

Synopsis

XPM – from idea to realization

Critical approach to the concept of XPM

Purpose of the Synopsis

To play the devil's advocate on the concept of the pioneering methodology Extreme Project Management (hereafter XPM) that was developed to support Extreme Programming (hereafter XP) and other lightweight methodologies.

Goal of the Synopsis

- To achieve knowledge and understanding about XPM and its techniques and identify some differences to how XPM and the Waterfall Model would manage a project.
- To consider whether XPM is just another fancy set of buzzwords covering methodologies that are known already or a real and applicable methodology, especially meant for e-projects.

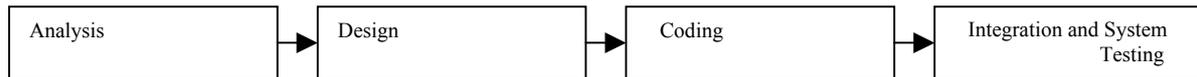
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1. Introduction

A group of senior consultants have come up with new “extreme” techniques to meet the demand for faster delivery, more creative models of product delivery and the focus on value and return on investment (ROI)¹.

Traditional project management² (hereafter TPM) put its emphasis on heavy up-front planning and discipline in the process. The assumption is that by applying enough control, it is possible to reach the planned target within the prearranged limits of time, budget and scope.



Waterfall Model

E-projects³, to mention an example where XPM can be applied, are exploratory by nature. Results drive planning, compared to TPM, in which planning drive results. The goal is to deliver the desired result and not necessarily the planned result.

You might ask yourself, then why plan at all?

The goal of e-projects is to embrace change and not to discourage it, but planning details such as stakeholder success criteria, realization of benefits for the project, agree on required quality, partnership agreements and identification of major events/scenarios are an essential part of XPM.

The major difference between TPM and XPM would be the attitude towards change of plans. This synopsis will concentrate on giving a critical assessment of the XPM approach.

2. Scope

There are possibly many opinions, about which projects XPM can be applied to, thus I will limit the scope to concern only XPM applied to e-projects, as it is yet the only area in which material is possible to find.

Examples on projects to which XPM was used are not yet to be found, which means that the critical comments forming the basis for this synopsis are solely based on my personal opinion and experience and a session with an experienced project manager.

This synopsis will be a description of the most important issues in XPM - the rules - followed by a discussion of the concept and a conclusion.

3. Description of XPM

Main XPM Concepts

Rule 1:

“The management of creative people and processes demands creative management processes.”

¹ ROI is the ratio between the net profit and the capital used invested in building the system.

See literature #3, page 78

² It is assumed that when talking about the traditional way of doing project management, it refers to the linear sequential model (Waterfall Model) (See literature #5, page 28, figure 2.4 for the desired model)

³ These could be e.g. applications for web sites, entire web site solutions or systems that interfere with the Internet.

Rule 2:

“The less the project manager knows about the technical issues of the project, the better.”

The project manager must also focus on, and understand, the organizational context within which the project is being developed.

It is important to make distinctions between the business aspects of a project and the technical issues.

The role of a project manager has gradually shifted to ensuring that processes are in place to ensure the technical quality of the project’s deliverables, rather than directly reviewing the quality.

A project’s scope, objectives, strategy and quality are the link between project management and technical management.

Rule 3:

“What happens after the project is over is more important than what happens during the project.”

In many situations review, tracking and reporting mechanisms are stopped after the implementation, which leaves business people with very little hard evidence of the value added through new products or information systems and this could make IT look like a huge cost to the company.

Rule 4:

“A project plan developed without full participation of stakeholders is nothing more than one person’s fantasy.”

The project manager must shift from planning to facilitating the planning process. The manager must identify the key stakeholders, related projects, and with the team members undertake the planning process in an open and collaborative manner.

This ensures that everybody, who are to work in the team or in related projects are more prepared to support the schedules put out prior to the beginning of the project.

XPM uses a concept similar to Rapid Application Development (RAD) called Rapid Planning (RAP) for producing project plans.

The project manager invites key stakeholders in the project and invites them to the RAP session and progresses through a sequence of steps that include planning the project in an intensive and participative process.

The RAP process is a mechanism in which conflicts between disagreeing stakeholders can be put on the table for discussion.

Getting key stakeholders to agree on important issues such a scope and goals can be hard, when the decisions are not taken in a consensus. The project manager could end up making his/her own goals and the project could be on its way to failure⁴.

Rule 5:

“The more time the project manager spends with the stakeholders, the better.”⁵

TPM focuses downward towards the project team and the technical deliverables. XPM has the opposite focus.

XPM is more concerned with the context of the project, than with the content of the project. As mentioned earlier, the business case of the project is the managerial information of the project

⁴ Failure could mean that the finished product does not fit its users.

⁵ This can be compared directly to the practice in Extreme Programming called: “On-site Customer”.

and represents the context. The various technical specifications and deliverables represent the technical issues of the project, i.e. the content. Again it is important to draw a line between technical management and project management.

Tools and techniques for XPM

The tools and techniques are used during the RAP process and this is to ensure full participation by the stakeholders.

The tools support some of the rules and they are therefore described together in the section hereafter⁶.

Rule 6:

“If you haven’t defined project success at the start, you’ll never achieve it at the end.”

XPM tool #1: Success sliders

The success sliders’ technique is all about finding the expectations of the stakeholders. For many project managers expectations means a battle to keep the requirements at a minimum.

Meeting expectations means touching the following success criteria:

1. *Making the stakeholders satisfied.*
2. *Achieving functional requirements*
3. *Meeting budget*
4. *Meeting deadlines*
5. *Adding value*
6. *Ensure a good quality*
7. *Making the team members satisfied.*

Rule 7:

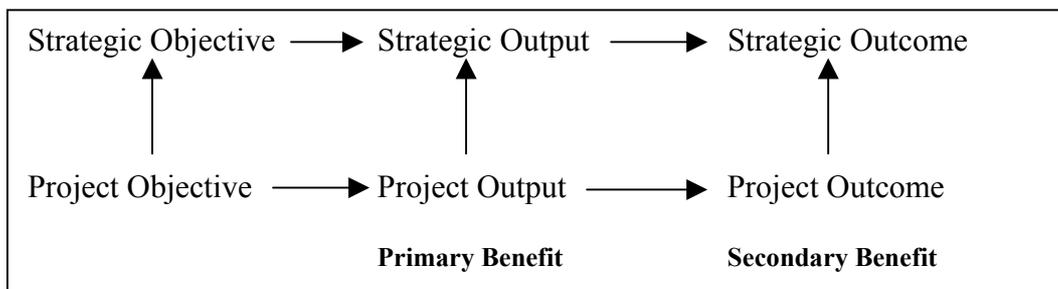
“Show them the money – nothing else matters.”

XPM tool #2: The O³ model⁷

This O³ model was developed to model and realize benefits for projects.

A model was needed to solve the problem with the traditional cost-benefit analysis, which should be expanded to deal with the problems in contemporary projects.

The model is based on three elements: objectives, outputs and outcomes, which create the project value chain.



The project value chain

⁶ To find the specific description on the tool or a model mentioned, see literature #1.

⁷ See literature #1, page 22 for the model

There must be a link between the project's objectives, outputs and outcomes and the ones from the organization. The organization is furthermore not capable of achieving its outcomes (greater market share, shareholder value etc.) without the project succeeding in producing relevant output.

It should be possible to see the added value for the project.

The IRACIS model

It must also be defined what kind of benefit the objectives should be associated with.

1. *Increase Revenue*
2. *Avoid Costs*
3. *Improve Service*

On the project value chain there are two kinds of benefits; primary benefits which are associated with the outputs and therefore realized first and the secondary benefits, which are realized after the primary.

An example on the concept of the IRACIS model: If the primary benefit of a newly built system should be to improve a service, but the secondary benefits are not increased revenue and avoided costs, then improving that service does not add value to the customer/company.

This technique enables e.g. project sponsors to find out whether the benefits proposed are realistic or not.

XPM tool #3: Quality Agreements

Software quality is a combination of the following buzzwords:

Conformity – Usability – Efficiency – Maintainability – Flexibility – Reliability – Portability – Security/Audit ability – Job Impact

Improving one of these attributes may make negative impact on another, i.e. improving efficiency may lower the usability.

The process of software quality planning is about finding out what the required quality is and what processes are to be present during the development process to ensure this quality.

1st step is to define the product objectives and this should usually already be done in the RAP process. **2nd step** is discussing which of the buzzwords mentioned before are to be met. This step is considered the most important and that usually also means that this is where stakeholders disagree. **3rd step** is modifying the plan and development approach to reflect the quality agreement made in 2nd step.

Rule 8:

"Your project stakeholders can be your best allies or your worst enemies – you decide."

XPM tool #4: Project or Partnership Agreements

There is a risk that an important stakeholder (e.g. a project resource) is transferred to another project and that would usually mean delay for the project.

To be able to foresee these events to happen, the project manager should prepare a document stating the services required by stakeholders and related project managers. Key issues in this document are: Service involved, required timing of services, any costs for the service, any person capable of backfilling the services for the stakeholder.

Rule 9:

"If you can't predict the future, don't plan it in detail."

XPM tool #5: Event/Scenario/Real-time planning

Event/Scenario planning involves the people in the RAP session identifying major events and scenarios that could be involved in delivering the project. The important issue to remember when doing this kind of planning is that only the tasks involved in achieving the specific event are detailed and scheduled.

Real-time planning is a simple extension to the development paradigms involved in XP.

XPM involves daily planning and replanning as part of the normal team and stakeholder process. All changes in the context, external and internal changes, risks, scope and objectives, added value/benefits etc. are identified and evaluated every day, which fits the XP concept extremely well.

Rule 10:

"If your project has not changed, get afraid – very afraid."

The team should meet with the project manager at the beginning of each day. The following aspects should be considered:

- *Have the success expectations changed?*
- *Is there any change to the scope/objectives?*
- *Have there been any changes in stakeholders/related projects?*
- *Are the benefits and cost assumptions still relevant?*
- *Are benefits-realization plans still relevant?*
- *Has quality been changed?*
- *Are there changes to project risk or risk management issues?*

Rule 11:

"In e-projects, a day is a long time."

The effective management of e-projects demands a new, radical approach to project management.

4. Discussion of the Methodology

Due to the fact that it is impossible to find concrete examples on the use of XPM, I was fortunate to get in contact with a CEO and Project Manager Paul Lysholdt Rasmussen (PLR) from Lysholdt Consulting A/S.

He has worked with project management for about 25 years, which means that he has experienced the last two waves of project management – the Dynamic Wave and the Extreme Wave⁸.

He states that the goal of project management has not changed:

“Project Management is still about defining goals for the project, gather the required project staff and define in which direction they should go and also to take care of the frames for the project.”

And he continues: “XPM is a grouping of methods which the project manager needs to pay attention to. Many of these rules are not new discoveries, but have been known for many years.”

But he also notes that XPM has its focus on fast and successful execution of projects, in particular e-projects, in which the needs to focus on time-to-market in a fast growing market are essential for success. In these projects it is not possible to make a detailed time schedule and requirements specification at such an early state of the process, as TPM requires.

With XPM it is possible to evaluate the project every day and shape it to suit the current situation.

The hypothesis is that XPM is only well-known techniques wrapped in a new fancy name, so it was necessary to find out what the rules were really suggesting.

Discussion of Rules

Rule 1

This just indicates that the project manager needs to be creative as well as the people he/she is working with.

Creating a very detailed project plan (e.g. in MS Project), allocating resources and hours, is not suitable for all projects, especially not e-projects. The manager must be creative when making it.

Discussing whether it is possible to have a sketchy project plan and still be in control, PLR states that it could have something to do with him being very experienced at working with project plans. Others not quite as experienced managers could lose all control if the plan is too sketchy. Even though it is not detailed, it is important to remember the key activities in planning the project. For that purpose, the RAP process is used.

Rule 2

This indicates that the project manager should be “all-round” and generic, instead of being a specialist.

It is important to note that the job of the project manager is to control the process and gather the required skilled staff, which should be involved to give the specific intellectual input to the project/product.

The project manager should not have specific knowledge about how the solutions technically work, because “Specific experience is used in the specific areas” as PLR states. The focus could move from actually managing the project to adding technical knowledge and own opinions on the areas that is of his/her specific interest. And that means forgetting other important decisions and problems in other areas.

⁸ See literature #1, page 9 for specific information about the different waves.

“It is necessary that the project manager involves and talks to the project staff to try to understand what they want and then afterwards make a decision of his/her own,” PLR concludes.

“The goal is to deliver a product with high business value and larger quality”.

Rule 3

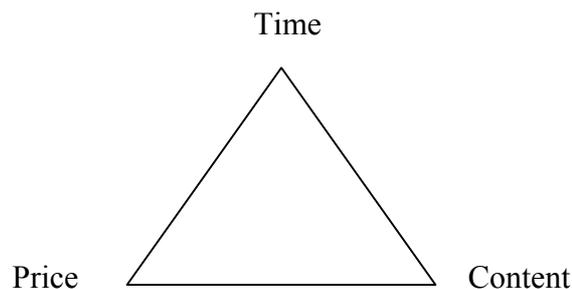
This rule is applied to find out whether the project lives up to its goals of success.

It will often be necessary to cut somewhere in the project (e.g. functionality) and this must be done carefully because cutting also means lower benefits of the system.

Thus, it is important not to forget the objectives that were planned, even though the project is finished.

“Eventual optimization of the requirements should happen on the terms of the project”, PLR states.

End products today need to correspond to the business processes. Integrating information systems with the business strategies means systems that are adding value to the company and this is – not to forget – the major concern for all businesses.



The model above shows the interaction between the content, time and price of a project. If you cut in one of the areas, it will affect the two other.

Fixed price contracts are a direct threat to achieving the goals in XPM projects.

“Such a contract needs a detailed requirements specification and some of the dynamic parameters must be given low priority, because the project could become administratively difficult to handle with the many change requests” as PLR states⁹.

Rule 4

This rule is not making revolution. It has been known a long time that the project plan has to be based on realistic measures made by people who are responsible for the specific tasks.

Again it must be noted that making a specific project plan is not possible.

The plan should be parted in larger chunks, due to the impossibility of predicting the future.

The RAP¹⁰ process ensures a solid foundation for the project.

Rule 5

This ensures that the project manager keeps a human quality, which is necessary to obtain a long lasting relationship with the project staff and the key stakeholders.

⁹ See literature #2

¹⁰ See literature #1, page 18 for the model of the process

The manager should use time on “networking” in the office to become better at understanding the people engaged in the project.

This aspect is not either new for project management due to the fact that business leaders always (should) have known about this shortcut to human success and understanding. The soft factors also play big roles in teamwork.

Rule 6/Tool #1

Rule six can be highly associated to rule three.

On a seminar, PRL has given the participants an exercise about the success sliders, which is the first XPM tool identifying the success criterion of the stakeholders.

The participants are to grade the seven issues illustrating different kind of goals.

The issues that are getting the highest grade should be given the highest priority.

“The issues that came out to be given highest weights were issue 1: Customer/Stakeholder satisfaction, and issue 5: Achieving goals of quality”, PRL concludes.

In conclusion to this result, the project must take these issues into account and consider it a failure if these goals are not achieved.

The result of the exercise above of course depends on the nature of the project.

PRL explains that both through different surveys and working closely with the stakeholders will help to secure that these goals will be achieved.

Rule 7/Tool #2

The “80/20 rule”¹¹ says e.g. that a business should prioritize and use 20 % of its time on the important areas and try to gain 80 % of the benefits by doing so.

It is not different with IT projects.

Through a business case, it is important to find out what the product will cost and what the business will gain from it.

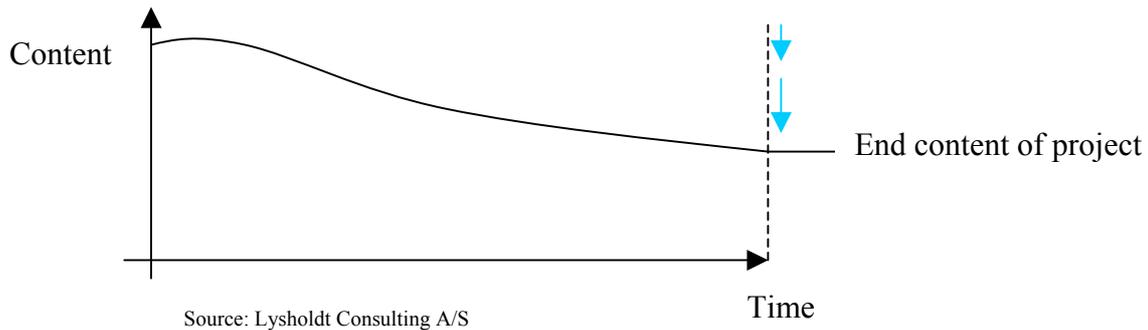
The force of IT used to be the fact that it could help us to achieve things easier; today IT is a pure necessity for many businesses in order to stay profitable and competitive.

Rule 8/Tool #4

To make sure that the relationship between the project manager and the stakeholders is good and stays that way, it is important to use time on updating the stakeholders with information.

In a situation in which the project has been cut down on certain areas, the stakeholders will tend to react negatively if the project manager has not done his reporter job good enough.

¹¹ See literature #3, page 53



The blue arrows on the diagram show two project changes that the stakeholders have been informed about. Excluding these updates would make rule eight very hard to live up to.

Rule 9/10/11/Tool #5

These rules were not further discussed due to the fact that they more or less concerned areas that were discussed with the other rules.

5. Conclusion

The purpose of this synopsis has succeeded in giving a brief understanding of how XPM is differentiated from the traditional project management methodology, when discussing management of e-projects in particular.

To the question whether XPM is just well known techniques wrapped in a new fancy word, it could be argued that it *is* a collection of good, basic and familiar doctrines to run efficient development processes.

But it is *also* a very suitable mindset for projects in which time is a critical factor and a strong focus on the business values with regards to time and economy, is essential.

If you should use TPM, the possibilities for the e-project would be kind of handicapped. To draw an example, the risk of needing to change a product after the completion of a 'stage' in the project life cycle is rather high and it means that the dynamics required for e-projects will impossible to create with a traditional approach.

6. Question to be discussed at the Exam

1. Is XPM preferable in "light" projects?
 - a. Definition of "light" methods
 - b. Where is the difference between "light" and "heavy" methods?
 - c. Where (in which rules) does XPM support these "light" methods?

Translated into Danish – if the examination is to be in Danish:

1. Er XPM at foretrække i "light" projekter?
 - a. Definition af "light" metoder
 - b. Hvor ligger forskellen mellem "light" og "heavy" metoder?
 - c. Hvor (i hvilke regler) understøtter XPM disse "light" metoder?

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8. Acknowledgements

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