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Managing Projects of all Sizes



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Introduction

How to Manage Projects of All Sizes

Projects really do come in all shapes and sizes and they each need to be managed a little differently.

By reading this eBook, you'll learn how:

- ✔ Projects, programs and portfolios differ
- ✔ To manage small project
- ✔ To manage large projects
- ✔ To manage a program
- ✔ To manage a portfolio of work
- ✔ To deliver challenging projects
- ✔ To prioritize projects.

By following the key steps outlined in this eBook, you'll be well on your way to managing successfully projects, whatever their shape and size.



Projects, Programs & Portfolios

Do you know the difference between projects, programs and portfolios? In this eBook, we'll discuss the differences so that you have a clear understanding of the value each of them bring to your organization.

Recognizing the difference between projects, programs and portfolios will help improve the way that your work is undertaken and takes you another step closer towards gaining total project management success.

Defining a "Project"

The Project Management Institute (PMI) formally defines a project as "a temporary endeavor undertaken to create a unique product, service, or result."

Projects are one-off business activities that have a specific timeframe, budget and resources in which to produce a clearly defined set of deliverables to a customer. Projects are different from business operations due to their:

- ✔ **Uniqueness.** Every project is different, whereas operational activities typically involve repetitive, if not identical, processes.
- ✔ **Timescale.** A project has clearly specified start and end dates within which deliverables are produced to meet the customer's requirements.
- ✔ **Budget.** A project has a maximum limit to the expenditure within which the deliverables must be produced to meet the customer's requirements.
- ✔ **Resources.** A project is allocated a specified amount of labor, equipment and materials at the start.
- ✔ **Risk.** A project entails uncertainty, and therefore carries with it a certain amount of risk to the business.
- ✔ **Change.** The purpose of a project is typically to improve an organization through the implementation of business change.

Defining a "Program"

The PMI officially defines a program as

"a group of related projects managed in a coordinated way to obtain benefits and control not available from managing them individually. Programs may include elements of related work outside of the scope of the discrete projects in the program."



A program brings together a number of projects and often some operational work to achieve a larger goal for the organization. Programs are typically larger than projects and may not have specified end dates.

Here are some examples of programs:

- ✔ **A program** to launch a new product line. Many different types of project including design, manufacturing set up and marketing are combined to produce a new product line.
- ✔ **A program** to create and provide services to customers. A number of different projects are undertaken to create a service capability within the business. The program is complete when each service has been operational for a number of months and is proven to be operating efficiently.
- ✔ **A program** to change business operations. This type of program changes the way an organization works internally. For example, creating a Project Management Office (PMO) and standardizing the way your organization performs project management could be considered a program.

Defining a "Portfolio"

The PMI formally defines a portfolio as

"a collection of projects or programs and other work that are grouped together to facilitate effective management of that work to meet strategic objectives. The projects or programs of the portfolio may not necessarily be interdependent or directly related."



The key difference between a program and a portfolio is that in a program all the work is in some way related, either by a common goal or by interdependencies. A portfolio, on the hand, is larger and can include totally unrelated projects and programs. In fact, it's fair to say that an organization's portfolio is the total sum of all of the resources that it invests in projects and programs. Therefore, the only real relationship between projects, programs and operational work in a portfolio is that they contribute to the strategic direction of the organization.

The way that a portfolio of work is managed in an organization is the same as how stocks, bonds and mutual funds are managed in the financial market. Executives look at resources that have been consumed and continually monitor the overall return on their investment to make sure that their strategic goals have been achieved.

Managing a portfolio involves:

- ✔ Allocating, monitoring and controlling the assignment of resources, such as people, time and money.
- ✔ Mitigating the organization's risk which may occur due to a project's or program's poor performance.
- ✔ Reviewing the effect of the portfolio on the strategic objectives.
- ✔ Measuring the return on investment of the portfolio.
- ✔ Identifying and exploiting underutilized resources.
- ✔ Resolving resource constraints that are causing delays.
- ✔ Selecting new projects and programs to kick off.

How to Manage Small Projects

Managing small projects is different to the way in which you manage larger more complex projects.

So what is a small project in comparison to a large project?

It's fair to say that small projects have:

- ✔ A lower project budget
- ✔ Very short delivery timescales
- ✔ Less people and more limited resources
- ✔ Lower risk and fewer project issues
- ✔ More clearly defined deliverables.



However, small projects are not necessarily easier to manage than large projects! They may still be complex and involve a range of departments, resources, suppliers and customers to complete them. Here are 10 steps to boost your success in managing small projects:

Step 1: Create a Project Charter

For small projects, the first step is to create a Project Charter. This document describes the project vision, scope, objectives, deliverables, timeframes and known risks for the project. Get all of the project stakeholders to agree to this document, so that you have a clear view of what the project is to achieve. Without formal approval, projects suffer scope creep, lack of change control, poor sponsorship and communication problems.

Step 2: Appoint the Project Team

Thanks to your Project Charter, everyone is agreed on what has to be achieved. You're now ready to appoint your team. For small projects, you may need to gain the support of senior management to allocate resource from within the business to your project. Regardless of the project role, make sure you create a clear Job Description so that staff know exactly what's expected of them.

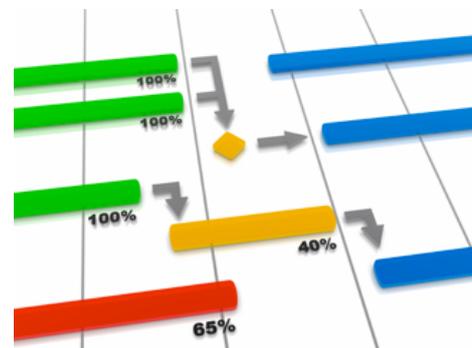
There will probably be limited budget for appointing external suppliers, consultants and contractors. However, if they are required you will need to formalize supplier contracts at this point.

Step 3: Set up the Project Office

Even small projects need the support of a Project Office to help with project reporting; risk, issue and change resolution; training and administration. The Project Office will make sure your project conforms with internal standards and to processes, and provide project support it is needed.

Step 4: Create a Project Plan

The Project Plan is more than just a schedule of events. It describes the entire Work Breakdown Structure (WBS) for the project by defining all of the phases, activities and tasks required to deliver it. It also sets out the project scope, milestones, effort, deliverables, resources and dependencies in detail.



For small projects, your Project Plan will become your single view of progress for the project. By updating it immediately after your weekly project status meetings, you can ensure that you remain on track.

Step 5: Create a Quality Plan

With a clear Project Plan in place, you need to work out how you're going to ensure that you meet the requirements of your customer. A Quality Plan will define your quality targets, and help you to complete quality assurance reviews and carry out quality control.

Step 6: Create a Communications Plan

The final step in the planning process is to set out a plan for keeping stakeholders properly informed of project progress. A Communications Plan will enable you to define the communication needs of all stakeholders. You can then build a schedule of communications activities/events so that you inform the right people with the right information at the right time.

Step 7: Build the Deliverables

The largest amount of time allocated in your Project Plan will be spent building the physical deliverables for your customer. Whether you're creating new products, deploying new services or re-engineering processes, a Deliverables Register will allow you to record the progress of your deliverables towards completion, and check that they meet the quality targets.

Step 8: Monitor and Control

While your team is building the project deliverables, your job is to monitor and control the critical elements of the project. This includes:

- ✔ Time Management
- ✔ Cost Management
- ✔ Quality Management
- ✔ Change Management
- ✔ Risk Management
- ✔ Issue Management

You need to ensure the project is progressing well and if not take measures to rectify the situation and get it back on track.

Step 9: Close the Project

Once all of the deliverables are complete, your job is nearly finished. At this point, you need to close the project by completing any outstanding items, filing project documentation, releasing suppliers, terminating contracts, re-allocating resources and communicating closure to the project stakeholders.

Step 10: Review Completion

Even for small projects, it's necessary to review how it went. By completing a Post Implementation Review, you will gain a better view of the level of success of the project, areas for improvement and any lessons learned.

How to Manage Large Projects

Managing large projects can be a challenge. You need to juggle timeframes, staff, deliverables, suppliers, equipment, materials, contractors and customers to ensure project success.

So how do large projects differ from small projects? Large project usually:

- ✔ Involve a large financial expenditure
- ✔ Take anything from 6 months to 2 years
- ✔ Have a big project team in different locations
- ✔ Involve creating large quantities of deliverables
- ✔ Require external suppliers and contractors



Large projects typically have higher risk and are harder to control than small projects as they involve large quantities of people, time, money and resources. So there's a lot more to lose when things go wrong!

Here we describe 10 processes for monitoring and controlling large projects:

1. Manage Time

Delivering on schedule is usually the hardest challenge on a large project, due to the sheer amount of work involved. You need a clear time management process to record time spent by staff, log it in a Timesheet Register and update the Project Plan with current progress. This allows you to track progress and control delivery against the original target date set. All staff should complete timesheets and hand them into the project administrator weekly.

2. Minimize Cost

To minimize the cost of the project, a cost management process should be implemented. This involves recording all expenses in an Expense Register and regularly updating the project plan and financial plan schedules with the status of the project budget. Only by having an up-to-date understanding of the total project spend, can you control expenditure and minimize costs.

3. Control Quality

A quality management process should be used to conduct quality assurance reviews to check that the deliverables produced by the project meet the quality targets set. A set of quality control measures should be put in place to monitor and control the quality of each deliverable produced.

4. Reduce Change

Using a change management process, you can identify any requests for change and review their potential effect on the project. Large projects all too frequently suffer from scope creep, whereby changes are implemented without approval. This causes delays and budget over-runs. The change process will prevent this occurring, by monitoring and controlling all changes and implementing a formal process for their approval.



5. Mitigate Risks

Large projects usually encounter a larger amount of risk than small projects. The key to success is in identifying these risks early, and mitigating them before they impact on the project. Using a risk management process, you can identify and mitigate project risks early.

Low and medium priority risks can be addressed by the Project Manager. However, high priority risks will need to be raised and addressed at Project Board meetings.

6. Resolve Issues

Complex and technical projects usually encounter a high number of issues, as the project deliverables may be unique in nature. The trick is to resolve them as early as possible. Implement an issue management process to enable staff to raise issues and have them resolved by the Project Manager in a timely manner.

7. Manage Procurement

A procurement management process helps you obtain goods and services from external suppliers. It will explain how to procure items through the issuing and fulfillment of Purchase Orders, and how you intend to manage the performance of your suppliers by conducting supplier reviews at each contractual milestone.

8. Get Acceptance

It's not enough to produce top quality deliverables, you have to gain acceptance from your customer that each deliverable meets their requirements. This is called the acceptance management process. As you finish each deliverable, get your customer to sign it off as being 100% complete. It will help you manage the project and get permission to perform project closure when you're ready.

9. Communicate

On large projects, it's crucial that you keep stakeholders properly informed. By implementing a communications management process, you can distribute formal communication messages to ensure that you deliver the right information to the right people at the right time.

10. Do Phase Reviews

And lastly, to manage large projects you need to implement phase reviews at the end of each major project phase. Each review allows your team to confirm that it has met the objectives for the current phase and can therefore progress to the next phase in the project life cycle.



How to Manage a Program

As you become more experienced managing projects, you may be asked to manage an entire program of work. This is usually more challenging than managing a single project, as you will have a greater budget, team and responsibilities than you had before. Taking the following steps will assist you managing a program of work.



Review the Strategy

When kicking off your program of work, the first step is to review the company strategy and agree on the objectives that your program is responsible for delivering. This is important, as the objectives are what you use to relate your projects to. Any new projects that don't contribute to the specified objectives should be excluded from your program of work.

Get support

To gain the support, funds and "mind share" of your executive team, complete a Business Case. This will help you to identify the benefits and costs of running the program, the risks you foresee and what you need to make it a success. It will also help you get the funding you require, as your Business Case will justify the funding needed by stating the benefits to be realized.

Start carefully

Now that you have funding and support from management, you're ready to start. Define your overall program of work in depth before launching into scoping your projects. Create a Program Charter setting out your vision, objectives, roadmap and deliverables. Then set up a Program Office and appoint the key members of your administration team.

Selection is critical

You're now ready to define your projects and other related work. Scope out each project carefully and make sure that the benefits delivered from all of your projects combined, deliver the goals stated in your Business Case. Selecting the right projects to deliver the right benefits is critical. Make sure you categorize, evaluate, select and prioritize your projects carefully.

It's all down to execution

Kick off your projects in a logical order. Spread your program resources (people, time and money) evenly so you don't have resource constraints. Go for quick wins first and then schedule larger projects, once you have momentum. Never schedule critical projects to take place at the end. To retain buy-in from your Project Sponsor, make sure your projects deliver value early.

Control chaos

After your projects kick off, changes in the business can cause chaos. Your projects change in scope, their budgets get constrained and resource shortages start occurring. How you react to these changes will determine your level of success as a Program Manager.

When this happens, step back and reassess your program. Outside influences are often the cause, and these are things that you alone can fix. Only in exceptional circumstances should you dive into the depths of the program itself and work alongside Project Managers and teams at the micro level. A good Program Manager will instead step back and make macro level changes to influence the success of the program.



How to Manage a Portfolio of Work

Want to move up in the field of Project Management? If so, then consider a career as a Project Portfolio Manager. You will be responsible for managing an entire portfolio of work to help your company achieve the overall business strategy.

Project Portfolio Management involves managing most (or all) of an organization's resources towards achieving a common strategic goal. This is why portfolios usually include a whole suite of projects, programs and even operational work, grouped together to achieve a common goal.

So how do you start up, plan, execute and close a project portfolio? Here we explain how.

Initiate your Portfolio

When starting up a new portfolio of work, you need to identify the elements of the business strategy that will be achieved by the portfolio and the timeframes in which it must be delivered.

Create a Portfolio Charter (like a Project Charter), stating the objectives, scope, constraints and risks involved. You will then need to create a Portfolio Management Office consisting of planners and administrators responsible for reporting the status of the portfolio at all times. And you'll also need to create a Governance Structure, which is a fancy term for appointing the Portfolio Sponsor, board and manager, as well as making sure that their roles are clearly defined.

Plan your Portfolio

Now comes the fun part - scoping out the programs, projects and operational work that are needed to undertake the portfolio. Make sure that you scope each group of work clearly and accurately, and that there is no overlap between related projects.



Make sure you balance your resources evenly across programs. Remember, you only have a fixed amount of resource at your disposal, so make sure there are no shortages or surpluses in your plan.

Once you've scoped out the programs, projects and other related work, schedule it all in a Gantt chart. Then make sure that items on the critical path have ample resource to succeed.

Execute your Portfolio

Kick off your programs and projects in the order specified in your plan. You'll need to appoint Program and Project Managers for each chunk of work and closely monitor their delivery.

While each program and project is being delivered, you need to carefully monitor and control the overall performance of the portfolio to make sure that it delivers the strategic goals agreed.

Close your Portfolio

Portfolios don't usually close over night like projects do. The reason is that by the end of the portfolio schedule, the majority of the value of the portfolio should have been gained by the business. If you've worked smart, you will have scheduled the high value projects at the start and the low value projects at the end, so the success of the portfolio will already be known throughout the organization.

To close your portfolio, you need to document its outcome in a Portfolio Closure Report. In this report you will specify the strategic objectives achieved and value delivered to the organization. Then gain approval to release the remaining staff, suppliers, equipment and funds held by the portfolio team.

How to Deliver Challenging Projects

Every project is a challenge, but if you have tight deadlines, limited funding and are short of resource then you may have a tougher challenge than you think!

There are 5 classic signs of a challenging project. Here we describe them and offer you advice for managing them:

Tight deadlines

If your project deadline is practically unachievable, then here's what to do. First, try and get it delayed. If you can't, then immediately re-plan your project so you know by how much you will be late. If it's more than 10% then try and find more resource to help you deliver it more quickly.

If you can't get the resource, then reduce your scope. Identify non-critical deliverables and get your sponsor to agree that you can complete those deliverables after the deadline has passed. Otherwise, you need to revisit the tasks in your plan to see if you can produce the same deliverables, with less tasks and effort than before.



Limited budget

If your budget has been cut back, try to find another sponsor in your business to provide the additional funding required. If cash flow is the problem, then negotiate with suppliers to take delayed payments. Use internal resource rather than external contractors, as they are usually cheaper. Rent equipment rather than buy. Re-negotiate with your suppliers to reduce their deliverables and therefore, their costs. And lastly, reduce staff overtime to grant unpaid leave when they have down time.

Resource shortage

If you don't have sufficient resource to complete the project, review your deliverables and ensure you focus on the critical ones first. Try to find people in your business that can be seconded to your project without you being charged. If you can't, then you need to work incredibly smart. Take time out each day to prioritize your tasks and ensure everyone is spending their time wisely. Work extra hours if necessary, but don't burn out. You can only work smart if you're "bright eyed and bushy tailed".

Scope changes

If your scope is constantly changing, then you need to nail it down. Start by identifying the tasks on the critical path and sticking to them, regardless of the change requests that arise. Identify your project priorities and get them approved by your sponsor. Make sure each priority is linked to a business objective, so that they are harder to change.

Being a super hero

Do they expect you to be a super hero by delivering your project with less time, budget and resource than you need? If so, don't worry it's normal. The trick is to manage people's expectations, by always under promising and over delivering. Keep people well-informed, so they know what you'll deliver, how and by when.

How to Prioritize Projects

Why should you prioritize your projects – don't they all have to be delivered on time and within budget? Yes, but any smart Project Manager will recognize that they only have limited time, resources and budget available to do it. You need to set priorities to ensure that the most important projects don't run out of time, people or money when they need them.

Here are 3 steps to help you prioritize projects faster and more efficiently than before, boosting your chances of delivering your high priority projects on time and under budget.

Step 1: Define your criteria

The first step is to define your criteria for ranking one project over another. The best criteria for determining project priority are the fit between your project and the overall business strategy. If one project aims to achieve a critical part of the business strategy, then it should be marked as a higher priority than one that's not related to the business strategy at all.

If you have no clear business strategy from which to prioritize, then use other factors such as the level of project risk, the amount of resource consumed, the extent to which other projects are dependent on this one, or simply the likelihood of success.

Step 2: Match your projects

With a clear set of criteria defined, the next step is to match your projects against those criteria. You will need to identify the extent to which each project matches the criteria set out, and identify any gaps. This is the most important step, as projects that you thought would be a perfect fit against your criteria may not end up being so. Projects that you didn't think were that important may end up meeting much of the criteria and therefore be higher priority.

Make sure that your personal preferences don't influence the exercise. It's easy to make the "fun" projects the ones that receive all of the priority. Unless they are critical to the business, they should always be the icing on the cake. It's often the more mundane projects that are critical to the strategy of the business.

Step 3: Define the priorities

Now that you have a list of projects that are each ranked according to their fit with your criteria, you need to define their priorities.

Keep it simple. Group them into A, B and C with A being "high priority", B "moderate priority" and C "low priority". Decide how you are going to manage each priority grouping differently.

You may decide for instance to spend more time on your Group A projects than your Groups B and C. You might drive them harder than the rest, report on them at a more detailed level and always allocate spare resource to them.



Now over to you!

Small projects can be managed with fewer processes and less overhead, whereas large projects require more project management processes and reporting. If you are given the opportunity to manage multiple projects at the same time, under a program or portfolio of work, your project management will be greater. Managing multiple projects requires you to prioritize projects carefully so that those that are critical to the organization are provided with sufficient time, money and people to ensure they are delivered successfully.

As you go through your project management career, you will come across projects of all types and sizes. By following the tips and tricks provided in this eBook, hopefully you'll be able to successfully deliver all of your projects, irrespective of their size.

Of course regardless of the type or size of project you are managing, you will benefit from having great project management software at your fingertips. Sign up and take a free trial of ProjectManager.com to see why it's the best way to manage your projects.

