

## **Right Sizing Project Management for Closely Held Companies**

Project Management which in the past was a seat of the pants affair “has become a thing” over the last 15 years, to use the language of my college age daughter. There is now a 400 page book called the Project Management Body of Knowledge or PMBOK that documents in great detail the current status of project management theory and practice. The Project Management Institute issues a certification credential called the Project Management Professional (PMP) which requires very rigorous qualifications and process to earn. Project management theory is able to effectively scale up for huge projects, like building a nuclear power plant or designing a new software platform. While the Project Management Body of Knowledge is filled with useful and effective management concepts, the struggle is to right size the structure so that works for small to medium size companies. What follows are my 5 most important project management concepts based on experience managing over 100 strategic projects primarily in closely held companies.

- 1) Planning (Progressive Elaboration)
- 2) Scope Creep (Manage to the Plan)
- 3) Gold Plating
- 4) Risk Management
- 5) Lessons Learned

This white paper is the first in a series and deals with the most important concept for successful project management and that is planning. In my experience most projects in smaller organizations enter the implementation phase before a first draft of a plan is even complete, leading to planning and execution occurring simultaneously. Many times the plan never is completed. Here are suggested steps to help avoid this common pitfall.

- 1) Identify a Strategic Project that would help your company move forward.
- 2) Identify several people in your organization that have skills and experience necessary for successfully completing the project and form them into a preliminary project team (Maybe 4 or 5 members, not more than 9).
- 3) Have the team complete the research and data collection necessary to create a draft plan.
- 4) Let the plan sit for a short period of time, then have the team fully review of the plan again seeking to refine it. It is also a good idea to have several others not on the team review the plan and provide feedback.
- 5) Present the plan to senior management for review. Answering their questions from senior management may lead to additional revisions.

By the time the third draft plan is complete the team should have a pretty good working budget and well defined scope for the project. The way the plan changes from one planning draft to another or during implementation in project management theory is called progressive elaboration. As activity on a project progresses new information is discovered that can change underlying assumptions and lead to plan revisions. No matter how good your planning process you won't be able to anticipate everything, the plan will require revision. The key is to front load as much progressive elaboration as possible

during the planning phase of the project. This does two things. It helps you avoid expensive changes during the implementation phase and it provides you with a clearer picture on which to base the decision whether to commit to the project.