

How Do We Start a Project? Ensuring the Right Sponsorship, Stakeholder Alignment and Thoughtful Preparation for a Project

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Introduction

There are lots of ways to start a project—the back of an envelope, finger in the air, a deal on the golf course or, perhaps even a well-articulated business case. These are the start points—the “glimmers” that define an idea or a vision. But how do we turn this ethereal fog into the real stuff? What can we do to drag the idea down to street level and, more importantly, what do we do once we get it there? There are a number of approaches available to the project manager to actually start a project.

Let’s start with the basics—someone had the initial idea. Typically, this would be the sponsor—could be the CEO, CFO, senior executive or department manager or any thoughtful player. Typically, this is someone with enough influence or clout to pull it off. However, he or she may not know how to do it—how to make the project work on the ground. This is where the project manager can make a difference. The extent to which the project manager and sponsor form an effective alliance at this stage, will determine the success or failure potential for the project.

A key objective at this juncture is defining the project as an organization, and developing its strategies, structure, processes, team, resources and culture. Although a project has an end date, it is still an organization, and must be established and managed as one.

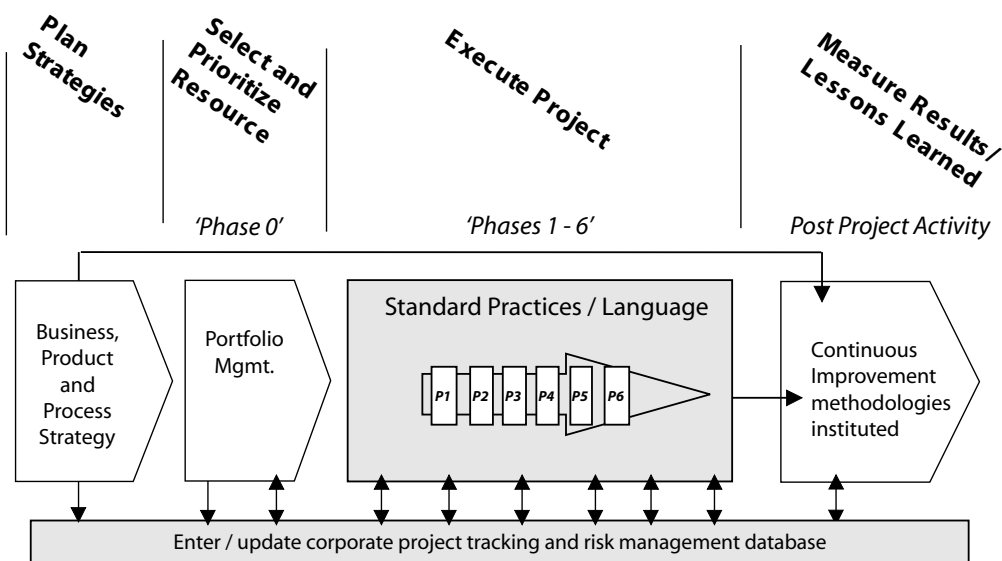
The project manager and sponsor must develop a start-up definition that provides the overall context for the project. This definition identifies the information necessary to establish a project, and whether that information is or is not available. Rigorous definition at this stage makes forward movement more likely in the process of establishing a project.

This paper will examine these critical components and how they can influence the way a project evolves.

Bridging the Gap—From Idea to Reality

Project initiation is really two journeys—getting to the project and getting the project started. These really are two distinct steps. The first must necessarily occur at the senior levels of the company. The second happens inside the Project Initiation Phase. We start, logically, with the first step.

Exhibit 1. “Phase Zero” Flow



Actually, we can begin with a question—how do projects become projects? There are many approaches available. Preproject planning runs the gamut, from the heavy-duty process-and-form set with more focus on process than execution to the companies for which strategic planning means “... what are we going to do on Thursday.” Most organizations actually use a pre-planning process that looks at the overall corporate strategies.

Strategic Planning and Portfolio Management

The key to effective project initiation is the quality of the output from the strategic planning process. It must be packaged in a well-defined, prioritized and resourced hand-off to the project management process.

A graphic representation of this flow might look something like what is shown in Exhibit 1.

In Exhibit 1, the project is represented by the six-phase structure in the center. The preproject activity can be seen in the context of “Phase-0,” which starts with strategic planning, initiates portfolio management and ends in a hand-off to the actual project methodology. When this approach is applied well, the result can be a well-defined project portfolio with a reasonably successful project completion rate.

We have also seen the consequence of not applying this kind of structure. For example:

- Initial strategic planning efforts might have been successful at creating Strategic Programs, prioritizing and funding the Programs and setting the next calendar year. However:
 - There may be more focus on process than on execution
 - Processes can be cumbersome and may not add value as anticipated
 - The planning process may not be integrated with a tactical project management framework, which can lead to mistakes of omission and costly delays.
- Resource allocation and estimation plans that are developed and presented through the annual planning stages are impacted as new initiatives are merged with current workloads—there is no effective way to integrate this new work.
 - Projects are not properly resourced up front, resulting in under/over estimation.
 - Organizations cannot always ensure that sufficient resources are available to support new requests for additional services.
 - Companies are not being prepared for the next wave of work.
- Project ownership and the roles/responsibilities for project stakeholders are not fully defined. This leads to too many involved hands and no single point of responsibility. There is a limited cross-functional view within the projects, often leading to “silo” thinking around project management and delivery.
- Perhaps the most dominant and recurring theme we see is the lack of sufficient up-front planning and time allocated to think through proposed work. This pertains to topics such as requirements and scope definition, business analysis and stakeholder alignment, as well as the resource planning mentioned above.
 - There is not enough time allotted to “what-if” analyses that test the hypotheses necessary to advance the business.

- Insufficient up-front preparation often results in unplanned scope expansion and an overextended resource pool, constraining the ability of the organization to react quickly to customer requests.

- This impact on the pool, in turn deteriorates company capacity to build out its infrastructure, e.g., develop centralized customer files to integrate multiple databases or migrate processing to newer, more efficient platforms.

Proper project definition and resource requirements must evolve sooner in the planning process to ensure accuracy in the judgments being made about project priority.

Turning High-Level Programs into Projects

These barriers are often overcome by instituting approaches that use the strategic planning process being discussed in this paper. For instance,

- The annual budget process can be used as a feeding mechanism to generate projects for the coming year.
- Smaller companies use an “intake” process, managed by a small group, usually in a Product Development function, that determines the worthiness of new projects. This can be based upon factors such as potential revenue, strategic import, Internet traffic volume and so forth. Concepts that fit the desired profile become projects. Ideas that do not fit remain as just ideas.
- Companies that utilize rigorous planning processes tend to be more efficient in their execution of critical projects. A tactical approach is the best way to actualize the business planning and create clear deliverables that move programs into active projects. Planning sessions built around key initiatives provide the crucial time, up-front, for key stakeholders to review the portfolio, understand the implications of each initiative and allow internal service providers to assess feasibility. This, in turn allows those initiatives most likely to get formed and get funded to move ahead and become real projects.

Critical Project Initiation Steps

OK, so my project was noticed, accepted, prioritized, resourced ... now what? Some crucial questions come to mind:

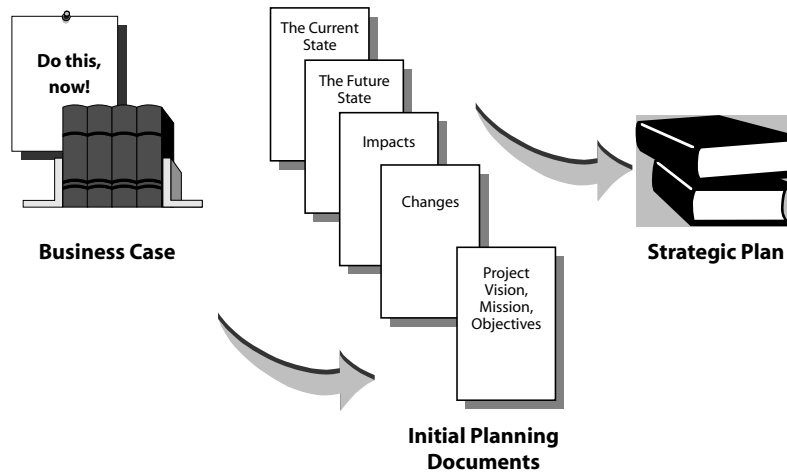
How do I actually *start* the project? Who needs to help me? What should the end product really look like? How will I make my deliverables? What *are* they? Who do I need to tell about the project? I may have my resources signed up, but how will I keep them engaged for the duration?

A well-articulated and well-executed Initiation Phase is required to answer these and many more questions around start-up and actually guide the project manager through the process.

The *PMBOK® Guide* talks to us about a number of these elements; for instance, Project Integration for plan development, Scope Management for scope definition and change control, Time and Cost Management, Human Resource Management for team development and Risk Management. These critical components operate throughout the project life cycle, but they must come together in the Initiation Phase.

Exhibit 2. Initiation Phase—Strategic Project Planning

Strategic Project Planning



Project Initiation is about ideas, concepts, people, plans and focus—all coming together to build a cohesive picture. And that is all we have when we start ... a picture. In a way, that is the magic of project management. Someone can define a vision and get a group of people to follow that vision. This group of participants must rearrange their business priorities and commit to this idea, either because they want to or are told they have to and stay with it until the project is complete. Of course, we would prefer the former, but we all know how it is in the real world.

However, whether we come to these projects willingly or not, the idea is the same—we need to get our stakeholder community to hear what is needed to be done, provide input to the vision and then get on with the business of doing it.

At the highest level, we are looking at five steps for the Initiation Phase of a Project—(1) Strategic Planning, (2) Defining the Business Need, (3) Establishing the Project Environment, (4) Communicating the Project, and (5) Securing Cross Functional Business Commitment. Remember that these are the steps to start a project. Once the Initiation phase is complete, the project moves into the more traditional life cycle of Requirements, Design, Build/Test, Implementation and Post Implementation.

Now, if you are starting to think that all this is way too bureaucratic for my projects ... my organization would never tolerate all this planning ... think about this. Can you afford NOT to employ this kind of planning? Do you have the time to do the project again when you find out what you left out? We have all read the Standish Group reports about failed and seriously challenged projects. In today's marketplace and "marketspace," we can no longer afford to get it wrong.

Project Strategic Planning

Initiation is also about planning and execution—driving ahead with a purpose. Company strategic planning and prioritization

committees may have determined the project fits the overall business strategy. What about project strategy? Does the project fit in the real world? Can this new product really be built? Can we relocate that number of people? Can we actually drive that amount of traffic if we build this Internet link? Finding the answers to these questions is our responsibility. We must first determine the idea is even feasible, preferably before we start to consume resources (people and otherwise). This is where the real work begins.

Business Case/Present the Vision

We start with the Business Case ... does one exist? If not, how quickly can we get one produced? Does the company have the appetite to do this or is the back of an envelope really OK? A rigorous Business Case helps present a clear picture of project intent and objectives. A typical outline would include the following:

- Strategic Intent that links the project to corporate strategy and goals
- Objective—a measurable goal for the project
- Value Proposition—the value of the project outcome for the organization
- Competitive Environment—how the entity being built relates to the competition
- Feasibility Assessment—an indication that the objective can be reached
- Financial Model—illustrates the projected costs and benefits.

This component must be present before moving to the next step.

Sponsorship

The relationship between the project manager and sponsor is a partnership. The sponsor is responsible for creating an environment

in which the project can operate successfully. The project manager is responsible for implementing that successful operation. The partnership is facilitated by an agreement between the project manager and sponsor on project expected results—they must agree explicitly on this point.

The sponsor must invest sufficient time to understand the project details—he or she not only initiates a project with an “idea,” but also spends the required time during the Initiation phase to ensure that idea is turned into a viable project. Initiating a project requires investing corporate capital, and there are responsibilities a sponsor takes on to ensure that investment yields a solid return. It is the project manager’s responsibility to ensure the sponsor understands a sufficient level of detail about both the managerial and developmental aspects of the project in order to be effective in providing guidance, resources, and advocacy. This is the project manager’s investment in the partnership.

Initial Planning

This is about getting the right people in the room, at the same time, to do some up-front thinking and communicating about the project objective. We have all been through the projects that started up too quickly, jumping from idea to Requirements, without consideration of what the project expects to do.

Good communication ensures a sufficient understanding of the initiative exists to move forward in the start-up process. An early goal is to identify any information gaps that must be filled before additional resources are committed into a project. Clearly defining and organizing a project is an opportunity to educate stakeholders about the Initiation phase and the benefits it yields. The initiator(s) must understand the activities and resources required to undertake and complete this start-up process, and must be in a position to make those resources available.

Future/Current State

The sponsor, project manager and key stakeholders meet as part of this planning process to formally define (1) the situation that has created the need for the project and (2) the fundamental definition of the project. This can be represented as:

- A representation of the entity *as it should be* to achieve results defined in the business case
- A representation of the entity *as it currently exists*
- A statement of the *differences* between the “should be” and “as is” states (the changes required)
- A high-level discussion of the *anticipated impacts* to the organization caused by the changes

These form the foundation of the requirements definition and will also become part of the project’s strategic plan.

Build the Strategic Plan

A Project Strategic Plan plays a role that is similar to that played by an organization’s strategic plan (business plan). It sets the direction and tone for a project, discusses what the project must do to succeed, presents approaches to conducting key aspects of the project, and estimates the benefits and related costs of the

project. In essence, it defines the project and its conduct as a temporary organization.

A Project Strategic Plan is not a detailed tactical plan, but a “strategic level” view that:

- Provides strategic context for all project participants
- Promotes a project
- Negotiates the relationships between the project and its sponsor
- Forewarns project stakeholders of changes that may impact their operations, infrastructure, and culture
- Provides a framework for producing a detailed project plan.

The Strategic Plan begins with a discussion of the desired future state and a comparison with the current state. It outlines the major anticipated changes and their impacts to the existing environment. Next, it defines the project’s vision and mission, identifies the project’s stakeholders and defines how they are affected by the project, both during and afterward.

The plan describes what the project will deliver, both during the project and at its completion. These “deliverables” are stated in terms of the entity that is being built and forms the basis for the detailed work breakdown structure to follow.

Define the Business Need

Develop Preliminary Requirements

A project must define preliminary requirements for the entity that the project is creating.

Preliminary requirements contain information similar to that found in the business requirements produced in the requirements/definition phase, but without the detail. Preliminary requirements *systematically* present the information contained in a business case, identifying the organizational components that are contained within the subject business area. These are high level definitions that present the environment, *as it should be*, focusing on the future in order to direct project results.

Derive Preliminary Estimates and Funding

The preliminary time and cost estimate is a high-level estimate of the project’s overall schedule and costs based on a review of the strategic plan and the preliminary requirements.

A preliminary estimate provides the sponsor with the initial schedule and cost information needed to determine whether the project is feasible and should proceed into the Requirements phase. It can provide the prioritization committee with the cost and effort information needed to determine when the project should be initiated and how resources might be impacted.

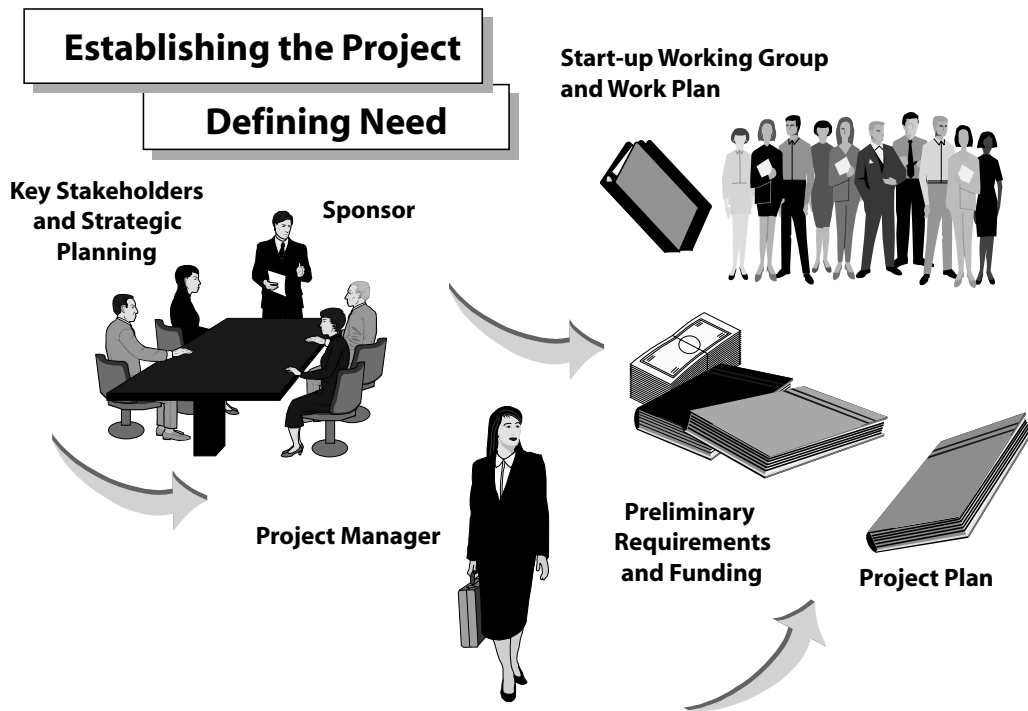
The sponsor will use this estimate in approving the project’s continuation. The preliminary schedule and cost information will be used as the current estimate for the initial project plan.

Establish Project Environment

Select the Project Team Members

A key factor in the success of a project is identifying the human resource requirement. The set of skills and experience team members bring to the project should be appropriate to that particular project.

Exhibit 3. Initiation Phase—Establishing the Project / Defining the Need



Stakeholder Identification

Clearly identifying project stakeholders early in the process allows the sponsor and project manager to see the “landscape” of the organizations and individuals they must involve in order to make the project successful. A list and characteristics of these stakeholders facilitates:

- Establishing the most appropriate project sponsorship based on power, structure, and influence
- Understanding what stakeholders must contribute (resources, advocacy) to the project
- Selection of project participants in the early phases as well as throughout the project.

The sponsor and project manager use this stakeholder view to determine the position and attitude of each key stakeholder with regards to the project:

- Are they aware of the project?
- Do they understand the objectives of the project?
- And, most importantly, will they support the project?

The answers to these questions direct the next project steps toward gathering key stakeholders together and reaching consensus on the project’s scope and objectives.

How well these elements are integrated into the project fabric will determine whether the project succeeds or fails. Without stakeholder alignment, there is no chance for success.

Prepare Initial Project Plan

The purpose of the initial (tactical) project plan is to provide the:

- Sponsor with cost, schedule, benefit, and risk information to help decide whether or not they should approve the project to proceed to the (next) Requirements phase
- Project stakeholders with information about planned project activities
- Project manager a basis for acquiring resources and services and organizing the Requirements phase
- Project team with milestones they can follow to develop key deliverables
- Project manager a basis for determining that the (next) Requirements phase is on schedule, ahead of schedule, or behind schedule
- Project manager a basis for reporting on the status of Requirements phase deliverables.

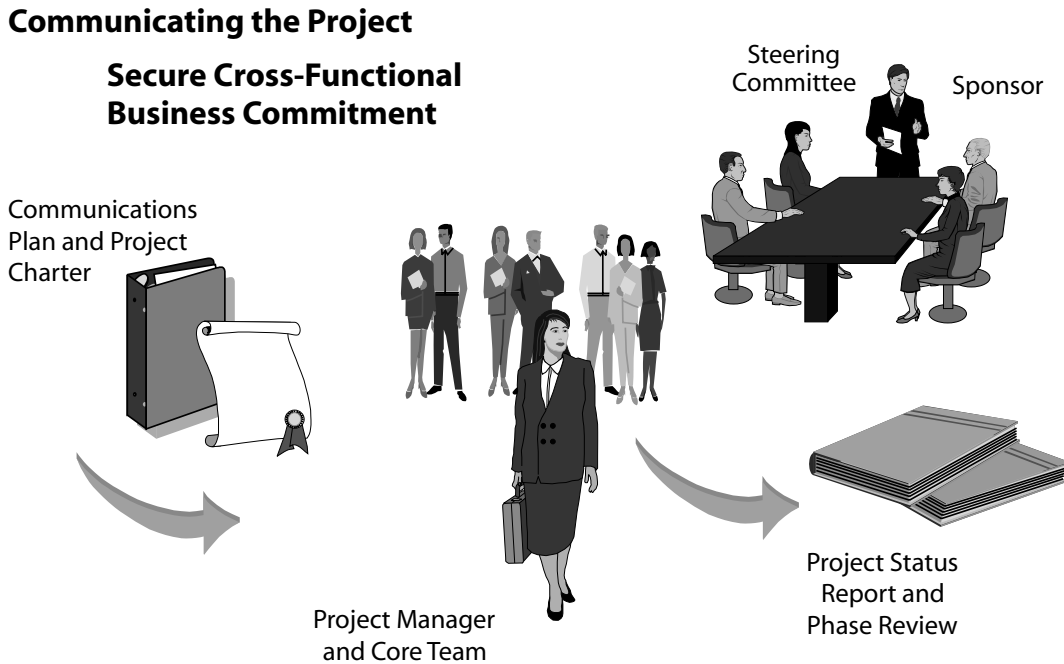
Communicate the Project

A key to communicating the project is development of a communication plan. The Plan identifies the content, format, and security level of information that is sent to and received from project stakeholders. It defines the delivery mechanisms, frequency of delivery and communication roles and responsibilities.

A project develops a communication plan to:

- Ensure that it meets the information requirements of its stakeholders
- Establish a mechanism for receiving information from stakeholders in a timely manner
- Acquire stakeholder approval of planned project reporting.

Exhibit 4. Initiation Phase—Communicating the Project / Securing Cross-Functional Commitment



The communication plan does not provide the means for distributing project deliverables or to receive materials and other input required to produce project deliverables. It is an information exchange plan, where the information is either about the project itself or about a project deliverable.

Ensure Cross-Functional Business Commitment

There needs to be a communication with the various functions (e.g., operations, technology, business, legal, marketing and so forth) that will be impacted throughout the course of the project. The buy-in of these entities will impact the project success. Their commitment to and participation in the project must be secured before the project moves to the next phase. This buy-in is typically obtained during the Phase Review, a focused meeting of key stakeholders, designed to close out each project phase and gain approval to move ahead.

Summary

The steps above were necessary to bring key stakeholders, sponsor and project manager together in terms of project perspective and support.

What does the project look like after Initiation is complete?

- Project Vision is aligned with the Business Case.
- Project Strategies are defined—initial planning completed.
- Key Stakeholders are on board.
- Resources are allocated—Project Team is organized.

- Preliminary Requirements and Preliminary Funding are in place.
- Project is being effectively “communicated” and marketed. What happens next? That is a subject for another time.

We stated at the outset that there are lots of ways to start a project. The suggestions in this paper represent a due diligence that has evolved from experience in large and small corporations. The process demands considerable discipline and may require some behavioral changes at all levels of the organization. But it gets the job done.

How do we start a project? As it turns out, very carefully ... Follow these steps and see if they work for you.

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