

# Managing Customer Expectations

Dean P. Mallory

23 Oct 2018



**“There will be six designated yawning breaks during my presentation. Please pace your boredom accordingly.”**

# But we didn't call it Project Management

- Consolidate mainframe computer operations
- Ft Bragg, Pope AFB Air Show and Open House
- Commander's Conference
- Relocate deployed U-2 ground station in Italy
- Assess communication needs of worldwide US forces
- Build world's largest Active Directory environment
- Design new Pentagon Joint Operations Center and Air Force Operations Center facilities
- 15 household moves

# In Scope:

- What expectations?
- What happens if we don't manage these expectations?
- Project Charter
- Change Management
- Some Scenarios



How the customer explained it



How the project leader understood it



How the business consultant described it



How the customer was billed



What the customer really needed

# What Expectations?

## Fears:

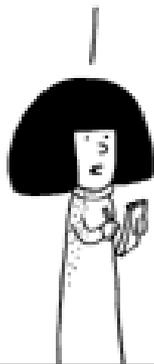
- My requirements won't be met
- This won't be completed on time
- I'm not really sure what this is going to cost
- I won't know what's going on, and if we're doing OK
- I will not be in control
- I will not have flexibility to change

# What Expectations?

## Expectation Myths:

- It's easy to add (or subtract) work
- It's easy to add (or reduce) calendar time
- All internal work is free
- Change Orders are bad
- **Rate times Time does not equal Distance**

I NEED A DESCRIPTION  
OF YOUR PROJECT AND  
ITS PROJECTED COST.



THAT'S  
IMPOSSIBLE.



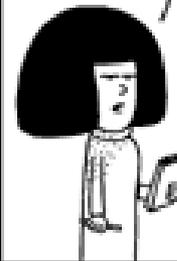
www.dilbert.com acottadams@aol.com

THE PROJECT UNCER-  
TAINTY PRINCIPLE SAYS  
THAT IF YOU UNDER-  
STAND A PROJECT, YOU  
WON'T KNOW ITS COST,  
AND VICE VERSA.

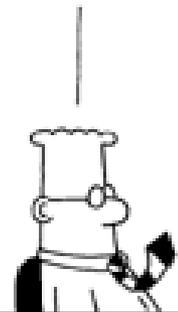


9/14/03 © 2003 United Feature Syndicate, Inc.

YOU  
JUST  
MADE  
THAT  
UP.



THAT  
DOESN'T  
MAKE IT  
WRONG.



# Rate times Time DOES equal Distance

**Rate** = Budget (man-hours per day)

**Time** = Time (days)

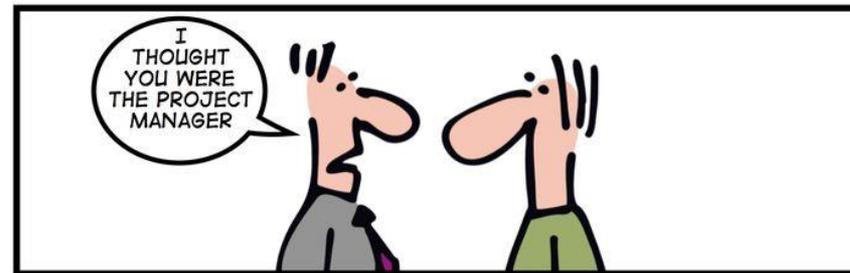
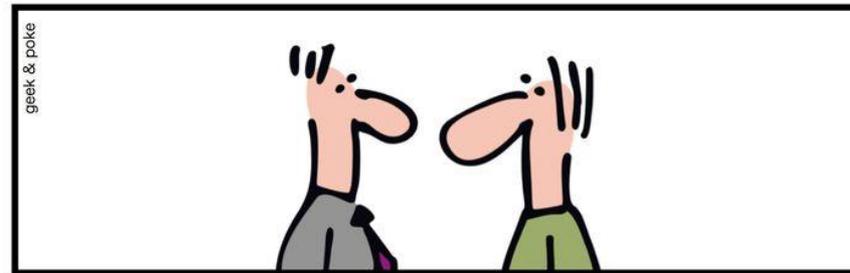
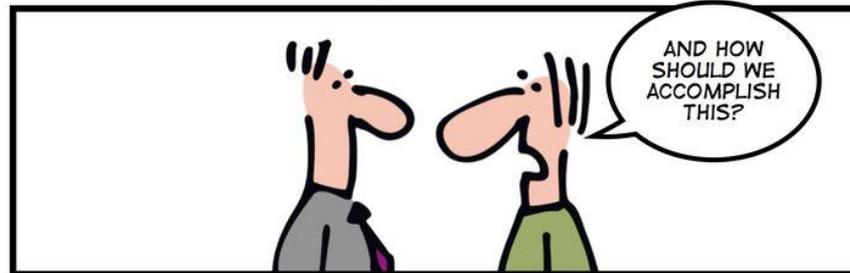
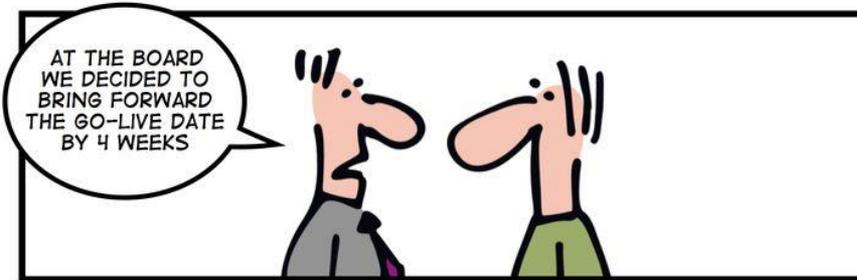
**Distance** = Scope (man-hours)

Example: A project with of 120 man-hours planned into a 60 hour window (2 people)

- Rate = 16 man-hours per day
- Time = 7.5 days
- Distance = 120 man-hours ( $16 \text{ mh/d} * 7.5 \text{ d} = 120 \text{ mh}$ )
- In order to add net Scope, we must either:
  - Add time and budget (for the same two people), OR
  - Add budget (more people in the same time)
- Changing (adding or reducing) Time or Budget works the same way

Our customers don't understand that this is a law of physics, not a business strategy -- You really can only pick two!





HAVING MANAGEMENT ATTENTION IS KEY

# What Happens If We Don't Address Expectations?

- Customer satisfaction (payment, return business)  
Is it possible to have an on time, on budget, on target project with an unsatisfied customer who doesn't want to pay?
- Project Manager frustration, satisfaction, continued employment!
- Resource satisfaction (flailing)
- Scorecard (how is "success" measured?)
- Company bottom line! Bonus program

# Project Charter

- Act as a contract between the project sponsor, key stakeholders, and the project team. (Wikipedia)
- The project charter establishes a partnership between the performing and requesting organizations. In the case of external projects, a formal contract is typically the preferred way to establish an agreement. (PMI, PMBOK – Fifth Edition)

# Problems and Issues

- Customer doesn't want to sign another document
- It seems we're just "filling a square" because we think we're supposed to have a Charter document
- Are we communicating the right things to the customer, and getting agreement, at the beginning of the project?
- Despite our current Charter documents, we still have trouble closing projects when In Scope work is done

# Solution

Discuss these topics with the customer, whether they have been written into the contract, or in a Charter, at the External Kick Off Meeting

- Critical Success Factors
- Definition of Project Completion
- Customer Responsibilities
- In Scope, and Out of Scope
- Deliverables
- Schedule
- Risks and Mitigation
- Billing
- Project Change Management

# Change Management

- What do we mean by “Change Management” anyway?
- When should we discuss Project Change Management?

DOGBERT THE GENERIC  
MANAGER

WE NEED MORE  
PEOPLE ON THE  
PROJECT.

FIGURE IT OUT. WORK  
SMARTER NOT HARDER.  
MAKE A PLAN. MOVE  
SOME THINGS AROUND.  
ADJUST PRIORITIES.  
JUST GET IT DONE. GIVE  
ME A STATUS REPORT.

THAT DID  
NOTHING  
BUT MAKE  
ME HATE  
YOU.

I CAN  
REPLACE  
YOU WITH  
SOMEONE  
WHO WILL  
PRETEND TO  
BE INSPIRED.

Dilbert.com DilbertCartoonist@gmail.com

3-8-10 © 2010 Scott Adams, Inc./Dist. by UFS, Inc.

# Change Management

- **Project Change Management (PMI)**
  - The process of changing Scope, Budget, or Timeline of a Project
  - Defining and documenting, getting approvals, implementing
- **Production Change Management (ITIL)**
  - The “due diligence” process immediately before introducing a specific change to a Production environment
  - Risks mitigated, changes tested, Service Desk readied, users trained
  - Sometimes called “Change Control”
- **Process Change Management (common usage)**
  - Managing the fact that “people are resistant to change”
  - Getting buy in, getting everyone on board, ensuring likelihood of adoption
  - This is really one of the factors, or considerations, in the Production Change Control process

# Discussing Project Change Management

- As part of project kickoff
  - What is IN and OUT of scope
  - What the process will be if project change is introduced
- When the customer “requests” change
  - Request may not look like a request
  - “Oh yeah, we’ll take care of that part”
  - “Oh, by the way, I’ll also need...”
  - Customer misses a critical-path milestone (eg, testing)
- When non-customer factors require a change
  - Weather will affect timeline
  - You missed a critical-path milestone
- When your company has decided how we will deal with the requested change within the project

A cartoon panel showing a boss in a suit sitting at a desk on the left, holding a whiteboard. Dilbert, wearing glasses and a white shirt, stands on the right. A speech bubble from the boss points to the text.

HOW LONG WILL  
YOUR PROJECT TAKE  
IF I ADD TWO PEOPLE?

Dilbert.com DilbertCartoonist@gmail.com

A cartoon panel showing Dilbert standing at the desk, holding a red telephone receiver. A speech bubble from Dilbert points to the text.

ADD ONE MONTH  
FOR TRAINING, ONE  
MONTH FOR THE EXTRA  
COMPLEXITY, AND ONE  
MONTH TO DEAL WITH  
THEIR DRAMA.

4-29-10 © 2010 Scott Adams, Inc./Dist. by UFS, Inc.

A cartoon panel showing the boss sitting at the desk on the left, looking thoughtful. Dilbert stands on the right. A speech bubble from the boss points to the text.

BUT  
AFTER  
ALL OF  
THAT...

A cartoon panel showing Dilbert standing at the desk, holding a red telephone receiver. A speech bubble from Dilbert points to the text.

THEY'LL BE  
AS USEFUL  
AS THIS  
MEETING.

# Expectation Scenarios

- Customer doesn't agree with Scope in Charter
  - Time out: send this back to your boss, involve Sales
- Customer wants to add scope
  - Change Order, involve Sales
- Customer wants to reduce scope, or price
  - Company sold a "package". No "line item veto"
  - Reducing scope requires a Change Order, and does NOT reduce price
- Customer wants a timeline change (left or right)
  - Change Order, get agreement on new timeline, and changes to cost or scope
- The project is going to miss a critical path milestone
  - Or project is about to go over budget, or will not be able to deliver scope
  - Project is Yellow
  - PM's job is to do everything possible to avoid missing and going Red
- The project has missed a critical path milestone
  - Or project that has gone over budget, or cannot deliver scope
  - Project is Red
  - Change Order, same as timeline change

# What Expectations?

## Fears:

- My requirements won't be met
  - Project External Kickoff meeting
- This won't be completed on time
  - Project External Kickoff meeting
  - Regular status communications (as discussed in Kickoff)
- I'm not really sure what this is going to cost
  - Billing discussion during Kickoff
- I won't know what's going on, and if we're doing OK
  - Regular status communications (as discussed in Kickoff)
- I will not be in control
  - Regular status communications (as discussed in Kickoff)
- I will not have flexibility to change
  - Project Change Management process discussed in Kickoff

# What Expectations?

## Expectation Myths:

- It's easy to add (or subtract) work
  - $\text{Rate} * \text{Time} = \text{Distance}$  discussion at Kickoff, and with first change
- It's easy to add (or reduce) calendar time
  - $\text{Rate} * \text{Time} = \text{Distance}$  discussion at Kickoff, and with first change
- All internal work is free
  - Scope and Change discussions in Kickoff
- Change Orders are bad
  - Change discussion in Kickoff
- **Rate times Time does not equal Distance**
  - Discussed at Kickoff, and with first change

# Questions? Discussion?

Dean P. Mallory

Reach me at [LinkedIn](#)

Let me know you were at this Lafayette Venue meeting