Study unit 8

Project management

8.1   BACKGROUND

Everyone has participated in some kind of project, be it a complex work-related project or a simple school project. During these projects, you might have been the project manager or merely part of the project team. Managers often make use of projects to implement strategies, and project management allows strategies to be broken down into programmes. These programmes are further broken down into smaller projects, which are easier to plan, organise, implement and control.

8.2   STUDY UNIT CHALLENGES

We are challenging you to:

- define project management
- explain the various perspectives on project management
- identify the key role-players in project management
- oversee the implementation of the project management process

---

Work through Chapter 14 in the prescribed book.

8.3   KEY CONCEPTS

- A **budget** is a plan that deals with the future allocation and utilisation of various resources with regard to project activities over a given period.
- A **client** is a person or organisation using the products or services of the organisation.
- The bar- or otherwise called, **Gantt Chart**, is a graphic representation showing the project activities on a calendar, scaled to accommodate the timeline.
- The **Project Evaluation and Review Technique** (PERT) diagram, also called the network diagram, is developed by arranging the project activities into related paths.
- A **programme manager** manages a portfolio of projects and is responsible for the organisational benefits derived from the programme.

- **Project management** is a management tool used to plan, organise, implement and control activities in order to attain a predefined objective.
- A **project manager's** sole responsibility is bringing his/her project in on time, within budget and meeting set project requirements.

8.4   INTRODUCTION

The management of any project entails the planning, organising, co-ordinating and control of various project activities and their associated resources, to achieve a predefined goal or objective. Project managers identify these resources by taking a holistic view of the project and identifying all the elements that will eventually contribute to the achievement of the set objective.

8.5   WHEN ORGANISATIONS USE PROJECTS

It is more effective for organisations to use projects, rather than continuous processes, in the following situations:

- to effect improvements and change
- when a task is complex
- when a task requires the integration of activities across functional lines
- when more resources are needed than are available
- when the task is a unique once-off task
- to implement a strategy
- in situations with a defined start and finish

8.6   ADVANTAGES OF PROJECT MANAGEMENT

Organisations use project management because of the numerous advantages associated with it. These advantages are depicted in Figure 8.1.

Figure 8.1: Advantages of project management

8.7   TWO PERSPECTIVES ON PROJECT MANAGEMENT

Society expects organisations to be good corporate citizens and as such, communities are expected to benefit from the operations of the organisations in these communities. Projects will either benefit communities directly (external projects) or indirectly (internal projects). Figure 8.2 summarises both the internal and external perspectives of project management.
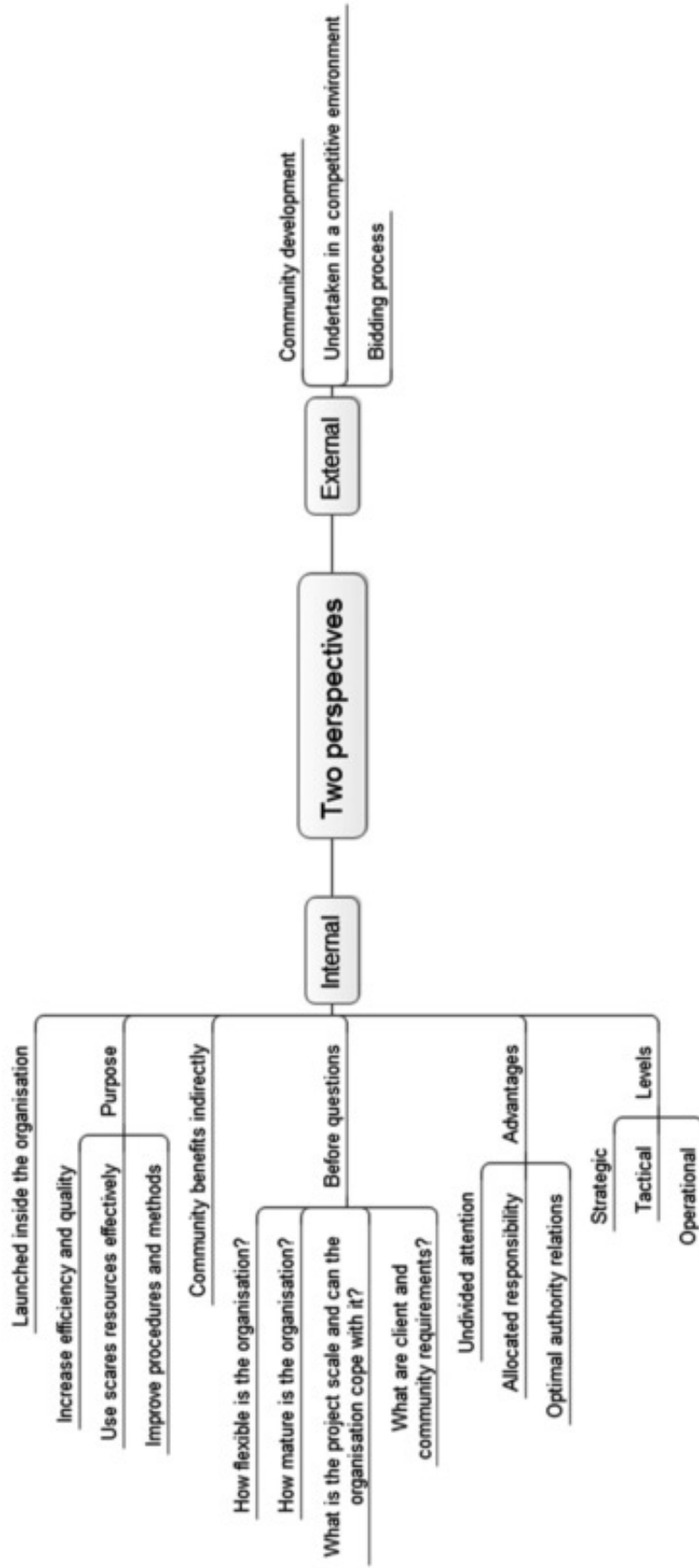
Figure 8.2: Two perspectives on project management

8.8   ROLE PLAYERS

There are two types of role players in a project: key and supporting role players. These role players are summarised in Figure 8.3.
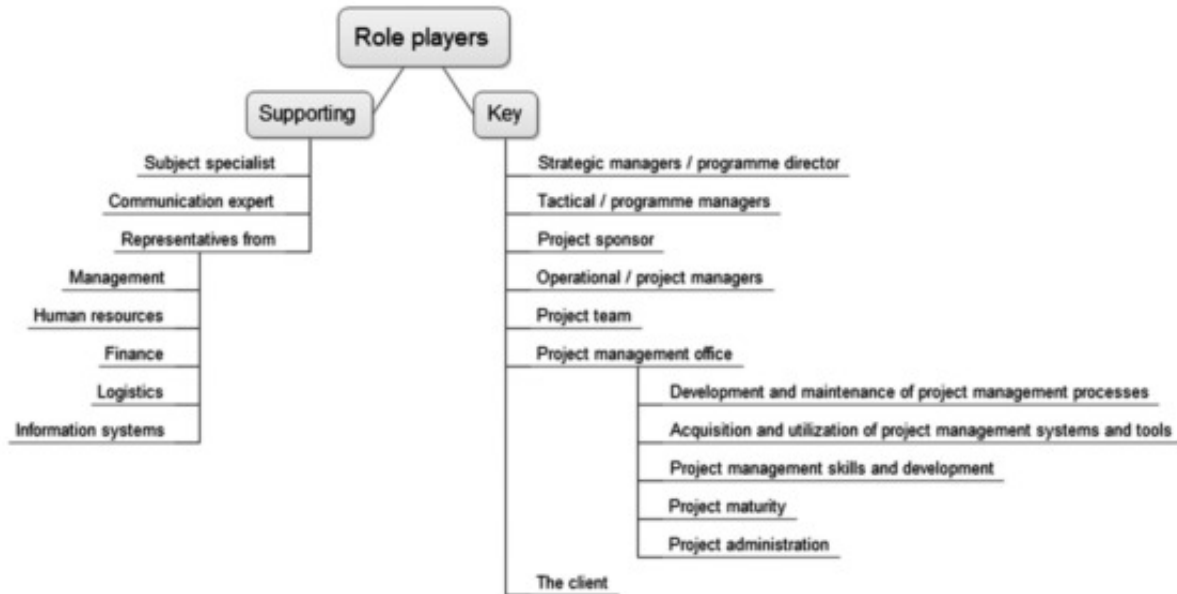

Figure 8.3: Project role players

8.9   THE PROJECT MANAGEMENT PROCESS

Project management is a process that consists of several interrelated steps which follow in a logical sequence. During this process, various tools are used in sequence, which means that the output of the first becomes the input of the next tool. These steps are illustrated in Figure 8.4. It is important that you study these steps in detail in the prescribed textbook.

The following sections contain short discussions of selected tasks and tools that are used in the project management process. You should, however, study all the tasks and tools and their associated order in the prescribed textbook.
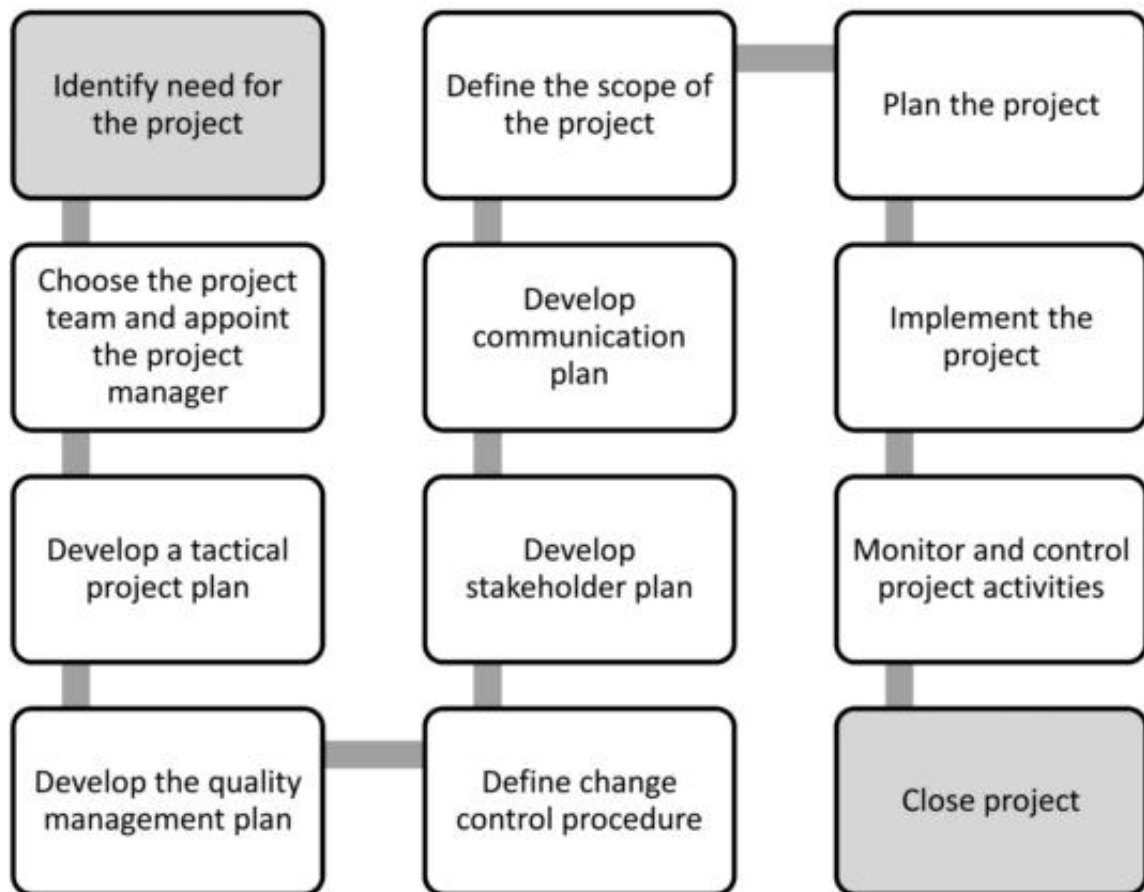
Figure 8.4: The project management process

8.9.1   Choosing a project manager

When choosing a project manager, the organisation should look for a person with the following characteristics:

- the ability to see the project as a whole
- organisational experience
- experience in leadership, management, teamwork and motivation
- the ability to contact and build relationships with all stakeholders
- project management skills
- effective communication, negotiation and procedural skills
- the ability to delegate and control the activities of the project team
- the ability to manage adversity and apply risk management in the process

8.9.2   Total quality management

Quality does not happen automatically, it must be planned for. A widely used approach to the management of quality is total quality management (TQM). The main pillars of TQM are summarised in Figure 8.5.
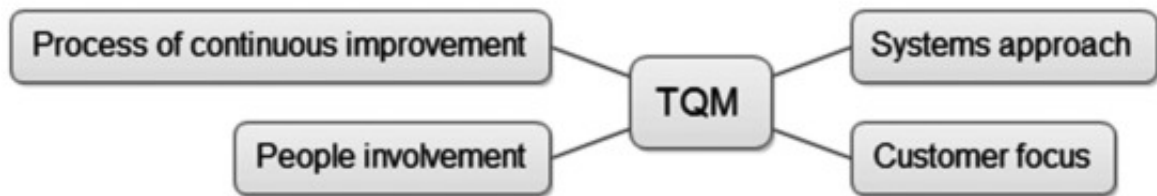
Figure 8.5: The main pillars of TQM

8.9.3   Management of change

It is inevitable that there will be change in projects, whether they are scope changes or project extensions. Therefore, managers should develop a change control procedure and appoint a change control committee.

8.9.4   Stakeholder analysis

To ensure that the right people are consulted, managers must identify anybody with an interest in the project who can also influence project deliverables. The attitudes of these stakeholders, together with their level of interest and influence, should be ranked to determine the risk associated with the particular stakeholders. Management should then use this information to compile a stakeholder tactical plan.

8.9.5   Communication plan

Using the outputs from the stakeholder analysis, the project team can now design an effective communication plan. This will enable them to send the most appropriate type of communication, using the correct medium at the right frequency, to the various stakeholder groups.

8.9.6   Project charter

When defining the scope of a project, the project manager may use a project charter. The main purpose of a project charter is to identify all the inclusions and exclusion of a project. During the planning phase, inclusions are used as an input into the work breakdown structure (WBS). A project charter can include the following information:

- the beneficiaries of the project
- the purpose and objective of the project
- the scope of the project
- the quality parameters of the project
- any factual information and community approval
- the planned completion datė the resources required to execute the project
- the resources available for the project
- the estimated costs
- any possible sources of risk
- assumptions made

8.9.7   Work breakdown structure (WBS)

The project charter is used to create the work breakdown structure (WBS). The main purpose of the WBS is to break the project down into a set of activities. These activities are the inputs that are used to create a project schedule.

8.9.8   Project evaluation and review technique (PERT)

A PERT diagram arranges the project activities into a sequential order, from start to finish. It also depicts the number of days allocated for an activity and the funds available for it.

8.9.9   Bar chart/Gantt chart

A Gantt Chart graphically depicts the information contained in a PERT diagram on a calendar.

8.9.10   Procurement plan

Informed by the project charter and associated bill of materials, the procurement plan address the policies and procedures around how the project will conduct, control and close the procurement function.

8.9.11   Budget

A budget is a tool that project managers use to allocate resources and translate project plans into quantitative terms. The characteristics of a budget are illustrated in Figure 8.6.
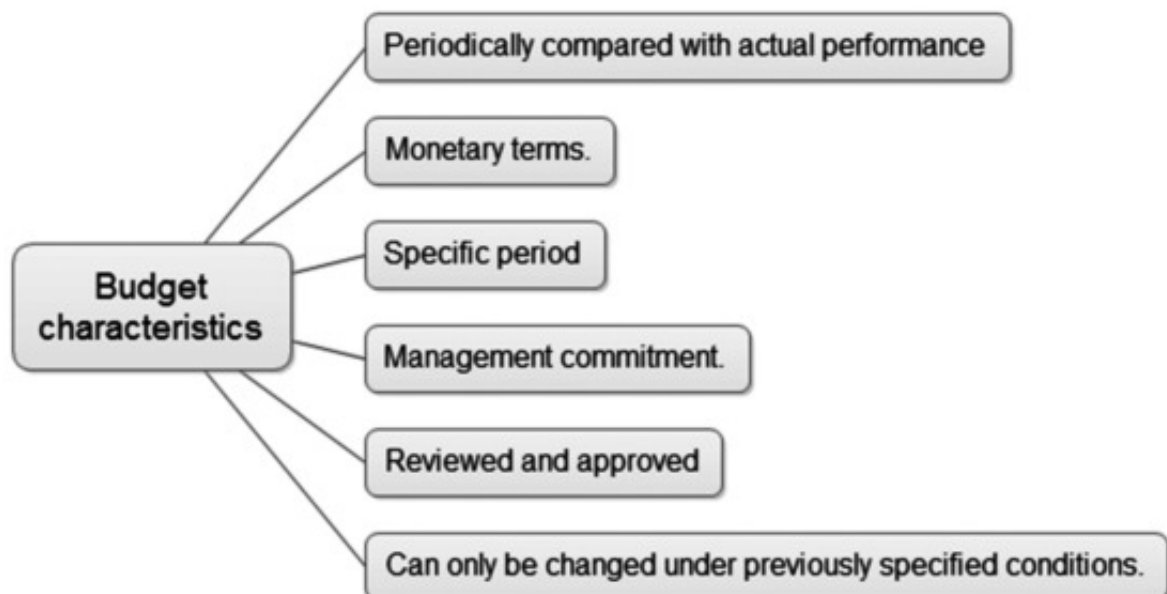

Figure 8.6: Characteristics of a budget

8.9.12   Supporting documents

Supporting documentation or instruction manuals assist team members in carrying out activities in each phase of the project. Figure 8.7 indicates when such documentation is needed.

Figure 8.7: The need for supporting documents

8.10   CONCLUSION

Projects play an important role in contemporary organisations. Projects are, however, constrained by time, cost, requirements, quality and risk. In this study unit, you learned that project management is a process, with a predefined start and finish. You now know that there are two types of projects, internal and external, who the role players in projects are and what the project management process is. This will enable you to oversee the implementation of a project.

To determine the efficiency and effectiveness of your project management skills, the following questions should be asked on completion of a project:

● Were the predetermined objectives attained?
● Was the project completed within the planned period of time?
● Was the project completed within the planned budget?
● Does the quality of the final product or service display the quality that was planned for?
● Were all sources of risk addressed?
● Is the client satisfied with the final product or service?

8.11   ADDITIONAL LEARNING EXPERIENCES

If you have access to the internet, you should consider visiting the following websites. This is **NOT COMPULSORY**, but these websites all contain interesting information and examples about this study unit.

- Project management

  http://www.youtube.com/watch?v=qkuUBcmmBpk
  http://www.youtube.com/watch?v=DPFTJayYrnk

Interesting **tweeple** that you could follow on Twitter:

@PRINCE2PROJECT

@ProManagement2

@ManageProjects

8.12   ASSESSMENT

SECTION A: MULTIPLE-CHOICE QUESTIONS

8.1 _____ can be defined as a management tool used to plan, organise, implement and control activities in order to attain a predefined objective.

    1   A single-use plan

    2   Project management

    3   A programme

    4   Budgeting

8.2 Project management consists of four important elements, namely _____ .

    1   cost, time, quality and risk

    2   planning, organising, leading and control

    3   standardising, control, budgeting and management

    4   negotiation, end-user involvement, planning and coordination

8.3 Which one of the following is **not** an advantage of project management?

    1   Effective project management may lead to a shorter completion period.

    2   The costs of some of the activities of the project can be controlled.

    3   Effective project management can improve the quality of the product or service.

    4   The involvement of role players may improve transparency.

8.4 The following key role player in project management analyses the internal and external environments of the organisation:

    1   the operational manager

    2   the tactical manager

    3   the client

    4   the strategic manager

8.5 The **project centre** is responsible for _____ .

    1   managing the project's budget

    2   monitoring the project's progress

    3   informing the client of the outcome of the project

    4   rewarding project members

8.6 The _____ translates the strategic priorities and goals (as formulated by the strategic manager) of the organisation into potential programmes, consisting of various projects.

    1   strategic manager

    2   client

    3   financial manager

    4   tactical manager

SECTION B: PRESCRIBED TEXTBOOK

Try to answer the review questions in the prescribed textbook.

SECTION C: TUTORIAL LETTER 101

Complete the questions that relate to this study unit from the assignment in Tutorial Letter 101.

8.13   END OF STUDY UNIT CASE STUDY

PintCo

This is a business tale that explains what it takes to turn around troubled projects. The year was 2005 and times were good. The business environment was vibrant and the economy was strong. Large businesses were committing large amounts of capital and resources to implement new strategies, establish new capabilities, and open new markets. It was no different at PintCo, where Jack worked as the Director of Customer Relationship Management.

On Monday morning, Jack walked into the office, just like on any other day. He dropped his briefcase in his office, grabbed a cup of coffee and headed down the hall to meet with his boss, Brandon, about one of the company's troubled projects. Although Jack had substantial experience, he had only recently joined PintCo after being hired away from a chief competitor. He was still learning about some of the nuances of his current employer.

After the typical morning banter, Brandon and Jack got to the topic at hand. "Jack, I'll get straight to the point. I need to you to take over the Customer Master File Project from Paul," Brandon said. He continued, "We hired you because of your significant project management expertise. I know that you've turned around a lot more difficult situations than this." An hour later, Jack emerged from Brandon's office and set out to learn more about the challenge that Brandon had posed to him.

Jack was an experienced business leader and project manager. He had seen more than his fair share of problematic projects; some he turned around, while others had spun hopelessly out of control. He would be able to tell very quickly how this one would go, based on the makeup and culture of the project team.

Trouble waters

Over the course of the next few weeks, Jack took over the Customer Master File project, met with key project team members, and conducted dozens of interviews with key stakeholders. Only a few weeks after Brandon had handed

the keys for this troubled project to him Jack was back in Brandon's office to give a rather stark update about the situation.

"Brandon, I've talked to the project team and to key stakeholders, and I know why this project is in trouble," Jack started. "If you truly want me to turn this project around, I'll need your support to make some critical changes."

Brandon, a 20-year veteran at PintCo, knew what was coming. He had seen too many projects start, flounder, and then fail at the company. He didn't want to hear that another project was on the brink of failure, but he asked anyway, "What did you find out, Jack, and what can I do to help?"

Jack drew a deep breath and began to explain his findings. "Brandon, as you know this project has been running for nearly 6 months now and it is already behind schedule and over budget." Jack went on, "In talking to the project team and other stakeholders, I don't see the situation getting better without making some pretty significant changes."

Jack's experience helped him to quickly identify a number of critical issues with the project, which he carefully outlined for Brandon:

- "The scope of the project is not well defined.
- The IT architects are sitting in their ivory towers and disagree with the project's direction.
- The project team is not functioning as a team.
- There is a lack of clear executive sponsorship.
- Steve from Marketing is trying to manipulate this project for his own political gain."

"I'm not going to sugarcoat this for you, Brandon," Jack explained. "I've seen this situation far too often in my career, and if we

don't change the situation, this project will fail gloriously."

Foundations for success

Brandon knew that what Jack said was true, and he also knew that changing the situation would be difficult, painful, and potentially costly. He reluctantly agreed with Jack, and together they laid out several key changes.

"Thanks for working with me on this, Brandon," Jack said. "Just to confirm, let me summarise the changes that we have agreed to implement:

- *First, we're going to stop the current project and recreate a clear and well-defined scope and get consensus and buy-in for the new scope.*
- *Second, we're going end the architectural holy wars by assigning key IT architects to the project on a full-time basis.*
- *Third, we're going to co-locate the team and assign members on a full-time basis to the project. No more part-time participation.*
- *Fourth, Brandon, you agree to be much more visible and an active participant to drive key decisions for the project.*
- *Finally, Brandon, you are going to have a heart-to-heart with Steve from Marketing, and if necessary, with his boss to eliminate any political agendas that could derail the project."*

Brandon and Jack both agreed with the plan. Jack knew that some of these changes would be unpopular, but without them the project would be doomed. He left Brandon's office with a

sense of relief and apprehension. There was still a lot of hard work and heavy lifting yet to be done.

Celebrations

Six months later, Jack ran into Brandon in the break room as they both were angling for their morning coffee refill. "Jack!" Brandon shouted while patting Jack on the back. "Congratulations on getting the Customer Master File Project into pilot. By all accounts, it has been a resounding success!"

"Thank you," Jack smiled and answered, "but you know it was pretty much touch and go after we met in your office to plan the project turnaround. There were a lot of unhappy campers and several of them didn't like the idea of being assigned solely to the project, if you recall."

"But we quickly converted them, and now I see a project team that is firing on all cylinders," Jack added. "In fact, Sharon told me she was ready to quit six months ago, and now she's happier than ever and up for promotion!" Jack explained.

"I love it when a plan comes together," Jack said proudly as he turned to walk away and take on his next big project.

Adapted from: *Project Smart. (2013)*

8.14   STUDY UNIT REVIEW QUESTIONS

Complete the following questions based on the PintCocase study.

8.1   What questions did Jack have to answer to determine whether the original project was failing? Did he use these questions?

8.2   Identify the key role players and the roles they play in the case study.

8.3   In the case study Jake conducted a stakeholder analysis. During what step of the project management process would this normally be done, and what other analysis should Jack have done during this step?