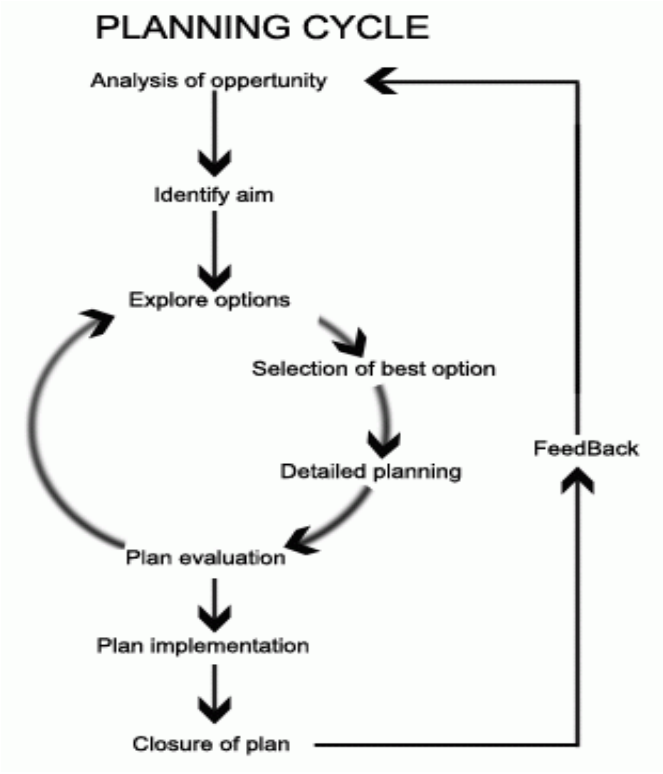
Project Management

A project is considered successful if it meets agreed deadlines, stays within budget and delivers the required benefits. Project Management is, of course, very important to the successful completion of large projects. Project management is the process of planning, organizing, staffing, controlling and tracking the resources of the organization to meet the agreed project objectives. Project management provides procedures and guidelines to manage the overall project plan, issues and risks. Project management duties mainly include:

- Planning and monitoring
- Dependency management
- Project reporting
- Quality management
- Risk management
- Issue management
- Change control
- Project administration
- Project library
- Document management
- Contract and third party administration

Project Planning

"The success of a project will depend critically upon the effort, care and skill you apply in its initial planning"



Project planning is the gathering of detailed tasks, efforts, resources, and costs of running a project. Project planning is an important phase of project management because intelligent planning is always responsible for the success of a project. In project planning, project cycle plays an important role because Planning Cycle brings together all aspects of planning into a coherent, unified process.

Different stages of this planning cycle are explained below:

1. Analysis of Opportunities:
The very first thing to do is to spot what needs to be done. One approach is to examine your current position, and decide how you can improve it.

2. Identifying the Aim of Your Plan
Second next step is to decide precisely what the aim of your plan is. Deciding and defining an aim sharpens the focus of your plan, and helps you to avoid wasting effort on irrelevant side issues.

3. Exploring Options
At this stage it is best to spend a little time generating as many options as possible, even though it is tempting just to grasp the first idea that comes to mind.

4. Selecting the Best Option
Once you have explored the options available to you, it is time to decide which one to use.

5. Detailed Planning
Detailed planning is the process of working out the most efficient and effective ways of achieving the aim that you have defined. It is the process of determining who will do what, when, where, how and why, and at what cost.

6. Evaluating your Plan
Review the details of the plan once again and decide whether it is worth implementing the plan. Evaluating the plan now gives you the opportunity to investigate other options that might be more successful.

Techniques for evaluating a plan:

a) Plus/Minus/Interesting:
In this technique, list the plus points of the plan in one column, minus points in second column, and the implications of the plan in a third column. Each point can be allocated a positive or negative score.

b) Cost/Benefit Investigation:
This is helpful in verifying whether the plan makes financial sense. This involves adding up all the costs involved with the plan, and comparing them with the expected benefits.

c) Cash Flow Forecasts:

By this technique, you calculate the effect of time on costs and revenue. It also helps in assessing the size of the greatest negative and positive cash flows associated with a plan.

7. Plan Implementation

Now it's time to implement your plan! It should also detail the controls that you will use to monitor the execution of the plan.

This whole cycle is summarized below.

1. Design the project into stages and work streams containing groups of connected and dependent tasks;
2. Include job dependencies;
3. Calculate approximately the time required for each task:
4. Recognize and assign resources to each task;
5. Recognize resource "burden" and targets that are hard to achieve. Smooth where necessary, reorganize tasks if required, or relocate resources to reduce resource congestion;

Project Budgeting

Project budget is one of the most basic tools in project reporting. Every project will cost something and you need to discuss those costs in your plan. Before starting a project, you should know how much the project is going to cost. Project budgeting is helpful in identifying and preparing the funds well in advance. It is also helpful in identifying financial risks for the project well before the risk becomes an issue. Project budgets are rarely firm, fixed numbers but should be viewed as guidelines. However, these guidelines should be within an acceptable range of variance. Many project budgets consist of a range of budget numbers spanning from a conservative budget (higher costs) to a more generous budget (lower costs) and an averaging of the probable costs (somewhere in between). A well kept project budget will also allow the project to anticipate future resource needs and provide sufficient time for changes in strategies or future spending requirements. Project budgets must be continually redefined and refreshed based on actual costs. The project budget should be carefully maintained and matched against the completed and outstanding tasks to provide another means of measuring overall project progress.

Project Monitoring and Reporting

Project Monitoring is used by project managers and project teams to ensure that the team is making satisfactory progress. Project Monitoring is used to track all major project variables like cost, time, scope, and quality of deliverables. Project monitoring is the heart of any good project management. Reports are the decisive factors in successful completion of any project. Project plans can be used as the underlying project guidelines for monitoring. Team members should report individually to project manger on weekly basis to keep him updated about progress. A reporting procedure should be developed and maintained. Appoint a responsible person for each relevant activity. Report contents

should be clearly documented. Reporting procedures should also include regular meetings to make sure that any matter raised by the reports are reviewed and managed on a regular basis.

It is recommended to have at least two reporting levels:

1. First level of reporting is from the project teams to project management. This normally consists of detailed information, which allows the Project Manager to track the work against the base lined project plans.

2. Second level of reporting is a regular compound report for project stakeholders. This level of reporting is aimed at giving an accurate overview of the current status of the whole project particularly focusing on the potential problems and risks and ensuring that the project's progress is accurately and honestly represented. This level of reporting is high level and involves a lesser amount of detailed technical information.

Create a Communication Plan

"Communication is best achieved through simple planning and control"

Communication takes two forms throughout the life cycle of a project: two-way interactive communication and information passing. Lack of sufficient communication in either form will cause major harms in a project. Thus *you must learn to listen as well as to speak.*

Information vs. Communication

Flow of information is always one-way communication. Project information will take the form of published strategic plans, tactical project plans, project budgets, progress reporting vs. timeline, task variance from actual and other project metrics. Many stakeholders want and require project information to help in their individualized planning processes.

The Executive Director, Project Manager, and Project Team Leaders are responsible for the sufficient sharing of project information. Communication can be classified as the mechanism for the two-way exchange of information.

Some of the perceptions are created or remain alive which are not true or are no longer true. This is all due to lack of communication. Because of communication gap the stakeholders may be apart or at odds with each other and finally doom the project to failure caused by lack of cooperation.

It is the responsibility of the Executive Director to maintain clear communication with all stakeholders. The plan for sufficient information passing and two-way communication is accomplished through the construction of a proper communication plan. It is the duty of the Executive Director working with the Project Manager to construct a useful communication system for a high quality project.

Communication Plan

The basis for controlling project communications is the creation of a communication plan. A communication plan is an '*on paper strategy*' on how, when, to whom, and what should be communicated. A communication plan should sketch out and define the measures for the communication process and create the communication channels. These channels must be established between the project and all stakeholders. A part of the communication plan is to recognize the design of the communication that will take place, and decide which design is most suitable for which audience. Communication designs can take the form of verbal presentations, official documents, summarized reports and statuses, web sites, and publications. Each type of communication should also have a communication timetable associated with it. Most significantly, good communication needs a strong feedback mechanism. When the channels of communication are opened to each stakeholder group, it is very important that the feedback mechanism also be established. Most communication plans include strategies for ad hoc reporting, reporting to external interests, and inter-project presentation and reporting as discussed below.

Risk Management

"If you don't attack the risks, the risks will attack you."

The process of identification, assessment, allocation, and management of all risks factors associated with a project is known as Risk Management. Risk management recognizes a formal approach to the process as opposed to an intuitive approach. Risks are present in all projects, whatever their size or complexity and whatever industry or business sector.

Risk Identification

In lengthy projects, or where there are important changes to the organization, management, or to the project, risk methodology should be evaluated and risks should be updated and the mitigation strategy should be reviewed regularly. This process should be carried out at the beginning of a project, but should also be repeated during the course of a project where modifications to the project or the environment introduce the prospect of further risk.

Assessment

Once acknowledged, risks need to be evaluated for the possibility of occurrence and the possible degree of impact. Determining an appropriate strategy should include consideration and costing of:

- Preventative actions to avoid or reduce the impact of the risk,
- Direct action if the risk is activated, or if an unanticipated event occurs, or
- The cost to the project and/or organization to accept the penalty of the risk without mitigation.

Management

Risk management consists of the execution of strategies to make sure that risks are either not activated, or if they are activated, to make sure that proper action is taken. Management will also include altering the mitigation strategy as needed to respond to changes in the project or environment.

Risk Mitigation Strategy

Risk mitigation strategy is the techniques of understanding and providing the steps or activities that would be required to decrease or remove the risk, decrease or remove the impact that converted risk would have on the project, or the communication and acceptance of that risk and its penalty.

Risk Groups

The following risk groups should be included in a complete risk management approach.

Sensitivity Risk – The type of information associated with a system will influence the extent of risk. Systems processing large numbers of transactions that control assets such as Revenues or Payroll would typically qualify as higher risk systems. Confidential information such as sales figures, contract information or patents and trademarks have a high degree of sensitivity and therefore qualify as greater risk.

Complexity Risk – The relative complexity of a technology influences the level of risk. High complexity normally means high risk because of more control points and as a result a greater probability of control deficiencies.

Executive Risk – The commitment, support, sponsorship, user needs, and alignment with other business initiatives affect the risk of these initiatives.

Financial Risk – Risks of losing financial resources or incurring undesirable costs and accountability.

Functionality Risk – Systems and applications that lack the functionality to meet user's needs typically result in a high degree of risk as systems and controls are by-passed in an effort to gain needed functionality.

Informational Risk – Access to information and the reliability of that information is important to all organizations. Risk increases when information is incorrect, misleading, inaccessible, or unreliable.

Operational Risk – Operations Risk is the risk of doing the right things the wrong way.

Organizational Risk – Organizational Risk relates to areas such as organizational alignment, release integration, business process design, change management, communication, training, and business continuity.

Project Management Risk – The level to which an organization controls their project management functions by implementing tools and controls (e.g., program management, project planning, project monitoring, project scope, use of methodologies and decision making) will affect project risk.

Public Risk – As an organization carry out projects that work in the public domain those projects increase in risk due to public perception and impact if the project fails.

Resource Risk – Current and future staffing issues such as time, timetable, financial plans, and head count will influence overall risk. Resource shortages introduce a higher degree of risk.

Stability Risk – Stability typically denotes lower risk while change usually introduces some degree of risk. The relative risk is determined by examining the severity and type of change experienced.

Strategic Risk - The risk of doing the incorrect thing is known as Strategic Risk.

Technology Risk - The development of the technology employed in addition to any known inherent risks is estimated. Normally the introduction of new technology initiates a higher degree of risk than constant, proven technology.

CONCLUDING REMARKS

The tower of Babel collapsed because people could no longer communicate; their speech became so different that no one could understand another. You need to communicate to coordinate your own work and that of others; without explicit effort your conversation will lack communication and so your work too will collapse through misunderstanding and error. The key is to treat a conversation as you would any other managed activity: by establishing an aim, planning what to do, and checking afterwards that you have achieved that aim. Only in this way can you work effectively with others in building through common effort.