DR08: Scope Creep and How to Stop It

Charles Nelson

"Scope creep" is an endemic disease in design practices. The scope of your projects keeps increasing, but your fees do not. Scope creep destroys profitability and causes schedule blowout.

Despite the prevalence of this practice disease, it's curable. The answer lies in understanding what causes it to occur.

The eight causes:

1. The detail of project scope is rarely known at the start of the project - and even when it is, it often changes along the way.
2. Because of that point, we *think* we can't delineate scope, so we really don't try.
3. The common practice of basing fees on cost of construction ignores the reality that scope of design is not directly variable with cost of the construction, even in the same project type.
4. When we *do* "plan" projects, we think in terms of phases, not activities.
5. We routinely fail to delineate and manage the design responsibilities of clients and others whose input to the design process is required.
6. We are nice guys, eager to do what ever it takes to complete the project – and we don't like to talk about money.
7. We don't have any good way of keeping track of costs vs. work completed (earned value) as we go along.
8. We rarely keep clients advised about scope changes we've made – so they have no perception that the extra work was not part of our original proposal.

All except the first cause can easily be changed, to restructure the client's perception of scope change, and without damaging the designer/client relationship. The answer does not lie in being strictly dogmatic about scope, and insisting that any change constitutes an extra change. Do that, and the client will never give you another project.

Because of the first point we always have to make some allowance in the price for scope change. There is no downside to identifying that in your proposal - although most professionals prefer not to. The important point is to track charge changes against this allowance, and to *know* when it has been used up.

So how can we manage points two through eight, so that scope creep doesn't destroy our profits and wreck our schedules?

Here is your solution:

First: If you are still basing fees on a percentage of construction cost, **STOP**. Figure out what the project will cost, based on the information available. Focus on actions required to complete the project, not on stages of the project. Add something for unknowns, but specifically exclude unknowns you can't roughly quantify. Record this cost plan, so you can track actual costs against planned costs.

Second: In your proposals, define what a change order is, and what will trigger one. A good guide: A change order may be issued if an element of scope that is required is not identified in either the client's brief or your proposal.

Third: Record ALL changes, whether or not you intend to ask for a change order. Keep this list up-to-date, and present it at every project control meeting. It will have a powerful effect on the way the client sees the way you work, because you'll be making many more changes without charge than you are asking change orders for.

Fourth: Keep an eye on your allowance for unknowns. Don't use it up on scope change that really should be performed under a change order.

Lastly: Track earned value, project by project. If your practice management software doesn't do that easily, attend one of the ***PSMJ Project Management Essentials*** programs. We'll show you how, and give you the tools to do it.

iProjects design management software provides all the tools you need to control scope creep. In particular, ***PF11: Project Briefing & Change Log***, and ***PF91: Earned Value Worksheet*** cover the points raised in this paper.

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