The Power of Projects: An Executive Read
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You don't write because you want to say something, you write because you've something to say. --F. Scott Fitzgerald

Introduction

Project Management, the management of projects, is well documented in literature through perhaps as many as half a million books and articles. The three fundamental parameters – Cost, Schedule, and Technical Performance/ Quality – are addressed in various industries and approaches to managing projects as well as Risk, Communication, Human Resources, and the like. There is little characterization in literature of projects and their efficacy in pursuing the organization's business line.

A search of Amazon.Com revealed only one title that came near the practice of viewing projects (rather than project management) as the value from projects. The book, *Managing Projects in Organizations* by J. Davidson Frame, addresses the political side of project management more than the value of projects and their overall management by executives.

To manage a project from the senior level one must understand the characteristics, both internal and external, of a project. These characteristics provide information, coupled with the business's strategic goals, for decision making. Viewing the project as the prime source of producing value and viewing project management as a separate, but important, role can offer significant benefits for the executive level management of an organization.

Senior Manager's Topics For Consideration

Viewing the project's elements as the primary consideration before selection may be more significant that the selection of the project manager – or at least helpful in selecting the project manager. Understanding the characteristics of the project work can make the selection or rejection of a project an informed process rather than "it's a good idea."

Perhaps the first consideration for selecting a project is whether it is a strategic fit within the organization. Strategic fit is when the project matches the strategic goal of the organization and is complementary of the types of project currently being performed. A project that does not have a strategic fit will perhaps struggle as an orphan in the organization's family of projects.

Project risk is another consideration in the selection and management of projects. A project with little or no risk identified probably has not been fully examined. A project with significant risk may be more than the organization will accept for a variety of reasons, such as competing with other high risk projects. Selection of a project should consider the risk of all projects in the organization to achieve a balance between projects of say twenty percent with little risk, sixty percent with moderate risk, and twenty percent with high risk.

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Selecting a project that is large or small in size should be an informed process. An organization should have a balance between large, medium, and small projects to optimize the business of the organization. Too many projects of one size may cause the organization to focus on projects of one size to the detriment of other projects. Typically, the senior manager focus will be on the large projects because they represent monetary investment or potentially large revenue sources.

Senior managers should follow a project selection table, which is designed to capture and address specific criteria for selecting or rejecting a project. The project selection criteria in the table will provide a more objective means of determining whether a project fits within the organization. There may be opportunities to "stretch" the criteria when the payoff is significantly greater than a fully qualified project. The opportunity, however, should be limited to those projects that truly represent a major payoff.

Prioritizing a project should be by "urgency of need." Often, larger projects are considered "priority one" in the allocation of resources when smaller project are in real need of resources. Failure to have a priority system places projects of equal priority, i.e., priority one, which creates challenges as to which project receives resources first. When all projects are "priority one" -- all projects are assumed to be equal in need of resources – then there is no system of priorities. A priority system should have three to five levels of priority.

All projects need a project charter, whether this is a simple one-page letter for a small project or ten-page document for a large project. The project charter lays out the high level goals, responsibilities, and general scope for the project. It is important to define and assign intra-organizational support that is to be rendered to a project. Without a project charter, the fundamental arrangements are typically transmitted orally and often changed or forgotten. The project charter is the foundation document for project planning and project control.

During project planning, senior managers need to direct that milestones be placed in the schedule. These milestones are owned by the senior manager and cannot be moved except with the approval of the owner. This provides some degree of control over the schedule and assures the project manager that senior managers are concerned about the schedule progress. Senior manager milestones are addressed during project reviews.

Anticipating and assessing the human resources requirements ensures the organization has the capability to take on a project essential to successfully completing the work. Starting a project with insufficient or not the correct human resources can increase project risk for completing work on time and within budget. When special skills are needed to perform the work, it is essential that these resources be available through planned actions. "Availability of staff does not equal the right skills" or an individual does not necessarily represent the appropriate skill set needed to do the job.

Senior managers need to assure they are included in the project plan to conduct periodic reviews of progress during project implementation. This may be ensured when the project plan is approved by senior managers. Small projects may have reports of progress rather than a formal review. A small project may only have one report that describes the goals and progress made toward achieving those goals. Large projects, however, should have formal reviews on at least a quarterly basis to ensure progress toward the goals and to provide guidance for adjustments to the project plan. Medium size projects may have monthly reviews or reviews at critical points in the projects. Complexity of the project often dictates the frequency of reviews.

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Selection of a project manager to oversee and manage any project should be made based on an individual's competence in managing projects of the type, size, complexity, and stability. Competence is demonstrated by individuals after having successfully managed a similar project. Caution should be exercised in the selection of the project manager to ensure competence criteria are used rather than criteria such as the most likeable, the most glib, the only one available, and the like.

Senior manager's roles and responsibilities should be generally outlined in the organization's project management guide to communicate expectations to project managers, functional managers, and staff. These general guidelines should let everyone know how the senior managers will interact with them when projects are involved. Different industries will have tailored project guidelines that meet the organizations' needs.

Project termination is a responsibility of senior managers. When projects, for any reason, no longer meet the criteria for being a viable entity, consideration should be given to terminating the projects and harvesting any bi-products. If a project is near to completion, it may be advisable to complete the project with minimum effort and resources. Indications of project feasibility will often emerge between 20 and 70 percent completion (timeline). Indications of project failure may be first recognized during project reviews.

In Conclusion

The previous list of activities for senior managers is not all inclusive, but defines some of the roles and responsibilities that should be considered during senior manager oversight of projects. Selecting from those listed roles and responsibilities, complemented with other duties, should give an organization a start point. Each organization should have a senior manager designated as the primary lead for projects. Other senior managers have a role that needs to be defined with a direct responsibility to ensure project success.

Senior managers can benefit from having general project roles and responsibilities defined to guide them in meeting their commitments to organizational success. These instructions would provide consistency to projects from start to finish and allow adjustments to the process of selecting, implementing, and closing projects. Senior managers would be contributors to the project process through oversight and guidance to project managers.

Note: The concepts presented here result from the needs identified in two books: (1) *Project Management: Strategic Design and Implementation*, 5th edition, by David I. Cleland and Lewis R. Ireland, McGraw-Hill, 2007, and (2) *Project Manager's Portable Handbook*, 3rd edition, by David I. Cleland and Lewis R. Ireland, McGraw-Hill, 2010.

About Our Author

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Lew Ireland is an Executive Project Management Consultant based in Tennessee and serving both US and international clients. He has worked with clients to establish their project management systems to ensure they are supportive of the organizations' respective goals. He is experienced in all phases of project management that include planning, scheduling, project office implementation, project maturity modeling, and project assessment.

Lew has authored or co-authored project management books and articles for professional journals. He is a continual contributor to the *American Society for the Advancement of Project Management,* regularly writing short articles for our website. Lew has a history of serving for nearly 27 years in volunteer positions to advance project management.

From 2001 to 2009, Lew served as President of the *American Society for the Advancement of Project Management* (*asapm*), a not-for-profit professional society dedicated to more effective project management practices. He is also past President and Chair of the Project Management Institute and has served in various positions within the Institute. He has been recognized by the Institute for his contributions by the Distinguished Contribution Award, Person of the Year, and elected a Fellow of the Institute.