

How to Create a Clear Project Plan

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One of the critical factors for project success is having a well-developed project plan. Here is a six-step approach to creating a project plan, not only showing how it provides a roadmap for project managers to follow, but also exploring why it is the project manager's premier communications and control tool throughout the project.

Step 1: Explain the project plan to key stakeholders and discuss its key components

One of the most misunderstood terms in project management, the project plan is a set of living documents that can be expected to change over the life of the project. Like a roadmap, it provides the direction for the project. And like the traveler, the project manager needs to set the course for the project, which in project management terms means creating the project plan. Just as a driver may encounter road construction or new routes to the final destination, the project manager may need to correct the project course as well.

A common misconception is that the plan equates to the project timeline, which is only one of the many components of the plan. The project plan is the major work product from the entire planning process, so it contains all the planning documents for the project. For example, a project plan for constructing a new office building needs to include not only the specifications for the building, the budget, and the schedule, but also the risks, quality metrics, environmental impact, etc.

Components of the project plan include:

Baselines

Baselines are sometimes called performance measures, because the performance of the entire project is measured against them. They are the project's three approved starting points and include the scope, schedule, and cost baselines. These provide the 'stakes in the ground.' They are used to determine whether or not the project is on track during the execution of the project.

Baseline management plans.

These plans include documentation on how variances to the baselines will be handled throughout the project.

Other work products from the planning process.

These include a risk management plan, a quality plan, a procurement plan, a staffing plan, and a communications plan.

Step 2: Define roles and responsibilities

Identifying stakeholders, those who have a vested interest in either the project or the project outcome, is challenging and especially difficult on large, risky, high-impact projects. In addition, there are likely to be conflicting agendas and requirements among stakeholders, as well as different slants on who needs to be included. For example, the stakeholder list of the city council where a new office building is being constructed could differ from that of an engineering consulting firm. It would certainly include the developer who wants to build the office complex, the engineering firm who will build an office building, citizens who would prefer a city park, consultants to study the environmental impacts, the city council itself, etc. The engineering firm may have a more limited view. In any case, it is important for the project manager to get clarity and agreement on what work needs to be done by whom, as well as which decisions each stakeholder will make.

Step 3: Develop a Scope Statement

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The Scope Statement is arguably the most important document in the project plan. It is used to get common agreement among the stakeholders about the project definition. It is the basis for getting the buy-in and agreement from the sponsor and other stakeholders and decreases the chances of miscommunication. This document will most likely grow and change with the life of the project. The Scope Statement should include,

- ✓ Business need and business problem
- ✓ Project objectives, stating what will occur within the project to solve the business problem
- ✓ Benefits of completing the project, as well as the project justification
- ✓ Project scope, stated as which deliverables will be included and excluded from the project.
- ✓ Key milestones, the approach, and other components as dictated by the size and nature of the project.

It can be treated like a contract between the project manager and sponsor, one that can only be changed with sponsor approval.

Step 4: Develop the project baselines

Scope baseline

Once the deliverables are confirmed in the Scope Statement, they need to be developed into a work breakdown structure (WBS), which is a decomposition of all the deliverables in the project. The scope baseline includes all the deliverables produced on the project, and therefore identifies all the work to be done. These deliverables should be inclusive. Building an office building, for example, would include a variety of deliverables related to the building itself, as well as such things as impact studies, recommendations, landscaping plans, etc.

Schedule and cost baselines

1. Identify activities and tasks needed to produce each of the deliverables identified in the scope baseline, How detailed the task list needs to be depends on many factors, including the experience of the consulting engineer and team, project risk and uncertainties, ambiguity of specifications, amount of buy-in expected, etc.
2. Identify resources for each task, if known.
3. Estimate how many hours it will take to complete each task.
4. Estimate cost of each task, using an average hourly rate for each resource.
5. Consider resource constraints, or how much time each resource can realistically devote to this one project.
6. Determine which tasks are dependent on other tasks, and develop critical path.
7. Develop schedule, which is a calendarization of all the tasks and estimates. It shows by chosen time period (week, month, quarter, or year) which resource is doing which tasks, how much time they are expected to spend on each task, and when each task is scheduled to begin and end.
8. Develop the cost baseline, which is a time-phased budget, or cost by time period.

This process is not a one-time effort. Throughout the project you will most likely be adding to repeating some or all of these steps.

Step 5: Create baseline management plans

Once the scope, schedule, and cost baselines have been established, create the steps the team will take to manage variances to these plans. All these management plans usually include a review and approval process for modifying the baselines. Different approval levels are usually needed for different types of changes. In addition, not all new requests will result in changes to the scope, schedule, or budget, but a process is needed to study all new requests to determine their impact to the project.

Step 6: Communicate!

One important aspect of the project plan is the Communications Plan. This document states such things as:

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- ✓ Who on the project wants which reports, how often, in what format, and using what media
 - ✓ How issues will be escalated and when
 - ✓ Where project information will be stored and who can access it
 - ✓ What new risks have surfaced and what the risk response will include
 - ✓ What metrics will be used to ensure a quality product is built
 - ✓ What reserves have been used for which uncertainties
- Once the project plan is complete, it is important its contents to key stakeholders. This communication should include such things as:
- ✓ Review and approval of the project plan.
 - ✓ Process for changing the contents of the plan.
 - ✓ Next steps—executing and controlling the project plan and key stakeholder roles/responsibilities in the upcoming phases.

Destination Success

Developing a clear project plan certainly takes time and the project manager will probably be tempted to skip the planning and jump straight into execution. However, remember this, the traveler who plans the route before beginning a journey ultimately reaches the intended destination more quickly and more easily than the disorganized traveler who gets lost along the way. Similarly, the project manager who takes time to create a clear project plan will follow a more direct route toward destination project success.

About the Authors

Elizabeth Larson and Richard Larson, co-principals of Edina-based Watermark Learning (www.watermarklearning.com), have over 25 years each of experience in business, project management, business analysis, and training/consulting. They have presented numerous workshops, seminars, and presentations to over 10,000 participants on project management, requirements analysis, and related subjects. Contact Elizabeth Larson at el Larson@WatermarkLearning.com or (952) 921-0900 ext. 202. Contact Rich Larson at rl Larson@WatermarkLearning.com or (952) 921-0900 ext. 203.