

PROJECT MANAGEMENT FOR EXECUTIVES:
WHEN FAILURE IS NOT AN OPTION

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Association of Washington Public Hospital Districts
November 20-22, 2002

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What is a Project?

A one-time, multitask job with definite starting and ending dates, specific scope of work to be performed, a budget, usually a temporary team and a specified level of performance to be achieved.

Every project has:

- **Specific Outcomes**: Products or results (measurability important)
- **Scope**: Established limits for what will and will not be included in a project.
- **Schedule**: Start and end dates and milestones that are explicit and managed.
- **Budget**: Established for money, people, equipment, facilities, information

A project is not:

- A process: A series of steps by which a particular function is routinely performed.
- A program: Work performed towards a long-range goal. A program may encompass several projects.
- A delegation of authority: Delegations of authority for an outcome are not per se projects even if the outcome is measurable. If a delegation meets the other criteria for a project (i.e. one-time multi task job involving a scope, schedule, and budget and temporary team) it becomes a project delegation.

Project Management Roles

Each of the roles defined below should be covered in a manner that is appropriate to the size and importance of the project being managed. An informal approach that is seriously implemented is better than a formal one that is too complex or is honored in form only.

Executive Sponsor (Champion):

The executive sponsor is the executive level advocate and cheerleader for the project making sure that there is necessary support for the project from management and staff. He/she is committed to the project's success and works directly with the project leader/project manager to assure that the project is on track. In many instances the CEO is the most appropriate executive sponsor. If the CEO is not the sponsor, his/her support for the executive sponsor must be clear and visible.

The Executive Sponsor has a critical role in making sure that issues requiring decisions beyond the authority of the project team are resolved in a timely manner. He/she usually retains the authority to modify the scope/schedule/budget of a project.

In larger hospitals and for larger projects an Executive Steering Committee may be established to oversee the project and make decisions on scope/schedule/budget and other high level policy/procedure questions. The Executive Sponsor generally will chair this group.

Project Leader:

The project leader is accountable for achieving the project objective within scope, schedule and budget for the project. He/she chairs the Project Team and manages the accountabilities of the team members. He/she reports to the Executive Sponsor for project performance. The project leader assures that issues are resolved in a timely manner either by the project team or through escalation to the Executive Sponsor.

Qualities: Good project leaders have solid leadership and management skills, are respected in the technical areas covered by a project, and have a working knowledge of the departments and processes that will be affected. The ability to influence people over whom they have no authority is an important skill for project leaders.

Project Manager:

The project manager is accountable for the day-to-day performance of the project. He/she develops the project plan, works directly with project team

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members on its execution and manages the collection and flow of information on project progress. He/she reports to the project leader for all matters relating to the project. For smaller projects and in smaller hospitals the Project Manager and Project Leader functions are combined. When this is the case it is important to make sure that both functions are adequately addressed.

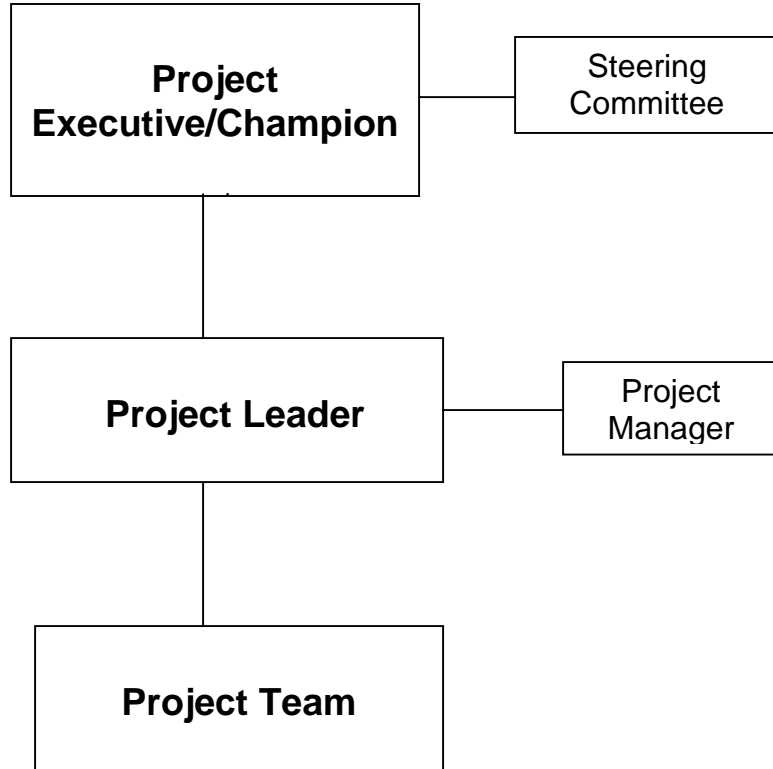
Qualities: Good planning and organizational skills, attention to detail and excellent follow through are the mark of project managers. The ability to rigorously and objectively report information on project progress to plan is an essential skill for project managers. It is possible to hire good project managers on a temporary basis.

Project Team:

The project team does the work of the project. It includes individuals representing the departments/functions/processes that must make significant changes in order to accomplish the project objective. Big complex projects may require a series of sub teams coordinated by an overall project team. Project Team members report to the Project Leader (or Project Manager) for purposes of the project.

Qualities: Team members should be experts in the departments and processes being affected by the project (not always a department manager). They should have the trust and respect of both their peers and supervisors. Good team members have an excellent understanding of how things are currently done. They also have the ability to design whole new systems if necessary to achieve an objective.

Generic Project Management Organization



Basic Project Charter Elements

Project Name: *Name of the project that will be referred to in all communications.*

Project Objective: *State in specific measurable and/or tangible terms the outcome to be achieved by the completion of the project.*

Vision: *The goals supported by the project in measurable/tangible terms.*

Project Scope: *Define what activities are in the scope of the project and any closely related activities that will not be within scope.*

Schedule: *Specify the beginning and completion date for the project.*

Budget: *Define the budget for the project*

Operational Budget:

Assigned FTEs:

Backfill FTEs:

Equipment:

Facilities:

Information:

Support:

Other:

Project Executive Sponsor: *Name the Executive Sponsor*

Project Leader: *Name the Project Leader*

Project Manager: *Name the Project Manager*

Project Team: *Name the members of the team and their time allocation to the project.*

Authority of Project Team: *Identify the authority of the project team for changing the scope/schedule/budget of the project (if any), for making changes to departmental or hospital policy and procedures or resolving interdepartmental issues.*

Issues Resolution Process: *Identify the authority of the Project Leader/Project Manager and Executive sponsor in resolving issues that cannot be resolved by the Project Team.*

Project Monitoring Process: *Identify the project monitoring process including frequency of reporting and type of reporting.*

Sample Project Charter

Project Name: Surgery Room Turnover Time Project

Project Objective:

1. To reduce the surgery room turnaround times from 25 minutes to 18 minutes with no increase in operating expenses.
2. To reduce the number of surgeon complaints about delayed surgery start times.
3. To increase the number of surgery minutes performed to 50,000 minutes for 2003.

Vision: This project supports Good Deeds Community Hospital's strategic objective of increasing surgical services 25% by 2004. It also supports our 2003 financial goal of a 2% margin.

Project Scope: This project will focus on the process of cleaning and setting up a surgery room. This process begins when the patient leaves the surgery room and ends when the room is ready for the next scheduled surgery. This project will include all departments and processes involved in the actual cleaning and setting up of the room. The surgical scheduling and patient registration processes will also be part of the project although we will not make any substantial changes to these processes at this time. Evaluation or consideration of information systems requiring any new hardware or software will not be within the scope of this project.

Schedule: The project kick off meeting will be held on January 3, 2003 and project team recommendations will be presented to the Administrator for approval no later than March 31, 2003. The project will achieve outcome objectives 1 and 2 by June 1, 2003.

Budget: *Define the budget for the project*

Operational Budget::

\$2,000 - Administrative costs, possible field trips to other facilities.

\$3,000 - Overtime hours for the patient accounting team representative.

Assigned FTEs: None

Backfill FTEs: Covered in overtime budget

Equipment: None

Facilities: Meeting Room 2 will be assigned to the team for use as a "War Room" for the duration of the project.

Information: Fred Beancounter will be assigned to the team to assist in collection and analysis of information.

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Support: Barbara Ceosec will provide clerical support for the Team.

Other: None

Project Executive Sponsor: Able Leader, CEO

Project Leader: Helen Suture, RN, Director of Surgical Services

Project Manager: Helen Suture, RN, Director of Surgical Services

Project Team: *Name the members of the team and their time allocation to the project*

1. John Onthespot, Central Supply - 20 hours per week
2. Jane Cleanaroom, Housekeeping - 20 hours per week
3. Fred Fixit , Plant and Facilities - 16 hours per week
4. Emily Ontime, Surgical Scheduling - 4 hours per week
5. Marilyn Moneybags, Patient Accounts - 4 hours per week
6. Fred Beancounter, Accounting - 8 hours/week
7. Al Signumup, Admitting - 4 hours per week
8. Steve Scapula, MD, Chairman, Surgery - Advisory, as requested by the Project Leader

Authority of Project Team: *Identify the authority of the project team for changing the scope/schedule/budget of the project (if any), for making changes to departmental or hospital policy and procedures or resolving interdepartmental issues.*

The team has authority to make changes to departmental policy and procedure and budgets within the current authority of each manager to adjust his/her own policies and budgets. Proposed changes to hospital policy and procedure and formal budget changes will be approved as part of the issues resolution process.

Issues Resolution Process: *Identify the authority of the Project Leader/Project Manager and Executive sponsor in resolving issues that cannot be resolved by the Project Team.*

The Project Leader will have the authority to directly request assistance and support for any hospital manager for the resolution of issues identified by the Project Team.

Any issues concerning process, budgets, policy and/or procedure that cannot be resolved by the Project Leader and Team will be recorded in an issues list and reported to the Hospital Administrator every two weeks. He will work with the project leader to take action as appropriate on these issues.

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The Project Team does not have the authority to make any material changes to the project objectives, scope, schedule or budget without the approval of the Administrator. Routine adjustments to scope/schedule/budget will be reported in the regular project reporting process.

Project Monitoring Process: The project leader will prepare a report of project progress compared to plan every two weeks. The report will summarize project activities over the previous two weeks, planned activities for the next two weeks, and the overall status of the project (green, yellow, red). Proposed changes to objectives, scope, schedule or budget will be made in conjunction with the bi-weekly reporting.

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Sample Project Plan

Project Kick Off Meeting (Project Team and CEO)	1/3
Complete Project Team Orientation	1/15
Conduct analysis of current process to clean surgery room	2/15
Top-level flow charts completed	2/22
Interviews with top 10 surgeons to determine concerns and ideas	2/15
Planning retreat to redesign processes	3/1
Draft recommendations ready for Mr. Leader's review	3/15
Complete Final report	3/25
Complete administrative presentation	3/31
Complete "alpha" test of planned changes, revise as needed	4/15
Draft employee training plan complete	4/25
Complete "beta" test of planned changes, revise as needed	5/1
Final employee training plan	5/8
Go/No Go Decision	5/15
Complete employee training	5/25
Implement revised procedures	6/1
Project completion meeting	6/5
<u>Communications</u>	
Project newsletter to all surgery employees	Weekly
Article in the employee newsletter	Monthly
Reports to the Surgery Department	Every two weeks
Board Update	As appropriate

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Creating a Project Plan: Basic Work Breakdown Methodology

1. What tasks must be done?
2. How long will each task take?
3. What tasks depend upon others being completed before they can be started?
4. What resources are needed?
5. Who will do each one?
6. How much will each task cost?

Numbers 1, 2, and 3 provide the basis for creating a project schedule with key milestones and known interdependencies.

Numbers 4,5, and 6 provide the basis for the project budget.

Number 5 can be a checkpoint to assure that the right people are on the project team.

Note:

- Keep it simple and at a level of detail that is manageable. If it is getting overly complex, the level detail is probably too great.
- Remember to include tasks for testing, staff training, communications, and go/no go decision points.

Adapted from material used by permission of Dennis Stillman, University of Washington

Project Management Checklist

- Project Objective Established _____
- Project Vision Articulated _____
- Project Scope Defined: _____
- Project Schedule Defined:
 - Completion Date Established _____
 - Milestones Established _____
 - Go/No Go Decision Points Established _____
- Budget Established _____
- Project Executive Sponsor Named _____
- Project Leader Named _____
- Project Manager Named _____
- Project Team
 - Team Named and Assigned _____
 - Authority defined and communicated _____
 - Team oriented _____
- Issues Resolution Process Defined _____
- Project Monitoring Process Defined _____

When It All Falls Apart: Diagnosing Project Problems

Charter: If a written project charter has not been completed, is it time to stop and prepare one? Is the charter clear and specific? Has the project objective and scope/schedule/budget been clearly stated? Is there a clear linkage between the project and hospital's strategy, goals and objectives?

Executive Sponsorship: Is the project still a priority for the Executive Sponsor? Are meetings between the Executive Sponsor and project leader/manger happening at least every two weeks? Are executive sponsors visibly supporting the project with all stakeholders?

Project Leadership/Management: Does the project leader/project manager clearly understand and support the scope, schedule and budget for this project? Does he/she/they have the skills to manage this project?

Project Team: Are team members devoting adequate time and attention to the project to meet the scope and schedule? Do their supervisors fully support their participation on the team? Does the team understand and support the objective and project plan? Are there players missing that are critical to the project's success? Does the team have the technical and/or interpersonal skills to pull it off?

Scope/Schedule/Budget: Has the scope of the project changed without consideration for impact on schedule or budget? Is the schedule and budget appropriate for the objective and scope?

Project Plan: Are project problems identified and addressed in a timely manner? Has a plan with weekly and monthly milestones been established? Has the project leader/manager been making at least bi-weekly reports against that plan?

Issues Management: Are issues being resolved in a timely manner or are unresolved issues threatening to overwhelm the project?

Risk Assessment: What are the relative costs and benefits of proceeding with the project? What are the costs and benefits of changing the objective and/or scope/schedule/budget of the project?

Revising the Project Plan: Have we identified a course of action for getting the project on track? If so, has the project plan been modified accordingly? If not, what is being done to contain the negative effects while we make a decision and modify the plan?

Contingencies Create Soft Landings: Do we have an option if we decide to pull the plug on the project? If so, is it time to seriously evaluate the contingency? If not, is it time to create contingency options that can be exercised if needed?

Factors Contributing to Perceived Project Success

Coordination and relationship accounts for 77% of variance in perceived project success.

- Unity between Project Manager and functional managers.
- Project team spirit, sense of mission, goal commitment & capability
- Unity between Project Leader, Project Manager and sponsor
- Project Manager's human and administrative skills
- Realistic and rigorous accurate progress reports against plan.
- Supportive informal relations of team members.
- Authority of Project Manager.
- Adequacy of change procedures.
- Job security of project team.
- Project Team participation in decision-making and problem solving.
- Availability of backup strategies/contingencies.

Causes of Project Failure

- The problem is not properly defined
- No one is in charge.
- People are constantly pulled off the project or reassigned w/ no regard for impact.
- Resource planning is inadequate.
- People don't see themselves as working on one team.
- The project is not tracked against the plan.
- People lose sight of the original goal.
- The planning is based on insufficient data.
- Planning is performed by a planning group.
- Project estimates are best guesses, made w/o consulting historical data.
- The project lacks detail.
- Senior managers refuse to accept reality.
- Ballpark estimates become official targets.

References

**Project Planning, Scheduling & Control, 3rd Edition
by James P. Lewis***

Project Management for Dummies by Stanley E. Portny*

**Making It Happen: A Fable About Project Management
by MacKenzie Kyle***

*Available on amazon.com

**Puget Sound Chapter of the Project Management Institute
<http://www.pugetsoundpmi.org>**