

Only One Goal Can Be #1

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We're all familiar with projects that keep piling on functionality or gold plating features, but scope creep becomes irrelevant if no one really knows how the project is aligned to the company's overall strategy. In addition to well-formed boundaries or scope, a project needs a clearly defined primary driver. The project team may define success differently than the sponsor or business, and everyone working on a project should share the same goal. Only one goal can be #1.

What's the Driver?

Let me give you an example.

A recent client initiative was chartered with meeting a very specific timeline, which meant deploying the new solution in the next quarter. The project team was experienced and could execute in the given time frame if they could rely on existing skill sets and technologies already in place.

However, it was not uncommon in this organization for in-flight projects to lose valuable time well into the project, not strictly because of scope changes, but because of management indecision about strategy and prioritization on project drivers.

Not long into the initiative, the project team was sitting in yet another uncomfortable status meeting, and management was asking why the solution wasn't aligned with the organization's evolving technology strategy.

Initially, several stakeholders proposed the new strategic platform, but in addition to new hardware and software the solution would require resources with experience or expertise in the target environment. There were no corporate plans in place to hire additional staff or allocate funding for training current staff. Duration and budget estimates for this approach were too high, so the project sponsor requested a more aggressive timeline and a much more modest budget.

Both options provide the company with a solution, but the solutions aligned with different strategies, solved different problems, contained different risks, and provided different value to the company. Projects at this organization didn't know what corner they were in.

The primary driver for this project, it had seemed, was to meet the date for implementing the solution – and now that could change. If time (and cost) were the primary drivers, it made more sense to utilize existing infrastructure and leverage the skill level of the project team. The project could be implemented quickly and with available skill sets. However, the fastest, cheapest solution might also be dependent on end-of-life technology and obsolete by the time it was implemented. The project could be delivered on time and on budget, but who wants a solution that doesn't deliver value to the business?

Scope was only indirectly the challenge this project was facing. The problem had more to do with alignment of the project to the company's strategic goals. And as obvious as it sounds, only one goal can be #1.

While the stakeholders and managers appeared to have agreed on the project charter and requirements, they had failed to agree on the primary driver for the project. Was it cost, scope or time?

The Triple Constraint

In project management, all projects are bound by the constraints of cost, scope and time, or the Triple Constraint, which was also causing the confusion on the initiative mentioned above. These three drivers are also referred to as the Project Management Triangle, where each side represents a constraint and one side of the triangle cannot be changed without impacting the others.

Awareness of the triple constraint:

- Helps evaluate competing project demands
- Focuses effort to the most important priority
- Ensures everyone working on a project shares the same goals

According to the Project Management Body of Knowledge (PMBOK), project managers are responsible for balancing the competing demands for quality, scope, time and cost or anything that limits a project's options. Project managers have the responsibility to provide the sponsor with information on all corners of the Triple Constraint and how they contribute to the project success.

It is the project sponsor's responsibility to actively accept the trade-offs resulting from a priority shift from one "corner" of the triangle to another. They represent what the organization values and must also accept the resulting risk to the project when priorities change.

The Triple Constraint defines the success driver of the project and directly or indirectly, management determines the priority of the success driver.

Indirect prioritization, as in the example above, created a moving target: project decisions were first driven by the timeline, then by the budget, then by the awareness that the end result had no strategic value. When the Triple Constraint is fluid it creates delays and projects end up being driven by circumstances instead of by strategy. It is inevitable that events or priorities will shift and impact in-flight projects, but a clearly communicated and agreed-to project driver can keep a project on track.

Cost, Scope and Time as Primary Drivers

The triangle of cost, scope and time must all work together and be balanced with project risk and the quality of the expected results of the project. As I mentioned above, a change in cost, scope or time necessarily impacts the other two. In addition, changes to the Triple Constraint will impact the risk of delivering the project as expected and the quality of the product the project is slated to deliver. Let's take a closer look at the three primary drivers and their impacts.

Cost refers to the project budget and includes labor or effort as well as items which would need to be purchased to complete the project. Projects and project resources are not free. Costs spent on a project should be looked at as investments which deliver a business relevant outcome that positively impacts:

- Company resources and technology
- Making business competitive
- Improving company performance and operating results
- Ability to deliver product
- Strategic benefits

Budgets are always limited, so prioritization of scope and time to focus effort on the most important priority becomes critical to managing costs. People and dollar resources are most effective when allocated to what is highest priority. If project teams don't know what's most important from a strategic standpoint, they will have to decide which work is priority.

Scope includes the product features and functionality. It is integrated with quality and risk. Scope boils down to what the sponsor wants to buy for the price of the project. If scope is the priority, generally it will take longer and cost more. If budget or schedule is cut, risk goes up and quality suffers.

Scope items should be linked to strategic initiatives. Since a project provides something the business needs and is willing to pay for, they should pick what's important for the project's success. Approval of project scope drivers should involve trade-offs between budgets and duration or cost and timeline.

Time constraints include the desired project schedule, dependencies on other projects or project resources, and external events such as regulatory deadlines.

If everyone understands that the deadline is the main priority, like getting a marketing plan executed before a certain event – complete the ad before the Super Bowl – then it is much easier to manage. If a competing priority from another project or potential scope change comes along, no one questions it when you say, “We can't do that AND meet our deadline. Deadlines come first. Sorry about that.”

But be careful, due date setting, without consideration for the other constraints, leads to high failure rate if they don't account for:

- The effort required to do the work
- The availability of the team
- Dependencies to other projects

Summary

According to the PMBOK, “high quality projects deliver the required product, service or result within scope, on time and within budget.” But truly successful projects provide much more than that. They provide business value and allocate project team members and company resources on what's most important. Prioritization is determined by the project sponsor and not the project team. Actively managing the trade-offs required to best meet the project constraints of cost, scope and time make a project successful.

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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.