

Chapter – 4

Project Management

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Project Management

Project is a temporary group activity designed to produce a unique product, service or result. A project is **temporary** in that it has a defined beginning and end in time, and therefore defined scope and resources. A project is unique in that it is not a routine operation, but a specific set of operations designed to accomplish a singular goal. So, a project team often includes people who don't usually work together—sometimes from different organizations and across multiple geographies.

Project management, then is the application of knowledge, skills and techniques to execute projects effectively and efficiently. It's a strategic competency for organizations, enabling them to tie project results to business goals and thus, better compete in their markets.

Features : Project management has the following features :

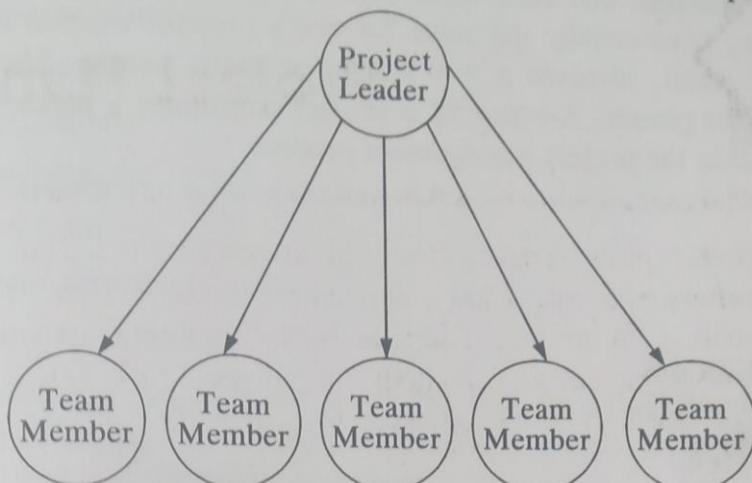
- (a) Performed in a definite time period, in order to meet a specific set of objectives.
- (b) It is likely to be a one time program.
- (c) It has a life cycle, with a specific start and end.
- (d) It has a work scope that can be categorized into definable tasks.
- (e) It has a budget.
- (f) It is likely to require the use of multiple resources. Many of these resources may be scarce and have to be shared with others.
- (g) It may require the establishment of a specific organization, or the crossing of traditional organizational boundaries.

Project management methods : The following are the task/project management methods :

- (a) Directive project management
- (b) Participatory project management.

(a) Directive Project Management : The directive approach represents old management technology. It assumes that the project manager is the person who can do the best job of planning and controlling the project. The project manager does the planning and then delegates tasks to the team members. He or she then follows up with individual team members to make sure they are completing their tasks on time. Communication flow is primarily between the team member and the project leader. If a problem is encountered, it's upto the leader to solve it.

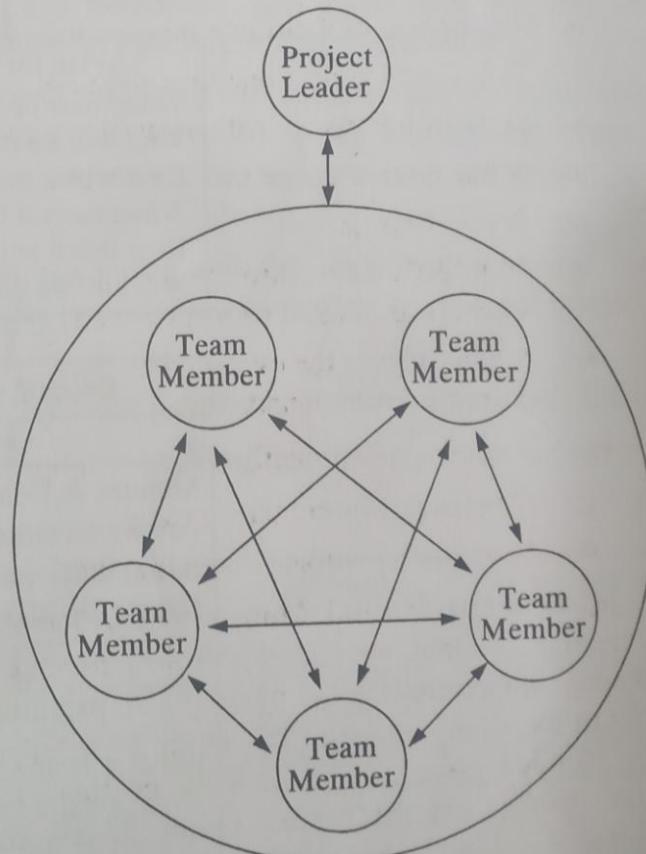
Team members have little understanding of the project as a whole or how their work fits into the big picture. There is little team ownership or commitment to the project.



Directive Project Management

(b) Participatory Project Management : Participative project management represents the newer management technology for projects. The project leader facilitates the project management process, leading the team through the steps of planning. The team, under the direction of the project leader, monitors the progress of the project as the work is completed. Decisions about the work are made with the involvement of the team and communication flow is not only up and down from team members to the project leader, but across the team as well. Each member of the team understands how his or her individual piece of the project fits into the big picture. More ideas are generated.

Better decisions are made when everyone participates. Participation creates ownership, which strengthens commitment and accountability. Team morale is usually higher. There is less rework. Individual and team performance is increased.

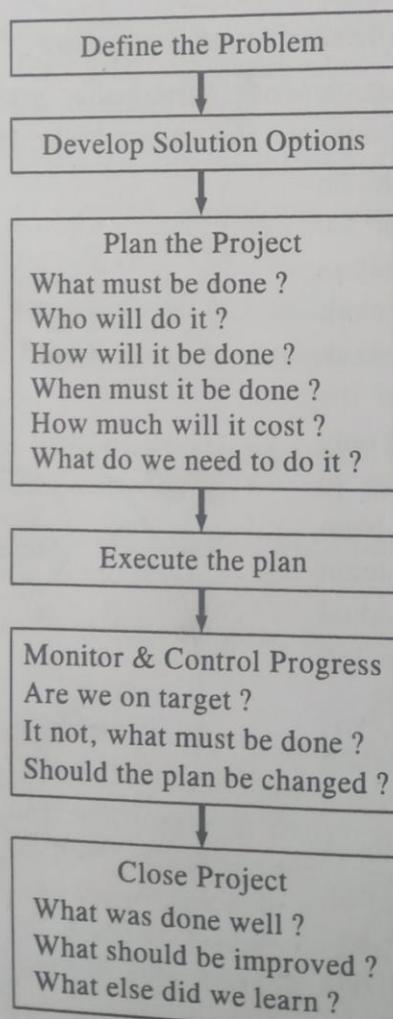


Participative Style of Communication

4.1. STAGES OF PROJECT MANAGEMENT

The sequence of activities that each team must complete, from commissioning the project through its completion, is essentially the same for every project, whether the project is simple or complex, large or small, involves a few people or many people. These activities can be grouped into five project phases. A phase of a project constitutes a major set of activities that must be performed within the project management process.

- (a) Initiating
- (b) Planning
- (c) Executing
- (d) Monitor and control
- (e) Closing.



The steps in managing a project

The seven keys for creating a successful project focus on things that individual project teams can and should do to make their projects more successful. The seven keys to success are :

- (a) Use an effective method.
- (b) Invest in planning.
- (c) Involve the customer.
- (d) Make it manageable.
- (e) Develop the team.
- (f) Communicate effectively.
- (g) Learn from your mistakes.

(a) Project Initiation : An idea for a project will be carefully examined to determine whether or not it benefits the organization. During this phase, a decision making team will identify if the project can realistically be completed.

(b) Project Planning : A project plan, project charter and/or project scope may be put in writing, outlining the work to be performed. During this phase, a team should prioritize the project, calculate a budget and schedule and determine what resources are needed.

(c) Project Execution : Resources' tasks are distributed and teams are informed of responsibilities. This is a good time to bring up important project related information.

(d) Project Performance and Control : Project managers will compare project status and progress to the actual plan, as resources perform the scheduled work. During this phase, project managers may need to adjust schedules or do what is necessary to keep the project on track.

(e) Project Close : After project tasks are completed and the client has approved the outcome, an evaluation is necessary to highlight project success and/or learn from project history.

Projects and project management processes vary from industry to industry ; however, these are more traditional elements of a project.

■ 4.1.1. SWOT Analysis

A tool that identifies the strengths, weaknesses, opportunities and threats of an organization. Specifically, SWOT is a basic, straightforward model that assesses what an organization can and cannot do as well as its potential opportunities and threats. The method of SWOT analysis is to take the information from an environmental analysis and separate it into internal (strengths and weaknesses) and external issues (opportunities and threats).

Strength	Weakness
S	W
O	T
Opportunities	Threats

Once this is completed, SWOT analysis determines what may assist the firm in accomplishing its objectives and what obstacles must be overcome or minimized to achieve desired results.

1. **Strengths :** A firm's strength are its resources and capabilities that can be used as a basis for developing a competitive advantage. Examples of such strengths include :

- (a) Patents
- (b) Strong brand names
- (c) Good reputation among customers
- (d) Cost advantages from proprietary know-how
- (e) Favourable access to distribution networks.

2. **Weaknesses :** The absence of certain strengths may be viewed as weakness. Examples of such weaknesses include :

- (a) Lack of patent protection
- (b) Weak brand names
- (c) Poor reputation among customers
- (d) High cost structure
- (e) Lack of access to distribution networks.

3. **Opportunities :** The external environment analysis may reveal certain new opportunities for profit and growth. Examples of such opportunities include :

- (a) An unfulfilled customer need
- (b) Arrival of new technologies
- (c) Loosening of regulations.

4. **Threats :** Change in external environment, may also present threats to a firm. Examples of such threats include :

- (a) Emergence of substitute products
- (b) New regulations
- (c) Increases trade barriers.

► 4.1.1.1. APPLICATIONS OF SWOT ANALYSIS

The SWOT tool is not just for business and marketing. Here, are some examples of what a SWOT analysis can be used to assess :

1. A company (its position in the market, commercial viability, etc.)
2. A method of sales distribution
3. A product or brand
4. A business idea
5. A strategic option, such as entering a new market or launching a new product
6. A potential partnership
7. Changing a supplier
8. Outsourcing a service, activity or resource

9. Project planning and project management
10. An investment opportunity
11. Personal financial planning
12. Personal career development - direction, choice, change, etc.
13. Education and qualifications planning and decision making.

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Important and Expected Questions

Q.1. Explain project management.

Ans. Project is a temporary group activity designed to produce a unique product, service or result. A project is **temporary** in that it has a defined beginning and end in time, and the defined scope and resources. A project is unique in that it is not a routine operation, specific set of operations designed to accomplish a singular goal. So, a project team includes people who don't usually work together — sometimes from different organizations and across multiple geographies.

Project management, then is the application of knowledge, skills and techniques to manage projects effectively and efficiently. It's a strategic competency for organizations, enabling them to tie project results to business goals and thus, better compete in their markets.

Q.2. What are the features of Project Management ?

Ans. Project management has the following features :

- (a) Performed in a definite time period, in order to meet a specific set of objectives.
- (b) It is likely to be a one time program.
- (c) It has a life cycle, with a specific start and end.
- (d) It has a work scope that can be categorized into definable tasks.
- (e) It has a budget.
- (f) It is likely to require the use of multiple resources. Many of these resources may be scarce and have to be shared with others.
- (g) It may require the establishment of a specific organization, or the creation of traditional organizational boundaries.

Q.3. Describe the stages of project management.

Ans. The various stages of project management are as the following :
1. Initiation : It will be carefully examined to determine if the project idea is feasible and worth pursuing.