



IIT ROORKEE



NPTEL ONLINE
CERTIFICATION COURSE

Project Management for Managers

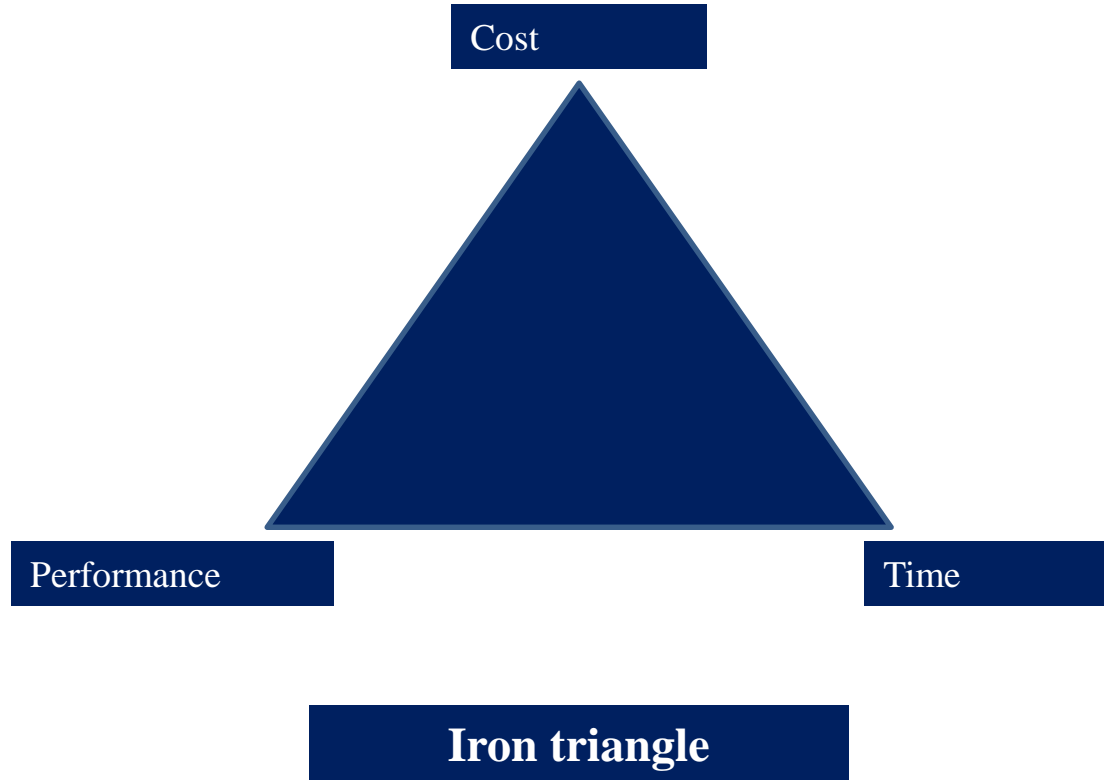
Lec – 02 Project Success

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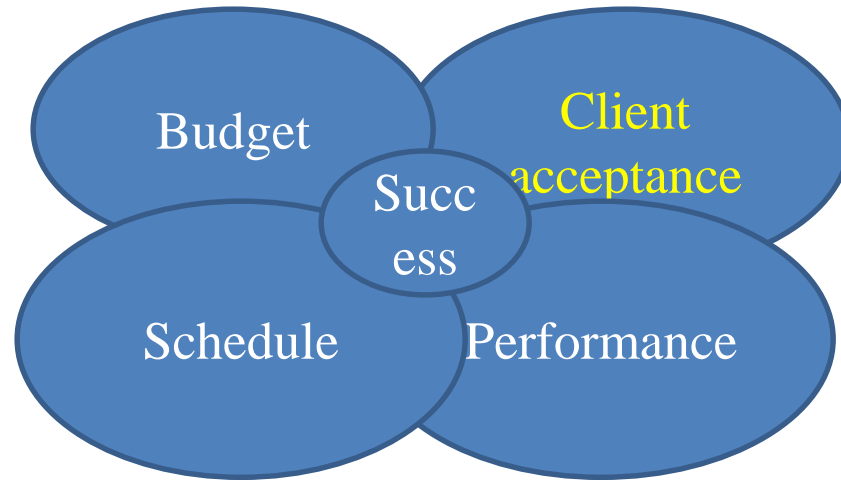
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Determinants of project success?????



The new quadruple approach



Objectives of PM/ Determinants of project success

1. **Scope**-cricket, badminton, tennis players have boundaries. People live in slums (No of family, no of family members, their income, etc) .
2. **Performance (technical)**- Water treatment plant- to clean 10000 lts/day.
3. **Time**- a project has fixed time, completion should be in time.
4. **Cost/ Budget**- $f(P,T,S)$
5. **Client acceptance**



Key indicators of IT project success ????????

- 1.System quality-** easy to use, and they supply quality information.
- 2.Information quality-** the information generated by the implemented IT project must be the info required by users and be of significant quality that it is ‘actionable’.
- 3.Use-** IT system must be, problem solving, decision aiding, and networking mechanism.
- 4.User satisfaction-** team must determine user satisfaction.
- 5.Individual impact-** is decision making faster and more accurate. Is info. more retrievable and more affordable, and assimilated.
- 6.Organisational impact-** positive impact on entire organization.

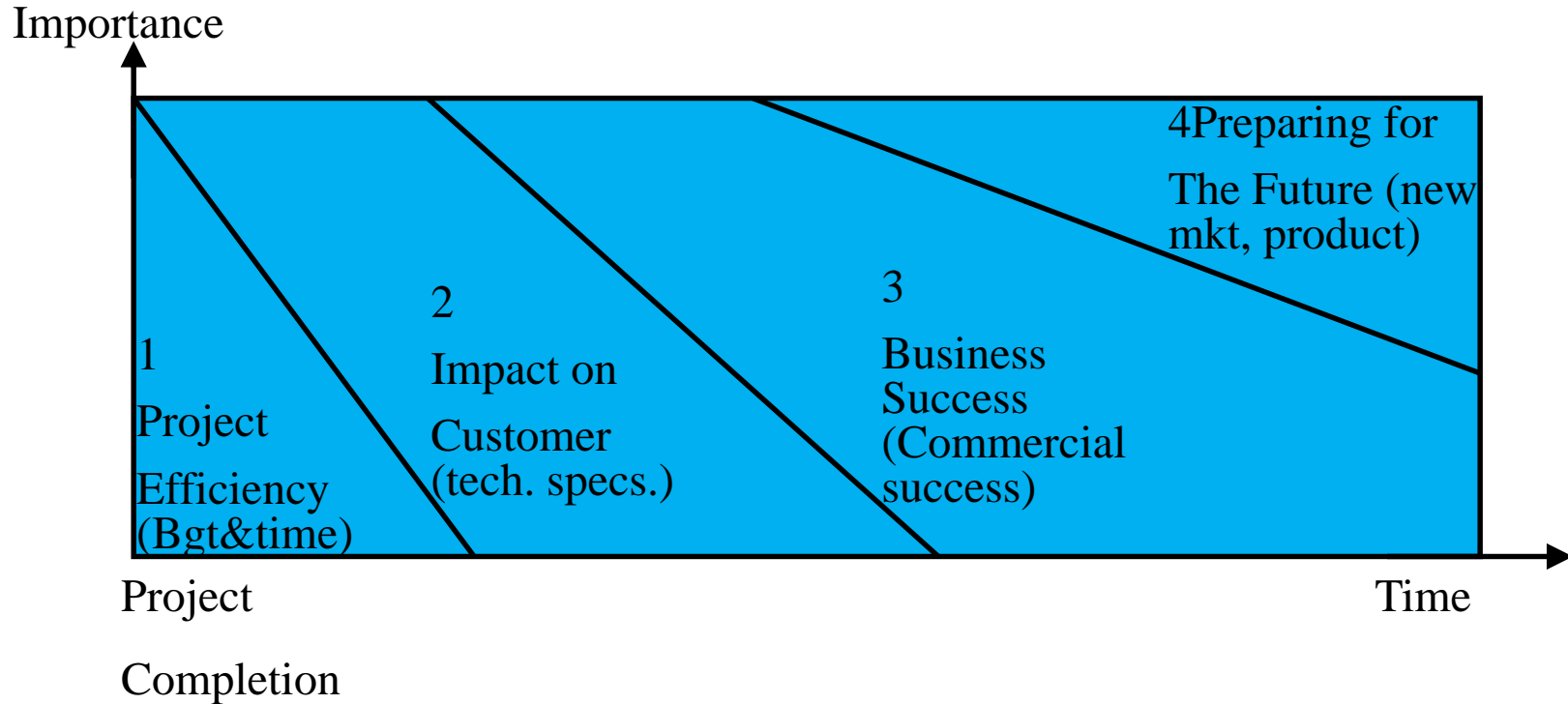


Information Technology Project “Success”

- Software & hardware projects **fail** at a **65% rate**
- Over **half** of all IT projects become **runaways**
- Up to **75% of** all software projects are **cancelled**
- Average **cost overrun is 45%**; schedule overrun is **63%**; with only 67% of originally contracted features
- **47% of IT** projects delivered but not used, **29% paid for but not delivered; 19% abandoned**



Four Dimensions of Project Success



Benefits (organization)

Improved efficiency

Improved effectiveness

Increased profit

Strategic goals

Organization learning

Reduced waste



Benefits (stakeholders)

Satisfied users

Social and environmental impact

Personal development

Professional learning

Capital supplier

Project team

Impact on surrounding community



Understanding success criteria

Iron triangle	Information system	Benefits (organization)	Benefits (stakeholders)
Cost	Maintainability	Improved efficiency	Satisfied users
Quality	Reliability	Improved effectiveness	Social and environmental impact
Time	Validity	Increased profit	Personal development
	Information Quality	Strategic goals	Professional learning
	Use	Organization learning	Capital supplier
		Reduced waste	Project team
			Impact on surrounding community

Project Management Maturity Model (PMMM):

PMMM allow an organization to benchmark the best practices of successful PM firms.



Developing Project Management Maturity

Project management maturity models: 4 models

- SEI's (Software Engineering Institute –Carnegie Mellon University) capability maturity model integration
- Center for business practices
- Kerzner's project management maturity model
- ESI (Education Service Institute) International's project framework



Development of PM maturity

PMMM allow an organization to **benchmark** the best practices of **successful PM firms**

Level of sophistication is different - practices (Boeing, L&T)

Purpose of Benchmark- process improvements of project delivery

New organizations – where to start?

MM – provide necessary frame work to first, **analysis and evaluate** current practices, and second **compare them** with chief competitor ?

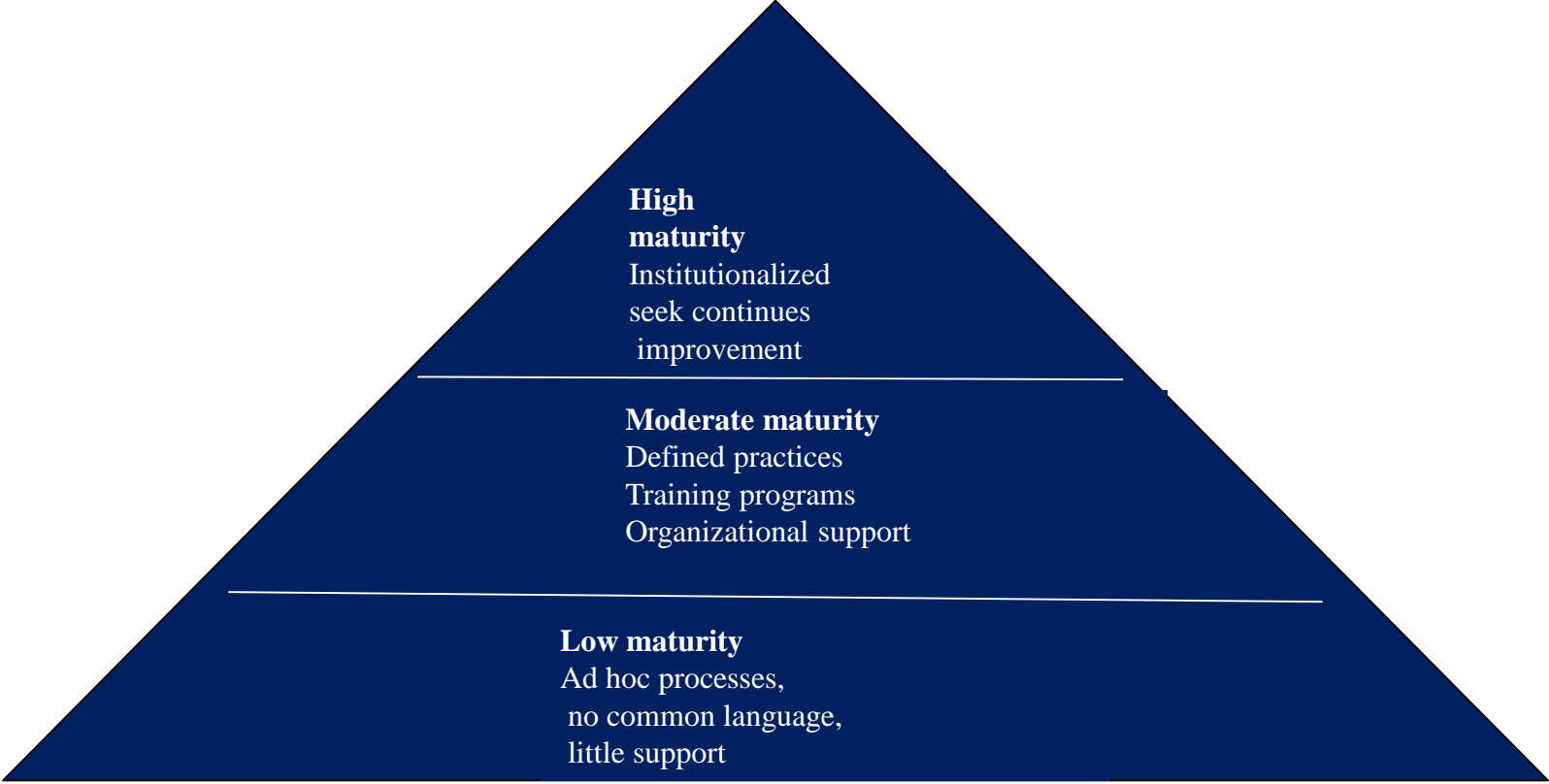
Industry standards, and third, define a **systematic route** for improving these practices



MM- continuous improvement in practices, MM offer the **template** for defining and then achieving such a progressive **improvement**.

MM charts both – set of **standards** currently accepted and as well as **process** for achieving significant movement towards these benchmarks.





High maturity
Institutionalized
seek continues
improvement

Moderate maturity
Defined practices
Training programs
Organizational support

Low maturity
Ad hoc processes,
no common language,
little support



Success is contextual: Depends on

(1) Strategy

(2) Structure

(3) Organizations' culture

What is strategy: ????????????????



Project and organizational strategy: (strategic mgt) SM is the science of:

**Formulating,
Implementing and,
Evaluating cross functional decisions that enable them to
achieve its Objectives.**



SM consists of

Developing vision statement and mission statement: where you want to be.

Formulating, implementing, and evaluating: based on SWOT, and resources.

Making cross functional decisions: All the departments.

Achieving objectives: market leadership through cost, innovative product, superior quality, other means.

Projects Reflect Strategy

Projects are *stepping stones* of corporate strategy

The firm's strategic development is a *driving force* behind project development

Some examples include:

A firm wishing to...	...may have a project
redevelop products or processes	to reengineer products or processes.
changes strategic direction or product portfolio configuration	to create new product lines.
improve cross-organizational communication & efficiency	to install an enterprise IT system.



Strategy

Redevelopment of products for greater mkt. share

New business processes for greater streamlining

Creation of new strategic alliances

Improving cross org. communication

New distribution strategy

Project

R E P

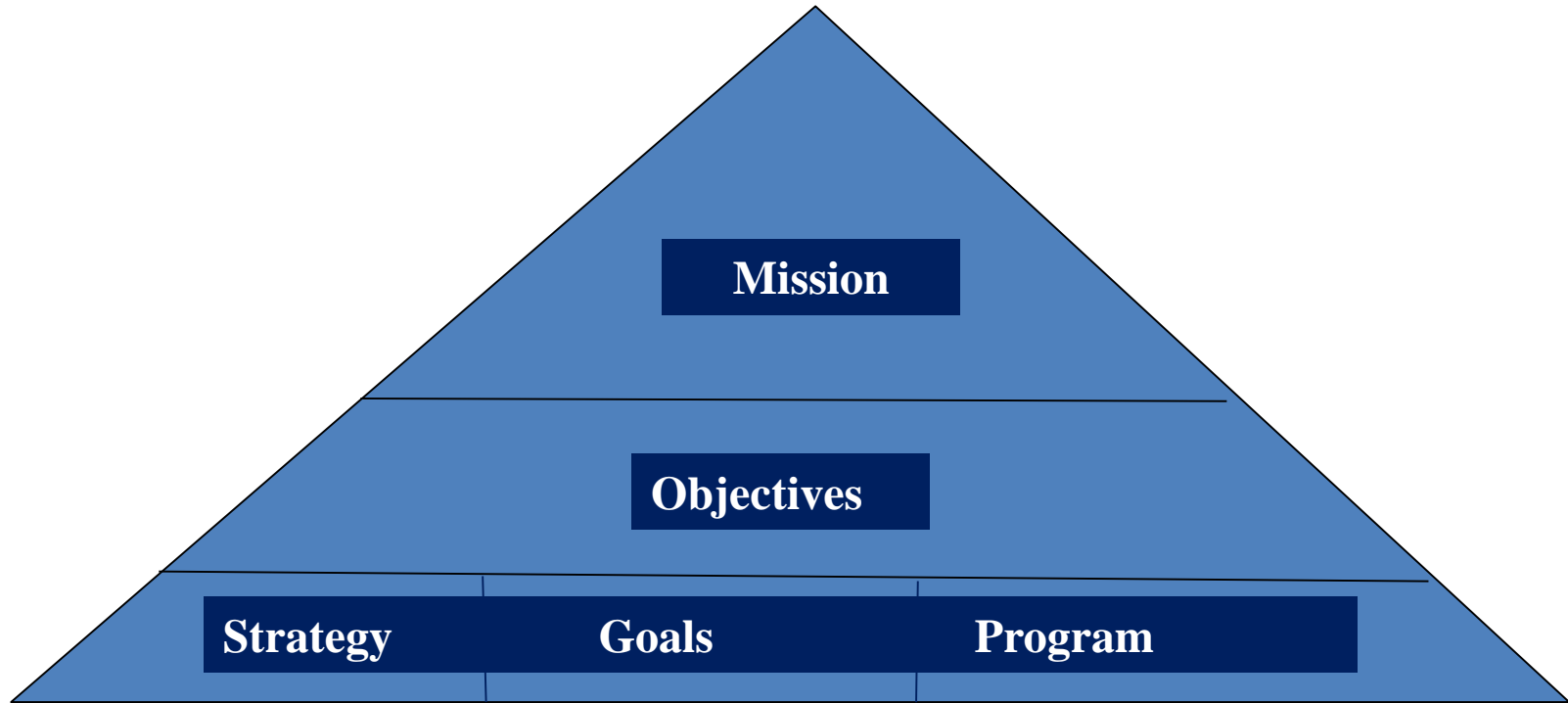
REP

SCM

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Relationship of strategic elements

Illustrating Alignment b/w Strategic Element and Projects

