Chapter 1
Introduction

By

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Objectives

1. What is a project?
2. Why are projects important?
3. Project Life Cycles
4. Determinants of Project Success
5. Developing Project Management Maturity


Industcards "Power Plants Around the World"

Project

"A project is a unique venture with a beginning and end, conducted by people to meet established goals within parameters of cost, schedule, and quality."

"A Projects is goal-oriented, involve the coordinated undertaking of interrelated activities, are of finite duration, and are all, to a degree, unique."

Project

"A project is organized work toward a predefined goal or objective that requires resources and effort, a unique (and therefore risky) venture having a budget and schedule.

Project Elements

1. Projects are complex, one-time processes.
2. Projects are limited by budget, schedule, and resources.
3. Projects are developed to resolve a clear goal or set of goals.
4. Projects are customer-focused.

Project *vs.* Process

- A process refers to ongoing, day-to-day activities in which an organization engages while producing goods or services.

- Processes use existing systems, properties, and capabilities in a continuous, fairly repetitive manner.

Process	Project
Repeat process or product	New process or product
Several objectives	One objectives
Ongoing	One shot-limited life
People are homogenous	More homogenous
Well-established systems in place to integrate efforts	Systems must be created to integrate efforts
Greater certainty of performance, cost, schedule	Greater uncertainty of performance, cost, schedule
Part of line organization	Outside of line organization
Bastions of established practice	Violated established practice
Supports status quo	Upsets status quo

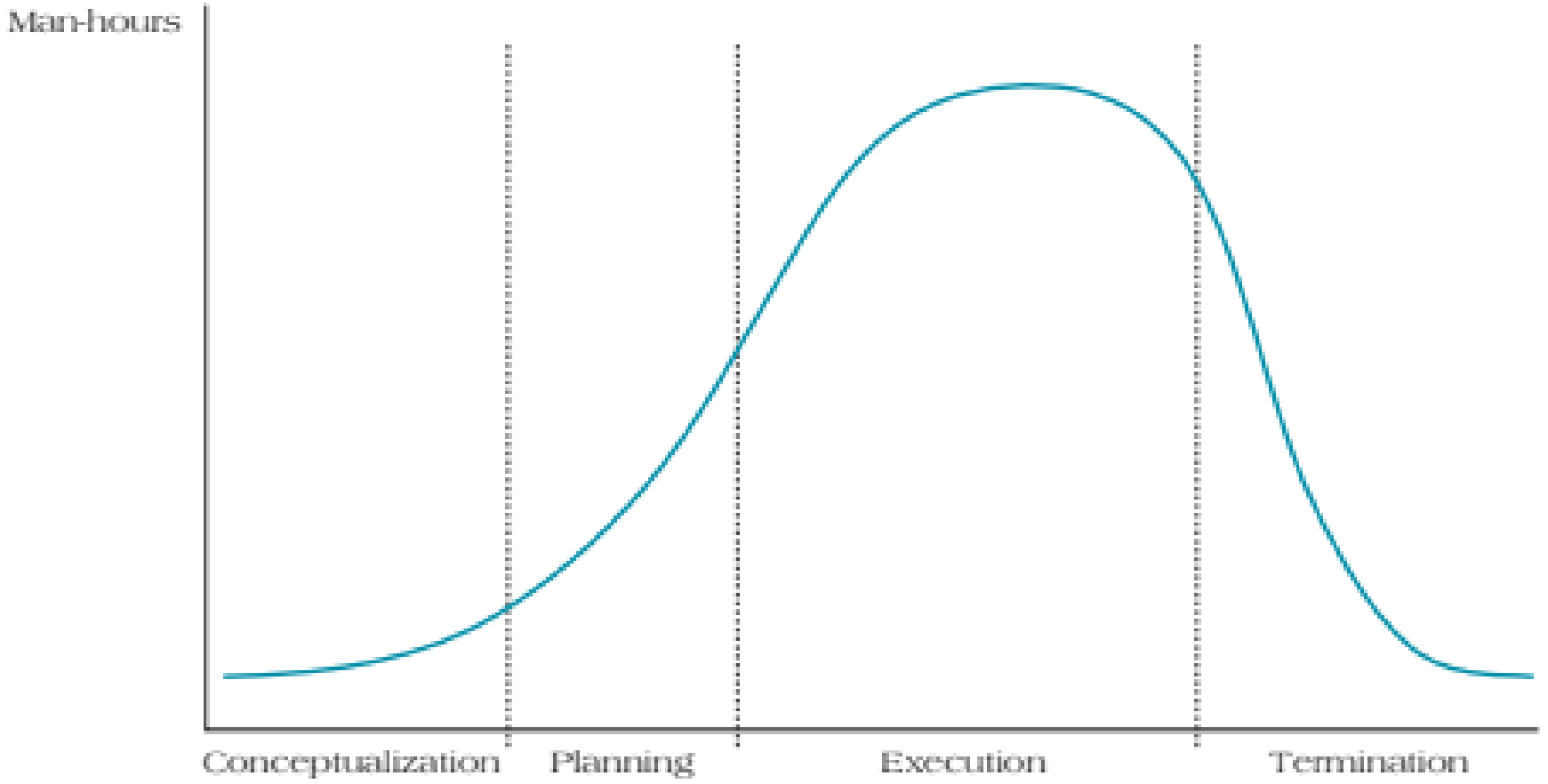
Why Are Projects Important?

1. Shortened product life cycles.
2. Narrow product launch windows.
3. Increasingly complex and technical products.
4. Emergence of global markets.
5. An economic period marked by low inflation.

Project Life Cycles

- A **project life cycle** refers to the stages in a project's development.
- They are important because they demonstrate the logic that governs a project.
- They help us develop our plans for carrying out the project.
- They help us decide, for example, when we should devote resources to the project, and how we should evaluate its progress, and so forth.

Project Life Cycles



A project life cycle refers to the stages in a project's development.

Determinants of Project Success

- Three criteria (or **triple constraint**) of project success:

  1. Time → the project should come in on or before its established schedule.

  2. Budget → Was the project completed within budget guidelines?

  3. Performance → to as conducting a “quality” check.

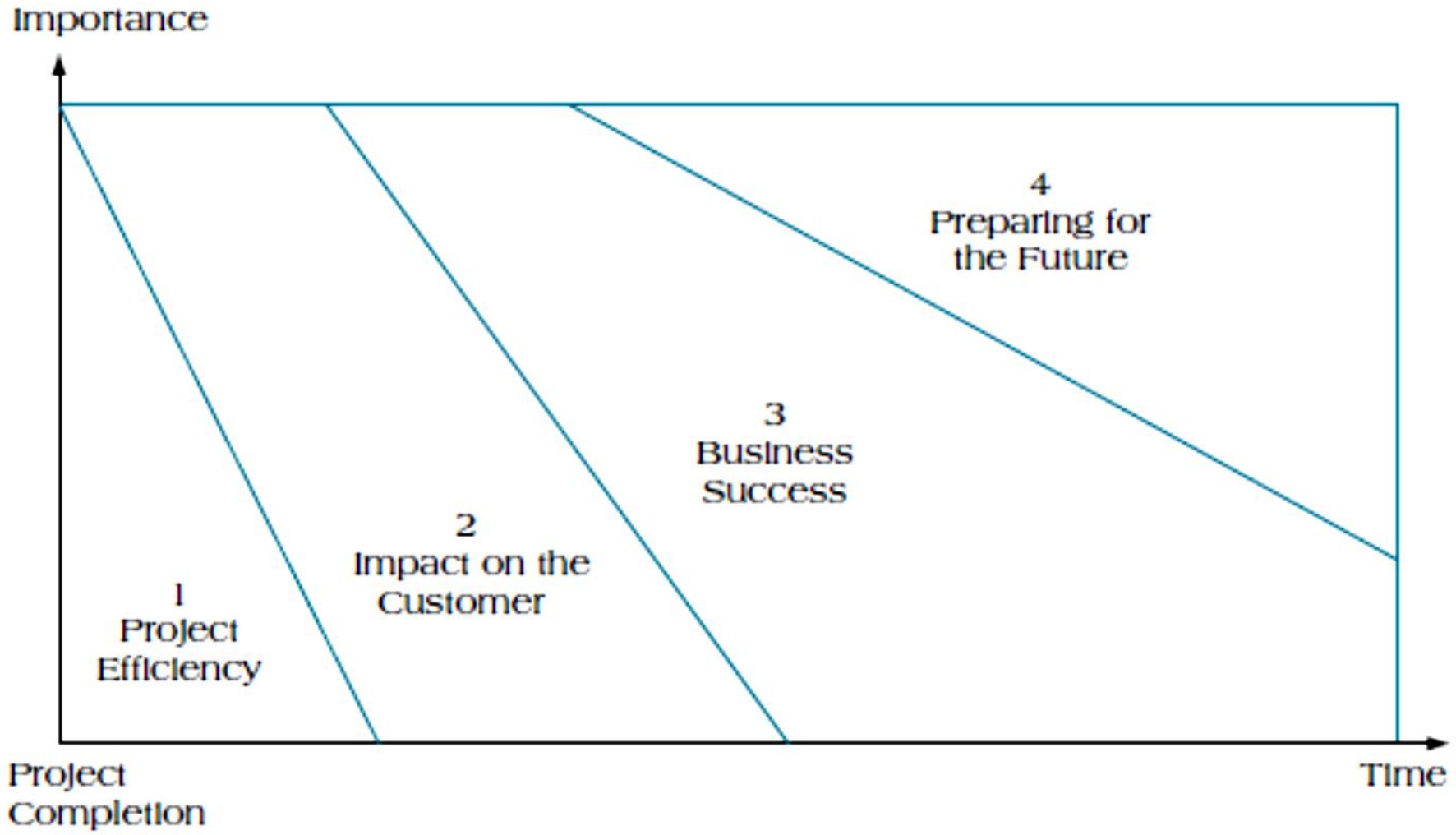
  4. Client acceptance → he client’s satisfaction with the completed project.

Determinants of Project Success

- **<u>Four Dimensions of Project Success Importance</u>:**

1. ***Project efficiency:*** Meeting budget and schedule expectations.
2. ***Impact on customer:*** Meeting technical specifications, addressing customer needs, and creating a project that satisfies the client's needs.
3. ***Business success:*** Determining whether the project achieved significant commercial success.
4. ***Preparing for the future:*** Determining whether the project opened new markets or new product lines or helped to develop new technology.

Determinants of Project Success



Four Dimensions of Project Success Importance

Developing Project Management Maturity

- **Project management maturity models** are used to allow organizations to benchmark the best practices of successful project management firms.

- **Project management maturity models** recognize that different organizations are currently at different levels of sophistication in their best practices for managing projects.

Developing Project Management Maturity

- The purpose of **benchmarking** is to systematically manage the process improvements of project delivery by a single organization over a period of time.

- Maturity models provide the necessary framework to

  1. Analyze and critically evaluate current practices as they pertain to managing projects,
  2. Compare those practices against those of chief competitors or some general industry standard, and
  3. Define a systematic route for improving these practices.

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Course Structure

- Introduction
- Projects and Strategy
- Project Selection and Portfolio Management
- Project Cost Estimation and Budgeting
- Project Scheduling: Lagging, Crashing and Activity Networks
- Project Scheduling: Networks, Duration estimation, and Critical Path
- Risk Management
- Resource Management
- Project Evaluation and Control
- Agile Project Management
- Critical Chain Project Scheduling