

# AVOIDING MANUFACTURING PROJECT MANAGEMENT RISKS



This video summarises the common manufacturing project management pitfalls and how to avoid them. The content also explains how a Manufacturing Project Management approach can deliver superior results from manufacturing project teams.

This is necessary because project management methods such as Prince2 specifically exclude

- concept development
- knowledge collation
- Value engineering processes.
- Project plan quality assurance

These excluded factors account for more than 50% of the recipe for success for manufacturing projects.

## MANUFACTURING PROJECT MANAGEMENT FAILURE RISK

Manufacturers that excel at project management have learned how to avoid the 8 common characteristics of project failure set out below.

**RISK**

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### Manufacturing Project Failure Risk

LOW 20 40 60 80 100 HIGH

The presence of 2 or more of these Eight characteristics increases the risk of project failure from possible to likely

Poor Project Scoping	Project Skill Gaps	Project Process Weaknesses
<ol style="list-style-type: none"> <li>Poor capture and/or application of in-house knowledge</li> <li>Resources released late or not released at all.</li> <li>Avoidable problems not identified until late in the project</li> </ol>	<ol style="list-style-type: none"> <li>Lack of depth of Project Management experience and skills.</li> <li>Weak management of internal process changes</li> </ol>	<ol style="list-style-type: none"> <li>Project accountabilities and roles are not well defined.</li> <li>Limited collaboration between vendors and operational prior to installation;</li> <li>Critical decisions delayed or not taken;</li> </ol>

These are discussed in more detail below together with project management process to mitigate these areas of risk and accelerate the gains from implementing new ideas and work routines.

The presence of 2 or more of these Eight characteristics increases the risk of project failure from possible to likely

Each risk area is discussed in more detail below together with project management best practices that mitigate these risks and accelerate the gains from implementing new ideas and work routines.

## PROJECT COST OVERRUNS

Project cost overruns are frequently due to project specification weaknesses. This is characterised by:

- Poor capture and/or application of in-house knowledge
- Resources released late or not released at all.
- Avoidable problems not identified until late in the project when they are more difficult to deal with.

To avoid these problems, set the correct project scope and begin stakeholder engagement using "Day in the Life of" (DILO) review techniques to capture the current shop floor reality from multiple perspectives, surface knowledge gaps, add detail to the concept and challenge weaknesses. For maximum stakeholder buy in do this before the project concept is finalised

**RISK**

### Poor Project Scoping

Project Cost Overrun?

- Poor capture and/or use of in-house knowledge
- Resources released late or not released at all.
- Avoidable problems not identified until late in the project.

## PROJECT DELAYS

Common causes of project delays are

1. Weak Project Management experience and skills within the project team
2. Weak management of internal processes.

This combination of factors significantly increases the risk of project failure because equipment vendors directly control only around 50% of the manufacturing project success factors.

The other 50% include areas such as workplace standards, recruitment, skill development, raw material supply, compliance processes and systems updates

Project teams need to have the skills to manage these project activities. Inexperienced project team members can leave gaps in site readiness plans that increase the risk of late project delivery



## ABANDONED PROJECTS

Common causes of abandoned projects include the combination of

- unclear project accountabilities and roles;
- Limited collaboration between vendors and operational prior to installation;
- delays about critical decisions.



The presence of these issues indicates low project team problem ownership, a lack of consensus when plans don't go as expected and communication gaps resulting in barriers to timely decision making.

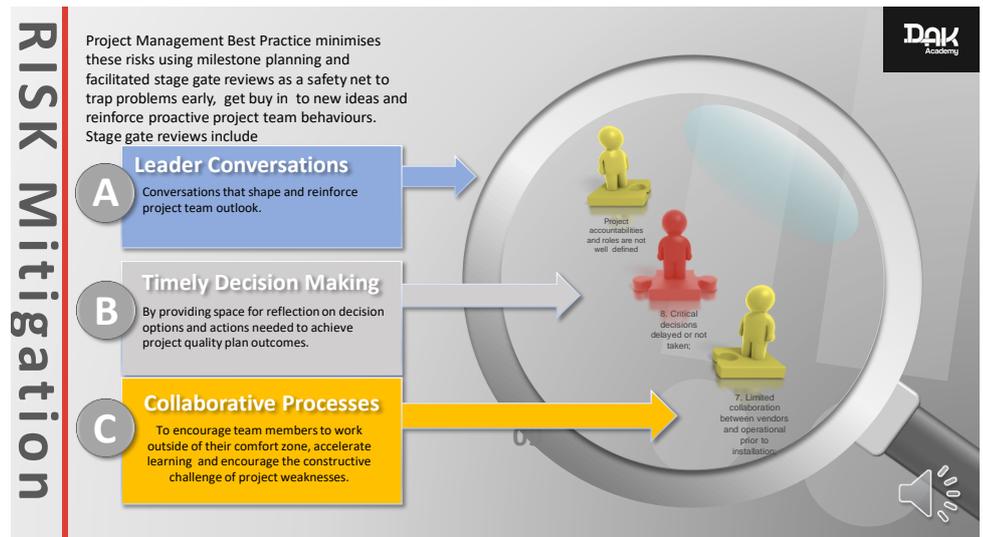
## AVOIDING THESE PITFALLS

Manufacturing Project Management Best Practice minimises project delays and abandonment risks using milestone planning, milestone quality exit criteria and facilitated stage gate reviews as:

- a safety net to trap problems early;
- to get buy in to and refine new ideas;
- to reinforce proactive project team behaviours.

These processes encourage

- Leader conversations that shape and reinforce team outlook
- Timely Decision Making: By providing space for reflection on decision options and actions needed to achieve project quality plan outcomes.
- Collaborative processes to encourage team members to work outside of their comfort zone, accelerate learning and encourage the constructive challenge of project weaknesses.



## MANUFACTURING PROJECT MANAGEMENT TRAINING

DAK provide a 3 day Manufacturing Project Management training workshop covering:

1. How to use structured "Day in the Life of "(DILO) Reviews to clarify Project Scope and add detail at each project stage. Involve the right people at the right time and develop the right specification
2. How to create a structured induction process for project team members and vendors to establish clear roles and responsibilities and deal with knowledge/skill gaps
3. How to develop Milestone Quality Plans and stage gate review processes that engage Project Stakeholders and facilitate collaboration between them.
4. How to design a learning agenda for projects stakeholders using practical workplace learning process that supports the project needs
5. How Project Managers can facilitate and coach project teams to deliver superior results.

This course is designed to equip project managers, engineers, team members and stakeholders with the understanding to avoid common manufacturing project pitfalls, deliver better value and achieve higher return on investment for their efforts. It is also useful for those who are new to project management and want to understand how to develop a robust project management skill set.

For more information or to book on the next open course go to the web site or call to reserve your place.