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# Chapter 4 Objectives

- **Pre-Launch stage of the PPA**
- **Project description**
- **Stakeholder analysis**
- **Intra-project priorities**
- **Complexity assessment**
- **Value-to-business v. complexity assessment**
- **Policies, standards, and procedures**
- **Impact assessment**
- **Constraints and obstacles**
- **Stability assessment**
- **Issue management**
- **Risk assessment**
- **Developing project scope statement**
- **Scope chunking**
- **Developing size estimates**
- **Use of range of values in estimates**
- **Rework and scope growth**
- **Project outlook assessment**
- **Assemble the Project Charter**
- **The signing ceremony**
- **Stage gate review**

# The Pre-Launch Stage

- The Pre-Launch stage involves rigorous due diligence to further assess the viability of the project
- It is preceded by approval of the project request
- It has 13 steps:
  - It begins with a detailed project description
  - It ends with a comprehensive Project Charter

# The Pre-Launch Stage



<b>Project Charter</b>	
<b>3.</b>	<b><i>Project description</i></b>
<b>4.</b>	<b><i>Intra-Project Priority Analysis</i></b>
<b>5.</b>	<b><i>Stakeholder Analysis</i></b>
<b>6.</b>	<b><i>Complexity Assessment</i></b>
7.	Policies, Procedures, and Standards
8.	Impact Assessment
9.	Constraints and Obstacles
10.	Stability Assessment
11.	Issues Management
12.	Risk Assessment
<b>13.</b>	<b><i>Preliminary Scope Statement</i></b>
<b>14.</b>	<b><i>Project Size Estimate</i></b>
<b>15.</b>	<b><i>Project Charter</i></b>

# Responsibility (1)

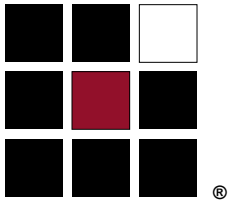
- Typically, Pre-Launch responsibility falls on a project manager with
  - Comprehensive knowledge of the business area
  - The infrastructure into which the project's product will be deployed

# Responsibility (2)

- If an individual with the requisite knowledge and experience is not available--and a charter must be prepared
  - Provide access to appropriate SME's
  - Have the person learn as much as possible, in the time available, from the customer department(s)
  - Establish interim milestones for experienced review and guidance
  - Do not assume that the charter will be comprehensive and accurate

# Responsibility (3)

- The person preparing the charter should be sure that the following people are readily accessible:
  - The originator of the idea for the proposed project
  - The person who prepared the Project Request
  - SMEs from appropriate business and technical groups
- The person who requested the project:
  - Remains responsible for project justification
  - Has responsibility for obtaining Project Charter approval from the appropriate authority



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# Project Description--PPA Step 3

## PPA Step 3

- The project description is key in understanding and communicating the purpose and benefit of the proposed project.
  - The Idea Statement and Project Request are inputs to the Project Description

# Project Description--PPA Step 3

## PPA Step 3

- The Project Description includes the following information:
  - Nature of the project
  - Project objectives
  - Business cycles
  - Side effects
  - Validated assumptions
  - Conceptual build
  - Runaway trigger
  - Shutdown condition
  - Current system retirement

# Nature of the Project

## PPA Step 3

- What distinguishes the project from previous or current projects undertaken by the organization?
  - Unusually high degree of risk?
  - Significant penalty for failure?
  - New technology?
  - New process?

# “SMART” Project Objectives

PPA Step 3

- **S**pecific
- **M**easurable
- **A**chievable
- **R**elevant to Strategy
- **T**ime-bound

# Business Cycles

## PPA Step 3

- “Never implement a major change (most projects do this) in the midst of an important business cycle.”
- Ask front line business people about business cycles as you develop the charter
  - Assess the impact of the project on the business
  - Document the information for easy access as you schedule the project

# Side Effects

## PPA Step 3

- Think through the “side effects” of your project
  - Include the results of your analysis in the project charter
  - Maintain focus on side effects throughout the remainder of the project

# Validated Assumptions

## PPA Step 3

- Perform due diligence to validate all assumptions and record results in the charter
- The following fields are included in the Project Description under “Validated Assumptions”
  - ID
  - Date
  - Assumption
  - Source
  - Level of confidence (LOC)
  - Negative impact
  - Owner
  - Final disposition
  - Comments

# Conceptual Build

## PPA Step 3

- The conceptual build is a high-level solution to the customer's problem including:
  - Phases
  - High-level deliverables and features
  - Key milestones
  - Technology infrastructure
- Key questions:
  - What will it accomplish?
  - What functionality will be built?
  - Who will use it?
  - Where will it be used?
- A summary of alternatives may be included



# Runaway Triggers

## PPA Step 3

- Failed projects are too often allowed to continue
- One solution to this problem is to ask the customer to define “runaway triggers”
  - A threshold (e.g., 20% over budget)
  - A “jeopardy point”
- If a runaway trigger condition is met, management must review the project status to make a go/no-go decision regarding project continuation

# Shutdown Conditions

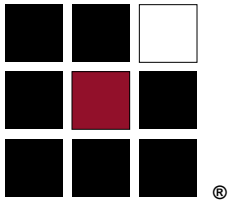
## PPA Step 3

- Specifies conditions under which the project becomes a candidate for shutdown
  - If the condition is met, the probability that the project will ever be completed is low
  - The project manager and customer will have to convince the sponsor that the project shouldn't be scuttled

# Current System Retirement

## PPA Step 3

- Where projects involve replacement of an existing system, it is essential to have a plan for current system retirement
  - This is vital in the success of the new system
- Raise the retirement question early with the customer and document their intent in the Project Description
- Be sure that concrete plans are set in place and appropriate resources are allocated for the existing system retirement



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# Intra-Project Priority Analysis

## PPA Step 4

### PPA Step 4

- The Intra-Project Priority Analysis involves ranking of the four, basic project components
  - Schedule
  - Scope
  - Budget
  - Quality

# Definition of Quality

## PPA Step 4

- In ranking the project components, be sure you have a good understanding of “quality”
  - Unless you understand it, it’s tough to rank it any less than the top priority
- Recognize also that different stakeholders may have different views regarding the “quality” of the final product
- Discuss quality with your customers and quality assurance group
  - Try to develop a master list of quality attributes for the types of projects your organization undertakes
  - Tailor it to individual projects

# Quality: IT/Business Examples

## PPA Step 4

- **Amount of training required**
- **Difficulty of misuse**
- **Ease of adaptability**
- **Ease of configuration**
- **Ease of maintenance**
- **Efficiency of hardware utilization**
- **Efficiency of human resources utilization**
- **Functionality**
- **Mean time to repair**
- **Quality of graphical user interface**
- **Quality of system documentation**
- **Reliability (mean time to failure)**
- **Reusability**
- **Safety**
- **Security**
- **Usability**

# Ground Rules for Priority Analysis

## PPA Step 4

- Consult with the stakeholder regarding their priorities
- Do a “forced ranking” (no ties allowed) of their priorities for the four project components
- Recognize that, the higher the priority, the less likely the customer is to compromise on that component



# Intra-Project Priorities--Example 1

## PPA Step 4

- No compromise in project schedule
- If the schedule cannot be met, customer is willing to trade a *few* quality components for an earlier date
- The customer will agree to more compromise on the number of deliverables and features in the final product
- The customer is offering the most compromise on the budget set aside for the project

Ranking Example 1				
Attributes	1st	2nd	3rd	4th
Schedule	√			
Scope			√	
Budget				√
Quality		√		

# Intra-Project Priorities--Example 2

## PPA Step 4

- No compromise in the quality of the finished product
- Recommended and must finish dates were available; customer willing to slip 30 days from one to the other
- Willing to accept upgrade of 80% of planned units
- Customer willing to increase budget by 20%

Ranking Example 2				
Attributes	1st	2nd	3rd	4th
Schedule		√		
Scope			√	
Budget				√
Quality	√			

# Intra-Project Priorities--Example 3

## PPA Step 4

- No compromise in schedule of food for airplanes
- No compromise in cost of food for airplanes
- Scope can be reduced as trend is to smaller serving sizes
- Quality of food can be reduced, as long as safety is preserved

Ranking Example 3				
Attributes	1st	2nd	3rd	4th
Schedule	√			
Scope		√		
Budget	√			
Quality			√	

# Intra-Project Priorities--Example 4

## PPA Step 4

- We do not recommend this ranking, as it stresses the end product and team to the extreme
- Try to negotiate a ranking with the customer
- “When everything is a priority, nothing is a priority.”

Ranking Example 4				
Attributes	1st	2nd	3rd	4th
Schedule	√			
Scope	√			
Budget	√			
Quality	√			

# Assessing Intra-Project Priorities

## PPA Step 4

- For the attribute(s) ranked first, define the consequences of failing to meet the stated priority
  - Clearly communicate this to the project team
- For the attribute(s) ranked 2nd, 3rd, or 4th, define which parts of the attribute the customer would be willing to negotiate

# Multiple Stakeholder Intra-Project Priorities

## PPA Step 4

- When priorities among key stakeholder differ, the project manager should facilitate alignment of priorities among them
- Consider the sponsor, customer, and end user
  - Consider the team, also, especially for high complexity projects
- Determine the individual rankings of the key stakeholders
- Analyze results to find priorities that best meet the needs of the project, as a whole
- Negotiate the best priority ranking with the key stakeholders, with sponsor assistance, as needed

# Multiple Stakeholder Intra-Project Priorities

PPA Step 4

<b>Priority Attribute</b>	<b>Sponsor</b>	<b>Customer</b>	<b>End-User</b>	<b>Team</b>	<b>Final</b>
<b>Schedule</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>1</b>
<b>Scope</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>3</b>
<b>Budget</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Quality</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>

# If Stakeholders Don't Agree

## PPA Step 4

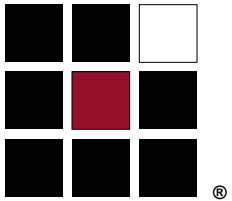
- If you can't facilitate an agreement on priorities among stakeholders:
  - The project manager and sponsor should determine the most influential stakeholder and ask whether their priorities should prevail
  - Negotiate the most influential stakeholders priorities with the other stakeholders
- If that doesn't work, the sponsor decides the priorities



# A Change in Intra-Project Priorities

## PPA Step 4

- Priorities can shift during the product development cycle
  - Examine options and tradeoffs and revise priorities as necessary
- Examine worst case scenario options for each attribute
  - e.g., the minimal scope that must be delivered to the customer
- Manage each attribute
  - With the active participation of the sponsor and key stakeholders



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# Stakeholder Analysis--PPA Step 5

## PPA Step 5

- This step probes more deeply into the analysis begun in the Idea Stage, to now include:
  - Policy v. implementation
  - External v. internal
  - Stakeholder attitude and behavior
    - Champion
    - Neutral
    - Nemesis
    - Comatose
    - Invisible or ignored

# Stakeholder Assessment

## PPA Step 5

- Management of stakeholders is a key project manager skill
  - Identify stakeholders
  - Judiciously assess their views of the project, including turf issues and politics
  - Deal with your findings in a professional manner
  - Continue stakeholder management throughout the life cycle of the project

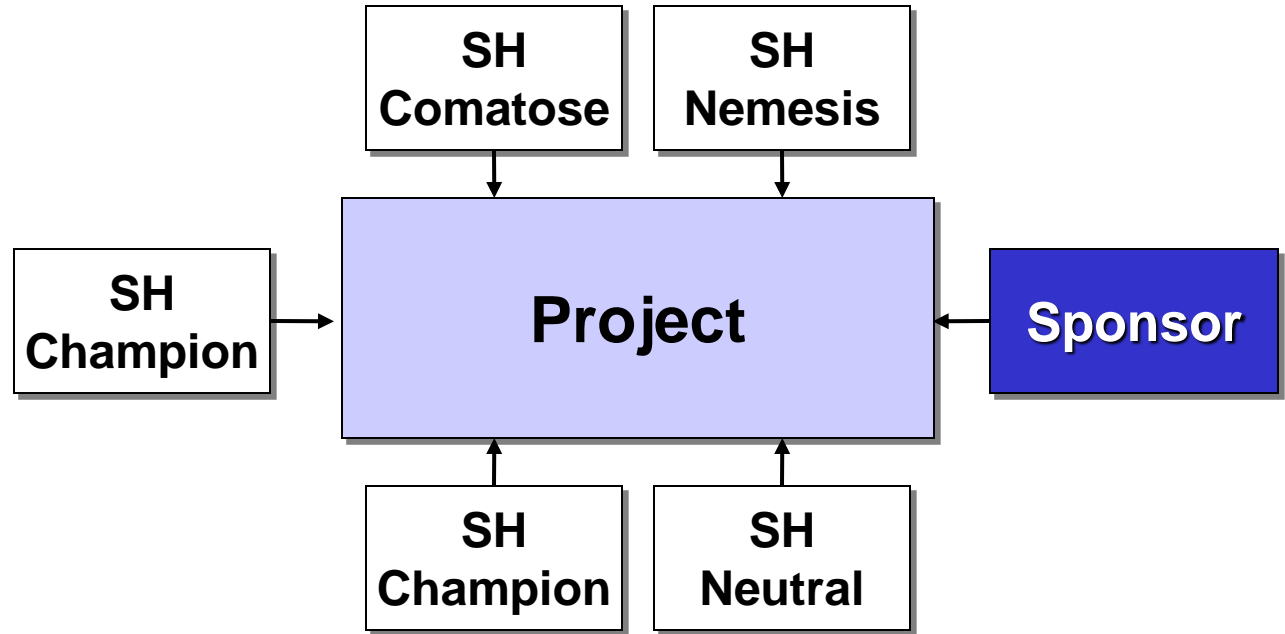
# Policy Level Stakeholders (1)

## PPA Step 5

- The project sponsor is the most important stakeholder
  - They have accepted the responsibility of guiding the project to a successful conclusion
  - They control most of the “strings” of the project

# Policy Level Stakeholders (2)

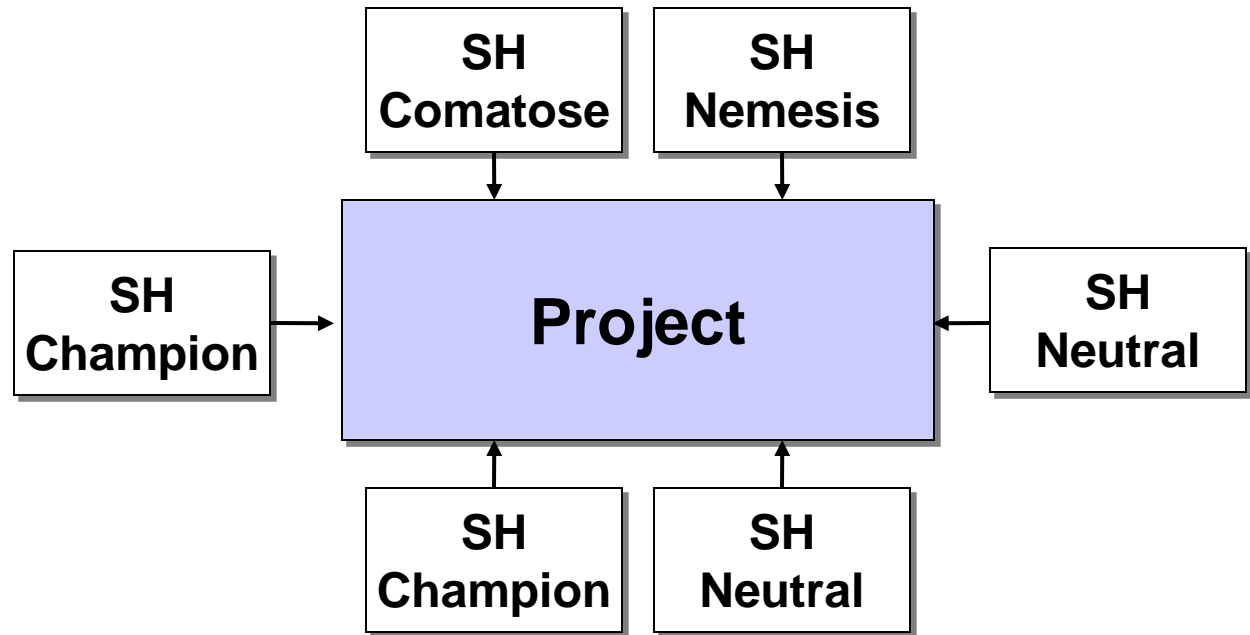
PPA Step 5



- The project has a champion. (Be wary of a project that has no champion.)
- The project manager and/or sponsor should work with the neutral or comatose stakeholders to garner their support.
- Manage nemeses

# Implementation Level Stakeholders

PPA Step 5



# Stakeholder Analysis Template

PPA Step 5

<b>Name:</b>
<b>Title:</b>
<b>Functional/Business Area:</b>
<b>Degree of Alignment:</b> <i>How well does the project meet the needs of the stakeholder?</i>
<b>Key concerns/Turf Issues:</b> <i>What are the stakeholder's concerns regarding the proposed project? Will the proposed project negatively impact this stakeholder's span of control, power, influence, or budget?</i>
<b>Degree of Change:</b> <i>Describe the degree of technical, cultural, and political change the stakeholder will experience from the deployment of the proposed project.</i>



# Stakeholder Analysis Template

PPA Step 5

**Win-Lose Perception:**

*How does the stakeholder perceive the project?*

**Hot Buttons:**

*What project objectives are most important to this stakeholder?*

**Perceived Priority:**

*When it comes to the stakeholder's day-to-day work and any other projects in progress, what priority does the stakeholder place on the proposed project?*

**Readiness:**

*How ready is the stakeholder to successfully deploy the project?*

# Stakeholder Analysis Template

PPA Step 5

## **Type/Level of Support:**

*What type of support/attitude does the stakeholder demonstrate: champion, nemesis, neutral, or comatose?*

## **Impact on Project:**

*Considering the collected information, what impact will the stakeholder have on the project schedule, scope, budget, and quality?*

## **Leverage/management plan:**

*What plans are in place to leverage the championship behavior? If the stakeholder is a nemesis, neutral, or in a comatose state, what plans are in place to manage the situation?*

# Stakeholder Education/Training Needs Assessment

PPA Step 5

Implementation Stakeholder	Training Required	Type of Training Required	When	Provider	Action Required
	<input type="checkbox"/> Yes <input type="checkbox"/> No				
	<input type="checkbox"/> Yes <input type="checkbox"/> No				
	<input type="checkbox"/> Yes <input type="checkbox"/> No				
	<input type="checkbox"/> Yes <input type="checkbox"/> No				
	<input type="checkbox"/> Yes <input type="checkbox"/> No				
	<input type="checkbox"/> Yes <input type="checkbox"/> No				

# Stakeholder Assessment Examples

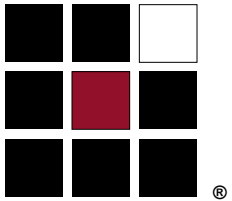
## PPA Step 5

- Example 1
  - A training program for 1000 employees
- Example 2
  - Upgrade of a sales management system
- Example 3
  - A fund raising event

# Stakeholders Help ...

## PPA Step 5

- **Pre-Launch**
  - **Develop a realistic, business oriented, and comprehensive charter**
- **Launch**
  - **Structure an effective project organization**
  - **Develop a comprehensive task plan**
  - **Staff the team, and obtain final budget approval**
- **Execute**
  - **Ensure timely resource availability**
  - **Remove obstacles**
  - **Support the project manager through championship behavior**
  - **Adopt a supportive role**
  - **Act as a mentor to the project manager**
- **Implement**
  - **Prepare frontline customers for timely and smooth transition to the new project**
  - **Help ensure that planned project benefits are realized**



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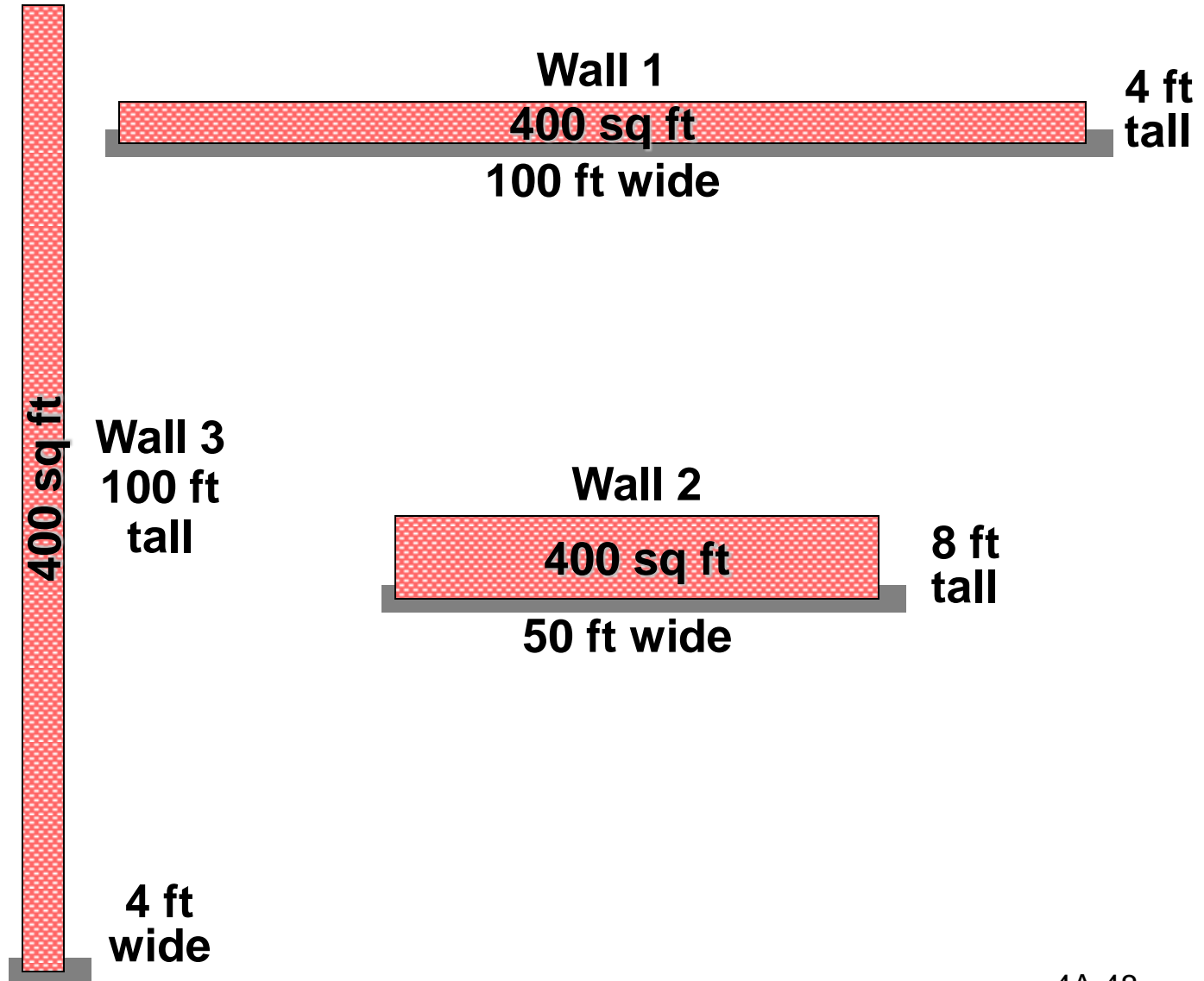
# Complexity Assessment--PPA Step 6

## PPA Step 6

- Projects vary widely in complexity, depending on:
  - Their objectives
  - Their environment
- Complex projects require many more tasks than simpler projects
- It is vital that the project manager assess complexity and convey to the customer its impact on effort, cost, resource, and duration estimates for the project

# Complexity Example

PPA Step 6





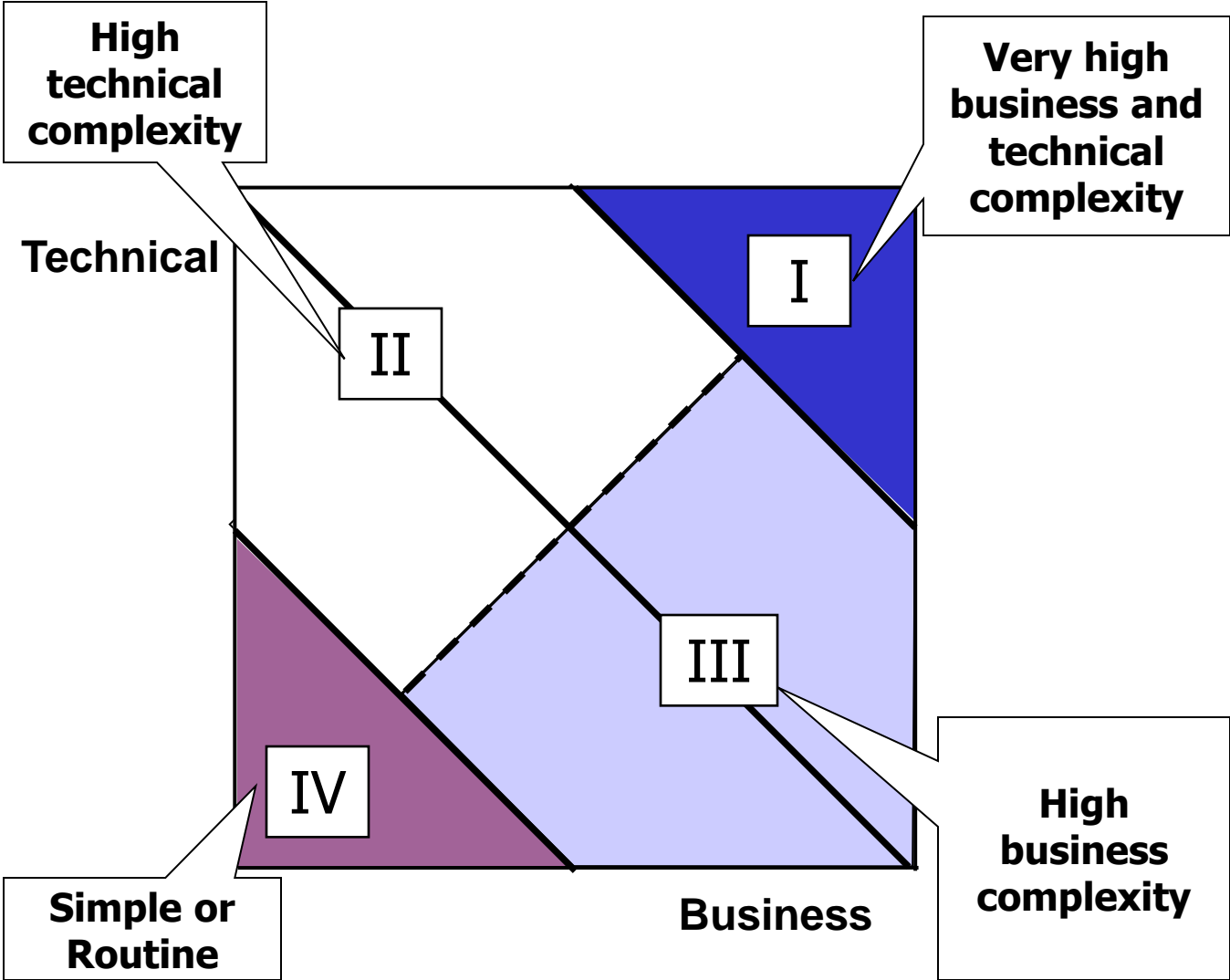
# Project Complexity Assessment

## PPA Step 6

- Consider a project to have two dimensions of complexity
  - Business
  - Technical
- Each dimension is characterized by a set of attributes that vary in number according to the project
- Each applicable attribute is rated on a scale of 1-low to 4-high according to complexity
- The average for business complexity is computed, and the average for technical complexity is computed
- The resulting point is plotted on a complexity chart

# Project Complexity Chart

PPA Step 6



# Business Environment

## PPA Step 6

- Typical business complexity attributes
  - Business rules
  - Competitors
  - Cross-functional interactions
  - Current business processes
  - Customer/end-user buy-in
  - Financial exposure
  - Geography
  - Market knowledge
  - Regulatory restrictions
  - Time scale
  - Visibility

# Business Complexity Assessment Template

PPA Step 6

Low Complexity		Business Attribute	High Complexity		Rating
0	1	2	3	4	
Static		Business Rules	Changing		3
Static		Current Business Systems	Changing		4
Low		Financial Exposure	High		4
Familiar		Markets	Unfamiliar		3
Local		Geography	Global		3
...		...	...		...
Loose		Time Scale	Tight		4
Low		Visibility	High		4
			Total		46
			Complexity		3.5

# Technical Environment

## PPA Step 6

- Typical technical complexity attributes
  - Communications
  - Delivery mechanism
  - Geography
  - Hardware
  - Level of integration
  - License compliance
  - Networks (L/W)
  - New technology architecture
  - Operations
  - Security
  - Software
  - Standards and methods
  - Team
  - Tolerance to fault
  - Transaction volume

# Complexity Zones

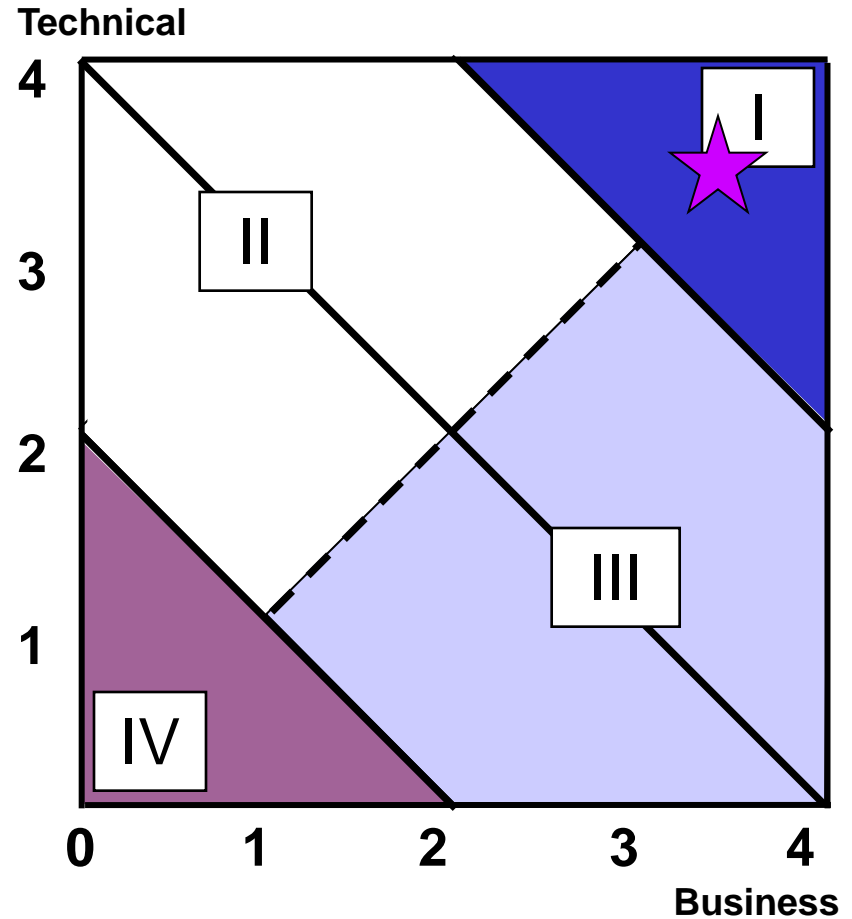
PPA Step 6

**Business Complexity**

**3.5**

**Technical Complexity**

**3.6**



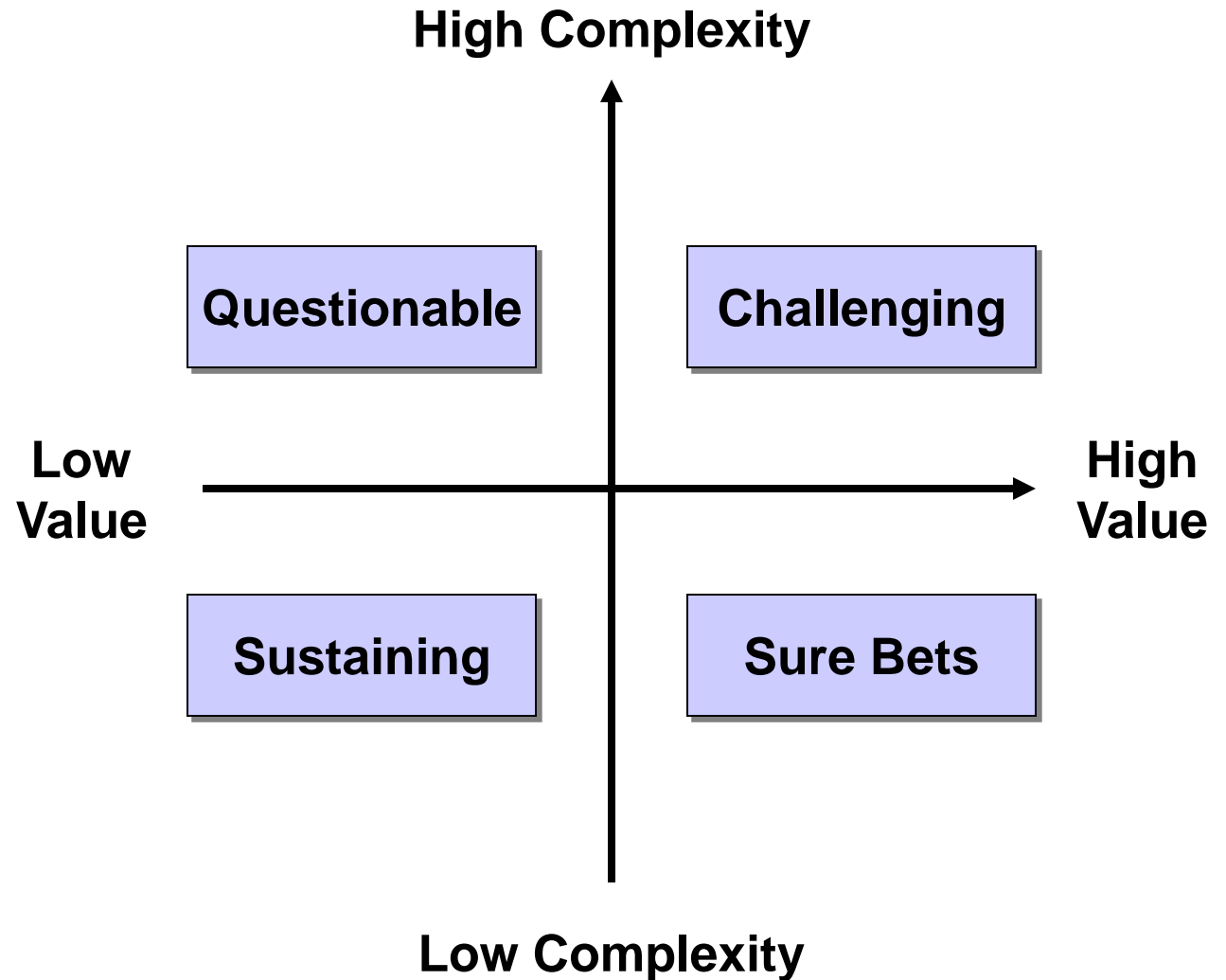
# Complexity: Important Points

## PPA Step 6

- Understanding project complexity helps in:
  - Assembling the right sponsor, project manager, and team
  - Getting a first glimpse at risk (treat any attribute ranked greater than 3 as a potential risk)
- Don't worry about precision placement of your complexity point on the chart. The main purpose is:
  - To identify the zone in which the project falls
  - To identify the major contributors to complexity in that zone
- Review and update the complexity diagram routinely

# Value-to-Business v. Complexity

PPA Step 6

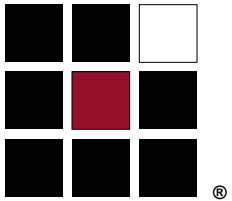




# Tailoring the PPA

## PPA Step 6

- The number of PPA steps required, and the duration of a project are directly proportional to project complexity
- For the Zone 1 project in the preceding example, most of the PPA steps are likely to be required



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# Policies, Procedures, & Standards

## PPA Step 7

### PPA Step 7

- Policy
  - A course of action prescribed to comply with legal requirements (regulations)
  - Corporate policies, regulatory agencies' (government) policies, labor union policies
- Procedures
  - A set of established methods for conducting the affairs of the business
  - A series of prescribed steps taken to accomplish a goal
- Standard
  - A practice that is widely recognized or employed, especially because of its proven value
  - A practice to ensure uniform outcome

# Typical Policies, Standards, and Procedures

## PPA Step 7

- **ADA**
- **Audit (internal or external)**
- **Contracts**
- **Database**
- **Disaster recovery**
- **Documentation**
- **GUI**
- **Icons**
- **Infrastructure**
- **Intellectual property**
- **Interface design**
- **ISO**
- **Labor unions**
- **Organizational policies and procedures**
- **OSHA**
- **Procurement**
- **Public interest groups**
- **Regulatory agencies**
- **Reuse**
- **Security**
- **Six Sigma**
- **Testing**
- **Travel**
- **Warranties and guarantees**

# Impact of Policies, Standards, and Procedures

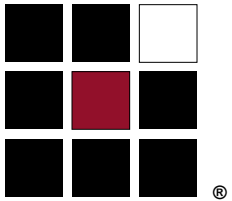
## PPA Step 7

- Policies, standards, and procedures can significantly impact project
  - Resources
  - Schedule
  - Cost
- The project manager must identify, during Charter preparation, those that apply to the project
- The list of the policies, standards, and procedures that apply will be used as input to project
  - Risk assessment
  - Planning, estimating, and scheduling the project

# Policies, Standards and Procedures Template

PPA Step 7

<i><b>Policies &amp; Procedures</b></i>	<i><b>Source</b></i>	<i><b>Applicable</b></i>	<i><b>Defined</b></i>	<i><b>Schedule Impact</b></i>	<i><b>Budget Impact</b></i>	<i><b>Action Required</b></i>
<i><b>Master contract</b></i>		<input type="checkbox"/> <i><b>Yes</b></i> <input type="checkbox"/> <i><b>No</b></i>	<input type="checkbox"/> <i><b>Yes</b></i> <input type="checkbox"/> <i><b>No</b></i>			
<i><b>Regulatory agency approval</b></i>		<input type="checkbox"/> <i><b>Yes</b></i> <input type="checkbox"/> <i><b>No</b></i>	<input type="checkbox"/> <i><b>Yes</b></i> <input type="checkbox"/> <i><b>No</b></i>			
<i><b>Union contract</b></i>		<input type="checkbox"/> <i><b>Yes</b></i> <input type="checkbox"/> <i><b>No</b></i>	<input type="checkbox"/> <i><b>Yes</b></i> <input type="checkbox"/> <i><b>No</b></i>			
<i><b>Travel restrictions</b></i>		<input type="checkbox"/> <i><b>Yes</b></i> <input type="checkbox"/> <i><b>No</b></i>	<input type="checkbox"/> <i><b>Yes</b></i> <input type="checkbox"/> <i><b>No</b></i>			

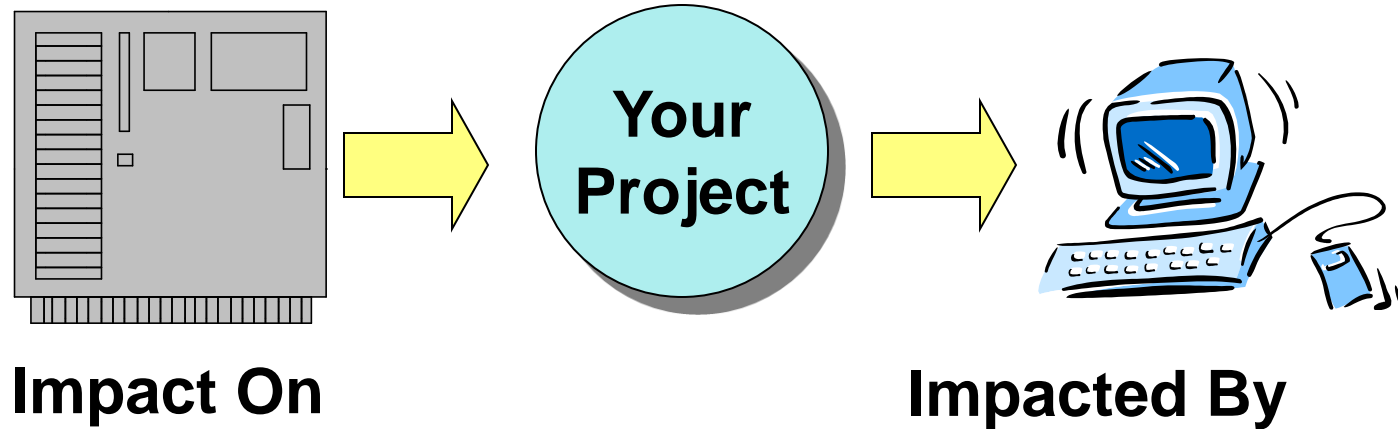


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# Impact Assessment

PPA Step 8

## Systems, Processes, Projects



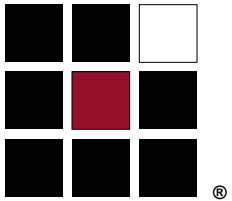
- Nature of the impact?
- Action required?



# Impact Assessment Template

PPA Step 8

<b>Name of the system/project:</b>	<b>Owner:</b>
<b>Type of interaction:</b> The interaction will be: <input type="checkbox"/> Automated <input type="checkbox"/> Manual	
<b>Describe the nature of the impact:</b>	
• Data quality:	
• Volume of transactions:	
• Frequency of transactions:	
• Media of transactions (any compatibility issues?):	
• Security requirements and issues:	
• Timeliness of data availability:	
• Infrastructure:	
• Cross-project dependencies:	
<b>Action required:</b>	



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# Constraints and Obstacles

## PPA Step 9

- Constraints and obstacles are barriers that can:
  - Drive up time and cost
  - Limit functionality
  - Drive down quality
- Synonyms: Hindrance, restriction, difficulty, barrier, and limit
- The purpose of this step is to identify the constraints and obstacles that apply to your project
  - Start with a “master list”

# A Sample “Master List”

## PPA Step 9

- **Audit and control requirements**
- **Budget shortfall**
- **Competitive markets**
- **Customer sophistication**
- **Deadlines**
- **Environmental considerations**
- **Human resources: skills, availability, turnover**
- **Infrastructure maturity**
- **Legislation**
- **Litigation**
- **Nemesis stakeholders**
- **Other projects**
- **Paradigm shift: concepts, values, and practices**
- **Public/community relations**
- **Regulatory requirements**
- **Resource availability: people, technology, facilities**
- **Security**
- **Sponsorship**
- **Structure of installed systems**
- **Supplier/vendor capability and capacity**
- **System architecture**
- **Technology viability**

# Constraints and Obstacles Steps

## PPA Step 9

- Prepare a comprehensive list of constraints and obstacles that impact projects in general
- Create a list of items that apply to the current project (work with SMEs)
- Use a numerical scale to rate the probability (likelihood) of occurrence of each item in the selected list
- Use a numerical scale to rate the expected impact of each item in the selected list
- Compute the risk level of each item (multiply probability rating times the impact rating)
- Decide on the threshold levels to define low, medium, and high risk items
- Focus on the high risk constraints and obstacles

# Sample Risk Thresholds

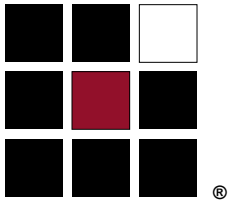
PPA Step 9

Risk value 1 - 9	Low level risk
Risk value 10 - 15	Medium level risk
Risk value greater than 15	High level risk

# Constraints & Obstacles Template

PPA Step 9

<b>Constraints &amp; Obstacles</b>	<b>Probability (1 - 5)</b>	<b>*</b>	<b>Potential Impact (1 - 5)</b>	<b>=</b>	<b>Risk Level (1-25)</b>
Audit & control requirements	4	*	4		16
Budget	2	*	5		10
Technology infrastructure	4	*	5		20
Vendor capability	1	*	4		4
Vendor capacity	4	*	5		20



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# Stability Assessment: PPA Step 10

## PPA Step 10

- The last four steps defined ***what*** might cause a risk to the project
- This step defines the ***timing*** of that risk

# Stability Template

PPA Step 10

Constraints & Obstacles	Probability (1 - 5)	*	Potential Impact (1 - 5)	=	Risk Level (1-25)	Stability Assessment	Impact															
Audit & control requirements	4	*	4		16	<table border="1"> <tr><td>■</td><td>■</td><td></td><td></td><td></td></tr> <tr><td>■</td><td>■</td><td></td><td></td><td></td></tr> <tr><td>■</td><td>■</td><td>■</td><td>■</td><td></td></tr> </table>	■	■				■	■				■	■	■	■		
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Security	4	*	4		16	<table border="1"> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td>■</td><td>■</td></tr> <tr><td></td><td></td><td></td><td>■</td><td>■</td></tr> </table>									■	■				■	■	
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# Identifying Risks (1)

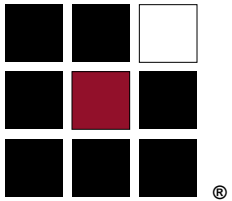
## PPA Step 10

- Project Description
  - Poorly defined objectives
  - Bad assumptions
  - Dictated deadlines (most of them)
- Intra-Project Priority Assessment
  - The attribute ranked as first priority
  - At times, the attribute ranked second
- Stakeholder Analysis
  - Any nemesis stakeholder
  - Sometimes, neutral and comatose stakeholders
- Complexity Assessment
  - Any attribute rated higher than “3”

# Identifying Risks (2)

PPA Step 10

- Policies, Procedures, and Standards
  - Any policies, procedures, or standards that impact the Intra-Project Priority element ranked first
- Impact Assessment
  - All items in the Impact Assessment that could have an adverse affect on the project
- Constraints and Obstacles
  - Any constraint or obstacle with a risk level greater than 15



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# Issues Management--PPA Step 11

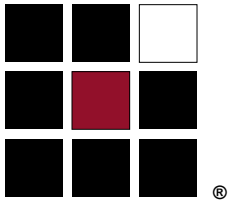
## PPA Step 11

- Issue: Unresolved question or difference of opinion
- The more issues, the more difficult it is to navigate the project
- Issues must be managed conscientiously and resolved in a timely manner
  - Identify issues
  - Analyze and record
  - Assign owner, who facilitates resolution
  - Escalate as needed
  - Communicate resolution broadly
- Issues that remain unresolved after a long time are risks to the project

# Issues Log

PPA Step 11

Issue Description	Impact	Who raised it?	Date raised	Who can best resolve it?	When resolution is needed	Owner	Action taken to date	Current status



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# Risk Assessment--PPA Step 12

- PPA Step 12
- Potential responses to risk:
    - Ignore the risk
    - Avoid the risk
    - Transfer the risk
    - Accept the risk
      - Prevention
      - Mitigation
      - Contingency

# Ignore the Risk

## PPA Step 12

- Ignore: Pay no attention to the risk
- Works for most low-level risks
- But monitor the risk and take appropriate action if its risk level increases
- Ignoring medium- and high-level risks is, itself, a risky business

# Avoid the Risk

## PPA Step 12

- Avoid: Stay clear of, pass up, or sidestep the risk
- For example, change plans to avoid a risky approach, e.g.:
  - Use tested rather than new technology
  - Choose a different vendor
- Avoiding a risk is ***not*** the same as ignoring the risk

# Transfer the Risk

## PPA Step 12

- Transfer: Shift or assign the risk to some other party (e.g., customer, end-user, contractor, insurance)
- Consult with your legal authorities in weighing options for risk transfer
- Transfer does not absolve the project manager of all responsibilities for the risk
- Ask the organization to which the risk has been transferred to provide names and contact information for those responsible for the risk, and a task-level plan for dealing with the risk
- Document and communicate the risk transfer information to appropriate stakeholders

# Accept the Risk

## PPA Step 12

- Accept: Recognize, acknowledge, and understand that the risk is the responsibility of the project team and must be managed
- Three types of approaches for dealing with accepted risks are:
  - Prevention plan
  - Mitigation plan
  - Contingency plan

# Prevention Plan

- PPA Step 12
- Prevention plan: Steps to inhibit or thwart the risk
    - e.g., reducing risk of multi-year project funding, by moving full funding into current year project account
  - Prevention involves taking ***anticipatory*** counteraction against the risk

# Mitigation Plan

## PPA Step 12

- Mitigation plan: Defines a set of tasks and action that, if taken, will help alleviate (lessen) the risk
- Once a risk is mitigated, it does not mean the problem is permanently solved--the risk may return
- The project manager must monitor the risk until it is fully resolved

# Contingency Plan

PPA Step 12

- A set of tasks that will be taken if the risk materializes--a “Plan B”
- Used when prevention and mitigation plans do not provide sufficient reduction in the risk level of an item



# Risk Management Examples

PPA Step 12

- Example 1
  - Poor data quality
- Example 2
  - The team is stationed in different countries that use different languages, are located in different time zones, and come in contact with different cultures
- Example 3
  - There is a resource shortage as a result of both budget cuts and staff turnover

# Probability v. Impact

- PPA Step 12
- When laying out a plan to lessen or react to a risk:
    - First focus on controlling the likelihood of its occurrence
    - Then work on minimizing the magnitude of the impact
  - Don't limit risk management to only the risks you can control

# Risk Management Plan Template

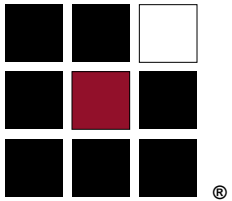
PPA Step 12

	Risk 1	Risk 2	Risk 3	Risk 4
Description				
Level				
Cause/trigger				
Impact	<input type="checkbox"/> Schedule <input type="checkbox"/> Scope <input type="checkbox"/> Budget <input type="checkbox"/> Quality <input type="checkbox"/> Visibility	<input type="checkbox"/> Schedule <input type="checkbox"/> Scope <input type="checkbox"/> Budget <input type="checkbox"/> Quality <input type="checkbox"/> Visibility	<input type="checkbox"/> Schedule <input type="checkbox"/> Scope <input type="checkbox"/> Budget <input type="checkbox"/> Quality <input type="checkbox"/> Visibility	<input type="checkbox"/> Schedule <input type="checkbox"/> Scope <input type="checkbox"/> Budget <input type="checkbox"/> Quality <input type="checkbox"/> Visibility
Objectives affected				
Stakeholders affected				
Prevention plan				
Mitigation plan				
Owner				

# Risk: Closing Thoughts

## PPA Step 12

- Sponsors must provide project managers the opportunity to conduct a forthright risk assessment
- Risk management is not a one-time step; it continues throughout the life-cycle of the project



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# Preliminary Scope Statement

## PPA Step 13

### PPA Step 13

- Project scope: The sum total of deliverables and features
  - The total functionality to be delivered to the customer at the completion of the project
- In Pre-Launch, not enough is known about the project to clearly define the final scope
- The Preliminary Scope Statement is included in the Charter to give stakeholders a reasonable idea of the “size” of the project
- You must clearly communicate to the stakeholders that the scope statement will have to be revisited and revised later in the project

# Scope Statement Terminology

## PPA Step 13

- Function
  - Describes the purpose or utility of an object
- Deliverable
  - Any tangible item that is built to provide (deliver) a function
- Feature
  - Characteristic, trait, or attribute of a deliverable
  - The elements that enhance the ease of use, or add utility above and beyond the essential functionality, of a deliverable

# Functions, Deliverables, and Features (1)

PPA Step 13

Function	Deliverable	Feature
Illumination	Electric lightbulb Lantern Candle	Fluorescent, incandescent Kerosene, pressurized gas Dripless, long-lasting, scented
Transportation	Automobile  Motorcycle Rickshaw Bullock cart	Gas, diesel, electrical, all wheel drive, front wheel drive, power steering, ABS brakes  Auto start, kick start Auto, bicycle, manual One bullock or two
Baking/roasting appliance	Built-in oven	Gas, electric, convection, commercial grade, rotisserie, self-cleaning



# Functions, Deliverables, and Features (2)

PPA Step 13

Function	Deliverable	Feature
E-commerce	Web site	Animated graphics, streaming audio/video, hyperlink, secure credit transaction, site links
Traveler accommodation	Hotel room	Standard, suite, smoking, non-smoking, view, ADA conforming
Internet access	Modem	Telephone, DSL, T1 line, wireless

# Customer Expectations

## PPA Step 13

- The fundamental relationship between a supplier (project manager) and customer:
  - The customer expects everything they talked about, and then some, to be included in the project
- There are two types of contracts with a customer:
  - Explicit--Documented
  - Implicit--Wished for but never really promised
- Clearly document the explicit contract to help in avoiding “scope creep”

# Scope Categories

## PPA Step 13

- Current Scope
  - The functions, deliverables, and features that are planned for inclusion in the project
- Future Opportunities
  - Future development that could, or should occur for the end product of the project
  - But is excluded from the project for specifically stated reasons (e.g., tight deadline, funding shortage)
- Outside of Scope
  - Avoid later ambiguity, state what is not within scope and reasons for exclusion
- Scope Issues
  - Undecided scope items

# Preliminary Scope Statement Suggested Format

PPA Step 13

Current Scope	Future Scope	Out of Scope	Scope Issues
Function	Function	Function	Function
Function	Reason	Reason	Function
Deliverable	Function	Deliverable	Deliverable
Deliverable	Reason	Reason	Feature
Deliverable	Function	Feature	Feature
Deliverable	Reason	Reason	
Deliverable	Function		
Feature	Reason		
Feature	Function		
Feature	Reason		

# Scope Decision Drivers

## PPA Step 13

- Not all functions, deliverables, and features are equally important
- Work with key stakeholders to classify each function, deliverable, and feature
  - Must have
  - Should have
  - Nice to have
  - Fluff
- Then take action
  - Get rid of the fluff
  - Ask the customer to justify “nice to have’s”
  - Decide whether any “should have’s” can be discarded or moved to future opportunities
  - Focus on the high value items

# Developing the Preliminary Scope Statement

## PPA Step 13

- Review the conceptual build developed in the Idea Stage Project Description
- Work with the key customers to define the functions, deliverables, and features that will be built to meet
  - The project objectives
  - The conceptual build

# Scope Chunking

## PPA Step 13

- The larger the project, the greater its chance of being compromised or failing
- We divide projects into four categories:
  - 3 to 6 months: Small
  - 6 to 9 months: Medium
  - 9 to 12 months: Large
  - Greater than 12 months: Mega
- Every example, in the text, of challenged and failed projects has to do with large and mega projects

# Challenges in Large and Mega Projects

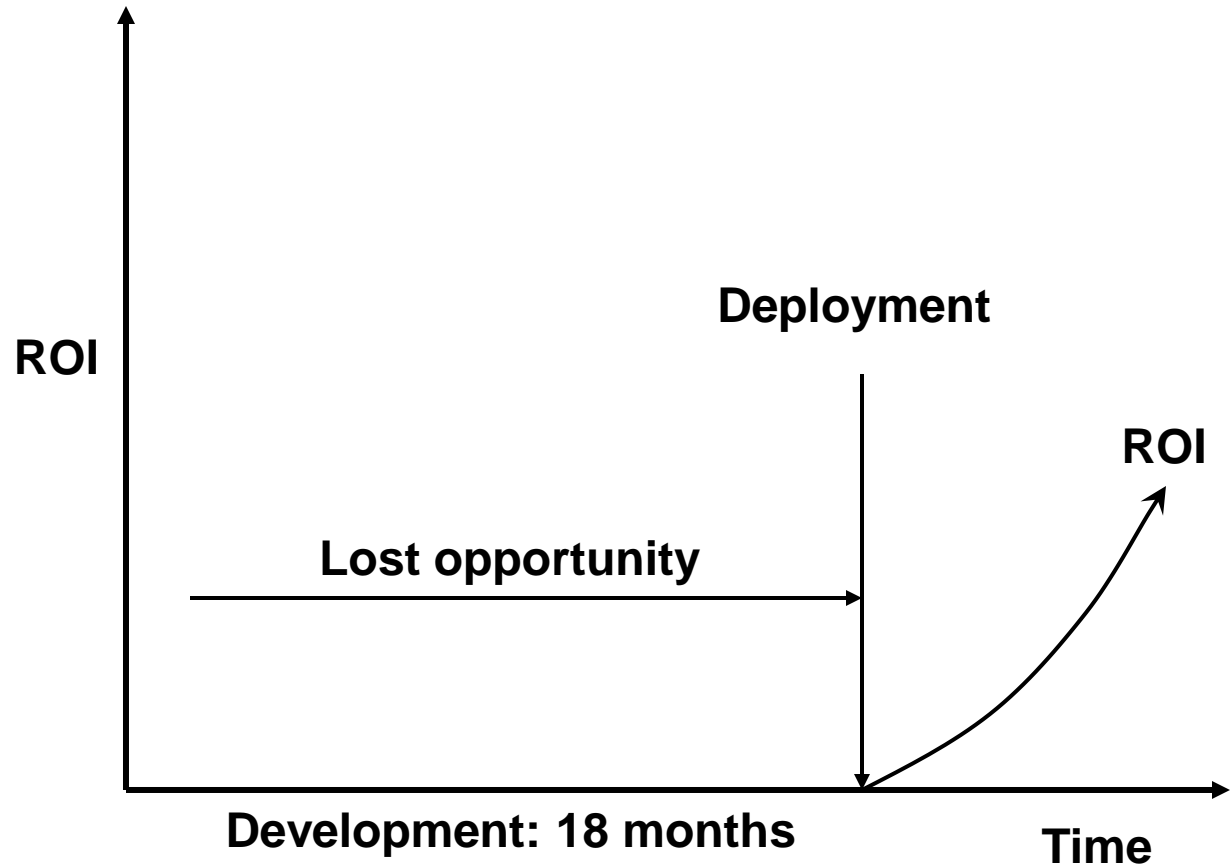
## PPA Step 13

- Dramatic changes (increases) in scope
- Changes in organizational strategy
- Changes in business requirements; internal and external
- Changes in the economic, political, and competitive environment
- Changes in technology, including obsolescence
- Reduced team effectiveness due to fatigue, reassignments, and turnover
- Loss of interest by customer
- Customer can't wait for the product
- Delayed ROI



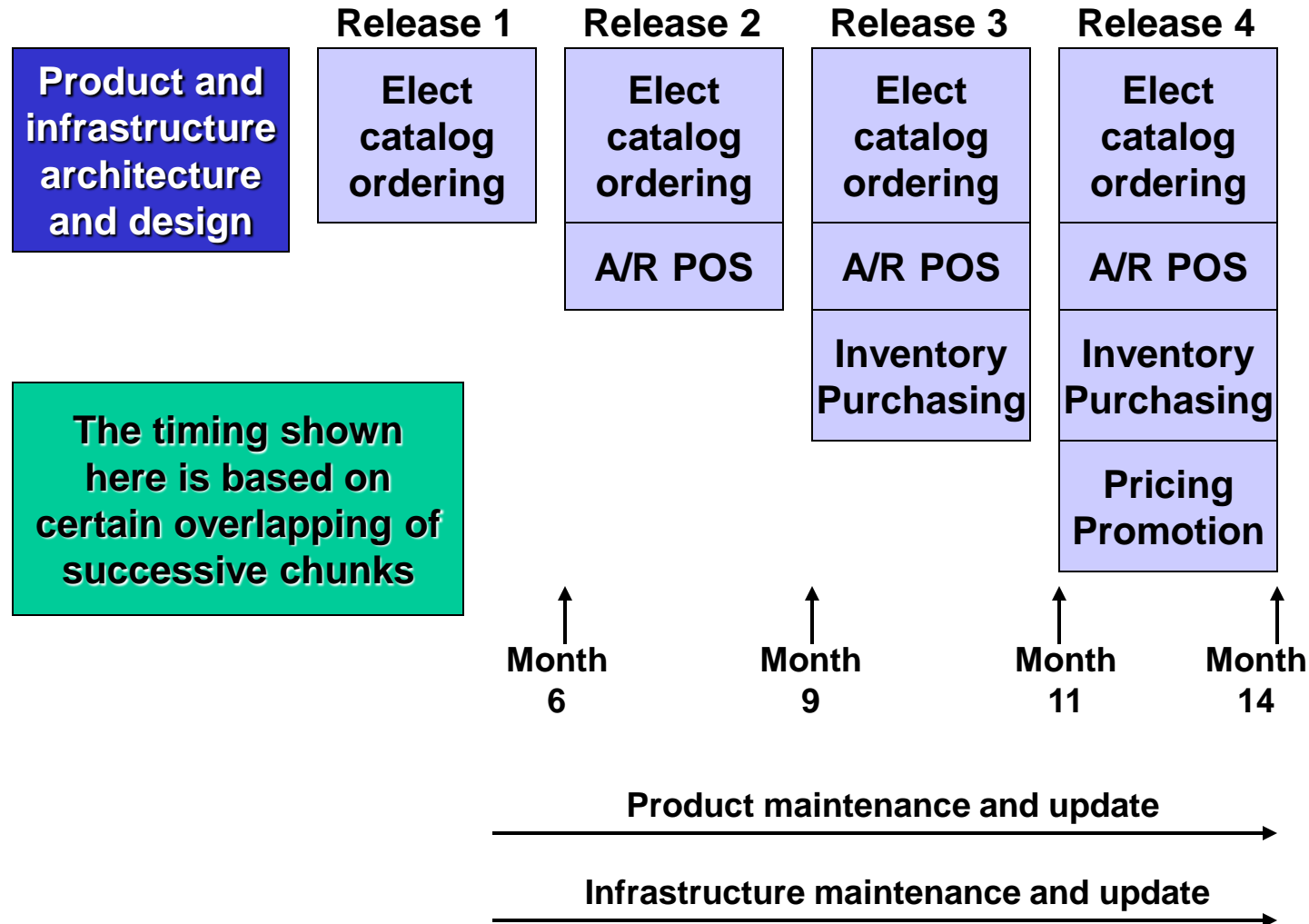
# Mega Project ROI

PPA Step 13



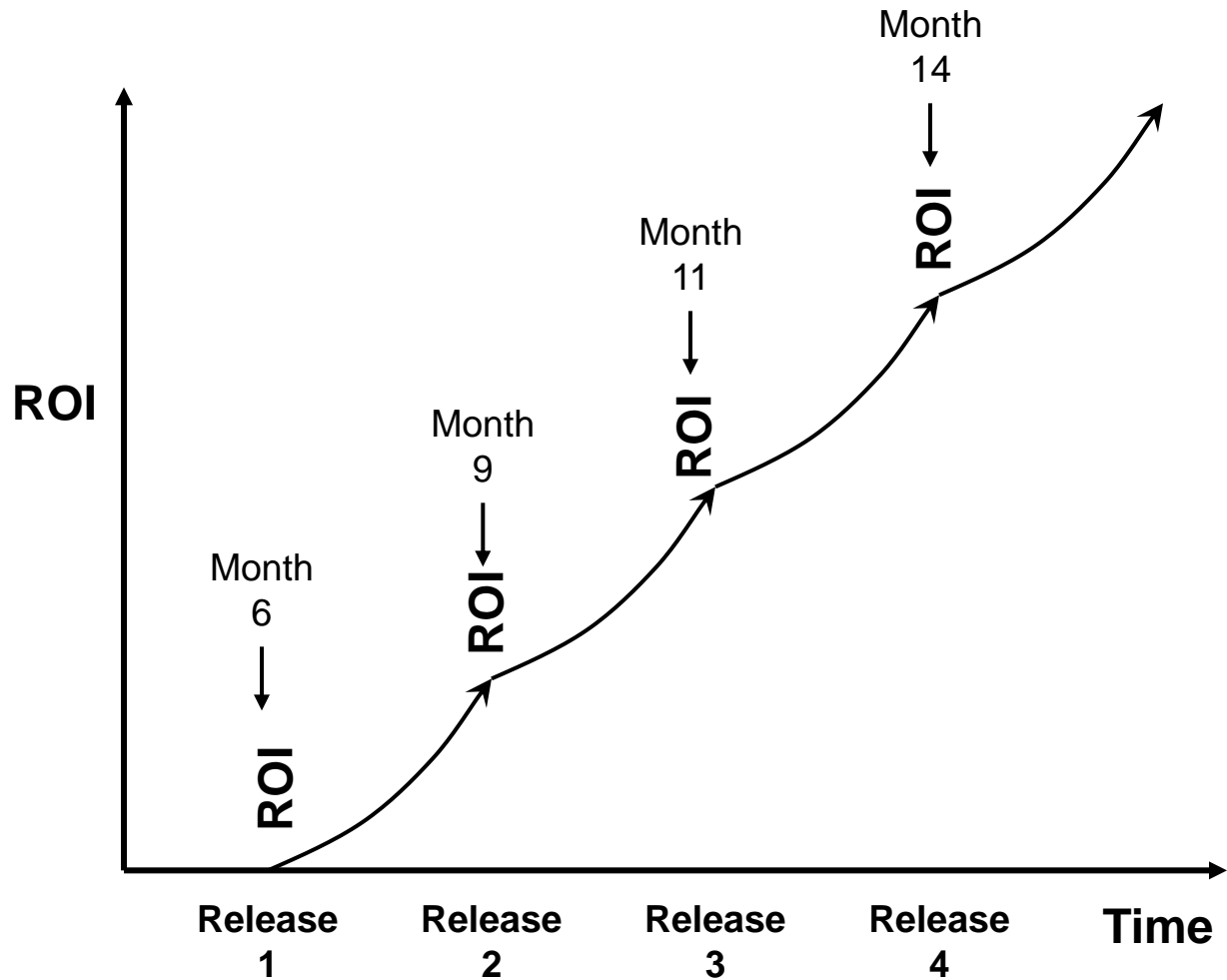
# Chunked Project Structure

PPA Step 13



# Chunked Project ROI

PPA Step 13



# The Rule of 777

## PPA Step 13

- Break all IT/Business projects into a maximum of 7-month chunks
- Keep the team to less than 7 core team members, as many full-time as possible
- Keep the budget under \$700,000
  - The dollar figure is a guide and does not include any capital costs and may vary due to salary fluctuations

# Technology Obsolescence

## Moore's Law

### PPA Step 13

- Technology obsolescence is a fact of life
- It is not limited just to the cost of technology upgrades
  - It also includes the time and cost of human skills upgrades
- The project manager must:
  - Incorporate the effort, time, and cost of technology obsolescence into the project plan
  - Inform and educate the sponsor, key stakeholders, and customers about this important subject