PROJECT MANAGEMENT

Rob Thomsett

Just Enough Series, Yourdon Press

F270 T481

RADICAL PROJECT MANAGEMENT

Rob Thomsett





E200300222



Prentice Hall PTR Upper Saddle River, NJ 07458 www.phptr.com

Library of Congress Cataloging-in-Publication Date

Thomsett, Rob,

Radical project management/Rob Thomsett.

p. cm. -- (Just enough series)

Includes bibliographical references and index.

ISBN 0-13-009486-2

1. Project management. I. Title. II. Series.

HD69.P75 T485 2002 658.4'04--dc21

2002020039

Editorial/Production Supervision: Laura Burgess

Acquisitions Editor: *Paul Petralia* Marketing Manager: *Debby vanDijk*

Manufacturing Manager: Alexis Heydt-Long

Cover Design: Nina Scuderi



©2002 Prentice Hall PTR A division of Pearson Education, Inc. Upper Saddle River, NJ 07458

Prentice Hall books are widely used by corporations and government agencies for training, marketing, and resale.

For information regarding corporate and government bulk discounts please contact:

Corporate and Government Sales

Phone: 800-382-3419 or

corpsales@pearsontechgroup.com

All product names mentioned herein are the trademarks or registered trademarks of their respective owners.

All rights reserved. No part of this book may be reproduced, in any form or by any means, without permission in writing from the publisher.

Printed in the United States of America

10 9 8 7 6 5 4 3 2

ISBN 0-13-009486-2

Pearson Education LTD.

Pearson Education Australia PTY, Limited

Pearson Education Singapore, Pte. Ltd.

Pearson Education North Asia Ltd.

Pearson Education Canada, Ltd.

Pearson Educación de Mexico, S.A. de C.V.

Pearson Education—Japan

Pearson Education Malaysia, Pte. Ltd.

RADICAL PROJECT MANAGEMENT

1SBN 0-13-009486-2
90000

Selected Titles from the

YOURDON PRESS COMPUTING SERIES

Ed Yourdon, Advisor

JUST ENOUGH SERIES / YOURDON PRESS

DUÉ, Mentoring Object Technology Projects

MOSLEY/POSEY, Software Test Automation

THOMSETT Radical Project Management

YOURDON, Managing High-Intensity Internet Projects

YOURDON PRESS COMPUTING SERIES

ANDREWS AND STALICK Business Reengineering: The Survival Guide

BOULDIN Agents of Change: Managing the Introduction of Automated Tools

COAD AND MAYFIELD with Kern Java Design: Building Better Apps and Applets, Second Edition

COAD AND NICOLA Object-Oriented Programming

COAD AND YOURDON Object-Oriented Analysis, Second Edition

COAD AND YOURDON Object-Oriented Design

COAD WITH NORTH AND MAYFIELD Object Models, Strategies, Patterns, and Applications, Second Edition

CONNELL AND SHAFER Object-Oriented Rapid Prototyping

CONSTANTINE The Peopleware Papers: Notes on the Human Side of Software

CONSTANTINE AND YOURDON Structure Design

DEGRACE AND STAHL Wicked Problems, Righteous Solutions

DEMARCO Controlling Software Projects

DEMARCO Structured Analysis and System Specification

FOURNIER A Methodology for Client/Server and Web Application Development

GARMUS AND HERRON Measuring the Software Process: A Practical Guide to Functional Measurements

HAYES AND ULRICH The Year 2000 Software Crisis: The Continuing Challenge

IONES Assessment and Control of Software Risks

KING Project Management Made Simple

PAGE-JONES Practical Guide to Structured Systems Design, Second Edition

PUTNAM AND MEYERS Measures for Excellence: Reliable Software on Time within Budget

RUBLE Practical Analysis and Design for Client/Server and GUI Systems

SHLAER AND MELLOR Object Lifecycles: Modeling the World in States

SHLAER AND MELLOR Object-Oriented Systems Analysis: Modeling the World in Data

STARR How to Build Shlaer-Mellor Object Models

THOMSETT Third Wave Project Management

ULRICH AND HAYES The Year 2000 Software Crisis: Challenge of the Century

YOURDON Byte Wars: The Impact of September 11 on Information Technology

YOURDON Death March: The Complete Software Developer's Guide to Surviving "Mission Impossible" Projects

YOURDON Decline and Fall of the American Programmer

YOURDON Modern Structured Analysis

YOURDON Object-Oriented Systems Design

YOURDON Rise and Resurrection of the American Programmer

YOURDON AND ARGILA Case Studies in Object-Oriented Analysis and Design

Preface

This book confronts many of the myths, beliefs, and practices of project management. It presents a new and radical approach to managing projects that has been proven more effective in the turbulent business environment of the 21st century.

Acknowledgments

I wish to thank the following people:

Ed Yourdon, Gerry Weinberg, Larry Constantine, and Peter Lonsdale, who opened new doors and started me on my journey.

Trevor Boucher, Michael Carmody, and Graeme Harrison, current and previous change leaders of the Australian Taxation Office, who had faith and gave me the chance to experiment, innovate, and work without a safety net.

Peter Mullins, Tom Fraser, Gavin Pearce, Rodney Cook, Chris Macdonald, Cathy Pekar, and all the brilliant people in AMP who share our dream of a creative, flexible, innovative, and profitable work life.

Jack McElwee, who has always believed.

The brave people who have attended our workshops and went back into darkness to light a candle.

Miles Davis, Joni Mitchell, Bob Dylan, Robert Johnson, Frank Zappa, The Byrds, David Sylvian, and Bill Connors, whose innovation in music should inspire all business people as they inspired me.

Charles Rex, Graham Hawkins, and Ann Smith, who are true believers.

Most of all, my partner, wife, colleague, and best friend, Camille. None of this could have happened without her support, creative comment, input, and love.

Introduction

On a recent trip to London, I was amazed as my cabbie, Steve, nudged forward into the face of three lanes of oncoming traffic to cross a busy intersection that we had been waiting at for over five minutes. "Only a cabbie could pull that off," I commented, as we avoided potential accidents. Steve laughed and replied, "I have been driving cabs for 23 years. We cabbies have a term. We use the road. Other people drive but we use the road."

By bending rules, taking calculated risks, and using his experience of the many roads, lanes, and alleys of London, Steve made the journey faster, more efficiently, and safer by using rather than driving on the road.

Later I thought about the difference between "using the road" and "driving on the road" and the difference between eXtreme project management and traditional project management.

For people faced with too many projects, projects that seem to change every day, not enough good people, and not enough time and money, eXtreme project management is about using the road.

Why Should You Read This Book?		
The simple answer to this question is for you to answer a couple of	other que	stions:
	Yes	No
I have a completely stable and realistic project plan. My organization has a stable strategic plan.		
My stakeholders are fully committed to my project. My sponsor is fully effective and available to me quickly.		

I have a completely clear statement of scope and objectives.

My team is loyal and devoted to the project.	
We have effective risk and quality management plans.	
My organization understands project management.	
I have access to a group of expert project managers.	
I have all the tools, technology, and techniques I need.	
My project and organization are not changing rapidly.	

If you answered "Yes" to all these questions, this book should be used to raise your Project Manager of the Century award higher for all to see and envy. If you answered "No" to any of these questions, this book will help you get a perfect score.

This book is about a new and radical approach to managing projects and teams—project management (XPM). It represents a quantum leap in project management.

Our group has been developing, implementing, and refining this approach over the past 25 years. This new project management approach is not based on academic theories or esoteric models. Rather, it has been forged through the experience of thousands of hours of practical experience in hundreds of real projects. The projects have been in virtually all sectors of business—most government areas, insurance, banking, health, computing software, information technology (IT) hardware and IT services, research and development, retail services, policy development, and manufacturing.

What Makes This Book Different?_____

eXtreme project management is fundamentally different from mainstream and traditional project management approaches.

eXtreme Project Management Test

To show the radical difference between eXtreme project management and traditional project management, let's explore the answers to this question: How do you determine the progress of a project?

The traditional project management answers to this question include:

- Is the project meeting agreed deadlines?
- Is the project in budget?
- Have there been changes to the scope and objectives?

Indeed, most project management systems are based on reports only on budget and deadline compliance.

eXtreme project management adopts a completely different approach to measuring project success and progress:

- Are stakeholders being informed and consulted about project status?
- Have there been unapproved changes to scope and objectives?
- Are the cost and benefits assumptions still valid?
- Has the agreed product quality been compromised?
- Are project risks unchanged?
- Is the sponsor completely aware of the project status?
- Are the team members satisfied with the project?

In effect, traditional project management looks inward and downward whereas, eXtreme project management looks outward and upward.

Over the past 25 years, we have studied and researched project management and related topics from as many perspectives as possible. We have read every book (currently more than 100) and article (many hundreds) on project management we can find. We have searched the Internet and have attended meetings of professional project management groups such as the Project Management Institute and the Australian Institute of Project Management. In addition, we have discussed our views and models with more than 20,000 project managers in our workshop series.

The longer we look, the more we are convinced that most published project management material has *missed* the mark. Either the models are too basic and simplistic or too theoretical and complex. In many cases, they are just unrealistic. For example, many project management texts suggest that you have to acquire and implement complex system or project development methodologies (at the cost of hundreds of thousands of dollars). Critical management issues such as quality, benefits realization, and risk were either completely ignored or plugged in as afterthoughts.

Sometimes we wonder whether the author or expert even lives on the same planet that we do! Their world seems so organized, so rational, so structured, and so devoid of the complex interpersonal politics we see every day in our clients that we wonder whether we have a distorted view of reality.

However, 20,000 people cannot be wrong. Our workshop participants do live on the same planet as we do and in the same world of complex organization dynamics.

Traditional project management approaches reflect the engineering and construction models of project management. They are based on a set of assumptions that are increasingly irrelevant in the chaotic and ambiguous world of organizations facing the new millennium. Concepts such as fixed requirements, long development time

frames, stable teams and technology, and passive involvement of project stakeholders who trust their expert project managers have become historical myths.

Our new project management approach has been continuously refined and expanded to reflect the realities of the new business paradigm. It is based on a different set of assumptions that include dynamic requirements, compressed development schedules, virtual teams, unstable technology, and total involvement of project stakeholders. Our project management approach is totally focused on the analysis, measurement, and realization of financial benefits from the project, managing the *total* whole-of-life project cycle, complete integration of quality issues, and proactive project risk management.

We have evolved our project management approach to be as simple as it can be and as complex as it needs to be.

In his terrific book, *Management of the Absurd*, Richard Frason (1996) described how James Watt saw something that millions of other people had also seen but "not seen." It was Watt's observation of how steam coming from his tea kettle could be used to power steam engines that sparked the Industrial Revolution. Watt also saw the "invisible obvious" that so many others could not.

So much of this book is about the invisible obvious. Time and time again throughout this book, you'll find yourself saying "Of course! Why didn't I think of that? It's so obvious. It is so simple."

However, as Richard Riodan said when he was mayor of Los Angeles, "Simple and easy aren't the same words." 1

Most important, as we first stated in 1981 in *People and Project Management* (1981) and in *Third Wave Project Management* (Thomsett, 1992), our project management approach is totally focused on people and the relationships among the many people involved in projects.



People, not resources or users, work on projects.

What This Book Is Not About

This book is not about how to develop work breakdown structures and project schedules. It is not about developing simplistic and mechanical models such as project plans (which are never followed anyway). Most important, it is not *boring*. Many

We caught Riodan making this wonderful distinction between the simple statement "We should eliminate all gangs" with the not-so-easy task of implementing it on a TV news broadcast in 1992.

of the project management books that we have read present project management as some dry, cold, and quasi-scientific "pursuit."

We totally reject this view of project management. Our experience is that project management is one of the most challenging, creative, and exciting activities you can undertake. We hope that this is reflected in this book.

The Structure of the Book

To assist our readers who are under eXtreme project deadlines and working conditions, we have structured the book into three parts for quick access.

Part 1—eXtreme Concepts

This covers the background to XPM. We look at the evolution of project management, the emerging project environment, and the forces driving the need for XPM.

Part 2—eXtreme Tools

This introduces the XPM tools such as RAP sessions, learning loops, success sliders, and the detailed techniques used in XPM planning and tracking.

Part 3—Additional Resources

This includes readings that provide further tips; advanced tools; and related issues such as project sponsorship, negotiation, communication, ethics, and other critical project management concerns. There are additional readings available on our Web site www.thomsett.com.au

Each part is related but they can be read independently if you are in a hurry; though we hope you get to read the entire book eventually. Great project managers will read all of this book.

During our journey as consultants to major organizations, we have seen many strange and wonderful things. In many cases, what we observed put the bizarre events in the series *The X Files* to shame. At the end of the chapters in Part 2, we have included a section called *The P Files* (where *P* represents people or politics). *The P Files* entries support the points raised in the associated chapter.

A Note on Terminology

Throughout this book we refer to *business projects*. This term includes all the typical elements of business process redesign and development, new policy development, IT development, and change management. Readers who have either a business or IT background will find the concepts and techniques relevant. After all, there is no such thing as an IT project. eXtreme projects embrace and include all aspects of business, IT, policy, administration, human resources, change, and research effort that all projects should include. We also do not use the term *user*, which we dislike intensely, to refer to non-technical people. As we explain in the next chapter, this term has been used to marginalize and diminish the critical role that business experts and clients play in contemporary projects.

Contents

Preface xvii
Part 1
Chapter 1 The New Project Environment Forces Driving Change 4 Driving Force 1—A Power Shift 4 Driving Force 2—The Free Agent Army 10 Driving Force 3—The Global E-Economy 12
Chapter 2 Project Management Evolution The Four Waves of Project Management 18
Chapter 3 eXtreme Concepts
Project Management Versus Technical Management 24 Context and Content 25 Whole-of-Life Project Management 27 Project Manager as Facilitator 29 Sponsors as Executive Project Managers 31 Scenario Planning 33 The L.A. Law Model 34

Rapid Planning 34 Virtual Teams 36 It's the Context, Stupid 37	
Part 2	
Chapter 4 EXtreme Project Management Context	41
Two Very Different Types of Work 41 Process Work 42 The Two Cultures in Conflict 42 The Categories of Project Work 43 Project Size 45	
Chapter 5 The eXtreme Project Management Model	49
Project Management Processes 49 Project Justification, Approval, and Review 50 The Critical Information for Project Approval 52 Project Planning 52 Project Tracking 54 Project Reporting and Change Control 54 Postimplementation Reviews 55 A Note on the Project Initiation and Feasibility Study 55 The Project Charter or Business Case 57 The Only Stable Thing Is Change 58	
Chapter 6 The RAP Process	61
Why Should We Run RAP Sessions? 62	

63

65

Different Stakeholders, Different Agendas

Great Idea...But I Don't Have a Team Yet

The RAP Structure 65	
RAP Technology 67	
How Long Should a RAP Take? 67	
Chapter 7	
Analyze Project Success	65
What Are Expectations? 71	
The Seven Success Criteria 72	
Degree or Level of Stakeholder Satisfaction 72	
Meeting of Objectives and Requirements 72	
Meeting Budget 73	
Meeting Deadlines 73 Added-Value Requirements 73	
Quality Requirements 74	
Team Satisfaction 74	
eXtreme Tool 1: Success Sliders 74	
Don't Panic! It Is Meant to Be Subjective 76	
Chapter 8	
Define Scope, Objectives, and Stakeholders	7.0
	79
What Is the Difference between Scope and Objectives?	79
Conflict Is Inevitable 83 Levels of Objectives 84	
Refining Your Objectives 84	
Let's Not Get Physical 85	
Don't Fence Me in 85	
Stakeholders and Related Projects 86	
What Is a Stakeholder? 86	
Related Projects—A Special Case of Stakeholder 87	
Focus and Communicate 88	
Formalizing Stakeholder Relationships 89	
Sponsor Agreement—The Most Important of All 91	

Who Is Your Team? 91

Chantar 9	
Chapter 9 Analyze Added Value	15
The State of the Art 95 Problems with Traditional Cost-Benefit Approaches 97 The Ultimate Fiddle 100 Added-Value Analysis 101 The Added-Value Chain 101 The IRACIS Model 103 Actual Versus Notional Costs 104 Shadow Pricing: Hedonic Costing and Contingent Valuation 105 Benefits Realization 107 Cost-Effectiveness Model 108 Another Form of Double-Counted Benefits 110 Additional Added-Value Drivers 110 A Final Note on Added-Value Analysis 111	
Chapter 10 Define Quality Project Quality Deployment 115 Linking Product and Process Quality: QFD 117 What Is a Quality? 119	5
Toward an Effective Quality Plan: PQD in Action 121 Step 1: Define the Product Requirements 123 Step 2: Negotiate Product Quality Attributes 123 Step 3: Review Quality Attributes with Your Sponsor 123 Repeat Until 124 Quality Index 124	
Quality in Action 125 Quality Assurance Drivers 127 Quality Assurance Principles 128 Quality, Estimates, Costs, and Risks 128 The Impact of Quality 128 The Hot Buttons 129 A Final Note on Quality for Now 129	