anna reads a few things about scheduling in the notes from the training course. They make sense to her.

1. Activities are usually grouped into headings that could not be sensibly displayed on the network diagram. (Anna has introduced headings to make the meaning and display clearer.)
2. Use a column titled 'Code' or 'Group' to show the general grouping of each activity. Use the description to indicate the type of work in headings and the work to be done in each activity. Use verbs on all activities.
3. Use logical links between the activities. These show the way in which certain activities depend on each other. (For example, a link shows that Procurement of the radio link depends on having a final specification for it.)
4. Link the headings of certain groups of activities to activities in other groups. None of these links show on the bar chart but they are used by the planning software to calculate when each activity can start and finish.

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5. Headings in any self-respecting planning system will always be automatically scheduled to span the schedule of all of their sub-ordinates. (For example the schedule for Marketing covers the period from the start of the 'Marketing Planning' activity to the end of the 'Run Marketing Campaign' activity.)
6. As the plan grows and changes, as activities get added and amended, these headings should always be automatically scheduled correctly (Anna is confident that there will always be a link from the last item in the Radio Link, Weighing Systems Operation Changes and the whole IT Contribution to the start of the pilot activity. All she has to remember to do is to add new activities under the right headings and the logic of the plan will take care of itself.)
7. You can add links from headings to activities and from activities to headings all of which is quite correct. You will not find a link from an activity to its own heading nor from a heading to one of its own activities as this would make less sense than politics, soap operas and quantum theory.
8. A word about durations: There are few areas where misunderstandings are so common so let's compare for a moment the misunderstanding you might expect to find after a peak into the questioner's and respondent's minds.
  - 8.1. Make sure everyone is talking in the same units. Many projects have run aground on this particular set of rocks. Days and weeks are obviously different but man days, also known as Full Time Equivalent (FTE) and simply 'days' may also be different.
  - 8.2. Your team, with every good intentions, will often imagine they can work full time on your assignment. At this stage you do not know even when they will be doing the work but you can be confident they will have other jobs to finish off, their normal daily duties and, if you are very unlucky, they will be holidaying on a beach in Spain at the time anyway.
  - 8.3. An FTE is the amount of work that could be done if there were no distractions and the person worked full time on the activity. You must make reasonable assumptions about the amount of time they will be able to give you and your project. Two weeks of work or effort, measured in man days or Full Time Equivalents often takes 4, 8 or more weeks in elapsed time.
  - 8.4. It does help a great deal to prepare realistic plans to try your best to make sure everyone has a clear idea of what the activity is about – what they will start with and what they will have at the finish. This is very hard when the activity is to prepare a report which might be assumed to be a one page summary or the equivalent of a PhD thesis.
  - 8.5. Finally set up a system where the only blame is for not raising problems. If it is going to take longer for a good reason, live with it as long as the problem is raised early enough. By all means get cross with someone who fails to deliver and fails to warn you that they will be unable to deliver. The last but one thing you need is a surprise. The last thing you need is an unpleasant surprise.

Anna is going to get a few surprises quite soon.

## ***Chapter 7: Anna's project gets underway – she meets Stephanie Wong***



In this chapter Anna delegates a section of the project to Stephanie Wong, presents to the board and finally gets the work underway.

### ***Part 1 – Anna gets Steph involved***

‘Can you spare me an hour this week please?’

Anna calls Stephanie Wong and explains what she wants to talk about. They are similar in many ways but not too many. Stephanie has found that strangers who visit her on mysterious missions usually involve more work and more work is something she can happily live well without.

Steph, as she prefers, comes from a mixed British and Singaporean family. Her early days in Singapore gave her a taste for all things Chinese plus the ability to read and write both Cantonese and English with ease and fluency.

Steph has the same high cheek bones as Anna but a much more rounded face and slight almond shaped eyes peeking out from her very straight, deep black hair.

Her desk is inconspicuously positioned in the corner of a large room where most of her team work. The door to this general office bears the engraved label ‘BarCode City’ under a very large barcode image. Every desk has a barcode on it in just the place a name might normally be and Anna correctly guesses that the team have worked out a way of translating their names into barcodes just for fun. She thinks, as she crosses the room, that they really ought to get out more. Then she thinks *she* really ought to get out more – at least they all seem to share the same little jokes. She has started to realise that this project management stuff that took her out of her previous team can be a lonely, maverick kind of existence.

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Anna brings Steph up to date with the e-Trolley pilot project.

'Oh right, I saw the thing about the CEO in the bath – very, err, unusual I must say. So you are running this pilot project to test out the idea of a super slick trolley that saves people time and bother at the checkout. Right so far?'

'Spot on', says Anna.

'But what has this all got to do with me?'

'The idea is that customers using an e-Trolley can scan their own purchases and go straight to a speed checkout where the trolley will update the till with their list. IT are planning on bypassing the checkout scanning of each item and passing a complete list to the till so that it can check prices with your database and present them with a complete, priced bill.

'The first part is to check if you see any problem with that?'

'Not yet. Assuming that as far as our pricing database is concerned the till will request pricing information and bulk discount structures in the usual way, it should make no difference at all. At this stage in the process our database is being used to supply information only and is in 'read-only' mode. So as long as IT is happy we should be happy too. I would like to be kept in the loop in case we spot any problems.

'But you said *the first part* – I assume there is at least *a second part* to come?'

'Ah, yes,' says Anna, not quite sure how to drop this particular bombshell, 'it is about weighing.'

Steph shifted in her seat and drew her eyebrows together in a perplexed and vaguely suspicious kind of way, 'now you've got me interested.'

'Well, we are quite concerned about the number of people that might steal goods by simply not bothering to scan them. The idea to control the level of theft is that we build a weighing mechanism into the trolley so that we can check that the goods weigh approximately what, in total, they should weigh. We think this means accessing a database of item weights *including their packaging*.'

Anna decided she has gone far enough and leaves Steph to think this over. It doesn't take long.

'But we don't have that information in the system..... apart from bulk purchase items like fruit and veg that get weighed in the store we just don't know how much a can of beans weighs.'

Anna thinks 'why is it always a can of beans?' Aloud she says, 'I understand that, but could we know how much a can of beans weighs? And a can of spaghetti? And a packet of rice?'

'Right now, no, we couldn't. It would be a non-trivial business to know such a thing.'

'I thought it might be tricky. You don't have information from transport or packaging or anywhere?'

'We have information on loads but they are mixed up with loads of different types and sizes of goods and with pallets and cardboard boxes and crates. No, that will not help at all. I don't think I can help you with this. Maybe there is another way to reduce theft. Now I have to get on with some other....'



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‘Hang on a moment please. I am a bit stuck with this and I need some help. You see, I have been given the job of running a pilot so there are no decisions at this stage. I plan to get a few e-Trolleys built and run a pilot scheme in a few stores.

‘At the end of the pilot I am supposed to deliver a report to the CEO outlining the implications of a full roll out across all of our stores. That report has to talk about risks, costs, customer reaction and changes to our own organisation to make it all possible. This issue of theft and weights has been, if you’ll excuse the pun, weighing on my mind for some time. I’ve got Mike Rovone telling me daily all about weighing devices and all the problems he has and I just cannot see a way through.

‘Please could you explain to me how the barcode process works at the moment so that I too can understand the size of the problem?’

Steph stares at Anna for a moment and sees a helpless child inside the tough exterior. ‘What was that about changes to our organisation?’

‘I think everyone expects that the full roll out might imply changes to way we work in a number of areas – check out, security, your area...’

Steph gets interested in the possibility of managing a much bigger team with the increase in authority and responsibility and pay that should follow. Steph is an ambitious person. Anna hoped that Steph was ambitious and this was all going to Anna’s plan.

‘OK, OK – this is how things work in barcode city. I’ll keep it simple and avoid technology so we can see where we get to.

‘We maintain a central database of all the goods we sell. Every item starts with a unique reference number which is of course reflected in its barcode. If you read a barcode like 9 781858 285771 we can tell you exactly what that item is.

‘Every item has a description theoretically in English although the shortage of space often make it very hard to recognise. We store a quantity which might be a weight, number, volume of liquid; something like 500grams, 6, 1 litre or whatever. Here, come round and take a look at the database.’

They crowd round Steph’s PC.

‘Next we store a goods category – general food, frozen food, loose food, stationery, clothing, personal products and so on.

‘We also store a price, a VAT rate, information on bulk discounts like the 4 for the price of 3 offers. Finally there is a link to the stock system so we know the turnover and stock levels of each item.

‘What we don’t store is the total weight of a can of beans.’

Anna has been listening intently, ‘You haven’t mentioned where the reference numbers come from.’

Steph explains this, ‘It depends. The number comes from the supplier, usually the manufacturer. The way they are transmitted to us varies a lot – some have direct electronic feeds, some have websites and some send us data files. This is a continuous job as we take on new items, old items change, we drop items, we change suppliers, errors come to light – we have a team that does nothing other than keep this database up to date. And we don’t do pricing – that comes from retail.’

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Anna asks again, 'So, to store weights we would firstly have to change the database design and also have a whole new team of people, probably under your department, who weigh samples of everything we sell and enter the information into the database?'

'That's about the size of it. It could be centralised or it could be done at certain larger stores – not every store carries all items. There would be a massive job to do at the start as everything we currently sell would have to be scanned and weighed but after the initial exercise we would just scan and weigh new and changed items. This would at least double my team. Hang on, we would have to scan and weigh items every time their packaging changed as well.'

'Do any of the manufacturers provide, or be willing to provide, us with the packaged weight?' asks Anna

'None at the moment, but some might. Look I would like to help but I don't even have the budget to put someone on the problem to do some research into this.'

'A budget is something I may be able to help with – have you got someone you could put on the job to find out what we need to know, if I can get the budget for you?'

'Maybe, maybe. But I was expecting you to talk about RFID.'

'Ah', says Anna, I was coming to that. We are a long way away from having RFID tags on everything but it is possible to do an RFID scan and check that any RFID tagged goods that should have been scanned by the customer, have been scanned.'

'We have been expecting someone to start talking about RFID soon any way so this will give us a chance to explore that as well. I'll go for that. But what happens if this marvellous system rings an alarm bell – you know, it is all too heavy or there are hidden RFID tagged items. What happens in the store?'

Anna explains that no decision have yet been taken, 'the chances are that there will be a random honesty check and these systems will secretly trigger a random check. The security guards and store detectives may have a button to pull the same trick. As far as the customer is concerned they will just be annoyed at being randomly checked but actually we can check whenever there is suspicion.'

Steph thinks, *wait until the tabloids pick up on that story!*

And so Stephanie Wong becomes committed to help with the project. She agrees to help Anna work out some costs and team sizes to provide and maintain the information the project will need. They later carefully agree the objectives of the exercise, the timescale and the expected outputs and deliverables. It is all very clear.

Anna therefore *delegates* this work to Steph and her department and does not get involved in the people actually doing the work within Barcode City.

A relatively painless discussion with her sponsor, Mike, releases some internal budget adjustments that more than cover Steph's costs. The work Steph is planned to do gets amended in Anna's bar chart to a single activity with the note that it has been delegated to Barcode City (S.Wong).

This is Anna's test of the delegation process. She remembers from her briefing with Jason that she is delegating the work and the authority to Steph. It is up to Steph to get this work done within her own group. Steph understands what needs to be done and it is her role to deliver the outputs as agreed and to schedule. Anna should not get involved with Steph's team unless invited to do so. Whoever actually does the work, and there may be one or many, will take

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instruction from, and report back to Steph. Steph will bring the whole feedback together and hand it over to Anna.

At this stage this is a planned delegation. Steph has a clear idea of when this work will be needed and that date is definitely in the future. It would not be fair to expect Steph to start straight away. In any case Anna makes clear that this work cannot start until the pilot project has been given the green light expected on 4<sup>th</sup> December.

Anna takes the precaution of confirming the discussion, the work that needs to be done and the timescale in an email to Steph.

Steph and Max and Anna have a meeting to discuss the IT implications and to sort out a few technical problems which results in Anna being happy with the weighing issue for the first time. It is a weight off her mind. After this meeting they enjoy a pleasant meal together. Max pays the bill without a thought which is good as Anna hates a tightwad. He is really careful with the coffee which is even better.

### ***Part 2 – The board presentation***

The project team meet for an update as agreed on the 17<sup>th</sup> October - and use Anna's bar chart as an update agenda.

Anna runs through the plan again and everyone is happy. She reports back on her discussion with Stephanie Wong and that given the duration and plan they all have come up with she proposes to go back to the CEO and ask for a chance to present the final definition documentation for the ETP project to the board on Dec 4<sup>th</sup>. This is when she will outline what she expects to achieve in the pilot and when she asks for permission to proceed to run the pilot project.

'But let's leave that until we've all reported, until the end of the meeting.'

Max reports looking into the WiFi systems. 'These look fine. The range is easily good enough and there are a variety of connections. The easiest will be USB and there are barcode readers with USB connectors so that they can be hooked up to PCs. So far this part is looking very doable. The changes to the database look pretty simple but I don't think I mentioned the testing process before, did I?'

Three blank looks are directed in a Maxwards direction.

'This database is one of the company's crown jewels. If it goes down we effectively cease trading until it is up and running again so we take any change to it very seriously indeed. Any change to the database first goes to a testing group who run a kind of simulated range of stores – they give the system a severe hammering to make sure it all works properly. They have terminals and tills hooked up the test database and can simulate hundreds of simultaneous complex transactions. Once this test has been passed the modifications can go onto the live system and that happens only on Sunday evenings when all the stores are shut. I don't even know what will happen if we go to 24 hour opening.'

'This takes around 2 months and any changes in the database have to go through this process. We don't have that time in the plan.'

'Better to know now rather than later', says Anna after this has sunk in. After all, planning is all about thinking ahead'

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‘This is looking increasingly like we will study and report on the weighing issues but actually test nothing. As I said before, I’ve spoken to Steph and she is ready to do a study on the changes that will have to be made in her group but there is no way we can actually make the changes for the sake of the pilot. This is all increasing the risks for the main roll out as a major part of the technology will not have been tested.’

Max suggests that they could simulate the whole thing. ‘If we got the software running and the database changed we could fill in the weights with random numbers. Then we could test everything apart from the weighing of the packaged goods without the organisational changes. Does that make sense?’

They decide to leave this until later.

Anna asks how Mike got on with the radio control technology.

‘It didn’t look possible at first as most existing systems in model boats, cars and planes are analogue – a transmitter sends a signal to turn right or left or up or slow down and this actuates a slave within the model. This would not suit us at all – far too inaccurate and inappropriate for our application. However the newer end of the radio control professional market is going digital so sending a series of numbers to carry the instructions. This therefore becomes possible.’

The possibilities in Mike’s mind include buying a digitally controlled model boat and playing with it on company time.

Sue has found there is a process for getting stores to volunteer for trials. The company runs a number of trials, special offers, in store promotions, security and so on and this process suits what the team needs to do.

‘This trial is probably a little bigger and more complex than usual but it fits the pattern. We can press the button and request a trial following a well-worn path. We need to have an outline of the trial – how it works, what it aims to achieve, timescale and so on. I don’t have a specific list of store managers because the request system goes to them all. We might think about the type of stores we prefer to take part in the trial. I mean are some types of store better for the trial than others?’

‘That’s a good point’, says Anna, ‘I guess we need a variety of stores. The easier ones might be in areas where credit card use is high. The challenges will come from stores where cash use is high especially in areas where, err, technology isn’t that common.’

Sue ends her report by saying that she hasn’t written anything about a PR launch yet but does have some ideas.

They decide to have one more meeting before the presentation on 4<sup>th</sup> December which is not only fixed but to which they have all been invited. Anna asks them all to decide if they want to present their part of the report or prefer to watch or even not attend. Max of course wishes to present the IT case and suggests he is best placed to do so. Sue and Mike are happy to sit at the back and let Anna take the risk.

Anna pours her time, effort and enthusiasm into preparing the presentation for the board. At many evening sessions at home she also pours copious quantities of wine into glasses much of which seems to mysteriously evaporate. Max spends time at Anna’s flat and seems entirely willing and able to pour both the same amount of wine and enthusiasm into the work.

Sitting over a hot computer they complete the definition documents that will set new standards, plus a PowerPoint summary for their presentation. This presentation is rehearsed

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repeatedly and polished until gleaming. They have asked each other what they hope are searching questions and agreed on a couple of key words that mean, in secret, stop what are you are saying – you are digging a hole for us all.

They recommend that the weighing system is impossible to test in the pilot, non-critical to the project and maybe impractical all together. They plan a study of the weighing issues plus a study of other forms of security methods during the pilot project. They also decide to recommend that RFID is left till later.

The detailed schedule that accompanies the presentation shows two critical paths: one runs through developing and building of sixty e-Trolleys ready for the on-site pilots and the other runs through the IT work for the tills. Both of these coincide when the pilot actually starts in three months' time and the critical path then runs through the 3 month on-site pilots and the preparation of the report.

When the day of the 4<sup>th</sup> December arrives they feel ready, refreshed and confident of their case.

It shows. They sail through the presentation, they need not have worried. Bob, the CEO, would have given them the green light to proceed with the pilot on a much poorer case but he is pleased, no, delighted, that Anna took his request for a proper, well run project to heart. He publicly thanks her and explains that he expects all important projects to be thought through in this way before significant costs are incurred.

He explains that it not so important for the senior management to understand all the detail, but it is vital that the project can create confidence that the project team understand and can deal with the project.

Max and Anna are congratulating themselves in the corridor after the meeting when Jason steps out to congratulate them. He seems a little flustered and even huffy seeing their shared happiness but tells Anna she did really well. Anna explains how much of a help Max has been but Jason's response is uncharacteristically brief and offhand.

*'He can't be jealous can he'*, thinks Anna as she watches him walk off. And Max looks pretty freaked out too.

Anna contacts everyone on the project and tells them that the button has been pressed and the ETP project is 'go'. She copies in a part of Bob's email to her giving the project the green light but modesty leaves out the congratulations.

Work therefore begins in earnest.

### ***Part 3 – The pilot finally gets going***

Mike goes out and buys a remotely controlled boat and takes it to pieces. He is not as young as he was, by no means as dextrous or familiar with current levels of technology. The toy never works again and its contribution to the project ends just after eating up a little budget.

Max finds a portable hand held barcode reader with a USB port and sets up a private WiFi network in his office. After a little fiddling about, some head scratching and an enough acronyms to give Sue Denim apoplexy or severe deafness, the barcode reader communicates with Max's laptop.

Max tries a little barcode scanning and successful transfers the data to his laptop so the link does in theory work. The scanner tries hard to comply but runs low on its in-built batteries

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long before a day's work has been done. The experts laugh at this and annoyingly tell Max they could have told him that would happen. His need for guidance stops him from asking why they didn't but they do rig up a larger remote battery on a length of cable that seems to work for a few days without help.

He realises that they didn't tell him about the battery's short life because he didn't explain to them what he was trying to achieve. Or maybe he did and they didn't understand it all. Perhaps, he later tells Anna, he should have avoided words with more than one syllable. Max and Anna actually take Max's laptop and all the bits to a SpendItNow supermarket where they stroll about with a trolley filled with scanners, batteries and WiFi adapters to check that this part of it will all work in practice.

They even make calls to each other's mobiles and use MP3 players to check for interference. They realise that the trolley they have equipped with components lashed together with tape and string is actually the first e-Trolley. They call it Firstborn and take photos and visit the local pub to celebrate.

The result of all this is Max and Anna develop a reasonable level of confidence that a scanner hooked up to a WiFi connector and a battery can be fixed onto a supermarket trolley

The next step is to get the tills to talk to the e-Trolley. Anna and Max try to remember that whilst this is all great fun and very much a part of the project, the speed at which it moves keeps it way off the critical path. It is lesson in project management – always check the things that you don't enjoy talking about.

Dead on the critical path is the design work is going on to develop the modified cash register software to by-pass the normal scanning process and accept input from the external source. Fortunately the cash registers store their software locally so a modified version can be built and loaded onto the selected cash registers in the selected stores to run the pilot project. This design work eventually leads to a detailed specification, some programming, testing on the cash registers kept in the IT office at headquarters for this purpose and eventual acceptance. Under Max's guidance this gets done within the required 3 months.

Also on a parallel critical path is the creation of the actual trolleys themselves. At a minimum these could be lashed up with string but Anna knows the psychological benefit that a smart, hi-tech looking trolley will have on both customers and colleagues alike.

She visits and charms their supplier who it turns out has a number of what they charmingly call *third generation shopping handlers* under test with a supermarket chain in Italy. They look the business, streamlined and smooth and very up to date. After some persuasion and the very formal signing of a mutual non-disclosure agreement she gets the supplier's MD interested in the e-Trolley idea. He agrees to fit the scanner/battery/Wifi adapter onto some of his *third generation shopping handlers* in a suitable way and provide her with 60 trolleys on a test basis. Another success.

Sue is having an easy time as well. She reports back to the first monthly meeting like this:

'I pressed the button on the process asking for volunteer stores using the form I prepared outlining the project and what its aims and objectives were. I mentioned the CEO's interest in the project and, guess what, they nearly all applied! Some even apologised for being in the wrong demographic area! I later found that this kind of response was unusual but predictable as I used the CEO's name. They all want to look good to the board you see. It seems that senior backing smooths a lot of wrinkles in this game.'

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'Anyhow, I've selected six stores, three in high technology areas where credit card use is high – Slough, Windsor and Bracknell – plus three where, err, we sell more cigarettes, beer and packaged foods, where we might expect more of a challenge – Castleford, Portsmouth and Ross-on-Wye.'

'I've drafted a briefing document for the management of the six stores explaining what we plan to do and how they should manage their part in the pilot. Did any of you think that we are going to have to train some staff in every store to show the shoppers how to use the new device? I think we are going to have to start one store at a time and send a few people to the store to help it start its own pilot. And those people will have to know what is going on themselves, right? Anyways, let me have any comments on the briefing document – it's on the Albatross server with the other project documents. Max, where to IT get these server names from?'

Without waiting got an answer Anna presses on, 'I have made contact with a two nationwide market research organisations and sent them a brief outlining our needs. I expect a couple of market researchers in each store two random days per week running through a short questionnaire with each e-Trolley shopper and some who refuse to use the e-Trolley as well. We need to think about what we need to know from the customers so that the market research companies can supply us with a feedback report at the end of the pilot.'

'Finally I wrote a draft press plan to announce the whole programme if we ever go ahead with it. The Albatross server is looking after that as well.'

'Brilliant', says Anna

'Monty Python', says Max.

'Pardon', says everyone but Max.

'That's where the server names come from – old Monty Python TV shows – Albatross, Gannet, Lumberjack, Parrot.'

'I knew there was something wrong with IT people – I blame the pizzas', says Sue.

At each of these monthly meetings a short report is prepared and circulated to the project team and key stakeholders. The report includes an update to the schedule, risk register and budget. Right now Anna's management reserve, inspired by Jason, is looking good.

Jason is getting stranger and stranger. Jason and Anna no longer spend their lunchtimes together partly because Anna and Max spend the few lunchtimes when they are both in the office together and also because Jason is running a project of his own and finding that actually running a project is much harder than pontificating about it.

Anna's view is that Jason is getting positively rude towards her and Max for reasons she can only guess at. She realises that she may have to tackle him on this but feels their relationship would not permit such a thing. She thinks he might be jealous of her super smooth project. She has a heart to heart talk with Max about all sorts of things over a bottle of wine. Max opens up to Anna for the first time and tells her that he is gay but is not in a relationship at the moment. He too has noticed the way Jason is reacting and finds it very odd.

Anna is a tad disappointed with Max's revelation but it does clear up their relationship and she understands why she has felt so comfortable with him and why he has never made a pass at her. A new level of understanding and friendliness opens up for them.

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In Barcode City things are not going so well. Steph runs her team well and in a very supportive way. They are used to getting involved in projects of all kinds especially working with IT and they all do timesheets to report their time which go to Steph in a consolidated form. These tell her who is and who is not doing timesheets and how they are spending their time.

She holds regular team meetings with her direct reports and at one of these meetings outlines their role in the e-Trolley project and asks one of her team to get someone to do some calculations on the numbers of items that will need to be weighed each week and therefore the number of people the team will need both at start up and thereafter for normal maintenance. They talk about a gadget that reads the barcode, weighs the item and updates the database automatically.

At her meeting with Max and Mike they had outlined the one-off weighing terminals the new team would need and they agreed that this would go in the IT part of the report. She agreed to tell Max how many terminals she will need once she has a head count of the new team. Mike's expertise in weighing becomes useful at last when he explains they will need different devices for different types of goods.

'You really can't expect one machine to weigh packets of crisps and a carton of a dozen bottles of wine, you'll need a few different machines.'

Steph realises that she is going to have to spend some time with Human Resources to get their feel for the sort of people she will need in the new team and with the Facilities team as they will need somewhere to work with Mike's range of weighing devices. She will take bets that HR need her to talk about the induction process for the new people and their training needs.

Steph makes notes to attend to these jobs.

But things conspire against the project. Firstly Steph has a problem with her PC causing a loss of data including her 'to do' list which included the jobs she decided 'to do' for Anna. When the problem is solved by IT the recovered files do not contain Anna's jobs. They get forgotten.

To make matters worse the person who got asked to do the calculations on the team size was taken ill and no one remembered that he was supposed to be doing that work. As the weeks passed by nothing gets done in Steph's department that was likely to help move Anna's project forward. No one even noticed that the work wasn't being done and therefore no warnings reached Anna that there was going to be a problem.

Anna was pretty busy herself with the other parts of the project including the shiny new e-Trolleys for the pilot and this took all or most of her mind and time. She was in her comfort zone and getting on with some work she really enjoyed and that would make her look good when the time came. Just occasionally she noticed that line on her bar chart titled: 'prepare report on weighing data implications' but she didn't actually get round to checking in with Steph.

One of the reasons she fails to check with Steph is that she doesn't know how to phrase the question. The work in Steph's team is summarised into one, 3-month bar in Anna's plan. There were no intermediate milestones to audit, no check points and no lower level activities. This meant that a progress check could only be in very general and vague terms. Anna thought that a vague question like 'how is it going' was too unprofessional by half and she didn't feel like asking it. So she shies away from the problem, subconsciously hoping that the work is going ahead.

As the days and weeks pass by, and due to a little accident, some illness and an oversight this part of the project drifts further and further behind schedule. And no one even notices.



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Lateness is something we all have to live with as long as it comes to light early. Hidden lateness – the lateness that comes to light late is inexcusable and much harder to handle.

Early warning is OK, late warning of lateness is really bad.

Anna has made the classic mistake of not checking up on the things she doesn't like working on. Later, she will hope that Jason doesn't find out.

***Chapter 8: Tim Malone does the wrong thing and Anna's project starts to go wrong***



In the midst of the time that Anna and Max spent happily playing with the gadgets and getting their communication device working Anna asks Max to borrow a programmer from the IT team to work on the new till software modifications.

Max arranges a meeting with the resource pool manager in the IT section that looks after programmers. This pool manager plays only a small part in our story so we will not allow ourselves to be diverted by attending a meeting with this person. We will however consider the pool manager's role and the nature of the loan model of project resourcing.

The IT section in SpendItNow contains a wide range of specialist people, people who understand the operating system of the ancient minicomputer holding the stock system; Unix programmers who can write the bizarre treatises called instructions; java people who know about beans and coffee shops and brews; network people who can track data across tracts of hardware and finally hardware people with pliers and screwdrivers.

(How many software engineers does it take to change a light bulb? It can't be done - it's a hardware problem)

Circulating this jungle of wild animals (aka highly paid experts in bizarre techniques) are any number of project managers trying to get things done. They are like hunters in khaki trying to bag a programmer.

The resource pool managers are the intermediaries.

The specialists are known as resources or human resources and are grouped into resource pools. As technology frequently changes, these pools are pretty randomly assembled so that each pool has a range of specialists. Some are in very short supply, some are very highly specialised. Some are able to do all sorts of different things. Some are downright lazy.

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The project managers find the relevant resource pool manager and explain the type of work they need doing, when it needs to be done and the characteristics of the people they need to join their team.

The pool manager tries to match requirements to availability. There are never enough people to go round, so prioritised projects, in theory, get resources allocated to them over non-prioritised projects. Actually project managers with powerful voices or good negotiating techniques tend to get what they want as the prioritisation rule most common is: he who shouts loudest, gets. Project managers become adept in finding ingenious reasons why their project should get the best people and why they were unable ask for them more in advance.

The IT specialists get loaned to the project teams sometimes on a full time basis and sometimes for a part of their time. A loan might be full time from 2<sup>nd</sup> June to 30<sup>th</sup> July or 50% of time from 13<sup>th</sup> February to end of May. It might be Mondays and Tuesdays throughout March.

These programmers get their instructions from and report directly to their project managers. They join the project teams for periods of time. This approach works well when the project managers have a good understanding of the nature of the work and can sensibly plan, instruct and monitor the specialist's time.

For this reason you often find this *loan* model being used amongst the technical projects in IT where project managers tend to grow out of the specialist areas and understand what it going on.

When the individual's contribution to the project comes to an end the resource is returned to the pool and goes off to a new assignment. In addition to this the resources have a background work load made up of keeping in touch with technical developments, playing computer games, mending mistakes they made on recently completed projects and building robots or kit cars.

Max, backed up by the pool manager for cash register specialists, manages to convince Tim Malone to do some programming work on the standard cash register software so that it will accept the transmitted input from the portable barcode device.

Tim is loaned for a few weeks on a part-time basis to the project team and finds himself getting instructions directly from Anna.

Anna explains what they need to do and Max and Tim work together on a rough specification for the temporary changes to the till software. The idea is that Tim will make the changes and set up a test site with the Firstborn e-Trolley in the IT department to get the software working. Tim likes this. He likes prototyping because it is a great deal more informal than those dreary functional and detailed specifications he is used to. He also likes the idea of ordering a load of pizzas and cokes on the company to test the system out, after all he will need real produce to check it out and who will dispose of those? And finally as this system is only a prototype he doesn't need to write a huge long and boring document explaining how it all works so that other people can figure it all later. Tim calls this 'being agile'.

Tim starts work on the modified till system. Max wheels Firstborn round to Tim's cubicle causing much merriment en-route through the building. Max actually plans to do this at a time when many people will see him. He and Anna decide that a little internal publicity will be a good thing.

'Reports are bound to get back to Bob', says Anna.

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Sue has been busy talking to market research organisations as the company does not have its own internal market research group. She comes up with surprisingly high market research budgets that include money for a mobile team to set the tests going in each store. Anna moves some money from the hardware section and the contingency of the budget into the testing area to cover the market research and realises that she is still in good shape to come in under budget with the project. She is glad of the savings on the e-Trolley purchases that came courtesy of the trolley supplier's handy loan.

Sue agrees with the cheaper of the two market research organisations what they are trying to achieve and the background the project. She explains the timing and data they will need to form part of their end of project report.

The market research people go off to start designing questionnaires. Anna realises that she will have very little contact with the market research people on the ground and that the relationship between the project and the market research company is very similar to that between the project and Stephanie Wong's team. This reminds her to check up on Steph's progress. Unfortunately she doesn't get round to it for some time.

Tim Malone has very little interest in anything that doesn't come in a shrink wrapped Xbox, a pizza carton or aluminium can, plus it is not unusual in Tim's experience to be loaned out to a project team long before the work on the last project is finished. A project manager pleads with him to finish off some other work before starting on the next job but Tim does eventually drag himself away from other work to start on these pesky till modifications.

Almost immediately there is a panic over a bug in some work Tim helped on some time ago and he has to jump onto that for a few days. Meanwhile Firstborn sits idly by Tim's desk collecting his old pizza boxes and drinks cans.

He just gets really into the till modifications and starts to enjoy himself when, causing no surprise to him at all, another project manager drags him off the e-Trolley project to work on something else. This project manager uses his seniority to pull rank to divert Tim off his work. This project manager clearly is in a panic and doesn't really know what he wants. This project manager has sneaked round to Tim and not gone through the resource manager but is so senior he dared not refuse.

Tim, like all IT human resources, does a weekly timesheet to inform his pool management of the work he has done. Every project is given a job number and Tim duly reports the time he has spent on each project. The system was written by a programmer many moons ago and it even includes job numbers for illness, holidays and so on.

Tim and most of his colleagues are not that great at filling in timesheets, they hate the whole idea. As far as they are concerned these timesheets take time to complete (there is no line for allocating time to filling out timesheets) and then disappear down a black hole. Very occasionally there are pie charts stuck up on a pool manager's wall showing how they spent their time across projects and programmes but no one takes much notice.

Perhaps Tim and his colleagues would feel better about timesheets if they thought they had some use or value to offer. A few programmers had devised a little application to fill out a timesheet automatically at complete random but very few people had the nerve to actually use it. The fact they had found the time to work out such a programme without reporting it proved the worthlessness of the system.

So it is not unusual when Tim sends two timesheets to his manager covering week commencing 7<sup>th</sup> and 14<sup>th</sup> May on the 23<sup>rd</sup> May and then only because he was reminded by a general email asking everyone to do timesheets.

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The resource manager forwards the timesheets to relevant project managers but this takes a couple of days and it is therefore nearly the end of May before Anna notices that Tim has recorded no time on her project. She checks with Max who checks with Tim.

Anna goes ballistic when she discovers that another project manager has stolen her resource away from her project onto another project without discussing it with her or the resource manager.

To make matters worse the project management thief is Jason who has been given another project to look after. Jason is finding running a real project rather harder than explaining project management theory and in a panic grabbed Tim to do some work. Tim accepted Jason's request ever mindful of Jason's family connection with the illustrious CEO.

She goes straight to Bob with this problem which is a little over the top but it does make sure that it doesn't happen again. She understands how influence helps make Jason's voice sound a lot louder than it is. Anna introduces Bob to the Framework and they learn the best practice method for dealing with this type of problem. Bob issues a directive to all functional teams and resource pool managers on the topic of loans and delegations and reporting.

Both Jason and Max see a new side of Anna which is rather intimidating especially to Jason who caused the problem despite being the one who should definitely know better. Jason, who gets the rough edge of Anna's tongue over this, is at first defensive but eventually goes away with his tail between his legs. Anna sees Jason in a new light as being much more vulnerable than she had imagined and this of course attracts her to him but in a way that prevents her showing it.

Tim finds himself working full time on the cash register changes and being given overtime if he needs it. Actually the work is quite trivial and easy to do so he has a prototype up and running in a few days.

Everyone tells him what a genius he is when he demonstrates the system working later that week. He spends a few more days, eating free pizza, testing the system, making it work unnecessarily faster and playing multi-user games with friends in IT.

***Chapter 9: Anna successfully concludes the pilot project; the team do a review of the lessons learned to help initiate the new programme***



***Part 1 – delivering the e-Trolley project***

The monthly project review meetings become a focal point for the project team. Every month and occasionally shortly before a major milestone, Anna gets Mike, Max, Sue and Jason together to review their e-Trolley Pilot project.

In most organisations these meetings are called progress meetings and it is not therefore surprising that these meetings are generally spent looking backwards and talking about how the team and the project arrived in its current state. In some organisations, and then only if there is enough time, the last few minutes of progress meetings are spent talking about what is coming up in the near future. Guess which part of the meeting is more valuable.

Anna manages to overcome this and stick to the theory that whilst you can always learn from history you can only manage the work that remains to be done.

So she calls her monthly meeting *a planning meeting* and splits the agenda in two. Firstly each team member quickly runs through their achievements and problems since the last meeting. They are encouraged to mention problems and to be brief. In the second, and longer, part of the meeting, they all run through their actions, job lists and things to do in the near future. They plan ahead. This forward thinking approach is much more valuable and many problems are foreseen and overcome. The more time they spend on thinking ahead the less time they need for recriminations.

Sometimes discussions about recent problems spill over into talk about the future - about how they will deal with the problem. This is no problem as it is the future that she is mostly concerned about.

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She uses the project plan and budget as a topic list for the meeting. She never forgets to plan the next meeting.

Anna brings doughnuts, cakes or tasty biscuits to the meetings in a brown bag so they become known as Anna's brown bag meetings. They take about an hour and sometimes everyone wonders if it was worthwhile.

Sue expresses the sentiment in her own typical way. 'These meetings are kind of pleasant but a terrible temptation for my diet. Do we really need to spend an hour together like this? Wouldn't we be more useful running our parts of the project?'

Jason supports Anna by saying, 'The month we don't will be the month something goes wrong, no one notices and we let a major problem build up.'

Anna tries to find a balance between too many meetings where nothing much seems to need sorting out and too few meetings which could lead to issues left dangling and impromptu, unrecorded meetings springing up.

After each meeting Anna summarises the output into the monthly report she promised to deliver to Mike in the [communications plan](#). This is brief and just compares the schedule and the budget in 5 lines at a high level. Then there is a paragraph or two outlining any problems and worries she and the team have.

At each meeting they run through the activities on the project bar chart checking off any that have been completed, reducing durations of activities where some progress has been achieved and drawing a fresh line down the bar chart to show the date the review was carried out. Some activities drift behind the schedule, some race ahead. Essentially they create a new plan from the date of the meeting to the end of the project once a month. Fortunately not much changes but they are able to predict the next few weeks with a fair degree of accuracy.

On the few occasions anyone bothers to look in the folder on the Albatross server that Max had set up to hold the project documents, they find that the risk register and project plan are being kept up to date, regular meetings are being held and the project is on schedule. Under the 'project management' agenda item Anna occasionally checks if there has been any movement on any of the risks. Fortunately for her risks tend to stay steady although their plans to mitigate the risks do change.

For example, Anna adds the risk of store staff not understanding the system and not following through with the pilot. The mitigation for this risk is to set up the travelling support teams to help each store get up and running with the pilot. Another risk is that the stores forget about the pilot and find it too much bother. Another mitigation step is to ask for regular data from the market research company as the number of interviews will reflect the use of the trolleys.

One mitigation step is to remind each manager that this is Bob's personal initiative and he might just pop round to check on progress at any time. Anna is shameless about using gentle blackmail and her senior management support to get results. Risks relate to work so they get marked as 'closed' as soon as the work has been done but they remain on the list.

Once the software system for the tills has been tested, the new software and WiFi receivers are ready to be installed on the few tills taking part in the pilot. A team arrives at the first store with a collection of the shiny new e-Trolleys already fitted with the barcode reader, display, batteries and WiFi unit. They glide like swans around the store (the trolleys, not the team who are chewing their fingernails nervously) giving no hint to the mad panic going on at the trolley factory where the same trolleys rolled out of the workshop the night before.

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Jason drily observes, 'There is a theory of project management called the swan theory. Everything sails beautifully and smoothly along above water whilst great ugly things are paddling like mad out of sight.'

Max is not about to be left behind, 'Do you also know the mushroom theory of project management? They leave you in the dark and shovel manure on you twice daily.'

The market research team are ready with their forms folded, biro's rampant and fixed smiles resplendent. The smart new design of the trolleys and the fact the design team have created a smooth rolling trolley that actually goes where the driver tells it to go is a real bonus. Anna and her team accept the additional benefit the smoothly operating machine delivers despite having played no part in this additional bonus.

The staff are shown what to do and how to recharge the batteries overnight. They are given emergency phone numbers for help – Anna's and Max's mobiles.

Anna has taken an idea from the film industry called a 'call sheet' – an excellent way of orchestrating a complex single event. A call sheet tells everyone everything they need to know about one big occasion. It says who is going to be there and how and when they are supposed to arrive. Everyone is given jobs to do and objectives to achieve and equipment to bring. Anna has been thinking about this day for many a night and has ensured that *Perfect Planning Promotes Polished Performance*.

(There is a much ruder saying with a similar sentiment and the same acronym we shall avoid in this book. We'll just say it includes the word *prevents* and *performance*).

'Yet another great project management saying,' chips in Anna who reads a lot, 'project managers need luck, it is amazing how much luck goes to those that plan'.

And so the pilot implementation begins on a high note. The team move around the selected stores and get the system going. Bit by bit customers try the new trolley out and are interviewed for their views. The technology works most of the time. There are lengthy discussions about bags, boxes and how to get the shopping home in an easy way.

A few evenings and nights are spent away from home and these are rather tense and not at all relaxed as Anna, Jason and Max are often together all day and all evening as well.

Anna, Max and Jason visit the stores from time to time to monitor progress for themselves. This is a quiet time for Anna as the project is under way and there is little she can do apart from worry. She tries not to forget those other jobs in parallel with the pilots like Steph's reorganisation calculations. She calls each store before they are due to start playing their role in the pilot to make sure they are prepared. Max is already involved in something else part of the time. The monthly meetings are a lot quieter as their major targets have been achieved and they feel strangely numb and aimless.

The project has reached a stage where everyone in the organisation seems to hold their collective breath. The big question in many people's mind is this: it is politically wise to support this or not? Most wait for some time and then take a subtle peek at how the thing is going.

Eventually a few brave hearts will jump off the fence and either say it is a waste of money or 'what a great idea'. Bit by bit, as with most high profile projects, more and more people will clamber off the fence and form an ever growing group on one side or the other. This psychology can and frequently does make or break a project because success is always in the eye of the beholder. It is often subjective not objective.



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As a project manager you can easily judge the general view. If you find yourself having pleasant meetings with ever more senior people you know things are OK. If more and more senior people start showing up signs are good. If weeks pass by and you see or hear from no-one, apart from a few who come to shout at you, start scanning the classified job ads.

Jason and Anna find themselves visiting supermarkets with non-executive directors, PR and other senior people. They arrange the article in the company newsletter and it raises some interest and loads of people visit the trial stores to see it the e-Trolley at work. Bob visits all the stores and that pleases the local management who get to meet him face to face.

Whilst slightly drunk one night in a hotel in Yorkshire, Jason tells Anna that he is gay and confesses to being a bit jealous of Anna and Max's obviously close relationship.

Anna says, 'Oh gawd. You're kidding! Is every available male around here gay?'

She finds herself matchmaking between Jason and Max.

Of course there are other things to do.

Mike has at last managed to get enough information to the purchasing group to enable them to get some supplier research done on the weighing machines. They do not seem able to come up with suitable devices which seem to fit everyone's needs.

Mike trials various weighing devices and decides the 'weighbridge' is best of a bad bunch of solutions. His best idea is that every e-Trolley gets parked on a small weighbridge where any non-purchased items – babies, personal items and other stuff that goes into trolleys get parked on a counter therefore allowing the trolley with its contents to be weighed. Mike's specification for this goes to Purchasing for some guide quotes but there are a significant number of risks. Mike puts it succinctly on one of his visits: 'How can we expect any weighing device to be sensitive enough to notice a bag of crisps on a trolley laden with bottles of water and bottles of booze?'

Anna bumps into another problem with the purchasing boys. She does not have a formal relationship with them as they are outside the whole project structure. They do however know that this project is a high profile and that they are dealing with the great expert on weighing devices and also that the CEO is hovering in the background. These at least mean that they are prepared to spend some time on the project.

They take a cautious approach as their key motivation is make no mistakes and get everything totally right. They are scared silly of any mistake in the purchasing process including choosing the wrong supplier and not getting the paperwork in order. Their biggest fear is being blamed for the failure of the project.

Anna finds this very frustrating as she has a deadline agreed with the nominated retail stores that the pilot must not get too close to Christmas, their busiest time of the year. She feels a considerable time pressure which conflicts with the purchasing teams' motivation to get everything in order.

'They are not prepared to rush,' Anna tells Jason, 'in much the same way that a snail is not prepared to rush.'

This battle continues to cause a sore and is something Anna will remember in the future. Fortunately the weighing devices are not actually required for the pilot, something that Mike had not clearly explained, so the careful, totally accurate but late pricing and specification information does arrive before the big presentation that will bring the pilot to an end.

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At one of the monthly meetings they discuss a random sampling process. The idea comes from one of the stores via Sue who talked to the psychologist employed by the company on a consultancy basis. She didn't get a budget from Anna to use this person's very expensive time for this but Anna lets her off as she has some spare budget left over. She does point out that it would have been much better to ask for the budget first.

This random sampling process means that customers are told that they are free to just pay and go most of the time but a percentage of trolleys will be stopped for checking completely at random. The trolleys are apparently chosen by a computer so as not to suggest any suspicion but actually this will be trigger-able by security and check out staff as well as the computer. They agree that this might work as a security check in place of or as well as all the problematic weighing technology.

The psychologist suggests that getting a randomly sampled e-Trolley user to check out in the normal way is to raise expectations before dashing them. Customers might be miffed or feel insulted. She recommends that the random check idea should allow some management control them over the number of random checks. To improve relationships the psychologist recommends that customers selected for an e-Trolley check should still get special service, perhaps a very rapid, prioritised check out, the unpacking and repacking done for them as well as help out to their car.

The team discuss what to do when a random check finds someone who has purchased more goods than have been scanned. They decide in the end that they are not really ready to decide on this and recommend that the company's security team get involved in this aspect, one that might well effect staff training.

They also talk about a process where the customer leaves a credit card with the e-Trolley check-out desk before picking up an e-Trolley. This makes the check-out process even quicker as the bill can be 100% ready when they arrive back plus it allows the store to recognise and stop repeated cheats. Also knowing and recognising e-Trolley users is excellent demographic information. All this goes into the final report.

### ***Part 2 – Anna's assumptions about Steph's work are wrong***

'Hey, Steph, how are you?'

Eventually Anna bumps into Steph in a corridor in head office. Anna feels guilty for not checking into this part of the project for some time. She has been pushing this work to the back of her mind for some time.

As Steph turns round her smile fades, not for recognising Anna, more for remembering the work she promised to do. The thought, '*what happened to that?*' flashed through her brain.

A memory of lost notes and instructions and people going off sick flushed through her memory like hot water in a dry sponge.

'Oh, hi Anna, how are you?'

'I guess from the look on your face that things have not being going too well on that e-Trolley work we discussed?'

Steph decides honesty is the only workable option and to spill the proverbial beans about the weight of a can of...'

'Come along to Barcode City and I'll tell you what's happened.'

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Steph explains about the broken PC that lost her to-do file, the manager that went on long-term sick leave and a whole host of other issues and problems that had come up. She apologises openly and honestly.

Anna has a number of options at this point which tumble through her head. She could go up the wall with Steph explaining how the whole report will just have to go before the board with a gaping hole where the re-organisation bit should go or she can demand that Steph drop everything and do the whole thing in the next few days if necessary working over the weekend and get the report to her. She decides it would be best and to come over to Steph's side to find a way out.

These situations arise often in projects and honesty is as rare as piles of dung behind wooden rocking horses. Depending on their position, people pretend to have done the work, nearly to have done the work or desperately to need the work now or any minute now. The result is so often that work is done in a rushed and incomplete way at extreme inconvenience to people actually doing the work. Having rushed the work over the weekend, having guessed at some numbers or taken unsubstantiated views they hand over the 'finished' work which then lays in someone's in tray for a couple more weeks. The result is poor quality work, dissatisfied people and another dent in the already thin respect for management and especially project management. Sticking to your guns often gets someone shot.

As someone once wisely said, '*a lack of planning on your behalf does not justify a panic on mine.*'

But Anna and Steph have avoided this and carefully and honestly think through what Anna actually needs and when she needs it and what Steph can provide and when she can provide it.

They find a way. Anna plans to distribute the report on the pilot at the end of November, a week before her presentation to the board. She has given herself two weeks to gather all the remaining information and write up the report. She could refer to a section on organisational changes filed separately if needed but does definitely need a few lines on the budget calculations before the last day or two of November. As long as Steph delivers the document in time it can be merged in and mailed as scheduled. The few numbers are vital.

'But if you let me down, I will have to send it out with a big hole labelled *awaiting overdue input from Barcode City before finalisation*, so please don't let me down,'

'I won't, I promise. And thanks.'

### ***Part 3 – the e-Trolley project is reviewed***

In early December, whilst the winter snow falls on Jason's no longer clean sports car in the company car park. Anna and Jason, by this time in a much more honest relationship, report back to the board recommending the roll out of the e-Trolley across all stores. They organise an event to hammer home their point and their brilliant contribution. They take Firstborn and one of the proper trolleys along to the presentation as well as a till fitted with the new software and a few cans of beans. They perform a short, well-rehearsed demonstration of how the whole process works to give the board a good understanding.

Then they give their PowerPoint presentation to support the report mailed out a few days earlier. Whilst handing out copies to some Directors who claim to have not received it and some who just haven't got round to looking at it. The copies they hand out are neatly bound

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and contain loads of graphs, market research feedback, plans, benefits calculations and photos of the trolleys in use in stores.

This proposal lays out all of the investment and benefits of the e-Trolley including risks and other issues.

The document outlines a range of alternatives for security and to control theft including weigh bridges, RFID, random checks and a combination of both. They recommend the random check approach with the deposited credit card as the best all round solution but note that the security team must be involved in any decision.

They have clearly worked out the investment required in the form of a budget and the risks involved in the roll out programme. Using Bob's initial benefits statement they have built an even stronger business case using the market research analysis and the results of the pilots.

They have a number of different cost models including those with and without weighing and the difference in the on-going running costs caused by weighing packaged items plus the unknown effect of weighbridges for trolleys. This all puts everyone off that option.

Anna and Jason should not really be taking a stance one way or the other as it was their job to provide the board with the information they needed to make a sensible decision. They are prepared to make a recommendation because they have seen the level of support the project has had in the last few weeks of the pilot. They have supportive statements from store managers whose stores were used the pilot project pleading for the e-Trolleys 'not to be taken away from them'.

Jason takes the floor at this stage in their joint presentation and makes a few strong points about the way the company manages its projects and programmes. He notes that in the last few months the company has matured a great deal in its ability to run them but it has not really started on the process of selecting the best programmes to undertake. He proposes a proper process to evaluate the e-Trolley Roll-out programme now known as ETROP and everyone furiously agrees to give this approach a trial. Jason organises a meeting with Bob, Anna, Mike, Sue and himself to run through the process.

Before the meeting to discuss ETROP there is a post project review of the ETP project to review the controls they have used and a project closure report is prepared.

Anna and Jason report, in the project closure report, on the tools and techniques they have used including [planning](#), [delegation](#), [risk management](#), [resource management](#), [budgeting](#), monthly meetings and so on.

This is attended by a number of project managers including the whole ETP project team – Max, Sue, Mike and Tim. Jason and Anna do most of the talking, outlining the way they ran the project and the successes and problems they met. Once again they illustrate their talk with Firstborn and a proper trolley but more importantly with copies of their plans, work breakdown structure, definition documentation, risk registers, progress forms and so on.

They all agree that the slightly more formal approach has benefited the project. Some express the concern that too much formality and too much paperwork would be counter-productive. Jason explains how a consistent approach to project management would allow for much greater visibility across projects and make it much easier for a project to be passed from manager to manager if necessary.

Jason explains: 'these controls are known as governance. It is really easy to do too much governance and equally easy to do too little. Getting it right is quite a challenge. I totally agree

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that a very heavyweight system or methodology would be very counter-productive as it would cost a great deal to maintain and would be inappropriate to many projects. But I do believe that a few simple standard forms and processes would help us all a great deal. It will mean some extra work for each project manager and their teams but it gives us a level of consistency across all projects and this is something many people will benefit from.

'I have proposed to the board that we set up a small Project Management Office, or **PMO**, to look after these templates and processes. This will have one or two people in it and they will help any project manager comply with the processes. They will be available to help with standard forms and the experience to complete them as well as help with work breakdown structures and project plans.

'The PMO, will prepare monthly reports for management based across the whole portfolio. Once again these will be simple and mostly automated and will be enough to alert the management to work that is running late, over budget or not being run in the approved way. For the first time we will have an accurate list of current projects and programmes.'

Everyone nods sagely at this although some worry that the PMO might grow like topsy. One project manager comments: 'you're making this PMO sound like a police force and I don't think I want a policeman checking on my project management. I get enough of them checking my driving!'

Jason understands this point of view, 'Some PMOs are police forces and have the power to stop projects but that just doesn't suit our culture. They will be a supportive governance organisation and should be there to help you run your projects in line with the organisation's approach. As long as you do that you can drive as fast you like.'

Despite some suspicions the most of the team agree that a PMO can be useful.

Jason and Max spend some time chatting after the talk with the other project managers and the whole project team celebrate that night by spending the last of Anna's budget on a very stylish meal at a very stylish restaurant. Anna thinks that this is the life she should be leading but suggests that the team spend the evening together without their partners. Firstly she realises that this removes a problem for Jason and Max and secondly, she sadly realises, there is really no one she would care to introduce as her own partner.

At the meal Anna makes a short speech thanking and congratulating everyone and ends with: 'This would have been fish and chips and a half of cider if we had used up the budget'.

Jason and Max leave together and both wink at her as they go. They form a long term relationship living together for many years. It is some time before Anna again so successfully match makes.

### ***Part 4 – a programme is born***

The next day snow lies deep in the car park. Jason's sporty car is completely unsuitable for snow and he arrives late and flustered for a meeting about programme definition with Bob, Mike, Sue and Anna taking place in Bob's office. Sue finds the surroundings to be rather intimidating as this is a place she has never visited before. Her usual ebullience is curbed. Anna notices this and realises with a little pride how used she has become to dealing with the senior management. She goes out of her way to make Sue feel comfortable.

Jason starts the meeting partly because he has prepared and partly because everyone else is looking at him expectantly.

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'I want to outline a slightly more formal process for starting up projects and programmes. I think we rather blundered through the first part of the process on the ETP project but arrived at a pretty good project definition.

That this was successful was mostly due to the wit and intelligence of the people involved at that stage but we should not rely on that always being the case. I do think that at the project definition stage we didn't really think through the weighing and security issues. Of course we were then a great deal less mature than we are today. I do think that in the future we must be more thorough'

Success that depends entirely upon the commitment of individuals rather than effective working practices is a characteristic of level 0 [capability maturity](#).

The ETP project has progressed from level 0 to level 1.

Jason is developing a political way of telling Bob off whilst complementing him at the same time. But this is not lost on Bob who replies: 'less of the brown-nosing please – let's try doing it properly and see how it works.'

Jason explains the diagram he hands out: 'I'll go through this process to explain it using the e-Trolley Pilot Project as it is something we all know about. I think you'll see that we skipped some stages. I am going to suggest that once we understand the process we follow the full process for the e-Trolley Roll-out programme.

'The first stage is to define a vision which, on the ETP project, I think really came from Bob based on an idea from his wife. This is always going to be very much an outline and expressed in broad terms.'

Bob glances round the room and notes Anna's arched eyebrows and Sue's slight frown. This is the first time that Anthea's role in the e-Trolley has emerged.

Jason goes blithely on, 'For the next stage we should take our focus off the project all together and think about the business. The question to be addressed when thinking about a [blueprint](#) is this: to achieve this vision what business processes will be changed and how will they be changed. We should not get involved yet in how we are going to change them but we start off thinking about the changes we need to deliver. In these terms a process is anything that goes on within the organisation.

'I've done this retrospectively for the pilot project and I think they look like this.

In Store Operations – we needed some new checkout and security processes. We needed some staff training and to change some floor layouts. We had a new process to deal with battery charging.

Point of Sale (PoS) system updates – we needed to make changes to the way the tills operate.

Trolley Management – we needed new trolleys with fitments like the barcode readers, communications and a charging system. We had to spend a lot of time researching the weighing issues and communications devices.

Market Research – we needed a new process to gather data to evaluate customer reactions to the new trolley throughout the pilot project's on-site phase

Marketing Promotion – we devoted some time to thinking about how we might market this new technology if we decided to roll out it out.'

Bob suggests that all this makes sense and asks: 'So what did we get wrong?'

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Jason has a short list: 'We completely overlooked trolley maintenance but we got away without a problem in that area as they lasted pretty well for the short period of the pilot.'

'We completely overlooked the security implications and we should really have got our security team involved much earlier on. I personally think the effort put into drafting promotional material was premature as we haven't even decided to go ahead with the programme at all.'

'Finally I think we should have spent more time thinking about this weighing problem that has been weighing on all of our minds. Also had we not reacted quickly enough we might have now been committed to opening a whole new department in Barcode City weighing and recording all in-coming goods so that we would have a database of packaged goods weights. I believe that this came up well after the project was running. And finally we overlooked the fact that these e-Trolleys need to be stored inside the store or at least undercover and need to be charged up when not in use.'

'Don't get me wrong – I am not at all sure that a formal process would have avoided all of these and that the project would have been perfect but I think this process will help to get future project and programme definitions much closer to perfection. After all, this was a pilot project designed to discover this kind of thing. The next stage will be a much bigger programme and we must get that right.'

Bob has been listening carefully to all this. Anna and Sue have been watching Bob's reaction.

Bob says, 'I can see the sense so far, keep going Jason, what comes next in this process?'

Jason is on a roll and has fallen back into consultant mode: 'in the next process we try to group the changes into sensible work groups.'

'Work like market research, e-Trolley procurement, weighing systems and all the IT database and point of sale work, is applied across the whole programme. For each store we had work groups including:

- In store layout changes
- Device (e-Trolleys) installation
- POS software updates
- Training
- Market Research

'The next stage is to think about benefits in a [benefits map](#) and benefits realisation plan. The map shows how outputs, outcomes and benefits are related, and the realisation plan is simply a type of [delivery plan](#) that shows when benefits are expected to be delivered. We still are not thinking about the projects to deliver the changes but we are thinking about the changes themselves.'

This brings a thought out of Anna's subconscious into her conscious: 'I've been worried about something here, Jason. The roll out programme, if we go ahead with it, should deliver loads of benefits to the company and Bob outlined many of these in the early days of the pilot project. You go on about benefits and how all programme expenditure should deliver benefits to the organisation and how we should have a very clear idea of what the investment and benefits are. We have spent quite a lot of money on the pilot project but I am not clear what the benefit of has been. Can you enlighten me?'

Another way of looking at this is that it is simply [the identification process](#) of the programme [life cycle](#).

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'It is a good question', says Jason as everybody nods in agreement, 'I think the benefit has been to reduce the risk of the rollout project. Imagine if we had dived straight into a major roll out of an e-Trolley across the group. Think about the mistakes we might easily have made and what a failure it could have all been. The risk register for such a project would have been frightening. So what we have done is carried out a project where the benefit is in terms of new information and reduced risk.

The modern term for such projects is a 'discovery project' as they are designed to discover some information and knowledge. We might have called the project the e-Trolley Discovery Project in place of the E-Trolley Pilot Project. Are you all happy with that?'

Anna is still not totally happy: 'I can see that but I cannot see how we could have compared the investment we made in the pilot with the value that we got back. It seems incompatible with a clear understanding of investment versus benefit. Maybe there was another way of reducing the risk, perhaps to a lesser extent, by spending much less money?'

Bob rescues both Jason and Anna: 'let's not forget what Jason said at the start of this meeting. SpendItNow is a great deal more mature at dealing with projects and programmes today than it was back then. I hope one day we can be sophisticated enough to value risk in financial terms so as to compare it with investment. Are there such techniques, Jason?'

'Yes I'm sure there are but I've never actually used them. But let's move on – often a programme is broken down into a number of tranches. Each tranche contains a number of projects or parts of a number of projects and delivers some benefits. The thinking here is to try and get some quick wins from a programme rather than waiting until the last moment to start delivering benefits.

'Once we have the benefits map we can prepare a brilliant programme definition by which time we will have a clear understanding of the changes we expect to deliver, the work groups and the projects we expect to run and when the benefits can be expected. A key thing here is try not to miss anything, not to overlook some important change.'

Sue decides to make her voice heard at this meeting. She can't stay quiet for long no matter how intimidating the environment is: 'Surely in this case the benefits are going to come in one big bang when the e-Trolley goes nationwide?'

Anna has been thinking about this: 'You're probably right, Sue, but it did occur to me that we could run the major roll-out in some phased way maybe moving around the country or perhaps using some types of store first and others later. If we did phase the programme we would start to deliver benefits in some areas long before others. On the other hand there are always going to be projects that, in themselves, deliver no benefit at all. The software changes for example.'

Jason says that Anna has just outlined perfectly the case for running a programme in tranches.

Anna asks, 'Jason, I don't think I have ever used the word tranche. What does it mean, where does it come from?'

Jason, being the super-smart consultant that he is jumps to explain: 'I haven't the faintest idea. Does anyone know?'

This is Sue's turn to contribute as it is she who attends a French class every Tuesday evening, 'In French, *Trancher* is to slice so I guess a tranche is something sliced from the whole. That seems to make sense from what Jason was saying.'



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Having waited for everyone to be extremely impressed Sue puts her glass of water down and raises a different point that has been bothering her: 'Wasn't there another benefit from the pilot project – we already have the point of sale software changes – we don't need to do that again for the major roll out. Isn't that another benefit?'

Jason steps in with a little theory: 'It is and it isn't. It's a Platform Project in that it does not deliver a benefit itself but it does allow other projects to go ahead which will deliver benefits in turn. Do you recall the four types of projects?'

Direct: projects with direct benefits – these are pretty rare

Enabling: projects that deliver no direct benefit but which are vital to the delivery of a range of benefits from other projects

Passenger: projects that can only add to benefits expected from other projects.

Synergistic: a group of projects each of which makes no (or only a very small) contribution unless combined into a programme.'

The pilot certainly delivered software that can form part of the roll-out programme always assuming we don't need any further modifications and that IT don't dream up some reason to re-write in another language or whatever.'

Jason is keen to progress his ideas about processes, 'But back to the process. Once the programme definition exists and is approved we move into rather better known territory- we can establish the programme which implies starting up and managing the projects. We manage the projects, when they are through we close the projects and eventually close the programme.'

Bob asks if that is how Anna remembered the ETP project.

'Not really', she replies, I was called the project manager and ran the single project that was the pilot. I had help from Sue in Store Operations, Mike for the weighing issues, Stephanie in Barcode City and from Max in IT but I wasn't really clear what their titles should be. How did we fit with this approach, Jason?''

'I am keen to have a project per function in any roll out programme and that is why I want to hold back from defining the projects too early on. In my view we should run the roll-out as a programme with a programme manager at the helm. The programme manager should be responsible for delivering the whole programme to the programme board and an early job is to break the programme down into projects and appoint a project manager per project. In this case I expect we will have the e-Trolley Roll-out programme with around 4 or 5 projects: In-Store operations, Point of Sale, Trolley management, Marketing and maybe an IT project as well. There might be separate training and security projects. I don't know and I don't think we can yet decide.'

Anna is aware that she might get, or should that be *get landed with*, the job of managing the rollout programme. What Jason has just said makes her think that she is drifting away from the role and she cannot decide if that is a good thing or not.

Whilst she is thinking these thoughts Jason suggest that they go through the process for the e-Trolley Roll-out programme now known as ETROP.

After some lengthy discussion they decide to drop, reluctantly, the whole weighing idea. Even Bob has to admit that the problem of weighing very light articles and the changes required to measure and store packaged weights of their wide range of goods present insurmountable

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problems. They decide to adopt the simple random checking approach with a manual override that lets security select a customer where suspicion warrants it.

They also decide to leave RFID until a later date after realising this technology can be added when it becomes more relevant.

They decide that the blueprint changes required are:

- In store layout changes
  - Revise Checkout Layout
  - Enhance shelf space
  - Provide indoor storage of e-Trolleys and charging systems
- Trolley Management
  - Purchase e-Trolleys
  - Purchase barcode readers
  - Purchase power supplies and chargers
- POS software updates
  - Add random and non-random checking functionality to POS software
  - Implement new software on e-Trolley tills
- Training
  - Training staff to deal with new equipment
- Marketing
  - Make public aware of e-Trolley through the media
  - Make shoppers aware of procedures in store
- Security
  - Provide security team with ability to trigger non-random check
  - Provide Training for Security Staff
  - Provide policy guidance on non-compliant checked trolleys

They talk through the possible tranches at which point Sue smiles brightly just to remind everyone of her recent contribution in French. They decide to plan roll outs in four regions each relating to a regional manager.

Jason thinks this is just great, 'I have been worried about the role of sponsor. This is the role that is responsible for taking the programme from its authorisation at the beginning through the delivery of the components and on to realising the benefits. The project managers deliver their deliverables to the programme manager, the programme manager combines these deliverables together into outcomes and then hands all that over to the sponsor. The business change managers have to make sure the business uses the capability to deliver the benefits.

'If we involve the four regional managers we make them into business change managers. It will be their responsibility to actually use the e-Trolleys and measure the benefits for their part of the country. Ideally their budgets would show them paying for a share of the roll out programme and also the increase in income we expect to derive.'

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Bob thinks about this for a moment, 'I am happy with the idea of giving the regional managers a role but I am not sure we are yet ready to adjust their annual budgets. On the other that does sound like a great idea for dealing with IT programmes – imagine if the IT group have to sell their ideas to their users on the basis that their budgets are adjusted to suit! That is one for the future, we must talk more about that, Jason.'

They decide to have five projects each matched to a part of the organisation.

**Project 1:** is the IT project which spans all stores. The IT department, they remember, has to add in the random checking functionality as well as the security over-ride.

**Project 2:** covers all aspects of the E-Trolley itself – the purchasing of all the components, the assembly and their installation plus an on-going maintenance scheme.

**Project 3:** includes all the physical in-store changes – the changes to the floor layouts to allow for a smaller number of tills and the re-use of the released space for shelving and stock plus the e-Trolley charger points. This project also includes the changes to staffing levels includes in-store signage

**Project 4:** includes the training requirements of both store managers, check-out and security staff.

**Project 5:** covers all aspects of publicity both at a national and local level.

Anna suggests that a part of the programme management role should be to arrange for a survey of all stores to check for any special needs. This is to recognise that some stores might not be able to use the e-Trolley at all due to high levels of crime and some might have restrictions for other reasons.

Jason is unhappy about this and questions the reasons for not making it into a separate project.

Anna replies, 'We can do with our own staff, I mean I, err, the programme manager, could do a survey by mail to eliminate most stores and then perhaps visit a few problematic ones. It seems too small to be a project.'

Jason says, 'I don't agree, there should be a budget for this and there should be a project manager. My initial thought is that it ought to be carried out by someone in Store Ops', he glances at Sue, 'and they will need time and money to carry it out. It is a big part of risk reduction.'

The survey becomes project 6.

On the basis of this discussion and, after rescuing his car from a snow drift, Jason, assisted by Anna, is able to produce and circulate by far the best Programme Definition anyone in SpendItNow has ever seen.

The company decides to start adopting a portfolio, programme and project management methodology based on the framework and they set up a PMO managed by Jason with a staff of one and a half. The half amuses Jason a little but is caused by sharing one junior member of staff with the IT group who also have decided to have an in-house expert on project planning.

Jason is determined that the method will not get too heavyweight and not be an over-the-top burden but appropriate and sensible and helpful.

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Anna finds herself back in her flat the following Saturday morning surrounded by overdue post, her address book with rings round her overlooked friends, coffee, toast and a deep, flat feeling that remains after the project and the matchmaking and excitement are all over.

Jason calls excitedly and tells her that she is being asked to run the major roll out – the biggest highest profile programme in the whole company. Anna says ‘thank you’ to Jason and to herself: ‘here we go again’.