

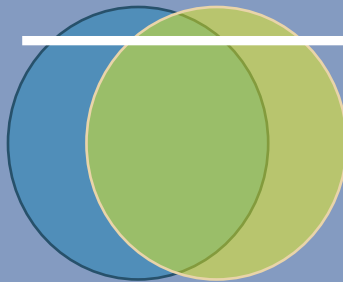


# Practical Time and Cost Control: Enhancing Skills to Manage Effectively

PMI Central Mass Chapter  
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February 8, 2011

# Presentation Objectives

Introduce a flexible, scalable, repeatable framework used to address Common Time & Cost challenges



## **Name the Pain**

Where are we? (Root Cause)

Where do we want to be?

How do we get there?

## **Reframe**

What are the positions?

What are the shared interests?

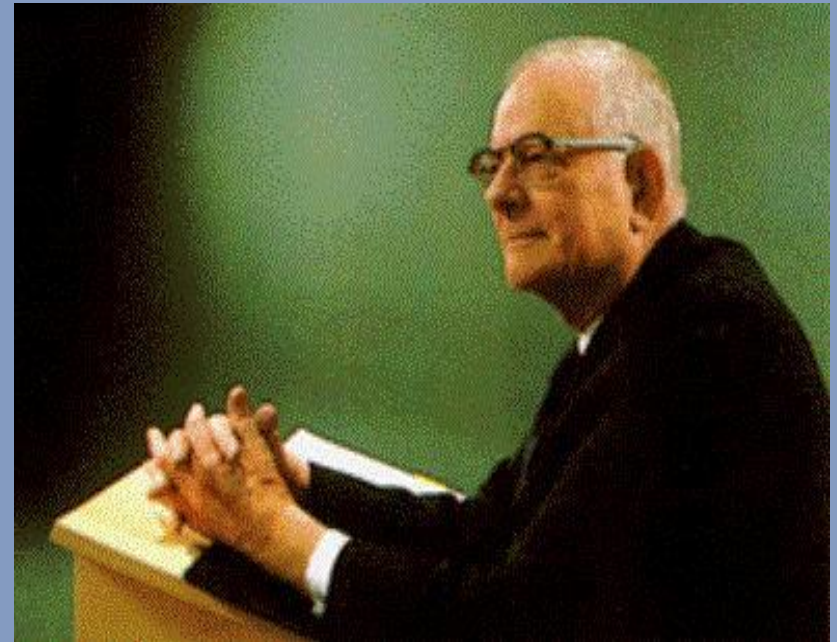
Can the solution be reframed to address shared interests?

## **Realize the Gain**

Plan, Do, Check, Act

# People and Process

- Workforces are responsible for only 15% of mistakes
- Management systems are responsible for 85% of the unintended consequences
- Lack of Management direction (communication) contributes significantly to unintended consequences



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W Edward Deming  
Quality Management  
Guru

# Project Managers

## Responsible for Delivering:

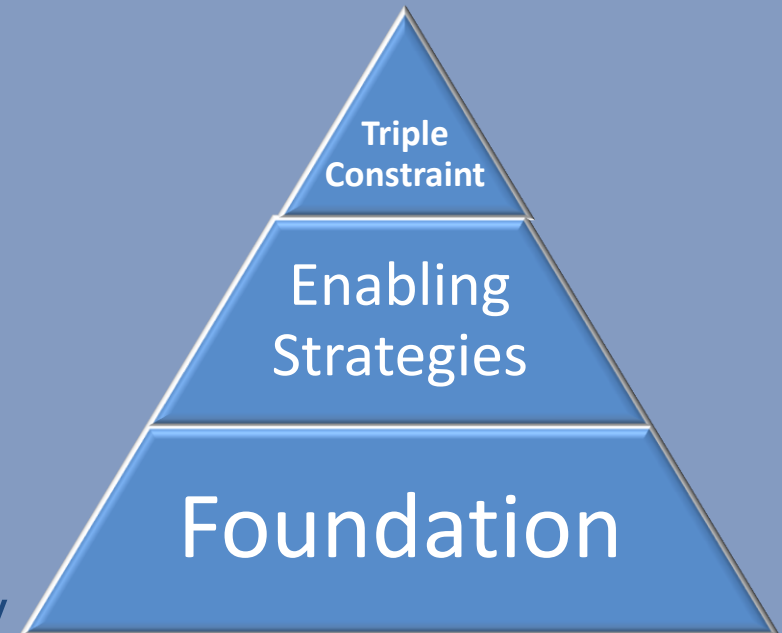
On Time, Within Budget, According to Spec

## Key Enabling Strategies:

- Enhance Communication
- Increase Efficiency
- Embrace Continuous Improvement

## Foundational Strategy:

- Relationship, Reality, Responsibility



Leverage Flexible, Scalable, Transferable Techniques

# Name the Pain

common challenges include:



- Unrealistic Deadlines
- Scope Creep
- Unclear Task Descriptions
- Lack of Accountability
- Inaccurate Estimates
- Inability to Track and Report Progress

# NTP: Unrealistic Deadlines

- Name the Pain  
Unrealistic Deadlines



## Where are we? Root Cause

“They” say make it happen, find a way

No historical data for estimates

Triple Constraint not used

## Where do we want to be?

We negotiate deadlines based on Time, Cost and Scope

## How do we get there?

Document unrealistic deadline as a risk

Explain, prioritize and use the triple constraint upfront and by phase

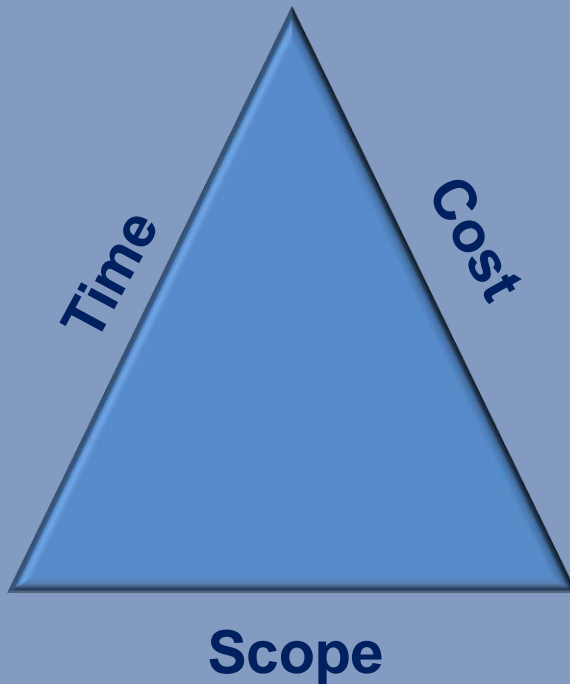
Deliver functionality using an incremental model

# Solutions: Unrealistic Deadlines



Document Unrealistic Deadline as a risk

If deadline can not be met, Then bonus may not be received



## Use the Triple Constraint

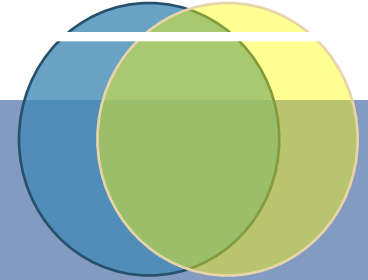
Document task dependencies and explain why the deadline is not achievable

Explain, Prioritize and Use the triple constraint upfront and revisit by phase

### **Benefits:**

Set, Manage, Negotiate expectations  
Proactive vs. reactive decision making  
Inform downstream groups in advance  
Can also be used for cost and scope issues

# Reframe - Positions Versus Interests

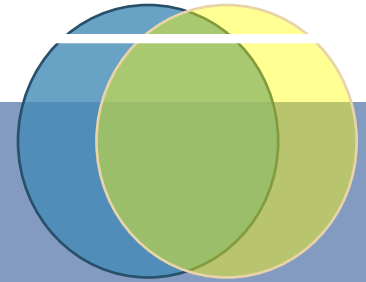


mccsc.edu

*“When I'm getting ready to reason with a man, I spend one-third of my time thinking about what I am going to say -- and two-thirds thinking about what he is going to say.”*

**Abraham Lincoln**

# Reframe



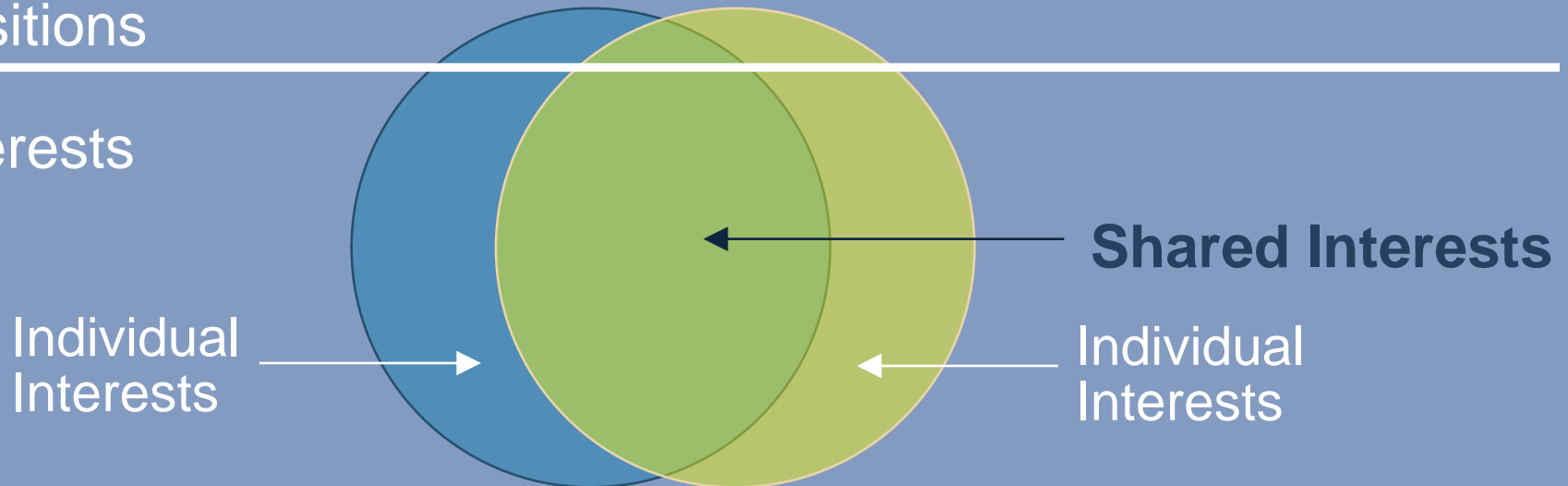
## ➤ Reframe – Positions Vs. Interests

Stakeholders often have more in common than their positions represent

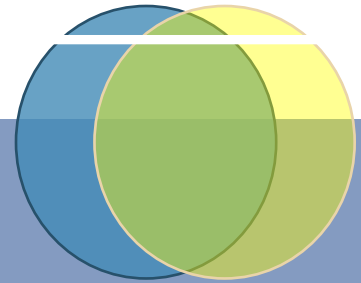
Positions

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Interests



# Reframe

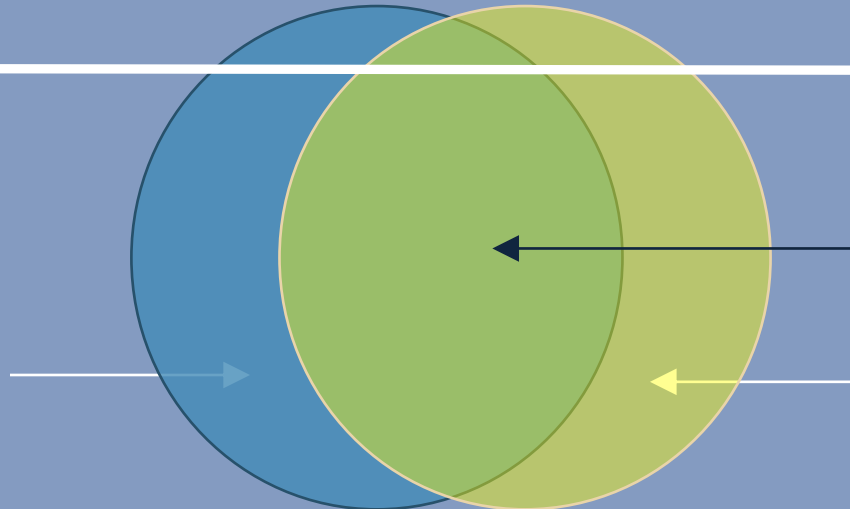


Positions

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Interests

Individual  
Interests



**Shared Interests**

Individual  
Interests

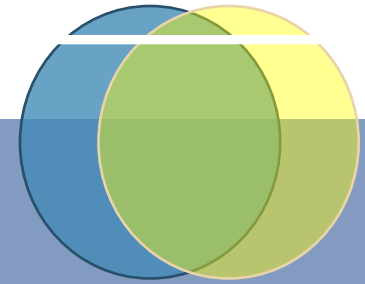
**Regarding unrealistic deadlines:**

What are the positions?

What are the shared interests?

Can the solution be reframed to address shared interests?

# Reframe Unrealistic Deadlines



## **Regarding unrealistic deadlines:**

What is our position?

We'll never deliver a quality product in that time frame

What is their position?

The team must meet the deadline so I can receive a bonus

What are our shared interests?

Deliver the product within the given time frame

Can the solution be reframed with words that address the shared interests?

To make the bonus, we'll have to renegotiate scope, add time, money or... do you have another alternative?

# Realize the Gain



## Regarding unrealistic deadlines:

**Plan** with KPIs - Key Performance Indicators

Meet with client to review and agree on Triple Constraint

**Do:**

Execute agreed upon plan

**Check:**

Are we meeting scheduled delivery dates

**Act:**

Take corrective action as necessary

# NTP: Scope Creep



## ➤ Name the Pain **Scope Creep**

### Where are we? Root Cause

“They” added scope, there is nothing we can do about it  
They won’t prioritize requirements  
We never push back

### Where do we want to be?

Able to stay on time within budget with added scope

### How do we get there?

Tell them NO! to all scope changes  
Give in and work nights and weekends  
Invite client to own the solution to the issue they’ve created

# Solution: Scope Creep

Invite clients to own the solution to the issue they've created

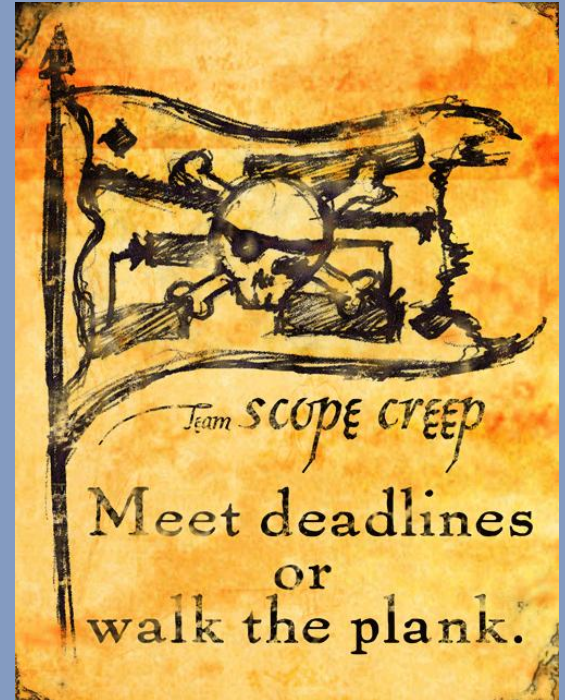
Utilize a Change Control Process

Work with Team to Prioritize Requirements

## Benefits:

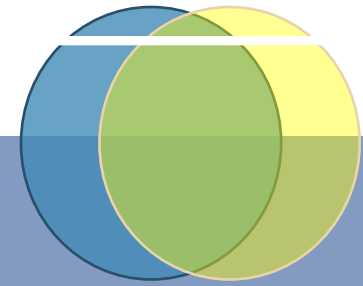
Deliver the most important functionality first

Increase honest communication between client and team



[pantagruel.typepad.com](http://pantagruel.typepad.com)

# Reframe Scope Creep



## Regarding Scope Creep:

What is our position?

We are on time, within budget, you're not going to mess that up

What is their position?

We must have this critical show stopper, but no more \$ or time

What are our shared interests?

Delivering this critical piece of functionality

Can the solution be reframed with words that address the shared interests?

What functionality would you like to swap for the critical functionality or would you like to add time or resources? Other?

# Realize the Gain



## Regarding Scope Creep:

### Plan:

Prioritize requirements with client, swap out some functionality

### Do:

Facilitate session, get sign off

### Check:

Are we on track to deliver critical functionality

### Act:

Take corrective action as necessary

# NTP: Unclear Task Descriptions



## Name the Pain

### Unclear Task Descriptions

#### Where are we? (Root Cause)

Same words have different meanings

Confusion about what tasks mean

Cryptic language, lots of abbreviations

#### Where do we want to be?

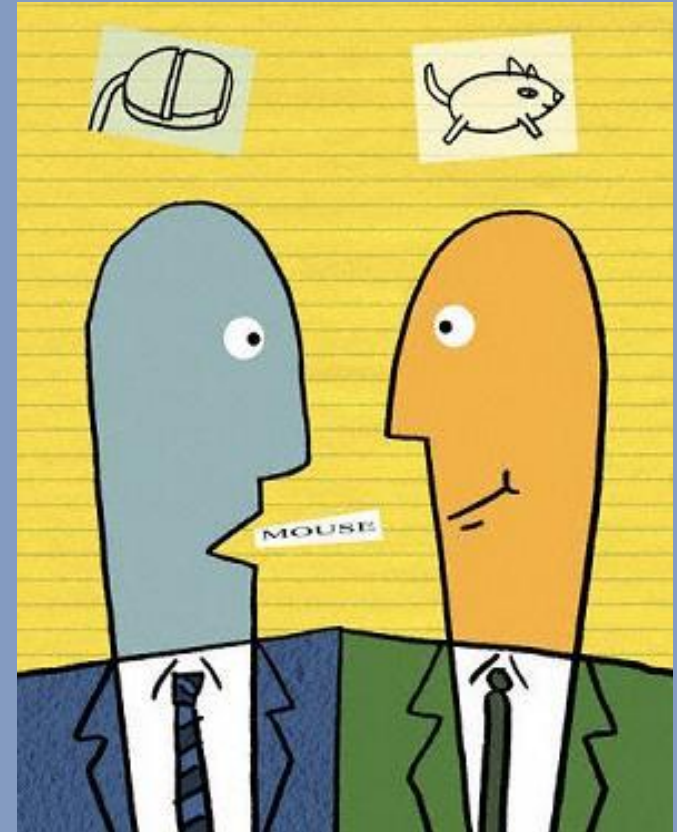
Have a common understanding of tasks

#### How do we get there?

Create a straw man, have team critique

Use Standard Syntax

Create standard templates for reuse



Blog.thefoundationstone.org

# Solutions: Unclear Task Description

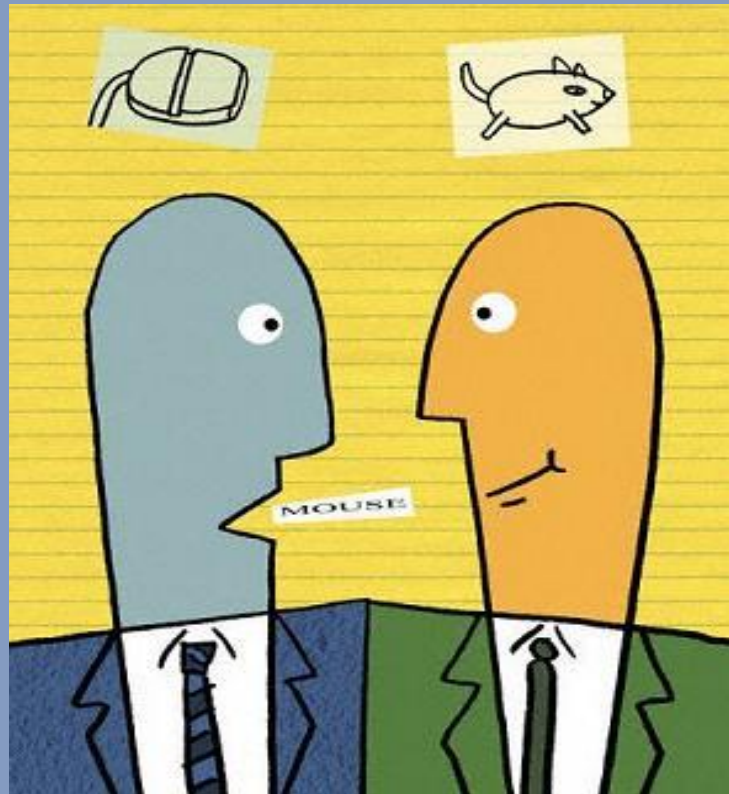
## Standard Syntax

Tasks start with Verbs:

Conduct Interviews

Milestones start with nouns:

HVAC Blueprints complete



Blog.thefoundationstone.org

- Use Standard Syntax
- Create a straw man
- Have team critique

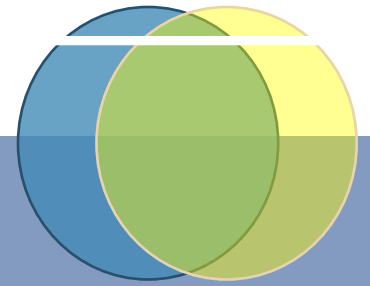
### **Benefits:**

Establishes a standard

Generates team buy

Helps ensure task coverage

# Reframe Unclear Task Desc.



## Regarding unclear task descriptions:

What is our position?

We need to take the time to agree on task descriptions

What is their position?

We can't waste time on process, we have to start work ASAP

What are our shared interests?

Getting work done, stop wasting time, reducing rework

Can the solution be reframed with words that address the shared interests?

Would you rather spend 2 hours now or waste 10 hours later?

# Realize the Gain



## Regarding unclear task descriptions:

**Plan:**

Create a straw man

**Do:**

Invite team to critique

**Check:**

Do we now have a common understanding of tasks?

**Act:**

Take corrective action as necessary

# NTP: Lack of Accountability



- Name the Pain  
**Lack of Accountability**

## Where are we? Root Cause

All tasks are a month or more in duration

We don't know who is doing what, tasks assigned by role/dept.

No project charter utilized

## Where do we want to be?

Able to know who is responsible for every task

## How do we get there?

Break tasks down into 4 hour increments

Manage by Milestone

Assign a point person to each task on the WBS

# Solution: Lack of Accountability

<b>Task Name</b>	<b>Resource</b>
Conduct JAD	John B.
Conduct Interview	Blake M.
Write Functional Spec	Susan J.
Sign off on Functional Spec	Nancy W.

## Assign a point person to each task on the WBS

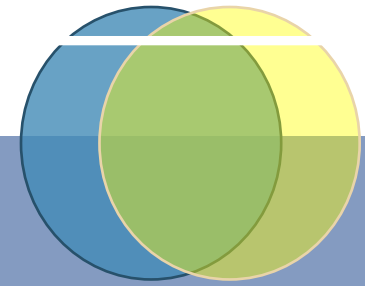
Knowing who is doing what reduces confusion and increases probability of success

### Benefits:

Increases team buy in and task coverage

Reduces the risk of gaps and overlaps

# Reframe Lack of Accountability



## **Regarding lack of accountability:**

What is our position?

To manage progress we need to know who is doing what

What is their position?

Priorities change daily, we can't commit people to specific tasks

What are our shared interests?

Know what is expected on a weekly basis, reduce confusion

Can the solution be reframed with words that address the shared interests?

Project tasks help prioritize weekly work. Do you want to try it and reevaluate, we can then ask mgmt to prioritize projects

# Realize the Gain



## Regarding Lack of Accountability:

**Plan:**

Assign a point person to each task

**Do:**

Invite team to collaborate on assignments

**Check:**

Do we now know who is responsible for what?

**Act:**

Take corrective action as necessary

# NTP: Inaccurate Cost Estimates



Name the Pain

Inaccurate Cost Estimates

Where are we? (Root Cause)

Over budget

“They” always cut our estimates in half  
We never do the same project twice

Where do we want to be?

Within 10% of cost estimates

How do we get there?

No idea

Document assumptions for estimates

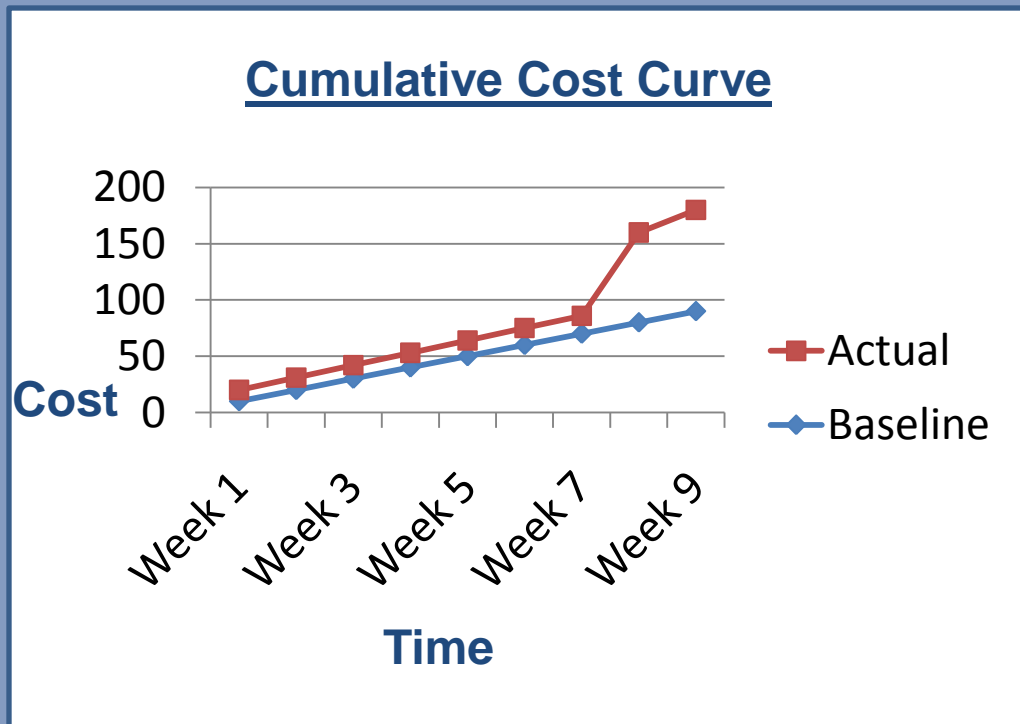
Set a baseline, track actuals against the baseline



Earthport.com

# Solutions: Inaccurate Cost Estimate

- Document assumptions for estimates
- Use **O + ML + P/3** Optimistic + Most Likely + Pessimistic  
Set a baseline, Track actuals against the baseline



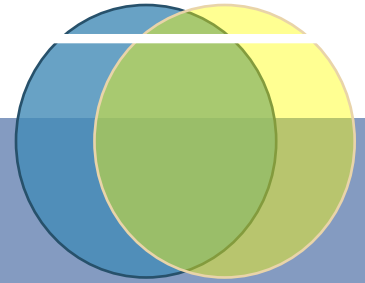
## **Benefits:**

Reduces guessing

Helps team define best & worst cases

Assumptions help defend estimates

# Reframe



## **Regarding inaccurate estimates:**

What is our position?

We can't afford to be over budget any longer

What is their position?

Don't know how to provide realistic estimates so want to avoid

What are our shared interests?

Keeping our jobs

Can the solution be reframed with words that address the shared interests?

Should we try to capture estimates and track against a baseline or run the risk of losing our jobs?

# Realize the Gain



## Regarding inaccurate estimates:

**Plan:**

Document assumptions for estimates

**Do:**

Set a baseline, track actuals against the baseline

**Check:**

Are our estimates getting more accurate over time?

**Act:**

Take corrective action as necessary

# NTP: Can't Track & Report Progress



➤ **Name the Pain**  
**Can't Track and Report Progress**

**Where are we? (Root Cause)**




- No one reads the status reports anyway
- No simple standard tracking report
- Have no idea what we're supposed to track or report

**Where do we want to be?**

- Agreement on what to track
- Using a standard report

**How do we get there?**

- Build report by consensus
- Use a standard report

Project Status	
	Last Week
	This Week
	Next Week

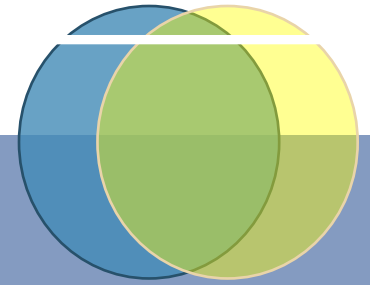
tynerblain.com

# Solutions: Can't Track & Report Progress

**Benefits:** Agreement on what to track:  
 What the variance is, why we have it, what we'll do about it  
 A standard report format  
 High, Medium, Low level reports for various stakeholders

Date 2/8/11	Budget	Time	Scope	Reason for Variance	Corrective Action
Project A			★		
Project B		★		B-Material cost increase T-lost 2 wks due to parts delay	B -Used 10K of reserve T-will fast track tasks 212 & 213
Project C	★			T-Code redesign	T-adding new programmer S-will review requirements with BA

# Reframe



## Regarding can't track and report progress:

What is our position?

We have no standard way to report to sponsors monthly

What is their position?

We don't want to be micromanaged

What are our shared interests?

Getting help when we need it

Can the solution be reframed with words that address the shared interests?

Providing high level status to sponsors will give them the information they need to help us succeed. Other ideas?

# Realize the Gain



## Regarding can't track and report progress:

Plan:

To build report by consensus

Do:

Create a standard report

Check:

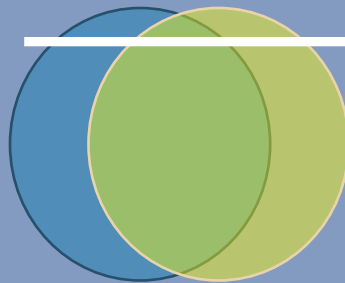
Are we now able to track and report progress?

Act:

Take corrective action as necessary

# Presentation Key Points

Common Time & Cost challenges can be addressed with a flexible, scalable, repeatable framework



## **Name the Pain**

Where are we? (Root Cause)

Where do we want to be?

How do we get there?

## **Reframe**

What are the positions?

What are the shared interests?

Can the solution be reframed to address shared interests?

## **Realize the Gain**

Plan, Do, Check, Act



Thank you for your time and attention  
It has been a pleasure speaking with you

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