10 Fatal Project Management Mistakes You Might Be Making AND HOW TO PREVENT THEM
Mistakes are a fact of life. Everyone—including project managers, firm owners, and principals—makes them. That said, there’s a difference between inevitable errors that come up from chance circumstances and those that are systematic and avoidable. While you can always learn from your mistakes, project management is too important an area for professional service firms to spend time figuring things out. Instead, you should look to this list of 10 of the most critical project management mistakes to learn what to watch out for and what to do instead.
Before you sign any contracts, it’s crucial to discuss what your goals are, both with your client and your team. In addition to solidifying what precisely the client will see as the measure of success, you need to talk about internal objectives and agree how they’ll be measured. This involves examining your key performance indicators (KPIs) and benchmarking them.

If you don’t set these goals for your firm and your stakeholders, your process will suffer from a lack of clarity. Making adjustments and keeping everyone happy will be much more difficult, and your firm’s reputation, relationships, and health will deteriorate as a result.
Naturally, no one wants to go over budget or off-schedule. But how can you avoid these mistakes when you make an estimate?

The key is to look at data from previous projects to see trends in how well you’ve stuck to your estimates in the past. Looking at the actual costs and time spent versus what was budgeted—especially if you have this information for similar projects—will help you make the most thoughtful and accurate estimate possible.
Past project data is also vital for ensuring that your client pays you enough. In addition to looking at budget versus actual data, you have to examine your employees’ utilization rates for past projects.

Employee utilization helps you assess the overall performance of an employee, since it compares billable and non-billable time. It’s also necessary for calculating minimum bill rate, which is what you should be charging for each employee’s time based on your target profit. Here’s the formula to determine it:

$$\text{Minimum Bill Rate} = \left( \text{Pay Rate} \times \text{Overhead Multiplier} \times \text{Target Profit} \right) / \text{Utilization}$$

Armed with knowledge of your minimum bill rates, you’ll always know what to charge in order to turn your desired profit. This is just one reason why you should track employee time even if you work on fixed-fee projects.
If you indiscriminately agree to any project that comes your way, you might find yourself regretting it. There are a number of reasons why you shouldn’t always say yes: If the potential client has impractical demands or if there’s a clash of personalities, think twice. You should also be wary of working for family and friends. Furthermore, legal concerns, like not having the license to do the work, should stop you in your tracks. In addition to all of these red flags, you also need to consider whether the project is a strategically good choice for your business.

If you’ve run the numbers on your previous projects, you should be able to discern what types of work are more or less profitable for you. This data should offer guidance concerning which future projects to take on. That said, there’s also a case for signing onto projects that won’t be a financial boon because they’re prestigious and will help you win more clients in the long-run. Whatever your reasoning, just make sure you’ve thought it through.
You might have amazing employees with impressive skill sets. Yet no matter how talented a given team member is, it’s impossible for them to excel equally at everything.

Pay attention to employee performance across their various tasks and activities. If possible, use your project management software to run the numbers for utilization and profitability. This way, you can ensure you make the best choices when you hand out assignments.
This is one of the broadest and most significant mistakes that you can make when managing your projects. In addition to making your goals clear with both your client and team at the outset of the project, you need to regularly check in with everyone.

Establish when and how you will communicate, and ensure that your client lays out their expectations, too. Think about which tools will help you simplify your discussions and whether or not you can automate any processes. If you need to regularly send reports to stakeholders, see if you can schedule them to be automatically created and shared. If your team works remotely, take advantage of mobile and cloud-based software so they can always have access to the information they need. By making your communication as streamlined and instant as possible, you’ll avoid a lot of confusion.
So far, we’ve emphasized the need to analyze data from your past projects in order to steer your current ones in the right direction. Yet historical data alone won’t keep you from eroding margins. You also must regularly monitor the KPIs you established for your team at the start of your work.

Schedule weekly reviews to make sure you are on the right track and have a framework you can follow to make adjustments if you fall behind. Better yet, use a project management platform with dashboards that offer real-time metrics. This way, you can spend a few minutes every day checking in on the health of your projects.
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USING INCONSISTENT TOOLS & PROCESSES

Switching around between different software solutions, methods of communication, and other project management essentials is a recipe for disaster. The first reason for this is that it breeds confusion throughout the life of the project. You’ll waste time and effort getting everyone up to speed.

Secondly, if you don’t have comparable sets of data between your different projects, there’s no good way to measure what has worked and what hasn’t. If you don’t standardize your KPIs and calculate them in the same way every time, you won’t be able to glean any information about larger trends in your firm.
It’s almost inevitable that you’ll need to change some things or your client will request a few modifications while a project is already underway. That doesn’t mean you have to succumb to scope creep—the phenomenon that happens when small changes add up to cause major issues during a project. In order to keep it at bay, it’s best to communicate with the client upfront about requests for change and how they will be handled. Additionally, you should establish a framework you can follow to make decisions regarding changes and how to prioritize them. This will keep you flexible without taking on too many changes.
If you’re still using spreadsheets or project management software that makes you feel like you’re back in 1998, it’s time to consider an upgrade. Your project management solution should give you visibility into your projects and help you organize and assign work. Make sure it’s adapted to your needs and that everyone on the team is comfortable using it. Consider the amount of data entry your project management software requires, whether or not it has mobile options, and how well it shares information with other systems. You may want to opt for a solution that encompasses more than just traditional project management tools in order to really facilitate saving time and getting the insights you need.
If any of these mistakes sound familiar, make sure you correct them quickly. Equip yourself with a solid plan, helpful data, and quality tools, and life will be a little easier.

BQE Core will help you avoid project pitfalls by streamlining your work processes and offering the insights you need to make the right choices. By combining project management with accounting, time and expenses, billing, and business intelligence, you’ll reach levels of success you never thought possible. Plus, Core works the way you work, with mobile apps, flexible pricing, and an intuitive, modern interface.
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