Section 3

Business Case
(a justification for a proposed project)

- The purpose of a business case is to <u>understand the business need for the project and determine whether the investment in the project is worthwhile.</u>

<u>In another words:</u>

- It describes <u>the cost-benefit analysis</u> and <u>the business need or demand</u> that brought about the project.

Feasibility Study
(first step in building the business case)

It will examine:

- the needs and demands of the business,

- marketing opportunities,

- costs,

- risks,

- given assumptions and constraints of the proposed products or services.

Business Case Document

- Description of the business need.

- Description of any special requirements.

- Description of alternative solutions.

Agreements
(contract)

- Agreements refer to documents that define the intent(Goal) of the project and are usually legal in nature.

Agreements document

- conditions under which the project will be executed,
- the time frame,
- a description of the work.

Project charter

The Charter is a document. It should not be too long, but concise, easy to read, and to the point. It should be signed by the Sponsor (or customer) and the Project Manager. It is created at the very start of the project.

It is written by the Sponsor and the Project Manager and is in essence a contract between them.

If your project is for an external client, then the Charter may well be the Supplier Contract.

Project title and description – keep it short and in language that everyone can understand

Project Manager Assigned and Authority Level – it is important that it be clear who the Project Manager is from the start of the project, and what his authority level is: what are the limits for signing and for decisions concerning the project?

Business Case – WHY are we doing this project? How will the result help the company?

Project charter

Scope Statement (including objectives) – As above.

Product description / deliverables – What does the end result look like? What will we need to deliver in order to provide the end result?

High level Risks – already at this early stage, it is important to have thought about the risks of success or failure. If there are too many risks or if they are unacceptable, it is better to stop the project early on, before too much time and resources have been wasted.

High level Constraints and Assumptions – Constrains are restrictions or limitations. Assumptions are factors that we believe to be true until proven different.

Signed and approved by… – The Sponsor or Customer. It is important for the Charter to be signed, as it will then be taken more seriously.

Project Name		Project Code	

Start Date		End Date	

Sponsor		Team Members	
.		.	.
Project Manager		.	.
.		.	.
Support		.	.
.		.	.

Goals and Objectives	Scope
. A . B . C	. A . B . C

Approach
. A . B . C

Milestones	Dependencies/Related Projects
. A . B . C	. A . B . C

Deliverable	Completion Criteria
Deliverable A	Completion Criteria for A
Deliverable B	Completion Criteria for B
Deliverable C	Completion Criteria for C

Assumptions
. A . B . C

Risks and Issues			
. A . B . C			

Signed by			
Sponsor:		Date:	
Project Manager:		Date:	

Kicking Off Project charter

Kicking Off the Project Charter

- Your first step in the Initiating group to develop Project Charter.

The purpose for the Initiating group:

- to authorize a project, (i.e. gives the project manager the authority to apply resources to the project).

Revised project charter

- The charter will occasionally be revised to reflect the new details and it may be changed to incorporate the new information or direction.

Project Charter Sign-Off

- Sign-off indicates that the document has been read by those <u>signing it</u> and that they <u>agree with</u> its contents and are on board with the project.

- It also involves the major <u>stakeholders' right</u> from the beginning and should win their continued participation in the project going forward.

- <u>If someone has a problem</u> with any of the elements in the charter, <u>now is the time to speak up.</u>

To identify the stakeholders

One easy way to define your stakeholders is to work with your team in a brainstorming session,

It is important not to filter out any of the stakeholders, but to include them all. We first have to analyse the stakeholders before we know whether we can filter them out.

Stakeholder Analysis

Stakeholder Assessment Grid
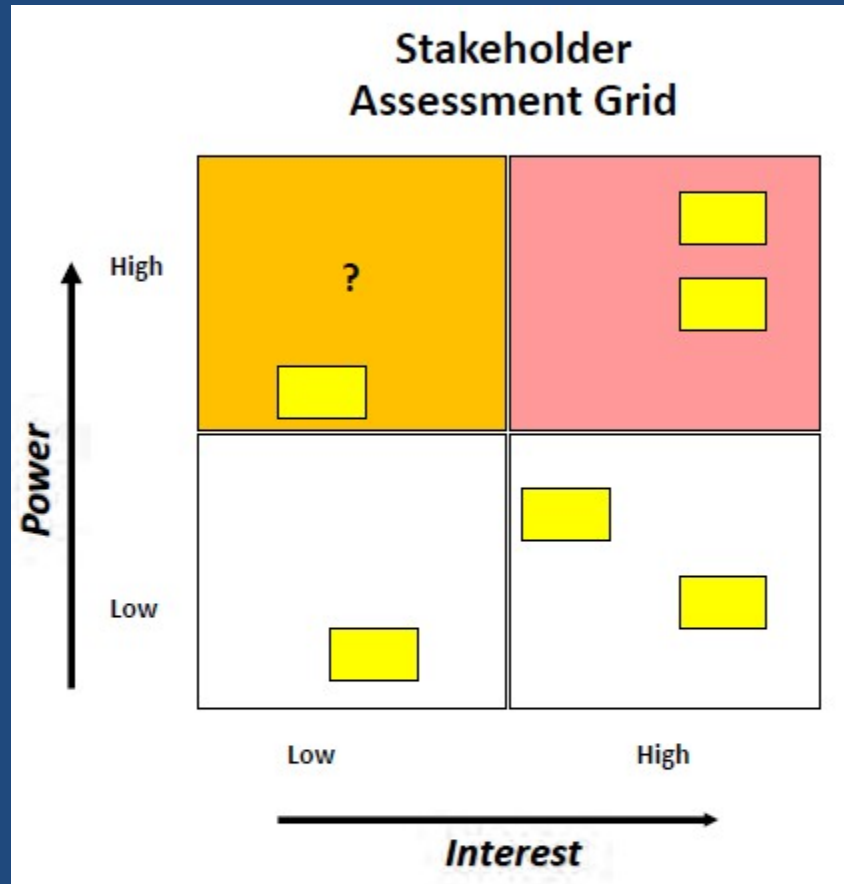
Stakeholder Assessment Grid

- **Power**: The ability to contribute or withhold resources and/or to accept or reject outcomes.
- **Concern**: Affected by technical and social impacts and perceptions.

Once we have placed each stakeholder in the relevant box, we then must decide whether the stakeholder is a:

- **Proponent** (Is the stakeholder FOR the project?)
- **Resistor** (Is the stakeholder AGAINST the project?)
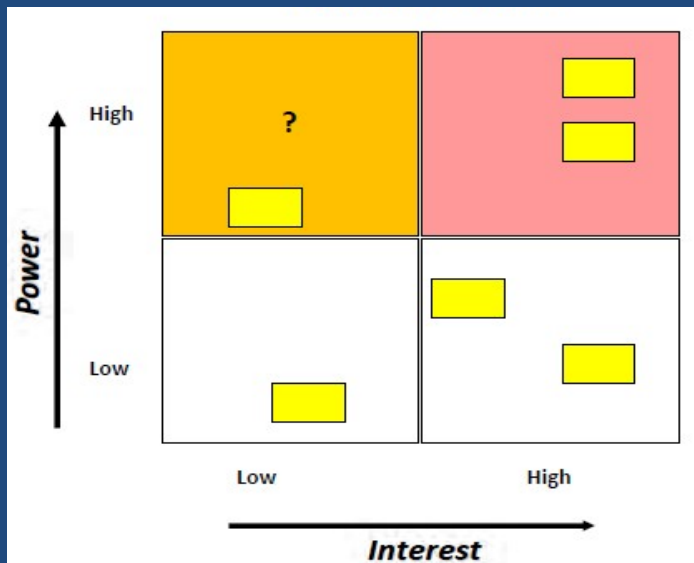
Initiation Phase

- ☐ There is one clearly identified Sponsor
- ☐ The PM understands what the Sponsor expects
- ☐ The problem or reason for the project has been clearly documented
- ☐ The Project Content, what is IN and OUT OF Scope has been clearly documented
- ☐ Project Specifications have been clearly identified and documented (in terms of numbers, time, etc.)
- ☐ The budget and the Project deadline have been documented
- ☐ The Sponsor has signed the Charter (comprising the above information)

Planning Phase

- ☐ The main project risks have been clearly documented
- ☐ The constraints and assumptions have been clearly documented
- ☐ The Project Stakeholders have been identified, analyzed and documented
- ☐ The list of Suppliers has been documented
- ☐ The Roles and Responsibilities Matrix (RAM) has been documented
- ☐ The Milestones have been identified and documented
- ☐ The Authority Level of the Project Manager has been documented
- ☐ The Sponsor has signed the Project Plan (comprising the above information)

Execution Phase

- ☐ Agree with the Sponsor how often they wish to be informed and in what format
- ☐ Communicate to the Sponsor appropriately (see above)
- ☐ Immediately let the Sponsor know of any changes to the Triple Constraints : Time, Cost, Scope, Quality, Resources
- ☐ Get Sponsor Signature on all changes that affect the Triple Constraints

Closure Phase

- ☐ Get Sponsor Signature at the end of every phase
- ☐ Get Sponsor Signature at the end of the Project
- ☐ File all documents relevant to the project at the end of the project

The Project Team Evaluation

- must determine what skills are needed to successfully complete the project, then the staffing requirements must be acquired

- must ensure the resources assigned are capable of successfully meeting the project requirements.

(This requires gaining approval from functional managers for employing their personnel on the project team and obtaining the training necessary for project success).

Project team evaluation

- Does the individual have the necessary skills or is additional training needed?

- Does the individual or group have previous relevant experience and, if so, did they do well?

- Is the individual or group interested in working on the project?

- Will the project team members work well together?

- Will the individual or group be available when needed?

- Develop High-Level Work Breakdown Structure (WBS)

- The project manager should develop a high-level WBS from the information gathered from the project sponsor. The WBS is a product oriented hierarchical division of project elements that organizes, defines, and establishes the total scope of the project. This WBS will identify all of the major deliverables that make up the total solution. During the detailed planning meeting and work session to be held during the Planning Phase, the project manager will review the high-level WBS with the project team and further decompose the deliverables into manageable work packages prior to developing tasks and building a schedule.

- From previous projects, obtain a WBS that closely models the project being developed. Use only the top two or three layers of deliverables to develop a high-level WBS. This step will result in a high-level WBS that identifies major divisions of the project as they relate to the overall objectives and will be attached to the Project Charter.

Risks

- **<u>Risk</u>** what could potentially impact the success of this project.

Common Risks

➢ Resources (e.g., personal, facilities, hardware, etc.),

➢ Changes in project requirements and/or scope.

➢ Technology, and External dependencies.

➢ Unrealistic schedules and/or budgets.

➢ Misinterpretations or misunderstandings.

➢ Unclear roles and responsibilities.

➢ Unskilled staff.

➢ Availability of staff.

➢ Undefined success criteria.

High-Level Risk Assessment

- Budget
- Performance
- user attributes
- cost or financial
- human resources
- acts of God
- schedule items
- development technology
- business change vendor or contractor
- politics
- requirements.