7. Project Initiation

* The first phase within the PM life cycle.
* **Key Point:** Align projects with the goals of the parent organization
* Business problem or opportunity is identified
* Solution is defined
* Project is formed
* Project team is appointed to build and deliver the solution to the customer
* Business case is created to define the problem or opportunity in detail
  + Detailed description of the problem or opportunity with headings like
    - Introduction
    - Business Objectives
    - Problem/Opportunity Statement
    - Assumptions
    - Constraints
  + List of alternative solutions
  + Analysis of the business benefits, costs, risks, and issues
  + Description of preferred solution
  + Main project requirements
  + Summarized plan for implementation that includes a schedule and financial analysis
* Completion and approval of a feasibility study triggers the beginning of the planning phase

Methods for Selecting Projects

* Include financial and scoring models
  + Projects are investments
* Different approaches
  + Financial analysis as the primary means of selection
  + Financial models as screening devices
  + Financial justification as one factor in a multi-factor scoring model
* Opportunity Cost is associated with taking another opportunity. It’s what you give up or leave on the table. Ex. Take a $100,000 over a $75,000 a year job the opportunity cost is $75,000.

Prioritizing Projects

* Most leadership consider the weighted scores of each project, however, the following issues may be discussed:
  + The urgency of the project
  + The cost of delaying the expected benefits of various projects
  + Practical details concerning the timing
  + Opportunity costs associated with the project

Resourcing Projects

* One prioritized, you need to assign resources:
  + Key personnel
  + Space
  + Materials
  + Equipment
  + Funds
  + May have to use a resource assignment matrix

Securing Projects

* A company may have to hire external resources (contractors) to execute parts or all the parts to a project
* Contractor companies identify potential project opportunities and will submit a proposal
* Call a requests for proposal (RFP)

Triple Constraint

* Any limitation or restriction placed on a project is a constraint
* The triple constraint theory says that every project will include three constraints:
  + Budget/cost
  + Time
  + Scope
  + More Scope = more time + more cost
  + Less Time = more costs + less scope
  + Less Budget = more time + less scope

**Team 16: Gunnar, Logan, Coleen, Brady**

Scope: Spec Home

Cost: $380,000

Time: December 19, 2022

Cost: Overbidding on resources like we have may leave us stretched for money on our budget towards the end and impact the quality of our home.

Scope: Scope can be affected by the stakeholders if they want to implement additional features to the home beyond what was planned. This would broaden our scope and likely raise our costs and push our deadline as a result.

Time: Time may be affected by resources taking longer to complete tasks than expected. It could have a ripple effect if say, a contractor wasn’t able to complete the foundation in time, it would push the rest of the project back causing us to fall behind on tasks dependent on the foundation completing.