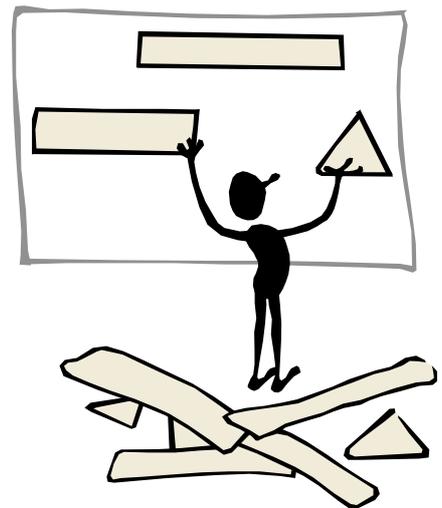


Project Management Model

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**MANUFACT COMPANY EUROPE Ltd.
(MCE)**

Project Management Model
for
Business Systems Projects
(Business Process Development Projects
and IT Systems Projects)



Et metodeeksempel fra

PRODEVO
PROJEKTMETODIK

Project Management Model

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This Manual deals with Business Process Development projects and IT Systems projects in the Manufact Company Europe organization.

The purpose of the Project Management Model (PMM) is:

- To ensure a common understanding of project management and project organization and to use a mutual project management language
- To provide planning and control guidance to project owners and project managers
- To introduce certain standards and procedures for organizing, planning and controlling projects

List of content

1. What is a project?
2. Project Portfolio Management
3. From idea to project
4. Project lifecycle model
5. Project organization
6. Project planning
7. Project work
8. Project control
9. Project Manager's role

Project Point of View

Templates

Methods

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1. What is a BS-project?

Business Systems Projects relate to:

- ERP systems
- Customer Supply Chain Management (SCM) and Customer Relations Management (CRM) systems
- Supplier SCM systems
- MCE Management systems (functional systems and cross functional systems)
- IT infrastructure

Projects have different scope and size - involving a smaller or greater number of users. Three sizes are defined:

- Site projects - involve only one site
- Regional projects - involve more sites and/or regional management within one region
- Group Projects - involve several sites and regions or are policy making projects

At first sight a project may look as a site project but the project initiator should consider synergy effects and interests from other parts of MCE to ensure optimal effect of the project effort.

The guideline in this manual is based on a Project Point of View, which is described in detail in addendum 1.

2. Project Portfolio Management

Three coordination bodies are involved in managing the portfolio of BS-projects:

- Executive Committee decide Group projects
- Business Systems Steering Committee (BSSC) approve site projects and decide Regional projects and recommend if projects should be at Group level
- Business Systems Management Team (BSMT) coordinate initiatives from a systems and IT point of view and recommend if projects should be at Regional or Group level

Members of BSMT are the Business Systems and IT Coordinators - each in charge of a complex of information systems and related business processes.

The Site Manager in case owns projects at Site level. Regional Managers or Segment Managers own projects at Regional level.

The Regional Business Systems and IT Coordinator will manage the list of projects and at the monthly BSTM meeting the coordinators will share information about the

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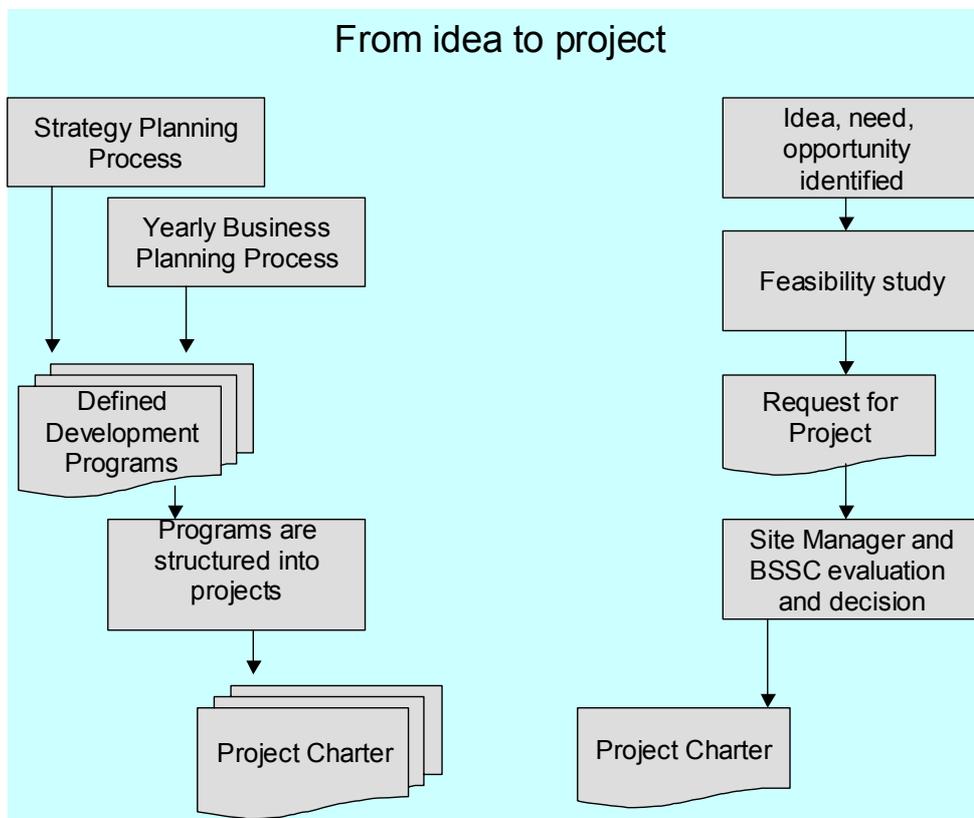
initiatives to ensure relevant coordination and eventual initiation of regional and group level projects.

3. From idea to project

Business process and systems development projects should basically be initiated through strategy planning and yearly business planning. Those planning processes should define a set of strategic goals and result areas - leading to a related set of business process and systems development programs. Each program consists of a number of projects and other development activities, meaning that those initiatives together will fulfill the goal. BSSC will manage this process together with Business Systems and IT Coordinators.

For each project a Project Owner is appointed. He will organize the preparation of a Project Charter.

The portfolio of programs and projects is planned for each year as part of the yearly business and budget planning. The portfolio is re-planned every quarter.



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When problems, needs, opportunities and new ideas are identified ad hoc during the business year, the initiator should discuss with the Site Manager or Regional Manager or Market Segment Manager in question. The discussion is a first evaluation of the value, need and priority of the initiative. The Manager will eventually organize a first feasibility study. If it seems worthwhile to promote the initiative a *Request for Project* is prepared and submitted to the Manager.

The Manager will ask BSMT for eventual coordination with other initiatives. First and basic questions are:

- Is this initiative worth doing – compared with other valuable initiatives and ongoing and already planned projects?
- Does this initiative fit into an ongoing program – and which?
- Which organizational level does the initiative belong to?
- Can this initiative wait to next portfolio re-planning?

BSMT will then inform the Regional Manager and the Site Manager. If the project is at site level the Site Manager in case will organize the preparation of a Project Charter and initiate the project. The charter is forwarded to BSMT and BSSC.

If the project is considered to be at Regional Level or higher, the Regional Manager or Segment Manager respectively will ask BSMT to describe how the initiative be coordinated with the actual portfolio. The request is then discussed and decided in BSSC. If the request is accepted BSSC will appoint the Project Owner and ask for a *Project Charter*.

The Project Owner may appoint the potential Project Manager and establish a task force for the first analysis and the preparation of the Project Charter. BSSC should approve the charter.

If the initiative is considered to be a Group level project BSSC will submit the Project Charter to Executive Committee with a recommendation.

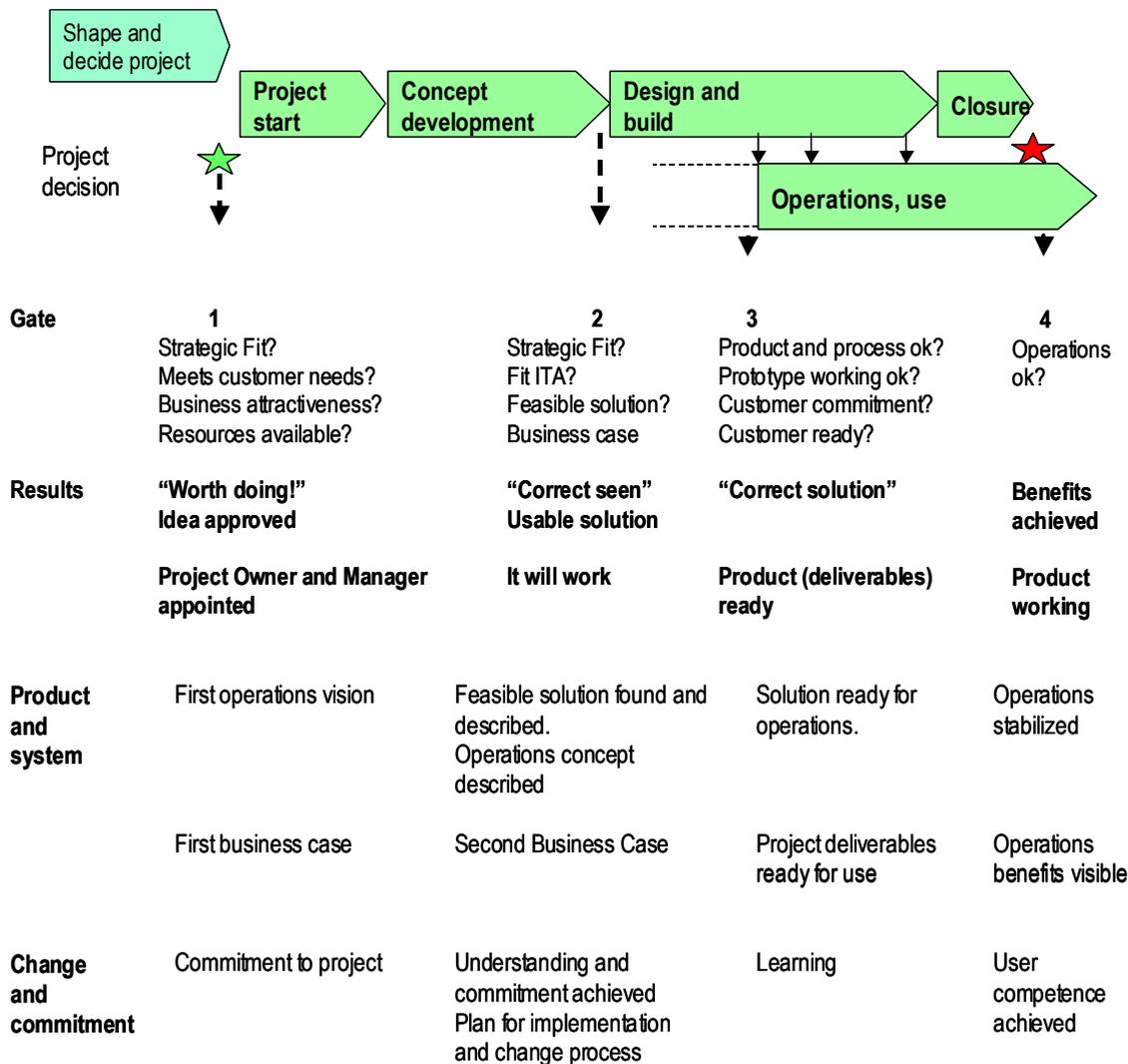
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4. Project lifecycle model

The general project life cycle is illustrated below.

Project Life Cycle Model



The basic ideas of this model are:

- The project is started on the basis of need or opportunity. The Project Charter should not describe the solution - unless it is visible and decided already at the beginning
- The concept development phase is important and need qualified effort to ensure right diagnosis and right choice of solution. It should provide a holistic picture of business operations after end of the project plus an outline of the project product.

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- With that picture in hand is it possible to consider how the engineering/building/operations phases may be arranged. Technical elements need technical methods, change processes need change management considerations and political issues need considerations concerning the decision processes of the project.

The approach to each project should be adapted to the life cycle model, but the content of the phases must be tailored to the project type and content.

If the project needs an iterative and experimental approach the concept development phase could overlap the engineering/building/operations phases - meaning that the concept should be revised.

The content and activities in each phase will differ from project to project, but the result of each phase should be:

Project decision

The idea or need is evaluated and the project is qualified - meaning that it is worth or necessary doing
A project charter is prepared
The appropriate managers and committees have approved the project scope and the project charter
The managers who will become users and owners of the project products are committed
Project Owner and Project Manager are appointed
The project is announced to interested parties

Project start

Project team is mobilized
Project plan is prepared
Project control procedures are defined and agreed
The Project Owner and Steering Committee have accepted the project plan
Interested parties (stakeholders) are informed and have agreed in participation

Concept development

A solutions concept is found and reviewed as the feasible solution
The change task and the change process is analyzed
An implementation plan is prepared
Project Owner and Steering Committee have accepted the solutions concept and the implementation plan

Engineering and building

System is delivered and ready for operation and use
Business processes are defined and described
Operations organization is defined and reorganization plan is prepared
Plan for implementation and change is prepared
Users are informed and trained
Project Owner and Steering Committee have accepted the implementation plan

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Operation, use

System is operating satisfactorily
Business processes are in place and functioning
Users are familiar with new procedures and jobs
Operations and business benefits are visible and satisfactory
User organization management and IT systems management are willing to take responsibility for the project result
Project Owner and Steering Committee has accepted hand-over to user organization

Closure

Hand-over documents are signed
Results and benefits achieved are evaluated
Efficiency of project management is evaluated
Lessons learned are documented
Project closure report is delivered to Project Owner and Steering Committee
Project account is closed
Project organization is demobilized

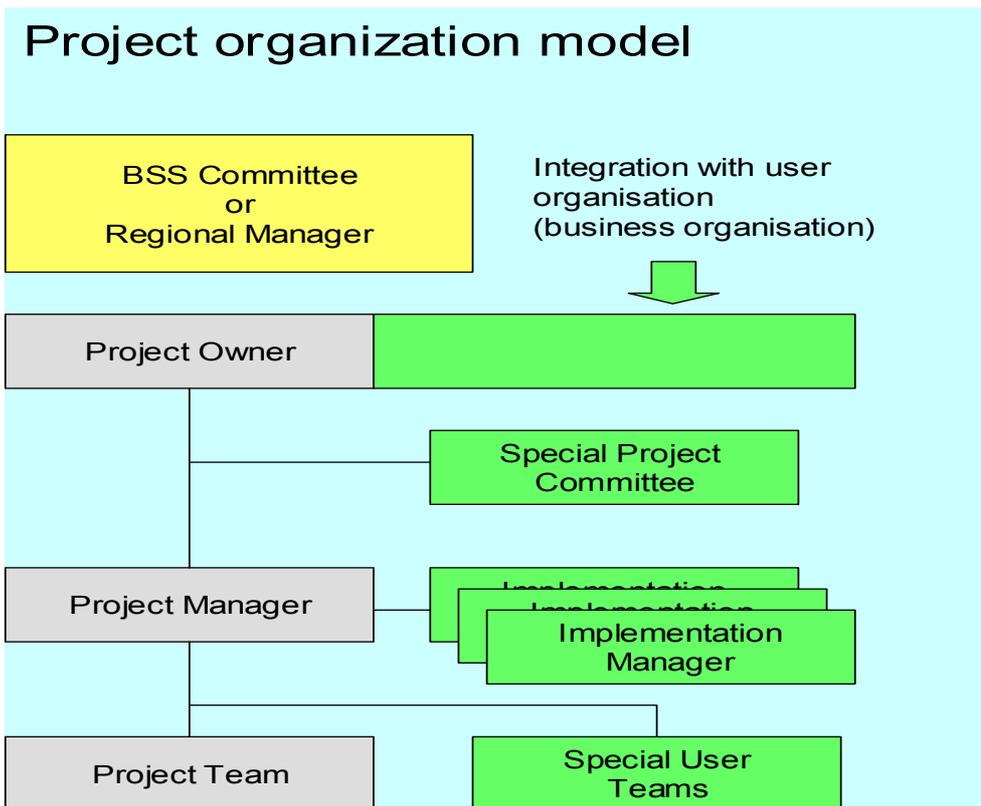
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5. Project organization

The generic organization model is illustrated below. The model is based on four principles:

1. The project organization is based on an analysis of the interested parties around the project and its products - leading to involvement for influence and commitment
2. The project organization should be the solutions development and delivery organization - clear and visible
3. Responsibility for necessary changes in the user organization and accountability for achieving operations and business benefits should be clearly addressed to managers in the user organization
4. The sources of competences and deliverables to the project should have clear responsibility for resource capability and for agreed capacity



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The generic model has to be adapted to each project:

- The project team is structured into a shifting set of work teams arranged according to actual main activities and issues
- The project owner can establish a separate Project Steering Committee if the project needs commitment from several sponsors and if their interests are conflicting
- Special super user teams and implementation teams and test teams can be arranged to ensure smooth implementation

Another means is organizing the communication between stakeholders. Often it is preferable to arrange ad hoc meetings instead of instituting a set of groups and committees representing the stakeholders.

Roles and responsibilities

<p><i>BSSC</i></p> <ul style="list-style-type: none"> ▪ Ensure that the project is according to strategy and coordinated with other projects ▪ Prioritise the project in relation to other projects and resolve resource allocation disputes ▪ Monitor project progress - especially focusing on major changes and on benefits realization
<p><i>Project Owner</i></p> <ul style="list-style-type: none"> ▪ Accountable and responsible for operations results and business benefits from the project ▪ Overall responsible for feasible project products and satisfactory project conditions ▪ Supply necessary decision authority and power to the project organisation ▪ Ensure support from important stakeholders and orchestrated support to cross organisational projects ▪ Support to Project Manager in conflict handling and political issues ▪ Represent the project at management meetings and ensure priority and coordination with other projects ▪ Economic and political decisions beyond Project Manager's authority ▪ Ensure line organisation's commitment to the project ▪ Chairman for the eventual special Project Steering Committee ▪ Assist the Project Manager in finding and allocating project team resources ▪ Act as Project Sponsor ▪ Provide status reports to Regional Manager, Market Segment Manager of BSS Committee respectively
<p><i>Project Manager</i></p> <ul style="list-style-type: none"> ▪ Primary motive power and crank in the project and daily manager of the project ▪ Control the results oriented work - i.e. create the integrated product, and bring it into use and operations ▪ Control the interplay with the project stakeholders and manage the external communication ▪ Find and allocate resources to the project - with support from the Project Owner ▪ Lead the project team and the team - motivate, engage, organise, allocate to tasks and arrange internal communication, ▪ Cooperate with the Implementation Managers ▪ Control project resources and budget

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- Prepare decisions beyond authority and recommend to Project Owner
- Deliver Status Reports to Project Owner

Project Team Member

All team members are specialists with different competences - knowledge about new systems and new business processes, and knowledge about existing policies, systems, processes, organisation etc. - and knowledge about processes (management, systems development, organisational change etc.)

- Do project work - find or create solutions and project products and do engineering and building and implementation work
- See and explain user needs - as a whole and not just personal or own department viewpoints
- Validate and test potential solutions
- Arrange implementation and assist in the implementation processes
- Arrange and do user training and support
- Participate in project planning and coordination of project activities. Personal work planning
- Cooperate inwards with other team members. Coordinate solutions and timing. Contribute to good team culture
- Cooperate outwards. Supply information, knowledge and ideas from own department and network sources. Agree on resource contribution with own manager
- Identify drivers and barriers for change and participate in planning of the change process

Special Project Committee

Some projects involve certain factories and departments so directly, that it will be appropriate to establish a Special Project Committee. Members are the managers of the involved user organisation units.

- Is the forum for broad commitment and support from involved organisational units
- Ensure common project priority
- Ensure commitment and loyalty to the project and the products
- Forum for solving conflicts of interest between users

Project Sponsor

The Project Owner will normally be seen as the Project Sponsor as well, but members of the Steering Committee and other persons with power and influence might act as project sponsors.

- Advocate. Be standard-bearer and spokesman. Make the project visible
- Architect. Contribute to scoping, level of ambition and harmony with company strategy. Assist in organising the project
- Support. Ensure resources. Show persistence and assist and encourage
- Guide. Focus on results, assist at changes of project scope and goals, provide necessary information

Implementation Manager

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The managers of the involved user departments have an active role as managers of the correct implementation in their department. They will cooperate with the project manager and the project team - as active participants in the project.

- Accountable and responsible for operations results and business benefits in own department
- Responsible for reorganization of own department - assisted by the project team
- Arrange change process in own department - assisted by the project team
- Organize internal user support - assisted by the project team
- Ensure user training and its timing
- Prompt reaction on systems failures and problems - and persistence in correction
- Persistence and encouragement at implementation problems

Special User Teams and User Representatives

Users can be brought in as individuals or in reference teams for certain purposes:

- Focus teams for problem solution or creating ideas
- Ambassador teams for information and hearing
- Roll out teams for go live preparation, instruction and support
- Review and test teams
- Pilot teams, super users

Their roles are typically:

- See and explain the needs in the user organization and seen from operations and business point of view as a whole and not just personal opinion
- Evaluate and test solutions and contribute to quality and feasibility
- Describe and explain solutions to colleagues and even "sell" them
- Arrange and assist when systems are put into service and come to use
- Train and coach colleagues at implementation

People should be recruited and allocated to the project organization based on clear understanding of the content of the roles and the competences needed for the role and the specific project tasks as well.

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6. Project planning

Project planning activities are related to the life cycle model - as illustrated in the diagram below.

Request for Project is prepared on the basis of identified problems, needs, opportunities and new ideas. It is submitted to Regional Manager or Market Segment Manager and eventually further to the BSS Committee. If it is accepted the Project Owner is appointed and a *Project Charter* should be prepared.

The Project Owner may establish a task force for the first analysis and the preparation of the Project Charter. When the charter is approved the appointed Project Manager will start the project.

The Project Manager will manage the planning and organizing process in the project start phase - at first together with the Project Owner and next together with the project team as soon as it is mobilized and organized. The result of the planning effort is documented in the *Integrated Project Plan*.

The integrated project plan should be seen as a framework. The specific content and the amount of detail will depend on the complexity of the project. This framework can be turned into the file structure for a project web site containing all project information.

The *Solutions Concept* is the important document and the adjoining decision is the very important milestone in the project lifecycle. That's where the real go/no go decision is and where the project scope and objective is finally defined.

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7. Project work

Project activities in each phase will depend on the project type and scope of work. The project life cycle model defines the type of output and the decision to be made at the end of each phase. The project team has to arrange the work and efforts to achieve that - for systems development and for the change process.

However some typical activities may be identified - technical activities and project management activities.

Result Path	Concept development phase	Design and building phase	Operations implementation
Process and Product (output)	Analyze business process and user needs. Develop new operations vision - process scenario.	Define processes, user cases and output.	Improve processes and systems performance
System	Develop conceptual data model. Analyze process and systems environment (infrastructure and conditions). Search for feasible systems solutions - primary evaluation. Define preferred solutions concept and business systems architecture.	Define data and data model. Define system - develop prototype, define requirements, define user applications and cases. Develop test procedures. Plan data conversion. Design and test system and data. Design technology environment.	Acceptance test. Data conversion. System implementation. Improve systems performance
Organization	Develop new organization structure.	Arrange new operations organization and user roles.	
People	Analyze the change task and consider the change process (strategy). Involve users for evaluation. Communicate with users for understanding and acceptance.	Develop training plan. Organize super users and other local support. Communicate with users for understanding and acceptance.	Train and support users.
Project	Develop business	Develop transition plan.	

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overall	<p>case - investment and benefits and costs and benefit realization plan. Prepare an implementation plan (approach). Prepare for decision from Project Owner and Steering Committee.</p>		
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The typical project management activities during concept development, design, building and implementation are listed below.

Project Management activities
<p>Project Task Direct towards need and benefits Control scope and quality Deliver and implement the product Manage the change process Control progress</p>
<p>Stakeholders Create ownership Influence stakeholder's expectations Reach understanding and acceptance Listen and understand Inform</p>
<p>Environment Monitor and react on changes Integrate to environment Ensure observance of norms and regulations</p>
<p>Resources Allocate competences Control resources Control economy (costs) Manage facilities Manage logistics</p>
<p>Project Management Lead the project Plan, Organise and manage cooperation Handle points of attention Ensure learning</p>

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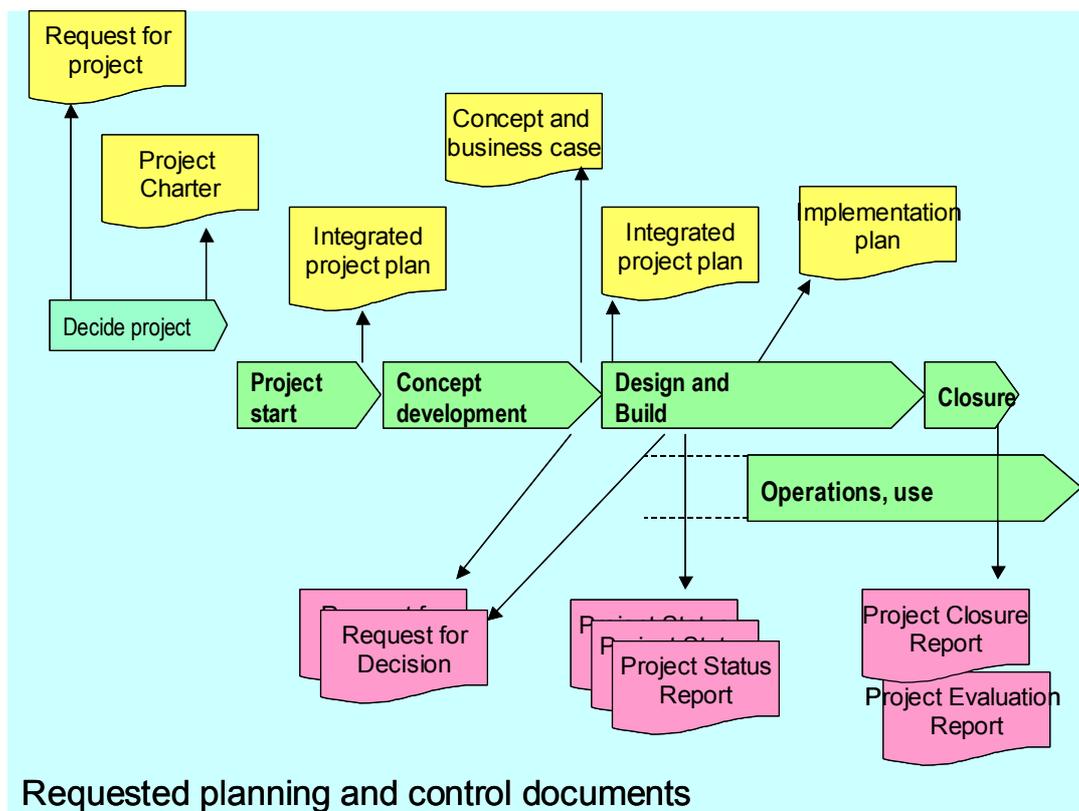
8. Project control

The elements of Project Manager's control effort are illustrated in a diagram in the Point of View chapter. Tools and methods for the control may be selected according to the project complexity and uncertainties - and the constraints and important objectives.

In relation to the Project Owner and Steering Committee the Project Manager should:

- Call for decisions - based on recommendation for decision
- Deliver regular *Project Status Report*
- Inform when severe problems and deviations from plans occur and decisions may be necessary
- Prepare *Project Closure Report*
- Prepare *Project Evaluation Report* - for learning and dissemination of experience

The *Project Status Report* should be based on the principle of forward oriented follow-up. Meaning that it should inform about the anticipated end situation and the remaining part of the project. A Project Scorecard might accompany it.



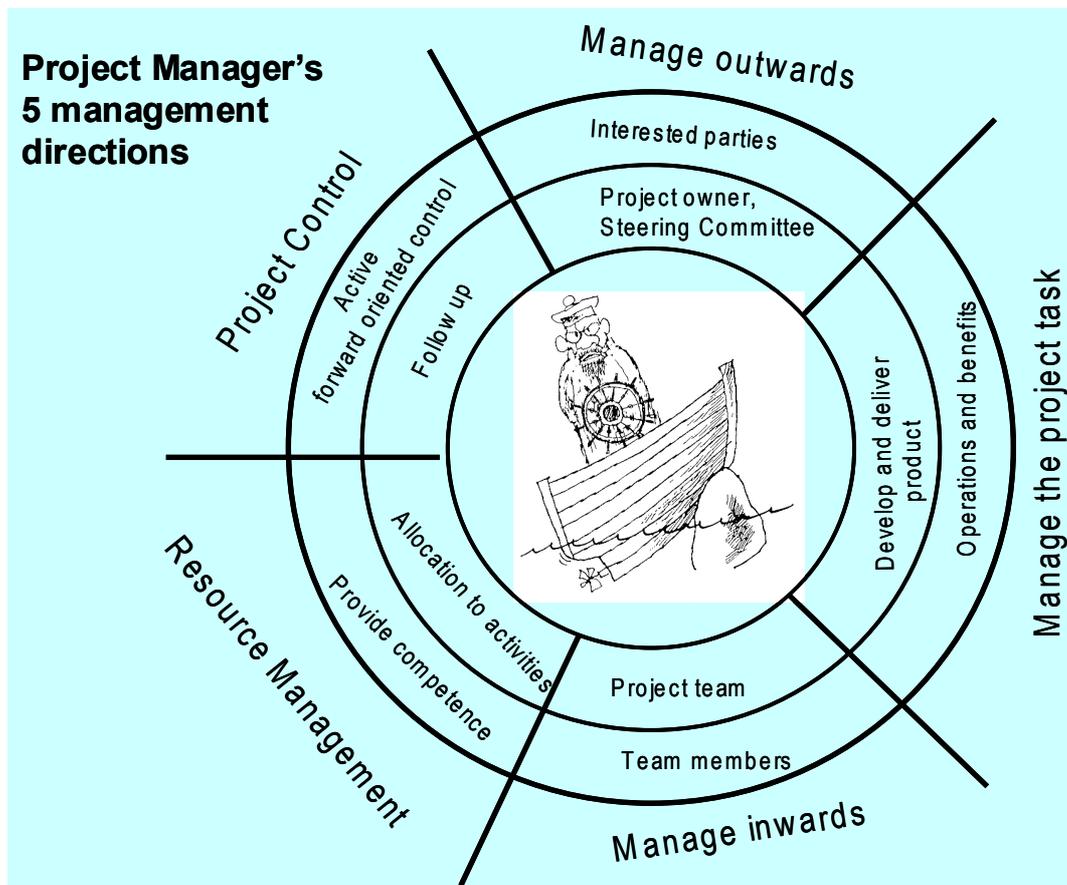
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9. Project Manager's role

The Project Manager's responsibilities are defined above in chapter 5. This means that the Project Manager has to distribute his effort and attention in 5 directions as illustrated below. His dilemma might be to avoid burying himself in the technical work - use the model for planning where to concentrate the effort. The analysis of project risks and points of special attention should guide the Project Manager's personal attention and efforts.

The model below illustrates that the Project Manager might act on two levels. The narrow level is focusing on the project systems deliverables, the Project Owner and Steering Committee, the Project Team, the allocation of team members to activities and on follow up on work progress. The wider level is to focus on users processes and operations, user benefits, all interested parties (stakeholders) around the project, the individual team members, the provision of necessary competences and on proactive forward oriented project control.

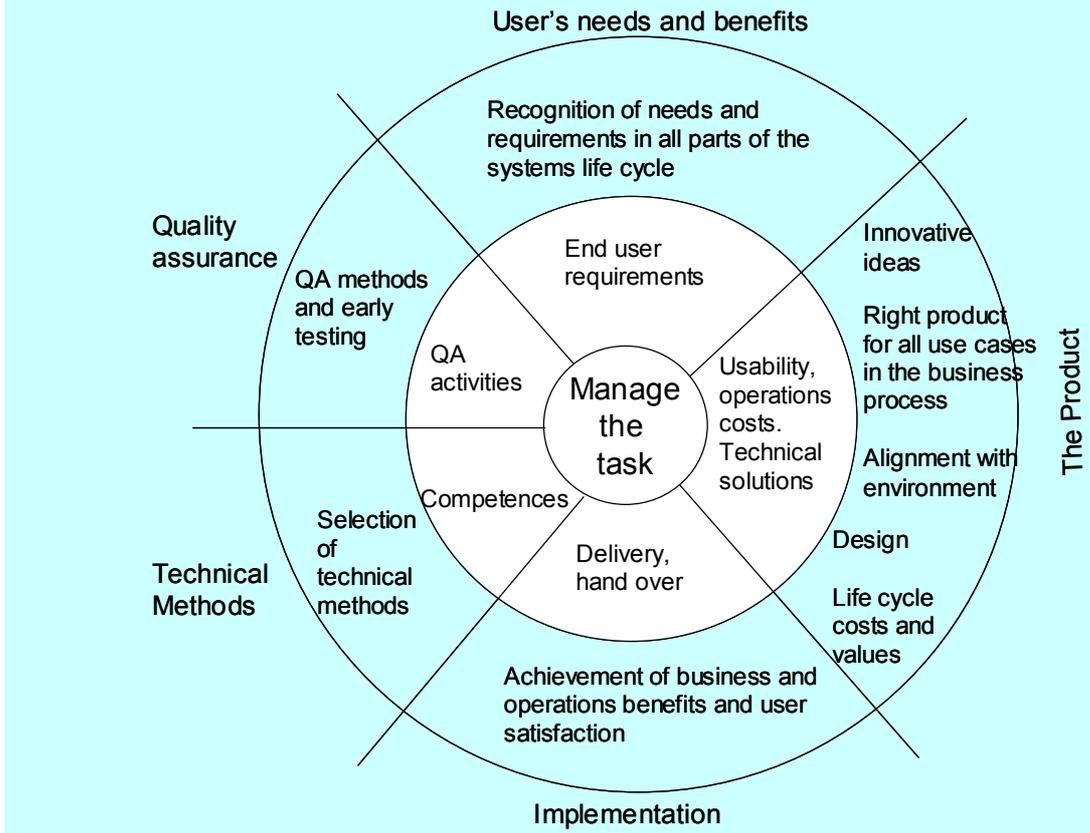


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The dilemma of doing the technical work is illustrated in the next model. It can guide the Project Manager's attention towards the essential managerial focus areas in the technical project task.

Project Manager's focus in the technical task



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Project Point of View

Business systems development projects should be handled as holistic entities, which means that the following models and checklists should be applied.

The 5in5 model define that all projects consist of 5 elements.

The project task

- Need and benefit goal. Why this project? What will we achieve through this project? Benefits and success criteria?
- Scope and content. Business systems, processes and products and organization to be changed via the project
- Goals and products. Requirements to project results. Project deliverables. Resource and cost budget
- Business and operations change. The necessary change in processes, systems organization, user competences, values, attitudes, performances
- Timing. Deadlines for implementation and for benefit achievement

The stakeholders

Typical stakeholder roles related to the project. A stakeholder may play more than just one role.

- Use and own. User of the project results. Final ownership
- Will and motive power. Sponsor and authority to drive the project. Prioritize the project
- Deliver resources. Deliver competences, work effort and financing
- Formal acceptance. Legalized authority to give permission to activity or solutions
- General acceptance. Understand the project and it's purpose and give way to the project

Environment

The environment to the project and to the project results represents interfaces and conditions.

- Market. Market and business conditions for the project. Includes political conditions
- Technology. Technological options and constraints
- Related systems. Interfacing systems and projects
- Physical milieu. Room, facilities, milieu conditions etc.
- Norms, standards, rules. Standards and legislation to follow in the project

Resources

- Competences. Skills and competences needed for the project work
- Persons. Persons needed for the project team

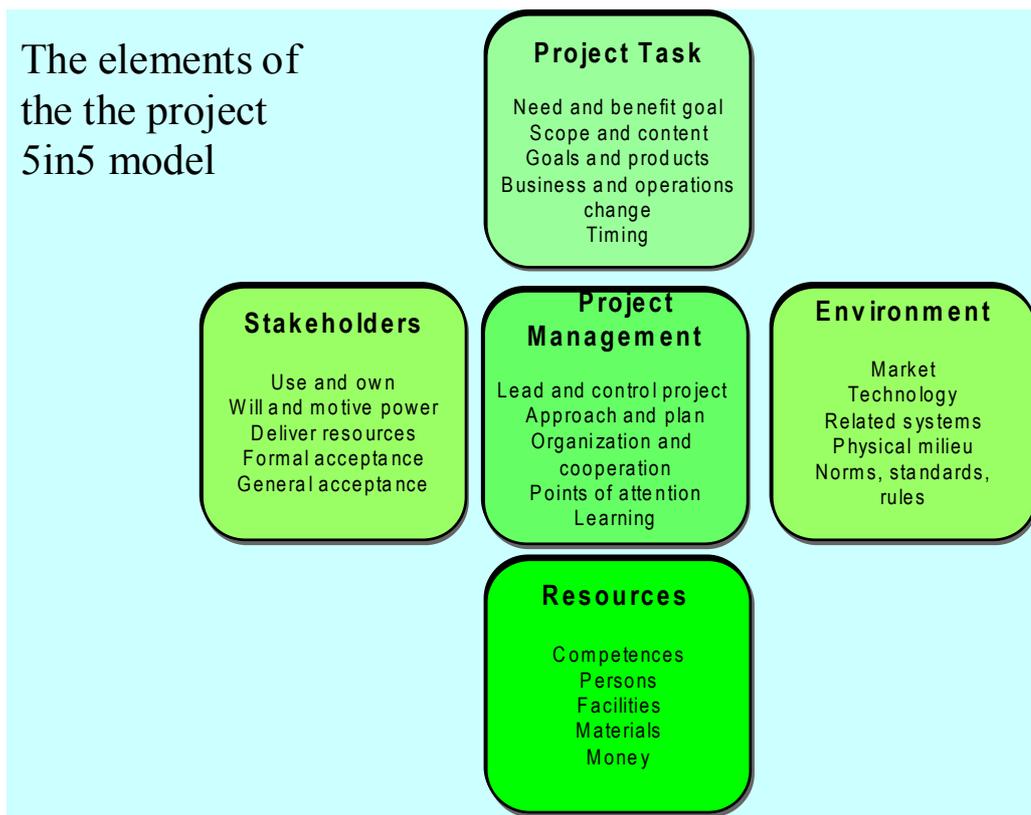
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- Facilities. Practical facilities for the project personnel and work
- Materials. Materials to be used during the project
- Money. Project costs and financing

Project management

- Lead and control project. Control the project and deliver results. Manage deliverables, quality, economy, progress, work effort, stakeholder involvement, interfaces to the environment etc
- Approach and plan. Arrange the project approach and project structure. Project milestone and activity schedule
- Organization and cooperation. Organize the project and organize cooperation and communication inwards and outwards
- Points of attention. List of the uncertainties, critical constraints, critical milestones etc. and the critical conditions for success
- Learning. Organize learning during the project and at the end of the project



The 5in5 model is the basic structure in the *Project Charter* and the *Integrated Project Plan*.

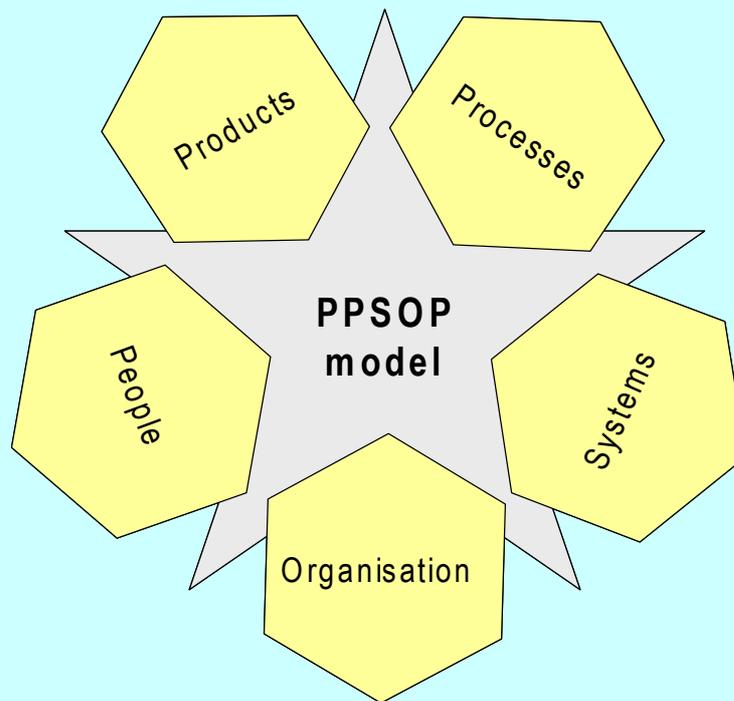
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The PPSOP model represents a holistic view of the project task. The model defines that Business Systems Projects develop and change 5 elements in the company.

- *Business Processes* - and adjoining support processes and control and management processes
- The *Products* (output, deliverables) from the processes
- *Systems* - information systems, technical system, facilities etc. supporting the processes
- *Organization* - the user and business organization (structure, jobs, roles and responsibilities, accountability and authority, performance etc.)
- *People* - users, including managers in the business and operations organization who will have to change to new jobs, work processes, competencies, performances, attitudes and values

Scope and results of holistic projects are PPSOP

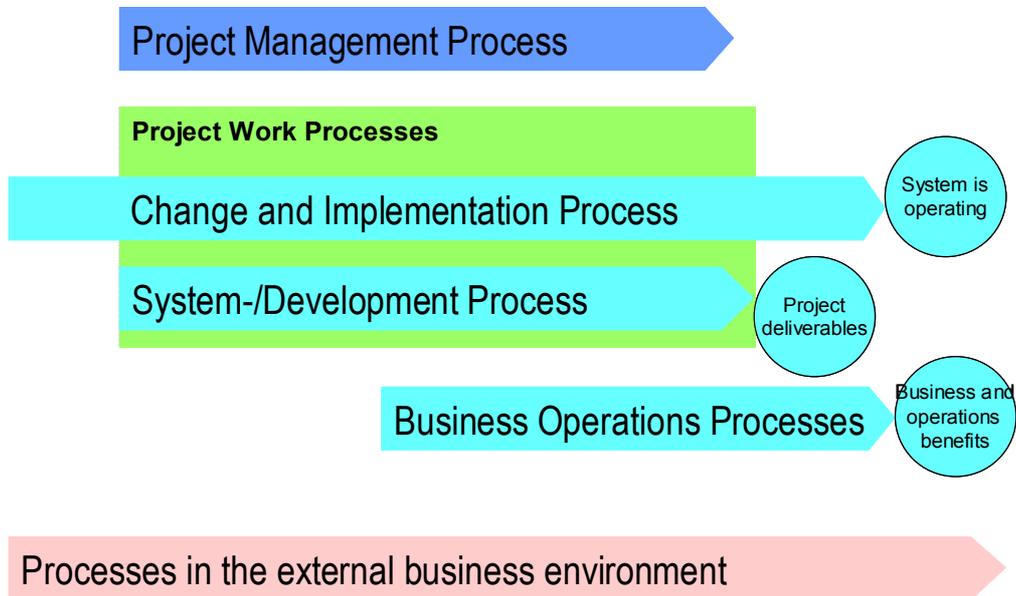


This means that there are two types of work processes in the project - technical processes leading to project products such as systems, facilities, new work processes, new organizational structure and roles etc. and change processes leading to project products in operation and to user's acceptance, understanding and competence.

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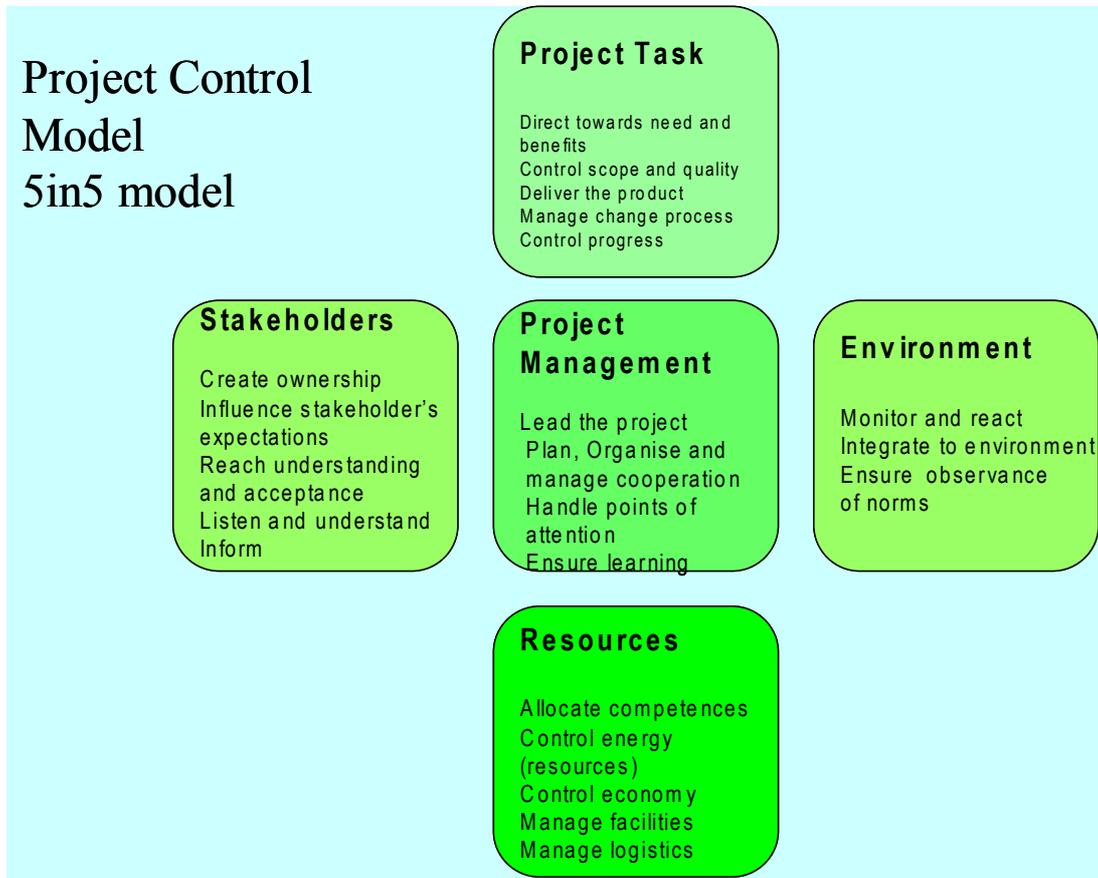
Projects contain several processes:



Project Management means to handle a set of planning, organizing and control functions. The 5in5 model may be used as an overview list of those management functions - meaning that the Project Manager should use a situational approach to project control and choose the appropriate management functions and the related level of managerial effort.

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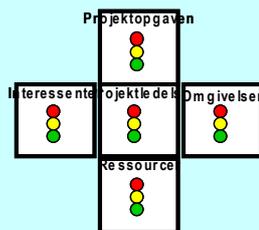


The Project Status Report and Scorecard is based on the same model - meaning that project performance is reported for each of the 5 elements.

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Scorecard 5in5 model



Project Task

- Benefits
- Scope, agreement
- Product (functions, properties, quality)
- Operations competence
- Timing (delivery, use)

Stakeholders

- Stakeholder's commitment and satisfaction
- Stakeholder's understanding and acceptance
- Sponsorship

Project Management

- Project leadership
- Approach, plan and control
- Organisation and cooperation
- Handling of points of attention
- Learning

Environment

- Harmony with environment
- Coherence with systems
- Coherence with other projects
- Observance of norms and rules

Resources

- Competences
- Resource control
- Economy control
- Facilities
- Materials control

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Templates

Request for Project

Project Charter

Integrated Project Plan

Solutions Concept

Recommendation for Decision

Coordination and Control Schedule and Milestone Plan

Project Status Report and Scorecard

Project Closure Report

Project Evaluation Report

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Request for Project

The Request for Project is the first definition of the need for a project solving a problem or exploiting an opportunity. The request should basically answer the question: Why this project? It should basically not describe the project solution (system deliverables) because the appropriate solution is to be found or developed during the concept development phase. Thus the Request for Project only calls for a “go” for that phase.

Content

Request for project

From:

Date:

Proposed project scope:

(Short description of the proposed project. What is the governing idea?)

Why this project?

(Need and reasons for the project. Is it a necessity - and why? Is it an arising problem - a pain? Is it an emerging opportunity - a gain?)

How does this project fit in the actual business and systems development strategy?)

Benefits:

(Which benefits will the company achieve by this project?)

- Increased efficiency and effectiveness - where in the organisation?

- Bottom line effects (magnitude) - reduced costs, increased income, increased earnings - where in the

organisation?

- Success criteria for the project

Costs:

(Anticipated magnitude of project cost and manpower consumption.

Anticipated magnitude of increased operations cost)

Project value:

(Payback time - or at least verify that costs will be reasonable compared to benefits)

Time constraints:

(Anticipated duration or required time to operations or to benefits)

Interested parties:

(Most important stakeholders with interests in the project and its products and effects)

Environment:

(Important elements in the project and product environment and essential interfaces and relations to take care of)

Uncertainties and challenges

(Description of uncertainties and preconditions and most important challenges in the project.

This should include the implementation and change process as well)

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The Project Charter

The charter is the project owner's agreement with the project manager (and the project organisation) and the agreement with the business organisation going to use the project results.

Model for the contents:

Project name:	Author:	Date:
---------------	---------	-------

1. The project
 - 1.1 Project scope
 - 1.01 Scope description
 - Project scope overview
 - Background, needs and reasons for the project
 - Project placed in a total strategy or a programme
 - Scope details and limits
 - Presumptions as basis for the project
 - 1.02 Idea
 - Governing ideas in the solutions/products and unique selling points
 - 1.03 Goals and objectives
 - Business and operations goals, expected benefits from using the project products
 - Success criteria
 - First estimate of cost and benefits
 - Deadlines for going live and for seeing benefits
 - Cost and resource budget
 - 1.05 The change job
 - First picture of the changes in business processes, organisation and people
 - 1.2 Interested parties
 - Parties (stakeholders) with interests in the project and its products and effects
 - 1.3 Environment
 - Important elements in the project and product environment and essential interfaces and relations
 - 1.4 Points of attention
 - Uncertainties
 - Sensitive issues
 - Preassumptions critical for the success
2. Approach
 - Strategy, phases/stages
 - Decision milestones
3. Organisation
 - Ownership in the business organisation (Project owner, sponsor(s), steering committee)
 - Project Manager and management team
 - Leaders in the business organisation being responsible for implementation and business benefits

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4. Resources
 - People
 - Facilities
 - Approved budget
5. Management and control
 - Requirements to plans, control and progress reporting

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The integrated project plan

This plan is the overall plan for the project. It is an extension of the project charter.

Content

1. The project
 - 1.1 Project scope
 - 1.2 Interested parties
 - 1.3 Environment
 - 1.4 Points of attention
2. Approach and plan
 - 2.1 Project structure, result paths
 - 2.2 Master plan and Co-ordination and Control Schedule
 - 2.3 Detailed work plans
3. Organisation and co-operation
 - 3.1 Organisation
 - 3.2 Communication, internal
 - 3.3 Communication, external
4. Resources
 - 5.1 Work effort, budget and plan
 - 5.2 Project economy, cost budget, financing budget
 - 5.3 Facilities and equipment
 - 5.4 Materials, budget and plan
5. Management and control
 - 4.1 Communication procedures
 - 4.2 Control procedures
6. Learning

This plan is not one document but a set of documents following the above structure. The structure is applicable to the Project Web File by adding appropriate sections for upcoming communication and control documents plus technical documents.

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The solutions concept

The project solutions concept is a description of the business scenario after the project and an outline of the project deliverables. The concept should also describe the master plan for engineering and building and the implementation strategy. As the concept is the basis for management decision (“go”) it should also contain a project value case or business case.

This should be described in 4 documents:

- The concept – as documentation of the solutions concept and basis for engineering
- Business case
- Plan for next phase
- Recommendation for decision and basis for decision (= abstract of the concept)

The concept document has 3 sections:

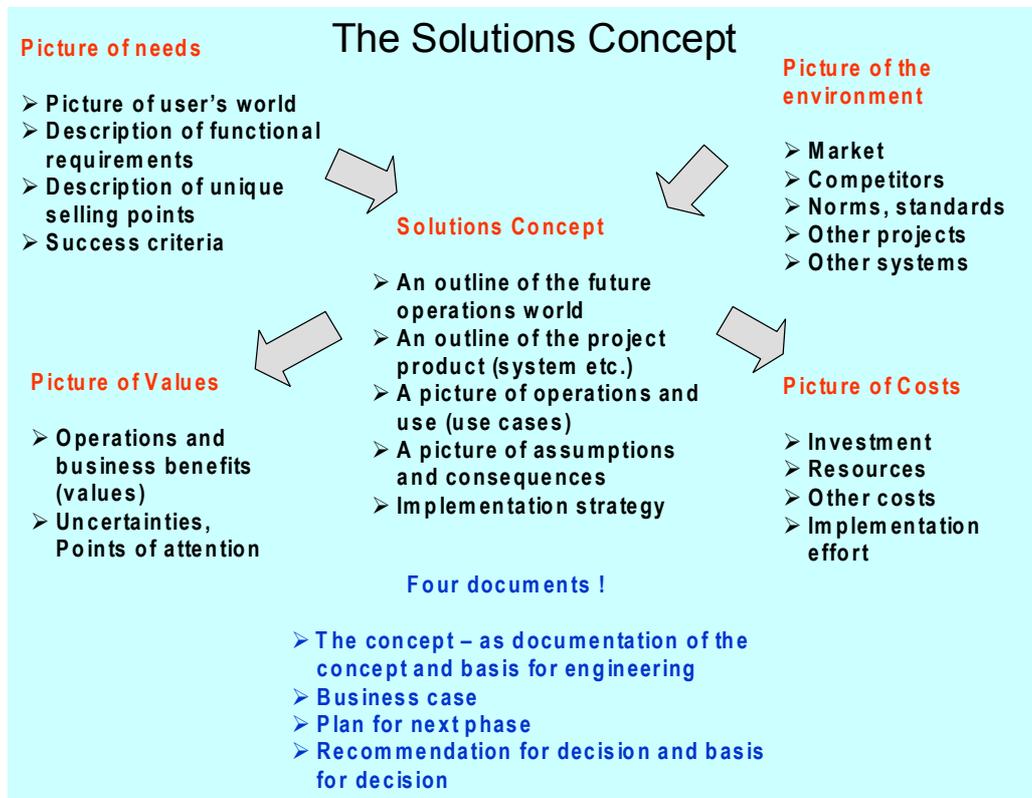
- Picture of needs
 - Picture of user’s world
 - Description of functional requirements
 - Success criteria
- Solutions Concept
 - An outline of the future operations world (scenario and use cases)
 - An outline of the project deliverables
 - A picture of assumptions and consequences
 - Implementation strategy
- Picture of the environment

The business case should describe:

- Picture of values
 - Operations and business benefits
- Picture of Costs
 - Investment
 - Resources
 - Other costs
 - Implementation effort
- Uncertainties, Points of attention

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Checklist for project values

▪ Customer value	Contribution to benefit and value for customers
▪ Service value	Contribution to customer's experience of relations and service
▪ Company value	Contribution to competitiveness and success
▪ Quality Value	Contribution to quality in core products
▪ Image value	Contribution to interested parties' perception of the company
▪ Speed value	Contribution to speed in response to customers
▪ Management value	Contribution to control and management effectiveness
▪ Cost effect	Influence on company costs and product costs
▪ Turnover effect	Influence on business turnover
▪ Net profit effect	Influence on net profit
▪ Cash flow effect	Influence on invested capital and cash flow
▪ Competence effect	Contribution to improved competence
▪ Health and safety effect	Contribution to health and safety
▪ Job satisfaction effect	Contribution to employee job satisfaction
▪ Milieu effect	Contribution to reduction of negative milieu effect
▪ Fulfillment of requirements	Contribution to fulfillment of requirements from public authorities

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Recommendation for decision

Recommendation for decision is forwarded to the Project Owner when the Project Manager wants to call for major decisions beyond his authority.

Content

Project name, Project Manager, Date

Recommended decision
(Eventual alternatives may be described and the preferences explained)

Reasons and arguments for the recommendation
(In accordance with earlier decisions. Reference to documents with details)

Issues and mitigating actions
(Critical success factors, uncertainties)

Action plan for implementation

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Coordination and Control Schedule and Milestone Plan

The coordination and control schedule (milestone plan) is the work and time schedule for each project phase. The elements in the plan are the Result Paths, Milestones and Main Activities. The schedule may well contain only the milestones defined to measure work progress in each result path. The idea of the plan is to have milestones at intervals, which on one hand ensure performance and pace and on the other hand are so realistic, that the schedule only has to be adjusted in case of changes in the project task or the approach or the preconditions.

Coordination and control schedule

- Define the structure of result paths
 - describe the outcome for each result path at the end of this phase
- Determine approach
 - define approach and methods for each result path
- Define milestones
 - describe the milestones along each result path
- Define main activities
 - describe the main activities and their deliverables to be completed before each milestone
- Coordinate milestones
 - define interrelationships between the result paths
- Schedule milestones
 - define deadlines for milestones
- Define responsibilities and roles
 - allocate resources (people, suppliers)
 - define responsible for each result path
 - define roles for each milestone and main activity
- Estimate resource effort
 - estimate resource effort (requirements)
 - agree on effort and period - if necessary, adjust the schedule
- Edit the plan
 - milestone plan and schedule
 - main activity plan for each result path and milestone

A coordination and control schedule is prepared for each phase of the project.

The project is structured into Project Result Paths. Remember “product, process, systems, organisation, people” principle. 4-9 result paths are appropriate.

The approach for each path is defined - based upon technical considerations and change process considerations as well. Define relevant milestones along the result path. At phase duration of 6 to 12

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months milestones are scheduled at intervals of 1-2 months. For phases lasting less than 6 months, the milestones can be set at intervals of 2-3 weeks.

Subsequently, main activities to be completed before each milestone are defined. Define one main activity for each team or supplier being responsible for deliverables before the milestone.

Describe roles in relation to result paths, main activities and milestones.

The coordination and control schedule can be documented in form *Coordination and Control Schedule* and Gantt-chart. Please note that certain software programmes do not distinguish between milestones and activities as different concepts.

Quality assurance aspects of the control schedule are:

- A *complete* plan – all result paths, milestones and main activities are included.
- A *coordinated* plan – interrelationships between result paths are known.
- A *realistic* plan
 - Uncertainties have been disclosed and assessed – and taken care of
 - Resources are available
 - Preconditions are known and negotiated.
- A *plan with pace* – milestones from start to end and with relatively short distances
- A *manageable* plan
 - Responsibility is placed
 - Progress can be measured
 - Follow-up is systematised.
- A *clear and organised* plan – activities are organised according to result paths and responsibility.
- An *anchored* plan – accepted by the participants and their managers.

Note:

Avoid preparing the control schedule in too much detail. Its most important feature is to provide overview and to show Result Paths and Milestones for the work. Consider the main activities as large tasks resulting in an outcome – a deliverable. The team or person responsible for each main activity should prepare the more detailed work plan.

But! In order to be able to estimate the durations of the main activities realistically, it may be expedient to describe the activities and activity chains, which influence the duration.

Be critical of the first schedule.

- Review it to reduce duration. Find the activity chains determining the total duration, and identify activities of long duration. Find means to reduce the duration.
- Make an uncertainty assessment of the milestones. Find means to reduce uncertainties. If possible, see to it that the time-critical activities are not subject to big uncertainties as regards duration.
- Choose a tight, but realistic duration for each main activity. Put in a buffer time before the milestone.

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The idea is that a control schedule has to be observed. Firstly, you must seek to hold the deadlines of the control schedule by continuous, detailed work planning. Secondly, you should not change the plan in case of deviations, but show the deviation and try to recover time lost.

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The project status report and scorecard

The Project Status Report is forwarded to the Project Owner either every month or every quarter - as agreed in the Project Charter. For Group Projects it is forwarded to the BSS Committee as well.

The format of the report is a Word document containing the following sections:

- Project performance on 5 elements (5in5 model)
- Comments to performance
- Major issues and risks and mitigating actions
- Request for changes in scope, goals, schedule and budget

The performance part is a “traffic light” form to be filled in with green, yellow or red color with the following criteria:

- Green: Performance is as planned or satisfactory. There might be some minor issues at the moment, but they will be handled
- Yellow: Performance is ok, but severe issues and concerns are emerging and need attention and proactive handling
- Red: Significant issues and concerns - remedial action is required

The elements have the following content. If it is appropriate the form may be enlarged to show each sub-elements or selected important sub-elements.

Project Task

- Benefits will be achieved as planned
- Project Scope is kept as agreed with Project Owner
- Product (functions, properties, quality) will be delivered as specified
- Operations effectiveness and efficiency and user competence will be achieved
- Timing is as scheduled. Delivery and use will start as planned

Stakeholders

- Stakeholders are committed and satisfied
- Stakeholders understand and accept the project and the solutions
- Sponsorship from Project Owner and involved managers is proactive

Environment

- Solutions are in harmony with the environment
- Solution systems and business processes are in coherence with other systems
- The project is in coherence with other relevant projects
- Norms and rules are observed

Resources

- Project staff is competent and skilled
- Resource consumption is controlled and is as budgeted
- Costs are controlled and as budgeted
- Facilities are adequate
- Materials are controlled and consumption as planned

Project Management

- The project is lead satisfactorily
- The project approach is planned and controlled
- The project organisation is functioning and cooperating
- Issues and points of attention are identified and managed
- Learning from the project is organized

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Project Status Report

Project name:

Status date:

Report Author:

Performance:

<i>Status date:</i>										
<i>Element:</i>										
Project Task										
Stakeholders										
Environment										
Resources										
Project Management										

G = no concerns, Y = potential issues, R = significant issues

Project costs:

	Original budget	Current budget	Spent to date	Estimated at compl.	Exp. deviation
Manhours					
Expenses:					
Expenses:					

Major issues and uncertainties:

Request for decision:

Comments to performance:

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Project Closure Report

The Project Closure Report is the formal document closing the project. It is forwarded from the Project Manager to the Project Owner and for Group Projects to the BSS Committee as well.

Contents

Project name, Author, Date

Reference to take-over agreement with user organisation.

Final status of project results

- benefits
- acceptance and competence achieved in the user organisation
- user satisfaction
- deliverables and their quality
- time schedule
- costs
- manpower consumption

Improvements to be done afterwards

Project closure actions

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Project Evaluation Report

The purpose of the Project Evaluation Report is to learn from the project and to disseminate learning points to other projects. The core project team and the project owner and steering committee carry out the evaluation. Key persons in the user organisation and other important stakeholders may be interviewed too.

Content

Project name, Author, Date

Short description of the project
(Scope, approach and special circumstances)

What was especially successful?
Why?
How can we repeat this in other projects?

What ought to be better?
What caused shortcomings, failures and deviations from schedule and budget?
How to do better?
How to implement this improvement in other projects?

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Methods

10 step planning process

10 step planning is a checklist for the overall planning of the project at the project start and at the beginning of new project phases. The process is in accordance with the structure of the Project Charter. The process seems linear but in reality it is necessary to deal with more planning elements in parallel.

Step		Tools and methods
	<p>1. Project background and purpose</p>	<p>Project Charter</p>
	<p>2. Interested parties - in the results (products) and the project</p>	<p>Analysis of interested parties</p>
	<p>3. Project and product environment</p>	<p>Environment map</p>
	<p>4. Project goals and scope</p>	

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	<p>5. Approach and plan</p>	
	<p>6. Project organisation and cooperation</p>	
	<p>7. Resources, workload and economy</p>	
	<p>8. Points of attention (uncertainties, success conditions)</p>	
	<p>9. Arrange management and control procedures</p>	
	<p>10. Commitment to the plan</p>	