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Taking Advantage of the Economic Recovery With Project Management

by Curt Finch, Founder and CEO, Journyx

There's been nothing pretty about the economic recession. The business landscape has changed, established companies have disappeared, and industries everywhere have been operating in safety mode, trying to avoid risks that would leave them vulnerable. Once known as retail giants, [Blockbuster](#) and [Borders](#) proved that you have to constantly innovate and at the forefront of market trends to survive.

But it hasn't been [all negative](#). With the clearing of slow, cluttered or inefficient businesses, the recession has created opportunity for other businesses to flourish. For companies that made it through and are navigating the current landscape, playing it safe is no way to succeed but neither is moving forward recklessly. A key factor that will make a difference is the intelligent execution of projects. By acting on projects that are the most profitable, and proceeding with very slim margins of error, businesses can maximize the value of their activities and make sure they operate profitably for years to come.

Make Projects S.M.A.R.T.

Good projects always have a goal. The best projects have a S.M.A.R.T. goal. As you probably know, S.M.A.R.T. stands for Specific, Measurable, Achievable, Relevant, and Time-Bound. There is much information online regarding the best practices of S.M.A.R.T. projects; I'm going to focus on the last, and what I consider the most important, aspect. Keeping a project time-bound will make sure that you don't suffer from "paralysis by analysis." It is very important to apply metrics to your undertakings, but if you want to gather a lot of information about a project, it could take a very long time indeed. Setting a clear start and end date will allow you to [apply time-tracking metrics](#) that make sense for key stakeholders, and view the result compared to the baseline metrics.

Project Costing Matters

The vast majority of businesses do not know their true per-project costs, and that can lead to a world of trouble. If you know exactly which projects are most profitable, you can allocate resources to projects that fit a similar profile and have a greater sense of security moving forward. Keep the feedback loop small on these projects and constantly monitor how far along a project is in relation to both cost and budget. This data can also help determine which customers are most profitable and which actually impede progress. [The customer is not always right](#), and sometimes firing a customer is the best move for a business.

The Standish Group states that 70 percent of IT projects are out of control, over budget or broken. If you have 1,000 people doing hundreds of projects with a \$100 million budget, and 12 percent of their work is a waste of time, that's \$12 million a year wasted, right? That's bad. It's not nearly as bad, however, as the 70 percent failure rate other companies are experiencing based on the above statistic. Somewhere between 12 and 70 percent of people's work is wasted money and time. Life is short enough. Let's not waste it, right?

Use Your Tools Efficiently

Any tool is only as effective as the person using it. Even the best software will falter if you don't have a plan in place for its use. That doesn't mean that software can't be optimized. For example, a standalone accounting system may provide you with an excellent interface to prepare financials and assist with audits.

But if the data is contained just in that product, it will be necessary to manually input the data into other systems for additional uses. When dealing with multiple projects and the complex data associated with their completion, a tool that aggregates and prepares that data automatically can save quite a bit of time and confusion while providing a clear insight into project status.

Factor In Cost of Ownership

Projected ownership costs and the actual total cost of ownership can often be quite different. Let's take a look at a brief example:

Car A

Initial cost: \$10,000

5 years of repairs, plus normal maintenance: \$7,500

Value after 5 years when you sell it: \$1,000

Car B

Initial cost: \$20,000

5 years of repairs, plus normal maintenance: \$2,000

Value after 5 years when you sell it: \$10,000

We can see that at first glance Car A appears to represent the better value, when in reality the cost of Car B is actually lower in the long run. Businesses encounter options like these fairly often, so it makes sense to evaluate tools in terms of their overall costs, including up-front or development costs, as well as maintenance, operating, and any other associated costs. Especially when evaluating cloud versus licensed solutions, it makes sense to also account for the *time* that people in your company will spend on implementing and installing the product; factor the cost of that time into your decision as well.

Build Without Fear

As a project-oriented business, it is incredibly important to consistently execute and deliver value. To do that, you will need to take on innovative projects that require some risk. The trick is to know when and how to take those risks. Assessing your available resources and determining, from a backlog of data, which types of projects are most profitable can really help here. Armed with this information, even if a project slips, it shouldn't be too difficult to recover. Further, by attempting new projects, you continue to improve and refine your metrics for success.

Now is the time to break out of the stagnation associated with the recession. New projects lead to new clients, which lead to increased profits and a competitive advantage. There is a world of opportunity, but many businesses are still cowering in their bunkers. Take initiative and you may find yourself at the head of the pack.

About Curt Finch

Curt Finch is the CEO of Journyx. Founded in 1996, Journyx automates payroll, billing and cost accounting while easing management of employee time and expenses, and provides confidence that all resources are utilized correctly and completely. Curt earned a Bachelor of Science degree in Computer Science from Virginia Tech. Curt created the world's first web-based timesheet application and the foundation for the current Journyx product offerings in 1997. Learn more about Curt at <http://journyx.com/company/curtfinch>.