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# PM Rock Stars

Excel at Managing the Triple Constraint

Project Management Symposium  
November 18, 2011

# Your Presenters

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## **Joe Eimer**

- Director of IT Project Delivery at Charter Communications

## **Jim Bostick**

- Principal Program Manager at Computer Sciences Corporation

## **Laurie Douglas**

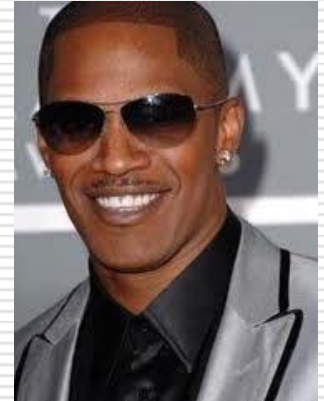
- Executive Director - Global IT Project Portfolio Management Office at Reinsurance Group of America

# Pop Culture Analogies

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**Triple threat** may refer to:

- [Triple threat entertainer](#), an entertainment industry term for an individual proficient in the disciplines of acting, singing, and dancing.



**Five-tool player**

- In baseball, a five-tool player is one who excels at hitting for average, hitting for power, base-running skills and speed, throwing ability, and fielding abilities.

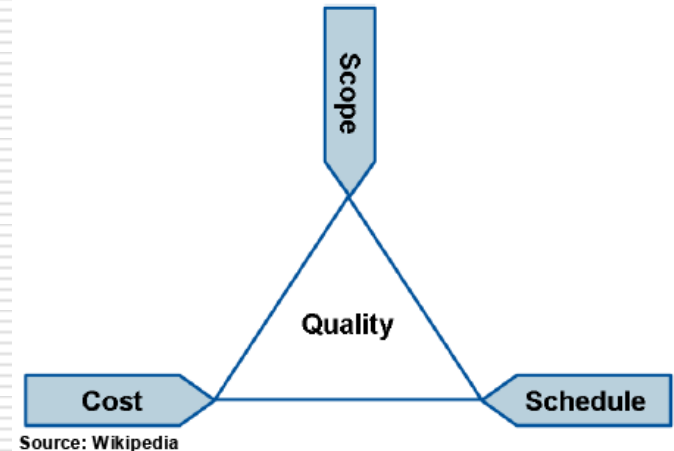


# PM Culture: Triple Constraint

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## Triple Constraint

- ✓ Scope
- ✓ Schedule
- ✓ Cost



The art is in being well-balanced across all three concerns

The science is in excelling at managing all three with equal attention;  
without tipping the scale on any one

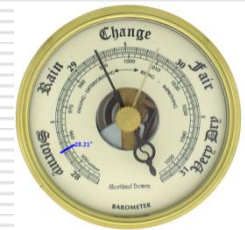
## Today's Goal:

To motivate you to excel at managing all three! We will ask for  
volunteers to share your challenging real life examples.

# What is the Business Priority

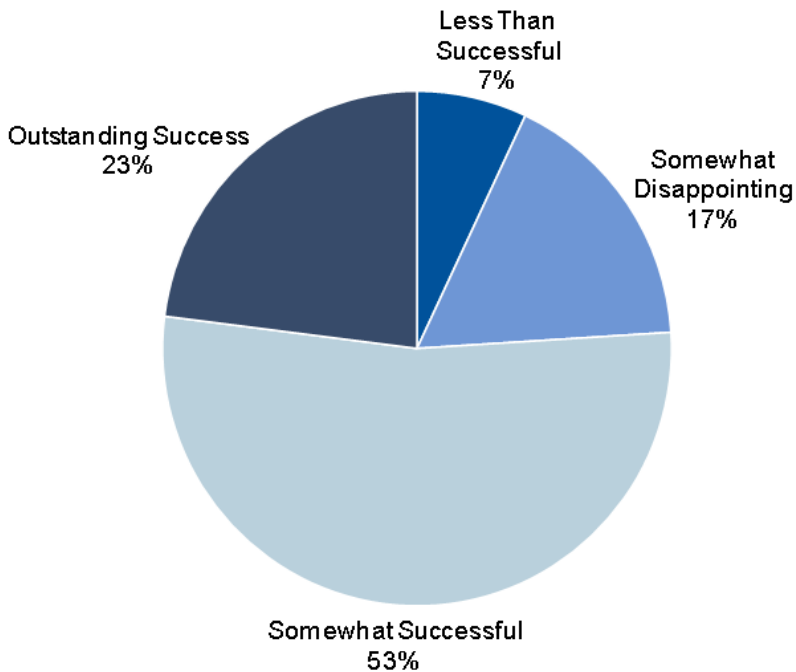
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- Identify your business sponsor's priority for their project
- Early in your project, eg: Project Charter or at Kick-off
- Ask them to Rank #1, #2 and #3
  - \_\_\_ Scope
  - \_\_\_ Schedule
  - \_\_\_ Budget
- This becomes your leadership barometer and helps in decision making when directing your project
- The priority still must maintain the balance

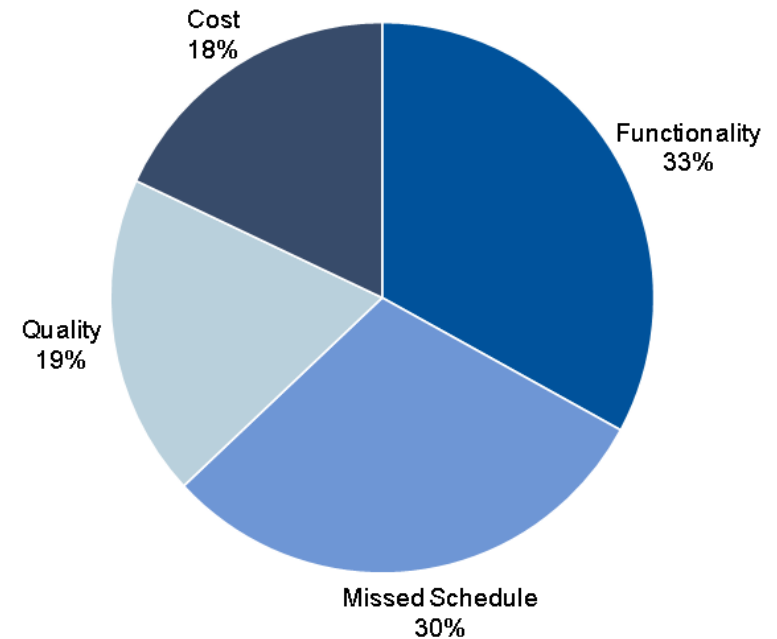


# Relevant Research

## Customer perception of IT project success



## Reason for IT projects being less than successful



Source: Gartner, Inc. September 2011, ID Number: G00216378

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# MANAGING SCOPE

# Managing Scope

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## **PMs must understand the scope of the solution**

- Natural primary target for a PM to manage
- Functional Requirements: what functional capabilities are required (priorities & revisit)
- Non-functional requirements: Safety, Security, Reliability
- Design considerations
- Stakeholder input

## **Best Practices**

- PM has experience in the discipline (5+ years)
- Definition and agreement of what is out-of-scope
- Change Control process

## **Triple Constraint PMs**

- Excel at controlling scope by understanding all requirements and are adept at understanding the implications to the solution
- Constantly scrutinizing for any substantial changes
- Implications to schedule and cost



# Scope Management Considerations

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## Quality Dimension

- PM holds their team to high standards of quality
- A clear set of requirements and a well-governed change-management process are the critical ingredients to project success

## Risk & Issue Management

- Testing may be expensive, but it's a lot cheaper to get the requirements done right the first time



# Scope Management Considerations

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## Communications

- Regardless of the technology used, governance and compliance must be in place in order to properly manage information in the enterprise



# Scope Mngt Considerations

Source: PMBOK 4<sup>th</sup> Edition

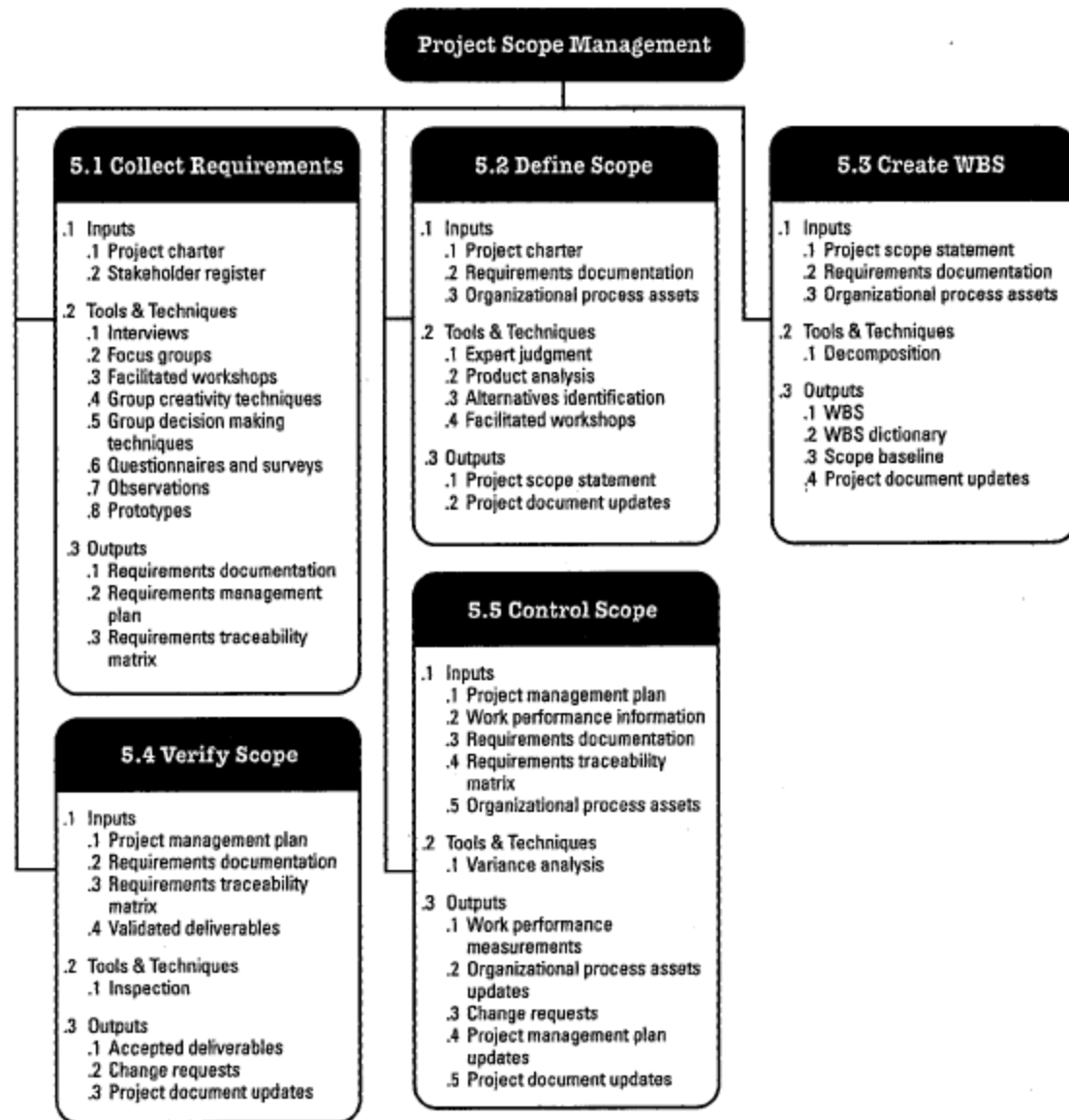


Figure 5-1. Project Scope Management Overview

# Scope Example: Money is no object

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## **Project Charter Written**

- #1 Schedule was most important = time to market
- #2 Scope was important
- #3 Budget was less important

## **Top priority of a New Executive**

## **Triple Constraint Project Manager**

- Focused on scope during requirements elicitation
- Asked for priorities of requirements
- Negotiated with service providers to get as much scope as possible, while delivering on-schedule, and allowing for additional capital considerations
- Presented options to business sponsors to maximize scope while delivering on-time and with varying budget impacts
- Change Request for scope and cost refinements

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# MANAGING SCHEDULE

# Managing Schedule

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## **Anything and everything can affect schedule. Manage stakeholder expectations from the beginning**

- Develop a “reasonable” schedule. Allow sufficient time to do the job right (there’s usually enough time to do it right, but seldom time to do it over)
- Aggressive schedules increase risk of failure and allow little slack. Save the “crashes” for the crises
- Cutting other activities to “catch up” just kicks the can down the road and causes other problems
- If you didn’t build it, be careful to verify and validate it
- The devil is in the details. Sweat `em

# Managing Schedule

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## **Review, Review, Review - based on actual or potential events**

- Put the reviews **in** the schedule at key points
- Put in the flags ahead of the critical points so you can see when you're **starting** to deviate. Take action immediately.
- Baseline the schedule and implement controls
- Use your team to plan prevention/mitigation/implementation
- Do a periodic comprehensive schedule scrub to verify risks and update mitigation alternatives – make it iterative
- Use the “rolling wave” on longer projects
  - Avoid planning your detailed schedule too early
  - Use a continuous process as you gain information

# Schedule Management Considerations

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- Understand the factors that influence the schedule and how to manipulate them
- Look for root causes of slippages – correct them
- Don't cut key activities (e.g. testing) to "catch up"
- Identify alternatives – other ways to get the job done?
- Look for possible ways to adjust scope (customer prioritization, incremental implementation) to handle schedule issues
- Look at your resources – Are there enough? Are the skill levels appropriate? Are the tools OK?
- Don't be afraid to ask for help (not all PMs are scheduling experts)



# Schedule Mngt Considerations

Source: PMBOK 4<sup>th</sup> Edition

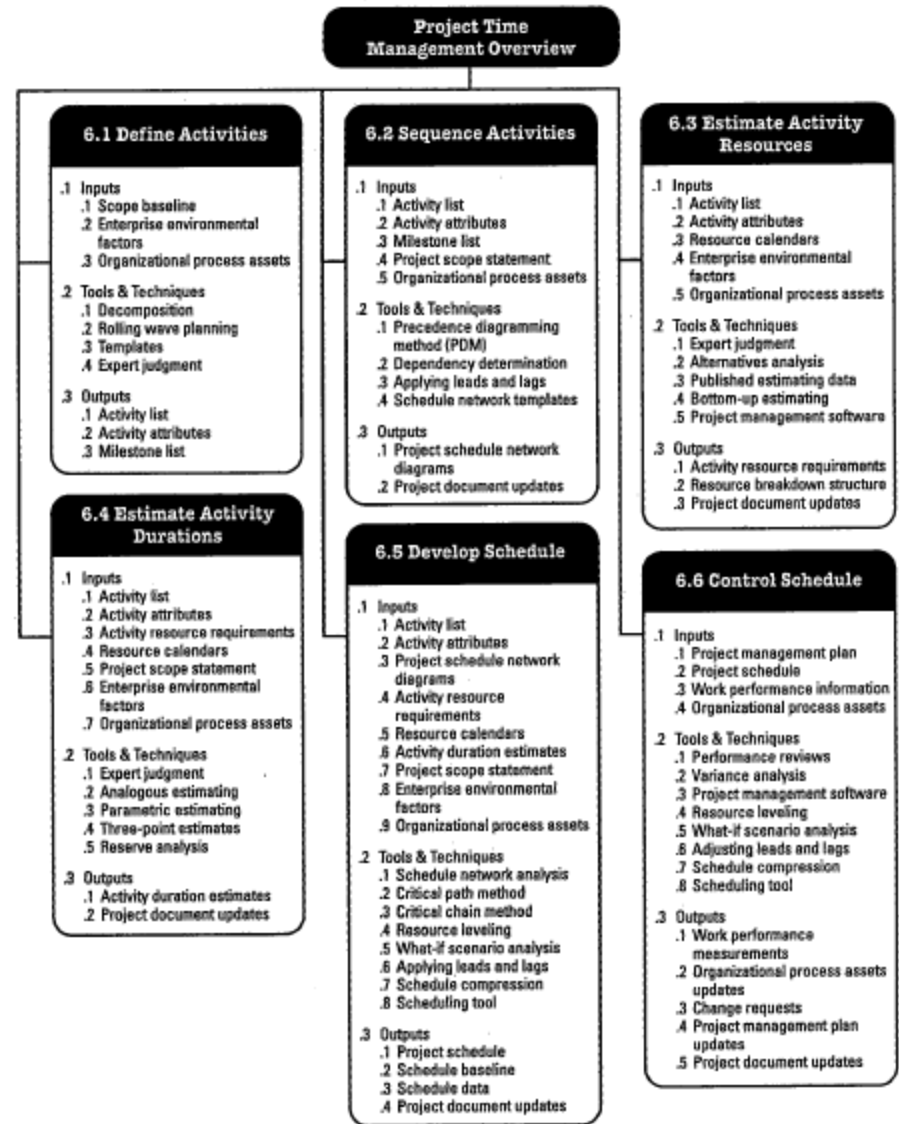


Figure 6-1. Project Time Management Overview

# Schedule Example

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## **Project moves to development – architecture done**

- After 30 days, project is 4 weeks behind schedule
- New PM appointed
- Solution architect part time; skills issues

## **PM Actions**

- Short, but intensive analysis (2.5 days) of issues
- Engaged senior management for resource assistance
- Changed skills/skill mix/resources on the project – negotiated with other PMs/staffing agencies
- Implemented parallel activities and some “crashing”
- Negotiated with sponsor for some schedule relief/prioritization and maintained close communication/coordination throughout
- Put the brakes on scope creep – got customer buy-in
- Reworked the schedule using realistic goals and careful risk identification and mitigation
- Selectively applied skills training
- Made up the “lost month” in just over 6 months
- Future schedule deviation was negligible. Cost impact was relatively small (margin decrease <4%)

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# MANAGING COST

# Managing Cost

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**Project Cost Management** includes the processes involved in planning, estimating, budgeting, and controlling costs so that the project can be completed within the approved budget.

*Cost is the least-cited failure factor. We're not off the hook though!*

## Setting Cost Expectations

Initial estimates anchor in the minds of project sponsors, setting a psychological baseline. Use this technique to set expectation up front:

- *Project Approval Estimate*: Estimate represents 50% +/- of what the project will cost at completion (EAC)
- At the end of the *Planning Phase*: Estimate represents 30% +/- at EAC
- At the end of the *Design Phase*: Estimate represents 15% +/- at EAC

# Managing Cost

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## Best Practices

- Provide estimates using proven estimating techniques that factor in risk.
- Always communicate the following in project status:
  - ✓ Current Budget Amount as well as Estimate to Complete , Estimate at Complete, and Variance.
- Identify and communicate the use of project cost contingency.

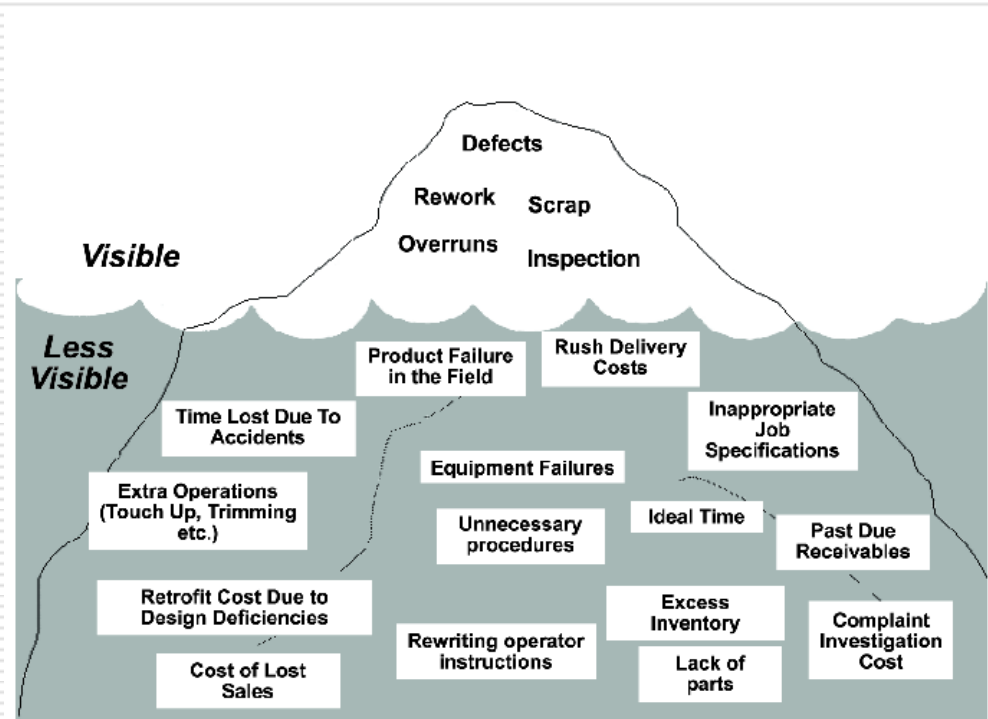
## Triple Constraint PMs Know

- Communication transparency specific to cost is key to stakeholder understanding and decision making.
- Poor resource management, inadequate demand management and overloaded staff contribute unnecessarily to cost.
- The CR process is essential to managing cost expectation.

# Managing Costs

## Quality

- The manner in which you manage and communicate project cost weighs in on the quality of your credibility as a PM.
- Project quality control and assurance comes at a price.
- Your approach to integrating quality controls and assurance should be factored in your project estimates (and should be commensurate with the project risk and significance).



# Cost Mngt Considerations

Source: PMBOK 4<sup>th</sup> Edition

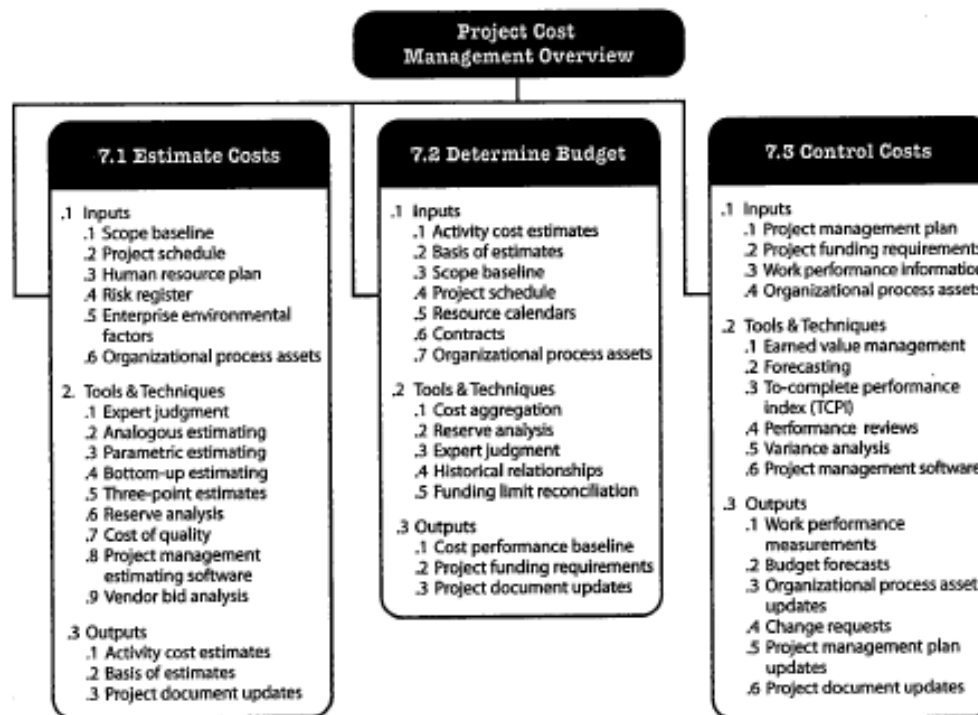


Figure 7-1. Project Cost Management Overview

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# **- COMMUNICATION - THE TRIPLE CONSTRAINT**



# Reporting the Triple "Cs"

- ✓ Status Reporting
- ✓ Change Request
- ✓ Issue Identification
- ✓ Risk Mitigation

Project Status Report Quick Reference Guide for Project Server 2010 **RG&A**

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Project Name 1

Project Description	
2	
Report Date	
Report Period	
3	

Project Health Indicators				
Overall Project Health	Schedule	Scope	Budget	Risks / Issues
4				

Period Financials				
Approved Project Budget Amount	Actual Cost To Date	ETC	EAC	Variance
9	10	11	12	13

Milestones

Item ID	Name	Baseline Finish	Finish	% Complete	Task Health
14	15	16			17

Project Issues 18

Owner	Title	Issue Type	Status	Due Date

Risk Watch 19

Owner	Title	Likelihood	Risk Type	Impact Level	Status

Change Control Items 20

Requester	Title	Change Type	Status	Due Date

Sponsor	21	Product Manager	22
IT Functional Lead	23	IT Project Manager	24
Planned Start Date	25	Planned End Date	26

**SCHEDULE STATUS**

27

**Milestones Reached This Period**

18

**Milestones Not Reached This Period**

19

**Planned Milestones for the Next Reporting Period**

20

Resource Allocation			
Resource	Allocation %	Scheduled Start	Scheduled Finish

PS2010 PM Project Status Report Quick Reference Guide.docx Version 1.1

# How Can You Excel at Managing the Triple Constraint

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- Apply the techniques discussed today
- Regularly review these PM fundamentals versus other soft-skills
- Assess your strengths in the triple constraint, and work on your deficiencies
- Ask for feedback from your business sponsor, manager, team or peers
- Stretch yourself in 2012 by setting aggressive personal objectives, measurements & metrics

# Triple Constraint PM “Drills”

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## **Audience Volunteers**

- Give us your most difficult current or recent challenge
- 30 second description

## **Facilitators Responses**

## **Audience Responses**

# Summary

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- PMs who excel at managing all of the Triple Constraints are a rare talent
- Most of us have a natural strength at managing one of the three constraints
- The other constraint(s) should be your regular development priority
- Rock Star PMs set the highest quality standards in all three while maintaining a proper balance
- Techniques and experiences shared today can help you
- Handout for reference

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# Q & A