

# RATIONALS PROJECT MANAGEMENT

January 2016, written by Vesa Hilevaara

## Why Systematic Project Management is Important?

Once upon a time there was a company manufacturing and selling Processed Meats. The management team of the company was challenged to find out how many ongoing New Product Development Projects there were currently. So, they looked into this and the result awestruck them – it was measured by the hundreds. To shock them even further they were asked to evaluate the amount of resources being occupied in these Projects taking into consideration all the possible discussions and meetings being held in the organization. In this particular case it was mind boggling for the management team to realize the capital and resources being employed in the Projects – millions of Euros...

Then, they were given the task to find evidence on the basis of kicking off these projects, and there were not many documents for them to find. Many of the projects had initiated totally informally due to some casual conversations along the corridors of this company. The conversations might have gone some way like this:

- "Hey, I have a brilliant idea! Let's start working on a pineapple blue cheese sausage!"

- "Yeah great, it will be a hit. Let's get Frank in this project as well. He is a wizard mixing new flavors..."

Obviously, it did not take long for the company management to take actions in creating a formalized way of initiating a new product development project. All it takes is check-list in the beginning to make a go or no-go decision. The decision to initiate a Project has to be made according to future business potential with linkage to the company's strategy.

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Another scary finding, they made after having analyzed their product development Projects was that they really never ended the Projects in a professional way, which caused them to make the same mistakes over and over again.

## Pit Holes - try to avoid these

The mistakes in the meat processing company projects are actually more widely made that you might think. According to research carried out by Mercuri International with people experienced in Project Management, from major project-orientated organizations, and also from within Mercuri International, shows that more than 50 things can go wrong during a project. Here are some of the common mistakes that – unfortunately - are very commonly made in project management:

- Projects are started without a clear purpose and goal.
- Bad follow up during the entire project, in terms of:
  - Quantity, too seldom followed-up.
  - Quality, the communication with groups and individuals is not concrete enough.
  - What is being followed-up, the focus is not on key issues.
  - Bad planning, and the reason behind bad planning is too little time and effort. Often senior managers do not respect the necessity to spend time and money in the planning phase. "It's not real work".

# Taking Sales to a Higher Level

- Project Team Members participate in too many projects
- No documentation of experiences is gathered during the project work which means the wheel has to be invented for each new project.
- Exaggerated optimism about time schedules and money.
- Poor communication, internally / externally, up / down.
- Lack of risk management.
- Vague or changing responsibilities
- Projects do not have clear endings

Surely, you have heard somebody in some other firm facing the before mentioned challenges. But it does Not happen in your Organization, does it?

It might be that some of the projects being conducted in your organization are not even being considered as Projects, so due to that planning is being considered not important.

If no Project Management Model exists (or if it is not in use), then often small problems escalate and become big ones (domino effect), because it is difficult to correct and adjust the course without a structured tool.

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## Two tips to success – select the right projects and gain the commitment of Your Project Organisation

Even the best tools for planning and managing the Projects are not enough because it is the people that make the project happen. In addition, often there many more people involved in the Project than just the project team. Project Manager needs to be in constant communication with all the Stakeholders:

Top management need to be kept in the loop and sub-contractors or expertise outside the organization need to be led in the right direction. Sometimes a Project Manager has to lead much more senior people than himself within own organization. Generally, all this requires great leadership skills, because Project Manager usually does not have the hierarchical status over his people resources.

More often than not communication and soft skills are overlooked when looking at the key competences of a Project Managers. After all the risk analysis – when conducted professionally – usually show that it is the human factor that poses the greatest risk for project timetables and costs.

The best project managers have the tools and ability to get the people working motivated towards a common goal.

## Mercuri International's Agenda in Developing Project Management

### 1<sup>st</sup>, realize the average scope Your Projects.

Are they being run in a few days, weeks, months or do they take a year or more of Your organization's time?

How much time and resources are being employed in your Projects?

The bigger the Projects, the heftier tools are needed.

Ask people conducting Projects what sort of Project Management Model they are using.

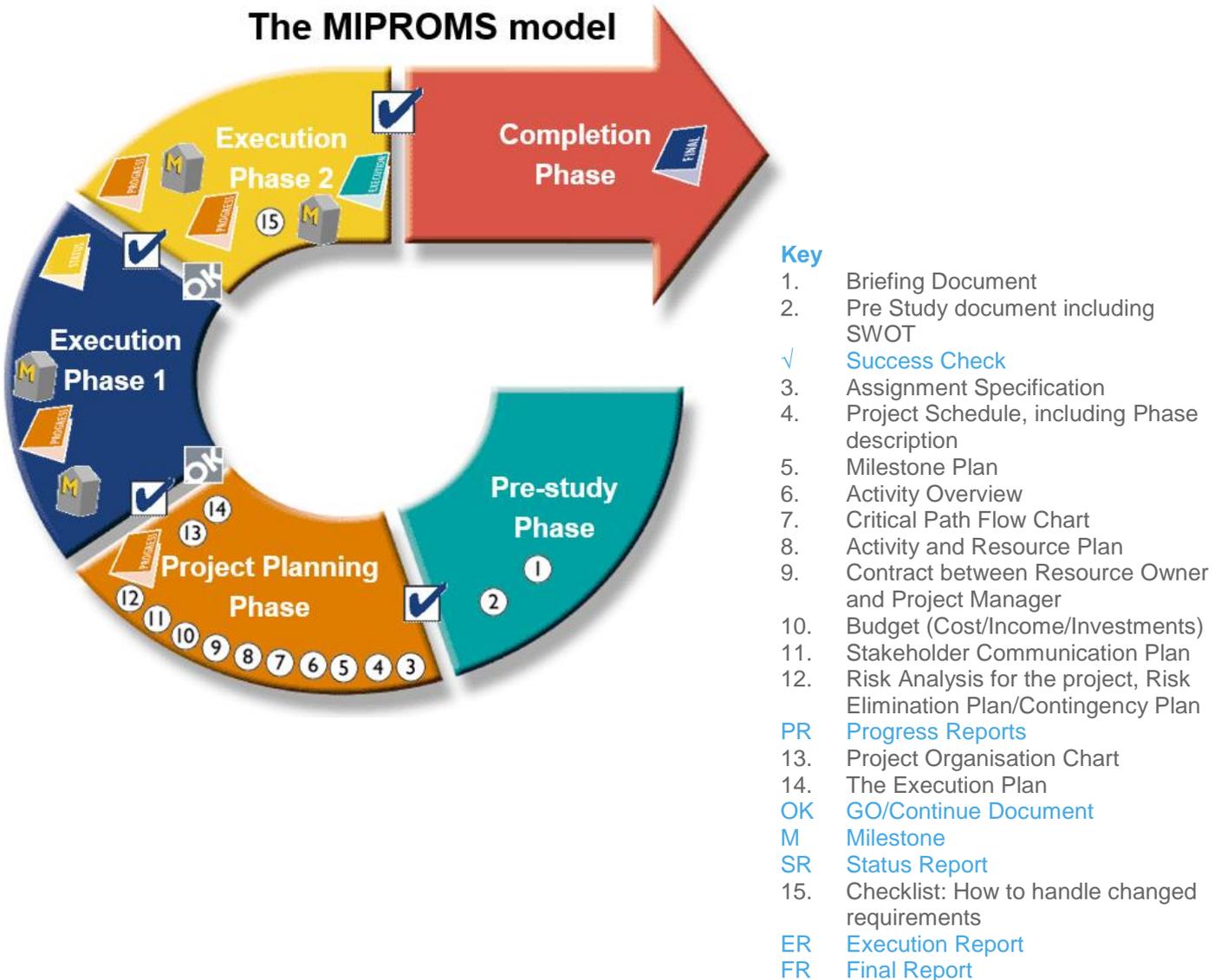
### 2<sup>nd</sup>, take a look at the best practices and processes in selecting the projects – what unified tools do You use?

3<sup>rd</sup>, if there are no agreed common ways of Managing Projects, it might mean that the profitability of your business can be improved by making Project Management more unified and effective. This is when You could do something about it.

4<sup>th</sup>, Mercuri International can help Your organization in creating a scalable version of Project Management System and implementing it into practice by training the necessary skills in managing and taking part in the Projects. We do this by the means coaching, class room training complemented with necessary e-learning modules.

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The essential tools in Mercuri International Project Management System



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