

A guide to escaping the financial squeeze

The 2009 message is clear for project managers looking to succeed in a global recession: Do more with much less

DENNIS COMNINOS

MANAGERS are having a hard time globally. While SA has not felt the brunt of the global recession as yet, it's time for those in charge of projects to shift their approach to ensure their projects can deliver value even in the most trying times.

The pressures on project managers are numerous — there is a greater scrutiny of project expenses and of the business value to be gained. The message is clear for these managers for 2009: do more with much less.

The question, though, is how?

Achieving project success is still quite possible for savvy project leaders — it is possible for these individuals to use the lack of money, time and resources to their advantage, and show their mettle and capability to their respective organisations.

There are three key steps for those involved in leading and implementing projects to shift their project skills to a new level, and become leaner and greater creators of value.

The first step is focus more on value creation than deliverables. This requires a move away from the traditional project management trade-off triangle of time, cost and quality, with its focus on project deliveries, to a trade-off quad of time, cost, quality and benefit, which focuses on the delivery of business value.

The challenge is not to change the fundamental tools and techniques of project management, but to enhance the way we think about projects.

Tony Manning, in *Competing through Value Management*, writes that: "Everything that everyone in an organisation does, must produce value. This is an everyday process. It must become a way of thinking, a way of life." So if a project does not produce any benefit or value, then why do it?

Delivering value means managers must align project outcomes very closely with the strategic objectives of the business. Business strategy must

inform and guide the prioritisation and selection process of projects, so that the best value-driven projects can take precedence and accordingly have first call on resources.

So why is there this need for focusing on value creation?

In essence, a project in which the process is well managed, but benefits are not achieved, has only delivered a "product" at cost. This is synonymous with the expression: "The operation was excellent, the surgeon brilliant, but unfortunately the patient died." In a climate of extreme resource pressure, creating value is simply essential, or businesses will certainly face death.

The second step is optimising resources. This is not just about financial resources, but about people as well. Projects are managed and implemented by people not machines/technology and, therefore, the selection and development of the right people is a critical part of ensuring the value can be maximised. South African firms have been spoilt a little too much in recent years — there has been a good growth curve for many businesses and money has been flowing into projects. The good times are over though and it's time to be a lot leaner when it comes to resources. Aligned to this, of course, is the need for rigorous and accurate cost-benefit analyses and project metrics.

The third step is to be proactive. The mantra should be: anticipate, anticipate, anticipate. Many South African business people still say "it's not going to happen here" when it comes to recession talk. But just because it's not happening now, doesn't mean it won't happen. The reality is we are feeling the impact and we may get hit harder still. Leaders should not be caught with their heads in the sand. There is no room for being pedantic either, or by the time our businesses react, it will be far too late.

The message to managers is: pick the right projects; pick the right team; pick the right approach. And don't wait for the financial squeeze to get tighter.

A good place to start would be empowering oneself with the right tools and knowledge — increasing one's expertise with up-to-date knowledge is critical to making the right decisions for project success.

■ *Dennis Comminos is director of the course Project Management — A Business Focused Approach, which is presented at the UCT Graduate School of Business.*

