PER SCHOLAS

# Introduction to Project Management

# Objectives

At the end of this lesson, learners will be able to:

- Describe the four phases of project management.
- List the nine areas of attention.
- Contrast the difference between risks and issues.
- Discuss ways of dealing with stakeholders.
- Illustrate gathering business needs.
- Discuss the concept of value.
- Identify the concept of utility and warranty.
- Name different types of Service Providers.

# Introduction

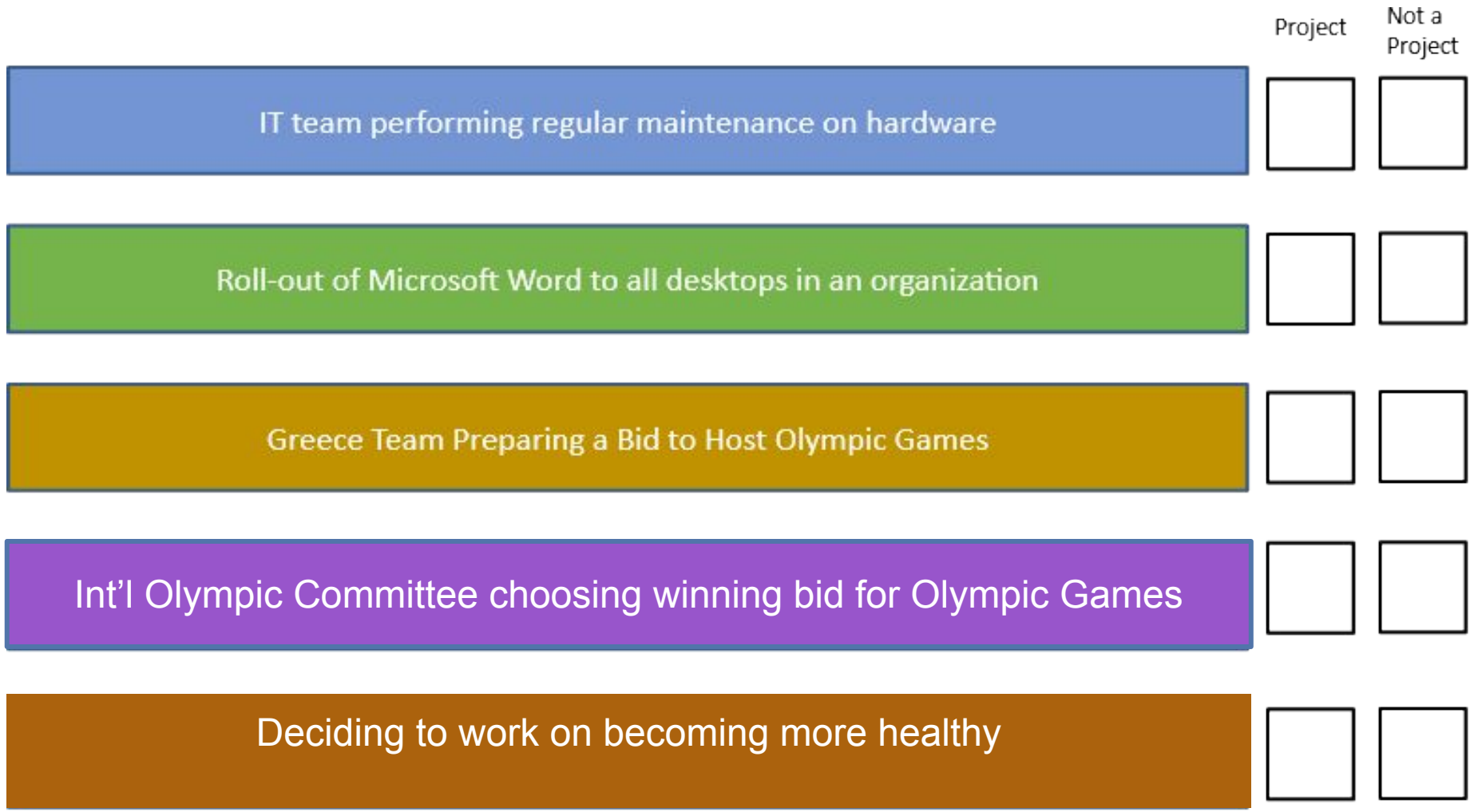
This lesson will introduce you to general terms and concepts associated with project management. Note however, that when you begin working for an organization, you may find that these terms, and how they are used and ordered may be modified from organization to organization. This course is intended to give you an overview in an effort to familiarize you with project management.

# What is a Project?

A project is an individual or collaborative enterprise that is carefully planned to achieve a particular aim.

- Specific/cannot be vague.
- One-off performance.
- Requires planning.
- Large enough to need control mechanisms in place.
- Not *business as usual* activity.

# Ongoing Activity vs. a Project



# Greenfield vs. Brownfield Projects

- Greenfield - new implementation.
- Brownfield - system conversion.

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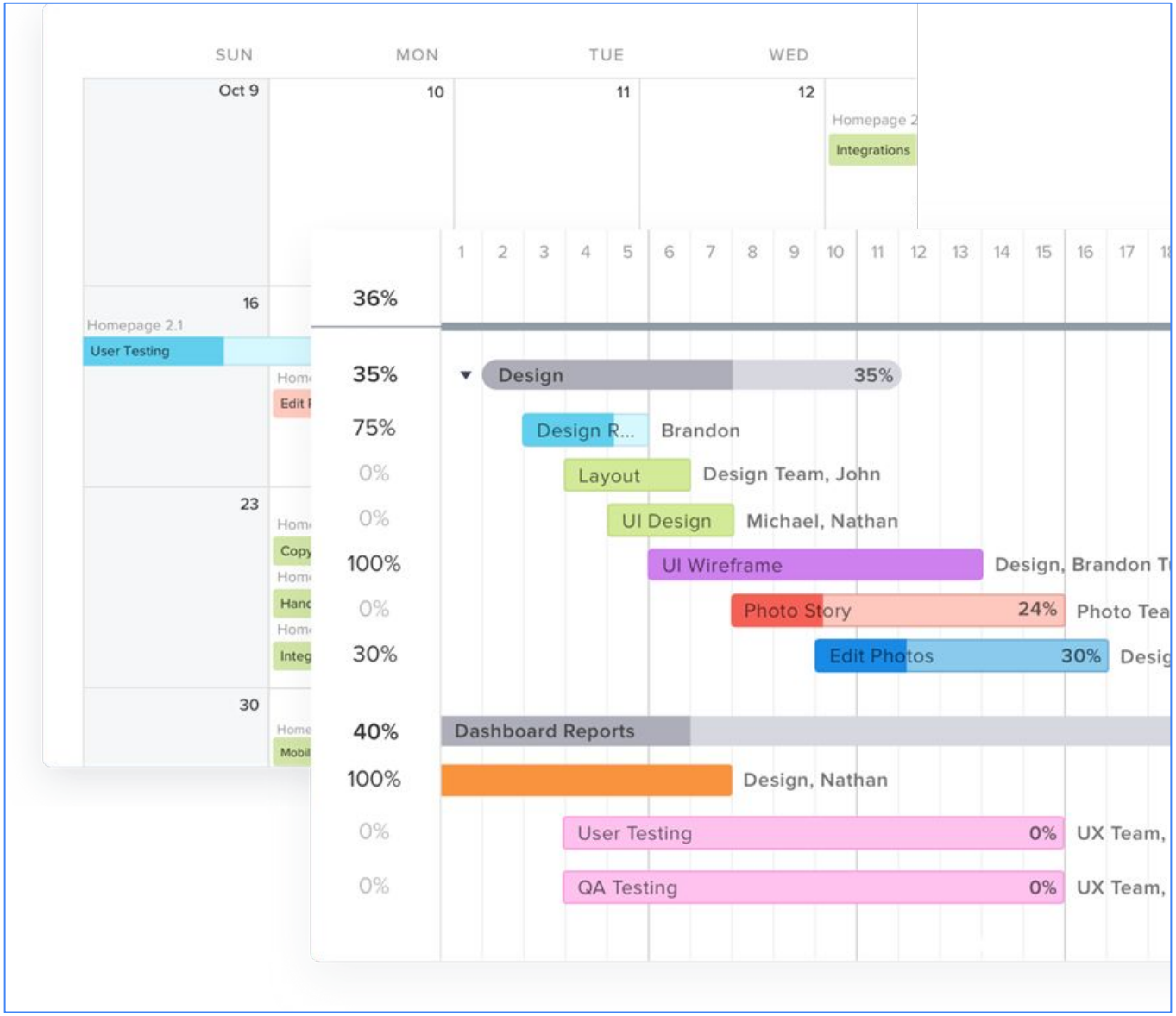
# Gantt Chart

A Gantt Chart shows what must be done (the activities) and when it should be done (the schedule).

It is a visual tool used to identify the related timing of predecessor and successor activities.



# Project Management

Effective management of all activities is required to successfully complete a project. The activities enhance productivity and the control progress.

**Results to achieve:**

- On time.
- Within budget.
- Appropriate Quality.

# Project Manager

The Project Manager is responsible for managing the process and the activities of project management.

Process Activities:

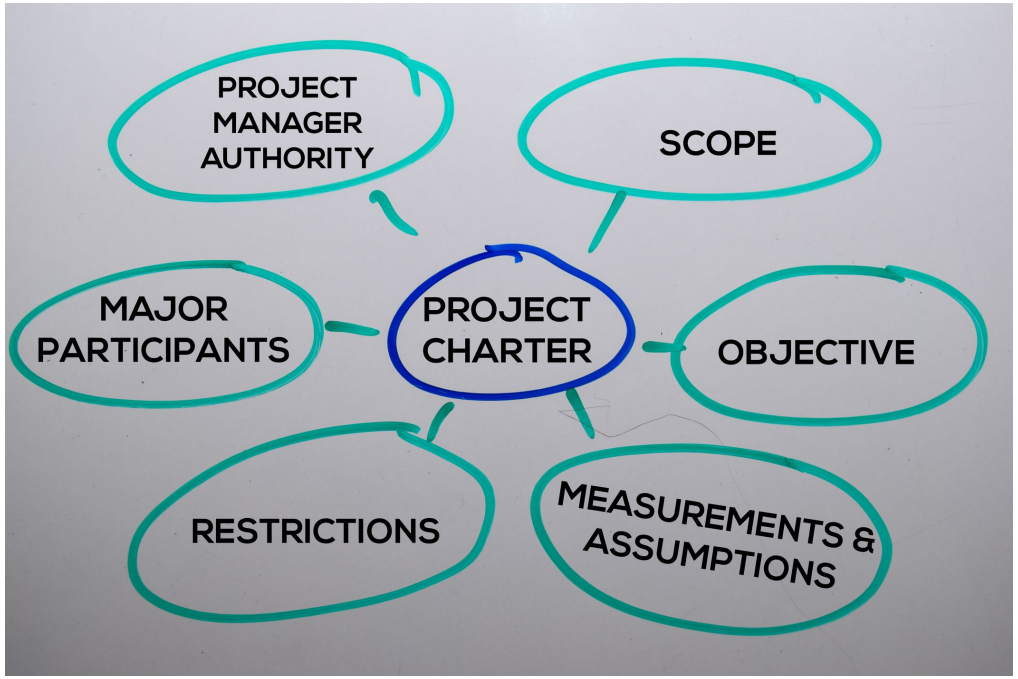
- Planning all activities.
- Overseeing all execution.
- Monitoring progress.
- Reporting to stakeholders.

# Project Charter

The Project Charter is a document that provides formal approval to proceed as a project.

Project Charter can include:

- Scope.
- Objective.
- Measurements and assumptions
- Restrictions.
- Major participants.
- Project authorities.
- Expected or approved costs.
- Timeframes – deliveries and milestones.
- Key risks.
- Expectations of the quality of deliverables.



# Project Schedule

The Project Schedule is used for documenting and detailing key milestones, which are defined points in a project's schedule and show the progress achieved:

- Can be displayed as a list or a Gantt Chart.
- When the appointed time arrives, progress will be measured and compared against the milestone.

# Phases and Areas of Interest

# Phases of Project Management

| | |
|---|---|
| Planning | Determining the viability of the investment and obtaining an agreement to pay.<br>Planning the control of the project. |
| Execution | Planning the specifics of the project.<br>Performing all activities to complete a successful project. |
| Implementation | Going live with the project's work product. |
| Closure | Completing the documentation to close out the project. |

# Phases of Project Management (continued)

## Planning

1. Determine the viability of the proposal. Will the final product create enough value to pay for the project costs and give the organization enough benefit (return on investment) to make the effort worthwhile?

2. Get the Project Charter signed off to have organizational commitment to support and pay for the project.

3. Plan out project activities. Ensure that the project is going to be controllable.

# Phases of Project Management (continued)

## Execution

1. Collect and plan specific requirements to understand the deliverables.
2. Determine and acquire resources (skill sets) needed to accomplish delivery.
3. Create a schematic or blueprint to detail the build.
4. Perform the work necessary to create a product or prototype.
5. Perform all testing to validate that the deliverable meets the quality and functionality requirements of the customer.
6. Perform testing to validate that introduction of this new product into the environment will not cause harm to the environment or other existing products.
7. Ensure that customers/users are prepared to receive this product (provide training, user manuals, and documentation).
8. Provide a knowledge transfer plan for implementation to execute.
9. Turn over all implementable components to the release process.

# Phases of Project Management (continued)

**Implementation**

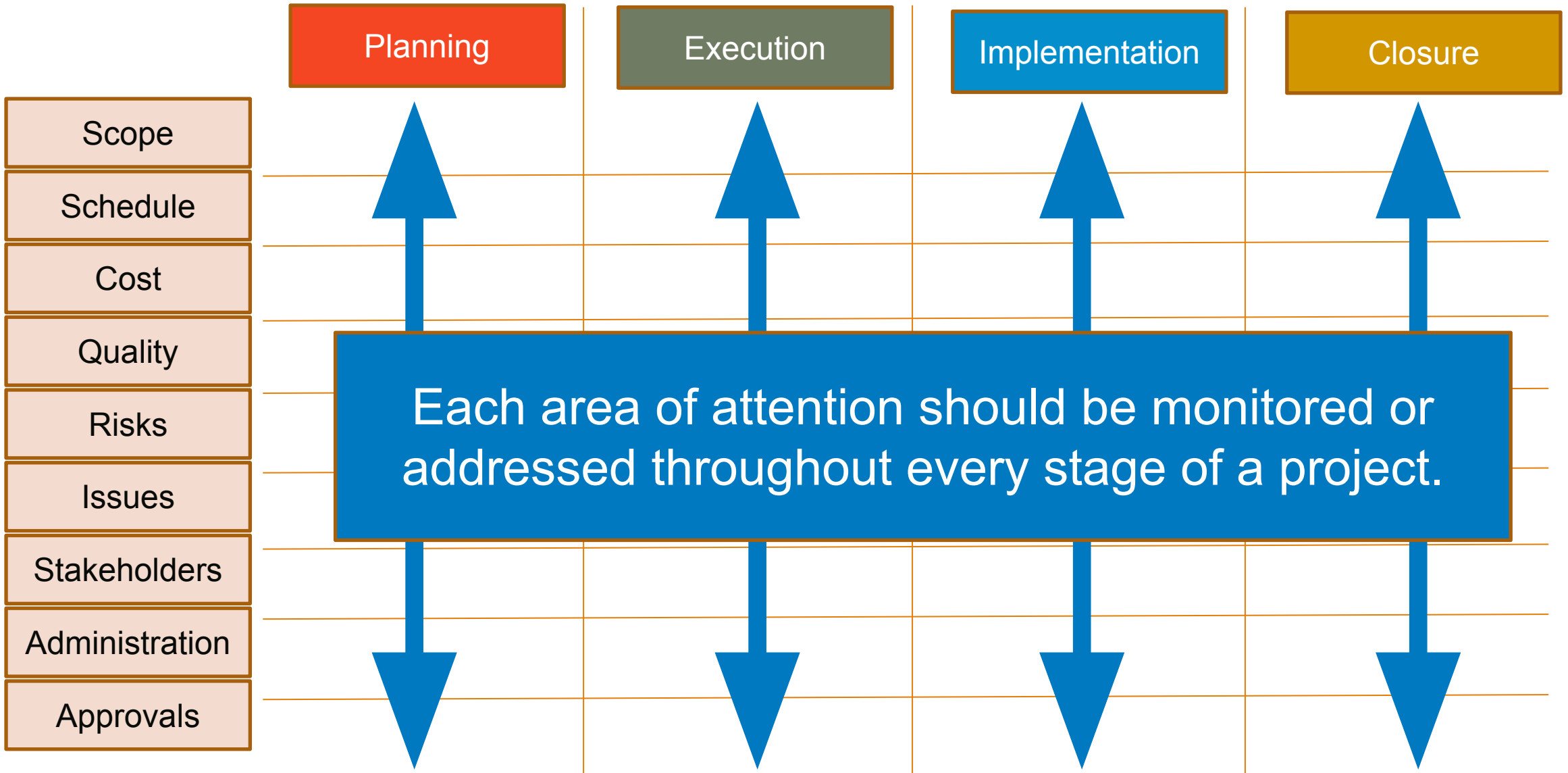
1. Perform all activities necessary to place the product into the live environment.
2. Execute a Knowledge Transfer plan to ensure support personnel are ready to support the end customer.
3. Notify the customer/user community as to the availability of the new product or service.
4. Provide support to operations staff and user community as the service is readied for actual usage.

# Phases of Project Management (continued)

**Closure**

1. Finalize documentation for future needs.
2. Pay all outstanding invoices.
3. Validate customer acceptance and satisfaction.
4. Perform additional activities required to close out the project.

# Nine Areas of Attention



# Nine Areas of Attention

| | |
|---|---|
| Scope | Defines the work to be done. *How much work. *All expectations – Quality, Cost, Delivery, etc. |
| Schedule | |
| Cost | |
| Quality | |
| Risks | |
| Issues | |
| Stakeholders | |
| Administration | |
| Approvals | |

# Nine Areas of Attention

- Scope
- Schedule
- Cost
- Quality
- Risks
- Issues
- Stakeholders
- Administration
- Approvals

Control document defining timing for all project activities, including delivery.

# Nine Areas of Attention

- Scope
- Schedule
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Expected and actual cost.

# Nine Areas of Attention

- Scope
- Schedule
- Cost
- Quality
- Risks
- Issues
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- Administration
- Approvals

Evaluating the quality of the deliverables as they are being designed, built, and delivered.

# Nine Areas of Attention

- Scope
- Schedule
- Cost
- Quality
- Risks
- Issues
- Stakeholders
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Something that might happen (positive or negative).

# Nine Areas of Attention

- Scope
- Schedule
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- Approvals

Something that is happening or has happened (always negative).

# Nine Areas of Attention

- Scope
- Schedule
- Cost
- Quality
- Risks
- Issues
- Stakeholders
- Administration
- Approvals

Who is impacted by the project? Has the group of “affected” changed?

# Nine Areas of Attention

- Scope
- Schedule
- Cost
- Quality
- Risks
- Issues
- Stakeholders
- Administration
- Approvals

Reports, Paperwork, Meetings, Communication, and Purchases.

# Nine Areas of Attention

- Scope
- Schedule
- Cost
- Quality
- Risks
- Issues
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- Approvals

Approvals – Initial, Milestone, Completion (acceptance), etc.

# 9 Areas of Attention

| | |
|---|---|
| Scope | Defines the work to be done. *How much work. *All expectations – Quality, Cost, Delivery, etc. |
| Schedule | Control document defining timing for all project activities, including delivery. |
| Cost | Expected and actual cost. |
| Quality | Evaluating the quality of the deliverables as they are being designed, built, and delivered. |
| Risks | Something that might happen (positive or negative). |
| Issues | Something that is happening or has happened (always negative). |
| Stakeholders | Who is impacted by the project? Has the group of “affected” changed? |
| Administration | Reports, Paperwork, Meetings, Communication, and Purchases. |
| Approvals | Approvals – Initial, Milestone, Completion (acceptance), etc. |

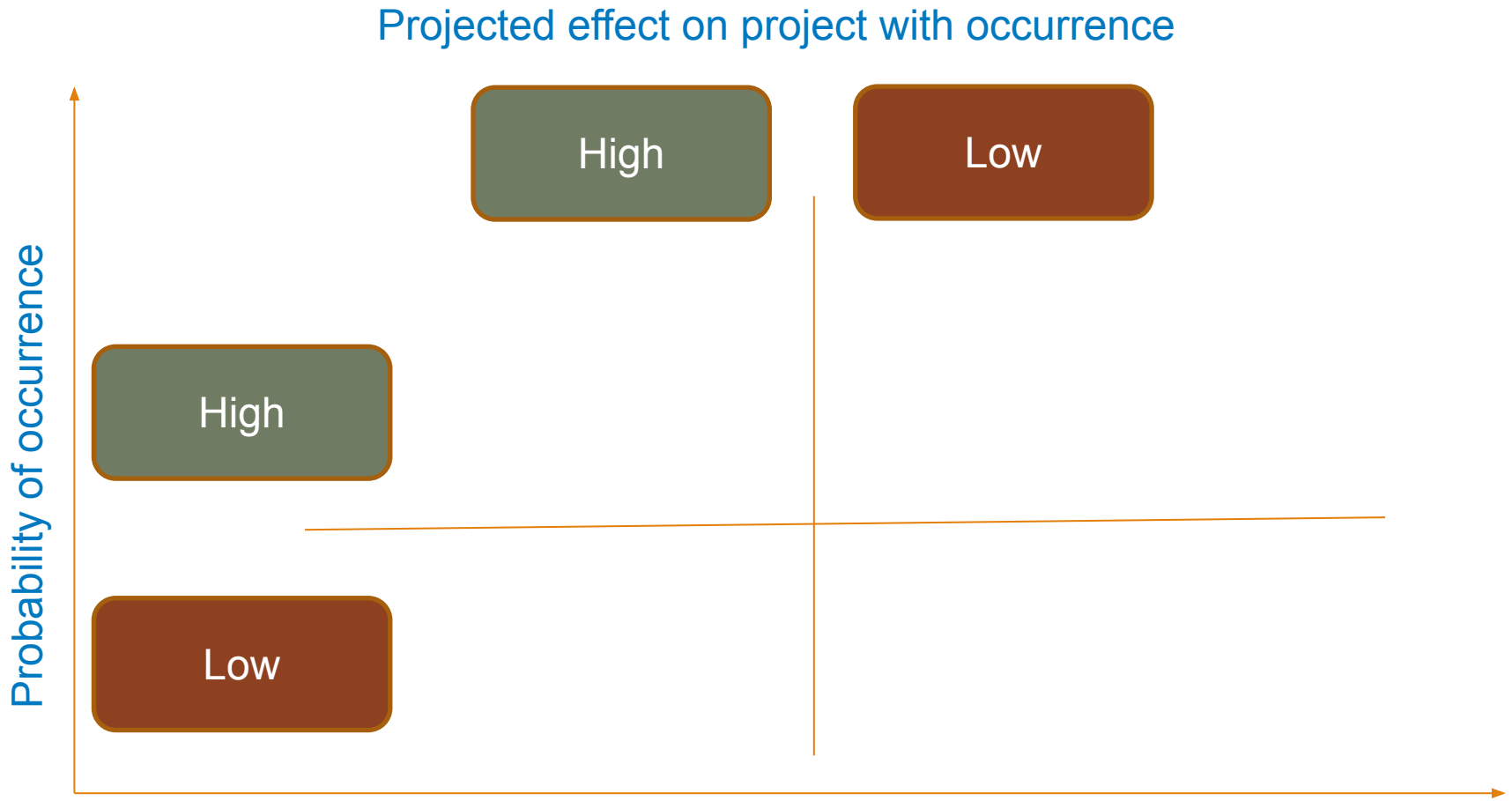
# Risk vs. Issue

# Risk

An uncertain event or set of circumstances that should it occur, will affect the achievement of objectives.

Risks are measured by the perceived probability and magnitude of impact.

# Assessing the Importance of a Risk



# Creating a Mitigation Strategy

A Mitigation Strategy should be created for any risk deemed probable to occur and dangerous enough to address. The Mitigation Strategy will lessen the probability of the occurrence.

- ❏ Implement the mitigation strategy, determine the mitigation strategy for responding to the occurrence should it happen, and document both the risk and mitigation strategy in the Risk Register.

# Risk Register

The Risk Register is a database or document that contains details of the project risks. It is used to document: Likelihood of occurrence; Likely impact if it occurs; and the Organization/Project's response to this risk.

(Accept it, Avoid it, Implement Mitigation, Transfer)

| Control # | Date Raised | Description | Impact on occurrence | Likelihood of occurrence | Mitigation Strategy | Owner | Status Open/On Hold/Closed |
|---|---|---|---|---|---|---|---|
| 001 | 10/12/22 | Town council may require some changes to bridge design. | High - Delays | Low – no issue in past bridge projects. | • Engage with council early.<br>• Request same design standards.<br>• If occurs, require a contract extension. | Joe Smith | Open |

Required

20 common risk details in the workbook.

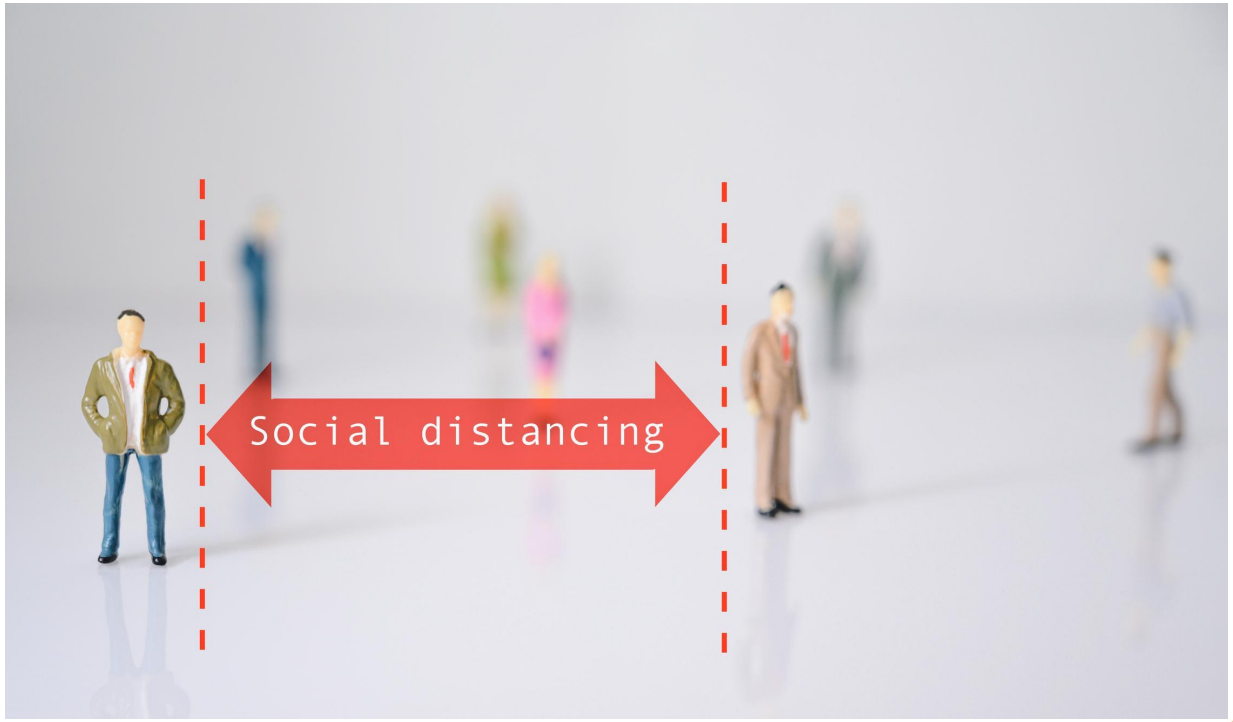
# Risk vs. Issue

A risk is something that might happen.
An issue is a risk that has happened or is happening.

Risk

Issue

Resulted in



# Issue Register

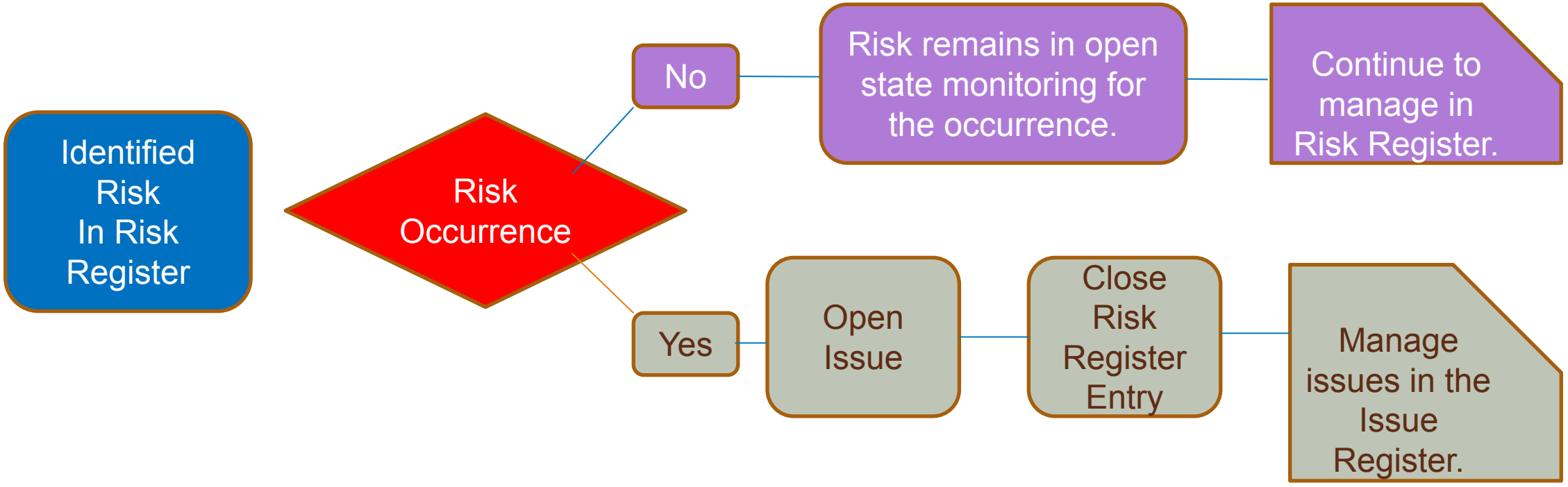
An Issue Register is a database or document that contains details of issues.

**Document Key Issues:**

- Impact of the issue.
- Who “owns” the issue.
- Estimated resolution time.

20 common risk details in the workbook.

# Handling an Issue



# Relationship of Risk to Issue

## Issues

- Focused on the present.
- Always negative.
- Documented in Issue Register.
- Response will be “issue work-around” if not correctable.

## Risks

- Evaluated for future.
- Positive or negative.
- Documented in Risk Register.
- Response performed based on “risk response planning.”

# Understanding Stakeholders
# RACI

# Stakeholder

A stakeholder is any entity with an interest in the outcome of a project.

**Document key stakeholders:**

- Who will receive benefit from the project?
- Who could interrupt the project?
- Who is providing funding for the project?
- Who will operate the project “work product” when complete?
- Who will be involved in project delivery activities?

# Customer

A customer is the entity that pays for a service or product.

This entity also has the authority to determine how “valuable” the service or product is to themselves.

In other words, if the value exists, the entity will agree to pay for the development and ongoing costs. If the value does not meet their definition, they will look for another source of satisfaction.



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# End-user or User

An end-user or user is the entity that consumes/utilizes a service or product.

This entity uses a service or product to satisfy the needs/wants of the customer. Usually, this entails the end-user achieving some level of productivity to allow the customer's business to achieve its goal. The user may or may not be the customer.



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# Supplier

The supplier is an entity that provides products and services used in the creation or delivery of products or services to the end customer.

This provision could be hardware, software, consulting services, or other products.

# Service Provider

In IT, this entity provides services to customers and users to enhance business productivity.

The service provider is responsible for the quality and consistency of delivery, and may be owned by the customer or an external entity.



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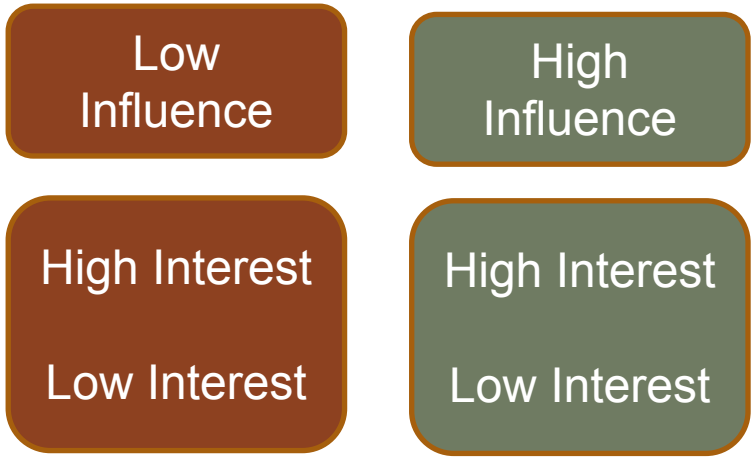
# Determining Stakeholder Level of Involvement

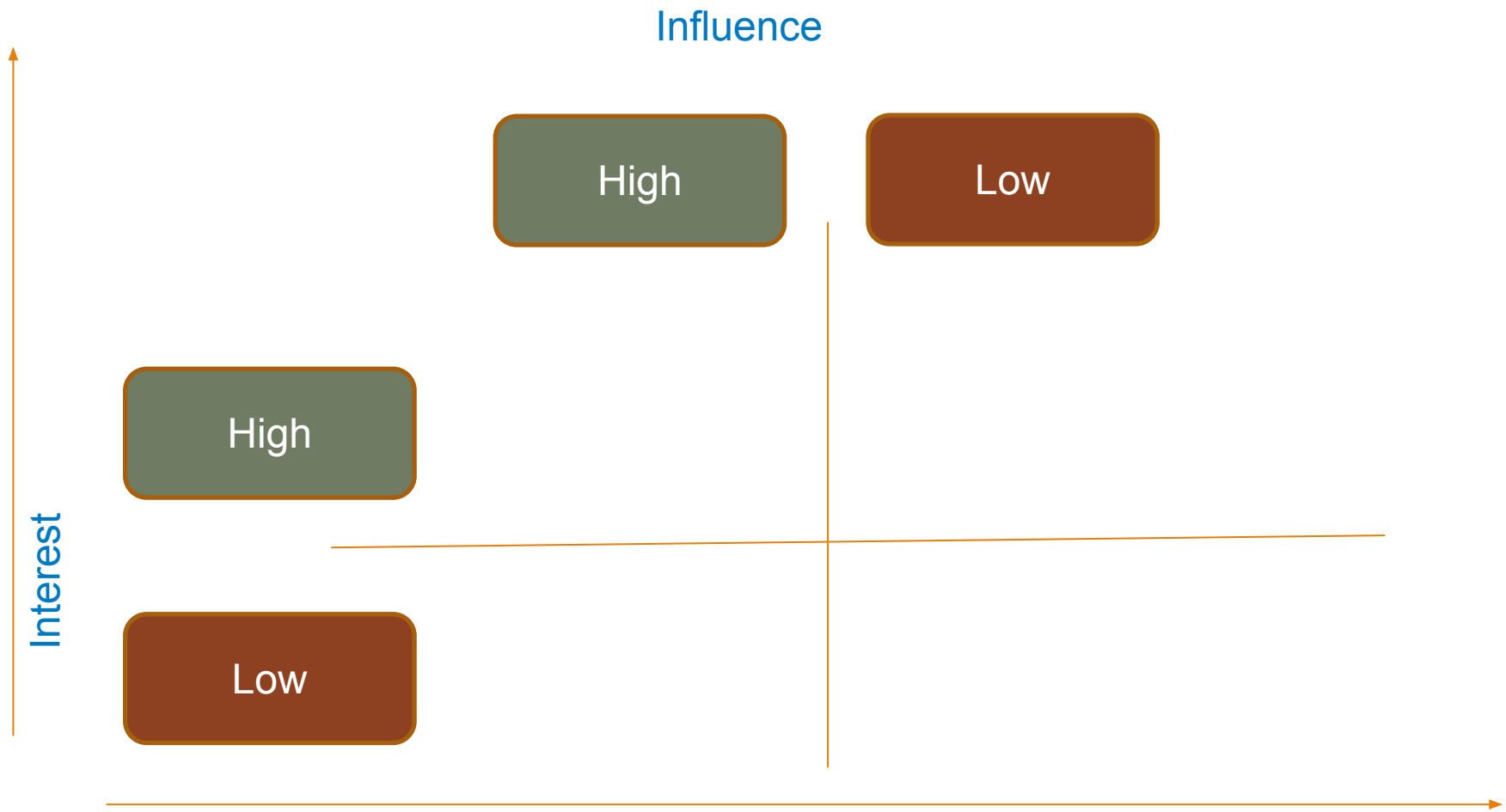
Stakeholder Assessment:

- Assess the influence that a Stakeholder could have on a project.
- Assess the interest that a Stakeholder has in a project.
- Assessment can help create a Communication Plan.
- Record individuals and level of involvement in RACI Matrix




Sample RACI/Stakeholder Matrix in the Workbook.

# Determining Stakeholder Level of Involvement



# RACI Defined

R – **Responsible** for correct execution

A – **Accountable** for final result

C – **Consulted** to provide additional knowledge and information

I – **Informed** or kept up to date regarding progress

# Using RACI

**Track Stakeholder Involvement**

RACI Matrix/Model: A tool used to identify stakeholders and their level of involvement in a project or activity.

Identifies all of the “hats” and who wears each “hat.”

# RACI Example

| | Director Service Management | Service Level Manager | Problem Manager | Security Manager | Procurement Manager |
|---|---|---|---|---|---|
| Activity 1 | A/R | C | I | I | C |
| Activity 2 | A | R | C | C | C |
| Activity 3 | A/I | R | | C | C |
| Activity 4 | I | A | R | I | |
| Activity 5 | I | R | A | R | I |

# What Every Business Wants

# Business Needs

Every business entity looks to attain three things:

1. Achieve objective.
2. Manage risks.
3. Have fully utilized resources.

# Objectives


- Objectives are NOT wishes.
- Must have well-defined outcome expectations.
- Must be achievable.
- Should have some initial plan.

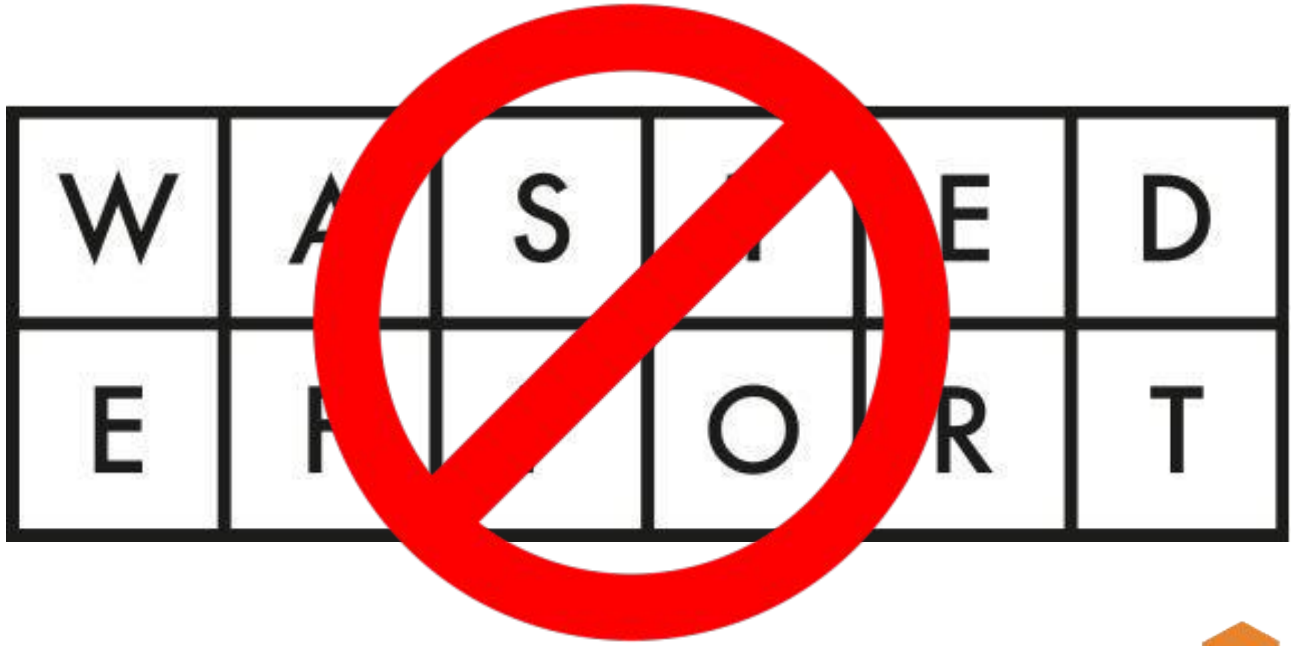
# Risks

- Risk of not achieving objectives.
- Environmental risk to employees.
- Business created a risk to the outside environment.
- Risk of foul perception.
- Other Risks?

# Fully Engaged Resources

Define resources.

Why fully engaged?



# How can a technologist be more valuable?

Help the business get better at doing these three things!

1) Achieve Objectives.
2) Manage Risks.
3) Have Fully Utilized Resources.

# Requirements for Business Success

1. Correctly Understanding - Customer Base.
2. Delivery of Correct - Product/Service.
3. Control Mechanisms for Delivery - Cost vs. Value.
4. Preparation for Changing Conditions - Innovation.

# Roadblocks to Business Success

1. Time to Market (slower than competitors).
2. Fierce Competition.
3. Not responding to Changing Technologies/Conditions.

# Why should the business fund a project?

# Probability of Failure

1. Seventy percent (70%) of all IT projects fail to achieve projected outcomes.

2. Fifty percent (50%) of all IT projects fail to achieve the projected outcome and lose one hundred percent (100%) of project investment.

Source: Gartner study

# Results of Failure


**Plus**

- Major Embarrassment
- 100 Million Dollar Loss

5 Valuable Lessons From The Abrupt Failure Of CNN+ (forbes.com)

https://www.forbes.com/sites/tonifitzgerald/2022/04/30/5-valuable-lessons-from-the-abrupt-failure-of-cnn/?sh=3d0a960028ce

# The Concept of Value

# Concept of Value

- Circumstances.
- Needs or wants.
- Perception.

<<<<< Which is your choice? >>>>>

# Controlling the Perception of Value

1. Value is defined by the customer.
2. Affordable mix of features.
3. Achievement of objectives.
4. Value changes over time and circumstances.

*Value is defined in **business terms** from the **customer's perspective**!*

# Utility vs. Warranty

# Utility

- **Fit for purpose (works as designed).**
- Improves probability of achieving outcomes.
- Improves customer performance capability.
- Reduces customer constraints.

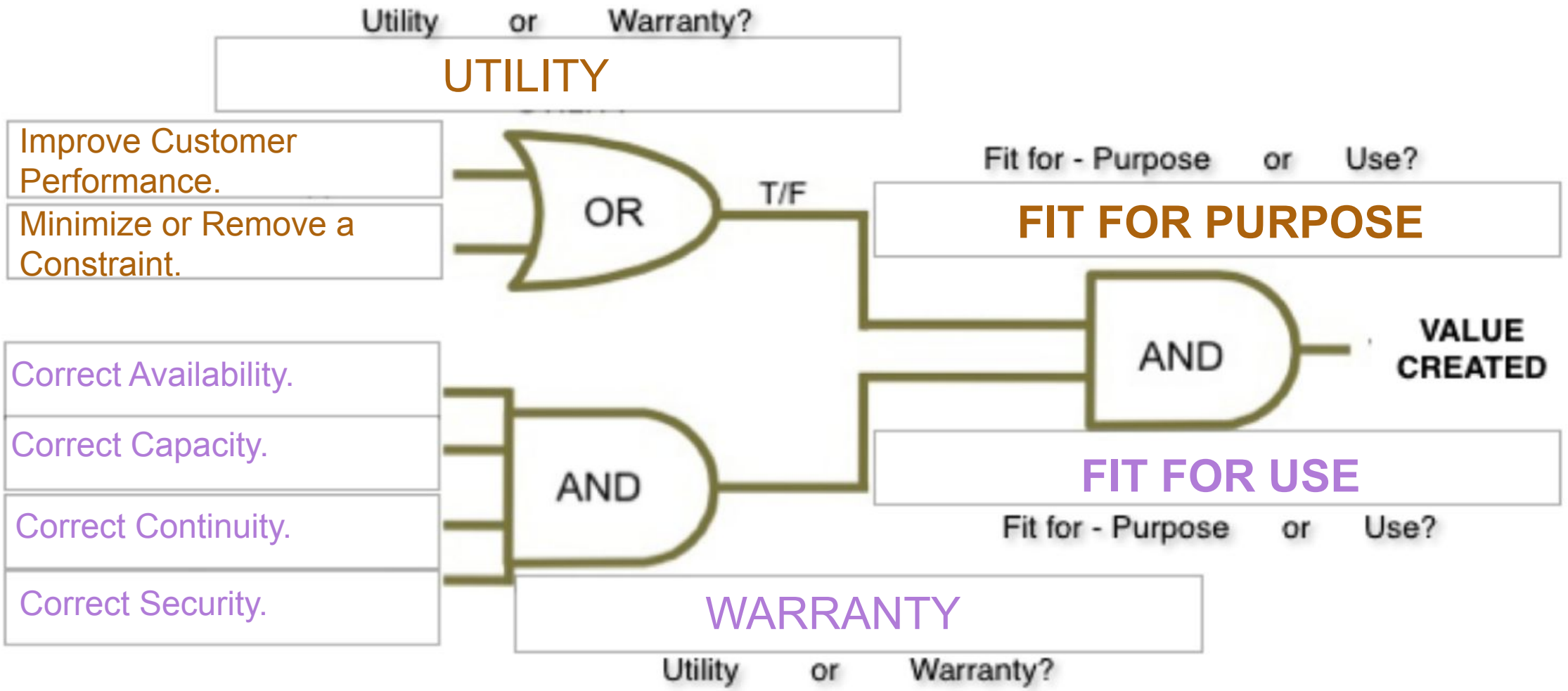
*Value is defined in **business terms** from the **customer's perspective**!*

# Warranty

**Fit for Use (Guaranteed Consistency of *Delivery)***
Decreases Performance Variation

- Availability – When needed.
- Capacity – Adequate for business needs.
- IT Service Continuity – Major disruption recovery.
- Security – Are Customer assets secure?

*Value is defined in **business terms** from the **customer's perspective**!*


Utility or Warranty?
UTILITY
Improve Customer Performance.
Minimize or Remove a Constraint.
OR
T/F
Fit for - Purpose or Use?
FIT FOR PURPOSE
AND
VALUE CREATED
Correct Availability.
Correct Capacity.
Correct Continuity.
Correct Security.
AND
FIT FOR USE
Fit for - Purpose or Use?
WARRANTY
Utility or Warranty?

# Example of Failure to Deliver Value

# The result of failing to deliver value:

| 1970 | 1966 |
|---|---|
| Walmart<br><br>38 stores<br>44 Million in Sales. | S.S. Kresge (Corporate owner of K-Mart in 1966)<br><br>915 stores/162 K-marts<br>> 1 Billion Sales |



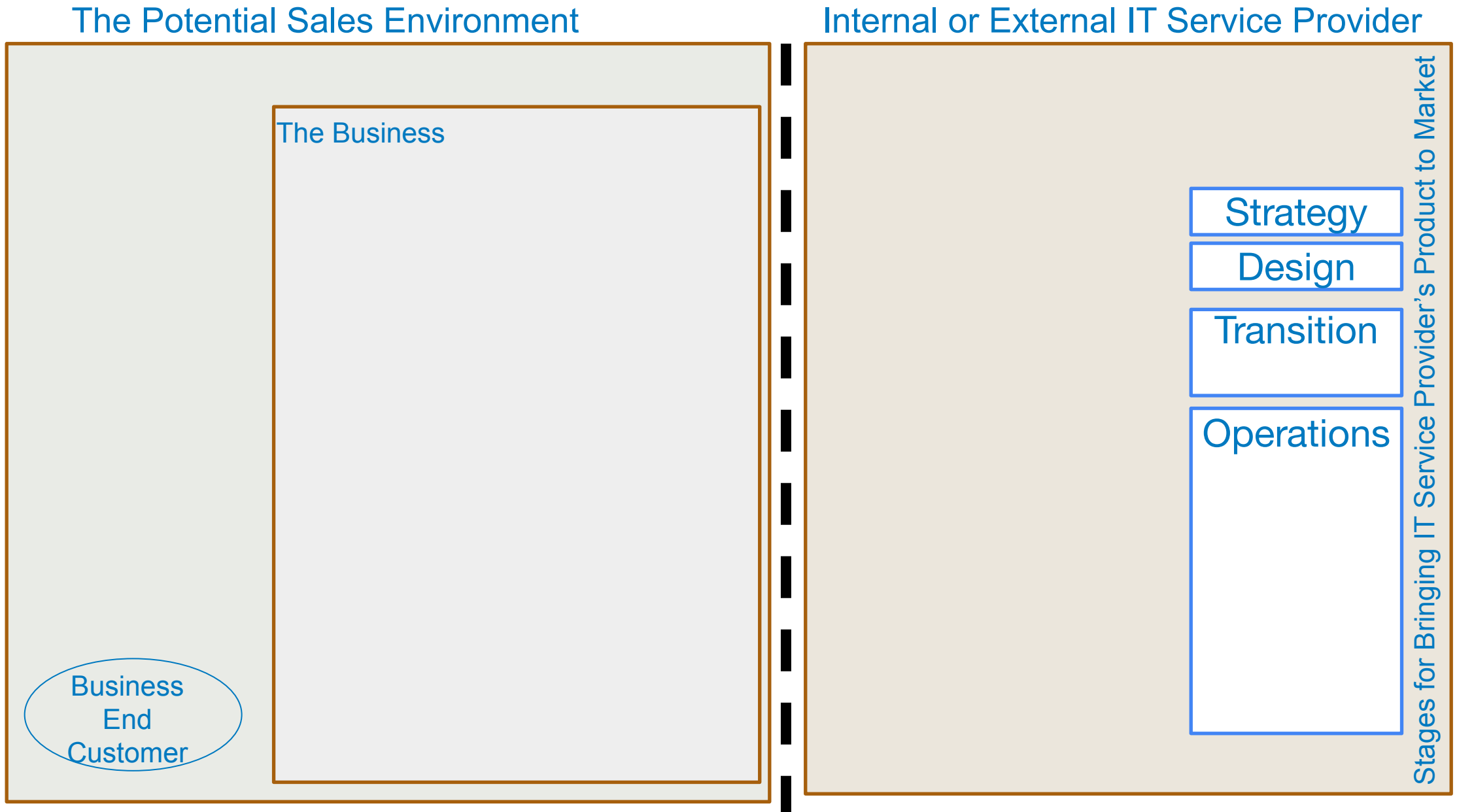
**Today**

| Cost to transport goods to store. | Walmart 2% of sales | Kmart - 5% of sales |
|---|---|---|
| Profitability | ***Walmart makes in 3 months the amount of profit that it takes Kmart 27 years.*** | |

# Becoming a More Valuable Employee

The performance of customer assets should be a primary concern of service management professionals because without customer assets, there is no basis for defining the value of a service.

If you continue to provide value, the customer will come to believe that you are the reason or a major reason for the success of the business.


The Potential Sales Environment
Internal or External IT Service Provider
The Business
Business End Customer
Strategy
Design
Transition
Operations
Stages for Bringing IT Service Provider's Product to Market

# Why This Project?

- What is the project attempting to accomplish?
- Who is the customer?
- What is the customer's motivation for this project?

# Reasoning Behind Project Instigation

- Opportunity.
- Response to Risk.
- Someone’s Pet Project.
- Will Project results help the sponsor’s department only or affect the entire company?

Remember
Questioning
Motivation

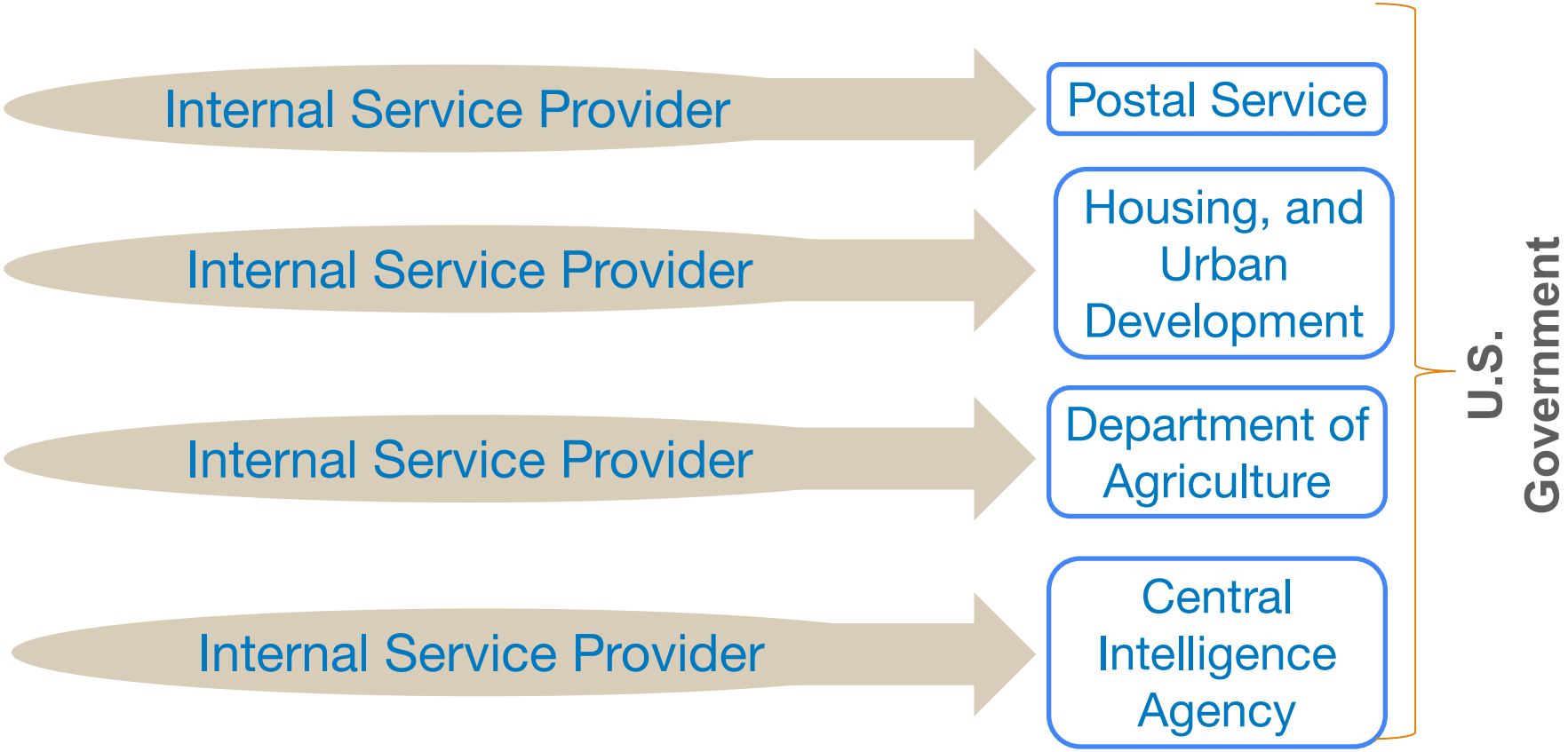
# Types of Service Providers

# Service Provider Types

1. Internal Service Provider.
2. Shared Services Unit.
3. External Service Provider.

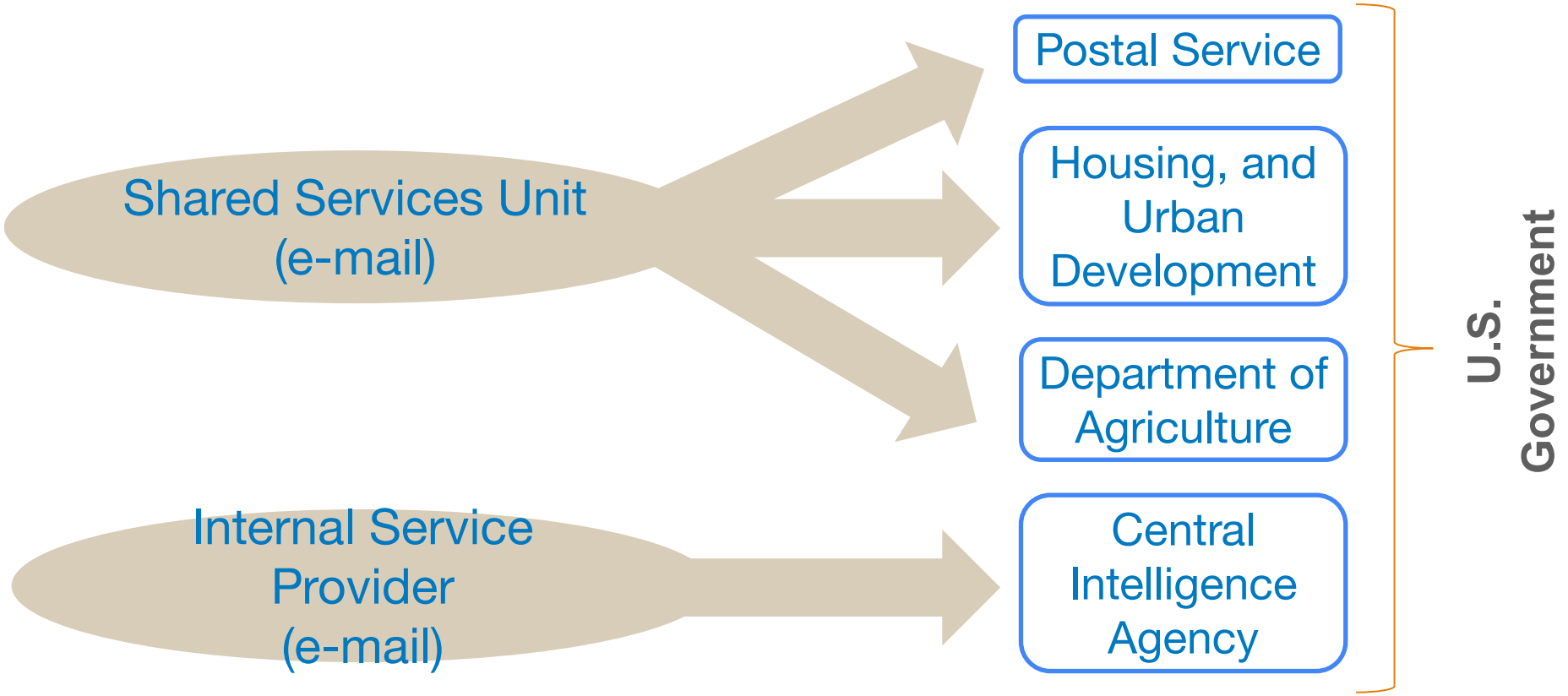
# Internal Service Provider

Different business units within an organization may have their own internal IT departments. This is an example of multiple internal service providers; each providing services to a single customer.



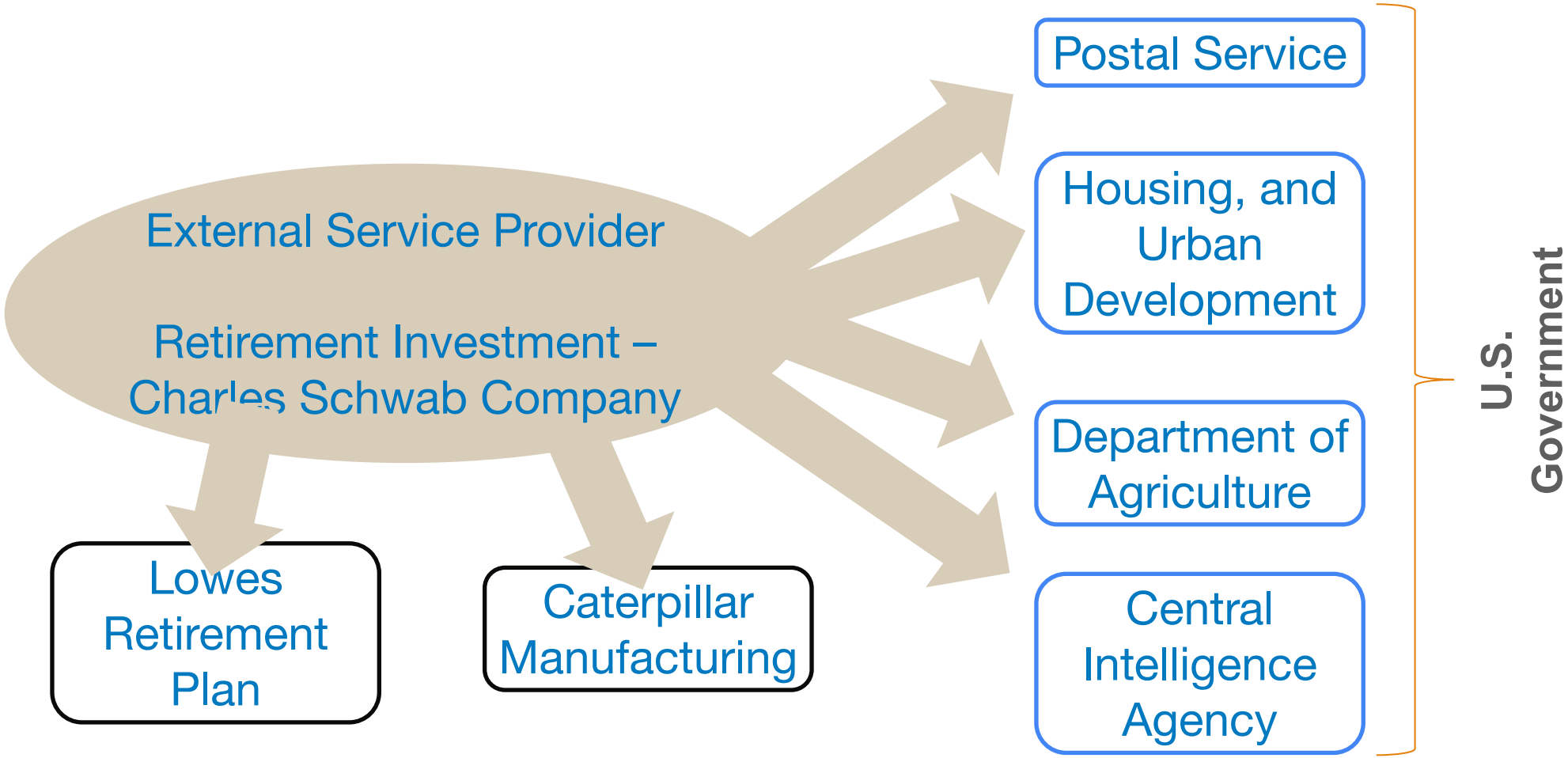
# Shared Services Unit

A Shared Services Unit provides services to multiple internal customers. Each individual customer may have different levels of service delivery to meet individual needs.



# External Service Provider

An External Service Provider provides services to multiple customers.



# Topics Discussed in this Section

- The four phases of project management.
- Nine important areas of attention.
- Risks vs. Issues.
- Understanding and dealing with stakeholders.
- What every business wants.
- The concept of value.
- Utility and Warranty.
- Types of service providers.