



Re-defining Best Practice

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Who am I?

- Chief Executive of Maven Training
- Former director of projects and programmes
- Author of books on PRINCE2, MSP and skills for project and programme managers
- Board adviser on significant programmes
- Trainer in PRINCE2, MSP and Change Management

Summary

- Examine the current context of PPM and the meaning of 'Best Practice'
- Re-define 'Best Practice' in terms of contribution to business performance
- Identify ways in which Best Practice practitioners can enhance their contribution to business performance

Current business priorities

- More for less (or more for the same):

“profits halved last year, warning of a slower turnaround in business this year, more cost savings are needed this year, delivered through a restructuring”

- Some budgets freeing up – pressure to deliver in short timescales:

“we have emerged from the worst recession in decades leaner, more focused and better positioned to take advantage of increased global trade”

'Best Practice' means...PPM perspective



'Best Practice' means...Business perspective



'Best Practice' means...Business perspective

Best practice is a mind set that has to evolve, if it does not evolve it cannot be Best Practice

Best Practice means knowing that your competitors can't do it better than you



'Best Practice' means...Business perspective

- Exploitation of assets we have invested in – ROI
- Its what human resources with the right capabilities are able to produce in terms of assets
- It having higher value assets for the same cost – what makes them 'higher value' is:
 - Better quality – more features and functions included in the same timescale and budget – customer will pay more for them
 - Same quality for lower cost – generating something internally instead of appointing external (higher cost) resources
 - More accurate – assets that are fit for purpose first time, that do not have the added cost of additional rework

Next steps...bridge the chasm

- There is a chasm between definition in the PPM world, and the expectations of the business
- To bridge this chasm, Best Practice needs to become relevant to the business:
 - Understand the 'pain points'
 - Ensure project activity proactively incorporates and delivers against those 'pain points'

Understand the 'pain points'

- Continuous cost reduction
- Increase in certainty of delivery
- Increase in customer service – protecting the existing revenue stream
- Increase in speed to market
- Increase in professionalism:
 - Exceeding service level agreements
 - Appearing focused, organised, consistent

Building capability

- What we need:
 - Commercial awareness – concept of business value incorporated into every activity
 - Understanding the Total Cost of Ownership - Ability to incorporate change management into projects

- What we have:
 - Nominated representatives
 - Procedures
 - Templates and documentation
 - Trained staff

**Building capability:
Commercial awareness**



Commercial awareness

- Identifying commercial value of each initiative, for each stakeholder:
 - Does it meet strategic objectives?
 - Right customer type
 - Right supplier relationship
 - Right product or service
 - Does it deliver financial benefit?
- Prioritising initiatives to deliver the greatest commercial value – use of Benefits Map
- Using financial measures to establish the success of an initiative – Cost Calculator

Cost Calculator

- Salary = £60,000
- Plus 40% NI and Benefits package = £24,000
- Total cost = £84,000
- Assume working weeks = 44
- Assume hours per week = 40
- Hours per year = 1760
- So £47.73 per hour for a project professional

Cost calculator

- 1 hour meeting with 4 participants = £190.92
- Creating a PID for a project that should not have been authorised involves 3 staff over 2 weeks i.e. 30 days = £11,455.20
- Failure to control external resources leads to time overrun of 1 week, daily cost of £1,500 = £7,500

**Building capability:
Total Cost of Ownership**



Total Cost of Ownership

Misunderstandings about the required deliverables & scope

Reading Irrelevant documents

Correcting false information

Use of resources on projects not aligned to strategy

Overriding Original decisions

Reassuring stakeholders

Rework when 'best' project resources replace original team

Wasted meetings with 'wrong' people

Duplication of effort

Practical tips



Delivering value – Back the right horse

- Have a structured approach to evaluating the possible project pipeline
- Use a standard set of criteria to measure each project proposal:
 - Financial
 - Strategic
- Have a rigorous set of questions asked by directors prior to authorisation:
 - Validity of costs and expected benefits
 - How benefits will be measured
 - Interdependencies with other initiatives

Go micro!

- As projects grow, resource need grows exponentially:
 - Longer requirements phase
 - More interdependencies
 - More deliverables, resources, complexity
- Streamline – 1 project fixes 1 problem:
 - New process, not new team, new systems, new locations yet
 - New product separate from new marketing, new sales procedures and new customer relationship management

Create economies of scale

- Put in diagram to show project and transition time moving together



- Run transition activities with those impacted in parallel with project activities
- Get users to 'pull' from the project – much less effort required than when we only 'push' things out to them
- Show them enough of the deliverable (before it is perfected) to enable them to create micro plans of the activities, behaviours, documents, meetings, information that they will use or change as a result of the change

Be your own CSI!

- Perform a clinical autopsy on the last project you were involved in:
 - Identify small, specific, practical changes
 - Make the changes immediately, don't wait for the next project to start
- Example: Project manager and team manager meet once a week informally to chat about progress and keep the lines of communication open
 - Unfocussed – no agenda, 45-60 minutes each time
 - Focused – Risk Log is agenda, 15 minutes each time

Conclusion



Existence, relevance, essential

- Our attendance here proves we have achieved existence
- Adoption by areas of our businesses has established some relevance
- Essential is:
 - Embedded in the start of any initiative
 - Following the process is unconscious competence

Questions
