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Project Management and Accountability! How Professional Program & Project Management can Help Improve Accountability in Business & Government

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Professional project management can and does improve accountability. When best practices are used, full accountability can be achieved, dramatically improving both performance and governance at all levels. This alone is reason enough for the public to insist on better project management on publicly funded programs and projects. It is also why more stakeholders, and especially investors and shareholders, should insist on professional project management in the private sector.

This month's editorial is on an issue that is increasingly introduced as a leading reason for better management. It is at the heart of current problems in the US government, and current economic recovery issues. And it is at the heart of effective, professional project management. This is – better accountability!

As the US Government and others around the world struggle to deal with depressed economies and failing industries, and injecting billions into industrial organizations, programs and projects as economic stimulus, accountability for those public funds must be a high priority. In the USA, there is already a storm of discontent associated with the \$300 billion of TARP (Troubled Asset Relief Program) "bailout" funds that were invested in major American banks in late 2008, for which there was apparently insufficient accountability. As incredible as it seems, the public does not know exactly where those funds went or what was accomplished with the money, and the banks refuse to (or cannot) say. [1]

In a similar light, it was publicly revealed this week that billions of dollars have been wasted or are unaccounted for from the post-war reconstruction effort in Iraq, led by the US government. Although much has been accomplished there, from what I have read, financial management in Iraq has been a disaster. [2]

At the same time, shareholders and boards of directors in large companies should also be asking where the money went. None of us can any longer afford to waste money. Whether it is in the automotive, banking, construction, energy or transportation sectors, or in government, accountability should be the number one concern of everyone involved. Fortunately, this is one of the areas where modern program and project management (PM) can provide solutions.

Because modern PM was developed to accomplish change better, faster and cheaper (with fewer resources), the field now includes proven best practices and principles for planning, controlling, reporting, managing and accounting for everything (all resources) included in a project or program. Full accountability is both required and expected in the PM field. This is one of the primary reasons why more organizations are doing business via programs and projects around the world, and why the PM field is growing so rapidly. It is why PM is now seen not only as the most efficient and effective way to accomplish and manage change, but also to increase profitability and competitive success.

Accountability – What does it really mean?

According to my dictionary, “accountable” means “subject to giving an account; answerable; capable of being accounted for; explainable.” Accountability is a noun, meaning “ability to account for” or “ability to explain”. [3] Whether these are exactly correct definitions or not, it seems clear to me that accountability means the ability to know and explain what has happened.

With regards to investment, public funding or financing, I think accountability means accounting for where the investment or money went, what the money was used for, where it was spent, who was responsible, and what were the benefits gained. Now I would like to frame the issue with some questions, for which modern PM can easily provide answers.

The Accountability Questions

Here are some straightforward questions related to accountability that should be asked of every dinar, dollar, euro, peso, pound, real, ruble, rupee, yuan renmimbi or other currency invested by governments in economic stimulus packages around the world and in every corporate investment.



- What is the purpose of the investment?
- What work will the money pay for?
- How will the money be controlled and accounted for?
- What will be accomplished and how will results be measured?
- How will performance and status be reported?
- What will the benefits be, and for whom?
- Who will be responsible - for expenditures, reporting and results?

Unfortunately, when money is given to organizations and mixed with operating budgets, those funds too often disappear. Traceability to the original investment can become impossible. When investment is in a program or project, all investment can be accounted for, plans and progress are expected, and achievement can be measured and visible.

Now here are some answers to the above questions, based on common, well proven, project management practices.

Clearly Defined Mission – Every Program & Project Must Have One!

Every program or project must begin with a mission statement. Many projects in the business world must now begin with a business case, where the purpose is clearly defined, benefits to the organization explained, time and money requirements outlined, and a plan embraced. This is very basic PM. Every project or program must have a purpose, just to exist. That mission, and the underlying objectives, are documented, approved by executives, and used to drive the more detailed planning. The purpose and objectives should remain visible over the life of the program or project. All major participants should understand the mission, and how their activities support one or more of the objectives.

Documented Scope of Work – The Most Basic of PM Principles!

The most basic project management dictates that the work to be performed must be determined and documented. Over the last forty years, many tools, methods and expertise have been developed to facilitate scope planning. Those include

- Program and Project management plans
- Program and Project Plans (and other types of planning documents)
- Statement of Work (SOW) and SOW Templates
- Work Breakdown Structure (WBS) and WBS Dictionary
- Funding Breakdown Structures (and other breakdown structures)
- Work Package Documentation
- Work Authorizations & associated documentation
- Contract SOW, Contract WBS and other Contract Documentation

The main point is this – the work to be done on any program or project must be fully planned in order to estimate costs and schedule, responsibilities, risks, funding and cash flow requirements, supply requirements, human resource needs, and other factors. So scope of work planning is fundamental PM. When a program or project is established, planning of the scope of work is one of the first and most important tasks required. It happens in every case. If you want to clearly define all work to be accomplished, organize it as a project.

Defining the scope of work on a projects has been one of the most important elements of the Guide to the Project Management Body of Knowledge (PMBOK®) published by the Project Management Institute (PMI®) since it was first published in 1996. [4] An entire consulting industry has grown around this requirement. Scope planning is a basic aspect of project management training and education. For “shovel ready” projects, the scope of work should already have been prepared and should be available for review by those who finance the work.

Budgets & Cost Control – Project Management 101!

Project cost control is also considered very fundamental to project management. For each element of a project's scope of work, there should be a cost estimate and budget established. Cost estimates traditionally cover such resources as people, equipment and tools, materials, computing and information resources, services and other suppliers. There are many tools and systems available for program and project cost estimating, budgeting and control, and a vast amount of experience and expertise in both government and industry in this area.

Advanced cost control includes the usage of earned value management (EVM) systems, where the value of work performed can be measured and reporting, allowing for true performance management on project and program work. There is a vast amount of experience in EVM around the world, and many tools and systems available to support EVM, so there are few excuses not to use this best practice.



The main point is this – if projects are established and modern professional PM is used to plan and manage those projects, then 100% cost accountability is not only possible but fully expected. This can answer the questions: What will the money buy? Where has the money gone?

Measurable Performance – Project Management 102!

Measuring performance and progress is also fundamental to professional PM. Every project planning and management software system and tool that I know of includes performance reporting functionality. Every project management system description or set of project management procedures that I have ever seen includes regular project performance measurement and status reporting.

Whether by weekly schedule status, monthly contract status, monthly and quarterly program progress reporting, or for stage gate reviews, measuring performance is a basic aspect of managing any project or program. Any experienced project or program manager should be able to answer the question, "what has been accomplished?", at any given time and at the end of the project. While approaches, tools and experiences related to project performance measurement and reporting are widespread, best practices also abound.

Regular Progress Reporting – PM Maturity Can Multiply the Benefits!

The benefits of regular progress reporting bear repeating. If investors, shareholders or public stakeholders want to receive regular and reliable progress

information, then they should insist on experienced and qualified project managers, using mature project management.



In addition, with today's technology, progress information can often be available in near real time – that is, with data entered anywhere in the world and reported electronically to wherever the information is needed. I have seen such modern systems in action and know for a fact that this technology is readily available.

Good reporting is also fundamental to modern project management. It follows from good project scope planning, project cost and schedule control, project performance measurement and change control, and the use of modern project management tools and technologies. If work can be organized and financed in the form of programs and projects – or even portfolios of programs and projects – then good accountability and progress reporting can be demanded. This is the main point.

Clear Responsibility – No More Passing the Buck!

Project management also answers the question, who is responsible? Actually, this is a set of questions like Who makes the decisions? Who controls the work? Who controls the money? Who signs the contracts? Who performs the work? Who prepares the reports? Who corrects the problems? Who answers the phone?

These are questions that must be answered on every project. This is where project management can also provide clear accountability. Every project will have a project manager assigned, each task will have a task manager, each contract will have a contract manager, all the way down the project supply chain. And all of these responsibilities should be defined and documented in project and contract planning documents. This is also basic PM, and another good reason for work to be organized and financed in the form of programs or projects.

There are also many methodologies, practices and tools for assigning, communicating and monitoring project responsibilities. This is not a mysterious practice, but rather common practice. Accountability become much easier when one knows who is responsible for what.

Real Achievement – Why PM Offers Best Practices for Accomplishing Change!

Projects and programs are all about accomplishment. That is their purpose, to achieve some objectives. That is why PM offers the best approach to managing change, because change can be accomplished most affectively using projects, and modern PM is the best way to manage projects (i.e. that is why PM has evolved as it has!)

In some industries, companies are offering turnkey project services. Due to experience and mature project management, those organizations are willing to assume the risks associated with big projects. Best practices now abound in many industries and organizations for delivering new buildings, products, services and systems, in many industries and parts of the world.

This is not restricted to Europe or North America, but is true worldwide. Modern project management expertise is allowing organizations worldwide to compete in global markets, to specialize in delivering projects with special characteristics and conditions, with customers and stakeholders across all spectrums of society.

Real Rewards – The Bottom Line!

What is the “bottom line” anyway? Aren’t we just talking about the benefits to be realized, whether to create a social good or a useful facility, product, service or system? How can we “account for” the benefits realized from our investments – or our taxes? If the investments have been into programs or projects, the outcomes should be clear at the end of the day. The program or project will either be successful or not. The results will be reported and documented. Responsibilities will be known. Work will have been performed, costs collected, performance documented and everything accounted for.

I suggest that if we want full accountability, then investments should be in the form of programs and projects, where 100% of the work to be performed can be planned and managed, all resources and costs accounted for, performance and progress reported on a regular basis, and real accountability achieved. This should be the message to government and business leaders. This is also an important underlying message in the *PM Manifesto for America*. [5,6]

This editorial was not written for all those experienced program and project managers in the world who already know this stuff. It was written for those who have not worked in the projects environment, for executives and government officials who have not yet recognized project management as the best way to ensure real accountability, and for shareholders and taxpayers who don’t want to see their investments and taxes go to waste. I think we all owe our children that much!

Good luck with your projects!

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