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# ***Creating Common Sense***

## ***Communicating Assumptions, Constraints, Risks and Issues***



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## Common Sense - Definitions

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- Consists of what people in common would agree on: that which they sense as their common natural understanding (Wikipedia, Webster)
- “When everyone around you understands the same things as you do without you having to tell them; then they have common sense”
- **Common sense** is created via purposeful communication

## Areas in which Common Sense is Created

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- Project Elements and Flexibility
- Assumptions
- Constraints
- Risks
- Issues



# A Paradigm: The Project Elements

**Purpose**

Why?

**Scope**

What?

**Time**

How?

How Long?

By When?

**Quality**

How Good?

**Cost**

Who? (What?) How Much?

**Risk**

How Sure?

*Do your Stakeholders understand the interrelationships?*

**Cost ≠ Price**

## Project Element Interrelationships

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Which primary project element (S,Q,T,C) is most important?

Which can vary? (based on knowledge / constraints)

By how much? (based on uncertainty and priority)

Which is constrained? By whom? Are they taking responsibility?

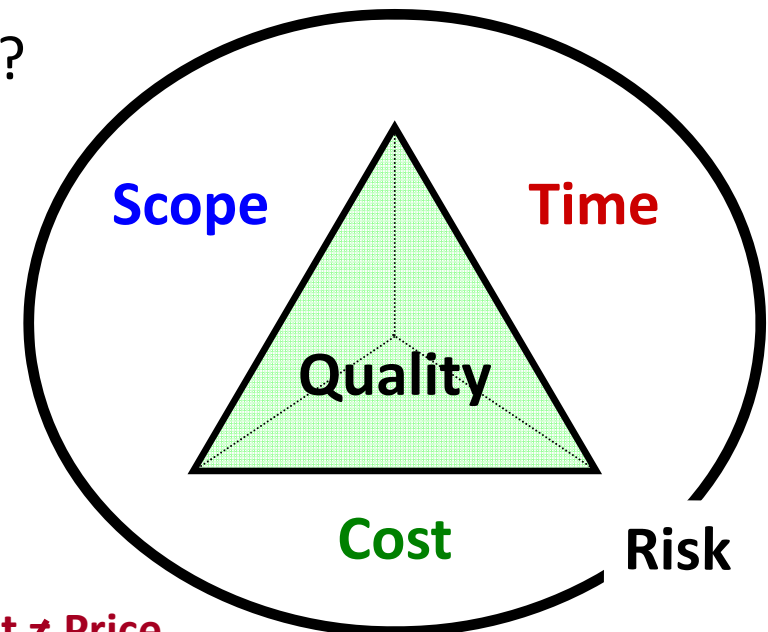
What are the documented variance thresholds?

Who has authority over which element?

(The Customer may have 2-3 elements, the Sponsor has at least 1 element, and needs to grant the PM authority of at least 1 element)

Is there committed agreement?

Has this priority been communicated?



## Assumptions

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**Assumptions** are conditions that the Key Stakeholders **believe** to be currently true or true at some future point in time – they directly impact the project’s estimates

**Assumptions are not hopes or “happy talk”**

The Project Manager is responsible for communicating the changes to the project to the ***Sponsor / Customer*** when the assumption becomes false or is changed

## Constraints

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**Constraints** are conditions which limit the project's options (resources, funds, timelines, decisions, etc.)

**Constraints are not excuses** – they cannot be magically overcome

The Project Manager is responsible for communicating the changes to the project to the ***Sponsor / Customer*** when the constraint's magnitude or impact is changed

## Strategies for addressing the future



“...because as we know, there are known knowns; there are things that we know that we know. We also know there are known unknowns; that is to say there are some things that we do not know. But there are also unknown unknowns, the ones we don't know we don't know. And each year we discover a few more – of those unknown unknowns.”

“I always avoid prophesying beforehand because it is much better to prophesy after the event has taken place...”





## Risks

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A **Risk** is an **uncertain** event or condition that, if it occurs, has a positive or negative (typically) effect on a project objective

- It has the potential to throw the project out of alignment

The PM manages the **Risk** management process, attempting to reduce the probability and/or impact of a risk event and proactively managing the project ramifications if the event does indeed occur

The Project Sponsor must understand the breadth and magnitude of the risks being managed and the necessary reserves

## Issues

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A **Project Issue** is a **certain** event or condition which will have a negative impact on a project objective

- It will / did throw the project out of alignment and must be remedied through a **change** to the project's elements
- It is not the occurrence of an identified risk or its associated response plan

The Sponsor and Customer must be highly involved in the Issue management process – **Project Issues** are greater than a PMs authority to decide

## Questions to ponder:

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How do your Sponsor / Customers view the project's elements? Fixed or Flexible?

How realistic are your **Assumptions**?

Who is taking responsibility for these assumptions?

Are your Sponsor / Customers owning the **Constraints**?

What level of **Risks** and associated responses are shared?

Is your Sponsor highly involved in the resolution of **Issues**?

How much drama / spin are you having to manage?