

# Guide to Better Project Management...

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Project management offers a framework for planning, organizing and managing resources in order to do a job well. From something as simple as a half-day assignment to the complexities of a nine-month construction project, the fundamental principles of project management are the same. Here's a brief 10-point checklist project managers can use:

## 1. Forward Vision – look a few paces ahead

Resource and revenue forecasting are important tools in project management. Ideally, you should review high-level resource reports that can be separated by individual projects. This type of macro- and micro-analysis of projects can yield a wealth of information about utilization, profits and the optimum scenario for new projects. Comparing project revenues on a monthly basis will likewise offer insight. For example, when tendering a 50k project, with a 50% win probability, it's smarter to forecast 25k in revenues with 50% resource utilization. This type of creative number crunching improves forecasting accuracy leading to better performance. Our experience shows that the best performing service organizations forecast with an impressive 98% accuracy.

## 2. Pipeline flow – find and repair your weakest link

A well known concept in product-based CRM systems, having “pipeline flow” is helpful for project-based businesses. Controlling and reviewing how projects move through the pipeline clarifies the big picture of an organization's health – from sales to billing processes. In this way, you can identify processes that aren't working and find ways to resolve the issue. This is an invaluable perspective into the mechanics of a business, and it's easier to correct a small bottleneck in its infancy than repair a systemic problem that has become fossilized into your business process.

## 3. Flawless billing – bill what you work

It's critical to have bulletproof billing processes in which sales, time tracking and invoicing are connected flawlessly. Work hours, travel expenses, products and services should be automatically invoiced to reduce errors and expedite billing. The sooner a bill is received the sooner it's paid.

## 4. Work your Productivity

Productivity and billing ratios are metrics used to evaluate employee performance. Everyone contributes to the business in different ways, in terms of billable and non-billable hours. An employee who spends 110 hours on customer projects may put 30 hours into internal projects and 20 hours into non-billable tasks. This person's billing ratio is 68.75% and productivity is 87.5%. How does that compare? The first step toward enhancing employee performance is to create billing and productivity goals, and then be able to easily track results for individuals, teams and the whole organization.

## 5. Stop revenue leakage

Even with flawless billing processes, businesses need to keep track of work hours on a daily basis to prevent losses. For example, if employees report work hours at the end of the week, the organization suffers a 15% profit loss. Compare this to employees reporting work hours at the end of the month with the organization suffering a 30% profit loss. Revenue leakage occurs because employees don't recall work activities correctly and allocate billable hours as non-billable hours. That's a direct hit to your bottom line.

## 6. Results – get what you measure

Put results, goals and forecasts in front of everyone – everyday. Making results and goals visible to everyone makes them responsible for their part in the organization's success. Employees understand better what's expected of them, and you get better results. It's possible to do it manually, creating print outs from Excel, but realistically how long will that work – don't you have better things to do with your time? Use your project management system to generate real-time reports.

## 7. Communicate effectively

Project management experts and publications alike cite the "lack of communication" as the number one cause of project failure. It's absolutely necessary to implement tools and techniques that open communication channels to improve teamwork on projects. Daily progress updates, shared calendars and online documentation are great ways to implement more effective communication.

## 8. Online Tools

Web-based applications are here to stay. They're excellent for sharing data, and planning and collaborating on project work. There is no need to locate files in old emails, worry about where files are located, or figuring out which version is the latest file. All team members have access to data stored inside an online project. Ensure that your system uses secured SSL connections, creates daily backups and offers user access controls.

## 9. Build Flexibility – allow for change

Make sure your projects are inherently flexible to accommodate a change in plans. For example, one extremely successful consulting firm sells only 80% of their customer project capacity. The remaining 20% capacity is reserved for risk management, but it can also be used when necessary for projects that come up unexpectedly. After that, leftover capacity is utilized for internal work.

## 10. Lessons Learned – nothing like a good post-mortem

Upon completion of every project conduct a review to identify successes, deficiencies and goals for improvement. It's important to have a candid discussion with the entire team. There are many lessons to be learned on why things went well or dropped like a stone. Document this in a short summary and make it available for others to use as reference for similar projects in the future.

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