

Classification of Projects

- Every Project is different.
- Projects can be classified on several different points.
- The classification of projects in project management varies according to a number of different factors such as complexity, source of capital, its content, those involved and its purpose. Projects can be classified on the following factors.

Scope & Significance

The projects are generally classified on the basis of coverage and magnitude of their operations. So on the basis of scope projects can be National or International.

1. National

There are also projects which are undertaken either by the government itself or assigned to private entrepreneurs in a country.

In a country like India Public and Private sectors coexist to undertake major and minor projects. Government projects and private projects operate in vastly different environments, associated with different advantages and disadvantages.

The only purpose of the National Project is the growth and development of the economy and maintenance of existing standards of living.

Scope & Significance

2. International

The projects which are embarked on by “Foreign investors” either by establishing a solitary or a branch of their unit or by mere participation in the equity of any domestic company are called International Projects.

These can be in the form of joint ventures, MNC’s, and collaborations between two companies.

Type

1. Industrial

These are those projects which are undertaken with a view to developing the economy.

2. Non-Industrial

These projects can be related to welfare and maintenance of a standard of living in an economy.

Level of Technology

Technology plays a significant role in managing projects. Projects can be sub-divided into four categories on the basis of technology. These are as follows.

- **Conventional Technology Projects**

These are the projects which use acquainted and known technology in the continuous process. e.g. steel, cement, sugar, chemicals, and fertilizers, etc.

- **Non-Conventional Technology Projects**

Such kinds of projects apply if not the latest at least contemporary mode technology e.g. projects using cranes i.e. a mechanical way of lifting.

Level of Technology

- **High-Tech**

Huge investments are made in technology in these types of projects, e.g., space projects, nuclear power projects, etc.

- **Low Investment Project**

These types of projects demand low investment in technology e.g., cosmetics and household utilities, etc.

Complexity

- **Easy:** A project is classified as easy when the relationships between tasks are basic and detailed planning or organization are not required.
- **Complicated:** The project net work is broad and complicated. There are many task interdependencies. With these projects, simplification where possible is everything.

Source Of Capital

- **Public:** Financing comes from Governmental institutions.
- **Private:** Financing comes from businesses or private incentives.
- **Mixed:** Financing comes from a mixed source of both public and private funding.

Project Content

Construction: These are projects that have anything to do with the construction of a civil or architectural work.

IT: Any project to do with software development, IT system etc.

Business: These projects are involved with the development of a business, management of a work team, cost management, etc.

Service or product production: Projects that involve themselves with the development of an innovative product or service, design of a new product, etc.

People Involved

- **Departmental:** When a certain department or area of an organization is involved.
- **Internal:** When a whole company itself is involved in the project's development.
- **Matriarchal:** When there is a combination of departments involved.
- **External:** When a company outsources external project manager or teams to execute the project

Objective

- **Production:** Oriented at the production of a product or service taking into consideration a certain determined objective.
- **Social:** Oriented at the improvement of the quality of life of people.

Size & Scale of Operation

- **Small Scale**

These are the projects which can be completed within a time period of 1-2 years and with investment below Rs. 5 crores.

- **Medium Scale**

These are the projects which can be completed within a time period of 2-5 years and with investment between Rs. 5 to Rs. 10 crores.

- **Large Scale**

These are the projects which can be completed within a time period of 5-10 years and with investment over and above Rs. 100 crores.

Ownership & Control

- **Public Sector**

These are fully owned and controlled by the government e.g., generating power and extracting minerals, etc.

- **Private Sector**

These are fully owned by individuals and companies e.g., newspapers and magazines, etc.

- **Joint Sector**

These projects are run and controlled by both government and private individuals are under this category.

Speed of Implementation

- **Normal Projects**

In this category, an adequate time is allowed for implementation. It requires minimal capital costs.

- **Crash Projects**

In this category, additional capital is incurred to save time.

- **Disaster Projects**

In this category, naturally capital cost will go up, but project time will get drastically reduced. Failure of quality is accepted.

Purpose

- **Rehabilitation**

These projects are undertaken by financially sound investing groups to service sick units. It is very risk and success are very less in such projects.

- **Balancing**

These are undertaken to cope with changes in the supply side of economies of factors of production, to eliminate the underutilization of the actual capacities, and enhance efficiency and effectiveness.

- **Maintenance**

These projects involve overhauling the machinery, repairs, and patching up activities at regular intervals.

- **Modernization**

Modernization of old plants is required to cope with the dynamic environment.