MERITS OF CONTEMPORARY PROJECT MANAGEMENT

WORLD CLASS
PRODUCTIVITY

wcpconsulting.com | Developed and presented by: Michael Stefanovic P.Eng., PMP, MBA

Outline

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- The Brave New World of Project Management
- Project Management Institute
- Project Management Body of Knowledge
- PM Maturity and How To Get It

Projects in Perspective…

"CEOs from 236 companies report that product development is the most important source of future growth and profit" (Smith and Reinerstsen, p. 242).

"Projects are the means by which new products are developed. As a result, a company's ability to successfully manage projects has become a critical factor in overall performance and profitability"

Why Convert On-Going Operations Work Into Projects?

- Work done in teams; allows flatter organizations; reduces bureaucracy

- Project objectives easier to define; projects are temporary; more motivating

- More adaptable to changing environment

- Easier focus on customer requirements

- Easier integration of interdisciplinary work

- More efficient use of resources

Result:

- Number of projects that are done simultaneously in the organization grows exponentially
- Project driven organizations
- Project management maturity-managing by projects

Definitions

- Project
- Program
- Portfolio

Let Us Not Forget!...

- **Projects are done:**
  - **To solve a problem, or to take advantage of an opportunity (micro view)**
  - **To achieve corporate objectives (macro view)**
  - **To change a business process (macro view)**
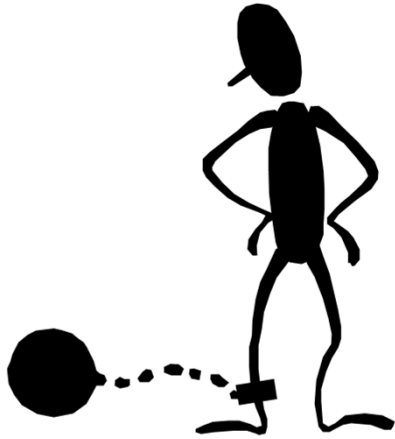- **The reason usually specified in a "Need Statement"**

Objectives →Strategies →Projects
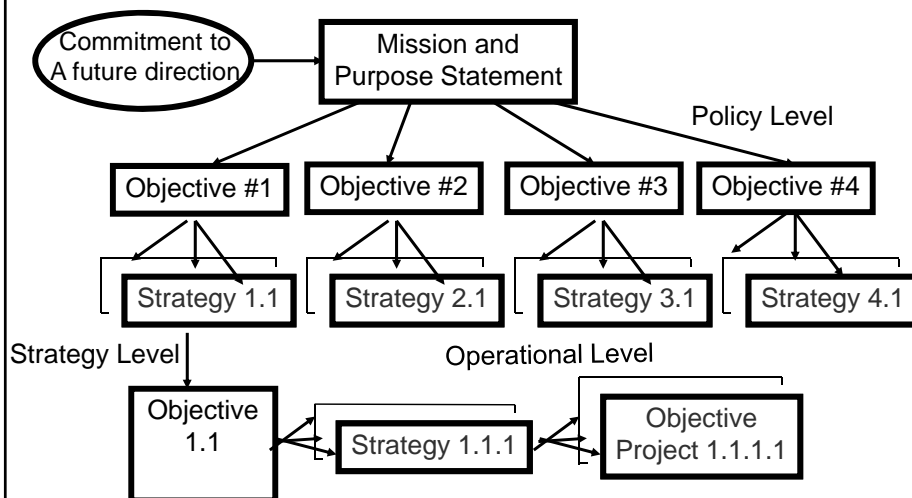
Adapted from paper: "What CEO's Must Demand To Achieve Effective Project Management" by Russel D. Archibald, PMP

What Can Cause a Project to Fail?

Traditional vs. Contemporary Project Management

Project Management

> *"Project Management* is the application of knowledge, skills, tools, and techniques to project activities in order **to meet** the project requirements.*"*

- Guide to PMBOK™ 5ᵗʰ Edition

The Project Management Institute

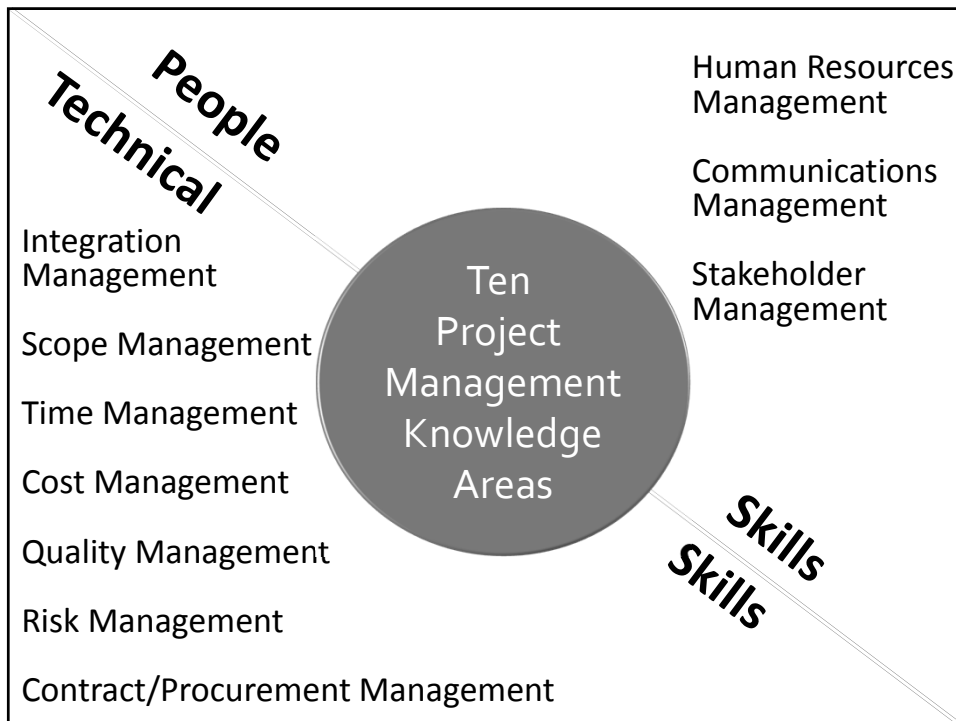### Project Management Institute

Since its founding in 1969, Project Management Institute (PMI®) has grown to be the non profit professional organization of choice for project management professionalism. PMI® establishes project management standards, provides seminars, educational programs and professional certification that more and more organizations desire for their project leaders.

www.pmi.org

Project Management Body of Knowledge

Accepted PM Knowledge & Practice

General Mgmt Knowledge & Practice

Application Area Knowledge & Practice

People

Technical

Integration Management

Scope Management

Time Management

Cost Management

Quality Management

Risk Management

Contract/Procurement Management

Human Resources Management

Communications Management

Stakeholder Management

Ten Project Management Knowledge Areas

Skills

Skills

Integration - The Project Life Cycle
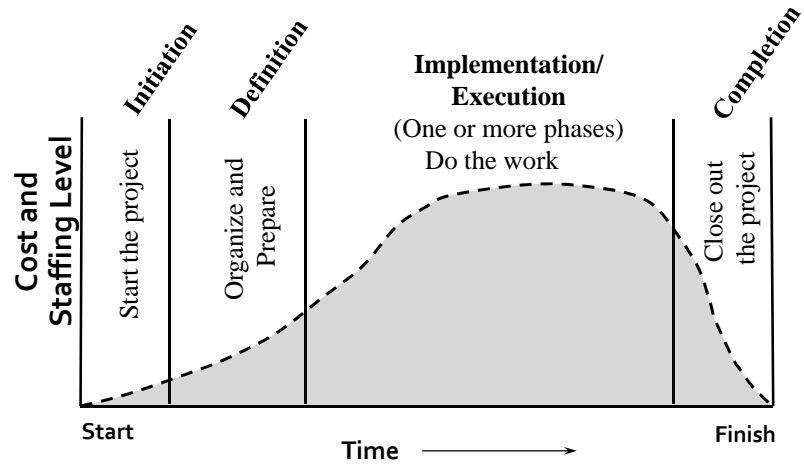
Adapted from *PMBOK™ Guide* Fifth Edition

Scope - Work Breakdown Structure

Graphical WBS

```
0
 1
 2
  2.1
    2.1.1
    2.1.2
  2.2
 3
 4
  4.1
4.2
```

Outline WBS

Time - Logic Diagram

1	6	7	11	12	20
A	6	B	5	C	9
1	6	7	11	12	20

21	26
H	6
21	26

1	TF = 6	3	4	TF = 6	10	11	TF = 6	14
D	3		E	7		F	4	
7	9		10	16		17	20	

4	TF = 8	8
G	5	
12	16	

Early Start — Early Finish

Activity	Days
Description	

Late Start — Late Finish

Cost - Earned Value

Activity	Budget	1	2	3	4	5

PV
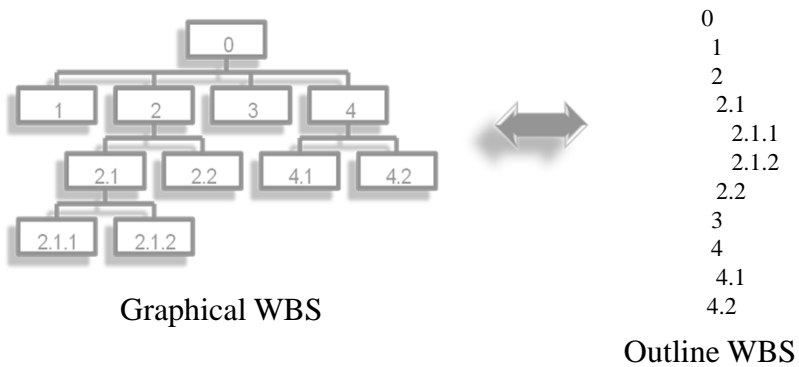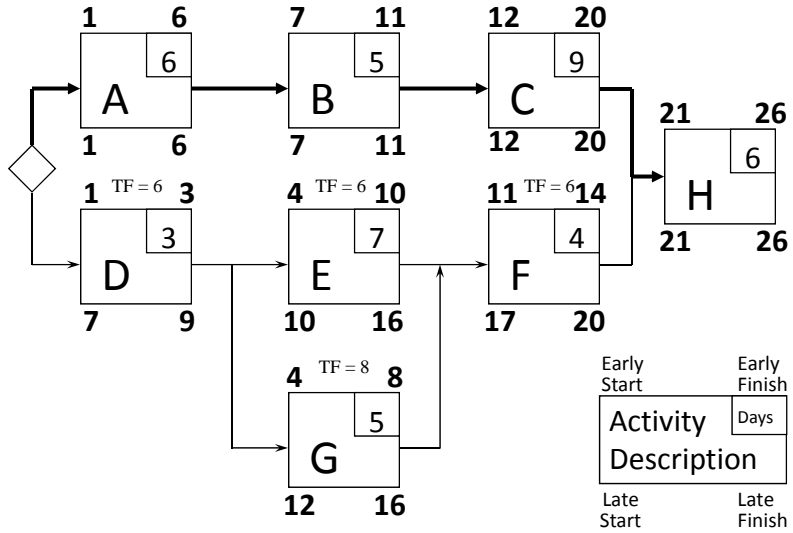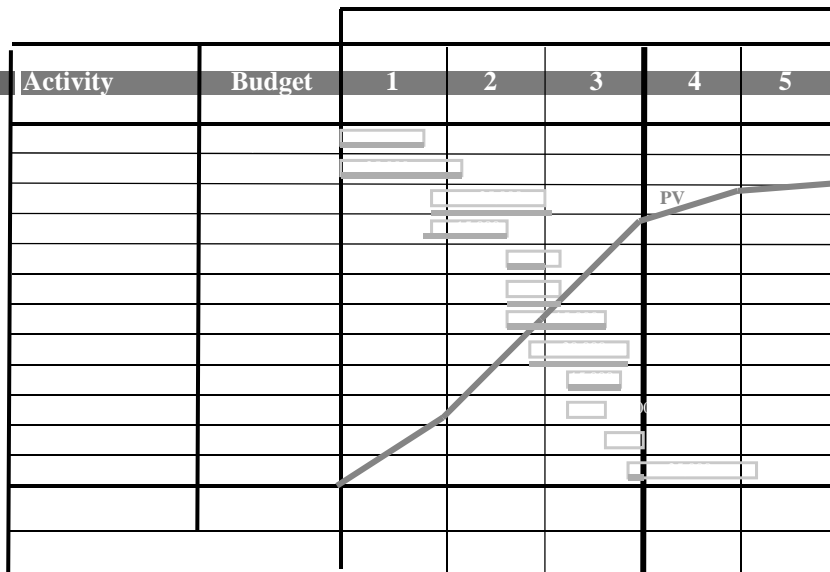
Quality – Cause and Effect Diagram

Alarm Clock

Power failure

Alarm set for PM

Alarm set for wrong time

Snow storm

Train late

Alarm not loud enough

Transportation

Car does not start

Road accident

Pants wrinkled

Hole in the sock

Dog hid one shoe

No clean shirts

Clothing

Kids

Kid sick

Kid missed school bus

Kid lost his homework

Does not want to go to school

Toilet clogged

Daughter taking shower

Light bulb burnt

Town turns water off

Bathroom

Spouse

Wants to "converse"

Is sick

Forgot her birthday

Can not start her car

Toaster smoking

No clean cups

Out of coffee

Out of eggs

Breakfast

Late for Work

Risk Register

Risk Register

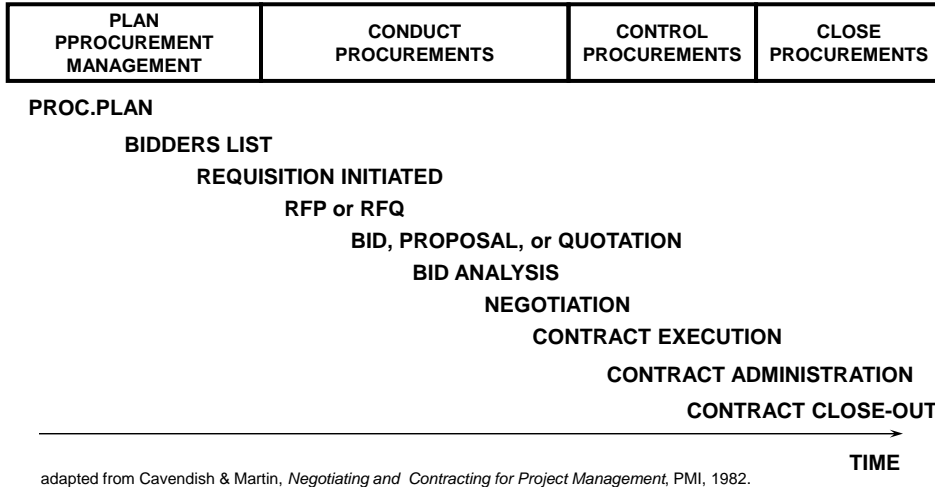| Risk Event	Probability of Risk Low, Moderate, High	Consequence of Risk Low, Moderate, High	Recommended Action Accept, Avoid, Transfer, Reduce	Description of Action
1.				
2.				
3.				
4.				
5.				

The Procurement Process

PLAN PPROCUREMENT MANAGEMENT	CONDUCT PROCUREMENTS	CONTROL PROCUREMENTS	CLOSE PROCUREMENTS

PROC.PLAN

      BIDDERS LIST

          REQUISITION INITIATED

             RFP or RFQ

                BID, PROPOSAL, or QUOTATION

                BID ANALYSIS

                   NEGOTIATION

                     CONTRACT EXECUTION

                       CONTRACT ADMINISTRATION

                         CONTRACT CLOSE-OUT

→ **TIME**

adapted from Cavendish & Martin, *Negotiating and Contracting for Project Management*, PMI, 1982.

Human Resources – Responsibility Matrix

22

Team Member / Task	Project Sponsor	External Client	Project Manager	Procurement	Design Consultants	Contractors	Remarks
Contracting							
Project Management							
Design							
Municipal Approvals							

A = Approves,   R=Responsible,   W = Does the work, P = Participates, I = Provides Information, V = Verifies

Communications/Reporting Plan

Communications/Reporting Plan

This document outlines the formal communication and reporting requirements for the primary project stakeholders. It should include the nature of the communication required (meeting, written report, conference call, etc.), the frequency, the level of detail, and any sign-off requirements that may result.

SENIOR MANAGEMENT

Form/Level of Detail of Communication (Meeting, Report, etc.)	Frequency/Dates	Originator	Distribution/Information Flow	Comments

FUNCTIONAL MANAGEMENT

Form/Level of Detail of Communication (Meeting, Report, etc.)	Frequency/Dates	Originator	Distribution/Information Flow	Comments

PROJECT TEAM

Form/Level of Detail of Communication (Meeting, Report, etc.)	Frequency/Dates	Originator	Distribution/Information Flow	Comments

CLIENT

| Form/Level of Detail of Communication (Meeting, Report, etc.)	Frequency/Dates	Originator	Distribution/Information Flow	Comments

OTHER STAKEHOLDERS

Form/Level of Detail of Communication (Meeting, Report, etc.)	Frequency/Dates	Originator	Distribution/Information Flow	Comments

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Stakeholders - Salience Model

Power
1

4

3   5   7

Urgency   6   Legitimacy

2

8

Identify Stakeholders
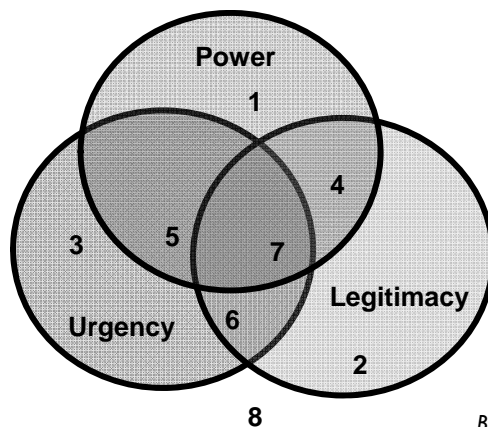
1. **Dormant stakeholder**
2. **Discretionary stakeholder**
3. **Demanding stakeholder**
4. **Dominant stakeholder**
5. **Dangerous stakeholder**
6. **Dependent stakeholder**
7. **Definitive stakeholder**
8. **Non stakeholder**
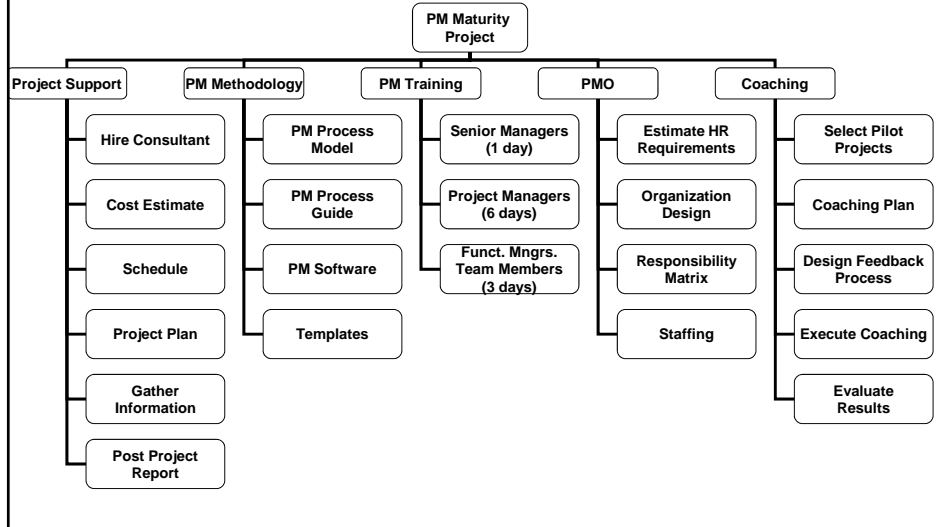
By Puneet Kuthiala, 2009

Applying Project Management

- Repetitive vs. Unique
- Long vs. Short
- Simple vs. Complex

PM Knowledge Areas / PM Processes	Initiating (2)	Planning (24)	Executing (8)	Monitoring & Controlling (11)	Closing (2)
Integration (6)	• Develop Project Charter	• Develop Project Management Plan	• Direct and Manage Project Work	• Monitor/Cntrl Project Work • Perform Integrated Change Control	• Close Project or Phase
Scope (6)		• Plan Scope Management • Collect Requirements • Define Scope • Create WBS		• Validate Scope • Control Scope	
Time (7)		• Plan Schedule Management • Define Activities • Sequence Activities • Estimate Activity Resources • Estimate Activity Durations • Develop Schedule		• Control Schedule	
Cost (4)		• Plan Cost Management • Estimate Costs • Determine Budget		• Control Costs	
Quality (3)		• Plan Quality Management	• Perform Quality Assurance	• Control Quality	
Human Resources (4)		• Plan Human Resource Management	• Acquire Project Team • Develop Project Team • Manage Project Team		
Communication (3)		• Plan Communications Management	• Manage Communications	• Control Communications	
Risk (6)		• Plan Risk Management • Identify Risks • Perf. Qualitative Risk Analysis • Perf. Quantitative Risk Analysis • Plan Risk Responses		• Control Risk	
Procurement (4)		• Plan Procurement Management	• Conduct Procurements	• Control Procurements	• Close Procurements
Stakeholder Management (4)	• Identify Stakeholders	• Plan Stakeholder Management	• Manage Stakeholder Engagement	• Control Stakeholder Engagement	

Legend:
- PM Essentials: Part 1
- New or expanded on in PM Essentials: Part 2
- New or expanded on in PM Essentials: Part 3
- New or expanded on in Project Contracting and Procurement Mngmt
- New in BA for the PM

PM Maturity Project WBS

PM Maturity Project

Project Support	PM Methodology	PM Training	PMO	Coaching
Hire Consultant	PM Process Model	Senior Managers (1 day)	Estimate HR Requirements	Select Pilot Projects
Cost Estimate	PM Process Guide	Project Managers (6 days)	Organization Design	Coaching Plan
Schedule	PM Software	Funct. Mngrs. Team Members (3 days)	Responsibility Matrix	Design Feedback Process
Project Plan	Templates		Staffing	Execute Coaching
Gather Information				Evaluate Results
Post Project Report				