



EDITORIAL

Dear Colleagues,

As Managing Director, I am pleased to announce to you the official launch of our Project Management Methodology: "DPMM".



It has taken our CPO great effort not only to produce the methodology, but also to create this very Handy pocket book to assist you to structure your projects in the best way possible.

Let me stress to you the fact that Districo has become to what it is today by a consistent implementation of standards and procedures in order to structure our organization to an efficient machine. Continuous looking for structure and standardization allows us to remain very cost performing.

With the creation of this methodology, we obey to this strategy as we structure also our change environment. This Project Management Methodology is only the first step! It will be further refined as we go along in time. It will also be complemented with a Program Management Methodology once our DPMM is stabilized within the company.

Let me wish you good luck on all your projects with the help of our DPMM!

Mark Steier, Managing Director.



Different kinds of Initiatives

Within Districo, we make a difference in different initiatives. This is important as they all require another management approach as well as management levels to be involved.

The Operational Task:

The operational task can be instructed by any manager with budget responsibility. It is often part of the function description of the employee. No separate budget needs to be asked but the sum of all operational tasks should remain within the annually agreed departmental budget. The Operational Task is managed by the departmental Manager.

Change Request:

This is a small initiative outside the normal operational activities. It is often started to optimize the working of a department and is often limited in time (not longer than 1 month) and budget (< 5000 €). The additional budget is to be requested to the appropriate Director. The Change Request is managed by the requesting departmental Manager.

Small Project:

A project brings change or a significant optimization for our company. It are projects that allows us to realize our strategic objectives or to change the company for the future. Within Districo, we consider a project when the initiative resides under a Program (see further) or when the budget estimate is more than 5000 €, the number of workload days are higher than 20 and the timeline is more than 1 month. Small projects are managed by a project manager, who can be somebody assigned from the local branch or from Head-Quarters.



The usage of the M-PLC (see further) will be required and it is strongly advised to use the features of the DPMM, however not mandatory.

Large Project:

Identical to small projects but as from a budget more than 50000 €, more than 50 mandays and a timeline of more than 3 months (whenever one of these criteria is fulfilled).

Large projects are to be managed by a (corporate) project manager residing under the CPO. All large projects require a Steering Group (see below) and will need to apply the full DPMM methodology.

Once a project resides under a Program, the project will be considered as a large project.

Program:

A Program is a collection of projects which have underlying dependencies and which serve (a) similar (strategic) objective(s); most often also related to the creation of a business capability. Programs are managed by a Program Manager which is hired by and is residing under the CPO.



The Project Life Cycle

The project life cycle serves to structure the timeline of our projects. It allows to create intermediate check-points to control the project, but it also allows to involve Senior Management by means of a Steering Group.

All our Districo projects are managed using the corporate “management project life cycle” (M-PLC). The M-PLC is standard for all projects to facilitate reporting to Senior Management and to assure that Steering Groups are involved at the appropriate moments of the project (being at the end of each phase). The M-PLC is visually represented below:



Phase 1: “Pre-Project”

During this phase, the project is being prepared for approval. This important phase assures that Districo will only perform the “right” projects. A severe selection process is performed twice a year in which the potential projects are evaluated based on their initial business cases. If approved, the projects are “chartered” via the specific project charter document.

Phase 2: “Project Set-Up”

Once approved, the project enters into its second phase. During this phase all necessary measures are taken to prepare for realization. A

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project management plan, including project strategy, needs to be developed and the initial business case is to be refined. Whilst there is no formal approval for the execution of the complete project, in some exceptional cases already realization budget can be spent. In this phase, also a Steering Group is to be activated.

Phase 3: “Realization”

When the detailed business case and the project management plan is approved, the realization of the project can start. During this phase, the focus is on efficient progress which is to be reported on regular basis to appropriate stakeholders.

Phase 4: “Hand-Over”

This is an important phase in the life of a project. All testing and verification activities are organized and performed. When the results are satisfactory, the project can be handed over to the organization with clear definition of new responsibilities.

Phase 5: “Project Closure”

During project closure, the project needs to be evaluated and a final project report is to be presented to the Distrito’s Senior Management. If the project closure is accepted, the project manager is discharged from his/ her responsibilities.

Each project is allowed to opt for its own delivery project life cycle (D-PLC) to be agreed within the project teams. The only condition is that the D-PLC phases remain in line with the M-PLC to assure full control and standardization on M-PLC level.



Initiating A project

Every employee in Districo is urged to think creatively and all good ideas (e.g. to improve the work environment or to create new products or services, etc.) are welcomed. All ideas are first discussed with the direct line manager who will make a personal judgment call if it is worthwhile to propose the idea to the organization.

In the latter case, the idea is documented in the preliminary project charter (template is available), which is then forwarded to the Corporate Projects Office – Portfolio Management. The Selection Management will introduce the idea into the portfolio selection system for further processing and approvals.

In case the idea is selected, it will be promoted to the status of active project and a project sponsor and a project manager are assigned to organize the finalization of the preliminary project charter into a final document, to propose a project steering group (proposition to be approved by the head of CPM) and to have the project charter approved by the newly assigned project steering group.

Having an approved project charter implies the end of the “Pre-project” phase and a full recognition of the existence of the project, assuring the reservation of the required resources on company level.



Setting up a project

Once the project is started, the following steps are to be undertaken:

- Having an interview with the project sponsor
- Requesting a project code from Bookkeeping as to enable accounting follow-up for the project. Note: when such a code is not created, purchasing will not be allowed.
- With the accounting code, a project creation request is to be sent to ICT to create a PCF (Project Control File). The PCF will be created on our central documents server (mapped E:-drive) and consists of the not changeable directory structure:

- **Project code**

- **Preproject**

- **Setup**

- **Realization**

- **Handover**

- **Closure**

Within this structure, the project manager can freely organize the project documentation as part of the PCF.



Project Reporting

Each project will need to report its progress on regular times. It is considered as a best practice to organize a status meeting for the project team on a weekly basis.

A progress status reporting to Senior Management (via the Steering Group) is to be organized on at least a monthly basis and especially at the end of each phase of the M-PLC. Whilst the monthly status does not require a physical meeting (though preferred), passing to another phase always needs a physical meeting of the Steering Group.

The CPO is to be copied on all status and progress information that is passed to Senior Management. The CPO can be asked to facilitate in this process.

All progress will be reported as a variance analysis versus the agreed project performance baselines. We highly recommend and stimulate the use of the Earned Value System on our projects. To define the earned value, %-complete and 0-100 valuation techniques are accepted.

Progress and status reporting is always done on the four components of the triple constraint (scope, quality, cost & time).

To standardize the communication and make the reporting process more efficient, standard templates have been foreseen.



Scope Change Management

At Districo, we believe in flexibility. Therefore we do not consider changes to the scope as negative or bad. On the contrary we stimulate our project sponsors to keep for changes in their environment and when necessary to steer the project in the appropriate (changed) direction.

However, all scope changes should be done via an approval procedure and might involve Senior Management from time to time. The basic scope change procedure which is applicable to all our projects contains the following steps:

1. The scope change requestor will fill out the appropriate scope change request template.
2. The Change Control Board (Project Manager, Project Sponsor, Financial Controller, Operations Management) evaluates the request on its appropriateness
3. If considered appropriate, the project team analyzes the scope change request on its impact to the project and completes the scope change request document.
4. The scope change request is presented for approval to the appropriate approval body (see approval matrix)
5. If the scope change request is approved, the project baselines can be modified and the change can be implemented. Without the approval and prior to the approval, changes cannot be implemented.



Approval Matrix:

The appropriate approval authorities and their span of control is displayed in the matrix below. Each of the underlying levels need to be consulted for advise before the actual approval can be requested.

Stakeholder	Scope	Quality	Cost	Time
Sponsor	< 5%	No	<1000 €	< 1 week
Steering Group	6% - 10%	Minor	1001 € - 10000 €	1 week - 1 month
HQ Management Team	> 10%	Significant	> 10000 €	> 1 month

Deviations to this approval levels are not allowed, except when approved by Districo's HQ Management Team (needs to be mentioned in the project's charter).



Important Project Roles & Responsibilities

Within the project management organization, it is imperative the following roles (& related responsibilities) are defined.

Steering Group:

The Steering Group is composed of management representation. Each representative needs to have budget authority within Districo. Each Steering Group should include the following interests: “client”, “supplying” & “user/operator”.

Project Sponsor:

Is the (internal) client of the project. He/she is the owner of the project and should provide initial steering to the project. The Sponsor is responsible for the business case of the project as well as the realization of the benefits once the project is delivered. The Project Sponsor is also the president of the Steering Group and should assure that management remains involved.

In case the project belongs to a Program, the Program Manager might take up the role of Project Sponsor, however the latter is not a mandatory requirement.

Project Manager:

The Project Manager is responsible for the day-to-day management of the project. He/ she directly reports to the Project Sponsor and assures that the project stays on track. The performance of the project manager is evaluated according to the realization of the triple constraint.



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Project Team:

The project team is responsible for the execution of works, according to plan and under the supervision of the Project Manager.