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Project Initiation Best Practices

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Project Initiation Best Practices

We expense a lot of time, effort and money on ensuring that various aspects of our lives get off to a good start – from wedding planning to the first few days in a new job, or even the "quick start" guide that came with your latest iPad.

Clearly, it's important that things get off on the right foot and yet how a project starts is often an afterthought – pretty ironic when you think about it. In this paper, we're going to focus on how to give our projects a good start in life. I want to look at some best practices to start a project off the right way, and maximize the chances of success.

Defining Pre-Initiation and Initiation Phases

Project initiation seems to have a very different meaning depending on the organization and who might be involved in the conversation.

Let's define what we mean before we go any further, and let's make it a very simple definition: it's everything that happens before a project is approved, and planning begins (capturing requests, prioritizing potential initiatives and determining which will be pursued and which will not).

There is also some confusion as to where project initiation starts – is it with a good idea, a completed business case or something in between? As is the case so often in project management, the answer is: "It depends." If a project is initiated as part of an annual planning exercise, then there may well be a business case already complete (and you may have authored it, or at least contributed to it). But if the project is the result of an unexpected opportunity, there will likely need to be some kind of business case completed.

Pre-Initiation Overview
This process comes before traditional Project Manage Initiation Process phase. It provides the business transition methodology for fully analyzing the existing business climate of the future project. The information gathered in Pre-Initiation is used to determine a projects feasibility and preliminary approval prior to moving into the Project Initiation Phase.

Determining the Need for Change
This section includes three activities:

- Performance Measures
- Environmental Scan
- Document and Report/Present the Need for Change

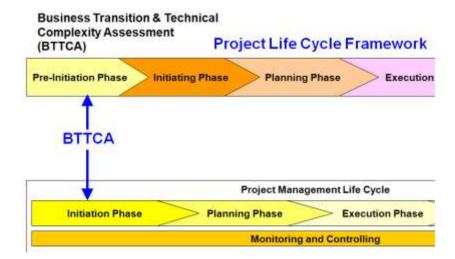**The Validation of the Business Case Need**
This section consists of three activities:

- Document the Current State (High Level)
- Document the Future State (High Level)
- Validation of the Initial Business Case Need

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Develop the Business Case
This section consists of five activities:

- Document the Impact Assessment
- Document the Business Transition and Business Complexity Assessment (BTTCA)

- Document the Business Assessment
- Document the Readiness Assessment
- Document the Business Case

Initiation Phase Overview

The strategic level, (management and sponsorship), based on the organizations business needs and drivers, provide scope, guidance, resources and priority for the tactical processes.

This strategic process is to facilitate the formal authorization to start a new project or a project phase. Much of the work may have been completed external to the project in the Pre-Initiation Phase. The goal is to incorporate all of the needs of the organization into the Project Charter and get formal authority to officially start the project.

- Select a Project Manager
- Determine company culture and existing systems (previously completed in Pre-Initiating.)
- Collect processes, procedures and historical information (previously completed in Pre-Initiating.)
- Divide large projects into phases
- Identify stakeholders (previously completed in Pre-Initiating.)
- Determine business need (previously completed in Pre-Initiating.)
- Determine project objectives
- Document assumptions and constraints
- Document the Business Transition Strategy
  - Document the Membership & Resources
  - Document the Governance and Structure
  - Document Operational Determinants
  - Document and Research Best Practices

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- o Document the Charter and Scope
- o Document the Business Requirements
- Use the above information to document the strategy and complete the Project Charter

Best Practice #1: Know the Project

It sounds very obvious, but can you answer the most fundamental questions about the initiative?

Why are we doing this project?

Why are we doing it now?

What are the businesses benefits that the project is expected to deliver?

It's way too early to have detailed deliverables, timelines and budgets, but if you don't have the basic information then you don't have much chance of success. It would be like building a house without first laying a foundation.

This is where experienced project stakeholders seek out the business case – not because it is always the definitive answer to these questions, but because it should at least document the thought process and reasoning behind the decisions.

Just so we are clear, that's not a case of seeking out the template and putting a couple of sentences in each section. The document is secondary; it's about talking to all of the stakeholders, understanding their motivations for wanting the project completed, capturing the assumptions and risks that inevitably have to be made this early on and providing a common starting point for the project. This will give every stakeholder the same knowledge base for the project, which in turn brings us on to our next best practice…

Best Practice #2: Know your major Stakeholders

Technically, a stakeholder is anyone who can impact, or be impacted by, the project. The identification of the full list of those people will occur later on during initiation, but at this point we need to identify the major stakeholders whose decisions will impact the project in general (and the initiation in particular).

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Engaging these people early on in the process will help ensure that their concerns and needs are incorporated into the core project deliverables coming out of the initiation – the charter and the scope. Failure to identify and engage the influencers of decision-makers that go into those documents will simply drive change and confusion into later stages of the project when the costs to correct are far greater.

Some stakeholders are obvious – the sponsor and the customer are two that come to mind, but others may not be so obvious.

Ask yourself: Who needs to help shape the scope of this initiative?

Who has the ability to significantly impact the project's success (positively or negatively)?

Who will be required to make major project-related decisions (provision of resources, approval of work, etc.)?

This will help you define the list of people who need to be engaged in initiation activities. Don't allow stakeholders to exclude themselves from the process – it's not an optional role (and don't allow them to delegate to a proxy unless that proxy is completely authorized to make decisions). Once this group is identified, their first task is the development of the project charter.

Best Practice #3: Start the Charter early…and evolve

The charter is not an optional document! The charter should be the formal justification for the project – until it is approved, the project does not exist. Many organizations structure their charters differently, and there is no right or wrong template. But there are some clear guidelines that will lead to a strong charter that can act as the backbone of the project. The charter needs to evolve throughout the initiation phase; you can't sit down and write it in one session. The charter will not be complete until the end of the initiation phase, when its approval is the key requirement to enter planning.

However, there are some sections of the charter that need to be captured early as guides to the initiation phase and refined throughout the process. These include:

Assumptions – At the start of the project there is a lot of uncertainty, and unless assumptions are made it is impossible to make progress. What's important is that those assumptions are documented so they can be tested and confirmed or adjusted when additional information is available. A failure to accurately capture assumptions will lead to decisions made on the basis of incomplete or inaccurate information, which in turn adversely affects the chances of success.

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Constraints – All projects are subject to constraints. In fact, the triple constraint (scope, schedule, and budget) is the cornerstone of project planning. Constraints need to act as "guides" to the decision-making process on the project – decisions are made in order to keep the project within the boundaries defined by the constraints, so these need to be captured early on. However, as more detail is added to the project and the initiation phase progresses, there will likely be a need to refine these constraints.

Risks – Identification of and planning for risks is seen as an activity that takes place during the planning phase of the project. However, the charter should be an input document for that process, and in particular the charter should capture strategic, business-focused risks. These are the risks best identified by the major stakeholders; they focus more on the implications to the business of a failure to successfully deliver the project – and on the potential for the organizational environment to impact the project. Categories like regulatory, competitive and environmental will be included here. Again, these will be refined and evolved as the initiation phase continues and the potential for impact is better understood.

Best Practice #4: Establish and document Stakeholder commitments

If you ask any project manager to list their top challenges in managing an initiative, most of them will identify stakeholder engagement right up near the top. Let's recognize that from the beginning and capture stakeholder commitments right at the start of initiation. These can act as "ground rules" for the major stakeholders during the initiation phase and become part of the formal agreement when each of the stakeholders sign-off on the charter at the end of the phase.

Typically, these commitments would include:

- The number of stakeholders required for a quorum

- The number of stakeholders needed for a decision – simple majority, minimum percentage, etc.

- The amount of time within which a decision/opinion will be provided

In many ways, this forms a contract between the stakeholders and the project and helps them understand the importance of their role. These commitments should be allowed to evolve from the start of the project initiation through to the point where the charter is approved because the stakeholders will have a better understanding of their role as initiation progresses and because their level of involvement changes as the project moves into planning and the project team starts to assume greater responsibility for the work.

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Major stakeholders may want (or need) to reduce their level of engagement once the project is initiated, but they can't renounce their accountability. So this is also an appropriate time to consider the need for a steering or governance committee that will act as a facilitator between project management and the major stakeholders. To be successful, this committee needs a clearly defined mandate – and that too should be captured within the project charter.

Once these charter elements have come together we can move on to the most visible aspect of initiation – scope definition, and the best practices around that.

Best Practice #5: Complete Scope

To many people, the scope is simply the documented requirements before the requirements are documented – in other words, a simple interim step that has no real significance after the requirements work begins. Scope involves much more than that – it must summarize the work that is necessary to make the project a success, and that means starting with at the end and answering the question, "What will make this project a success?"

Defining success can be established as a series of objectives, or as a description of the desired end state. But it needs to be well defined keeping SMART (Specific, Measurable, Achievable, Results-focused and Time-bound) objectives in mind. Of course, before these SMART objectives make it into the charter they need to be agreed upon by the stakeholders (using the decision-making commitments just agreed to above). Once that is complete, then we have a common understanding of what success looks like on the project and we can move on to the scope itself.

Best Practice #6: You can't rush the Scope!

The scope is often seen as simply "requirements lite" – the high-level summary of what's going to end up being done on the project. As a result, the scope is often not given the attention that it deserves. The thinking is that it doesn't really matter how accurate the scope is because it can simply be adjusted, corrected or updated during the requirements gathering and review.

In truth, the scope is absolutely vital to the success of the project. It is the black-and-white statement of what the project will include and – perhaps just as importantly – what it will exclude. A well-written scope should leave no shades of gray; it should leave the reader with a clear understanding of what falls within the project boundaries.

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That means that it requires clarity and precision, which in turn requires time and effort as it's created to ensure that the boundaries (scope is defining the boundary between "in" and "out" of the project) are in the right places and can be readily identified and understood. In addition, the scope is part of the charter – which will be reviewed and approved by the major stakeholders at the end of the initiation phase, so they need to agree to the scope as it is documented.
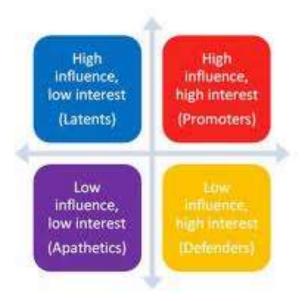
That approval doesn't occur when the stakeholders are presented with the final document for review and sign-off. It is a process of discussion and negotiation that occurs throughout the initiation phase to develop a scope that all stakeholders can agree to. This will inevitably involve trade-offs between the major constraints – you can deliver more scope with more time and/or money, but it will also involve stakeholders' personal biases.

Scope definition is the process whereby these stakeholders work to ensure that their own personal objectives are achieved in addition to the overall organizational objectives. If there isn't time set aside for this negotiation, then the project will either be faced with a challenging charter approval process or the undermining of the approved scope during later project phases.

Once the scope is finally agreed upon by the major stakeholders that are involved in project initiation, the end of the phase starts to come into sight. But there are still a few additional best practices to consider.

"A well-written scope should leave no shades of gray; it should leave the reader with a clear understanding of what falls within the project boundaries."

Best Practice #7: Identify and analyze your Stakeholders

Let's review something we identified earlier. A stakeholder is anyone who can impact, or be impacted by, the project. That's a pretty wide definition, but it's accurate. This definition will include the obvious ones that we have already identified, plus:

- Team members
- End users
- Vendors
- Resource owners
- Regulatory bodies
- Internal departments, etc.

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It's not enough to simply identify a list of these individuals; you also need to conduct a degree of analysis to establish:

- What does the project need from them?
- What do they want from the project?
- How can they impact the project?
- How do they like to be engaged/communicated with (detail vs. summary, e-mail vs. in person, etc.)?
- What period are the stakeholders for (entire project, one phase, one work package, etc.)?

This analysis won't be included in the project charter, it's for the PM's own use, but it provides a vital package of background information to assist the project manager in prioritizing and managing the stakeholders effectively.

Best Practice #8: Establish clear Roles and Responsibilities (RASCI Chart)

RASCI Chart
(Responsible, Accountable, Supportive, Consulted, Informed)

Project:		Project #:	
Project Manager:		Sponsor:	
Project Artifcats:		Last Update:	
Accounting Code:			

Functional Roles

Activity	Project Sponsor	Business Project Owner	IT Project Owner	IT Business Partner	Business SME	Business Project Manager	IT Project Manager
Project Proposal Document	A	S	C	R	C	I	I
Project Kick Off Meeting	I	I	S	C	I	I	R
Business Requirements Document	I	A	C	R	C	S	I
Functional Spec Document	I	A	R	S	C	S	I
Vendor Recommendation	I	A	R	C	C	I	I
Project Charter	I	C	A	C	I	C	R
Financial Review & Approval	A	S	R	S	I	I	S
Baseline Project Schedule	I	A	S	I	S	S	R

RASCI Definitions:

R - Responsible. Owns the work, process, issues or resource to complete the activity

A - Accountable. Approves costs, scope and in some cases the timeline. It is assumed that the Approver has financial authority or prior financial approval.

S - Supportive. Provides resources or can play a supporting role in implementation.

C - Consulted. Has information and/or capability needed to complete the work.

I - Informed. Must be notified on results, but do not needn to be involved in the decision-making process.

Stakeholder Definitions:

- Project Sponsor - Person funding the project
- Business Project Owner - Person who owns the implementation of the project or product for the business.
- IT Project Owner - Person who owns the IT implementation of the project and the technical support of the final solution.
- IT Business Partner - Person who liases between the business and IT.
- Business SME - Person who provides expertise in requirements gathering and overall expertise in the product or solution.
- Business Project Manager - Person who coordinates the project deliverables from the business side.
- IT Project Manager - Person who coordinates the IT components of the project.

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One of the final pieces to complete in the project charter is the assignment of roles and responsibilities. By this stage of the initiation phase we have a very good idea of the major players on the project (the stakeholders) and we have a good sense of the work to be performed (the project execution steps dictated by the methodology in use within the organization and the project-specific major work areas). We now need to map those two sections together, and one of the best ways to do that is through a tool called a RASCI chart:

Responsible - The role(s) that is expected to complete the work. Every task should have at least one person responsible.

Accountable - The role that is expected to ensure that the work is completed (escalation point). Every task has to have one (but only one) person accountable; that should not be the same person who is responsible.

Sign-Off – The role(s) that is expected to approve the work

Consulted - The role(s) that is consulted on/contributes to the completion of the work.

I**nformed** – The role(s) that receives the output of the work and/or receives status reports on the progress of the work

These responsibilities are then slotted into a matrix where the columns represent the stakeholders and the rows represent the project work elements

Once this is complete, we have one final best practice to execute before the initiation phase is complete.

Best Practice #9: Stakeholder Sign-off

At the end of the initiation phase, the major stakeholders are asked to formally sign off on the charter. For many projects, this is seen as a rubber stamp exercise, a necessary hoop to jump through without any particular significance.

Stakeholders need to understand the implications of their approval of the project charter, and they should not sign the charter lightly. They are providing:

- Approval of the project itself
- Authority to the PM and project team to begin project planning
- Personal commitment to their obligations on the project
- Confirmation of the accuracy and completeness of the project scope
- Agreement that the assumptions, constraints and risks are accurate to the best of their knowledge and ability

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There shouldn't be any surprises in the final version of the charter that the major stakeholders are asked to approve; they have been instrumental in the development of the contents, but they should be left in no doubt as to the significance of their signature.

A good way of ensuring that this is the case is to replace the standard signature page with one that contains a statement underlining the significance of the commitment that they are making. Stakeholders should be given sufficient time to review and understand the charter before signing, but they should also be held to the agreed-upon time period for making a decision.

Conclusion

Project initiation is rarely given the attention it deserves. It is often seen as a necessary step before the "real" work starts and is rushed through as quickly as possible so that planning can be started and what are considered to be the tangible deliverables can start. At times it is skipped entirely with some tasks (stakeholder identification, scope definition) combined with planning and some (formal charter development, stakeholder commitments) eliminated entirely.

Yet initiation is the foundation of the entire project; it is the groundwork that helps ensure success later on and drives effectiveness and efficiency. Without a comprehensive project initiation, the likelihood of delivering on scope, time, budget and quality for an acceptable level of risk is severely diminished.

Initiation isn't simple. It requires a lot of time and effort, but there are plenty of tools available to assist with the work – tools that can help people collaborate, track work items, support version control as charter elements evolve and mature, capture risks and assumptions for further review, etc. By using the right tools in the right way – and establishing clear accountability among stakeholders – there is no reason why initiation can't go smoothly and get our project off to that proverbial good start.

About the Author

Michael McCormick founder of MPCS, Inc and Management Professional with 35 years of experience managing over $4 billion in projects for both the Commercial and Federal Government sectors and is a well-known project management (PM) author, consultant, and authority on the subjects of Construction Management (CM), Facility Management (FM), Business Process Management (BPM), Project Management Office (PMO) and Project Portfolio Management (PPM), Risk Management (RM), software development and technology integration.

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