

# Project Management Tales – A Leap of Faith



Debbie Gallagher

By Debbie Gallagher

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*In two previous articles (January and March 1999), I outlined what to include in the project plan, and a general overview of what's involved in execution and completion of the project. To follow up, I thought it might be interesting to tell you some project management tales. Some of these are stories about projects I've been involved in, while others are stories told to me by co-workers in Canada and abroad. All company names have been changed.*

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## Background

The Acme Corporation was a large North American retail company, with stores in thousands of cities. The accounts payable function was centralized, with all payments processed at head office.

Accounts payable inquiry had been designed and implemented many years ago. Systems staff at head office created an inquiry file periodically for each store, and sent it out for the store manager to load on the local PC. An application installed on the store PC was used to view the payments. The store managers had become very frustrated as the information they received was always out of date.

Over the years, some improvements had been made, so that the file was sent by email rather than regular post. A self-install program had also been created, which reduced the number of installation problems in the stores. However, the store managers really wanted up-to-date access at any time. The existing inquiry capability had also become antiquated and expensive to support.

Acme decided to develop an accounts payable inquiry system that would allow store managers to see up-to-date detailed or summarized information at any time. The new inquiry function would allow the store managers to use a browser on the

store computer to access accounts payable information at head office over the corporate network.

## The Situation

During the planning stage of the project, the project manager discovered that the computers in the stores were running an outdated operating system, which could not support a recent version of a browser client. The Store Services group paying for the project decided to expand the scope of the accounts payable inquiry project to include upgrading of the operating systems for store computers.

The project manager also discovered that the network speed was too slow to support the new inquiry application at an acceptable response time.

The project manager talked to the Network Services department and discovered that the group had no budget to upgrade the network. They told the project manager that if his project needed the upgrade, it would have to come out of the accounts payable inquiry project budget, at a cost of over \$100 million.

The estimated cost of the inquiry project was only \$2 million, so this additional cost would be the end of the project. It wouldn't be possible to make a business case for the inquiry project if the cost was increased fifty fold.

## Action Taken

The project manager did further analysis, which determined that with the current network, the response time for users would be more than two minutes, which was definitely unacceptable. Without the network upgrade, the inquiry project was not viable.

In addition, the project manager asked the Network Services group for a review of the cost estimate, and the Network Services group responded that the cost estimate was accurate.

The project manager was not satisfied, and asked for another re-work of the cost estimate, with more details, so that it could be included in a report to the project steering committee. This time, the Network Services group found a calculation error, and revised the cost estimate to \$8 million. This could still not be accommodated in the budget for the inquiry project.

The project manager advised the steering committee that the project was not viable without the network upgrade, but that the cost of the upgrade could not be accommodated in the project budget.

The steering committee realized that there was never going to be a single project that could absorb the network upgrade cost and still produce a return on the

investment. However, many on the steering committee also felt that the speed of the network would be a recurring theme, as demand for instant access to information increased. They decided to take a leap of faith, believing that the higher speed would be needed for other Acme applications.

The steering committee recommended to Acme management that the network upgrade be approved as a separate project, and Acme management agreed.

### Epilogue

The store managers were pleased with the new inquiry functions and the timeliness of the information available to them. In addition, store managers who ran multiple stores could see the additional stores more easily than before.

The store managers had been used to instant response time because their old system had the data installed locally. The new system's response time was less than two seconds, which was good, but slower than they were used to. Many complained that the new system was too slow.

### Conclusions

Discovery of the old operating systems on the store computers and the slow network indicates that the project manager was thorough in the planning stage of the project, taking into account factors other than the application functions themselves. His careful approach was also in evidence when he requested additional backup, ensuring his estimates were correct, before reporting to the steering committee.

The steering committee comprised several Acme executives, which was valuable in getting the attention of Acme management when they needed to remove the financial obstacle to upgrading the network.

The users loved the new functionality, but never did understand why it worked more slowly than it had before. I wonder if the training program for the store managers clearly explained the reason for the change in performance. It may have been possible to set their expectations and help them understand why there was a difference. TUG

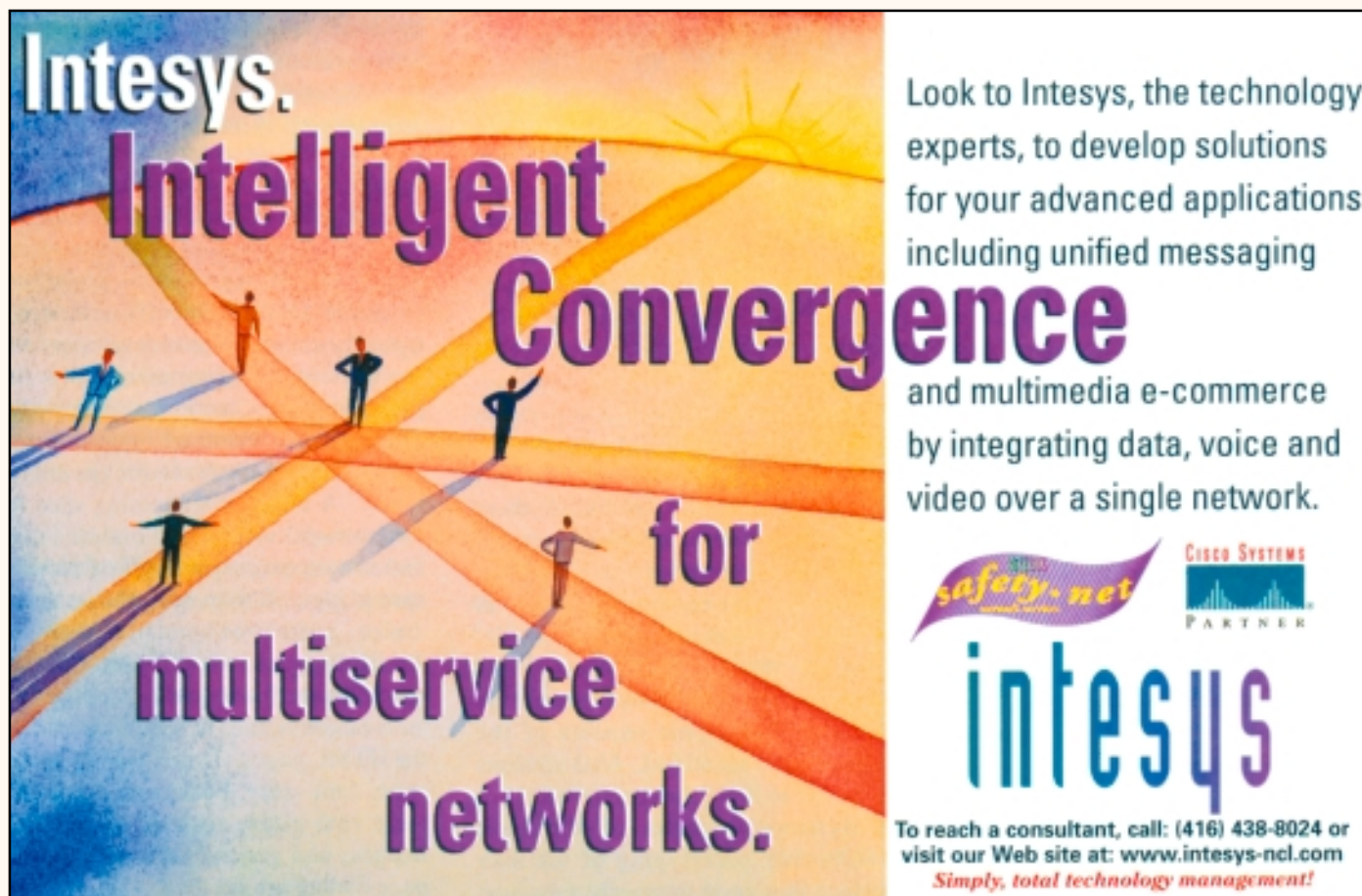
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*“If you’re not living on the edge, you’re taking up too much space...”*

*– Anonymous*



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