

PM TRENDS

Master Your Projects With Project Masters Inc.

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MANAGING PROJECT QUALITY

According to the PMBOK, the definition of Quality Management Function is the process of ensuring that all aspects of a project and its results fully meet the needs and expectations of the project's client, participants and shareholders - both internal (relating to the project's system of development), and external (relating to the project's performance or service).

In order to run a quality project, certain tasks must be completed in each Phase of a project. The following section is broken down into the Initiating Phase, Planning Phase, Executing Phase, and Closeout Phase.

In the Initiating Phase, it is recommended to build total Quality Management into your Project Management Plan by identifying customer expectations, developing measures that help keep the project focus, identifying project team roles and responsibilities and, developing process to focus project team quickly.

The project manager should work with the customer and team to identify expectations and document them in the Project Management Plan. Work with the customer to understand and document the requirement. Share the requirements with your project team and get team buy-in and understand of their part in fulfilling the customers' requirements. Develop your project work process so that it meets the customer's requirements every time.

When developing the Project Management plan make sure the project team roles and responsibilities are defined in detail. Need to have project process that will help people understand how they contribute to the project success.

During the Planning Phase, Project Manager with their team need to have team building

PROJECT MANAGEMENT: BEYOND THE PRETTY GANTT CHART

Have you ever been given the task to install a new system only to find that there wasn't enough time or money to complete the job? Did you have to cut one of the less critical options to save time or money? Did you find that once you started, the simple install became a complex nightmare? And as you somehow made it through the project alive, did you look back and say to yourself "next time I will do better", knowing that next time was probably going to be next week. If these situations sound familiar to you, then you are probably struggling with Project Management.

Let's first define what Project Management is and is not. For instance, just because you can install Microsoft Project software and print a pretty Gantt chart, doesn't mean you know how to manage a project. Project Management has many aspects that aren't contained in any of the Project Management software packages. Besides the schedule, budget, and resource allocation that most software helps you manage; you must consider other aspects of the project first. Specifically, the scope of the project, the quality characteristics that the

customer and/or your boss require, the risk that you are taking for your company, the contract requirements and constraints, and the communication necessary both internal to your organization and externally to the rest of the world. Eventually, each project will go through four phases known as the Initiating Phase, Planning Phase, Executing Phase and Closeout Phase.

"next time I will do better"

During the Initiating Phase, management is defined as making the decision of whether or not to do the project. The Project Manager gathers data and identifies needs for the Project. He/she is looking for any major risk that would stop themselves from doing the project, such as the ability to meet the schedule,

Return On Investment (ROI) being very low or nonexistent, or whether the project fits into the company's strategic business goals. The Project Manager also questions if the company has the resources available to complete the project. This includes manpower, technical aptitude, and financial resources.

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exercises that include, defining project charter, writing project vision statement, identifying project goals, identifying barriers and potential barriers, developing action plans, and continuing to work on understanding roles and responsibilities. Remember to have fun as a team to celebrate your team achievements.

The Project Manager needs to plan to meet customer expectations for the project. Educate the customer by clarifying the project expectations. Establish standards and procedures to help meet customers' requirements. Manage the project around major milestones. Celebrate milestone completion with the customer. Make the customer part of your project team.. Don't just invite the customer to team meeting, give them action items. This will help them become part of the project team.

Quality Management during the Executing Phase of a project becomes a mode of keep to the process that the Project Manager and team identified in the Planning Phase. In this phase the Project Manager needs to react quickly to customer and team needs that are within scope on the project. The Project Manager needs to keep the customer informed and part of the team.

The last phase is the Closeout Phase. During this phase, the Project Manager does a final assessment of the quality on the project of how close did it meet the expectations of the customer. Use Lessons Learned on this project to make recommendations to improve the quality of future projects.

*by: April O'Koren, PMP
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Continued Gantt Chart

Once the initial decision has been made to proceed with the project, the project then enters the Planning Phase. The majority of companies (about eighty percent) wait to appoint a Project Manager until this phase; although it is highly recommended that the Project Manager be involved at least by the middle of the Initiating Phase. The Project Manager now creates the Project Plan. The project schedule, budget, resource responsibility matrix, and risk plan are all located in this plan. The Project Plan should be the living document and bible for the project.

When the second phase of the Project Life Cycle is completed, there is a major change in the nature of the work of the project team. The activities in the first two phases were primarily concerned with knowledge-acquisition, conceptualization, and planning. Once the Executing Phase is reached, the nature of the activities focus on carrying out the Project Plan that was designed during the Initiating and Planning Phases. The Project Manager uses the Project Plan to monitor and control the project. The Project Manager reports the project progress to all stakeholders on a periodic basis. You will

also notice that the activity level of the overall organization increases significantly during this phase.

The final phase of the Project Life Cycle, the Closeout Phase, contains those activities that are necessary to bring the project to its appropriate end. The Closeout Phase is where the Project Manager evaluates how well the team performed on the project as well as improvements that could be made on the next project. He/she also makes sure the Customer is happy with the project. Remember that the project is only a success when you have a satisfied Customer.

Even from these brief descriptions you can see that the type of tasks and skills needed change during the course of a project. It is not possible to explain all of the aspects of Project Management in a short article. If you are responsible for

managing projects or if the people who manage your projects are not performing as well as you would expect, maybe its because they have never been really trained to manage projects. Even a short overview course can improve the manager's ability to get a project done on time and on budget. As projects become bigger and more complex, you will probably want to get more extensive training from Project Masters.

“How much money could you have saved on your last project if you or the person managing the project had better project management skills?”

How much money could you have saved on your last project if you or the person managing the project had better project management skills? Is it important that your customers and/or your boss

complete projects correctly, on time, and within budget? Maybe now is the time to go beyond learning how to do a Gantt chart in your favorite project management software package and start improving your project management skills.

April O'Koren, PMP

Managing Project Costs

According to the Project Management Body of Knowledge (PMBOK), the definition of Project Cost Management is a subset of project management that includes that processes required to ensure that the project is completed within the approved budget. It consists of resource planning, cost estimating, cost budgeting, and cost control.

In order to run a project within budget, certain tasks must be completed in each Phase of a project. The following section is broken down into the Initiating Processes, Planning Processes, Executing Processes, Controlling Processes, Closing Processes, including an explanation of Cost Management Tools used in each phase of the project.

In the Initiate Phase, it is recommended to calculate Return on Investment (ROI), Net Present Value (NPV), Discounted Cash Flow (DCF), and Payout Time analysis on the project. This provides the Project Manager data on expected profitability for the project.

During the Plan Phase, the budget is established. To help manage cost risk, ten percent of the project budget is placed in management reserve. With the remaining budget, the Project Manager establishes the baseline budget for the project.

Cost Management becomes a critical task for the Project Manager during the Implementation Phase of the project. In this phase, the Project Manager must continually monitor Schedule Variance (SV), Cost Variance (CV), Percentage Over/Under budget, Cost Performance Index (CPI), and Schedule Performance Index (SPI).

The SV provides status on work accomplished as compared to work planned. The CV provides status on cost of work performed versus cost of work planned. The CPI measures where the project cost is compared to the Project Budget. The SPI measures the actual project schedule compared to the planned project schedule.

The last phase is the Closeout Phase. During this phase, the Project Manager does a final cost analysis on the project. In this

phase, the Project Manager figures the profitability of the project. Recommendations are then made by the Project Manager to improve the profitability of future projects.

By using the cost management tools, it helps Project Managers to manage effectively their projects. These cost tools help Project Managers manage and keep their project profitable.

By: April O'Koren, PMP
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$$ROI = \frac{\text{Return}}{\text{Investment}}$$

$$NPV = \sum_{t=0}^n \frac{CF_t}{(1+K)^t}$$

$$SV = EV - PV \quad CV = EV - AC$$

$$CPI = \frac{EV}{AC}$$

$$CF_t = \text{Expected Net Cash Flow For Period } t$$

k-Project's Cost of Capital/Discount or Interest Rate