

# TOPIC A

## Identify Project Management Concepts

You want to plan and implement projects that will positively affect your organization. A thorough knowledge of projects and project management is required to efficiently manage your projects. In this topic, you will identify basic concepts and terminology of project management.

Business organizations around the world are using project management as a competitive advantage to achieve corporate strategic objectives. By identifying the main elements involved in project management practices, you can enhance the chances of success over a wide range of projects across application areas and industries.

### Projects, Programs, and Portfolios

A **project** is a temporary work endeavor that creates a unique product, service, or result. It has a clearly defined start and finish. The end of a project is reached when its objectives are met, the need for the project no longer exists, or it is determined that the objectives cannot be met. Projects require resources to perform project activities and lend themselves to a teamwork structure because they draw from a range of disciplines to complete the work. Also, projects vary widely in terms of budget, team size, duration, expected outcomes, and industries. A project is considered to be successful when the specified objectives are met within the specified duration and budget and with the required quality.

A **program** is a group of related projects that have a common objective. It offers great control over constituent projects and delivers benefits that the organization can use to meet its goals. A program is managed by a program manager, and individual projects are managed by project managers who work for the program manager. However, all projects need not always be a part of programs. Projects that do not have a common objective, but still are managed in a group, are generally known as multiple projects.

A **portfolio** is a collection of projects, programs, and operational work to achieve the strategic business objectives of an organization. The projects in a portfolio may or may not be interdependent, but they are grouped to give management a broader view of the organization's projects and their adherence to organizational objectives. For a project to be part of a portfolio, its attributes such as cost, resource requirements, timelines, strategic goals, and benefits should be in line with other projects in the portfolio. Portfolios are generally managed by a senior manager or senior management teams.

### Project Management

**Project management** is the planned effort for executing and monitoring a project to accomplish its defined goals and objectives. Managing projects involves scheduling; identifying requirements; establishing objectives; balancing quality, scope, time, and cost; and addressing the concerns and expectations of stakeholders.

Project management is different from the management of routine, ongoing work initiatives called **operations**. Projects generally involve temporary initiatives, unique circumstances, and cross-functional teams. Projects may involve new or specially formed teams taking on new tasks and attempting unfamiliar skills, processes, or work efforts. Operations, on the other hand, deal with the ongoing day-to-day production of goods and services. Operations management includes such disciplines as human resources, purchasing, sales, and maintenance.

While the project management processes and best practices are relatively standard, some processes are specific for certain organizations, such as project management that follows the Project

Management Institute (PMI) *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*. However, your role as a project manager is to tailor the processes to suit your particular project.

## Responsibilities of a Project Manager

In any given project, some of the common responsibilities of project managers include communicating cross-functionally, managing the efforts of the team members who do not report directly to them, and delivering work on time, within the allotted budget and specifications for quality.

## The Project Management Process

There are five project management process groups during which specific project management activities occur.

<b>Process Group</b>	<b>Activities</b>
Initiating	The project's goal is defined and the project is authorized. The output of this process is often a project charter.
Planning	The project's scope, time, cost, and other details are determined. The output of this process is a project plan.
Executing	Tasks are performed and resources are utilized to accomplish the project plan.
Monitoring and Controlling	The project's progress is tracked and corrective action is taken when necessary to keep the project on track.
Closing	The project's products, services, or end results are accepted by those who authorized the project, and the project is brought to an orderly conclusion.

The project management groups relate to one another in the following way. The Planning and Executing process groups are often iterative: as the project plan is executed, more planning is frequently required. The Monitoring and Controlling process group interfaces with and affects the other four groups.



**Note:** Microsoft Project is designed to help you with the Planning, Executing, and Monitoring and Controlling process groups of project management.

## Project Constraints

**Project constraints** are anything that inhibits or dictates the actions of the project team.

**Constraints** are limitations that concern scope, time, cost, and, ultimately, quality. These factors are interrelated and exist in a state of equilibrium. As the project progresses, if one of these factors is altered, the other factors should be balanced to accommodate the change. These changes will affect the quality of the product or service.

For example, if the project schedule is shortened due to a change in stakeholder requirements, the cost and/or the scope will be affected. The cost can increase because more resources are needed to meet the shortened schedule, or the scope can decrease so all of the work can be finished per the revised schedule. In either of these situations, the quality (what the people expect from the project) will change.

This re-prioritization of constraints can occur at any time during the project, and in large or complex projects it can occur several times. Microsoft Project is intended to help project managers deal with various project constraints.



Figure 1-1: The constraints triangle.

## Project Roles

Projects often require a group of people with different roles and responsibilities to communicate with each other and work together. The cohesiveness of this group can affect the project's successful completion.

Role	Description
<i>Project manager</i>	The primary person directing the project's flow and the communication between project participants. The project manager leads the planning of the project, watches for cost overruns, and manages disputes.
<i>Project sponsor</i>	The person in your organization who authorizes, supports, and approves the project. Usually, the project sponsor is a member of senior management.
<i>Project stakeholder</i>	Anyone who is actively involved in the project or has an interest in its outcome. Stakeholders can be inside your organization or outside of it. For example, if the project is to drill a hydraulic fracturing well, internal stakeholders might include geologists, construction workers, and drill operators. External stakeholders might include landowners, environmental groups, and government regulators.
<i>Team member</i>	A person who is responsible for performing or approving the work to complete the project. This includes the people who work on the tasks, referred to as human resources, such as engineers or operators, and may also include resource managers, such as a foreman or director.

## Scope Creep

Project managers must be constantly on guard against *scope creep*, which is the uncontrolled expansion of a project's scope. A multitude of seemingly minor scope changes can add up to major time delays and cost overruns.

# ACTIVITY 1-1

## Identifying Project Management Concepts

### Scenario

You have been hired as a project manager at Greene City National Bank. Before launching your first project, you want to refresh your knowledge of project management terminology and concepts.

- 1. True or False? A project is a series of steps performed to reach a specific goal.**
  - True
  - False
- 2. The scope, the tasks involved, and the resources required for a project are all defined during which process group?**
  - Executing
  - Monitoring and Controlling
  - Closing
  - Planning
- 3. What is the importance of monitoring a project?**
- 4. How would you define project management?**
- 5. Which project management process group involves the completion of tasks and the coordination of people and other resources to carry out the plan?**
  - Initiating
  - Executing
  - Planning
  - Closing
- 6. Who is the project sponsor?**

**7. Which of the following are considered the classic project management constraints?**

- Scope
- Cost
- Earned Value
- Time
- Space

**8. What is scope creep?**

---