

**Projects for Profit**  
**An Insider's Guide to Delivering Projects and Getting Paid**  
**By Robin Hornby PMP © 2013**  
**(Review by R. Max Wideman, FPMP)**

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### ***Introduction***

This book, *An Insider's Guide to Delivering Projects and Getting Paid* by Author Robin Hornby, is one of only a few really practical books born of heartfelt personal experience. That is, not just in the trenches so to speak, but where project revenue must exceed project expenditures, including overheads, for the very survival of the organization. This has a very conscious influence over every action all day and every day.

It also has a very salutary effect on how the project is run. Indeed, the issue of success is very simple. At the end of the day, and that includes cleaning up all the paper work and any fallout from prior project activities, if the project account shows a profit then the project was a success. If it shows a loss, then the project was a failure. It's that simple.

In his book, Robin not only makes this clear, but also over the years he has collected all those practical tips and tricks that provide instant answers to every day issues that consequently save time "on the job". This orientation is born out by the book's Table of Contents. Unlike so many books that focus mainly on project formulation and planning, Robin's chapter on "Executing the Project" is twice the size of any of the other chapters.<sup>1</sup>

Author Robin puts it this way in his Introduction:<sup>2</sup>

*"Projects for Profit* is about the business of **commercial** project management. A professional services firm supplies a commercial project manager and a team of practitioners to create a product for a sponsor, following the well known activities of planning, executing and completing a project. And, at the same time, making a profit."  
 (Emphasis added)

He adds that:

"This implies that the commercial project manager must also be a **businessperson** who operates within a business framework and follows business processes. This book explores the best practices to achieve this: the most effective processes and techniques, essential roles and responsibilities, and professional advice on methods of organization and management."

So this book is about project management viewed from the perspective of working under a formal, i.e. legal, contract that, as a consequence, makes cost management a major consideration. It also makes sense for the flow of the book's chapters to follow the natural lifespan sequence of such a project. Notwithstanding, Robin says that he has "chosen the PMBOK® Guide<sup>3</sup> as the underlying knowledge base for the text and [makes the] assumption that the average reader is familiar with that publication."<sup>4</sup>

Obviously, the best audiences for the book are those who are working on projects, or project components, under contract. However, it should also be of interest to those who are responsible for

overseeing project contracts, as a way to understand the motives and perspectives of those with whom they come in contact.

### ***About the author***

Robin Hornby holds a degree in Aeronautical Engineering and began his career as a systems engineer with a major computer vendor in the UK. He moved to Canada in 1977, and worked in the telecommunications sector before joining an international IT consulting firm where his interest in project management took shape. In 1997 he set up his own consulting company and enjoyed a variety of senior project engagements, including assignments in several countries overseas. He is the author of *Ten Commandments of Project Management*. Robin may be reached by Email at [tmi@telusplanet.net](mailto:tmi@telusplanet.net) and his web site can be found at <http://www.tmipm.com>

### **Book Structure**

The content of this book is set out in twelve chapters and three Appendices as follows:

**Introduction** – Expectations, background, relationship with project management

**Content Guide** – The business of projects, commercial delivery, symbols used, etc.

#### **PART 1**

1. **Evolution of a Business Lifecycle** – PM, PMBOK®, application, business lifecycles
2. **Organizational Responsibilities** – Delivery management, team structures, assignment
3. **A Risk System** – Business perspective; event, factor and alert models; success criteria
4. **Estimation Anxiety** – Prerequisites, top-down, bottom-up, rule of thumb, uncertainty
5. **Quality Conundrum** – Goal, modeling, techniques, commitment & motivation
6. **Finance Matters** – During bid, initiation, execution, & completion phases

#### **PART 2**

7. **Assessing the Opportunity** – Bid/No bid procedures, templates
8. **Bidding the Project** – Planning & preparation, procedures & check lists
9. **Initiating the Project** – Procedures: contract, order entry, initiation, issues, change
10. **Executing the project** – The work: procedures, forms and templates, issues, changes
11. **Completing the project** – Acceptance, transition, financials, completion, issues, change
12. **Steps to Success** – Core business concepts, commercial delivery, environment

**References**

**Glossary**

**About the Author**

Because the chapter titles hardly do justice to the wealth of information available in the book, we have added brief snippets to each chapter heading as an indication of the content within. The book has a total of 86 Figures spread throughout the chapters. Each of the chapters in the book's Part 1 concludes with a brief summary.

The Glossary of Terms consists largely of the terminology used in this area of the project management industry, together with a significant number of acronyms that the author has adopted for purposes of writing this book. Therefore, the reader would be well advised to tag the Glossary for rapid access while reading the text.

The book has a total of 316 pages in 8.5"x11.0" format, spirally bound for easy opening and reference.

There is no content index

## What we liked

Right off the bat, one small feature that we really liked is that the relevant chapter number and title is shown at the top of every other page in the book. This information is most valuable for easy reference when you are scanning the book for some topic that you know is in a particular chapter. You don't have to go to the Table of Contents to look up the page ranges. This is a detail that is so often overlooked in most books that we review. Other authors please note.

The book is well written in a clear style. It is also well laid out with ample tables and illustrations for complete understanding. The content is obviously born of much personal, practical experience. Along the way, the reader will encounter marginal icons in the form of a diamond. These are used to flag "gems" of content that are contained within an associated "box", and which the author feels should be highlighted for the reader's particular attention.

For example, the first one we encounter is as follows:<sup>5</sup>

The commercial project manager must also be a *businessperson* who operates within a business framework and follows business processes.

Robin suggests that the reader may even scan these "gems" to get a quick sense of any given chapter's content. All of this makes the book an ideal source as a working handbook.

Then there are other interesting observations in the book that caught our eye. Here are some examples.

On the subject of estimating:<sup>6</sup>

"All too often, estimating is a poorly documented *ad hoc* process with the sources of the estimating data obscured. I have come across too many situations when I have requested the estimates file and received a blank stare in return. Rather than living and breathing an intimate knowledge of the estimate, the CPM<sup>7</sup> cannot locate a single document (often prepared by others) showing how project costs were derived. Arguably, the success of the entire bid can turn upon the quality of the estimating process. It should be treated accordingly."

On the subject of Rate Setting, the difference between "margin" and "mark-up":<sup>8</sup>

"Margin is based on dividing price minus cost by price, mark-up is based on dividing price minus cost by cost.

So a 50% margin is a 100% mark-up.

Make it your business to understand the difference, unlike one salesman of my recollection who was instructed to place a margin of 20% on a one million dollar subcontract. He interpreted this as markup, underbid the contract and lost the firm significant dollars."

On the subject of executing the Project Work:<sup>9</sup>

"A project must be actively managed to meet the planned objectives. The prime ingredients of active management are maintaining team alignment with the requirements

of the plan, accurate assessment of what has been accomplished (progress), determining what resources have been consumed and what obstacles are being encountered (status), and estimating the resources needed to finish the job (forecast). The CPM must also provide management with insight into the following questions:

- Will the project deliver?
- Will the customer be satisfied?
- Will we meet our cost and schedule performance objectives?

Variances arising are resolved through action plans, if necessary using the Issue and Change Management processes."

All of that is a pretty tall order, especially because a lot of project time is inevitably spent on solving problems. But at least if anyone asks you what your responsibilities are as a project manager, here is the ideal succinct answer!

On the subject of Project Charter:<sup>10</sup>

"A common question that arises in commercial projects is the need for a project charter. There are a number of CPMs, usually those with a fresh PMP®, who are rightly concerned with getting the project off to a good start and seem convinced that their first task is to develop their own project charter. They might be anxious to discover that there is no charter specified in the CDM<sup>11</sup>."

"An important purpose of the [project] charter [from the client's perspective] is to authorize the project and mandate the role of the [client's] project manager. This has to be written before the procurement [and] the project must be started before procurement can proceed. The project charter is therefore signed, sealed and settled before the CPM even shows up on the scene.

Now it is also probable that the references to the vendor or CPM in the charter are vague or cast in very general terms. This is because the client expects, as a part of the procurement process, that the mandate of the vendor and their entire scope and responsibility will be laid out in the future contract and its schedules."

In short, the contract terms are the CPM's charter!

From these samples, you can see that the book is not difficult to read, but the content may well require serious thought. And, when properly applied to the particular project at hand, the advice and extensive number of templates provided represent a reliable and realistic source of help.

## **Downside**

An old hobbyhorse of mine: I believe that author Robin Hornby is as confusing on the question of "cycles" as is the PMBOK® Guide. He says in his Chapter Synopsis:<sup>12</sup>

"Evolution of a Business Life Cycle: Shows how the tenets of the PMBOK® Project Management Process Groups can be evolved into a universal business lifecycle, and why this is the foundation for all that follows. Integrates a functional model of project management based on Planning, Organizing, Controlling, and Leading. Calls for a renewed focus on the application lifecycle as a basis for integration of project management functions and *all* project deliverables."

Let's look at that more closely. Firstly, the author is referring to some "Business Lifecycle" and is in danger of confusing this with a business's normal "Annual Business Cycle". The "Annual Business

Cycle" is designed to satisfy the legislative accounting requirements of the jurisdiction in which the project execution takes place. Secondly, the "PMBOK® Project Management Process Groups" are indeed cyclical. They repeat as necessary as an over arching management process. But that should not be confused with the "project life cycle" which itself is a misnomer and should more properly be called a "Project Life *Span*". As such, it does not go through a "cycle".

It may be argued that software products go through endless upgrade cycles. True, but each upgrade should be *managed* as a separate project (or subproject, as in a "program" if you must).

Thirdly, Robin says: "Integrates a functional model of project management based on Planning, Organizing, Controlling, and Leading. Calls for a renewed focus on the application lifecycle as a basis for integration of project management functions and all project deliverables."<sup>13</sup> To the novice reader, we suspect that this is implying that the "Planning, Organizing, Controlling, and Leading" referred to, *is* the project life span. The PMBOK Guide does make it clear that this is not the case, though their choice of labels is certainly confusing.

However, Robin's reference to the "application lifecycle" (let's call that "lifespan") is important because it implies that different areas of project management application *do have different lifespans*. And that is what makes Robin's proposed *Commercial Delivery Methodology*, as a basis for the layout of Part 2 of his book, a unique source of reference.

## Summary

Robin Hornby summarizes his book under "Steps to Success" in Chapter 12 as follows:<sup>14</sup>

"We have completed our exploration of the business lifecycle for commercial projects from the viewpoint of the CPM<sup>15</sup> and the Services Business Owner. A lot of ground has been covered — chapters that provide a briefing on core topics, followed by formalization of procedures for the five phases<sup>16</sup>, including a presentation of numerous forms and templates found to be practical and useful. It is in danger of being overwhelming!

"There is also a danger that in my enthusiasm, I leave the reader with the erroneous impression that the CDM<sup>17</sup> is in itself a recipe for success. Success is, unfortunately, not so easy. The CDM is, after all, only a methodology. I believe that it is the *right* methodology, and puts the CPM and the firm on the right road, but it won't do the running for you.

It is not in our scope to cover all topics that contribute to the successful services firm, as pleasing as that would be. None the less, to acknowledge that we are positioned in a specialized niche and only part of the success puzzle, here is a summary of the complementary areas of knowledge needed to build a services business."

Robin then provides brief comments on the following topics:

- Supply versus Demand Management;
- Balancing the Organization;
- Client Management;
- Billing Multiples and the Marketplace; and
- Taking Care of Employees

If you are involved in the type of project work described in the text, then this is the book for you.

R. Max Wideman  
Fellow, PMI

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<sup>1</sup> Hornby, Robin, PMP, in *An Insider's Guide to Delivering Projects and Getting Paid*, Tempest Management Inc., Calgary, Alberta, Canada, Chapter 10, p viii.

<sup>2</sup> Ibid, p1

<sup>3</sup> *PMBOK® Guide* (Project Management Body of Knowledge Guide), Project Management Institute, Newton Square, PA, USA

<sup>4</sup> Hornby, *Projects for Profit*, p2

<sup>5</sup> Ibid, p10

<sup>6</sup> Ibid, p75

<sup>7</sup> Commercial Project Manager

<sup>8</sup> Ibid, p133

<sup>9</sup> Ibid, p217

<sup>10</sup> Ibid, p299

<sup>11</sup> Commercial Delivery Methodology – based on the Business Lifecycle

<sup>12</sup> Ibid, p6

<sup>13</sup> Ibid.

<sup>14</sup> Ibid, Chapter Twelve, Steps to Success, p287

<sup>15</sup> Commercial Project Manager

<sup>16</sup> The five phases according to Robin are: Opportunity; Bid; Initiation; Execution, and Completion.

<sup>17</sup> Commercial Delivery Methodology