

Scope Creep!

Managing Process Improvement Project Scope

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Why does it always happen? What can be done to manage scope?
Have you ever worked on a project where the boundaries of the project expanded?
Or perhaps more important, have you ever worked on a project where scope hasn't expanded?

Scope creep, what is it? Scope creep is usually defined as the unplanned expansion in the size of a project. How do we prevent it? Is it possible to control and manage our business process improvement projects more efficiently and effectively? Absolutely!

Just about everyone who has ever worked on a project has experienced the problem of project scope creep. It's like those capsules of sponges, which expand when dropped in water. They usually expand to about ten to twenty times their original size. Why does this happen? The boundaries (plastic capsule) dissolve. Project scope creep also happens because boundaries disappear. So, if it almost always happens, is there any way to prevent it? In order to prevent problems the root-cause must be correctly identified.

If we analyze the root causes of scope of creep, we can find these major issues:

- Inaccurately defining process and lack of recognition that almost all processes connect to other processes
- Wrong people are defining the scope
- Terminology related to the project is not defined
- Not defining the high level interfaces between processes
- Neglecting to do a health check on those interfaces
- Failing to realize that perhaps certain aspects of the project still make it too large to manage.

Inaccurately defining process and lack of recognition that almost all processes connect to other processes

These issues are not related to what we do but rather, what we don't do. It all begins with how organizations define business processes. When I asked these questions I usually get answers like it's a set of activities that take inputs and produce outcomes. There are two characteristics of process that rarely, if ever, get mentioned. First, almost all processes are cross-functional. Second, almost all processes connect or interface with other processes. So, if your project encompasses a "process" that is contained within one functional area, there's a very good chance that you're original project scope only encompasses a portion of the process but eventually it will encompass the entire process.

Opportunity for scope creep!

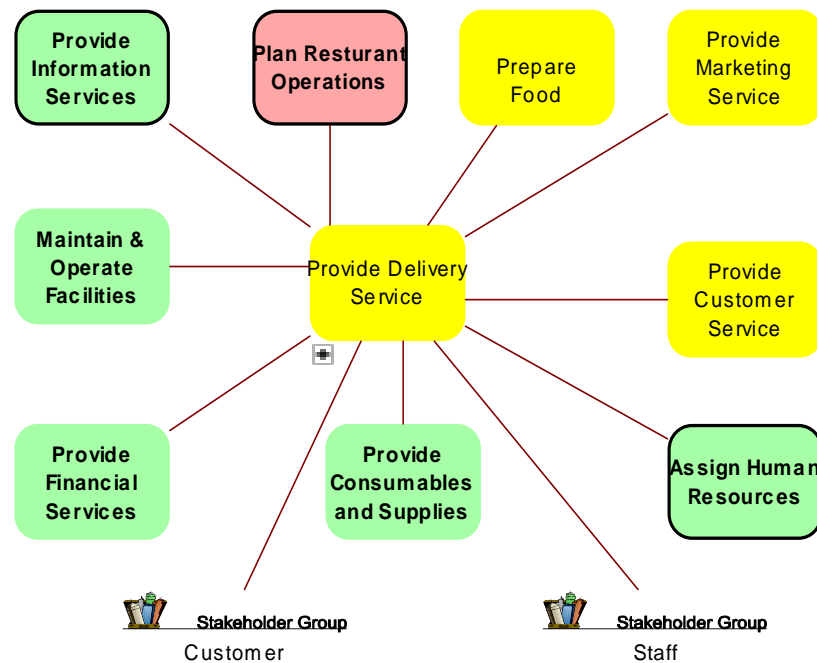
For example, a company wants to improve the accounts payable “process”. Can this be done? Well, accounts payable is certainly a set of activities that have inputs and produce outputs. However, we must ask the question “why does it have an input”? It’s the same question I have to answer every month when the credit card bills arrive. I have bills because I purchased something. So, in a company, we must also examine what happens in purchasing if we are going to attempt to improve accounts payable. Next question, if we purchase something what happens next? We receive it, of course. So now we should probably also include receiving. After all we don’t want to pay for goods that we don’t receive. When we receive goods, unless we use them immediately, what happens? They go into inventory. Ok, let’s talk to the inventory group to make sure we don’t have inventory issues. We could be receiving what we order but it never goes into inventory. Anyone remember the movie “9 to 5”? That company received a lot of goods that went into someone else’s inventory. Now, before we make the accounts payable ‘process’ really efficient, we need to make sure that we are taking advantage of all the discounts and terms that have been negotiated. Where does this happen? Let’s say that terms and conditions are negotiated by legal. Now we have the legal department participating on the project. Last question “who selects our vendors? Is there a vendor selection process? For the sake of argument we’ll say this happens in Marketing. We could probably develop more scenarios but with just this simple example, how much did our scope change? We started with one functional area, accounts payable. When we finish asking questions, we now have accounts payable, purchasing, receiving, inventory control, legal, and marketing. Our project is now five times larger than originally defined. Can you begin to see the sponge?

On the other hand we could move forward, as we traditionally have, and just work on improving accounts payable. After all, to include all these other groups really complicates the project. It means that someone will have to coordinate all these cross functional resources and the politics. So, what’s wrong with this picture? In this scenario, we redesign the accounts payable “process” to pay the bills very efficiently. However, we never take advantage of our discounts, we buy office supplies from ten different vendors, we may pay for goods we never receive and goods that are received may get funneled off to inappropriate areas of the organization or better yet, EBAY? Then someone actually asks why we didn’t see any business benefits from the accounts payable improvement project!

Wrong People are Defining the Scope

Identify workshop attendees

Process Interface Diagram



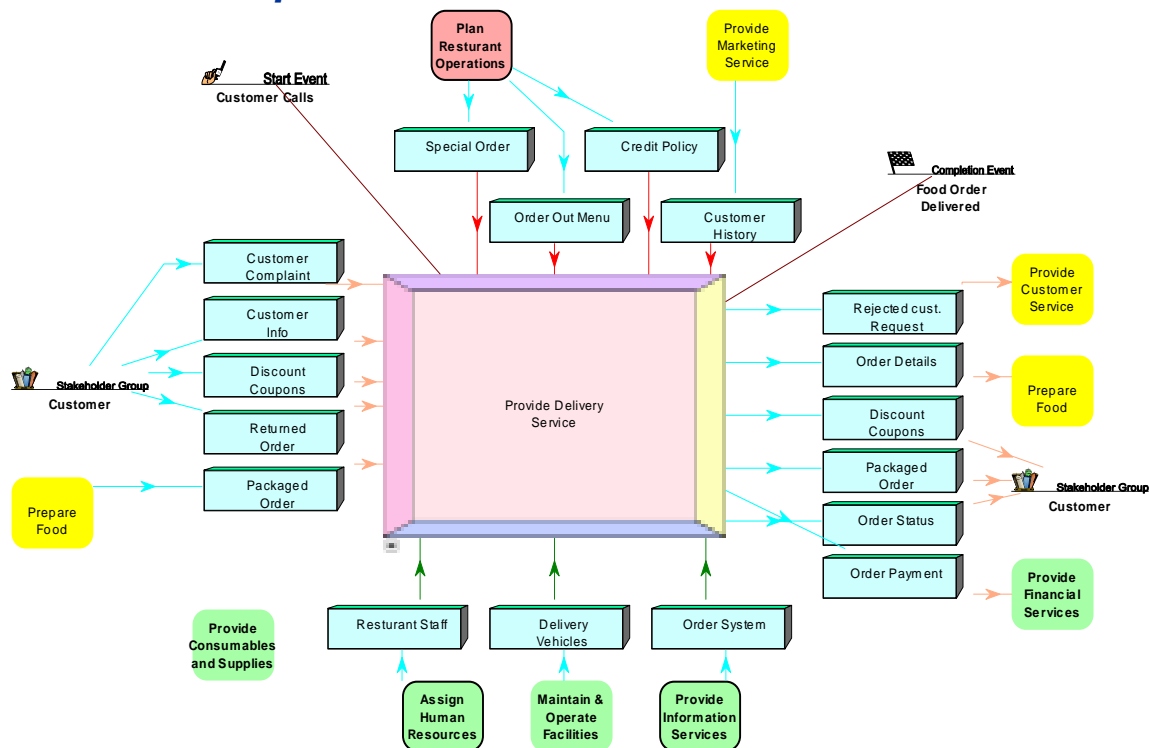
The second major root cause of process improvement project scope creep is that we don't usually have the correct participants defining the process. The participants must be high level managers in the related functional areas who have a very comprehensive understanding of the business and its issues. It will be the responsibility of this group to define the boundaries of the process. For example, "exactly" where does it begin and where does it end. These must also be the people who have resource allocation authority. Too often the boundaries of a project are defined and then the project goes looking for resources and can't find them. Let's say that we've been given a project to improve the Order Fulfillment Process. Does this process begin when the phone rings, the order is taken, the credit is approved or availability of product is confirmed? When does the process end? Does it end when the product is shipped, the product is received or the product is accepted? The way that we define the boundaries for the process will impact project over and over again. It will impact who we get input from, who we include as part of the core team, what we measure, what we set as our vision, and what falls within the scope of change when we redesign or try to improve the process. When the correct group is defining the scope they are also making resource commitments. Never send someone else to do your job! **Opportunity for scope creep!**

Terminology related to the project is not defined

Third, we must spend time to discussing terms related to the project to achieve a common definition among all participants and related parties. Most of the time we “assume” that everyone understands a “process” in the same way. This is one of the many “assumptions” that are made surrounding process projects and most of them are not accurate. What this means is that we all assume everyone has a clear understanding of the process and the terms used in the process. Unfortunately, these assumptions are just what they sound like, assumptions. Only when we get into the project and questions begin, do we try to accurately define these in concrete terms. Normally, this results in a different definition of the project. For example, if I refer to pizza in the United States, there is a very definite image that this creates in all our minds. However, if I order a pizza in Italy or Hungary or some other country there will be some very interesting surprises in store for me like square or rectangular pizzas, or pizzas with fried eggs and corn on top. So, again, we cannot assume everyone understands the terms being used in the project. Another simple example, I tell you my dog’s name is “Fasby”. You may think that’s an unusual name for a dog but unless you’re an accountant you won’t understand the “play on words”. For an accountant, the term Fasby is translated FASB or Federal Accounting Standards Board.

Not defining the high level interfaces between processes

Process Components and the “interfaces”

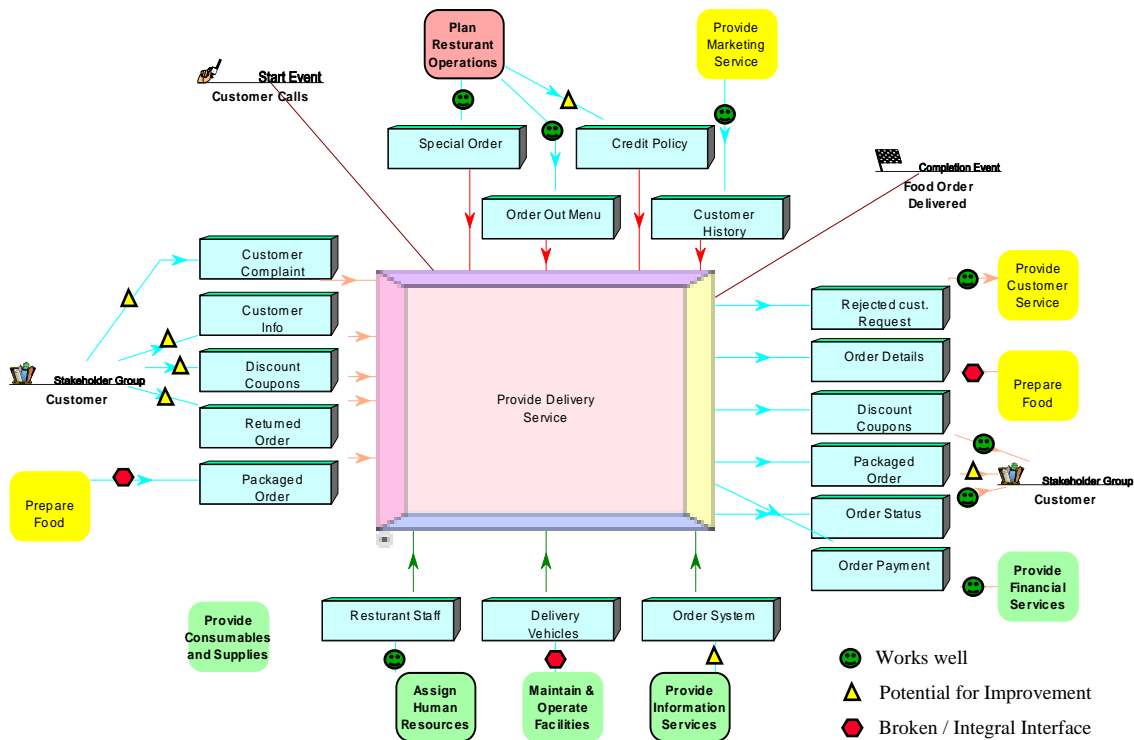


Fourth, we must define the high level interfaces. To do this we must know what a process is and its interfaces to the other processes. In other words, which processes are affected by or affect the process in question and what creates that interface, or what flows between processes or other stakeholders. We define these interfaces as our IGOEs (Inputs, Guides, Outputs and Enablers). Often organizations have difficulty defining these interfaces because they don't have their processes defined. So, if organizations don't have their processes defined, how do they establish the scope of projects? Typically it's done based on which functional pieces of the organization are involved in the project. We recognize from our first opportunity for scope creep (lack of accurate process definition) what this can mean. So, we really must have some high level definition of processes. The next question 'how long does defining your high level processes take'? We have a limited amount of time for our project and we can't invest much time in activities that aren't directly related to the project, right? Experience has shown that with the 'right people' in the room this can be easily done in a half day. It's well worth the investment to define your high level processes first and ensure you know where your process improvement project fits into the big picture. The real value of the big picture process view is that we can use over and over again in other projects. When we understand all of the process interfaces, we have what is called the scope of analysis.

Neglecting to do a health check on those interfaces

Identify the "interfaces"

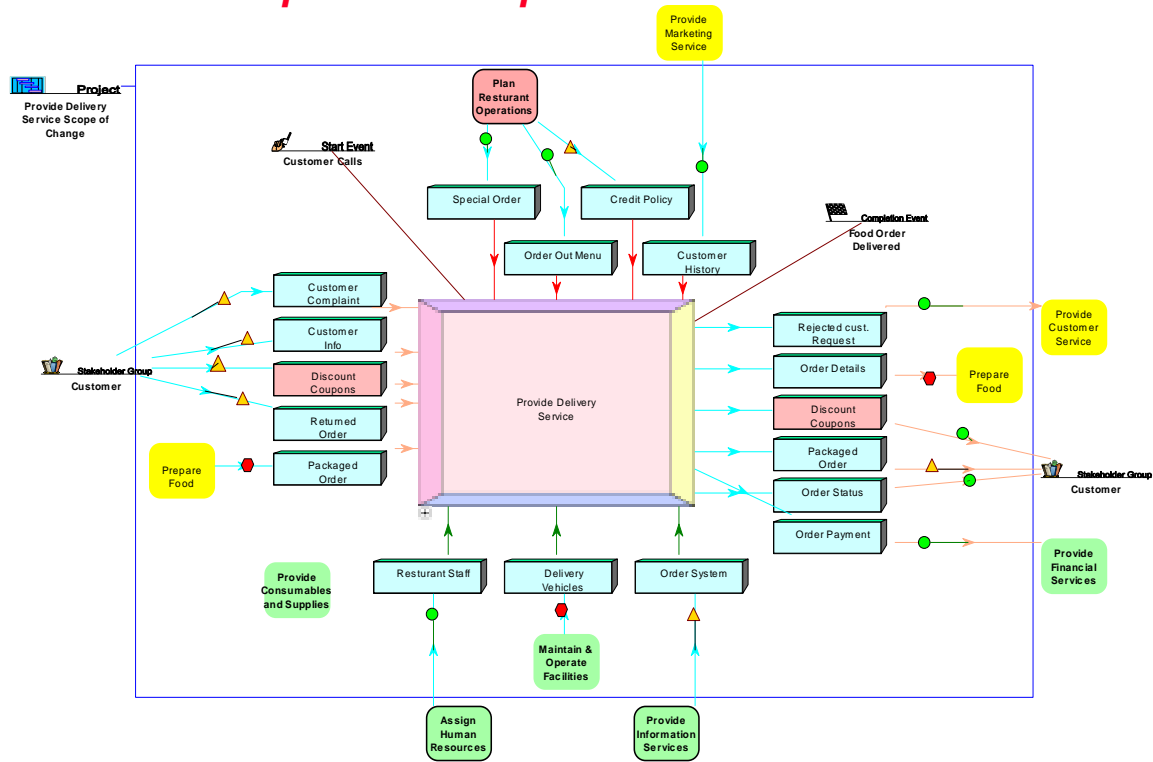
"Scope of Analysis Diagram"



Fifth, we need to analyze all these interfaces to determine the health of each one. The purpose of this activity is to focus our efforts on the really important aspects of the process and to be realistic about what we can affect and what we cannot. To do this we must ask questions about what works well, what doesn't, what will be impossible to change or what will just take too much time given our project resource and time constraints. The result of this new understanding is our scope of change. This means that everything included within this boundary may potentially be changed or altered in some way. This is our project scope definition!

Failing to realize that perhaps certain aspects of the project still make it too large to manage

Additional Aspects of Scope Definition



Finally, we must incorporate realism in our “project scope”. For example, if the project scope is the payment process for a very large financial institution, then we need to consider whether it’s feasible to initially examine “all” payment types (40) or just a few major payments that have the greatest impact on the organization from a risk and reward perspective. In the example above we’ve highlighted discount coupons as a simple example of this concept.

In conclusion, can project scope be managed better? Absolutely! Frustration with process improvement projects is often the result of issues with project scope and not knowing what to do to address these issues. Now that you have the knowledge, you have the power to control your projects more effectively and efficiently.