Project Management Assurance

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Introductions

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WHEN WILL I GET YOUR PROJECT STATUS REPORT?

YOU'RE ASKING FOR A STATUS REPORT ON THE STATUS REPORT?

RIGHT. WHEN CAN I GET THAT?

IT'S STARTING TO LOOK LIKE INFINITY.

HOW'S YOUR PROJECT COMING ALONG?

IT'S A STEAMING PILE OF FAILURE.

IT'S LIKE FIFTEEN DRUNKEN MONKEYS WITH A JIGSAW PUZZLE.

HOW'S YOUR PROJECT COMING ALONG?

FINE.
Agenda

• Introduction
• Project Management Assurance
  ▫ Definition
  ▫ Model of PMA
  ▫ Risk and Controls
  ▫ Performing PMA
• Questions
• Feedback
AS REQUESTED, I DID A "RISK MANAGEMENT" ASSESSMENT.

I CONCLUDED THAT THERE WAS NO RISK OF ANY MANAGEMENT.

DO YOU HAVE ANYTHING TO ADD?

I’LL GET BACK TO YOU.
Background

• Two out of three IT projects fail to deliver planned outcomes resulting in cost overruns, schedule delays, and unmet requirements. (Standish 2004)

• Project failures cost the US economy at least $24 billion and possibly as high as $75 billion between years 2000 and 2005. (Charatte, 2005)
Recommended Effort for Successful Outcomes (PMI Best Practice)

- Closing, 5%
- Initiation, 5%
- Planning, 25%
- Monitoring & Controlling, 15%
- Execution, 50%

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Percent of Effort Dedicated to Project Activities

- A recent survey says -
  - Average of 7% of project management effort is dedicated to risk management planning
  - Average of 6.5% of project management effort is dedicated to risk management assessment.
PM Maturity by Knowledge Area

Source: Ibbs & Kwak, 2000
“A little risk management saves a lot of fan cleaning.”
Mike Harding Roberts

Successful project managers are especially good risk managers.
Boehm (1989)

“If you don’t actively attack the risks, they will actively attack you.”
Gilb (1989, p. 54)
Benefits from Software Risk Management

Source: Kulik and Weber, 2001

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CIOs are increasingly held responsible for generating a positive return on IT project investments.

Great need for devising ways to assure successful project outcomes.
Characteristics of IT Projects

Inadequate risk assessment

Globally distributed teams

Uncertainty

These characteristics can lead to failed IT projects and projects that are difficult to manage.

Complexity

Lack of processes to assess project performance

IT Projects
Project Assessment

• Continual project assessment can
  ▫ lead to an increased chance of achieving success

  • because

  ▫ potential risks can be identified and addressed before it is too late.
What is Assurance?

Set of services or activities + conducted by an independent organization + to review internal control mechanisms = reduced risk and improved quality
Project Management Assurance (PMA) Process

Formal Definition:

A set of assurance activities that are integrated with the IT (information technology) project management lifecycle. An internal group, independent of the project team, performs the assurance activities, which includes continual review of control mechanisms to assure adherence to standards, best practices and procedures.
PMA Process

Assures successful project outcomes by

- Assessing internal controls
- Improving quality

While adhering to the stated schedule and budget constraints

Reducing Risk

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Model of PMA
Project Management Lifecycle in IT Projects

- Considers each of the following eight phases in an IT project’s lifecycle:
  - 1) initiation, 2) planning, 3) analysis, 4) design, 5) development, 6) testing, 7) implementation, and 8) closing

- Each phase requires specific
  - inputs, outputs, controls, and identification of risks.
Continual PMA Activities

Feedback Loop

- Initiation
- Planning
- Analysis
- Design
- Development
- Testing
- Implementation
- Closing

Inputs & Outputs

Project Management Assurance
Risks and Controls

• Identify risks and controls in each phase of the project lifecycle.
  ▫ Continuously monitor and control those risks
    • To proactively identify and respond to problems with enough time to avoid crises.
### Example Risk Factors

<table>
<thead>
<tr>
<th>Phase</th>
<th>Risk Factors</th>
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<tbody>
<tr>
<td>Initiation</td>
<td>Improper feasibility analysis or business case.</td>
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<td>Incomplete or inaccurate project cost estimate.</td>
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<td>Lack of executive commitment.</td>
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<td>Poorly defined scope statement.</td>
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<td>Failure to gain user involvement.</td>
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<td>Incomplete or misunderstood requirements.</td>
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<td>Poor project planning.</td>
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<td>Insufficient resources.</td>
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<td>Lack of adherence to design standards.</td>
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<td>Incomplete test planning.</td>
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<td>Lack of a proper test environment.</td>
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<td>Poor communication.</td>
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<td>Failure to manage user expectations.</td>
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<td>Lack of project metrics.</td>
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<td>No post project review.</td>
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### Phases in Project Lifecycle

- Initiation
- Planning
- Execution
- Monitoring and Control
- Closing
Example Controls

**Initiation**
- Project Charter completion
- Executive signoff
- Stakeholder verification

**Planning**
- Validate estimates
- Development of Risk Management Plan
- Verify requirements, ensure testability & feasibility

**Execution**
- Adhere to Software Development Plan
- Assure adequate testing environment
- Assure management and user involvement
- Verify that the Change Control Plan is in place
- Assure adequate status reporting

**Monitoring and Control**
- Project closing activities, including lessons learned

**Closing**
- Project closing activities, including lessons learned
Performing PMA

Independent PMR Audit Team (External; Objective)

- Define standards
- Validate controls
- Identify deviations from standards
- Adherence to standards
- Random or scheduled audits

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When I go out to check on a software development [project] the answers I get sound like ‘We’re frantically busy weaving this magic cloth. Just wait a while and it’ll look terrific.’ But there’s nothing I can see or touch, no numbers I can relate to, no way to pick up signals that things aren’t really all that great. And there have been too many people I know who have come out at the end wearing a bunch of expensive rags or nothing at all.” (Boehm, B. W., 1973)

Project audits and reviews included in our PMA framework can provide positive reinforcement for projects that are on track and early warning signals for those that are not!
Summary

• PMA differs from traditional project management and development methodologies by focusing on project risks.
• Internal project controls are used to assure project risks are continuously identified and assessed throughout the project lifecycle.
Feedback

• Please take a few minutes to complete the feedback form.
References