

**SELECTING A
PROJECT MANAGEMENT
SOFTWARE APPLICATION**

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A Supplement to the Book

*Project Management for Flat Organizations:
Cost Effective Steps to Achieving Successful Results*

SELECTING A PROJECT MANAGEMENT SOFTWARE APPLICATION

Successful projects require a project manager to plan, and then manage and control a set of tasks that are required to create a unique and specific product or service. A project management (PM) software application is one tool that can assist with this effort, but deciding on the right PM software application is a project in itself. This whitepaper provides an approach to consider when selecting the “best fit” PM software application for your organization and augments information found in the book, *Project Management for Flat Organizations*.

THE DECISION PROCESS

In the book, *Project Management for Flat Organizations*, productivity tools such as Microsoft® Word and Excel are used to illustrate project management theories and concepts. Microsoft Word and Excel are low cost, relatively easy to use, and the appropriate tool for some projects undertaken by some organizations. Unfortunately, they are neither the right tool for all organizations nor the right tool for all projects. There are times the size and type of project warrant using a PM software application because it is a more appropriate tool.

There are a significant number of factors that influence the decision to select and use a PM software application over productivity tools. One factor could simply be the organization has grown and now requires a tool that has integrated features and functionality so that projects are executed in a more efficient and effective manner. In other instances, the organization needs a tool that makes their lives easier by providing “what if” analysis capabilities, automatically determining the critical path, or creating a project schedule based on the level of effort, duration, dependencies, staff and other resource requirements. Alternatively, the organization might need to manage multiple concurrent projects requiring them to increase the level of control and formality. The reasons an organization decides to use a PM software application are vast and vary by organization.

STARTING THE PROCESS

The first step when selecting a PM software application is the “authorization” of a project by

management and the assigning of a sponsor and project manager. The project manager then creates a scope statement (or project definition). Be careful to be clear when defining the scope of the project. Too often, people select software based on a particular project's needs only to find out the software selected is not the best for the organization. The result is that additional software needs to be purchased resulting in additional expenditures or a project manager and staff use software that they feel is inadequate, requiring them to either augment the software with additional tools or implement manual processes.

Clarify if the PM software application will be the standard PM software application for all of an organization's projects or if it is to be used only for a specific project. If the software is to be the standard for the organization and if the organization has a project management methodology, review the methodology as a starting point for determining the software requirements. If a particular project triggered the software selection process, review the specific project to identify software requirements. Additionally, do not forget to ask the sponsor and any staff who have been team members on projects for input about the software requirements.

APPROACH TO SELECTING SOFTWARE

A quick internet search will identify over a two hundred different PM software applications. Some PM software applications are free, but they have limited features and functionality while others are quite expensive, aimed at large hierarchical organizations that are managing several multi-year projects. There are also a number of technical and cost related one-off issues to consider. For example, a cloud-based application requires a reliable internet connection and the payment of a monthly (or annual) application usage fee; a standalone PM software application requires a business class workstation with a one-time software purchase fee; and a robust multi-user PM software application requires a dedicated server with an annual software maintenance fee.

As soon as some people see how many PM software applications are available, they may start to panic. Then they follow one of two extreme approaches. The first approach is known as the "traditional approach" for selecting software. In this case, the organization creates a detailed list of all requirements by category, assigns priorities to each requirement, and spends hours comparing and analyzing each software application's features and functions based on all of the requirements. The challenge with this approach is that months can go by before a decision is made as to the right PM software application to purchase. The other extreme is someone decides to use a PM software application because it is free or the

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product is available at a substantially reduced rate (it is a “good deal”) or someone at another organization said they use the PM software application and “liked” it (a variant of “keeping up with the Jones”).

There is another approach, a simplified approach, which works well for flat organizations. This approach focuses on why the tool is needed and the *key requirements*. It still requires that the selection process be treated as a project in itself and starts with the creation of a scope statement (or project definition), but it does not follow the long drawn out traditional software selection approach nor is it a snap decision. Rather the approach focuses on expanding on the project description, objectives, and requirements and determining the key PM software application requirements. Think of the key requirements as the “make-or-break” requirements that will prevent you from purchasing or leasing the PM software application.

How should the key requirements be determined? The project manager, sponsor, and team members should jointly determine the key requirements. The key requirements might relate to items in the following categories

- basic project management features and functionality including estimating capabilities and critical path determination
- resource management or the way the software schedules, levels, and manages resources by project and across multiple projects
- collaboration or the integrated information, risks, and issues are communicated including dashboards, email, conference calls
- project tracking, analysis, and reporting capabilities including what-if analysis capabilities actual hours and costs capture capabilities
- ability to customize and integrate with other software applications and
- export and import spreadsheet data capabilities
- technical fit with the organization’s technical environment
- vendor’s reputation and history
- help and product support
- cost

There will not be many key requirements—maybe three, five, or, at most, ten key requirements. If there are more than ten *key* requirements-the make-or-break requirements, you most likely have too many. To clarify what is meant by a key requirement, consider this example:

The project is to select a cloud-based PM software application that part-time or ad-hoc project managers will find “easy-to-use.” Some of the requirements are the software needs to be able to: assist with creating the work breakdown structure; assist with estimating time and resources requirements; calculate the budget; and track and report the project’s progress.

Creating the work breakdown structure, estimating time and resources requirements, calculating the budget, and tracking and reporting the project’s progress are requirements but are they key requirements? Each requirement mentioned is a basic feature and function found to some degree in the majority, if not all, PM software applications. The project manager, sponsor, and team members will need to evaluate the requirement and determine if there is anything specific or unique—a differentiator. If there is nothing specific or unique, do not identify this as a key requirement. An example of a differentiator could be the basic features and functionality must be designed so that they support the needs of the construction industry. Because the construction industry requirement is unique and many PM software applications are generic, a key selection requirement would be the basic features and functions must support the needs of the construction industry. In this example, we will assume there is nothing specific or unique—there is no differentiator. Consequentially, there are no key requirements when it comes to creating the work breakdown structure, estimating time and resources requirements, calculating the budget, and tracking and reporting the project’s progress.

An evaluation of the statement “to select a cloud-based PM software application that part-time or ad-hoc project managers will find ease-to-use” highlights two unique and specific requirements. The first is a specific technical requirement—cloud-based PM software application. The second specific requirement is the PM software application needs be designed and work for a part-time or ad-hoc project manager. The conclusion is both of these requirements should be considered key requirements. However, “easy-to-use” is very subjective and unless someone can define what is meant by easy-to-use, it probably is not unique and not create a key requirement.

Determining the key requirements is objective but it is also subjective. Identifying these characteristics requires the project manager, sponsor, and team members to collaborate and use their judgment. It is the make-or-break requirements that assist with ensuring the right PM software application is selected for the right reasons. The most effective way to select the right solution is to focus on the key requirements. In this example, focus on looking for PM software applications that states the application is designed and works well for a part-time or ad-hoc project manager (or the occasional project manager) and that the application is cloud-based.

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Using the key requirements, perform an internet search; review industry-related websites and industry magazines; and talk to and evaluate PM software applications being used by other organizations. Narrow down the possible solutions until comfortable with three solutions that might work for your organization. With a short list of possibilities, consider “testing” the product. The test could be a demo by the vendor or a free trial. The test should further validate how well the product meets the key requirements. If the key requirements are met, review of the features and functionality of the product as well as ease of use, technical fit, help and product support, product history, and cost. If during the testing, the product does not meet the key requirements to the team’s satisfaction, do not spend time reviewing the features and functionality. Move on to the next product until the team decides on the product that is the “best fit” for the organization. There will be trade-offs.

Regardless of what type of test is performed or how the PM software application is reviewed and evaluated, do not be drawn in by the sizzle of the PM software application. Some PM software applications have great “wow” features and functionality, but the “wow” features and functionality may not be needed by your organization.

SOFTWARE VENDORS

Many software vendors provide a recap and analysis of their product or comparison of their product to a competitor(s) product. The level of detail provided will vary by vendor with some vendors providing a very detailed and long list of features and functionality while others provide a very short list that includes a few items with no detail. In reviewing the material, remember that the software vendor’s job is to sell their product, not ensure project success or provide a tool perfectly tailored to fit every project organization. They may highlight the sizzle and overlook explaining the basic features and functionality or not provide information on the technical requirements, support policies, vendor’s reputation and history, and associated costs.

IN CONCLUSION

If a decision is made to purchase a PM software application, treat the selection as a project in itself requiring a scope statement and a project plan. Then follow a simplified approach which calls for the project team to focus on key requirements when evaluating the PM software application’s features and functionality, ease of use, and technical requirements. Then consider the vendor’s reputation and other

related costs in light of the key requirements. Be careful not to be drawn in by the sizzle of the product, which can result in losing focus as to how well the PM software application fits the organization and its culture. After deciding on a PM software application, create another project to install and implement the software, and then train the staff to use the tool.

STEP-BY-STEP INSTRUCTIONS

When selecting a PM software application:

1. Management “authorizes” a project and assigns a sponsor and project manager.
2. The project manager reviews the organization’s project management methodology to determine the software requirements and creates a scope statement.
3. With an agreed upon scope statement, create a project plan.
4. Determine the key PM software application requirements.
5. Review internet websites and industry related websites.
6. Talk to and evaluate PM software applications being used by other organizations.
7. Narrow down the list to a “short list” of three possible software applications.
8. Compare and evaluate possible software applications to the key PM software application requirements. If necessary, review, compare, and evaluate other requirements such as ease-of-use.
9. If there is a demo provided by the vendor or a free trial, test the product, but be careful not to be drawn in by the sizzle.
10. Decide on the right—best fit—PM application software solution.
11. Purchase the PM software application. (Installing and implementing the software and training the staff is another project).

For Information On

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