Selected Topics in Project Management

Project Initiation

Dr Marc Conrad
University of Bedfordshire

http://perisic.com/stpm
Two PMBOK processes at Initiation

- Identify Stakeholders
- Develop Project Charter

When starting up the project, we find out who is doing what.
Identify Stakeholders

- **Stakeholders** are individuals, work groups and organizations that are *actively involved in the project*, or whose *interests can be positively or negatively affected* as the result of project execution or project completion.

- Stakeholder analysis serves two purposes:
  - to determine the information needs of the various stakeholders.
  - to devise a communication strategy that will best serve the project.
Example of a “Stakeholder Analysis” that went wrong.

- Scottish election fiasco, 2007, some quotes:
  - Four per cent of ballot papers - 146,000 in total - were rejected because voters were confused by the new system.
  - The voter was treated as an afterthought by virtually all the other stakeholders.
  - Voters were overlooked as the most important stakeholders at every stage of the election.

- See http://www.perisic.com/blog/sanfoh/2013/03/
Typical Roles and Responsibilities of Stakeholders

- **Project Manager**
  - The individual responsible for the project

- **Project Sponsor**
  - the one who pays for the project

- **Team**
  - Does Planning and Execution

- **Senior Management**
  - e.g. priorities between projects, project charter

- **Functional Manager:**
  - “owns” resources (IT, marketing, etc.)

- **Other Stakeholders**
  - Customer, external experts, …
Project Charter and Project Management Plan

- Initiation
- Scope (definition)
- WBS
- Cost (estimates, …)
- Time (activity diagrams, …)
- Human Resources (RACI matrix, …)

- Also to consider: Quality, Risk, Communication, Procurement, Integration, Stakeholders (PMBOK® knowledge areas)
Terminology comes from the PMBOK® but similar documents exist in all projects. Other terms used:

- **Project Charter**: Project Initiation Document, Project Mandate, Project Brief, Letter of Agreement, Statement of Work
- **Project Management Plan**: Strategy Plan, Project Execution Plan, Project Plan
Project Charter and Project Management Plan

The Main Concept

- **Project Charter:**
  - Comes from “outside” the project and defines the project.
  - Unchanged during the project.

- **Project Management Plan:**
  - Owned by the project team.
  - Constantly updated during the course of the project.
  - Document *repository* rather than a document.
The project charter is a document that formally recognizes the existence of a project. It describes the product to be delivered and addresses the business need of the project.

The charter should be SMART:

- **Specific**
- **Measurable**
- **Achievable**
- **Realistic**
- **Time-specific**

**Typical contents:**

- Project Title, Start & Finish Date
- Budget Information
- Project Manager (contact address)
- Project Objectives
- Approach
- Roles and Responsibilities (Sign off)
- Comments (from stakeholders)

Example (Six Sigma Project Charter)
http://www.slideshare.net/vicky_200835/six-sigma-project-charter

Example from www.cvr-it.com

Marc Conrad
Inputs to the PMBOK® Process
“Develop Project Charter”

- Project statement of work
- Business case
- Agreements
- Enterprise environmental factors
- Organizational process assets

**Reasons for projects:**
- Business need
- Product scope description
- Strategic plan
Example (John Goes to Town)

- John wants doesn’t live in town but wants to get there.
  - (Agreement, Project statement of work)
- There is a bus company, a bus stop, John lives xyz miles away from the town centre.
  - (Enterprise environmental factors)
- John has used the bus in previous projects of a similar nature.
  - (Organizational Process Assets)
Examples of Enterprise Environmental Factors

- Organizational or company culture and structure
- Infrastructure, for example, existing facilities and capital equipment
- Existing human resources
- Personnel administration (e.g. hiring and firing guidelines, employee performance reviews)
- Marketplace conditions
Organizational Process Assets

- Represents the organization’s processes and procedures and the organization’s learning and knowledge ("Lessons learned"), e.g.
  - Organizational standard processes
  - Standardized guidelines, templates, work instructions, evaluation criteria
  - Project closure guidelines or requirements (e.g. audits)
  - Financial control procedures
  - Information about previous projects (and why they failed)
  - Historical information (e.g. identified risk events)
Summary

- Project Charter & Stakeholders
- Difference between Project Charter and Project Management Plan
- Charter is a mix of:
  - Statement of Work, Enterprise Environmental Factors, Organizational Process Assets.