Customer Centric Project Management
Engage the Customer, but don't disengage the Project Manager

Charles Villanyi Bokor
2240 Alta Vista Dr.
Ottawa, ON Canada

ABSTRACT

Customer Centric Project Management (CCPM) is the continuous re-examination, evolving and definition of the technology project's mandate, stakeholders' business requirements lifecycle and deliverables based on the organizational strategy, business processes, capacity, and people. It is to produce deliverables that stakeholders can leverage to create value for the corporation and emphasise the value of IT professionals.

As defining requirement is a critical activity, CCPM is about continuously and more directly engaging the project customer throughout the project development lifecycle to define what the final project deliverables need to be. It is often viewed by IT as involving '*them*' in what '*we*' do. CCPM focuses less on the time the development will take, on established schedules or the cost to deliver and more on *what* the value of the deliverables for those creating corporate business value will be. CCPM is not new, but this return to the obvious requires a cultural shift from *how* we deliver to *what* we deliver.

But the imperative to engage stakeholders more in customer centric design and output definition also extends to respecting how PMs manage their projects. Trained, skilled, experienced PMs are professionals with a unique role. Using facts, opinions based on some analysis, judgement and experience, they are the only ones to decide how to deliver the project successfully. Project management is not for a committee, and consensus on the methodology and decisions is optional. We must not throw out the baby with the baby water.

CUSTOMER CENTRIC PROJECT MANAGEMENT

Customer Centric Project Management (CCPM) is the continuous and skilled re-examination and readjustment of the technology project's mandated deliverables and initial estimates (budget, schedule, functionality). It is the critical activity of engaging the customer for whom the project is being developed, as a business requirements SME, a member of the project development team and hence an input authority to the governance of the project's design. It is an enhancement to the waste of resources because we have an incomplete, defective and out of date requirements definition process. Its aim is to define deliverables or output based on the most up-to-date understanding of the organizational strategy, business processes, capacity, and people so that the customer of the system under development can identify, attract and retain profitable external customers and create value or desired outcome. This is not a Holy Grail that will fix all the many problems that fail projects, but it is a solution to a significant project development problem that occurs too often and has too big an impact.

Customer Centric Project Management

Professional Project Managers (PM) know best how to develop and deliver projects. As a generalization, PMs are trained, skilled, dedicated and focused to do things that I.T. does right, in spite of the many organizational constraints in their way. PMs are focused on getting the right people on their teams, planning and controlling the work to deliver projects efficiently as per the methodology. It is why they have been chosen to lead the development and implementation (not deployment) processes and entrusted with the corporate resources. But this is only one third of the story because it is the customer(s) of the system being developed, accountable for the eventual expected outcomes, sometimes referred to as business partner, who knows what are the outputs that the project needs to deliver. It is the customers or business partners who knows and is accountable for what is the right thing that needs to be done. Peter Drucker is quoted to have said: "There is nothing so useless as doing efficiently that which should not be done at all."

A recent article on the "10 common causes of IT project failure" [1] stated one of the causes as: "Letting users delay projects by constantly requesting tweaks". This sentiment is the foundation of CCPM and pointing out *en passent*, that most of the projects IT works on are projects that IT develops to support business hence these projects can get 'off the rail' for reasons that are IT related as well as for non-IT related reasons.

Moving to the cited cause of project failure and common belief, allowing the business requirements to be changed post design and during project development, or allowing tweaks, may force the designed / developed part of the project to be reworked or to need additional work causing a delay of the project and /or add costs that were not budgeted. In some cases this may create significant variances which in turn can cause the IT project to fail. Business Analysts (BA), the last third of the solution, are responsible for translating the customer's business needs and existing opportunities that align to the organization's strategy into system requirements and for embedding the application system into the socio-organizational environment as part of Organizational Change Management (OCM) needed for every large scale project deployment. So in support of this hypothesis, Steve McConnell [3] noted in a 1996 article: "Studies have found that reworking defective requirements, design, and code typically consumes 40 to 50 percent of the total cost of software development (Jones 1986).". Hence changes should be limited if we prioritize software development costs.

However there is an alternate view that looks at the costs if changes are not made. McConnell goes on saying: "As a rule of thumb, every hour you spend on defect prevention [making changes] will reduce your repair time [by] three to ten hours. In the worst case, reworking a software requirements problem once the software is in operation typically costs 50 to 200 times what it would take to rework the problem in the requirements stage." This argues that 'tweaks' should be encouraged, allowed or done during design / development not after implementation.

Looking at the situation from another angle, if we consider 'tweaks' or changes to requirements to be less important than the original requirements and do not allow them, then must believe that:

Customer Centric Project Management

1. The stakeholders (i.e. the customers who have presented their requirements and the BAs who have elaborated the project's output requirements in IT terms) **have expressed *all* their needs** at the time they were interviewed for Requirements Gathering and Definition. This implies that the customer knew the right or best business solution to use to create the expected business value or outcome, and change the business results, the original (not new) & the future definition of success (unlike the ERP implementation at Levi Strauss whose $5 million project blossomed to $192 million mostly due to poor requirements specification [4]. It further implies that the customer accepted accountability for not financing the expanded effort needed to develop the newly identified needs, tweaks or opportunities to improve capability.

2. That **BAs understood and captured** all the customers' requirements and documented what the customers said and meant to say. It implies that the BAs who gather the requirements, understood the business needs, accepted the accountability for identifying all business requirements (verbalized or not) necessary for the solution and had the interviewing skills (see *In*Their*View* White Paper) to not simply write down what the users said.

3. That between the time the Business Case was documented and the Requirements Gathering and Definition was elaborated and any point during the development of the project, there has been **no learning by anyone** on the project. There was no new opportunity or improvement identified based on work already done.

4. We **prioritize being on-time**, on-schedule and delivering the mandated functionality over the significantly higher cost of enhancing the system as new requirements surface.

CCPM is about continuously and more directly engaging stakeholders during the project development lifecycle in the evolving definition of what the final project deliverables need to be. It is often viewed by IT as involving '*them*' in what '*we*' do, and is not favoured by insecure PMs or risk averse organizational cultures. CCPM is not constrained by the estimated time to develop, the established schedule or the estimated cost to deliver but is focused on *what* the value of the outputs will be in the hands of the users (those creating corporate business value). It is also inadvertently a better way to control total cost of application ownership. This is not new, but this return to the obvious requires a cultural shift that results when an organization prioritizes *what* the project delivers over *how* it delivers it. CCPM is not a more efficient requirements identification or Change Management methodology but a more effective way to define features that customers need and will use.

Another consideration regarding requirements management is in the CHAOS Manifesto [9], The Standish Group International, which suggests that: "20% of features [of an application] are used often and 50% of features are hardly ever or never used. …The task of requirements gathering, selecting, and implementing is the most difficult in developing custom applications. … 20% of the features that give you 80% of the value … Therefore, reducing scope and not doing 100% of the features and functions is not only a valid strategy, but a prudent one." While the conclusion may be a valid argument, it does not specify who will make the decision or how it will be decided which part of the scope

(features and functions) not to deliver. The PM is focused on IT project delivery. As IT has no business expertise, it should not have to decide even though this is an on-going and erroneous practice / mistake (refer to the Responsibility, Accountability, Expertise and Work (RAEW) Analysis). On the other hand, letting the BAs (who solicited, documented and translated customer requirements to system specifications) to make the decision is equally unacceptable, as were the BAs to have done and/or been able to do their jobs correctly the problem (of too many functions) would not exist. Systems would be half the size they are now. Asking them to correct the mistake is not learning from mistakes. Arguably, only customers who are accountable for the costs incurred and who have proper incentives are equipped to make such calls. In summary, knowing what we need to deliver is imperative and we need to do a better job of defining system requirements, as today this weakness is costing corporations dearly and negatively impacts the relevance of IT.

CCPM is centered on the concept that projects are developed so that (internal) customers can change business results, the original (not new), re-discovered & the future definition of success. BAs who can better decipher what these internal customers need are a second part of the solution while to demonstrate that IT belongs at the corporate executive table PMs, the third part, need to deliver projects that meet customers' requirements not the defined project scope (in conflict with executives' views). CCPM is not a different way to manage our projects but an enhancement to how customers integrate, or not (W. Edward Deming said: "It is not necessary to change. Survival is not mandatory.") into the System Development Life Cycle and how business requirements are defined.

So if the Customer is so important we have to ask: 'Who is the Customer'? Traditionally we have referred to the Project Champion or Key Stakeholder(s) as the customer(s). In fact, the Project Champion or Key Stakeholder(s) are only the key application users. They are accountable, or need to be, for the investment made in the project but more importantly for the investment to make the changes to the approved requirements and consequently to the design. As the return on the investment is the value created for the organization (the primary beneficiary) which is paying for the initiative, the real customer of an application is in fact the firm or organization that has a need, expends the funds, has engaged all project stakeholders to support its interests, and is the beneficiary of the project output through the outcome attained by the Project Champion.

CCPM proposes that its customer representative we refer to as the (internal) customer needs to be continuously engaged in project requirement definition, because as a general rule the right or best requirements are evolving and usually not what is defined in the Requirements Definition Document. Much as a restaurant patron needs to be able to order a second bottle of wine during the meal and change his/her mind about having or skipping desert, i.e. in real time, so too customers need to be able to change the requirements when they realize a previously unforeseen possibility. Then if the changes to the requirements are feasible and the impacts on the project are approved the PM can update the Project Management Plan (PMP), project costs and schedule accordingly so IT can deliver as per the new time, new schedule and new functionality. Like the restaurant patron, this customer's 'right to change' is also tied to the accountability for the extra

effort (corporate resources) expanded to make the change(s). How this is done is the difference between CCPM and Change Management.

In this context, CCPM balances the imperatives of what the business needs, accountability for resources expended and the possibilities that the technology and the project's mandate can deliver. It integrate the goals of the corporate customer(s) with the goals of the project development team into the technology project development life cycle and deliverables and makes needed and cost effective changes during the development process. This results when The BA communicates all the requirements effectively (preferably by using a visual model) so both the customer and IT understand the same thing. However, at the same time CCPM drives a wedge of sorts (implicitly separates responsibilities) between the accountabilities of the three groups. According to Harvard Business Review [1], in top performing organizations the senior executives are responsible for reengineering processes that use IT systems and for generating business value. The BA is accountable for the professional attempt to uncover how business is done in the organization, needed work processes (using efficient and effective interviewing methodology, requirements gathering and documenting processes) so as to not strain the corporate culture. The PM and the project development team retain responsibility for developing the project as per the elaborated outputs and organizational project development capability. This idea of separating responsibilities is supported by Gartner[1] which claims that: "*Organizations that separate the 'doing the right thing' from 'doing things right' tend to be more successful in the long term.*"

Is CCPM important? Some indicators say it is. IT spending is in the neighbourhood of $270 billion / year in Canada (based on $2.68 trillion posted by NY Times [2]; Roger Sessions' estimates IT project failures cost annually $1.2 trillion in the US and $6.2 globally [5]) and according to Gartner, 80-85% of the IT spending is to keep the lights on. As a generalization, the lifetime cost of applications end up being about 6.7 times[2] their initial cost of development and some or most of this cost is due to what many in the profession term "The PHASE II" which is moving all the requirements that are needed but were not done to a new phase. Too much money is wasted on maintenance but it is sadder that 80% being spent on maintenance allows little development of new systems or resource capabilities. Thus we need to learn how to develop the right requirements.

Customers who use the systems that IT develops, know (or should) how to create value for the organization so they and the BAs need to be engaged in the design and output definition. However, PMs manage projects. Trained, skilled, experienced PMs are professionals with a unique role and are the only ones to decide how to deliver the project successfully. Project management is not for a committee, and consensus on project management methodology is optional. So when implementing CCPM, we must integrate the customer into the requirements definition process not the project management process, which is the domain of the PM. The PM assigned to lead a project is the only one needed to develop a project.

---

[2] Why IT struggles to innovate and how you can fix it, Outsystems

Forging the Way Ahead to CCPM

Executives, who prioritize delivering projects as per the estimated time, the estimated schedule and with the original scope, will not find CCPM acceptable. In organizations where being accountable is not the culture, CCPM is not going to be acceptable. Executives who are focused on creating value will want to deploy CCPM and will need to:

1. Deploy this process to manage changes (in addition to the standard Change Management) along with a Communications Strategy to shift the culture from focusing on meeting estimates to the needs of those who create corporate value. Define how the impact of continuous changes on the budget and schedule will be handled (governance) and within what constraints. Emphasize to the customer, the BAs and PM involved that they are accountable for what the project delivers (the return on the investment spent on making the changes to the requirements).

    o Define the To-Be: the CCPM Iterative Requirements Definition process; and how Changes / TWEAKS will be handled; how PMs will integrate the customer into the project development process; how implications on the project caused by changes to the requirements will be identified, validated and approved.
    o Define accountabilities and governance;
    o Adopt (will not happen overnight) CCPM as a PM approach.

2. Facilitate customers to Speak: Make it easy, convenient for customers to ask for TWEAKS. Follow up and acknowledge their input and requests. Listen to (hear) the customer:

3. Execute as per the Change Management mandate received: CCPM can overrule budget, scope, schedule if the BA defined changes are costed and the customer accepts accountability for the ROI. But this approach has to be approved prior to the start of the project for use or it can be a career changer (end-er). Otherwise accept, or not, to become a dead hero.

4. PMs need to make the customer as successful as possible.

REFERENCES

Caron Carlson, *10 common causes of IT project failure*, FierceCIO, April 3, 2013 [1]

CHAOS Manifesto 2013 *Think Big Act Small*, The Standish Group International, [9]

- *PMOs: One Size Does not Fit All*

- //bits.blogs/nytimes.com/2012/11/17/hard-times-could-create-a-tech-boom and www.gartner.com/newsroom/id/2292815

M. Gibbs, NETWORKWORLD, May 9, 2013, [4]

Harvard Business Review, *Six IT Decisions Your IT People Shouldn't Make,* Nov 2002, [1]

Michael Krigsman, ZDNet column: asked two experts to rethink the problem and they concluded the global loss was in the region of $3 trillion. Not $6 trillion, sure, but the scale of the problem is, to say the least, epic, April 2012 [5]

NY Times, *PMOs: One Size Does not Fit All,* 2013 [2]

Steve McConnell, CEO and Chief Software Engineer at Construx Software, 1996 article [3]

Roger Sessions, CTO ObjectWatch, *The IT Complexity Crisis: Danger and Opportunity,* 2009 White Paper, [5]

www.gartner.com/newsroom/id/497088 [6]