PROJECT MANAGEMENT BEST PRACTICES

Achieving Global Excellence

Harold Kerzner, PH.D.

Contents

1 UNDERSTANDING BEST PRACTICES 1

1.0 Introduction 1
1.1 Project Management Best Practices: 1945–1960 1
1.2 Project Management Best Practices: 1960–1985 3
1.3 Project Management Best Practices: 1985–2006 6
1.4 Best Practices Process 11
1.5 Definition of a Best Practice 12
1.6 Strategic Best Practices 17
1.7 Sources of Best Practices 19
1.8 What to Do with a Best Practice 28
1.9 Critical Questions 29
1.10 Levels of Best Practices 30
1.11 Common Beliefs 32
1.12 Best Practices Library 33
1.13 Best Practices in Action: Satyam 36
1.14 Best Practices in Action: DFCU Financial 38
1.15 Best Practices in Action: Two Degrees 42
1.16 Halifax Community Health Systems 43
1.17 Best Practices in Action: DTE Energy 44
1.18 Best Practices in Action: Amontis 48
1.19 Best Practices in Action: Computer Associates (CA) 53
1.20 PM Elite: Best Practice in Software PM at Infosys 56

2 FROM BEST PRACTICE TO MIGRAINE HEADACHE 61

2.0 Introduction 61
2.1 Good Intentions Becoming Migraines 61
2.2 Enterprise Project Management Methodology Migraine 63
2.3 Customer Satisfaction Migraine 63
2.4 Migraine Resulting from Responding to Changing Customer Requirements 64
2.5 Reporting Level of PMO Migraine 65
2.6 Cash Flow Dilemma Migraine 66
2.7 Scope Change Dilemma Migraine 67
2.8 Outsource or Not Migraine 67
2.9 Migraine of Determining When to Cancel a Project 68
2.10 Migraine of Providing Project Awards 68
2.11 Migraine from Having Wrong Culture in Place 69
2.12 Sources of Smaller Migraines 70
2.13 Ten Uglies of Projects 74

3 JOURNEY TO EXCELLENCE 83

3.0 Introduction 83
3.1 The Light at the End of the Tunnel 85
3.2 Motorola 88
3.3 Texas Instruments 89
3.4 EDS 90
3.5 Exel Corporation 93
3.6 Hewlett-Packard 101
3.7 DTE Energy 104
3.8 Quixtar 105
3.9 Convergent Computing 108
3.10 KeyBank 110
3.11 Nortel 112
3.12 Halifax Community Health Systems 114
3.13 Avalon Power and Light 115
3.14 Roadway 116
3.15 Defcon Corporation 118
3.16 Kombs Engineering 119
3.17 Williams Machine Tool Company 120
3.18 Swagelok Company 121
3.17 City of Chandler, Arizona: Information Technology 122

4 PROJECT MANAGEMENT METHODOLOGIES 135

4.0 Introduction 135
4.1 Excellence Defined 136

4.2 Recognizing the Need for Methodology Development 140
4.3 Critical Components 144
4.4 Project Management Tools 146
4.5 General Motors Powertrain Group 149
4.6 Ericsson Telecom AB 150
4.7 Nortel 153
4.8 Benefits of Standard Methodology 153
4.9 Sherwin-Williams 154
4.10 Antares Management Solutions 158
4.11 Westfield Group 160
4.12 Implementing Methodology 163
4.13 Ceridian 164
4.14 Overcoming Development and Implementation Barriers 167
4.15 QA 167
4.16 Exel 174
4.17 Halifax Community Health Systems 182
4.18 Orange Switzerland 185
4.19 Ontario Public Service 189
4.20 Convergent Computing 195
4.21 EDS 199
4.22 DTE Energy 201
4.23 Motorola 207
4.24 SAIC/RMA 208

5 INTEGRATED PROCESSES 213
5.0 Introduction 213
5.1 Understanding Integrated Management Processes 213
5.2 Evolution of Complementary Project Management Processes 215
5.3 Convergent Computing 220
5.4 CIT 221
5.5 Total Quality Management 223
5.6 Concurrent Engineering 226
5.7 Risk Management 226
5.8 Boeing Aircraft 231
5.9 Interacting Risks: The Space Shuttle Columbia Disaster 232
5.10 Change Management 237
5.11 Other Management Processes 238
5.12 Johnson Controls 239
5.13 Visteon Corporation 246
5.14 Ford Motor Co. Electrical/Electronics Systems Engineering 250
5.15 Satyam Computer Services 259
5.16 EDS 268
5.17 Earned Value Measurement 269
5.18 DTE Energy 269
5.19 Halifax Community Health Systems 271

6 CULTURE 273

6.0 Introduction 273
6.1 Creation of a Corporate Culture 274
6.2 Corporate Values 275
6.3 Types of Cultures 275
6.4 Corporate Cultures at Work 276
6.5 Anderson Development Company 279
6.6 Project Management and Culture 286
6.7 Orange Switzerland 288
6.8 Motorola 290
6.9 McElroy Translation 290
6.10 Halifax Community Health Systems 293
6.11 DTE Energy 294
6.12 EDS 294
6.13 Convergent Computing 295

7 MANAGEMENT SUPPORT 297

7.0 Introduction 297
7.1 Visible Support from Senior Managers 297
7.2 Project Sponsorship 298
7.3 Excellence in Project Sponsorship 302
7.4 Empowerment of Project Managers 303
7.5 Management Support at Work 305
7.6 Motorola 307
7.7 DTE Energy 308
7.8 Halifax Community Health Systems 308

8 TRAINING AND EDUCATION 311

8.0 Introduction 311
8.1 Training for Modern Process Management 311
8.2 International Institute for Learning 312
8.3 School of Project Management 316
8.4 Identifying Need for Training 318
8.5 Selecting Students 318
8.6 Fundamentals of Project Management Education 319
8.7 Designing Courses and Conducting Training 320
8.8 Measuring Return on Investment 322
8.9 Competency Models 323
8.10 Effective Training Programs 324

9 INFORMAL PROJECT MANAGEMENT 327

9.0 Introduction 327
9.1 Informal versus Formal Project Management 327
9.2 Trust 330
9.3 Communication 331
9.4 Cooperation 334
9.5 Teamwork 334
9.6 Color-Coded Status Reporting 335
9.7 Informal Project Management at Work 335

10 BEHAVIORAL EXCELLENCE 337

10.0 Introduction 337
10.1 Situational Leadership 337
10.2 Conflict Resolution 340
10.3 Staffing for Excellence 342
10.4 Virtual Project Teams 344
10.5 Rewarding Project Teams 346
10.6 Keys of Behavioral Excellence 349
10.7 Convergent Computing 353
10.8 EDS 354
10.9 Hartford 365
10.10 Symcor 359

11 MEASURING RETURN ON INVESTMENT ON PROJECT MANAGEMENT TRAINING DOLLARS 363

11.0 Introduction 363
11.1 Project Management Benefits 364
11.2 Growth of ROI Modeling 365
11.3 The ROI Model 366
11.4 Planning Life-Cycle Phase 368
11.5 Data Collection Life-Cycle Phase 370
11.6 Data Analysis Life-Cycle Phase 373
11.7 Reporting Life-Cycle Phase 377
11.8 Conclusions 378

12 THE PROJECT OFFICE 379

12.0 Introduction 379
12.1 Types of Project Offices 381
12.2 Universal Underwriters Group 381
12.3 Ceridian 382

12.4 Stonebridge Group 385
12.5 Motorola 386
12.6 DTE Energy 387
12.7 Halifax Community Health Systems 388
12.8 KeyBank 389
12.9 Satyam 389
12.10 Exel 394
12.11 Hewlett-Packard 397
12.12 EDS 400
12.13 Ameren 401

13 SIX SIGMA AND THE PROJECT MANAGEMENT OFFICE 409

13.0 Introduction 409
13.1 Project Management–Six Sigma Relationship 409
13.2 Involving the PMO 411
13.3 Traditional versus Nontraditional Six Sigma 412
13.4 Understanding Six Sigma 415
13.5 Six Sigma Myths 417
13.6 Use of Assessments 419
13.7 Project Selection 422
13.8 Typical PMO Six Sigma Projects 424

Index 427