

Introduction to Project Management

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Session Outline

- Facilitator Introduction
- Why bother with Project Management (PM)?
- A PM Framework
- Stakeholders & Group exercise (45m)
- Coffee Break (15m)
- The Importance of Project Planning
- Risk & Group Exercise (45m)
- Close

Facilitator Introduction

Professional Career

- Started as a computer programmer with the Co-op in Manchester (1985)
- Moved to Littlewoods as an Analyst Programmer
- Self employed contractor for 4 years designing mainframe systems
- Joined Dearborn Chemicals in 1992 – spent 12 years managing field sales force systems, initially for UK, then Europe, ending up as Global Technology Manager for GE Betz after 4 corporate takeovers
- 20 years working in a variety of organisations, at many levels, initiating & managing change

LearningTalk

- Founding Director of LearningTalk, a management training & consultancy company – www.learningtalk.ie
- Key Offerings :
 - Strategic Reviews
 - IT Audits
 - Virtual Team effectiveness
- Clients include the Garda, UCD, Sustainable Energy Ireland, & various small firms around Dublin

Academic Career

- International Executive MBA – 2002-2004
 - Smurfit Graduate School of Business, UCD
- Currently researching a PhD on “Virtual Teams and Project Management” with An Garda Síochána’s Forensic Bureau
- Lecturer & Course Director for Masters in Project Management at :
 - Smurfit Graduate School of Business, UCD
 - Project Management, Business Planning, Research Methods, Time Management

Project Management

Why bother with Project Management?

- Isn't PM just another un-necessary layer of non-added value bureaucracy ?
- Won't using PM simply increase the time it takes to get the real work done ?

... or is there something useful which PM can add ?

Projects Fail !

- The Chaos Report - a classic analysis on IT projects by The Standish Group back in 1995 concluded :
 - 31% of projects will be cancelled before they ever get completed.
 - 52% of projects will cost over 189% of their original estimates.
 - On the success side, the average is only 16.2% for software projects that are completed on-time and on-budget.

Common Causes of Project Failure

From the UK Office of Govt Commerce :

1. Lack of clear link between the project and the organisation's key strategic priorities, including agreed measures of success.
2. Lack of clear senior management and Ministerial ownership and leadership.
3. Lack of effective engagement with stakeholders.
4. Lack of skills and proven approach to project management and risk management.

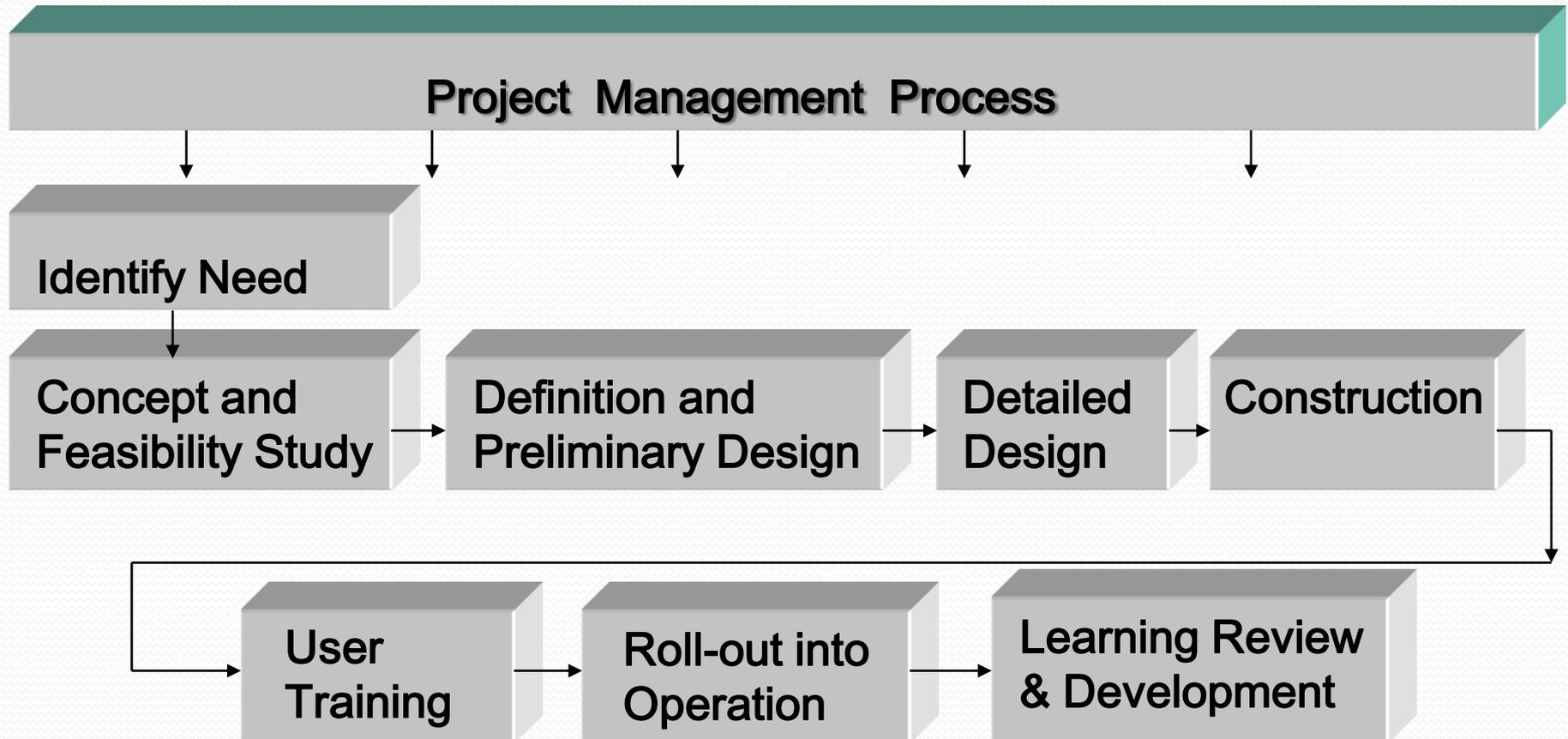
Common Causes of Project Failure

5. Too little attention to breaking development and implementation into manageable steps.
6. Evaluation of proposals driven by initial price rather than long-term value for money (especially securing delivery of business benefits).
7. Lack of understanding of and contact with the supply industry at senior levels in the organisation.
8. Lack of effective project team integration between clients, the supplier team and the supply chain.

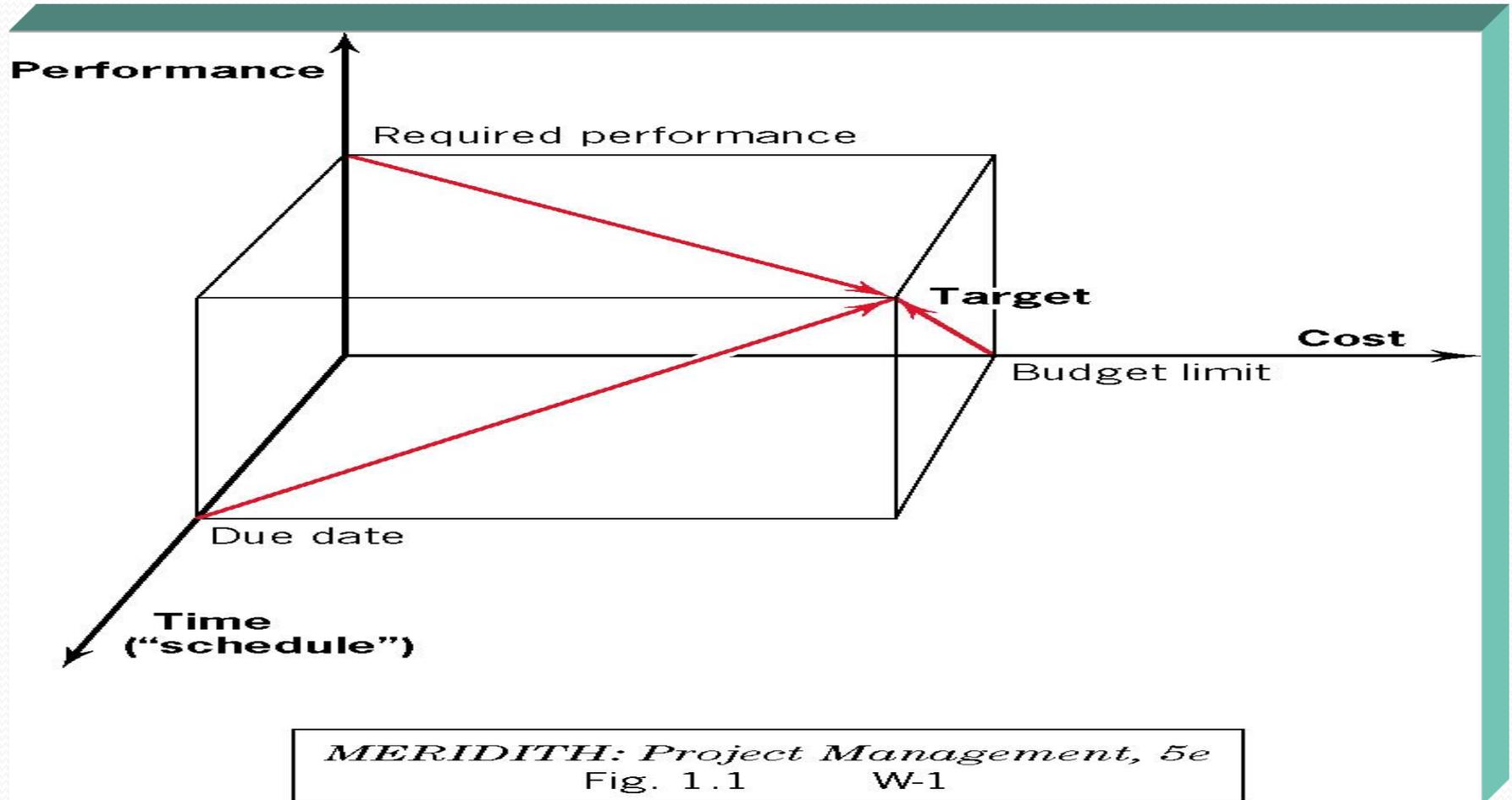
PRINCE 2 Definition of a Project

“A temporary organisation that is created for the purpose of delivering one or more business products according to a specified Business Case.”

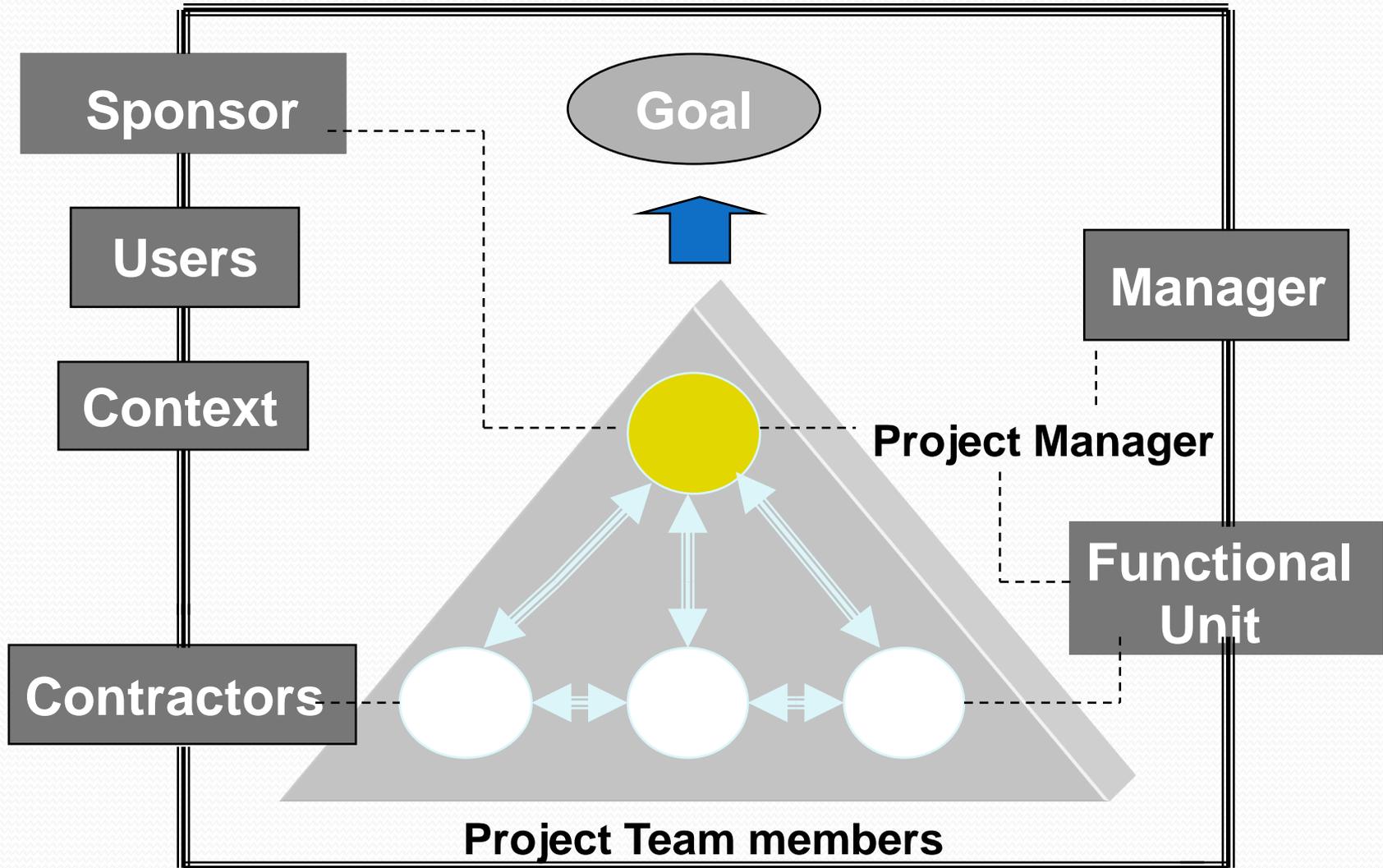
The PM process is a distinct process that applies whatever the underlying project technical methodology and stages



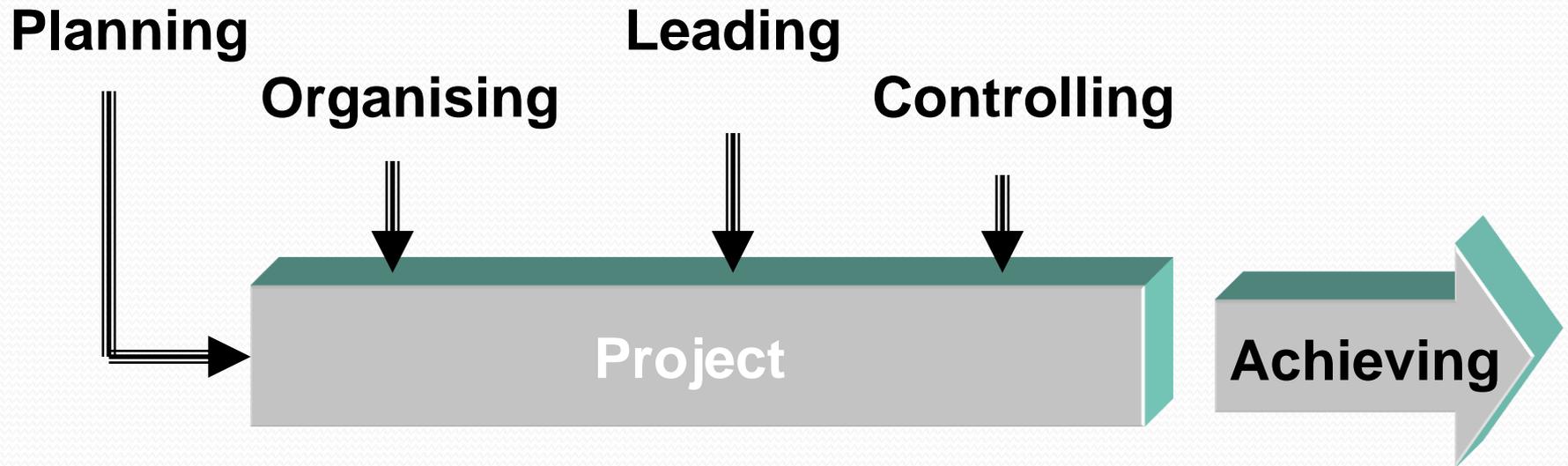
3 Aspects of Project Deliverables



PM – Key Relationships



Core PM Activities



Stakeholders

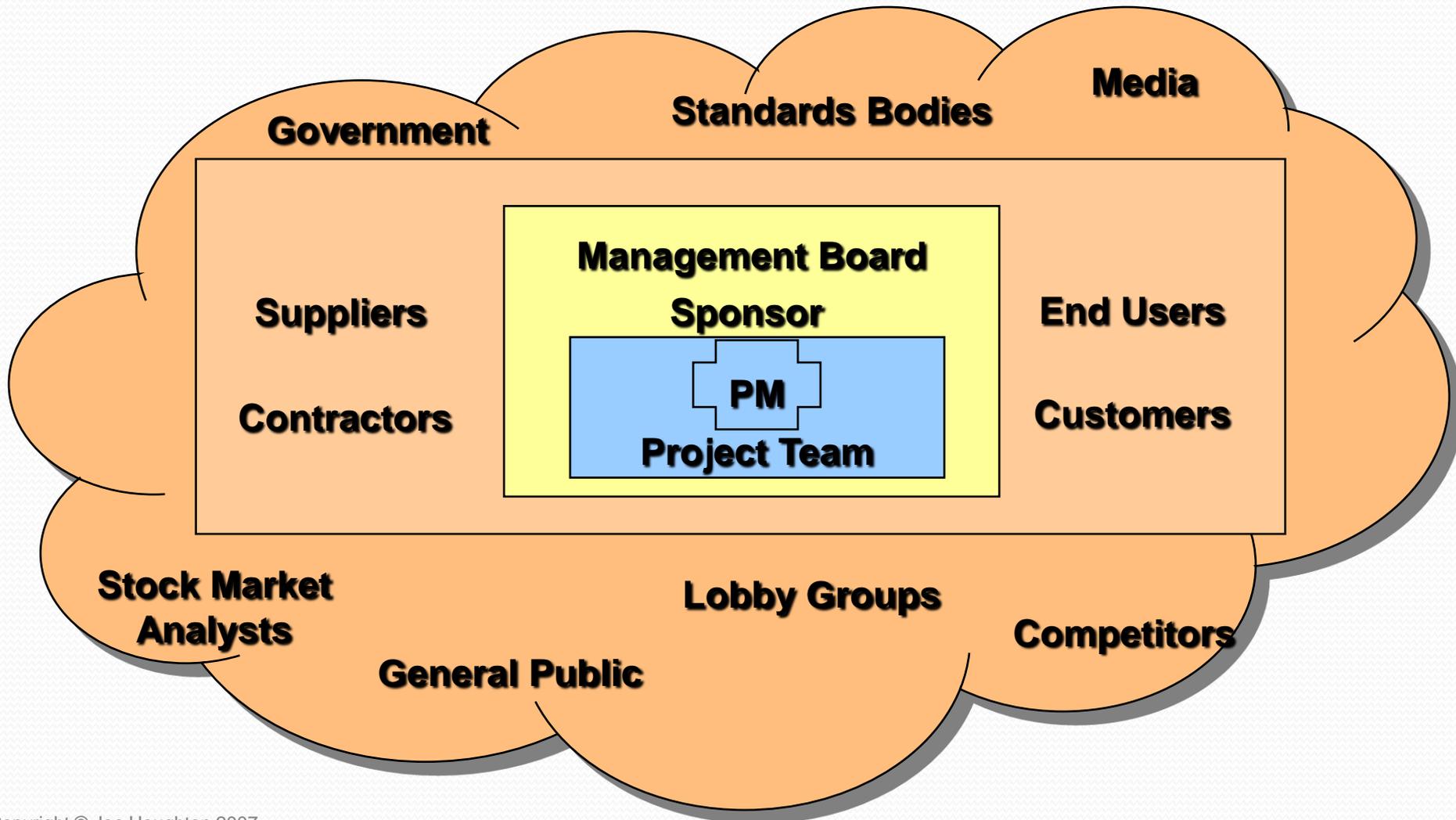
What is a Stakeholder ?

- Stakeholders are people or organisations :
 - With an interest in the project
 - Who can affect a project
 - Who may be affected by a project
- Stakeholders may be within the organisation, or external to it.
 - Internal stakeholders may be managers, staff, other dept. heads, your own team, subject matter experts
 - External stakeholders may be from anywhere – other companies, public bodies, legislative bodies, competitors

Why do we need to identify Stakeholders?

- Stakeholders can affect a project because they have an interest in it.
- If we don't know who is in a position to affect the project, how can we plan to either use or guard against their influence?
- If we don't identify Stakeholders and they have negative attitudes, it can lead to problems or failure in the project.
- If we miss a pro-project Stakeholder, we miss the opportunity to have a helping hand assist us in delivering the project output(s)

Stakeholder Context



How can we classify Stakeholders ?

- In various ways :
 - Positive, negative or neutral to the project
 - By the degree of influence they may wield :
 - Strong, Medium, Weak, None
 - By their ability to stop or veto the project
 - Decision maker, Influencer, Consenter, Interested
- **KEY POINT**
 - Stakeholder influence may well change as the project develops, so this analysis should be done at the start then revisited periodically.

How can Stakeholders Affect a Project?

- They can pull their support, which may be :
 - Political
 - Financial
 - Resource Provider
 - Influencer – political, media, morale
 - Not buying the product (customers)
 - Advocate against the project / product (pressure groups (McDonalds protesters, Greenpeace, lobby groups))
- Or they can support in all the above ways

How do Stakeholders Need to be Managed?

Carefully!

- Identify them, classify them, build a picture of how they feel towards your project and why.
- Monitor and constantly update your awareness...
- Use this knowledge to create and maintain :
 - Your Communications Plan
 - Your Risk Management Plan
 - Your Overall Project Plan

Examples of Stakeholders Affecting Projects

- Shell Corrib Pipeline
 - At start of project, Shell were “blissfully unaware” of the potential issues in running their pipeline.
 - Or were they aware but figured they could get away with it?
 - They were soon to discover that the local farmers would not roll over without a fight.
 - Millions of dollars later, court battles, prison sentences for locals, Shell had to back off and accommodate the local demands.
 - Better to have involved them early and gained agreement and consensus...



Examples of Stakeholders Affecting Projects

- Ryder Cup 2006
 - Multi-national planning joined up all the complex aspects into a well run event
 - Planning way back several years
 - Locals, organisations, garda, government, tourism all consulted and involved throughout
 - Optimistic momentum achieved throughout the development overcame even potentially difficult issues like cell-phones not being allowed – excellent expectation setting & communications.



Stakeholders

Group Exercise

(45 minutes)



Take a 15 minute break !

Project Planning

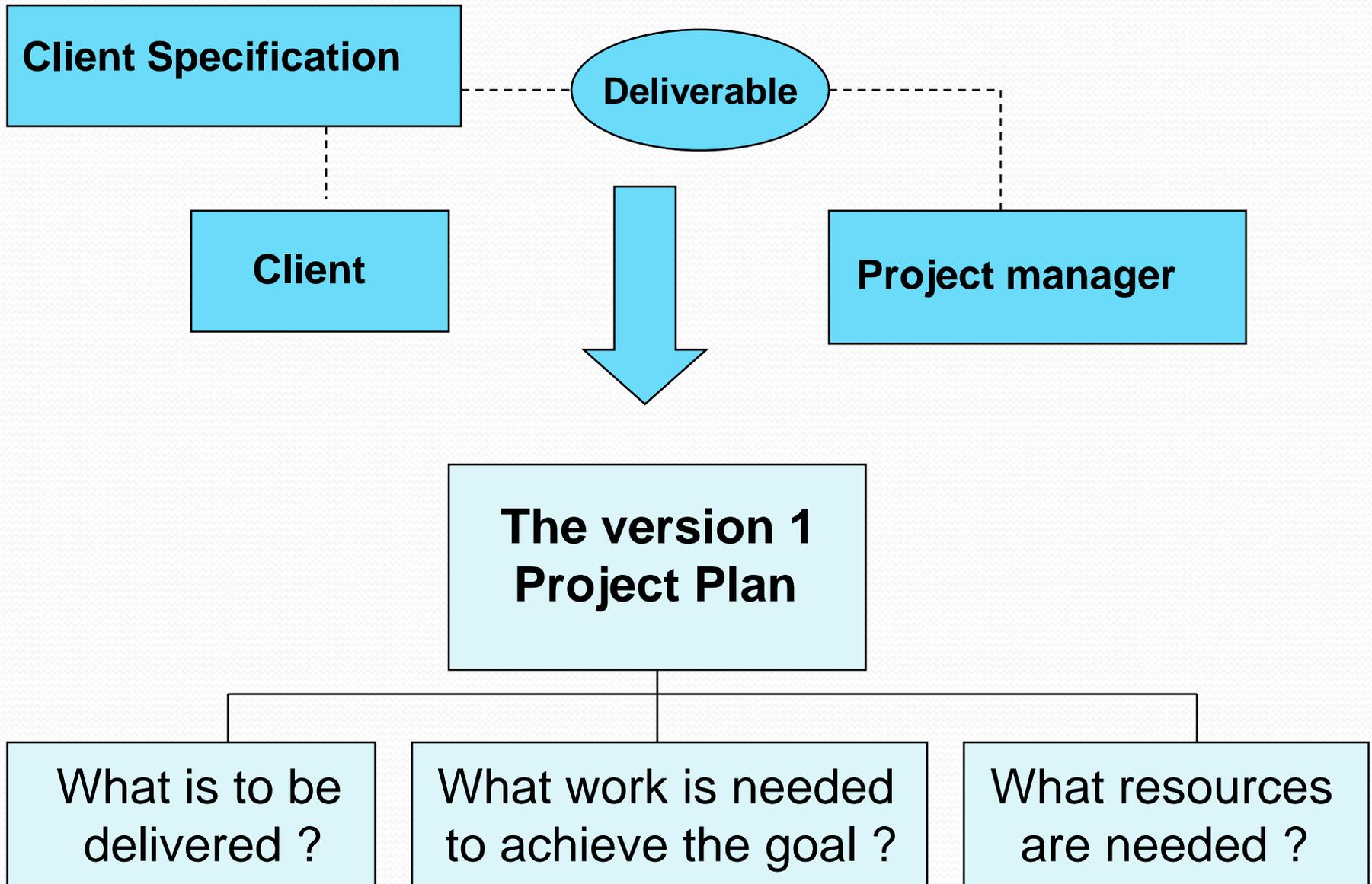
Planning is ESSENTIAL !!

- If you don't know what your output should be, how can you get there efficiently?
- Effective planning saves time and headaches further down the line...
- Roy Keane summed it up perfectly :

“Fail to plan, plan to fail”



Developing the V.1 Project Plan



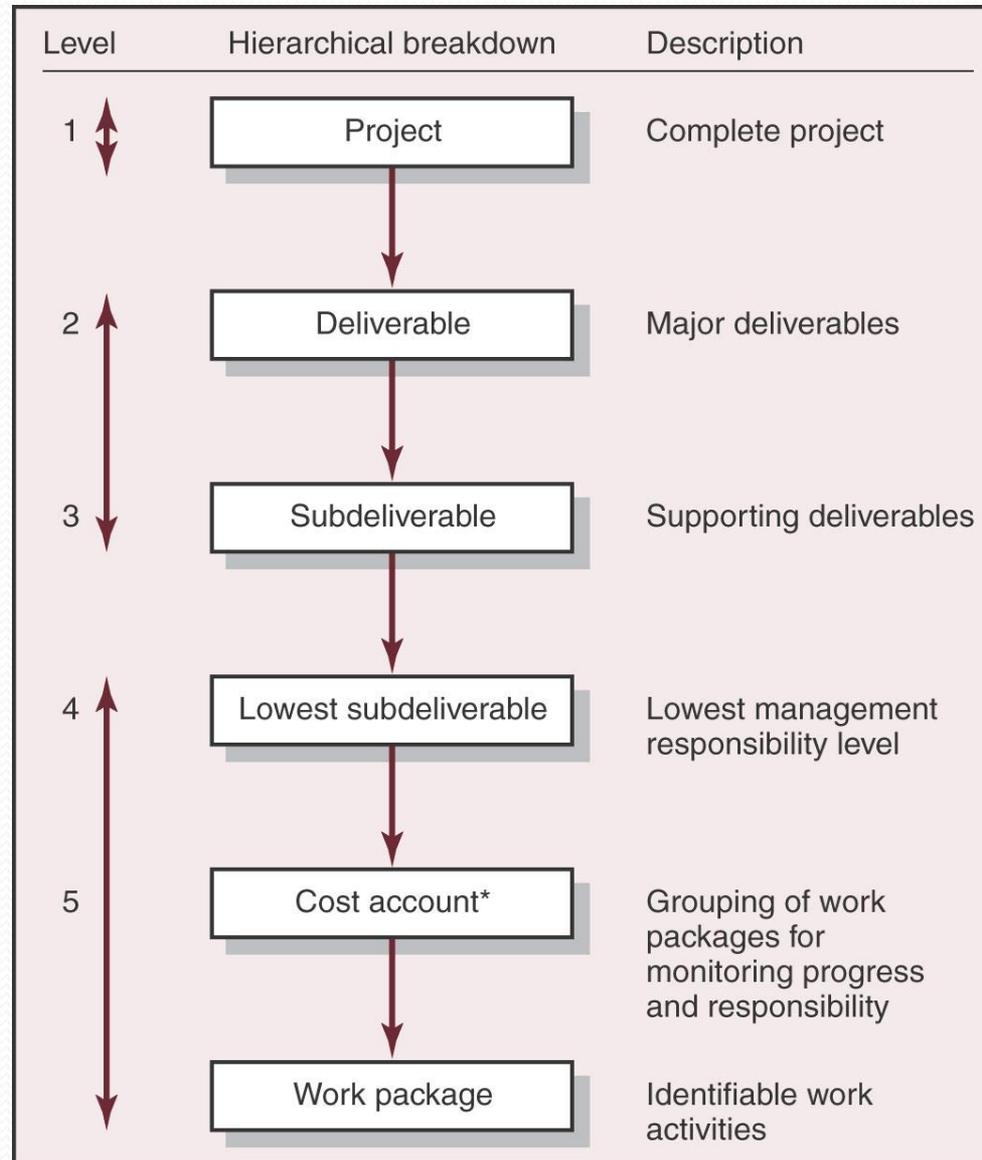
Work Breakdown Structures

(What activities do we need to do ?)

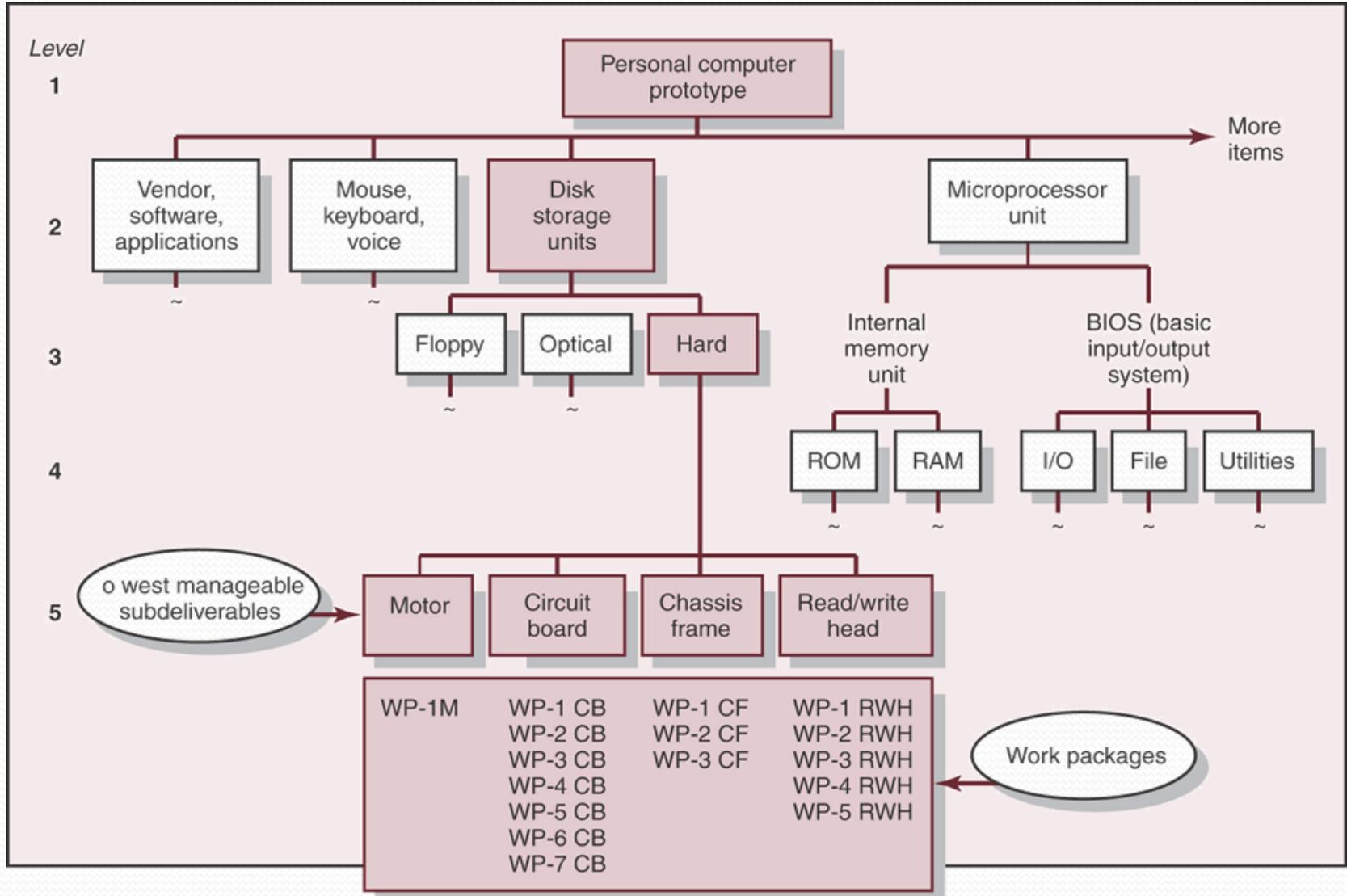
What is a WBS?

- A diagram which breaks down the overall project into smaller chunks
- This process is called “**decomposition**”
- You decompose until you reach Work Packages – a small set of readily identifiable activities which can be assigned to one person or a very small group

Hierarchical Breakdown of the WBS



A WBS for a PC Development Project



Work Package Questions

- Once you have decomposed down to the Work Package level, you need to know the following for each Work Package:
 - How long will it take to complete? (elapsed time & also man-days)
 - These may be different if more than one person is assigned to the task
 - How much will completing this cost?
 - What resources are required to complete this?

Network Diagrams

(When will we do each activity?)

Project Network diagrams ...

You have been given a project to set up a new business.

The new organisation will import a product in bulk, package it for the local market in smaller units, and sell it through a chain of selected retail outlets.

Nothing of these local physical or commercial arrangements exist at present.

Project Activities ...

1. Organise a sales office
2. Hire sales personnel
3. Train sales personnel
4. Select an advertising agency
5. Plan an advertising campaign
6. Conduct the advertising campaign
7. Design the local packaging
8. Set up a packaging facility.
9. Start packaging operations
10. Order stock in bulk from the Manufacturer
11. Select retail outlets.
12. Take orders from retail outlets
13. Distribute stock to retail outlets

Project Work Breakdown Structure

Stock

Packaging

Sales

Outlets

Advertising

Order
Stock

Pack
Stock

Deliver
Orders

Design
package

Set up
Facility

Set-up
Office

Hire reps.

Train reps.

Select
Outlets

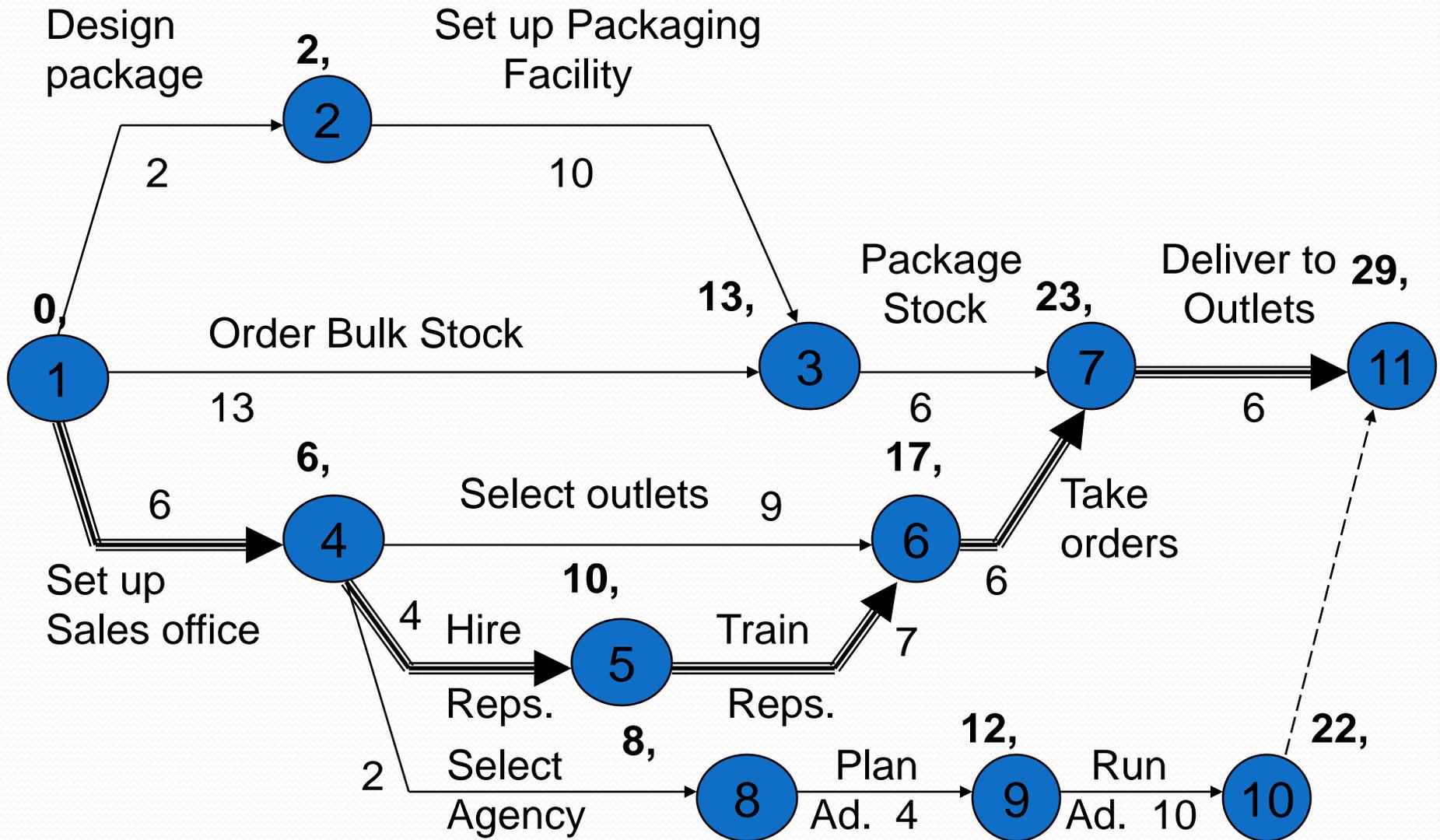
Take
Orders

Select
Agency

Plan Adv.
Campaign

Conduct
Campaign

Example of Project Network diagram : The Critical Path



Network Diagrams Summary

- Network diagrams capture concurrent activities, dependencies and their sequence.
- This allows the calculation for each project activity or module of its Earliest Start Time arising from the preceding activities.
- Also the calculation for each activity of its Latest Finish Time in order to complete the project on schedule.
- The Critical Path is the shortest duration for the project and is the sum of the longest chain of dependent activities.
- Activity Float indicates a time cushion on Non-critical tasks.

Risk

(Why worry ?)

What IS a Risk ?

“a potential, negative consequence event”

How Do You Define a Risk?

As a manager, think in these terms.



Imagine your phone ringing at a point in the future, and hearing bad news. Something awful has happened, and serious consequences have occurred.

That's a risk which has materialised.

So What Do You Do About Risk?

- As a project manager it's your job to foresee risks and do something about them.
- **Reacting after the event is not good enough** when people may die or other serious impact is possible.
- What level of uncertainty and unpreparedness are YOU prepared to live with ?
- That's why Risk Management is so important.

Why Manage Risk ?

- Risk Management is not just about planning for the worst
- It is a very useful way to focus attention on detail and think the project through
- The end result should be a better, more resilient project plan, backed up by a fully thought out Stakeholder communications plan

Risk Management Process



Risk Identification

Risk Assessment

**Risk Response
Development**

**Risk Response
Control**

*Try to look at
the situation
from different
perspectives*



Risk Classification

- Try to classify the risks :
 - Probability :
 - 5 – Certain
 - 3 – Probable
 - 1 - Remote
 - Impact
 - 5 –Severe
 - 3 – Medium
 - 1 - Unimportant

Risk Classification

- For every Post-It Note, ask :
 - What can go wrong?
 - How likely is this to happen?
 - What effect will it have on the:
 - Safety of workers / customers
 - Timescale
 - Budget
 - Scope / Deliverable

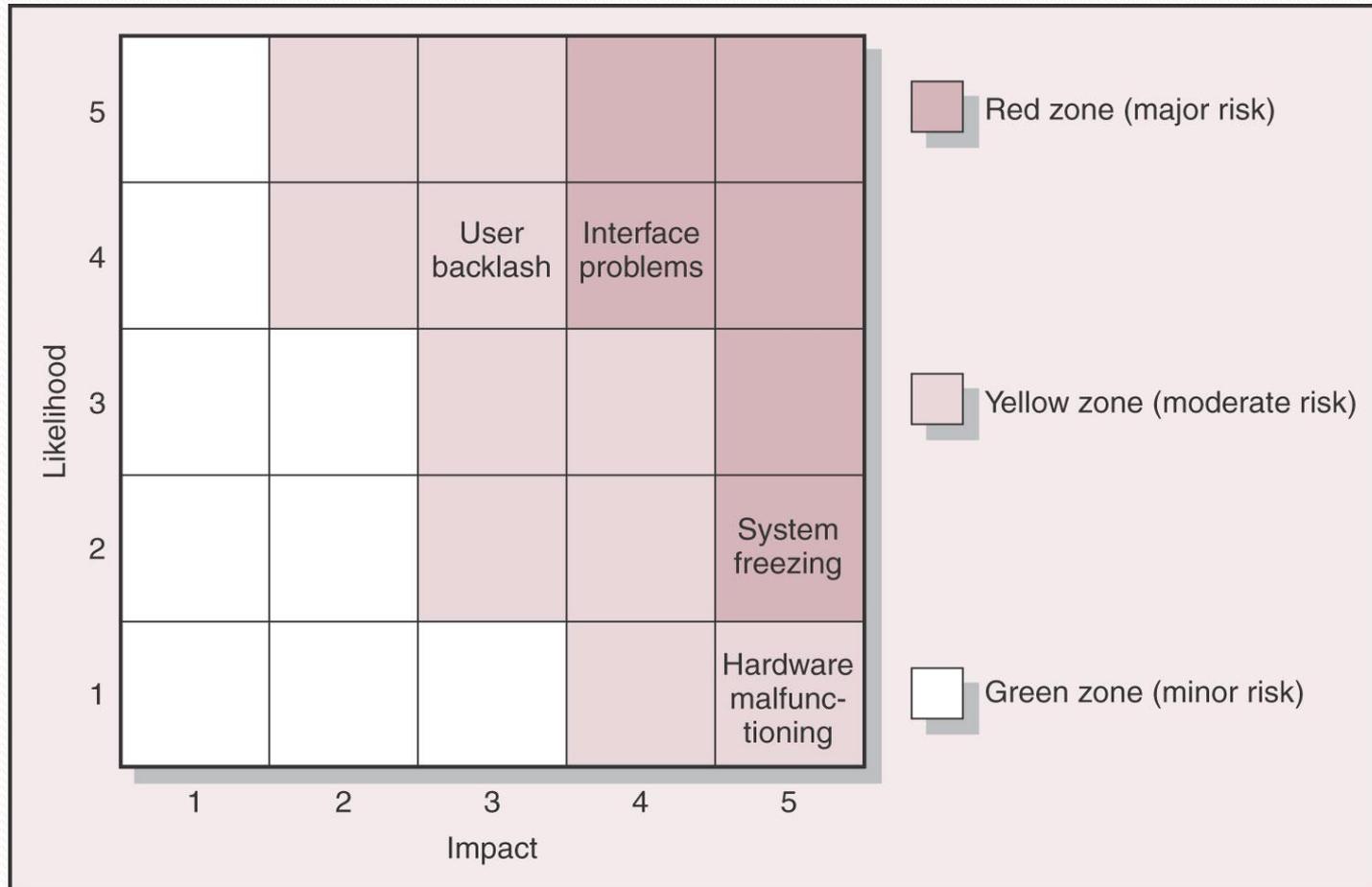
Risk Classification

Risk Response Matrix

Risk Event	Likelihood	Impact	Detention Difficulty	When
Interface problems	4	4	4	Conversion
System freezing	2	5	5	Start-up
User backlash	4	3	3	Post-installation
Hardware malfunctioning	1	5	5	Installation

Now translate this into the Risk Severity Matrix ...

Risk Severity Matrix



Risk Response Development

Now you have your risks identified & classified, what can you do about each one?

Risk Response Development

- Think laterally about solutions or alternative ways of approaching problems which surface
- Can you avoid risk by shifting the sequence of activities?
- Would more resource help?
- Is the current methodology inherently risky?
- Are there alternative options in use outside your company/industry?

Risk Response Planning

- Options for addressing risk:
 - **Prevention**
 - Stop the risk occurring or negate its impact
 - **Reduction**
 - Reduce likelihood of risk occurring or minimise it's likely impact to acceptable levels
 - **Transference**
 - Transfer the impact of risk to a third party, such as an insurance company or contractor

Risk Response Planning

- **Contingency**

- Actions planned and organised to occur if/when the risks occur

- **Acceptance**

- Where the risk impact is judged to be of no significance

Session Summary – We Covered :

- Why bother with Project Management ?
- A PM Framework
- Stakeholders
- The Importance of Project Planning
 - Work Breakdown Structures
 - Network Diagrams
- Risk