Week 4

Wednesday, April 20, 2022 8:57 AM

PROGRAM SELECTION

After deciding which projects to pursue, organizations need to decide if it is advantageous to manage several projects together as part of a program. There might already be a program that a new project would logically fall under, or the organization might initiate a program and then approve projects for it. Recall that a program is a group of related projects, subsidiary programs, and program activities managed in a coordinated manner to obtain benefits not available from managing them individually.

Focusing on Coordination and Benefits

What does it mean to manage a group of projects in a coordinated way? Project managers focus on managing individual projects. Project managers and their teams have to do many things to achieve individual project success. For example, for projects to build a new house, some of the activities include:

Working with local government groups to obtain permits
Finding and managing a land excavation firm to prepare the land
Coordinating with an architect to understand the house design
Screening and hiring various construction workers
Finding appropriate suppliers for the materials

If a construction firm is in charge of developing several houses in the same geographic area, it makes sense to coordinate these common activities for all the housing projects instead of doing them separately.

What benefits and control would be possible by managing projects as part of a program? There are several. For example, potential benefits in the housing program scenario include the following:

Saving money: The construction firm can often save money by using economies of scale. It can purchase materials, obtain services, and hire workers for less money if it is managing the construction of 100 houses instead of just one house.

Saving time: Instead of each project team having to perform similar work, by grouping the projects into a program, one person or group can be responsible for similar work, such as obtaining all the permits for all the houses. This coordination of work usually saves time as well as money.

Increasing authority: A program manager responsible for building 100 houses will have more authority than a project manager responsible for building one house. The program manager can use this authority in multiple situations, such as negotiating better prices with suppliers and obtaining better services in a more timely fashion.

Approaches to Creating Programs

Some new projects naturally fall into existing programs, such as houses being built in a certain geographic area. As another example, many companies use IT, and they usually have a program in place for IT infrastructure projects. Projects

might include purchasing new hardware, software, and networking equipment, or determining standards for IT. If a new office opens up in a new location, the project to provide the hardware, software, and networks for that office would logically fall under the infrastructure program.

PROJECT PORTFOLIO SELECTION

Projects and programs have existed for a long time, as has some form of project portfolio management. There is no simple process for deciding how to create project portfolios, but the goal of project portfolio management is clear: to help maximize business value to ensure enterprise success. You can measure business value in several ways, such as in market share, profit margins, growth rates, share prices, and customer or employee satisfaction ratings. Many factors are involved in ensuring enterprise success. Organizations cannot pursue only projects that have the best financial value. They must also consider resource availability (including people, equipment, and cash); risks that could affect success; and other concerns, such as potential mergers, public relations, balancing investments, and other factors that affect enterprise success.

Focusing on Enterprise Success

Project managers strive to make their projects successful and naturally focus on doing whatever they can to meet the goals of their particular projects. Likewise, program managers focus on making their programs successful. Project portfolio managers and other senior managers, however, must focus on how all of an organization's projects fit together to help the entire enterprise achieve success. That might mean canceling or putting several projects on hold, reassigning resources from one project to another, suggesting changes in project leadership, or taking other actions that might negatively affect individual projects or programs to help the organization as a whole.

Initiating Projects

project management consists of ten project

management knowledge areas: project integration, scope, schedule, cost, quality, human resource, communications, risk, procurement, and stakeholder management. Another important concept to understand is that projects involve five project management process groups: initiating, planning, executing, monitoring and controlling, and closing. Applying these process groups in a consistent, structured fashion increases the chance of project success. This chapter briefly describes each project management process group and then describes the initiating process in detail through a case study based on Global Construction's Just-In-Time Training project. Subsequent chapters describe the other process groups and apply them to the same project.

Project management process groups progress from initiating activities to planning activities, executing activities, monitoring and controlling activities, and closing activities. A process is a series of actions directed toward a particular result. All projects use the five process groups as outlined in the following list:

Initiating processes include actions to define and authorize

new projects and project phases. A project charter and a kickoff meeting are often used during initiation. This chapter will describe initiating processes in detail.

Planning processes include devising and maintaining a workable scheme to ensure that the project meets its scope, schedule, and cost goals as well as organizational needs. There are often many different plans to address various project needs as they relate to each knowledge area. For example, as part of project scope management for the Just-In-Time Training project, the project team will develop a scope statement to plan the work that needs to be done to develop and provide the products and services produced as part of the project. As part of project schedule management, the project team will create a detailed schedule that lets everyone know when specific work will start and end. As part of procurement management, the project team will plan for work that will be done by external organizations to support the project.

Executing processes include coordinating people and other resources to carry out the project plans and produce the deliverables of the project or phase. A deliverable is a product or service produced or provided as part of a project. For example, a project to construct a new office building would include deliverables such as blueprints, cost estimates, progress reports, the building structure, windows, plumbing, and flooring. The Just-In-Time Training project would include deliverables such as a training needs survey, training materials, and classes.

Monitoring and controlling processes measure progress toward achieving project goals, monitor deviation from plans, and take corrective action to match progress with plans and customer expectations. For example, the main objective of the Just-In-Time Training project is to provide training to help employees be more productive. If the first training course does not improve productivity or meet other customer expectations, the project team should take corrective action to deliver more suitable training courses. As another example, if the project team continues to miss deadlines in the schedule for the Just-In-Time Training project, the project manager should lead the team in taking corrective action, such as developing a more realistic schedule or securing additional resources to help meet Deadlines

Closing processes include formalizing acceptance of the project or phase and bringing it to an orderly end. Administrative activities are often involved in this process group, such as archiving project files, closing out contracts, documenting lessons learned, and receiving formal acceptance of the deliverables. It is also important to plan for a smooth transition of the results of the project to the responsible

operational group. For example, after the Just-In-Time Training project is completed, the training department will need to schedule and provide courses developed as part of the project. The planning for this transition should be done as part of the closing process group.

The process groups are not isolated events. For example, project managers must perform monitoring and controlling processes throughout the project's life cycle. The level of activity and length of each process group varies for every project. Normally, executing processes require the most resources and time, followed by planning processes. Initiating and closing processes are usually the shortest (at the beginning and end of a project or phase, respectively), and they require the least amount of resources and time. However, every project is unique, so there can be exceptions.

Many people ask for guidelines on how much time to spend in each process group. In his 2006 book, Alpha Project Managers: What the Top 2% Know That Everyone Else Does Not, Andy Crowe collected data from 860 project managers in various companies and industries in the U.S. He found that the best or "alpha" project managers spent more time on every process group than their counterparts except for execution, as shown in Figure 3-2.1
Figure 3-2. Time spent on each project management process group
This breakdown suggests that the most time should be spent on executing, followed by planning. However, it also suggests, as do several studies since, that most project managers jump in and spend too much time executing the project and not enough time preparing for and then monitoring and controlling the work itself. Because most of project costs are spent during executing, one could conclude that projects that are better planned and controlled will be less costly to complete.

Project Life Cycle

A project life cycle is a series of phases that a project passes through from its start to its finish. The process groups apply to entire projects as well as to project phases. A phase is a distinct stage in project development, and most projects have distinct phases as part of their life cycle.

The first phase, conducted at the start of a project, is simply called starting the project. Before beginning the second phase, organizing and preparing, a review or phase gate meeting should be held to determine if the project should be continued, cancelled, or redirected. Phase gate meetings should also be held before starting the third phase, carrying out the project work, and the fourth and final phase, ending the project.

Organizations often perform a needs assessment, develop a business case, and create a benefits management plan before officially starting a project, often as part of project selection.

Project life cycles can be predictive, adaptive, or a hybrid of both approaches. A predictive life cycle, also called plan-driven, is used when the requirements can be well defined at the beginning of a project. For example, if a customer knows they want a particular house built, detailed blueprints can be

made and then followed, allowing for minor changes along the way. An adaptive life cycle is used when requirements are not well defined up front. Adaptive approaches can be iterative, incremental, or agile. A hybrid or combination of approaches can be used when the nature of different deliverables calls for different approaches. For example, the customer wanting a particular house might also want smart technology to control lights, music, appliances, etc., but be unsure of what the requirements are at the beginning of the project.
Figure 3-4 shows the continuum of project life cycles, going from plan-driven to agile. In addition to how well requirements are defined, other factors that differ with each approach are how often products are delivered, how change is incorporated, how much key stakeholders are involved, and how risk and cost are controlled. Projects that are highly adaptive often perform all process groups continuously throughout the project life cycle.