## **PROJECT MANAGEMENT**

Module 2: Basic aspects of project management

# 2.5. Other areas of management

**Department of Management** 

Barcelona School of Informatics (FIB)





# Others areas of management

- 1. Quality management
- 2. Risk management





# THE CONTENT OF THE FOLLOWING SECTION IS FOR INFORMATION ONLY

THE MATERIAL IS AVAILABLE IF THESE TOPICS NEED TO BE EXAMINED IN GREATER DEPTH





# What does quality management involve?

- Many organizations implement a quality assurance plan that establishes the standards that should be maintained during the implementation of the project.
- Document standards
  - o Which documents?
  - Format and contents
- Coding standards
  - Class / method / variable naming conventions
  - Standards for comments (e.g. javadoc)
  - Testing standards





## **Practical case > Example**

- Object: Introduction of a continuous improvement process in an organization
- Start of the project
  - Objective: do more and more with less and less
  - Scope
  - Specifications
  - Background
  - Area
  - Contingency plan
- Project phases
  - Structure for breaking down the work into manageable tasks that can be estimated, planned and controlled





Practical case > Example

Blue = levels / Black = tasks

Description. Precedencies and dependencies. Start and finish schedule (time). Allocation of responsibility. Resources. Establish metrics.

- **Start of the project**: Establish objectives. Assess and analyse the current situation. Define the area. Define a strategy (method, technique, adoption of standards). Analyse risks. Draw up a contingency plan.
- Project organization: Design a plan. Break down the tasks. Establish a schedule of activities. Choose a leader for the improvement project (define the leader's profile).
- 3 The managers' commitment to the project
- Presentation of the continuous improvement project: Draw up a detailed plan. Assign responsibilities and resources. Look for volunteers who want to participate.
- Implementation. Pilot experience: Choose an area in which the project is likely to be well-received and successful. Train staff. Design a system for suggestions. Foster an environment of teamwork.
- Assess the results and monitoring mechanisms: Monitor the project: time, costs and quality. Establish metrics for measuring improvements. Define standardized progress reports. Analyse the impact.
- 7 Extension to other areas or departments: Start at stage 4.





## Practical case > Example

# Detailed planning

Implementation. Pilot experience: Choose an area in which the project is likely to be well-received and successful. Train staff. Design a system for suggestions. Foster an environment of teamwork.

Choose area

Train
Create material
Provide resources
Recruit students
Establish a schedule

#### **Contents:**

Continuous improvement
Group dynamics
Creativity

Design the system
Formats of proposals
Communication media
Preliminary evaluation of
responses
Evaluation of proposals
Response to proposals
Management of complaints
Management of compensation

#### Criteria:

Well-known
High likelihood of success
Significant results
as it is a priority area



Foster an environment for team work

#### Criteria:

Standardization Efficiency of responses Effectiveness of responses





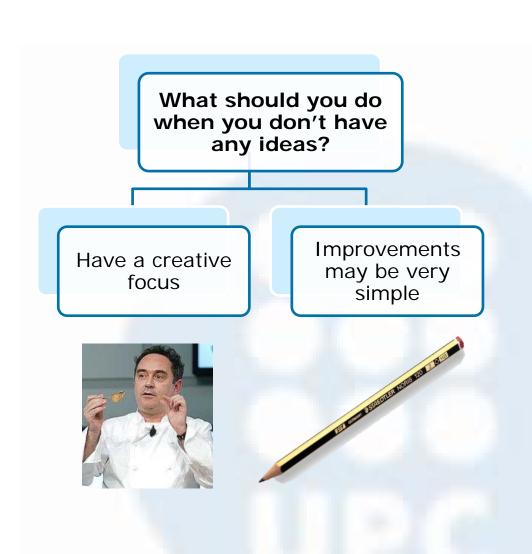
## **Practical case > Example**

## **Training contents:**

Continuous improvement
Group dynamics
Creativity



Foster an environment of teamwork







#### Classification of risk

When a project is planned, it is vital to know the main risks and, if possible, form a plan to reduce them:



- Staff turnover
- Management of change
- Lack of availability of hardware
- Changes and modifications in requirements
- Delays in the specification
- Underestimation of size
- Technological changes
- Competing product





#### Classification of risks

# Types of risks

Technical
Behavioural
Organizational
Business



# **Categories of risks**

#### Risks that...

- Can be avoided
- Can be eliminated by contracting or transferring to third parties
- Can be covered by insurance
- Should be managed
- Should be accepted
- Are extremely unlikely or have only a slight impact

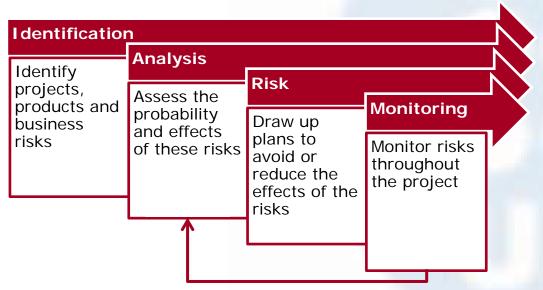




### The process of risk management

- Objective: Consists in identifying risks and drawing up plans to reduce their impact on the project.
  - Risk = probability that an adverse situation will occur
  - Project risks affect the schedule or the resources
    - ✓ Product risks: affect the quality and performance of the product
    - ✓ Business risks: affect the organization or development of the project

#### Phases









# Define instruments to measure and control risk

#### **Phases**

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Identification of risks	Risk analysis	Risk planning	Risk monitoring
Technological Human capital Organizational Requirements Estimations	Assess the likelihood and severity of each risk  Likelihood of the risk; very low, low, moderate, high or very high  Effects of risk: catastrophic, severe, tolerable or insignificant	Draw up a strategy to manage each type of risk  Avoid strategies for low risks  Minimise strategies (group risks and draw up just a few plans of action)  Contingency plans (specific for each risk)	Assess the frequency and impact of identified risks  Assess whether the effects of the risk have changed  Discuss each key risk in specific meetings





# Risk management measures

- Plan the project's objectives, costs and deadlines realistically and carefully
- Collaborate closely with suppliers and clients
- Develop alternative solutions
- Plan a specific risk fund
- Guarantee additional resources







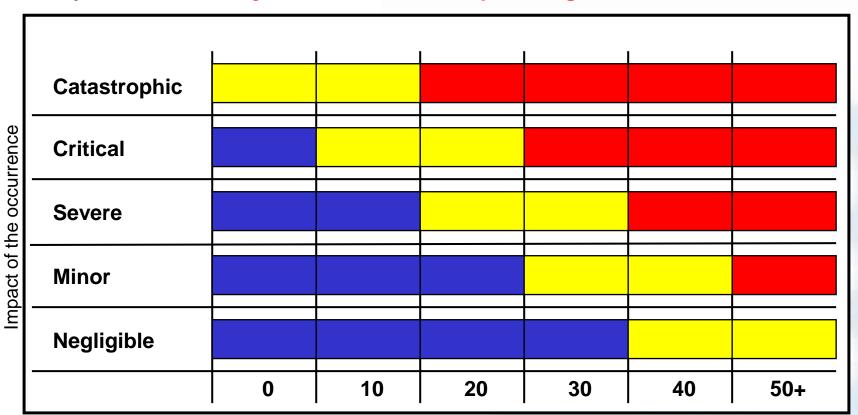
# **Examples > Identification of potential elements of risk**

Element of risk	Probability of occurrence	Impact (0-10)	Weight
Component not available	50%	1	0.5
Earthquake	0.01%	10	0.001
Snowfall	30%	3	0.9
Torrential rain	60%	2	1.2





# **Examples > Risk analysis and alternative planning**



Probability of occurrence (%)





# **Material**

The material in this module was written by:

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#### References

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