

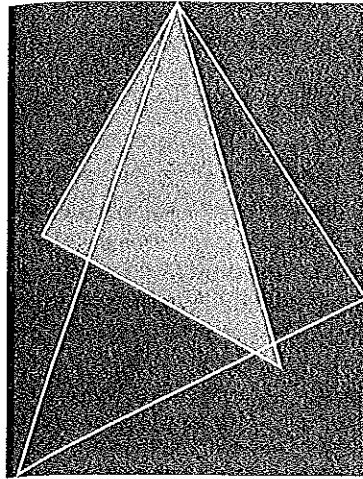
CHILDREN'S HOSPITAL

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The Evolution of Project Management at Quixtar

COMPANY BACKGROUND

Quixtar is a business opportunity company, offering entrepreneurs the ability to have a business of their own through Quixtar's I-commerce business model. I-commerce empowers individuals to market products and manage their own business via the Internet, while being compensated by the low-cost, low-risk Independent Business Ownership Plan, and supported by the full-service infrastructure of Quixtar.

Since 1999, independent business owners (IBOs) powered by Quixtar have generated more than \$4.2 billion in sales at www.quixtar.com plus nearly \$320 million for Partner Stores, earning in excess of \$1.37 billion in bonuses and other incentives. Their efforts have propelled Quixtar to be named the number-one online retailer in the drug/health & beauty category based on sales, and twelfth among all e-commerce sites, according to *Internet Retailer's* "Top 300 Guide."

Based near Grand Rapids, Michigan, Quixtar currently supports independent businesses in the United States, Canada, Puerto Rico, and various trust territories and independent island nations in the Pacific and Atlantic Oceans and Caribbean Sea. Quixtar Canada Corp. headquarters are located in London, Ontario, Canada.

phases into this new way of operating, rather than forcing the entire concept of PM on the communications group at once.

The plan included the following phases:

- Year 1:** Control budgets by aligning the department's operating budget with projects and individual teams, develop annual work plans for teams, offer broad-based PM training, and create formal PM job descriptions with salary standards.
- Year 2:** Control schedules by meeting deadlines, controlling scope, and managing resources; offer focused study groups for PMP certification; develop PM methodology.
- Year 3:** Communicate by building reports for upper management. Also, continue to manage resources and finalize a professional procurement group. (*This is the current year.*)
- Year 4:** Use risk planning and apply lessons learned to new projects.
- Year 5:** Use quality planning and refine components of the five-year plan as needed.

All aspects of the plan are based on the PMBOK® Guide, or *project management body of knowledge*. This plan has brought the PM discipline to a Level 3 on the PM Maturity Model within communications, while PM throughout the rest of Quixtar is at Level 1.

ADOPTING PROJECT MANAGEMENT ACROSS THE COMPANY

Communications is currently bringing PM to all of Quixtar through a training program designed to educate participants on standard PM processes and documentation. Approximately 140 people completed the program last year, including employees of Quixtar Canada and a sister company's Japanese affiliate.

"In just three short years we've gone from virtually no one at Quixtar knowing anything about PM to hearing many people say things like 'we need to get this project scoped' and 'do we have the money and time?'" says Gil. "Broad-based training helps everyone understand the concepts and the fact that a common language has really taken hold is proof of that understanding."

The project management professionals (PMPS) in communications also are hosting independent study groups to help other Quixtar employees who want to become certified. The study groups have a 100 percent success rate when it comes to participants passing the certification test, and are a major reason that Quixtar now boasts 25 PMPs across communications, IT, and finance. The 13 PMPs in communications have full job descriptions and a salary structure built around PM. The PMPs in other areas, such as IT, have other primary responsibilities like software development, and PM is secondary.

THE NEED FOR PROJECT MANAGEMENT

A change in leadership can often bring about a change in the way that organizations get things done. Such was the case with the Quixtar communications department's adoption of project management (PM).

A new communications director, Beth Dornan, oversaw the department's shift from an internal service agency implementing mass communication vehicles to a *strategic partner* delivering more specific communications to targeted audiences. This change in philosophy meant that, rather than merely fulfilling the communication needs of other departments, Communications would now work closely with other areas to create strategies and implement communications tactics that would best help achieve Quixtar's business goals.

"Communications is the gateway by which Quixtar disseminates information and news to all its audiences, including independent business owners (IBOs), customers, and news media," says Beth. "We view our department's evolution as a shift from being all things to all people all the time to delivering the right message to the right audience at the right time."

This philosophical change led to a reevaluation of the role of the account executive (AE) in communications. The position of AE had existed to implement the direction set by other Quixtar departments. Now that communications played a part in setting that direction, would there be more value in having people responsible for planning, project managers, rather than people largely responsible for doing, account executives?

Beth asked a member of her management team, Gilann Vail-Boisvenue, to investigate the PM profession. Previously unfamiliar with the field, Gil discovered that it was exactly what Communications needed. The department had always excelled at executing but had fallen short at planning. Project management, Gil learned, could help manage budgets, schedules, project scope, workload, and resources.

In addition, PM seemed to support three of the company's core values of partnership, achievement, and personal responsibility. It also supported a Quixtar strategic goal to achieve initiatives on time and on budget to successfully impact business drivers like IBO productivity, recruiting and retention.

THE PLAN

Gil promptly earned her certification as a PM professional and applied the principles she'd learned to crafting a three- to five-year plan for transitioning AEs to project managers.

The plan proved to be successful for a number of reasons. First, management and senior management immediately understood the value of PM and supported it. Second, the plan was all about transitioning gradually through step-by-step

A SEVEN-STEP PROJECT MANAGEMENT METHODOLOGY

A result of the PM expertise within Quixtar communications is the creation of a seven-step project management methodology that can be used by any PMP across the company to effectively manage projects.

The methodology is laid out on the PM Web site on the corporate intranet and begins with a needs assessment—does the project in question relate to the company's strategic plan? The methodology takes the project through the charter and scope phases, execution and control, and closure.

"We can pair any new PMP with our seven-step methodology and they can manage projects effectively at Quixtar," says Gil. "There is about a two-month learning curve, but that's mostly to become familiar with our company culture. As long as they know PMBOK® Guide, they can do projects."

The methodology has been so effective in part because it's very streamlined. "Many people dislike process, and with these seven steps, they don't even know they're in a process," says Gil. "Management often wants to see things get done, and how those things get done is up to us. The *how* is very important because that's where you spend time and money."

The seven-step methodology is also simple and flexible.

"You can use as many or as few of the steps as you like, depending on the complexity of the project," says Gil. "Some projects could be as simple as a scope statement defining the project and the assumptions and constraints. Others could be complicated enough to require a full project plan, including a risk mitigation plan, communication management plan, and tons of other components to ensure success."

LESSONS LEARNED

The success of introducing PM across Quixtar hasn't been without a few bumps along the road. Gil found that those implementing PM practices were at first too rigid, trying to wedge people into static processes and documentation methods.

"It's important to have standards but still be flexible. You don't want people to be so focused on the process that they think they can't do something that makes sense just because it's not the next step in their methodology," says Gil. "It's important to tailor the PM process to each individual project and the people working on it."

In addition to flexibility, reporting has been a success of PM at Quixtar. The PMs use a standard best practices reporting method to communicate project status to management:

- Red light—trouble
- Yellow light—jeopardy
- Green light—all clear

Such simple and effective reporting has helped Communications successfully manage all projects within budget for the past two years.

An aspect of PM at Quixtar that's currently under review is the control of *scope creep*. "Without a working scope management plan, many teams are incapable of meeting their schedules," says Gil. "It's part of the culture around here to always say yes to scope changes, so we've asked management to step in and assess changes to control scope creep."