

## Project Definition: A Beacon to Success

How do you measure success on a project? Often, we use the phrase: “on time and under budget” to describe our primary criteria for success. Even when a project is delivered within these constraints, will those who stood to benefit agree it was a success? Are the business users of the system pleased or even satisfied? Do the project’s participants feel a sense of accomplishment? Most importantly, do the returns from the application justify the investment? If the application does not provide a return that at least meets the investment made, the company has wasted its resources. (Keep in mind that the returns may be measured in terms that are not monetary, but they should still be measured and compared to the investment.)

According to the Standish Group International Inc.’s 1995 study entitled “Chaos Report”, 40 percent of IT application development projects are cancelled before completion. Thirty percent of the remaining are “challenged” by cost or time overruns or changes in scope. One of our customers said it best when he used the analogy: “Only in baseball do we reward those kind of statistics.”

Too often, we as IT professionals struggle with how to successfully deliver a solution that users find valuable and usable. It may be because of lack of analysis or poor analysis techniques. Perhaps an executive (from the business group or IT) was enamored of a particular new technology and championed it as the answer to a number of the business’s challenges while failing to consider that this particular technology, or indeed any technology, might not be appropriate to meet the business need. The business users may not have been available to provide much input during the project, or they might have had difficulty clearly articulating their needs. Even when all parties put in the time and effort required for thorough analysis and have a genuine interest in seeing a project succeed, they might not have an effective method or tool to capture project information so that all who read it can understand it and use it in realizing the project’s goals. Formalizing a Project Definition can help circumvent these problems.

Project Definition focuses attention on the client’s needs and objectives for the project before everyone gets stuck in “how” the project will be done. If the client’s objectives are not met, the project cannot be deemed successful.

### Success is Achieving Business Results

Consider that the most important indicator of success is whether the users’ and company’s business objectives were met. In other words, success is achieving the *business* results, and nothing less. A common mistake is automating a process when the manual process would have achieved the business goal as well or better than the system. What end is served by implementing the latest technology if the business goal of serving the customer better was not met?

While it is important to measure the actual product created through the project (e.g., the new or updated systems or processes), also consider other aspects of the project which are equally important to those involved. For example, a project is evaluated by team members (and others who participated in one way or another) in terms of their satisfaction with how the project was directed and whether or not the project met their personal goals. If a project delivers exactly what the users want on time and under budget, but half of your experienced team members resign, would you or your company consider the project a complete success?

### A Tool to Ensure Project Success

The role of Project Definition is to provide a well-understood and well-accepted statement of what constitutes success for a customer’s need without specifying a particular solution. It is a tool to help project managers and others involved avoid the most common reasons that projects fail, including:



# Advanced Strategies, Inc.

---

- 1) Users and project members do not have a common understanding of why the project is being undertaken or what final goal is to be achieved. This can cause a lack of “buy-in” from project participants, resulting in their lack of commitment to the project.
- 2) Business users do not feel a part of the project.
- 3) The business needs change and those working on the project are not aware of the changes or how they affect the project.
- 4) Scope is ill defined or project changes are managed poorly.
- 5) A project that seemed like a good idea at first is undertaken, but would not have been if the company could have effectively analyzed the project’s business benefits.

Project Definition can be viewed as a beacon that shines from a lighthouse. It lights the way to a specific goal, focuses attention on a limited area, and helps all who can see it avoid dangers that threaten.

## **Defines the Purpose and Boundaries**

A Project Definition is an informal contract among stakeholders that defines the purpose and boundaries of a given effort and determines the parameters of a meaningful and effective solution, without specifying a particular solution.

A stakeholder is anyone who might be impacted by or who can impact the success of the project. For the project to be successful, you need to secure and maintain the support of all key stakeholders. Examples of stakeholders are business customers (including management and those who will actually interact with the system), enterprise customers, IS department members (e.g., management, developers and support staff), owners, vendors, government agencies, and project members and their families. Ideally, a Project Definition is developed in collaboration with representatives from key classes of stakeholders. At the least, the primary beneficiaries and benefactors of the application should be involved.

## **Business Users 'Own' the Project**

The Project Manager's role is to lead the user(s) through a process to develop the Project Definition. The business people who will use the system are actually the “owners” of the Project Definition. The Project Manager should help them articulate what they need. When they read the Project Definition, they should feel that the content reflects *their* goals for the project, in their words. Actually, the users should feel that this is *their* project and that you are a team member providing them with services to help them achieve their goals.

## **Intentions, Values, Focus, and Context Critical for Success**

A business-driven, user-centric Project Definition will consist, at a minimum, of four parts: Intentions, Values, Focus, and Context. Failure to address any of these four elements will greatly increase the chance that the project will fail. To increase the project's probability of success, aim to get as close to the target as possible in each area.

### **Intentions**

Defined as the expected end results of the project, intentions are ideally expressed in business terms and the reasons the enterprise is expending resources. For example, a company may want to define intentions as increase sales, improve customer service, or reduce operating costs.

Projects are like a relay race: you can make a tremendous *contribution*, but there is no way you can win the race yourself. It is important for all stakeholders to recognize which contributions you (the project manager) are able to make individually or with your team as opposed to those that others must be responsible for. Keeping this in mind, outline your contributions and others' contributions for each expected end result.

### **Values**

Values are the set of beliefs, trade-offs and judgement-guidelines that govern the project results and how they are obtained. For example, speed of delivery may be more important than slick design. Or, it might be worth it to extend a project if team members receive valuable training along the way. System quality may be so important that a company will spend more time and other resources on a project to get it right the first time and avoid costly repair or retrofit later. Whatever values exist, all interested parties must understand and agree to abide by the same set in order for the project to succeed. At the root of most conflicts are the differences in values or unarticulated values.

## **Focus**

Focus is the domain of the effort: what is in scope and out of scope; what people, systems and initiatives the solution must integrate with. Basically, what portion of the business can be examined and ultimately included in the development of the solution. Focus is the primary tool for controlling “run away” expansions of the effort.

## **Context**

Context is defined as other parameters that should be commonly established, agreed upon and monitored during the project. Elements of context include issues, uncertainties, understandings (e.g., mutually agreed-upon assumptions) and latitudes (e.g., leeway granted to, or limitations placed upon a project). All involved parties need to be aware of these so as to avoid unpleasant surprises.

## **Project Definition Serves Four Purposes**

A Project Definition is extremely useful in business situations, for both business and IT projects. It's also useful in the personal arena. Some project managers use it when deciding where the children will attend school next year, planning a renovation or building a new house. Whether in business or in personal dealings, Project Definition serves at least four purposes:

- 1) *It defines the purpose and boundaries of an effort.* It targets the analysis and constrains the Project's activities. That is, it provides guidance about what team members should be working on and to what lengths they may go to meet the stated project intentions.
- 2) *It builds support and commitment of stakeholders.* It defines the problem in business terms (*not* in terms of technology or any other solution) and provides the sponsors with a vocabulary to secure support for the project. It helps stakeholders feel secure that they are being served in the way they need to be served; they can understand and support the effort because they consider it theirs.
- 3) *It serves as a tool for planning.* It establishes the basis for planning, securing and supporting the activities needed for Project Management.
- 4) *It targets the conduct of the project.* Because everyone involved is operating under agreed-upon values, team members can proceed with confidence that they are doing the appropriate work for the right reasons. In addition, decisions can be made more quickly, with less potential for conflict. If a project is operating at the speed of light, with little attention to detail, it is because everyone agreed and understands that would be best for the company in this instance. On the other hand, if a project moves at a very measured pace, it will be because of the agreed-upon need for quality and accuracy.

## **Project Definition Can Be Short or Long**

A Project Definition can consist of a few notes jotted on a napkin from a casual conversation; often, this minimal version is all you would need. However, the Project Definition can be expanded to include much more detail about each of the four main elements, if necessary. If a project is large, complex or mission critical, it pays to identify greater detail. They may even result in long Project Definitions of 20 pages or more. While there is certainly a cost involved in going to this level of detail, when a project has challenges from size or complexity, it becomes even more important to identify the potential opportunities and pitfalls.



# Advanced Strategies, Inc.

---

Although a Project Definition may involve considerable time and effort, this front-end investment lessens the possibility of a project failure or missteps caused by a lack of understanding of the overall scope. Determining and including critical details and issues in the beginning are keys to producing a plan that helps a project be successful.

Sometimes, the team members decide as a result of the Project Definition *not* to continue with the project. In this case, they realize that it is much better to have expended the resources to make a well-informed decision than to support a project that was doomed to fail.

You will find that developing complex Project Definitions helps when you return to more straightforward engagements because they deepen your understanding of the method and the nuances involved. This information should help you apply this technique at the basic level and realize the rich potential Project Definition has to offer. It is the beginning of a process that will keep your projects on track and successful.

## **Sample Project: Payroll**

Use the following sample project to get a better feel for developing a Project Definition and the concepts involved.

You work at a small but growing company. Up to this point, payroll has been handled manually, but the payroll clerks have had difficulty keeping up as the company grows. Management thinks the company needs an automated payroll system. You have been appointed the project manager.

Define the project Intentions, Values, Focus, and Context. Keep in mind that in a real life project, you will be consulting with the project owners, users and others in the process.

### Intentions:

- Improve employee retention
  - Effort Contribution
    - Speed Up payroll processing
    - Reduce payroll processing errors
  - Others' Contributions
    - Ensure all clerks show up to work
    - Ensure all clerks are trained on the system
    - Run payroll on schedule
- Reduce operating costs

### Values:

- Record keeping must comply with all federal, state and local requirements
- It is more important to have lower costs of ongoing production than it is to have a lower one-time cost of development.

### Focus:

- All Payroll functions; includes time and expense gathering and recording, tax and benefit calculations and printing checks.
- Excludes tracking of employee retirement investments.

### Context:

- The project must be completed before January 1.
- All existing payroll data is assumed to be correct and will not be verified as a part of this project.

*Note that the first intention was not "pay employees on time." This is something all accounting departments would like to do, but stating it this way does not explain the benefit the company hopes to gain by performing this activity.*