



**Figure 1**

# Projectmanagement

In part three of his series on product management, Donald McNaughton focuses on how to ensure that the projects in the project portfolio remain on scope, on schedule, and on budget

**The first core process of** product management, portfolio management, was described in part two as a systematic process that manages the products of a business through

their lifecycle, guided by the strategic intent and profit objectives of the business (Figure 1).

The second core process is project management which focuses on steps

6 through 13 of the enabling process steps and roles (Figure 2). This article will describe process steps 6 through 10, and process steps 11 through 13 will be featured in the next article of



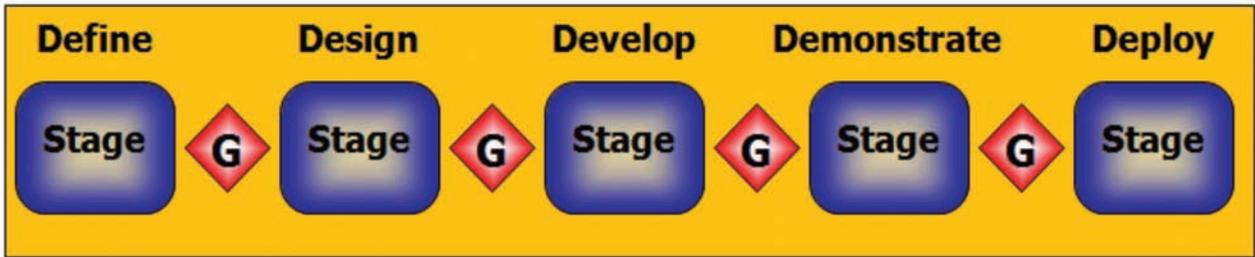


Figure 3

**7. Project Plans**

The project team leader schedules the project kick-off meeting with the entire project team in attendance. The purpose is to ensure that the project team members are clear on the project's scope, schedule, and budget.

The project team starts with a project

team to deliver an estimate for the product launch date.

It is very important to strike a balance between having too many or too few tasks in the project plan; too many and the project team can't keep the plans up to date, too few and the project plan doesn't provide the necessary control.

management process.

**8. Stage and gate**

It is estimated that 68 percent of leading US product developers have a formal stage and gate process (Figure 3). A stage and gate process involves breaking a project into several stages of work, with each stage consisting of a series of defined milestones. These

Project Management	Process Step	Process Step Description
Enabling Processes & Roles	6	Project Team
	7	Project Plans
	8	Stage and Gate
	9	Project Team Leader
	10	Portfolio Management Committee (PMC)
	11	Monthly Project Status Update
	12	Product Coordinator
	13	Product Management Review (PMR)

Table 1

plan template that they then refine to better reflect the characteristics of their specific project. The objective is to initially prepare detailed plans for the first few project stages and then to use directionally correct tasks and lead times for the remaining stages. This approach will enable the project

Project meetings occur weekly or bi-weekly with project team members to ensure that all tasks are accomplished on schedule, on scope and on budget. The project leader is responsible for communicating issues, conflicts, and problems requiring higher-level resolution within the product

milestones are achieved by executing the tasks associated with each milestone as defined in the project plans in process step 7.

The entrance to each stage is a gate. These gates control the process and serve as quality control checkpoints. The gates are managed by the PMC

through the scheduled gate reviews.

### 9. Project team leader

The project team leader updates the business plan for the project and assembles the materials and documentation for the presentation prior to each project gate review.

### 10. Portfolio management committee (PMC)

When the project team has completed the tasks associated with the specific stage of the project, and before they can move onto the subsequent stage of work, the project team leader presents the results of the work to the PMC at the gate review meeting. This gate review process occurs after each stage.

Based on the knowledge gained through the work completed in the stage and the priority of the project relative to the current product portfolio and other proposed projects, the PMC decides whether the project should GO to the next stage, be put on HOLD at the current stage, be RECYCLED for more work on the current stage, or be KILLED (no further work to be done on the project).

The goal of the product management process is to ensure that the business has the correct mix of products to acquire and retain customers in a profitable way. The portfolio management process determines which products to phase in and phase out of the product portfolio. The project management process ensures that these projects are effectively executed and deliver the additions and subtractions to the product portfolio on scope, on schedule and on budget.

The fourth and final article in this series will explain the role that step one of the monthly sales and operations planning (S&OP) process—the product management review (PMR)—plays in the overall product management process. ■

## Project management principles

Project management is an indispensable skill in business today. To assure the effectiveness of the product management process, the following project management principles must be routinely applied:

### 1. Determine what business you're in; then mind your own business:

- Select the right projects
- Assure the portfolio management committee (PMC) only makes the decisions

### 2. Understand the customer's requirements:

- Capture the voice of the customer
- Review and document requirements by the project sponsor and product manager

### 3. Prepare a reasonable plan:

- Project team refines the stage/gate and project plan templates
- Team leader ensures projects stay on scope, on schedule and on budget
- Team identifies and manages risk

### 4. Build a good team with clear ownership:

- Assemble project team
- Project leader leads team-based project management
- Assign clearly defined tasks for each project team member

### 5. Track project status and make it visible:

- Regularly track and communicate status
- Schedule, with agenda project team meetings, gate reviews and monthly product management review (PMR)

### 6. Use baseline controls:

- Outline and detail project plans, budget plans, and performance metrics

### 7. Report lessons learned, share it, and save it:

- Prepare documentation
- Encourage communication
- Provide easy access to information

### 8 – Test it—always:

- Quality
- Risk management
- Total cost of ownership

### 9 Ensure customer satisfaction:

- Apply Kano and QFD
- Plan launch management

### 10 - Be relentlessly pro-active:

- Display leadership
- Drive project management