

## 2 PLANNING PROJECTS

### **Planning projects in real businesses: An interview with a project manager**

*(This extension material accompanies the text on p. 579 of your book)*

John has worked as a programme and project manager for a range of large multinational companies. Projects have included the opening of the first overseas branch of a UK building society, the roll-out of a new warehouse management system in the car product industry, building an IT platform for a well-known e-commerce site and UK rail franchise bids. A programme manager monitors and manages a portfolio of ongoing inter-related projects. Here John talks about his experiences as a project manager.

‘We use a project planning tool for each project. We start by writing out a spec for what you have to do – a list of all the possible tasks, but with information on what they are supposed to deliver, duration of activities and resources and hence costs needed.

We then put in dependencies – which comes before what? – to produce a network diagram.

In real life this depends on estimating skills and experience, and assigning values. You also have to persuade people in the organisation that these estimates are appropriate. All tasks have to be agreed. People have different priorities. Those doing the project tend to argue that their part of the project needs more time/money, but the stakeholders and sponsor (the person in the organisation who wants the project doing) wants to spend less time and money. The project planners might also want to allow for contingencies. This might be done by adding a percentage duration to every activity or could be an extra ‘contingency’ activity that is included before the final node, allowing for a catch-up. Testing (of a new system, of a production run) often gets squeezed as it is usually at the end of the process, so test managers tend to argue for more time.

A critical path will be calculated and a Gantt chart produced. We usually work to the Gantt chart.

Once the data is in the system the planning tool software works out an end date for the project. However, in practice, the sponsors and stakeholders usually give us the end date and we have to fit the project to it. In this case, we have to look at how activities on the critical path can be shortened, which isn’t always simple. For instance, if we suddenly get ten testers for new software, they won’t do ten

times as much as one, because the new ones will all have to be trained. If it is just a case of hiring an additional truck then that's easy, but it does incur a cost.

We will usually have to get approval from a project board or similar for an increase in cost above a certain limit, which in itself can involve some politics and delays.

In practice, the 'red' critical path line keeps shrinking as it gets shorter, and another pops up as a new path becomes critical. This may give you an end date which is or is not satisfactory. You carry on, discussing with all parties concerned until you end up with a satisfactory end date and schedule.

Sometimes things change during the project. For instance, the end date may be brought forward, and it is common practice to shorten the longest task. However, some tasks can't be shortened – for example, a chemical process or awaiting the responses from a market research questionnaire or order time on IT kit. We can hassle people, but there is a minimum possible time.

External factors may upset the flow of the project. For instance, regulation changes, a competitor's actions, failure to get permissions, a supplier may go into liquidation. (John also cited bubonic plague on the Indian sub-continent 'which prevented movement of resources into the Middle East' and 'the press getting hold of the story', creating a public expectation.)

Internally, staff may resign, there may be reductions in budget or another project within the organisation may take some of your resources. For instance, 'subject matter experts' – that is, in-house experts on the technical aspects of, for example, IT or finance – may not be available.

What happens if your estimates are wrong? You have been put under pressure to deliver and yet the first couple of activities just overrun. You try to keep to the schedule but you may have to go back for more resources if absolutely necessary and may even have to argue for a re-plan.

In practice, a big project can be split into work streams, with a head for each. Big projects might have a Project Management Office (PMO) to co-ordinate the organisation, do the risk management and monitor the progress of the project, chasing where required.

To sum up, being part of a project team can be rewarding – especially when you deliver on budget and on time! Whilst planning a project is only part of the story, such a successful outcome is most likely to happen if the project planning is structured, and the project plan is constantly monitored.'

