



How to be a Project Sponsor

For project management it's about one thing: People

by Marg Pearson

President's Note...

This month DBMEXECUTIVE looks at projects. A project sponsor is a key role in all project success. So what should you do to make sure your projects are sponsored correctly? Learn from Marg Pearson, one of DBM's project managers. This month Doug also looks at projects, specifically S&OP implementations that have gone astray, and explains how, with DBM's S&OP Accelerator, you can get them back on track.

The email said we got the project. This was the one to implement an inventory system at ABC company, a manufacturer of precision automotive parts.

My colleague, Louise, had already been there and scoped out what she saw—the strengths and weakness of a company where a lack of inventory control was bleeding them dry each month. Daily product counts, physical inventory issues, stock-out and stock overages, all the things we have dealt with before, and worked with companies to turn around.

I emailed Louise back: *Congratulations. Looks like a good one. How can I help?* Marg.

Email is our preferred method of communications. DBM is a global company in our customer coverage. Like many companies today, email is how we stay connected.

Within two hours Louise emailed me back: *Congratulations to you too! I am assigning you the role of external project manager. I need you there in a week.* Louise.

"Wonderful!" I think, "but who is my project sponsor?"

I have been on hundreds of projects. I have been a project manager, a trainer, a specialist on the technical side of things, and one of the key roles to any project is a project sponsor.

I learned this the hard way. Some of the early projects I managed had no senior executive as sponsor. Some had only tacit approval. These projects were doomed from the start because no executive was willing to assign himself to the role. There was no one to champion the cause, or to help define the real goals. This only happened twice.

Louise emailed me back: *Bob from ABC Company wants to know exactly what are the requirements to be a project sponsor? Can you send him something?* Louise.

I pulled up my 4 points that must always be the core of any project sponsorship. I call my list The Project Sponsor Credo.

- I must truly believe the project will succeed, and will be beneficial to my company.
- My main responsibility will be to champion the project from a business perspective, and help remove obstacles that may impede the project's success.
- I am the Project Sponsor for the project, ultimately responsible for all the high-level management decisions for the project.
- I should be able to make at least 80% of all decisions without approval from upper management.

These points were a good start, and I have used them in every project since. But as a project manager, I always have questions that cannot be answered without a face-to-face meeting. So Louise scheduled a meeting with

our customer to answer these finer points.

At the Kansas City International Airport I signed for my rental car, and drove 2 hours to the customer site where Bob, my internal project manager, met me at reception.

Bob had been Production Manager with the company for over 12 years. He was tall, and friendly, and was well liked by all the people we met on the plant tour. Bob understood the production process, and was completely tuned in with what the issues were, and why DBM was called to help.

Bob was assigned as the internal project manager. My role was as external project manager - guidance. Bob and I would work closely together on this project.

Bob then introduced me to John, the Supply Chain director, who accepted the responsibility of the project sponsor. John was excited about working on this project with us.

After our tour and lunch, we sat down to hash out what we expected from each other over the course of the project. We came up with our top ten list of responsibilities.

This was an important task. My role as project manager was doubly challenged since not only did we need to define the customer's requirements, but I was also adopting this role as an outsider. I was not an employee of the company. This was both good and bad. A good thing because I was non-partisan to other internal projects and company politics, but difficult because no one knew me, or knew how I could support this critical inventory project. I wouldn't say there was distrust, but there was concern. I needed to know that my project sponsor was onboard with my role.

Here is the top 10 list of support responsibilities we hashed out:

1. **The project sponsor defends the project to upper management.** He must be sure this project is a valuable investment for the company, and meets their corporate objectives as stated in the company mission and vision statements. He also must defend the project to other stakeholders in its success. He is responsible to get consensus with the stakeholders when differences of opinion occur.
2. **The project sponsor ensures the project has the required funding.** He must review the budget with the project manager to be confident that the company has allocated the correct funds to support the project.
3. **The project sponsor supports the project manager for the project.** There must be commitment – the kind that only open discussions can bring. Together, we will work on the following list.
 - a. Develop the project charter
 - b. Help in vendor negotiations (if needed)
 - c. Initial project planning
 - d. Initial project kick-off
 - e. Project staffing
 - f. Manage scope changes, i.e. should we expand the scope of the project to include the forecasting module now, or make that a phase two project?
 - g. Cost changes
4. **The project sponsor supports the project for the stakeholders.** He ensures that the project achieves the benefits identified in the charter. It is important to have a well-documented project charter posted throughout the organization. This way people can read it, refer to it, and monitor how the team and the stakeholders are progressing.

5. **The project sponsor celebrates project achievements.** He will acknowledge our completion of project milestones, or achievements by the project members. There is nothing more important to project success than celebrating tasks completed. If the team doesn't know they are reaching their goals, they will not stay motivated. Human nature, and so easy to do.

6. **The project manager will maintain a close working relationship with the project sponsor.** In our meeting we discussed our expectations of each other during this project. John needs to guide me throughout the project, notify me if he feels something should be brought to my attention. I do not need any surprises.

7. **The project manager must be available to the project sponsor when he needs support.** This may be on short notice. This may be as a sounding board, to help resolve conflicts, or any time when John feels I need to be informed of what is happening. Together we will work on a solution before approaching the steering committee (if necessary).

8. **Both agree to maintain bi-weekly project reviews.** These reviews will be held once every second week. Here are the topics we will report on:

- a. What are the delays, if any?
- b. What is being done to eliminate delays?
- c. What can I do as the project sponsor to eliminate the delays?
- d. What are the project costs to date?
- e. Are we over/under budget?
- f. Do I need to obtain more funding?

9. **The project sponsor chairs the steering committee meetings.** John, as project sponsor, will lead these meetings, but I will provide any backup support John requires.

10. **The project manager updates the project sponsor when there are changes in the business direction that could have an effect on the project.** I will keep John informed of any political issues, etc. Staying focused on the project at hand is often difficult. A large project, like inventory control, that affects most areas of the plant has a way of bringing out wish lists from people.

The final responsibility as a project sponsor is to participate in the project evaluation. In the evaluation we review and document the following points:

- Did the project meet up to the required scope?
- Did we get sign-off on the project from our major stakeholders?
- Acknowledge the success or failure of the project.
- Identify what enhanced the project.
- What can we learn from this project to use on the next one?
- Identify what detracted from the project.
- What will we do different on our next project?

I can't stress enough the importance of a committed project sponsor. Every successful project has one. In this article, I have tried to share my experience with project management/sponsorship roles. Need more information, or help with your own projects? Contact me, Marg Pearson, at dbmexecutive@dbmsys.com. Or call 519.621.3841.



Marg Pearson, CPIM, PMR, is a Senior Management Consultant and Project Manager with DBM Systems Inc. in Cambridge, Ontario, Canada, where she manages large projects and ERP conversions. Marg can be reached at dbmexecutive@dbmsys.com.



Your Personal Trainer for S&OP

How to turn your S&OP implementation around with the S&OP Accelerator

by Doug Dedman

Implementing S&OP is not easy. It takes time, and it takes commitment. Many companies fail on the first attempt. Many fail on the second attempt. In fact, I'm working with a company that has had two failed attempts and are now on their third try. These are not bad companies. They all start with the best of intentions.

They run their S&OP process for six months. Then their initial progress stagnates, and because they are not seeing the results they anticipate, they stop. Then, several years later, they start all over again.

I ask myself: Why do most companies fail when they try to implement S&OP? What does it cost them to fail? The cost of success is a positive cost; the cost of failure is not.

Every month you run your S&OP process it costs you money. It doesn't matter whether the process is effective or not, it takes time. S&OP is a series of meetings. Before each meeting data must be collected, analyzed, and distributed. Plans must be determined and decisions made.

People need to commit to spending this time: senior executives, salespeople, schedulers, demand analysts, engineers and production control people. Depending on the size of your organization, the support time for S&OP can be between \$10,000 and \$30,000 per month.

If your process is ineffective you will not see the level of benefits you expect. Not only that, every large project failure discourages the culture of your organization. I've heard all the reasons:

"We tried that before and it didn't work."

"Last time we tried that, we couldn't get sales involved. They'll never do it right."

The cost of failure is real, both in dollar and cultural costs. This brings me back to my first question: Why do companies fail at S&OP?

This question brought to mind another very personal goal that doesn't have a high success rate: losing weight and getting into shape. In my case, my wife thinks that I should be able to do it on my own. I've tried.

I always start with the best intentions. Exercise, eat less, and eat smarter. It lasts for a couple of months but I don't see the results I'm looking for. I slip back to my old habits. Another failed attempt. How do I keep the intensity up and increase my chance of success? The same way many successful people do it: I hire a personal trainer.

From Flab to Fit

A personal trainer helps you increase your chance of sticking with a program and achieving your fitness goals. How? First, they can help determine and clarify your goals. They sit down and assess where you are today and where you want to be. Most have you perform a physical checkup to see what you are capable of. Second, they lay out a plan to get results. They've trained others before you and know how to get it done. Some of the exercises may not make sense to you, but if you follow them you will see results. Third, they provide accountability. You won't spend the money on a personal trainer unless you've committed to the results that you want.

Once you reach your goals, regular meetings with the trainer will make sure you're doing the things necessary to keep meeting your objectives.

And fourth, they are able to see your progress before you do. This is important. It's difficult to make lifestyle changes that lead to better

health. It's easy to quit. You may need a cheerleader that can see the improvements are happening before you do and help you celebrate your successes.

You know where I'm going with this. Successfully implementing S&OP takes the same focus. In fact, it takes more. S&OP is not a personal goal; it's a corporate goal.

This means multiple agendas, personalities, and opinions. All of these increase the chance of failure.

Back to my question: So, why do companies fail at S&OP? They fail for many of the same reasons that dieters fail. They don't have clear goals. They don't have a step by step plan. They don't have support. They don't show progress early enough to keep up the momentum. The process stalls, stagnates, and finally stops. Now you have the answer, but what do you do about it?

It's about starting right

First of all you need to get help. Remember, most of the companies that I'm working with tried it alone and failed. It makes sense to get help. And you need to address the root causes of failure. Don't make assumptions. Here are 4 exercises you must do to avoid S&OP failure.

- **Have a clear reason why.** I've spoken about this in a previous article. (February 2008 – Issue 1.2) I referred to it as your compelling reason for doing S&OP. The compelling reason is often expressed in terms of business benefit, but in the end it will come down to an emotional appeal.
- **Have a common understanding of S&OP.** Remember S&OP is an organizational activity. Dieting requires one person to understand what they are doing. S&OP requires many. If everyone has a different interpretation it is difficult to get progress. It's not only about having the same vision, but also sharing it, and coordinating it.
- **Have a plan.** A plan that accounts for where you are today and where you need to get to. Improved forecasting and demand planning, better communication between operations and sales, better customer service levels – these are all compelling reasons that will show real financial results. But you have to lay out the reasons with real goals and timelines that show how you will get there.
- **Show progress early.** It's not enough just to get everyone on the same page and have a common understanding. You need to quickly translate the understanding to action. Move from a theoretical agreement to concrete progress. Chart and share your successes along the way. When people know they are doing well, hitting targets, they stick with it.

At DBM we have a process to address these S&OP root causes of failure. A process that increases your chance of success, and decreases the amount of time it takes to get there. We've simplified it down to three steps that we call the S&OP Accelerator. The three steps are: The Initial Review, On-site Education, and Workshop.

The Initial Review

The Initial Review is where we lay out the plan. We determine how to tailor the training to suit your business requirements. We also meet with your senior executives to help focus your team on the objectives you are trying to get out of S&OP.

In some cases the review also serves as an initial training tool to get everyone on board. In

this step we identify who should be in the training sessions, and what project risks may confront your organization. These risks may be in the form of organizational alignment or even data that is needed, but unavailable.

On-Site Education

Smart people work for you. They know their jobs, know what's expected of them. So why spend more time and money educating them? If S&OP is going to help so much why not just get started?

Because you have a new language to learn. S&OP brings its own terms, its own descriptors, things that are always best learned in group mode on-site as opposed to individually off-site.

Learning together increases 'buy-in'. S&OP is a company commitment so we train key resources in the company together. This is crucial, and we insist on it. Senior executives, project sponsors, team leaders, managers, planners—all together and all in the same class.

With our approach, learning about S&OP isn't about hypothetical cases. People learn faster when dealing with real life situations. Using your data and your issues makes the education stick, and builds a common understanding.

Workshop

Education does not equal experience. Too often we have worked with organizations that do the right thing by training multiple levels within their organization (senior execs, down to the shop floor). Then after the training they assign someone internally to move them through the first few steps of the process. This person tries to do it on their own. They know what they need to do, but not how to do it. They are educated, but not experienced.

Soon they have more questions than answers. Uncertainty leads to inaction. Other priorities take over, and because they have no one to push them through the first steps they never got done. Momentum is lost, and the value of the training is diminished.

Our workshop jump-starts the starting process. In the workshop we build the presentation for the first family. You learn a lot when you do this. You find out what data is missing. You see that sales and operations view the same family differently. You try to translate sales dollars into units. The workshop forces you to face the challenges that cause inertia. But you are not alone.

Our experience guides you through these first steps. We keep you moving forward. Some of the companies that I have worked with have even held their first executive S&OP meeting right out of the workshop. Talk about showing progress early!

It's Decision Time

Companies don't fail at S&OP because they are doing the wrong things. They fail because it takes too long to do the right things. If you are serious about getting yourself in shape, hire a personal trainer. If you are serious about getting your S&OP process going, hire an S&OP trainer.

To take your S&OP process to the next level, contact me at dbmexecutive@dbmsys.com. Or call 519.621.3841.

By the way, the company in the introduction, with the two previous failed attempts, is now on their way to a successful S&OP implementation.

DBM, with our S&OP Accelerator, can do the same for your organization.



Doug Dedman, MBA, PMP, CPIM, is a senior Business Consultant with DBM Systems Inc. in Cambridge, Ontario, Canada. Doug consults with global, multi-divisional organizations with a focus on S&OP and supply chain execution. Doug can be reached at dbmexecutive@dbmsys.com.