Applying Situation Appraisal to Assess Project Status

Purpose

To apply process ideas and techniques to a type of situation you routinely face.

Introduction

In any project, there are numerous phone calls, faxes, e-mails, reports, bumps-in-the-hall, and full-bore sit-down Milestone Review Meetings that occur week in and week out. Some happen electronically, some happen face-to-face; some are planned; others as they need to. Their intent, to one degree or another, is to assess the project's status, to find out what things are on track and what things are not.

This application can be used for any or all of the situations listed above. It can also be used as part of a regular electronic tracking procedure between the project manager and all direct reports on the project.

Assessing Project Status can be viewed as a Situation Appraisal with a somewhat different source of concerns. In a standard Situation Appraisal, the source of concerns is the world at large. You look up from the work in front of you and ask: "What am I concerned about?"

In assessing project status, the source of concerns is the gap between the Shoulds in the Project Plan and the Actuals in its implementation. The particular types of concerns you are going to be looking for are the bedrock concerns about projects:

- Time
- Cost
- Performance

Once you have clarified these, you go directly to Set Priority in Situation Appraisal, to clarify which gaps are most threatening to the plan. Modifications and preventive/contingent actions can be managed in the Action Tracker component of Kepner-Tregoe's eThink® software program.

Process Overview

The process for assessing a project's status requires the following steps:

- Describing Background
- Clarifying Shoulds
- Clarifying Actuals
- Prioritizing Gaps
- Modifying the Plan
- Protecting the Modifications

Steps 1 and 4 can be done inside the eThink Situation Appraisal template. For steps 2, 3, and 5 you will need to refer to your project plan. Step 5, if it is serious, may require a Potential Problem Analysis template. Action Tracker can help in all steps.

Describing Background

In projects, things don't occur in isolation. Actions arise in context. The background gives you the means to isolate certain words or phrases and to later query or search for them. For projects that take some time and involve critical resources or core technologies, this lets you create a history to which you can refer each time. It can also provide the foundation on which to monitor your entire project portfolio.

To maximize the benefits, you have to adopt different points of view, and ask what information others might want from you.

Consider the product or service that is the focus of the complaint, and ask:

- Which products, product families, platforms, or projects could be affected?
- Which people, departments, or divisions could be affected?
- Which customers or clients could be affected?
- Which information systems could be affected?
- Which strategic initiatives (complexity reduction, cost reduction, operational improvement) could be affected?

Then write the background as if it were a story, starting in the past and moving toward the present. Keep it simple, and keep it relevant.

Clarifying Shoulds

The project plan drives the project, and each work package in it has a set of requirements or Shoulds. The key requirements are:

- Time

  How long will each step take?

- Cost

  How much will each step cost?

- Performance

  What specifications, measures, or objectives will measure its performance?

Review the project plan, and start with those steps that are due soon. List them. Add any other steps that may not be due right away, but are central to the plan's success. Then add any steps that are not due right away but have experienced problems in the past. These work packages need to be reviewed. To the list, add details about the relevant Shoulds, as targets.

Also consider whether there are any "new Shoulds." Sometimes, in the course of a project, the target can change. External competitors can introduce new features, new technology, or better pricing. The market segment itself can heat up or cool down. Internally, pressures driving cost or timing can shift over the lifetime of the project.

So before concluding this step, ask:

- What Shoulds are changing?
  - What new competition?
  - What regulatory changes?
  - What economic changes?
  - What market changes?
  - What resource availability changes?

Adjust the existing Shoulds if you need to, and clarify any changes that apply.

Finally, send each list to the appropriate sub-project manager or individual contributor and have them assess their areas of responsibility and return the data to you.

Clarifying Actuals

The sub-project managers or individual contributors who respond to the Shoulds should amend them with Actuals clear enough to be able to give the ability to assess any gaps. Again, this can be done electronically or face-to-face.

- Time estimates should all be in the same unit of measure, like hours, days, or weeks. Avoid "72% complete" for all tasks that cannot be timed this accurately. Focus on time to deadline.
- Cost estimates should all share the same assumptions on what is included in the "loaded cost." Compare apples to apples. This is particularly true for contractors or external vendors—make sure they include all "incidentals" to get a clear picture.
- This is not the time to be debating over what "good performance" means or how it should be measured. The time for that is up front in the planning phase. All those who report in should already have measures ascribed for all outputs, and should report performance in those terms. Any changes in the way performance is measured or calculated at this stage can spell trouble.

Many project managers attempt to get sub-project managers or individual contributors to be proactive in assessing where they stand. One way to do this is "Red /Yellow /Green" reporting, in which each output's measures are labeled:

Red	=	Missed deadline, over budget, failing performance specifications
Yellow	=	In danger of missing deadline, running over budget, or failing performance specifications
Green	=	On time, at or under budget, meeting performance specifications

If the sub-project manager's facts square with yours, the Green issues can be dropped at this point.

Another technique to use is to make sure the reports include *causes* for each deviation. This can build some ownership and responsibility on the part of the contributors, and can also help you focus on what kinds of modifications might be needed. A task that is late because a check has not been paid requires a different response than a task that is late because a key resource broke his leg skiing.

Here the sub-project managers (or individual contributors, if it's a small project) report back with measures. They make a preliminary assessment of the gaps and describe likely causes.

Prioritizing the Gaps

This is a straightforward application of setting priority, using:

- Current Impact
- Future Impact
- Time Frame

Some points to keep in mind here are:

- Focus on the Yellow and Red issues: the Green ones are on track and don't need any modification, and hence don't need any priority.

  Clarify the current impact, future impact, and time frame on each, in terms of whichever factor—time, cost, or money—has a gap. So, for example, in terms of cost, late task that costs an extra $350 for a few hours' worth of work will have less current impact than a late task that will cost an extra $150,000 a day to rent an industrial crane.

- As you evaluate the situation, you need to keep in perspective that the gaps you are assessing are not just single actions, but parts of an integrated plan.

  Some work packages may be on the critical path while others are not. Some may have huge costs associated, whereas others cost relatively little. And some are more central to the overall success of the project that others. These factors should be considered when you consider current impact, future impact, and time frame.

- It also helps to measure the gaps in hours, dollars, and quality.

  But also try to capture the impact on the project's larger issues. Beware the "dangers of false precision" in which the details obscure the meaning.

- There is Red, and then there is RED.

  Not every deviation is equal. Some gaps are show-stoppers, others are small potholes along the way. Use data to separate these.

- Remember the purpose of the project.

  Why are we doing this? What benefits will accrue? Keep an eye on the overall purpose of the project, and its scope.

This evaluation can be done alone by the project manager, in a meeting with key resources, or via e-mail or an e-meeting.

When this step is completed, you will be able to tell what the highest priority gaps are that need closing quickest. This means modifying the plan.

Not every deviation from plan requires the same solution, and not everyone has the same urgency.

Modifying the Plan

In modifying the plan, the question is:

"What steps will get you back on schedule, back under budget, or back up to performance specifications?"

Again, good up-front planning will address this in protecting the plan and there will be contingent steps already in place, ready to be rolled out. But even the best plan experiences its own surprises.

There are a number of things to consider when looking at modifications to the plan:

- Is "throwing a little money at the problem" the best way to make it go away?

  Some times you just have to add a few person-days, a little overtime, an extra contractor. But other times there might be a more creative way around the situation. If time is available, perhaps the step can be shifted back. If the precedences are not locked-in, maybe its order can be moved.

- How tight are you really on time?

  Many times when a project is running late in general, there is a tendency to expedite every little step in particular, when this might not be helpful. For each task, ask whether it's on the critical path. If it's not, find out how much slack-time might be available.

- Check on the Performance Shoulds. Are they really MUSTs or are they more like WANTs?

  Sometimes issues of "fit or format" can trip you up. However, at other times, what may have been seen as MUSTs turn out to be WANTs.
  Test to make sure you're not spending excess time or money on something that doesn't really matter.

Are we "locked in" to one scenario? Can we raise the level of the decision and recast this choice in a different light?

Try taking a step back and seeing this vendor as part of a larger supply- chain. Ask what other options you have that might meet the larger need. Alternatively, could we break this decision into a series of smaller linked decisions, such as who could provide printing? binding? delivery?

A well-prepared plan has these contingent actions already waiting in reserve. But things do happen that no one could have predicted.

Protecting the Modifications

For those modifications that will have the most impact, ask "What might go wrong?" and do a Potential Problem Analysis. Again, up-front planning could have ensured that all contingent steps that you put in place had already been protected against failure. But if you have to make some quick unexpected moves, it's important to be sure that you aren't making things worse, at the one time you can't afford to do so.

Keep these points in mind:

- To prevent a problem, you need to get at the cause.

  Be clear about the possible causes of potential problems. Otherwise, you run the risk of generating "generic" preventive and contingent steps that aren't fitted to the situation. Skipping or skimping on this step won't save you any time.

- An ounce of prevention really is worth a pound of cure.

  Preventive steps that attack the causes of a potential problem are always more effective than contingent steps that only seek to minimize the damage. Beware of getting into a mind-set where "First we'll try this, and if that doesn't work we'll try that, and if that doesn't work we'll try something else."

- Ask if the contingent step minimizes the damage enough to stay on plan

  Contingent steps minimize seriousness. But, for each, ask if it minimizes the damage enough to keep the plan on track. Will the contingent step compromise the performance of the output? If so, and if the Should really is a Should, find another back-up.

- Watch out for the "trend trap."

  A certain contractor was late on his first two deadlines, and now we're adding a third deadline. Beware "assuming" that this task will be late as well. It's easy to let emotion take over and be swayed by recent experience. Instead, get at the facts—what caused the other two incidents, what is supposed to happen this time, what factors are distinctive, which are the same? Treat each deliverable as independent, unless there is a real trend there.

In any solid planning process, you'd check each step up front and ask: "What could go wrong?" For some reason, people seem to forget this step when adding modifications to a plan, despite the fact that this may be the one place where Potential Problem Analysis thinking is needed most.

Instructions

1. In any given project, there may be five or ten scheduled Milestone Reviews, and dozens more ad-hoc assessments of progress day-to- day. It's important to frame the issues clearly at the start—the history of the project that describing background builds allows you to spot trends down the line.

   As you prepare to assess status, consider:

   - What is the situation?
   - Who should be involved?
   - What other references could you consult?

   Describe the situation's background.

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2. Assessing project status begins with comparing the Shoulds in the project plan with the Actuals in implementation, prioritizing the gaps between the two, and modifying the plan to get it back on track.

   As you prepare to assess a project's status, consider:

   - What factors should you be looking for?
   - What kinds of Shoulds are important?
   - What other references could you consult?

   Identify Shoulds that are changing and what effect those changes will have on your project.

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3. As you reach out to others for information, consider:

   - What information are you looking for?
   - Who should be involved, and how?
   - What other references could you consult?

   Identify tasks that are either over or close to being over the planned time, cost, or performance limit. Then find out the reasons for the gap.

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4. As you separate the crucial deviations from the annoying, consider:

   - What factors drive priorities?
   - What would this look like?
   - What other references could you consult?

   Using the techniques you have learned in Situation Appraisal, how will you prioritize deviations in your project plan?

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5. As you look for ways to get back on time, on budget, and on specification, consider:

   - What factors drive this decision?
   - How do we implement?
   - What other references could we consult?

   List the steps you will take to get your work packages back on track.

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6. As you get ready to put the changes into place, consider:
    - What could go wrong with these modifications?
    - What would that look like?
    - What other references could you consult?

    List the preventive and contingent actions you plan to take to protect modifications to your project plan.

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