

Project Management Tales – A Tale of Two Projects

By **Debbie Gallagher**



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Each story in this series of Project Management Tales is true, but company names have been changed. Some stories occurred in Canada and others took place in the US or overseas.

Background

Acme Corporation, a U.S.-based retailer, decided to replace their financial systems, as well as their credit card processing system.

The project to replace the credit card processing system was started first and was expected to take eight months to complete. The project included the development of an interface between the new credit card process and the new financial system.

The credit card project was kicked off with the project manager's declaration that, "It'll be tough, but we'll make it". There was no project charter, therefore no scope definition, resourcing, or timelines.

The replacement of the financial systems was expected to take six months and started two months after the credit card system started, so that both systems would go live at the same time.

Prior to starting the financial project, a comprehensive charter was developed. It included detailed definitions of items in and out of scope, team member roles and responsibilities, timelines, and a communications plan.

The Situation

The steering committee for the financial system project met monthly. The project manager from the credit card project was asked to attend the meeting to report progress, as the financial system project was dependent on the satisfactory completion of the credit card system.

At the first monthly meeting of the financial system steering committee, the project manager of the credit card project reported that the work was on schedule. At the second monthly meeting, the project manager stated that work was falling a bit behind, but they would be caught up soon and would be back on schedule.

Unfortunately, at the third meeting, the credit card project manager confessed that the project had continued to slip, and they could not catch up because the team was busy with something else. They had decided to expand the credit card capabilities to allow an additional brand, necessitating dealing with a new financial institution and file format.

Action Taken

The financial systems project manager asked for details of the credit card project, but the credit card project manager had no charter and no other documents to support resourcing, scope, and timelines. The steering committee insisted that the credit card project manager prepare the information requested and present it as soon as possible. Preparation of project plans for the credit card project took nearly three weeks. The credit card project manager concluded that his project could not be completed on time.

When the marketing department found out about the credit card system running late due to the new card brand, they were surprised to hear of the project impact and quickly directed that this initiative be halted in favor of the corporate finance project.

The steering committee did not accept the credit card project manager's recommendation to defer his go-live. The go-live date of the financial systems had been carefully chosen, the company staff had been informed, the financial data conversion would require re-work if the go-live date moved, and the financial system was dependent on credit card processing to record revenues. The financial system project manager realized the critical importance of the credit card project to her own project's success and offered to help the credit card project manager develop a catch-up charter.

Epilogue

The new charter defined the scope of work that would be done by the go-live date and the work that would wait until after go-live. Resources and timelines were identified in detail. The team on the credit card project would have to work 50-hour workweeks, reports would be delayed, additional specialists were hired on contract to assist, and some testing was eliminated, necessitating risk mitigation strategies for go-live.

The financial systems achieved the expected go-live date within budget, and the stripped down credit card system also was live. However, the interface between the two systems did not work properly.

Acme management decided to live without the interface for over a month, which required a huge effort in creating manual entries to replace the data that was to be supplied by the interface.

Conclusions

The financial systems project manager did a good job of developing the charter and managing her own project. However, although she knew about her project's dependency on the credit card project, she took a hands-off approach to it until it was in trouble.

It was a good idea to include the project manager from the credit card project in the steering committee meetings. However, the financial systems project charter should have included key elements of the charter for the credit card project, including critical milestones, scope, and resourcing.

This story illustrates how critical the project charter is. It allows the company to define expectations, measure progress, assess priorities, assign the right resources at the right time, and communicate as needed with the company.

Prior to starting the financial system project, the project manager and five others spent a full month developing the detailed charter. It seems like a big investment, but as a result of the detailed planning, her six-month project with thirty resources finished on time and on budget.

A project charter should include a detailed list of what is and is not in scope for the project. This preparation would have prevented the credit card team from going off on a tangent, developing capability for a new credit card brand, when they should have been focused on the development of the credit card functionality and interface that were required by the go-live date. At a minimum, scope defined in a charter would have allowed Steering Committee to discuss the branding need, the impact of that effort and the implications on the other project.

An observation – it is interesting to see what decisions management will make when determining whether or not to allow the system to go-live.

The credit card project manager had been certain that management would not allow manual entries to be used temporarily and that only the expected interface would do. However, management decided that the large volume of manual entries was worthwhile temporarily, in order to meet the deadline.

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[Debbie's previous "Project Management Tales" are available on her personal web site: www.gallaghers.ca/debbie.]

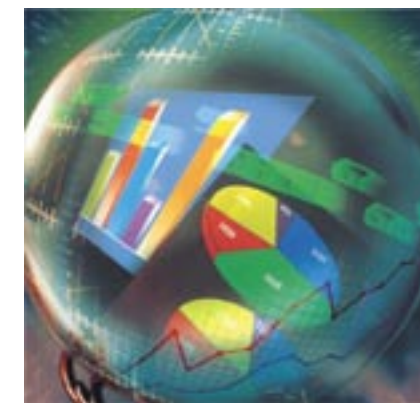
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