

Project Management for the Small Business

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If you walk into the offices of many small businesses, you are likely to see notes sticking either on or in close proximity to the desks of the people employed there. Such “reminder notes” are usually serving as prompts and/or notifications for projects or other operational work on which they are working. In the case of small businesses, the project plan may be held in a file; sometimes, it may only exist in the mind of management. With the low-cost tools available today for small-scale project management, and the value of project management being increasingly recognized by many in the government and in corporate sectors, why do some small businesses choose not to take advantage of formal project management techniques and tools?

To understand why project management makes sense for even the smallest of businesses, let’s reflect on what is at the heart of project management – that is to say, a management process. If we ignore project management definitions for a moment and concentrate on “What is a process,” it’s “a series of actions, changes, or functions that bring about a result”ⁱ. Applied to project management, this result is the outcome of temporary endeavors to develop a unique product, process or service. All businesses (whether for profit or not for profit) are, or should be, focused on results. All businesses have projects. Examples of projects in small businesses may include setting up a company website, establishing the office in a new location, or implementing a new product. Given the competitive nature of the current business environment, it may be argued that the need to initiate the right projects and achieve the desired results is just as critical if not more critical for the small business, as it is for the large business.

Let’s take a look at some of the specific reasons small businesses may choose not to adopt project management and the common misconceptions underlying their reasoning.

- 1) **My business is small and I don’t need the administrative burden of project management.** In the context of this article, when we refer to small businesses, we are referencing organizations with 100 or less employees. The best carpenter, mechanic, salesperson, computer programmer or other entrepreneur that starts their own business will, at some point, need to do a risk assessment, a marketing campaign, a loan application, or expand or do business with larger companies that have formal management processes, including processes for project management. Being knowledgeable in project management and applying associated tools such as stakeholder analysis, communication planning and risk management will not only assist in many of these tasks, but may also afford a competitive advantage over competitors who do not employ project management.
- 2) **I am an expert in the industry, I don’t need project management.** Many if not most small businesses are started by a person who already has expertise in their industry. Having industry expertise is a good thing to leverage; however, project management should still be used to convert plans into reality. If you query the Internet for the common reasons that small

businesses fail, some of the top reasons cited are poor planning, lack of capital, and lack of management. Project management, while not a guarantee of success, can assist the small business in mitigating some of the common pitfalls that cause businesses to fail.

- 3) **Project Management will be an expense that reduces the cash capital that I need to start or grow my business.** A common misconception is that it takes a huge investment of cash capital to implement project management process. In response to this argument, we contend that a plethora of free or low cost advice, techniques, templates and project management services are readily available and accessible through the Internet (including some low cost tools). If done correctly, the small business can implement project management processes, techniques and tools with very little cash capital, and may already be using software that can be used for project management. For example, certain email software, spreadsheet, and other common software applications offer good templates for project management, especially if used in collaboration with the free to low cost project management services on the Internet.
- 4) **I need to move now, and can't wait. Project management will slow me down.** This is the root of the poor planning example cited previously. Project management can enable you to move quickly or, equally important, provide you with techniques to analyze whether some planned initiatives will in fact, upon scrutiny, not yield satisfactory results. Rushing into situations without thoroughly understanding your environment is dangerous and could result in negative outcomes.
- 5) **Project management requires specialized skills that I don't have and cannot afford to hire.** Project management is as much of an art as it is a science. While it does take specialized skills and experience to be a seasoned project management practitioner, they are skills that can be learned over time. To "speed things up" it is possible to take a "crash course" in project management in as little as 4 or 5 days. Many entrepreneurs who start small businesses tend to possess the knowledge needed for project management, and "crash courses" build on these skills while introducing the specific theories, tools, and processes essential for project management. While attendees will not emerge from such courses as project experts, they can learn valuable skills to apply to their small business.
- 6) **It will require added time to follow project management practices.** Having a process to follow may add time to the duration of an activity. However, to draw an analogy (that in itself requires project management to produce) – if you add an extension to your house, would you rather have a quality end result, or would you prefer to have it done quickly but with lots of problems (leaks, bad workmanship, et cetera)? Surely you would prefer the former. Given that small business projects can be deal-breakers if they go badly, doing it well is essential, and project management processes can help ensure you do things well.

While some of the above examples are not limited to the small business, they are common reasons we hear for their failure to adopt formal project management. Project management offers value for any size

business, and does not require a large investment of cash capital to establish. In order to minimize risk and set a small business up for success, we contend that such businesses can benefit from some form of formal project management.

¹ <http://www.thefreedictionary.com/process>