

01 - Understanding the key components of project initiation

Where is this course?

- Google Career Certificates - Project Management

My Notes

My notes for this overall course will be laid out by module in the course, and have subheadings in order to differentiate between different topics/videos that are presented in the courses. I'll add in any extra notes/resources that I use where necessary, and hope it will be helpful for anyone looking!

Why is Project initiation essential?

Cost Benefit Analysis - Definition

The process of adding up the expected value of a project - the benefits - and comparing them to the dollar costs

- **Project Initiation**
 - First step of the project
 - Well planned initiation allows for a strong foundation for the rest of the project
 - Often initiated to combat a specific issue from a business
 - Identify project goals, resources, etc.
 - During initial discussions with stakeholders
 - Ask the right questions
 - Determine criteria for project success with stakeholders
 - Identify project research
 - Do research
 - Determine resources
 - Clearly document
 - Identify the boundaries of the project
 - **If not initiated properly**

- Without understanding project goals, may underestimate the resources needed/time needed
- May not accomplish appropriate goals
- Gain as much clarity during the initial phase, as it'll allow for saving time throughout the rest of the project
- **Cost Benefit Analysis**
 - Work with stakeholders
 - **Benefits**
 - What value will this project create?
 - How much money could this project save our organisation?
 - How much money will it bring in from existing customers?
 - How much time will be saved?
 - How will the user experience be improved?
 - **Costs**
 - How much time will people have to spend on this project?
 - What will be the one-time costs?
 - Are there any on-going costs?
 - What about long-term costs?
 - Benefits should always outweigh the costs of the project

Key components of project initiation

Project Charter - Definition

A document that clearly defines the project and its goals, and outlines what is needed to accomplish them

- **Project initiation parts**
 - **Goals**
 - The goal is what you've been asked to do and what you're trying to achieve.
 - Have to have clear goals
 - Determined by senior company leaders
 - **Scope**
 - Process to define the work that needs to happen to complete the project
 - **Deliverables**
 - Products and services that you will create for your customer, client, or project sponsor

- Project features and services
- Documentation
- i.e. anything that enables the goal of the project to be achieved
- Can be tangible (Chapters of a textbook) and intangible (Software, scheduling systems)
- **Success Criteria**
 - Standards by which you measure how successful a project was in reaching its goals
- **Stakeholders**
 - The people who both have an interest in, and are affected by, the completion and success of a project
 - Instrumental in the above steps
 - Often create the guidelines and authorise the project to happen in the first place
 - Understand the expectations early
 - Make sure that all stakeholders are in agreement on the goals and overall mission of the project
- **Resources**
 - Budget
 - People
 - Materials
 - Other items you will have at your disposal
 - Think carefully about what resources you need initially
- **Project Charter**

Project Charter

Project Summary

Goals of Project

Deliverables

Scope

In Scope:

-

Out of Scope:

-

Benefits & Costs

Benefits:

Costs:

-
- Contains all the details of a project
- Review the document with stakeholders to make sure you haven't missed anything

Performing a cost-benefit analysis

- Cost-benefit analysis
 - Benefits of a cost-benefit analysis
 - Minimise risks
 - Maximise gains
 - Allows for clear communication with stakeholders

- Uses objective data, and therefore can point out any biases, and keep out stakeholder self-interest
- Reduces waste
- Provides good justification for a project
- **Guiding Questions**
 - **Benefits**
 - What value will this project create?
 - How much money could this project save our organisation?
 - How much money will it bring in from existing customers?
 - How much time will it save?
 - How will it improve the customer experience?
 - **Costs**
 - How much time will people have to spend on this project?
 - What are the one-time costs?
 - Are there any ongoing costs?
 - What about the long term costs?
 - **Intangible Benefits** (Costs are the same but reversed)
 - **Customer Satisfaction**
 - Will the project increase customer retention, causing them to spend more on the company's products or services?
 - ****Employee satisfaction**
 - Is the project likely to improve company morale, reducing turnover?
 - **Employee productivity**
 - Will the project reduce employee's overtime hours, saving the company money?
 - **Brand perception**
 - Is the project likely to improve the company's brand perception and recognition, attracting more customers or providing a competitive advantage?
- **Calculating Costs and Benefits**
 - **ROI (Return on Investment) Formula**

$$(G - C) \div C = ROI$$

- **G**: Financial gains expected
- **C**: Upfront and ongoing costs of investment
- Example
 - Project costs \$6000 upfront
 - \$25/month for 12 months (i.e. \$300/year)
 - \$10,000 revenue over the course of the year

$$\frac{(\$10,000 - \$6,300)}{\$6300} = 0.58 = 58\%$$

- **Extra Resources**

- Cost-Benefits Analysis for Projects - A Step-by-Step Guide (projectmanager.com)
- Cost-Benefit Analysis in Project Management | (pmstudycircle.com)