

Ten Things a CIO Needs to Know About a Project

Terrance Rusk, PMP

Introduction

Quick, what is the best way to drive a CIO crazy?
Tell him or her that project X is in trouble.

But why should the CIO care if project X is in trouble? Because more than likely one of their peers in the organization is going to, or has already, bent their ear about the project. Senior or executive management often looks to the CIO to help them understand and resolve issues with strategic or critical projects. Sometimes, on the truly big, ugly projects, they even expect the CIO to be the organization's guardian of costs, resources, and return on investment (ROI). With this in mind, we as project managers are obliged to provide the pertinent project information to the CIO when they need it. This white paper considers 10 project questions that the CIO needs answered so they can fulfill their role as IT project guardian.

Why are projects important and why should the CIO care?

Very simply, projects help drive change in an organization, either to maintain or improve its competitive positioning. It is very rare for an organization to undertake any form of significant transformation without there being one or more projects involved. Organizations undertake Information Technology projects for many reasons including:

- To drive change in the organization
- To achieve cost reduction or service efficiencies
- To improve customer service
- To meet regulatory and government mandates
- To address system obsolescence or capacity constraints

According to Public Sector CIOs in a 2009 Survey, the top five skill sets needed by CIOs in the coming year were:

1. Project management: 81%
2. Security: 71%
3. Database management: 50%
4. Web services: 62%
5. Networking: 49%

CIOs do not, and should not, manage projects. However CIOs do have a key role in projects. They are:

- The ultimate owner of the technology resources
- Arbiters of disputes
- A significant stakeholder
- An escalation point
- Potential troubleshooter

Because projects are important to an organization and the CIO plays such a significant role, the CIO must have a handle on the strategic and critical technology and information projects within the company. There will be some projects that the CIO will be more involved with as an owner, steering committee member, or because they are interested. But for the remainder of the portfolio, I believe there are ten questions that a CIO needs to have answers for about a project. These are, in order:

1. Why is the project important to the organization?
2. Who in the organization is the project most important to?
3. Why are people concerned about the project?
4. What bad thing happens if the project is not completed?

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5. When is the project scheduled to be delivered?
6. Who is the project manager?
7. What is the project budget and team size?
8. Given the current state of the project, what is the likelihood that it will be delivered?
9. What is the expected outcome from the project?
10. To what extent are vendors involved?

In the following paragraph's I will discuss each of these ten in more detail.

Why is the project important to the organization and what does it change?

This question is not asked enough in most organizations. Worse yet, most companies can't answer it. What actions the CIO takes or the decisions they make concerning a project should be directly related to how important the project is. A project that reduces mailing costs 10% cannot be looked at in the same light as a project that supports the introduction of a new product.

What areas of the company are changed or impacted by the project? If it is a bank and the project impacts Sarbanes Oxley reporting, the CFO would want immediate action to correct it. In this case immediate is in the form of time travel to go back and correct the issue before it occurs.

Who is the project most important to?

Projects should be important to everybody in the company and most are. However, there is that one person whose business success is affected directly by the project. Knowing who this person is will help the CIO and others better understand the context and importance of the project.

Many years ago I was working on a work order management and tracking application for a telecommunications company. The initial problem statement was that they did not know what the status of an order was or who was working on it at a given time. The VP of marketing was the sponsor and we assumed the person most impacted by the project. Thus we relied heavily on his input for scope of the project, which he changed six times in eight weeks. After numerous meetings with senior management to discuss scope, the VP of operations finally revealed that the real problem wasn't selling or tracking orders but was the simple fact that for every 10 orders sold, only two were being converted into paying services. Thus the person most impacted was the VP of Operations.

Why are people concerned about the project?

In other words, what has or has not happened that other executives or senior managers are concerned or asking for action? More bluntly, why are their knickers in a knot? The CIO does not need editorial here but just the facts. If there is political or company culture issues involved, then the CIO will be able to pick up on those. The CIO needs to know if a major requirement was missed or the delivery date will not be met. Sometimes just the cost of the investment in the project will have executives watching the project.

What bad thing happens if the project is not completed?

This is my favorite question. I use it a lot to make sure people put the project into context. Normally I ask it a bit more directly, as in, who dies? There are projects where a serious consequence can result if the project is implemented wrong or late but in the IT world it is not common. But there are bad things that can occur. For example if you miss a regulatory mandated date the organization could be fined. Or, you can miss a window of opportunity such as renewals of policies which often happens on a monthly or annual cycle.

When is the project scheduled to be delivered?

This is very basic but still critical information. The closer the delivery date means the more critical a timely response or action becomes. In other words, this will tell the CIO how quickly he needs to get involved.

Who is the project manager?

In larger organizations the CIO will not know all of the project managers. They will however know who the good ones are. Knowing who the project manager is will help the CIO measure their response appropriately. If they are unfamiliar with the PM then they will ask others for input.

What is the project budget and team size?

Budget and size of the team provide a good indication of project size and complexity. If the IT department is 200 people strong and a project has 40 IT resources, the CIO will know immediately that this is a large and complex project. This will indicate to them some of the potential impacts to the organization. If a project with 40 resources is going to be potentially late by two months, there is a very good chance that other projects or work will be negatively impacted. Knowing this will help the CIO make decisions and contingency plans with his team.

Given the current state of the project, what is the likelihood that it will be delivered?

Notice that I do not list status as one of the 10 items. Status, particularly if your organization uses the stop light status of green, yellow, red means very little to the CIO. First, I have spent valuable hours debating what yellow or red means with a CIO. One CIO I worked with stated that a project is only red if it has missed its delivery date. Another felt that all projects were automatically yellow because something could go wrong.

What the CIO really needs to know is given the current state (percent complete, ECDs, risks, and issues) of the project and its parameters (budget, schedule, scope, value) will it be successful. What is the likelihood that the project will deliver within its parameters; Certain, Highly Likely, Likely, iffy, unlikely, or NWIH (I think this one is self explanatory).

What is the expected outcome from the project?

This is not what we usually think such as ROI or cost reduction although those can be factors. This should be a statement of the value to be delivered. For example, this project delivers a new on-line ordering application that will increase sales by 5% and reduce cost of sales by 10%. ROI itself can be misleading. Generally, I believe projects should never be approved based on ROI but should be killed because of negative ROI. Just because a project has a 100% ROI does not mean it should be done. There are many instances where a low ROI project has produced exceptional value to an organization. IT Infrastructure projects are a prime example. Investing \$300,000 in redundant servers, routers, etc. may be hard to cost justify with ROI, but providing more uptime so customers can order products easily any time of the day can bring positive value to the organization.

To what extent are vendors involved?

Vendors can make or break a project. If your vendor is customizing their code for you or delivering a new release that is a direct dependency, they and the process must be managed. CIOs need to know if a vendor's performance can impact a project. CIOs ultimately own many of the vendor relationships and need to be apprised of how well, or not well, vendors are delivering.

Also, when a project is in trouble due to vendor performance, the CIO can be very helpful. Remember that the CIO probably has developed a relationship with the senior executives at the vendor company. They can leverage those contacts to get answers or action.

Summary

It is not feasible for the CIO to know these things on every project or even the most important projects. Yet, CIOs can be better prepared to deal with projects if project managers had this information available and up-to-date at all times. One of the easy ways is to include this data in a summary sheet that is an addendum to the status report. Another way is to have the summary available in the project repository. How the data is available is not as important as having it available. Making a CIO ask for or track this information down is unacceptable; ideally, the answers should be ready even before the CIO asks the questions.