

# Topic 1

Project  
Management  
Context

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## Learning Outcomes

- Gain common understanding of key elements underpinning :
  - projects;
  - project management;
  - project manager;
  - project management “environment”;
  - and project management success.

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## What is a Project?

- One-off
- Solution to problem or response to opportunity
- Has specific objective and scope
- Time / Budget & Resources / Quality constraints

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### Some examples

- Development of new product or service
- Implementation of new system or process
- Design/Construction of new facility
- Facility Relocation
- Marketing campaign
- Mergers and acquisitions
- Events

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### But (all these projects) are also....

- Agent of change serving a purpose
- Often require many “disciplines” to achieve
- Usually impact many people, differently

➔

A BUSINESS SOLUTION

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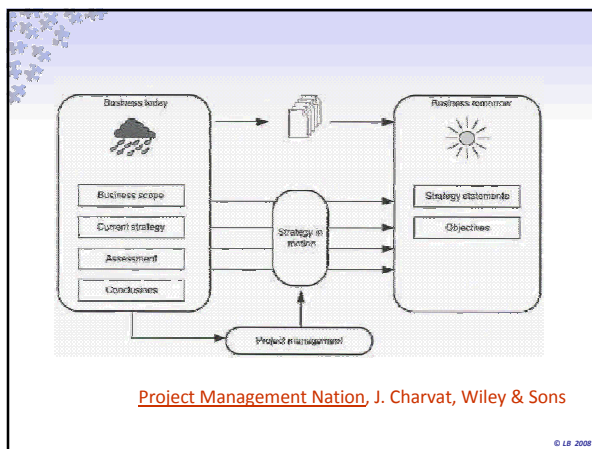
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### Business value : costs and benefits

- Tangible, intangible
- Timeframe for realisation

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### The Project Constraint Triangle

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**Program**

- A group of related projects (no time constraint...)
- Often the “owners” of the Profit & Loss picture, and Project teams responsible for delivery only
- Usually encompass non-project related work

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**Portfolio**

- A collection of projects (and programs) to meet strategic objectives.
- These projects are not necessarily interdependent.
- Grouped to facilitate effective management:
  - Resource deployment
  - Strategic alliance
  - Stage-gating

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**The High Flying PM**

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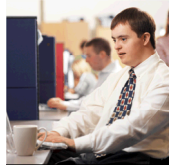
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### What IS the role of the Project Manager?

● As a “process manager” to the project:

- Coordinate tasks & resources (what, who, when)
- Manage change
- Plan, “Problem solve”
- Monitor progress
- Control performance
- Ensure deliverables



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### What IS the role of the Project Manager?

● As a “business manager” to the organization:

- Clarify and communicate (\*the business case)
- Sell the vision
- Lead and motivate to achieve objectives
- Manage relationships (incl. “conflict management”)
- Make or force decisions (through upper management as required)
- Act as “change agent”



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### Duties of an Effective Project Manager

Please read the article “Duties of an Effective Project Manager” in section 1 to discuss in class.

- Do you agree that these duties should be those of a PM?
- Which of these do you fulfill?

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“ 64% of project managers have little or no formal training in project management  
 69% of organizations have no formal pm roles/responsibilities  
 81% of resource assignments occur with no formal coordination ”

- M.E. Mullaly, 2003  
[The Accidental Project Manager: Coming in from the Cold](#)

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**Project Management: a tough business...**

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**“Traits” of successful project managers?**

- **Business orientation:**
  - Sees the big picture
  - Knows what is the end result
  - Relentless in “making it happen”
- **High tolerance for ambiguity, trade-offs**
- **High tolerance for uncertainty**
- **High integrity and straight talk**
- **Ability to mobilize people and... delegate work!**

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“ The art of war does not require complicated maneuvers; the simplest are the best, and common sense is fundamental. From which one might wonder how it is generals make blunders; it is because they try to be [too] clever. ”

-Napoleon  
from Jerry Manas, [Napoleon on Project Management](#).

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### Project Manager vs Functional Manager

PROJECT MANAGER	FUNCTIONAL MANAGER
<ul style="list-style-type: none"><li>○ Generalist</li><li>○ Synthesizer</li><li>○ Facilitator</li></ul>	<ul style="list-style-type: none"><li>○ Specialist</li><li>○ Analyst</li><li>○ Supervisor</li></ul>

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THE TRANSITION

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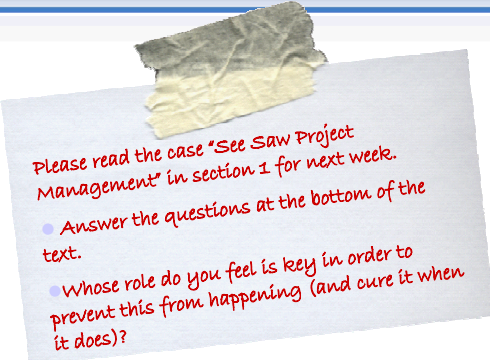
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### See Saw Project Management



Please read the case "See Saw Project Management" in section 1 for next week.

- Answer the questions at the bottom of the text.
- Whose role do you feel is key in order to prevent this from happening (and cure it when it does)?

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### Locomotive Rebuild Pilot Project

Please read the case "Locomotive Rebuild Pilot Project" in section 1 for next week. We will have a discussion in class about it.

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### What really is Project Management?

- A top-down management approach for translating goals (and promises) into deliverables and actions.
- Fundamentally *common sense*.

Goals  
Deliverables  
Tasks  
Dependencies

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### To succeed : 3 key elements

STRATEGY  
Doing things right

PROJECT SUCCES

PEOPLE  
Choosing the right ones

PROCESSES  
Doing the right things

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### These elements must map to your needs!

- Align with your own business strategies, values and culture.
- Include tools, templates, techniques that reflect your way business practices.
- Provide you a common vocabulary for project teams.
- Help in defining Project Roles and Responsibilities (an otherwise long process...).
- Relate to upstream internal processes (in Product Portfolio mgt and Program Management).
- Help sell (credibility) to clients and stakeholders!

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### The alternative? "Seat of the Pants Approach" ...

- Excitement
- Disenchantment
- Confusion
- Panic
- Disaster
- Search for the Guilty
- Punishment of the Innocent
- Rewards for Non-Participants



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### What is the rate of project success?

“ 25% of projects succeed  
 50% are completed late or over budget  
 25% fail completely and never finish ”

-Price Waterhouse Coopers, 2003  
 "Project Success through Risk Management", D.Tilk

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### ...but they are improving

Year	Success	Challenged	Failure
2006	35%	46%	19%
2000	28%	49%	23%
1998	26%	28%	46%
1996	27%	33%	40%
1994	16%	52%	31%

This chart depicts the resolution of over 40 000 IT applications projects in large, medium and small US companies tested by **The Standish Group** since 1994

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### Why do Projects Fail?

- Inability to cope with technology (14%)
- Improperly defined objectives (17%)
- Unfamiliar scope (17%)
- Lack of effective communication (20%)
- Poor Project Management skills (32%)

KPMG study of 256 companies, 2001

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**Why do Projects Fail?**

- Inadequately trained and/or inexperienced project managers
- Failure to set and manage expectations
- Poor leadership at any and all levels
- Failure to adequately identify, document and track requirements
- Poor plans and planning processes

Gantthead.com, November 2002

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**Why do Projects Fail? (cont'd)**

- Poor effort estimation
- Cultural and ethical misalignment
- Misalignment between the project team and the business or other organization it serves
- Inadequate or misused methods
- Inadequate communication, including progress tracking and reporting

Gantthead.com, November 2002

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**Why do Projects Fail?**

- Project Manager (in!) competency...(60%)
- Inappropriate tools.... (40%)



Gartner Report, 2002

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“ 80% of IT organizations report a lack of enterprise project management capabilities as being a key issue. ”

-META Group report, 2003  
Best Practices in Project Estimation and Performance Management

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“ 94% of organisations implementing project management improvement initiatives said that the initiatives were valuable to their organisation. ”

-The Value of Project Management, 2001  
Crawford & Pennypacker, PMI Proceedings

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**by helping to...**

- Anticipate and avoid problems.
- Resolve problems more quickly when they arise.
- Avoid out-of-scope work.
- Improve communications with customers, team members and stakeholders.
- Provide higher quality product the first time.
- Spearhead positive organisational change.

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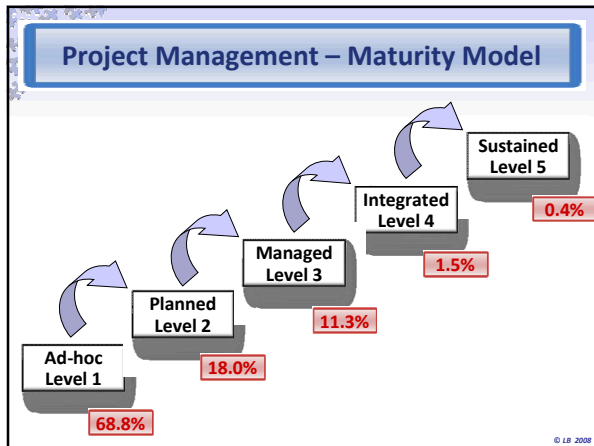
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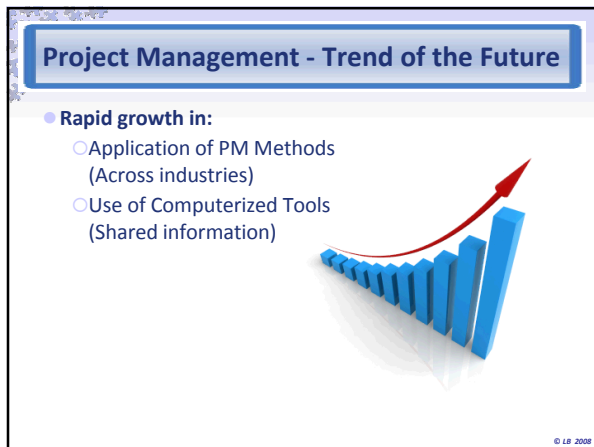
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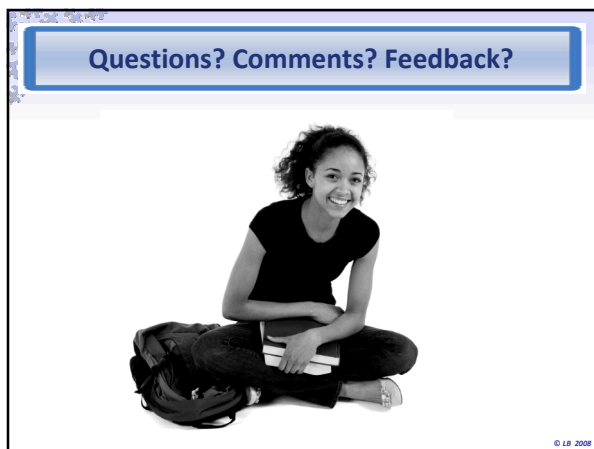
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