Project Management 101. Skills for Leading and Working in Teams, pt. 2

by Barbara A. Doll, PhD, PMP

In last month's column we defined and described projects, portfolios, and project management. We identified the project manager's role and the concept of a project life cycle. This month we will begin to discuss the nine project management knowledge areas. First we will look at how projects get started.

Where to Start?

The first step of a project is to write the charter, a one-page document that includes:

- Project name and description
- Cost and benefit analysis including justification, such as net present value, return on investment, and payback analysis
- Project sponsor, manager, and team members and their roles and responsibilities
- Authorization to begin the project and commit resources
- Initial budget and time frame

Let's consider a simple project to update a company's computers with a new version of patient registration software. The time frame is February 21 through April 21, 2005, and the budget has been set at $104,000 to cover salaries and the cost of the software update. There will be three project participants: a project manager and two software technicians.

WBS and Success Criteria for the Software Update Project

Phase	Deliverable	Activity	Success Criteria
Planning	Obtain new software version	Create project plan	
		Buy new software version	Software received on time and on budget
Design	Test new software version	Create test plan	
		Test new software version	100% performance on the test plan
Installation	Install new software version	Create software installation plan	
		Install software: 10 activities, one for each department	Check off list of every computer to be upgraded, signed by the technician
		Perform random testing	Testing every 20th installation with 100% passing of the test plan
Close-out	Customer acceptance	Conduct customer acceptance testing	
		Obtain customer acceptance and sign-off	Sign off on project completion

Integration: Developing the Project Plan

The Project Management Institute (www.pmi.org) identifies nine knowledge areas to guide the project manager in meeting project objectives: integration, scope, time, cost, quality, human resources, communications, risk, and procurement.

The integration knowledge area compiles the individual plans for each of the other eight areas into an overarching project plan. It also involves incorporating later changes approved for the plan. Integration management is an important function. It can be especially difficult for people with technical backgrounds to delegate technical tasks, for example, and they may sometimes lose sight of the big picture.

Scope: Setting Boundaries

Managing the scope of a project requires defining and then controlling what is and is not included in the project. It is critical that the project team and the stakeholders have the same understanding of what products or services will be produced and what work will be done in producing those products.

A scope statement documents:

- Project deliverables: detailed descriptions of the products or services to be provided
- High-level outline of the proposed steps in the project
- Success factors: what constitutes success, in quantifiable terms, for each deliverable

Breaking It Down

The work breakdown structure (WBS) organizes and defines the project's scope of work. With each successive level, it provides increasingly detailed definitions of the work to be done. It is extremely important to document WBS activities and make sure the project team helps to develop them and fully understands them.

The WBS should be a top-down document, beginning at a high level and drilling down to the level where you manage and control, where you can complete an activity in 40 to 80 hours, and where you can define a single point of accountability. For our software update project, the WBS and success criteria are defined in the table above.

Managing Change Requests

An important part of the scope area is change management. After the scope statement is completed, it is essential that sign-offs be obtained and that the agreed-upon scope is frozen. Any further suggestions for change should follow a formal change management process. This process includes the following steps:

1. Enter the proposed project change in a project change management log
2. Determine if the change is viable, usually with a meeting between the sponsor, client, and project manager
3. Analyze the change proposal's impact on cost, time, benefits, and each knowledge area
4. Submit the request and analysis to the change management board, which includes the project sponsor and client
5. If approved, integrate the change into the nine knowledge areas

A formal change management process helps protect the project manager from scope creep—changes that extend schedule and cost beyond the original plan.

Next Steps

Coming in part 3:

1. Network diagram and project schedule
2. Time, cost, and quality knowledge areas

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