# Will project creep cost you or create value

Engineering, Project Management


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Mediators scope adjustments to accommodate new realities or incorporate new capabilities can pay off, but only when they're done very intentionally and with a hard-nosed insistence on demonstrating up front where themoneyis going to come from. Such vigilance doesn't just happen, which is why for every story like Infant's, there's probably three or four that speak to the dangers of creep. Need an example? Think of the Big Dig, the highway project to put Boson's central artery underground, in which scope changes were all too casually agreed to when they were noticed at all.

Construction for this project began in 1991 and was supposed to take 10 years and cost $4. 9 billion. Current projections suggest that more realistic figures are, at minimum, 14 years and $14. 6 billion. You treat every project as utterly unique, none of the learning from one project to another-? which essentially has to do with recognizing patterns-? transfers over," says Steven Wheelwright, a professor and senior associate dean atHarvardBusiness School (HOBS) whose research focuses on product and process development.

And just what is this relevant learning Wheelwright is referring to? Conversations with project managers who have a track record of success underscore the importance of adopting, in the initial planning phase, key frameworks, rules, and structures to ensure: ; The right people have defined the project's scope. ; The project's boundaries have been sharply delineated. ; The impact of potential alterations or slippage can be quickly calculated.

In the implementation phase, the challenge is to organize the work so as to minimize the inherent uncertainties. Whether you're the manager or the executive sponsor of any major project, a solid methodology that's sensitive

to creep can make it easier for you to decide, in the moment, which project add-ions to say yes to and which to pass on. The planning phase A surprising number of projects get under way without a thorough attempt to define their parameters, specs, and performance characteristics.

Haste is the chief culprit here, says Dave Nonfat, who brings 40 years of industry project management experience to his role as Enron operations adviser at HOBS and project manager for the renovation of one of the school's main classroom buildings. " There's a minimum lead time that all projects require," says Nonfat, and it's theresponsibilityof the project's manager to know what that lead time is and to ensure that it not squeezed. Here are the key tasks of the planning phase: Differentiate scope from purpose.

As you define the parameters of a project, its critical to separate its scope from its purpose. " A project's purpose is the general benefit it will provide to the organization," explains Alex Walton, a Winter Park, AAA. Based project con- Copyright C 2005 by Harvard Business School Publishing Corporation. All rights reserved. 3 Project Creep (continued) sultan who's worked with computer, aerospace, financial, and medical/nutritional companies. " Its scope comprises the particular elements (or product attributes) that the project team can control and has agreed to deliver. For example, a project's purpose may be to create a newfooditem that will increase sales by $20 million. But the team developing the product needs to know what features the product must have and what the budget for producing the product will be. This is the information that a three- to four-sentence document known as

a scope statement provides; it spells out how the team intends to achieve success and, thus, the criteria on which it will be evaluated. Involve key stakeholders.

Make sure that you have the right people defining the project's scope. " If you don't have all the affected stakeholders and sponsors at the table, either you won't get an accurate identification of the critical dependencies and functionalities or you won't have the people who can ensure that the project hews to those critical dependencies and functionalities," says Brian Dobby, a Enron project manager for Meddles, a Mason, Ohio-based subsidiary of Custodianship's, who oversees the installation of electronics systems inhealthcare facilities.

For this reason, it's crucial to include " the end users perspective and needs when you're scoping out the functionality that's required," says Wheelwright. In the renovation of Baker Library at HOBS, for example, project planners solicited faculty members' input about the prototypes of the new office spaces that were being designed for them. Plan in the aggregate. Getting the right people involved in defining the scope ND devoting sufficient time to the project planning phase aren't enough to ensure that the project has clear boundaries, however. Organizations also need to do aggregate project planning," says Wheelwright, " in which they develop a strategy that lays out a pattern and rhythm for when subsequent projects will occur. " This is especially important for new product development. Without such a schedule for future projects, a product engineer with a new idea can grow concerned that it will never be implemented; as a result, there's a strong temptation for

the engineer to try to slip that idea into the product that's currently in placement-? regardless of its impact on the cost and schedule.

The analysis of prior projects serves as a valuable adjunct to aggregate planning. For example, study the past 1 0 internal IT projects your company has undertaken what patterns emerge? The findings can help you identify and better prepare for potential trouble spots in the IT projects that are on the docket for the coming years. Set the rules. One last piece Of work in the planning phase that can minimize the chances of project creep involves creating buffers or rules that make it difficult for significant hanged to occur without conscious discussion and approval. For instance: ; Set up a change control board.

In highly structured project environments, such a group is responsible for " gathering information about the impact that a proposed change will have on the schedule, budget, or scope; voting on the proposed change; and then sending a request-for-change document on for the project sponsors' signature," says Bob Tartan, a senior consultant who specializes in IT and telecommunications projects for Haverford, pa. -based PM Solutions. Thus, for an IT project affecting the sales, marketing, and logistics departments, the change intro board would comprise senior managers from each of these units.