



Better Projects Better Business

White Paper

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OVERVIEW

Project Management (PM) is a powerful business tool that you can use throughout your organization to boost personal and collaborative productivity, and ultimately show triple-digit return on investment. In this white paper, we'll explore how to both choose better projects and then implement better use of PM throughout the enterprise. We will demonstrate how to build an adaptable system that embeds PM best practices the best way for you. You'll use our return on investment model to illustrate the benefits to your bottom line.

PM: THE VALUE BUILDER IN YOUR ORGANIZATION

PM is the science of getting things done. It's what every organization and individual needs to do to succeed. The problem in most companies is that there is no set process for choosing better projects and doing those strategic projects. According to a study by The Center for Business Practices (CBP), the largest PM challenge facing companies is implementing a consistent process.

What happens when there is no common process for getting things done in an organization? From lost time to inconsistency, no process means poor performance.

Signs of Poor Performance

- ✓ Lost Time. People spend too much time creating and recreating processes.
- ✓ Duplication. They duplicate efforts.
- ✓ Lost Knowledge. They do not benefit from the best practices that other people have discovered.
- ✓ Inefficiency. They are inefficient because they are using poor processes.
- ✓ Inconsistency. They achieve inconsistent results.

THE 3 P'S: PROJECT. PROCESS. PERFORMANCE.

A project is any activity in an organization that has a distinct deliverable and a clear beginning and ending. There is an inter-dependence between processes and projects because organizations are made up of processes (activities that are done repeatedly) and projects (events with a distinct beginning and end done to meet a strategic goal). When your projects follow a process, then you achieve greater performance.

As the quality movement shows, the biggest improvements in operational productivity result in addressing process improvement and control of operational processes (both manufacturing and administrative.) According to the Standish Group's CHAOS Report which reviewed over 40,000 projects in the last ten years, when there is not a consistent process for doing PM in a company, companies waste up to 20 percent of all project dollars spent. Beyond dollars, poor PM processes result in schedule delays, lost customers and can cost organizations a competitive advantage when they are late to market.

The power of PM is a competitive tool for your organization that is easy to learn and can be applied with simple web-based and office automation tools. The performance benefits of a uniform, repeatable approach to PM are not just for the Global 2000. It's a realistic achievement for companies of all sizes.

FIVE WAYS THAT PM TRANSFORMS ORGANIZATIONS

Develops Exponential Effectiveness. In most organizations, people work on cross-functional teams to complete projects. For example, a company working to automate their bookkeeping system will have a project team consisting of computer programmers, and specialists in finance, accounting, and computer hardware. When people from different departments know and understand a common PM process to get their work done, they can start

to work together without having to design how they are going to do it. They can have fewer time delays and conflicts because there is a common understanding of how the work will progress, how their work together is interdependent, and how they will measure their success.

Empowers Individuals and Team Leaders with the Skills to Succeed. People inherently want to do the right thing and work effectively with others. When there is a common, simple approach for PM and the correct tools are available throughout the enterprise, people are empowered to effectively reach their goals, together and individually.

Creates Institutional Memory. How smart is your company? Industry standard PM practices require a critical project closeout phase that collects lessons learned and gives your organization powerful historical knowledge from across the enterprise. A company that can learn and grow, rather than continually repeat mistakes, will move faster.

Realizes Return on Innovation. An easy-to-use PM methodology gives organizations a way to truly put innovation in motion and make implementation a reality. It's easy for a good idea to get derailed when people struggle to implement the details of the work required to bring the idea to fruition. We'll show you a framework that makes it achievable for people to move from vision to action with a comprehensive, project plan that supports their objectives.

Turns Information into Insight. When easy-to-use PM principles are applied throughout your organization, you have a competitive advantage by turning information into insight. You capture best practices and know what is and isn't working in your organization. You can also get new products to market faster and use the best information out there; information based on your customers' insights.

THE POWER VARIABLES

There are three key variables that impact the success of an enterprise-wide approach to PM.

Focus on Departments Who Will Most Benefit and Make Best Use of the New Capabilities. They are your internal public relations team because they are living the power of the results.

Create Contagious Commitment. When you show success with early adopters, people will want to understand what you're doing with PM and be a part of the ongoing success.

Develop Personal Mastery A system that leverages people's innate strengths, supports their unique styles of learning, how they best work, and fosters an environment of appreciation, acknowledgment and acceptance of each individual's unique contributions brings out the best of everyone on a project team.

BENEFITS FROM IMPROVING PM CAPABILITY ACROSS THE ORGANIZATION

Every part of your organization can become better at Project Management - even if the initial thought is conventional PM methods are an "unnatural" act for people and departments who prefer more ad-hoc organizational practices.

Align PM Practices and Processes with the Natural Talents of the People Doing the Work. People attracted to more technical fields (such as engineering, IT, finance) are more inclined to prefer more regimented PM practices and processes. Creative people attracted to new product development and marketing typically prefer less process and work flow structure. You must have a system that works well for everyone, yet contains enough common elements that allow people to work well together.

More Projects Often Equal Better Ways of Working. People who are continually assigned to projects naturally create more streamlined and effective ways of working, aligned with their natural, innate strengths. When they are also working in alignment with the agreed upon PM practices of the business, they feel more valued and appreciated, and then become better contributors. This is no small thing.

Seeing Success Breeds More Success. People who achieve success use a combination of their own innate talent and adopting what others are doing who have been successful. The IT technical field in all disciplines has ample amounts of PM practitioners and material published. Specific industries — such as the pharmaceutical, automotive and aerospace industries — have a more mature adoption of PM, while the advertising industry has a very low adoption of PM. Empower people to cultivate PM practices to fit for who they are and their projects.

The following table shows the typical capability of PM in an organization based on the type of work the people in the organization do. It also shows how much time each of these areas of the company are usually involved in PM and the value they would gain by adopting an approach that works better for those doing projects in those departments.

Department	Typical PM Capability (Within an Organization)	Amount of Time Spent on Projects Overall	Value of Adopting Consistent PM	Typical Position Titles
New Product Development	Moderate	High	High	Research
Marketing	Low	Moderate	High	Marketing
Sales	Low	Low	Low	Sales
Customer Service	Low	Low	Low	Service
Engineering	High	High	High	Engineering
Manufacturing/Production	High	Low	Moderate	Manufacturing
Distribution	Low	Low	Low	Shipping
Facilities	Low	High	High	Facilities
IT	High	High	High	CIO
HR	Low	Low	Low	HR
Finance	Moderate	Low	Low	CFO
Legal	Low	High	High	Corporate Counsel
Accounting	Moderate	Low	Low	Comptroller
Executive	Low	Low	Low	COO

Table 1: Typical PM Capability Across Organization

EARLY ADOPTERS

To motivate change, it's best to work with the key levers for change in the organization. Instead of rolling out a large change effort for the entire organization, focus on smaller, high-profile improvement activities in the areas where there is a high value from creating a PM method. For example, marketing is an area of a company that will receive a high return on investment by adopting an approach to PM. People attracted to the marketing field are generally adept at internally promoting their efforts. By getting the people who will spread the word about the effectiveness of the new techniques as early adopters, you increase the chance of your success throughout the organization. Additionally, marketing projects tend to be less complex and produce faster, high-profile results. People want to be part of a successful initiative. When you go after the early wins where there are big payoffs, the rest of the people in the business will jump on board much faster. Nothing sells like success.

SUPPORTING SYSTEMS

There are two critical components for becoming better at projects to create a better business:

1. The first one seems so obvious- it is to pick better projects to pursue. In the Cheetah Learning class, Project Portfolio Management, students learn how to align projects with overall company strategies. Students learn how to set the success criteria for projects based on what success means for the organization and evaluate their ability to achieve that success criteria with each potential project under consideration. They use this insight to select the mix of projects that can best achieve the company's strategies.
2. The second part is the people doing the projects. To get better results, project staff must do their projects in ways that best leverage their innate strengths, while aligned with a common framework for doing projects throughout the organization. Organizations who use Cheetah's approach master how to meet this apparently contradictory objective by combining two approaches. The first step is to have close to 10% of all project staff become Project Management Professional (PMP) certified. This ensures your organization is grounded in a global common framework for Project Management. The next step is to align all project staff with their innate strengths and leverage the natural way they learn, do projects, and negotiate with others. Project staff learn how to do this by becoming Cheetah Certified Project Managers.

CRITICAL SUCCESS FACTORS FOR BEING BETTER AT PROJECTS

The table below looks at these four critical success factors and who is responsible for meeting them, as well as the training and tools needed for success:

Critical Success Factor	Accountable Parties	Tools
<p>Choose Projects Aligned with Strategic Objectives Select the right projects that will enable you to achieve your strategic objectives.</p>	Senior Executives	Project Portfolio Management
<p>Focus on Magic Numbers: Three and Seven Finish projects in under three months with project teams of no more than seven people.</p>	Project Sponsors (from Senior Executives to Director Level)	Cheetah Certified Project Manager
<p>Align with the globally recognized PM Standard Ensure your project management leadership understands the global PM standard and is credentialed in that methodology. This helps you work better inside and outside your organization.</p>	Project Leadership	Project Management Professional Certification
<p>Leverage Every Person's Innate Strengths Doing your projects in the way that uses each person's innate strengths creates energized and empowered project teams.</p>	Project Staff	Cheetah Certified Project Manager

Table 2: Four Critical Success Factors to Build Business

HOW TO GET THE ENTIRE BUSINESS PERFORMING BETTER

People in various departments will have their own unique motivations for becoming better at their projects. Helping them to identify their critical success factors for their projects, and their preferences for improving how they do projects, will get stronger buy-in.

Here are three steps to having the entire business perform better:

Step	How
<p>1. Tie Project Portfolio Management to Strategic Planning</p>	<p>Many in executive level leadership feel project management is a mid-level management responsibility. HOWEVER - aligning projects with the companies strategic goals is the bridge between leadership and management. Having execs and project management leadership learn Project Portfolio Management to pick better projects is the first step.</p>
<p>2. Align with the Global Project Management Standard for PM to work better internally and externally with vendors and customers.</p>	<p>PMPs prove they have the requisite credentials and know how to lead projects aligned with the global standard for project management. This helps you work with vendors and customers who may also have PMPs using this globally recognized PM standard. When 10% of your project staff becomes PMP certified through Cheetah Learning, after just four days of prep, they develop life-long skills that help them learn faster and better handle the stress of challenging situations. They can carry your entire organization to better performance on many levels by having a common language for doing projects. Think electrical outlets and traveling in Europe here - standards create efficiency.</p>
<p>3. Activate everyone's innate genius</p>	<p>Think about it - who shows up to work wanting to perform anything less than their best? Yet, when people do not know how to leverage their innate strengths, how can they do their best work? When people learn how to use their innate strengths to learn better, do their project work the most effective way for them, and negotiate in ways that brings out their own and others' innate goodness, the entire organization benefits. This is why all who work on projects need to become Cheetah Certified Project Managers. Then you have committed, inspired, and productive project teams.</p>

Table 3: Get the entire business performing better

ROI: PM'S IMPACT ON THE BOTTOM LINE

Surveys, studies, and statistics all point to one thing: PM impacts the bottom line, and return on investment is quantifiable. In their CHAOS Report, the Standish Group conservatively estimates that 20 percent of money spent on projects is wasted due to a company not having a consistent approach to PM. Research by the Center for Business Practices shows that PM improvement initiatives improve project performance by up to 50 percent for the first project and can continue for each new project if the enterprise offers ongoing support with PM tools. Based on this information, we can make a return on investment calculation for PM infrastructure investments made by an organization.

For this example, we'll use the following metrics:

- ✓ Number of employees overall – 200
- ✓ Number of employees involved in projects – 100 (not all are involved full-time on project work)
- ✓ Percent of gross revenue used for projects – 30%
- ✓ Gross Revenue - \$40,000,000
- ✓ Percent waste due to poor PM – 20%
- ✓ Project staff learn how to bring out their best by becoming Cheetah Certified Project Managers – 100
- ✓ Project Staff who become certified through the Project Management Institute as PM Professionals – 10%
- ✓ Number of Senior Executives in the company - 10
- ✓ Senior Executives who need to learn Project Portfolio Management (based % revenue spent on projects) - 30%
- ✓ Number of projects in the organization per year – 20
- ✓ People involved in projects that need to support the organization in doing PM through a PM office – 2
- ✓ Product pricing are relative estimates for the purpose of illustration and not firm quotes.
- ✓ To calculate cost savings, use the rule of thumb that after you embark on this approach to become better at projects, you will limit your projects to three months in duration. Based on CBR research, companies who undertake initiatives to improve project performance experience up to a 50% improvement over the previous project's performance for the first project they do after the initiative is implemented. Subsequent projects continue improving over previous projects. For this analysis, we look at each quarter as an aggregate, since successful projects are three months in duration. The cost savings per quarter is calculated on the historical waste per quarter and it is assumed that the waste is evenly distributed throughout the year. To show improvement from project to project, for each new quarter, the improvement is 50% of the historical quarter's waste, plus half the improvement from the previous quarter.

With this data, you can calculate the return on investment from the cost savings of using these fast and effective approaches to becoming better at doing projects. These are conservative estimates because we are not even calculating the operational value of your project staff getting products to market faster.

TOTAL COST OF PROJECTS

Cost of Doing Projects	\$12,000,000
Cost of Poor PM	\$2,400,000

Cost of Developing Better Project Selection and Project Performance Capabilities

Training	Amount of people	Cost of training	Total	% Total
Cheetah Certified Project Manager	100	\$3600	\$360,000	85.33%
PMP	10	\$3800	\$38,500	9.13%
Project Portfolio Management	13	\$1800	\$23,400	5.54%
TOTAL			\$421,900	

ROI

	Q1 Savings	Q2 Savings	Q3 Savings	Q4 Savings	Total Savings	ROI
50% improvement	\$300,000	\$450,000	\$525,000	\$562,500	\$1,837,500	4.40
25% improvement	\$150,000	\$187,500	\$196,875	\$199,219	\$733,594	1.74

Table 4: How PM Impacts the Bottom Line

TWO ROI SCENARIOS: TRIPLE DIGIT PERFORMANCE

This shows two return on investment (ROI) scenarios. The first scenario shows the improvement percentage as measured by the Center for Business Practices for doing projects better across the business. For a 50% reduction in waste, the return on investment for rolling out enterprise-wide PM is over 440%. If you take a more conservative estimate on improvement, even at half the improvement, there is still a 174% improvement. The faster you can roll out your enterprise-wide initiative, the faster you can reap these rewards.

This is not just hypothetical - over the past 10 years, 90% of the publicly-traded companies that have retained Cheetah Learning for training their project staff had greater profitability and return on equity, according to their annual reports.

For organizations with up to 100 people involved in projects, their enterprise-wide PM approach can be completed in less than six months with proven methods for using PM to build business. What other business investments can your company make that drive over a 440% ROI in less than a year?

CONCLUSION

Being Better at Projects Makes You Better at Business

Being better at projects is a secret weapon for your organization. It is the science of getting things done - a process that can create competitive advantage for your organization and ultimately impact your bottom line with real return on investment. Here is your checklist to create better business by getting better at projects:

- ✓ Start by picking the right projects to best meet your strategic goals. Then make sure your project staff has the training to best leverage their innate strengths to complete their projects Cheetah fast.
- ✓ Create a measurable return on investment by aligning your project staff's strengths with the global standard in project management.
- ✓ Use a simple and proven approach to align the efforts of project teams in a way that activates each contributor's innate genius.
- ✓ Have people at every level of the organization learn the skills needed to effectively use PM to improve their value to the organization. Have people get the right training for their unique needs.
- ✓ Get big wins early on by leading with parts of the organization that have the least skills in PM and the most to gain by best leveraging their innate strengths to finish their projects, fast.
- ✓ Allow the different parts of your organization to execute projects in the way that makes the most sense for them while ensuring they align with the global standard in project management.

ABOUT THE AUTHOR

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Michelle LaBrosse created a simple and highly effective project management process that is outlined in her book, *Cheetah Project Management*. This book has received a five-star rating by readers on Amazon and is now in its fifth printing. She also co-authored a book for project managers and project team members called *Cheetah Negotiations*. Both approaches help people learn how to leverage their innate strengths to do projects and negotiate in ways that best use their natural strengths. Michelle is consistently recognized as a leader who practices what she preaches. Based on applying her accelerated learning and project management principles to her own business, she has kept Cheetah Learning the industry leader in project management training for the past two decades. She is profiled in the best selling book *Rich Dad's Success Stories*, and was identified as one of the 25 most influential women in Project Management. Cheetah Learning was recognized also by the Project Management Institute as a Professional Provider of the Year. From Air Force officer to research scientist, Michelle has always focused on pioneering techniques in learning and project management. She created the Accelerated Exam Prep methodology that is the basis for what is now the industry standard for quickly preparing to pass the PMP® exam; the Cheetah Exam Prep™ for the PMP®. She holds a B.S. in Aerospace Engineering and an M.S. in Mechanical Engineering, and is a graduate of the prestigious Harvard Business School Owner's and President's program for fast growing, highly successful companies. She continues to research accelerated learning and advances in brain performance. Her focus is on how to enable people to learn faster, do their projects quicker, and negotiate in ways that bring out the best of everyone. Michelle started Cheetah Learning with the core philosophy that people can quickly achieve amazing results when they align their innate strengths to how they learn, how they do their projects, and how the develop agreements with others (negotiate). Over 70,000 students later, she is even more committed to this philosophy of expanding human potential.

Better Projects Mean Better Business - Start Today

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