Project Management

Principles and Benefits

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DEFINITIONS 1

What is a project?

A Project is “a temporary endeavour undertaken to create a unique product, service or result.”

They can be large or small and take a short or long time to complete.

Projects end when their objectives have been reached or the project has been terminated.

DEFINITIONS 2

Or:

A temporary process, with a defined start and end, a set of tasks and a budget, developed to accomplish a well-defined objective

A temporary effort of sequential activities designed to accomplish a unique purpose

A group of inter-related activities, constrained by time, cost and scope, designed to deliver a unique purpose

DEFINITIONS 3

What is Project Management?

“A unique process consisting of a set of co-ordinated and controlled activities with start and finish dates, undertaken to achieve an objective conforming to specific requirements, including constraints of time, cost and resources.” ISO 10006

DEFINITIONS 4

Or:

"A time and cost constrained operation to realise a set of defined deliverables up to quality standards and requirements." **International Project Management Association (IPMA)**

"Project Management is the application of knowledge, skills, tools and techniques to a broad range of activities in order to meet the requirements of a particular project." **Project Management Institute (PMI)**

PROJECT MANAGEMENT

SOME BACKGROUND

INTRODUCTION

Many organisations today have a new or renewed interest in formal project management

Ad hoc approaches have not been successful

SOME STATISTICS 1

1. One in six IT projects have an average cost overrun of 200% and a schedule overrun of 70%. (Source: Harvard Business Review)
2. The United States economy loses $50-$150 billion per year due to failed IT projects. (Source: Gallup Business Review)
3. 75% of business and IT executives anticipate their software projects will fail. (Source: Geneca)

SOME STATISTICS 2

4. Fewer than a third of all projects were successfully completed on time and on budget over the past year. (Source: Standish Group)
5. An astounding 97% of organizations believe project management is critical to business performance and organizational success. (Source:PricewaterhouseCoopers)
6. 33% of projects fail because of a lack of involvement from senior management. (Source: University of Ottawa)

SOME STATISTICS 3

7. Businesses identified “capturing time/costs against projects” as their biggest project management challenge. (Source: The Access Group)
8. 75% of IT executives believe their projects are “doomed from the start.”(Source: Geneca)
9. High-performing organizations successfully complete 89% of their projects, while low performers complete only 36%. (Source: PMI.org)

SOME STATISTICS 4

10. 63% of companies defer to executives to decide when to eliminate or put off a project. (Source: InformationWeek)
11. 49% of organizations now have a project management training program in place. (Source: PM Solutions)

PRINCIPLES

OF PROJECT MANAGEMENT

PRINCIPLES 1 - BUSINESS JUSTIFICATION

Every project should lead to a worthwhile return on investment. In other words, we need to understand the benefits that a particular project will bring, before committing ourselves to any significant expenditure. During the life cycle of a project, however, circumstances can change quickly. If at any point it becomes clear that a return on investment is no longer feasible, then the project should be scrapped and no more money wasted.

PRINCIPLES 2 - DEFINED ROLES AND RESPONSIBILITIES

Everybody working on the project needs to understand the nature of their involvement: for what is each person responsible, and to whom are they accountable? Without clear roles and responsibilities, nobody will know precisely what he or she is supposed to be doing (and everybody will pass the buck at the first sign of trouble). In such a chaotic environment, the progress of the project will be seriously jeopardised.

PRINCIPLES 3 - MANAGE BY EXCEPTION

Project sponsors should avoid getting too bogged down in the day-to-day running of projects and instead allow the project manager to concentrate on this area. Micro-management by a sponsor is a hindrance, not a help. Project sponsors should set clear boundaries for cost and time, with which the manager should work. If he/she cannot provide the agreed deliverables within these constraints, concerns must be escalated to the sponsor for a decision.

PRINCIPLES 4 - MANAGE BY STAGES

Break the project up into smaller chunks, or stages. Each stage marks a point at which the project sponsor will make key decisions. For example, is the project still worthwhile? Are the risks still acceptable? Dividing a project into stages, and only committing to one stage at a time, is a low risk approach that enables the sponsor to manage by exception.

PRINCIPLES 5 - FOCUS ON PRODUCTS

It is vital that clients and customers think carefully about the products, or deliverables, they require, before the project begins. The clearer they can be about their requirements, the more realistic and achievable the plans that can be produced. This makes managing the project much easier and less risky.

PRINCIPLES 6 - LEARN FROM EXPERIENCE

Don't risk making the same mistakes on every project; consider why certain aspects went well or badly, then incorporate the lessons learned into your approach to your next project. Humans have an amazing capacity to learn, but when it comes to repeating errors made during previous projects, we all too often fail to learn the lessons.

PRINCIPLES 7 - TAILOR TO SUIT ENVIRONMENT

Whatever project management methodology or framework you favour, it must be tailored to suit the needs of your project. Rather than blindly following a methodology, the project manager must be able to adapt procedures to meet the demands of the work in hand. How you plan on a two-week project is likely to be very different from how you plan on a two-year project.

PRINCIPLES 8 – OBJECTIVES 1

Effective objectives in project management are specific.

A specific objective increases the chances of leading to a specific outcome.

Objectives should show how successful a project has been.

"to improve customer relations“ – too vague, not measurable ✗

"to reduce customer complaints by 50%“ ✓

PRINCIPLES 8 – OBJECTIVES 2

Objectives can often be set under three headings:

1. Performance and Quality
2. Budget
3. Time to Completion

PRINCIPLES 9 – CONSTRAINTS 1

The Project Management Triangle

PRINCIPLES 9 – CONSTRAINTS 2

Time - specifies the timeline according to which those components will be delivered, including the final deadline for completion.

Scope - the specific goals, deliverables and tasks that define the boundaries of the project.

Cost - the financial limitation of resources input to the project and also the overall limit for the total amount that can be spent.

PRINCIPLES 9 – CONSTRAINTS 3

Project constraints are considered to be mutually exclusive.

In the project management triangle, it is assumed that making a change to one constraint will affect one or both of the others.

For example, increasing the scope of the project is likely to require more time and money.

PRINCIPLES 9 – CONSTRAINTS 4

The “Pick Two” principle maintains that for any given set of three desired qualities or expectations -- such as "good, fast and cheap" -- it is likely that only two can coexist.

A given product might be delivered quickly and inexpensively, for example, but the quality will suffer.

A change to any single constraint will affect the quality of the deliverable!!

PRINCIPLES 10 – LIFECYCLE 1

The Project Management Lifecycle is the process of directing and controlling a project from start to finish.

It can be divided into 5 basic phases.

PRINCIPLES 10 – LIFECYCLE 2

Project Initiation

A project is formally started, named and defined at a broad level during this phase.

Project sponsors and other important stakeholders perform their due diligence.

Depending on the nature of the project, feasibility studies are conducted

In an IT project – requirement gathering and analysis are performed in this phase.

Project Initiation Document (PID) or Project Charter are outcomes of this phase.

PRINCIPLES 10 – LIFECYCLE 3

Project Planning

Project management plan is developed.

Some of the important activities that mark this phase are - making WBS, development of schedule, milestone charts, GANTT charts, estimating and reserving resources, planning dates and modes of communication with stakeholders based on milestones, deadlines and important deliveries.

Risk management planning includes risk identification and analysis, risk mitigation approaches and risk response planning.

PRINCIPLES 10 – LIFECYCLE 4

Project Execution

The project deliverable is developed and completed , adhering to the plan as developed in the previous phase.

Runs alongside Project Monitoring and Control.

A lot of project management tasks during this phase capture project metrics through tasks like status meetings and project development updates, status reports, human resource development and performance reports.

PRINCIPLES 10 – LIFECYCLE 5

Project Monitoring and Control

Measures the project performance and progress with respect to the project management plan.

Monitors for scope creep,

Tracks and manages changes to project requirement.

Calculates key performance indicators for cost and time to measure the degree of variation and if any found corrective measures are determined and suggested to keep project on track.

PRINCIPLES 10 – LIFECYCLE 6

Project Closure

A project is formally closed in this phase.

It includes a series of important tasks such as making the delivery, releasing resources, reward and recognition to the team members and formal termination of contractors in case where they were employed on the project.

“Post Mortem” – a review of project and lessons learnt.

BENEFITS

OF PROJECT MANAGEMENT

BENEFITS 1

1. Better Efficiency in Delivering Services: Project management provides a “roadmap" that is easily followed. Once you know where to avoid the bumps and potholes, you’re going to be working smarter and not harder and longer.
2. Improved / Increased / Enhanced Customer Satisfaction: Whenever you get a project done on time and under budget, the client walks away happy. And a happy client is one you’ll see again. Smart project management provides the tools that enable this client/manager relationship to continue.

BENEFITS 2

3. Enhanced Effectiveness in Delivering Services: The same strategies that allowed you to successfully complete one project will serve you many times over.
4. Improved Growth and Development Within your Team: Positive results not only command respect but more often than not inspire your team to continue to look for ways to perform more efficiently.

BENEFITS 3

5. Greater Standing and Competitive Edge: This is not only a good benefit of project management within the workplace but outside of it as well. Word travels fast and there is nothing like superior performance to secure your place in the marketplace.
6. Opportunities to Expand your Services: A by-product of greater standing. Great performance leads to more opportunities to succeed.

BENEFITS 4

7. Better Flexibility: One of the greatest benefits is that it allows for flexibility. If you discover a better direction to take, you can take it. For many small-to-midsize companies, this alone is worth any perceived overhead.
8. Increased Risk Assessment: When all the players are lined up and your strategy is in place potential risks become obvious. Project management provides a red flag at the right time: before you start working on project completion.

BENEFITS 5

9. Increase in Quality: Goes hand-in-hand with enhanced effectiveness.

10. Increased Productivity: An increase in quality and better project management automatically lead to greater productivity.