Third Edition

THE LITTLE BLACK BOOK OF
PROJECT
MANAGEMENT

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AMACOM

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Introduction to the Third Edition

It is your business when the
wall next door catches fire.

—HORACE—

Getting more results with fewer resources: This ideal defines project initiatives in many organizations. However, it is not simply the economic value, efficiency, or speed that defines success in project management. The process needs also to involve quality control in the supply chain, concern for product safety and value, and cooperation within the organization.

Project management is appropriate for any nonrecurring, complex, and costly assignment. If a team is going to include participants who cross departmental and sector lines and who may even involve project managers with lower corporate rank than some team members, then a specialized team structure is essential. This also has to involve developing a carefully defined overall plan, choosing the right team, preparing a project budget, and creating a realistic and executable schedule. The coordination of a project is complex and demands mastery over many kinds of variables.

Imagine this situation: You have been named as project manager for a nonrecurring, complex, and potentially costly project. You know immediately that the degree of your success in completing this project is going to impact your career. Typically, your resources are going to be limited, your budget too small, and the deadline too short. Also

typically, management has defined this project in terms of the desired end result but not including the method of execution.

This assignment challenges your management, leadership, and organizational skills. A manager or supervisor can control and execute recurring tasks within a limited department or even in a multidepartmental sector, as long as those routines recur in a manner that is known in advance, with potential risks easily identified, quantified, and mitigated. This situation is rare, however. Such a simple responsibility might seem desirable, but there are the variables—the things you don't anticipate—that go wrong and that make organizational life interesting. This is more so in project management than in departmental, sector, or divisional management.

A project assignment may be defined as (a) outside of your normal responsibilities, (b) involving nonrecurring tasks, and (c) involving team members or resource providers outside of your immediate organizational realm of operation. As soon as you are put in charge of a project or asked to serve as a team member, your first question might be, ''What is this project supposed to accomplish?'' You are likely to discover that no one knows the answer. The project might be simplistic in definition, with the desired end result identified, but lacking the benefits it provides, the means for accomplishing it, or even the systems to sustain it once completed. Many projects are defined not specifically, but in terms of ''results.'' For example, your project might be to ''reduce the defects in a process,'' ''reduce the cost of providing service,'' or ''speed up the time it takes to deliver goods to the market.''

These end-result definitions are not actually definitions at all. They are end results, perceived improvements over the current system. So as project manager or team member, you are really not given any guidance about what has to be changed or fixed. The project team's first responsibility is going to be to identify a *plan* that begins with the assigned end result and tracks back through the system to determine how problems are going to be addressed.

This *Little Black Book* is intended as a guide to help you manage or take part in any project. This means, by necessity, that you need to determine how to define what needs to be achieved at every level within a project process. To do this, the overall project has to be broken

down into smaller, more manageable phases. This is how any complicated task has to be addressed. Trying to attack the whole job at once is not only impossible and disorganized, it will also lead to an unsatisfactory result. The only way to control budgets and schedules is to define logical starting points *and* stopping points, helping lead the team to successful completion. This includes reaching not only the goals imposed on you at the time of project assignment (the end result) but other goals the team sets as well (reduced costs, faster processing, lower errors, better internal controls). This approach also helps you to anticipate problems in a coming project phase and to take steps to address them. Another advantage is that it will help to define concrete objectives in addition to the stated end result.

Projects may also be long term due to their complexity and impact. This causes even the best organized managers to experience difficulty in managing projects. But if you know how to organize and manage recurring tasks, you already understand the common problems associated with the work cycle, staffing issues, and budgetary restraints. Your skill in working with these restrictions qualifies you also to manage projects. The project environment is different, but your skills are applicable.

The context of a project is different from the recurring routines you deal with every day. First, because the project involves nonrecurring tasks and problems, their solutions cannot be anticipated or managed routinely; you are going to need to develop solutions creatively and in cooperation with team members. Second, unlike well-defined tasks you are accustomed to, projects are likely to cross lines of responsibility, authority, and rank, thereby introducing many new problems. Third, a project plan extends over many weeks or months, so you need to develop and monitor a budget and schedule for longer than the normal monthly cycle. Most managers are used to looking ahead for a matter of days or weeks for a majority of their routines, but projects demand a longer-term perspective.

The application of skills has to occur in a different environment, but you already possess the basic management tools to succeed in managing a project. Your ability to plan, organize, execute, respond to the unexpected, and to *solve* all work for projects as they work within a

more predictable work environment. They only need to be applied with greater flexibility and in a range of situations you cannot anticipate or predict. The project may be defined as an exception to the rules of operation. It demands greater diligence in terms of budgets and schedules, and, of course, you will no doubt be expected to continue with your regularly recurring routines in addition to working through the project.

Operating a project is like starting a new division or department. You have no historical budget as a starting point, no known cycle to add structure as you move through routines, and no way to anticipate scheduling problems. You do not even have a known range of problems needed to be addressed, because everything about the project is new.

Think of this *Little Black Book* as a collection of basic information you need, not only as you proceed through your project but also to create a foundation for the project-based structure you are going to create. That structure relies on organization, style, character, and arrangement of resources, and *you* will play a central role in defining, drawing upon, and applying these resources. The project is also going to demand the application of essential management skills, including leadership and anticipating coming problems. This book shows you how to take charge of even the most complex project and proceed with confidence in yourself and your project team.

This third edition expands on the material in previous editions by incorporating many new elements. In addition, this edition includes the current fusion of traditional project management with the widely practiced and effective skills of Six Sigma, a discussion of how value chain applies to all projects and processes, and referrals to many online resources, notably software for project management. The intention of this new edition is not only to continue to expand on the advice and application of sound management principles you need as a project manager, but also to help you develop your own internal systematic approach in applying your experience in a project environment.