

## Project Management Is For SMEs - Not Just The 'Big Boys'!

Effective project management is fundamental to the success of all businesses, large and small. The process and results have an impact on many key areas – business growth and development, staff motivation and staff development.

Projects do not have to be capital intensive or complex but have a number of key characteristics:

**1. Response to a business need** - obviously, but it is important to be clear about the business need. What are you trying to achieve?

**2. A temporary activity** - it has a clear start and end point. At some stage (and that needs clarity) the resulting process/product becomes part of the work activities.

**3. A unique activity** - there may have been something similar in the past but this is not part of the regular work activities.

**4. There is uncertainty** - risk - which needs to be managed.

**5. Normally involves other people** - internal or external, requiring team and communication skills, and a defined project manager.

The first point to recognise is that project management is both an art and a science:

- *Art* - the project manager role of leading people
- *Science* - applying the process with appropriate tools and techniques



Which is the most complicated? Often the 'art' because leading people usually pose the most challenges.

But let's start with the 'science' – the process. Applying a logical 5 step process will help achieve a successful outcome:

**1. Define your project** - we have mentioned the need to be clear about what you are trying to achieve and that requires identifying the project goals or objectives.

Other aspects of the project to consider at this stage are:

- *Alternatives* - what are the options?
- *Costs and benefits* - depending on the most effective option
- *Timescales*
- *Responsibilities* - who is project manager and what other resources will be required
- *Risks* - to the project success – identifying mitigating and contingency actions

**2. Planning** - this requires scheduling of activities and resources to meet the agreed timescales.

There are a number of tools you can use - Gantt charts and Critical Path Analysis are well known tools - but an Excel spreadsheet is often sufficient.

**3. Implementation** - you've planned the work, now it is time to work the plan! Regular updates of progress are a key part of the project manager role.

Depending on the project, this is likely to be the most time-consuming stage and will require close attention to the people and process side of project management.

**4. Closure** - bring the project to a close by handing over to the business 'owner'. The result becomes part of the regular business process or offering.

**5. Evaluation** - often not done by any business, large or small! Have we achieved what we set out to achieve? What went well? What could we do differently next time?

The 'art' side of project management is the project manager role of leading people and, as we have seen from the process described above, requires many organisational and interpersonal skills and characteristics:

- Effective communication
- Delegation
- Integrity
- Enthusiasm
- Team building skills
- Problem solving skills
- Influencing and persuading
- Organising and planning

Project management can be a great opportunity to develop staff and give them additional responsibilities.

It can also be an important tool to help identify future managers and key staff to develop the business.



# Improve Your Profits With Continual Improvement

As a small business owner wanting to grow your business you will be looking at ways to improve your business to generate more profit and cash, to free-up working capital, and to make more effective use of your own time.



While there may be one-shot improvements you can make, such as outsourcing an overhead function to make a net saving, there will always be those issues where the benefits are obvious but the means of achieving them are not so clear.

## Continual Improvement is not just for manufacturing quality

Adopting a systematic, continual improvement approach to those issues could be the answer.

It used to be thought that continual improvement was about manufacturing quality, but these days, quality is seen as something that should be embedded right across a business.

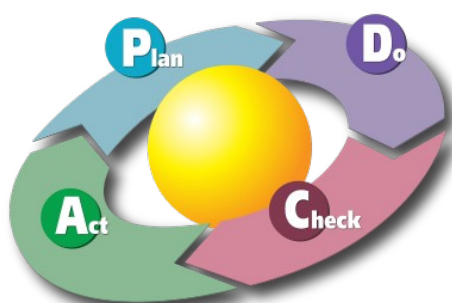
And likewise the continual improvement methodology can be applied to issues, right across a business, in every function, for example:

- improving the enquiry rate from an existing marketing budget
- increasing the average sale value by designing and up-selling additional features and products
- improving cash flow through better credit control and debtors management

- reducing manufacturing costs with improved delivery times and no loss of quality
- reducing inventory cost and obsolescence
- achieving an overhead cost saving by reducing headcount
- releasing management time by putting in better delegation, coaching and review processes

And lots more...

## The PDCA Continual Improvement Cycle



First you set down the objective you want to achieve.

Then you embark on the 4-step PDCA cycle:

### Plan

Establish the objectives and processes necessary to deliver results in accordance with the expected output (the target or goals).

By establishing output expectations, the completeness and accuracy of the specification is also a part of the targeted improvement.

When possible start on a small scale to test possible effects.

### Do

Implement the plan, execute the process, make the product. Collect data for charting and analysis in the following steps.

### Check

Study the actual results and compare against the expected results to ascertain any differences.

Charting data can make this much easier to see trends over several PDCA cycles and in order to convert the collected data into information. Information is what you need for the next step.

### Act

Request corrective actions on significant differences between actual and planned results.

Analyse the differences to determine their root causes.

Determine where to apply changes that will include improvement of the process or product.

Having decided what to do next, you then make a new plan and repeat the cycle.

Obvious, really - when you sit down to work out how to deal with your issues, your thinking almost certainly follows those steps anyway.

## Set a timetable and review progress

But the key to making this work is to get the people designated to resolve the issue - you, a member of your staff, or a small project team you have put together - to set a timetable for each cycle and stick to it.

And if you have the resources to run a number of improvement projects in parallel, you can review them at your management meetings, monthly or quarterly.

The results will come, slowly but surely, and year on year your company's performance will get better and better!



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