

## Value Practice:

### ***Prudential Financial Inc.: Project Management as a Disciplined Approach to Successfully Implementing Major Projects***

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#### **BACKGROUND**

Prudential Financial, Inc.'s Law Department implements formal project management on key projects. As part of this deliberate, disciplined approach, critical path items, key milestones and interdependencies are identified for all key projects. The structured process enables project leaders to provide regular updates to the General Counsel so that progress against key milestones can be tracked and adjustments can be made as necessary. In addition, the Law Department's leadership team incorporates project management practices and information into its semiannual strategic planning meetings.

Benefits for the Prudential Law Department include:

- Disciplined approach to how the Law Department handles important projects
- Projects and their key milestones, potential risks and stakeholders are clearly defined
- Legal leadership receives regular updates on key projects and how progress is tracking against milestones
- Structured approach to strategic planning for the legal leadership team
- After-action component helps identify improvement opportunities, keys to success and problems to be avoided for future projects—as well as items that worked particularly well and should be repeated.

Key elements of the Law Department's project management initiatives and keys to overall program success are summarized below.

#### **PROJECT MANAGEMENT OFFICE- LAW DEPARTMENT RESOURCES**

The Law Department includes a Project Management Office with three designated project management professionals who help oversee and provide management expertise on major projects. The professionals in the Project Management Office report organizationally to the Chief Operations Officer for LCBE. In addition, Law Department project managers can tap into the company's Project Management Council—a peer group that cuts across disciplines and serves as an expertise center with tools and tips on project management. Having a designated team of project management professionals helps structure and organize the Law Department's overall project management efforts and allows lawyers focus on their strategic roles while also benefitting from the centralized expertise of the team.

#### **PROJECT DEFINITION**

An important first step in project management is defining the project. As part of its project management resource tool kit, the Law Department developed a [Project Definition Document Template](#). Key elements of the template include:

- ***Project Identification***: Includes the project name, sponsoring business group, sponsor name, sponsoring business unit code and project manager name
- ***Business Objective***: Describes the business goals addressed by the project

- **Project Steering Group:** Identifies key project personnel and their functions
- **Estimates:** Includes estimated project start date, estimated completion date, estimated cost (total cost of the project and deliverables), third-party contract information, major stakeholders from the project steering group (includes individuals, functional areas or business groups whose interests may be positively or negatively impacted by project execution or completion)
- **Authorization:** A section that identifies the (1) project manager (person ultimately responsible, along with the project owner, for completion of the project), (2) project sponsor (person responsible for providing the financial resources and business directions for the project), and (3) financial approver (based on Prudential's expenditure approval guidelines)

### DONE STATEMENT CHALLENGE AND DONE STATEMENT

Each project within the project management system must have a DONE statement or appropriate project scope document. To help frame the statement, the Law Department's tools also include a DONE Statement Challenge. Both are described in more detail below:

- **DONE Statement Challenge:** Includes a list of 18 questions to help scope and frame the project. These questions address whether the team is identified, who is accountable, what is the deliverable, is it clear, did the team use any abbreviations, will there be a presentation, will there be training, is the deliverable a decision or an action, are the metrics identified, are they reasonable, am I delivering a repeatable process or one-time event, who is this for, what am I not doing, who will sign off, what is the timing of the project, specific phases, what is not included and who are the stakeholders (internal and external). A sample DONE Statement Challenge may be accessed [here](#).
- **DONE Statement:** The DONE Statement includes four key elements: (1) Project Info - name, project manager and project sponsor; (2) Definition of DONE (**who is doing what by when with what measure of success for whom under what constraints**); (3) project exclusions; and (4) signatures of the project sponsor and two stakeholders. A sample DONE Statement may be accessed [here](#).

### RISK ASSESSMENT- PART OF THE PROCESS

Another important element of scoping key projects is conducting a risk assessment. The Law Department's project management tool kit includes a [Risk Assessment Template](#) so that key project personnel can take a structured approach to evaluating potential risks. The template guides project leaders to consider:

- Risks and potential concerns
- Description of impact of any risks or potential concerns
- Impact if risk occurs (high, medium, or low)
- Current controls to address any risks
- Assessment of controls (sufficient, insufficient, or non-existent)
- Action or contingency plans to address any risks
- Status of any risks and or plans
- Accountable resource to monitor and address each identified potential risk
- Target date for addressing potential risks

### PROJECT MANAGEMENT TRAINING

To help its in-house lawyers and legal staff successfully implement project management practices, the Law Department developed several levels of training:

- **Senior Lawyer Training:** During the early stages of the Law Department's project management roll-out efforts, a 90-minute session was developed for lawyers at the most senior levels; training included an introduction to basic project management terms, tools and information on how project management would be instituted within the Law Department.
- **Granular Session for Lawyers Leading Projects:** This training included tools and resources describing project management goals, with a particular focus on the importance of developing a project description and the DONE Statement (described above).
- **Intermediate Course:** Designed for any Law Department associate, regardless of level, who would like additional in-depth project management training. This is a two-hour course that focuses on specific project management principles and involves an experiential learning exercise.
- **Administrative Assistant's Course:** A 2-3 hour curriculum designed for administrative personnel within the Law Department who are often the de facto project managers.

#### AFTER ACTION REVIEWS

At the end of each project, the Law Department brings together the key players to review the project in a non-confrontational way. As part of this review, they discuss:

- What went well?
- What didn't go well?
- When things went well, why?
- When things didn't go well, why?
- What can be done differently next time?

#### INTEGRATING PROJECT MANAGEMENT AND STRATEGIC PLANNING: LEADERSHIP DISCUSSIONS

The Law Department's leadership team meets twice per year for full-day planning sessions. During the January meeting, discussions include a review of key projects from the previous year and strategic discussions regarding which projects to keep, which ones should remain "business as usual" and which may be viewed as less important given new circumstances or changes in conditions. In addition, new priorities and projects are discussed as part of the strategic planning process.

The Law Department's structured approach to project management enables the legal leadership team to efficiently leverage information on key projects and factor it into strategic planning discussions.

#### KEY CONSIDERATIONS

Asked about key things to consider in implementing project management practices, Prudential's Chief Operating Officer for LCBE notes:

- **General Counsel must set the tone:** It is very important that the General Counsel stand behind implementing project management disciplines in order for these practices to be successful.
- **Training:** To help educate lawyers and staff on what project management is, what the key terms are and how project management disciplines will be implemented within the Law Department; needs to be adapted to the culture of the organization.

- **Tools:** An important way to help bring consistency to project management efforts and to help project leaders define, implement and communicate about critical aspects of the project.
- **Implement new project management practices in phases:** Since lawyers aren't typically natural project managers, implement project management practices in phases to help them adapt and adjust to new practices.
- **Need good metrics and reporting:** Even the best project management plan must have metrics and reporting to be successful; it is important to clarify expectations.
- **Realize that no matter what you try, it won't stick for everyone.**

### Contact Information

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