

An Introduction to Project Management – A Useful Tool for Non-Profits

Non-profit organizations are challenged daily to be efficient and effective with the monies provided to them by their donors. Industry studies indicate overhead costs in non-profit organizations typically range between 10% and 20% of the organizations available funding. While below that seen in typical for-profit businesses, wouldn't it be marvelous if some of those dollars could be applied instead to programs supporting the non-profit's mission?

The appropriate application of the knowledge and practices of the project management profession can contribute to that goal. A recent study conducted by the Center for Business Practices shows that organizations that acquire and apply these skills typically see a 20% increase in productivity, customer satisfaction, employee satisfaction – leading to an increase in overall performance¹.

What is project management?

A project is defined as *“a temporary endeavor undertaken to create a unique product, service, or result.”*² When you think about the types of activities in which a non-profit organization engages, you will realize they are all projects. Special events, appeals, fund-raising drives all meet this definition. Even a capital fund campaign can be considered a series of related projects with a common goal (a program as defined by the Project Management Institute). Therefore, learning and applying the practices of project initiation, planning – especially planning – monitoring, controlling and formally closing these activities would enhance a non-profit's overall performance.

The Project Management Institute defines project management as *“the application of knowledge skills, tools and techniques to project activities in order to meet or exceed stakeholder needs and expectations from a project.”* In other words, project management is all about managing the schedule, budget and quality of deliverables generated by a project. Project managers focus on these *“triple constraints”* when managing projects.

Start it right!

Project success often can be attributed to the appropriate initiation and planning activities. Often time there is the inclination to dive right into a project's core activities as soon as we are asked to do something. The gun has gone off; the race to the finish has started. As spectators with a vested interest in the race, we forget that the runner has already run the race in his mind, he has planned his race. He knows the challenges he will face on that particular course and has developed approaches to overcome them. He knows where the watering stations and check-in points are located. He knows when he will sprint and when he will walk. This tendency to immediately start the race is no different for non-profit

¹ *The Value of Project Management Research Report*, Center for Business Practices, 2001

² *A Guide to the Project Management Body of Knowledge*[®], 3rd Edition

managers and those interested in the outcomes of the event. *When managing a special event or an appeal, it is important to clearly understand the scope of the activity before starting, to ensure the right goal is indeed reached.* The Event Manager or Direct Mail Manager or Campaign Manager should meet with the project’s sponsor (i.e. Board Trustee, Chief Development Officer) to obtain a clear understanding of the project’s objectives; how will success be measured – dollars raised, donors in attendance, cost of dollar spent to raise a dollar.

A well-managed project begins with the development of a project charter and a project scope statement (Figures 1 and 2)³. This Project Guidance Document is used to identify the purpose of the project, why it is being undertaken and to determine the project’s stakeholders, that is, who will be affected by the project, and what their interests in the project are. This will facilitate determining who has the authority to make what decisions relative to the project and its outcomes.

PROJECT GUIDANCE DOCUMENT

Purpose: The Project Initiation Document indicates that a project has been preliminarily sanctioned by the organization and that resources can be used to further define and plan the details of that project. The document describes the vision, scope, authority and project deliverables, as agreed upon by the Project Sponsor and other stakeholders.

PROJECT IDENTIFICATION		
Project Name	Project Number	Date Created
Project Sponsor	Project Owner	
Program Manager	Project Manager	

PROJECT OVERVIEW

Project Background
 <The background should provide an understanding of the events leading up to the project. It explains the history of the project, including any other times this kind of project has been undertaken. >

Business Needs
 <Document the business needs behind the project. This could include the case statement used to obtain project approval. This should explain why the project is being done. >

Project Objectives
 <Describe the objectives of the project and its deliverables. All projects should support and tie to strategic goals. The objectives should be SMART (Specific, Measurable, Attainable, Results-based, and Time-specific) >

Deliverable Description
 <Describe what the project outcome will look like – a special event, an appeals mailing, a new technology. Include any financial deliverables such as expected funds raised or additional donors acquired.>

Key Dates and Milestones
 <List key dates and milestones that are required for the project. This could include any media dates or pre-event activities such as sponsor breakfasts.>

ORGANIZATIONAL CONSIDERATIONS
 <Describe the departments and groups, including volunteers, that will be involved in the project. If the Project Manager has been identified, they should be included here.>

BUSINESS CASE
 <Provide a summary budget, expected benefits, and cost of dollar raised anticipated for the project. Include a discussion of any alternative options that were discussed.>

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Figure 1 - Project Guidance Document, Pages 1 and 2

Next, the scope of the project is defined. The Project Manager and the project’s Sponsor meet with the project stakeholders, to discuss why the project is being undertaken (i.e., is its purpose to raise funds, to promote stewardship, to heighten community awareness) and to determine what its boundaries are. For instance, if the project is a community awareness event, is the follow-up appeal to be considered part of the event? If the project is a golf tournament, is lunch with the non-profit’s executives that day

³ Some project management methodologies use two separate documents: Project Charter and Project Scope Statement – to capture the information contained within the Project Guidance Document.

part of the tournament or is that a separate event? They address who is empowered to make what decisions relative to the project’s deliverables, schedule and budget. These decisions are then captured in the Project Guidance Document, from which all other project management documents will be developed. This use of this formal Project Guidance Document ensures that the project team (including all staff and volunteers) and the project stakeholders have achieved a common understanding of the project’s expected outcomes, what is in scope and what is out of scope, and who can make what decisions. It actually encourages “doing it right the first time” and assists in eliminating any confusion as the project progresses.

PROJECT GUIDANCE DOCUMENT

SCOPE DEFINITION
 <Specifically state those activities and deliverables that are within the boundaries of this project, and identify those that are not. For instance, development of mailing collateral might not be in scope for the project since the project will be using standard organizational pieces. However, development of specific marketing posters might be in scope.>

RISK IDENTIFICATION
 <List in bullet format any known risks of the project if it proceeds, and if this project does not proceed. Include any thoughts relative to mitigation plans. These risks and plans will be elaborated upon in the next phase when the project team performs its Risk Analysis activities.>

ASSUMPTIONS AND CONSTRAINTS
 <List in bullet format the known assumptions and constraints that have the potential to impact the project. List any assumptions and constraints that have been made in recommendations for the purpose of project planning.>

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PROJECT GUIDANCE DOCUMENT

ACCEPTANCE CRITERIA
 <Describe how the project will be periodically reviewed and which organization(s) have final approval authority. Describe what project success would look like.>

NECESSARY TO PROCEED
 <List those Activities/Resources - required to move to the next phase. Planning
 <Describe the highest-level activities and required resources (including volunteers) to do the next level of planning. The goal is to ensure availability of needed resources. These will also be tracked if the project does not continue.>

APPROVAL

Name	Title	Date	Approved

Attachments, as applicable:
 <List any documents that support the information in the Charter.>

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Figure 2 - Project Guidance Document, Pages 3 and 4

Plan It!

When the Project Manager, Sponsor and stakeholders are satisfied with the Project Guidance Document and have signed off on it, the Project Manager can commence planning the project’s details. These plans include developing the project’s Work Breakdown Structure, identifying the specific roles and responsibilities of staff, volunteers and beneficiaries (especially as they relate to budget and schedule), developing the project’s schedule, identifying milestones, doing the risk identification and mitigation, working up project budgets, and planning for the project’s on-going communications . It is in these activities that the Project Manager really has a chance to ensure the project’s success. We will explore these activities in detail in subsequent articles. Suffice it to say that knowing who will perform what activities at what time, how much financial support is available for the event, and understanding the

risks associated with the plan, is critical to the eventual success of the event being planned. Equally crucial to that success is also understanding and implementing a communications plan to address the needs of those interested in the event.

Monitor, Control and Communicate, Communicate, Communicate!

As the project proceeds, the manager monitors and controls it, making timely decisions to ensure the project's objectives are achieved. The manager will periodically review the project scope statement with the volunteers and staff working on the project, to remind them of the scope and the project's objectives. Should the project's stakeholders change the project's objectives (i.e., increases the financial goals of the event), the project team should be so apprised and the project plan reviewed to determine if other changes are needed to achieve the new objectives. The project team should understand what the changes mean in terms of resources, time commitments and budgets. If increases in any of these items are needed, the manager should address them with the project stakeholders and obtain the project requestor's approval before proceeding. Any changes to the project's original plan should be documented for use in the future.

During the project's execution (the planning of the event, the actual event itself, and the closing of the event), the manager will also implement the communications plan. This typically translates into receiving status reports from volunteers and staff on a regular basis, consolidating them, and generating the appropriate status reports to stakeholders. These reports could take the form of an internal memo, a letter to the community, an article in an employee newsletter. At a minimum, the status report should report against the various criteria identified as important to the project.

Don't Run to the Next Event!

There is a tendency to celebrate the successful completion of an event or an appeal and then move on to the next one, overlooking a critical step of closing out the event project. A proper close out would include not only closing the financial aspects of the event, but also conducting a final team meeting. The purpose of this meeting is to capture valuable information about the project and to initiate the volunteer stewardship desired to support future projects. This meeting should include the extended project team, including the project's requestor. All lessons learned should be captured, including those elements that worked well and should be repeated, as well as those that should not be repeated.

Summary

The application of project management does not need to be an exercise in the application of more overhead. Rather, it needs to be the practical application of those project management knowledge areas and skills required to ensure a special event, an appeal or other project achieves the desired goals. Careful attention upfront to defining and planning the project, and then exercising timely attention and communication efforts during the project, and capturing lessons learned for the future can assist in the prevention of costly and timely oversights and mistakes.

About the Author

The author of this series, Karen R.J. White, PMP, PMI Fellow, is the founder of Applied Agility. An independent consultant with over 25 years experience assisting organizations manage projects, she has assisted organizations as diverse as Fortune 1000 companies to government agencies to local philanthropies more effectively manage projects, projects ranging from fundraising efforts to technology improvements and business process reengineering. Recognized internationally as a leader in the development and management of volunteer-based projects, Ms. White has spoken on the topics of project management and technology management at numerous conferences. Ms. White is the author of the acclaimed **Agile Project Management: A Mandate for the 21st Century**, (Center for Business Practices, 2009) and a contributing author to the **American Management Association's Project Management Handbook, 2nd Edition**, as well as the 1st edition of the acclaimed **Project Management Maturity Model**.

Ms. White was named a Fellow of the Project Management Institute, from which she also received the Distinguished Contribution Award, in recognition of her contributions to society and the profession of project management, including the development of an international code of conduct for the profession. A former chair of the Institute's Education Foundation and a former member of the Institute's Board of Directors, Ms. White was recently asked to serve again on the Institute's Ethics Review Committee. She is also a member of the Association of Fundraising Professionals and an advocate for the American Cancer Society, in addition to being an active volunteer at the Concord Hospital Payson Center for Cancer Care.

About Applied Agility

Applied Agility is a NH-based consulting company established to assist community-based non-profits and small businesses achieve their strategic objectives with efficiency and agility, through the application of those project and portfolio management disciplines that have assisted large entities achieve their objectives. By providing customized workshops and one-on-one mentoring, Applied Agility prides itself on effectively maturing the skills, knowledge and practices of all clients.

For more information, call 603.660.6953 or visit www.appliedagility.com.