

Laying the Groundwork for Environmental Project Success: Framing the Project in Terms of Benefits

Environmental professionals work in a project-driven world. Almost all of our work can be reduced to a project and this holds true if we work in industry, government, academia, or consulting. Effective project management is therefore essential to the success of environmental professionals. Beginning this month, we introduce PM File, a new bimonthly column focused on the challenges we face as environmental Project Managers. You can count on this column to provide proven, actionable advice that will help you advance and perform environmental service projects that are important to both your career and your organization's success.

Attend any gathering of environment, health, and safety (EH&S) professionals and you'll likely hear about great EH&S projects that never happened. Colleagues will enthusiastically describe the problem a project would have solved and then explain that it was not carried out because management did not understand the issues or would not spend the money. Other colleagues will lament about assignments awarded on the basis of price because the client did not understand the value of the proposed approach or staffing plan. Seldom will these forlorn project champions acknowledge that their projects or approaches were rejected because they could not explain how their project would benefit the organization. Failures to advance projects that truly benefit the organization can be prevented by using the project chartering process to connect a project or approach to company objectives.

A project charter marks the beginning of a project's life cycle. The charter documents the business needs or benefits for a project or project outcome. The chartering



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process can vary from simple and informal to complex and formal, depending on costs, risks, and organizational culture. Regardless of process, project chartering links the project to ongoing work of the organization and serves as authorization to initiate the project. (See *A Guide to the Project Management Body of Knowledge*, Third Edition; Project Management Institute: Newton Square, PA, 2004; p 81.) When we fail to obtain authorization for a project that would actually benefit the organization, our request has failed to show how the proposed project produces meaningful benefits that support the work of the organization. Similarly, when our innovative proposal for a project that has already been chartered is rejected, we have failed to show how the novel approach represents the best-value option for achieving the benefits set forth in the project charter. Clearly, as project managers, we must become effective at demonstrating the benefits of our project ideas and proposed approaches to ensure that they move forward successfully.

We must become effective at demonstrating the benefits of our project ideas.

So how do we, as EH&S project managers, identify and communicate a project's benefits? Our first inclination is to think of benefits in terms of financial returns. Although many EH&S projects can produce favorable financial returns, some mission-critical projects may represent a significant cost to the organization. In these instances, we are painfully aware of being associated with a "cost-center." However, if you look around, you'll find that companies often undertake projects that are important to the business, but that do not produce favorable financial returns—Sarbanes-Oxley compliance initiatives, for example. So how do we compete for project approval in this environment? We need to understand (1) the financial implications of our proposed project and (2) how the proposed project relates to the organization's strategic or tactical goals. Once we understand these two things, we can present our project or proposed approach in terms that the organization's decision-makers can objectively evaluate and value. The below two real-world examples offer some insight into the decision-making process.

Consider the EH&S manager at a facility subject to Good Manufacturing Process (GMP) requirements who wanted to reduce solvent usage in manufacturing to avoid Title V permitting. The EH&S manager reasoned that management would readily revert to a previously successful formulation that would reduce solvent consumption and, thus, eliminate the need for a Title V permit. The manager presented the proposed project without an analysis of

costs or benefits, emphasizing instead the difficulty in obtaining and complying with a permit. However, management was much more familiar with GMP management and compliance than it was with the challenges of Title V permitting and compliance. As a result, the EH&S manager was instructed to proceed with Title V permitting for the facility. Had the manager taken the time to present the reformulation alternative in terms of strategic objectives and benefits, with an emphasis on a recently adopted lean manufacturing initiative, management would have been more likely to seriously consider his reformulation project.

Alternatively, consider the project manager who was working for an environmental consulting firm and wanted to offer services to a new industrial market, an effort that would require additional investment from the firm. The project manager performed the necessary market research, estimated initiative costs, and demonstrated to management that entry into this market supported the firm's strategic objectives. When management reviewed possible business development initiatives for the coming year, this initiative was favored over those with similar costs because the project manager had linked the proposed effort to the company's strategic plan. Figure 1, adjusted to protect the confidentiality of the firm, illustrates how the project manager presented the case for this initiative.

As technical professionals, we typically take pride in objectively presenting facts and allowing others to reach conclusions about those facts. Our world demands more from us. We must provide decision-makers with factual information and help them understand the benefits of the preferred approach. When we frame our projects in terms of benefits, we provide decision-makers the information they need to both approve our projects and measure our success. As a result, our organizations succeed and our careers advance.

Next time, we'll take a look at two simple communication tools—project instructions and project status reports—that will help you keep your project on a successful track. **em**

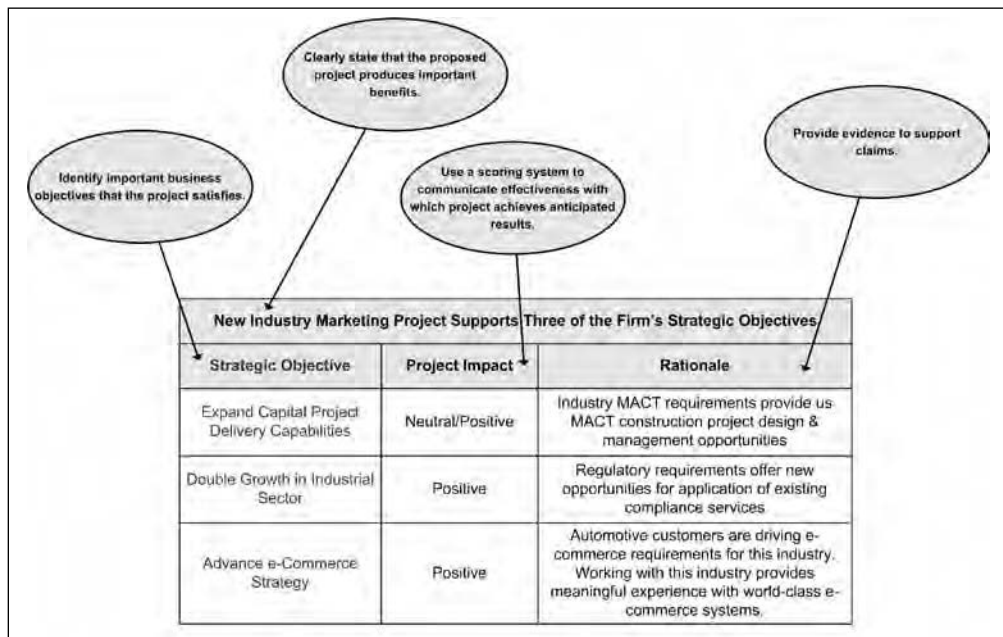


Figure 1. A summary of project benefits can facilitate project review and approval.

Do You Want to be More Successful in Advancing Your Projects and Proposals? Try These Steps:

- 1 Be passionate about the project. You'll need the passion to sustain you when you face inevitable challenges. Remember, though, that passion has a blinding effect—test your claims.
- 2 Understand the organization's strategic objectives and determine how your project supports those objectives. Projects that help an organization achieve strategic or tactical objectives are beneficial. This is the justification for your project or approach.
- 3 Clearly state in your project proposal that your project produces specific benefits and demonstrate how it does so.
- 4 Understand the financial implications of the project. Just because a project does not produce a favorable financial return does not mean the project will not benefit the organization.
- 5 Recognize that the project or approach may have to compete with others that are equally beneficial, hence the importance of understanding the project's financial implications. Choices between equally beneficial projects or approaches ultimately will be determined by cost. All other things being equal, lowest cost represents best value. This is fair.
- 6 Execute the project with enthusiasm, manage the project to agreed financial terms, and contribute to the organization's success by completing a project that supports mission-critical company objectives.