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Keys to Project Success – Using Audits and Reviews as a Best Project Management Practice

Abstract

The use of project audits and reviews is recognized by most project-oriented firms as a Project Management Best Practice. Many firms, however, have not focused their audits and reviews, resulting in inconsistent protocols and inconsistently applied project management standards. This article provides some guidance on the development of those protocols, and the areas to focus during these reviews.

Introduction

In recent years, many companies are putting increased emphasis on project management techniques as a result of lessons learned on past project performance. After experiencing project delays, overruns, missed quality goals, communication barriers, “scope creep”, and a general perception of projects being out of control, these companies are scrambling to implement good Project Management practices to prevent these types of problems.

As part of these best practices, many companies have established project review and audit programs, periodically reviewing the status of projects and their alignment with individual and corporate goals. While worthwhile, in many cases these reviews and audits are performed by senior managers with either a stake in the project outcome or no real experience and training in project management. Several companies have found that these management reviews have not succeeded because senior management and project managers may be speaking a different language and viewing the projects from completely different perspectives.

Audits and reviews require preparation to be fruitful. Pre-defined project review and audit protocols can help focus both the project manager and the reviewer/auditor on the important aspects of the project. Basing these protocols on proven philosophies from the Project Management Institute (PMI®), the world’s foremost authority for the project management profession, can provide great insight into the actual status of the project. This provides the opportunity to take actions at the most efficient points in project execution, increasing the probability of project success.

We’ve found that the most effective audits are centered on the project management knowledge areas as defined by PMI®. We have also found that effective project reviews and audits involve much more than just sitting down with the project manager and asking a series of questions. Interviews with project team members, stakeholders, and senior management as well as a thorough review of all project related documentation are just as critical to producing effective results.

Compliance with Project Management Processes

A defined set of project management processes provides consistency in project management methodology across all projects. This facilitates program management, allows for the interchangeability of resources, and increases the probability of project success. Audits should closely examine compliance of the project procedures with the enterprise's Project Management Processes. Blind adherence to these procedures, however, without allowance for the specifics of the project, may introduce inefficiencies and stifle the creativity or flexibility needed to bring a project to a successful conclusion.

Controlling Scope

Scope change, without complimentary adjustments to the project schedule, budget, and objectives, is a the major reason for schedule slippage and project overruns. Adherence to change control procedures is necessary to identify and prevent inappropriate addition of "out of scope" items to the project, and limit scope creep. Audits should target Scope Management as a major factor in overall project performance in order to prevent unnecessarily increasing the project's size without correspondingly increasing the project's value.

Compliance with the Project Charter

The project charter defines in broad terms the project targets and how project success will be measured. It essentially serves as the prime focus of all project efforts. Projects can easily get off track by ignoring the project charter, resulting in both schedule and budget problems.

Cost

Project cost impacts all other aspects of the project. Proper estimating and tracking of budgets is essential to controlling costs on a project. Understanding the budgetary state of a project can impact all decisions made during project execution and design. Audits should focus on the two most critical aspects of cost control – estimating and tracking. Estimating factors include the methodologies used to determine project costs and cost constraints, resource planning and assumptions made during the estimating process. Tracking factors include the mechanism used to track costs and methodologies used in determining project cost status.

Time

Proper time management is critical to meeting important project deadlines and attaining time-to-market goals. Carefully defining project activities, sequencing them properly, estimating resources and time for each, and developing the schedule are all critical phases of the planning process. Audits and reviews should focus on compliance with time management processes– Were activities defined and sequenced properly? How were estimates determined? And what mechanisms are being used to monitor adherence and control the schedule?

Communication

Numerous studies of project performance indicate that communication is the *Number 1 problem* encountered by project managers; consequently proper communication is vital to the success of a project. With this level of importance, audits and reviews should focus heavily on the Project Manager's communications procedures and capabilities, overcoming barriers to communications within the company, and the efficiency of mechanisms used for communications – Are

stakeholders being kept apprised of the information they need to know for the project to be successful?

Risk

Recognizing and managing risk is critical to project success. Anticipating and planning for risk events increases the probability and impact of positive events, and decrease the probability and impact of events adverse to the project. Audits should focus on the project's plans for preventing problems and planning responses to problems that can not be prevented.

Quality

Quality is the key to customer satisfaction, and managing customer expectations is a key to project success. Audits and reviews should focus on your approach to product delivery – is prevention stressed over inspection? Is quality built in or inspected in? Are all members of the team (including management) participants in the quality process?

Human Resources

Aligning project objectives with the goals and motivations of the project team is an important part of the successful completion of any project. Defining and communicating the roles and responsibilities of management, team members and other stakeholders on the project is essential. Project audits should focus on the critical aspects of HR management – Is the project properly staffed? Are the team members meshing so the whole is greater than the sum of the parts? Are the roles of the members understood? Are there motivational problems?

About the Author

With over 25 years experience as a project manager, Nick Pangaro is a certified **Project Management Professional** (PMP®) and a principal with **NE Project Management Consultants (NEPMC)**, a New England based firm providing project management consulting services to the technology, engineering, and financial services industries. NEPMC's services include project mentoring and leadership, project performance audits, process and procedure development, peer review, portfolio and program management, planning and scope development, and contract project management. More information is provided at <http://www.nepmc.com/>. His email address is <mailto:npangaro@nepmc.com>.