PROJECT MANAGEMENT *IN ACTION*

Prioritizing Projects at D. D. Williamson

One of the most difficult, yet most important, lessons we have learned at D. D. Williamson surrounds project prioritization. We took three years and two iterations of our prioritization process to finally settle on an approach that dramatically increased our success rate on critical projects (now called VIPs, or "Vision Impact Projects").

Knowing that one of the keys to project management success is key management support, our first approach at prioritization was a process where our entire senior management team worked through a set of criteria and resource estimations to select a maximum of two projects per senior management sponsor—16 projects in total. Additionally, we hired a continuous improvement manager to serve as both our project office and a key resource for project facilitation. This was a great move forward (the year before we had been attempting to monitor well over 60 continuous improvement projects of varying importance). Our success rate improved to over 60 percent of projects finishing close to the expected dates, financial investment, and results.

What was the problem? The projects that were *not* moving forward tended to be the most critical—the heavy-investment "game changing" projects. A review of our results the next year determined we left significant money in opportunity "on the table" with projects that were behind and over budget!

This diagnosis led us to seek an additional process change. While the criteria rating was sound, the number of projects for a company our size was still too many to track robustly at a senior level and have resources to push for completion. Hence, we elevated a subset of projects to highest status—our "VIPs." We simplified the criteria ratings—rating projects on the level of expected impact on corporate objectives, the cross-functional nature of the team, and the perceived likelihood that the project would encounter barriers which required senior level support to overcome.

The results? Much better success rates on the big projects, such as design and implementation of new equipment and expansion plans into new markets. But why?

The Global Operating Team (GOT) now has laser focus on the five VIPs, reviewing the project plans progress and next steps with our continuous improvement manager in every weekly meeting. If a project is going off plan, we see it quickly and can move to reallocate resources, provide negotiation help, or change priorities within and outside the organization to manage it back on track. Certainly, the unanticipated barriers still occur, but we can put the strength of the entire team toward removing them as soon as they happen.

A couple of fun side benefits—it is now a development opportunity for project managers to take on a VIP. With only four to six projects on the docket, they come with tremendous senior management interaction and focus. Additionally, we have moved our prioritization process into our functional groups, using matrices with criteria and resource estimations to prioritize customer and R&D projects with our sales, marketing, and science and innovation teams, as well as IT projects throughout the company. The prioritization process has become a foundation of our cross-functional success!

Following are excerpts from the spreadsheet D. D. Williamson used to select and prioritize our VIP projects last year. Exhibit 2.15 shows the five criteria used to prioritize the projects. Exhibit 2.16 shows how associate time when assigned to a project is not available for other projects. Projects can also be limited by the amount of funds. Finally, Exhibit 2.17 defines terms used in project selection.

EXHIBIT 2.15

PROJECT PRIORITIZATION FOR D. D. WILLIAMSON

PROJECTS (REDUCED FOR EXAMPLE)

Qtr to start project	Project number	Project list — continuous improvement and innovation	Level of difficulty	Achieve sales revenue of $XXX, XXX, XXX	Weight	Weighted criteria—sales	Drive additional sales in natural colors of $X, XXX, XXX	Weight	Weighted criteria—natural colors	Achieve return on capital employed of XX%	Weight	Weighted criteria—ROCE	Repeatability of project—other locations	Weight	Weighted criteria—repeatability	Risk of project barriers to completion	Weight	Weighted criteria—barriers	Total rating
1		Powder packaging equipment installation		8	5	*40*	1	5	*5*	9	4	36	5	3	*15*	5	3	*15*	111
1		Design and install "new processing equipment" in China operation		8	5	*40*	1	5	*5*	10	4	*40*	9	3	*27*	9	3	*27*	139
2		Implement expansion plans for new products (X)		9	5	45	10	5	*50*	8	4	32	8	3	24	8	3	*24*	175
2		Install "new environmental scrubber"		4	5	20	3	5	*15*	10	4	*40*	10	3	*30*	10	3	*30*	135

EXHIBIT 2.16

ASSOCIATE TIME ASSIGNED TO PROJECTS

PROJECT LIST—CONTINUOUS IMPROVEMENT AND INNOVATION	TOTAL ASSOCIATE AVAILABLE HOURS FOR PROJECTS	TED	MARGARET	ELAINE	BRIAN	ANN	GRAHAM	EDIE	CAMPBELL
Associate "improvement" hrs for quarter:		120	120	120	120	120	120	120	120
Total associate hrs committed:		80	120	60	180	0	60	40	60
Total hours exceeding available quarter		–40	0	–60	60	–120	–60	–80	–60
Powder packaging equipment installation				60	60				
Design and install "new processing equipment" in China operation					60			40	
Implement expansion plans for new products (X)		80	120				60		60
Install "new environmental scrubber"					60				

EXHIBIT 2.17

TERMS USED IN PROJECT SELECTION

DEFINITIONS OF KEY TERMS	
Project Ownership	Defines the functional area with primary responsibility for the project
Global vs. Local	Global projects will be implemented or impact on more than one location in the year defined; otherwise projects are defined as local
Prioritization	The five weighted criteria on worksheet one were used to put projects in rank order—used to assign resources and identify the cut off
CI Project	An improvement effort which is not part of an associate's daily work requirements
Team Charter	The plan for completing CI projects, often in seven-step format for problem resolution, though formats vary according to project type and complexity. Includes the plan for communicating progress and results
Project Roles	The defined roles on an improvement team—not all teams will have all roles, but each project will have at least a project manager and sponsor
Project Manager (PM)	*The owner of a project—will be expected to charter the team, ensure the forward movement of the project, and report on progress, completion of the project, and closure/celebration of successes and learnings. Also responsible for the communication plan within the charter. Must be a leadership program graduate, and typically a functional manager, either global or local*
Sponsor (S)	*Typically a senior manager/GOT member—responsible for ensuring assignment of appropriate resources, clearing any barriers, and otherwise championing the project*
Team Member (TM)	*An associate who has a significant contribution to make to the improvement effort, often a representative of an involved function. Attends all team meetings and shares responsibility for completion of the project*
Subject Matter Expert (SME)	*An associate with needed knowledge for project outcome—may not be significantly affected by changes. Attends only when knowledge is required, but commits to sharing knowledge when it is needed.*
Level of Difficulty	*The estimated human resource effort that will be required to complete a project* ***(estimated on a per quarter basis)***
Level 1	*Low investment of hours required (may require capital); solution is known and implementation of solution is predictable; likely only 2–3 people involved* ***Level 1 projects—estimated hours for resource allocation: PM: 10 hours; S: 2 hours; SME: 5 hours***
Level 2	*Medium investment of hours required; may require upfront measurement and multiple solutions, but solutions and implementation are still expected to be simple. Probably requires 3–5 team members* ***Level 2 projects—estimated hours for resource allocation: PM: 60 hours; S: 15 hours; TM: 30 hours; SME 15 hours***
Level 3	*High investment of hours required; trying to solve complex and/or ongoing problems. Likely to involve a behavior change in others—solutions or implementation outcomes may be unknown or less simple. Likely a team of 4–8 people, perhaps cross-functional/cross location* ***Level 3 projects—estimated hours for resource allocation: PM: 120 hours; S: 30 hours; TM: 60 hours; SME: 30 hours***

Source: Elaine Gravatte, Chief People Officer and North American President, D. D. Williamson