One: AdPM Overview

Chapter One:
Achievement-driven Project Management(AdPM™)

- Cross-functional projects are different
  - Multiple projects with multiple stakeholders
  - Business-relevant outcomes, not just technology
  - Lack of formal authority over team members
  - Need to achieve strategic business results
- The AdPM™ builds on the PMBOK™
  - Strategic project planning of business results
  - Measured achievement orientation
  - Effective portfolio & account management
  - High-performance cross-functional teams
  - Data-driven plans with trade-offs

This book is intended for people who have mastered the basics of project management and are now faced with operating in "project-dense" organizations where many projects are underway simultaneously and a relatively high proportion of people are working on multiple projects. In this environment, executives must manage portfolios of projects, allocating from resource pools based on priorities and the strategic results the projects will produce. Project managers must work cross-functionally with clients, users or project sponsors (we'll call these accounts) and deliver business results from their projects. Project team members are working with multiple project managers and balancing the conflicting time demands put on them by each one. In this overview, we'll discuss how we supplement the basics of project management to cope with the unique world of complex, cross-functional projects.

Our methodology for these processes is called Achievement-driven Project Management (AdPM™) and it builds on the traditional project management tools in the PMBOK™. It provides additional tools and techniques for strategic planning with users and clients that reach beyond the delivery of technology to business relevant outcomes. The methodology supports more effective decision-making and communication between users/clients, portfolio executives and project managers. AdPM™ fosters strategic level control over portfolios of projects as well as the traditional tactical control over individual projects. Our methodology fosters small project plans based

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on data rather than monstrous "to do" lists based on guesses. As a result, we can develop quantified trade-offs between the "4-Corners" of a project and support effective executive decision-making. Last, AdPM™ provides techniques for crafting effective assignments for cross-functional team members and developing high-performance team cultures in cross-functional and cross-organizational projects.

Cross-functional Projects

The World of Cross-functional Projects

- User/client executives
- Portfolio managers
- Project managers
- Project team members

All squeezed by an increasing number of projects, scarce resources and competitive pressures

The signs that project management techniques and processes need updating will be familiar. As the density of projects in organizations increases, we often see the failure rate of projects climb. We also see the symptoms at many levels. Let's take a look at an sample.

An executive, a project manager and a project team member trudge down the company hallway. Each silently asks, "Am I poised for success on this project?" Each cringes at their answer.

Two passersby see the tormented looks on the three faces and one says, "Oh they're working on a project." The other understands instantly, nods and says, "Those poor devils."

The trio continues down the hall, each mumbling about the project's problems.

Project executive's thoughts:

"I have no idea what they are actually doing. Sure, I can look at the 1,357 tasks in the project plan but it's a techno-geek maze of acronyms and things I don't even want to understand."

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"They tell me things are going fine but if that's true, why do they keep asking for more people and extending the completion date?"

"Well, I can't spend forever on this project. I've got others that are in the same shape and the pressure for better and better performance never ends. I don't really know what any of them are going to do for the organization. The best I can do is hope they all fit together to impact the business in a positive way."

"I guess I'll keep shouting the completion date, June 30th, and maybe they'll be done by October."

Project manager's thoughts:

"My executive changes this project's goal and scope every time the political winds shift, which is twice a week."

"Some of the project team members think they were assigned to the project as punishment for their offensive behavior at the company picnic. Others think the project is a battleground for interdepartmental wars. Several were sent to the team because their home departments are more productive without them."

"Everyone sees my project budget as a grab bag they can dip into whenever they need funds for a new toy. But when the scope changes, the budget is cut and the completion date suddenly become sacrosanct and cannot be altered."

Project team member's thoughts:

"I'm on five different projects and spend most of my time guessing about what each of the PM's wants. I don't think they really know."

"One thing's certain, if this project goes down the tubes, I'll be the one left holding the bag."

"Don't they realize I've got a real job besides working on all these projects?"

All to often, that's the real world of today's corporate projects. To compete, organizations must be able to deliver on cross-functional and cross-organizational projects. Project managers, executives and team members all need to function differently to cope with the complexity of today's cross-functional projects. We need to expand upon the classic project management tools and techniques and use methodologies that allow project managers to consistently achieve business-relevant outcomes. We've developed the Achievement-driven Project Management methodology to do that.

Skills for Cross-functional Project Management

Cross-functional projects are not easy, even for experienced managers. The range of skills required for managing these projects is broad and includes the following:

- *Strategic thinking techniques for "seeing" the business situation*
- *Tactical dexterity in coordinating people's skills, schedules and the task dependencies in the project*
- *Leadership styles appropriate to the task, the people and the PM's ability*
- *Solid financial, statistical and risk management skills*
- *Mastery of the project management software techniques for planning, scheduling, tracking and reporting*
- *Political and communication skills to gain the approval of project plans and the commitment of team members.*

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Our aim is to develop your skills in all these areas and integrate them into a project management approach that leads to consistent project success.

AdPM™ Focus on Strategic Planning

- Work with users/clients to conceive a network of measured achievements for the project
- Techniques for building project "blueprints" that tie every assignment to a business-relevant outcome
- Tracking is against measured results, not just dates
- Team members know what's expected of them before they start work

Strategic Planning & Positioning

Managing cross-functional corporate projects is very different from managing projects in the construction or other industries where the project result is a tangible, visible object like a building, or a space shuttle circling the Earth. Very often the result of a cross-functional corporate project is an intangible like; improved customer service, reduced operating expenses or improvement in employee productivity. We'll build on the basic PMBOK™ concepts and add tools to cope with the world of corporate projects. First, we need to recognize the important differences between construction projects, where project management got its start, and projects in a corporate setting.

The big difference between a construction project and a cross-functional corporate project is that in the construction project, we receive a blueprint which tells us where every nut and bolt is supposed to go in the high-rise building. In cross-functional corporate projects, we don't get this kind of blueprint so we have to make our own. Why make our own? Because we want to plan a project and track progress on it the same way the construction project manager tracks progress on a high-rise building. The construction project manager can measure progress and results by going out and looking at the third-floor of a building to measure whether it's done. Then he or she can

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compare how long it took to complete the third-floor versus the plan and how much it cost versus the plan. Everyone knows the exact status because everything is measurable. In cross-functional projects this is not so easy because many of the elements of our project are creative outputs from individuals and they are not tangible, visible things.

To give ourselves this same measurability in cross-functional corporate projects, we need to create a blueprint. We don't have beams, bricks and banisters to count so we build our blueprint with measured business achievements instead. To build a plan like this requires project managers to do the kind of conceptual thinking that engineers and architects do in designing a building. They must use equal parts of creative thinking and hard-edged quantification. When the strategic planning is done, the project manager has measured results against which to compare actual results.

When we fail to develop strategic project blueprints with our user/client, sponsor or boss, we wind up with projects where we argue about whether or not we were successful. We also wind up with projects that drift from objective to objective as the weeks go by. Possibly worst of all, the people working on these projects are uncertain about what they're expected to achieve. Let's look at this strategic blue print a bit more closely because conceiving it is always the most difficult part of the planning process.

We Drive the Entire Project from Measured Achievements

They define:

- The project's end result - MOS™
- The "spine" of the project - HLA™'s
- The accountability & authority map
- The assignment for each team member
- The basis for quantifying trade-offs

This is very different from the "Fast Food" Project management we see so frequently

The development of measured achievements is not just a "fill-in the blanks" technique. We need to ask the user/client the right questions so we can "see" the business situation through the

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user/client's eyes. Doing this strategic planning with the account is the way we make a contribution to their business results and develop partnerships with them. We'll discuss this in great depth later.

In other words, we won't be taking the usual "fast food" approach to project planning where the project manager is an order-taker. There, the user/client pulls up to the drive-in window and says, " I'm hungry."

The project manager "takes the order" and immediately starts shouting out assignments to the project team. A big bag of fries gets dumped into the deep fry, 30 burgers get slapped on the grill. The team is in a frenzy of work. Gee, they sure started fast.

Then the user/client says, "I need some greens. Do you make salads?"

The project manager yells at the team, "Get those burgers off the grill! Don't you know he wants salad?"

For those who've been on projects like this, you'll be relieved to know there is a better way. We won't start as fast because we spend more time planning and we give the user/client the data he/she needs to make the strategic decisions before we start. This data consists of: a Measure of Success (MOS™) for the project as a whole; a high-level achievement (HLA™) network that is a hierarchy of measured achievements leading to the MOS™; a mapping of authority and accountability and much more. Providing this measured achievement data lets us find out about the salad the user/client really wants before we start grilling burgers.

When PM's stop being "order-takers" and plan projects from measured business achievements, not only do we have more satisfied users and clients, but the whole project management process works more smoothly.

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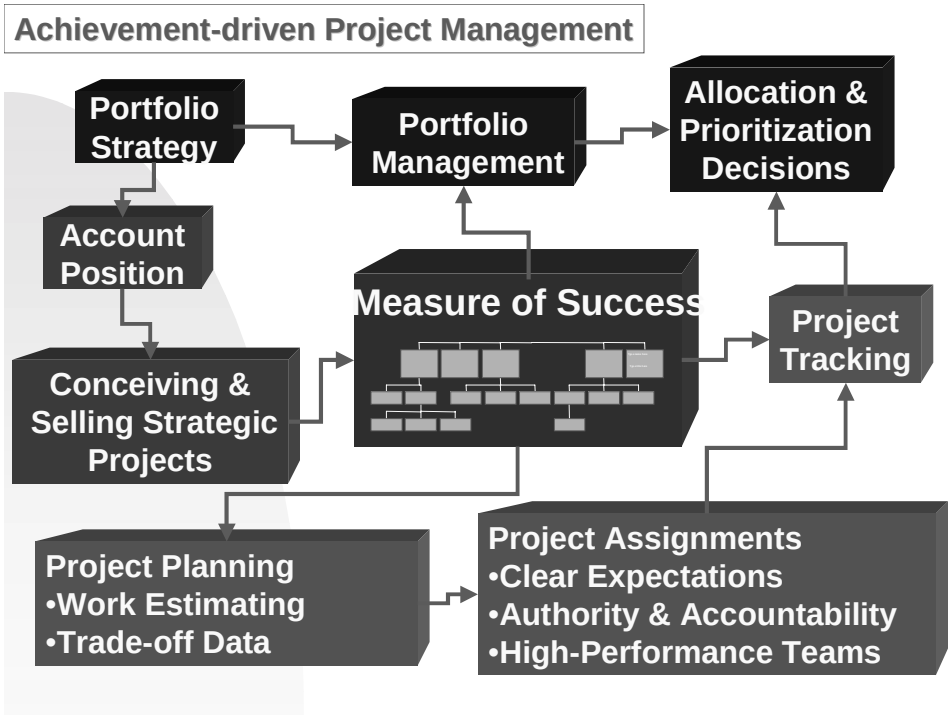
Achievement-driven Project Management



Achievement-driven projects with their unambiguous measures of success and achievement networks are the center of the organizational PM process. These projects are part of a portfolio of projects for a user/client or our organization. Project executives allocate resources across the projects in these portfolios and assign priorities. In the portfolio management process, we treat each project as an investment, carefully tracking its "yield" for the account's organization and balancing the overall portfolio to achieve strategic business results (value) for the account. When we consistently give our users or clients business value from their projects, our firm or department is successful.

Consistent success requires project executives and project managers who think strategically and develop projects aimed at the user/client's business results, not our technology. The project team members, whether they're borrowed across departmental lines or our subordinates, must clearly understand what is expected of them and how their work will be measured before they begin.

All the processes in AdPM™ are based on measured achievements. They drive the entire project and are the heart of an effective assignment process. Because we build projects from a "spine" of objectively measured business results, we have the ability to exercise much better control over the scope of a project. As importantly, these measured results give users/clients and portfolio executives the ability to consider the quantified trade-offs between the project's business results, it's budget, it's duration and the odds of delivering the first three as planned (confidence level). These trade-offs are crucial components in improving the yield of the portfolio of projects

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and increasing the level of user/client control and satisfaction.

Usually, users/clients or sponsors are presented with only one plan for doing a project, with one duration, one budget and one objective. They also hear this "one best way" project plan presented by a PM who's there to "fight" for his or her plan, not offer options and alternatives. Is it any wonder that executives don't feel in control of the project strategy or that they often make arbitrary cuts in the budget and duration?

AdPM™ lets PM's plan projects with four quantified corners, the MOS™, budget, duration and risk. Using the "4-Corners" trade-offs, we plan and manage projects with the ability to constantly consider quantified trade-offs between these four dimensions. If we change one of the 4-Corners, it has an impact on at least one of the other corners and we can quantify that impact.

Using the 4-Corners technique, we might describe a project as follows: "We have a 70 percent chance of achieving the following: improve the percentage of customers who rate our service as excellent to 50 percent, for a budget of $1.5 million and a duration of 230 days." While developing these four corners takes some effort, the end result gives portfolio executives and our accounts (users/clients) a very convenient way to assess what they're getting from a project. They can also work with us to explore options for modifying any of these 4-Corners.

As an example, if we cut the project budget, either the MOS™ goes down or the level of risk (the odds of delivering the MOS™ for the budget and duration) goes up. We might have started with a 70 percent chance of delivering the MOS™ on time and on budget but after the budget is cut, those odds drop to 40%. The power in this approach comes from being able to quantify the effects of every change we make in the project.

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Quantifying these trade-offs is far superior to project management styles where only one or two of the dimensions of a project are measurable (usually due date and budget). Changes in cost or duration will impact how much the project achieves for the business and/or the odds of achieving it. But if we haven't quantified these trade-offs, no one knows the impact of cutting the due date or budget.

AdPM Allows Strategic Control

- Sponsors see the project manager as providing data for decision-making rather than "selling" one solution
- Most importantly, with "4-corners" data they can set priorities and allocate resources within their project portfolios

By planning projects strategically and quantifying alternatives, project managers lay the foundation for users/clients and executives to exercise strategic control over the project. This positions the PM as much more than a scheduling clerk or technical expert. It is also the foundation for a strategic partnership with the account as well as dramatically increasing the odds of project success.

This AdPM™ process also provides the portfolio executives and accounts with a very powerful method of tracking the project's progress. Because the entire structure is built on measured achievements, there's little ambiguity about whether we have succeeded. Our status reporting also takes the form of 4-Corners trade-offs where we quantify alternative solutions to problems we are encountering or opportunities that arise. Everyone clearly understands how we're going to measure success and they also understand, in quantified terms, the impact of every change made to the project. In a sense, everyone is in the same small box together.

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AdPM™ Lets Us Avoid

- Scope changes that:
  - Bust budgets
  - Blow completion dates
  - Confuse the team
  - Change expectations
- Sponsors who have:
  - Unrealistic hopes
  - Unclear authority
  - Murky roles
- Projects that:
  - Drift from goal to goal
  - Are arbitrarily cut
- PM's who
  - Cannot effectively lead
  - Are schedule clerks
  - Have no clear assignment or reward authority

The AdPM™ methodology lets us avoid many of the problems that plague cross- functional projects. Portfolio executives and users/clients can always make changes to projects but they do so with the full knowledge of the impact those changes will have on the four corners of the plan. Because of the tight focus on measurability, everyone understands precisely what they are "buying" before work starts, which is the best way to meet their expectations. Every member of the project team has a clear understanding of the measured results they are expected to produce. They also understand the relationship between their assignment and the higher-level achievements.

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The PMBOK® and Beyond

Beyond the PMBOK™

- Building on the PMBOK ™ and project software basics
- Adding tools and techniques for:
  - Conceiving and selling strategic projects
  - Estimating work
  - Modeling project alternatives
  - Motivating high-performance teams
  - Managing portfolios of projects

The AdPM™ methodology we have discussed and that we'll detail in the chapters that follow, relies heavily on the Project Management Body of Knowledge (PMBOK™) as developed by the Project Management Institute, Inc. But as you've read, we will extend these basics to provide a set of skills appropriate for today's project management environment.

As we reach "beyond the PMBOK™" we'll build project plans in PM software, calculate the budget and schedule as well as track progress toward business relevant outcomes, budget and duration. We'll use the PERT, CPM and Gantt tools but we'll build project plans for managing professional people who are making complex business judgments and decisions. Where we enhance the traditional knowledge most is in our heavy focus on the measured approach to strategic analysis, goal setting and assignments. We'll place very heavy emphasis on crafting project team member assignments where people know what a good job is before they start work.

With his general overview in mind, let's get started on reviewing the basics of project management.

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