

PROJECT INITIATION

Project initiation



Hello and welcome to the next module in the set of lectures for project management. In the previous module, we established why project management is important in today's business scenario and the key processes and knowledge areas associated with project management.

In this module, we are going to look at the project initiation. Project Management Body of Knowledge recognizes this as a process group called **Initiating Process** which is a set of activities performed before the project starts including the authorization to start the project.

Before embarking on a project, an organization needs to establish or identify the objectives and reasons for initiating the project. At times a business case is developed for project initiation, that documents economic feasibility study and establishes the validity of benefits. This is used for go or no go decision about the project i.e. authorization for further activities of the project management. This business case is also used to measure project success against the project objectives.

First of all, the Project Initiation Context must be identified. In the previous module, we discussed in detail the reasons, why a project is initiated. Now, it is important to understand the context as well. It was established that the projects are initiated in response to factors acting upon their organizations. Basically these factors are divided into four categories which illustrate the context of a project

1. First one is to meet the regulatory, legal, or social requirements- take for example, any tax regulation changes. All businesses will need to incorporate that in the way

they conduct business. For construction industry, it may be some new environmental norms.

2. The other category that leads to initiating a project is to satisfy stakeholder requests or needs
3. One of the categories is to implement or change business or technological strategies-with the technology bringing disruption, organizations are forced to align their strategies accordingly. Technology can help to bring operational excellence, help to launch new product, service or business model. If addressed in a timely manner, it will give a competitive advantage. Whatever may be the reason, technological disruption can not be ignored. Take for example, the education sector. The education sector is also getting disrupted by the technological interventions. Individuals now have access to online courses launched by various universities. Some of the courses are being offered in a mix of online and face to face classes. Similar is the case with retail where online purchases through different e-commerce site has affected the sales in physical stores.
4. Yet another context for project initiation is to create, improve, or fix products, processes, or services. To stay competitive, firms are coming up with better products or new features, or improved features over the existing one.

Identifying a context helps the organization to identify its goals and align the project objective accordingly. Even if the context is identified, due diligence is needed to be done to finally give a go/ no go decision for the project.

So what do we do or document which will be used for deciding whether project should be undertaken or not. First of all a needs assessment to understand the goals and objectives, issues, that the project is being initiated to address, or the opportunities it will address. Every organization must document the business need, situation analysis, recommendations and evaluation criteria. This will help later on in evaluating the project outcomes against these objectives.

So, lets look at different elements of a business case



1. First identify the business need- what is prompting you to take this action? Carefully document the situation, the business problem or the opportunity that will be addressed through this project. It is also important to identify the value that it will bring to the organization. At this stage, stakeholders are also identified, i.e the people or groups that may have an impact on the project or may be impacted by the project are identified. Scope of project is also identified.

problem? Or what are the main contributors of the opportunity. Identify capabilities needed for the project and the existing capabilities that the organization has. Further, identify known risks; identify critical success factors.
- 2 Next comes the analysis of the situation-there could be multiple factors prompting to take action whether those are due to problems or opportunities, it needs to be probed further- what is the root cause of the
- 3 Also the new endeavour needs to be aligned with organizational strategies and goals. The decision criteria needs to assess various courses of action in line with the organizational goals and strategies- for example categorizing it as required, desired or optional. What it means is that whether the criteria is required or desired or not so essential to address the problem or opportunity. Categorizing these criteria gives alternative courses of action. By looking at these options or alternatives courses of action to address the business problem or the opportunity, the organization can further devise the action plan. There may be many more criteria and options that should be documented in the business case.



The business case document so developed provides the basis to measure the progress throughout the project life cycle by comparing the results with the objectives and the identified success criteria.

This module covers the different activities pursued during the initiation process group. We will look at stakeholder identification and management, the organizational context and how that affects the project, different ways of selecting a project to establish how and why a project was selected. This will culminate into creating a project charter which is the final document that gives the authorization to the project manager to use resource for the project.

The organizational context



Earlier, we discussed about the tremendous growth of Project Oriented Organizations. There are many reasons attributed for this rapid growth, but mostly they are due to:

- Time to market has become absolute requirements for successful competition