



Project Health Assessment Framework

3. Objectives and Scope

Objectives of the Framework

The objective of this framework is to equip project executives and managers with a tool to help them identify risk situations that may cause their project to fail or under-deliver, and to provide practical mitigations and remedies to address these situations.

Foundation

The framework is based on research of a number of project management resources including The PMI's PMBOK, the Standish Group's Chaos Report, project management reports and methodologies from firms such as PwC, Accenture, Deloitte, KPMG, and Oracle Corp.

Maturity Level

The framework provides advanced perspectives on the behaviors, skills, and level of experience required to ensure the success of a project.

It aims to help project managers grow and become highly accomplished professionals.

Scope

The framework covers eight key project areas shown below. For each project area the framework describes:

- A Core Assessment Question to determine the health or risks to the project in that area;
- Between five and 13 key project risk factors pertaining to that area;
- Assessment criteria to determine when to "Raise The Red Flag"; and
- Tools, techniques, and approaches to help mitigate or remedy the risk situation.

The Eight Key Project Success Areas

The eight key areas covered by the Project Health Assessment Framework are:

Executive
Sponsor

Leadership
Team

Objectives &
Scope

Executable
Plan

Vendor
Management

Stakeholder
Management

Project
Team

Methodology
& Process

1. Project Objectives and Scope

Achieving clarity and alignment on the project objectives and managing its scope should be relatively easy to do, yet the Standish Group, PwC, and other project management surveys state that these are the third most frequent reasons for project failures.

Clear and Detailed Project Objectives

The purpose of the project's objective statement is **to provide guidance** to the project leadership team for making project-related functional and technical decisions that will support what the project is aiming to achieve.

Often a project is born out of a vague notion from senior leadership that “we need to replace our aging legacy system” or “we need a new e-commerce system”.

Subsequently the project is approved and initiated with no further articulation of the objectives, the specific business outcomes, and the specific business benefits of the project.

When you ask senior stakeholders to articulate in details the objectives, outcomes, and business benefits of the project, they are often unable to do so, or they have their own notions which do not align with those of the project team.

We are often eager to get on with planning and launching the project that we neglect engaging with senior stakeholders to ensure they fully understand and are aligned with the detailed project objectives.

It is the responsibility of the Accountable Executive and the project manager to connect with stakeholders and ensure that this alignment is achieved at the outset of the project.

Detailed Project Scope

The purpose of the project's scope statement is **to articulate in detail** what is in and what is out, thereby guiding the project planning and project management decisions on strategy, effort, resources, and activities of the project team.

In many cases the project budget and timeline are determined early in the project and are “etched in stone” at a time when the scope is defined with little detail, insufficient to estimate the timeline and budget with any accuracy.

The question is: “how much detail is enough” when defining the project scope.

Our recommendation is to employ a Progressive Scope Definition approach, whereby the scope, timeline, and budget are determined progressively only for the next phase of the project.

This approach is further explained in the Risk Mitigation section of this document.

Key Risk Factors

The list below outlines the key risk factors concerning the objectives and scope of the project. Each factor contains a description of the specific risk, when to raise the “Red Flag”, and an example of the risk situation.

Risk Factor	Risk Description
Clearly defined objectives	<p>Often the project objectives are defined with lack of clarity regarding what the project is aiming to achieve.</p> <p>Red Flag:</p> <p>The senior stakeholders affected by the project cannot clearly articulate what the project is aiming to achieve, what are the expected outcomes, and the expected business benefits of the project.</p> <p>Also, the senior stakeholders have different ideas about the project objectives, outcomes, and benefits, and are not aligned with the objectives stated in the Project Charter.</p> <p>When these situations occur the Red Flag has to be raised.</p> <p>Example:</p> <p>For example, the implementation of a new e-commerce system is seen by some senior stakeholders as a minor adjunct to the existing sales channels, while others see its goal to bring in 50% of the company’s revenues within three years.</p> <p>The senior stakeholders also do not see eye-to-eye the organization that will be needed to support the e-commerce operation, including customer support personnel, warehousing, and distribution resources.</p>

Clear and detailed scope	<p>If the timeline, budget, resources and other critical factors of the project have been defined and “set in stone” based on a high-level definition of scope, the project is at risk of failing or under-delivering.</p> <p>Red Flag:</p> <p>The Red Flag should be raised if senior management have fixed the timeline and budget of the project based on a loosely defined scope statement.</p> <p>Before finalizing the project timeline, budget, resources, and other factors, the scope statement should include items such as: the functions covered, the number of modules involved (for software packages), the countries and operational units / divisions covered, the number of users affected, the impact on technical infrastructure and the technology stack, the volume and complexity of the data, the reporting and data analysis tools, the number and complexity of reports, the data conversion effort, etc.</p> <p>If the scope statement does not include these details the Red Flag should be raised.</p> <p>Example:</p> <p>Management decided to implement an e-commerce system and fixed the timeline and budget early in the project, before having a clear idea of the scope factors outlined above.</p> <p>Two years into the project, it was 12 months late and \$20 million dollars over budget. The poorly defined scope caused changes in direction and plan of the project.</p>
Proven capabilities	<p>The project’s Accountable Executive and the Project Leadership Team must consider whether the company has a proven track record in implementing projects of the nature, size, and complexity of the new project at hand. If it is a “pioneering project” for the company the approach and planning of the project must take into consideration the unproven capability of the company to implement a project of this nature.</p>

	<p>Red Flag:</p> <p>When the company and project team do not have a proven capability of implementing this type of pioneering project, yet the planning, strategy, and budgeting do not take this into consideration, the Red Flag should be raised.</p> <p>Example:</p> <p>In 2006 to 2008 the US Government attempted to build an electronic wall along the border with Mexico. This has never been done before on the scale contemplated here. Yet the timeline, budget, and project strategy were highly aggressive.</p> <p>In 2011 the Secretary of Homeland Security “pulled the plug” on the project and it was declared a failure at \$1.4 billion dollars.</p>
Scope control	<p>The strategy and processes for controlling the scope of the project, especially for large and complex projects, have to be defined in detail and agreed upon by the leading stakeholders. This should include guidelines on what types of changes would be considered, and the criteria for approving change requests.</p> <p>Red Flag:</p> <p>If the amount of change requests is mounting and the project team cannot handle them within the project timeline and budget, resulting in schedule slippage and budget overruns, the Red Flag should be raised.</p> <p>Example:</p> <p>In this project there was no detailed definition of scope. The user requirements were also not defined with sufficient detail at the start of this waterfall project. As soon as the users discovered that many functions were not included in the design, they started submitting change requests, which soon overwhelmed the project team.</p>
Stakeholder support	<p>The senior stakeholder affected by the project should be consulted with, and should approve the scope management strategy of the project. This is true for both waterfall and agile projects.</p>

Red Flag:

When key stakeholders of the project do not support the project's scope management strategy and when this lack of support results in users submitting "a flood" of change requests which have not been budgeted for, the Red Flag must be raised.

Examples

The Project Leadership Team determined that the project will take only a limited number of change requests, but the key stakeholders were not consulted ahead of time. The users requested many changes which the project team kept rejecting. At the end there was a "user revolt" and the project had to be placed on hold until the change management strategy was realigned and approved by senior management.

Risks Mitigation and Remedy

In this section we discuss approaches to mitigate the above risks before they materialize and to remedy the impact of these risks once they have materialized.

Achieving Clear and Aligned Project Objectives Should Be Easy

The responsibility for defining clear and detailed project objectives and for obtaining the support of key stakeholders, falls on the project manager with help from the Accountable Executive.

The project objectives must include the specific outcomes the project will bring about and the quantified business benefits the project is aiming to achieve.

We believe that the only thing required to ensure clear and supported objectives is to dedicate time and deliberate effort to this task right at the start of the project.

As project managers we tend to focus on activities we are more comfortable with and more eager to complete, such as developing a project plan and organizing the project team for its work.

But it is imperative that project managers dedicate as much time as is necessary to ensure that the project's objectives are defined with clarity and detail and that all key stakeholders understand and support them.

Here are our suggested steps for achieving this:

1. Hold a session to brainstorm the project objectives with the project leadership team

2. Hold meetings with the Accountable Executive to get her/his input on the project objectives
3. Identify the key stakeholders with whom you have to discuss, achieve clarity, and support of the project objectives
4. Hold one-on-one meetings with these stakeholders to discuss the above
5. Consolidate the input from all these meetings to define a clear and detailed statement of the project's objectives
6. Review the consolidated objectives statement with the Accountable Executive to obtain her/his support
7. Hold a group meeting with all key stakeholders to discuss the objectives statement and achieve their support. Note that you may have to make some adjustments depending on the outcome of these meetings.
8. Publish and communicate the project's objectives statement to all stakeholders. Invite comments, review, and consider if the comments merit any adjustments to the objectives statement.

Progressive Scope Definition

By definition, the level of detail of the scope statement at the beginning of the project is lower (i.e. less detail) and yet often the project's timeline and budget are set based on this lesser level of detail.

Our recommended approach is to use ***Progressive Scope Definition***.

According to this approach:

1. Plan, obtain approval, and execute the **Project Discovery Phase**
2. Define the project scope in sufficient detail to plan and execute the Discovery Phase with confidence
3. An outcome of the Discovery Phase should be a detailed scope definition to enable the planning, approval, and execution of the next phase, the User Requirements Phase
4. Execute the **User Requirements Phase** based on the plans completed above
5. The outcome of the User Requirement Phase should include a scope statement with sufficient detail to plan, obtain approval, and execute the next phase, the Design Phase
6. Execute the **Project Design Phase** based on the plans completed above

7. The outcome of the Project Design Phase should include a scope statement with sufficient detail to plan, obtain approval, and execute the next phase
8. Execute the **Project Implementation and Deployment Phase** based on the plans completed above.

What is in and what is out

Note that it is crucial that the scope statement includes not only what the project will include, but also what the **project will not include**. This will significantly increase the clarity of the scope statement.

Agile Approach

We believe that when using an Agile approach there is still a need to frame the project and provide it with an overall direction.

When using Agile we recommend that the Project discovery, User Requirements, and System Design be done at high level, sufficient to provide the overall framework for the project. This should also provide enough detail for developing a timeline and budget for the project.

The Agile work of building and deploying the system's functionality can then begin.

Scope Management

The scope management of the project includes:

1. **A scope management strategy**, including specific details on the criteria for considering and approving or rejecting change requests. An example is: "The project will implement the software package **As Is**, with absolutely minimal customizations."
2. **Scope management processes**, including a detailed description of the processes and tools for submitting, considering, and approving or rejecting change requests. This process should include the process for escalating requests to the next level of management in cases of dispute.
3. **Change requests planning and tracking**. Here the project team will estimate, budget, and schedule each approved change request. The team will then track the actual implementation of each approved change request. The project team should keep an on-going account of the total effort, budget, and time spent on change request, and report on these to senior management.