

## PM WORLD TODAY – VIEWPOINTS – APRIL 2009

## What is Your Project's Planning Horizon?

*By James Brown, PhD*

When project managers are asked the question about the length of their planning horizon, they usually frown in disgust or say "*What do you mean by planning horizon?*" I define planning horizon as the length of time you can plan into the future with validity. Validity meaning you know what work needs to be accomplished; you know what resources are required for the work that can be accomplished; and you know what resources are available for the work that needs to be accomplished.

**Knowledge of the work, the resource requirements and the resource availability enable the project manager to create a detailed schedule.**

If one of the three factors above is lacking, a properly detailed schedule cannot be put together. For some organizations the planning horizon is a month or longer. These environments are very stable. Work is planned out in detail and executed per the plan for the month with only minor changes. Still other organizations have a planning horizon that may be a week and the schedule is very stable for that week.

**Establishing a planning horizon is a strategic decision for an organization.**

Unfortunately it is very common for organizations to have a planning horizon less than a week and in some cases it is less than a day or non-existent. There are circumstances that warrant a very short or non-existent planning horizon and it is not wrong as long as it is a strategic decision, that was made by the organization with full knowledge of its positive and negative consequences. Every organization should establish a target planning horizon based on the kinds of projects, customers, deliverables and services they provide.

Organizations with short or nonexistent planning horizons are very dynamic and usually filled with higher levels of frustration. Unmanaged, this frustration can lead to turnover or worse... employees that just go through the motions because they feel their contributions are wasted by an organization that keeps changing things.

Longer planning horizons also have problems because the schedule is set and a better or more effective way to do something may arise, but the schedule is set. Additionally, longer planning horizons can make it more difficult to respond rapidly to changes.

There is no perfect answer for establishing the planning horizon. *My observations are that for a lot of organizations, planning horizons are very short due to mismanagement and/or a lack of discipline and not because of a strategic decision.*

### **When it comes to details... once is usually enough!**

When it comes to dealing with the planning horizon you only want to plan the details once. What good does it do you to plan the details for three months from now if your planning horizon is three days. Yes, you want to understand as much as possible about what may need to take place three months from now, but unless your environment is stable enough to assure with a high level of confidence that the work that needs to be accomplished, its corresponding resource requirements and the resource availability for the work is known for that period three months from now, there is no point in planning it in detail.

### **Establishing a planning horizon forces an organization to come to grips with all of the uncertainties that limit the planning horizon.**

What prevents you from having a stable schedule for one week? Two weeks? Six weeks? Identify the uncertainties that limit the planning horizon. Some of these uncertainties may be able to be eliminated, some may be reduced and others just have to be dealt with. It is important to understand the uncertainties to establish the planning horizon and then communicate this understanding to the team. When the team understands why the planning horizon is three days or three months and that the planning horizon was established as a strategic decision it reduces the frustration whether it is long or short. It is encouraging to know that your leadership is “thinking” and not just letting things happen in a haphazard way.

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