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Project Management Workshop
For Global Procurement

Erez Klaus, PMP®

Day # 2
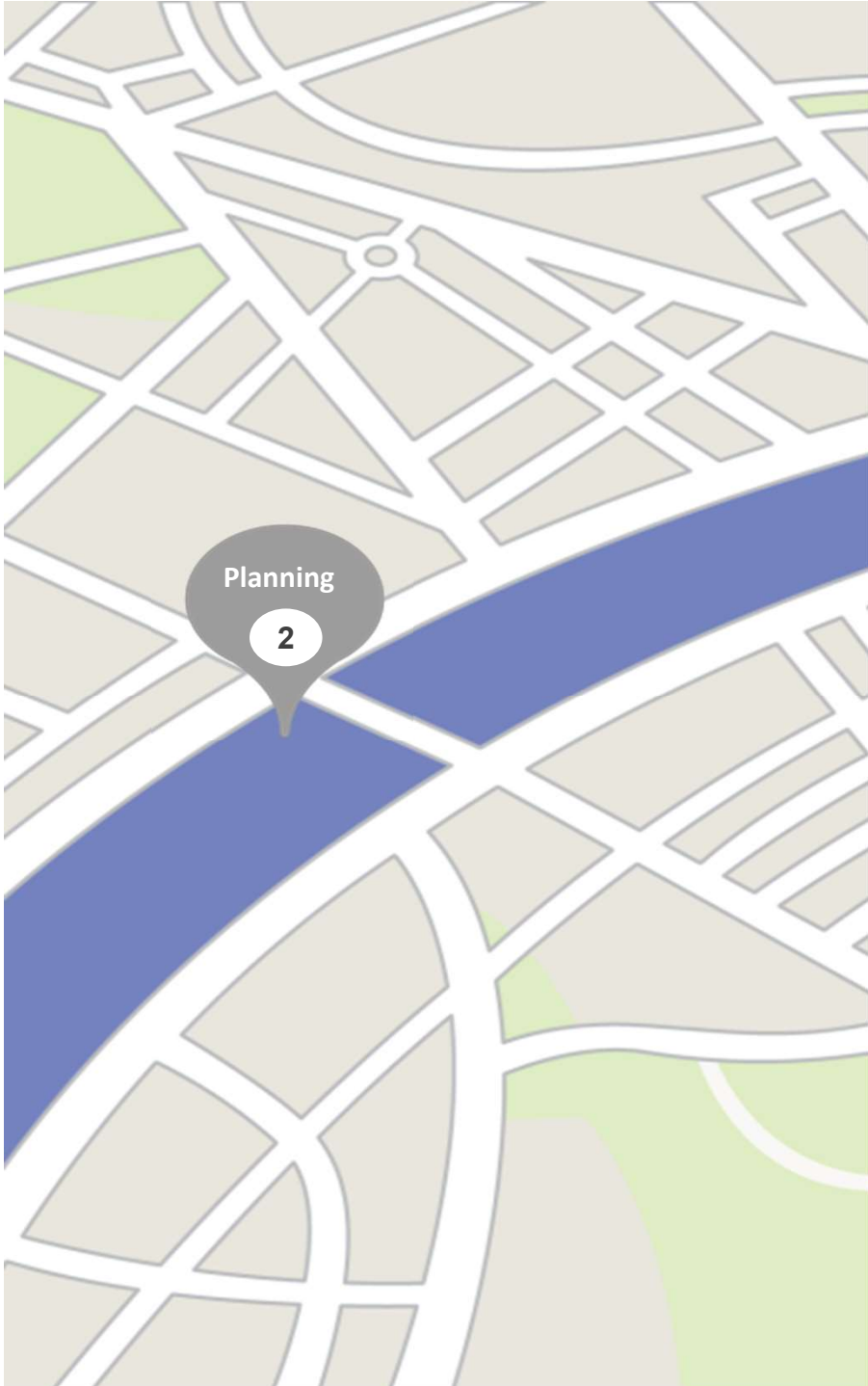
November 2021
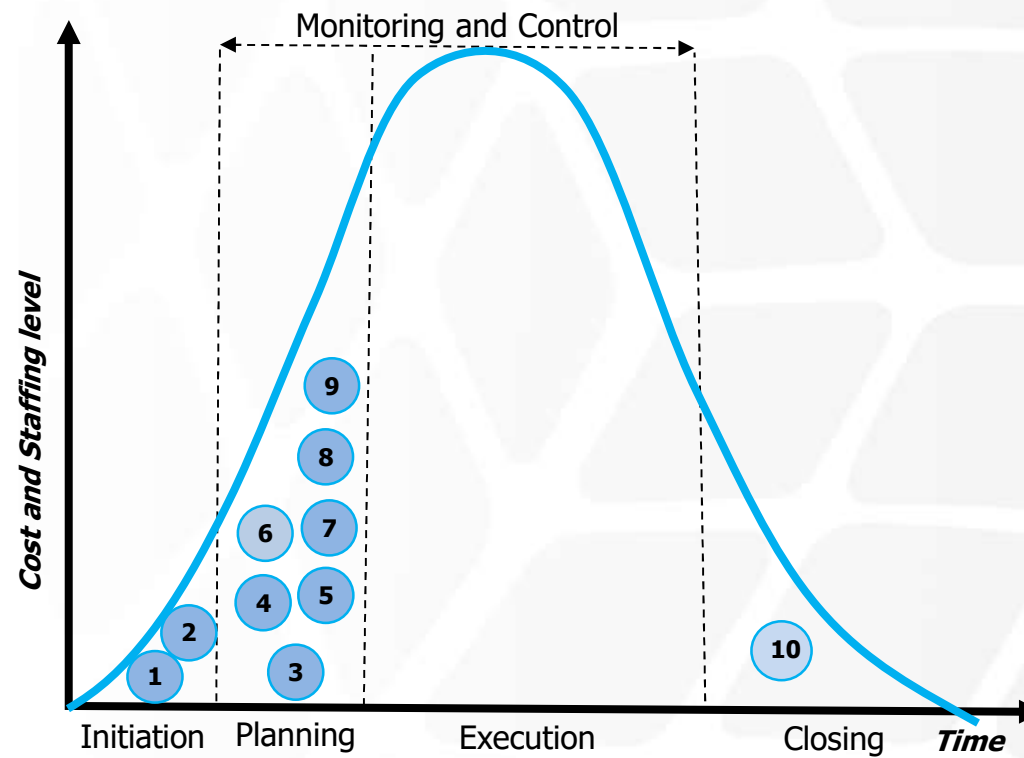
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PM Tool-Box

#	Tool
1	Project Charter
2	Stakeholders Analysis
3	WBS
4	Network Diagram
5	Gantt Chart
6	Budget
7	Risk Map
8	R&R/RACI
9	Communication Plan
10	Lessons Learned

2

Project Planning

Risk and Opportunity Management

Definitions

Risk- An <u>uncertain</u> event or condition that, if it is occurs, has a negative effect on one or more project objectives

Opportunity - A "positive" risk, has a positive effect on the project

<u>Risk</u> VS. <u>Issue</u>
Risks may or may not occur.
**Issue occurred**
We get ready for risks.
We react to issues

Why manage risks?

- Prevents future problems, Increasing the chances of meeting the projects goals
- Helps to evaluate the project, more information for decision making
- Deepen the understanding of the project's limitations
- Identifying existing alternatives
- Encourage communication between those involved in the project
- Promises real attention to the uncertainty involved in the project

Risk management process

```
Plan → Identify → Analyze → Plan Response → M&C
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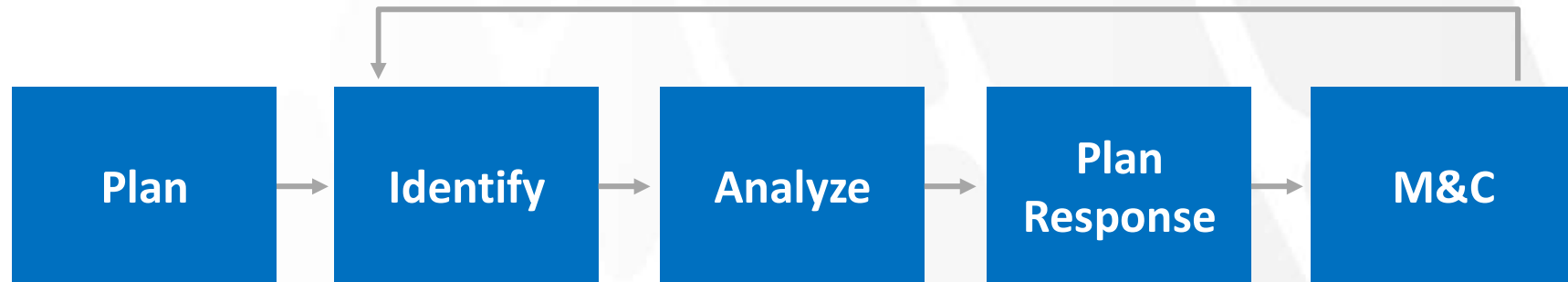
Risk management is an on- going process !

The Unknown Unknowns...

"*As we know, there are* **known knowns**; *there are things we know we know. We also know there are* **known unknowns**; *that is to say we know there are some things we do not know. But there are also* **unknown unknowns** *- the ones we don't know we don't know.*"

**Donald Rumsfeld, the U.S. Defense Secretary.
At a press conference on February 12, 2002**

Risk Sources

What are the pre-known and uncertain occurrences which may generate risks during a project?

?

| Risk Factors Known While Planning	Risk Events Occurrence Uncertain
• New technology • External dependencies • Interfaces with other systems or projects • Operating environment • Project personnel	• Technical problems • Team member quits team • New module does not function as planned • Sub-contractor misses deadline

Plan → **Identify** → Analyze → Plan Response → M&C

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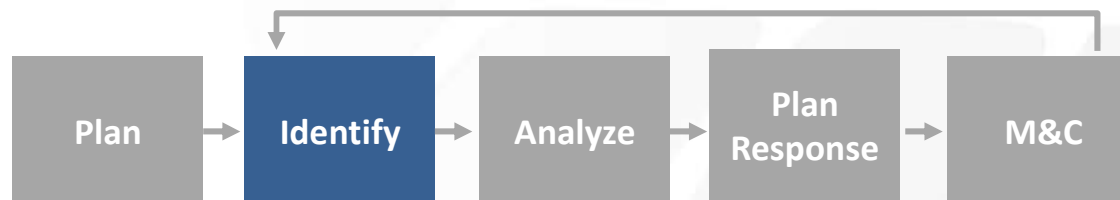
Tools and methods for identifying risks

- Brainstorming

- Examination of project documents

- Documented past experience

- External knowledge experts

- Checklists and questionnaires

| Plan | Identify | Analyze | Plan Response | M&C |
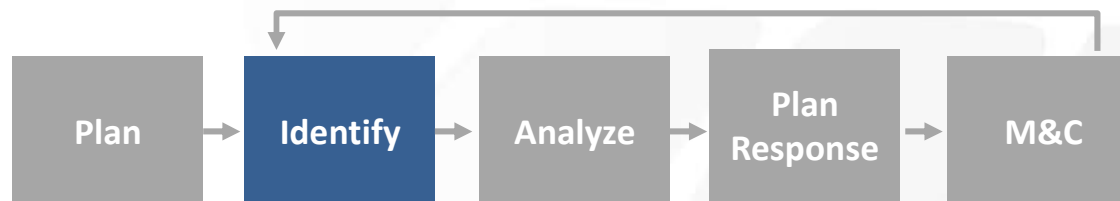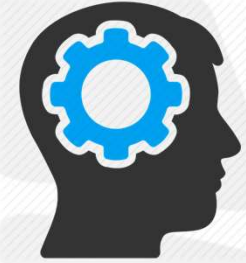
- A group method to generate ideas

- This method is suitable for small groups

- Requires assistance to overcome:

  - Conflicts

  - A domineering personality

  - Deviation from the point

- A fun exercise

- Creates a lot of ideas in a short period of time

| Plan | Identify | Analyze | Plan Response | M&C |
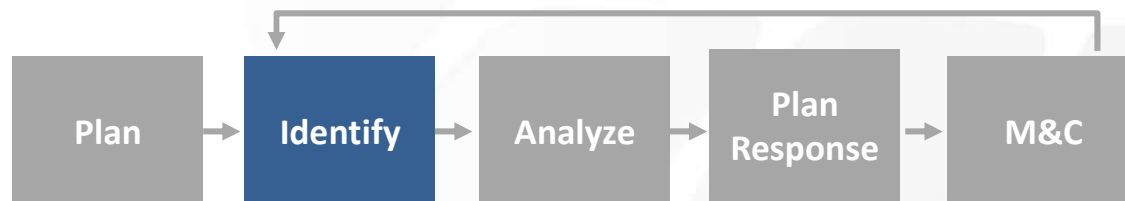
For each work package assess what will prevent you from finishing it:

- Time

- Availability of resources

- required levels of quality and performance

- While achieving the satisfaction of the stakeholders

Plan	Identify	Analyze	Plan Response	M&C

12
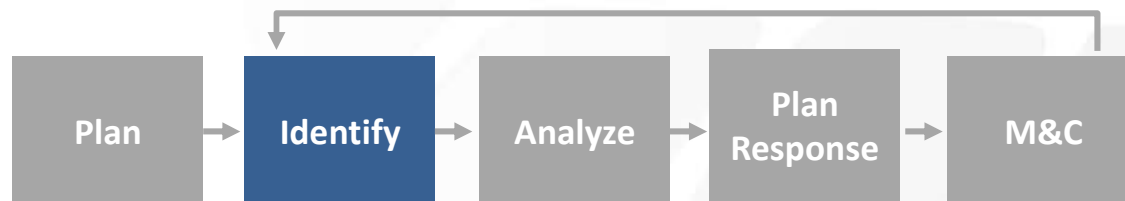
- Lessons learned from previous projects

- Commercial database

- Analogy to similar situations

Plan	Identify	Analyze	Plan Response	M&C

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Categories of Risk

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Technical	Managerial	Environment
Technology maturity	Budget/Funding	Legal/ regulatory
Requirements	Team skills	Market condition
Performance	Resource availability	Interest groups
Integration	Contractual	Organization

Plan → **Identify** → Analyze → Plan Response → M&C
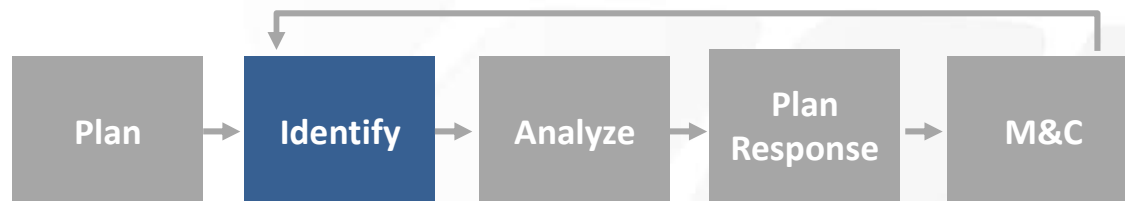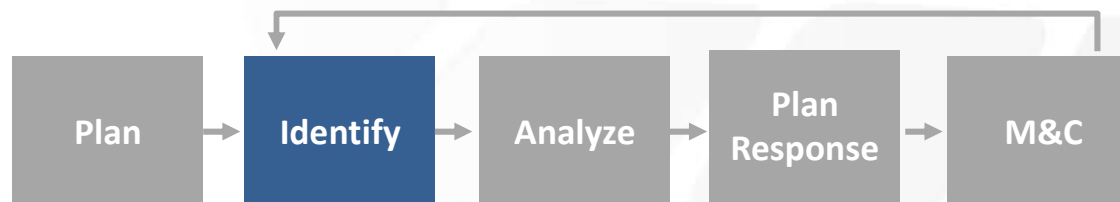
Objective: To quantify the relevant risk characteristics in order to prioritize risks and to assess appropriate responses
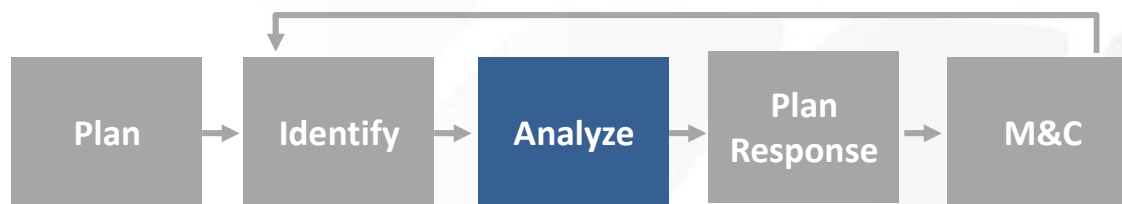
Key Features: ▪

Probability of the risk event ▪

Severity - The potential damage caused by the ▪

risk

Plan	→	Identify	→	Analyze	→	Plan Response	→	M&C

Qualitative Risk Assessment

Quality Evaluation of severity	Quality probability of occurrence	
Significant and irreversible damage to the project, Exceeded costs or low performance - Hard to recover even with immense efforts	Most likely that the scenario will occur	**High**
Significant disruption to the schedule, costs or performance - Able to recover with special efforts	There is a possibility that the scenario will occur	**Medium**
A minor disruption to the schedule - able to recover with standard efforts	It is very unlikely that the scenario will occur	**Low**

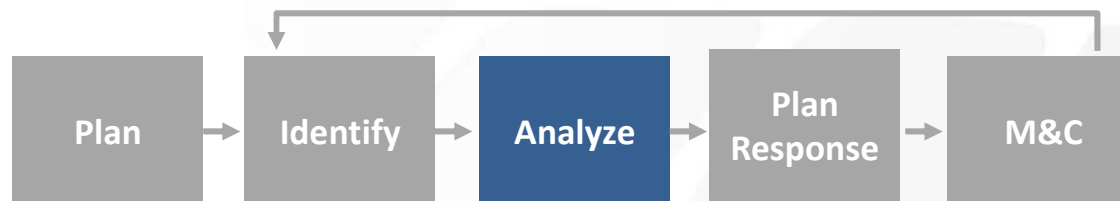Plan → Identify → Analyze → Plan Response → M&C
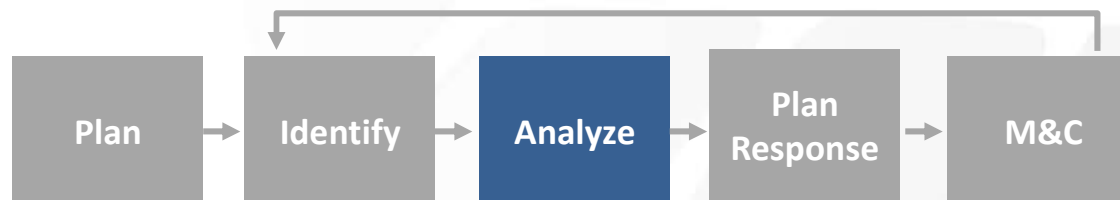
Calculating the risk rank based on the impact rating and probability rating:

Risk Rank =

Likelihood (Probability) score
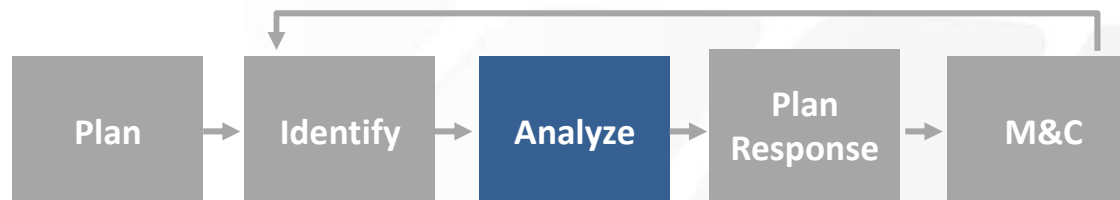
X

Severity (Impact) score

Plan	Identify	Analyze	Plan Response	M&C

17
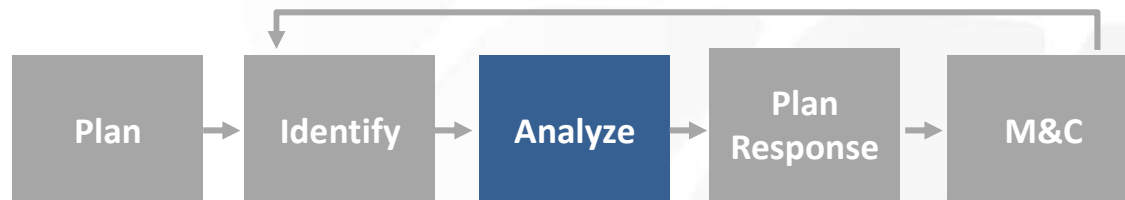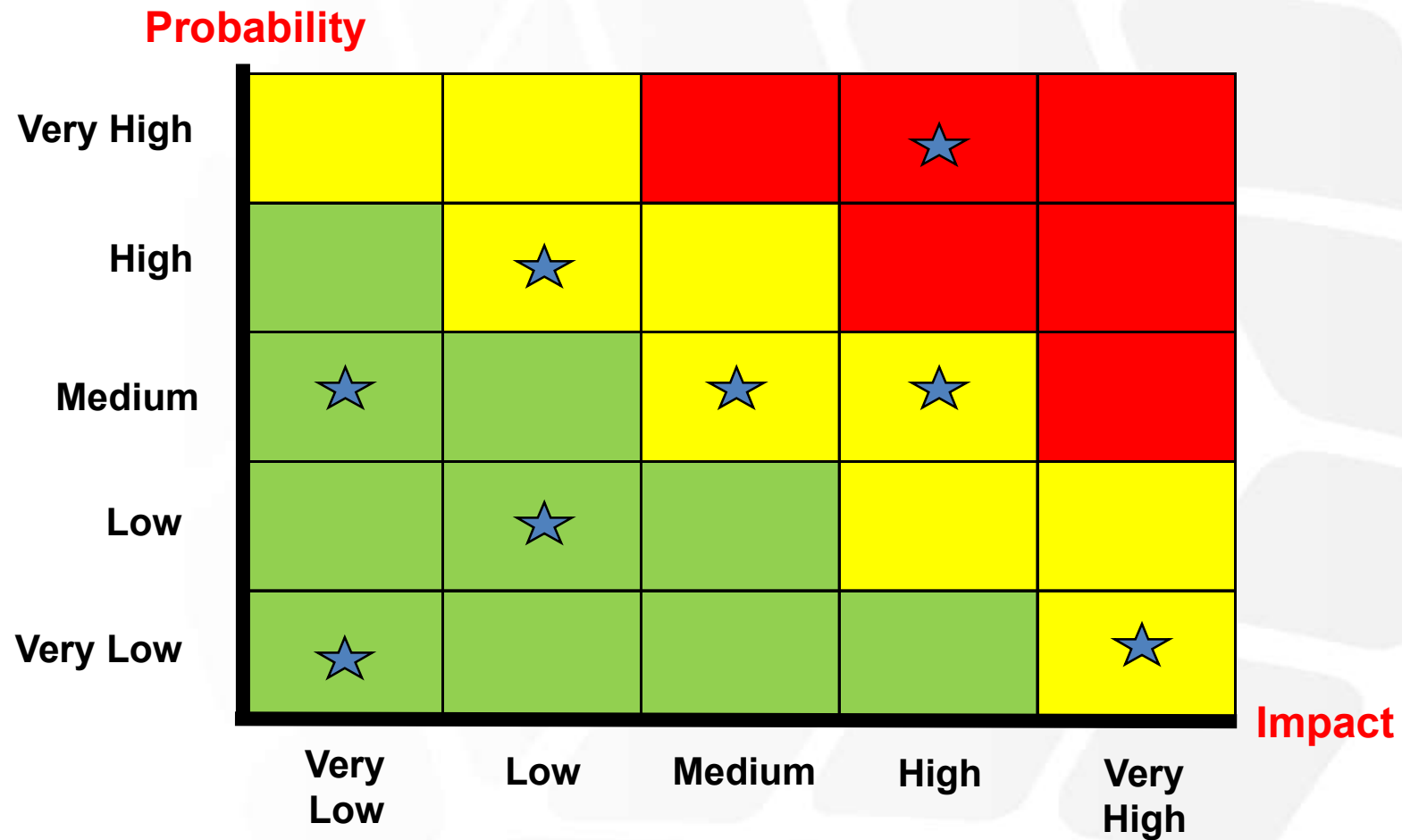
Risk Register

Project Risk Register

Enter Your Program Information

Project Name:	<Project Name>
Business Unit:	<Unit Name>
Project Manager Name:	<Project Manager>

Risk Name	Risk Status	Category	Description of Risk	Probability	Impact	Risk Rate	Risk level	Response Plan	Assigned To	Due Date
<Name>	Active	Schedule	<Describe Risk>	Medium	V	2	Low			
				Low	High	3	Medium			
				Medium	Medium	4	Medium			
				Medium	High	6	High			
				High	High	9	High			

Plan	→	Identify	→	**Analyze**	→	Plan Response	→	M&C

How can we cope with risks ? **?**

Accept

Avoid

Track

Mitigate

Accept Risk

- ## When ?

  Treatment not cost-effective:

  - Too expensive

  - Impact not significant

  | Accept |

- ## Actions

  - Do nothing

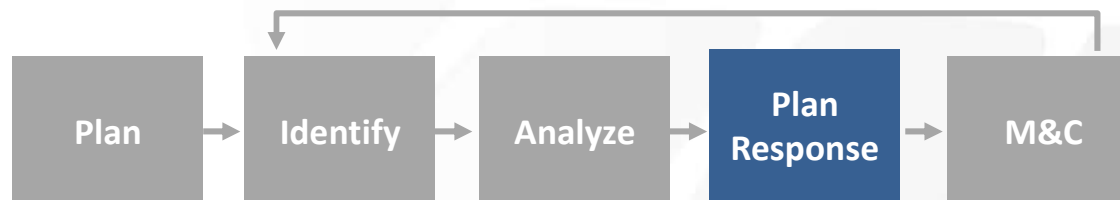| Plan | → | Identify | → | Analyze | → | **Plan Response** | → | M&C |
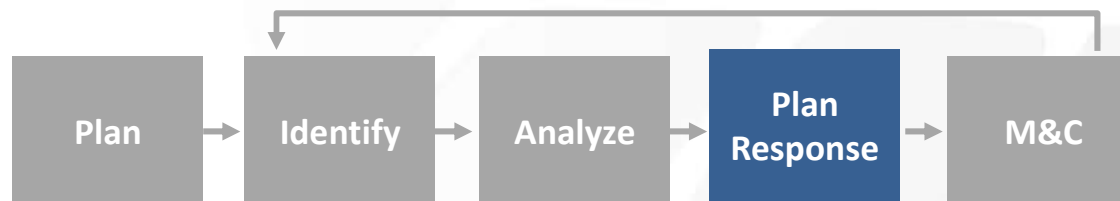
When ?

- Current risk status does not justify action, but conditions may change

- Uncertainty regarding outcome of actions

> Track

Actions

- Do not take action now, later - maybe

- Monitor risk status

- Collect information for early warning signs

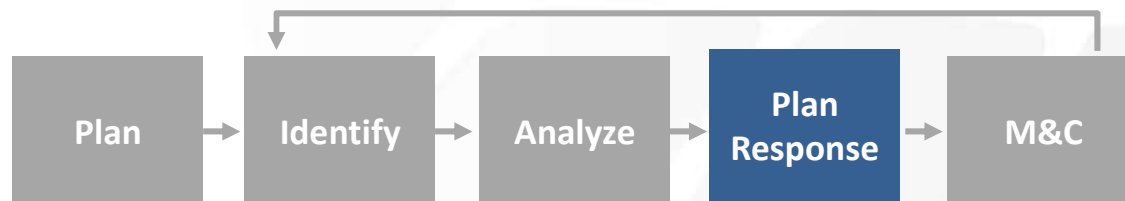| Plan	Identify	Analyze	Plan Response	M&C

Avoid Risk

- ## When ?
  - Both mitigation and acceptance are too expensive
  - Avoidance is possible with reasonable cost

  Avoid

- ## Actions
  - Eliminate the threat/ Reduce probability of event
  - reduce uncertainty by acquiring information (Research, tests, pilot etc.)
  - Take preventive steps

| Plan | Identify | Analyze | Plan Response | M&C |

- Prevent / Cancel the Risk by:

  - Changing the work content

  - Removing constraints

  - Use of alternative resources / suppliers

- May affect:

  - Project goals

  - Cost / Profitability

  - Customer satisfaction

| Plan | → | Identify | → | Analyze | → | **Plan Response** | → | M&C |
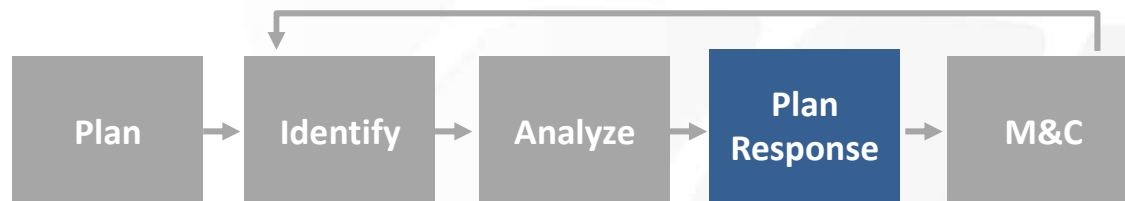
- **When ?**
  - Threat is inevitable
  - Mitigation is the cost effective solution

- **Actions**
  - Take action now
  - Reduce impact of event:
    - Recovery plans
    - Reserves (resources, budget, time)
    - Transfer consequences (Insurance etc.)

Mitigate

Plan	Identify	Analyze	Plan Response	M&C
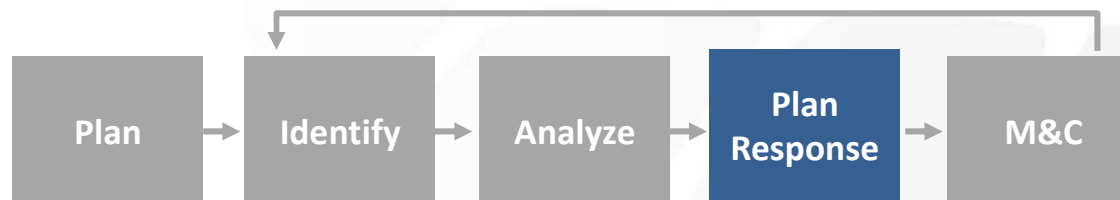
- Transferring the work to a subcontractor

- Outsourcing the to a subcontractor that can manage the risks in a more efficient way:

  - Resources

  - Specialty

  - Experience

- May lead to other risks and extra costs

- Risk depends on the sort of contract (fixe price, cost plus etc.)

| Plan | Identify | Analyze | Plan Response | M&C |
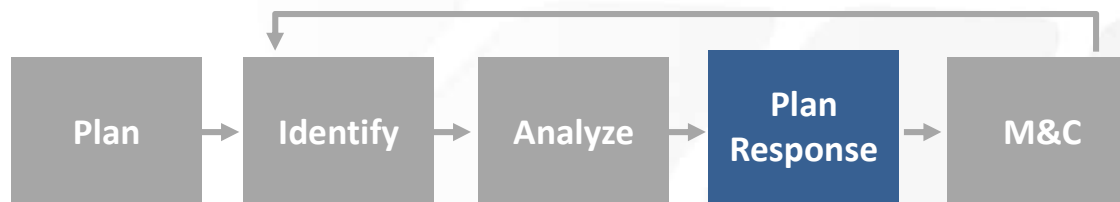
Cost Reserves

- For the identified risks (Known unknows) we plan contingency reserves (as part of cost baseline)

- For the unidentified risks (unknown unknows) we plan managerial reserves (as part of the overall budget)

Managerial reserves
Risks contingency reserve
Cost estimates

Plan	→	Identify	→	Analyze	→	Plan Response	→	M&C

Responsibility for Risks
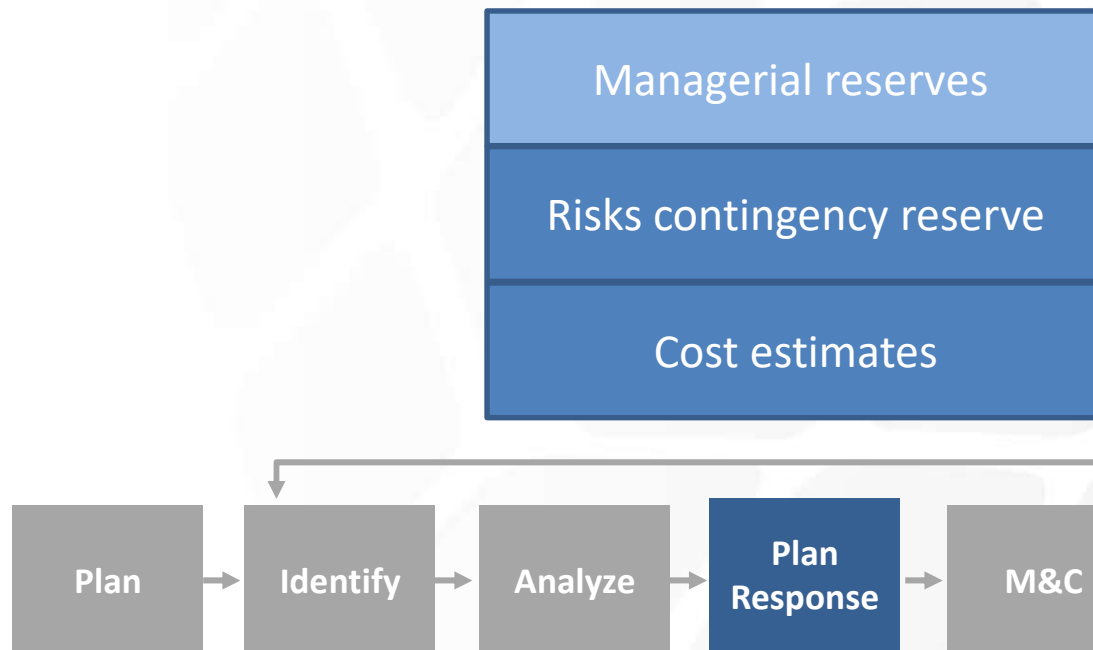
Accepting responsibility to take care of	Delegate within the project team	Transfer to external party
▪ You have the knowledge, resources and capabilities to manage the risks ▪ Some risk management may be performed by others but you are responsible for making decisions and applying the actions	▪ More efficient use of resources ▪ Close to where the project takes place ▪ Good attitude and expertise ▪ The project manager is still accountable for the project	▪ Able to treat the risk the best way ▪ Requires explicit responsibility ▪ The project manager is responsible for monitoring

Plan → Identify → Analyze → **Plan Response** → M&C

Risk Monitoring
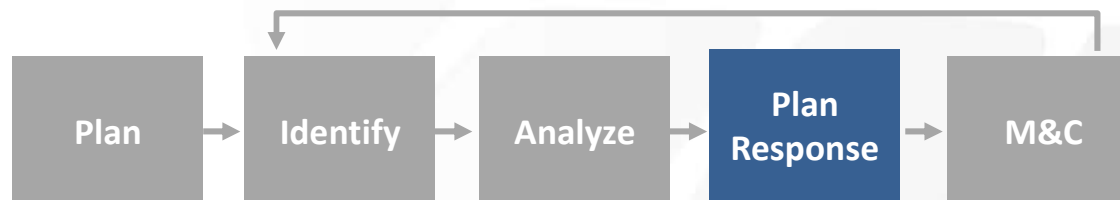
- Risks status shall be tracked on going

- Risk audits / Status meetings

- Looking for trends and indications

- <u>Trigger</u> - a condition that defines when to start taking actions

| Plan | Identify | Analyze | Plan Response | M&C |

Risk Monitoring

Decreasing trend line

Total risk level

Project Time

Plan → Identify → Analyze → Plan Response → M&C

Q&A

Team Work
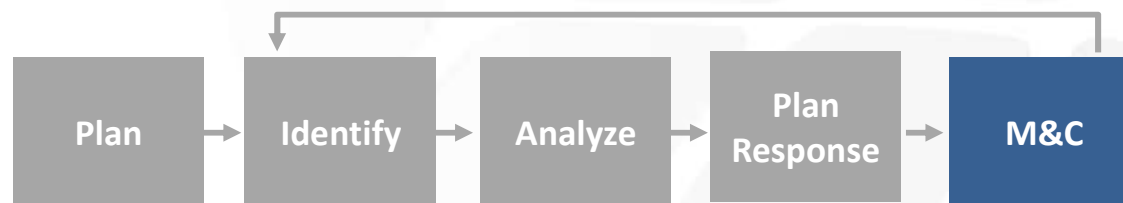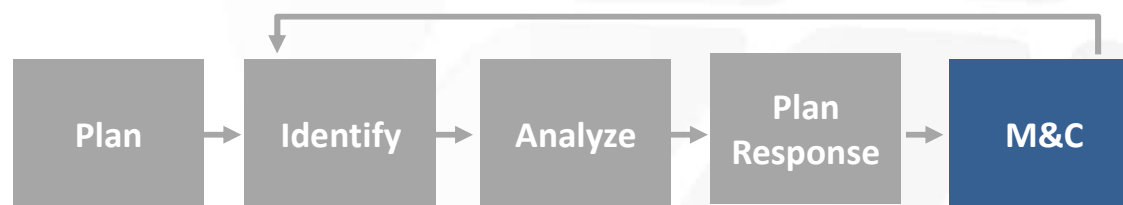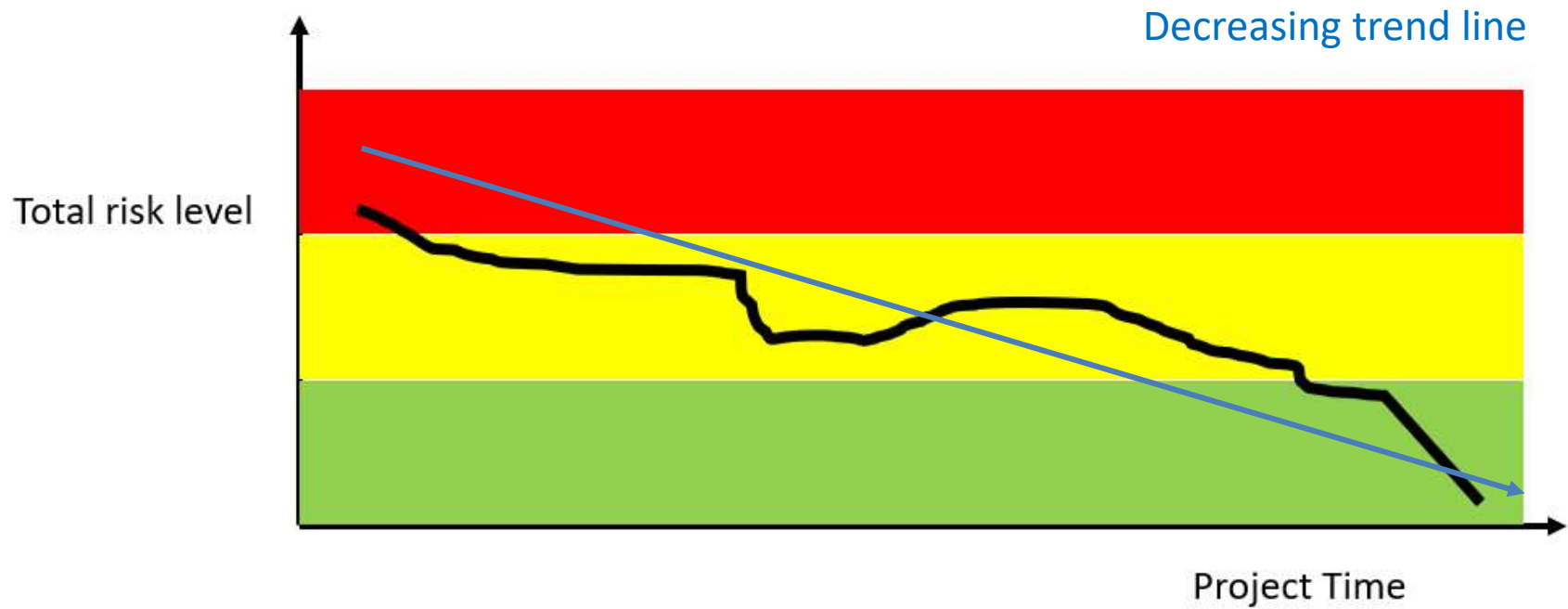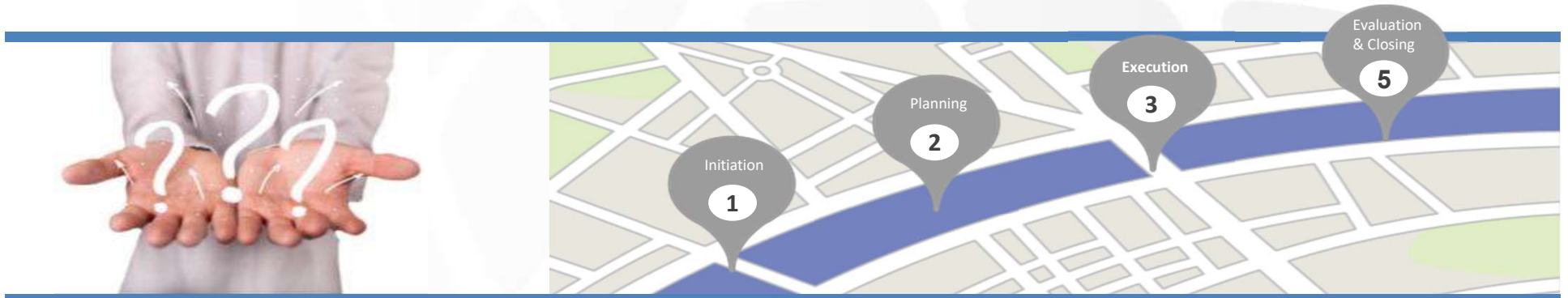
1. Divide into the work teams

2. Each team should fill 5 risks according to the risks register

3. Write a response plan for the top risk, which includes both preventive and corrective actions

4. Good Luck!

Planning

2
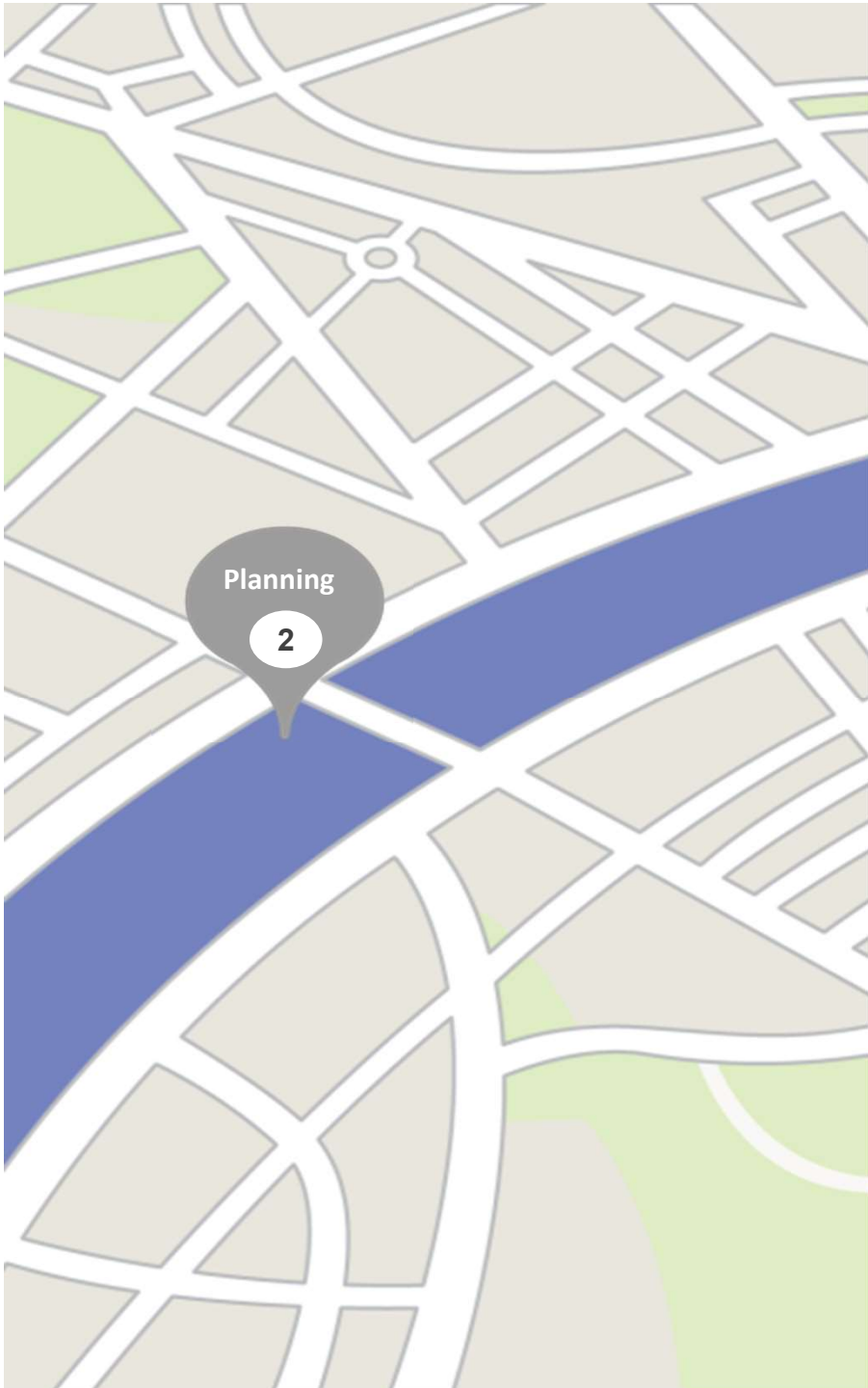
Project Planning

Communication Management

PM Tool-Box

#	Tool
1	Project Charter
2	Stakeholders Analysis
3	WBS
4	Network Diagram
5	Gantt Chart
6	Budget
7	Risk Map
8	R&R/RACI
9	Communication Plan
10	Lessons Learned

35
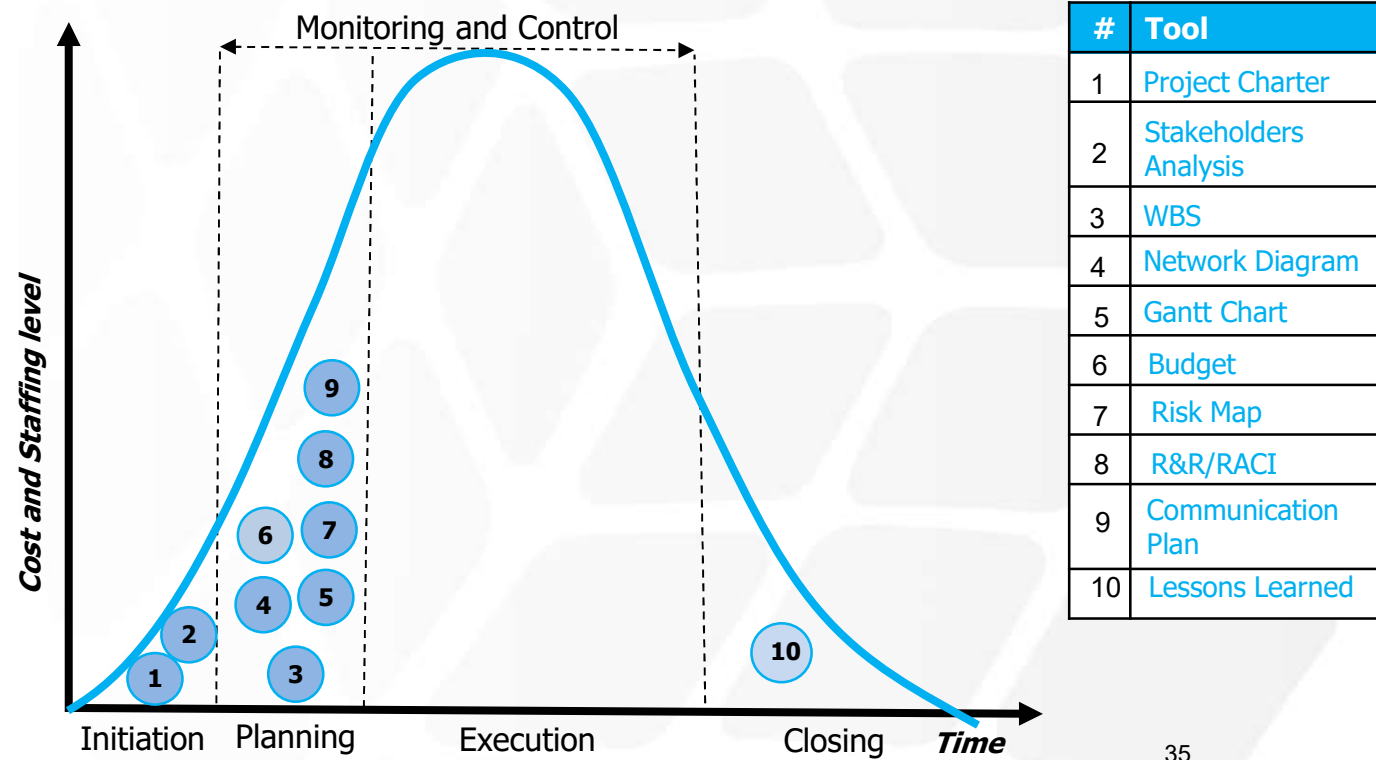
With Whom Do We Communicate?

Sponsor

Customers

Functional Managers

Program Managers

Project Managers

Other Stakeholders

Team Members
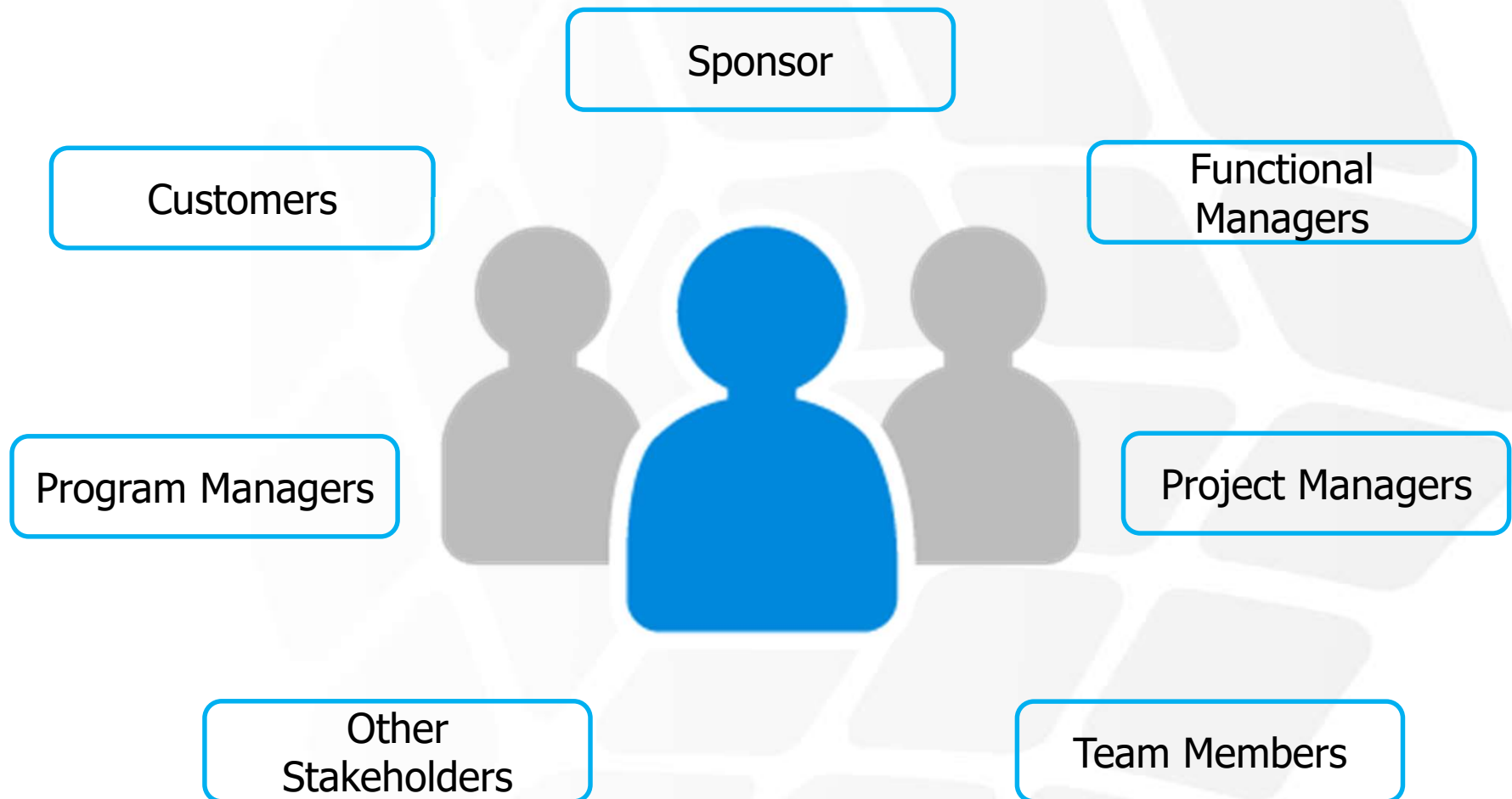
How Do We Communicate With Stakeholders?

Phone Calls

Portals

Face-to-Face Meetings
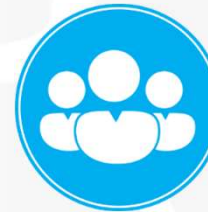
E-mails

Video Conferences

SMS

Kitchen/ Corridor Talks

Telephone Conferences

Instant Messages

Town Hall Meetings

Communication Facts

Communication retention:

now   in 2 days   in 7 days

50%   25%   10%

We retain/absorb:

of what we read — **10%**

of what we hear — **20%**

of what we read and hear — **30%**

of what we discuss with others — **50%**

of what we experience — **80%**

of what we teach to others — **90%**
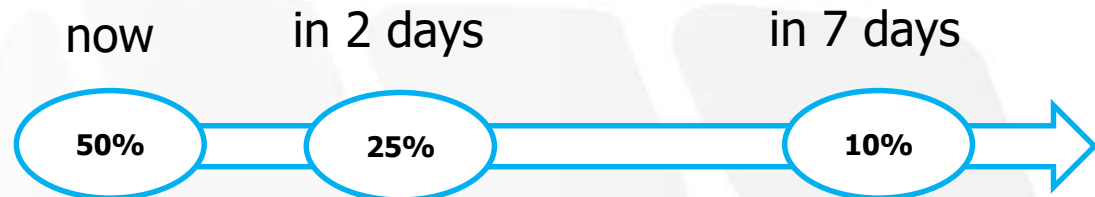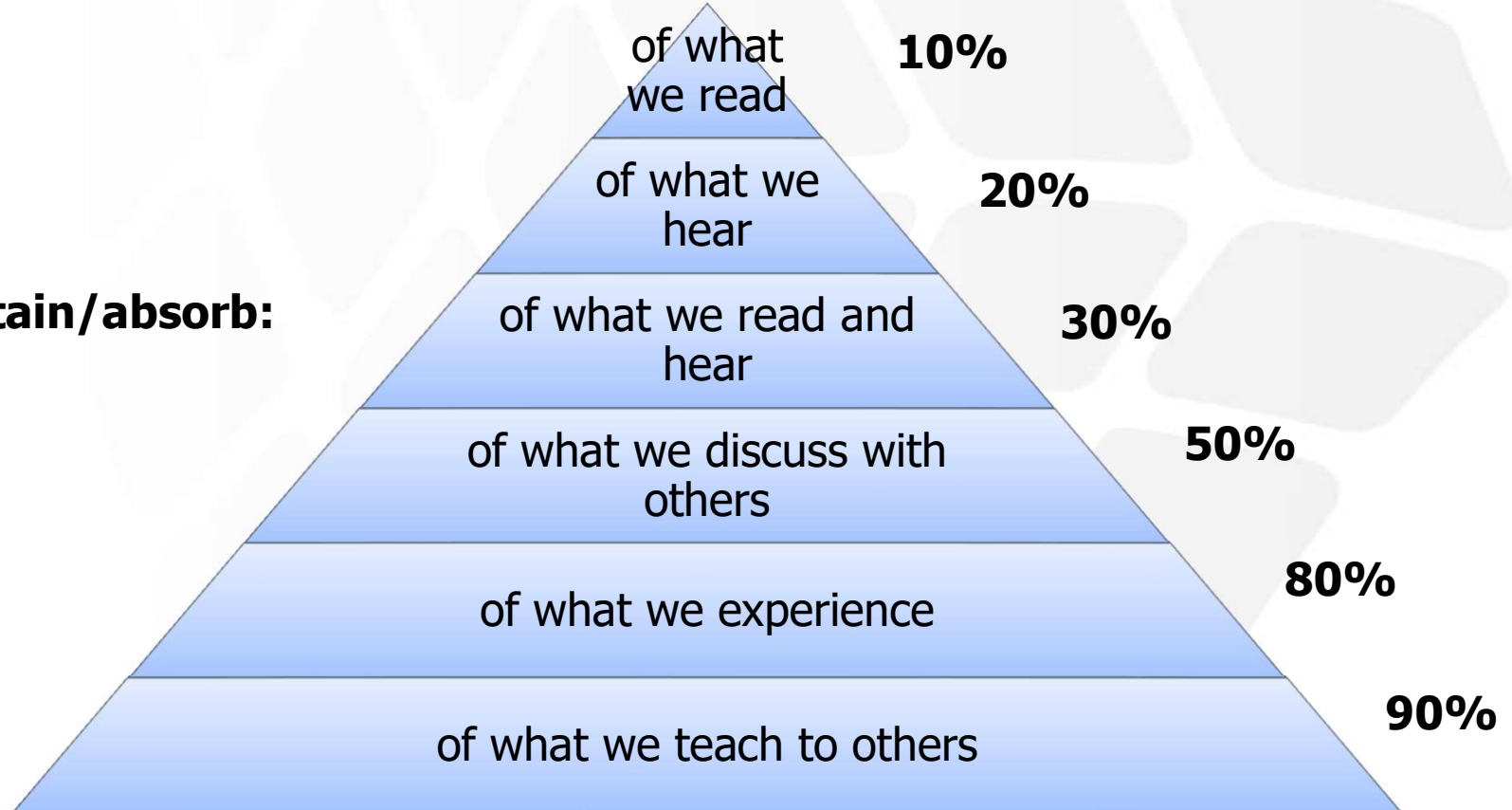
Information Exchange Mechanisms:

Written form

Spoken

Formal or Informal

Through gestures

Through media

Choice of words

Body Language

55% (body movements, face, arms...)

7% (words)

38% (Voice tone, modulation, pauses...)

Key Concepts
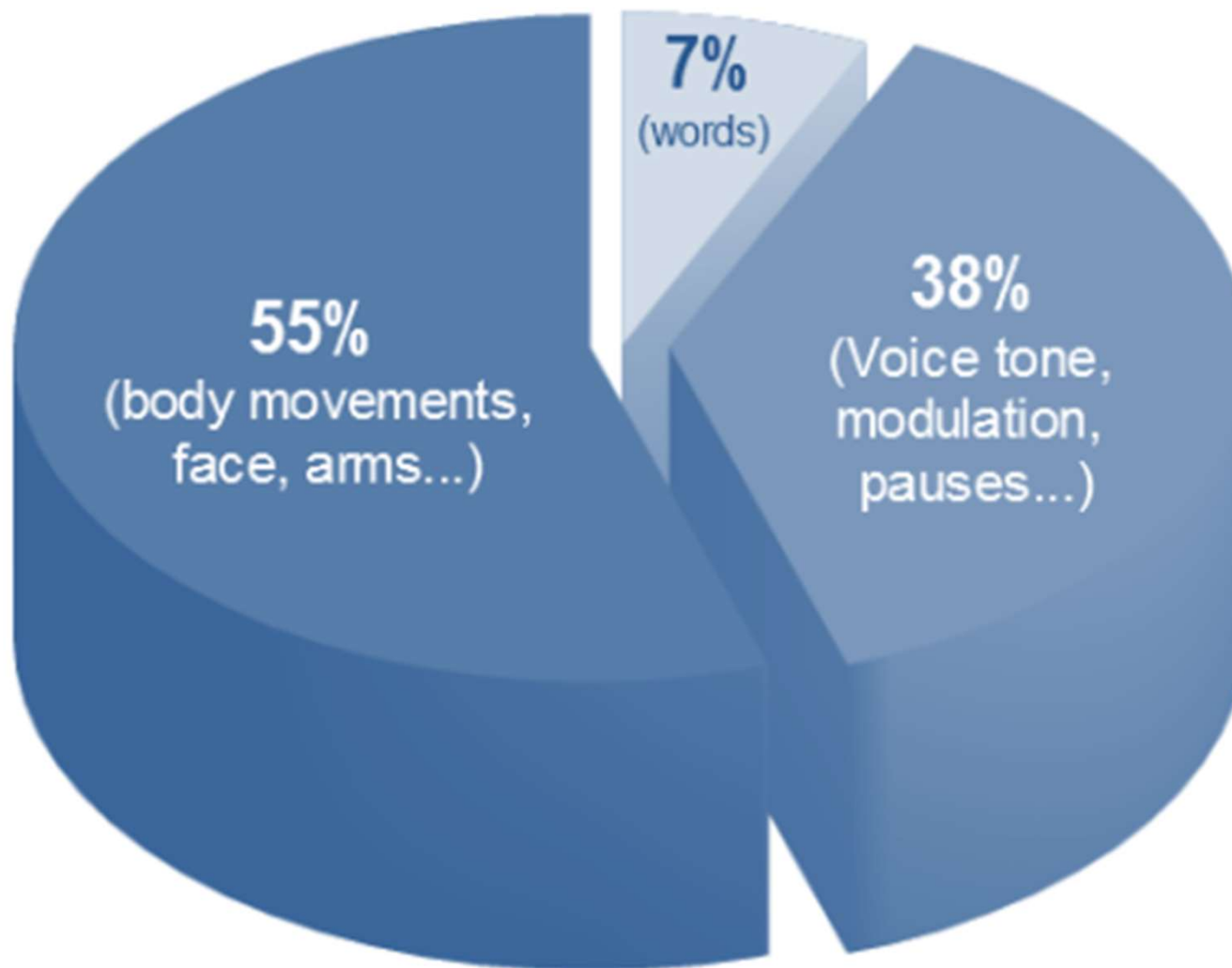
Communication types include, but not limited to:

```
                    ┌──────────────────────┐
                    │    Communication     │
                    │        Types         │
                    └──────────┬───────────┘
               ┌───────────────┴───────────────┐
        ┌──────┴──────┐                  ┌──────┴──────┐
        │   Formal    │                  │  Informal   │
        └──────┬──────┘                  └──────┬──────┘
        ┌──────┴──────┐                  ┌──────┴──────┐
  ┌─────┴────┐  ┌─────┴────┐       ┌─────┴────┐  ┌─────┴────┐
  │  Verbal  │  │ Written  │       │  Verbal  │  │ Written  │
  └──────────┘  └──────────┘       └──────────┘  └──────────┘
```

Verbal	Written	Verbal	Written
Presentations, Speeches	Project Charter, Project Plan	Meetings, Conversations	E-mails, Text Messages

Key Concepts

5C
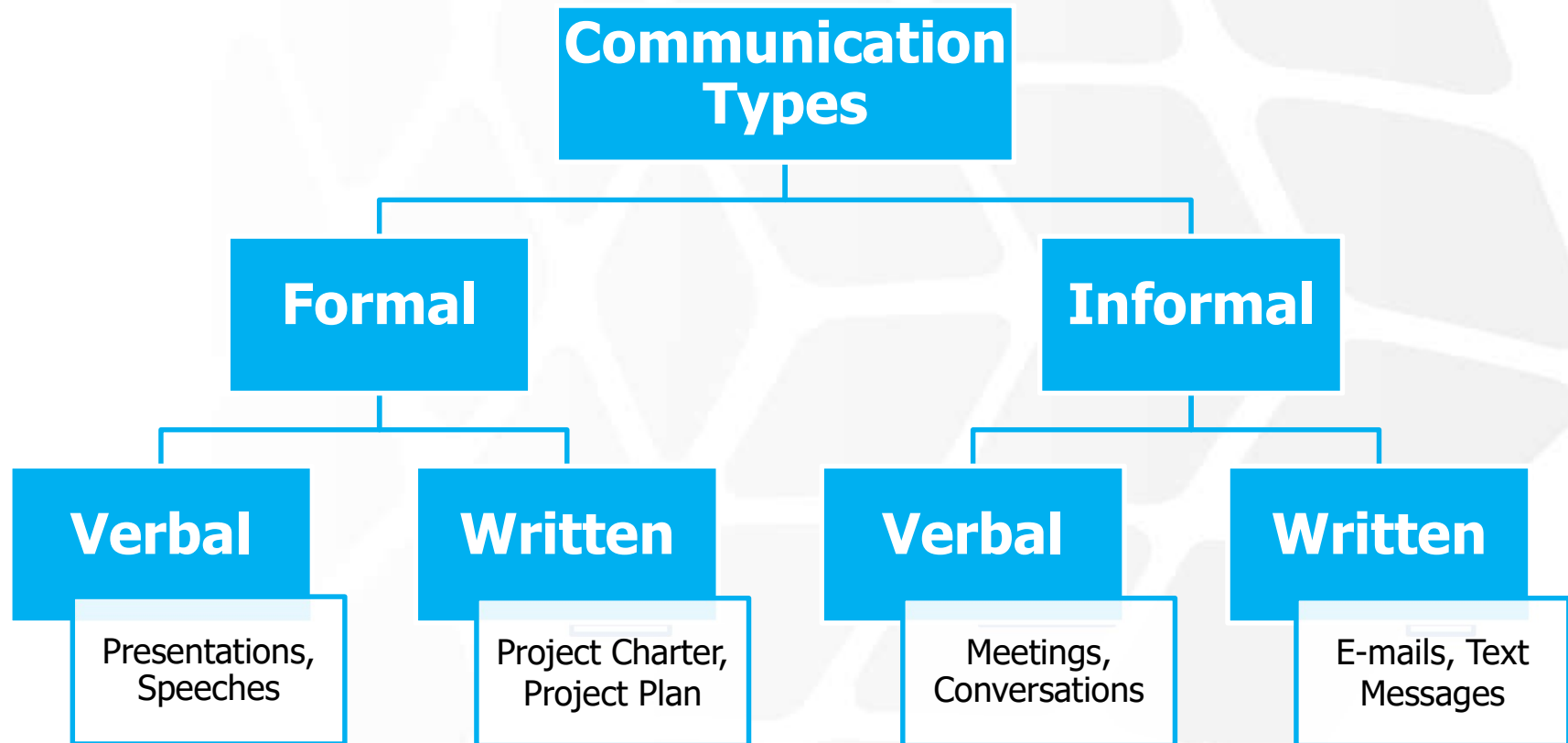
Use 5Cs of written communication:

1. Correct grammar and spelling

2. Concise expression and elimination of excess words

3. Clear purpose and expression directed to the needs of the reader

4. Coherent logical flow of ideas

5. Controlling flow of words and ideas

Distinguish Communication from Communications

Communication	Communications
Process of transferring knowledge, information, data between persons	Artifacts used during the communication process (reports, presentations, meeting, emails, face-to-face discussions etc.)
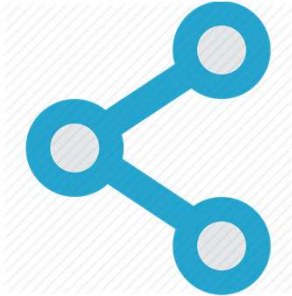
... includes the processes necessary **to ensure that the information needs of the project and its stakeholders are met** through development of artifacts and implementation of activities designed to achieve effective information exchange.

Communication time breakdown

Writing 9%
Reading 16%
Listening 45%
Talking 30%

■ Writing ■ Reading ■ Talking ■ Listening

Project Management Institute, A Guide to the Project Management Body of Knowledge, (*PMBOK® Guide*) – Sixth Edition, Project Management Institute Inc., 2013, Page 359.

Communication Models

Sender

Encode

Noise

Transmit message

Decode

Receiver

Noise

Acknowledge message

Medium

Decode

Noise

Feedback message

Encode

Noise

Current emotional state

Current emotional state

Communication Noise

...is anything that distorts, distracts or otherwise causes the message to lose its original meaning

Language

Culture

Semantics

Message Content

Emotional Status

Intelligence/ Knowledge Level

Authority/ Reputation

Communication Requirements Analysis

The Number Of Communication Channels:

$$\frac{N*(N-1)}{2}$$

,where N- the number of people

Data:

N=10 (number of project's stakeholders)

Task:

Calculate the Number of Communication Channels

Solution:

Using the Formula of the Number of Communication Channels:

10*(10-1)/2 = 45 (communication channels)

Techniques For Effective Communication Management

The Sender-Receiver model
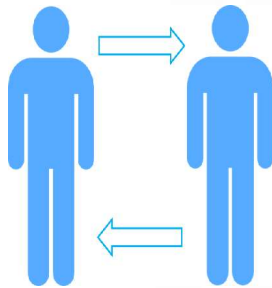
Writing style

The Active Listening

Choice of media

Presentation techniques

Meeting management techniques

Facilitation techniques

Conditions for Effective Messages

Simple

Related to a single issue

Implying commitment by the sender

Descriptive rather than evaluative

Experiential rather than inferential

Specific rather than general

Behaviour-oriented rather than attitude- oriented

Active Listening

… is an active process that requires attention and discipline

… is the most important skill related to the PM's job

… is one of the least developed skill among project managers

Verbal	**Non-verbal**

Verbal

✓ Restate the main ideas expressed to show your interest
✓ Verify if you correctly understood what was meant

Non-verbal

✓ Show interest (nod, lean forward, maintain eye-to-eye contact..)
✓ Be patient; accept moments of silence
✓ Be relaxed
✓ Show openness

Feedback

Feedback ◀

When the Received message has been decoded and understood, the receiver encodes thoughts and ideas into a message and then transmits this message to the original sender.

Obstacles to Feedback:

Fear of hurting the other person

Trying to maintain harmony or appear sympathetic rather than being useful or helpful

Tendency to give advice (it is easier...)

Fear of having to open-up

Project Management Institute, A Guide to the Project Management Body of Knowledge, (*PMBOK® Guide*) – Sixth Edition, Project Management Institute Inc., 2013, Page 372.

Project Management Information System - PMIS

Electronic project management tools	• Software • Meeting • Virtual office support • Web interfaces
Electronic communications management	• Email • Fax • Web conferencing • Websites
Social media management	• Blogs • Web publishing • Applications

Communication Styles

Authoritarian 👍

Gives guidance

Ethical 👍

Honest, fair, by-the-book

Promotional 👍

Cultivates team spirit

Secretive 👎

Not open or outgoing

Facilitating 👍

Gives guidance as required

Disruptive 👎

Breaks apart unity of group

Conciliatory 👍

Friendly and agreeable

Intimidating 👎

"Tough guy," can lower morale

Judicial 👍

Uses sound judgment

Combative 👎

Eager to fight or be disagreeable

Meeting Management

Prepare and distribute agenda and objectives

Ensure the meetings start and finish at the published time

Ensure the appropriate participants invited ,attend and prepared

Stay on topic and focus on meeting objectives

Manage issues and conflicts

Record all actions items and allocate responsibilities

Project Status Meeting

Reward & recognition

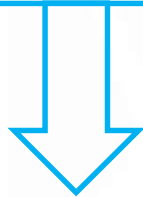Managerial directives update

Risk mitigation

Workplan and baselines coordination

Action items

Not "what happened"

Communication Blockers

Verbal

- ✓ Evaluating
- ✓ Criticising
- ✓ Flattering
- ✓ Diagnosing
- ✓ Name calling

Non-verbal

- ✓ Show distraction: look elsewhere....
- ✓ Show agitation: look at your watch....
- ✓ Show tension, anger
- ✓ Show closure

Communications Management Plan

It contains the following information:

Stakeholder communication requirements	Person responsible for communicating information
Information to be communicated,: language, format, content etc.	Glossary of common terminology
Escalation processes	Methods or technologies used to convey the information
Reason for distribution of that information	Method for updating and refining the communications management
Timeframe and frequency for the distribution	Flow charts of the information, workflows
Person responsible for authorizing release of confidential information	Constraints derived from specific legislation or regulation, technology etc.
Persons or groups who will receive the information	Resources allocated for communication activities, including time and budget

Project Management Institute, A Guide to the Project Management Body of Knowledge, (*PMBOK® Guide*) – Sixth Edition, Project Management Institute Inc., 2013, Page 377.

Team Work

1. Divide into work groups

2. Prepare a communication Plan

3. Write 5 types of meetings

4. You have 20 minutes to complete the exercise
   successfully

Planning

2

Project Closure

Lessons Learned

Project Closure

- Collecting and analyzing project information

WHAT DO YOU WISH TO ENSURE BY PROPER CLOSURE?

- Project goals are accomplished
- Customer's expectations are fulfilled
- The need for unplanned additional work is minimized
- Lessons learned are documented for future projects

HOW CAN YOU DO IT?

- Deliverable checklist
- Lessons learned
- Finalize documentation and project archive

How do you do it?

Project Closure Checklist

Purpose of the checklist

- Knowledge sharing
- Future maintenance and further development

Responsibility

- The project manager is responsible for completing the checklist

Process description

- The checklist is completed at the end of the development and implementation tasks
- The project is completed only when all items are delivered

Lessons Learned

Objectives
- Learn what worked so we can reinforce it
- Learn what needs to work better so we can improve it
- Incorporate the findings into our way of doing business

Timing
- Immediately after the completion of the project
- In large projects, at the completion of each main phase

Participants
- All relevant stakeholders, including top management

Main questions to be answered
- What happened?
- Why did it happen?
- What should we do in similar situations in the future?

Lesson Learned Example - Building a House

Constructor - has he done his work well? Was he pleasant to work with? ▪

Budget - was the budget planned properly? Where were the main gaps? ▪

Materials - did the materials integrate as expected? ▪

When building a house you might not have a future similar project. However, your family and friends might appreciate your experience and recommendations

Lessons Learned - Basic Assumptions

- Planned process rather than ad-hoc event
- Predetermined participants
- Based on facts
- Positive environment
- Desire to improve

"The only man who never makes a mistake is the man who never does anything "

Theodore Roosevelt (1858-1919)

Lessons Learned Process

- Prepare for review
- Collect initial feedback
- Consolidate and analyze
- Conduct lessons learned review meeting
- Report the conclusions to the stakeholders
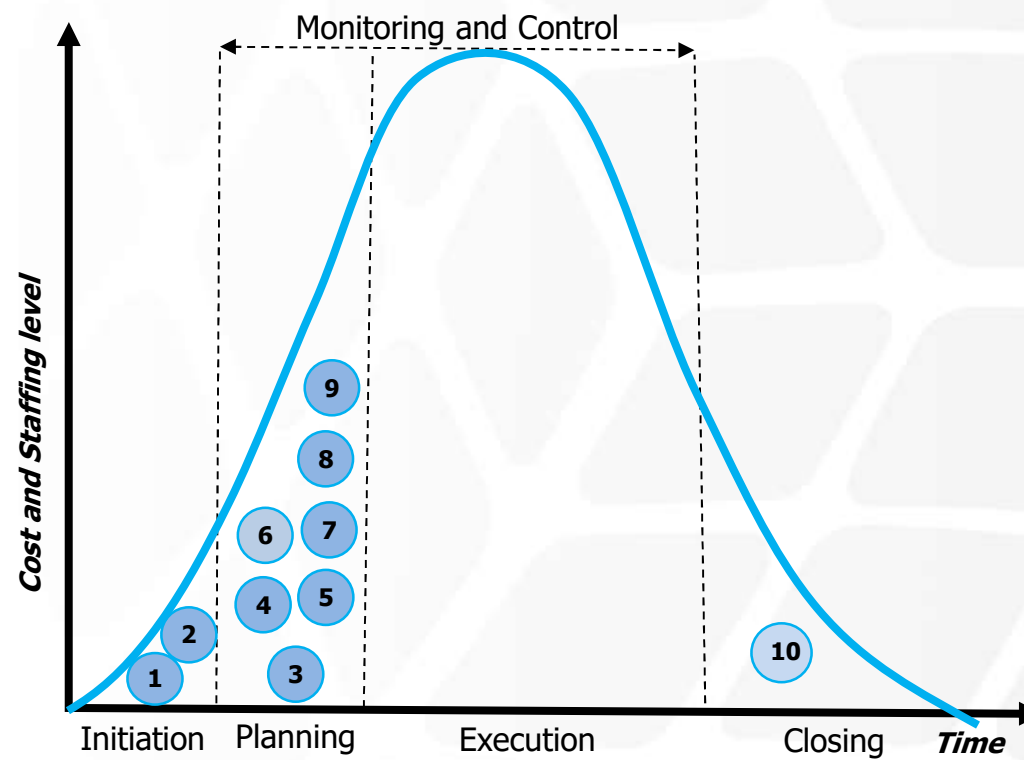- Execute recommendations/action plans

- Be open and honest
- What is said in this room stays in the room
- Equal status of all participants – no title differences
- No critique of others' performance– speak only for yourself
- No interruptions- turn off cell phones
- Active listening

What went well

Description	
Action plan to communicate to others	
Owner	

Lessoned Learned Review

What could be done better

Description	
Root cause	
Recommendation/ Action plan	
Owner	

PM Tool-Box

#	Tool
1	Project Charter
2	Stakeholders Analysis
3	WBS
4	Network Diagram
5	Gantt Chart
6	Budget
7	Risk Map
8	R&R/RACI
9	Communication Plan
10	Lessons Learned

Q&A

Thank You!

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