Nuts and Bolts of Project Selection

By Dr Uwe H Kaufmann

The art and science of selecting improvement projects is one that most organisations take rather seriously. Some companies in a variety of industries have developed highly sophisticated methods for project screening and selection to ensure that the projects they choose offer the best promise of success.

Even without having such kind of method at hand, it is necessary and possible to screen projects before embarking on them. Some common sense questions may help:

1. Why is This Project Worth Doing?

Every project must have a crystal clear business case. The first reason for this is that the project needs support by not only the sponsor but also other stakeholders in order to be successful. This support can be 'organised' by deriving the compelling need for this project from Customer Satisfaction, Financial Benefits or Employee Engagement reinforced by rock solid data. The positive side effect of having this kind of business case is that the team will likely be more motivated to spend their extra time on this kind of effort.

Pareto charts are powerful management tools to explain business case and therefore support project selection. Do not forget to have financial calculations be signed off by the experts.

2. Why is it Important to do This Project Now?

A business case that shows a growing backlog, a decrease in customer satisfaction or employee engagement over time is a compelling reason for doing this project now. If, in contrast, the situation has been getting better over time, i.e. the backlog is melting away as a result of other initiatives, it is much harder to justify this project. Then the question really is: Can we not sit by and wait for the problem to resolve itself?

A simple time series plot may help to understand the history and even to forecast the future.

3. What are the Consequences of not Doing This Project?

Sitting by and waiting will not be a good idea if the problem is expected to grow in future. Knowing the current state well and having a more than rough appraisal of the future demand as well as the expected changes in the industry will enable some good assumptions that help to heighten the need for the said project. These assumptions may be used to create a basic simulation to generate credible data.

The resulting scenario, well presented to the management, will certainly generate support for your project idea.

4. Which Activities Could Disguise Your Project Results?

No organisation has only one initiative or project running at any given point in time. Usually, there are plenty of overlapping activities changing the business environment on a larger or smaller scale every day. Such activities may have affected historical data why it is not always wise to use a long data window for deriving the business case without ensuring that the tackled process was more or less undisturbed. Such activities may as well confound with your project work in future. If you already know that there will be unrelated changes that will affect your process, make sure you have a chance to see which process change triggers what change in the result. Without that, you may get improvements but you do not know why.

Ensuring a very close-loop, data-driven cause-effect-chain for all activities will help untangling the coils.

5. How Does it Fit With Business Objectives and Targets?

If the business case is important enough, related KPI's will be on some managers' scorecards. These managers will be supporting this project naturally since it drives their targets and hence the business objectives. In case the suggested project is targeting on improving something that is not someone's KPI or is not even measured yet, two situations can occur. Firstly, the project idea may not be a good idea after all. Or secondly, it is certainly a good idea and it needs to be made a KPI as soon as possible appearing on the management dashboard frequently.

All project proposals should be linkable to the organisation's or departmental dashboards, hence must have someone with 'skin in the game' who is likely the project sponsor.

Conclusion

Starting projects ill-prepared is much worse than not starting at all. Failures in project selection usually lead to frustration amongst team members and confusion within the organisation. It will make your initiative a nonstarter if this happens at the beginning. Time well spent in selecting projects saves a multitude of that time later.

Choose the right projects to maximise your organisation's performance to the benefit of customers and employees.

About the Author

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