

CIO Tools: Managing Project Risk simple steps to help you win before you start

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Each year thousands of articles are written, countless books are published and as many hours as it took to create these works are spent in classrooms teaching people how to manage projects. Yet the end result of all this effort still leaves most businesses with a large void in effective project management capabilities.

Part of the problem is due to the hubris associated with project management. It is assumed that a great project manager can take any project and make it successful. If the project manager follows the proper procedures, documents risks and addresses them one by

one, the project team should be able to mitigate the risks to an acceptable level.

In reality, however, even the finest project managers can't patch enough holes to salvage a sinking ship.

What great project managers will do, however, is be the first ones to spot the sinking ships and never set foot on them.

So the important lesson here is to understand the unwritten rules, or heuristics, that the experienced project managers use to size up a project and assess the odds of success.

WORKSHEET CIOprojeval.revA
CIO Project Evaluator

What is this Project's Risk Profile?

<ul style="list-style-type: none"> 10 The project has a significant ROI 10 It helps grow the business 10 Is budgeted for success 5 It helps the company scale profitably 5 It lowers business risk (interruption) 5 Does not require rollout or re-training 2 It helps retain key employees/assets 2 Business process is well understood 2 Is using proven technology 1 Lowers IT costs 1 Is mandated or for compliance 1 Good for morale 	<ul style="list-style-type: none"> 10 No defined objectives for a win 10 No supportive business sponsor 10 Addresses a symptom not a cause 5 Limited impact to line of business 5 Requires cultural change for adoption 5 Duration > stability of business process 2 Can not quantify success 2 Unrealistic expectations anywhere 2 No time/budget for POC or discovery 1 It's work outside your comfort zone 1 Using newer technology 1 Getting there will be unpleasant
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PROJECT NAME 2009

effective executives focus only on tasks that move their company forward; everything else can wait!

Positives (+)		Negatives (-)
10x 000	-	10x 000
5x 000	-	5x 000
2x 000	-	2x 000
1x 000	-	1x 000

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RISK PROFILE

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<http://www.psclisteners.com>
 Based on the designs of David Seah
<http://www.davidseah.com>

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An Ounce of Prevention

It never ceases to amaze me how much time and energy people can exert trying to treat symptoms and cure problems that could have been avoided with an ounce of prevention.

Project management, for all that is written about it, is as much about knowing when to throw in the towel as it is about making every attempt a success. There is undoubtedly success in recognizing a poor project as early as possible.

Over the years several of us at PSC who have been in the consulting business for a very long time have developed a knack for spotting the ‘troubled’ project at a very early stage. What we never did, however, was document the types of questions we asked ourselves when trying to spot the ‘sinking ship’. In retrospect, as a long-time consultant, we tend to forget that our exposure to vast quantities of projects gives us some insight that is hard to obtain otherwise.

Aside from the sheer number of projects we have visibility to, there are several aspects of full-service consulting that provide exposure to different organizational cultures, project sizes, project types, budgeting methods, political climates, leadership types, etc. Another useful aspect of our experience is that we are often

involved from the early stages of a project idea all the way through to completion.

Although it is impractical to create an absolute pass/fail test for projects, we did feel as though it was possible to create a profiling tool to raise risk awareness and facilitate practical comparative analyses within a project portfolio in an organization.

The Project Risk Profiler

This simple tool can help you quantify the risk profile of a given project. It is not intended to be used as an absolute scoring mechanism – if it is it will not work for you. What this tool can be used for - very effectively - is the evaluation of incremental or comparative risk between your project alternatives.

In time, this tool can also be used to see if your average risk profile is migrating lower or higher. This can be indicative of changing business conditions that are favorable or require attention from a political perspective.

Perhaps the most useful application of this tool is how it can be used to verify that you are entering each project having considered the fundamentals. In this way, you can ensure that you are having the proper business dialogue at the onset of each investment

It's all in the way we listen.™



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Jim Vaselopulos is a seasoned business executive with domain expertise in Financial Services, Marketing, Manufacturing and Service Industries. Jim works closely with many firms to help align business needs and technology for competitive advantage.

His many roles include Partner at PSC Group, LLC, interim CIO at several organizations and strategic business consultant to many others. His speaking engagements include regional executive events, various podcasts, industry organizations and technology-centric educational institutions such as the University of Illinois.

Jim holds an Engineering degree from the University of Illinois and an MBA from Marquette University.