

11 Project Management Tips

The advice below includes quick ideas to help manage any project successfully.

Avoid Analysis Paralysis

Gathering and analyzing information before making decisions is a good practice. But there comes a time for action when a decision has to be made and an action plan developed. Over analyzing issues and putting off decisions will cause you to lose momentum. There is more time to analyze in the planning and documentation phases, but as the project nears its completion, decisions have to be made more quickly. While snap decisions are not optimal, analysis paralysis will have you missing deadlines and scrambling at year-end.

Keep it Simple

There often is no need for complex controls and solutions. Simplify when possible.

Delegate

Any task that is repetitive can most likely be delegated. For example, it is not necessary for top level managers to hold meetings. Hosting meetings is a repetitive task that could be delegated to a middle manager. The planning, scheduling and preparing agendas for meetings can take several hours. Depending on the size of your department, the second, third or fourth person in command could be responsible for holding meetings. This person would still be “high” enough to know the issues that require discussion and could consult with you on the agenda to ensure all relevant topics are addressed. In addition, it might be a type of reward for an up-and-coming manager to display his or her leadership skills in front of an entire department.

Match the Tasks to the Position

Consider adding lower and mid-level accounting staff to take over the more mundane tasks that your higher level managers perform. For every task that a high-level manager performs ask yourself, “is this something a person making X dollars per hour should be doing?” Can another person making less per hour perform this task? If your managers are getting bogged down with administrative work, a department administrative assistant making \$10-\$20 dollars per hour may be more economical than hiring another manager.

Only Prepare Documents Required for the Engagement

Review your Section 404 documentation for redundancy and necessity. Because of the lack of guidance in years past, many companies prepared unnecessary supplemental information. For example, preparing flowcharts and narratives to document processes are a common area of duplicate efforts. Most auditors will accept flowcharts OR narratives as long as they are detailed and complete. Be sure to stay focused on the explicit requirements and not prepare documents only because they were prepared in the past.

Put Blackout Periods into Effect for Q4 Material Changes

Changes to computer systems or financial processes can be difficult to deal with from a SOX perspective if made in the 4th quarter. Narrative/flowcharts and control matrices

will have to be updated and controls successfully tested all within a three month period. Hopefully there is no remediation involved, or you could be stuck with a possible significant deficiency or material weakness late in the year. For these reasons, implementing new financial IT systems or making material changes to control processes should be strictly monitored during the last three months of the year. Require approval from a designated SOX team member for new systems or processes to be implemented near year-end.

Too Many Hands in the Pot

The more people that have to agree on a decision, the more difficult it is to come to a conclusion. It is important to make sure the “right” people, both politically and operationally, are involved in crucial decisions. However, when too many people are involved in the decision making process, it can be a show stopper. This problem is frequently seen in small companies that are growing because senior management is used to being involved in all types of decisions. As the company grows, those same senior managers are reluctant to give up their involvement in decision-making. Try to keep decision-making reserved for those directly affected. Decisions will be too drawn out if management outside the accountable area is routinely consulted. If other departments must be consulted before a decision is made, put a deadline on their input or invite them to the decision-making meeting. Once the decision is made, be sure to communicate it to all relevant employees.

Integrating Section 404 Compliance with Human Resource Policies

To be successful, Sarbanes-Oxley compliance should be embedded in employees’ day-to-day responsibilities. Consider including SOX responsibilities in employee job descriptions or tying a portion of employee bonuses to SOX duties. Have a Sarbanes-Oxley memo for new employees included as part of the human resource package they receive on their first day. The memo could give a short background on the Act and explain the company’s philosophy on compliance. By integrating SOX requirements with human resource policies, compliance can become an expected part of all employees’ jobs.

Use Some Executive Muscle

Getting people to do things they do not want to do can be difficult. If you are managing a Section 404 program, it is something that you have to do frequently. Changing processes often means changing ingrained habits. Trying to motivate people to change their habits can be frustrating, especially if you are a consultant. Why should people listen to you? Most employees will not be confrontational, but may fail to make a new control a priority causing delays and setbacks. Many times, you must find something to motivate people to change. Enlisting the help of an executive, such as the CFO or CEO usually does the trick. In many cases, you will not have to recruit the help of an executive. A process owner’s manager may be able to motivate her/his employee to change a habit when you cannot.

Changing policies and controls can be political, but do not overuse your executive ally or they may become resistant. Try to implement new policies and controls with your own resources, saving executive muscle for the critical situations.

Train Process Owners on How to Speak to Auditors

Be sure to educate process owners on what to expect and how to communicate with your external auditor. You may find that people who do not deal with your auditors regularly are often nervous about talking to them. They should be instructed to be truthful, to the point and to not deviate from the topic being discussed. They need to know that speaking to the auditors is not a time to vent, have other agendas or speak of areas for which they do not have knowledge.

Repairing the Relationship with Your External Auditor

Year one brought controversy and confrontation often tearing apart solid business relationships between companies and their external auditor. Now that the drama is over, it is time to repair the damaged relationship; but putting months of disagreements behind you may be awkward. Do not underestimate the face-to-face factor. It is easier to build a rapport with people when they can see you and shake your hand. Email, voicemail and telephone calls can be easily misconstrued and do not build as strong a relationship.

Finally, if you know you will continue to have disagreements with your auditors, but want to maintain a solid relationship, consider splitting the tough negotiations and other auditor interactions tasks among different members of the team. One member of the team can disagree and negotiate the controversial issues while another maintains a strong rapport. This way, you can still take a hard stance on issues while not ostracizing your auditors.