

# **Course Outline for Management undergraduate program**

- **Course code**                      **MGMT3192**
- **Course Title**      **Project Management**

**Academic Year: 2020 Semester II**

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Unit 1 : general introduction

Unit 2 :project cycle

Unit 3 : project identification

Unit 4 :project preparation

Unit 5 :project implementation, monitoring and evaluation

Unit 6 :social cost benefit analysis (scba)

Unit 7 :project **financing**

# UNIT 1 : GENERAL INTRODUCTION

- Meaning and definition of project
- Features of a project
- Projects and Plans

# Reflection

- What is a Project?
- What characteristics do projects have?
- What is Project Management?
- How can you differentiate Projects and Plans?

# Introduction

- More than 20% of the global economic activity takes place as project
  - ✓ For Developing countries- it approaches 40%
- Effective management of project is becoming more critical to the competitive position of organization and societies.
- For many people the word project is associated with large construction or defence projects. However many types of project exist and
- many new style projects exist which vary in size, length and complexity. They can include installing ICT systems, office moves, testing a new product, acquiring or merging with another organisation, an internal change programme and a host of other areas of work
- Whether in manufacturing, financial services, retail, the health service or local government there is usually one person, the project leader who is in charge

- Projects exist in every sphere of business, markets, and industry.
- They come in a myriad of types, sizes and complexity –
- from **small initiatives** such as weddings, parties, fundraising to **medium-size initiatives** such as advertising campaigns, capital acquisitions, business re-engineering, restructuring, information systems; through to **mega-projects** such as NASA space station, hydro-electric dams and military campaigns.

# An Overview of Project Management

Project management is not new. It has been in use for hundreds of years. Examples of project outcomes include:

- ✓ Pyramids of Giza
- ✓ Olympic games
- ✓ Great Wall of China
- ✓ Taj Mahal
- ✓ Publication of a children's book
- ✓ Panama Canal
- ✓ Development of commercial jet airplanes
- ✓ Polio vaccine
- ✓ Human beings landing on the moon
- ✓ Commercial software applications
- ✓ Portable devices to use the global positioning system (GPS), and
- ✓ Placement of the International Space Station into Earth's orbit.

# Definitions of Project

**There are many definitions of a project , some are**

- ***A project is an organized effort to do something useful*** or attain a useful end result which is sometimes defined as a plan, venture or enterprise (Angus and Norman, 1997).
- ***A project is a **temporary endeavor** undertaken to create a **unique product, service or result** (PMI, 2018).***
- *A project is "a unique endeavor to produce a set of deliverables within clearly specified time, cost and quality constraints".*
- *Project is a **unique process** intended to achieve **target outcomes** (Zwikael and Smyrk, 2009).*
- *A project is defined as one shot, time tested, goal directed, major undertaking requiring the commitment of varied skills and resources.*



# Derivers of projects

- Projects are means of organizing activities that cannot be addressed within the organizations normal operational limits.
- Projects are typically authorized as a **result of** one or more of the following strategic considerations:
  - A Market Demand & Organizational Need
  - A Customer Request
  - A Technological Advancement
  - A Legal Requirement

# Features of a project (Distinguishing characteristics of a project)

**What are the characteristics of a project which distinguish it from other operations** and activities?

- Has a unique purpose.
- Is temporary.
- Is developed using progressive elaboration.
- Requires resources, often from various areas.
- Should have a primary customer or sponsor.
- The **project sponsor** usually provides the direction and funding for the project.
- Involves uncertainty.
- Projects drive change
- Projects enable business value creation.
- Project Initiation Context

# 1. Uniqueness:

- Projects involve doing something that has not been done before
- The presence of **repetitive elements** does not change the fundamental uniqueness of the project work
- For example, **many thousands of office buildings** have been developed, but each individual facility is unique-different owner, different design, different location, different contractors, and so on.
- Example 2: A development project (ex. Water and sanitation) may be implemented in five geographical areas.

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- The objectives of projects and operations are fundamentally different
- The purpose of a project is to attain the objective and close the project.
- Project ceases when its declared objectives have been attained
- The objective of an ongoing non-projectized operation is normally to sustain the business.
- Non-project undertakings adopt a new set of objectives and continue to work.

**Project involves a definable *objective*:** usually specified in terms of cost, schedule, and performance requirements.

As a general rule the project objective should be **SMART** – an acronym for:

***Specific*** – well defined and clear to anyone that has a basic knowledge of the project,

***Measurable*** – how do we know how far away completion is and when it has been achieved?

***Action-oriented*** – indicate what should be done to achieve the objective,

***Reliable/achievable*** – do we have the resources (human, financial, material, information, time) to make the goal happen? Is the objective achievable with the available resources and timeframe, and

***Time-based*** – it should identify a definite target date for completion and/or frequencies for specific action steps that are important for achieving the goal on/within a specific time period

## ***2. A temporary nature***

- \* The duration of a project is finite; they are not ongoing efforts
- \* Temporary does not necessarily mean short in duration; many projects last for several years
- \* Temporary does not generally apply to product or service created by the project
- \* Most projects are undertaken to create a lasting result.
- \* Ex: Grand Renaissance dam will create a result expected to last centuries.

# 3. Progressive Elaboration

- **Progressively** means *"proceeding in steps; continuing steadily by increments,"*
- while **elaborated means** *"worked out with care and detail; developed thoroughly"*

*Example . The product of an economic development project may initially be defined as: "Improve the quality of life of the lowest income residents of community X."*

As the project proceeds, the products may be described more specifically as, for example: "Provide access to food and water to 500 low income residents in community X."

" The next round of progressive elaboration might focus exclusively On increasing agriculture production and marketing, with provision of water deemed to be secondary priority to be initiated once the agriculture component is well under way.

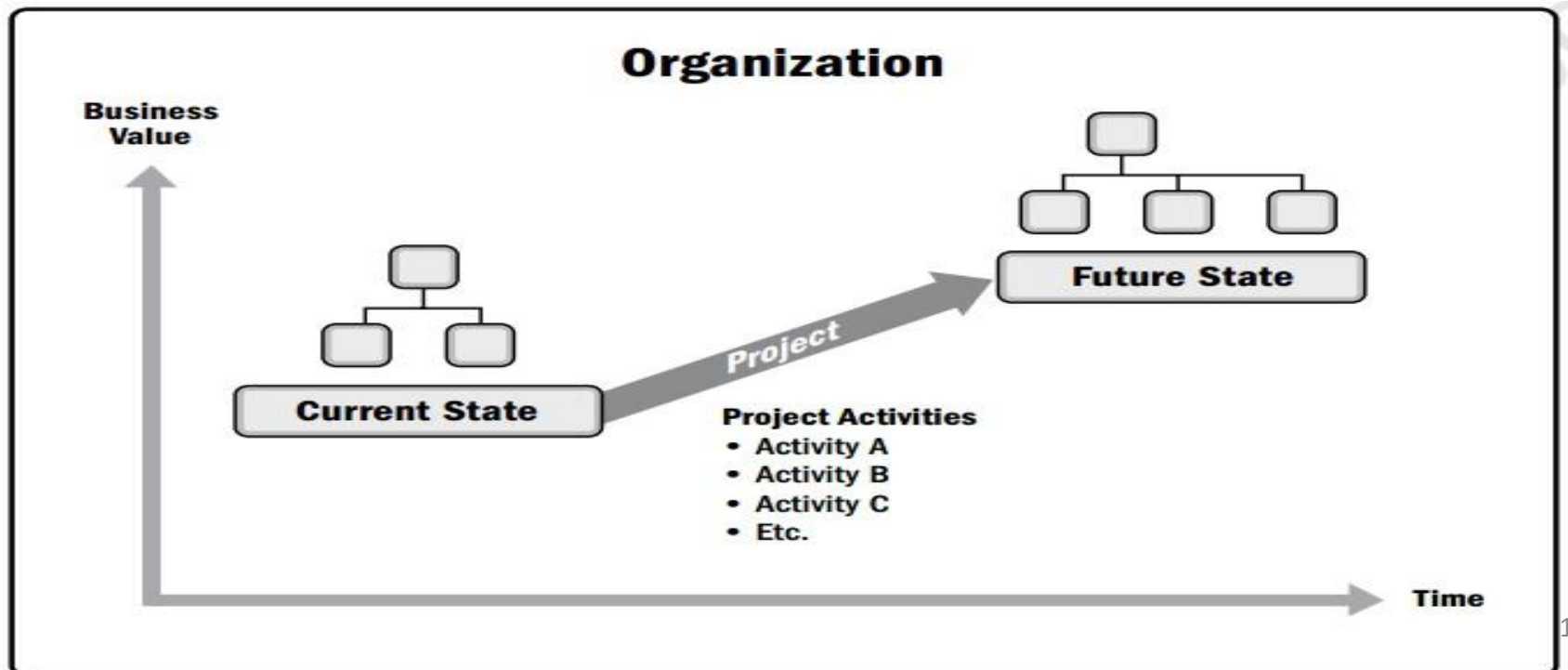
- **Projects have a defined timescale:** Projects have a clearly specified start and end date within which the deliverables must be produced to meet a specified customer requirement
- **Projects have an approved resource and budget:** Projects are allocated a level of financial expenditure within which the deliverables must be produced to meet a specified customer requirement
- **Projects involve an element of risk:** Projects entail a level of uncertainty regarding cost, schedule or performance outcome and therefore carry project risk.



# Contd...

## 4. Projects drive change.

So Project is moving an organization from one state to another state in order to achieve a specific objective.



# Contd...

## 5. Projects enable business value creation.

Business value in projects refers to the benefit that the results of a specific project provide to its stakeholders.

✓ The benefit from projects may be tangible, intangible, or both.

✓ Examples of tangible elements include:

Monetary  
assets

Stockholder  
equity

Utility

Fixtures

Tools

Market  
share

✓ Examples of intangible elements include:

Goodwill

Brand  
recognition

Public  
benefit

Trademarks

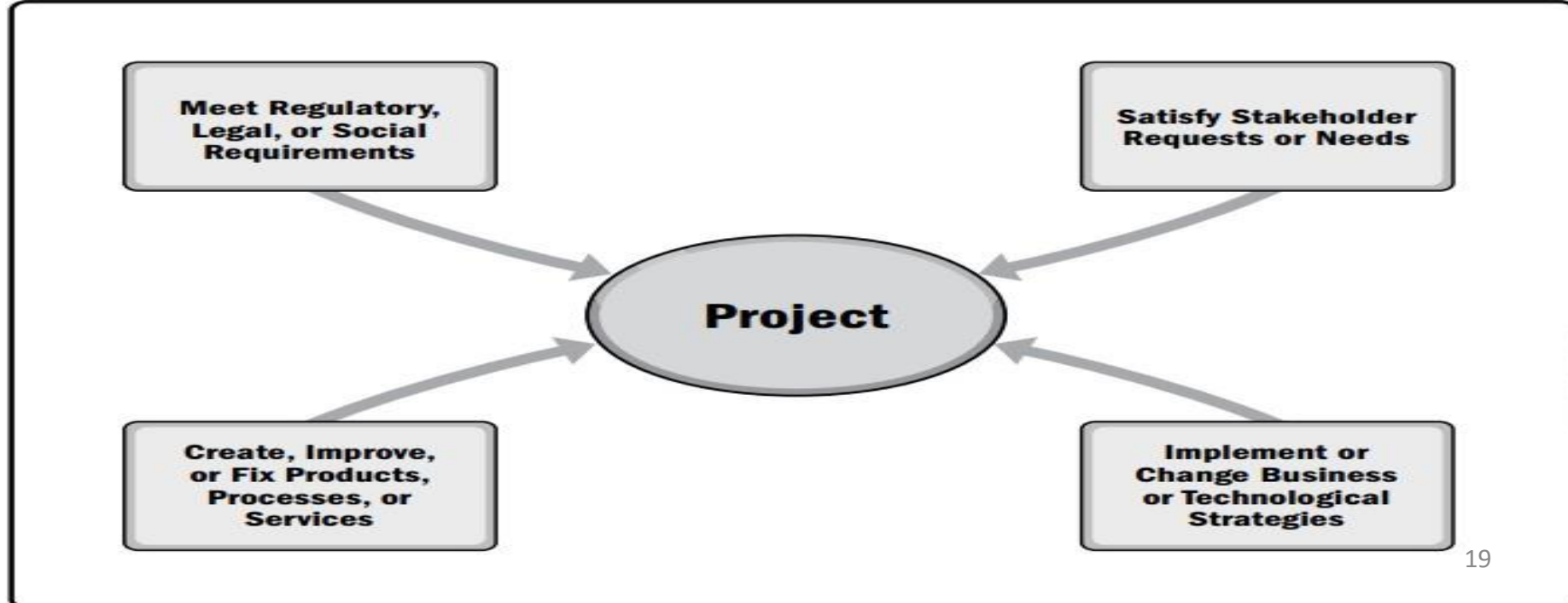
Strategic  
alignment

Reputation

# Contd...

## 6. Project Initiation Context.

There are four fundamental categories for organizational leaders to initiate projects.



# Examples of projects include

- ✓ Developing a new product or service.
- ✓ Designing a new transportation vehicle.
- ✓ Building a water system for a community in a developing country.
- ✓ Development of software for an improved business process,
- ✓ Construction of a building or bridge,
- ✓ Relief effort after a natural disaster,
- ✓ Expansion of sales into a new geographic market
- ✓ Developing a new product or service.
- ✓ Effecting a change in structure, staffing, or style of an organization.
- ✓ Developing or acquiring a new or modified information system.

# PROJECT MANAGEMENT

- “Project management is the application of knowledge, skills, tools, and techniques to project activities to meet the project requirements. ”
  - Project Management Institute 2018

# Project Classification

BASE	CATEGORIES	CHARACTERISTICS
OWNERSHIP	Private Sector	Private owners
	Public Sector	Governmental
	Non-Governmental & Non-profit oriented	NGOs
TIME HORIZON	Long-term	Above 5 years
	Short-term	Less than 5 years
SECTOR	Agricultural	
	Manufacturing	
	Health	
	Educational	
	Others	
RESOURCE ORIENTATION	Capital intensive	Dependency on Capital Resources
	Labor intensive	Dependency on Labor Resources
MOTIVE	Commercial	Profit oriented
	Developmental	Service oriented
GEOGRAPHIC	International	
	National	
	Local	

# PROJECT VS BUSINESS

CHARACTERISTICS	PROJECT	BUSINESS
Timeframe	a <b>temporary</b> endeavour with a well-defined timeframe i.e. a start & finish time	is considered as a <b>going concern</b> entity with only starting time defined
Budget	<b>approved</b> budget	<b>periodical</b> budgets
Resources	A project uses those resources which <b>are allocated</b> to it for the execution and completion of the activities	A business, if it requires <b>additional resources</b> , can acquire further resources for its successful operation.
Scope of operation	<b>restricted</b> with respect to its scope of operation	Business units can <b>expand</b> its scope according to the long-term benefits they forecast
Risk	A project has much <b>lower risk</b>	business units engage a <b>high amount of risk</b>

# Importance of Project Management

- Tie project results to business goals,
- Compete more effectively in their markets
- Sustain the organization, and
- Respond to the impact of business environment changes on projects by appropriately adjusting project management plans.



# Reflection

- What is the difference between a project and operational/business as usual activities?

# Relationship of Project, Program, Portfolio and Operations Management

A Project may be managed by three separate scenarios:-

1<sup>st</sup> Scenario

Stand-alone

Project

2<sup>nd</sup> Scenario

Program

Project

3<sup>rd</sup> Scenario

Portfolio

Project

# Organizational Strategy



## Portfolio



Program  
A

Program  
B

Portfolio  
A

Program  
B1

Program  
C

Project  
1

Project  
2

Project  
3

Project  
4

Project  
5

Project  
6

Project  
7

Project  
8

Project  
9

Shared Resources and Stakeholders

- **Programs**

A program is a group of related projects, subsidiary programs, and program activities that are managed in a coordinated manner to obtain benefits not available from managing them individually.

- **Portfolios**

A portfolio is a collection of projects, programs, subsidiary portfolios, and operations managed as a group to achieve strategic objectives.

- **Operations management** is an area that is outside the scope of formal project management as has been described in PMI PMBOK guide.
- **Operations management** is concerned with the ongoing production of goods and/or services.
- It ensures that business operations continue efficiently by using the optimal resources needed to meet customer demands.
- It is concerned with managing processes that transform inputs (e.g., materials, components, energy, and labor) into outputs (e.g., products, goods, and/or services).

	Project	Program
<b>D i f f e r e n c e s</b>	Narrow in scope	Wide in scope; can comprise many projects as components.
	Specific and detail	Comprehensive and general
	More precise and accurate in its objectives and features	Broader goal related to sectoral policy
	Possible to calculate the costs and returns	Difficult to calculate costs and returns
<b>SIMILARITY</b>	<ul style="list-style-type: none"> <li>• Have purpose/ objectives</li> <li>• Require input (financial, manpower, material)</li> <li>• Generate output (goods and/or services)</li> <li>• Operate over space and time</li> </ul>	

# Initiating

- According to PMI, the process of Initiating helps to set the vision of what is to be accomplished.
- This is where the project is formally authorized by the sponsor, initial scope defined, and stakeholders identified.
- Stakeholder identification is crucial here because correct identification management and control of stakeholders can literally make or break the project.
- Management chooses and authorizes the project manager here who authorize and have accountability but little authority.
- ***Key documents created:*** Project Charter and Stakeholder Register.

# Project Planning

- Establishing the total scope of the project. along with risks, milestones, summary and budget was defined there at a high level.
- Detailed planning process, called progressive elaboration, project documents are developed at a much more detailed level.
- A significant concept in Planning is that the team is able to think the whole project through in advance.



## Contd...

- Without going into detail on every single document created, a short list would include:
  - Documents that bound scope (what we are and are not doing);
  - Documents that list detailed requirements;
  - Documents that provide estimates for cost and time;
  - Documents that provide for a schedule;
  - Documents that plan for quality, communications, risk and procurement.

# Activity 1.2

- 1) Briefly explain how the road construction in your environment fit to** the national development plan, and
- 2) Discuss how project planning contributes to the national development.

## Framework

Introduction

The  
Environment In  
Which Projects  
Operate

The Role Of  
The Project  
Manager

## Knowledge Areas

Integration

Scope

Schedule

Cost

Quality

Recourses

Communication

Risk

Procurement

Stakeholders

# Process Group

Initiating

Planning

Executing

Closing

Monitoring & Controlling

# Project success factors

- Stakeholder involvement
- Executive management support
- Clear statement of requirements
- Proper planning
- Realistic expectations
- Smaller project milestones
- Competent staff
- Ownership
- Clear vision and objectives
- Hard working and focused staff

# ETHICS FOR PROJECT MANAGEMENT PROFESSION

- Ethics refers to the moral principles that govern the actions of an individual or a group;
- moral judgment about what we are doing is right or wrong.
- Is it possible that ethics really is in the mind of the doer?
- Most companies have a code of ethics for their employees to read and sign.
- Do they think signing a piece of paper will make those of us with questionable morals magically ethical? Or is it more like the police telling someone “anything you say can and will be used against you in the court of law”?

# CATEGORIES OF ETHICS

- According to Cutting (2007), there are four general categories of ethics: How should I act tomorrow based on these four simple words?

## Equality

- Individuals should be treated on their own merit. We have come a long way, but unfortunately we can still find many examples where people aren't treated equally.
- My responsibility is to act professionally regardless of differences (race, sex, politics, religion, etc.). I don't have to agree, disregard, authenticate or rejoice the differences, but I had better not use it to separate people out for different treatment.

## Truth

- Watch what we say. There is that sticky place between the "truth" and the "whole truth" that allows for a lot of wiggle room. The closer we can bring these two together, the more ethical we are. If I had a truth meter on my communications, how close to a 10 would it read?

Do my status reports cover things up?

Are defects reported accurately in my test results?

How big is the fudge factor in my financial statement?

# Honesty

- Our conduct toward others should be fair and not deceptive. If I have to engineer a situation to make me look good, I am probably stretching my honesty credibility.
- What is the motivation behind my action? Is it to make me look better than my rival?
- Do the right thing for the right reason.
- **Integrity**
- Uninformed or susceptible people are easy targets. Integrity is not taking advantage of them. It is doing what I said I would do. It means refraining from calling in sick with an “eye” problem because I “can’t see” bothering to go to work today.
- Ethics can all be boiled down to the Golden Rule: **“Do unto others as you would have them do unto you.” It doesn’t matter if you can do it without getting caught. Ethics are a personal thing.**
- I am personally responsible for my ethics and am expected to treat others and my company properly regardless of how I am treated in return (ICMR, 2007).



## Unforeseen Circumstances- Class Discussion

Once a project is started, *unforeseen circumstances may impact the project in various ways such as scope, cost, or schedule.*

- Can you name a few unforeseen events?
- What should the manager do in such cases?

# Hint

Before taking any action:

- Analyze and understand the unforeseen event and determine its impact on the project.
- Use the agreed change control process to obtain approval prior to implementing any changes