

2 - Strategic Project Planning

In this chapter, we'll work through the process of strategic project planning, seeking to “frame” our project within boundaries of measured business outcomes. We'll also work with the stakeholders to establish and gain their approval of the strategic framework for the project and the processes we'll use to deliver the end result. The strategic plan includes:

- ❑ An objective measure of project success (MOST™)
- ❑ A high-level achievement network (HLA™) which lays out in measurable terms our path to the MOST™. It quantifies the boundaries of the project's scope including achievements from all involved departments
- ❑ Assessment of risks, mitigation strategy and strategic assumptions
- ❑ The project charter including authority structures and accountability relationships
- ❑ Change control processes and decision-making rules.

Having this framework in place before we start work not only substantially increases the probability of the project being a success in the stakeholders' eyes but also provides solid scope control. However, strategic planning is a difficult process, which is why it is skipped in so many projects.

WHY WE SKIP STRATEGIC PROJECT PLANNING

Most cross-functional projects start with the assembly of a grocery list of requirements that continues to grow during the project because there is no strategic plan to restrain the expansion of the project or target its success. We have little ability to define what's in and what's out of the project. Oh, we see long narratives supposedly defining scope and objectives but they rarely contain objectively measurable definitions of success or the verifiable steps we'll take to reach that end business result. So why do people skip strategic planning? Because it requires that we:

- ❑ Gain access to and the participation of stakeholders and executive-level decision-makers
- ❑ Learn about the performance requirements of each functional unit
- ❑ Speak the stakeholders' language
- ❑ Secure performance commitments up front
- ❑ Cope with the conflict that occurs whenever we make tough decisions
- ❑ Conceive a cross-functional effort that spans functional “silos” and nudges the hierarchy just a bit.

When projects are defined solely as the implementation of a new system, we are unlikely to have satisfied stakeholders at the end or produce value for the organization.

No wonder people skip this strategic planning; it's so much easier just to start work and hope for the best. Let's explore several of these challenges in more detail.

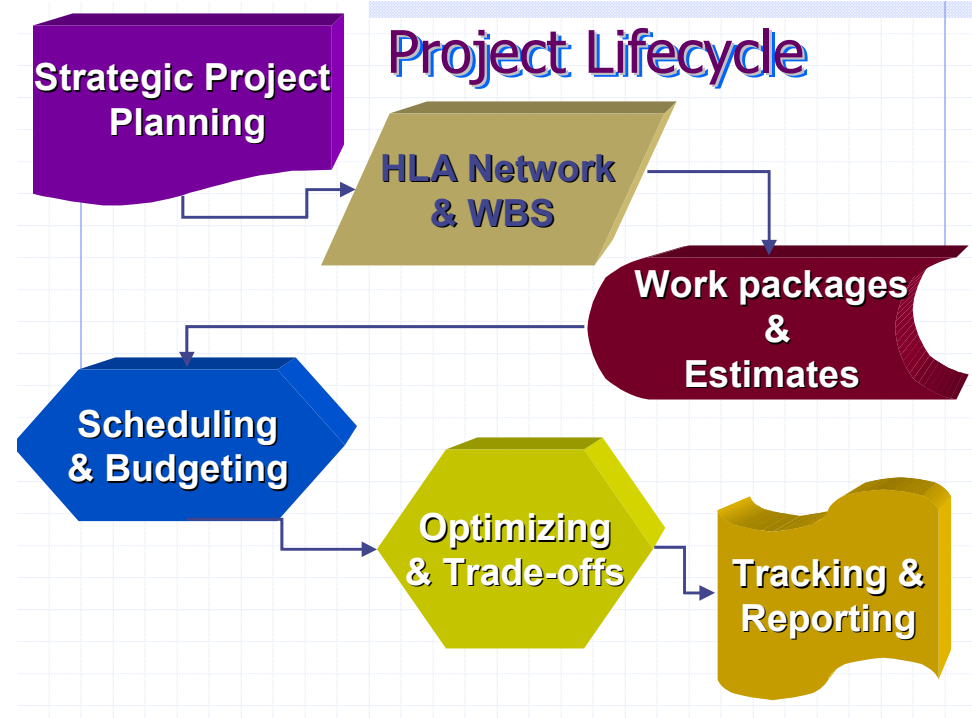
First, the language of strategic planning is not about activities, it's about end results. While it's easier and more comfortable to talk about the means, we need to talk about the ends first. We talk the stakeholders' language and our discussions are not limited to what they want but focus on what they will achieve with the new capability the project will provide. Our focus is not on products, equipment, data collection systems or customer billing procedures. It is on the measured impact the project will have on "customer care" and the "customer data collection." When we dive into the details of a department's operations, we encounter resistance... sometime fierce resistance. It is always easier to assemble a list of their wants than it is to secure their commitment to what they will achieve and what they will deliver with those systems or equipment. Many who will be in these discussions will want to get into the delicious technical details or talk about what the screen on the new equipment should look like, not what we have to achieve for the business. The PM and project team members can be their own worst enemy in this regard. We are more comfortable talking about areas of our expertise than the stakeholders' business. However, we need to engage executive decision-makers in this process. We quickly lose them if we let the planning sink into the "activity trap" of technical details, equipment or processes.

Second, few PMs enjoy conflict and good strategic planning triggers it. Moreover, this conflict is usually with people with higher rank or status. Rather than burying disagreements, a strategic planning process that focuses on hard-edged and measurable business results brings them to the surface. We're not creating conflict. Rather, we want to resolve as much of the existing conflict over business results and "what's in the project" as early as possible. No project can meet all of the different stakeholders' expectations. The key question is when in the process we face these conflicts and start to control the scope. We can defer the existing conflicts or schmooze them over in the interest of "getting off to a good start," and then face them toward the end when changes are many times more expensive. Alternatively, we can begin scope control early, which is much better than waiting until the duration and budget start to slip.

Those are some of the challenges we face in cross-functional project planning. As a rule of thumb, every hour spent on this process saves 10 hours during the life of the project. The two-step strategic planning process we'll use to frame our tactical planning substantially increases the probability of delivering the business results the stakeholders want within the time frame and budget to which we will commit. With an approved strategic plan, we begin the project with:

- ❑ The ability to focus our efforts on objectively measurable business results
- ❑ Executive agreement on the measured path we will take to reach those end results
- ❑ Commitment from the stakeholders to the achievements they must deliver as part of the effort
- ❑ Executive understanding of the risks inherent in the project and the cost of mitigating those risks
- ❑ Clear authority and accountability relationships across functional lines
- ❑ Executive agreement on the processes and procedures for making the inevitable changes.

Figure 1 Project Lifecycle



THE PROJECT CASE STUDY

Let’s dive into the case study we will use to illustrate techniques and tools throughout the remainder of the book. It concerns an organization's launch of a new product and the operational and systems changes that it requires. To develop all the components of the strategic plan, we'll see our project manager fight through the principal difficulties in completing a strategic plan and pick up new techniques along the way.

OUR PROJECT AT MILLENNIUM VIRTUAL

Terry Johnston pressed down the metal clasp over the Lessons Learned document and then closed the last of the blue work-paper binders on the just completed project. Carrying the folder to the file shelves, Terry smiled at the now orderly office after months of stepping over files and papers. It was a nice feeling to close out the last of the documentation on an extremely successful project. Now hopefully there'd be a few weeks of recuperation before starting the next project, whatever it might be. The phone rang, breaking the easy rhythms of the local jazz station. Terry punched the talk button on the speakerphone and heard,