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# Process Simulation and Parametric Modeling for Strategic Project Management

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# Process Simulation and Parametric Modeling for Strategic Project Management

Foreword by Beth Ouellette

 Springer

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ISSN 2191-8112                      ISSN 2191-8120 (electronic)  
ISBN 978-1-4614-6988-9            ISBN 978-1-4614-6989-6 (eBook)  
DOI 10.1007/978-1-4614-6989-6  
Springer New York Heidelberg Dordrecht London

Library of Congress Control Number: 2013936971

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Printed on acid-free paper

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# Foreword

*Value Framework is an important, significant underlying set of ideas, principles, agreements or rules, which provide a basis for an outline which is intended to be more fully developed at a later stage, providing usefulness to the organization.*

B. Ouellette

What if you could predict the ultimate successful outcome of your organization's strategic intention? Wouldn't your value to the organization instantly become exponentially greater? Of course it would; therefore, you need to implement the Value Framework as authors outline in *Process Simulation and Parametric Modeling for Strategic Project Management*.

We have seen projects and project management improving through the years, yet the constant challenge we face is ensuring that they are still valid and will still add value upon their completion. Two key components of this are (1) alignment with objectives and (2) continuous engagement of stakeholders.

Throughout *Process Simulation and Parametric Modeling for Strategic Project Management* a "Value Framework" is introduced as a way to compare potential project choices. Thus, a leap of faith is taken to move away from the more traditional ROI-based analysis for project justification, posing that a traditional ROI system can become an artificial construct where the future project benefits are converted into dollar value based on revenue generated or costs avoided. The authors agree that while this does have merit, there are potentially equally important measures of strategic value which are hard, if not impossible, to quantify as revenue. However, revenue can be one of the elements in a Value Framework.

We often have stakeholder engagement on the front end of a project, or perhaps on the back end—just in time to take credit for the success. But lacking is active stakeholder participation throughout the project. Similarly, we see that there is often much work done on the front end of a project to document its alignment with one or more strategic objectives. After all, part of the business case requires us to check the box that says "Project A is aligned with Strategy Q." So the box is checked, and we are off and running to manage the project. Yet when the project completes, it may, or may not actually support the current strategic objectives. As you are walked through several examples of a process for defining a Value

Framework common to the stakeholders, you will be shown how developing this framework at the beginning of the discussion process will actually bond stakeholders together in ways that would not normally happen. Working with the stakeholders of a project from this starting point is a critical step to build a strong foundation for stakeholder engagement and maintain it throughout the project.

*Strategic Project Management* requires continuous and complete alignment with strategic objectives throughout the life of the project and active, continuous, visible stakeholder engagement throughout the life of the project. These are the secret ingredients toward success. Sounds simple right? So why isn't everyone doing it? It is not being done, largely because they do not know how to do it. You are given a recipe for success as you move from chapter to chapter. The authors give you the process and tools to do this in a hands-on, concrete way. The first step of this is to use the Value Framework for alignment. The second step is to clarify options and prioritize, and the third step is to implement. To increase the probability of success long-term, there must be continued alignment of projects and programs with the strategy and supporting objectives alongside of continued stakeholder engagement.

Throughout the book, there is clear emphasis on the core tentacles of this book: quantify a strategic alignment between projects and organization direction, optimize the selection of the project portfolio—while considering both risk and strategic value, and perform agile project estimation based on a discrete event simulation.

### **Chapters at a Glance:**

**Chapter 1** sets the foundation and clarifies that projects are investments and they must be aligned with the strategic intention of the organization.

**Chapter 2** steps you through precisely “how” to optimize the project investment portfolio through strategic alignment. This key step is often talked about, rather than precisely done. This will help you to manage the executive team, get them all on the same page, and imbue consistency and agreement on the proposed portfolio.

**Chapter 3** is a review of the estimation techniques and methods. You are given possible models for use, from the Constructive Cost Model, to the Software Estimation Model, to the Software Lifecycle Model, and Function Point Analysis.

**Chapter 4** takes things to the next level with highly mathematical, quantitative models and simulations. These “new” models will afford your organization with new possibilities. Warning: Be prepared to let the geek in you come out!

**Chapter 5** walks you through the Canonical process model—capturing the stages in the workflow and roles, including the normal flow and exception events. This model helps you determine your ideal process model, including current state and process interactions.

**Chapter 6** focuses on Calibration of your mode. It provides the ability to analyze resource, cost, and schedule impacts to provide a simulation of the optimal use of each throughout your projects.

**Chapter 7** wraps things up with recommendations of how to actually put these tools and models into practice.

Whether you are a strategic executive or just beginning to understand the critical importance of such a Value Framework, these chapters will indeed serve to raise the bar with regard to possibilities not only for your organization, but also for your value-added contributions to how your organization will better align projects with strategic objectives to increase stakeholder engagement and create successful outcomes across the board.

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