DEPARTMENT FOR BUSINESS
ENTERPRISE & REGULATORY REFORM

GUIDELINES FOR MANAGING PROJECTS

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Contents

Section 0: The Purpose of the Project Management Guidelines

The purpose of these project management guidelines is to help you to organise, plan and control your projects. They are designed to help you to maximise the potential for your projects to succeed by helping you address each element of your project at the right time and to the right level of detail for the size and complexity of your project

What is a successful project?

To be successful a project must:

- deliver the outcomes and benefits required by the organisation, its delivery partners and other stakeholder organisations
- create and implement deliverables that meet agreed requirements
- meet time targets
- stay within financial budgets
- involve all the right people
- make best use of resources in the organisation and elsewhere
- take account of changes in the way the organisation operates
- manage any risks that could jeopardise success
- take into account the needs of staff and other stakeholders who will be impacted by the changes brought about by the project.

Are projects different from the other work?

Projects are different from the normal operation of the organisation in that they:

- have specific objectives to deliver new benefits to, the taxpayer, companies, the general public government the sponsoring organisation, stakeholders and/or delivery partners
- may introduce significant changes to the way the business operates
- create new outputs/deliverables that will enable benefits to be realised
- have a specific, temporary management organisation and governance arrangements set up for the duration of the project
- are susceptible to risks not usually encountered in the day to day operational work of the organisation
- involve a range of stakeholders from different parts of the organisation and beyond
- may use methods and approaches that are new or unfamiliar.

Why use these guidelines?

Unfortunately projects sometimes fail to deliver, for a variety of avoidable reasons, eg:

- failure to take into account the needs and influences of stakeholders;
- failure to communicate and keep the stakeholders informed of developments;
- lack of attention to the impact of project work on the normal business of the organisation
- producing expensive 'Gold plated' solutions when simple workable products would suffice
- failure to identify and deal with the many risks that can affect achievement of project objectives;
- insufficient attention to planning, monitoring and control of the work of the project.

This guidance will help you manage these sorts of avoidable problems. However, it should not be regarded as set of standards to be followed slavishly in all circumstances. On the contrary, there are many decisions you must take about the degree of management rigour you feel is necessary to maximise the chances for success and minimise the likelihood of project failure. This guide will help you make those decisions.

What these guidelines cover – and do not cover

To help you manage your projects the guidance, which can be applied to any type of project in the organisation and its delivery partners, provides:

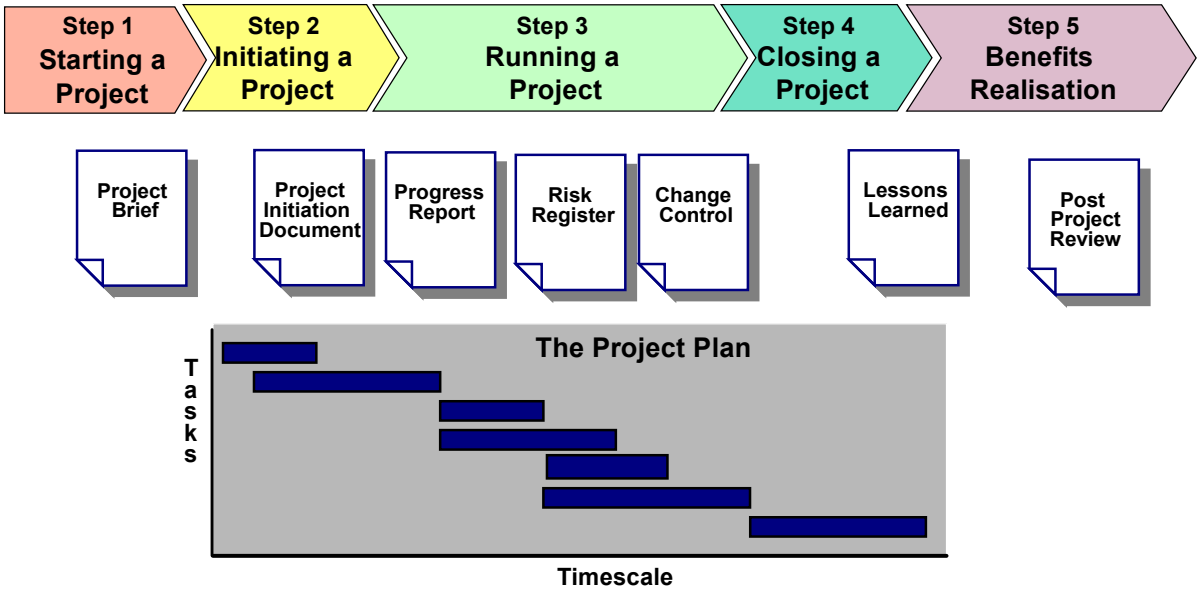
- the 'what, why, who, when and how' of project management activities
- advice on scaling project management projects of different sizes, duration and criticality
- flowcharts and checklists to steer you through key project management tasks
- templates for essential project management documents/forms

The following are not addressed in the guide but are available from a variety of other sources:

- general project management theory
- the details of the PRINCE2 methodology (although the guide is fully consistent with PRINCE2)
- instruction in how to apply generic project management techniques
- the soft skills necessary for effective project management.

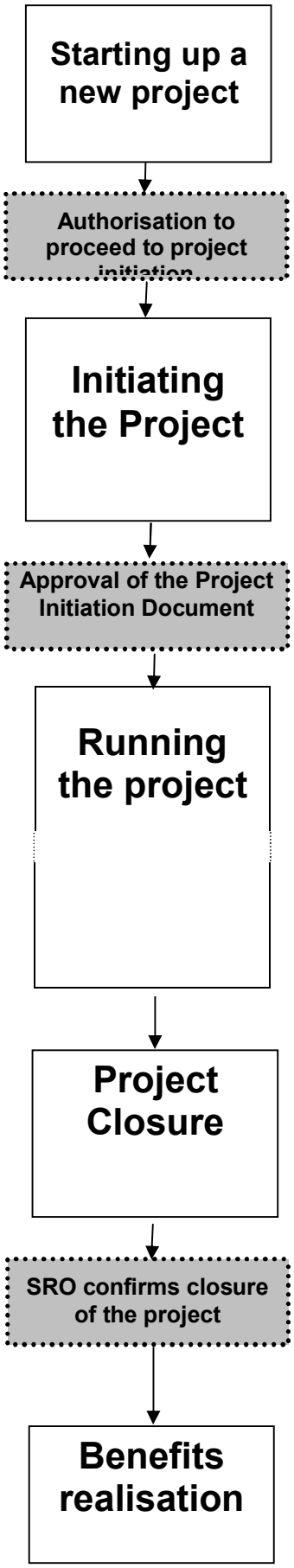
The project lifecycle

In order to manage effectively it helps to understand the typical lifecycle of a project and how it applies to your specific project. You need to decide how the management activities of the lifecycle steps will be achieved, and precisely who will be involved. You must make sure you understand your role in making these things happen in the right way and at the right time. Much of the project management effort across the lifecycle will be driven by the owner/sponsor of the project (known as the Senior Responsible Owner (SRO)), and the Project Manager. To achieve success they will almost certainly need to draw upon the skills and experience of many others from within the organisation, its partners and suppliers.



The BERR Project Lifecycle

While Step 3 - Running a Project is by far the most resource intensive part of the project, it is the care and effort devoted to project start up and initiation that makes the most significant contribution to project success. The following diagram summarises the project management tasks at each step in the lifecycle.



The SRO, or whoever identified the potential project should:

- ❑ Define and justify the need for the project.
- ❑ Specify, quantify and agree desired outcomes and benefits.
- ❑ Appoint a Project Manager and, if appropriate, set up a Project Board.
- ❑ Ensure that the reasons for the project and its terms of reference are defined in a Project Brief
- ❑ Ensure that it is aligned with strategic/business plan

The SRO/Project Board must decide whether it is sensible and viable to proceed into the initiation stage of the project

The project management team should:

- ❑ Plan how to deliver the required outcomes and benefits.
- ❑ Decide how to manage relationships with key stakeholders
- ❑ Decide how to project manage the delivery process.
- ❑ Determine the resource requirements and ensure they can be made available when required.
- ❑ Develop the Business Case to enable the SRO/Project Board to decide whether project is cost and risk justified.
- ❑ Document the understanding of the project and how it will be managed in a Project Initiation Document (PID).

The SRO/Project Board must assess PID (in particular the Business case) to decide whether the project is worthwhile, viable, affordable and appropriate at this time.

The project management team should:

- ❑ Mobilise the staff and other resources needed to build the products and deliverables that will enable the required outcome.
- ❑ Plan, monitor and control the work and resources of the project.
- ❑ Manage risks and issues as they occur.
- ❑ Maintain communication with those impacted by the project and its outcome.
- ❑ Report progress and issues to SRO/Project Board/Stakeholders.
- ❑ Decide ongoing viability in the light of experience and any changes in requirements.
- ❑ Ensure deliverables are fit for purpose and will enable benefits to be realised.

The project management team should:

- ❑ Evaluate the outcome of the project against the PID.
- ❑ Ensure that any lessons learned are shared with those who might benefit from them.
- ❑ Release resources used by the project
- ❑ Review any benefits achieved by the end of the project.

The SRO should close the project and ensure that:

- ❑ Plans exist for a post-project review to measure to what degree the benefits have been achieved in practice.
- ❑ Determine the need for any improvements or modifications.
- ❑ Ensure that the project is handed over to person who will deliver the outcomes
- ❑

The SRO should ensure that:

- ❑ Post project reviews are carried out to measure the degree to which benefits have been achieved
- ❑ The Business Case is updated to reflect operational reality
- ❑ Potential improvements/changes/opportunities identified in the reviews fed into the strategic planning process for consideration.

Programme and Project Governance.

"Governance - the functions, responsibilities, processes and procedures that define how the programme is set up managed and controlled" *(source : OGC Managing Successful Programmes)*

Purpose

All projects involve decision-making and stakeholder relationship management at different points in the project lifecycle and at a variety of different levels. The decision-making element should ensure that a new project does not start or continue unless it is:

- Worthwhile
- Viable
- Affordable
- Good value for money
- Planned and controlled
- Within tolerances for acceptable risk.

Governance provides the framework for such decision-making. The project governance arrangements must be designed during Project Start-up and will usually be a tailored blend of the basic requirements mandated by your organisation and any specific arrangements to meet the needs of a particular project. The tailoring will depend on such things as predicted benefits, cost, urgency, complexity, risk and type/quantity of stakeholders.

What Project Governance involves

Project Governance provides a framework within which to manage and should cover:

- Initial and continuing justification of the project
- Setting up an appropriate management organisation
- Establishing a framework for decision-making (roles, responsibilities, authorities)
- Ensuring sufficiently thorough plans are prepared and updated as necessary
- Implementing a stakeholder management strategy
- Putting in place a quality management strategy
- Setting up and operating a project monitoring and control regime
- Managing uncertainties (threats and opportunities)
- Managing problems and changes

The basic Governance framework is established at project start up and results in a decision being taken whether or not the proposal as documented in the Project Brief should go ahead. This decision is taken by the Senior Responsible Owner (SRO), perhaps supported by other key stakeholders as part of a Project Board, and is the formal start of the project.

Governance arrangements should be reviewed and, if necessary, revised as the project progresses.

Scaling project management to suit your project

Each project must be considered on its own merits when it comes to deciding the degree of rigour required for project management. The factors that will contribute towards your decision on how extensively you will apply these gui delines include:

- Criticality to the work of the organisation and/or its delivery partners
- Value of benefits expected from the project
- Degree of risk
- Likely duration
- Amount of effort required to deliver
- Complexity
- Likely spend
- Multi-disciplinary requirements
- Source of funding
- Degree of impact on different parts of the organisation and beyond
- Requirement to involve external suppliers and partner organisation the project.

Using project management templates

These guidelines are supported by a set of templates and examples to help you at all stages of the project lifecycle. They are provided as separate 'free-standing' documents in a form that you may use and modify as required (ie Word or Excel format).

A list of all available templates is at Appendix A.

The templates and these guidelines will be updated from time to time to improve usability and bring in line with emerging best practice.

Section 1: Starting up a new project

Start-up is triggered when a Senior Responsible Owner (SRO) agrees/decides to take responsibility for a new initiative that might best be run as a project. The trigger may come from business planning, an external driver (eg EU legislation, compliance requirement) or identification of a significant problem that cannot be dealt with as a matter of routine.

At the end of start-up a decision whether or not to move ahead is made. This decision is made in the light of the information gathered during start up and recorded in a Project Brief. In essence, the Project Brief says why the project is needed, what it must achieve and who should be involved. There is no set method for conducting start up , in practice it will depend on the size and complexity of the work and whether, for example, some form of feasibility study has been done.

By the end of project start-up all interested parties should be satisfied that the following aspects of the project are clearly defined and understood:

- The reasons for the project
- Desired benefits and who will realise them
- Scope – what in and what's out
- Objectives – achievable and measurable (SMART)
- Background – why does this project need to be done and why now?
- Constraints that must be taken into consideration during the project
- Assumptions
- Any known risks
- Dependencies on other projects/activities/decisions
- Stakeholders (internal and external)
- Deliverables/outcomes
- Estimated timescale
- Estimates for resources required
- Lessons learned from similar projects and/or from people who done similar projects.

The Project Brief

Purpose:

The Project Brief is an initial view of what the project is to achieve and will identify key elements of the project and steps that will be followed to reach the objectives. It forms the basis of agreement between the Senior Responsible Owner (SRO) and the project manager and team and sanctions moving the project forward so more detailed planning can be undertaken.

How the project brief is used:

At the outset of a project there may be a mandate (often as simple as an email) from a senior manager indicating what is required. Following further discussion and a review of how to achieve the objectives it is useful to record this information in a project brief to ensure buy-in from senior management and stakeholders before significant resources or costs are committed.

Completing the sections of the brief will ensure all key areas of the project have been thought -through and buy-in obtained.

Approval of the Project Brief is the official start of the project where the SRO/members of the Project Board must confirm that they:

- understand and agree the terms of reference of the project
- are willing and able to commit their time to the direction of the project
- are willing to take joint ownership of the project
- are willing to provide the Project Manager with the time and resources needed to plan the project in detail and to produce the Project Initiation Document (PID).

The degree of formality of this control will vary. The members of the Project Board or SRO could use email to give the Project Manager authority to proceed to the Project Initiation stage or, on a large project they might use it as an opportunity to meet (perhaps for the first time all together in the same room) and ensure common understanding and commitment to the project.

Contents:

The Project Brief will cover all the key areas of the project giving details of:

Objectives
Scope
Deliverables
Business Benefits
Assumptions
Constraints
Risks
Other Areas of Business Affected
Major Dependencies
Stakeholders
Resources
Outline estimates of time and cost

Developing a Project Brief to suit the project context

The Project Brief, giving details of what is expect from the project, should be developed early on in the project's life and is produced by the project SRO or by the project manager based on information received from the SRO.

For small projects this will be a very short document often with only a few sentences for each section; larger projects may require more detail to ensure the full scope and complexity of the project can be understood and recorded.

For further guidance on the contents for each section please refer to the downloadable template.

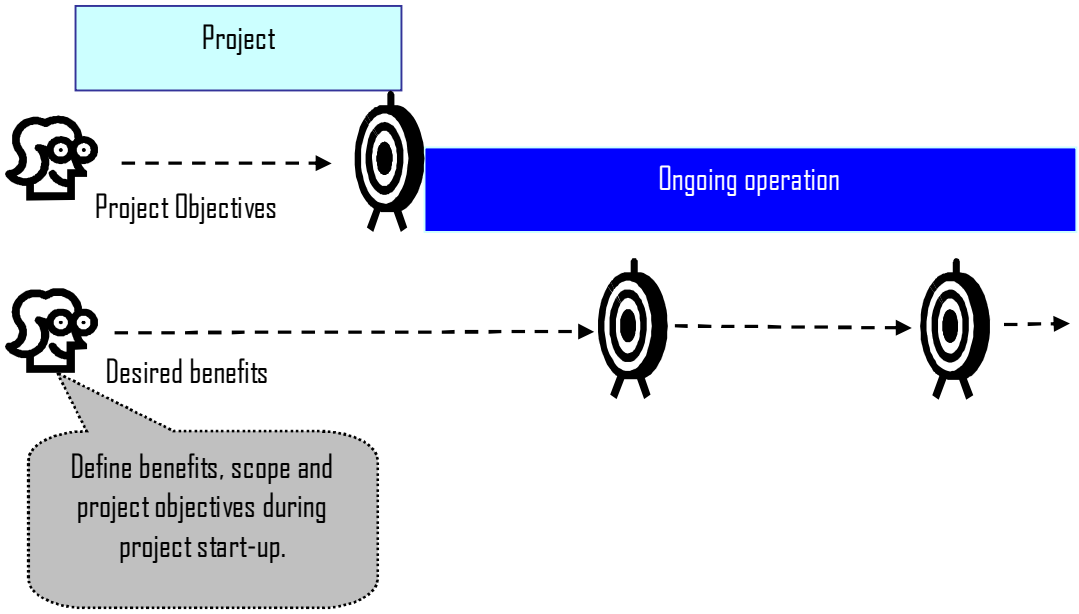
If the project will be short duration, well-defined and it is absolutely certain that it must proceed then it might be appropriate to move straight on to production of the Project Initiation Document (see Step 2: Initiating the Project) after a short, sharp start-up phase but without the intermediate step of the Project Brief.

Defining project scope and objectives

The relationship between a project's benefits, scope and objectives

Project objectives, scope and desired benefits must all be addressed when starting up a project, and should be recorded in the Project Brief, and subsequently refined in the Project Initiation Document (PID) during detailed project definition and planning.

It is sometimes difficult to avoid some degree of overlap between what is defined in the scope, objectives and benefits – just try to minimise the repetition while ensuring you retain the consistency, clarity and measurability of what you define. The figure below may help you gain an understanding of the relationship between a project's objectives and the benefits arising from that project. The scope of the project must be defined such that the objectives can be achieved and that realisation of the desired benefits is enabled within the scope as defined. In this way they provide a useful crosscheck against each other.



Relationship between project objectives and benefits

What is meant by the 'Scope' of a project?

By defining a project's scope you are trying to do a number of things:

- ensure that the boundary between this project and other projects and programmes is clearly understood and prevents gaps or overlaps in all the work that is necessary to achieve higher-level objectives.
- ensure that the work that the project must do, and what it is specifically excluded from doing, are defined and agreed by interested parties.
- create a baseline for subsequent change control so that the damaging effects of 'Scope creep' can be minimised.

When defining a project's scope there is usually no need to re-iterate the objectives or benefits.

Sometimes it is possible to express the scope as a list of deliverables, perhaps with some covering statements of the sort shown below.

Project A:

In scope:
Identification of areas of potential efficiency gains and production of a prioritised action plan.
Out of scope:
Implementation of the action plan.

Project B:

In scope:
Implementation the agreed elements of the XYZ efficiency action plan
Specification of required Information systems enhancements
***Out of scope**:*
Changes to Information systems which will be carried out as part of project Z

Project C:

In scope:
Changes to existing legislation to meet EU requirement X.
Out of scope:
Changes in Scotland or Northern Ireland

Project D:

In scope:
Changes to staff conditions of service for purpose P.
***Out of scope**:*
Staff that joined before date dd/mm/yy.

You will find that spending time discussing and agreeing the scope with stakeholders during Project Start-up is a useful way of managing the expectations of those who find it difficult to distinguish between the 'Must have' elements of a project and the 'Nice to haves'. A Project Start-up Workshop is an effective way to achieve this.

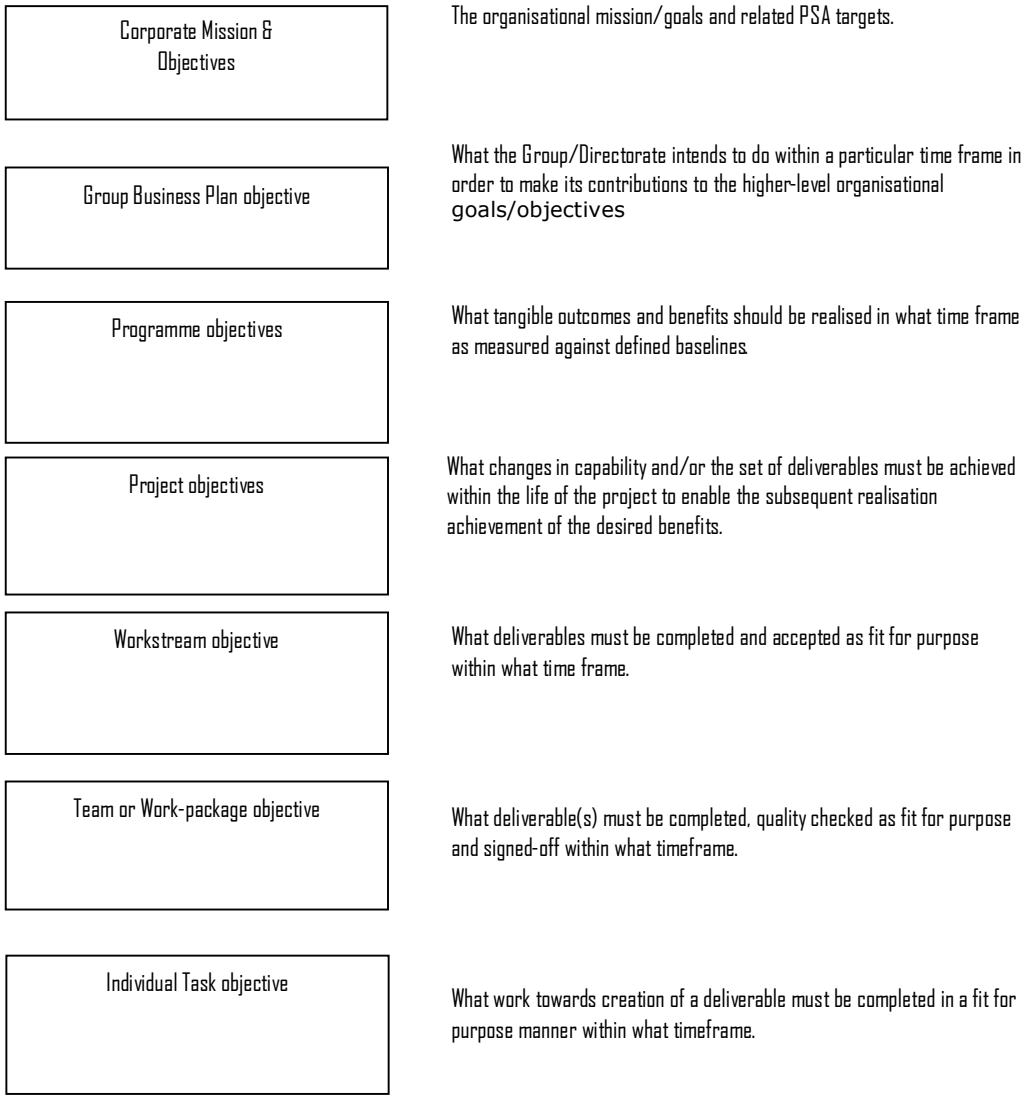
Setting SMART project objectives

The setting of objectives is a useful tool for management at all levels in an organisation. It enables interested parties/stakeholders to agree at the start of a piece of work:

- What they are trying to achieve
- What must be done for the work to be complete
- How they will know that the work has been successful
- By when the work must be completed

Objectives will be set at different levels with increasing levels of detail and measurability as you go from high-level mission statements down to a task level objective for an individual working as part of a project team. Example levels are shown in fig 1 below. You may identify other areas where objective setting is useful or it might be that some levels aren't appropriate to your project: eg not all projects are part of programmes and not all projects are divided into workstreams.

Possible hierarchy of objectives



How to define SMART project objectives.

Project objectives define what a project must achieve for it to be judged to be complete and successful and hence able to be closed. Benefits on the other hand may only just be starting to appear at the end of a project and may continue to

be realised long after the project has finished. (NB If there are specific, measurable benefits that must be achieved within the life of the project they may be expressed as objectives as well as appearing in the project's Business Case).

A well defined and agreed (set of) objective(s) is a necessary pre-cursor to detailed project planning. For the objectives to be useful as an aid to project management they must be:

- **Specific** to the project, and within the project. For example the objective: '*To improve the efficiency of our interactions with customers*.' is too vague. It is really a goal shared by a number of programmes, projects and business as usual activities. On the other hand '*To reduce the average turnaround times for enquiries from customers on subject X*' is a much clearer indication of what the project must do. However it is not yet very measurable.

- **Measurable.** You need to define in as measurable and subjective terms as possible what must be achieved. Measurability will depend on the nature of the objective and may be in terms of such things as performance, cost, effort, % change, amount of time, deliverables, quality levels, numbers of events, agreements, approvals, commencement or termination of something, numbers of people/organisations, a benefit to be achieved within the life of the project etc. The example above might be made measurable by saying '*To reduce the average turnaround times by 30% from the 2006 figure*.' When setting a measurable target you must ensure that it is achievable.

- **Achievable.** It must be possible to achieve the objective in practical terms and also within whatever time target has been set (see Time bound below). You might need to consider constraints of technology, people and processes when assessing achievability. Other things that influence achievability include: the time needed to perform consultations, common commencement dates and the requirements of OJEU procurement process. You should be realistic without being too conservative - project objectives will often be challenging. Objectives must also be relevant to the bigger picture of the environment within which the project is running. Sometimes it is only as a result of detailed planning that it becomes clear that an objective is not achievable. If this happens during production of the Project Initiation Document then agreement must be reached on the revised objective. After the PID has been approved, change control must be applied so that the impact of any changes to a project's objectives are carefully assessed and managed.

- **Relevant.** Is the objective consistent with, and does it contribute towards, the goal/objective at the next level up (Programme, Departmental, PSA)? Make sure the project, or some part of it is not just there because of a whim or has been influenced by an agenda that is not aligned with the organisation's core purpose.

- **Time Bound (and, perhaps Trackable).** It is useful to have a target date by which each objective should be achieved. Sometimes there will be one date that applies to most or all objectives. In other cases each project objective may require its own time frame. Setting interim time targets may also be useful for certain types of objective. This will make the objective trackable so that you can measure whether or not you are on course to achieve it and hence can take early action if not. The following example is both time bound and trackable:

  > *'To reduce the average turnaround times to satisfy enquiries from customers on subject X by 20% from the 2005 figure by date d1/m1/y1, and by a further 10% by d2/m2/y2.'*

The SMART criteria described above should be used to check that your objectives are sufficiently rigorous. Non-SMART objectives can lead to one or more of the following:

- Insufficient information available to enable production of detailed plans as it is not clear what the project must achieve.
- Wasted effort producing multiple plans to cater for the range of possibilities allowed for in vague objectives.

- Shortage of project resources as the availability of people, skills, £, things is driven by supply rather than planned requirement.
- Project deliverables and outcomes rejected – 'That's not right! What I really need is....'
- Needs of external stakeholders and other interested parties not met leading to dissatisfaction and damage to reputations.

If you find it difficult or impossible to define your objectives in SMART terms, or it is difficult to gain agreement on them then you must be aware of the risk this poses and hence the additional effort the SRO and Project Manager must devote to controlling the project and to managing the expectations of stakeholders.

Defining the Benefits

The benefits anticipated as a result of the project should be identified and defined in as measurable terms as possible and agreed with those who will have responsibility for realising them after the project. The desired benefits should be identified by discussions with the SRO and project stakeholders during project start up. Then, when producing the Business Case during Project Initiation, the benefits should be specified in terms of quantified targets and timing of realisation in conjunction with production of the project plan.

Types of Benefit

Some benefits will be tangible, quantifiable and achievable as a direct result of the project:

- compliance with new legislation
- avoiding expenditure or reducing costs
- reducing the number of mistakes made when handling casework
- reducing the amount of effort required to follow up mistakes and complaints

Other benefits may be more difficult to quantify:

- those resulting from modernising the working environment and conditions for staff
- improving the quality of decision making

You might also identify 'soft' benefits – difficult to quantify and measure:

- increasing staff morale
- improving the image of the organisation.

Here are some examples of quantified and measurable benefits:

Benefit	**Quantified measures**
To ***comply*** with new legislation	Sign-off by compliance authority Avoided fines
To provide a ***more efficient and effective*** operation	No of 'cases' handled per day Staff cost per 'case'
To provide a ***better*** service to the public	Response time for enquiries Time to obtain required information

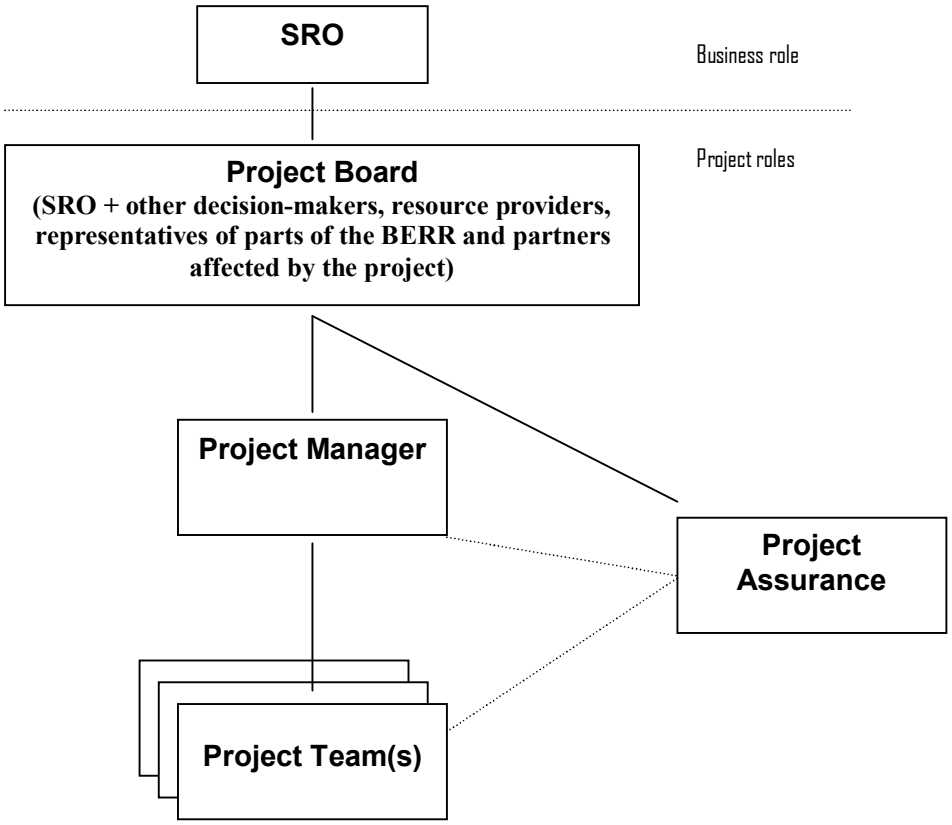
	Avoided compensation costs
To ***avoid or reduce*** future costs	Estimates of capital costs Estimates for running costs
To ***modernise*** the working environment and conditions for staff	Benchmark against standards and guidelines for public service work environments.
To ***improve*** communication within and beyond the organisation	Speed and cost of communication. Communication channels. Types of information that can be communicated. Ability to gain access remotely.
To ***reduce*** the amount of effort required to follow up mistakes and complaints	Staff Effort Avoided costs (fines?)
To ***improve the quality*** of information and decision making	Speed of access to information Methods of presenting information Completeness, Timeliness, Conciseness, Relevance, Accuracy, Precision, Etc
To ***take advantage*** of new technology	Operational gains and cost savings resulting from each specific business function made available via such things as ICT Systems, internet, intranet, mobile comms
to ***enable other initiatives*** to deliver benefits to the organisation	Reference to the other projects that will deliver benefits.
to ***increase*** the morale and motivation of staff	Staff turnover, number of errors, number of customer complaints, sickness levels, recruitment costs

For each required benefit there may be a number of measures that will give you the opportunity to set targets for the project.

Designing the Project Organisation

Every project must have its own management structure defined at the start and dismantled at the end. The definition of the management roles, responsibilities, relationships and accountabilities and authorities provides the basis of the governance arrangements for the project. Note that it is unlikely that an existing line management structure will be sufficient or appropriate to use as a project management organisation, except perhaps where a small task is being run within a single business unit with no external impact.

The following organisation structure, which is based on the PRINCE2 ® model, should be used as start point for organisational design.



A well-designed organisation will involve the right people with the right skills and the right levels of authority so that, once approved, the project may proceed with minimal requirements to refer outside the project organisation other than to deal with exception situations outside authority of the project's Senior Responsible Owner.
There is not a 'one-size fits all' model for the project organisation; you must design it to suit such things as a project's:

- Criticality to the business
- Size/complexity
- Degree of impact within the parent body
- Degree of impact on external bodies (OGDs, Private Sector)
- Cost £

- Staff resources required
- Types/levels of interested parties

Designing the structure and getting people to agree to take on roles takes time and may require many discussions/negotiations with management at appropriately senior levels.

The key roles

Senior Responsible Owner (SRO) (in certain circumstances/environments known as Project Sponsor or Programme Director).

The SRO is the project's owner and champion and is ultimately accountable for delivery of the project and so must:

- provide leadership and direction to other members of the Project Board and to the Project Manager
- ensure that all key stakeholders are committed to the project and adequately represented in the project's organisation structure
- ensure that budget holders and resource owners are committed to the project and that the necessary funds and other resources are made available when required
- ensure that project governance arrangements of appropriate rigour are put in place
- brief senior stakeholders on the current and forecast status of the project
- receive, consider and act on regular frequent reports/briefings from the Project Manager
- chair meetings of the Project Board
- ensure that all members of the Project Board understand their roles the commitments they must make in order that the required outcomes/benefits from the project are achieved
- ensure that the Project Manager is empowered to lead the project on a day to day basis
- ensure that the Project Manager is aware of the limits of her/his authority and understands that issues outside those limits must be escalated to the SRO at the earliest opportunity.
- negotiate with senior stakeholders to broker solutions to project issues that are outside the level of authority of the Project Manager
- decide how responsibility for SRO's Project Assurance will be met, eg by delegation to a suitably skilled individual.

As you can see, the SRO is not just a figurehead, it is an active role as a key member of the project management team.

If the project involves a number of organisations working together and/or has a cross cutting impact, it may require more than one person to be the decision-making authority. If this is the case, you may wish to set up a Project Board with the SRO as Chair.

The Project Board

The Project Board should include:

- the Senior Responsible Owner(SRO) representing the 'business' interests of the sponsoring organisation as a whole (the Executive role in PRINCE2)

- senior representative(s) from areas that will be impacted by the outcome and must adopt changes (Senior User role);
- senior representative(s) from the organisation(s) that will design, build and implement the solution to meet the business need, (Senior Supplier role).

The Project Board must jointly:

- create an environment where the project can succeed in delivering the changes necessary for the benefits to be realised
- set the direction for the project and to approve key milestones
- approve the Project Initiation Document
- ensure the appropriate resources required by the projects within the project are made available in accordance with the latest agreed version of the Project Plan
- take decisions as necessary throughout the life of the project
- give the Project Manager the authority to lead the project on a day to day basis.

Members of the Project Board should decide how they will assure themselves that the integrity of those aspects of the project for which they are accountable is being maintained. This may involve appointing suitable skilled individual(s) to Project Assurance roles.

Project Assurance

The SRO and other Project Board members must assure themselves that the project for which they are accountable is properly planned, organised and controlled.

They may decide to delegate Project Assurance responsibility to one or more people. This will relieve them of the burden of reviewing the fine detail of such things as the project plans, progress reports and quality controls.

The Project Assurance role requires close liaison with the Project Manager (and perhaps with Team Managers/Leaders) to obtain the information necessary to assess the status of the project and hence gain assurance that it is properly organised, planned and controlled.

The Project Assurance role would usually be a part-time role to:

- brief the relevant members of the Project Board at regular intervals and/or key milestones in order to support their project direction and decision-making responsibilities.
- ensure that good project management practice is being followed, to identify any perceived weaknesses and suggest improvements.
- review and advise on the integrity of the Business Case at Project Initiation and subsequently whenever it is updated for SRO/ Project Board approval
- review and advise on the integrity of the Project Initiation Document, Project Plan and Stage plans (integrity meaning such things as completeness, level of detail, quantity/quality of resources, achievability of the schedule, amount of contingency, approach to risk management).
- assess the project's progress towards delivery of the required outcome and business benefits (this might include attendance at selected project team meetings).

- assess whether communications with XXXXXXX users are appropriate and effective and that user interests are being taken into account by the project team.
- help identify and communicate potentials/actual problems in good time for them to be resolved before they damage the integrity of the project.
- advise on the impact of any requests for change that may be raised for consideration by the Project Board.
- contribute to the Lessons Learned Review at project closure.

Project Manager

The Project Manager will be responsible on behalf of the SRO for day to day execution of the project plan and for dealing with issues that might affect achievement of the plan. The Project Manager must:

- prepare the Project Initiation Document
- submit the PID to the Project Board for approval
- submit any revised versions of the Project Plan and Business Case to the Project Board for approval
- monitor progress of the project and identify and take action to deal with any potential/actual exceptions that might jeopardise achievement of the project's objectives,
- maintain a Risk Register/Log and actively manage risks using resources and approaches within limits of delegated authority
- escalate to the Project Board recommendations for risk mitigations actions outside the scope of delegated authority limits
- report progress to, and take advice from, the SRO at regular intervals as agreed between SRO and Project Manager during Project Initiation
- manage stakeholder relationships and communications (in accordance with an agreed Communications Plan);
- liaise with any nominated Project Assurance staff throughout the project.

Step 2: Initiating the Project

Project Initiation is where you create a sound baseline for management of a project by taking current understandi ng of the 'what' and 'why', as documented in the Project Brief, and extending it to include a detailed definition of 'how', 'when', and by 'whom' in a Project Initiation Document.

Project Initiation Document (PID)

Purpose of the PID

The purpose of the PID is to provide the information required by senior management and stakeholders to enable them to commit to the resources and timelines proposed. It is a sort of 'contract' between the Project Manager and SRO/Project Board that defines how the project will be run.

The PID provides a detailed proposition against which success can be measured. To do this the PID builds on the approved Project Brief by defining in detail how the project will be developed and when it will be delivered. It provides a more detailed understanding of the costs and benefits of the project and, in particular, the resources, risks and timelines required for successful delivery.

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How the Project Initiation Document (PID)is used

The PID is presented to the SRO/Project Board so that the views of key stakeholders can be considered. This is an essential stage in the process to ensure engagement and buy -in from all interested parties to the proposed outcomes. Acceptance of the PID is the start of the next stage of the project where t eams are pulled together to execute the project over the agreed timeline under the accountability of the SRO.
It is possible that the detailed analysis undertaken for the PID will uncover increased costs or risks such that the project is cancelled. This is a strength of the staged project process as it avoids significant resources being expended on the wrong project.

Developing the Project Initiation Document

The Project Initiation Document is all about explaining how the project will be delivered and ma naged. It will update the Project Brief on all aspects of the project, but specifically it should provide the following

- Accountabilities, roles and responsibilities of each of the project team, including part time members (who will do what)
- An activity plan (eg: a Gantt Chart) on when each deliverable should be completed (who will do what, and when they will do it by). This will include dependencies and milestones

- An updated assessment of Risks, including their probability and impact, as well as some mitigation plans and contingency arrangements
- Updated Cost/Benefit analysis, in particular a detailed resource and timing plan (resources and timing often have a direct impact on each other)
- Governance plan that details how the project will be monitored and controlled in terms of decision points, reports and reporting cycles, including whether updates will be on an exception or ongoing basis.
- Communications Plan that will start to determine how the project will be communicated to the different audiences, including the press

For further guidance on the contents for each section please refer to the downloadable template.

When defining a new project it is often worth running a **Project Planning Workshop** with representatives from affected parts of organisation (and partner organisations, if appropriate). This speeds up the process and ensures that all interested parties meet early in the life of the project and agree what the project is intended to achieve and, in broad terms, how it will be achieved. The questions above can be used as the agenda for the workshop. Projectcentre can advise on the use of project Planning Workshops and can help you set one up and will facilitate the event if required.

The PID must document the project management organisation and the stakeholders with an interest in the project's outcome. The following guidance will help you do this. An example organisation structure is shown below.

The Project Manager must identify and gain commitment from appropriate individuals to participate in project management roles. If any individual appointed to a project role lacks experience of working in a project environment the project manager should brief them and manage their expectations to make sure they fully understand the nature of the commitments they are making in terms of:

- the time and effort they must devote to the project;
- the sort of decisions they must take;
- the type of resources they must commit to the project;
- the people and organisations they will need to communicate with;
- the sort of risks they will need to consider;
- their role in delivering benefits after the project has completed its work.

The Business Case

Purpose

The business case documents the justification for the undertaking of a project, based on the costs of development and the anticipated benefits to be gained. It provides an initial appraisal of the different options available, drives the decision making processes, and is used continuously to align the project's progress to the achievement business objectives.

The initial Business Case is used to secure full senior management and stakeholder commitment at the end of Project Initiation. It is subsequently updated and used to assess the ongoing viability of the project and take decisions affecting the future of the project. After project closure the SRO will require the Business Case to compare desired benefits with those actual achieved during the benefits realisation phase.

The business case should demonstrate that the proposed solution:

- Meets the business need
- Is affordable and likely to achieve value for money
- Is feasible and achievable in the time allowed
- Has been chosen after exploring an appropriate options (including the 'Do Nothing' option) and their associated benefits, costs and risks
- Is clear as to what will define a successful outcome
- Consistent with high level strategy
- Has identified benefits and is clear as to how they will be realised
- Is it clear how the necessary funding will be put in place

Developing a Business Case to suit the project context - minimum requirements

As a minimum the business case should provide an overview of the project, its scope and objectives, the strategic business fit, options appraisal, affordability and achievability. For less complex projects this might be just a heading in the PID, but many projects should have a more detailed 'free standing' business case. The level of detail will depend on the complexity and size of the project, its scope, drivers, scale, amount of expenditure, risks and number of stakeholders etc.

At the project start up phase, outline business cases for potential projects should be used in the strategic planning process to help decide which projects offer best value for money and will best achieve strategic priorities.

At this stage the business case should contain enough information to enable the SRO/project board to decide whether the project is viable, affordable and worth considering in more detail. It should explain the business need and why the project needs to be done now, fit to the organisation's overall strategy, key benefits, the critical success factors and how they can be measured. Project objectives, scope, risks and outline estimates of time and costs should also be outlined. For larger projects and those requiring significant financial commitment you may also wish to include a high level cost benefit analysis of the different options .

Using the Business Case

- **During the project:** The business case should be updated to reflect actual costs incurred and any changes to forecast costs and benefits. This information can be used by the SRO/Project Board to assess whether the project remains viable and to take decisions accordingly.
- **At project closure:** The updated business case should be handed over to whoever is going to take long term responsibility for delivering the benefits. (SRO by default)
- **Benefits realisation stage:** The business case will be used as the baseline against which to measure achievement of the actual benefits and to inform any resulting decision-making. A Benefits Realisation Plan produced by the end during of the project should be used to establish what each benefit should be, the units it should be measured in, the optimum timing for measurement, the method of measurement and responsibilities for realisation and measurement.

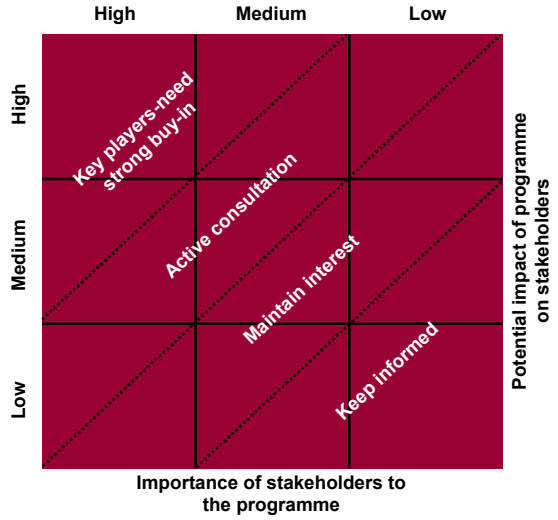
Stakeholder analysis and management

The Stakeholder Management Process

In order to manage stakeholder relationships you must:

1. Identify the stakeholders
2. Analyse their attitudes to, and potential need for involvement in, the project. You find it useful to summarise this with a Stakeholder Power/Impact Matrix (see below).
3. Establish your stakeholder management strategy to ensure a consistent, appropriate and cost-effective approach is adopted across the project (perhaps formalised as a S takeholder Management Strategy).
4. Identify potential approaches to engage, manage relationships and communicate (both ways) with each stakeholder.
5. Select the approaches that are likely to be effective cost-effective proportionate and affordable (perhaps formalised as a Communications Plan – see below), and build them in to the Project Plan as appropriately resourced and scheduled activities.
6. Execute the plan, monitor its effectiveness and revise as necessary.

Stakeholder Power/Impact Matrix



Analysing the Stakeholders

For each stakeholder consider

- What is their interest in the project?
- How important are they to the project?

Will you be changing such things as:

- the way they work (eg new processes, information or technology)?
- their attitudes (eg to customers, suppliers, employers, the public)?
- the speed/productivity of their work?
- the people they work with and/or communicate with?
- their level of accountability/responsibility/authority?
- the timing of events in their working day, or its duration?
- the working environment or the location(s) of their work?
- which aspects of the project might they wish to/try to influence in some way?
- how much power do they possess to influence the project in some way? (The Power/Impact matrix may help clarify this analysis)
- are they mostly for or against the project?

Will they be involved in:

- Setting/reviewing the strategy direction that triggered the programme/project?
- Acting as a 'Champion' or 'Ambassador' for the project or for the change it will bring about?
- Specifying the project's outcome, benefits, scope, objectives and priorities?
- Specifying project products/deliverables?
- Changing the way their organisation operates in order to cater for the outcome of the project?
- Using project deliverables after the project?
- Supporting and/or maintaining project deliverables after the project?
- Providing specialist skills for the project (eg law, IT, policy, project management)?
- Providing non-human resources (eg £, accommodation, equipment, facilities)?
- Providing information/opinions/advice?
- Taking decisions affecting the direction of the project (eg Change requests)?
- Quality checking the projects deliverables/outputs?

Make sure you establish:

- Who is the key day-to-day contact from within the stakeholder organisation, and who in the project will be responsible for managing the relationship with them?
- Who from within the stakeholder organisation will be the person to whom to escalate issues that can't be dealt with day-to-day level. Who in the project will be responsible for such escalation?
- Is it clear which aspects of the project are of most interest to a particular stakeholder? (A Stakeholder Interest Map that relates stakeholders to the aspects of the project that are likely to be of most interes t may help clarify this analysis)

Decide how best to involve them:

- Should they be actively involved in directing the project (eg as Senior Responsible Owner, Project Board/Steering Group member)?
- Should they be involved as a member of the project team doing specialist work to create the deliverables?
- Should they be involved in Quality Assurance/Quality Control activities?
- Should you form a "Stakeholder Interest Group" to keep them informed and canvass their opinions?
- Keep them informed on a regular, formal basis?
- Send them information on an ad hoc basis as events occur?
- Make them aware of where information about the project can be obtained should they require it (eg from internet, intranet, document repository)?

Planning the project

Without careful planning it is likely that your project will fail to achieve its objectives. In a small project it is possible that one plan may be used to define the entire scope of work and all the resources needed to carry out that work. For larger projects, planning will be carried out at different levels of detail at different times. In all types and sizes of project you must be prepared to re-plan in the light of experience.

Remember that plans are essential for ongoing project control and must be used and kept up to date right through the life of the project.

The contents of the project plan

The Project Plan, the first version of which will form part of the PID, will typically contain the following:

- Plan Description (a brief narrative description of the plan's purpose and what it covers)
- Pre-requisites (things that must be in place for the plan to succeed)
- External dependencies (eg commitments required from outside agencies)
- Planning Assumptions (eg availability of resources)
- Gantt/Bar chart showing Stages and/or Activities
- Financial budget – planed expenditure
- Resource requirements (e.g. in a table produced using a spreadsheet or project planning tool)
- Requested/assigned specific resources

The steps in planning

Planning should be carried out in the order shown but bear in mind that iteration around some or all of the steps will be necessary for all but the simplest of plans.

- Make sure you understand the project's desired outcome, scope, objectives, constraints , assumptions and the purpose and level of detail of the plan you must produce.
- Define the deliverables to be created as a result of the plan.
- Specify the activities necessary to develop the deliverables.
- Put the activities in a logical sequence taking into account interdependencies.
- Estimate resource requirements (people, skills, effort, money and other things that will be needed to carry out each activity).
- Estimate the timescale for each activity (eg elapsed duration).
- Schedule the work from the target start date onwards.
- Define project management progress controls and decision points.
- Identify and deal with risks and uncertainties.
- Document the plan.
- Gain approval to proceed with the plan.

The detailed checklist below will help you through these steps.

Planning checklist

This checklist may be used when planning an entire project, a phase/stage within a project, an activity within a stage/phase or a task that contributes towards completion of an activity. You might also find it useful if you are applying project management techniques to help you manage n on-project work.

(a) Confirm scope and purpose of the plan

- ❑ Are you clear about the purpose of the plan? (eg: to gain commitment and approval for a project/stage, for day to day management and control, to establish feasibility or viability, to define contingency arrangements)
- ❑ Do you understand the objectives to be met by the plan?
- ❑ Is it clear what is within the scope of the piece of work you are planning?
- ❑ Are there any constraints (eg resource availability, mandated delivery dates)?
- ❑ Do you understand the high-level structure of the plan (e.g. for a procurement stage it might be: Specify requirements: Invite tenders: Evaluate tenders: Award contract)?
- ❑ Are there any assumptions you must make in order to construct the plan?

(b) Define the deliverables

- ❑ Identify the final, and any interim, deliverables required from the project
- ❑ Specify for each deliverable:
  - What it must contain/cover
  - Who will be responsible for its development
  - What it is dependant on (eg information, resources)
  - The required quality characteristics that must be built in to it
  - The types of quality checks to be applied
  - The skills, resources, individuals needed to develop the deliverable and to apply the quality checks
- ❑ Establish the logical order for development of the deliverables (what must be developed in sequence, what can be done in parallel).

(c) Identify and estimate activities:

- ❑ Consider need to involve experts who will understand the detail of the development processes (eg Policy, Lawyers, IT staff, Procurement specialists)
- ❑ Identify all the activities necessary to develop each deliverable
- ❑ Identify all the activities necessary to quality control each deliverable
- ❑ Agree the order in which activities must be carried out
- ❑ Include activities that take into account the interest of stakeholders who will use, operate and maintain the deliverables from the project
- ❑ Break down 'large' activities that are difficult to estimate into sets of smaller activities of a size you can estimate resource requirements and durations with confidence
- ❑ Identify the skill types required to carry out each activity
- ❑ Estimate the amount of effort and optimum numbers of individuals
- ❑ Identify and estimate any non-human resources and services required
- ❑ If required, calculate the estimated cost to develop each deliverable/produc t
- ❑ Calculate the overall cost for all activities
- ❑ Make sure you use appropriate units taking into account staff availability

  e.g. 3 x policy staff each required to commit 10 days of effort for an activity and able to work on the project for 25% of their time:

  total effort = 30 person days,

minimum elapsed time = 40 working days = 8 working weeks.

- Make sure you have made appropriate allowances for such things as:
  - Formal consultations
  - Turnaround times for ministerial submissions
  - 'dead time' (e.g. elapsed time while 'external' agencies review proposals, consider recommendations, provide responses, make decisions)
  - supplier lead times
  - a realistic working week (i.e. over an extended period you will not achieve 5 days of effort per individual per working week. - a figure of 4 to 4.5 working days per week allows for 'non productive' activities such as attending training courses, sick leave, holidays, job appraisal and non project meetings)
  - participation in progress meetings and quality control activities?

(d) Schedule the work and resources

- Has your scheduling of activities been based on a realistic start date and does it allow for weekends, Bank Holidays and other non-working days?
- Will the resources/skills be available in sufficient quantities when you need them?
- Are there any internal and/or external stakeholder tasks/events that coincide with the project and will limit the availability of resources?
- Are any individuals scheduled to work on other projects when you need them?
- Will any individuals or skill/types be overloaded with project work at any time?
- Have you adjusted the timing and allocation of work to spread the load evenly?
- Can you meet your time constraints/target delivery dates?
- Do you need to include recruitment, procurement, training or induction activities?

(e) Identify risks and design controls:

- Is it clear when theSRO/ Project Board must review viability and take decisions?
- Would it be sensible to break your project down into a series of separately planned stages to minimise risk and enable SRO/ project Board control?
- Have you identified key milestones? (eg deliverable sign-offs)
- Does the plan identify formal quality controls and audit activities?
- Have you identified any risks that may prevent you executing the plan and delivering:
  - to the required specification and ability to deliver benefits?
  - on time?
  - within budget?
  - without damaging the organisation's reputation?
- Are you confident partner organisations and/or external suppliers will meet their commitments in accordance with the plan?
- Does your plan allow contingency (time and effort) to allow for the fact that you will identify the need for new unplanned activities when you execute the plan?
- Does the amount of contingency you have allowed reflect the degree of uncertainty you have about t he accuracy of your estimates for effort, costs, timescales?
- Can you forecast any events in the business year which coincide with important activities in your plan (eg recess, audits, end of year reporting?
- Have all resource 'owners' committed to the plan?

(f) Document and gain approval for the plan

- ❑ Is the plan to a form that will be understood by its audience?
- ❑ Does the version of a plan for the SRO/Project Board include, as a minimum:
  - Narrative describing the purpose, author(s), current status, assumptions, constraints, pre-requisites, recommendations and next actions required.
  - Definition of deliverables.
  - Risk assessment and countermeasures.
  - Gantt/bar chart(s) showing a schedule of major activities.
  - Resource schedules showing resource requirements against time.

- ❑ Does the working plan for project and team management go to a fine enough level of detail for management and control purposes? (eg the lowest level of plan for day to day control should have activities of no more than 10 elapsed days duration, allocated to a named individual or small defined team)

- ❑ Is your plan acceptable to those who must:
  - provide the staff?
  - provide non-human resources/services?
  - commit financial resources?
  - do the work to create the deliverables?

Risk management - avoiding pitfalls and managing opportunities

A risk is any area of uncertainty that represents a threat or an opportunity to the project. Most of your attention to risk will be to avoid or reduce the likelihood of events that might cause your project to be thrown off course. To manage and mitigate risks, you first need to identify them, assess the likelihood of them happening and estimate the impact they might have on your project. The identification and consideration of risk is an integral part of project management and the successful delivery of change.

Decisions in a project or programme environment are taken based on evidence and reasoned assumptions, but outcomes are never wholly predictable. Often, hard decisions must be taken quickly or without complete information. However, managing risk does not mean playing it safe at all costs. As projects deal with change, some amount of risk taking is inevitable for a project to achieve its objectives and to take advantage of any opportunities that might surface.

Good project management aims to manage the exposure of the project to risk by driving action to improve control of uncertainty and take steps to reduce the chance of failing to achieve the stated objectives. A successful project manager will routinely review their exposure to risk and the steps being taken to manage it. The SRO and if there is one, the Project Board, should be actively engaged in the risk management process to ensure that risks are identified by members of the project team and that emerging risks are escalated upwards as required.

Good risk management requires you to:

- Clearly understand what you are trying to achieve - not always simple but very important

- Focus equally on 'what could we achieve with a fair wind?' rather than just 'what might stop us' – it helps ensure opportunities are not missed!

Risk management is not:

- A science - often it is based on subjective and qualitative judgements
- Just about finance - it applies to all business decisions at all levels and should also consider reputational, operational, regulatory factors
- A bureaucratic exercise – as with all project management, certain decisions may be better supported by appropriate documentation. But use common sense and remember that having a Risk Log is not the same as managing risk.

Managing your project risks helps you to demonstrate to your SRO, Project Board, colleagues and key stakeholders that you are aware of your challenges, have considered options appropriately, and that the project is going to deliver successfully.

What this means for you – the risk management process

- **Risk identification** – risks should be directly related to the project objectives and agreed by the whole project management team and its key stakeholders. Risk management means identifying and managing uncertainties to delivery of objectives, not managing issues that might be constant. Focus on issues alone can lead to fire fighting. Enter details into a Risk Log/Risk Register (see Appendix A).
- **Risk evaluation** – what is the impact of each risk should it occur? What impact might they have on benefits, time, cost, quality, reputation, people, etc. How likely is it that these risks will occur? The probability and impact can both be scored, eg using a High/Medium/Low scale. A Risk Profile could be used to show the overall pattern of risk (see Appendix A)
- **Risk prioritisation** – what is the priority of each risk? The urgency and importance of a risk is not the same thing – deal with the urgent risks quickly, deal with the important risks comprehensively.
- **Risk management planning** – do you have a strategy for mitigating the risks you have identified and preventing the project from being derailed? What actions and resources will you need to reduce the impact and/or probability of the risk happening? You might find it useful to consider:
    - How to prevent it from happening - either by putting some counter-measures in place or putting the project in a position where it would have no impact
    - How to reduce the risk - what action is needed to reduce the probability of the risk happening and/or to reduce the impact if it does occur
    - Can you transfer the risk to a third party (eg take out insurance) or share it in some way (shared risk - shared gain)?
    - What to do to if the risk does occur – do you need a contingency plan?
    - What are the implications of accepting the risk - ensuring that all the stakeholders are aware of the possible consequences?
- **Planning and resourcing –** actions should be built in to the project's plans. If it has been decided to accept a particular risk without action you may need to inform key stakeholders.
- **Risk monitoring –** Individual risks, and the project's overall exposure to risk, must be reviewed throughout the life of a project and where necessary actions to mitigate risks must be changed or revisions to the project business case or assumptions must be considered, if circumstances alter.

Documenting risks and actions

In small projects, management of risk may be an informal process and the Project Manager may simply record the risks and proposed actions as part of the Project Initiation Document and as part of subsequent reports to the SRO/ Project Board.

In medium size projects a basic Risk Log should be established to aid the recording, management, tracking and communication of risks and mitigating actions.

In large projects it is usually sensible to conduct a risk workshop involving key stakeholders during initiation of the project. As a result such a workshop a full Risk Log will be established that should be maintained throughout the life of the project.

Likelihood and impact may be graded on a "traffic light" system Red, Amber, Green (RAG), where Red is the highest. E.g:

Likelihood	Impact	Status
High	High	RED
High	Moderate	RED
High	Low	AMBER
Moderate	High	RED
Moderate	Moderate	AMBER
Moderate	Low	GREEN
Low	High	AMBER
Low	Moderate	GREEN
Low	Low	GREEN

You might also find it useful to track the Status of each risk and thereby focus management attention on risks that are most severe or tending to increase in severity. It will also help you and avoid wasting effort on risks that no longer pose threat. Categories for Status include:

Open: risk identified but no actions agreed.
Actioned: actions have been agreed and responsibility allocated.
Closed: risk no longer is a threat to this project.
Increasing: the likelihood and/or impact have increased since the last review of risk.
Decreasing: the likelihood and/or impact have decreased since the last review of risk.
Issue: the risk has become reality and is now an issue for direc t management.

Approving the Project Initiation Document

At the end of the initiation stage, and before starting the expensive and resource intensive delivery phase, the SRO/Project Board should decide if it can:

- approve the Project Initiation Document(PID) and
- give the project manager authority to proceed to the project delivery phase.

Approving the PID means that all the members of the SRO/ Project Board agreeing:

- project objectives
- scope and exclusions
- reasons (Business Case)
- benefits to the organisation and who will be responsible for making them happen
- deliverables from the project
- how the quality of deliverables will be assured
- how objectives will be met (approach, methods, tools)
- costs for development and subsequent in-service operation of the deliverables
- timescales
- staff and other resource commitments to the project
- funding commitments
- roles and responsibilities
- risks and mitigating actions
- how the project will be controlled
- delegated authority limits (tolerances) and how exception situations will be handled
- reporting and communication arrangements.

Method of PID approval

The SRO/ Project Board should decide how they wish to approve the PID. The method may be formal through a meeting of the SRO/Project Board, Project Manager and any staff with project assurance roles. Sometimes a less formal approach may suffice via email or correspondence.

In either case, a record of that agreement to proceed to the delivery phase should be kept in the project management file eg: as minutes of a meeting, signed forms, copies of emails.

Section 3: Running the project

Control - the key to a successful project

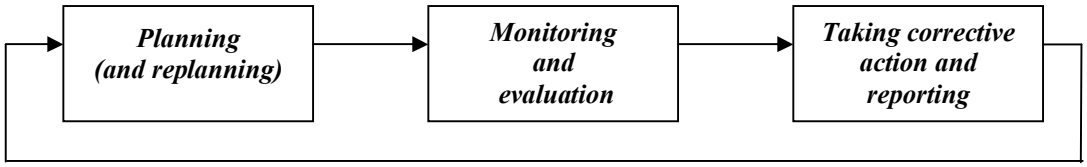
To appreciate how project control works you must first understand that, despite all the effort devoted to developing and gaining commitment to a plan, there is little chance that the resulting project will run ***precisely*** according to that plan.

This doesn't mean that you will fail to achieve the objectives of the plan – on the contrary, you must have a very high level of confidence that you can achieve those objectives and deliver the full scope, fit for purpose, on time and to budget.

The plan describes what you would like to do but it models just one of the infinite number of routes from where you are now to where you want to be. In practice your project will follow a different route to the one shown in your plan, you don't know which one, but you will need control to make sure it is a route that takes you to where you need to be, when you need to be there, and at a cost you can afford.

The power of the plan is that it gives you a baseline against which you can compare actual achievement, cost and time and determine the amount of deviation from plan and hence take corrective action if required.

The essential requirement for control is to have a plan against which progress can be monitored to provide the basis for stimulating management action if the plan is not being followed. Control then becomes a regular, frequent iteration of:



Creating the right environment for control

The basic requirements for control are:

- a plan that is:
  - realistic
  - credible
  - detailed enough to be executed
  - acceptable to those who must execute it (Project Manager and Project Teams)
  - approved by those who are accountable for its achievement (the SRO/ Project Board);
- a process for monitoring and managing progress and resource usage;
- a project management organisation of appropriately skilled people with sufficient authority and time to plan, monitor, report, take decisions and deal with exceptions;
- a process to make minor corrections and adjustments to deal with minor deviations and omissions from the plan;
- the commitment of those who will provide the resources indicated in the plan (SRO, Project Board, Stakeholders and resource 'owners' in the parent organisation and its related agencies);

- explicit authority to proceed granted by those who are accountable for the project (ie the SRO/ Project Board).

If you do not have all these things there is little point proceeding with the project.

Breaking the project down into manageable stages

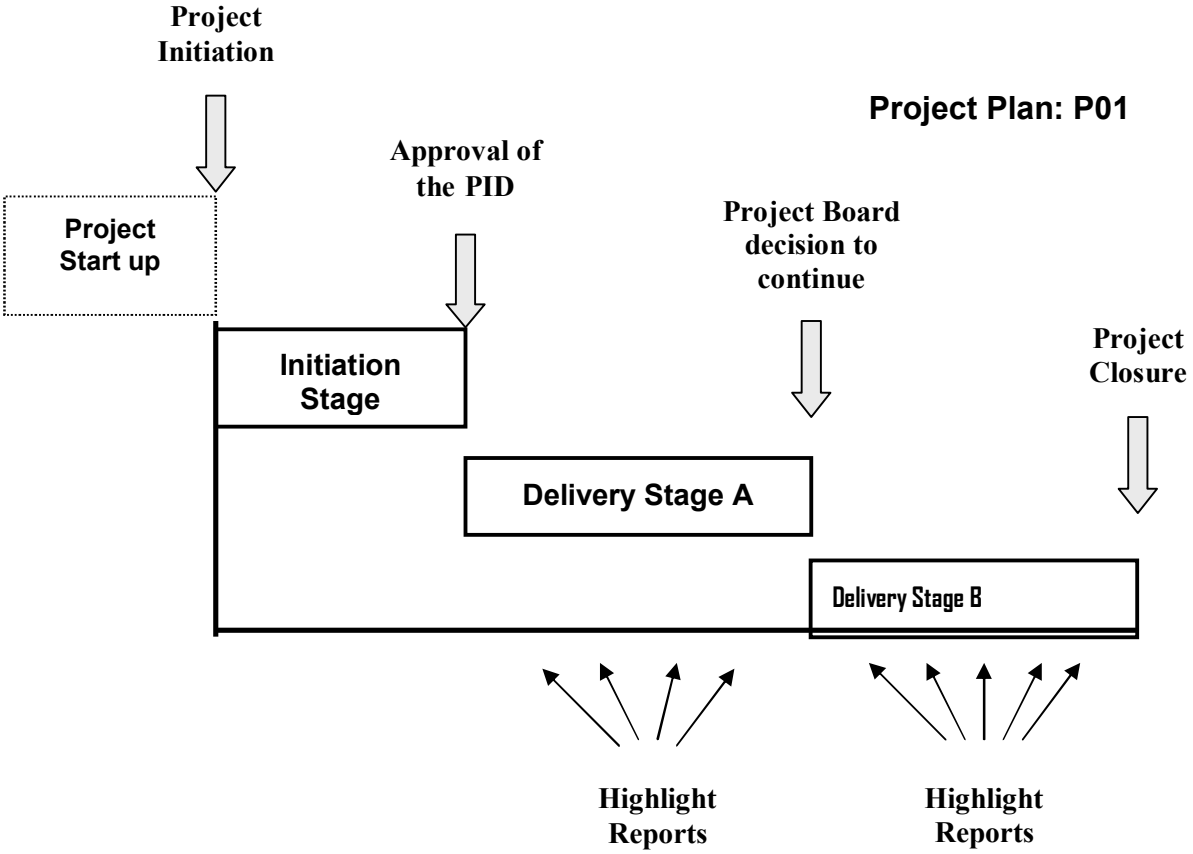
In all but the smallest or shortest projects you should think about how to break your project into manageable 'chunks' called stages. Every project will have a minimum of two stages – the first being Project Initiation. A large project may have a number of stages, each of which has its own stage plan. When designing your project's stage structure look for points where the SRO/Project Board should:

- review achievements to date and assess project viability
- take key decisions outside the level of authority of the Project Manager
- approve a more detailed plan for the next phase of work
  commit resources in accordance with the project or stage plan
- assess the impact of some significant external event that will influence the project (eg: legislation, decision point in other project, review of business operation).

The Project Manager will also be able to identify stage boundaries by thinking about how far ahead is it sensible to plan in the fine detail needed for day to day control. In practice, the detailed plan for a stage will be produced towards the end of the preceding stage, when the information needed for planning is available.

SRO/Project Board controls

The controls applied by theSRO/ Project Board are linked to the Stages in the project and rely on information about the project current status and future plans being provided by the Project Manager. The basic SRO/ controls and reports are summarised on the project plan shown below:



SRO/Project Board decisions during delivery

At key milestones during delivery the SRO/ Project Board might wish to take stock of the project and satisfy itself that it is sensible and viable to continue. To do this it must be sure that:

- the quality of the deliverables produced to date is acceptable
- the required benefits are still achievable
- the actual costs incurred plus revised estimates for future costs are acceptable
- the resources required for planned future work can be made available
- the need for the project has not changed
- risks are acceptable
- overall the project is still viable.

The Project Manager must provide the SRO/ Project Board with the information it will need to make its decision. Often the SRO/ Project Board will need to see updated versions of the Risk Log, Project Plan and Business Case/Benefits.

Highlight Reports

To keep the Project Board informed of stage status, and significant changes and issues that occur between End Stage Assessments, the Project Manager should present regular Highlight Reports covering:

- Project, date and period covered
- Progress achieved as measured against the current plan – eg deliverables completed.
- Use of Resources (actual versus planned)
- Budget status (actual versus planned)
- Actual or potential problems or exceptions
- Impact of Issues and Changes (eg requests for changes to requirements)
- Products due to be completed during next period
- Revised forecasts for cost and schedule

The frequency of Highlight Reports (usually fortnightly or monthly) should be set by the Project Board/SRO at Project Initiation and should be reviewed/revised when approving a new stage. Other points to be borne in mind:

- Members of the Project Board or the SROshould analyse each report carefully and, if necessary, follow it up informally for clarification or further information.
- The report should be read and acted upon immediately as it may contain early signs of failure.
- Highlight Reporting is an important part of the role of the Project Manager – delays should not be tolerated.
- If they feel it is worthwhile the members of the Project Board or the SROmay decide to meet consider Highlight Reports.
- Project Managers who manage more than one project and/or have operational responsibilities will find the preparation of Highlight Reports a useful (and sometimes eye-opening) exercise.

Project Manager's Controls

As soon as the SRO/ Project Board gives authority to commence work, the Project Manager must take control of day-to-day actions and manage the project so that it runs as close as possible to the approved plan. This means:

- allocating work to the project team(s) in accordance with the plan;
- monitoring progress during development of the deliverables products by the team(s);
- ensuring that deliverables meet specified levels of quality;
- ensuring the delivery of completed deliverables to the required destination(s);
- monitoring costs and use of resources;
- reporting progress and exceptions to the SRO/ Project Board via Highlight Reports.

Checkpoints

Checkpoint reports are produced by team managers/workstream leaders for the Project Manager who needs to have early warning of deviations from plan and other problems affecting the project team. Checkpoints provide regular, frequent comparison of actual progress, resource usage and forecasts against plans. They provide information for the Project Manager to apply control, eg by correcting small deviations from the plan. The basic purpose of a checkpoint is to answer the questions:

- 'What is going according to plan?'
- 'What is not going to plan?'
- 'What is likely not to go to plan?'

Checkpoints are essential controls – missed checkpoints are usually an early sign of a failing project. The information gathered at checkpoints should be documented in Checkpoint Reports and used in the preparation of Highlight Reports.

Checkpoint design

There are many different ways of conducting Checkpoints - they might be, but do not have to be, achieved through written reports and meetings. Each project must use an approach that balances the need for communication and control against too much management interference in work in progress. Checkpoint design will cover:

- Frequency of reporting
- Timing (eg: time and day of week)
- Information required from team members (oral reports, timesheets, written reports)
- Method of conducting checkpoint (eg informal chats, formal meetings, phone, fax, email)
- Participation (Project Manager? Project Assurance? Team Members? Suppliers?)
- Content of a report to be used to communicate the findings of the Checkpoint.

The Project Manager should set Checkpoint frequency depending on the intensity of activity. Checkpoint frequencies ranging from fortnightly (eg during procurement phases) down to daily (eg during implementation and training) are possible within the same project.

Handling significant deviations from plan

Project Board members are usually senior managers with limited time to devote management of the project. In order to achieve 'management by exception' the Project Manager should be given authority to deal with the inevitable small deviations from plan. For larger deviations, such as those resulting from requests for change, poor estimation, delays in deliveries by external agencies the SRO/ Project Board and Project Manager will require an agreed exception handling process. This will involve:

- Setting delegated limits (eg. cost and time 'Tolerances'): The SRO/Project Board should set limits to the allowable deviations from planned cost and schedule so that the Project Manager knows how much delegated authority is available to manage deviations from plan;
- Exception reporting: The Project Manager may use an exceptional Highlight Reports to notify the SRO/ Project Board of any forecast (or actual) deviations from plan beyond delegated limits. Positive sorts of exception should also be reported in this way eg: finishing work early or using less resource than planned.

- Exception planning and decision making: The SRO/ Project Board may wish the Project Manager to create a new plan to replace the current one if it is no longer viable. This plan would b e submitted to the SRO Project Board for a decision to proceed.

Handling Issues, Problems and Changes

In all projects issues will arise that may deflect the project from its intended path. In all projects a straightforward communication mechanism is needed so that anyone associated with the project can communicate to the Project Manager an issue they think might require management attention eg:

- Changes to requirements (eg Requests to change to the scope, objectives, target dates or detailed deliverables of the project).
- Faults/errors (eg notification that one or more delivered products that have been signed -off after quality control are subsequently found not to meet specification).
- Problems (eg a key stakeholder/agency failing to meet commitments).
- Risks that has become reality. (eg supplier failure, industrial action)
- Loss of key skills (resignation, promotion, transfer, sickness).
- Concerns about the project and/or its deliverables (eg concerns about the ability to achieve the required benefits).
- Questions (eg about how the delivered products will be implemented).

In many cases the Project Manager will have authority to deal with issues as part of day to day management. Potential changes that are outside or beyond the Project Manager's authority will ha ve to be referred to the SRO/ Project Board and covered by an agreed change control process. On small projects changes may be handled less formally. On medium to large projects it is recommended that a more rigorous and formal approach be adopted.

Processing changes

It is possible that changes in the way the organisation operates will necessitate changes to the objectives, scope and benefits of a project after they have been agreed and documented in the Project Initiation Document. The process for managing changes (and fault corrections) includes evaluation of the implications so that the SRO/ Project Board can make a decision whether or not it is sensible and viable to proceed with the change or fault correction.

Once the Project Manager has been notified of a potential change or fault correction issue by anyone associated with the project the process for managing it involves:

- recording and tracking its progress, perhaps using an Issues Log (see Appendix A); (Project Manager or delegated support role)
- confirming whether the issue is a definitely a new requirement, i.e. a Request for Change, or is perhaps an omission or other fault in a product that has already passed through quality checking; (Project Manager, Project Assurance, experts)
- calculating the impact on the work already done and the plans for the rest of the current stage and project; (Project Manager, Project Assurance, experts)
- analysing the implications for the organisation, other projects, delivery partners ; (Project Manager, Project Assurance, experts)

- calculating the overall costs of the change (Project Manager, experts)
- calculating the impact on planned benefits; (Project Manager, Project Assurance, experts)
- identifying risks and evaluating methods and costs for their mitigation; (Project Manager)
- deciding the priority (see below); (Project Board)
- taking a decision at an appropriate level; (SRO/Project Board/Project Manager)
- implementing amended plans to achieve the new scope/objectives/requirements; (Project Manager)
- quality checking any existing products that have been modified, and any new products created. (Project team members under Project Manager's direction)

Prioritising an issue

The priority of a change request, or some other issue such as fault correction could be categorised as:

- Essential (must have);
- Desirable (offers benefits, is worth having);
- Cosmetic (affects 'look and feel' but does not affect ability to achieve benefits);
- No change (there is no value in implementing the change or correcting the fault).

Establishing the priority will help the SRO/ Project Board make a decision whether or not to approve a change or fix a fault, particularly when there are a number of issues and only limited resources available.

Making the decision

If any of the following criteria is met the Project Manager to refer the change or fault correction to the SRO/Project Board for a decision whether or not to implement:

- Would implementation result in changes to the budget and/or resources and/or timescale beyond the limits of the Project Manager's delegated authority?
- Will it require changes to deliverables already accepted by the SRO/Project Board as being complete and acceptable, eg things signed off at an earlier stage in the Project?
- Is there an increase in risk, or an increase in the costs of mitigating risk, that merit theSRO/ Project Board's attention?
- Is there a loss or other significant change in potential benefits?

In making the decision theSRO/ Project Board should consider the implications for the Benefits Realisation Plan:

- Will there be a change to the quantified value of any benefit?
- Will there be a change to the timing of delivery of any benefits?
- Will there be any new benefits arising from a proposed change?
- Is the change justified in terms of additional costs and risk?

The Project Manager should update the Benefits Realisation Plan if the SRO/ Project Board authorises the change.

Changing the approach to project governance

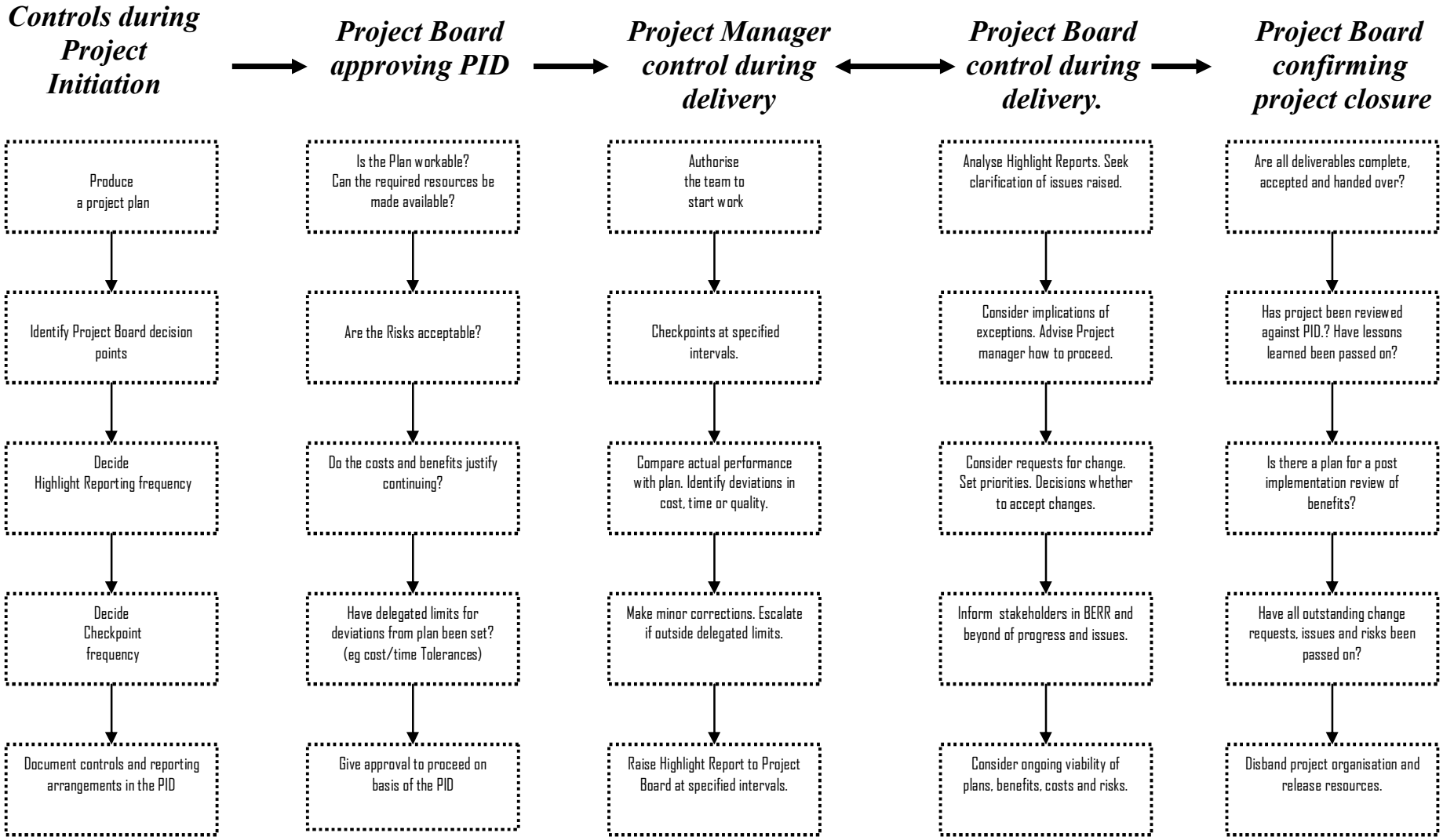
It is possible that governance arrangements need to be modified as the project progresses. For example it might be decided that greater attention should be paid to stakeholder expectation management, or that the level of detail in project progress reports should be simplified for a particular audience. Such changes to governance arrangements should be considered and decided upon at an appropriate level in the project management team.

Document version control and configuration management

Implementing changes and correcting faults during a project inevitably means that new versions will be required for products/deliverables such as documents, forms, procedures manuals, training courses, job descriptions, equipment, accommodation and IT systems.

Version changes must be managed effectively so that everyone knows which version of each product is current. The minimum requirement is to maintain an administrative system that records ownership, version number, date and a quality control sign-off details.

In more complex projects (eg those involving a significant IT element) a more rigorous approach such as that described in the Configuration Management component of the PRINCE2 method might be required to ensure the integrity of products and deliverables throughout their development and operational lifecycles.



Summary of project controls after approval of the Project Brief

Step 4: Closing the Project

Closure may occur as planned at the end of the project or early if the need or justification for the project no longer exists. The steps below apply primarily to normal termination.

The Business Case should be handed over to whoever is going to take long term responsibility for delivering the desired benefits.

Towards the end of the project the Project Manager perform an evaluation of the project against the Project Initiation Document and report to the SRO/Project Board so that it may formally close the project, perhaps at a closure meeting.

The checklist below will help the SRO/Project Board assure itself that the project can be closed down:

Project closure checklist

- Is the work of the project is complete as measured against the PID and any subsequent agreed changes?
- Have all project deliverables have been created, quality controlled, accepted and handed over to those who will operate and maintain them?
- Has information about known errors to those who will use/operate/maintain the deliverables?
- Has responsibility for ongoing operation, training and maintenance of the deliverables been accepted by appropriate parts of the organisation?
- Have those who provided resources have been informed of impending project closure?
- Have all outstanding requests for change been passed to appropriate 'owners'?
- Have all risks that might affect the achievement of benefits been communicated to an appropriate 'owners' in the organisation?
- Has information about any errors in the deliverables been communicated to those who with operation and maintenance responsibilities?
- Is a plan is in place for a Post Implementation Review to measure the actual achievement of benefits after the project (terms of reference, timing and responsibilities should be defined)?
- Have lessons learned been recorded and disseminated to interested parties?
- Has project management documentation been filed/archived for future reference?

You may wish to run a lessons learnt workshop so that you and others can benefit from your experience of what went well and what could have been done better.

Once the SRO/Project Board has confirmed closure the project organisation is disbanded and the project roles and responsibilities no longer exist. No costs or other resources should be 'charged' against a closed project.

Step 5: Realising the Benefits

You should avoid the situation where a project delivers some form of operational facil ity, system or service without having a clear agreed plan for how the organisation will determine the degree to which the project has delivered benefits. The Benefits Realisation Plan (see Appendix A) provides the basis for post-project reviews and audits of the achievement of benefits. For these reviews/audits to be a success SRO/ Project Board members must satisfy themselves (before closing the project) that:

- each benefit is 'owned' by an operational manager who will be accountable for the delivery of t hat benefit;
- someone with appropriate authority and resources is accountable for ensuring that the achievement of actual benefits is measured and reported to the SROr;
- someone other than the 'owner' is tasked with conducting measurement of achievement of benefits as a normal part of their duties and/or as part of a one -off review activity (eg a Post Project Review/Post Implementation Review);
- the terms of reference, timing, method of conducting and resources required for any Post Implementation Review are agreed.

The Post Project Review of benefits is not part of the project so it is for the 'owner' of the review to make sure it happens according to the plan established at project closure.

The Benefits Realisation Plan

If the complexity, breadth and depth of anticipated benefits make them difficult to understand you should consider drawing up a benefits realisation plan to collate the information about the benefits and their measurement. The benefits realisation plan will record:

- What types of benefits are anticipated?
- How they are defined?
- What units of measure are appropriate?
- What values are agreed for each quantified measure?
- When will they be realised?
- What part(s) of which organisation(s) will reap the benefits?
- What will the benefits be to external stakeholders?
- Who is responsible for realisation of each benefit?
- How will each benefit be measured?
- When to measure them?
- Who will measure them?
- Who will act on the findings?

The SRO should take ownership of the Benefits Realisation Plan at Project Closure and should thereafter ensure that it is implemented and the any findings acted upon

Appendix A: Project Management Documentation templates

Benefits Realisation Plan
Business case
Checkpoint Report
Highlight Report
Issues Log
Project Brief
Project Initiation Document
Stakeholder Power/Impact Matrix
Stakeholder Map
Risk Log