

Contents

Preface *xiii*

1	UNDERSTANDING BEST PRACTICES	1
1.0	Introduction	1
1.1	Wärtsilä	2
1.2	Project Management Best Practices: 1945–1960	3
1.3	Project Management Best Practices: 1960–1985	5
1.4	Project Management Best Practices: 1985–2014	8
1.5	An Executive’s View of Project Management	13
1.6	Best Practices Process	17
1.7	Step 1: Definition of a Best Practice	18
1.8	Step 2: Seeking Out Best Practices	22
1.9	Dashboards and Scorecards	33
1.10	Key Performance Indicators	36
1.11	Step 3: Validating the Best Practice	41
1.12	Step 4: Levels of Best Practices	44
1.13	Step 5: Management of Best Practices	46
1.14	Step 6: Revalidating Best Practices	46
1.15	Step 7: What to Do with a Best Practice	47
1.16	Step 8: Communicating Best Practices across the Company	48
1.17	Step 9: Ensuring Usage of the Best Practices	51
1.18	Common Beliefs	51
1.19	Best Practices Library	52
1.20	Hewlett-Packard: Best Practices in Action	54
1.21	DTE Energy	57
1.22	A Consultant’s View of Project Management and Best Practices	61

2	FROM BEST PRACTICE TO MIGRAINE HEADACHE	67
2.0	Introduction	67
2.1	Good Intentions Becoming Migraines	67
2.2	Enterprise Project Management Methodology Migraine	69
2.3	Customer Satisfaction Migraine	69
2.4	Migraine Resulting from Responding to Changing Customer Requirements	70
2.5	Reporting Level of the PMO Migraine	71
2.6	Cash Flow Dilemma Migraine	71
2.7	Scope Change Dilemma Migraine	72
2.8	Outsource or Not Migraine	73
2.9	Determining When to Cancel a Project Migraine	73
2.10	Providing Project Awards Migraine	74
2.11	Migraine from Having the Wrong Culture in Place	75
2.12	Migraines due to Politics	76
2.13	Migraines Caused by the Seven Deadly Sins	83
2.14	Sources of Smaller Migraines	94
2.15	Ten Uglies of Projects	97
	References	105
3	JOURNEY TO EXCELLENCE	107
3.0	Introduction	107
3.1	Strategic Planning for Project Management	109
3.2	Hitachi Ltd.	118
3.3	KONE: The Project Management Challenge	130
3.4	The Light at the End of the Tunnel	133
3.5	Goodyear	136
3.6	Managing Assumptions	140
3.7	Managing Assumptions in Conservation Projects—WWF International	140
3.8	Project Governance	142
3.9	Seven Fallacies That Delay Project Management Maturity	146
3.10	Motorola	148
3.11	Texas Instruments	149
3.12	Hewlett-Packard: Recognizing the Need	152
3.13	Hewlett-Packard: The Journey and the Obstacles	153
3.14	CooperStandard	160
3.15	Naviar: On Time—on Budget	166
3.16	DTE Energy	175
3.17	Key Plastics	176
3.18	ILLUMINAT and the Strategic Business of Project Management	179
3.19	Avalon Power and Light	183
3.20	Roadway Express	184

3.21	Defcon Corporation	185
3.22	Kombs Engineering	187
3.23	Williams Machine Tool Company	188

4 PROJECT MANAGEMENT METHODOLOGIES 191

4.0	Introduction	191
4.1	Excellence Defined	192
4.2	Recognizing the Need for Methodology Development	196
4.3	Enterprise Project Management Methodologies	199
4.4	Benefits of a Standard Methodology	204
4.5	Critical Components	205
4.6	SAP	207
4.7	Cassidian: Integrated Multilevel Schedules	211
4.8	Tecnicas Reunidas	213
4.9	Teradyne: From Myth to Reality	220
4.10	Slalom Consulting: Project Management Functions	224
4.11	Slalom Consulting: Replacing Methodologies with Frameworks	226
4.12	Life-Cycle Phases	228
4.13	Expanding Life-Cycle Phases	230
4.14	Churchill Downs, Incorporated	230
4.15	Indra: The Need for a Methodology	232
4.16	Implementing the Methodology	233
4.17	Implementation Blunders	235
4.18	Overcoming Development and Implementation Barriers	235
4.19	Project Management Tools	236
4.20	Wärtsilä: Recognizing the Need for Supporting Tools	242
4.21	Tech Mahindra Limited: Project Process Monitoring	244
4.22	Tech Mahindra Limited: Customer Delight Index for Projects	247
4.23	General Motors Powertrain Group	251
4.24	Ericsson Telecom AB	252
4.25	Indra: Closing the Project	255
4.26	Repsol: The Repsol E&P GIP® Methodology—The Project Quality Management Process Applied to Decision Making	258
4.27	Rockwell Automation: Quest for a Common Process	266
4.28	Sherwin-Williams	271
4.29	Medical Mutual	275
4.30	Holcim	278
4.31	Westfield Group	281
4.32	Hewlett-Packard	284
4.33	DTE Energy	286
4.34	ALSTOM	293
4.35	Cassidian: Golden Rules in Project Management	297
4.36	When Traditional Methodologies May Not Work	299

5	INTEGRATED PROCESSES	303	
5.0	Introduction	303	
5.1	Understanding Integrated Management Processes	304	
5.2	Evolution of Complementary Project Management Processes	305	
5.3	Zurich America Insurance Company	309	
5.4	Total Quality Management	310	
5.5	Concurrent Engineering	315	
5.6	Risk Management	315	
5.7	Wärtsilä: The Need for Proactive Risk Management	318	
5.8	ILLUMINAT: Effective Risk Management	321	
5.9	Indra: When a Risk Becomes Reality (Issue Management)	325	
5.10	The Failure of Risk Management	327	
5.11	Defining Maturity Using Risk Management	328	
5.12	Boeing Aircraft Company	329	
5.13	Change Management	330	
5.14	Other Management Processes	331	
5.15	Hewlett-Packard	331	
5.16	Earned-Value Measurement	333	
5.17	DTE Energy	333	
6	CULTURE	335	
6.0	Introduction	335	
6.1	Creation of a Corporate Culture	336	
6.2	Corporate Values	338	
6.3	Types of Cultures	338	
6.4	Corporate Cultures at Work	340	
6.5	Indra: Building a Cohesive Culture	343	
6.6	maxIT-VCS	346	
6.7	DFCU Financial	348	
6.8	ILLUMINAT (Trinidad & Tobago) Limited	363	
6.9	DTE Energy	365	
6.10	Hewlett-Packard	366	
6.11	Barriers to Implementing Project Management in Emerging Markets	367	
7	MANAGEMENT SUPPORT	375	
7.0	Introduction	375	
7.1	Visible Support from Senior Managers	375	
7.2	Project Sponsorship	376	
7.3	Excellence in Project Sponsorship	380	
7.4	Hewlett-Packard Sponsorship in Action	381	
7.5	Zurich America Insurance Company: Improving Stakeholder Engagement	382	

7.6	Project Governance	383	
7.7	Tokio Marine: Excellence in Project Governance		385
7.8	Empowerment of Project Managers	391	
7.9	Management Support at Work	392	
7.10	Getting Line Management Support	395	
7.11	DTE Energy	396	
7.12	Initiation Champions and Exit Champions		397
8	TRAINING AND EDUCATION		401
8.0	Introduction	401	
8.1	Training for Modern Project Management		401
8.2	Need for Business Education	403	
8.3	SAP: Importance of a Project Management Career Path		404
8.4	International Institute for Learning	406	
8.5	Identifying the Need for Training	410	
8.6	Selecting Students	411	
8.7	Fundamentals of Project Management Education		411
8.8	Some Changes in Project Management Education		412
8.9	Designing Courses and Conducting Training	414	
8.10	Measuring the Return on Investment on Education		416
8.11	Project Management Is Now a Profession	416	
8.12	Competency Models	419	
8.13	Harris Corporation	429	
8.14	Alcatel-Lucent: Recognizing the Value of a PMP		434
8.15	Integrated Project Management at Tech Mahindra Limited		436
8.16	Hewlett-Packard	439	
9	INFORMAL PROJECT MANAGEMENT		441
9.0	Introduction	441	
9.1	Informal versus Formal Project Management		441
9.2	Trust	444	
9.3	Communication	445	
9.4	Cooperation	447	
9.5	Teamwork	447	
9.6	Color-Coded Status Reporting	448	
9.7	Crisis Dashboards	449	
9.8	Informal Project Management at Work		452
10	BEHAVIORAL EXCELLENCE		455
10.0	Introduction	455	
10.1	Situational Leadership	455	

10.2	Conflict Resolution	458	
10.3	Staffing for Excellence	460	
10.4	Virtual Project Teams	462	
10.5	Rewarding Project Teams	464	
10.6	Keys to Behavioral Excellence	467	
10.7	Proactive versus Reactive Management	470	
11	MEASURING RETURN ON INVESTMENT ON PROJECT MANAGEMENT TRAINING DOLLARS	475	
11.0	Introduction	475	
11.1	Project Management Benefits	476	
11.2	Growth of ROI Modeling	477	
11.3	The ROI Model	478	
11.4	Planning Life-Cycle Phase	479	
11.5	Data Collection Life-Cycle Phase	480	
11.6	Data Analysis Life-Cycle Phase	483	
11.7	Reporting Life-Cycle Phase	487	
11.8	Conclusions	487	
12	THE PROJECT OFFICE	489	
12.0	Introduction	489	
12.1	Boeing	492	
12.2	Philips Healthcare Software Customer Services	493	
12.3	maxIT-VCS	500	
12.4	Aviva	502	
12.5	Churchill Downs Incorporated (CDI): Establishing a PMO	517	
12.6	Churchill Downs Incorporated (CDI): Managing Scope Changes	518	
12.7	Types of Project Offices	522	
12.8	Dell Inc.	523	
12.9	Computer Sciences Corporation (CSC)	532	
12.10	Slalom Consulting: Understanding the Nature of a PMO	538	
12.11	DTE Energy	546	
12.12	Chubb	547	
12.13	Hewlett-Packard	548	
12.14	Star Alliance	550	
12.15	Project Audits and the PMO	552	
12.16	Project Health Checks	555	
12.17	PMO of the Year Award	557	

13	SIX SIGMA AND THE PROJECT MANAGEMENT OFFICE	565
13.0	Introduction	565
13.1	Project Management—Six Sigma Relationship	565
13.2	Involving the PMO	568
13.3	Traditional versus Nontraditional Six Sigma	568
13.4	Understanding Six Sigma	571
13.5	Six Sigma Myths	573
13.6	Use of Assessments	575
13.7	Project Selection	577
13.8	Typical PMO Six Sigma Projects	579
14	PROJECT PORTFOLIO MANAGEMENT	581
14.0	Introduction	581
14.1	Why Use Portfolio Management?	582
14.2	Involvement of Senior Management, Stakeholders, and the PMO	583
14.3	Project Selection Obstacles	588
14.4	Identification of Projects	588
14.5	Preliminary Evaluation	592
14.6	Strategic Selection of Projects	593
14.7	Strategic Timing	596
14.8	Analyzing the Portfolio	596
14.9	Problems with Meeting Expectations	599
14.10	Portfolio Management at Rockwell Automation	601
14.11	World Wildlife Fund (WWF)	602
15	GLOBAL PROJECT MANAGEMENT EXCELLENCE	607
15.0	Introduction	607
15.1	IBM	608
15.2	Computer Associates Technologies (CA): Successful Project Delivery and Management	634
15.3	Microsoft Corporation	647
15.4	Deloitte: Enterprise Program Management	659
15.5	COMAU	680
15.6	Fluor Corporation: Knowledge Management for Project Execution	692
15.7	Siemens PLM Software: Developing a Global Project Management Methodology	705

16	VALUE-DRIVEN PROJECT MANAGEMENT	713
16.0	Introduction	713
16.1	Value over the Years	714
16.2	Values and Leadership	717
17	EFFECT OF MERGERS AND ACQUISITIONS ON PROJECT MANAGEMENT	731
17.0	Introduction	731
17.1	Planning for Growth	731
17.2	Project Management Value-Added Chain	732
17.3	Preacquisition Decision Making	735
17.4	Landlords and Tenants	740
17.5	Best Practices: Case Study on Johnson Controls, Inc.	741
17.6	Integration Results	745
17.7	Value Chain Strategies	747
17.8	Failure and Restructuring	749
INDEX	751	