

# High Impact Projects

A Newsletter About Getting Important Things Done.

## 30 Percent Labor Savings and Improved Customer Service!

### Project Overcomes Technical Hurdles in a Controlled Fashion

Tom Ingram, PMP

Imagine that you are the manager for the Dallas division of an engineering services firm. Your main visible product to your customers is an engineering report that is produced after you provide your services. Your present reports include hand written data and computations.

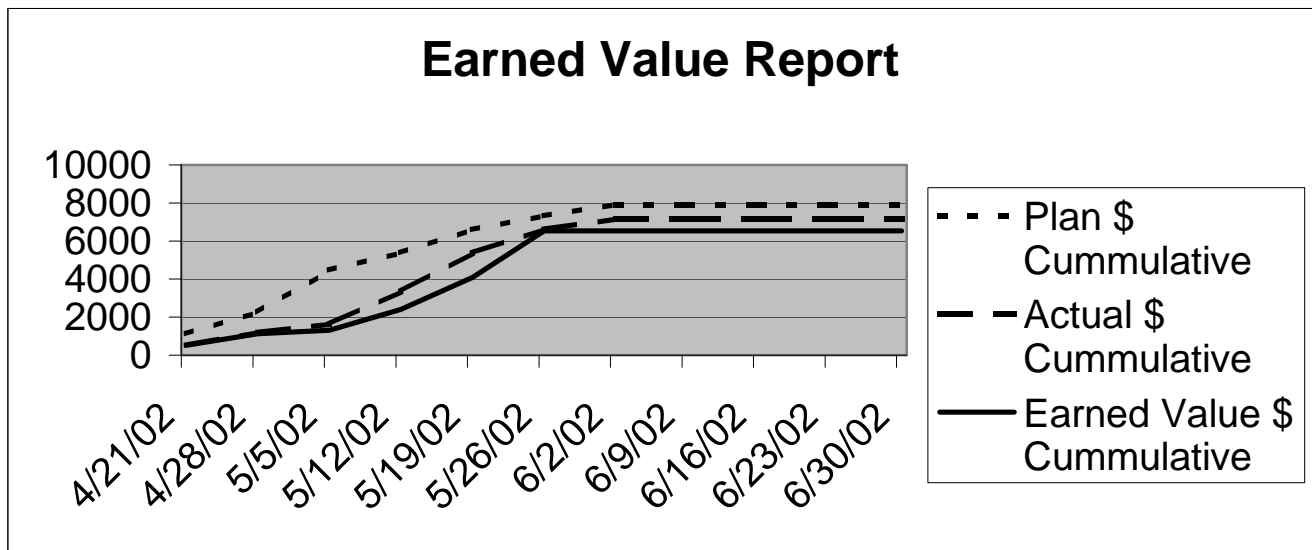
You want to provide a better, more professional appearance to your customers, but you have recently been burned by a technology consultant. You are in a small company that cannot afford to waste money on boondoggle projects and your boss, the president, is going to have very little tolerance for a second failure.

What would you do? Following is how we helped Alan Little, the Technical Sales Manager for

Engineered Air Balance, and his team approach the problem. Hopefully, these lessons learned will provide you with some guidance if you face a similar situation.

**Manage the Technical Risk:** The first thing we needed to agree on was a way to approach the project that reduced the risk. We showed the manager and his team a concept called "Earned Value Project Management". The graphic below demonstrates how the project progressed in a controlled fashion.

The primary purpose of Earned Value Project Management is to make intangible work products tangible and measurable. The small -- line represents the planned expenditures for the project.



The large -- line represents the actual expenditures and the solid line represents the actual completion of work. Simply put, Earned Value project management is about holding vendors and internal people accountable for performing against the originally proposed plan. You can see from the graphic that the lines eventually converged at project completion. Note, however, that the early portions of the project ran several weeks behind schedule. This is because we anticipated the possibility of technical problems early on. These problems actually did emerge, and we put the project on semi-hold until we could find a resolution. Semi-hold meant that we only spent money and attention on resolving the essential technology problem. The project was suspended in all other areas.

Once this problem was resolved, approximately May 5, 2002, you'll notice that work completion was very rapid over the next 30 days. A great advantage for EAB was that their costs were kept very low (about \$1500) until the major technical hurdle was overcome. On their previous projects, they spent many thousands of dollars only to find, at the end of the project, that the results were unsatisfactory.

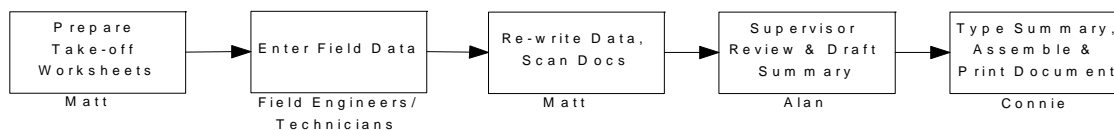
(This explanation of Earned Value Project Management is intentionally simple. For further details on how Earned Value works, contact Tom Ingram and Associates, Inc. and ask for a copy of Newsletter #4, "How To Implement a Project Accounting and Control System" and a copy of the article, "Client/Server, Imaging and Earned Value: a Success Story" published in the December 1995 PM Network magazine published by the Project Management Institute.)

**Keep Your Expectations Reasonable:** "We understood that it would take some time to integrate the technology and new processes into something we could actually provide our customers," Little explains. "I think we kept our expectations reasonable." As the consultant on the project, I would agree. Nearly all projects include enormous pressures to produce rapid results and, at EAB, the team understood that it would take time to work through the details. They also understood that it would take time for their people to absorb the changes and make them part of their everyday work.

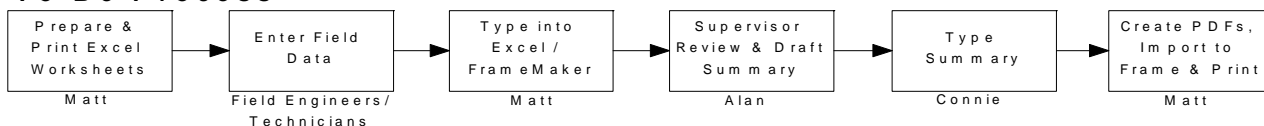
**"Get Your Goals Tightly, Exactly Defined":** Little is adamant that well-defined outcomes make for good projects. In this case, the major output was the 100-200 page written report that EAB provided with each job. The team defined the table of contents and the forms that were used to input data down to the last decimal point. (And I do mean the last decimal point!)

**Understand the "As-Is" and "To-Be" Processes:** Below you will see examples of the As-Is and To-Be Processes for this project. Note that these drawings are simple and straightforward. Even though there are six steps in the To-Be process, an increase of one over the As-Is process, the end result was a 30 percent savings in labor to produce the report. These simple process drawings helped the entire team agree on the steps necessary in the process and what priorities to tackle first. It became clear that the new software to be purchased was the primary risk point and potential bottleneck.

**As-Is Process**



**To-Be Process**



**“Get Professional Help That You Can Talk To”:** Little describes the benefit of working with professional consultants. "You need someone that can talk to you in business language and talk to the technical people in their language. We had good help in that regard on this project, resulting in no real communication problems."

**"Work With a Good Software Vendor":** Little explained that the software vendor ultimately chosen was large enough to reliably handle the work but small enough to be responsive to some of Engineered Air Balance's change requests. One of the steps in the project that Alan Little authorized was for Barry Thistlethwaite, the technical consultant, and I, as the business consultant, to research and qualify possible vendors. This effort certainly paid off.

**Results Summary:** I asked Alan to describe some of the benefits from the project. "My guys tell me that we are now saving 30 percent of the labor that it took previously in producing our reports. Since we do 200 to 300 of these reports a year, this is a significant savings. We brought in a

part-time person who was already very computer literate. He picked up the entire new report production process in a single day!"

"Our reports are the main work product that our clients see, and this project has helped us present a much more professional appearance. Another benefit is that we moved to step forward in automating our work processes. We believe this will provide additional opportunities to serve our clients better in the future. I should also point out that we did exceed our budget slightly."

This project benefited from an excellent team. David Dres, Jerry Jaime, and Matt Little were Engineered Air's work team. They did an excellent job of working through the internal issues that made this project practical. Barry Thistlethwaite, the technical consultant, did a particularly fine job of helping us find a solution to our major technical problem. Hopefully the lessons learned from this project will help you the next time you face a technology risk.

***Need further information?***

Call us if you have questions or would like more information. This case is written as a teaching tool and is not intended to fully describe exact details or dialog.

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