APPENDIX H—PROJECT MANAGEMENT

PURPOSE

Project Management is a crucial element for IT investment success. It involves executing the necessary skills and management practices to ensure successful investment development and implementation. This integrated skill set addresses such areas as project planning, scope management, cost, schedule, performance, risk, and organizational management. The Project Manager is ultimately responsible for the investment's success and ensuring the investment delivers the functionality and capabilities expected by stakeholders (i.e., users, customers, and senior leaders). Perhaps the greatest project management challenge is identifying risks and then executing management techniques that mitigate the risks to ensure timely and successful completion.

COMPONENTS

Project Managers should complete the following project management components to help ensure the investment's successful completion:

Project Planning—Project planning is a critical element of every successful investment. It provides a foundation on which to base anticipated efforts. Additionally, it helps identify investment components and illustrates these components in a project plan. Project planning includes:

- Scope definition
- Activity identification
- Activity duration estimation
- Activity sequencing
- Cost estimation
- Schedule development
- Project staffing/resourcing
- Project plan development.

Investments typically involve multiple components that may be complex or interface with other proposed/existing systems or data. Integrating these components can be challenging. To support improved integration and management, it is useful to develop a Work Breakdown Structure (WBS). A WBS provides a management framework by separating the investment lifecycle into distinct, manageable components related to various activities and interfaces. Each component is defined with appropriate sub-components and activities, such that one individual or team can implement each component. This enables the Project Manager to more effectively estimate the cost and schedule for completing individual components, supports sequencing activities and identification of interdependencies, and provides a basis to identify milestones and develop resource and schedule estimates. Table H-1—provides an example of a WBS.

Scope Management—The scope frames what is expected of the investment's ultimate capability and functionality. As such, it directly impacts functional and system requirements development. The Project Manager should obtain the Project Sponsor's concurrence on the investment's scope, and then effectively manage that scope and mitigate "scope creep" by maintaining requirements traceability throughout the project lifecycle and implementing configuration management procedures. It is important for the Project Sponsor to determine whether existing requirements have been redefined, new requirements have been identified, or existing requirements eliminated based upon events. The project scope should be based on the business requirements identified during the Pre-Select Phase and traced throughout the project lifecycle. All system features, functions, and capabilities should be linked to original customer requirements throughout the entire planning, acquisition, design and implementation phases to ensure accurate system or network design.

Risk—Risk is inherent in every investment. To aid in effectively identifying, analyzing, and managing risk, Project Managers should develop a risk management plan early in the planning stages, ideally during the Select Phase. Project Managers should employ subject matter experts (SMEs) among the various functional areas of the investment to identify risk and provide mitigation strategy. Key risk areas may include technology, cost, schedule, and performance/quality. The risk management plan is continually updated throughout the investment's lifecycle and is part of annual and periodic reviews. Appendix F—Risk Assessment provides additional guidance on risk assessment and management.)

Cost and Schedule Management—Effective investment management entails establishing cost and schedule baselines. Actual information is continuously collected, analyzed, and compared to original projections and the current baseline. Variances are identified, and appropriate actions are taken to inform senior management and mitigate the impacts of increased costs and schedule slippages. The WBS, milestones, activities, and project plan assist the development and tracking of cost and schedule. Earned value techniques provide a means to more completely evaluate costs and schedule, and assist in early risk identification (see Appendix I—Earned Value Analysis).

Table H-1. Example of a Project Planning WBS

Plan Project	
100	Define Project
10	Determine Project Objectives
20	Define Project Scope
30	List Project Products
40	Determine Project Constraints
50	Select Project Approach
60	Determine Project Standards
70	Assess Project Risks
200	Make Project Plan
10	Define Work Breakdown Structure
20	Determine Activity Dependencies
30	Define Project Milestones
40	Determine Project Organization
50	Estimate Effort
60	Allocate Resources
70	Schedule Activities
80	Develop Budget
90	Assess Project Risks
300	Obtain Project Approval
10	Assemble Project Plan
20	Present Project Plan
30	Agree to Project Plan
MPMP1	Milestone PMP1

Performance—An investment's ultimate objective is to meet or exceed stakeholder performance expectations by ensuring the investment satisfies the mission need and business requirements. In the Pre-Select and Select Phases, performance planning includes defining performance measures and identifying activities required to ensure performance objectives will be met (see Appendix G—Performance Measurement). This may include benchmarking to establish a baseline and to further refine the investment's performance objectives. The Control Phase includes a continual monitoring of the performance baseline to potentially include quality reviews, tests, or pilot tests. In the Evaluate Phase, a PIR helps compare actual investment performance with expectations (see Appendix J—Post-Implementation Reviews). During the Steady-State Phase, performance measures are analyzed to determine whether investments are continuing to meet mission needs and performance expectations.

Organizational Management—Organizational management skills needed to manage an investment include project staffing, communications, and organizational understanding. Project Managers should be able to identify the needed skill sets and assign appropriate personnel to accomplish a given set of activities. Project Managers should also have the requisite interpersonal and leadership skills to communicate with both the project team and stakeholders. This includes possessing a vision for the investment and how to best meet stakeholder expectations, as well as ensuring the project team is able to focus on assigned tasks/activities. Additionally, Project Managers should be able to communicate and build consensus with key stakeholders, since this ultimately impacts the investment's success or failure.