

Managing the project start

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1. Introduction

Project management is a business process of the Project-oriented Company, which includes the subprocesses project start, continuous project coordination, project controlling, management of a project discontinuity, and project close-down.

In projects the project management process is performed in addition to the contents related processes, required to achieve the project results. Contents related processes, e.g. of an engineering project, are engineering, procurement, logistics, construction, etc. The project management process starts with the formal project assignment and ends with the acceptance of the project results by the project owner.

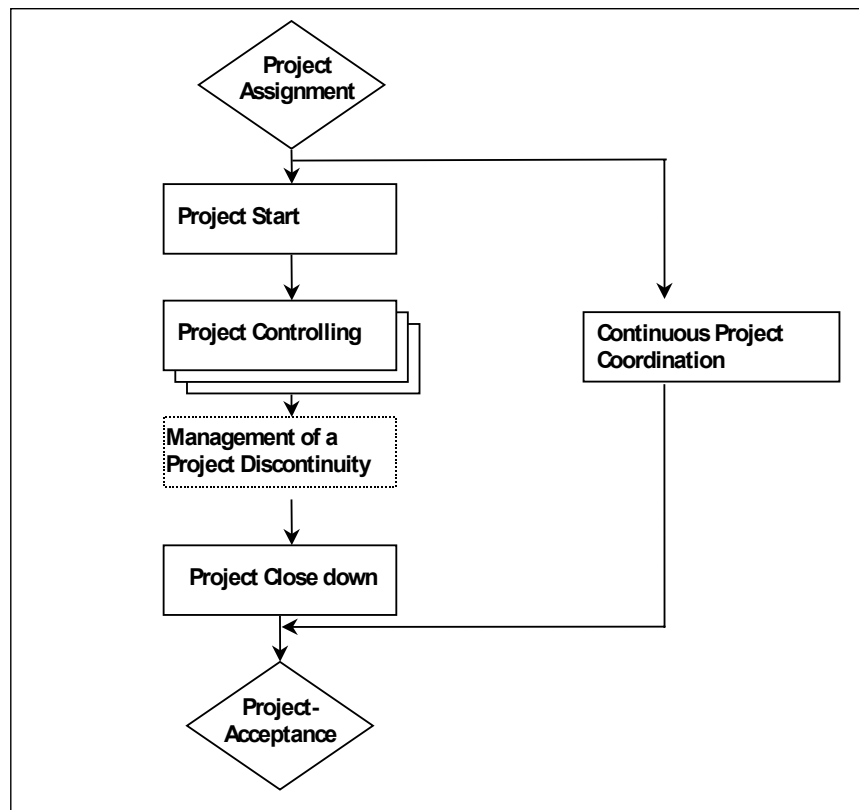


Figure 1: The Project Management Process

The objectives of the project management process are

- to successfully perform the project according to the project objectives
 - to manage project complexity and project dynamics
 - to continuously adjust the project boundaries
 - to manage the project-context relationships
- by efficiently performing the project management subprocesses.

The project start is the most important project management subprocess, because in it the bases for the other project management subprocesses, such as the project plans, the project communication structures, the relationships to relevant environments, are established.

For the project start process objectives, functions, methods, responsibilities, and deliverables can be described, which allow to measure the quality of the project start process.

The perception of projects influences the management of the project start. By defining projects as temporary organizations the formal establishment of a temporary organization and its integration in the overall company organization is emphasized.

2. Projects are Temporary Organizations

The project management approach applied in the project start process is determined by the way, how projects are perceived. The traditional perception of projects as complex, goal determined and risky tasks, supports above all the use of project planning methods in the start process. Typical examples for such planning methods are the work breakdown structure, the CPM - technique for scheduling, as well as CPM - supported resource- and cost plans. Due to the dynamics of projects, methods of risk management are used, too.

For the performance of work packages in the traditional project management approach above all the distribution of formal responsibilities between the project manager and line management is important. The pure line project organization, the matrix project organization and the influence project organization are suggested as relevant alternatives. In the matrix project organization, the planning and the control of the project progress, schedule and costs are considered as responsibilities of the project manager.

A more advanced definition considers a project as a temporary organization for the performance of a relatively unique process of high complexity resulting in a specified product. Projects become instruments to further differentiate company organizations. In addition to the permanent base-organizations of companies, such as divisions, business units and departments, which perform repetitive processes of low or medium complexity, temporary project organizations are applied, too.

According to the social systems theory, organizations - and consequently also projects - can be perceived as social systems. On the one hand side social systems differentiate themselves from social environments and on the other hand side they relate to these environments. Relevant project environments are e.g. customers, suppliers, public authorities, the media, etc. In addition to this social context, further context dimensions of projects are the pre- and the post-project phase, and the relationships of projects to the overall strategies of companies. Projects as social systems are not trivial, having expectable input-output relations, but are characterized through their complexity and dynamics.

3. The Objectives of the Project Start Process

Based on the perception of projects as temporary organizations (and as social systems) the following objectives can be defined for the project start process:

- Development of the „Big Project Picture“ by agreeing on the project boundaries.
- Formal establishment of the project as temporary organization. Appropriate integration of the project into the company organizations.
- Development of a specific project culture.
- Establishment of communications between the project and other projects, the base-organizations, and relevant project environments.
- Transfer of information about decisions and documentations of the pre-project phase into the project, and clarification of expectations about the post-project phase.
- Development of appropriate plans for managing the project complexity and dynamics.
- Definition of communication structures and deliverables for the other project management subprocesses.

- Communication of the results of the project start process by an initial project marketing.

The “Big Project Picture“ Provides Orientation for the Project Team

Project boundaries define, what belongs to a project and what does not belong to it. The boundaries of a social system are determined through its sense. To assign sense to a project happens through the definition of project goals, whereby all closely coupled goals have to be considered. Not considering goals, which are to a high degree dependent on the project, endangers the quality of the project. Therefore, e.g. in an IT-project one should not only consider the goals of software design, software development, hardware- and software implementation and possibly of a pilot application, but also the goals of implementing the appropriate organization and recruiting and training the personell required for the use of the new IT-system. All these goals are closely coupled, and should therefore be managed by one (project) organization.

Apart from the definition of the project scope of work the construction of the project boundaries happens by agreeing on the project start- and the project end- event, as well as by agreeing on the project budget and on central project roles.

Every Project Requires a Specific Organizational Design

The perception of projects as temporary organizations especially encourages the awareness, that every project requires a specific organizational design in the project start process. The organizational design of projects goes beyond the definition of responsibilities for the project manager. Project specific roles are to be defined, particularly the one of the internal project owner, project specific communication structures have to be agreed on. Rules and norms for the cooperation in the project team have to be developed.

Important communication structures in projects are project related workshops (e.g. project start workshops, project controlling workshops, and project close-down workshops) and project team meetings.

The authority to make project related decisions has to be delegated to the project team. The team members have to be empowered. No more control-activities of line managers are required. These are too expensive and too time consuming. The „Matrix-Project Organization“ is dead!

Projects have Cultures

The establishment of a project specific culture is one of the objectives of the project start process. Instruments for the development of a project identity are e.g. a project name and a project logo, project specific values, a project mission statement, and a specific project language. The project culture development requires special competences, such as symbolic management, by the project manager and the project team.

The Project Success depends on the Relationships of the Project to the Relevant Project Environments

The social context of a project is defined as its social environments. The relevant environments are constructed in a project-environment-analysis. “Relevant“ for a project are those environments, which can influence the project success. They can be differentiated in external project environments (e.g. clients, partners, suppliers, media, etc) and internal project

environments (e.g. project owner, project team). By explicitly considering the project owner and the project team as internal project environments, it is possible to establish an appropriate attention to these environments.

Further dimensions of the project context are the contribution of a project to meet the company’s strategies as well as its relationships to other projects of the company. These relationships can be of synergetic or conflictive nature. Interim results of a project can for example be a prerequisite for the further performance of a considered project. In the project start process all these relationships need to be analyzed, and strategies and measures for their management have to be defined.

The Pre- and the Post-Project Phase influence the Structures of a Project

By the definition of the project start- and the project end- event the pre-project phase and the post-project phase become project context. Projects normally do have a long history. Information about the cause, which led to a project, as well as decisions before the formal project start, are of great importance for the comprehension of the project goals and for the development of the project structures.

The post-project phase only gains importance in temporary systems. On the one hand the post-project phase has to be planned, and on the other hand expectations concerning actions and decisions in the post-project phase, again have to be considered in the development of the project structures. The awareness about the necessary conclusion of the project and temporary environmental relations leads to a specific project identity.

Building –up Project Complexity by a Multi-Methods Approach

According to Ashby's Law of „The requisite variety“, an appropriate complexity has to be built –up in a social system, to be capable to relate to its (infinitely) complex environment. The simultaneous application of different project management methods, such as the work break-down structure, the schedules, the project environment analysis, etc, allow to build –up the adequate project complexity in the project start process. The project management methods are not just planning tools, but are instruments to support and to structure the project communications.

In the Project Start Process the Basis for the other Project Management Subprocesses is established

The agreements made, the project culture established, and the project plans developed become the basis for the performance of the further project management subprocesses.

In the project start process the basic structures for the other project management subprocesses, i.e. the project coordination process, the project controlling process, the project discontinuity management process, and the project close-down process, have to be defined. On the one hand side the communication structures for the different subprocesses and on the other hand side the deliverables for each subprocess have to be agreed on. For the different workshops and meeting types goals have to be defined, the participants have to be fixed and the frequency and their durations have to be planned in the project start process. Deliverables for the project controlling process are e.g. project progress reports and updates of the project plans, deliverables of the project close-down process are e.g. final project reports and “As-built“ plans.

Project Marketing is a Project Management Function

A project is per definition unique and complex. The demand to inform representatives of the relevant project environments about the project objectives and the project structures appropriately is very high.

Possible instruments for an initial “project marketing“ in the project start process are project presentations, a first issue of a project newsletter, an information about the project in the company newsletter, a project vernissage, and most important informal conversations about the project.

4. Timing of the Project Start Process

The start event of the project start process is the assignment of a project to the project team by the project owner. Before this formal project assignment is given, no project account can be established, which means that the project manager and the project team members are not entitled, to spend any resources on the project. As end event of the project start process the filing of the initial project management documents, developed in the project start process, can be defined.

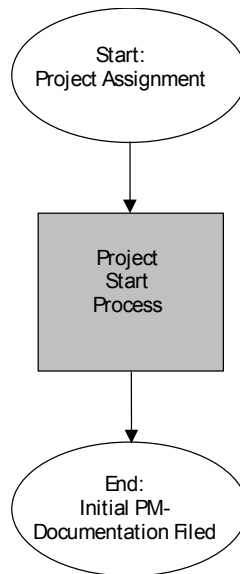


Figure 2: Start and End of the Project Start Process

By defining the project assignment as the project start event the assignment preparation process becomes a context of the project. Based on the preparation of a project proposal in the project assignment process it has to be decided, if a given problem should be worked on or not, and in which organization form (base organization, project, or programme) it should be worked on. If a project is proposed as appropriate organization form, rough project plans have to be part of the proposal. These rough project plans can be used as the basis for the detailed project planning in the project start process.

For contracting-projects the formal project assignment by the (internal) project owner might be given before the contract with the (external) client is formally established, at the time the contract is established, or afterwards. So the timing of the project assignment has to be clearly differentiated from the timing of the establishment of a contract between a contractor and a client.

5. Functions, Methods, Responsibilities and Deliverables of the Project Start Process

By structuring the project start process in phases and functions, by assigning organizational responsibilities to these functions, by defining the project management methods to be applied, and by defining deliverables to be achieved, the project start process can be described.

The phases, the project start process can be structured in, are

- planning the project start
- preparing the project start,
- performing the project start communications, and
- following-up the project start communications.

The detailed functions to be performed and the responsibilities of the project roles project owner, project manager, project core team, project team, members of the project team, project coach and externals can be documented in a responsibility matrix.

Activities	Responsibilities							Documents
	Project owner	Project manager	Project core team	Project team	Members of the project team	Project coach	Externals	
Planning the project start								
• Check: Internal project assignment and results of the pre-pj phase			R					
• Selection of starting form of communication			R					
• Selection of project team members (and of a project coach)			R					
• Selection of methods and form of documentation of PM to be used			R					
• Agreement with the project owner	C		R					1)
Preparing the project start								
• Hiring of a project coach (option)			R			(C)		
• Preparation of starting communications I, II, ...			R			(C)		
• Invitation of participants		R						2)
• Documentation of the results of the pre-project phase			R		C	(C)	C	
• Drafts for planning, organizing and marketing of the project			R		C	(C)	C	
• Developing of information material for starting communications			R		C	(C)	C	3)
Performing the project start								
• Distribution information material to the participants		R						
• Performance of start communication I	C			R		(C)	C	
• Draft of PM docu "project start"			R			(C)		
• Performance of start communication II	C			R		(C)	C	
Following-up the project start								
• Completion of the PM docu "project start"			R			(C)		
• Agreement with project owner	C	R						4)
• Project marketing: First informations	C				R	(C)	C	
• Distributing and filing of PM docu "project start"	C	R					C	
Performing first work packages (parallel)								

Legend:
R Responsible
C Cooperation
I Information

Documents:
1) List of methods of project management to be used
2) Invitation for participants to workshops concerning the project start
3) Information material for the start of the project workshop
4) Project management document "project start"

Figure 3: Project Start Responsibility Matrix

6. Design of the Project Start Process

For the design of the project start process the following design elements may be considered:

- project start communication forms,
- standard project plans,
- IT-tools,
- project coaches, and
- checklists for the project start.

There is no Project without a Project Start Workshop

Communication forms to be combined in the project start process are individual meetings between the project manager and project team members, kick-off workshops, and project start workshops.

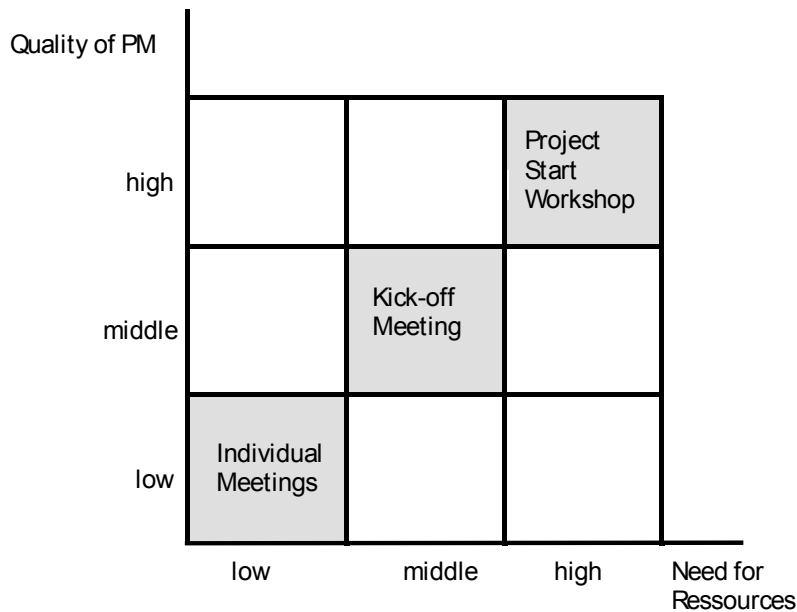


Figure 4: Communication Forms for the Project Start Process

In an individual meeting direct communication between project manager and an individual project team member takes place. The objective of such a communication is to mutually provide information relevant to the project. This one-to-one communication provides orientation, but might lead to a “subjective perception“ of the project.

A kick-off meeting is an one –way communication, in which project information is provided to the project team by the project owner and the project manager.

A project start workshop is an interactive communication form, in which a common “Big Project Picture“ is developed in a communication process of the project team, project owner and representatives of relevant environments.

In large and complex projects several start workshops and/or kick-offs with different target groups might be necessary. After a project start workshop with the project team members of a contractor another workshop, in which additionally the project team members of the client participate, might be organized. A typical agenda of a project start workshop is shown in Figure 5.

Project Start Workshop: Agenda
<ul style="list-style-type: none"> • Introduction • Expectation of the project owner, project team, partners, sub-contractors, consultants, etc. regarding the project • Information about the project assignment, and results of the pre-project phase • Clarification of the project objectives and objects of consideration • Finalizing the project plans and the project organization • Presentation of achieved results to the project owner • Planning the next steps

Figure 5: Agenda of a Project Start Workshop

For Repetitive Projects Standard Project Plans can be Applied

If a Project-oriented Organization performs repetitively the same project types (e.g. contracting-projects performed by an IT-company), standard project plans for these project types can be developed. Standardization is an instrument of organizational learning. Examples for project plans, which can be standardized are

- work break-down structures,
- object break-down structures,
- project milestone lists,
- project organization charts, and
- project responsibility matrices.

The efficiency of the project start process can be improved by applying standard project plans. Of course the standards need to be adapted for the specific requirements of a given project. Even when standards are applied, the development of a project specific culture should be pursued.

Professional Project Management requires the Application of IT-Tools

Especially in virtual project organizations, with project team members from different companies distributed at different locations, the design of an appropriate IT-infrastructure for a project is a challenge in the project start process. On the one hand side the project management software and the office software, to be applied, has to be decided on and has to be implemented, on the other hand side excess to the required hardware has to be made available for everybody. Further it has to be decided about the application of new communication tools, such as video conferencing.

Project Coaching improves the Quality of Project Management

Projects more frequently become an object of consideration for consultancy. Project coaching can be defined as the project management consultancy of a project.

Because of the social complexity of the project start process, the coaching of it provides important support for the project. The project coaching might include the following services:

- supporting the transfer of know how from the preproject phase into the project,
- supporting the organizational design of the project,
- supporting the development of the project plans,
- moderating project start meetings and the project start workshop(s), and
- supporting the documentation of the project start process.

The project has to decide, if it wants to engage a project coach for the project start process or not. The project coach is a project external role, which might be recruited either from within the project performing companies or from an external consulting company.

The Application of Checklists increases the Efficiency of the Project Start Process

For the performance of the project start process checklists, such as

- a checklist for the preparation of a project start workshop,
- a checklist of required project management methods, and
- a standard project handbook,

can be used. As an example a list of contents of a standard project handbook is shown in Figure 6.

	Project Management
1	Project Coordination
1.1	TO-DO-List
2	Project Start
2.1	Project Organisation and Culture
1.2.1	Project Assignment
1.2.1	Project Communication Structures
1.2.1	Project Responsibility Matrix
2.2	Project Context
2.2.1	Pre-Project and Post-Project Phase
2.2.2	Project-Environment Graph
2.2.3	Project-Environment Relations
2.2.4	Project Marketing
2.3	Project Planning
2.3.1	Project Objectives
2.3.2	Work Package Specifications
2.3.3	Project Milestones
2.3.4	Project Bar Chart
2.3.5	Project Cost Plan
2.3.6	Project Personnel Resources
2.4	Project Risk Analysis
2.4.1	Project Risk Analysis
2.4.2	Project Scenarios
2.4.3	Alternative Project Plans
3	Project Controlling
3.1	Project Progress Reports
3.2	Minutes of Project Controlling Meetings
4	Project Close Down
4.1	Project Close Down Reports

Figure 6: List of Contents the PM-Documentation of a Standard Project Handbook

7. Different Project Types require Different Designs of the Project Start Process

Projects can be differentiated by industries, goals, by the extent of implementation, by the degree of repetition, by the type of project owner, and by their relationship to company processes.

Differentiation Criteria	Types of Projects
Industry	Engineering, construction, IT, non profit organizations
Project goals	Contracting projects, marketing projects, organizational development projects, etc.
Extent of implementation	Conception projects and realization projects
Degree of repetition	Unique and repetitive projects
Type of project owner	Internal and external projects
Relation to company processes	Projects for the realization of primary, secondary and tertiary processes

Figure 7: Differentiation of Projects Types

From different project types arise different challenges and potentials for the design of the project start process :

- A conception project and a realization project build a chain of projects. In the conception project rough project plans for the consecutive realization project are already developed. These form the basis for project planning in the project start process of the realization project.
- For repetitive projects project management methods can be standardized. Standard project plans can be applied in the project start process. In unique projects more creativity is required. Specific working forms and creativity techniques have to be applied in the project start process of unique projects.
- In an external project of a contractor representatives of the client have to be actively involved in the project start process. Usually they become members of the project owner group as well as of the project team. Further, external projects are based on a comprehensive bidding and negotiating process, in which decisions regarding the structure and the culture of the following contracting-project are made (e.g. decisions regarding nominated subcontractors).

8. The Quality of the Project Start Process can be Measured.

By evaluating the deliverables and the design of a project start process its quality can be measured. As mentioned above, deliverables of the project start process are the documents resulting from the initial application of the project management methods in the project, such as the work break-down structure, the project organization chart, etc. The design of a project start process can be evaluated based on the appropriateness of the communication forms applied, the IT-tools implemented, etc, and overall the costs and the time spent for this project start process.

In a benchmarking of the the project start processes of nine Austrian companies in 1998 the project start practices of these companies were compared and related to the „Best Theory“ as defined benchmark. As an example the deliverables of the different companies resulting from planning project objectives, project scope, project scheduling, project resources and project cost are shown in Figure 8.

Which planning documents for project objectives, project scope, project scheduling, project resources and project cost result from the project start process

	Partner 1	Partner 2	Partner 3	Partner 4	Partner 5	Partner 6	Partner 7	Partner 8	Partner 9	Best Theory
List of objects of consideration	always	sometimes	always	always	sometimes	sometimes	seldom or never	seldom or never	sometimes	always
Work break-down structure	sometimes	sometimes	always	sometimes	sometimes	sometimes	sometimes	sometimes	always	always
Project work package specifications	always	seldom or never	sometimes	always	sometimes	sometimes	seldom or never	sometimes	always	always
Project milestone plan	always	always	sometimes	always	always	always	sometimes	sometimes	always	always
Project list of due dates	always	always	always	always	always	sometimes	seldom or never	seldom or never	always	always
Project bar chart	always	always	always	always	always	always	sometimes	always	always	always
Project CPM-diagram	sometimes	seldom or never	sometimes	sometimes	seldom or never	seldom or never	seldom or never	seldom or never	seldom or never	sometimes
Project personnel resource plan	always	sometimes	sometimes	sometimes	always	seldom or never	always	seldom or never	always	sometimes
Project finance plan	always	sometimes	always	seldom or never	always	sometimes	seldom or never	seldom or never	seldom or never	sometimes
Project cost plan	always	sometimes	always	always	always	always	always	sometimes	always	always
Project cost benefit analysis	sometimes	seldom or never	seldom or never	always	always	always	sometimes	seldom or never	sometimes	sometimes

Figure 8: Results of Benchmarking the Project Start Process (Example)

9. Conclusion

On the one hand side the project start process is characterized by the pressure, to start with the contents work as soon as possible. On the other hand side there are different expectations in the project team regarding the project objectives and there is social uncertainty, because the project team members do not know each other (in the new project roles). If this time pressure leads to a project start without appropriate project management provisions, this might result in

- unrealistic and unclear project objectives,
 - unclear project role definitions,
 - a lack of project specific rules and values,
 - no commitment regarding the project plans, and
 - little sensibility regarding the management of the project environment relationships,
- and consequently in a poor project performance. This is why a professional project start is a must!

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