

Business Ethics
Project Management
Project Audit

based on real world experiences

this is not just another piece of schoolpaper

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Ethics Formulas In Business

THE CONDITIONS FORMULAS

NEW POST FORMULA

Every new appointee to a post begins in Non-Existence. Whether obtained by new appointment, promotion or demotion.

He is normally under the delusion that now he is "THE (new title)." He tries to start off in Power condition as he is usually very aware of his new status or even a former status. But in actual fact he is the only one aware of it. All others except perhaps the personnel officer are utterly unaware of him as having his new status.

Therefore he begins in a state of Non-Existence. And if he does not begin with the Non-Existence Formula as his guide he will be using the wrong condition and will have all kinds of trouble.

The Non-Existence Formula is:

1. Find a communication line
2. Make yourself known
3. Discover what is needed or wanted
4. Do, produce and/or present it

A new appointee taking over a going concern often thinks he had better make himself known by changing everything whereas he (a) is not well enough known to do so and (b) hasn't any idea of what is needed or wanted yet. And so he makes havoc. Sometimes he assumes he knows what is needed or wanted when it is only a fixed idea with him and is only his idea and not true at all and so he fails at his job. Sometimes he doesn't bother to find out what is really needed or wanted and simply assumes it or thinks he knows when he doesn't. He soon becomes "unsuccessful".

Now and then a new appointee is so "status happy" or so insecure or so shy that even when his boss or his staff comes to him and tells him what is needed or wanted he can't or doesn't even acknowledge and really does go into Non Existence for keeps. Sometimes he finds that what he is told is needed or wanted needs reappraisal or further investigation. So it is always safest for him to make his own survey of it and operate on it when he gets his own firm reality on what is needed or wanted.

If the formula is applied intelligently the person can expect to get into a zone of bypass where people are still doing his job to run the show his predecessor may have left. This is a Danger Condition, but it is the next one higher than Non Existence on the scale. If he defends his job and does his job and applies the appropriate Danger Formula he will come through it.

He can then expect to find himself in Emergency Condition. In this he must follow the Emergency Formula with his post and he will come through it.

He can now expect to be in Normal Operation and if he follows the formula of that, he will come to Affluence. And if he follows that formula he will arrive at Power. And if he applies the Power Formula he will stay there.

So it is a long way from Power that one starts his new appointment and if he doesn't go UP the scale from where he really is at the start, he will of course fail.

This applies to groups, to organizations, to countries as well as individuals. It also applies when a person fails at his job. He has to start again at Non Existence and he will build up the same way condition by condition.

Most failures on post are occasioned by failures to follow the Conditions and recognize them and apply the formula of the condition one is in when one is in it and cease to apply it when one is out of it and in another.

This is the secret of holding a post and being successful on a job or in life.

Here are the formulas of conditions given in order of advance upward:

NON-EXISTENCE

1. Find a communication line
2. Make yourself known
3. Discover what is needed or wanted
4. Do, produce and/or present it

DANGER

A Danger Condition is normally assigned when:

1. An emergency condition has continued too long
2. A statistic plunges downward very steeply
3. A senior executive suddenly finds himself or herself wearing the hat of the activity because it is in trouble

The formula for the senior declaring a Danger Condition:

1. Bypass (ignore the junior normally in charge of the activity-handle it personally)
2. Handle the situation and any danger in it
3. Assign the area where it had to be handled a Danger Condition
4. Handle the personnel by Ethics Investigation and Committee of Evidence (Committee of Evidence: A fact-finding group appointed and empowered to impartially investigate and recommend upon the company matters of a fairly severe ethical nature)
5. Reorganize the activity so that the situation does not repeat
6. Recommend any firm policy that will hereafter detect and/or prevent the condition from recurring

The senior executive present acts and acts according to the formula above.

Junior Danger Formula

Where a danger condition is assigned to a junior, request that he or she or the entire activity write up his or her overts (contra-survival actions) and withholds (undisclosed contra-survival actions) and any known out-ethics situation and turn them in at a certain stated time on a basis that the penalty for them will be

lessened but if discovered later after the deadline it will be doubled.

This done, require that the junior and the staff that had to be bypassed and whose work had to be done for them or continually corrected, each one write up and fully execute the Danger Formula for himself personally and turn it in.

1. Bypass habits or normal routines
2. Handle the situation and any danger in it
3. Assign self a Danger Condition
4. Get in your own personal ethics by finding what you are doing that is out-ethics and use self-discipline to correct it and get honest and straight
5. Reorganize your life so that the dangerous situation is not continually happening to you
6. Formulate and adopt firm policy that will hereafter detect and prevent the same situation from continuing to occur

EMERGENCY

1. Promote. That applies to an organization. (To an individual you had better say produce.) That's the first action regardless of any other action, regardless of anything else, that is the first thing you have to put their attention on. The first broad big action which you take is promote. Exactly what is promotion? Well, it is getting things out; it is getting one's self known, getting one's products out
2. Change your operating basis. If for instance you went into a condition of emergency and then you didn't change after you had promoted, you didn't make any changes in your operation, well you just headed for another condition of emergency. So that has to be part of it, you had better do something to change your operating basis, because that operating basis leads you into an emergency, so you sure better change it
3. Economize
4. Then prepare to deliver
5. Part of the Condition of Emergency contains this little line-you have got to stiffen discipline or you have got to stiffen ethics

Organizationally when a state of emergency is assigned, supposing the activity doesn't come out of that emergency, regardless of what caused the emergency, in spite of the fact they have been labeled a state of emergency, they have been directed to follow the formula, they have been told to snap and pop and get that thing straightened out, and they are still found to be goofing, the statistic is going down and continues to go down, what do you do? There is only one thing left to do and that is discipline, because life itself is going to discipline the individual.

So the rule of the game is that if a state of emergency is ignored and the steps are not taken successfully then you get an announcement after a while that the condition has been continued and if the condition is continued beyond a specified time, why that's it, it has to walk forward into an Ethics matter.

NORMAL OPERATION

1. The way you maintain an increase is when you are in a state of Normal Operation you don't change anything
2. Ethics are very mild, the justice factor is quite mild, there are no savage

actions taken particularly

3. A statistic betters-then look it over carefully and find out what bettered it and then do that without abandoning what you were doing before.

4. Every time a statistic worsens slightly, quickly find out why and remedy it.

And you just jockey those two factors, the statistic bettering, the statistic worsening, repair the statistic worsening, and you will find out inevitably some change has been made in that area where a statistic worsens. You had better get that change off the lines in a hurry.

AFFLUENCE

1. Economize. Now the first thing you must do in Affluence is economize, and then make very, very sure that you don't buy anything that has any future commitment to it. Don't buy anything with any future commitments, don't hire anybody with any future commitments-nothing. That is all part of that economy, clamp it down

2. Pay every bill. Get every bill that you can possibly scrape up from any place, every penny you owe anywhere and pay them.

3. Invest the remainder in service facilities, make it more possible to deliver

4. Discover what caused the Condition of Affluence and strengthen it

POWER

1. The first law of a Condition of Power is don't disconnect. You can't just deny your connections, what you have got to do is take ownership and responsibility for your connections

2. The next thing you have got to do is make a record of all of its lines. And that is the only way you will ever be able to disconnect. So on a Condition of Power the rust thing you have to do is write up your whole post. You have made it possible for the next fellow in to assume the state of Power Change. If you don't write up your whole post you are going to be stuck with a piece of that post since time immemorial and a year or so later somebody will still be coming to you asking you about that post which you occupied

3. The responsibility is write the thing up and get it into the hands of the guy who is going to take care of it

4. Do all you can to make the post occupiable

POWER CHANGE

There are only two circumstances which require replacement, the very successful one or the very unsuccessful one.

So, anybody wants anything signed that your predecessor didn't sign, don't sign it. Keep your eyes open, learn the ropes and, depending on how big the organization is, after a certain time, why, see how it is running and run it as normal operating condition if it's not in anything but a normal operating condition. Go through the exact same routine of every day that your predecessor went through, sign nothing that he wouldn't sign, don't change a single order, look through the papers that had been issued at that period of time-these are the orders that are extant-and get as busy as the devil just enforcing those orders and your operation will increase and increase.

Now, the fellow who walks into the boots of somebody who has left in disgrace had better apply the State of Emergency formula to it, which is immediately promote.

FORMULAS FOR CONDITIONS BELOW NON-EXISTENCE . CONDITION OF LIABILITY

Below Non-Existence there is the Condition of Liability. The being has ceased to be simply non-existent as a team member and has taken on the color of an enemy. It is assigned where careless or malicious and knowing damage is caused to projects, organizations or activities. It is adjudicated that it is malicious and knowing because orders have been published against it or because it is contrary to the intentions and actions of the remainder of the team or the purpose of the project or organization. It is a liability to have such a person unwatched as the person may do or continue to do things to stop or impede the forward progress of the project or organization and such a person cannot be trusted. No discipline or the assignment of conditions above it has been of any avail.

The person has just kept on messing it up. The condition is usually assigned when several dangers and non-existences have been assigned or when a long unchanged pattern of conduct has been detected. When all others are looking for the reason mail is getting lost, such a being would keep on losing the mail covertly.

The condition is assigned for the benefit of others so they won't get tripped up trusting the person in any way. The formula of liability is:

1. Decide who are one's friends
2. Deliver an effective blow to the enemies of the group one has been pretending to be part of despite personal danger
3. Make up the damage one has done by personal contribution far beyond the ordinary demands of a group member
4. Apply for re-entry to the group by asking the permission of each member of it to rejoin and rejoining only by majority permission, and if refused, repeating (2) and (3) and (4) until one is allowed to be a group member again.

CONDITION OF DOUBT

When one cannot make up one's mind as to an individual, a group, organization or project a Condition of Doubt exists.

The formula is:

1. Inform oneself honestly of the actual intentions and activities of that group, project or organization, brushing aside all bias and rumor
2. Examine the statistics of the individual, group, project or organization
3. Decide on the basis of "the greatest good for the greatest number of dynamics" (Dynamics: The urge, thrust and purpose in its manifestations. whether or not it should be attacked, harmed or suppressed or helped
4. Evaluate oneself or one's own group, project or organization as to intentions and objectives
5. Evaluate one's own or one's group~ project or organization's statistics

6. Join or remain in or befriend the one which progresses toward the greatest good for the greatest number of dynamics and announce the fact publicly to both sides
7. Do everything possible to improve the actions and statistics of the person, group, project or organization one has remained in or joined
8. Suffer on up through the conditions in the new group if one has changed sides, or the conditions of the group one has remained in if wavering from it has lowered one's status

CONDITION OF ENEMY

When a person is an avowed and knowing enemy of an individual, a group, project or organization, a Condition of Enemy exists.

The formula for the Condition of Enemy is just one step:

Find out who you and they really are.

Global Project Planning Guidelines

Description:

Global (or multinational) projects are inherently more complex than single-country engagements. The Project Manager must interface with more stakeholders and manage more complex plans, risks, and logistics than in a typical project.

Project Participants – Roles and Responsibilities:

The PM should ensure these groups are represented on their planning team, and that roles and responsibilities are clearly defined. The following section will outline some additional planning activities supported by these team members.

Global Account Management Consultants (GAM) from the Business Units GAM function

- Support discovery of the customer's global business requirements
- Provide global business consultation and account planning support
- Analyze projects and recommend appropriate transaction structure
- Engage areas resources to support global opportunity
- Monitor implementation of global opportunities
- Act as an escalation point
- Contract Managers (CM) / Law
- Assist in developing an appropriate Statement of Work
- Source expertise regarding disparate legal systems or contract content from the various participating countries
- Review and help negotiate contract terms and conditions in the

Master Agreement and addenda

- Corporate Tax
- Ensures VAT is properly addressed in the plans
- Manage Permanent Establishment (PE) risk
- Export Compliance
- Validate compliance of proposed import/export transactions
- WCS Account Support Manager
- Develops the global Account Support Plan and represents WCS

Worldwide Field Operations (WFO) retains responsibility in the following areas. The GAM Consultant will help the PM identify a WFO representative to participate in risk assessment and planning for:

- Assigning a Global Customer Identifier
- Compensation
- Contract Management
- Order Processing
- Invoicing
- Global Selling Fee

Additional Project Management Considerations by TSP Phase:

Account Planning:

The GAM Consultant works with the Account Director to develop a Global Account Plan and get the project properly entered into the Global Account Management processes. The PM may participate, but in any case they should obtain account planning information at the beginning of Opportunity Qualification activities. The GAM Consultant maintains current knowledge about COMPANY's process and capabilities, and serves as an SME to the account and project team.

Opportunity Qualification:

All multinational projects are 'complex', and therefore require a PM to engage early in this TSP phase.

The PM identifies additional sources of project information, including:

- Integrated Account Planning Global Account Addendum
- Holden ValuGuide
- Customized Global Customer Requirements Questionnaire
- Global Virtual Account Team composition plan
- Global Opportunity Profile

The PM works with the GAM Consultant to identify appropriate members for a planning team, including sales and PM functions in the home and destination countries. They may include PS Project Managers, WCS PMs, or Implementation Coordinators, depending on project content and complexity.

The PM understands how the GAM Consultant and SSS have classified the opportunity according to an accepted Global Transaction Model. The PM considers the proposed activities, responsibilities and risk for:

- Order management
- Invoice generation and management
- non-standard shipping and logistics
- Staging
- Import /export
- Third parties involved in import or export process

The PM engages the entire team in the Risk Assessment. Refer to the list at the end of this document to help identify common risk events observed in multinational projects, and ensure mitigation strategies exist for each. Support Global Bid Review as a member of the Bid Team

Project Plan / Proposal Development:

The PM leads the team in developing the WBS and preliminary project plan. This plan includes specific and unique logistics, order and billing activities resulting driven from the Global Transaction Model.

The PM solicits plan input from project management resources in each destination country, including WBS, risk, schedule and budget input.

Contract / Order Management Phase:

and Multinational/transactional Addendum. They ensure the contract addresses items such as:

- Participating Affiliates – list, performance guarantee
- Pricing – price changed, freight, duties, taxes
- Orders – location
- Invoicing and Payment – frequency, currency, location
- Warranty
- Dispute Resolution – Arbitration

Delivery / Installation Phase:

The PM ensures WFO-Operations Services has a process for administering all orders. This varies by transaction model, but typically involves the SSS forwarding orders to their counterparts in destination countries for processing. The GAM consultant can help validate the process, and further supports order processing by providing a Global Project and Pricing Notification letter.

The PM ensures their team creates a Global Installation Guide. Preliminary material should be provided throughout planning phases, and the final version distributed prior to implementation. The PM ensures each country has complete instructions for installation.

The PM establishes status tracking, and validates local resources are dispatched for the installation according to the project plan, and maintains the consolidated project implementation status.

If appropriate, the PM communicates with Corporate Tax regarding Permanent Establishment risk if goods are being staged in an intermediate country.

The PM ensures the ASM is appropriately transferring Warranty credits as appropriate.

The PM obtains documented customer acceptance from each country.

The PM notifies WFO-Operations Services to prepare invoices in each destination country. The manage special provisions to aggregate and forward the invoices to a named COMPANY contact if central billing is required by the customer.

Invoicing / Customer Satisfaction Phase:

The PM ensures invoices are issued and forwarded to the appropriate parties.

Project Audit

Business Operations categories cover the primary business operations and business management functions impacting project performance. **easyStad** uses

specific checklists to ensure full investigation of each area. Thorough root cause analysis uncovers business operations issues that will impact other projects run in that area.

1. Project Integration & Project Planning: focused on the planning elements and the cohesive integration of the project management system.
Project plan development – Is there an integrated plan that addresses all required elements? (See minimum requirements defined by TSP and GlobalPM)

Project plan execution – Is the project plan used to manage all project resources?

Project plan execution – Is the plan used to control cost, schedule and performance to requirements?

Overall Change Control – Does the process manage integration of scope, schedule, cost, quality, risk and contract changes, and result in appropriate project plan changes?

2. Project Scope Management: defines and controls the work to be done in the project.

Initiation – Is the Project Charter defined and understood by all stakeholders?

Initiation – Is the PM assigned and positioned appropriately with all stakeholders?

Scope Planning – Is the Statement of Work defined and agreed upon?

Scope Definition – Does a Work Breakdown Structure cover the entire scope of work?

Scope Definition – Is there traceability from the contract through all applicable project plans?

Scope Verification – Has the Statement of Work been formally documented and accepted?

Scope Change Control – Has the change control process been defined and followed?

Scope Change Control – Does the PM have a current copy of the contract?

Scope Change Control – Was the contract in place before the start of project work?

3. Project Time Management: focuses on estimating and ensuring timely completion of project work.

Activity Definition – Does the WBS contain appropriate detail and full definition of all activities?

Activity Sequencing – Are all activity dependencies and sequencing identified in the plan?

Activity Duration Estimation – Are time estimates based upon the activities in the WBS?

Activity Duration Estimating – Were duration estimates based upon sound methods or experience?

Schedule Development – Does the schedule reflect activity sequence, duration & resource availability?

Schedule Development – Can the PM define the current critical path?

Schedule Control – Are all change requests analyzed against schedule impact?

4. Project Cost Management: focuses on estimating & ensuring completion of project work within budget.

Resource Planning – Are all resource requirements defined for all activities in the WBS (people, equipment & materials)

Cost Estimating – Are the costs of each resource known?

Cost Budgeting – Are complete costs allocated to each activity in the WBS?

Cost Budgeting – Was the cost baseline established and reflected in The Company proposal and presale planning?

Cost Control – Are cost estimates kept current and reflect change control?

Cost Control – Does the project use integrated schedule and cost management (Earned Value)?

Cost Control – Can the PM provide an Estimate at Completion?

5. Project Quality Management: focus on the quality policies, objectives and responsibilities.

Quality Planning – Is the Quality management plan current and relevant to the project?

Quality Planning – Do all project team members understand how to satisfy the quality policies?

Quality Assurance – Does the project include a means to evaluate overall performance on a regular basis?

Quality Control – Are test and acceptance procedures for project deliverables identified and followed?

Quality Control – Are all deliverables tested before delivery to the customer?

6. Project Human Resource Management: processes to make the best use of all project stakeholders.

Organizational Planning – Are all roles and responsibilities understood and documented in an OBS?

Organizational Planning – Is there a Responsibility Assignment Matrix linking all tasks to the resource?

Staff Acquisition – Is all project staff assigned and committed by both inside and outside organizations?

Team Development – Have all team members received appropriate training and development?

Team Development – Is project performance / recognition linked to the team's performance appraisals?

7. Project Communications Management: includes the processes to ensure sharing of information among all project stakeholders.

Communications Planning – Is there a procedure for communicating with the customer?

Communications Planning – Is there a procedure for all communications with all other stakeholders?

Information Distribution – Is the PM Information System adequate for timely sharing of information?

Performance Reporting – Is there adequate project status, progress and forecast reporting?

Administrative Closure – Is there formal acceptance and documentation of milestone completion?

Administrative Closure – Is there a means to archive project documentation & share lessons learned?

8. Project Risk Management: focus on process to identify, analyze and respond to positive and negative risk events.

Risk Identification – Were sources of risk identified as part of pre- and post-sale project planning?

Risk Quantification – Were risks evaluated, prioritized, examined for interaction?

Risk Response Development – Does the risk management plan outline opportunities, contingencies, risk reserve, mitigation strategies for key risk events?

Risk Response Development – Do the proposal, contract, project plans reflect appropriate mitigation?

Risk Response Control – Is the Risk Management Plan executed and kept current?

9. Project Procurement Management: focus on acquisition of goods and services from outside the local project organization.

Procurement Planning – Did project planning include an analysis of what to procure, when and why?

Solicitation Planning – Were formal requirements defined and potential sources identified?

Solicitation Planning – Is the subcontracting consistent with The Company opportunity and risk assessment?

Solicitation Planning – Is the subcontract aligned properly with The Company's contract with the customer?

Solicitation – Was there a process to obtain quotes or proposals from multiple suppliers?

Source Selection – Was there a formal evaluation process used to select suppliers?

Contract Administration – Does the subcontract adequately specify SOW, cost/schedule control, change and quality management procedures?

Contract Administration – Does the PM (or a designate) manage the relationship with the suppliers?

Contract Close-Out – Are formal acceptance criteria defined and used to manage suppliers?

10. External Process Support: Focus on how the surrounding The Company business processes support this project.

Funnel/Sales Management – When and how was the PM engaged in TSP for this project?

Funnel/Sales Management – Was the PM involved in Account Planning and presale planning?

Funnel /Sales Mgmt – Was there an effective risk assessment and Bid/No Bid process for this project?

Funnel/Sales Management – Was the PM involved in cost estimating and pricing of this opportunity?

Backlog/Resource Mgmt – Is there an effective process for identifying and obtaining project resources?

WIP/Proj. Mgmt. – Does the PM have accountability for all goods and services in this project?

WIP/Results – How is PM performance measured? Are the organization and project metrics consistent?

WIP/Results – Can the PM obtain project performance information from F & A and other orgs.?

WIP/Results – Is the project reporting adequate to communicate status to The Company management?

Results – Does the PM manage customer billing?

11. External Organizational Support: Focus on how the surrounding The Company organizations support this project.

PMO – Was the PM assigned to project this at the appropriate time and with the appropriate authority?

PMO – Can the PM get the required support for administrative and F & A functions?

PMO – Can the PM get adequate support for project start-up, risk assessment and audit functions?

The Company Interface – Does the PM have appropriate interfaces into other PS and The Company organizations providing resource to this project?

The Company Interface – Is the PM properly position with the Sales team?

12. Tools and Infrastructure: Focus on the effectiveness and efficiency of tools and systems.

PMIS -Are the tools used internal to the project (the Project Management Information System) effective?

Time & Activity – Are there effective tools for time tracking and reporting back into the PM?

Time and Activity – Is time tracked according to project plan cost accounts?

Cost tracking – Are there effective tools for cost tracking and reporting actuals back to the PM?

Schedule Tracking -Are there effective tools for schedule plan and tracking?

Billing – Is there an effective tool for managing customer billing as a function of the contract and plan? ?

Resource Management – Is there adequate systems for resource management?

Technical Solution Management: This category focuses on the adequacy of the technical deliverables from this project. It also investigates the procedures in place guiding the analysis, design, development and deployment of all deliverables.

13. Technical Solution Management:

Definition – Is there an adequate functional description of the project deliverables?

Definition – Have formal requirements documents been reviewed and approved with the customer?

Analysis – Have formal specification documents been reviewed and approved with the customer?

Design – Have all applicable design documents (functional decomposition, detailed design, etc.) been reviewed and approved?

Development – Is there an appropriate development / deployment process in place?

Development – Is there a configuration management process in place, linked to the overall project change control process?

Quality – Is the product quality assurance linked to the overall project quality management system?

Quality -Have these deliverables been independently reviewed?

The Project Manager should plan this audit activity, and include it in their WBS and Quality Assurance plans.

Audits of the project management system can occur at various times. It is recommended that the project be reviewed at significant milestones, such as:

- at the completion of pre-contract planning, before submitting a customer proposal
- after post-contract planning, before establishing a project baseline
- at major milestones or between project phases
- anytime project cost, schedule or quality metrics exceed acceptable variances.