SCALABLE PROJECT MANAGEMENT PROCESS – KEY TO BALANCING LEADERSHIP AND MANAGEMENT

Seminar 10: Balancing Leadership and Management
Tuesday, June 16, 2009, 4:30-5:00 p.m.

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1 HOW TO CREATE A SCALABLE PROJECT MANAGEMENT PROCESS WITH THE HELP OF PROJECT CLASSIFICATION?

ABC Project Model™ is a generic project management process model developed by Project Institute Finland. One of the main differences of ABC Project Model™ to other commercial project management models is the ABC project complexity classification that makes the model scalable to projects of different complexities (risk level).

Scalability and classification is based on the understanding that challenges vary project by project. Thus, more project management effort is needed in complex projects than in simpler projects to ensure that the project reaches the desired objectives. On the other hand, unnecessary bureaucracy can be avoided in simple projects.

Project classification is based on an analysis that is made in the beginning of every project. ABC Project Model includes an analysis template that is used for making the analysis. The analysis is a way to map the challenges and preliminary risk factors in a project.

As a result of the analysis, each project is classified as:

A Very complex and/or significant project
B Typical (“normal”) project
C Simple and straightforward project

Based on the analysis result, each project class has a defined set of procedures and project management actions that help to ensure that the desired project objectives can be met. This is a way to connect the classification to an organization’s project management and project portfolio management models. Thus, it makes sure that necessary information is available to project portfolio even from simple projects.

2 HOW TO ENSURE THE BALANCE OF LEADERSHIP AND MANAGEMENT WITH THE HELP OF PROJECT CLASSIFICATION?

Project management professional’s competence consists of three areas:

1 Content knowledge
2 Project management knowledge
3 Leadership and interaction skills
Each competence is needed during the project, but in different proportions, depending on the role in the project and depending on the project complexity. For example content knowledge is usually not as important to project manager as to project group member. And on the other hand project manager needs more project management and leadership and interactions skills during the project than a project group member.

Then, how to balance the different competence areas in each project? Organization's project management process gives a framework that the project manager should follow in projects. In addition, the project manager has his/her personal qualities that form his/her competence baseline. With a scalable project management model (through project classification), the project manager’s competence can be balanced in relation to the different competence areas. In complex A-class projects, the need for project management and leadership and interaction skills are greater than in simpler C-class projects. And the need for content knowledge is much smaller in A-class projects than in C-class projects. Thus the project manager can focus on those issues that need the most attention and balance the time used for leadership and management during the project.

### 3 How project classification is applied in telecommunication delivery projects?

Elisa is one of the leading communications service companies in Finland. They are successfully applying project classification in many different areas:

1. Classification and prizing of delivery projects (→ amount of work for project management)
2. Resources for sales phase (A-class projects’ sales phase is projectized, delivery personnel always involved)
3. Optimizing the amount of project management effort and documentation during the delivery project
4. In A-class projects the external steering group always includes a representative from Elisa’s internal project portfolio management group (APJ)
5. Project manager bonus system is based on ABC classification

### 4 Conclusions

Organizations can benefit greatly from having a common project management process model. A common PM process model doesn’t, however, mean that all projects need to follow the same kind of (often too heavy) procedures. With project classification, the PM process model can be made scalable by defining different project management procedures and amount of documentation for projects with different complexities. This way it is possible to focus on the areas that need the most attention in projects. I.e. unnecessary administrative project management work is not required in simple projects. Thus, with a scalable project management process, project managers in an organization can balance the leadership and management effort in their projects.