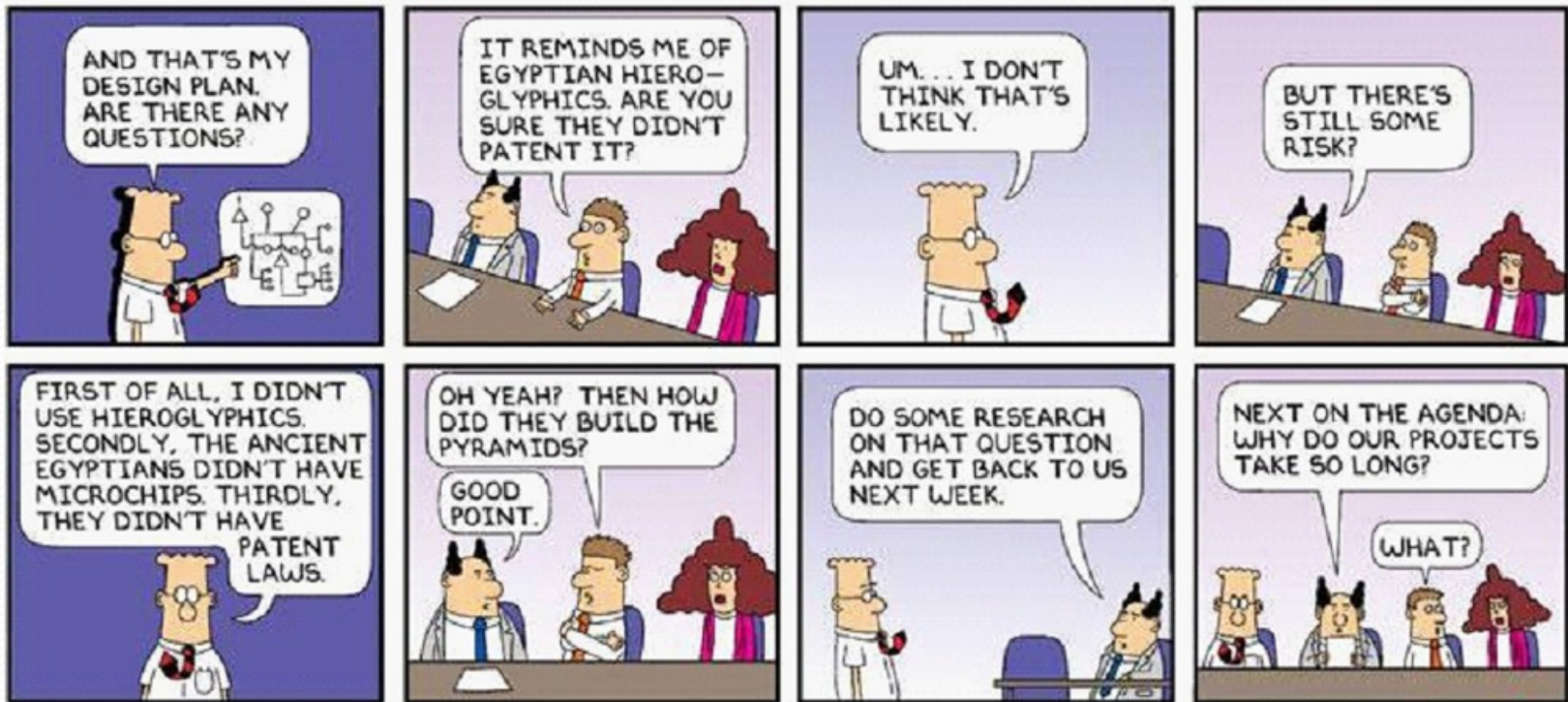


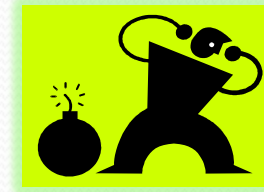
Project Rescues

Using Risk Management

Kirk McKay, PMP



Project Rescues



- When high risk of failure
 - Scope issues, poorly defined, contentious
 - Schedule issues, lack of commitment, poorly defined, way behind
 - Cost issues, over budget, no detail cost model, not well tracked
- Necessitated change in project manager
- Required change in project approach



Root cause for Project Rescue

- Surface issues: excessively over budget, over schedule or beyond scope
- Possible root causes:
 - Ineffective project charter or project definition
 - Poor quality control
 - Poor change control
 - Poor schedule/cost management
 - *Poor risk management*



Risk Management

- That part of project management that includes the processes involved with:
 - identifying, analyzing, and responding to project risk
- consists of risk identification, risk quantification, risk response development, and risk response control

(from Project Management Terms)



Risk Management Terms

- **Likelihood:** an estimate of the possibility the risk will occur, usually stated as a percentage
- **Impact:** an estimate of the cost to the organization or project should the risk occur, usually stated as a ranking (i.e. 1-5)
- **Exposure:** calculated using Likelihood and Impact and used to rank Risks
- **Mitigation:** actions taken to reduce likelihood of a risk
- **Contingency:** actions taken to reduce impact of a risk should it occur

Basic Project Rescue Approach

- Assess project
 - Review existing project materials
 - Assess effectiveness of PM practices
 - Compile list of current issues and risks
 - Review expectations of project stakeholders
 - Assess the value and contribution of the project team





Basic Project Rescue Approach

- Develop rescue strategy
 - Get the right people involved
 - Assess best moving forward methodology (Agile, Waterfall, etc)
 - Identify approach to major issues and risks
 - Get buy in and approval for new “contract”
- Execute rescue strategy
 - Rework/invigorate the team
 - Focus on redefined goals
 - Monitor progress and risk status



Review Existing Project Materials

- Confirm project organization and executive commitment
- Confirm project charter including scope, schedule and cost definition
- Confirm quality of other document deliverables such as Requirements and Design docs

Assess Effectiveness of PM Practices

- Adherence to selected PM methodology
 - Effectiveness in execution more important than methodology chosen
 - Does approach fit level of complexity and change?
 - Is approach using risk management appropriately?
 - Does approach have plan for continuous improvement?
- Soft skills applied effectively
 - Communications (transparency)
 - Stakeholder management



Compile Issues and Risks List

- Critical to identify both tangible and intangible current issues and risks
- Do not rely on existing project material
- Talk to all levels in the project, from sponsor to past PM to team
- For issues, get consensus on priority and impact
- For risks, get consensus on impact, likelihood, and exposure calculation method

Develop Rescue Strategy



- Get the right people involved
- Consider company strategy
- Consider change in methodology
- Consider rework of scope documents
- Consider high priority risks and issues
- Consider team restructuring and communications

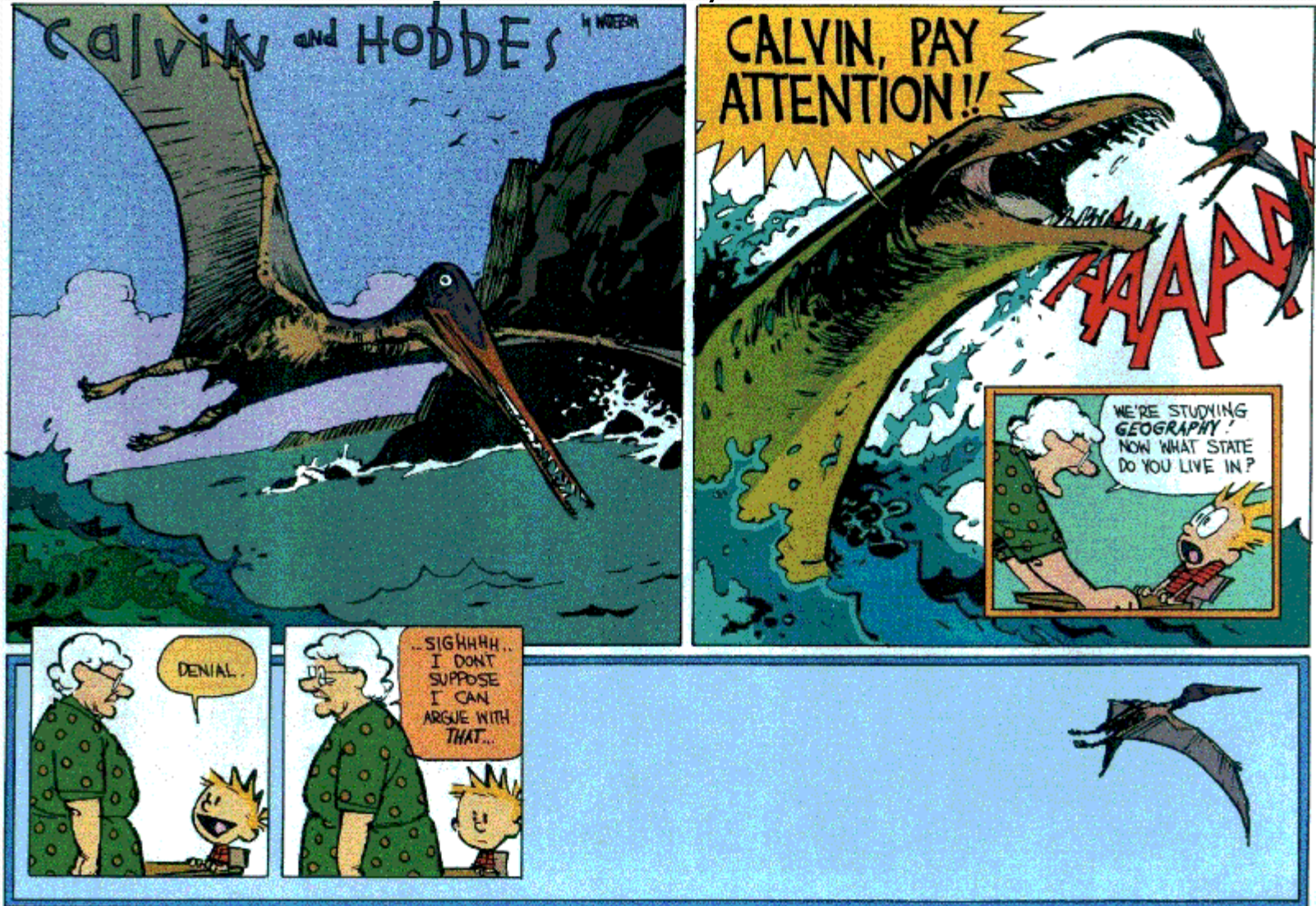


Execute Rescue Strategy

- Create/fix necessary methodology with focus on risks and issues
- Refocus teams on new goals and roles
- Create target schedule or sprint plan
- Implement communications plan
- **Monitor progress and risk status**

"Denial."

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Telecommunications Y2K Project

Overview

- Required Y2K assessment and retrofit of Voice systems and highly customized Peoplesoft CRM
- Previous team let go July 1999 due to lack of progress
- Lack of any methodology or project strategy



Telecommunications Y2K Project

Strategy

- Developed Y2K assessment and retrofit strategy and got executive approval
 - Included method to prioritize shortfalls based on risk to company with weekly reassessment
 - Created status dashboard for progress tracking and issue resolution
 - Created steering committee as final arbiter to conflicts and priority setting
 - Project decision strongly supported at executive level; eliminated need for strong consensus



Telecommunications Y2K Project

Strategy

- Developed Communications Plan
 - Included company progress reports and forecasted outages and risks for all affected groups
 - Included executive status dashboard and written meeting minutes
 - Risks were reviewed weekly; major investments in mitigation and contingency plans
 - Held small celebrations for each system Y2K cleared and risk eliminated



Another Example ...

- Who has had a project rescue failure?
- Who has had a project rescue success?



5 Keys to Success

5. Be completely aware of total project and manage expectations
4. Create a single team through building trust and clear communications
3. Maintain focus on mutual goals
2. Listen and act on client/team concerns both official and unofficial
1. **Create rescue strategy based on project risk assessment**



Resources

- PMI's Practice Standard for Project Risk Management
- PMI's PMBOK Guide, Fourth Edition
- www.techrepublic.com for templates and checklists
- Project Management Terms, A Working Glossary, *J. LeRoy Ward*
- The Handbook of Program Management, *James T. Brown*
- No-Nonsense Advice for Successful Projects, *Neil Whitten*

Questions?

