

# **Project Management**

## **Lecture 3: Key Aspects of Project Management**

by  
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- Success factors for Projects
- Organizational Structures
- Project as conversion process

# Characteristics needed to be considered as Project?

- Specific objective to be completed within certain specifications;
- Defined start and end dates
- Funding limits
- Consume human and nonhuman resources (money, people, equipment)

# Success or Failure of Project

- Channel Tunnel



Wikimedia, No date, available at [https://upload.wikimedia.org/wikipedia/commons/0/0a/1996\\_Channel\\_Fire\\_%281%29.svg](https://upload.wikimedia.org/wikipedia/commons/0/0a/1996_Channel_Fire_%281%29.svg)

Gareth Dennis, 2020 webpost for Medium, available at [https://miro.medium.com/v2/resize:fit:1400/format:webp/0\\*rs7K8gj4om2jREEU.jpg](https://miro.medium.com/v2/resize:fit:1400/format:webp/0*rs7K8gj4om2jREEU.jpg)

# Success or Failure of Project

- It was a mega project with several false starts, but it was finally completed in 1994.
- At completion, it was estimated that the whole project cost around £4.65 billion, including a cost overrun of 80 percent.
- The project was 19 months late

# Pisa Tower



Perception of success or failure often depends upon the viewpoint from which we regard the project

Project success dimensions can be categorized into:

1. **Internal factors** (time-cost-performance);
2. **Customer related** (satisfaction, actual utilization and benefits);
3. **Organizational related** (financial, market, benefits).

In any discussion of project success, it is essential that a distinction is made between **project success** and the **success of the project management effort**, bearing in mind that a good project management can contribute towards project success but is unlikely to be able to prevent failure.

**De Wit, 1988**

more than 70% of projects fail!!!

What could be the reason for such high rate???



- Delivery date impacted the development process
- Project Underestimated
- Risks neglected, poorly managed
- Staff not motivated to work long hours
- Premature decision making
- Scope changed during the project
- Aggressive scheduling

Bazarov, M. (2018). Lecture 1: Introduction to project management [slide 31]. SlideServe. <https://www.slideserve.com/scottyj/lecture-1-introduction-to-project-management-powerpoint-ppt-presentation>

Project success/failure mainly depends on:

## 1. Objectives

- Complete within budget
- Complete on time
- Within indicated level of specification

## 2. Deliverables

## 3. Stakeholders

Bazarov, M. (2018). Lecture 1: Introduction to project management [slide, 43].  
SlideServe. <https://www.slideserve.com/scottyj/lecture-1-introduction-to-project-management-powerpoint-ppt-presentation>

# Organizational Structure

# How operations and projects are connected

- The purpose of most organizations – producing goods or services
  - How resources are managed
  - How operations are structured
  - Resources are required to facilitate the ability to accomplish daily operations.
- On some occasions they need special activities which are not part of daily tasks, but require resources from within organization.
- These type of special tasks can be called **projects** – if managed properly projects provide the organization the **opportunity to make improvements** that are **required in ongoing improvement of the operation**.
- **All projects** require resources (human, financial, equipment and materials).

- The project organization structure **outlines the positions, responsibilities, authorities and accountabilities** of all the people involved within the project.
- Organizational structure consists of 3 key elements:
  1. It designates **formal reporting relationship**
  2. It identifies the **grouping** together of individuals into departments and departments into the total organization (**function/product/geography/project**).
  3. It includes the design of systems to ensure **effective communication, coordination and integration** of effort across departments.

# Organizational Structures

- Functional
- Matrix
- Projectized
- Hierarchy
- Cross Function
- Project Based
- One superior
- Functional and Project Superior
- One superior

# Organizational Structure and PM

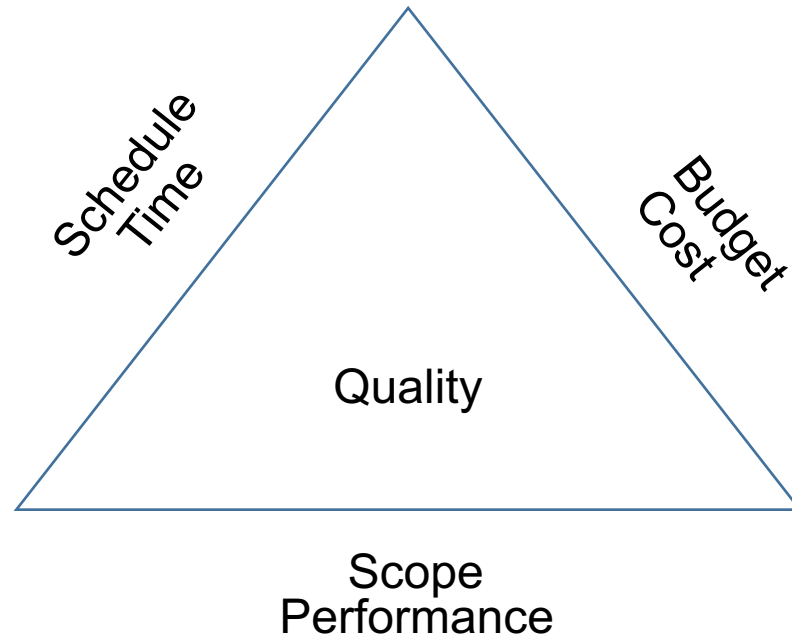


[AIMS, 2016. Available at https://youtu.be/0vPCN6X3FUI](https://youtu.be/0vPCN6X3FUI)

Organizational Structure	Functional	Matrix			Projectized
		Weak Matrix	Balanced Matrix	Strong Matrix	
Project Characteristics					
<b>Project manager's authority</b>	Little to none	Limited	Low to moderate	Moderate to high	High to almost absolute
<b>% of performing organization's personnel assigned full time to project work</b>	Virtually none	0-25%	15-60%	50-95%	85-100%
<b>Project manager's role</b>	Part-time	Part-time	Full-time	Full-time	Full-time
<b>Common titles for Project manager's role</b>	Project Coordinator/ Project Leader	Project Coordinator/ Project Leader	Project Manager/ Project Coordinator	Project Mgr/ Program manager	Project Manager/ Program manager
<b>Project management administrative work</b>	Part-time	Part-time	Part-time	Full-time	Full-time

# Triangle of Constraints

- Project Management success depends highly on how project expectations are met in context of triple constraints.

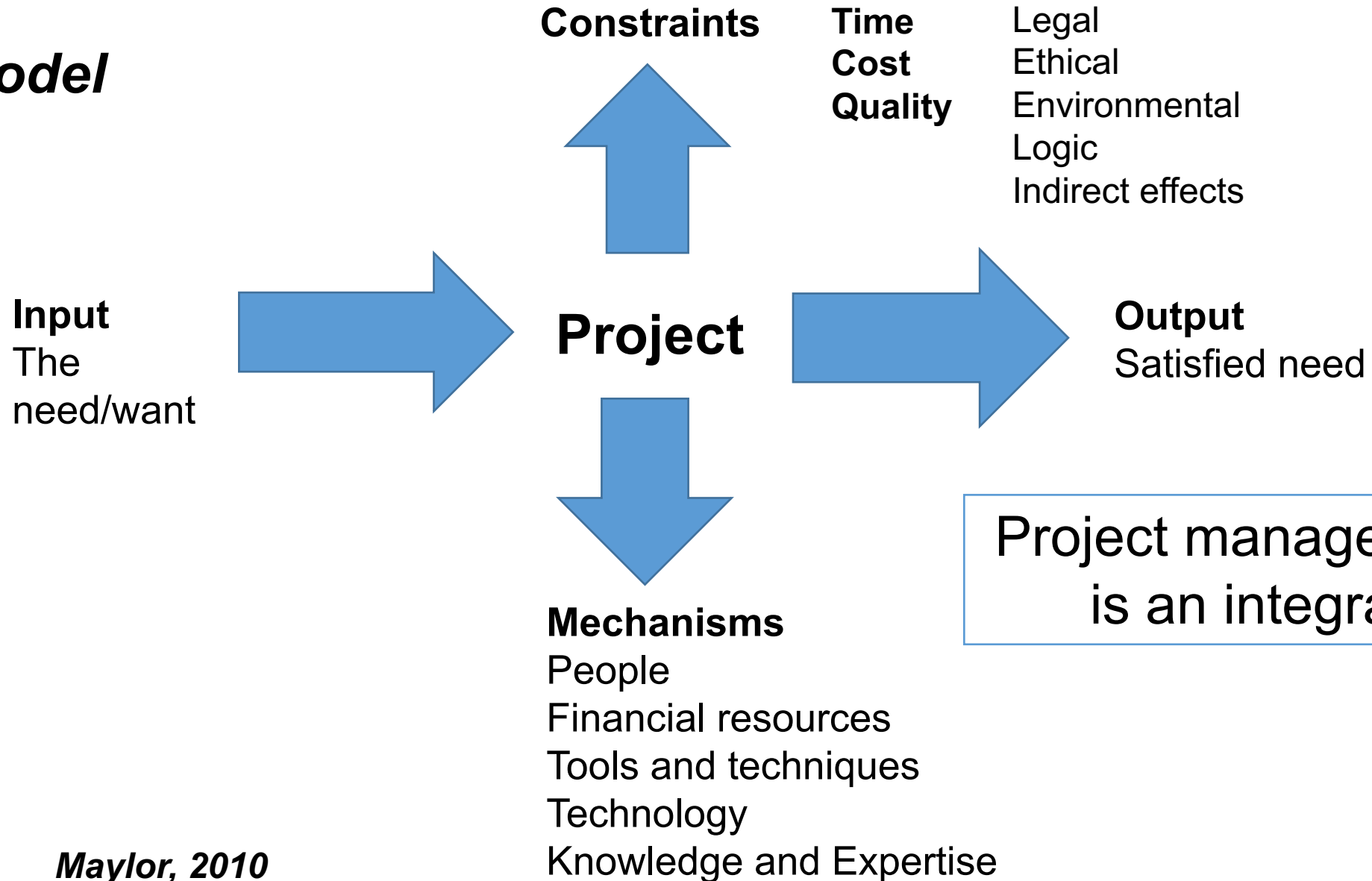


Interrelation among them varies.

- There can be a trade off of scope in order to meet schedule or be on budget
- Cutting costs might be reached via lower quality of material or labour
- Longer project tasks lead to higher costs

# Project as conversion process

## *ICOM model*



*Maylor, 2010*

**QUESTIONS?**

1. Bazarov, M. (2018). Lecture 1: Introduction to project management [slide 31, 43]. SlideServe. <https://www.slideserve.com/scottyj/lecture-1-introduction-to-project-management-powerpoint-ppt-presentation>
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3. Larson, E., & Gray, C. (2018). *Project Management: The Managerial Process* 7e. McGraw Hill.
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5. Richardson, G. L., & Jackson, B. M. (2019). *Project Management Theory and Practice* Third Edition.
6. Pinto, J. K. (2007). *Project management: achieving competitive advantage*. Upper Saddle River, NJ, USA: Pearson/Prentice Hall.
7. The video provided is available at: <https://youtu.be/0vPCN6X3FUI> , courtesy of AIMS Education UK