Tapping the Right Tools

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COMPUTERWORLD.COM
APRIL 22, 2002

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Combine these results with the $275 billion spent each year in the U.S. on some 200,000 software development projects, and it becomes evident that effective project management—and the proper tools to track these efforts—are vital to keeping these projects within scope.

At Wilmington, Del.-based Du Pont Co., project management software from Tucson, Ariz.-based Automation Centre LLC helped increase the submission rates for project time cards from 50% to 97%.

"We were always dogging engineers to do their time cards," says Ronald F. Carrick, CIO of engineering at Du Pont. "Now, they can use it for invoicing, expense reporting and resource management tied to specific projects."

Installed in January 2000, the software suite is used by engineers on-site. Because Du Pont projects are funded and managed by individual business units, project management software allows Du Pont managers to define the scope of each project, measure the units of work and track hours against project plans.

So far, about 700 engineers at Du Pont use the project management software, while an additional 1,400 to 2,000 contractors posting time cards from all over the world have access to the system.

Previously, Du Pont had built project management software for its Digital Equipment Corp. VAX environment, but it was a terrible application, recalls Carrick.

"People were late with time cards, project accounts were out of kilter, billing for projects submitted over time sometimes weren't valid, and there was no way to look up valid project codes," he says.

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News Story by Pimm Fox

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"If I have 2,000 engineers working on a project at a nylon plant, and I miss year-end hours being posted to the project because of an invalid project code—if that's a capital project, that has big tax and profit implications," says Carrick. That "could be the difference in a year's depreciation" on a project's value, he adds.

Profitable Project Tools

Indeed, sound project management includes looking under the hood at the tools used to oversee these efforts. But measuring the returns from these systems isn't always easy.

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under the hood at the tools used to oversee these efforts. But measuring the returns from these systems isn't always easy.

"It's a little like asking, 'What is the return on investment for your car or your house?' " says Carrick. "One way to look at the return for a necessary function is to evaluate what it would have cost for another system, for example, from SAP or PeopleSoft."

For instance, says Carrick, the total cost of ownership of Tracker Suite from Automation Centre was at least 10 times less expensive than the CATS system from SAP AG as well as the time and labor module from Pleasanton, Calif.-based PeopleSoft Inc., and it was just as functional.

According to J. Kent Crawford, CEO of PM Solutions, a Havertown, Pa.-based project management consulting firm, buying a project management tool isn't enough and usually results in failure if it isn't integrated into the culture of the company.

"Companies spend lots of time and money buying things they think will give them good project management, but they don't even bother to define what good project management is, in terms of goals," says Crawford.

Projected Returns

A rundown on how effective project management can promote improved returns on investment

Effective project management programs can . . .

- Yield an average **28%** return on investment
- Generate overall business improvements by an average of **21%**

The implementation of project management initiatives has led to improvements in . . .

Schedule estimating	38.6%	Cost performance	23.8%
Customer satisfaction	37.6%	Staff productivity	22.8%
Alignment with business goals	37.0%	Time to market	21.7%
Time and budget to date	32.5%	Average time to repair defects	11.8%
Schedule performance	32.1%		

Base: 43 senior-level project managers; multiple responses allowed

Source: PM Solutions, Havertown, Pa.

BUILDING A CASE

The construction industry also relies heavily on project management tools. It needs to do so since it operates on thin profit margins (3% to 5% of revenues) and project managers must organize tight delivery schedules for multiple subcontractors.

Vanasse Hangen Brustlin Inc. (VHB), a Watertown, Mass.-based engineering, design and land development company, uses software from Foster City, Calif.-based iManage Inc. to share documents, set up project-specific Web pages and give access to geographically dispersed units working on similar projects.

"We needed to solve a problem related to our six-year project to extend the New Bedford-Fall River rail extension in southeastern Massachusetts," says Greg Bosworth, manager for IT operations at VHB.

"We work with at least 12 subconsultants extending 50 miles of commuter track, and we had to figure out a way to track design changes, invoicing and incorporate com-

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ments throughout the project," Bosworth says. "Using the notification engine, we can see who made changes to documents instead of chasing down e-mails to many different people."

Although it's still too early to judge the savings, Bosworth says that if VHB is able to save 10% of its employees' time by using the iManage software, the effort would be worth it.♦