



THE IIL/WILEY SERIES IN PROJECT MANAGEMENT

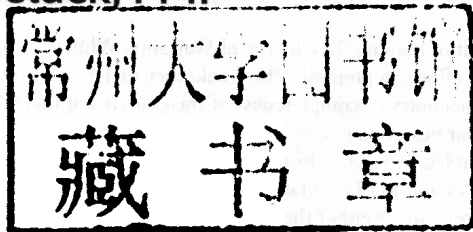
# Managing COMPLEX PROJECTS

Harold Kerzner, Ph.D.  
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WILEY

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# PREFACE

For more than 50 years, project management has been in use but perhaps not on a worldwide basis. What differentiated companies early on was whether they used project management, not how well they used it. Today, almost every company uses project management, and the differentiation among companies is whether they are simply good at project management or whether they truly excel at project management. The difference between using project management and being good at project management is relatively small, and most companies can become good at project management in a relatively short time period, especially if they have executive-level support. But the difference between being good and excelling at project management is quite large.

For more than three decades, we have become experts in how to manage traditional projects. These traditional projects can be for internal as well as external clients. With these projects, the statement of work is reasonably well defined; the budget and schedule are realistic; reasonable estimating techniques are used, perhaps even estimating databases; and the final target of the project is stationary. We use a project management methodology that has been developed and undergone continuous improvements after use on several projects, and we are able to capture best practices and lessons learned. This traditional project methodology focuses on linear thinking; we follow the well-defined life-cycle phases, and we have forms, templates, checklists, and guidelines for each phase.

Now that we have become good at these traditional projects, we are focusing our attention to the nontraditional or complex projects. The following table shows some of the differences between managing traditional and nontraditional projects:

<b>Traditional Projects</b>	<b>Nontraditional Projects</b>
Time duration of 6–18 months	Time duration can be over several years
The assumptions are not expected to change over the duration of the project	The assumptions can and will change over the project's duration
Technology is known and will not change over the project's duration	Technology will most certainly change
People that started on the project will remain through to completion (the team and the project sponsor)	People that approved the project and are part of the governance may not be there at the project's conclusion
The statement of work is reasonably well-defined	The statement of work is ill-defined and subject to numerous scope changes
The target is stationary	The target may be moving
There are few stakeholders	There are multiple stakeholders

Companies like IBM, Hewlett-Packard, Microsoft, and Siemens are investing heavily to become solution providers and assist clients on a worldwide basis on managing nontraditional, complex projects. Some of the distinguishing characteristics of complex projects, just to name a few, include:

- Working with a large number of stakeholders and partners, all at different levels of project management maturity, and many of whom may not even understand the technology of the project or project management practices
- Dealing with multiple virtual teams located across the world, and where decisions on the project may be made in favor of politics, culture, or religious beliefs

- Starting projects with an ill-defined scope, thereby requiring numerous scope changes throughout the project and, consequently, having a moving target as an end point
- Working with partners and stakeholders that may have limited project management tools and antiquated processes that are incompatible with the project manager's tool kit
- Long-term projects in which the stakeholders may change, new applicable technologies may emerge, and for which funding needs to be justified on a regular basis
- Project in which the stated goals and objectives are not shared by all key stakeholders

For companies to be successful at managing complex projects on a repetitive basis and function as a solution provider, the project management methodology and accompanying tools must be fluid or adaptive. This means that you may need to develop a different project management methodology to interface with each stakeholder given the fact that each stakeholder may have different requirements and expectations, and the fact that most complex projects have long time spans. And while the processes in the *PMBOK® Guide* remain useful on complex projects, it's often necessary to supplement the tool set normally used by project managers employing those processes.

The project manager capability set is necessarily expanded for the management of complex projects. To manage projects with the characteristics noted above, the project manager needs to be able to thrive in and manage an environment of constant change—change in technologies, change in the business and market environments, change in organizational structures and policies, and change among the project's key stakeholders. This requires an increased deftness in the management of what are traditionally known as the “soft skills” of project management—team building, stakeholder management, and leadership, to name a few. There has always been a need for

technical credibility and some business knowledge in traditional project management. However, managing complex projects, with their emerging emphasis on returning real business value to both the owner and the contractor, requires an added understanding of the business implications not only of the project itself but also of the project's end product and its value to end users. Finally, the transnational nature of many complex projects requires both political astuteness and cultural sensitivity.

The 4th edition of the *PMBOK® Guide* does an excellent job emphasizing the importance of stakeholder management. Stakeholder management, the first process of the Communications Management knowledge area, may very well be one of the keys to successful management of complex projects. Equally important is the management of project risk, since all of the uncertainties associated with the management of complex projects boils down to risk management. The mastering of the remaining processes of the Communications Management knowledge area, an area of project management in which project managers spend the preponderance of their time, is also a critical success factor in the management of complex projects.

In this book, we first set out to describe project management in terms of its application to, and the differences between, traditional and complex projects. We spend the rest of our time looking at each of the nine knowledge areas of the *PMBOK® Guide* and show how some of the knowledge may have to be applied differently when managing complex projects. The *PMBOK® Guide* is certainly applicable to complex projects, but other factors, such as enterprise environmental factors, may take on a higher degree of importance than they normally would.

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