Managing Complex Outsourced Projects

By: Gregory A. Garrett, CPCM, PMP
Winner of PMI’s Project Management Excellence Award
Quick Results Survey – Question #1

• Which of the following organizations do You work for:

  U.S. Federal Govt.  ☐
  Aerospace/Defense Contractor  ☐
  Other Govt. Agency Contractor  ☐
  Commercial Business  ☐
Quick Results Survey – Question #2

• Increasingly, the projects I am involved with are complex, including multi-parties, requiring the integration of hardware, software, and/or professional services!

True □
False □
Quick Results Survey – Question #3

• Increasingly, my customers are setting higher expectations for on-time-delivery, technical performance, quality products, services, and solutions – using demanding performance – based contracts!

  True ☐

  False ☐
Managing Complex Outsourced Projects

Key Topics of Discussion

• The World We Live In
• Integrated Project Management (IPM) Life-Cycle
• IPM Model
• The Five Project Elements: Tools & Techniques
• Summary
According to the Center for Business Practices - Survey:

- 51.7% of the projects surveyed were considered complex or highly complex.
- 44.6% of the companies surveyed had established a Project Management Office or PM Center of Excellence.
- 65.3% of the companies surveyed had a low level of project portfolio management maturity.

*Survey Results of Center for Business Practices (CBP), 2003, PM Solutions, Havertown, PA
The Three Most Significant Project Management Challenges

- **23.9%** Lack of a consistent approach to managing projects
- **19.7%** Lack of qualified people to manage large complex projects
- **16.9%** Poor resource allocation
The CBP 2003 Survey Results – Most Common Improvement Areas

The Three Most Common Improvement Areas

- 77.9% Software tools
- 69.1% Methodology development
- 69.0% Staff Training
## Integrated Project Management (IPM)
### Life-Cycle (5 Phases)

<table>
<thead>
<tr>
<th>Awakening Phase</th>
<th>Implementing Phase</th>
<th>Professionalizing Phase</th>
<th>Enterprising Phase</th>
<th>Integrating Phase</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Awareness of Need for PM&lt;br&gt;• Leadership Involvement (Champion)&lt;br&gt;• Form Core Team or Project Management Office (PMO)</td>
<td>• Process Development&lt;br&gt;• PM Staffing&lt;br&gt;• PM training&lt;br&gt;• Focus on Key Projects</td>
<td>• PM Rigid-Flexibility&lt;br&gt;• Widespread PM Application&lt;br&gt;• Focus on PM Certification&lt;br&gt;• Sharing PM Best Practices</td>
<td>• Standardization of ERP Database&lt;br&gt;• Linked to other Processes&lt;br&gt;• PM Health Checks</td>
<td>• Multi-parties&lt;br&gt;  – Customer&lt;br&gt;  – Principal (Prime) Suppliers/Contractor&lt;br&gt;  – Supply-Chain or partners (Subcontractors)&lt;br&gt;• Integrated Project Management&lt;br&gt;  – Project Practices&lt;br&gt;  – Project Tools and Techniques&lt;br&gt;  – Project Training&lt;br&gt;  – Project Leadership</td>
</tr>
</tbody>
</table>

### Integrated Project Management (IPM)
The first project element is "Customer Needs & Goals Process". The table below lists the inputs, tools & techniques, and outputs:

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Tools &amp; Techniques</th>
<th>Outputs</th>
</tr>
</thead>
</table>
| • Customer Needs & Goals  
  – Quality Products  
  – Quality Services  
  – Integrated Solutions  
  – Best Value Deal  
  – On-Time-Delivery  
  – Reduced Cycle-Time  
  – Services/Support  
  – User Satisfaction  
• People  
• Key Performance Areas & Metrics  
• Training |  
|  
Project Requirements  
• Checklist of Attributes of Effective Project Requirements  
• Checklist of Project Requirements Best Practices  
Work Decomposition  
• Work Breakdown Structure (WBS)  
• Vee Model  
Linking RFP to Proposal  
• Compliance Matrix  
• Solution Linkage Matrix  
Customer Requirements  
• Customer Requirements & Project Deliverables Checklist  
• Customer Requirements Summary  
Performance Metrics  
• Checklist of Customer and Supplier Key Performance Areas & Metrics  
Test/Acceptance/Sign-off  
• Test and Acceptance Plan Outline  
• Customer Acceptance Process  
• Customer Sign-off Form |  
• Well-defined Performance-Based Customer Needs (Requirements)  
• Mutually agreed to joint Performance Areas & Metrics  
• Positive & Professional Customer Relationship |
# The Opportunity & Risk Management Process

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Tools &amp; Techniques</th>
<th>Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• People</td>
<td>• Opportunity and Risk Management (ORM) Model</td>
<td>• Successful Projects</td>
</tr>
<tr>
<td>• Elements of Opportunity</td>
<td>• Idea Generation (ORM: Tools &amp; Techniques) Summary</td>
<td>– Maximize Opportunities</td>
</tr>
<tr>
<td>• Elements of Risk</td>
<td>• Profitability Measurement (ORM) (Tools &amp; Techniques) Summary</td>
<td>– Mitigate Risks</td>
</tr>
<tr>
<td>• Corporate Culture (Risk-Taking) vs. (Risk-Adverse)</td>
<td>• Project Complexity Assessment Tool</td>
<td>– Obtain Follow-on Projects</td>
</tr>
<tr>
<td>• Training</td>
<td>• Checklist of Software Risks</td>
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<tr>
<td></td>
<td>• Software Engineering Risk Tables</td>
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<td></td>
<td>• Project Risk Management Plan Outline</td>
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<td></td>
<td>• Project Risk Mitigation Form</td>
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<td></td>
<td>• Types of Contracts – Risk Sharing Tools</td>
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<td></td>
<td>• Project Doability Analysis Form</td>
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<td></td>
<td>• Project Bid/No Bid Assessment Tool</td>
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<td></td>
<td>• Project Phases and Control Gates</td>
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<td></td>
<td>• ORM Decision-Support Software Matrix</td>
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</tbody>
</table>

- Maximize Opportunities
- Mitigate Risks
- Obtain Follow-on Projects
# Third Project Element: Project Communication Process

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Tools &amp; Techniques</th>
<th>Outputs</th>
</tr>
</thead>
</table>
| • People  
  – Customer (Needs & Goals)  
  – Supplier (Value-Chain)  
• Information Technology Tools  
• Organization Options  
• Training | **Plans/Meetings/Reports**  
• Project Communications Plan  
• Project Status Meetings  
• Project Status Reports  
**Taking Action**  
• Jeopardy/Escalation Process  
• Action Item Register  
**Contract Change Management**  
• Checklist of Tips  
• Contract Change Request Form  
• Contract Change Log  
• Contract Changes Clause  
**Information Technology**  
• Face-to-Face Meetings  
• Conference Bridges  
• Collaboration Software  
• Video/Web Conferences  
• Interactive Chat  
• e-mail  
• Project War Rooms  
• Intranet Website  
**Project Lessons Learned** | • Effective Project Communications  
  – Honest  
  – Timely  
  – Accurate  
  – Complete  
  – Appropriate |
# Fourth Project Element: Project Teamwork Process

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Tools &amp; Techniques</th>
<th>Outputs</th>
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</thead>
<tbody>
<tr>
<td>• People</td>
<td>Business Conduct</td>
<td>• Highly Effective Project Team</td>
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<tr>
<td>– Customer (Needs &amp; Goals)</td>
<td>• Project Charter Outline</td>
<td>– Exceeds Customer Needs</td>
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<tr>
<td>– Supplier (Value-Chain)</td>
<td>• Code of Conduct</td>
<td>– Obtains Positive Customer Feedback</td>
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<td>• Leadership Development</td>
<td>Accountability &amp; Responsibility</td>
<td>– Ensures On-Time-Delivery</td>
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<tr>
<td>• Roles &amp; Responsibilities</td>
<td>• Responsibility Assignment Matrix (RAM)</td>
<td>– Provides Quality Products &amp; Services</td>
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<tr>
<td>• Training</td>
<td>• Multi-Party Participation Matrix</td>
<td>– Exhibits Excellent Teamwork</td>
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<td>Team Member Assessments</td>
<td>– Delivers On-Budget</td>
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<td>• Project Team Member Objectives &amp;</td>
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<td>Assessment Tool</td>
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<td></td>
<td>• Value-In-People (VIP) Project Team</td>
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<td>Member(s) Survey</td>
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<td>Rewards &amp; Recognition</td>
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<td>• Recognition &amp; Rewards Program and</td>
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<td>Nomination Forms</td>
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<td>Leadership Development</td>
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<td></td>
<td>• Talk the Talk</td>
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<td></td>
<td>• Walk the Talk</td>
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<td></td>
<td>• Build Leaders at Every Level</td>
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<td></td>
<td>• Make a Difference</td>
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Summary – Enjoy the Book!

The New Book “Managing Complex Outsourced Projects” contains:

- IPM Life-Cycle and Model
- 400+ PM Best Practices
- 40+ Forms & Checklists
- 20+ Case Studies from Leading Companies Worldwide
- Numerous unique tools & techniques
- Expansive glossary of terms
- User-friendly Index for Easy References