# 5 Simple Steps to
# Successful Project
# Management

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**Proper planning dramatically increases your odds of meeting project objectives**

# Introduction

Congratulations—you've just been given a project to manage!

Being a good project manager requires a variety of skills—from keeping track of technical details to communicating progress, to influencing key team members who don't report to you, to sometimes resolving conflict or delivering bad news.

Set your project up for success. Proper planning dramatically increases your odds of meeting project objectives, and coming in on time and under budget. Loaded with insider tips, templates, and checklists, this eBook will help you plan out your project and avoid inaccurate and unrealistic baselines for scope, timeline, risks, costs and quality.

Plus, assess your project management acumen with our fun quiz—if there's an area in which you need a bit more help, check out our additional resources in the back.

# The Role of the Project Manager

**The project manager has to juggle a multitude of roles and responsibilities**

As project manager, you'll play many roles:

**Coach:** As the team coach, you'll work with the project sponsor to figure out the big-picture strategy and continually monitor progress in executing plays, compared to the original plan.

**Quarterback:** In the thick of the game, as quarterback you'll make decisions to move the team forward and keep your eye on the goal.

**Scorekeeper:** Project managers need to be very detail oriented to keep track of all the variables so that the end product meets all the project requirements.

**Cheerleader:** At times, enthusiasm for the project will falter and wane. It's your job to keep your team pumped up and focused on their jobs.

**Referee:** Invariably, stakeholders with competing priorities will argue over project requirements or results. As the project manager, you perform a key role in bringing this conflict to resolution and aligning the team on goals.

**Announcer:** During the project planning process, you'll be called upon to check historical data, play devil's advocate on assumptions and strategy, and keep abreast of industry or external changes that might affect the project's outcome.

# 5 Steps to Painless Projects

## Step 1: Define the Business Case

Work with the individual or organization requesting the project during the initiation stage to ensure that you both clearly understand the problem that needs to be solved, as well as the financial and non-financial benefits that are expected if the project is successful.

The **business case** is the financial justification for undertaking a project.

"Financial" justification includes direct and indirect justifications. For example, reducing a cost is a direct financial justification, whereas increasing customer satisfaction would be considered indirect, since this justification assumes that if customers are more satisfied, they will buy more products and increase sales.

- **All projects exist to solve a problem.** If a project does not appear to solve a problem, ask the sponsor why they are asking for the project.

- **Benefits must justify the costs.** Even when a project does address a problem, defining the business case ensures that the benefits justify the costs. For example, if project results will reduce production costs by $10/unit and the cost of the project is $100,000, you need to make sure you ship enough of these units to justify doing the project.

- **Validate assumptions.** One of the biggest sources of problems are assumptions made early in the process. Carefully probe any hard-to-believe assumptions that the customer is making to justify the expected benefits. Make the effort to understand and validate any assumptions made in a business case before the project is undertaken.

- **Envision a successful solution.** Work with the key project experts to develop a high-level version of what the solution might look like. This will help with outlining project requirements and making sure the project solves the initial problem.

- **Have customers vet the potential solution.** Whenever possible, have the customer, key subject-matter experts and project sponsor discuss the problem, the proposed solution, and the expected benefits before starting on the project. This will help validate that your assumptions are likely correct before engaging in the project.

# 5 Steps to Painless Projects

> "Reduce your plan to writing. The moment you complete this, you will have definitely given concrete form to the intangible desire."
>
> – Napoleon Hill

## Step 2: Create a Project Charter

The **project charter** is a high-level document generated early in the project, and is a key deliverable created in the initiation stage of a project.

In its simplest form, the charter authorizes the existence of the project and bestows formal authority on the project manager to manage it. In a more comprehensive format, the charter defines all key aspects of the project.

Here's a checklist of things project charters typically include:

- ☐ Business case
- ☐ Project description
- ☐ Project priorities
- ☐ Stakeholders
- ☐ Constraints
- ☐ Assumptions
- ☐ Deliverables
- ☐ Requirements
- ☐ List of items out of scope
- ☐ Budget estimate
- ☐ Schedule estimate
- ☐ Milestones
- ☐ External dependencies
- ☐ Risks

## INSIDER TIPS

**Start early.** Create a charter as early as possible and validate it with key stakeholders. A common cause of project problems/rework is discovering differing stakeholder expectations late in the project.

**Expect multiple drafts.** It will take a while for stakeholders to envision the solution they want. This is normal, and it's better to have multiple drafts in the initial stages of the project than to have scope creep later on.

**Anticipate conflict.** It's not uncommon to have conflict among stakeholders at this stage as they hammer out their needs, expectations, and sometimes competing priorities. It pays to spend the time now to clear up any conflict and to lead the team to conflict resolution. Time spent getting everyone on the same page will pay off later.
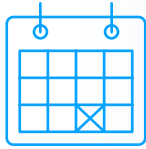
**Provide context and frequent updates to your boss**

# 5 Steps to Painless Projects

## Step 3: Create a Management Status Report

The **management status report** is a high-level document generated periodically during the execution stage of the project to keep management up to date on progress.

Here's a checklist of information typically included in that report:

- ☐ **Report period**
- ☐ **Executive Summary**
  - ☐ Status
  - ☐ Comments
  - ☐ Milestones
  - ☐ Changes to project plan
- ☐ **Challenges**
  - ☐ Pending decisions
  - ☐ Overdue tasks
  - ☐ Open issues
  - ☐ Open action items
  - ☐ High-priority risks
  - ☐ Pending external dependencies
- ☐ **Accomplishments**
  - ☐ Completed tasks
  - ☐ Closed issues
  - ☐ Closed action items
  - ☐ Decisions made
- ☐ **Action plan for next period**

### 💡 INSIDER TIP

**Customize your management status report to the audience.** Depending on the size or scope of a project there may be more than one audience for this type of report, and therefore more than one report. Consider executive management, functional management, and external customers—do they need updates? What information is appropriate to share with each? Customize the report to each stakeholder.
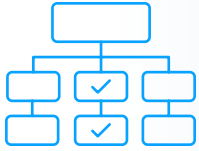
> "Planning is a process of choosing among many options. If we do not choose to plan, then we choose to have others plan for us."
>
> – Richard I. Winwood

# 5 Steps to Painless Projects

## Step 4: Develop the Project Plan

The project plan builds on the charter by developing the details behind previously high-level concepts. The project plan is a key PM deliverable that generally signifies the end of the planning stage of a project.

The following elements are typically part of a project plan:

☐ **Project description**

☐ **Project priorities**

☐ **Stakeholders**

☐ **Constraints**

☐ **Assumptions**

☐ **Deliverables**

☐ **Requirements**

☐ **List of items out of scope**

☐ **Budget**

☐ **Schedule**

☐ **Milestones**

☐ **External dependencies**

☐ **Risks**

☐ **Communications**

### 💡 INSIDER TIPS

**The project plan is more than just a schedule.** It contains details behind the components, including scope, schedule, budget, priorities, risks and communications.

**Involve your core team in the project plan.** Work with your core team—representatives from each functional group—to develop the project plan. This way, you not only ensure that all technical bases are covered, but you are also more likely to obtain the team's buy-in.

**Focus on quality, not speed.** It's tempting to try to rush things along and draft the plan by yourself. Working with the core team on the project plan is harder and takes more time than doing it yourself. But the payoff in quality and buy-in is worth the extra time.

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# 5 Steps to Painless Projects

"It is not the strongest of the species that survives, not the most intelligent, but the one most responsive to change."

– Charles Darwin

## Step 5: Identify and Evaluate Risk

A **risk** is a future event or condition that will have either a positive or negative impact on the project scope, schedule, or budget.

### Here's a checklist to make sure your risk management covers all the bases:

- ☐ **Identify risks**
  - ☐ Brainstorm with your team: What could go wrong with this project?
  - ☐ Ask subject-matter experts: What are the greatest risks to this project?
  - ☐ Check historical data: What went wrong with similar projects?
- ☐ **Assess risks**
  - ☐ Estimate the probability (P) and the impact (I) to your project scope.
  - ☐ Use the template at the back of this eBook to help you chart out the risks and probabilities.
  - ☐ Use a simple scale such as high-medium-low.
- ☐ **Prioritize risks**
  - ☐ Reorder the risks based on probability and impact.
  - ☐ A common P-I prioritization order is: H-H, H-M, M-H, M-M, H-L, L-H, M-L, L-M, L-L.
  - ☐ Check the order against your professional judgment.
  - ☐ Run the risks by the sponsor to make sure you're in alignment on the priority levels of worst-case scenarios.
- ☐ **Risk response**
  - ☐ With the team, determine how risks should be handled:
  - ☐ Plan out possible responses if they happen.
    - ☐ Avoid them.
    - ☐ Reduce the probability or impact of the risk.

### 💡 INSIDER TIPS

**Estimate probability and impact.** Since risks happen in the "future," there is no guarantee they will occur.

**Prioritize based on impact and likelihood.** This will help make sure you're planning for the most likely events and the ones that could possibly derail your project.

**Risks are not issues.** Risks are in the future; issues are in the present.

**Risk management is about making sure risks don't become issues.** Anticipating and planning for risks helps you make sure they don't become reality.
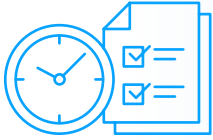
# 7 Practical Tips for Avoiding Project Failure

**Classically, a project is considered a success if you meet the budget, timeline, and quality requirements of your deliverable**

**By Ray Houdtzagers**

According to a 2015 study conducted by the Project Management Institute (PMI), only 64% of projects succeed. As you might expect, there is a dire associated cost of that failure rate. That same study also indicates that for every US$1 billion invested in projects and programs, a whopping US$109 million of that is wasted.

To use a baseball metaphor, we as project managers always want to bat 1.000, i.e., have a perfect record when it comes to project success. However, that goal may not be realistic from the get-go—after you factor in available resources and budget, a challenging deadline, difficult or non-communicative stakeholders, and so forth. And since you may not always have optimal ability to influence those factors necessary for project success, here are some practical tips you can keep in mind to boost your probability of success.

**1** **Clearly define and document your project success factors: Completion is not always success.** Although it may seem obvious, when it comes to your role and your projects, it may be worth considering how you define project success. I have had many projects over the years that I have completed, with the quality of the deliverable meeting or exceeding expectations, and with my client more than satisfied. However, if I overspent my budget or had my team members work overtime in order to meet a hard deadline, leading to morale issues, those completed projects could still be considered failures from an internal standpoint.

Classically, a project is considered a success if you meet the budget, timeline, and quality requirements of your deliverable. There may be more importance placed on one or more of these factors, plus intangibles—such as positive working relationships with your stakeholders—which might influence whether or not your client comes back for repeat business. Specifically defining your project's key success factors for you and your team will go a long way to achieving your goals.
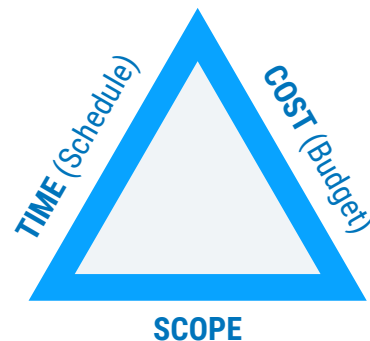
TIME (Schedule)    COST (Budget)

**SCOPE**

# 7 Practical Tips for Avoiding Project Failure

You can strike an effective balance of having some degree of standardized procedure and documentation, and still spend the time to plan and execute your project successfully

**2** **Instill and support an organizational culture that values project management structure and methodology.** Research clearly shows that companies that adopt formal and standardized project management processes have a greater project success rate and realize greater efficiencies. That doesn't necessarily mean developing a Project Management Office, or PMO, if you don't already have one. In fact, I have seen almost a backlash against PMOs if they become too bureaucratic or cumbersome for the project manager, meaning that they spend too much time on process and documentation, and not enough time doing the actual work to support the achievement of the deliverable. You can strike an effective balance of having some degree of standardized procedure and documentation, and still spend the time to plan and execute your project successfully.

**3** **Invest more time in your core planning trifecta: scope, time, and budget.** If you have had formal project management training, you know that the classic components of high-level project success are: (1) Delivering within the promised scope, (2) Using the time allotted to produce, and (3) Staying within your established budget. If you envision those factors as each side of a triangle, they carry equal weight. If you don't have enough of one of those factors, such as time or money, it creates a strain on the other two. There should be proactive and objective analysis and planning for those factors. Especially for less experienced project managers, there is a tendency to want to just get the project started. Inadequate upfront attention is paid to scheduling and allocation of available resources, identifying milestones that must be hit, and forecasting to achieve within the budget. In having a structured management plan for each of these factors before you start executing the project, red flags will become apparent to you as potential project risks.

| | 1st<br>(Least Flexible) | 2nd<br>(Flexible) | 3rd<br>(Most Flexible) | |
|---|---|---|---|---|
| **Scope** | | ✔ | | All customer-facing requirements, internal requirements as schedule/budget allow |
| **Time** | ✔ | | | No longer than 3 months |
| **Cost** | | | ✔ | $35,000–$50,000 |

Communicating risks to your project team is invaluable, as team members can play a key role in suggesting solutions and vetting contingencies

# 7 Practical Tips for Avoiding Project Failure

**4** **Develop a robust risk management plan.** As a follow-up to the previous tip, you might identify red flags when, for example, you draft your initial project schedule or compare your proposed budget to the actual money that you'll need to spend. It is important for the project manager to unearth potential roadblocks upfront, assign probabilities in percentages of specific risks occurring, and most importantly, have a proactive contingency strategy in place in case the risk materializes during the course of the project.

| ID | Risk | Outcome/Response | Owner | P | I | Active |
|----|------|------------------|-------|---|---|--------|
|    |      |                  |       |   |   |        |
|    |      |                  |       |   |   |        |

**5** **Communicate project risks as potential barriers to success.** Although you don't want to come across as an alarmist, the most effective and successful project managers communicate the inevitable red flags in an effort to be transparent about the things that could go wrong. Most clients and sponsors appreciate a direct and honest approach to your concerns, especially if you suggest contingencies identified in the previous tip. These contingencies can also become part of the problem-solving process when risk materializes. As a bonus, clients might be more open to negotiating on constraints when they are identified earlier in the process. Finally, communicating risks to your project team is invaluable, as team members can play a key role in suggesting solutions and vetting contingencies.

**Recognize the value of lessons learned to your team and share with other project managers**

# 7 Practical Tips for Avoiding Project Failure

**6** **Value the role of history: Take advantage of lessons learned.** It is almost the nature of the beast that capturing lessons learned, as part of the Project Closure process, tends to be one of the least-practiced activities of busy project managers. There is always the next project that needs your immediate attention, and you want to move on.  Whether a project is successful or not, lessons unearthed from a finished project might come into play for a future project and be of vital importance. For longer-term projects especially, consider making note of lessons learned during the project lifecycle, as opposed to waiting until the end of the project to capture them. You then have useful intelligence for planning your next project, thereby improving your chances of success. Recognize the value of lessons learned to your team and share with other project managers, so that the practice of learning from the past becomes contagious.

**7** **Cut your losses: Throw out the "loser" projects.** Whether it's based on your initial analysis of the project or circumstances that emerge during the project execution, you might come to the conclusion that your project will not succeed (through no fault of your own). For example, you don't have the right resources or the ability to negotiate, the IT project becomes irrelevant because of new emerging technology, or the project is no longer a priority for executive management. Consider making the case to your sponsor to stop the project, thereby redirecting your budget and other resources into endeavors that have a better chance of success. This is obviously not an option for all PMs in all circumstances, and you would have to get project sponsor approval. Putting a red flag on the project as a whole may, in the end, be a last resort—it will dull the effect and minimize losses from a project that is deemed less likely to succeed. And it allows you to focus more energy and attention on those that are more likely to succeed.

## Self-Assessment Quiz:

Check your knowledge on some basic project management principles
(answer key on the final page of this document):

**1. We define projects as "temporary endeavors."  This means that:**

**( a )** Projects are brief

**( b )** Projects end

**( c )** Project managers are temporary

**( d )** Projects relate to the short term

**2. The project lifecycle consists of 5 processes.  They are initiating, planning, monitoring and controlling, and:**

**( a )** Deploying

**( b )** Executing and closing

**( c )** Maintaining and testing

**( d )** Testing and deploying

**3. The "business case" for the project is:**

**( a )** A high-level definition of the project

**( b )** A financial/business justification for the project

**( c )** Equivalent to the project charter

**( d )** A tool for assessing and communicating project priorities

**4. Which of the following is NOT typically part of the project charter?**

**( a )** Action items

**( b )** Assumptions

**( c )** Business case

**( d )** Risks

# Self-Assessment Quiz:

**5. Project scope is best summarized as:**

    **( a )** Customer expectations

    **( b )** Product features or functions

    **( c )** Time/cost relationship

    **( d )** Work that must be performed

**6. The primary purpose of the kickoff meeting is to:**

    **( a )** Allow the stakeholders to get to know the project team

    **( b )** Communicate the start and the purpose of the project

    **( c )** Discuss the project schedule and budget

    **( d )** Explain the level of work required by the team members

**7. One of the primary purposes of a milestone is to:**

    **( a )** Replace phases for reporting

    **( b )** Represent project risk events

    **( c )** Summarize events on a project

    **( d )** Track progress on a project

**8. The two primary types of project costs to consider are:**

    **( a )** Personnel and expenses

    **( b )** Travel and capital equipment

    **( c )** Tools and personnel

    **( d )** Vacation and overtime

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## Self-Assessment Quiz:

**9. When doing risk analysis, two dimensions to consider are:**

( a ) Avoidance and contingency

( b ) Cost and schedule

( c ) Impact and probability

( d ) Priority and predictability

**10. The baseline schedule is:**

( a ) Easily changed by the project team to compensate for delays

( b ) Not controlled by the Integrated Change Control process

( c ) Only used by the project team and not provided to key stakeholders

( d ) Used as a reference point of where the project should be on the timeline

# Sample Project Management Templates

## Project Charter Sample

### Project Priorities

| | 1st<br>(Least Flexible) | 2nd<br>(Flexible) | 3rd<br>(Most Flexible) | |
|---|---|---|---|---|
| **Scope** | | ✔ | | Warehouse Operations must be fully functional with all current processes. Labs must have functioning utilities and be "move-in ready." Equipment installation can be finished by Engineering after project completion, if necessary. |
| **Time** | ✔ | | | Three months or less |
| **Cost** | | | ✔ | 3–5 FTE-months, $100K–$325K expenses |

### Stakeholders

| Name | Role | Functional Area |
|---|---|---|
| Buck S. Tophere | Sponsor | Executive Management |
| Gus T. Day | Customer | Wind Division |
| Will Stockum | Core Team Member | Warehouse Operations |
| Doc Cleary | User | Shipping & Receiving |
| Gail Force | Project Manager | Wind Division |
| Drew Bries | Core Team Member | Wind Division |
| Joe Stanton | Supplier | Acme Movers |
| Beth Colbert | Supplier | Shocking Electricians |

### Constraints

| ID | Constraint |
|---|---|
| 1 | Warehouse Operations cannot be shut down during the work week (M-F) to perform the physical move. |
| 2 | The Discount plumbing supply store has a lease through June 15 with a clause allowing it another two weeks to remove excess inventory, if necessary. |

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# Sample Project Management Templates

## Risk Register Sample

| ID | Risk | Outcome/Result | Owner | P | I | Active |
|----|------|----------------|-------|---|---|--------|
| 1 | New lab space will not accommodate growth | | Will Stockum | H | H | Yes |
| 2 | Discount plumbing will not vacate on time | | Will Stockum | L | M | Yes |
| 3 | Warehouse Operations will grow to greater than 150 people | | Will Stockum | H | H | Yes |
| 4 | Warehouse Operations will not slow down in the summer | | Will Stockum | M | H | Yes |

## Product Requirements Sample

| ID | Requirement | Priority | LoE | Fulfilled |
|----|-------------|----------|-----|-----------|
| 1 | T-1 LAN line to be installed in new Warehouse Operations' space | H | M | No |
| 2 | Loading dock to be reconfigured per DOT regulations 283.14-2 | H | H | No |
| 3 | New Engineering space to have 220v 3-phase power in all labs | H | M | No |
| 4 | New Engineering space to have electrostatic discharge (ESD) flooring in all labs | M | L | No |

# Answer Key for Self-Assessment

1.  **B**

2.  **B**

3.  **B**

4.  **A**

5.  **D**

6.  **B**

7.  **D**

8.  **A**

9.  **C**

10. **D**

# Additional Resources

## Read more

[AMA Research: Trends in Talent Development Needs for Project Managers](#)

[Project Management Tips: The Persuasive Project Manager](#)

[Is Getting Your PMP® Worth It? Research Results Are In](#)

## Watch a webcast

[How to Identify and Manage Project Risk](#)

## Sign up for a webinar

[Project Management for the Accidental Project Manager—A Basic "How to" Approach](#)

## Take a seminar

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[Improving Your Project Management Skills: The Basics for Success](#)

[Best Practices for the Multi-Project Manager](#)

# Round Out Your Skills

A Forrester survey of more than 100 IT leaders into why IT project failure rates are so high indicated that project managers tended to have insufficient communication, leadership and "soft" skills. Rounding out your project management skills with other crucial skills will not only improve your project success rate, it will boost your career.

## Ensure Your Ongoing Success with AMA's Total Professional<sup>SM</sup>

Through American Management Association's research and more than 90 years' experience developing leaders, they've identified the four core areas all professionals need working knowledge of: Professional Effectiveness, Relationship Management, Business Acumen, and Analytical Intelligence. Project managers can dramatically improve their skills through the following seminars:

PROFESSIONAL EFFECTIVENESS

RELATIONSHIP MANAGEMENT

ANALYTICAL INTELLIGENCE

BUSINESS ACUMEN

## Building skills in these four areas is key:

| | |
|---|---|
| **Professional Effectiveness** | Strategies for Developing Effective Presentation Skills<br><br>Getting Results Without Authority |
| **Relationship Management** | Negotiating to Win<br><br>FranklinCovey's The 5 Choices to Extraordinary Productivity<sup>TM</sup> |
| **Analytical Intelligence** | Improving Your Project Management Skills: The Basics for Success<br><br>Fundamentals of Finance and Accounting for Non-Financial Managers |
| **Business Acumen** | Critical Thinking |

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