EPITA Information Management Master

Project Management

Module 5

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Source : Photo Afidium

Structure

1. **Introduction to Project Management**
2. **Integration Management**
3. **Perimeter management**
4. **Time management**
5. **Cost management**
6. **Quality and Human Resources Management**
7. **Communication and risk management**
8. **Purchasing and Stakeholder Management**
9. **Ethics and professional conduct**

Objectives of this course

- **Understand why buying rather than doing internally**
- **Understand the project's supply management process**
- **Understand the complexity of managing relationships with suppliers**
- **Know how to identify the stakeholders of a project and manage their expectations and their commitments**

Why purchase ?
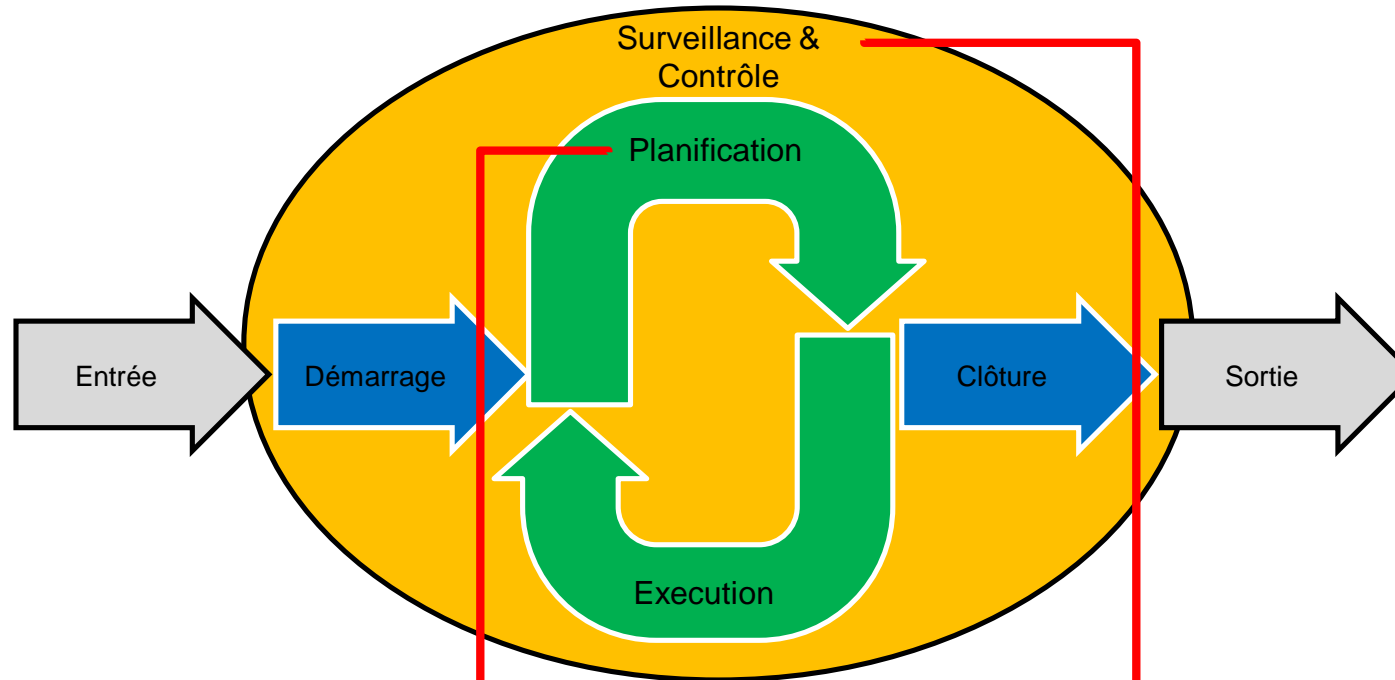
Project Management

Why purchase ?

- **To reduce fixed and recurring costs**
- **To allow the organization to focus on its core business**
- **To fill a need for lack of expertise or particular technologies**
- **To offer flexibility**
- **Because this is a project that we will never do again**

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Project Management

Domaine de Connaissances	Processus				
	Démarrage	Planification	Execution	Surveillance & Contrôle	Clôture
Procurement		Plan contracts	Request offers or proposals Select sellers	Administer contracts	Close the contract

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Procurement Management Process

- **1. Plan supplies and contracts**
  - **Determine what to buy or acquire, when, and how.**
- **2. Solicit offers or proposals**
  - **Collect vendor responses, select vendors, negotiate written contracts**
- **3. Administer the contracts**
  - **Manage the supplier's performance, define the necessary corrective actions, control the contract changes.**
- **4. Close the contracts**
  - **Complete and finalize each contract, including the resolution of any outstanding issues, and close each contract applicable to the project or any of its phases.**

Supply Management

- **The process required to process and acquire the products or services, or needs outside the project team**
- **Involves planning, acquiring products or services from vendors, choosing a vendor, administering and closing contracts**

Role of the project manager in purchasing

- **The project manager must be involved in the creation of contracts**
- **Key roles:**
  - **Know the procurement process**
  - **Understand the terms and conditions of the contract**
  - **Ensure that the contract contains all project management requirements such as attendance at meetings, reports, actions and communications deemed necessary**
  - **Identify risks and integrate mitigation and risk allocation into the contract**
  - **Align the contract schedule and project schedule**
  - **Get involved in contract negotiation**
  - **Ensure the procurement process is smooth**
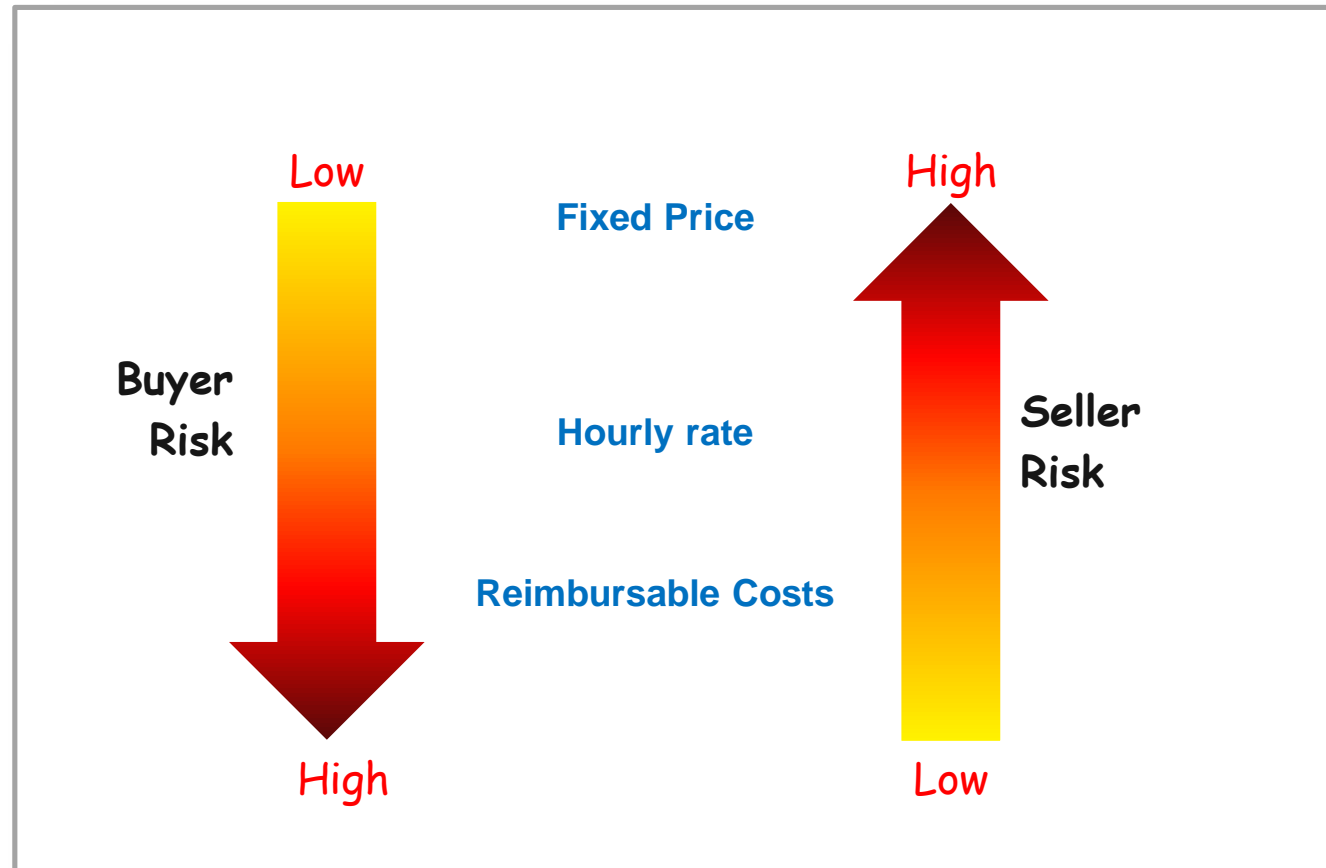 - **Work with the contract manager to manage contract changes**

Type of contracts

- **Fixed-price or flat-rate contract (FP Fixed-price or Lump-sum)**
  - **Provides a fixed total price for a clearly defined product / service**
  - **May include incentives for the supplier to achieve certain project objectives**
  - **Risk assumed by the seller**

- **Cost-reimbursable contract**
  - **The buyer reimburses the supplier for the actual costs incurred (direct and indirect), plus fees**
  - **May include an incentive bonus for the provider if certain goals are met**

- **T&M Time and Materials contract**
  - **An hourly rate is negotiated for each of the resources involved in the project: junior, senior, technical expert, project manager**
  - **To ensure that costs do not become larger than expected, the buyer can put a "not to exceed" and "deadlines" in the contract**

Risk and type of contracts

Buyer Risk — Low → High

Seller Risk — Low → High

Fixed Price

Hourly rate

Reimbursable Costs

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Request for Proposal RFP

- **Objective: solicit a price from suppliers for the products or services sought**
- **The submission is prepared by the suppliers. It specifies a price for which they undertake to deliver the requested products or to render the services required as defined by the customer.**
- **The customer usually retains the "lowest compliant bidder"**

Vendor Evaluation Criteria

- **Understanding of the need**
- **Overall cost (life cycle cost)**
- **Technical capacity of the supplier**
- **Management approach**
- **Technical approach**
- **Financial capacity of the supplier**
- **Production capacity and interest**
- **Size and type of the supplier's company**
- **References**
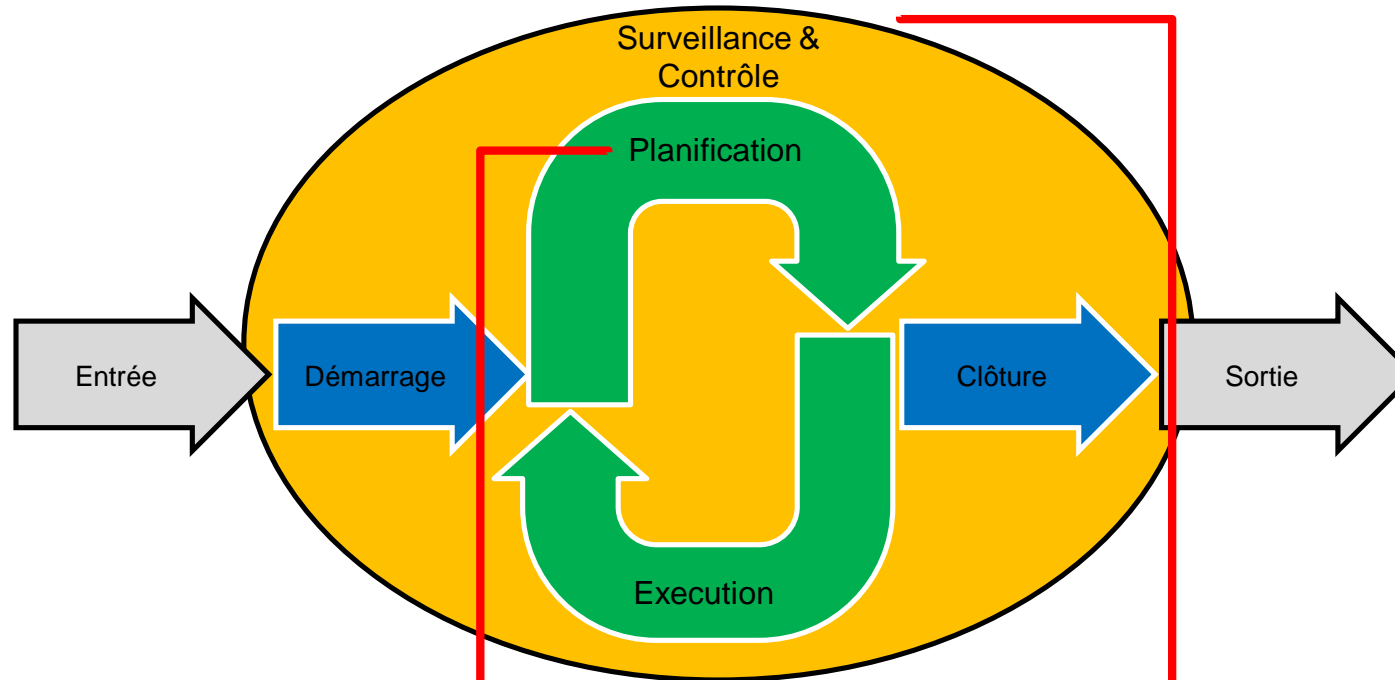- **Intellectual property rights**
- **Etc.**

Stakeholder Management
Gestion des parties prenantes
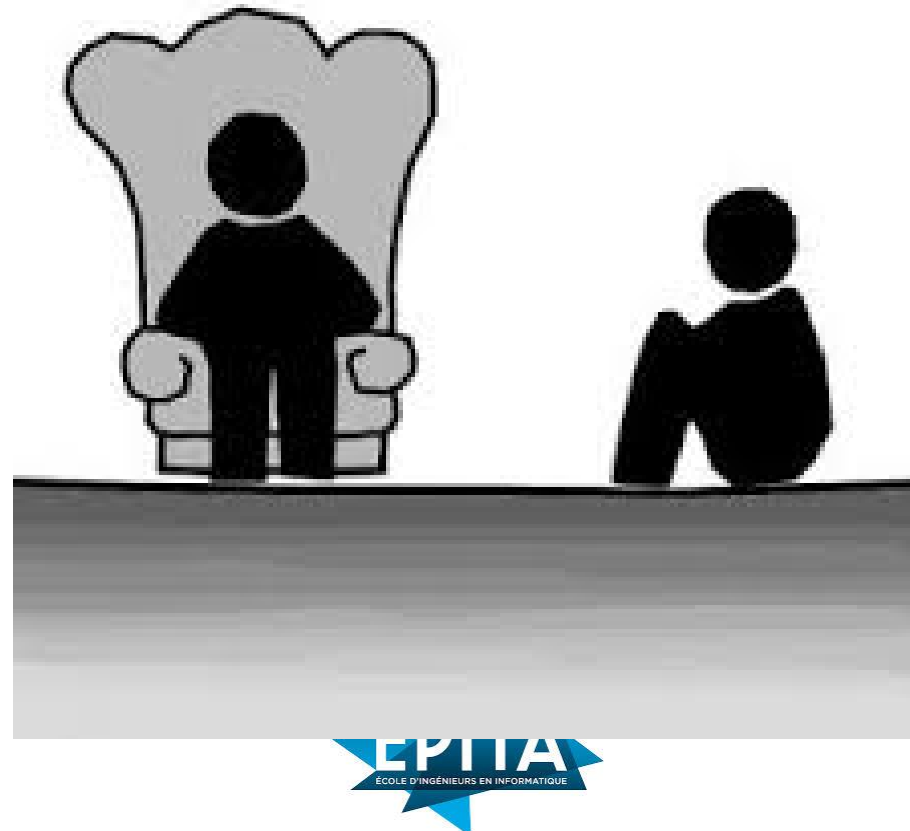
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Project Management

Domaine de Connaissances	Processus				
	Démarrage	Planification	Execution	Surveillance & Contrôle	Clôture
Stakeholder Management		Identify stakeholders Plan the management of stakeholders		Manage stakeholder commitments Master stakeholder commitments	

Stakeholder Management Process

- **1. Stakeholder identification**
  - **Identify all the people or organizations involved in the project: clients, sponsors, team members, managers, internal and external suppliers, unions**
- **2. Plan the management of stakeholders**
  - **Develop appropriate strategies to engage stakeholders effectively throughout the project lifecycle**
- **3 Manage Stakeholder Commitments**
  - **Communicate and work with stakeholders to meet their expectations**
- **4. Master stakeholder commitments**
  - **Monitoring the overall relationship of the project with stakeholders**

Stakeholder management

- **A stakeholder can ....**
  - **act against the project if its needs are not taken into account**
- **Low or late involvement of stakeholders can lead to unpleasant surprises**
  - **New last minute requirements**
  - **Political pitfalls**
  - **Dragging feet during execution**
- **The solution**
  - **Regular communication**
  - **Structured participation**

Result of identification

- **List of stakeholders**

Name	Contact	Role	Department	Society	Impact	Influence	Main expectations	Attitude about the project	Main requirement

- **Stakeholder Management Strategy**
  - Defines an approach to ensure stakeholder support and to reduce their negative influence
  - The information could be too sensitive to be shared
  - A common way of representing is to use a stakeholder analysis matrix

| Stakeholder	Interest in the project	Evaluation of the impact	Possible strategies to gain support or reduce obstructions

Managing stakeholder expectations

- **Active management of stakeholder expectations**
  - **Increase the likelihood of project acceptance through negotiation**
  - **Influence their desire to achieve and maintain the objectives of the project**
- **Anticipate and resolve concerns that have not yet become issues**
- **Clarify and solve the problems that have been identified**

- **The larger and more complex your project, the more attention you have to pay attention to stakeholder communication and involvement**
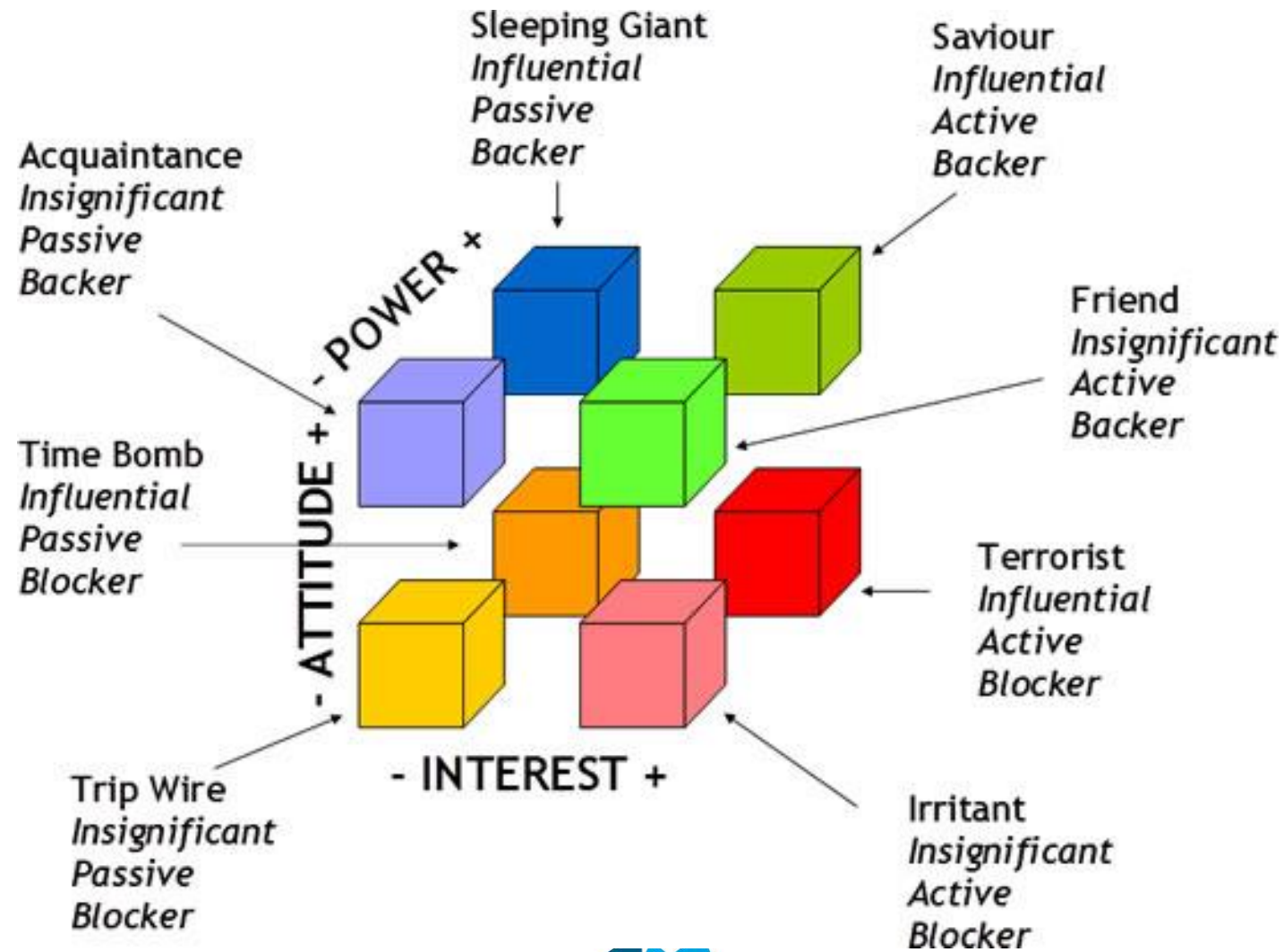
Stakeholder Influence Matrix - Gardner

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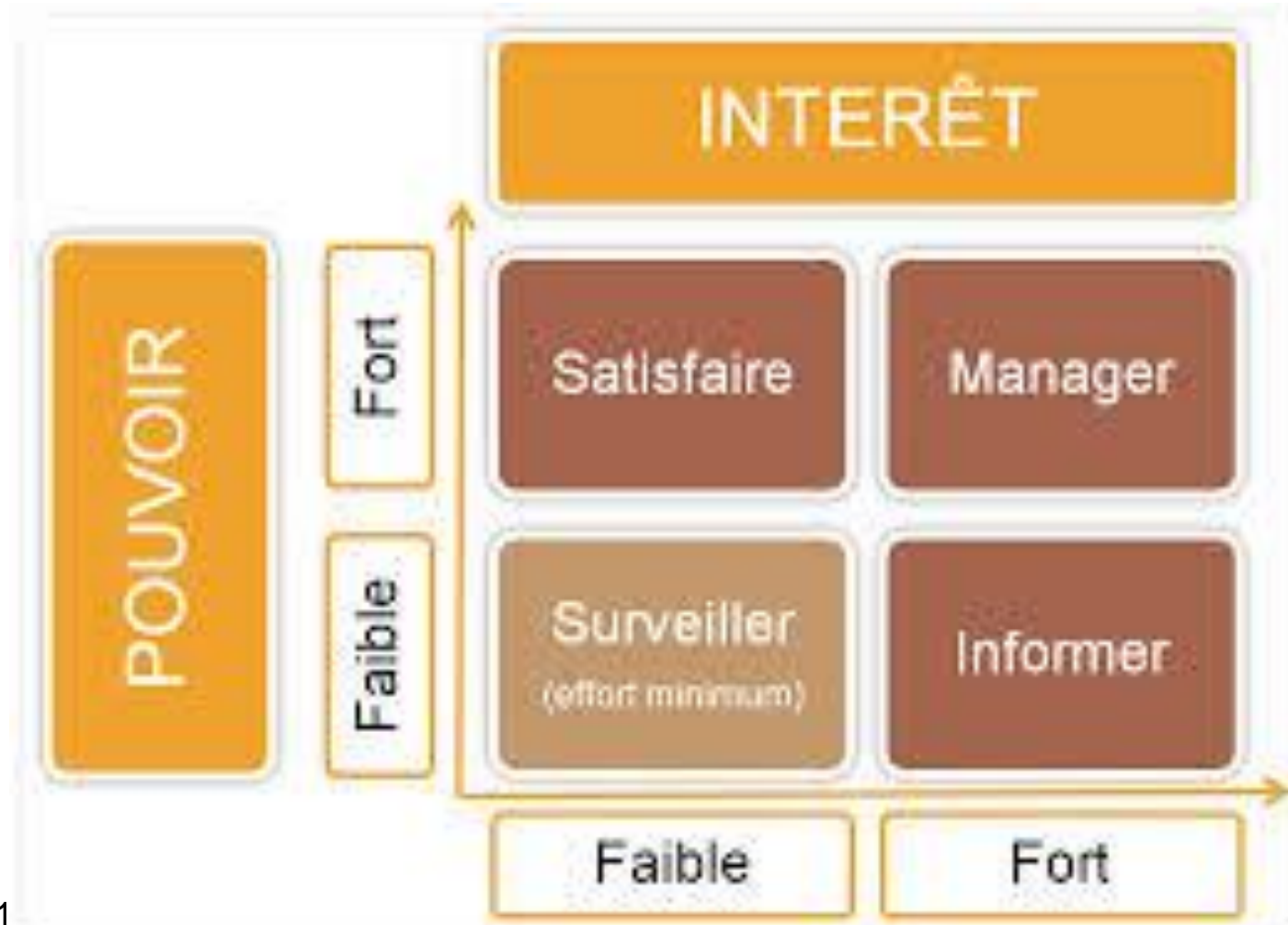
Manage stakeholder commitments

- **Establish a plan for regular communication with key stakeholders**
- **The plan must accommodate a bilateral exchange**
- **The plan must contain periodic progress reports, regular meetings and presentations, tours and demonstrations**
- **The plan must contain significant tasks that involve stakeholders**
  - **Kick-off**
  - **Attendance at meetings**
  - **Requirements collection activities**
  - **Steering group to arbitrate content changes**
  - **User acceptance testing**

Sources and Bibliography

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- **Le Management de Projet, Mohammed Saad**
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