

Course Outline for Management undergraduate program

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

Academic Year: 2020 Semester II

UNIT 1 : PROJECT IDENTIFICATION

- 3.1. Project Idea – meaning
- 3.2. Sources of Project Ideas
 - 3.2.1. Macro sources
 - 3.2.2. Micro sources

An Overview of Project Identification

Project identification is a repeatable process for documenting, validating, ranking and approving candidate projects within an organization.

The purpose of project identification is to develop a preliminary proposal for the most appropriate set of interventions and course of action, within specific time and budget frames, to address a specific development goal in a particular region or setting.

PROJECT IDENTIFICATION DEFINITION

Project identification is a process to assess each project idea and select the project with the highest priority. It concerned with collection, compilation and analysis of economic data for the eventual purpose of locating possible opportunities for investment.

Project Identification Process Step

Step One. Define the wider project objectives and justify your project.

What is the wider environmental problem that you which to address? This will provide the justification for your specific project, and allow you to consider alternative solutions.

Project Identification Process Step

Step Two. Define the immediate objectives of your project

What the project is directly intended to achieve?

Step Three. Define the project outputs

What measurable results will be achieved by the project?

Step Four. Define project inputs

What resources are needed to generate the outputs?

Step Five. Set out your assumptions

Unrealistic assumption may result in a poor, risky project.

Project Identification Process Step

Step Six. Complete a log frame

Apply Logical framework approach for assessment of project idea.

Step Seven. Make a preliminary estimate of project cost

Preliminary estimate of project cost you should estimate approximate costs of all inputs defined in Step 4.

Step Eight. Identify the key policy documents

Reflect key regional, national and international policies and strategies in order to justify your project to potential funders.

Project Identification Process Step

Step Nine. Prepare a project description

See the list of elements to be included in the project description, taking into consideration the requirements of the potential funders

Step Ten. Identify sources of funding

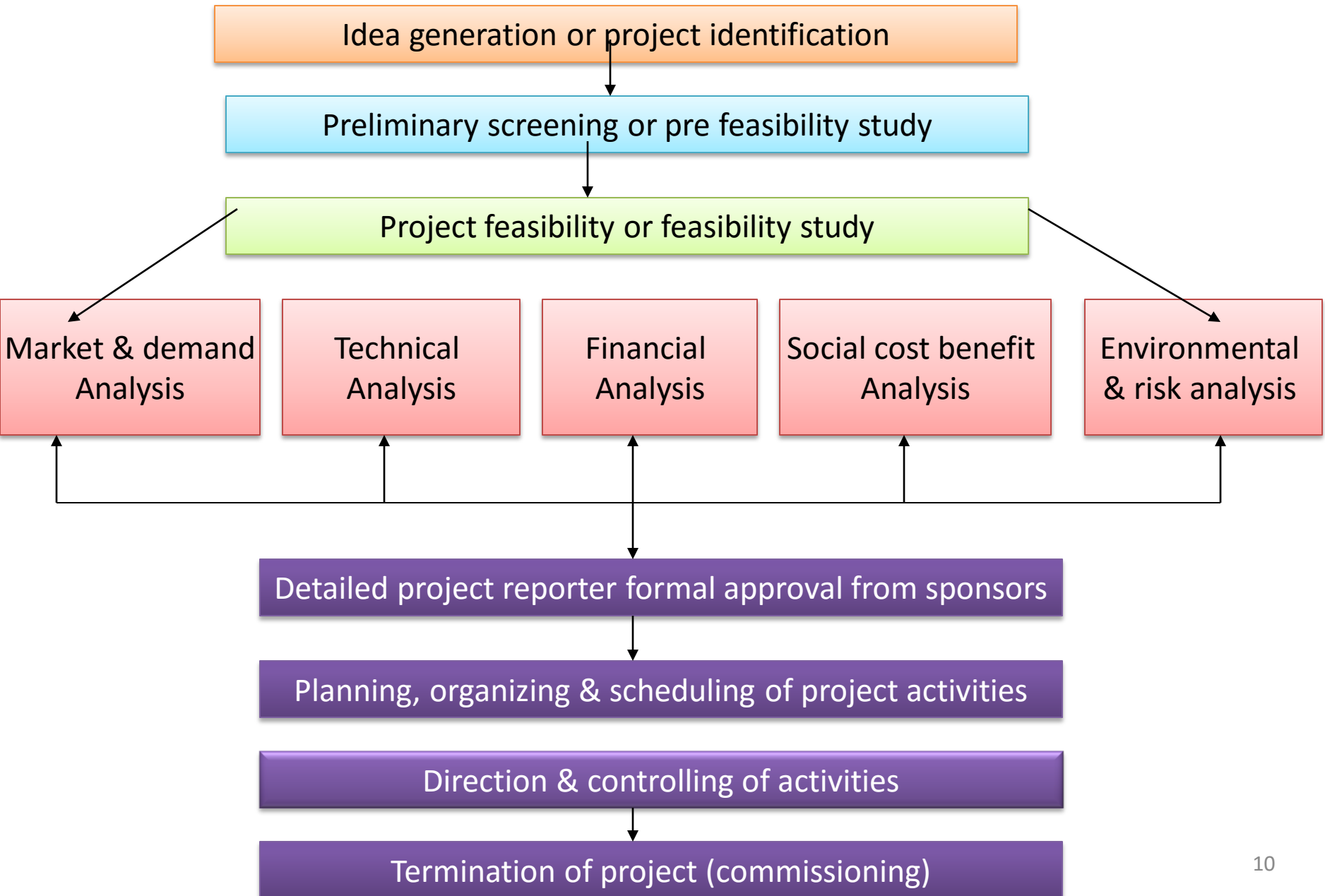
What type of funding is the best for your project? Are you seeking a grant, a loan, equity, or a combination of these? What is the most likely sources for this funding? Will you require a combination of national and international funding?

Project Identification Process Step

Step Eleven. Contact potential funders

In practice you will probably have been in contact with the potential funder from early in the project identification stage, in order to understand their funding objectives, priorities, procedures and areas of activity.

PROJECT IDENTIFICATION



Project identification

This is the conception stage in a project's life cycle

- At this stage, there are main activities that should take place.
 - ✓ Idea conception
 - ✓ Identification of needs and
 - ✓ problem recognition
 - ✓ Formulation of objectives

Idea conception

Project Idea – meaning

- A good business idea is a prerequisite for a successful project venture.
- It needs to be developed and transformed into a viable project opportunity.
- A project idea is the response of a person's or organization to solve an identified problem or to meeting perceived needs in the environment .
- Finding a good idea is the first step in transforming a project idea into implementation

Ideas are the response of :

- **Need –based** i.e. solving a person or organizational problem
- **demand based** i.e. need to get product or service
- **Resourced based** i.e. a need to use resources

Sources of Project Ideas

- To search for promising project idea is the first step towards establishing a successful venture.
 - As traditional adage goes on, **the key to success lies in getting into the right business at the right time.**
 - Good project ideas-the key to success –are elusive.
 - So a variety sources should be tapped to identify them.
- Sources of project ideas can be categorized into
- Macro and micro sources.

Sources of Project Idea

Project ideas can be drawn from a number of different sources.

You may already have a clear idea for a project. Most people start with a problem or with something that they want to do. A project is a way of implementing a policy or of solving a problem.

Sources of Project Idea

The following are possible sources of project ideas:

1. From an analysis of environmental problems and opportunities, a strategy or strategic policy framework has been developed.
2. Project ideas may be invited or generated from a number of agencies, for example, central, regional or municipal government, or non-governmental organisation.
3. There may be a need to implement new legislation e.g. in compliance with international agreements.

Sources of Project Idea

The following are possible sources of project ideas:

4. There may be a national call or invitation for project proposals.
5. Partly or fully developed ideas may already exist.
6. Ideas may have been generated in the course of evaluating and implementing earlier projects.

Sources of Project Idea

7. By brain-storming with your organisation.
8. By adapting good practice used in other regions or countries to suit local conditions.
9. By inviting proposals to solve an identified problem from companies known to have the required experience.

Macro sources

- **Macro Environment Analysis**

- Environmental analysis can be done for ongoing business or new one using PEST/STEP Model.
- STEP analysis can be an effective strategic instrument for realizing market growth, decline and the potential of the business.
- By looking into the outside environment , the company can frame strategic planning process for the future out of its present situation.

Tools for identifying project opportunities

A study of STEP factors is helpful in projecting demand for various goods /services. Ideas can be generated from analysis of the step factors.

1. **Sociological factors**, e.g. values , life styles, demographics ,culture, education trends, immigration & emigration, family size
2. **Technological factors** e.g. R&D, new products & processes, advancement in manufacturing process,
3. **Economic factors**, e.g. government policies, disposal income, unemployment rate, economic growth, inflation, interest rates, demand and supply of the commodity
4. **Political factors**, e.g. policy , legislation, political parties, relationship with neighboring countries, tax structure, environmental regulation, stability of the government, world political trends

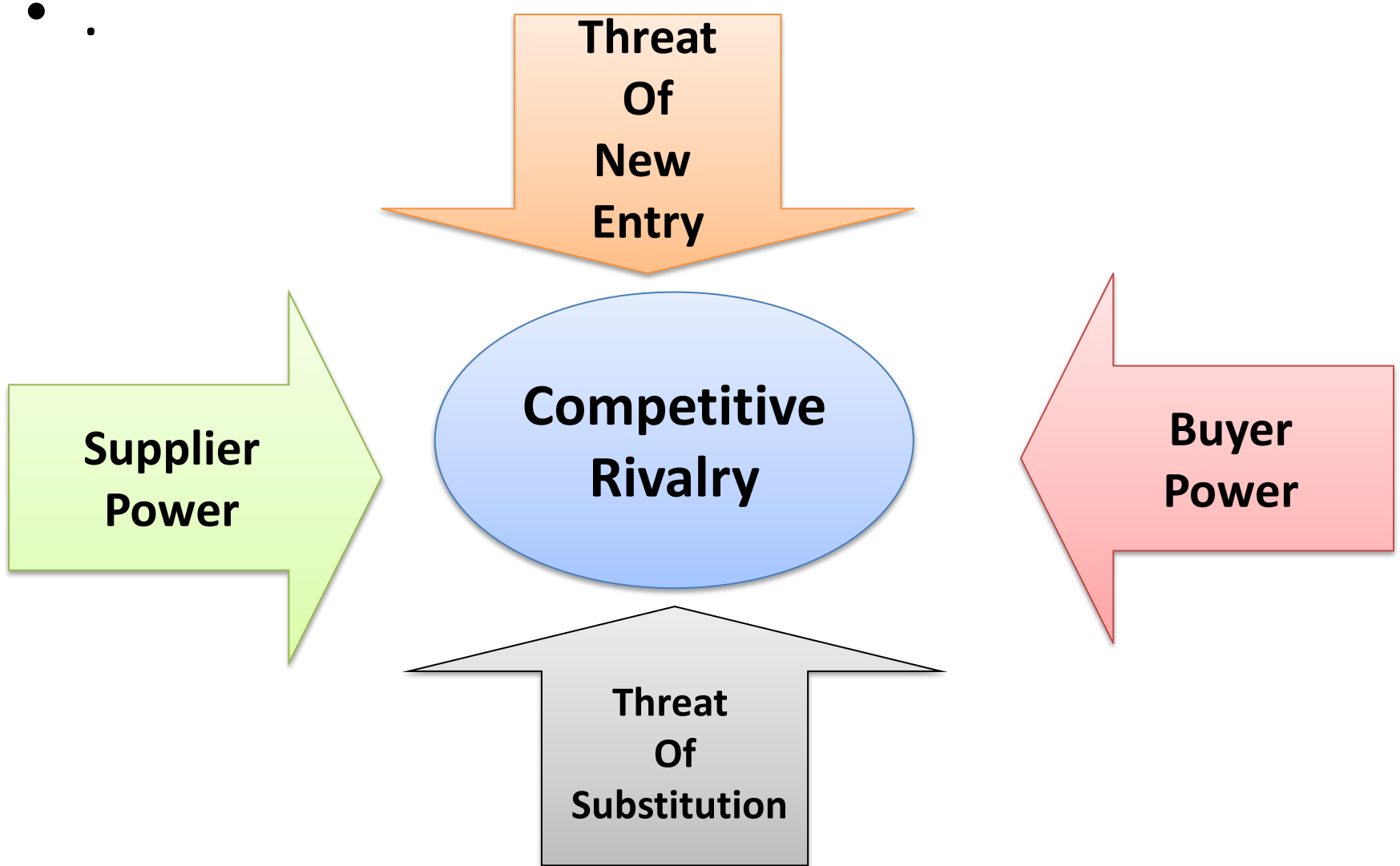
A model for organizational environment



Micro- Analysis

- A realistic appraisal of corporate strengths and weaknesses is essential for **identifying investment opportunities** which can be profitably exploited.
- To fulfill needs and improve shortages of products/services **project ideas can be emerge.**
- Porter five forces model is useful to understand the competition for company's competitive advantage

Five Forces Model Analysis for generating ideas



SWOT Analysis for identifying ideas

- **Strength**

- ◆ Strong back up and support from University and Government
- ◆ Steady customer base

- **Weakness**

- ◆ Limited product range and product differentiation
- ◆ Poor Management and quality control
- ◆ Insufficient awareness to the technology application and safety sense is at primitive stage
- ◆ Lack of certified trained and qualified technician, engineers or other staff

- **Opportunity**

- ◆ Government strategic plan to develop North-West province
- ◆ Tremendous demands on industrial boilers

- **Threats**

- ◆ Many competitors in market
- ◆ Other product substitution

- SWOT-Analysis is a technique to **indentify and evaluate ideas** in terms of their potential strengths ,weaknesses, opportunities and threats.

SWOT-Analysis will enable you to :

1. Continue with the selected idea and make a full feasibility study
2. Make change to the business idea
3. Drop the business idea completely

Assignment

- Generate one project idea , and justify how you obtain it . Describe its features and explain the detail of its phases.