

#### **Info5990 Professional Practice in IT**

Lecture 06 A & B







# (Only) An introduction to Project Management



You will learn a lot more on IT Project Management course



# By the end of this lecture you will be able to:

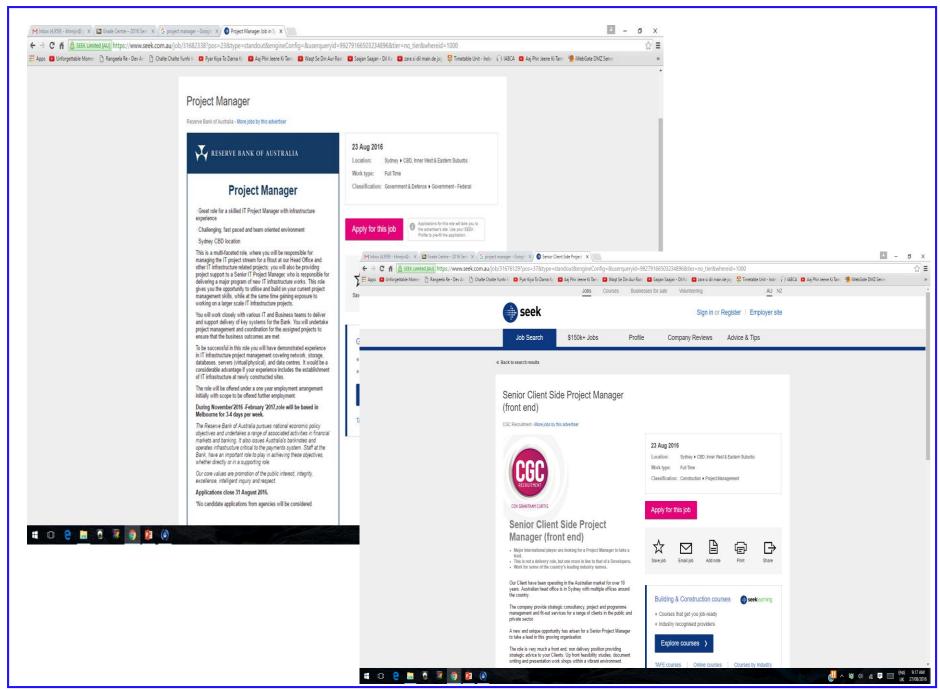
- Appreciate the need for project management in Information Technology
- Determine a work breakdown structure
- Describe some common approaches to estimating the effort required for IT projects
- Understand tools such as network diagrams, critical path,etc
- Understand what is meant by 'crashing' a project
- Case studies

### I.T Project Managers



Depending on experience
Can earn between \$70K - \$200K Full time
Hourly rate on contract rates between \$80/hr - \$200hr
Or \$600 - \$1500 per day!

Anyone interested? – then listen!



#### **Basic PM**





Initiation

Planning and Design

Monitoring and Controlling

Closing

More detailed coverage in the IT PM course

#### First a case study:



Thoughts for you Group Assignment!

## The NZ Police 'INCIS'\* project – 1

Gauld, Goldfinch and Dale, 2006

#### Does not matter if it is from 1990's ?

1993 Initial estimate \$NZ30.1 Million (3 phases)
 Annual cost of crime to the nation \$4.8 Billion
 Expected benefits \$NZ5.3 Billion over its lifetime



- 1995 New user requirements
- 1996 Change in operating system from OS/2 to NT, change in network protocol from token ring to Ethernet, TCP/IP



\*Integrated National Crime Investigation System

## The NZ Police 'INCIS'\* project – 2

Gauld, Goldfinch and Dale, 2006

- 1997 Project 12 months behind, project manager resigns
- 1998 Revised estimate \$NZ118 Million (4 times original estimate)
- 1999 March: Phase 1 complete, cost estimate now \$Nz126.7 Million



\*Integrated National Crime Investigation System

### The NZ Police 'INCIS'\* project – 3

Gauld, Goldfinch and Dale, 2006

- 1999 August: IBM the hardware supplier pulled out
- 2000 Project cancelled at a cost of over \$NZ100 Million and with only phase one completed.



\*Integrated National Crime Investigation System

# What do you think went wrong? Who was to blame?

1. \_\_\_\_\_

2.

3.

4. \_\_\_\_\_





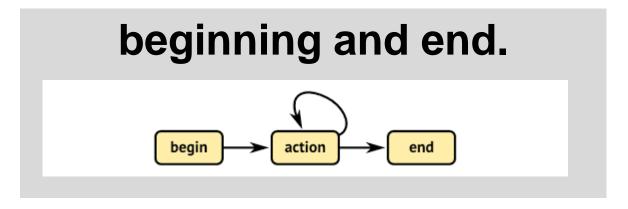
Any projects you have been involved in that look like this one?

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# An introduction to project management What is a project?

"A project is a <u>temporary</u> endeavour undertaken to create a <u>unique</u> product or service over a period of defined time."

A project has a clearly defined



#### Standish Group's Chaos Report 1995

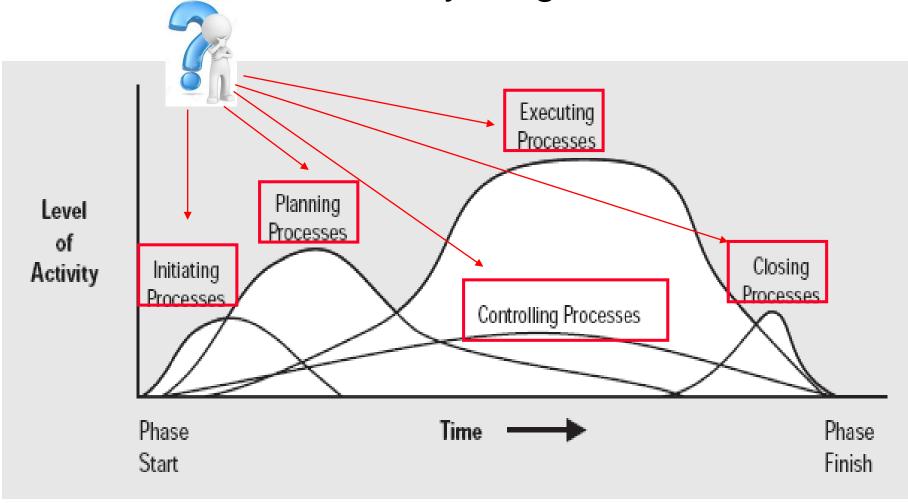
http://net.educause.edu/ir/library/pdf/NCP08083B.pdf

"31 percent of software projects will be cancelled before they ever get completed".



These are grim words, and the situation has not improved since then.

# Project management challenges at every stage



# In 2014 the cost of project failure across the European Union was €142 billion

#### "A study in project failure"

by John McManus and Trevor Wood-Harper

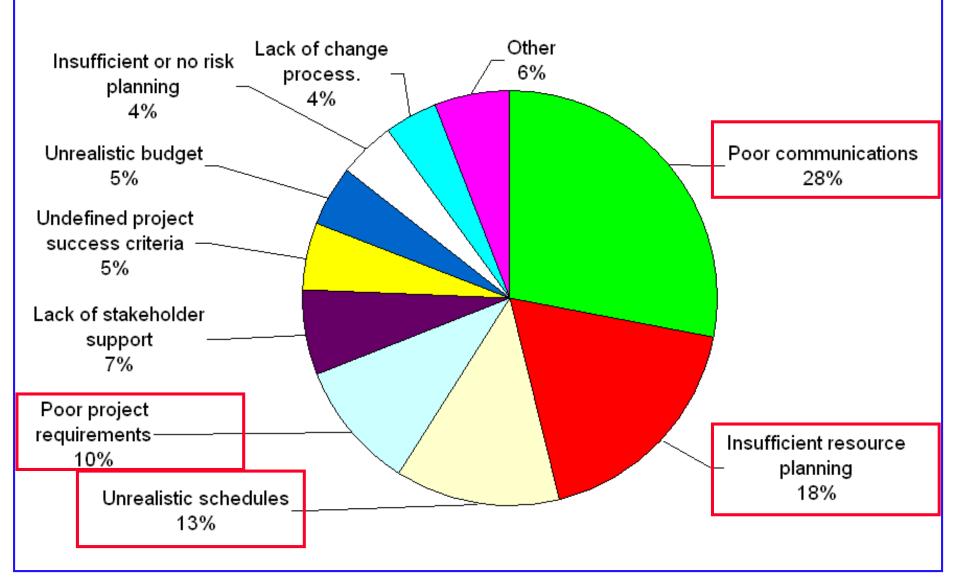
214 projects studied Average duration of projects 26 months Average budget €6 million

Number of projects completed	163	76.2%
Number of projects cancelled	51	23.8%
Off those cancelled : Number of projects over-run) (schedule and/or cost)	69*	32.4%

\* 37 of these projects were over 18 months late and more than €4 million over budget

#### Reported Reasons for Project IT Failure

Computing Technology Industry Association (CTIA) Survey of 1,000 respondents, 2007







Why poor communications?

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#### Four most common reasons

- Incomplete project requirements (10%)
- Unrealistic schedules (13%)
- Insufficient resource planning (18%)
- Poor communications (28%)

These are four areas are central to the practice of "PROJECT MANAGEMENT"

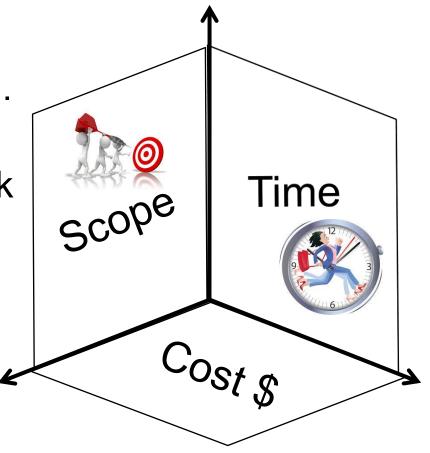
### The "Triple Constraint"

 The aim of the project manager is to

 have the project completed on time and within budget, ...

 ... whilst at the same time satisfying the *quality* of work required.

 The project manager is bound by the "Triple Constraint":







Which might be the predominant element in your group project?

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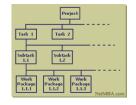
Which of the following statements was a finding of the Standish Group's Chaos Report of 1995?

- (A) 73% of software projects projects fail
- (B) Management of IT projects is improving
- (C) 25% of software projects come in under budget
- (D) 31% of software projects are never completed
  - (E) Software projects always take longer and cost more than expected

Question 1	Question 2	Question 3	Question 4	Question 5	Question 6	Score / 6
ABCDE	ABCDE	ABCDE	ABCDE	ABCDE	ABCDE	

# Key Planning principle: four steps

1. Determine work breakdown structure



Estimate amount of effort required



Determine dependencies between activities



4. Devise project schedule



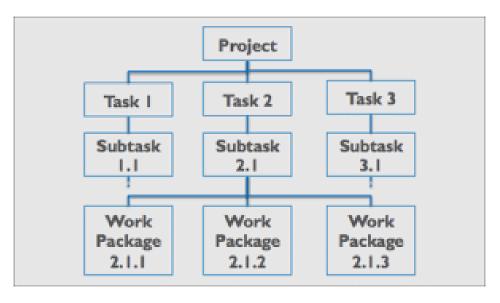
Which of the following was/were found by the CTIA 2007 Survey to be the predominant cause of IT project failure?



- (A) Poor communications
- (B) Insufficient resource planning
- (C) Unrealistic schedules
- (D) Poor project requirements
- (E) ALL were equally prominent

Question 1	Question 2	Question 3 Question 4 Question 5 Question 6	Score / 6
ABCDL	ABCDE	A) B C D E A B C D E A B C D E	

# Determining the Work Breakdown Structure (WBS) (still a useful tool)



"A work breakdown structure is a deliverable-oriented grouping of project elements that organizes and defines the total scope of the project"

# Elements of work breakdown structure

- Deliverable
  - A unit of output that is to be delivered
- Activity
  - A major work category.
  - Usually lasts no less than one day and no longer than 30 days.
- Task
  - Small unit of work that makes up an activity

# The granularity problem (1) How much detail is enough?

Does this breakdown have enough detail?

Why not?



			Week						
Task	Hours	5	6	7	8	9	10	11	12
Source tools	1	<->							
Build software API	8		<				>		
Test API	2							<->	

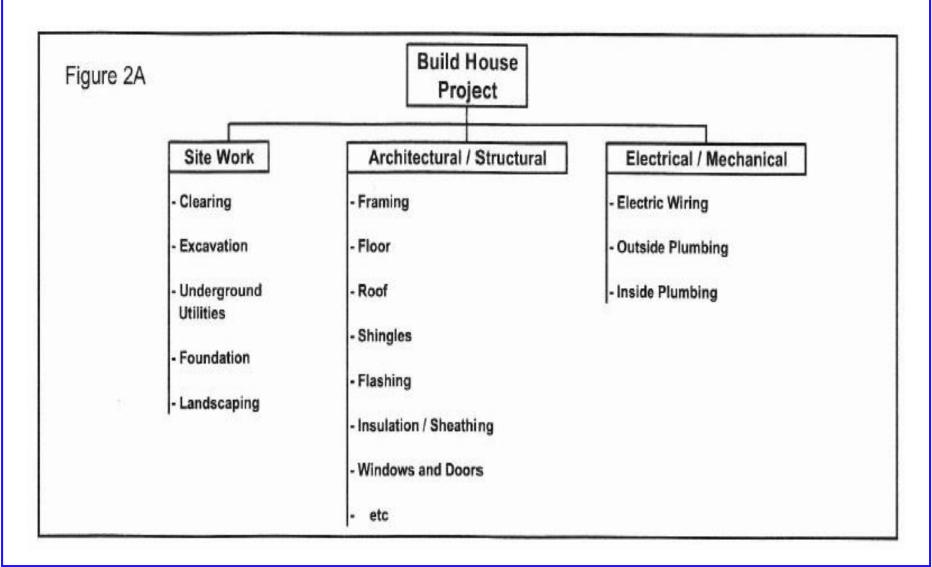
#### The granularity problem (2)

# Is this enough?

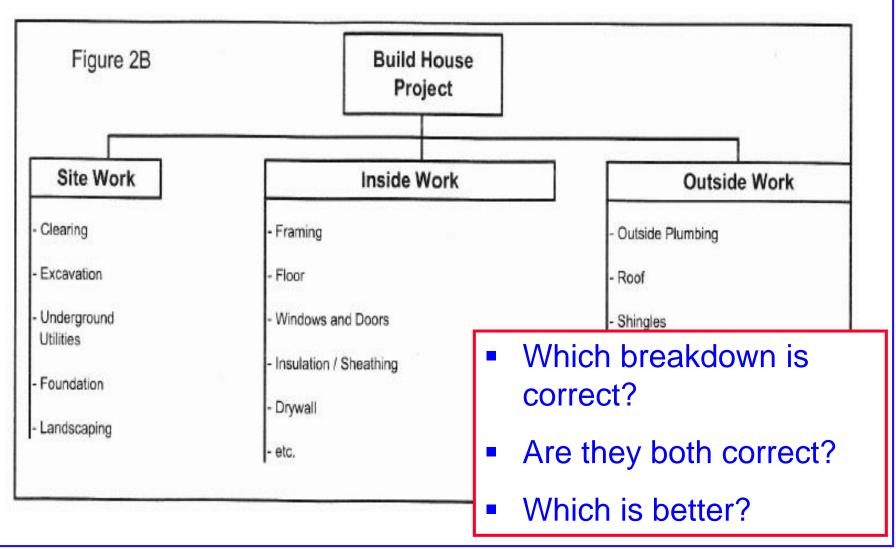


		Week							
Task	Hours	5	6	7	8	9	10	11	12
Research	1			3					
Draw plan	2								
Obtain tools	1			100					
Set-up work bench	0.5								
Buy balsa Testing equipmer	Hov	N C	O y	OU	K	no	W':	)	
resting equipmen									
	2			_					
Construct 'beams'	2	3 3		_			· ,	24	
	2	3 3		-					
Construct 'beams'	2 2 3		32	-	2000				
Construct 'beams' Construct roadway				3		2000 BOO 23			
Construct 'beams' Construct roadway Build structure	3			3					

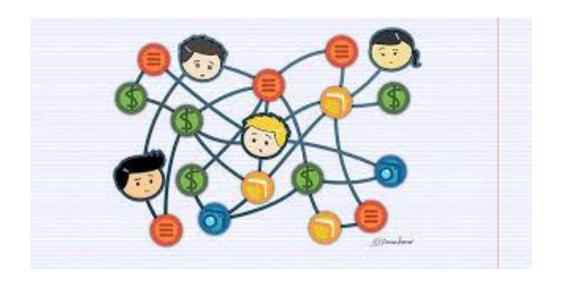
## Which view is right? This ...



#### Or this ...



### Determining dependencies



Which task(s) must be completed before this activity or task can begin?

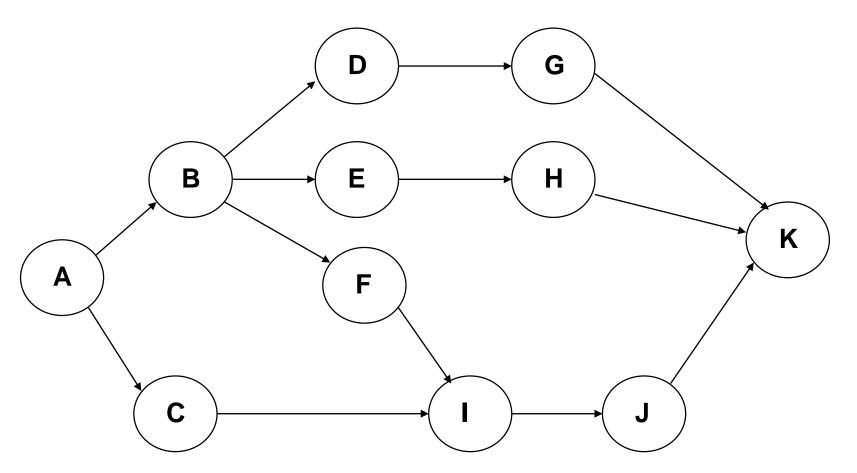
Which of the following statements about project estimation is TRUE?

- (A) Project estimation is a relatively exact science
- (B) Estimation by analogy is the most accurate method
- (C) The function point method is the most accurate



- (D) Reliable project estimation is a basic necessity for good project management
- (E) NONE of the above is true

# The resulting network

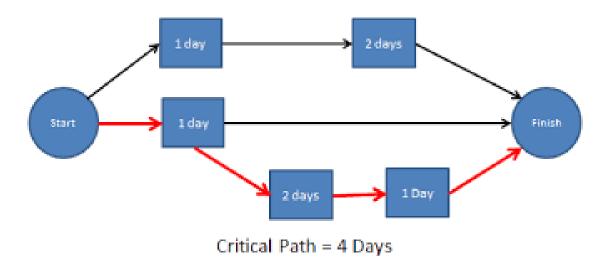


Is the network unique or are there multiple correct solutions?

#### Work breakdown, time estimates dependencies

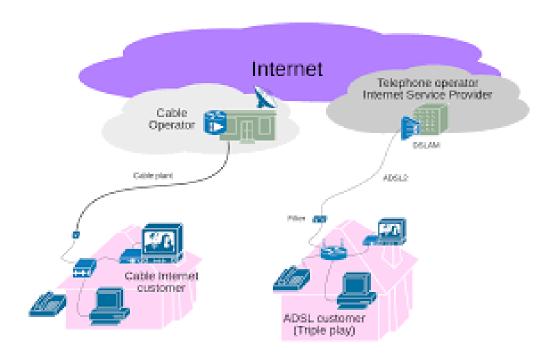
Task ID	Task Description	Duration (in weeks)	Predecessors
Α	Initiate project	0	
В	R & D product design	6	Α
С	Plan market research	2	Α
D	Routing (engineering)	3	В
E	Build prototype	5	В
F	Prepare brochure	3	В
G	Prepare cost estimates	2	D
Н	Product testing	3	E
1	Market survey	4	C, F
J	Pricing and demand forecast	2	I
K	Final report	2	G, H, J

# CPM – why is it important



In 1957 the Critical Path Method (CPM) was developed at DuPont Chemicals to assist with project management.

# Case Study of CPM



SiteLight Project 1998 at Telstra



Which statement best describes the task of identifying dependencies between activities in a work breakdown structure?

- (A) Identifying dependencies is similar to estimation
- (B) Dependencies are logical necessities of the network



- (C) In order to determine dependencies you have to understand fully the nature of the project
- (D) The method of analogies is a powerful tool in determining dependencies
- (E) Dependencies are not essential for a network diagram but can sometimes be useful



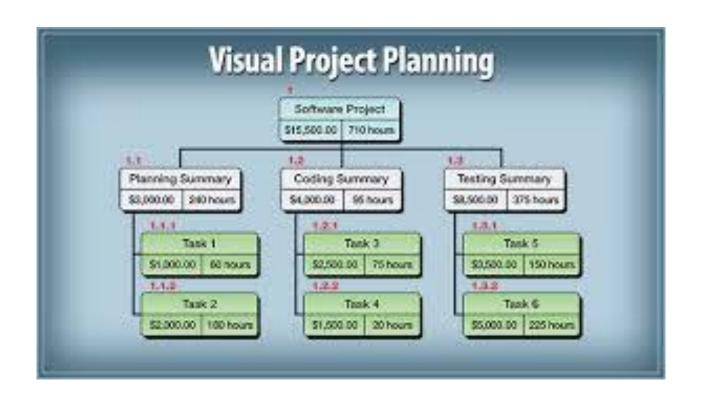
# Question



Why is slack in a project important?

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# Briefly coming back to WBS

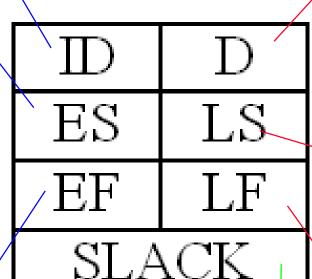


# Activity parameters

Activity identifier

Earliest start

Earliest finish
= Earliest start +
Duration

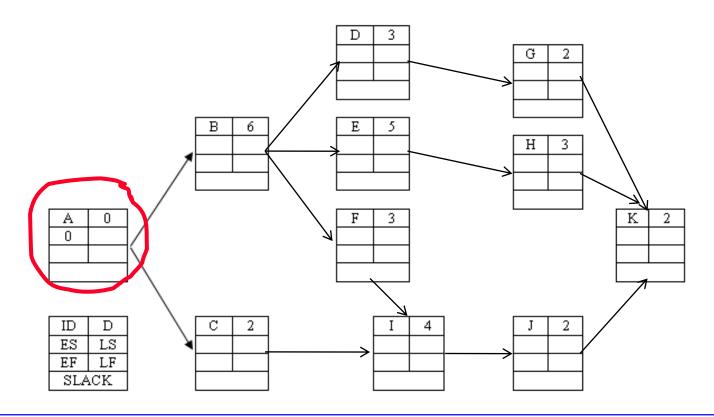


Slack = Latest - Earliest **Duration** 

Latest start

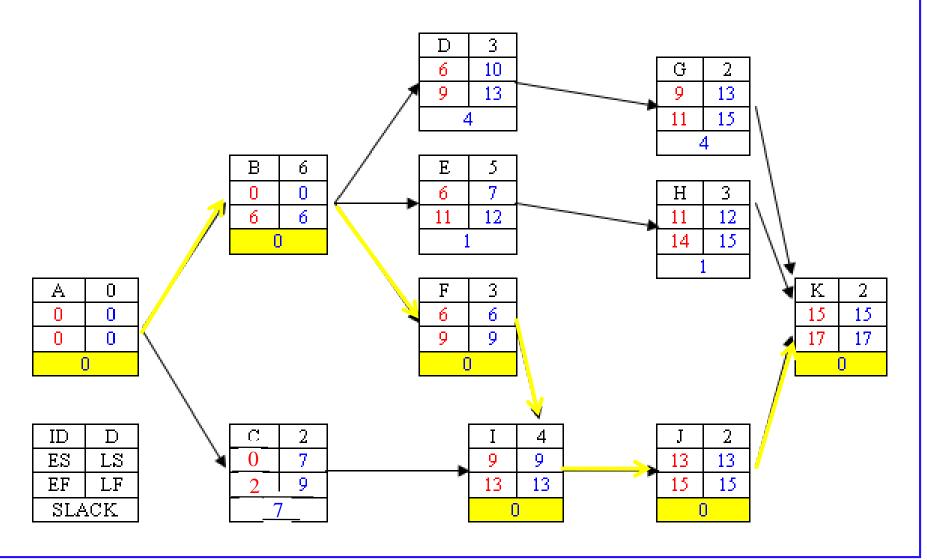
Latest finish = Latest start + Duration

# Calculating duration of project (1)



- Add lines to represent dependencies
- Determine earliest start times for activities B, C, D, E
- Determine earliest finish times for activities A, B, C, D, E

# The critical path (zero slack)





# Question



Why is CPA in a project important?

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### Question 7

The meaning of 'slack' in a network diagram is

- (A) The difference between the earliest and latest start times
- (B) The difference between the earliest and latest finish times
- (C) The difference between the earliest start time and the latest finish time
- (D) The difference between the latest start time and the earliest finish time



(E) EITHER (A) or (B)

# Cost of Crashing a Project (1) (page 31 Table 4)

Task	Prede- cessors	Normal time (days)	Crash time (days)	Normal cost	Incremental cost per day
1		5	3	\$500	\$300
2	1	4	2	\$600	\$100
3	1	6	4	\$1,000	\$400
4	2, 3	3	2	\$300	\$200

#### Question 8

In project management, the term 'crashing' a project means

- (A) That the project manager has seriously underestimated the effort required
- (B) The action of bringing the project to an end



- (C) Adding additional resources to complete the project by a certain date
- (D) Making each activity on the critical path just a bit shorter in order to finish on time
- (E) Moving key tasks onto



#### **INFO5990 Professional Practice in IT**

Lecture 06B



#### Time Management

How big, how long, how much effort?

Project estimation methods

The REALLY tricky part of project management





# By the end of this lecture you will be able to:

- Appreciate several approaches for estimating project size and effort
- Explain their relative advantages and disadvantages
- Apply one or more of these approaches to your case study

# Basic terminology



You will learn a lot more on IT Project Management course

# Five steps in project estimation

- 1. Determine the SIZE of the project
  - software metrics: lines of code, function points
- 2. Determine the EFFORT required
  - Person hours, days, weeks or months
- Decide on the RESOURCES needed
  - e.g. how many engineers or programmers
- 4. Calculate the DURATION
  - e.g. 20 person-hours, 3 people:
    - $\therefore$  DURATION = 20 / 3 = 6.3 hours
- 5. Calculate the COST
  - e.g. 20 person-hours at \$70 per hour:
    - $\therefore$  COST = \$1,400

# Six approaches to project estimation

- Expert judgement will cover this
- Sum of the parts will cover this will cover this
- 3. Estimation by analogy
- 4. Component matrix (not common)
- 5. Algorithmic cost models (not common)
- 6. Function point analysis (not common)

# 1. Expert judgement

An expert in software development as well as in the application domain makes an estimate based on previous experience of similar projects.



# Expert judgement – pros & cons

#### Advantages:

- Relatively cheap estimation method.
- Takes relatively little time and effort
- Can be applied early in the development cycle
- Can be successful if experts have direct experience of similar systems

#### Disadvantages:

- Rather subjective
- Depends on experience and judgment
- Cannot be used if no suitable experts available
- Assumes experts have dealt with similar systems
- Assumes they all have reliable data available

# 2. Sum of the parts

- Makes use of work breakdown structure
- Total effort estimate is the sum of estimates for individual tasks
- Appropriate level of detail (granularity) is important
  - too much detail takes too much time and introduces more error
  - insufficient detail means more difficult to assign tasks (see work breakdown structure, Lec 6A)
- Must make allowance for overheads and tasks such as testing and documentation

#### **Determining**

- 1. Work breakdown
- 2. Durations
- 3. Dependencies

#### irt of project estimation

Task ID	Task Description	Duration (in weeks)	Predecessor s
Α	Initiate project	0	
В	R & D product design	6	A
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G	Prepare cost estimates	2	D
Н	Product testing	3	E
I	Market survey	4	C, F
J	Pricing and demand forecast	2	I
K	Final report	2	G, H, J

# Sum of the parts example

	1.	Week							
Task	Hours	5	6	7	7 8	9	10	0 11	1
Research	1								
Draw plan	2	22					-8	Ke	
Obtain tools	1								
Set-up work bench	0.5	3						(5) es	
Buy balsa	1							55 55	81.
Testing equipment	0.5								
Construct 'beams'	2							88	
Construct roadway	2	0						100 100	
Build structure	3								
Check clearances	0.5							5.4 5.4	
Complete structure	3								
Final test	1	0	i V				(5)	(0)	

## Sum of Parts – pros & cons

#### Advantages:

- Simple, fairly fast
- Requires appropriate work breakdown structure
- OK if breakdown is complete determined and reasonably good individual estimates

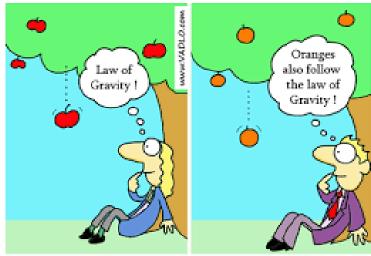
#### Disadvantages:

- Simplistic: the whole system is more than just the sum of its parts and parallel tasks are possible
- Have to estimate effort for many individual components
- Tendency to underestimate costs of system level activities such as integration, testing and documentation preparation
- Requires reliable and detailed historical records

# 3. Estimation by analogy\*

- Compare current project to similar project(s) already undertaken
- Estimate how many times bigger or smaller the current project is compared with others





High Impact Paper

Low Impact Paper

\*See for example, Martin Shepperd, Chris Schofield and Barbara Kitchenham, Effort Estimation Using Analogy, Proceedings of ICSE-18, IEEE, 1996

# Using analogy – pros & cons

#### Advantages:

- Systematic, fairly fast
- OK if sufficient historical data available
- Can be applied early in the development cycle

#### Disadvantages:

- Have to determine set of characteristics suitable for classifying systems
- Requires a database containing systematically maintained historical size cost data.
- Cannot be used if no comparable projects have ever been tackled, or if no suitable historical data is available

# Choosing estimation methods

- Which is <u>easiest</u> to apply?
- Which can be applied <u>earliest</u> in the system development life cycle (SDLC)?
- What <u>assumptions</u> does each make?
- Do I have <u>enough</u> historic data?
- Will I need to <u>re-calibrate</u> for tool, developer experience, environment, etc.
- How many times will I use this method?
   Can I improve my estimates over time?

## A case study



Because we learnt a lot last time!

# You're *proposal* has won the design contract for the A380 In-flight Entertainment system!





Your proposal out of 10 others has been awarded the multi-million \$ order! Others were rejected because the did not have enough information, low on technology innovativeness, skill of team, etc



What next!



What are the requirements!



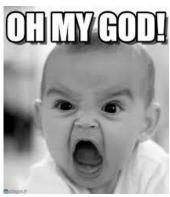
# How long do you have! Remember

- 1. Determine the SIZE of the project
  - software metrics: lines of code, function points
- Determine the EFFORT required
  - Person hours, days, weeks or months
- Decide on the RESOURCES needed
  - e.g. how many engineers or programmers
- 4. Calculate the DURATION
  - e.g. 20 person-hours, 3 people:
    - $\therefore$  DURATION = 20 / 3 = 6.3 hours
- Calculate the COST
  - e.g. 20 person-hours at \$70 per hour:
    - ∴ COST = \$1,400



# You are under tight time frames

Client has asked for earlier delivery!





What do you do?!



In Final testing
The Flight route system does not work as planned what do you do?





# How do you test the success!





# Why did the A380 get delayed?



# Next Weeks Oral presentations

- 2 minutes only
- No presentations allowed
- Talk from the cuff!



- Approx. about 10-12 students each week for the next
   3 weeks as per surname in alphabetical order
- PLEASE READ THE ASSIGNMENT 1 ORAL INSTRUCTIONS ON COURSE OUTLINE
- Need a time keeper for each tut for each week?



#### Just the start of PM

Remember this is a taster of PM So much more to cover next week



Thank you!