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Capacity Crowd

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Aaron Smith (June 3, 2004)

PlanView founder Pat Durbin says most organizations are putting the cart before the horse when it comes to managing projects. Without attention to resource capacity, too many initiatives are starting on shaky ground.

PlanView has been developing project, portfolio and resource management solutions since 1989. As founder and CEO, Pat Durbin has seen the project management field evolve greatly over the years. But he believes it still has a long way to go, particularly in the area of resource management, where too many organizations focus on the execution of projects without understanding their capacity to undertake them. Projects@Work asked Durbin to elaborate on this issue, among other opinions he has formed over 15 years observing and serving project-driven organizations.

How are companies failing to understand resource capacity planning?

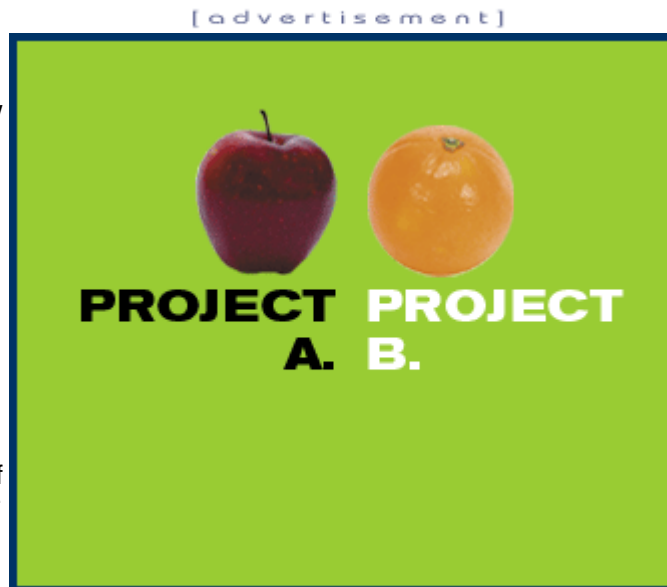
Durbin: Many companies start with how many projects they have, and then they absorb the resource pool into those projects. In comparison, we are saying, you have a certain capacity within your organization, so how do you most productively apply organizational resources to get projects done?

It is a resource-oriented approach to managing work, where projects are one of the critical aspects of that work but not the only aspect. You have to think of everything that's going to consume your resources. Projects come and go, but the organization is a constant, so resources should be the driving force for how senior managers are evaluated and held accountable. Of course, it matters that you got the work done, but how often does a project consume all of the good resources and the project is perfect but no one has anything left over to work with?

And there's the heart of it — this is not about how to manage a project, this is about whether the organization has the capability to routinely, productively manage resources to create or improve real value for the customers involved.

So why don't more companies start with resource capacity?

Many organizations do not have enough discipline in how they track across multiple projects or report information from a financial point of view. The mindset of discipline, repeatability and



consistency scares a lot of organizations. They don't have that maturity in their processes.

It takes so much coordination. You have to be able to look at all things that are going on and see what their impact is going to be upon your availability, not just in total resources, but by skill and resource type. It's much more complex than simply looking at project allocation.

About 80 percent of our sale are to IT. IT is where the maturity is weakest. In IT organizations, one of the biggest issues is that the same project gets done 14 times in 14 divisions. How do you make sure you don't have those redundant projects? How do you know when one project is dependent upon another? The answer is you have to think in a bigger scale.

How does a tool help?

On individual projects, you can make a lot of decision with Excel. But when you get up to a couple hundred or more people, the coordination becomes too much for a desktop tool. You need to have collaboration tools and lifecycle tools that are going to help you in the long run, and that is where we are focused. Our value proposition starts turning on at about 200 people and goes up from there.

One of the issues with desktop tools is that a great majority of them have 100 activities that are updated one time. Disciplined, repeatable processes are limited. And smaller organizations say 'it doesn't matter' because the big boss has his hands around it. But when you talk about a 10,000-person organization, it gets difficult to know where the redundancies and dependencies are, and what risks are coming to bear.

How much say should project managers have in the selection of a toolset?

In general, my attitude is not a lot. When you get to an assigned project, 40 percent of your decisions are already made. The real decision making points are back when you decide if you should do the work or not, when you should do it, how should you break it up and do you have the resource capacity to do it? All of those decisions happen typically before the project manager is assigned.

So I kind of don't care how you do a critical path schedule or such. I'm more interested in how you strategically pick the work you are going to do, how you manage the flow of demand, and what tools you make available for everybody involved, particularly estimating tools and planning templates.

What about the management of the project itself?

I think that 40 percent of what a project manager does is trying to mitigate risk, another 20 percent is trying to control the changes as they come through, and the other 40 percent is the upfront effort: the basics of planning and managing. That is not unimportant, but I think the industry's work practices for doing that sort of thing are already fairly solid.

I think we do poorly in estimating and scoping. How many projects have you seen where the project failed because it started in the wrong spot? In other words, the estimate wasn't reasonable and the project manager was in the hole before it ever started. In general, project managers take the job they're given and do it. There should be more tools available to them to think in terms of how they scope and estimate the effort they're getting into, and how they manage risk and change. I don't see that everywhere.

The other thing we need is better interaction with teams. We're good in the hard science, but not the soft science. We need better tools to have discussions and polls, better access to knowledge bases. That's the future and the thing that is going to make a difference. Many project managers don't think of collaboration as a skill. They think if they execute well, they're done. I've seen a lot of projects stumble to completion.

What do today's project managers need to understand better?

Very skilled project managers can overcome bad processes. Unfortunately, mediocre project



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manager gets burnt. Alternatively, if you have quality processes in place, you help your less skilled people because you're sharing best practices and the experiences of the people who are architecting the processes.

It scares me when project managers think they know everything that is going on with the team when they don't. Team members have to be routinely engaged in identifying the issues that are coming in front of them — the risk that they are seeing. And then reporting what they have accomplished and what they have left to do.

As you start thinking at a process level versus a project level, two things elevate very rapidly: communication and relationship building. What we call the soft side of project management becomes much more critical as you get higher up.

At an individual project level, I think things are much more tactical — you ask about schedule, assignments. As you go higher to the macro level, you ask about relationships, changes, and the ability to kill work. No project manager wants to see their project killed, but as an organization one of the smartest things you can do is to stop working on a particular request.

To have that vision is one of the biggest challenges for a project manager. It's about looking at the processes at that macro level. Scheduling and allocation, of course, are important. But that's probably two of six or seven processes you need to be thinking about. Things like quality, scope, change and relationships management are just as important.

If a project manager grew up as a PMP, and they live and die with the *PMBOK Guide* from PMI [Project Management Institute], then my suspicion is they're shortsighted. One of my routine complaints about project management, period, is that it thinks solely in terms of the project. I would encourage the industry to think in the context of decisions that are being made around the project. If a project manager understands there is a bigger question than a single project, they can do a great job.

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