

Definition of Insanity: Doing the same thing over and over and expecting a different result

Gail Bennett, PMP, TPM

Do you do the same thing over and over again because it's comfortable, *no matter the outcome*? In our unique economic environment, complacency equals inflation, inflated project costs that is.

Now, more than ever, is the time to consider how to plan, execute and control projects to avoid the excessive cost and schedule overruns experienced and accepted in the past. In order to do so, you have to deviate from your comfort zone.

Today is the day to become *creative* and make a concerted effort to evaluate project options based on requirements and weighted evaluation criteria and select the approach that is right for your company, customers and shareholders.

What are the options and how do you choose?

Regarding project options, it isn't like Baskin Robbins where there are 31 flavors to choose from, in fact, just two. **DIY or buy**. Either can be customized, but ultimately you complete the project internally or outsource all or part to an external vendor.

Chances are you are more confident executing one option or the other; however, if you do the same thing over and over again, you will get the same result. For most companies, their project track record could use some renovation and innovation especially NOW.

Do It Yourself (DIY)

Completing the project in-house is often preferred *but seldom selected* given the fear of responsibility and accountability for meeting project objectives, especially where failure comes at a high cost. With budgets tight and jobs at stake, fear is no longer an option.

As a guideline, it is better to complete the project internally if the following apply:

- Excess resources are available (materials, personnel)
- Required skills are found in-house, easily acquired externally or training is readily available
- Control/authority is a key driver within the organization or project
- Ownership of quality, cost and schedule management is critical
- Project or process is proprietary or confidential

Keep in mind, you must know what it takes to "keep the doors open" (personnel, materials, spend) before you allocate discretionary resources to projects or programs.

A recommended variation of the "do it yourself" option is to build out and enhance your internal team through an external company that can provide experts to augment your staff, which ultimately leads to the following benefits:

- Cost savings – you pay only for the resources needed
- Streamlined communications – roles and responsibilities are clear and not duplicated
- Increased control and risk mitigation
- Opportunity to transfer or retain knowledge
- Oversight outside of a formal contract - within a Statement of Work (SOW)
- Time/cost savings of contract bidding (RFP's, etc.) and negotiations
- Schedule ownership – the organization dictates and manages the schedule versus the vendor

Buy

How many times have you heard, “you have to be in it to win it”, meaning if you are watching from the sidelines, you have no chance at all to be successful. The same applies here. If you hand your project over to a third party, you are placing the fate of your project, and possibly your career, in their hands. With due diligence, clear contractual commitments and an SOW, outsourcing can be a positive experience.

Buying versus completing the project in-house can provide several benefits as external vendors can often cut through political environments, provide independent oversight, incorporate best practices from previous engagements and with adequate contract terms, share or mitigate project risks. As long as the key risks associated with outsourcing are mitigated, this option can be extremely valuable under the following conditions:

- Expertise is not available in-house and cannot be readily acquired
- Cost to purchase and maintain is less than the cost to develop and maintain internally
- Product has already been developed, tested and implemented successfully elsewhere and can be integrated with little change

Exposure or Windfall?

There is no silver bullet with one option or the other, and each is not without challenges and opportunities as outlined below.

Cost

If you choose to complete the project within, there are usually lower internal hourly rates, limited incremental management overhead and nominal travel expenses as costs tend to be reduced and more predictable for in-house projects. If you outsource, you may also be able to capitalize on fixed bid contracts with an external vendor as long as the project requirements are comprehensive and changes minimized. ROI and project risk should influence the approach selected and if needed, contract type and terms.

Timeline

How frequently are “canned” timelines presented by external vendors and guaranteed to work in every environment? Unfortunately this occurs all too often, resulting in quality concerns, cut corners, more money and missed deadlines without notice or penalties. However, in-house projects are not without timeline risk, especially if the project is unique, resources are focused on both operational and project work or there is *no sense of urgency*. An integrated workplan, measurement and performance criteria, continual risk assessments, formal tollgates and controls are essential to attain project success for either option.

Control

Internally, the focus is typically on “doing the right thing” for the customer. You are closer to the actual work with greater flexibility to change if necessary. For good or bad, with outsourcing, when you sign a contract with an outside vendor you are “locked in”, and the terms agreed to upfront are the rules to live by. Consider the number of anticipated changes, need for flexibility or agility and level of scope definition when weighing options and negotiating contracts.

Quality

Utilizing a vendor is often seen as an insurance policy for program success. Historically however, most buyers have performance, quality and/or expectation issues **after** selection and contract signing, which may not be known until later in the project. Take caution, as your expected level of quality, or acceptable quality protocols for internal projects, may not be built into the vendor timeline or price and must be spelled out in the contract or SOW.

Resources

Dedicated (full or part-time) internal qualified project resources are hard to come by, especially now with increased layoffs and reduced hiring, but once secured, team cohesion, collocation, oversight and motivation are often easier with in-house projects. It is much more difficult to lead and manage external resources (they are generally 'directing' you), especially if they are offsite or offshore, traveling each week or transitioning on and off the project. However, many of the resource risks can be mitigated with independent project oversight and comprehensive communication planning and management.

Summary

Whether you make the decision to do it yourself (DIY) or outsource your project needs, each approach is not without risk. With the proper identification, planning and mitigation, the pitfalls that normally derail projects can be mitigated and opportunities exploited. Now is the time to think outside the box and truly examine your options. **Remember, if you do what you've always done, you're going to get what you've always gotten.**

About the Author

Gail Bennett is a Managing Director/Senior Project Manager with more than 15 years experience driving major organizational change in order to raise productivity, reduce costs and improve quality with measured results. Her project experience spans multiple industries, including Finance, Technology, Marketing, Telecommunications, Defense and Manufacturing. She is a certified Project Management Professional, Telecommunications Project Management Professional and HelixPLAN facilitator.

About Project Managers, Inc.

Founded in 1998, Project Managers, Inc. is a niche consulting firm that helps manage strategic business change for companies in the Fortune 1000, not-for-profits and government agencies. For more information, please call 704.332.6611 or visit us online at www.projectmgrs.com.