

WESTMINSTER

INTERNATIONAL UNIVERSITY IN TASHKENT

An Accredited Institution of the University of Westminster (UK)

# **Project Management**

## **Lecture 14 Revision**

**by**

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- Project Scope
- Project Charter
- Project Planning
- Time and Cost Estimates
- Risk Management Process
- Monitoring and Controlling
- Project Closure
- Alternative approaches to Project Management

Project scope is the **sum of the products (deliverables) and services to be provided by a project.**

Project scope is a definition of the **end result or mission of project** - a product or service for customer or client.

The scope document directs **focus on the project purpose** throughout the life of a project

The main purpose of it is to give the Project sponsor the initial idea about the project and get the formal approval for project planning.

If there were no Project Charter – the planning could start and at the end get rejected and all efforts for planning would be a waste

So with project charter it is easier to sort out the projects at earlier stage.

**Do or Die**

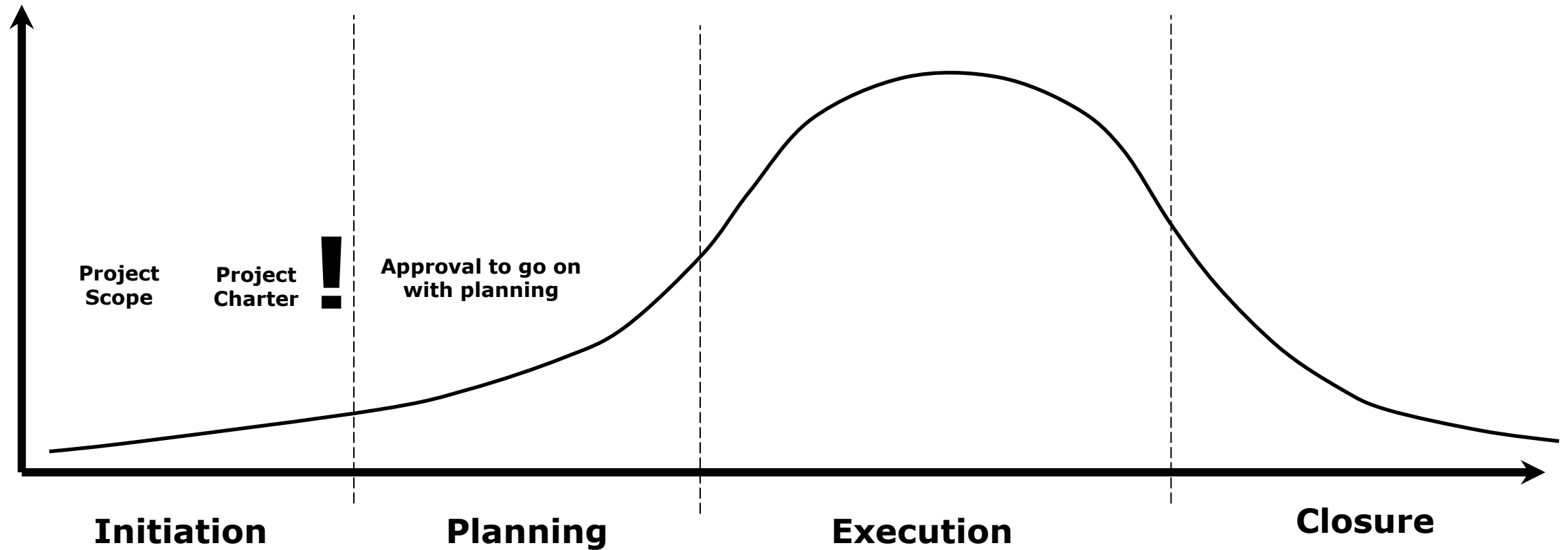
There are several aspects to be mentioned in the project charter.

This document can be a single or two pages depending on the complexity and normally, but not limited to, include the following parts.

- **Project title**
- **Business Case** (what benefit this project will provide)
- **Project Objectives** (what is expected from the project)
- **Deliverables** (milestones)
- **Roles and Responsibilities** (project manager, project team)
- **Stakeholders** (identify key stakeholders)
- **Assumptions** (budget, timeframe – start and end of the project)
- **Out of scope**
- **Risks**

Project Charter is a **formal document**, which authorizes Project Manager to inquire resources for the project.

# Project Phases



# Duration of WPs

<b>1.1.1</b>	<b>5 days</b>
<b>1.2.2</b>	<b>4 days</b>
<b>1.2.3</b>	<b>1 day</b>
<b>1.4.2</b>	<b>8 days</b>
<b>1.4.5</b>	<b>3 days</b>
<b>1.5.1</b>	<b>9 days</b>



# Bar chart – Gantt Chart



It is a reflection of tasks, activities in form of the bars.

There can always be some relationship between WPs.

# Bar chart – Gantt Chart



1.2.3 for example could start only after 1.2.2 is over

At the same time 1.2.2 can start only after 1.1.1 is over

And the list goes on



# Time and Cost Estimates



- Process of **forecasting** and **approximating** the time and cost of completing project deliverables.
- Project estimation is essential for project cost control and there should be no underestimation.

WBS allows the project to be estimated at different level of details.

Basically the estimation at work package level is divided into:

- top-down estimate
- bottom-up estimate

# Top-down estimate

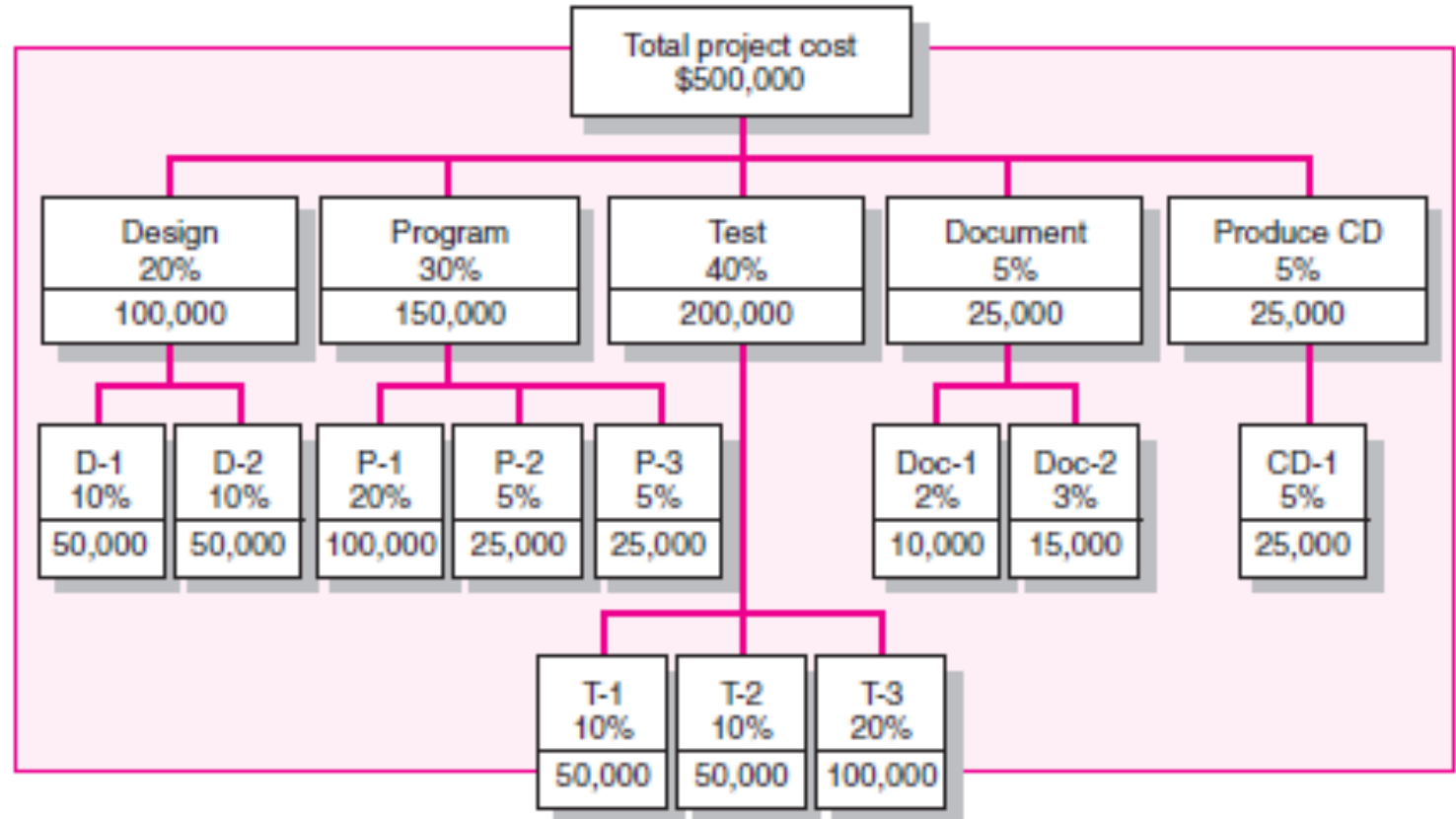
As the title suggests, the cost estimation is suggested from the higher levels down to the lower levels

At strategic level top-down estimation is used to evaluate project proposal.

Consensus method – based on the experience of senior managers.

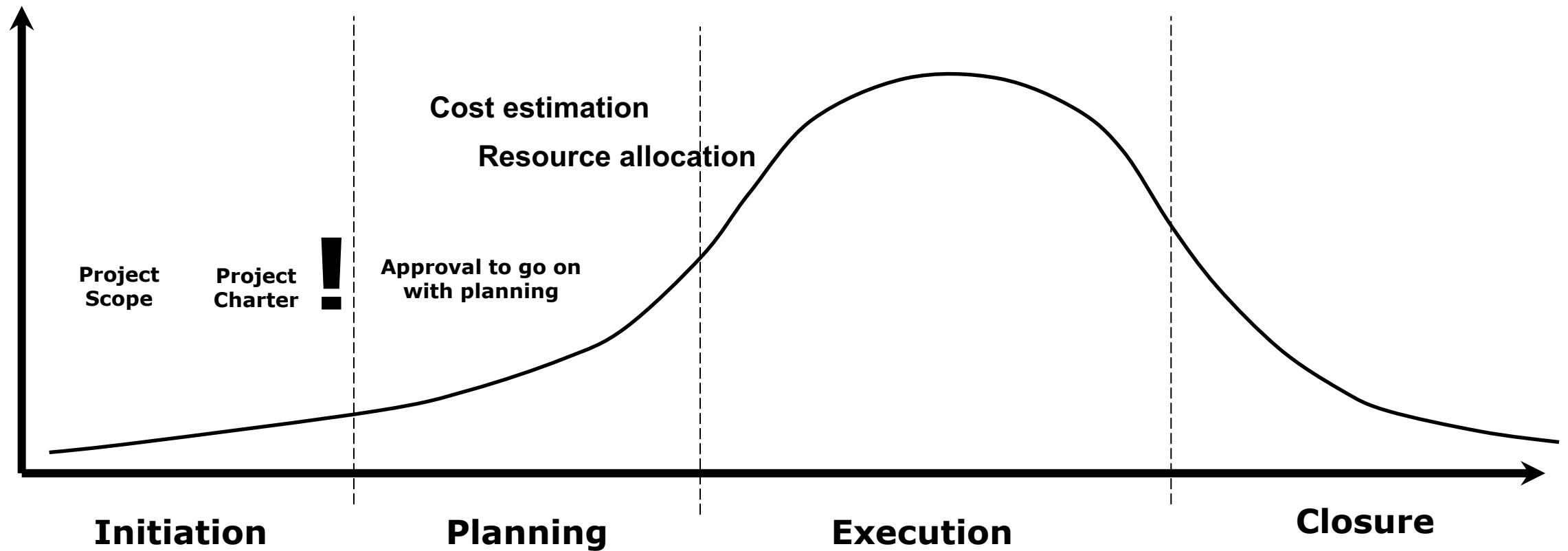
Delphi method – panel of experts to decide on the duration and costs of the project. The voice of majority is decisive.

Apportion Method – when projects follow features of past projects



Mahajan S. (2015) available at <https://iamsaurabhsite.wordpress.com/2015/12/10/bottom-up-estimating/>

# Project planning



# How can we optimize time and cost?

**Crashing-** is injecting more cash or resources to some activities in project network diagram in order to shorten their planned durations.

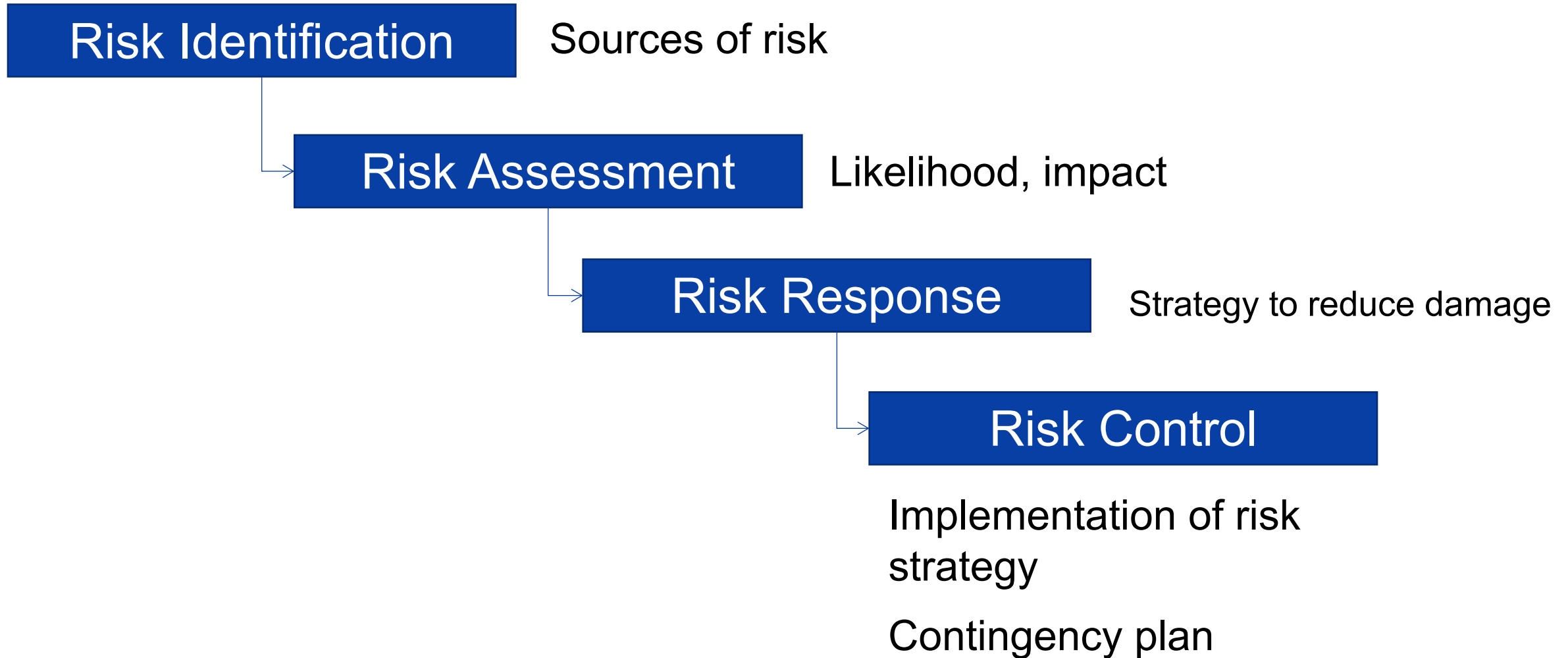
There is no need to waste money by crashing all tasks as much as possible because only some need to be crashed to achieve this result, i.e. tasks on critical path (the most cost-effective).

This result gives the shortest project duration possible.

Pinto, J. K. (2007). Project management: achieving competitive advantage. Upper Saddle River, NJ, USA: Pearson/Prentice Hall 18, pages 340

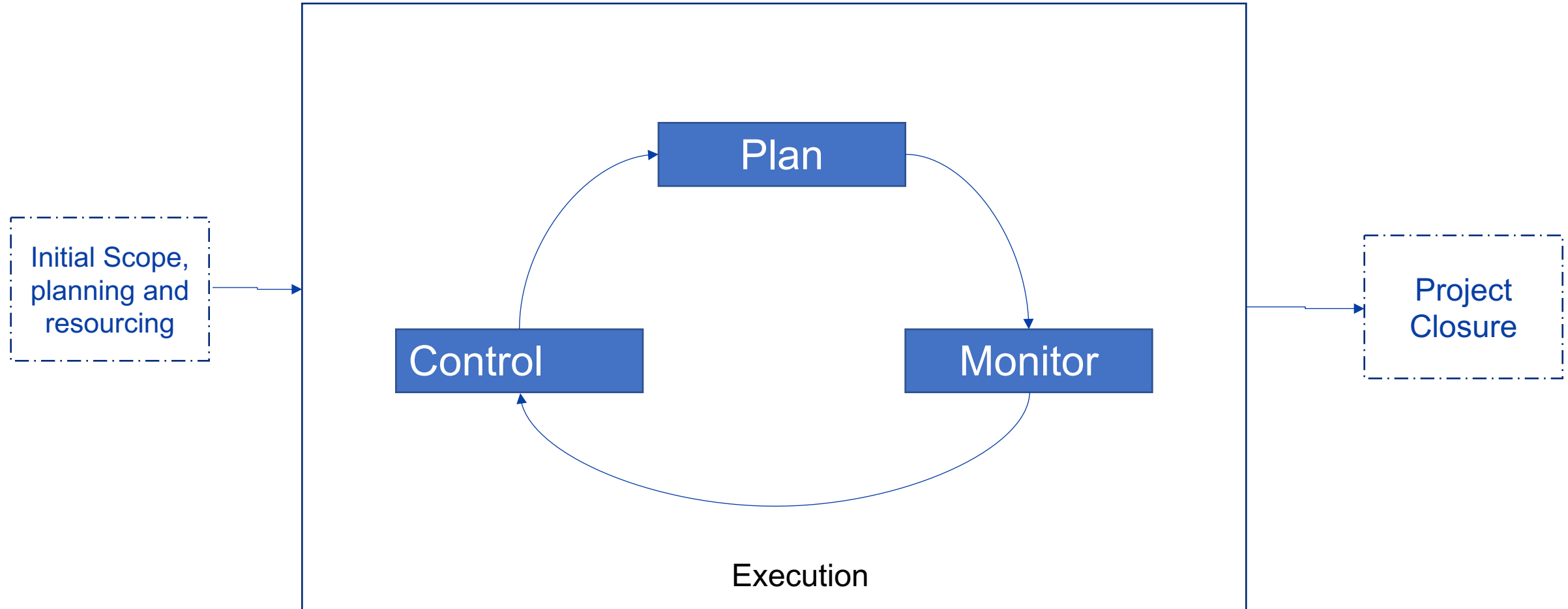
# **Risk Management Process**

# Risk Management Process



# Monitoring and Controlling

# Plan Monitor Control Cycle



It is used to evaluate the performance of the project in terms of schedule and cost. (project control method)

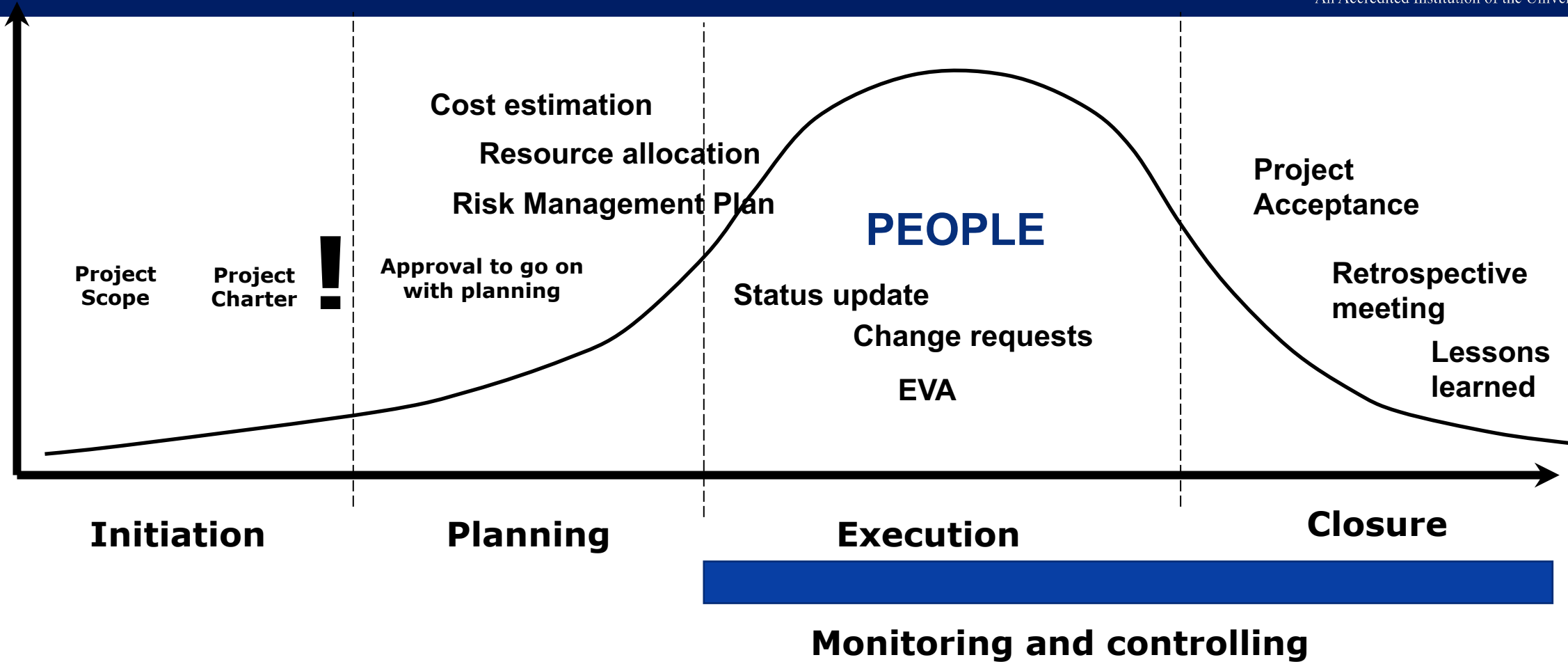
Using EVM or earned value analysis Project Manager can identify if the project is:

- ahead of ; on ; or behind schedule
- under; on ; or over budget

- **Planned Value (PV)** — The **budgeted value** of the work completed so far at a specific date. What was planned in the project.
- **Earned Value (EV)** — The **actual value** of the work completed so far at a specific date.
- **Actual Cost (AC)** — The total expenditure for the work so far at a specific date. The real time cost of the project, task or deliverable.

# Project Closure

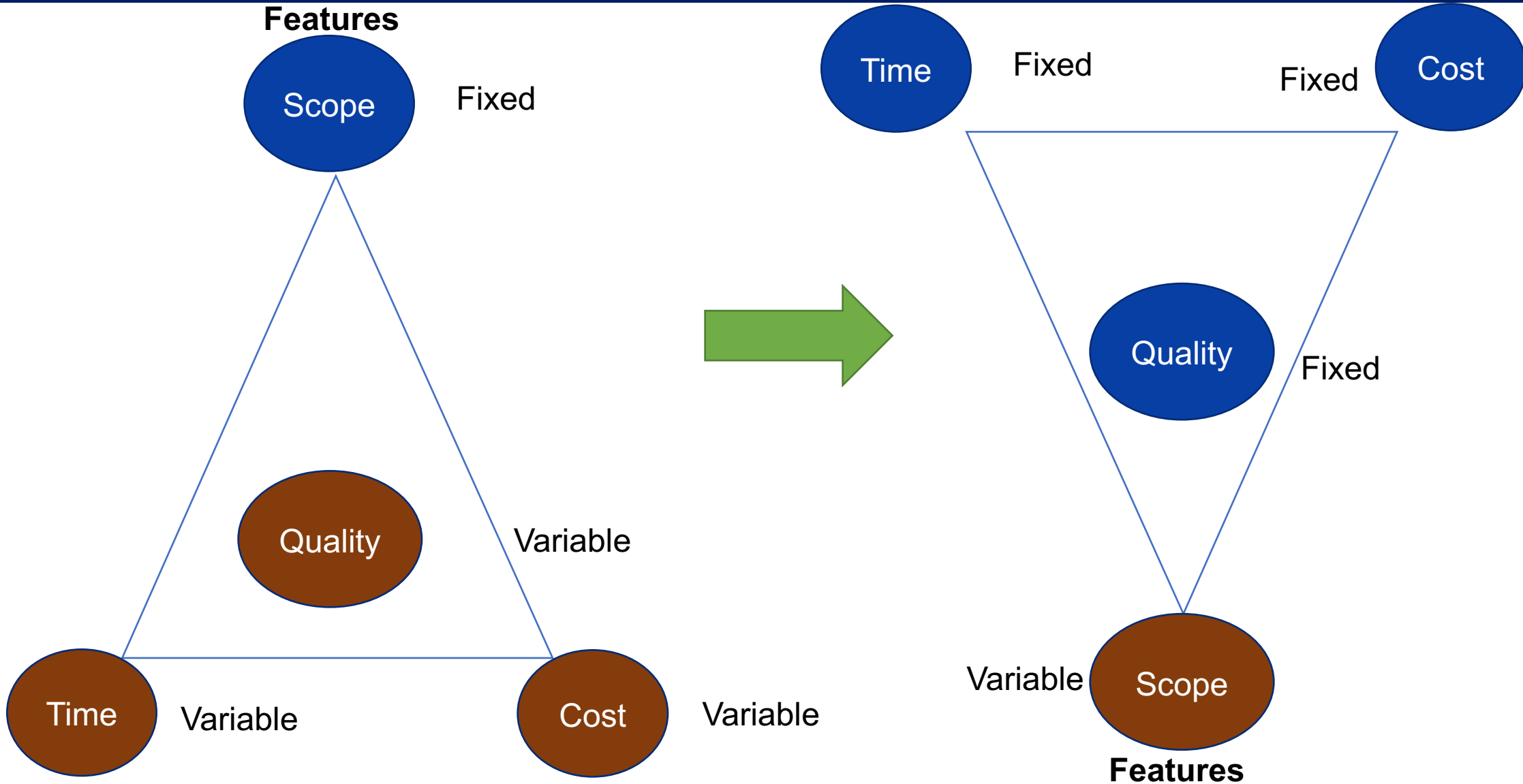
# Project Closure



- **Normal** – completed project
- **Premature** – closing the project earlier than expected by skipping certain area of project
- **Perpetual** – in case of projects that have uncertain end. In software development, with every add-on a new version is created.
- **Failed project** – not all projects do fail because of the performance
- **Changed priority** – market changes can also change the priority of a project. Once a top priority can become less important and later on even obsolete.

# **Alternative approaches to Project Management**

# Fundamentals of Agile (DSDM)



Principle	Definition
Continued business justification	A PRINCE2 project has continued business justification
Learn from experience	PRINCE2 project teams learn from previous experience: lessons are sought, recorded and acted upon throughout the life of the project
Defined roles and responsibilities	A PRINCE2 project has defined and agreed roles and responsibilities with an organizational structure that engages the business, user and supplier stakeholder interests
Manage by stages	A PRINCE2 project is planned, monitored and controlled, management stage by management stage
Manage by exception	A PRINCE2 project has defined tolerances for each project objective, to establish limits of delegated authority
Focus on products	A PRINCE2 project focuses on the definition and delivery of products, in particular their quality requirements
Tailor to suit the project environment	PRINCE2 is tailored to suit the project environment, size, complexity, importance, team capability and risk

Any  
Questions

- AXELOS. (2017). *Managing successful projects with PRINCE2*. The Stationary Office
- Larson, E., & Gray, C. (2018). *Project Management: The Managerial Process 7e*. McGraw Hill.
- Pinto, J. K. (2007). *Project management: achieving competitive advantage*. Upper Saddle River, NJ, USA: Pearson/Prentice Hall 18