|  |
| --- |
| **Course Name: Diploma in Project**  **Management**  Institution: AIMPS / Nairobi  Module: One  Name: Angelo Achire Okok  Logolomoi  Admission number: AIPMS/188/2018 |

**Module one**

1. What are the four basic functions that comprise the management process? Explain briefly how they are related to each other.
2. Identify the three different kinds of managers by both level and area in an organization.
3. Identify the different important skills that help managers succeed giving relevant examples for each category
4. What is planning? Explain the objectives and principles of planning.
5. Explain the planning process
6. What are the different types of plans? Explain them.
7. “Failure to plan is planning to fail.” Discuss
8. Take any two international companies and examine how they have succeeded or failed due to poor strategic planning.

**Answers**

1. Project management is the application of knowledge, skills, and techniques to project activities to meet project requirement. Project management is accomplished through the use of the processes such as: initiating, planning, executing, controlling, and closing. The four basic functions that comprise the management process are: planning, organizing, leading and controlling.

Planning involves defining goals, establishing strategies for achieving those goals, and developing plans to integrate and coordinate activities. The manager is responsible for developing the plans that determine the goals an organization will pursue, the products and services it will provide, how it will manufacture and deliver then, to whom and at what price. These plans involve creating an organizational vision and mission and specific tactics for achieving the organizational goals.

Organizing involves arranging and structuring work to accomplish the organization’s goals. Managers do this by designing organizational structures to execute their plans, often building elaborate organizational charts that divide an organization into division, departments, and other parts and designate the people who reside in each position and by developing systems and processes to direct the allocation of human, financial and other resources.

Lading involves working with people to accomplish the organizational goals. Leadership is considered to be the most important ingredient for a manager’s success. Great leaders can make great things happen, inspiring their employees to do extraordinary things and accomplish extraordinary goals.

Controlling involves monitoring, comparing, and correcting work performance. To accomplish their goals and the goals of the organization, managers must establish performance standards based on the organization’s goals and objectives, measure and report actual performance, compare the two, and take corrective or preventive actions as necessary.

These functions are related in such a way that all involve coordinating and foreseeing the work of others so that their activities are completed efficiently and effectively.

1. **The different kinds of managers by both level and in an organization are:**

First-line managers often called supervisors are located on the lowest level of management. Managers at this level direct the operating employees. In production department, first-line managers are called foreman, supervisors, superintendent, inspectors and many others. In marketing, finance and other departments, they are called junior executives.

Middle managers include all level of management between the first-line level and the top level of the organization. Heads of Departments, Regional managers, are all good examples of middle managers. They are concern with directing the activities of front-line managers who enforce the policies of the organization.

Top managers include managers at or near the top of the organization who are responsible for making organization-wide decisions and establishing plans and goals that affect the entire organization. Board of directors, Chief Executive Officers (CEO), fall under this category.

A manager works in many areas within an organization irrespective of the level and some of these areas include:

* Marketing managers are engage in getting customers and clients to buy the products or services such are flight on Kenya Airlines. The areas for marketing manager include development of new products, advertising and distribution.
* Operation manager creates and manages systems that produce the products and services for the organization. Operation managers are responsible for the production control, inventory management, quality control and selection of site.
* Human resource manager. He or she is responsible for hiring and developing employees. They plan human resource, recruit and select employees, train, design compensation and benefit systems, formulate performance appraisal, and many other responsibilities.

1. **Managers need certain skills to perform the challenging duties and activities associated with being a manager, and some of these essential skills needed by managers include:**

Technical skills are job-specific knowledge and techniques needed to proficiently perform specific tasks. It is essential, however, for managers to understand the technology, the markets and the environment of the business. Technical expertise is necessary to evaluate technical concepts and solutions, to communicate effectively in technical terms with the project team, and to assess risk and make trade-offs between cost, schedule, and technical issues.

Conceptual skills are the ability to think and conceptualize about abstract and complex situations. This skills allows managers to develop strategic thinking about the big picture and be able to integrate the working of the organization and its surroundings in a holistic approach.

Communication skills. This is another important skill, and the one in which managers spend most of their time during the life of the project. Good communications skills include verbal and nonverbal communications that enables a project manager to convey project information in a way that it is received and understood by all project stakeholders.

Diagnostic skills is an important skills needed of a project manager to enable him visualizes the most suitable reaction to a situation. A manager needs to diagnose and analyze issues in the organization by studying its symptoms and then prescribe solutions.

Time management skills. Being able to manage time is an essential skill for a manager. Therefore, a manager needs to look carefully at how he plans his process so that he can streamline to save time.

1. **Planning is the process of defining and refining objectives and selecting the best of the alternative courses of actions that the project intends to address. Planning serves a number of objectives which include:**

The primary purpose of planning is to establish a set of directions in sufficient detail to tell the project team exactly what must be done, what resources will be required to produce the deliverables of the project successfully, and when each resource will be needed.

Planning reduces uncertainty. Effective managers judge the future and prepare themselves to meet the challenges of the future. The influence the outcome of the event in a very significant way. In a business setting, the employees, creditors, consumers and the government are the major interest groups. The interest and the expectations of all these groups vary considerably and at times are at conflict. Thus in an uncertain business environment, a manager must thrive to foresee the future and predict the consequences of actions. Thus, and effective plan addresses some of these problems associated with the future.

Plan establishes standards used in controlling. Planning and control are indispensable. When an even is planned, control must be taken to track its progress. The specific objectives formulated in advance become the standards.

Plans help to cope with change. Globally, the business environment is rapidly changing. Managers are thus required to continually analyze the close changes in the environment and assess their impact on business. For instance, globalization and the regional trade arrangement pursed by many government has brought a lot of changes. The demand for labor force has shifted due to international factor movement and competition for labor. Trade policies have changed. Together, these changes put serious pressure on business management.

**A rigor plan must follow the following planning principles:**

Take time to plan. Planning is a continuous process of making entrepreneurial decisions with an eye to the future, and methodologically organizing the effort needed to carry these decisions. Planning involve the commitment of organizational resources in a particular way. A well though plan would reduce resource wastage and inefficiency. Both capital and expense requirements should be detailed by task and also the monitoring and control procedures should be described. In addition to the usual routine elements, the monitoring and control procedures should be designed to cover special resource requirements for the project, such as special machines, test equipment or construction, logistics, field facilities and special materials. To do this, more time is required to be devoted when making plan.

Top down and bottom up planning. In many organizations, most plans are developed by upper-level management. They hold the vision for the organization. The overall plan for the organization is divided into departmental plans. Marketing, finance, and other plans down the organization originate from the department. The advantage of this approach is that planning is done with fair accuracy.

On the other hand, the bottom up approach involves upper-management collecting information from the front line management for plan formulation. Here, the initiative for planning comes from the lower levels in the organization. This bottom-up planning makes use of the subordinates’ experience and also takes the views into consideration. Size of the organization, the organizational culture, the leadership style of the executive, and any other factors, influence the choice of the method of planning to be used but rather, a combination of the two would do better.

Involve and communicate with those concerned. The operations of most business organizations are highly interrelated. Thus, the interrelation of activities requires the involvement of all the people concerned with the achievement of the plan goals. This active involvement of people enhances their commitment in the project, and further accelerates information sharing. On the other hand, if the concerned parties are left out, implementation becomes a problem because they do not understand the plan. Thus, plans are built on a foundation of communication, and is the oil the lubricant that keeps the plan running smoothly.

Plan must be flexible and dynamic. Because the business environment is constantly changing, managers are not only expected to see these new conditions in advance of their arrival but also to deal with them effectively when they arrive. Rigid plan does no better in a constantly changing environment. Therefore, a plan must be flexible enough to handle unique activities meet the dynamic of the twenty first century changing projects environment.

Evaluate and revise. Because plan requires flexibility, regular evaluation of plan is important in order to make recommendations that relate to the project progress. Time and again, manager has to evaluate and review plan to determine the extent to which the specific, measurable, achievable, realistic and time bound objectives (SMART) are achieved. Evaluation attempts to improve program implementation and activities in current and future work plans before it is has gone too bad. This requires accurate and reliable information.

1. **Planning goes through a number of processes and these includes:**

Setting goals. Planning starts by specifying a goal, target or quota to an organization wants to achieve by a certain time. Goals of an organization and various smaller units must be explicitly spell out in quantitative terms. For instance, the business objective of Nadia diary firm may be to increase the market share of milk in Major towns of Kenya by 25 percent in 2025. To achieve such a set objective, more attention is required to on resources.

Outlining planning premises. Understanding of assumptions is very crucial in the planning process. The expectations of the planning results are based upon the assumptions made. Assumptions of both internal and external environment must be documented using the project charter. Changing assumptions may mandate that the project be terminated or toward a different set of objectives.

The assumption about the external environmental conditions that affect the success of the project include factors such as interest rates, market conditions, changing customer demands and requirements, changes in technology and even government policies. On the other hand, the present of future assumptions about the assets of the company that can impact the success of the project include the capability of the enterprise project management methodology, the project management information system, forms, templates, guidelines, checklists, and the ability to capture and use lessons learned data and best practices. Thus, making appropriate assumptions is very important in helping the organization to identify the favorable and unfavorable factors in the environment.

Decide the planning period. Planning period differ substantially depending on the objectives set and the types of the project. For instance, while operational plan places emphasis on short term, strategic planning are normally long term. Plans may be short term, medium term or long term. Plan should be made for a period that can easily be anticipated.

Develop alternatives and select the course of action. Under this step, various alternative courses of action are developed and are evaluated to select the most appropriate course of action. Different courses of action may be used to achieve the set objectives. For example, increasing food items in the country may be achieved by importing, producing, contracting companies, adopting modern technology, and the use of improved new seed varieties. The technical feasibility, economic viability and the societal impact, are the general rules of thumb to select the appropriate course of action.

Derivative plans. In this process, the plan for the entire organization is broken down into a departmental level. For instance, the production of production and sales plan of Nadia is to achieve 25 percent return on investment is organization’s overall plan, the will be effectively implemented when this specific plan for the whole organization are finalized are finalized for the various departments like human resource, finance, and so on.

Review periodically. Finally, planning work also provide a provision for adequate follow-up to determine compliance with the project objective. Examples of activities included in the follow up involve providing instruction and training for users, setting up a help desk and evaluating the project itself. Review is done at regular intervals to take corrective action and ensure the project is not deviating so much from the objective.

1. **Plans are of different types and they include:**

Budget. A Budget plan has come to be accepted as an efficient method of planning and control. It is a tool for planning expenditure over time. Its format of depends on the procedures of its partners and the requirements of the donors. The budget plan is usually divided into revenue costs and capital costs. Revenue costs are all costs that relate to the running of the project while capital costs relate to the purchase of any items that will have a resale value longer than one year. Organizational budgets vary in scope. Master budget is a consolidated plan of action of the whole business enterprise. The technique of budgeting is an important application of management accounting. The greatest aid to good management has ever been devised is the use of budgets and budgetary control. It is a versatile tool and has helped managers cope with many problems including inflation.

Mission and purpose. An organization’s mission statement describes the purpose for which it exists. It establishes the values, beliefs and guidelines that the organization holds in high esteem. Mission statement describes how an organization is going to its business. It defines the basic intentions of the firm. Thus, a clear definition of mission or purpose is necessary to develop meaningful objectives. The mission statement forces the management to define their customers and their needs.

Program. Program plan is a wide term goals setting, choosing activities and identifying. A program thus include objectives, policies, procedures, methods, standards and budget. Program can be classified into major or minor. Major program is bigger than the minor in that it constitutes minor as its subset.

Rules are prescribed courses of actions that expressly states what is to be done under a given set of circumstances. Because rules suggest the required actions, then they are plans. A rule necessitates that a definite action has to be taken in a particular way with respect to a situation. Rules are associated with some definiteness such as no trespassing. Rules allow no discretion in their application.

Procedures are detailed methods for carrying out policies. For instance, a company’s policy may be to dispose of old stock at a discount. Procedure may explain how to decide which product is outdated and what percentage is to be offered. A clear and simple procedure would ensure performance operation.

Procedures are of different forms for example, for placing order for material and equipment, for bank signatory for group or company account, for sanctioning different types of employee’s leave, for laboratory preparation of ammonium, and many others. Policies and procedures are interrelated. For example, a company may follow a time bound promotion policy to promote people from within. However, the operational part of the policy is specified by procedure.

1. **Failure to plan is planning to fail.” Discuss**

“Failure to plan is planning to fail.” This statement is true for a number of reasons that are emphasize below for the importance of planning:

Basis for action. Planning provides an opportunity to convert ideas into action. Planning identifies and describes the roles of the relevant personnel in the organization. For instance, in a school, the principal, teachers, ancillary staff, students, parents and community members should have their roles in the provision of services clearly defined.

Planning is crucial to the survival of a programme, because poor planning adversely affect the programme. Planning formalizes it, creates an atmosphere of team work and commitment, and allows consultations and shared responsibilities.

Time management. Planning allows an individual to allocate time to think how the project will be achieved. This process will help the planner to his project better, understand what need to be delivered and also note any key dependencies at play in the project, that is, things that have to be completed before other things can be started.

Planning is a very good communication tool, that is, it helps the manager to communicate to both the project team and the client or customer exactly how the project is going to be approached.

**On the other hand, it is unrealistic to dwell on the statement that “failure to plan is planning to fail.” for the reasons:**

Planning is inadequate. It is true that planning in advance does not take care of all unforeseen events, risks, and deviations nevertheless.

1. **A significant number of international companies have failed to achieve the intended outcomes on time and within budget due to poor strategic planning. Below are two case of international companies:**

Recently, in December 2003, the Beagle 2 Mars probe designed jointly by the European Space Agency and British National Space Center was lost and it was never heard from again. The failure was blame to inadequate project planning. Excessive pressure on time, cost, and weight compromised the mission right from the onset. With insufficient public funding, the design team had to spend much of their time raising private funds instead of addressing difficult technical issues.

In addition, late changes forced the team to reduce the Beagle’s weight from 238 pounds to 132 pounds. When the three airbags failed to work properly in testing, a parachute design was substituted but insufficiently tested due to lack of time (Project Management Institute. “Mars or Bust,” PM Network October, 2004, p.1).

A case of failure due to poor strategic planning is the failure of Child Support Software. In March 2003, the United Kingdom’s Child Support Agency (CSA) started using their new £456 million ($860 million) software system for receiving and distributing child support payments. However, by the end of 2004 only about 12 percent of all applications had received payments, and even they took three times longer than normal to process. As such, CSA threatened to scrap the entire system and withhold £1 million ($2 million) per month in service payments to the software vendor. This problem arose due to both scope creep and the lack of risk management strategy (Project Management Institute, “Lack of Support,” PM Network, January. 2005, p.1)

While throughout most of the half of the twentieth century companies and the managers who ran than were rewarded for their conservatism and their resistance to change. Large corporations such as General Motors, American Telephone and Telegraph (AT$T), and Sears Roebuck and Company were fortified islands built to stand up to even the largest waves of change, this is no longer the case. To survive, organizations cannot ignore change and they cannot fight it. To survive, organizations must anticipate change, prepare for it, and embrace it when it arrives.