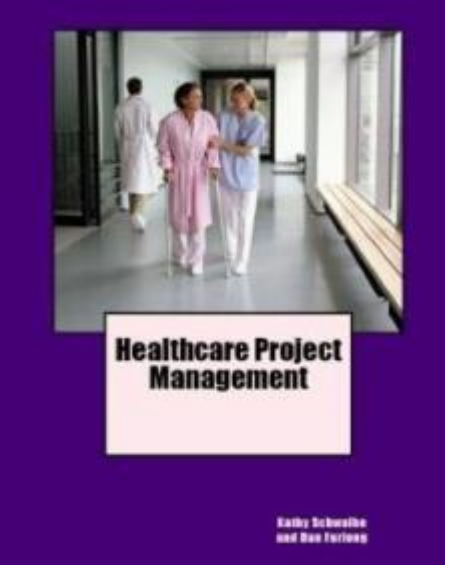


Chapter 3: Initiating Projects

Note: See the text itself for full citations.

Text Web site is www.healthcarepm.com.

Learning Objectives

- Describe the five project management process groups, map them to the project management knowledge areas, discuss other project management methodologies, and understand the importance of top management commitment and organizational standards in project management
- Discuss the initiating process used by Academic Health Systems, including pre-initiating tasks and breaking large projects down into phases
- Prepare a business case to justify the need for a project
- Identify project stakeholders and perform a stakeholder analysis
- Create a project charter to formally initiate a project
- Describe the importance of holding a good project kick-off meeting

Project Management Process Groups

- **Project management process groups** progress from initiating activities to planning activities, executing activities, monitoring and controlling activities, and closing activities

- A **process** is a series of actions directed toward a particular result

Description of Process Groups

- **Initiating processes** include actions to define and authorize new projects and project phases as well as identifying those who will be impacted by the project
- **Planning processes** include devising and maintaining a workable scheme to ensure that the project meets its scope, time, and cost goals as well as organizational needs
- **Executing processes** include coordinating people and other resources to carry out the project plans and produce the deliverables of the project or phase
  - A **deliverable** is a product or service produced or provided as part of a project
- **Monitoring and controlling processes** measure progress toward achieving project goals, monitor deviation from plans, and take corrective action to match progress with plans and customer expectations
- **Closing processes** include formalizing acceptance of the project or phase and bringing it to an orderly end

Characteristics of the Process Groups

- The level of activity and length of each process group varies for every project
  - Normally, executing tasks require the most resources and time, followed by planning tasks
  - Monitoring and controlling processes are done throughout the project's life span
  - Initiating and closing tasks are usually the shortest (at the beginning and end of a project or phase, respectively), and they require the least amount of resources and time
  - However, every project is unique, so there can be exceptions
- Note that process groups apply to entire projects as well as to project phases
  - A **phase** is a distinct stage in project development, and most projects have distinct phases

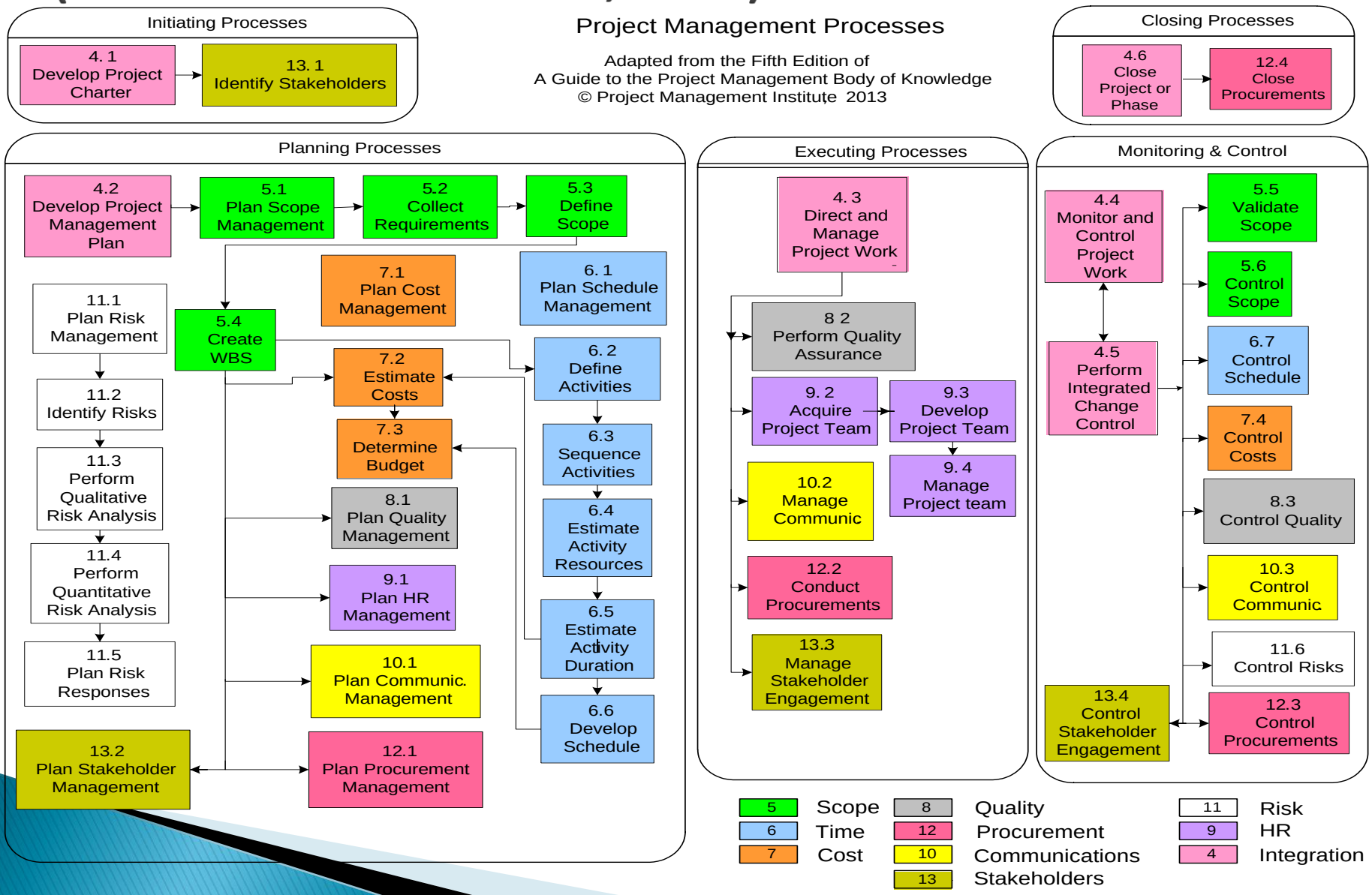
Figure 3-1. Time Spent On Each Project Management Process Group

Process Group	Alpha PM	Average PM	Alpha Difference (%)
Initiating	2%	1%	100% more
Planning	21%	11%	91% more
Executing	69%	82%	16% less
Monitoring & Controlling	5%	4%	25% more
Closing	3%	2%	50% more
Total	100%	100%	

Mapping the Process Groups to the Knowledge Areas

- You can map the five process group into the ten project management knowledge areas
- Based on the *PMBOK® Guide, Fifth Edition* (2013), there are 47 total processes in project management
- Figure 3-2 provides a big-picture view of the process groups and knowledge areas

Figure 3-2. Project Management Processes (Source: PMO To Go LLC, 2013)



Developing a Project Management Methodology

- The *PMBOK® Guide* is a **standard** that describes best practices for what should be done to manage a project
- A **methodology** describes *how* things should be done, and different organizations often have different ways of doing things
- Successful organizations develop and follow a customized, formal project management process

Other Methodologies

- ***Six Sigma:*** Many organizations have projects underway that use Six Sigma methodologies. Six Sigma's target for perfection is the achievement of no more than 3.4 defects, errors, or mistakes per million opportunities
- ***Agile methodologies:*** Many software development projects use an iterative workflow and incremental delivery of software. Popular agile methodologies include extreme programming, Scrum, feature driven development, and lean software development
- ***Rational Unified Process (RUP) framework:*** RUP is an iterative software development process that focuses on team productivity and delivers software best practices to all team members
- ***PRojects IN Controlled Environments (PRINCE2):*** Originally developed for IT projects, PRINCE2 was released in 1996 as a generic project management methodology by the U.K. Office of Government Commerce. It is the defacto standard in the U.K. and is used in over 50 countries

What Went Right?

- Key findings from a five-year study by Ibbs and Reginato:
  - Organizations with more mature project management practices have better project performance, which result in projects completed on time and within budget much more often than most projects
  - Project management maturity is strongly correlated with a more predictable project schedule and cost performance
  - Organizations that follow good project management methodologies have lower direct costs of project management (6 percent) than those that do not (11 percent)*
- Several experts have warned against cutting back on project and portfolio management during tough economic times

*William Ibbs and Justin Reginato, *Quantifying the Value of Project Management, Project Management* Institute (2002).

The Importance of Top Management Commitment

- Without top management commitment, many projects will fail
- Some projects have a senior manager called a **champion** who acts as a key proponent for a project
- Projects are part of the larger organizational environment, and many factors that might affect a project are out of the project manager's control

What Went Wrong?

- A 2012 survey of Chief Information Officers (CIOs of healthcare organizations found that independent physicians are the stakeholders most resistant to projects that bring about change.
- The majority (74 percent) of CIOs believed that health systems are being pushed to the brink by having too much change forced on them all at once.
- Some respondents were concerned that patients would be lost in the shuffle, while others expressed concern about the ability to align incentives to qualify for Meaningful Use and participate in Accountable Care Organizations.
- Many stressed the importance of having strong leadership to effectively manage change.

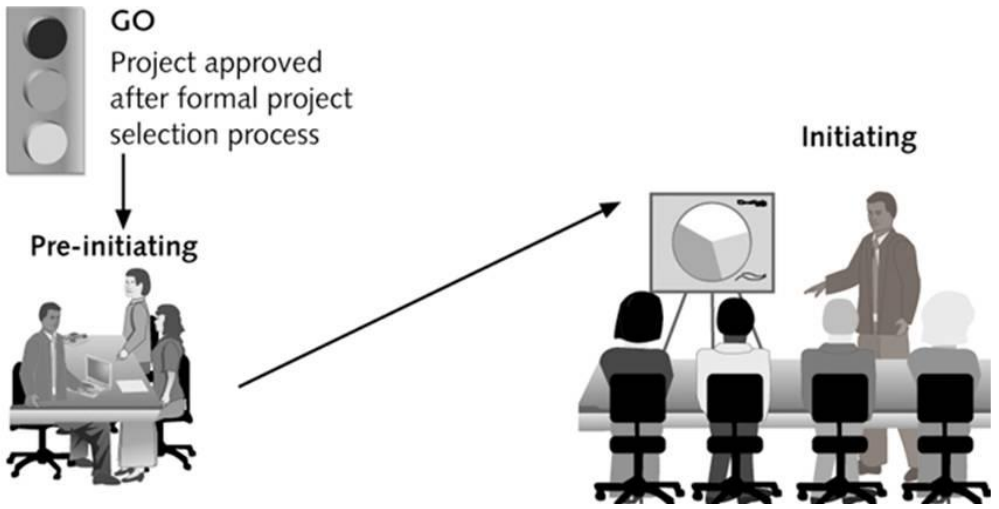
How Top Managers Can Help Project Managers Succeed

- Provide adequate resources
- Approve unique project needs in a timely manner
- Encourage cooperation from people in other parts of the organization and deal with political issues
- Mentor and coach them on leadership issues
- Develop and enforce organizational standards
- Support a **project management office (PMO)**

Project Management Office (PMO)

- A **project management office (PMO)** is an organizational entity created to assist project managers in achieving project goals
- A PMO can help development standards and methodologies, provide career paths for project managers, and assist project managers with training and certification

Figure 3-4. Initiating Process Summary



Senior management work together to:

- **Determine scope, time, and cost constraints**
- **Identify the project sponsor**
- **Select the project manager**
- **Review processes/expectations**
- **Determine if the project should be divided into phases or smaller projects**
- **Develop a business case for the project**

Project managers lead efforts to:

- **Identify and understand project stakeholders**
- **Create the project charter**
- **Hold a kick-off meeting**

Figure 3-5. Two Phases of the VAPR Project

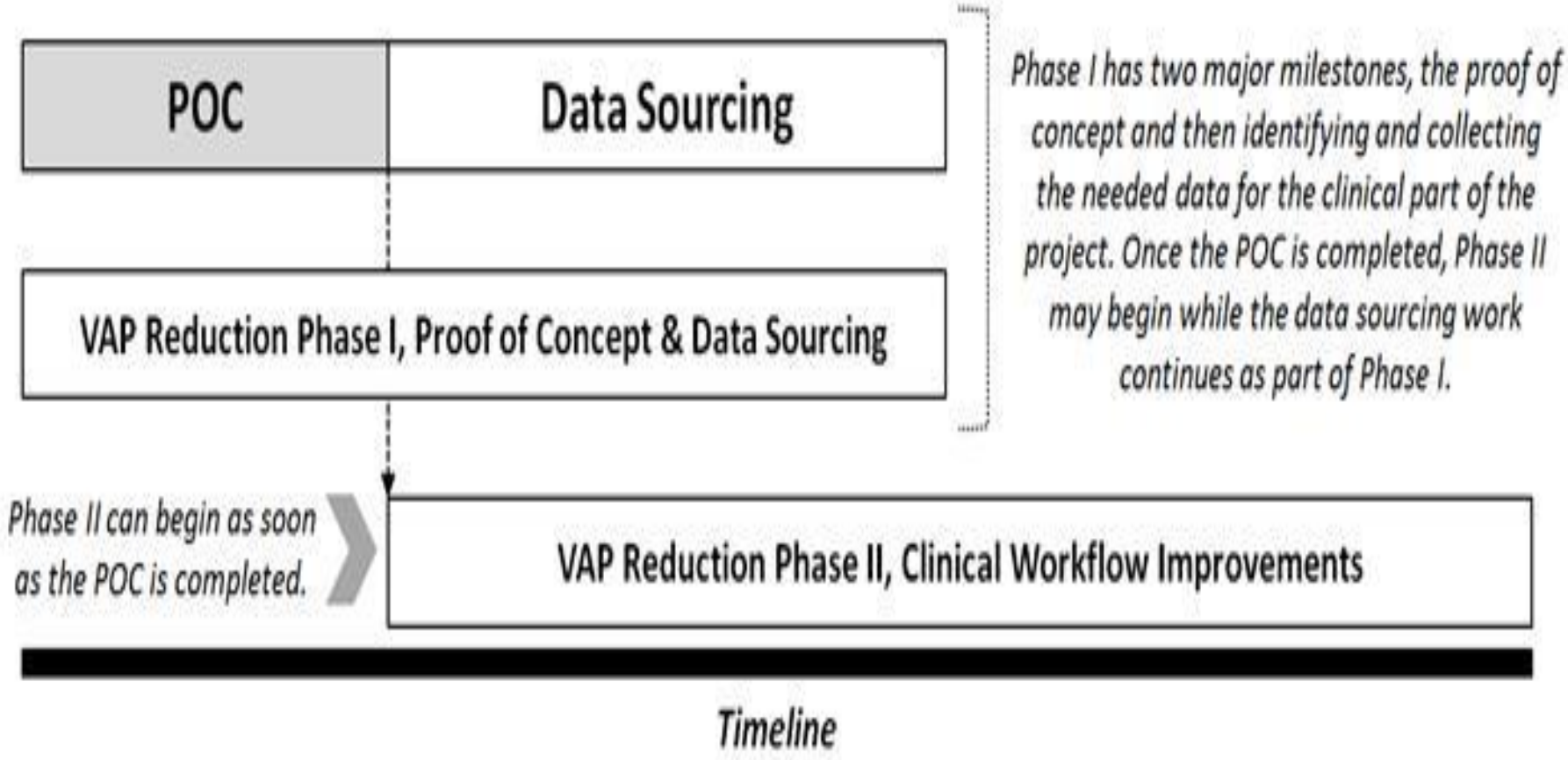


Figure 3-6. Phase I Scope, Cost, And Schedule

Phase I – VAPRware – Proof of Concept & Data Sourcing

Scope

- Identify required information for the VAP best practices
- Determine if the required data exists in current electronic systems
- For data available, determine if the data is in the data warehouse
- For data not-available, determine the work required to collect the data
- Develop data structure for optimal reporting of the best practices
- Implement process to import data into the structure
- Implement and prove process to ensure data is no more than six hours old
- Implement online reporting solution
- Create reporting options for best practices based on requirements prepared in Phase II

Cost

- $700,000, with estimates as follows: $500,000 capital, $150,000 internal labor, $50,000 contract labor

Schedule

- Eight months, with estimated milestones as follows
  - Two months to identify data and determine availability
  - Four months to create data structure, develop import scripts as needed, and develop process to store data
  - Two months to implement reporting solution

Assumptions

- Our current data warehouse server will require additional CPUs and memory
- Additional licenses will be required for our enterprise reporting tool for online access
- Contract labor will only be needed for complex dashboards
- All data required for best practices is either available or can be collected through the nursing documentation system (ClinDoc)
- The ClinDoc oversight committee will fast-track any required changes to ClinDoc

Figure 3-7. Phase II Scope, Cost, And Schedule

Phase II – VAPRflow – Clinical Workflow Improvements

Scope

- Identify current workflows for patients on ventilators
- Review best practices
- Identify required changes to workflow to align with best practices
- Develop new workflows, taking into account patient acuity and staffing
- Develop training program, to include online, face-to-face, and quick reference materials
- Identify, train, and test new workflow and system with a pilot nursing unit
- Develop rollout plan for all nursing units
- Train and implement across the hospital

Cost

- $175,000, with estimates as follows: $100,000 internal labor, and $75,000 temporary nursing staff labor

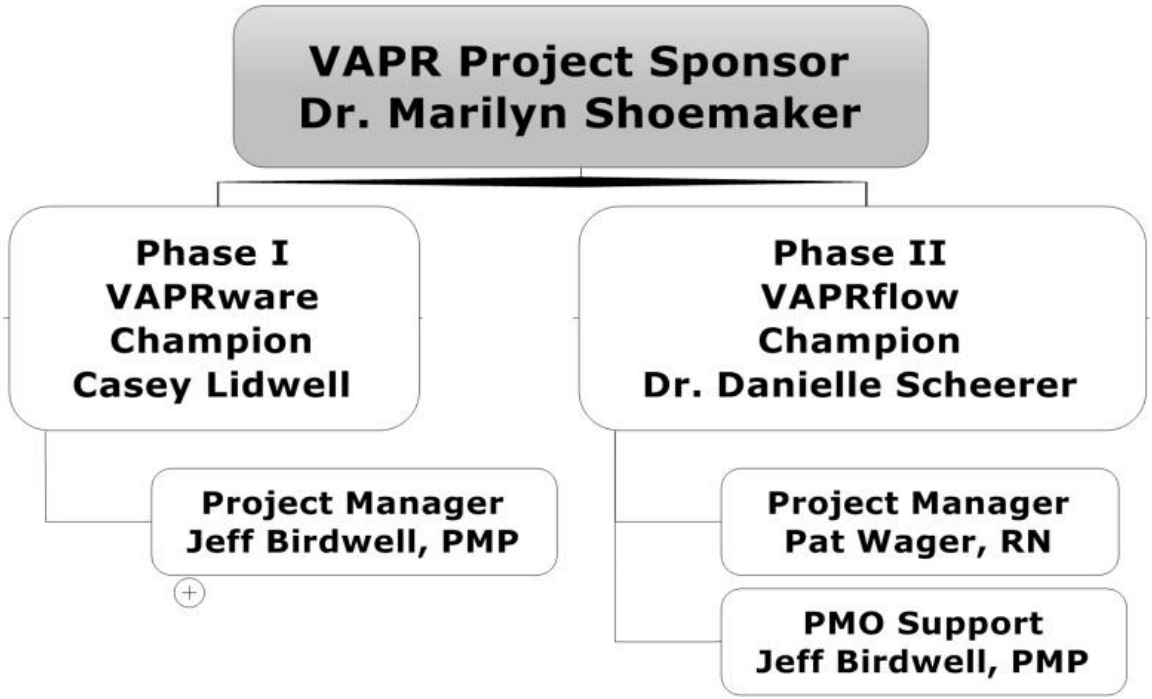
Schedule

- Three to four months, with estimated milestones as follows
  - One month to develop new workflows
  - One month to develop training program
  - Two to four weeks for pilot program
  - Two to four weeks for roll out across the organization

Assumptions

- The data warehouse team will still be available for last minute changes during the pilot and roll out
- Chief Medical Officer and Chief Nursing Officer will enforce the “not documented, not done” rule so that we can use the data as “the gospel”
- The ClinDoc oversight committee will fast-track any required changes to ClinDoc
- The Chief Quality Officer will support the best practices bundle and encourage its usage

Figure 3-8. VAPR Project Organizational Chart



Business Case for a Project

- A **business case** is a document that provides financial justification for investing in a project

- Typical contents:
  - Executive Summary
  - Introduction/Background
  - Clinical and/or Business Objective
  - Current Situation and Problem/Opportunity Statement
  - Critical Assumptions and Constraints
  - Analysis of Options and Recommendation
  - Preliminary Project Requirements
  - Budget Estimate and Financial Analysis
  - Schedule Estimate
  - Potential Risks
  - Exhibits

- See Figure 3-10 in the text for a detailed sample (pp. 112-114)

Figure 3-9. VAPR Project Business Case (Executive Summary)

- **Background**
  - Ventilator Associated Pneumonia (VAP) has been identified by the IHI as a preventable condition
    - The IHI has developed a bundle of five care elements, that when followed in their entirety, has been proven in independent studies to reduce the incidence of VAP by at least 50%
  - CMS has adopted the CDC's method for identifying patients with VAP and will no longer pay for the treatment of VAP, considering it a Hospital Acquired Condition (HAC)
    - Takes effect in 19 months
    - All major third party payers are expected to follow suite immediately thereafter
  - AHS identified 212 cases of VAP last calendar year
  - VAP rates have increased 8% over the past 5 years at AHS
  - VAP, or complications as a result of VAP, can result in death
    - for 17% of VAP patients over 65
    - for 8% of VAP patients under the age of 2
  - VAP is expensive to treat
    - The cost to treat VAP averages $17,000 per patient
    - The reimbursed charges to treat VAP averages $23,000 per patient
    - At 212 cases last year, we were paid $4.9M by payers, incurred $3.6M in costs, resulting in $1.3M in profit
  - If AHS has 212 cases again next year
    - 11 patients may die under our care (based on our patient demographic and the stated averages)
    - we will not receive $4.9M in revenue
    - it will cost us $3.6M in costs
    - it will result in AHS losing a total of $8.5M (cost to treat plus lost reimbursement)
    - we may be exposed to litigation if we can't prove we are following the IHI ventilator best practices bundle

Figure 3-9. VAPR Project Business Case (Executive Summary) (continued)

- **Solution**
  - Implement a reporting system that will alert caregivers on the floor when the IHI best practices are not being followed
  - Institute work flow changes that will hardwire the best practices into clinical care
  - Hold clinicians accountable for adhering to the best practices
  - Hold clinicians accountable for documenting adherence to the best practices
- **Cost**
  - $875,000 to $980,000 year 1
  - $0 subsequent years (support absorbed by current labor)
- **Payback**
  - Seven month payback period
- **Schedule**
  - Implemented in all units in one year

Initiating Processes

- Identifying project stakeholders
- Creating the project charter
- Holding a kick-off meeting

Figure 3-5. Initiating Processes and Outputs (*PMBOK® Guide, Fifth Edition*)

Knowledge Area	Initiating Process	Outputs
Project integration management	Develop project charter	Project charter
Project communications management	Identify stakeholders	Stakeholder register

Identifying Stakeholders

- **Project stakeholders** are the people involved in or affected by project activities
  - Internal project stakeholders generally include the project sponsor, project team, support staff, and internal customers for the project. Other internal stakeholders include top management, other functional managers, and other project managers
  - External project stakeholders include the project's customers (if they are external to the organization), competitors, suppliers, and other external groups that are potentially involved in or affected by the project, such as government officials and concerned citizens

Stakeholder Register and Stakeholder Analysis

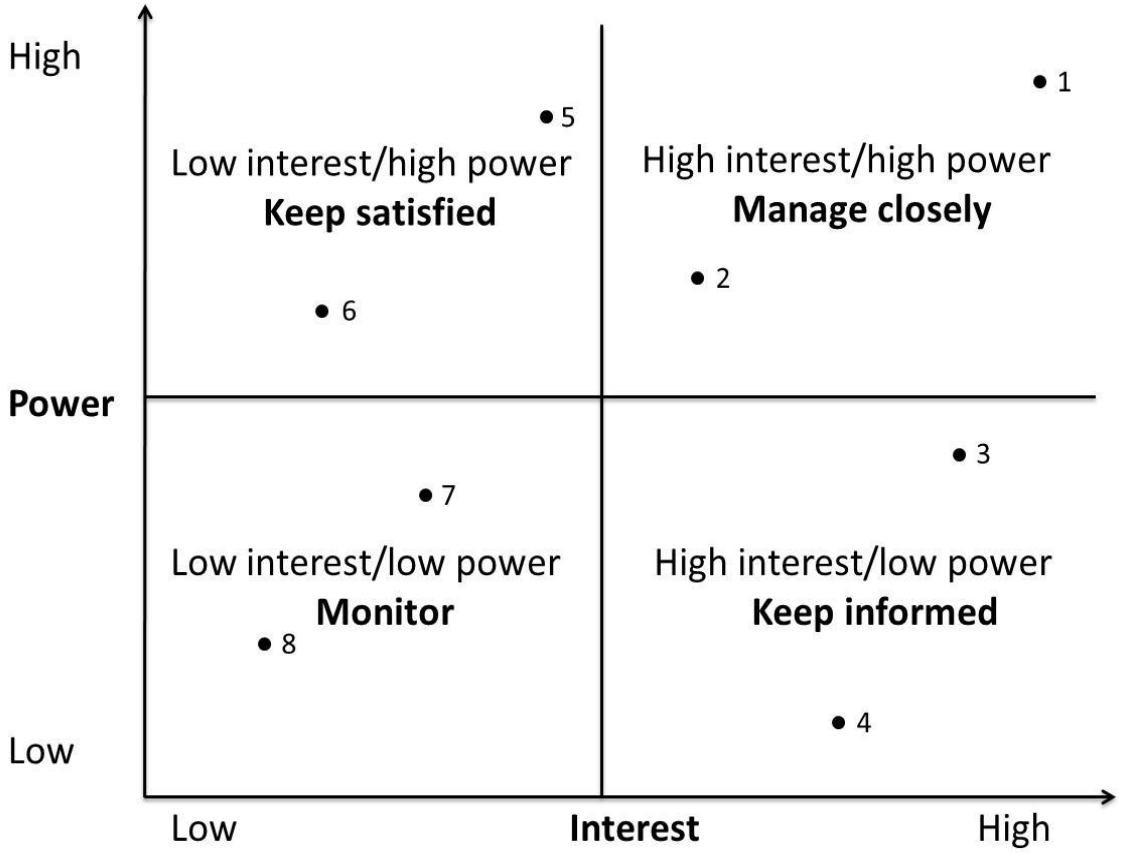
- A **stakeholder register** is a document that includes details related to the identified project stakeholders -usually available to many people, so it should not include sensitive information

- A **stakeholder analysis** is a technique for analyzing information to determine which stakeholders' interests to focus on and how to increase stakeholder support throughout the project

Figure 3-12. Sample Stakeholder Register

Name	Title	Internal/ External	Project Role	Contact Information
Marilyn Shoemaker, RN, PhD	CNO	Internal	Project Sponsor	shoemaker_m@ahs.edu
Casey Lidwell	CAO	Internal	Project Champion, Phase I	lidwell_c@ahs.edu
Danielle Scheerer, MD	CQO	Internal	Project Champion, Phase II	scheerer_d@ahs.edu
David Whichard, MD	ICU Med Director	Internal	User	whichard_d@ahs.edu
Melissa Fortnight	Bed Mgmt	Internal	Impacted	white_m@ahs.edu

Figure 3-13. Sample Stakeholder Analysis Power/Interest Grid



Categorizing Engagement Levels of Stakeholders

- *Unaware:* Unaware of the project and its potential impacts on them
- *Resistant:* Aware of the project yet resistant to change
- *Neutral:* Aware of the project yet neither supportive nor resistant
- *Supportive:* Aware of the project and supportive of change
- *Leading:* Aware of the project and its potential impacts and actively engaged in helping it succeed

Healthcare Perspective

- Dr. Michael Marcaccio shared his perspective on Ontario, Canada's highly successful Wait Time Information System (WTIS) project. This project helped reduce wait times for millions of surgical procedures and MRI/CT scans throughout hospitals in Ontario. One of the success factors included engaging stakeholders who served as role models on expert panels, including Dr. Marcaccio.

- Dr. Marcaccio was not surprised at the initial resistance to the project, especially from surgeons. The expert panel identified common resistance issues, such as the impact on the administrative workload for surgeons and their staff, cost, general distrust of administrative and government initiatives, and concern about the loss of autonomy. The panel incorporated feedback while setting finite deadlines for implementation to provide a good balance between consultation and action. For example, the project team initially planned to target five areas of high priority for the government, but front-line surgeons made it clear that they did not support a strategy that propagated their perception of two-tier care within surgery, creating a "have and have not" environment. The project team took their advice. Another important decision was using priority assessment tools that required clinician judgment in the priority decision for each patient. Engaging key stakeholders early in the project definitely helped the WITS project become a success.

Figure 3-14. Analyzing "Formal" Stakeholder Needs (www.xkcd.com)

Creating a Project Charter

- A **project charter** is a document that formally recognizes the existence of a project and provides a summary of the project's objectives and management
- It authorizes the project manager to use organizational resources to complete the project
- Ideally, the project manager will play a major role in developing the project charter
- Instead of project charters, some organizations initiate projects using a simple letter of agreement or formal contracts
- *A crucial part of the project charter is the sign-off section*

Contents of a Project Charter

- The project's title and date of authorization
- The project manager's name and contact information
- A summary schedule or timeline
- A summary of the project's estimated cost and budget allocation
- A brief description of the project objectives, including the business need or other justification for authorizing the project
- Project success criteria, including project approval requirements and who signs off on the project
- A summary of the planned approach for managing the project
- A roles and responsibilities matrix of key project leadership
- A sign-off section for signatures of key project stakeholders
- A comments section in which stakeholders can provide important comments related to the project

Figure 3-15. Sample Project Charter

PROJECT TITLE

Ventilator Associated Pneumonia (VAP) Reduction – "VAPR"

PROJECT TIMELINE

Start: July 1 **Projected Finish Date:** June 30

PURPOSE

VAP costs AHS over $3.6M per year in costs, and puts our patients at risk for severe and sometimes fatal consequences. VAP is considered preventable by CMS, having worked with the Institute for Healthcare Improvement to develop a set of best practices that, if followed, has been proven to reduce VAP by 50% in other healthcare facilities. AHS will implement a system to collect and report compliance with the best practices in order to better manage VAP in order to better serve our patients healthcare needs. Since VAP is considered preventable, it is no longer reimbursable by CMS or major payers as of July 1, which will also put a financial burden on our organizations.

BUDGET

The VAPR project is expected to cost $980,000 over one year, with a total TCO of $980,000 over three years.

PROJECT MANAGER

VAPR has been broken down into two phases. The first phase is a proof of concept and the data collection/reporting system and will be managed by Jeff Birdwell, PMP from the PMO's office. The second phase includes clinical process reengineering, training, and monitoring and will be managed by Pat Wager, RN, from the analytics department.

SUCCESS CRITERIA

This project will be considered successful if the sponsor rating is at least 8/10 upon project completion and VAP incidence rate drops by at least 50% within six months of implementation. Incidence rates will be determined based on the number of VAP events per 1000 ventilator days.

Figure 3-15. Sample Project Charter (continued)

APPROACH

- All work to be completed by internal staffing, where possible.
- Project to be broken up into two major phases that will overlap their work, requiring the two project managers to work closely together throughout the project.
- Phase I, VAPRware, is concerned with the proof of concept, data collection and data reporting. It is primarily a technology project but will require the cooperation of and collaboration with analytics and nursing in order to identify the required data elements and their source systems.
- Phase II, VAPRflow, is concerned with clinical workflow reengineering, and is primarily a clinical project that will require working with the Nursing Documentation Committee and Medical Executive Committee in order to gain their input and support.
- Training to be developed and delivered by the Nurse Educator Team under the direction of the Phase II project manager. All training will be computer-based training (CBT) and will be included in annual training requirements for all clinicians.
- The cost of any work conducted on behalf of the project will be paid by the project budget, with the exception of the time nurses spend in training.

PROJECT LEADERSHIP

Holding a Project Kick-off Meeting

- Experienced project managers know that it is crucial to get projects off to a great start
- A **kick-off meeting** is a meeting held at the beginning of a project so that stakeholders can meet each other, review the goals of the project, and discuss future plans
- Often used to get support for a project and clarify roles and responsibilities
- The project champion should speak first and introduce the project sponsor and project manager
- Often a fair amount of work is done to prepare for the meeting
- Best if it can be held face-to-face

Video Highlights

- There are many training videos to help you learn about various aspects of project management. For example, *www.projectmanager.com* provides several free videos, including one on how to kick-off a project. The instructor in the video emphasizes the importance of getting everyone on the same page, holding one-on-one meetings to get to know everyone, sorting out the administrative documents, and having a formal kick-off event.

- The same site also has a video on starting a new project. Key points include knowing your project, setting a vision, creating and communicating the project charter, getting formal sign offs, creating a project notebook, and building relationships.

Figure 3-16. Sample Kick-Off Meeting Agenda

Meeting Objective: Introduction of key stakeholders, meet the project team, review the project objectives (scope, time, costs), and discuss the relevance of this project to organizational objectives.

Agenda

Topic	Who	Time (minutes)
Welcome!	Marilyn Scheerer, RN, PhD	5
Introduction of Attendees	Jeff Birdwell, PMP	10
Project Background	Danielle Scheerer, MD Casey Lidwell	7
Review of Business Case & Charter	Jeff Birdwell, PMP Pat Wager, RN	15
Overview of Project Organizational Structure	Marilyn Scheerer, RN, PhD	5
Review of Project Scope	Pat Wager, RN	5
Discuss Project Schedule & Phases	Jeff Birdwell, PMP	8
Review of Project Costs & Financial Impact	Jeff Birdwell, PMP	5
Open Floor for Discussion	Danielle Scheerer, MD Casey Lidwell	20
Review of Action Items	Jeff Birdwell, PMP	5
Set Next Meeting Date/Time	Jeff Birdwell, PMP	5

Action Items

Action Item	Assigned To?	Due Date?

Chapter Summary

- The five project management process groups are initiating, planning, executing, monitoring and controlling, and closing. These processes occur at varying levels of intensity throughout each phase of a project, and specific outcomes are produced as a result of each process

- Mapping the main activities of each project management process group into the ten project management knowledge areas provides a big picture of what activities are involved in project management

Chapter Summary (continued)

- Academic Health System's VAPR project demonstrates the process of initiating a project.
- After a project is approved, senior managers often meet to perform several pre-initiating tasks
- The main tasks normally involved in project initiation are the following:
  - Identifying and stakeholders
  - Creating the project charter
  - Holding a kick-off meeting