

Welcome

In this issue of Tipoffs, we have focussed on project management in a tightening economic cycle, which appears to be a hot issue at this time. Questions still abound around the fall out from the credit crunch; the economic downturn; and what defines a recession. Some sectors appear to be booming, others are starting to feel the pinch so whatever happens we have tried to look at some useful tips that may be applicable if the dreaded R comes your way or not.

Leading off is our managing editor, Dan Strayer, who takes a look back at the predictions, made in the January issue of Tipoffs about the 2008 year in project management. With updates and reflections on two predictions, plus input from our guest prognosticators, Tipoffs will try to determine if these predictions are still holding up.

Mick Hides uses his own background experience in manufacturing to examine a steadfast approach to changing a company's path when the 'downward business cycle' rears its ugly head. When the chips are down, it's not uncommon to find that some projects are on the shutdown list. But if yours is on the list, would you know how to stand up for it? Lindsay Scott has the formula, and she shares some tips on how to stand strong when it looks like hammer is falling. John Thorpe counters with advice and ways to handle the fallout when a head count freeze is announced.

To lighten the mood and be helpful all at once, Nicola Thorp is back as well, continuing what we hope will be a monthly theme of fun-loving Top Ten Lists. This month, Nicola tackles 10 different things one can do in an economic downturn that can prove to be frugal for the long run.

We had a huge response to last month's Tipoffs, and we're not taking any time off this summer! Next month, we'll tackle the matter of project management qualifications in Tipoffs, and we've already seen some solid opinions and statements thus far in the process, including those from the likes of Maven Training and CUPE Limited. Keep reading!

We receive requests to write for our newsletters all the time. Do you want to contribute to a future issue of Project Management News? We are always looking for contributions from the next great writer out there looking to share their knowledge, experience and expertise in the project management industry. For more information, drop us a line at editor@arraspeople.co.uk.

NostradArras - A Look At This Year's Predictions

By Dan Strayer

In January, Tipoffs came out with a [series of predictions](#) from several guest prognosticators as a way of getting you ready for the new year in project management.

Sometimes, predictions have the prognosticators channelling their inner-

Nostradamus. Others can end up looking like the record executive who turned down The Beatles, with these anti-prophetic words:

['Guitar groups are on the way out'](#).

We decided to go back to the sources of these predictions, and find out if such statements held up midway through 2008, or whether we can expect such predictions to be changed, altered slightly or altogether discarded for the next six months.



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[Visit the Project Management Job board for more vacancies.](#)

"NostradArras" links

It's fun to look at the predictions made throughout history and laugh at how off-target they ended up being. [This](#) is the place to do just that.

No doubt you've heard of Nostradamus in [popular culture](#). For more on Nostradamus the man, click [here](#).

O'Neill: Uncertainty in economy remains a threat

One of our contributors was Peter O'Neill, a senior instructor with ESI International, who wondered about a possible 'Increased Uncertainty in the PM Arena in 2008? Of particular concern was how economic concerns 'posited caution on the part of many company and government spending plans.'

Six months on, O'Neill still has reasons to be concerned.

'There is now widespread agreement that the economy is heading for a depression,' he said in an e-mail to Tipoffs. 'This will have inevitable knock-on effects on consumer and government spending - and both the construction and finance sectors are already reducing headcount significantly. So we can expect numerous projects in almost all sectors to be cancelled, shelved or scaled down.'

O'Neill believes that the level of uncertainty in the project management trade can be traced to consumer, financial and business confidence. And while O'Neill thinks the energy industry may be the only sector to see a significant upswing in production and project staffing, teamwork between both PMs and senior management will be essential.

'The impact (of lack of confidence) on projects will be widespread with the notable exception of the energy industry, where unrealistically high oil prices will prompt expansion of both traditional and replacement energy source projects,' he wrote. 'Project managers and their employing organisations will need to continually reassess project business case estimates, review their risk assessments and responses and prepared to significantly adjust their project prioritisation and portfolio management strategy.'

Burigo: PRINCE2 continues to thrive

Joanna Burigo is Marketing Manager for Maven Training Limited. In January, she forecasted 'a sharp rise in the adoption of PRINCE2™ around the world. Helped by the imminent release of PRINCE2™ translations into German, French and Polish, more international organisations will adopt PRINCE2™ than ever before.' Six months later, Burigo, who speaks on behalf of the Maven Training staff, thinks the prediction has held up well in spite of the supposed recession.

'Although economic conditions in the UK and around the world are getting increasingly tough, we're still seeing growing interest in PRINCE2,' she said. 'We think this is because when organisations face difficult markets they must increase their efficiency while keeping costs down. Good project management processes help them to do this in a cost effective way. They don't need to invest lots of time in trying to find the best way of doing things - it's already prepared for them as a Best Practice Method.'

Burigo expands upon the notion of company investment in the months ahead.

'Another trend we're seeing is organisations investing in their biggest asset - their people. They understand that the time and money spent on training their project managers is an effective way of getting ROI (return of investment). Their employees benefit from time out of the office spent thinking about how they do things, and when they get back to work they're able to put the practical advice that PRINCE2 offers into practice straight away.'

'We think these two factors will mean that PRINCE2 adoption around the world continues to rise and won't be affected negatively by the economic climate.'

Dan Strayer is the Managing Editor of Tipoffs and a Research & Marketing Officer for Arras People.

Changing Climates in a Downward Business Cycle

By Mick Hides

Downturns in the business cycle



"Downward Cycle" links

Here's another look (through Amazon) at Peter Senge's [The Fifth Discipline](#).

Top Ten List - Best Ways to Be Frugal



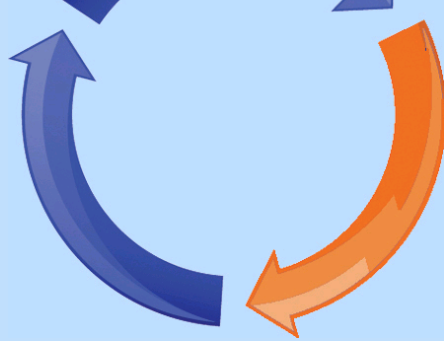
By Nicola Thorp

Here is a list of my favourite useful/less money saving tips:

1. Mouthwash can be Expensive - Simply mix one tablespoon of vinegar in a glass of water. (I cannot guarantee you won't gag).

2. Bath salts, anyone? Utilise your old tights by putting oatmeal or herbs into the ends and tying them off. (Not sure how old tights can produce a pleasant aroma?!)

are traditionally responded to with an increase marketing activities and tightening of belts in all other areas. Coming originally from a manufacturing environment this is something I have seen on many occasions. This may be familiar to many but let me share my experiences.



A manufacturing company suffers a downturn in sales so reduces the headcount of those producing and invests in salesmen and a marketing campaign. The result is initially positive in that the sales orders grow rapidly, to such an extent that it exceeds the capacity of the production staff and temporary staff are brought in to increase the capacity. Poorly trained, these new 'employees' have little training and even less incentive to produce high quality work so instead concentrate on quantity leading to a high volume of poor quality goods.

In my experience, rather than meeting the needs of the customer, goods are returned and orders cancelled. This further downturn leads to more staff being laid off and so begins a downward spiral (a model described very well by Peter Senge in *The Fifth Discipline*, which was mentioned in the [May issue of Tipoffs](#)).

To break out of this thinking takes a great deal of courage and at first seem counter productive. When times become slightly hard perhaps it is time to invest in the skills of your staff. They certainly have more time to concentrate on development activities and a better trained team can produce more, higher quality goods.

But what has this to do with project managers? Well, plenty!

How do you use quieter periods? Do you see patterns emerging within your organisations? When did they last look to invest in your skills base? Do you think learning on the job is the best way to develop yourself? If you are a contractor do you spend all your time trying to get new work? Even if you are in a permanent role perhaps the time is right to re-consider investing in your team and yourself.

When conducting [PMC clinics](#), I am one of the first to say that employers go for experience over qualifications/training every time. I always contend that qualifications do open doors and when times become hard you need something to mark you out and be invited to interview.

I will finish with this simple truth:

"If you always do what you always did, you always get what you always got."

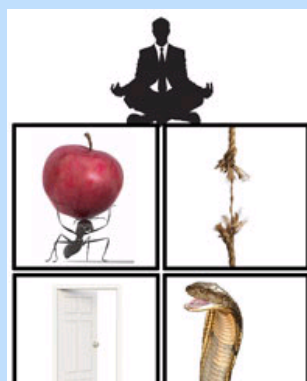
Mick Hides is a Consultant for [Arras People](#).

Project Managers on Top: Being Prepared to Defend Your Project When the Heat is On

By **Lindsay Scott**

Belt tightening times could (or may) well be upon you and what better way to face these challenging times as a Project Manager than to be prepared for that awkward review or conversation about your project?

There are always positive aspects to each situation we find ourselves in so what can a



3. Shampoo - If you can bear to part with your beer, this apparently gives a great rinse especially when mixed with Rosemary. (Alternatively, don't wash your hair after a heavy night out and it will no doubt hold the same aroma)

4. A classic for Soap - Save up the last pieces of soap to create a brand new bar. (Now I am starting to think we are doomed!)

5. Make-up Remover - Switch to baby lotion, or you can simply use handy extras in your fridge (we have, after all, been told to not throw away food, so think on) like vegetable oil, mayonnaise, yoghurt, egg, smashed-up cucumber and tomato. (Nice!)

6. For Shopping - Do not under any circumstances carry out your weekly food shopping on an empty stomach, as this can easily double your shopping bill as all the tempting foods which will quick fix your hungry feeling appear in your basket.

7. This is just great - Grow your own tobacco (apparently, it grows well in the UK climate). I can just imagine sitting around waiting for a sizable amount of leaves to grow, waiting for them to dry out just for one cigarette.

8. Ironing - Only iron the areas of your clothes that show - the lazy ones seem the best.

9. Work from home - Pyjamas cost far less than suits. (A favourite of ours!)

10. Shaving - Honey is an antiseptic, so it proves useful from shaving nicks. (Watch out for the bees wanting their honey back!)

Nicola Thorp is a Consultant for [Arras People](#). For a full reading of this article, click [here](#).

"PMs on Top" links

For more background information on SWOT Analysis, click [here](#) and [here](#).

Project Manager do now in preparation for the dreaded review meeting with the Project Board, Senior Management team or Directors where potentially your project could be facing drastic resource cuts or indeed facing the chop?

For more information about the MoSCoW tool, click [here](#).

As a manager, **preparation** is key. You need to be working from a position of strength, confident that you have all the bases covered; ready with the facts which are current, relevant and not just plucked from the PID! You should also have the facts that allow you to be ready to negotiate; painting clear pictures of scenarios which are relevant to your position, team and deliverables. Your aim must be to be ready for that meeting or conversation in the elevator before it happens: Be ahead of your peers, ready to defend **your project**, protect **your project team** and sell the benefits of what you are **delivering**.

So do you need to take some time out? Why not try the SWOT and the MoSCoW tools and use them on your current project and circumstance. The SWOT - a long used marketing tool equally has it uses when you need to see the way a little clearer. Read up [more](#) on the [tool](#) if you're unfamiliar.

So how can we use Strengths, Weaknesses, Opportunities and Threats as a Project Manager? Completing the tool will quickly make visible your headline stories - the parts you know the board needs to know about e.g., the benefits of this project finishing (in the current environment). It will also show you what your weaknesses are - and make you start thinking about how can you address these (also make sure the outputs from the risk management plan feature here too).

The threats will become visible and, therefore, manageable - who wants a Project Manager who buries their head in the sand? Identify the weaknesses and be ready with answers. The opportunities will present themselves as you think through the strengths and weaknesses e.g., is there an opportunity for upselling (spend more and reap the benefits of early delivery) or spin off project?

Here's an example with questions which could help you for the conversation:

<p>Strengths</p> <ul style="list-style-type: none"> *What are the main strengths of the team? *Would your project still thrive with cuts in resources, budget & deliverables? Quantify it! *How do others view the project and its team in the wider organisation or your client? *Is there any uniqueness about the project / project team? *Think about your competitors here too – what do you do better? *The benefits of the project you're managing – both quantifiable and unquantifiable benefits 	<p>Opportunities</p> <ul style="list-style-type: none"> *Is there an opportunity to upsell the current project – change requests, etc? (This could be due to technical advances or policy changes, etc.) *Any opportunity to do more of what you've identified in the strengths?
<p>Threats</p> <ul style="list-style-type: none"> *What happens if you lose resources? *What happens if the budget gets cut? *What events are you facing in the plan that might become difficult or exposed? *What are your competitors doing? *How might changes be perceived by your end client? *Think about the opposite to the opportunities you've identified 	<p>Weaknesses</p> <ul style="list-style-type: none"> *What could be improved on the project or project team? *What should you stop doing? *Think about the opposite to the strengths you've identified (no matter how contentious this is, get it down on the SWOT, you can share an edited version later.)

After you've gone through the exercise you're in a much better place to **plan** the way you want the conversation to go. You're ready to sell the project and your team - you know the benefits of this project inside and out and know you can **promote** this in the best possible way. You're also ready to deal with any objections, questions about

the way forward facing resource and/or budget cuts; you've made the uncertain a lot more certain - a Project Manager in charge who has thought about uncertainties and risks.

Briefly, I also mentioned the [MoSCoW tool](#) (Must Have, Should Have, Could Have, Won't Have (or Wish to Have)). Often used in project definition or requirements. You might find it useful to also use this approach - either alone or alongside the SWOT, sometimes changing the terminology can bring out other ideas or thoughts. When using the tool in this type of forward planning, the Must Haves may include the following:

- What must be in place for this project to succeed? (stripping away resources, i.e. What are the bare bones this project needs to be delivered successfully),
- What must I do for my project team?

Could Haves may include:

- What could we change about the way we deliver?
- What could we change about some of the roles on the team?
- What could be live without?
- What could we do better?

In summary, looking around at your peers - do you think any other Project Manager in your community is doing this? Thinking outside the immediate confines of your project and how you fit into the bigger picture has already put you one step ahead in the game. It will make all the difference between being caught on the hop and coming over all defensive! Your aim is to leave the decision maker with the feeling that **this project manager is someone they're glad they've got in the organisation!**

Lindsay Scott is a Consultant for Arras People, and blogs about Project Management issues [here](#).

Headcount Freeze: How to Get Through It

By John Thorpe

Just when you thought it couldn't get any worse, the management team have reacted in a traditional "batten down the hatches" approach and put an immediate freeze on all headcount! You need essential resources to enable delivery of your project and they are not available internally, so what can you do?

As pointed out in the article "Project Managers on Top", the first step is to review your project and then build a solid case around why you need this resource and the implications of not getting the desired outcome. You then probably need to enlist the help of your HR team or resourcing manager to look at the options around "flexible resourcing".

The headcount freeze is not about stopping you from delivering your projects - the issue generally revolves around a business not wanting to burden itself with additional fixed costs that impact the balance sheet immediately and also have longer term implications with regards to the total cost of employing people. So flexible resourcing is an ideal answer as it allows you to get the right person in to deliver, at a known cost, with no long term impact.

So who are these people? Traditionally they are Contractors, of course, who will be engaged on a day rate who you can assign to deliver packages of work over an agreed timescale. The contractors will typically have a limited company or an umbrella company and invoice you for the work completed, thus shifting the cost on the balance sheet. In most instances, you pay a level of premium for their services, as they are carrying the risk and administrative overhead associated with their operations.

"Headcount Freeze" links

For more details on Arras People, click [here](#).

ESI International



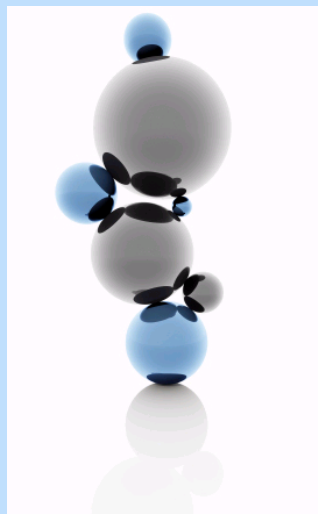
A close partner of Arras People is ESI International, world leaders in Project Management and Business Analysis training has worked with more than 1000 clients worldwide to develop customised Project Management and Business Analysis courses.

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Other options are temporary workers, those who still have the desired skills but have no desire to set up and operate a limited company or manage their affairs through an umbrella organisation. They are happy to work and operate through companies such as [Arras People](#), who manage their affairs and take care of their PAYE. My own view is that many people still think of "Temps" as being people who deliver administrative roles, cover for sickness, and operate at the lower end of the pay scale. Our experience over the past four years would suggest that this is not the case, and Project Management professionals at all levels can be engaged in this manner.

The biggest challenge we see is when people try and set rates for both contractors and temporary workers. Should they be market driven or linked in some way to current salary bandings so as not to upset the permanent workforce? The answer is probably a mix of the two, and understanding the subtle differences is important when setting expectations.

When considering a contractor, it is important to remember that you will be paying a day rate (including or excluding expenses), plus the agent's commission. The contractor has to take care of National Insurance, Income Tax, employment benefits, etc., so their rate needs to reflect this. It is important that you consider the "real" cost of employing somebody in a permanent role to undertake a task before working out the size of the pot that you can afford to spend. Simply dividing a salary of £50,000 by 52 weeks and then by 5 does not give an equivalent day rate! You need to find out the "real" cost of employing that person, which include holidays, Pension contributions, company car, bonus and any other benefits that regular employees may be eligible for in that role. Not to be forgotten: Employers National Insurance.

Once you have that number, you need to reflect that you are engaging a company that will be taking on these hidden costs and, most importantly, acting flexibly in terms of potentially short durations and impacting your "risk/opportunity" associated with your project delivery. Once these are all considered, you can see the relative cost and work out a top price that you would be willing to pay.

When considering a temporary worker, it is again important to view the "real costs" associated with that role you are looking to fill, and once these are all considered you can see the relative cost and work out a top price that you would be willing to pay. The key difference here is that you will be paying a fee to the "agency", which does not directly reflect the rate that the individual is earning through PAYE. The Agency will include at least four elements which make up the rate charged to you! These will include: Gross pay for the temporary worker; Holiday pay for the temporary worker, which must be at a rate equivalent to 24 days per annum at this time; the employer's National insurance due of the temporary workers wage, and; a margin for running the engagement.

So flexible resourcing can help in these tough times and once again being prepared helps you understand how the costs will fit into your model. Market resources will of course always have some impact especially if you are looking for scarce skills as will the quality of your resourcing partner who should be able to work with you to deliver the appropriate resource at the best price!

John Thorpe is the Managing Director of [Arras People](#).

Suggested Readings and Links

Edited by Dan Strayer

With each issue of Tipoffs, we endeavour to find some web sites and relevant books for your perusal and study with the month's theme. With economic concerns as this month's theme, we point you to three books and several web sites that can address the issues surrounding the topic.

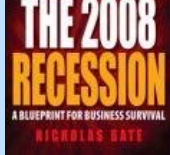
TIPOFFS' BOOKS OF THE MONTH



[Beat the 2008 Recession](#)

Nicholas Bate

Synopsis: "Take the necessary action now and



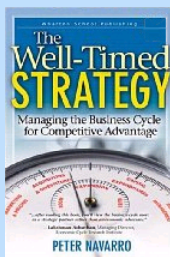
the recession everyone is talking about could actually turn out to be good news for your company; after all there's probably a lot of stuff you have been putting off sorting for ages: your pricing policy, how overdue accounts are handled, whether to drop that product range, sorting out morale levels and resolving team issues." - Available now at amazon.co.uk



Effective Project Management Through Applied Cost and Schedule Control
James A. Bent and Kenneth Humphries

Synopsis:

"This work outlines a state-of-the-art project control and trending programme, focusing on advanced applied-cost and schedule-control skills for all phases of a project at both owner and contractor level. It contains information on the three major aspects of the total project programme: the techniques and procedures utilized for a project; the experience and analytical ability of project personnel; and the commitment and teamwork of a project group." - Available at amazon.co.uk



The Well Timed Strategy
Peter Navarro

Exterior review: "In *The Well-Timed Strategy*, Navarro provides a useful primer on business cycle risks and opportunities. Recognizing that business success depends most of all on human capital, he makes the crucial observation that the trough of a recession is the best time to find good people and the most important time to focus on retaining them. This and other insights about investment, production and marketing give today's (sic) executives a useful checklist for building and maintaining competitive advantage." - Michael Milken,

Chairman, The Milken Institute - Available at amazon.co.uk

TIPOFFS' LINKS OF THE MONTH

About.com on Economic Terms- The about.com website has several ways to look at the terms that you hear constantly thrown about in the media to describe the economic situation. The article 'Recession? Depression? What's the Difference?', is a great place to start.

Computer Weekly: A Recession Checklist for IT Businesses and Project Managers- It's not uncommon for the media to 'jump the gun', if you will, when it comes to forecasts of gloom and doom about the economic picture. But the idea of being prepared for the worst-case scenario in these times is seldom bad advice for any business. The article is US-centric, but is useful in conjunction with both John's and Lindsay's articles above.

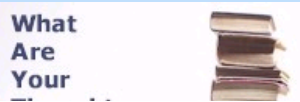
Project Smart - The downward cycle for most businesses can come from all directions, but Project Smart's Kay Wais cites confidence as a key attribute to have when the going gets tough. Her article lists ways to shine on like a diamond when the downward groove seems never ending.

Arras People Update

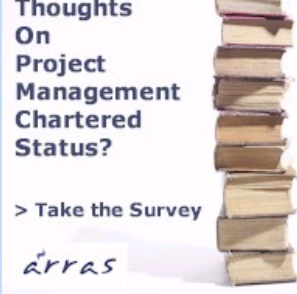
Edited by Dan Strayer

As mentioned in this space last month (click [here](#) to see last month's e-mail, [Arras People](#) has recently taken a strong interest in the future of Chartered status for Project Management Professionals. We can report today that our interest remains strong enough that we'd like your help.

We've recently added a new



[webpage dedicated to news](#) and updates about the Association for Project Management's application for Chartered Status. Additionally, we've commissioned a [Survey on Chartered Status](#), which is also available through links on to the Chartered Status news page. Please feel free to log on to either page and check for news, information or to add your own thoughts about Chartered Status.



After all, it is you that stands to benefit from the application!

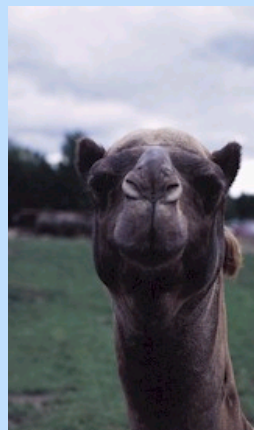
In other news...

- The 14th PPSOSIG conference will be held on Wednesday 17th and Thursday 18th September at [Warwick Conferences](#) in Coventry. The full agenda for the conference revolves around using one's assets, including the Physical, Personal, Skills & Knowledge, Information and Future Assets. For more information on this event, including booking forms, guest speakers and full agenda details, click on the [PPSOSIG web site](#).
- If you wanted to find project management agencies in the UK on Google, and typed in 'project management agencies', you can't do any better [than us](#).
- Check out the [job board](#) and register to be informed of new opportunities.
- While vacancies on the Arras People job board come from all over the UK, one particular strong area of late has been the Lancashire/Merseyside area. For those living in or near this region, have a look at [this vacancy in Lancashire](#). Or [this one in Liverpool](#). Here's another that requires a bit of travel, but the candidate can establish a [home base in Manchester](#).
- It's never too late to brush up on your training and skills. If you need advice on your project management career with the added bonus of contributing to one of four newly selected charities, then [book a slot](#) at one of our clinics today.

Project Management Blog

How to Manage a Camel

The comments are piling in, and traffic is growing steadily. The blog we at Arras People created is an online gathering spot for professionals in project management. It is a place for project managers, programme managers and other project-related professionals to address issues in this growing sector. We are raising questions and concerns about the field, and it is our hope to continue that trend. But we need something else - you!



Drop by How to Manage a Camel today, and add your comments to existing posts, or simply let us know about your thoughts on the issues surrounding the credit crunch/recession fears/anxieties for project managers. And as always, you are always welcome at the Camel!

> [Visit the blog](#)