Introduction: Why Project Management?

Chapter 1

Introduction

- Examples of projects
  - Split the atom
  - Chunnel between England and France
  - Introduce Windows XP

"Projects, rather than repetitive tasks, are now the basis for most value-added in business"

-Tom Peters

What is a Project?

Project

- Take place outside the process world
- Unique and separate from normal organization work

Process

- Ongoing, day-to-day activities
- Use existing systems, properties, and capabilities

A project is a unique venture with a beginning and an end, conducted by people to meet established goals within parameters of cost, schedule and quality.

Elements of Projects

- ***Complex***, one-time processes
- ***Limited*** by budget, schedule, and resources
- Developed to resolve a ***clear goal*** or set of goals
- ***Customer-focused***

General Project Characteristics (1/2)

- ***Ad-hoc*** endeavors with a clear life cycle
- ***Building blocks*** in the design and execution of organizational ***strategies***
- Responsible for the ***newest*** and most improved ***products***, services, and organizational ***processes***
- Provide a philosophy and strategy for the ***management of change***

General Project Characteristics (2/2)

- Entail ***crossing*** functional and organization ***boundaries***
- ***Traditional management functions*** of planning, organizing, motivating, directing, and controlling apply
- Principal outcomes are the ***satisfaction of customer*** requirements within ***technical***, ***cost***, and ***schedule constraints***
- ***Terminated*** upon successful completion

Process & Project Management (Table 1.1)

Process	Project
1. Repeat process or product	1. New process or product
2. Several objectives	2. One objective
3. On-going	3. One shot – limited life
4. People are homogeneous	4. More heterogeneous
5. Systems in place	5. Systems must be created
6. Performance, cost, & time known	6. Performance, cost & time less certain
7. Part of the line organization	7. Outside of line organization
8. Bastions of established practice	8. Violates established practice
9. Supports status quo	9. Upsets status quo

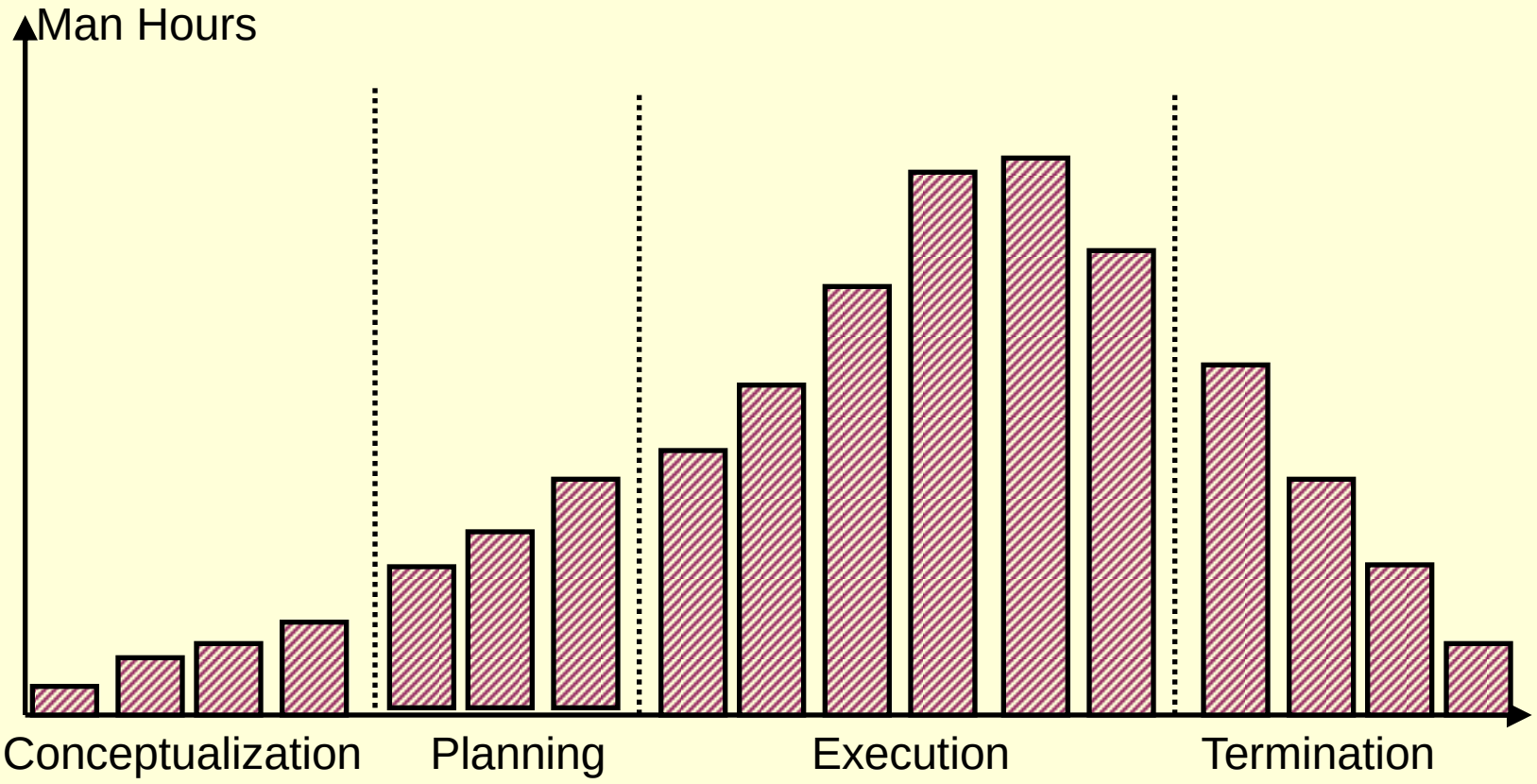
Information Technology Project “Success”

- Software & hardware projects fail at a 65% rate
- Over half of all IT projects become runaways
- Up to 75% of all software projects are cancelled
- Average cost overrun is 45%; schedule overrun is 63%; with only 67% of originally contracted features
- 47% of IT projects delivered but not used, 29% paid for but not delivered; 19% abandoned

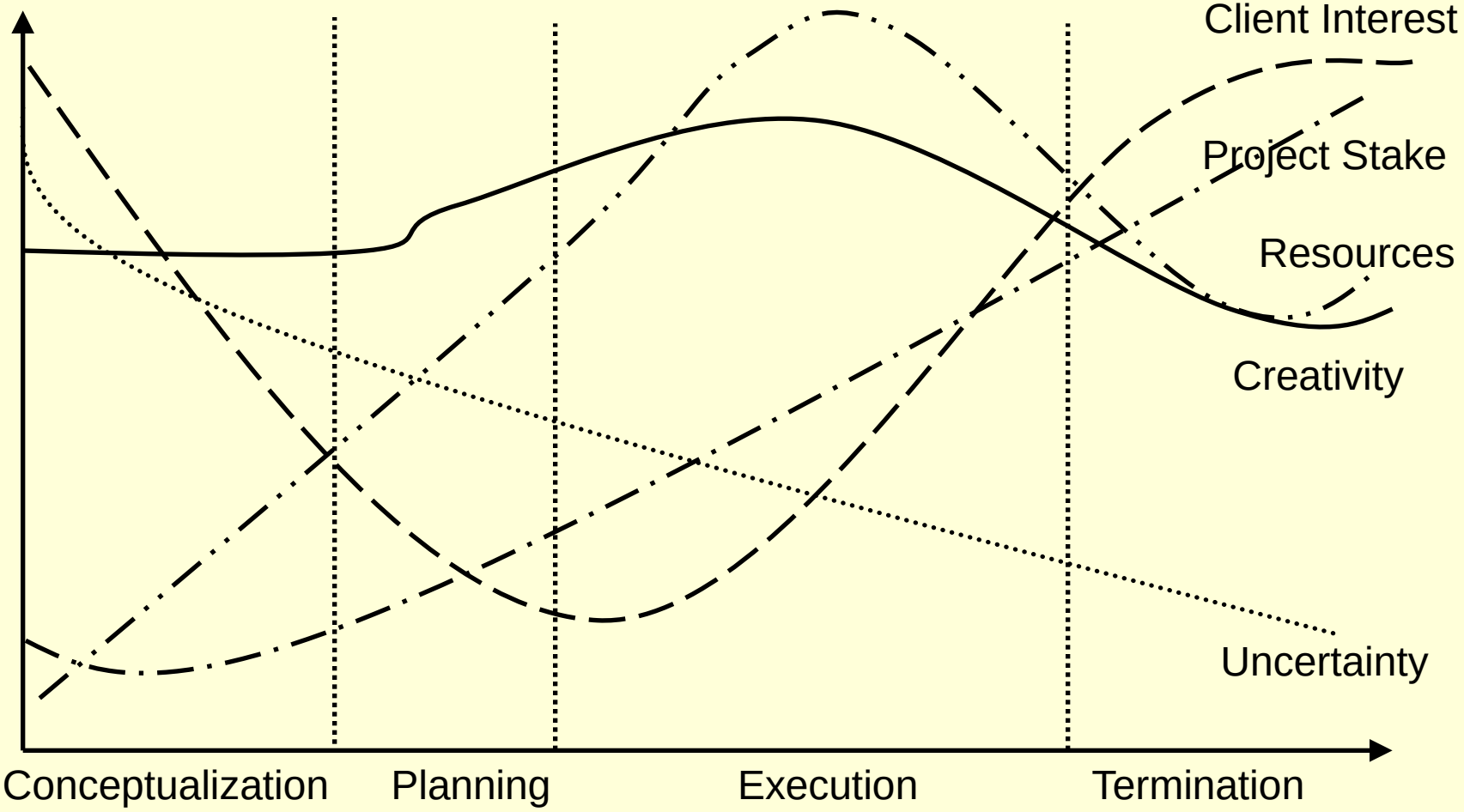
Why are Projects Important?

1. Shortened product life cycles
2. Narrow product launch windows
3. Increasingly complex and technical products
4. Emergence of global markets
5. Economic period marked by low inflation

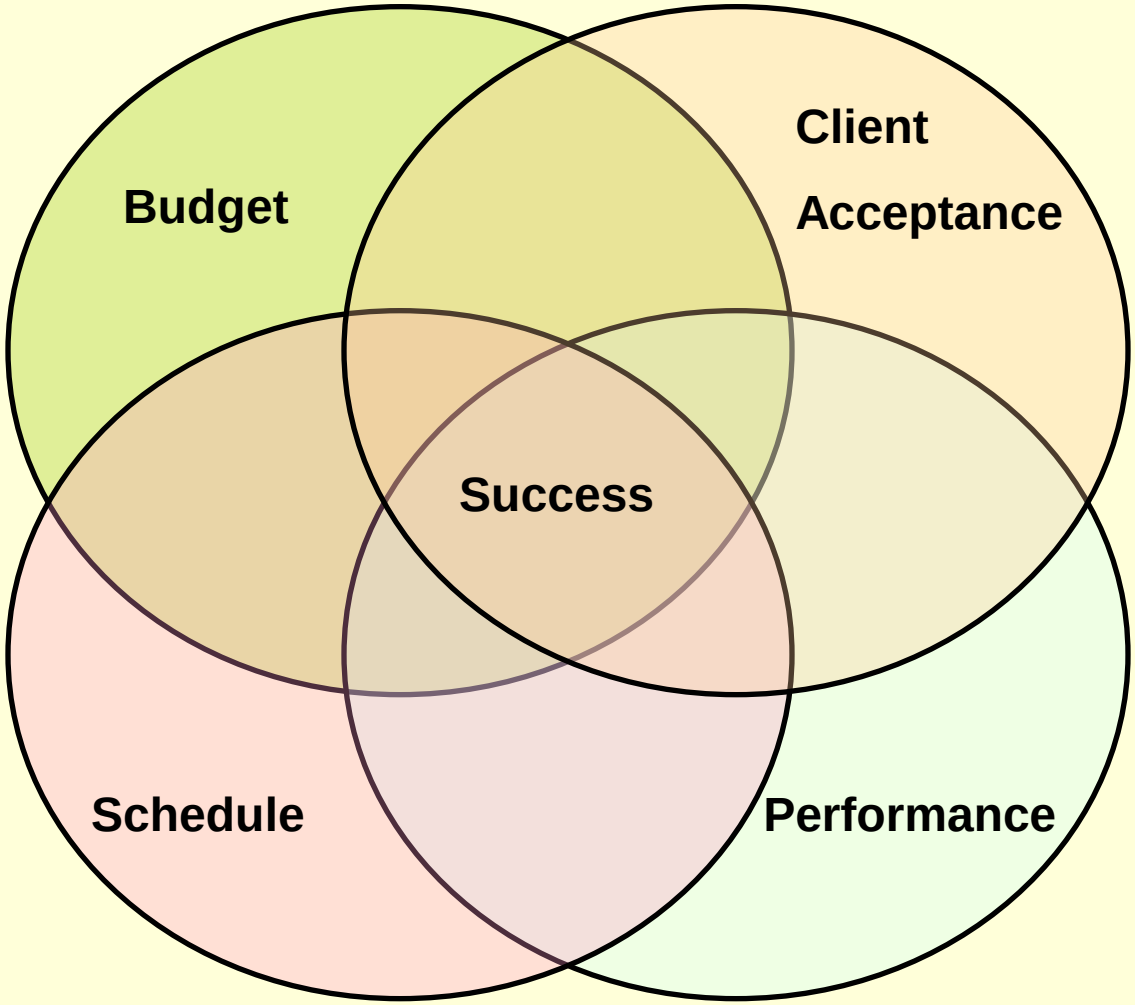
Project Life Cycles



Project Life Cycles and Their Effects



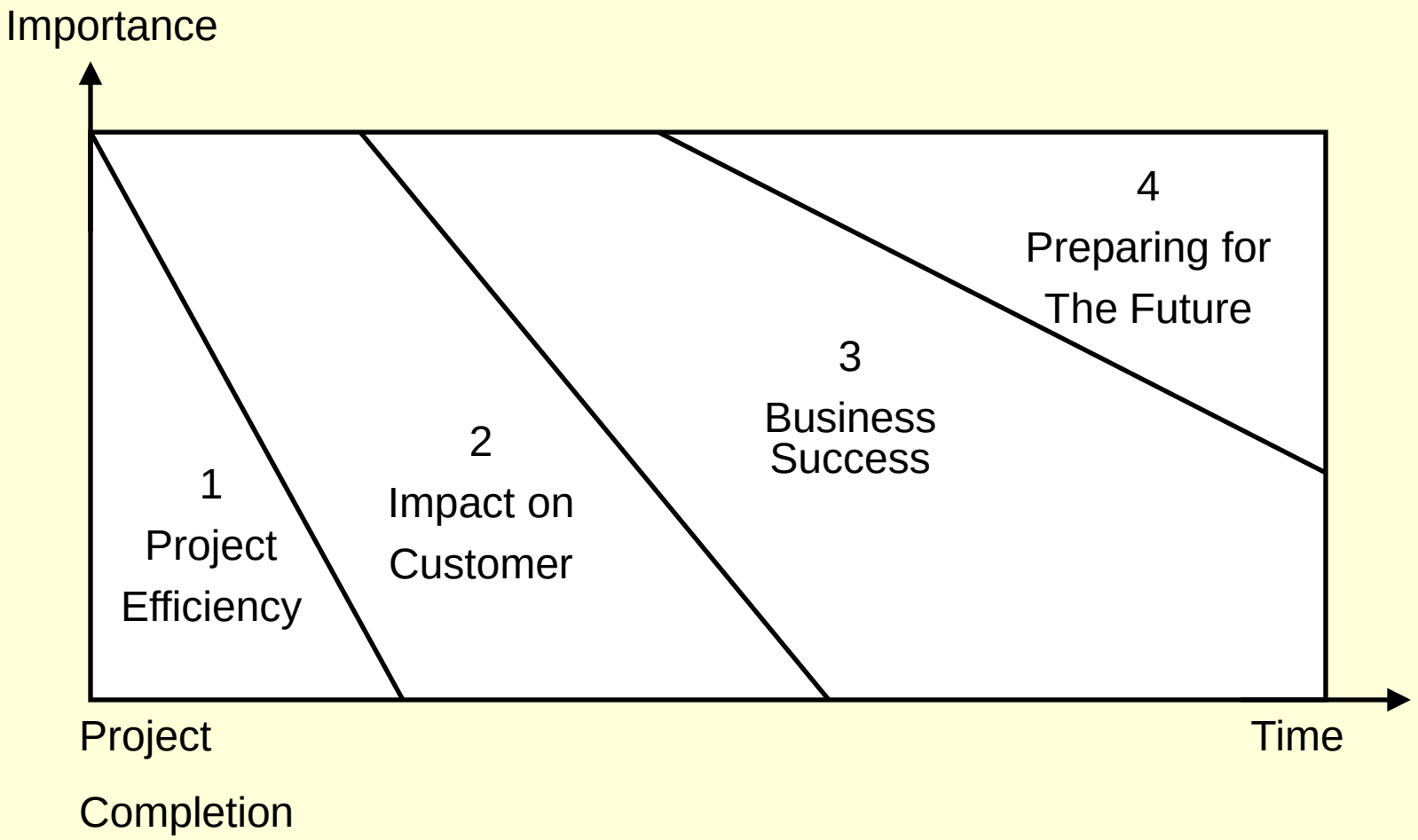
Determinants of Project Success



Six Criteria for IT Project Success

- System quality
- Information quality
- Use
- User satisfaction
- Individual Impact
- Organizational impact

Four Dimensions of Project Success

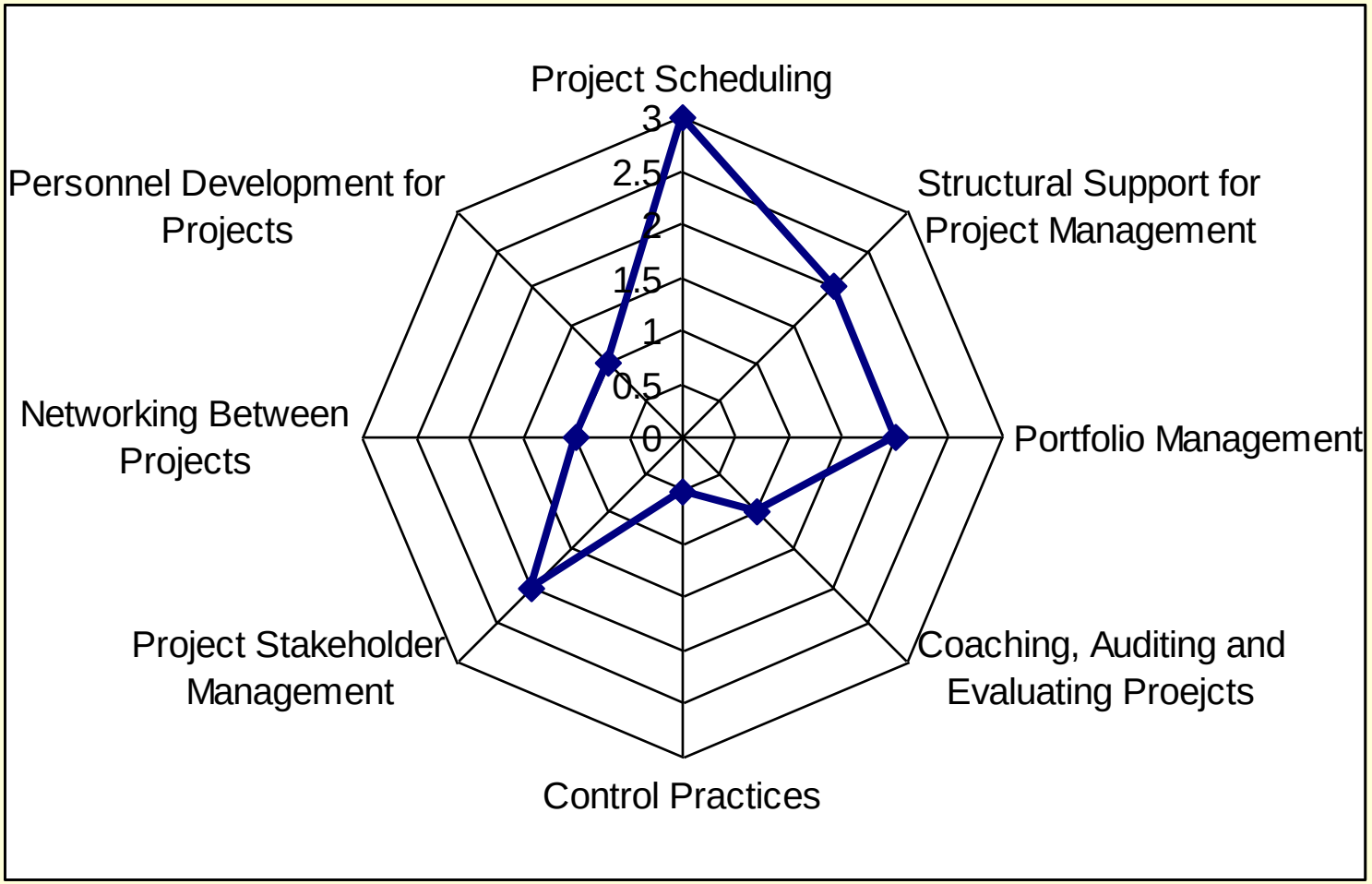


Developing Project Management Maturity

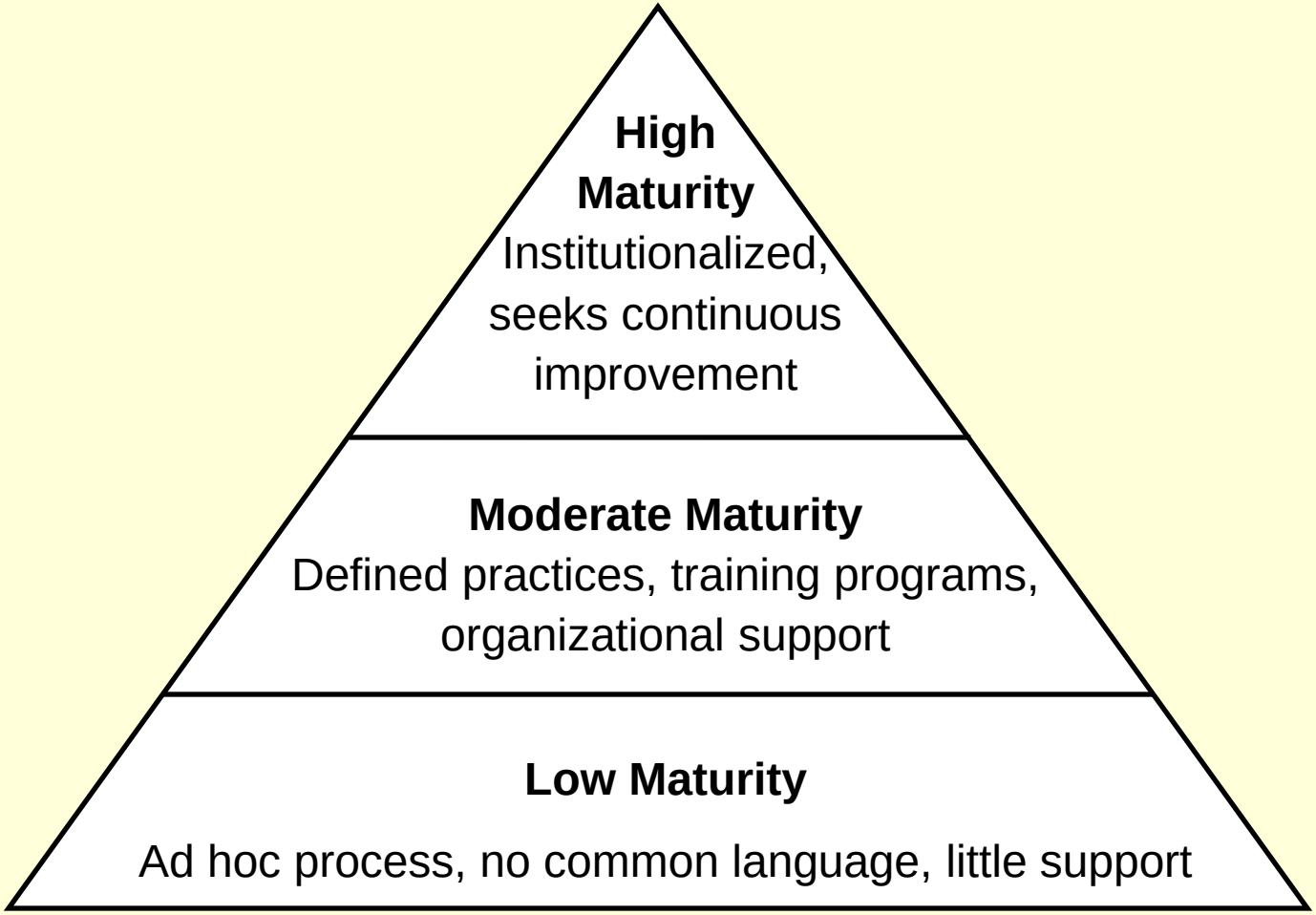
Project management maturity models

- Center for business practices
- Kerzner's project management maturity model
- ESI International's project framework
- SEI's capability maturity model integration

Spider Web Diagram



Project Management Maturity Generic Model



Project Elements and Text Organization

Ch. 1 - Why Project Mgmt?
Ch. 2 - Strategy, Structure & Culture
Ch. 3 - Project Selection
Ch. 4 - Project Leadership
Ch. 5 - Scope Management
Ch. 6 - Team Building & Conflict
Ch. 7 - Risk Management
Ch. 8 - Cost Estimation & Budgeting
Ch. 9 - Scheduling I
Ch. 10 - Scheduling II
Ch. 11 - Critical Chain Scheduling
Ch. 12 - Resource Management
Ch. 13 - Project Evaluation & Control
Ch. 14 - Project Termination