Seminar 7: Introduction to Project Management – Part 2
Semester 1, 2005

Seminar Objectives
At the end of this seminar you should:
• Identify the phases of a project life cycle
• Describe the processes involved in all phases of the project life cycle
• Understand how budgets and timelines are allocated for projects and tasks
• Describe the role of risk management
• Describe the issues with managing change
• Understand the relevance of communicating the project plan
Project (Mis) Management

Standish Group International 7 years of CHAOS research (1994 to 2001)

Findings:
• In 1994, only 28,000 application development projects were successful
• In 2000 78,000 US projects were successful

WHAT HAS CHANGED?

Phases of the project life cycle

Initiation (1) Planning (2) Executing (3) Controlling (4) Closing (5)

Initiation
- Defining the project life cycle
- Project team members are identified
- Project objectives are defined
- Project life cycle planning

Planning
- Implementing the project life cycle
- Alternative courses of actions are identified
- Project planning

Executing
- Coordinating people
- Implementing project plans

Controlling
- Ensuring project objectives are met
- Monitoring and evaluating project performance

Closing
- Evaluation of project performance
- Evaluation of project process
- Evaluation of project strategy

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Initiation phase

**Project Proposal is developed**

- Feasibility analysis is conducted
  - Economic feasibility
  - Operational feasibility
  - Technical feasibility
- Potential risk is assessed
- Project team is identified

Planning Phase

- **Describes key deliverables**
  - Major tasks
  - Sequence
  - Dates
  - Duration of tasks and of project
  - Indicates how customers will be informed of project progress
  - Sets out the project budget
    > Anticipated costs for the total project
Estimates – Project timelines and budget

How are task timelines accurately measured
- Relevant past experience
  > System consultants
  > Project managers
  > Historical information
- Benchmarking studies for similar projects in other organisations
- Activity estimates (software estimation packages)
  > Formulas

Estimates – Project budget (PMBoK, 2000)

How are budget estimates accurately measured?
- **Bottom up**
  - Project work plan used
  - Costs estimated for the lowest level of work plan tasks
  - Work breakdown analysis
- **Top down**
  - Major budget categories
    > Historical experience

Build in cost estimates for project uncertainties
- Immovable project deadlines (working overtime)
- Changes to technology costs or unpredictable technical problems
- Underestimation of training needs etc
- Shifting business requirements

Phase 3 - Execution

- **Monitor and deliver key deliverables**
- **Request for change**
  - Rescoping of project
  - Reassess time lines
  - Reevaluate project costs
    > Budget constraints - project uncertainties
    > Request approval for deviation from budget
    > Implement change requests
    > Implement corrective actions
    > Implement preventive actions
- **Work performance information**
- **Managing project risks**
- **Managing business change**
Managing Project risks

- Identifying project risks
  - At the initiation phase
  - Based on previous experience with similar projects
  - Develop a list of risk factors and weight according to their potential impact
  - Highest risk is at the outset of the project
- Assessing their potential consequences
- Planning responses to minimise the risks
  - Contingency plans
- Monitoring how well the risks are mitigated and managed

Managing business change

The ability to successfully introduce change to individuals and organisational units

- Major changes to business processes
  - Discarded
  - Revised
- Major changes in the way employees work
  - Information flows into and out of work activities

External communications plan

- Project manager

Communicating the status of the project regularly with all key stakeholders
  - Planning charts
  - Reporting on milestones and deliverables
  - Highlighting deviations from project plan
  - Providing reasons
  - Changes to project budget
  - Total budget funding
  - Expenditures to date
  - Current estimated cost to complete (overruns)
  - Explanation of deviation
  - Effective handling of project risks
Phase 4 – Monitoring and Controlling
(Martin, 2005, PMBOK, 2000)

- Project management plan updates
- Project scope updates
- Approve or reject change requests
- Recommend project corrective and preventive actions
- Performance reports
- Forecasts
- Approve deliverables

Phase 5 – Closing
(Martin, 2005, PMBOK 2000)

Project close out process
- IT project is completed, customer formal acceptances project
  - Administer closure procedures
  - Contract closure procedures
- Post project brief
  - Project team leaders document the successes and the failures of the project
  - Useful as historical information

In Conclusion

- The project manager’s role is crucial to the project’s success.
- Managing IT project risks involves assessing potential consequences, while developing responses for risk minimisation and ongoing monitoring. Successfully managing business change as part of the IT project requires pre-planned change management activities.
- Capturing lessons learned at the completion of project phase has been associated with higher software quality and success with future projects.
References


