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

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?
Prepared by: Sue Foster

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

- 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
- Implement change requests
- Budget constraints - project uncertainties
- Request approval for deviation from budget
- Implement corrective actions
- Implement preventive actions
- Work performance information
- Managing project risks
- Managing business change
Managing Project risks  
(Martin, 2000; PMBOK, 2000)

• 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  
(Martin, 2000; PMBOK, 2000)

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

Managing business change

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 debrief
  – 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


