

# Project Management — "The Cost That Saves You Money"

By Ken Sadler



**W**hen a company first starts using project management, it is for one of two reasons. A company either wants to solve a problem, (i.e., previous projects are not well planned and are under-delivering); or management has become enlightened and realizes that better planning results in better outcomes. Project management also brings the ability to manage complex plans — or plans with a lot of complications — relatively smoothly and relatively sensibly.

When I first got into project management I discovered that you can actually decide in April that your project will be completed by the 3rd week of October! That element of "predicting the future" always amazed and pleasantly surprised me.

Companies often do not want to spend the money on project management for their business initiatives. However, many of these business initiatives fit into projects and will be better managed and with better results by using project management. The cost can be high — project management normally costs about 15% – 20% of the total cost of a project. It adds time to project completion by adding work to the business initiative. So what is the payback and why should management spend the money?

Project management (PM), has but one goal — to deliver projects for your company on time, on quality, and on budget. PM allows management to determine months ahead if a business initiative is going to complete on time. For example, with PM business management can determine, in April, if their business initiative due in October is at risk of being late. In a sense, PM is

forecasting the future. I love that apparent ability to predict the future. If a project is falling behind, management can add more resources to ensure completion on schedule or management can decide to decrease the scope of a project in order to meet the schedule. This decision is a business decision, not a technical or IT decision. That decision can be made based on the priorities of the business, which is making decisions on a much bigger picture than the project. So PM empowers the business team on the project.

Adding checkpoints and reviews for quality is the place where the business team has a significant contribution to make. They make the decisions on what is included in the scope of the project and the level of quality for these components. PM can tell them if they have made the elephant too heavy to lift or not — a common theme that appears often and causes last minute heroic efforts to be needed to deliver the project. For example, they may want to change a report, form, Web screen, architecture, or business process. PM tells them the impact on the

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project of their change and allows them to make a business-based decision to include that change or not. Sometimes the project should be delayed to make sure it includes critical capabilities required by the business.

From what I have seen in my projects (and certainly for projects that impact users across North America) it is best to focus on implementing

the requested scope of the project first. Then keep minor changes for a second phase. In most cases the project team (both in IT and in Business) is not going to run away. After a successful project, that team often stays around for the next phase and becomes a steering team for implementing further phases and business changes. These changes can be in the form of support changes if minor, or even be a follow-on project or Phase 2.

Part of quality is assisting your business users to make the right decisions about their requirements. Ensuring that your business users understand that they are responsible for the quality and content of the processes, forms, Web pages, etc., that are being delivered by the project team, is critical to delivering the right solution. The right solution, in every case, will impact your company's results. Impacting company results makes your project team look like stars. But quality is all about the business providing the right requirements for the team to deliver.

To win credibility with the business users, you must understand their business, understand their issues, solve some of them with the project, and keep your word. Delivering on time is part of keeping your word. Do not forget that being involved in project initiatives is great for your users' work experience and resumés. They know that, and often will want to participate or volunteer for projects with your team — if you keep your word, and if you successfully deliver.

With PM, the real cost of a project can be predicted more accurately. Part of the cost is managing all the resources that are included in a project. (A future article is coming on that subject.) When the costs of a project are starting to increase, PM allows management to have that information right away, weeks and months ahead of project completion so they can take action. With that knowledge, management can make a business decision based on their priorities and then change resources or scope in order to stay on track.

PM helps us to manage our resources better. Using PM, the team always has a status available on the work completed and a prediction for the project completion. PM increases quality and efficiency for two reasons. By following a standard set of tasks in PM the manager is thinking outside the box, considering various ideas and tasks that he or she might not have considered without following PM. Secondly, using standard processes for managing the tasks of a project will increase the quality of the final outcomes. They provide tools for communication and team building that might not otherwise be there.

**Final thoughts:** It is all about the business. The biggest thing that PM does is to give the business (and we are all business people regardless of our title) a handle with which to leverage company resources to achieve a better ROI. On an ongoing basis, it lets the business decision makers have visibility to the priorities, costs, quality measurement, and dependencies of a business initiative which is being run as a project. The visibility of this information allows the business to run things better, which will result in substantial reductions in costs and/or increases in revenue (typically more than 20% improvement.) Without the visibility of this information, it all becomes a guessing game.

In my experience it is better to deliver a project first visualized and once you have delivered results for the business, the business and your support teams will enthusiastically support your follow-on projects. Everyone likes the smell of success. So keep your word and remember that it is all about the business! It causes one to think a little differently about our projects, doesn't it?



*Ken Sadler is an SAP consultant whose team develops and leads SAP-based order-to-cash business solutions used throughout North America. They provide SAP solutions that support Standard Costing, Budgeting, Planning, eProcurement, Transportation, Inventory Control, and Warehouse Management. Ken can be reached at (905) 731-0127.*

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