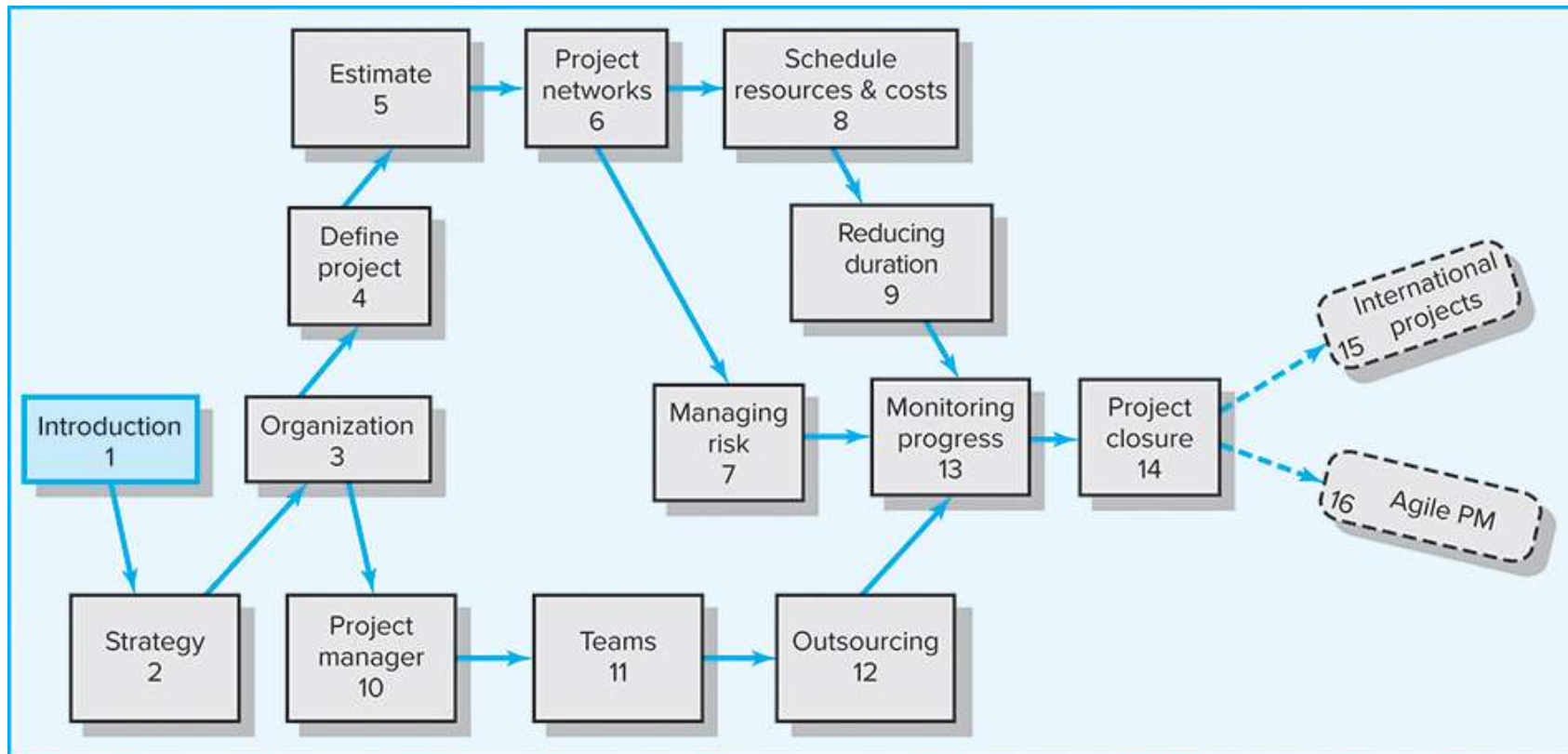


# Chapter One

## Modern Project Management

# An Overview of Project Management 7<sup>th</sup> ed



# What Is a Project?

- Project Defined (according to PMI)
  - A temporary endeavor undertaken to create a unique product, service, or result
- Major Characteristics of a Project
  - Has an established objective
  - Has a defined life span with a beginning and an end
  - Requires across-the-organizational participation
  - Involves doing something never been done before
  - Has specific time, cost, and performance requirements

# Program versus Project

- Program Defined
  - A group of related projects designed to accomplish a common goal over an extended period of time
- Program Management
  - A process of managing a group of ongoing, interdependent, related projects in a coordinated way to achieve strategic objectives
  - Examples:
    - Project: completion of a required course in project management.
    - Program: completion of all courses required for a business major.

# Comparison of Routine Work with Projects

## **Routine, Repetitive Work**

Taking class notes

Daily entering sales receipts into the accounting ledger

Responding to a supply-chain request

Practicing scales on the piano

Routine manufacture of an Apple iPod

Attaching tags on a manufactured product

## **Projects**

Writing a term paper

Setting up a sales kiosk for a professional accounting meeting

Developing a supply-chain information system

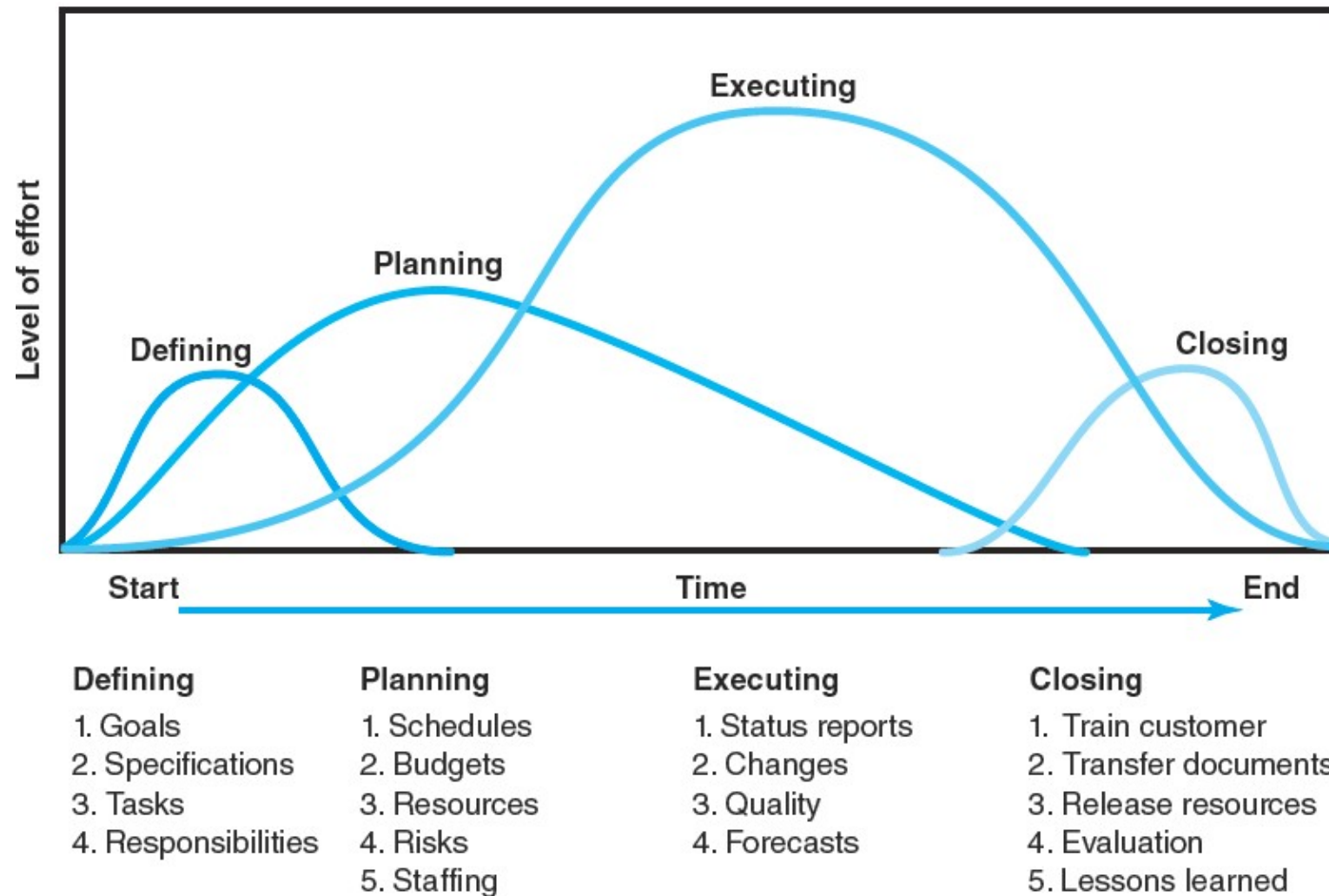
Writing a new piano piece

Designing an iPod that is approximately 2 X 4 inches, interfaces with PC, and stores 10,000 songs

Wire-tag projects for GE and Wal-Mart

**TABLE 1.1**

# Project Life Cycle



**FIGURE 1.1**

# The Challenge of Project Management

- The Project Manager
  - Manages temporary, non-repetitive activities and frequently acts independently of the formal organization.
    - Marshals resources for the project.
    - Is linked directly to the customer interface.
    - Provides direction, coordination, and integration to the project team.
    - Is responsible for performance and success of the project.
  - Must induce the right people at the right time to address the right issues and make the right decisions.

# Current Drivers of Project Management

- Factors leading to the increased use of project management:
  - Compression of the product life cycle
  - Knowledge explosion
  - Triple bottom line (planet, people, profit)
  - Increased customer focus
  - Small projects represent big problems

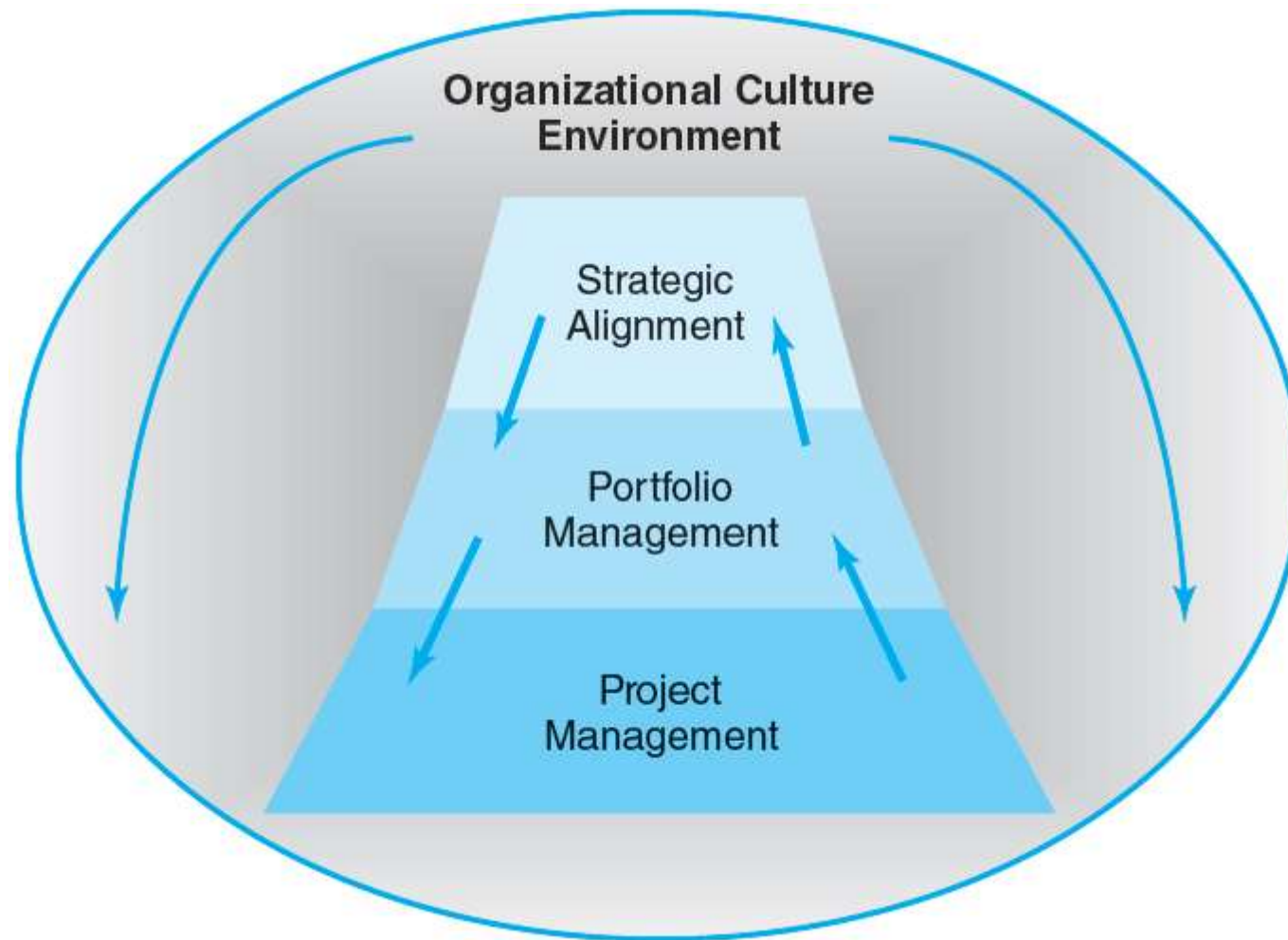




# Project Governance

- Integration (or centralization) of project management provides senior management with:
  - An overview of all project management activities
  - A big picture of how organizational resources are used
  - A risk assessment of their portfolio of projects
  - A rough metric of the firm's improvement in managing projects relative to others in the industry
  - Linkages of senior management with actual project execution management

# Integrated Management of Projects



**FIGURE 1.2**

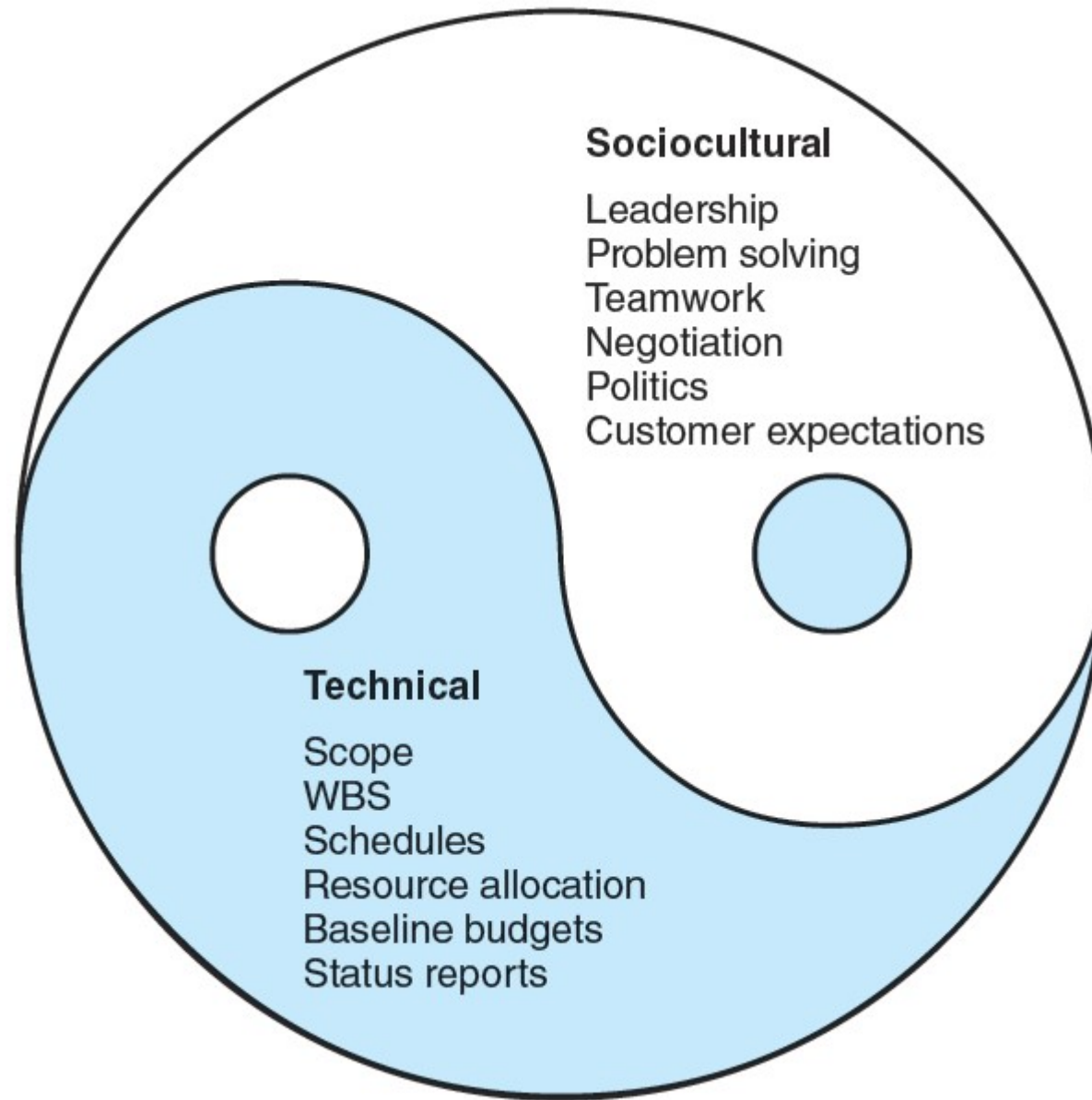
# Alignment of Projects with Organizational Strategy

- Problems resulting from the uncoordinated project management systems include:
  - Projects that do not support the organization's overall strategic plan and goals.
  - Independent managerial decisions that create internal imbalances, conflicts and confusion resulting in dissatisfied customers.
  - Failure to prioritize projects results in the waste of resources on non-value-added activities/projects.

# A Project Management Today: A Socio-Technical Approach

- The Technical Dimension (The “Science”)
  - Consists of the formal, disciplined, purely logical parts of the process.
  - Includes planning, scheduling, and controlling projects.
- The Sociocultural Dimension (The “Art”)
  - Involves contradictory and paradoxical world of implementation.
  - Centers on creating a temporary social system within a larger organizational environment that combines the talents of a divergent set of professionals working to complete the project.

## A Socio-Technical Approach to Project Management



**FIGURE 1.3**