



White Paper 2014-14

Why the Four Key Navigation Questions Are So Essential for Project Management

In our consulting and training practice we have found that going back to fundamentals is sometimes the most effective way of making Project practitioners realize how their current processes are lacking. In the field of project management in general, we have found that four basic navigation questions were extremely effective in dealing with many processes including scope management, cost control and schedule management.

The four navigation questions

The four basic navigation questions come from the basics of naval or air navigation:

- Where do we intend to go?
- Where are we currently?
- Where are we going right now if we continue the current trends?
- What do we need to do to go back on track and reach our expected destination?

1- Where do we intend to go?

Often forgotten in the action, the first step is to determine precisely what we intend to reach. If we don't know where we want to go, the chances to reach there are quite limited!

In Project management, this is linked to the question of adequate Project purpose and objectives. This should be the very first step of project planning and execution, however we have found that this step is often not performed with an adequate level of insight and precision. "Delivering the project on time, on schedule and on budget" is a bit short, and in most cases there are quite a few other objectives that might possibly be contradicting. Most of these objectives relate to key Project stakeholders.

So, do you know what you actually intend to achieve with your Project?

2- Where are we now?

Knowing the current position is an essential step of navigation. It is not useful to know one's speed and direction if one does not know where he is at the current moment.

It is a fundamental measurement point in many Projects processes:

- It is the Actual Cost for Cost Control, a measure of what has actually been spent to date by the project, which is independent of what has actually been invoiced or paid,
- It is the Progress Measurement for Schedule, a measure of what progress has actually been achieved at the current moment,
- It is the Current Scope and quality level for Scope management, taking into account all Changes approved internally and that will have to be

implemented, if any – and independently of any negotiation related to Change orders.

It is our experience that a large proportion of Project-driven organizations do fail in a way or the other in accurately measuring their current position in one or several of these dimensions.

3- Where are we going if we continue the current trends?

The next question, once our position is ascertained, is to consider the current trends of our movement and infer where we might end up if we were to continue to follow those trends, prior to any corrective action. This will allow us to measure the discrepancy between this possible conclusion and our initial intent.

In Project management, this is done through the forecasting process, where we review our current knowledge of the project execution and its

environment to derive an accurate forecast:

- In cost and schedule, the forecast is directly inferred from past trends (productivity-based forecast such as in Earned Value Management) and/or engineering output and benchmarking from current and previous projects (quantity-based forecast), and consideration of any external forces that would have not been considered (e.g. market trends, data from the efficiency of external factors),
- In scope management, the forecast is directly linked to a proper Scope Change management.

4- What do we need to do to go back on track?

The variance between our initial intended destination and where we forecast to end up if we continue the current trends allows us to devise what we need to do to come back on track, with the aim to reach our intended destination. Action taking is the ultimate product of the process, be it acting on the rudder or the sails to change our heading, or if the difference is too great, deciding to use discontinuous means, such as getting the sails in and starting the engine, or deciding to stop at an intermediate location to let the storm pass.

In Project management, variance we observe is between the initial baseline and the latest forecast of our navigation.

The Four Questions can be used as a way to measure the maturity of the organization and its processes

This explains why it is so important to keep a clear baseline – in cost, it is the initial budget with the addition of the approved changes; in schedule it is the latest baseline; in scope it is the initial scope together with the approved changes.

Observation of this discrepancy creates the impetus for action, such as accelerating or decelerating some parts of the project, spending more costs in specific segments so as not to stop the overall progress, etc.

It is the area where mature organizations will be able to generate specific scenario analysis to examine the possible actions that could be taken and support the Project Manager’s decision-making.

The importance of progressive maturity

Sometimes we encounter organizations that for historical reasons might be excellent at forecasting or scenario planning, but lack the first fundamentals of adequate

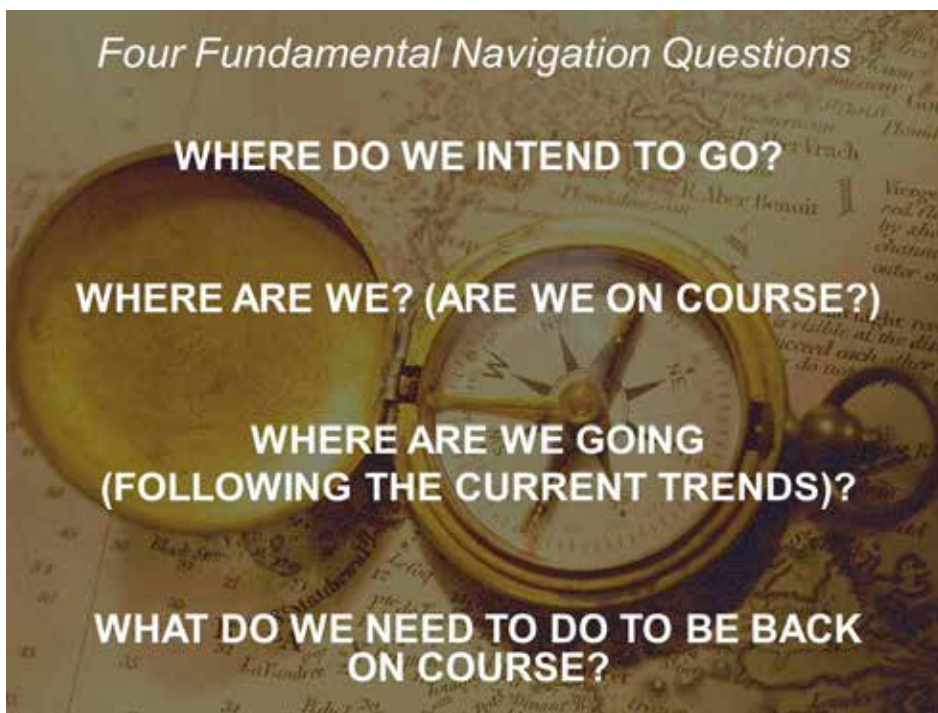
project objectives and fail at knowing the actual current situation of the project. These organizations are doomed because not knowing where they intend to go and what their actual position is renders more elaborate skills in forecasting and scenario planning totally unhelpful. Hence the four questions can be used as a simple measure of increasing maturity

of organizations and processes.

Conclusion

The four navigation questions always look very basic when we expose them. Still as we demonstrate in this paper they have a wide reach when it comes to actual Project management. They can also serve to gauge the actual maturity of specific organizations by assessing how they fare against the different questions – in the right order because that is the way they need to be assessed for effectiveness.

The Four Navigation Questions look very basic, still they are very fundamental in any Project Management circumstance



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