

Unit 7: Project Management

AGENDA

- ⦿ Project and Project Management,
- ⦿ Relationship Among Portfolio, Program, Project, and Organizational Project Management,
- ⦿ Relationship Between Project, Operations and Organizational Strategy,
- ⦿ Business Value,
- ⦿ Role and Responsibilities Of Project Manager.

Project Management

⦿ **What is a Project?**

- ⦿ A project is a temporary endeavour undertaken to create a unique product, service, or result.
- ⦿ The temporary nature of projects indicates that a project has a definite beginning and end.
- ⦿ The end is reached when the project's objectives have been achieved or when the project is terminated because its objectives will not or cannot be met, or when the need for the project no longer exists.
- ⦿ A project may also be terminated if the client (customer, sponsor, or champion) wishes to terminate the project

Project Management

- ⦿ Temporary does not typically apply to the product, service, or result created by the project; most projects are undertaken to create a lasting outcome.
- ⦿ For example, a project to build a national monument will create a result expected to last for centuries.
- ⦿ Projects can also have social, economic, and environmental impacts that far outlive the projects themselves.
- ⦿ Every project creates a unique product, service, or result.
- ⦿ The outcome of the project may be tangible or intangible.
- ⦿ Although repetitive elements may be present in some project deliverables and activities, this repetition does not change the fundamental, unique characteristics of the project work.

Project Management

◎ **A project can create:**

- A product that can be either a component of another item, an enhancement of an item, or an end item in itself;
- A service or a capability to perform a service (e.g., a business function that supports production or distribution);
- An improvement in the existing product or service lines (e.g., A Six Sigma project undertaken to reduce defects); or
- A result, such as an outcome or document (e.g., a research project that develops knowledge that can be used to determine whether a trend exists or a new process will benefit society).

Project Management

◎ **Examples of projects include, but are not limited to:**

- Developing a new product, service, or result;
- Effecting a change in the structure, processes, staffing, or style of an organization;
- Developing or acquiring a new or modified information system (hardware or software);
- Conducting a research effort whose outcome will be aptly recorded;
- Constructing a building, industrial plant, or infrastructure; or
- Implementing, improving, or enhancing existing business processes and procedures.

What is Project Management?

- ◎ Project management is the application of knowledge, skills, tools, and techniques to project activities to meet the project requirements.
- ◎ Project management is accomplished through the appropriate application and integration of the 47 logically grouped project management processes, which are categorized into five Process Groups.
- ◎ These five Process Groups are:
 - Initiating,
 - Planning,
 - Executing,
 - Monitoring and Controlling, and
 - Closing.

What is Project Management?

- ◉ Managing a project typically includes, but is not limited to:
 - Identifying requirements;
 - Addressing the various needs, concerns, and expectations of the stakeholders in planning and executing the project;
 - Setting up, maintaining, and carrying out communications among stakeholders that are active, effective, and collaborative in nature;
 - Managing stakeholders towards meeting project requirements and creating project deliverables;
 - Balancing the competing project constraints, which include, but are not limited to:
 - Scope,
 - Quality,
 - Schedule,
 - Budget,
 - Resources, and Risks.

What is Project Management?

- ⦿ If any one factor changes, at least one other factor is likely to be affected.
- ⦿ **For example**, if the schedule is shortened, often the budget needs to be increased to add additional resources to complete the same amount of work in less time.
- ⦿ If a budget increase is not possible, the scope or targeted quality may be reduced to deliver the project's end result in less time within the same budget amount.
- ⦿ Due to the potential for change, project management plan is an iterative activity and is progressively elaborated throughout the project's life cycle.
- ⦿ Progressive elaboration involves continuously improving and detailing a plan as more detailed and specific information and more accurate estimates become available.

Relationships Among Portfolio Management, Program Management, Project Management, and Organizational Project Management

- ◎ Portfolio, program, and project management: It is important to understand the similarities and differences amongst these disciplines.
- ◎ OPM is a strategy execution **framework utilizing project, program, and portfolio management** to consistently and predictably deliver organizational strategy, **producing better performance, better results, and a sustainable competitive advantage.**
- ◎ Conversely, portfolio, program, and project management differ in the way each contributes to the achievement of strategic goals.

Relationships Among Portfolio Management, Program Management, Project Management, and Organizational Project Management

- ◎ Portfolio management aligns with organizational strategies by selecting the **right programs or projects, prioritizing the work, and providing the needed resources**.
- ◎ Program management harmonizes its **projects and program components and controls interdependencies** in order to realize specified benefits.
- ◎ Project management **develops and implements plans** to achieve a specific scope that is driven by the objectives of the program or portfolio it is subjected to and, ultimately, to organizational strategies.
- ◎ OPM advances organizational capability by **linking project, program, and portfolio management principles and practices** with organizational enablers (e.g. structural, cultural, technological, and human resource practices) to support strategic goals.

Program Management

- ⦿ A program is defined as a group of related projects, subprograms, and program activities managed in a coordinated way to obtain benefits not available from managing them individually.
- ⦿ A project may or may not be part of a program but a program will always have projects.
- ⦿ Program management is the application of knowledge, skills, tools, and techniques to a program in order to meet the program requirements and to obtain benefits and control not available by managing projects individually.
- ⦿ Projects within a program are related through the common outcome or collective capability.

Program Management

- ⦿ Program management focuses on the project interdependencies and helps to determine the optimal approach for managing them.
- ⦿ Actions related to these interdependencies may include:
 - Resolving resource constraints and/or conflicts that affect multiple projects within the program,
 - Aligning organizational/strategic direction that affects project and program goals and objectives, and
 - Resolving issues and change management within a shared governance structure.
- ⦿ **Example:** A new communications satellite system with projects for design of the satellite and the ground stations, the construction of each, the integration of the system, and the launch of the satellite.

Portfolio Management

- ⦿ A portfolio refers to projects, programs, subportfolios, and operations managed as a group to achieve strategic objectives.
- ⦿ The projects or programs of the portfolio may not necessarily be interdependent or directly related.
- ⦿ Portfolio management refers to the centralized management of one or more portfolios to achieve strategic objectives.
- ⦿ It focuses on ensuring that projects and programs are reviewed to prioritize resource allocation, and that the management of the portfolio is consistent with and aligned to organizational strategies.

Projects and Strategic Planning

- ◎ Projects are often utilized as a means of directly or indirectly achieving objectives within an organization's strategic plan.
- ◎ Projects are typically authorized as a result of one or more of the following strategic considerations:
- ◎ **Market demand, Strategic opportunity/business need, Social need, Environmental consideration, Customer request, Customer request, Technological advance, and Legal requirements.**

Projects and Strategic Planning

- ◎ A project management office (PMO) is a management structure that standardizes the project-related governance processes and facilitates the sharing of resources, methodologies, tools, and techniques.
- ◎ The responsibilities of a PMO can range from providing project management support functions to actually being responsible for the direct management of one or more projects.
- ◎ There are several types of PMO structures in organizations, each varying in the degree of control and influence they have on projects within the organization, such as:
 - ◎ Supportive (Degree of control provided is LOW),
 - ◎ Controlling (Degree of control provided is MODERATE), and
 - ◎ Directive (Degree of control provided is HIGH).

Projects and Strategic Planning

- ◎ The PMO integrates data and information from corporate strategic projects and evaluates how higher level strategic objectives are being fulfilled.
- ◎ The PMO is the **natural liaison** between the organization's portfolios, programs, projects, and the corporate measurement systems.
- ◎ A primary function of a PMO is to support project managers in a variety of ways which may include, but are not limited to:
 - Managing shared resources across all projects administered by the PMO;
 - Identifying and developing project management methodology, best practices, and standards;
 - Coaching, mentoring, training, and oversight;
 - Monitoring compliance with project management standards, policies, procedures, and templates by means of project audits;

Projects and Strategic Planning

- Developing and managing project policies, procedures, templates, and other shared documentation (organizational process assets); and
 - Coordinating communication across projects.
- ◎ Project managers and PMOs pursue different objectives and, as such, are driven by different requirements.
 - ◎ Differences between the role of project managers and a PMO may include the following:
 - The project manager focuses on the specified project objectives, while the PMO manages major program scope changes, which may be seen as potential opportunities to better achieve business objectives.

Projects and Strategic Planning

- The project manager controls the assigned project resources to best meet project objectives, while the PMO optimizes the use of shared organizational resources across all projects.
- The project manager manages the constraints (scope, schedule, cost, quality, etc.) of the individual projects, while the PMO manages the methodologies, standards, overall risks/opportunities, metrics, and interdependencies among projects at the enterprise level.

Relationship Between Project Management, Operations Management, and Organizational Strategy

- ◎ Operations management is responsible for overseeing, directing, and controlling business operations.
- ◎ Operations evolve to support the day-to-day business, and are necessary to achieve strategic and tactical goals of the business.
- ◎ Example: operations like production, manufacturing, accounting, software support, and maintenance.
- ◎ Projects require project management activities and skill sets, while operations require business process management, operations management activities, and skill sets.

Operations and Project Management

- ◎ Projects can intersect with operations at various points during the product life cycle, such as:
 - At each closeout phase;
 - When developing a new product, upgrading a product, or expanding outputs;
 - While improving operations or the product development process; or
 - Until the end of the product life cycle.
- ◎ Operations are ongoing endeavours that produce repetitive outputs, with resources assigned to do basically the same set of tasks according to the standards institutionalized in a product life cycle.
- ◎ Unlike the ongoing nature of operations, projects are temporary endeavours.

Operations Management

- ⦿ A subject area that is outside the scope of formal project management as described in this standard.
- ⦿ An area of management concerned with ongoing production of goods and/or services.
- ⦿ It involves ensuring that business operations continue efficiently by using the optimum resources needed and meeting customer demands.
- ⦿ It is concerned with managing processes that transform inputs (e.g., materials, components, energy, and labour) into outputs (e.g., products, goods, and/or services).

Operational Stakeholders in Project Management

- ◎ The stakeholders perform and conduct business operations and so their needs are important considerations in projects that will affect their future work and endeavours.
- ◎ Project managers who consider and appropriately include operational stakeholders in all phases of projects, gain insight and avoid unnecessary issues that often arise when their input is overlooked.
- ◎ Operational stakeholders should be engaged and their needs identified as part of the stakeholder register, and their influence (positive or negative) should be addressed as part of the risk management plan.
- ◎ **Examples:** Plant operators, Manufacturing line supervisors, Help desk staff, Customer service representative, Salespersons, Maintenance workers, Line managers, and Training officers.

Organizations and Project Management

- ◎ Project management activities should be aligned with top-level business direction, and if there is a change, then project objectives need to be realigned.
- ◎ In a project environment, changes to project objectives affect project efficiency and success.
- ◎ When the business alignment for a project is constant, the chance for project success greatly increases because the project remains aligned with the strategic direction of the organization. Should something change, projects should change accordingly.

Organizations and Project Management

- ◎ **Project-based organizations (PBOs)** refer to various organizational forms that create temporary systems for carrying out their work. PBOs can be created by different types of organizations (i.e., functional, matrix, or projectized).
- ◎ The use of PBOs may diminish the hierarchy and bureaucracy inside the organizations as the success of the work is measured by the final result rather than by position or politics.
- ◎ PBOs conduct the majority of their work as projects and/or provide project rather than functional approaches.

Business Value

- ⦿ Business value, unique to each organization, is defined as the entire value of the business; the total sum of all tangible and intangible elements.
- ⦿ E.g. Tangible elements may include monetary assets, fixtures, stockholder equity, and utility and intangible elements may include good will, brand recognition, public benefit, and trademarks.
- ⦿ Depending on the organization, business value scope can be short-, medium-, or long-term.
- ⦿ Through the effective use of portfolio, program, and project management, organizations will possess the ability to employ reliable, established processes to meet strategic objectives and obtain greater business value from their project investments.

Business Value

- ⦿ While not all organizations are business driven, all conduct business-related activities for attaining business value for those activities.
- ⦿ Organizational strategy can be expressed through the organization's mission and vision to provide defined directions for development and growth, in addition to performance metrics for success.
- ⦿ Portfolio management aligns components (projects, programs, or operations) to the organizational strategy, to optimize project or program objectives, dependencies, costs, timelines, benefits, resources, and risks.

Business Value

- ⦿ Program management focuses on project interdependencies and helps to determine the optimal approach for managing and realizing the desired benefits.
- ⦿ Project management focuses on the successful delivery of products, services, or results. Within programs and portfolios, projects are a means of achieving organizational strategy and objectives.

Role of the Project Manager

- ⦿ The project manager(PM) is the person assigned by an organization to lead the team that is responsible for achieving the project objectives.
- ⦿ The role of a PM is distinct from a functional manager or operations manager.
- ⦿ A functional manager is focused on providing management oversight for a functional or a business unit, while operations managers are responsible for ensuring that business operations are efficient.
- ⦿ Depending on the organizational structure, a project manager may report to a functional manager.

Role of the Project Manager

- ◎ Responsibilities and Competencies of the Project Manager
- ◎ PMs have the responsibility to satisfy the needs: task needs, team needs, and individual needs and hence he becomes the link between the strategy and the team.
- ◎ Projects are essential to the growth and survival of organizations and create value in the form of improved business processes, are indispensable in the development of new products and services, and make it easier for companies to respond to changes in the environment, competition, and the marketplace.

Role of the Project Manager

- In addition to any area-specific skills and general management proficiencies, effective project management requires that the project manager possess the following competencies:
- **Knowledge:** Refers to what the project manager knows about project management.
- **Performance:** Refers to what the project manager is able to do or accomplish while applying his or her project management knowledge.
- **Personal:** Project manager behaviour when performing the project or related activity.
- Personal effectiveness encompasses attitudes, core personality characteristics, and leadership, which provides the ability to guide the project team while achieving project objectives and balancing the project constraints.

Role of the Project Manager

◎ Interpersonal Skills of a Project Manager

- ◎ Effective project managers require a balance of ethical, interpersonal, and conceptual skills that help them analyze situations and interact appropriately. Interpersonal Skills or important interpersonal includes skills, such as:

- Leadership,
- Team building,
- Motivation,
- Communication,
- Influencing,
- Decision making,
- Political and cultural awareness,
- Negotiation,
- Trust building,
- Conflict management, and
- Coaching.