

Fernstudium
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Technisches Management

Kurseinheit 80
Project Management I

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Modern project management has been evolving for about half a century and is now increasingly used in industries, governments and institutions throughout the world. Projects are unique and temporary endeavours which exist to develop new products, build new facilities, host events, to bring about organisational changes and for many other reasons. The first part on project fundamentals considers the characteristics of projects and the environments in which they take place.

The traditional methods for managing ongoing and repetitive operations do not work well for projects. Managing a project involves coordinating diverse tasks and utilising specialist skills, which usually cannot be found in any one functional department. This requires an integrative approach to management, coordinating many different processes, making trade-offs and being proactive. The second part on project management fundamentals provides an overview of the many aspects of project management. It includes the critical success factors, processes, life cycle models, and the increasingly essential soft skills required.

The following parts detail the individual processes required for managing a project. These processes are always carried out in the same sequence and independent of the particular area of application.

The purpose of the initiating processes is to collect information for enabling a decision to be made on whether to formally authorise the go ahead for a project. This involves formulating the objectives, producing a project concept and performing a feasibility study, if necessary. Definition of the user requirements and preliminary scope definition are also performed in the initiating stage.

The planning processes follow on from the initiating processes. This is where the deliverables and activities for producing them are defined, scheduled and budgeted, and procedures for managing the project are set. Planning involves considering many areas, including quality, risk, communications, staffing and procurement. The planning processes are revisited throughout the project to update the plans as more information becomes available or changes need to be made.

The executing processes are used to carry out the work defined in the plans. This also involves acquiring the staff, building the team, selecting vendors to provide goods and services, performing quality assurance and distributing information to the stakeholders.

The monitoring processes are performed to keep an eye on the project execution, using the plans as a baseline against which measurements of the project performance are compared. The controlling processes are used to identify problems, take corrective actions, and make changes to the scope, schedule and budget, if necessary.

The closing processes are performed to formally bring a project to an end, either as a completed project or a prematurely terminated one. This involves handing over the results to the customer, releasing resources and archiving the project documentation for future reference.

2 Project Fundamentals

2.1 Objectives and Learning Targets

Man has always set out to accomplish specific objectives with limited resources since civilisation began e.g. the construction of the pyramids some 4,500 years ago. However, the use of the term “project management” in book titles probably first started in the 1960’s [1]. Nowadays, projects have emerged as the means many organisations use to achieve their strategic goals. Examples of projects could be implementing an ERP system, supply chain optimisation, constructing an airport, staging the Olympics, outsourcing IT activities or starting up a new joint-venture.

After working through the chapter, the student should be able to provide answers to the following questions:

- How do projects differ from ongoing operations?
- What are the four project constraints?
- How can projects be categorised?
- What are the different organisational forms?
- What are some of the reasons for project failure?

This chapter is structured as follows: First, projects are defined and distinguished from ongoing operations, and the reasons for the ever increasing trend of management by projects are given. The four main project constraints of scope, quality, time and cost are then discussed. The following section presents some of the various attributes used for categorising projects, in particular, project complexity. The next section focuses on the various organisational structures in which projects take place. Section eight provides an overview of the reasons for project failure. The final section briefly puts projects in the broader context of programmes and portfolios.

Keywords: project, ongoing operation, project constraints, project attributes, project complexity, functional organisation, matrix organisation, projectised organisation, project failure, programme, project portfolio, project management office.