



EXPERIENCE MATTERS:
Project Management and Your Organization

INTRODUCTION

As the pace of technological change accelerates, the role of the modern accountant has extended well beyond recording financial transactions. Accountants are increasingly being called upon to provide managerial oversight to projects such as new technology implementations or to develop new service areas. Despite these additional duties, they are rarely trained on the fundamentals of project management.

As accountants step further away from the abacus, and towards strategic advisory services, their need to effectively manage projects and teams will only

increase. There's a business case to be made for investing in project management methodologies, including a dedicated project manager. Consider wasteful spending - departments that incorporate proven project management practices have 28 times less wasteful spending than departments that don't, according to CIO magazine. Organizations that invest in project management gain a competitive edge over those that do not.

KEY POINTS



Every organization needs to invest in project management. Organizations already invest heavily in their projects, and if their projects don't deliver the intended value, it can be a considerable loss. If you aren't improving your project management, you're ceding an advantage to competitors who are.



Hire dedicated project managers to focus on project management and processes. Your organization will gain greater capacity to monitor and control projects and improve processes while decreasing your existing staff's workload.



Organizations need to consider project management technology through the lens of RONI, or the risk of not investing.

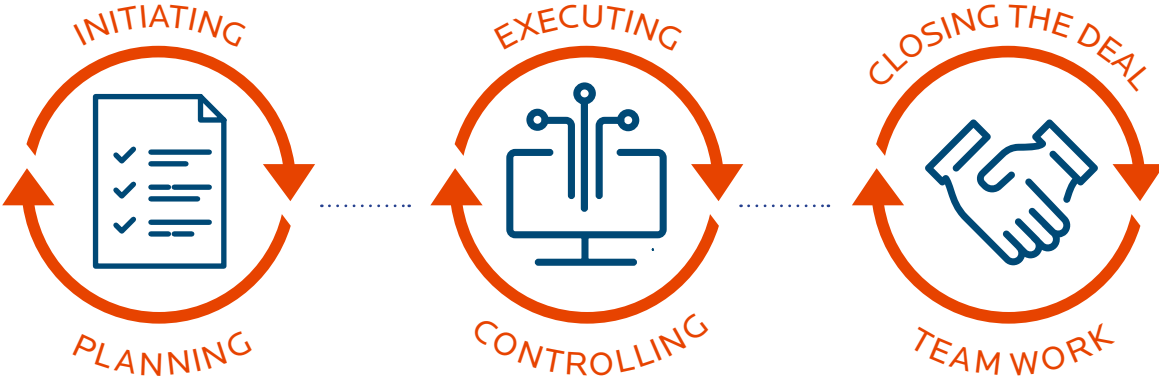
THE PROJECT MANAGER IN ALL OF US

Project management is the practice of initiating, planning, executing, controlling, and closing the work of a team to achieve specific goals and meet specific success criteria at a specified time. It's something that we all engage in at work and at home.

Consider buying a house: We initiate by choosing a strategy when the time is right to invest in a home. Planning could consist of determining location, budget, and choosing between turn-key or a fixer-upper. Execution could include steps such as touring houses, putting in an offer, and negotiating to close the deal. We control potential crises by monitoring the negotiation and purchase stages and minimizing potential risks. After the close, we take note of the pain points—because buying a house usually isn't easy—for next time.

The primary challenge of project management is achieving the stated goals within given constraints.

It's not only the planning but also includes identifying the adjustments necessary to account for changing priorities and resource allocations. Project managers spend a great deal of time visualizing, managing, and mitigating risks and changes.



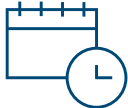
Project Management Practice

SHARED PAIN POINTS

No matter the type of business, your customers, or type of project, pain points tend to arise from eight areas:



COMPETING PRIORITIES ARE INEVITABLE in any project. Besides the project work, there are the emails to answer, meetings to attend, and work to be done for multiple bosses. The challenge is to choose the work that brings the most value to the organization.



HIGH-PRESSURE DEADLINES are part of doing business, and when they are missed, it can be very costly and can impact customer retention.



LACK OF VISIBILITY means the project manager does not have visibility to where all the deliverables are in the process. That's why workflow solutions provide 360° visibility into the who, what, when, and where of a project.



WORK COMPRESSION often goes hand in hand with high-pressure deadlines. It should be avoided by smoothing the workload curve across a more extended period rather than allowing work to pile up until just before the deadline.



HANDOFFS AND INTERDEPENDENCIES are linked. Projects such as tax returns or the preparation of financial statements are handed off between employees or departments, and delays or confusion in the handoff can cause problems. A project can stall when one department can't start its work before another one has completed a specific task.



MANUAL PROCESSES tend to create inefficiencies. More and more new tools are coming to market, like robotic process automation, to target specific manual processes. If you still have a manual process, there's probably a solution on the market to eliminate it.



POINT SOLUTIONS are common in project management; one of the most commonly used is Excel®. While it is an excellent tool, issues arise when a project team shares and edits a spreadsheet file throughout the project.

With project management training, your organization can anticipate and address these problem areas before they develop into issues that can hinder or even sink a project. Your organization's investment in project management pays off with successful project completions.

TOO BUSY TO GET WORK DONE

The various steps and stages of a project can take time away from our work. We're roped into meetings intended as project updates or to get teams on the same page. We're flooded with email questions, responses, and cc'd discussions about progress, spending time tracking down the one person who has the answers.

One solution is hiring project managers: people who focus on project management, and project processes. Why spend for a standalone project manager position? Organizations invest significantly in their projects, and they need to make sure these projects are successful. Hiring someone to focus not only on monitoring and controlling projects, but also on project and process improvement, will create efficiencies and increase the capacity of the rest of your staff.

HIDDEN COST OF PROJECTS

Hidden costs can creep up when you least expect it – not only within the project itself but also as opportunity costs and resource costs. Project managers can help monitor and mitigate these hidden costs because they can focus on the end-to-end process. Different solutions apply for different areas, and you need someone to oversee how all the solutions work together.

The known **project cost** can be tens of thousands of dollars, a steep sunk cost if the project doesn't deliver its expected value. Hidden costs kick in as projects go over budget or fall behind schedule, possibly resulting in project cancellation. Even if the project goes to completion despite cost overruns and delays, the hidden cost can be significant.

Then there are the **opportunity costs**, the cost of not investing in another project. How do you know the project you're working on will deliver the most

value to your business? If you're investing in the wrong projects and your competitors have a clear project plan, then you're at a disadvantage. Consider Blockbuster and Netflix: Netflix invested in cloud content, and Blockbuster didn't. Netflix won.

Resource costs are why it's best to keep your team focused on their areas of expertise and work at their skill or license level. There's a downside to having your people handle project management in addition to their day jobs. Splitting their time will lead to an overall decrease in work quality. Dedicated project managers can focus their time on ensuring the project delivers the intended value while coordinating workflows to minimize the length and number of handoffs. With a dedicated project manager, team members can focus on their assigned duties, whether it's preparing a client's tax return or performing a monthly close.

FOCUS AREAS FOR IMPROVED PROJECT MANAGEMENT

To improve project management, organizations should focus on risk mitigation and controls, hiring and training, optimizing processes, and leveraging technology.



CONTROLS AND RISK are the root cause of many negative project outcomes. More than 50% of tax material weaknesses reported in the United States are driven by a lack of review, lack of personnel, or poor process execution, according to the 2014 EY Tax Risk and Controversy Survey. For the largest companies, the leading sources of operational tax risk are insufficient resources to cover tax function activities, insufficient internal communication, and a lack of process or technology, according to the survey.



HIRING AND TRAINING should always be a focus area – dedicated project managers are needed to manage projects, including and maintain communication on updates to the scope, budget, or timeline. Organizations should commit resources to managing projects, improving the project management process, and training project managers.



OPTIMIZING PROCESSES is an opportunity to reduce repetitive mistakes. Jessie Potter, Director of the National Institute for Human Relationships, once summed up the problem of doing otherwise: “If you always do what you’ve always done, you always get what you’ve always gotten,” she said at the Woman to Woman conference. Hope is not a strategy. You need to invest time.

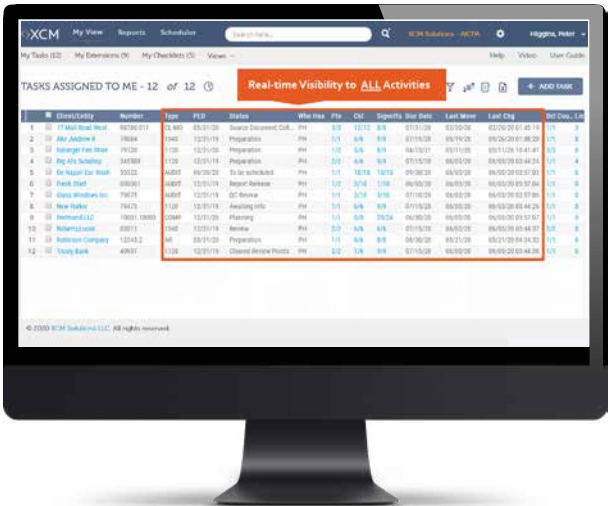


LEVERAGING TECHNOLOGY can give you the necessary data points and analysis to make project decisions. With all of the data, you know what projects run the risk of going over budget, or are experiencing delays, as well as quickly assess staff workload. To do the job right, a project manager needs to understand overall processes, the tools that fit into each part of the process, and continuously look at tools to gain the most value.

CONCLUSION

Projects need project managers to ensure success and to avoid pitfalls like cost overruns and project delays. Dual-role project managers will always have conflicting priorities with their daily work. We recommend hiring project managers rather than training existing staff and adding to their existing workload to prevent this conflict.

With a dedicated project manager focusing on project scope, budget, and timeline while documenting and communicating project status, stakeholders have the necessary visibility and a clear understanding of the next steps. The project managers' focus on continuous improvement through process optimization will ensure future and ongoing success.



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Adding project management technology should ensure that project team members know the work they are responsible for completing. The technology also needs to enable project managers to have overall visibility into the project status, keep the project in scope, budget, and on time.

ABOUT XCM

XCM provides a SaaS-based workflow and resource management platform that improves process efficiency, increases capacity, and drives productivity in accounting / professional services firms and corporate tax/ accounting departments.

XCM's solutions centralize tax, accounting, finance, and audit processes within a single platform for streamlined workflow automation.

XCM has over 550 customers, with approximately 40 percent of the Top 200 firms using XCM products and services. The productivity platform handles over 3 million processes annually.

To request a complimentary consultation to optimize your organization's project management processes through workflow technologies, call **781.356.5152** or visit **xcmsolutions.com**.