

CHAPTER 3

THE PROJECT MANAGEMENT PROCESS GROUPS: A CASE STUDY

LEARNING OBJECTIVES

After reading this chapter, you will be able to:

- Describe the five project management process groups, the typical level of activity for each, and the interactions among them
- Understand how the project management process groups relate to the project management knowledge areas
- Discuss how organizations develop information technology project management methodologies to meet their needs
- Review a case study of an organization applying the project management process groups to manage an information technology project, describe outputs of each process group, and understand the contribution that effective initiating, planning, executing, monitoring and controlling, and closing make to project success

OPENING CASE

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Erica Bell was in charge of the Project Management Office (PMO) for her consulting firm. The firm, JWD—for Job Well Done—Consulting, had grown to include more than 200 full-time consultants and even more part-time consultants. JWD Consulting provides a variety of consulting services to assist organizations in selecting and managing information technology projects. The firm focuses on finding and managing high-payoff projects and developing strong metrics to measure project performance and benefits to the organization after the project is implemented. The firm's emphasis on metrics and working collaboratively with its customers gives it an edge over many competitors.

Joe Fleming, the CEO, wanted his company to continue to grow and become a world-class consulting organization. Since the core of the business was helping other organizations with project management, he felt it was crucial for JWD Consulting to have an exemplary process for managing its own projects. He asked Erica to work with her team and other consultants in the firm to develop several intranet site applications that would allow them to share their project management knowledge. He also thought it would make sense to make some of the information available to the firm's clients. For example, the firm could provide project management templates, tools, articles, links to other sites, and an "Ask the Expert" feature to help build relationships with current and future clients. Since JWD Consulting emphasizes the importance of high-payoff projects, Joe also wanted to see a business case for this project before proceeding.

Recall from Chapter 1 that project management consists of nine knowledge areas: integration, scope, time, cost, quality, human resources, communications, risk, and procurement. Another important concept to understand is that projects involve five project management process groups: initiating, planning, executing, monitoring and controlling, and closing. Tailoring these process groups to meet individual project needs increases the chance of success in managing projects. This chapter describes each project management process group in detail through a simulated case study based on JWD Consulting. It also includes samples of typical project documents applied to this case. You can download templates for these and other project documents from the companion Web site for this text. Although you will learn more about each knowledge area in Chapters 4 through 12, it is important first to learn how they fit into the big picture of managing a project. Understanding how the knowledge areas and project management process groups function together will lend context to the remaining chapters.

PROJECT MANAGEMENT PROCESS GROUPS

Project management is an integrative endeavor; decisions and actions taken in one knowledge area at a certain time usually affect other knowledge areas. Managing these interactions often requires making trade-offs among the project's scope, time, and cost—the triple constraint of project management described in Chapter 1. A project manager may also need to make trade-offs between other knowledge areas, such as between risk and human resources. Consequently, you can view project management as a number of related processes.

- A **process** is a series of actions directed toward a particular result. **Project management process groups** progress from initiating activities to planning activities, executing activities, monitoring and controlling activities, and closing activities. **Initiating processes** include defining and authorizing a project or project phase. Initiating processes take place during *each* phase of a project. Therefore, you cannot equate process groups with project phases. Recall that there can be different project phases, but all projects will include all five process groups. For example, project managers and teams should reexamine the business need for the project during every phase of the project life cycle to determine if the project is worth continuing. Initiating processes are also required to end a project. Someone must initiate activities to ensure that the project team completes all the work, documents lessons learned, assigns project resources, and that the customer accepts the work.
- **Planning processes** include devising and maintaining a workable scheme to ensure that the project addresses the organization's needs. There are several plans for projects, such as the scope management plan, schedule management plan, cost management plan, procurement management plan, and so on, defining each knowledge area as it relates to the project at that point in time. For example, a project team must develop a plan to define the work that needs to be done for the project, to schedule activities related to that work, to estimate costs for performing the work, to decide what resources to procure to accomplish the work, and so on. To account for changing conditions on the project and in the organization, project teams often revise plans during each phase of the project life cycle. The project management plan, described in Chapter 4, coordinates and encompasses information from all other plans.
- **Executing processes** include coordinating people and other resources to carry out the various plans and produce the products, services, or results of the project or phase. Examples of executing processes include acquiring and developing the project team, performing quality assurance, distributing information, managing stakeholder expectations, and conducting procurements.
- **Monitoring and controlling processes** include regularly measuring and monitoring progress to ensure that the project team meets the project objectives. The project manager and staff monitor and measure progress against the plans and take corrective action when necessary. A common monitoring and controlling process is reporting performance, where project stakeholders can identify any necessary changes that may be required to keep the project on track.
- **Closing processes** include formalizing acceptance of the project or project phase and ending it efficiently. Administrative activities are often involved in this process group, such as archiving project files, closing out contracts, documenting lessons learned, and receiving formal acceptance of the delivered work as part of the phase or project.

The process groups are not mutually exclusive. For example, project managers must perform monitoring and controlling processes throughout the project's life span. The

level of activity and length of each process group varies for every project. Normally, executing tasks requires the most resources and time, followed by planning tasks. Initiating and closing tasks are usually the shortest (at the beginning and end of a project or phase, respectively), and they require the least amount of resources and time. However, every project is unique, so there can be exceptions. You can apply the process groups for each major phase of a project, or you can apply the process groups to an entire project, as the JWD Consulting case study does in this chapter.

Many people ask for guidelines on how much time to spend in each process group. In his book, *Alpha Project Managers: What the Top 2% Know That Everyone Else Does Not*, Andy Crowe collected data from 860 project managers in various companies and industries in the United States. He found that the best—the “alpha”—project managers spent more time on every process group than their counterparts except for executing, as shown in Figure 3-1. This breakdown suggests that the most time should be spent on executing, followed by planning. Spending a fair amount of time on planning should lead to less time spent on execution. Notice that the alpha project managers spent almost twice as much time on planning (21 percent versus 11 percent) as other project managers.¹

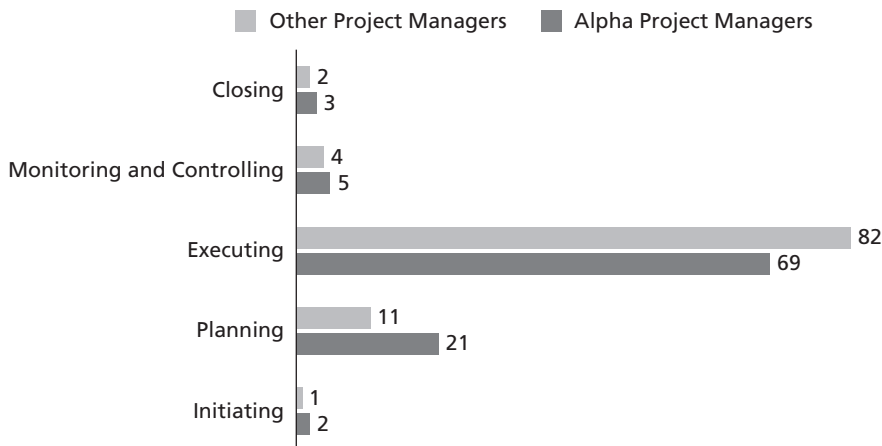


FIGURE 3-1 Percentage of time spent on each process group



WHAT WENT WRONG?

Many readers of *CIO Magazine* commented on its cover story about problems with information systems at the U.S. Internal Revenue Service (IRS). The article described serious problems the IRS has had in managing information technology projects. Philip A. Pell, PMP,

continued

believes that having a good project manager and following a good project management process would help the IRS and many organizations tremendously. Mr. Pell provided the following feedback:

Pure and simple, good, methodology-centric, predictable, and repeatable project management is the SINGLE greatest factor in the success (or in this case failure) of any project. When a key stakeholder says, 'I didn't know how bad things were,' it is a direct indictment of the project manager's communications management plan. When a critical deliverable like the middleware infrastructure that makes the whole thing work is left without assigned resources and progress tracking, the project manager has failed in his duty to the stakeholders. When key stakeholders (people and organizations that will be affected by the project, not just people who are directly working on the project) are not informed and their feedback incorporated into the project plan, disaster is sure to ensue. The project manager is ultimately responsible for the success or failure of the project.²

The IRS continues to have problems managing IT projects. A 2008 U.S. Government Accountability Office (GAO) report stated that IRS had fixed just 29 of 98 information security weaknesses identified the previous year. The report stated that the IRS has "persistent information security weaknesses that place [it] at risk of disruption, fraud or inappropriate disclosure of sensitive information."³

Each of the five project management process groups is characterized by the completion of certain tasks. During initiating processes for a new project, the organization recognizes that a new project exists, and completes a project charter as part of this recognition (see Chapter 4 for more information on project charters). Tables are provided later in this chapter with detailed lists of possible outputs for each process group by knowledge area. For example, Tables 3-3 through 3-7 list potential outputs for the initiating and planning process groups. Samples of some outputs are provided for each process group in a case study of JWD Consulting's Project Management Intranet Site project. Project managers and their teams must decide which outputs are required for their particular projects.

Outputs of the planning process group include completing the project scope statement, the work breakdown structure, the project schedule, and many other items. Planning processes are especially important for information technology projects. Everyone who has ever worked on a large information technology project that involves new technology knows the saying, "A dollar spent up front in planning is worth one hundred dollars spent after the system is implemented." Planning is crucial in information technology projects because once a project team implements a new system, it takes a considerable amount of effort to change the system. Research suggests that companies working to implement best practices should spend at least 20 percent of project time in initiating and planning.⁴ This percentage is backed up by evidence from Alpha Project Managers, as described earlier.

The executing process group takes the actions necessary to complete the work described in the planning activities. The main outcome of this process group is

delivering the actual work of the project. For example, if an information technology project involves providing new hardware, software, and training, the executing processes would include leading the project team and other stakeholders to purchase the hardware, develop and test the software, and deliver and participate in the training. The executing process group should overlap the other process groups and generally requires the most resources.

Monitoring and controlling processes measure progress toward the project objectives, monitor deviation from the plan, and take corrective action to match progress with the plan. Performance reports are common outputs of monitoring and controlling. The project manager should be monitoring progress closely to ensure that deliverables are being completed and objectives are being met. The project manager must work closely with the project team and other stakeholders and take appropriate actions to keep the project running smoothly. The ideal outcome of the monitoring and controlling process group is to complete a project successfully by delivering the agreed-upon project scope within time, cost, and quality constraints. If changes to project objectives or plans are required, monitoring and controlling processes ensure that these changes are made efficiently and effectively to meet stakeholder needs and expectations. Monitoring and controlling processes overlap all of the other project management process groups because changes can occur at any time.

During the closing processes, the project team works to gain acceptance of the end products, services, or results and bring the phase or project to an orderly end. Key outcomes of this process group are formal acceptance of the work and creation of closing documents, such as a final project report and lessons-learned report.



MEDIA SNAPSHOT

Just as information technology projects need to follow the project management process groups, so do other projects, such as the production of a movie. Processes involved in making movies might include screenwriting (initiating), producing (planning), acting and directing (executing), editing (monitoring and controlling), and releasing the movie to theaters (closing). Many people enjoy watching the extra features on a DVD that describe how these processes lead to the creation of a movie. For example, the DVD for *Lord of the Rings: The Two Towers Extended Edition* includes detailed descriptions of how the script was created, how huge structures were built, how special effects were made, and how talented professionals overcame numerous obstacles to complete the project. This acted “not as promotional filler but as a serious and meticulously detailed examination of the entire filmmaking process.”⁵ New Line Cinema made history by shooting all three Lord of the Rings films consecutively during one massive production. It took three years of preparation to build the sets, find the locations, write the scripts, and cast the actors. Director Peter Jackson said that the amount of early planning they did made it easier than he imagined to produce the films. Project managers in any field know how important it is to have good plans and to follow a good process.

MAPPING THE PROCESS GROUPS TO THE KNOWLEDGE AREAS

You can map the main activities of each project management process group into the nine project management knowledge areas. Table 3-1 provides a big-picture view of the relationships among the 42 project management activities, the process groups in which they are typically completed, and the knowledge areas into which they fit. The activities listed in the table are the main processes for each knowledge area listed in the *PMBOK® Guide, Fourth Edition*. This text also includes additional activities not listed in the *PMBOK® Guide*, such as creating a business case and team contract, which can also assist in managing projects.

Several organizations use PMI’s *PMBOK® Guide* information as a foundation for developing their own project management methodologies, as described in the next section. Notice in Table 3-1 that many of the project management processes occur as part of the planning process group. Since each project is unique, project teams are always trying to do something that has not been done before. To succeed at unique and new activities, project teams must do a fair amount of planning. Recall, however, that the most time and money is normally spent on executing. It is good practice for organizations to determine how project management will work best in their own organizations.

TABLE 3-1 Project management process groups and knowledge area mapping

Knowledge Area	Project Management Process Groups				
	Initiating	Planning	Executing	Monitoring and Controlling	Closing
<i>Project Integration Management</i>	Develop project charter	Develop project management plan	Direct and manage project execution	Monitor and control project work, Perform integrated change control	Close project or phase
<i>Project Scope Management</i>		Collect requirements, Define scope, Create WBS		Verify scope, Control scope	
<i>Project Time Management</i>		Define activities, Sequence activities,		Control schedule	

(continued)

TABLE 3-1 Project management process groups and knowledge area mapping (*continued*)

Knowledge Area	Project Management Process Groups				
	Initiating	Planning	Executing	Monitoring and Controlling	Closing
<i>Project Time Management (continued)</i>		Estimate activity resources, Estimate activity durations, Develop schedule			
<i>Project Cost Management</i>		Estimate costs, Determine budget		Control costs	
<i>Project Quality Management</i>		Plan quality	Perform quality assurance	Perform quality control	
<i>Project Human Resource Management</i>		Develop human resource plan	Acquire project team, Develop project team, Manage project team		
<i>Project Communications Management</i>	Identify stakeholders	Plan communications	Distribute information, Manage stakeholders expectations	Report performance	
<i>Project Risk Management</i>		Plan risk management, Identify risks, Perform qualitative risk analysis, Perform quantitative risk analysis, Plan risk responses		Monitor and control risks	
<i>Project Procurement Management</i>		Plan procurements	Conduct procurements	Administer procurements	Close procurements

Source: PMBOK® Guide, Fourth Edition, 2008.

DEVELOPING AN INFORMATION TECHNOLOGY PROJECT MANAGEMENT METHODOLOGY

Some organizations spend a great deal of time and money on training efforts for general project management skills, but after the training, project managers may still not know how to tailor their project management skills to the organization's particular needs. Because of this problem, some organizations develop their own internal information technology project management methodologies. The *PMBOK® Guide* is a **standard** that describes best practices for *what* should be done to manage a project. A **methodology** describes *how* things should be done, and different organizations often have different ways of doing things.

In addition to using the *PMBOK® Guide* as a basis for project management methodology, many organizations use others, such as the following:

- **Projects IN Controlled Environments (PRINCE2):** Originally developed for information technology projects, PRINCE2 was released in 1996 as a generic project management methodology by the U.K. Office of Government Commerce (OCG). It is the de facto standard in the United Kingdom and is used in over 50 countries. (See www.prince2.com for more information.) PRINCE2 defines 45 separate subprocesses and organizes these into eight process groups as follows:
 1. Starting Up a Project
 2. Planning
 3. Initiating a Project
 4. Directing a Project
 5. Controlling a Stage
 6. Managing Product Delivery
 7. Managing Stage Boundaries
 8. Closing a Project
- **Agile methodologies:** As described in Chapter 2, agile software development is a form of adaptive software development. All agile methodologies include an iterative workflow and incremental delivery of software in short iterations. Several popular agile methodologies include extreme programming, scrum, feature driven development, lean software development, Agile Unified Process (AUP), Crystal, and Dynamic Systems Development Method (DSDM). (See Web sites like www.agilealliance.org and the Suggested Readings on the companion Web site for this text for more information.)
- **Rational Unified Process (RUP) framework:** RUP is an iterative software development process that focuses on team productivity and delivers software best practices to all team members. According to RUP expert Bill Cottrell, “RUP embodies industry-standard management and technical methods and techniques to provide a software engineering process particularly suited to creating and maintaining component-based software system solutions.”⁶ Cottrell explains that you can tailor RUP to include the PMBOK process groups, since several customers asked for that capability. There are several other project management methodologies specifically for software development projects such as Joint Application Development (JAD) and Rapid Application Development

(RAD). (See Web sites such as www.ibm.com/software/awdtools/rup for more information.)

- **Six Sigma methodologies:** Many organizations have projects underway that use Six Sigma methodologies. The work of many project quality experts contributed to the development of today's Six Sigma principles. Two main methodologies are used on Six Sigma projects: DMAIC (Define, Measure, Analyze, Improve, and Control) is used to improve an existing business process, and DMADV (Define, Measure, Analyze, Design, and Verify) is used to create new product or process designs to achieve predictable, defect-free performance. (See Chapter 8, Project Quality Management, for more information on Six Sigma.)

Many organizations tailor a standard or methodology to meet their unique needs. For example, if organizations use the *PMBOK® Guide* as the basis for their project management methodology, they still have to do a fair amount of work to adapt it to their work environment. See the suggested reading on the companion Web site by William Munroe for an example of how Blue Cross Blue Shield of Michigan developed its IT project management methodology.



WHAT WENT RIGHT?

AgênciaClick, an interactive advertising and online communications company based in São Paulo, Brazil, made PMI's list of outstanding organizations in project management in 2007. Since 2002, the company saw revenues jump 132 percent, primarily due to their five-year emphasis on practicing good project management across the entire company. AgênciaClick launched a PMO in 2002 and used the *PMBOK® Guide* as the basis for developing their methodology and project management training program. The company also developed a custom project tracking system to help calculate physical work progress each day and alert managers of any schedule or cost issues. PMO Director Fabiano D'Agostinho said, "We realized the only way to manage multiple dynamic projects and deliver great products is to focus on project management . . . By monitoring and controlling projects and programs more efficiently, senior managers can focus on issues within the portfolio that need more attention."⁷

The following section describes an example of applying the project management process groups to a project at JWD Consulting. It uses some of the ideas from the *PMBOK® Guide, Fourth Edition*, some ideas from other methodologies, and some new ideas to meet unique project needs.

CASE STUDY: JWD CONSULTING'S PROJECT MANAGEMENT INTRANET SITE PROJECT

The following fictitious case provides an example of the elements involved in managing a project from start to finish. This example also uses Microsoft Project to demonstrate how project management software can assist in several aspects of managing a project. Several

templates illustrate how project teams prepare various project management documents. Files for these and other templates are available on the companion Web site for this text. Details on creating many of the documents shown are provided in later chapters, so do not worry if you do not understand everything right now. You might want to read this section again to enhance your learning.

Project Pre-Initiation and Initiation

In project management, initiating includes recognizing and starting a new project. An organization should put considerable thought into project selection to ensure that it initiates the right kinds of projects for the right reasons. *It is better to have a moderate or even small amount of success on an important project than huge success on one that is unimportant.* The selection of projects for initiation, therefore, is crucial, as is the selection of project managers. Ideally, the project manager would be involved in initiating a project, but often the project manager is selected after many initiation decisions have already been made. You will learn more about project selection in Chapter 4, Project Integration Management. Organizations must also understand and plan for the ongoing support that is often required after implementing a new system or other product or service resulting from a project.

It is important to remember that strategic planning should serve as the foundation for deciding which projects to pursue. The organization's strategic plan expresses the vision, mission, goals, objectives, and strategies of the organization. It also provides the basis for information technology project planning. Information technology is usually a support function in an organization, so it is critical that the people initiating information technology projects understand how those projects relate to current and future needs of the organization. For example, JWD Consulting's main business is providing consulting services to other organizations, not developing its own intranet site applications. Information systems, therefore, must support the firm's business goals, such as providing consulting services more effectively and efficiently.

An organization may initiate information technology projects for several reasons, but the most important reason is to support business objectives. Providing a good return on investment at a reasonable level of risk is also important, especially in tough economic times. As mentioned in the opening case, JWD Consulting wants to follow an exemplary process for managing its projects since its core business is helping other organizations manage projects. Developing an intranet to share its project management knowledge could help JWD Consulting reduce internal costs by working more effectively, and by allowing existing and potential customers to access some of the firm's information. JWD Consulting could also increase revenues by bringing in more business. Therefore, they will use these metrics—reducing internal costs and increasing revenues—to measure their own performance on this project.

Pre-Initiation Tasks

It is good practice to lay the groundwork for a project *before* it officially starts. Senior managers often perform several tasks, sometimes called pre-initiation tasks, including the following:

- Determine the scope, time, and cost constraints for the project
- Identify the project sponsor

- Select the project manager
- Develop a business case for a project
- Meet with the project manager to review the process and expectations for managing the project
- Determine if the project should be divided into two or more smaller projects

As described in the opening case, the CEO of JWD Consulting, Joe Fleming, defined the high-level scope of the project, and he wanted to sponsor it himself since it was his idea and it was of strategic importance to the business. He wanted Erica Bell, the PMO Director, to manage the project after proving there was a strong business case for it. If there was a strong business case for pursuing the project, then Joe and Erica would meet to review the process and expectations for managing the project. If there was not a strong business case, the project would not continue. As for the necessity of the last pre-initiation task, many people know from experience that it is easier to successfully complete a small project than a large one, especially for IT projects. It often makes sense to break large projects down into two or more smaller ones to help increase the odds of success. In this case, however, Joe and Erica decided that the work could be done in one project that would last about six months. To justify investing in this project, Erica drafted a business case for the project, getting input and feedback from Joe, from one of her senior staff members in the PMO, and from a member of the Finance department. She also used a corporate template and sample business cases from past projects as a guide. Table 3-2 provides the business case. (Note that this example and others are abbreviated examples. See the companion Web site for additional examples of project documents and to download a business case template and other templates.) Notice that the following information is included in this business case:

- Introduction/background
- Business objective
- Current situation and problem/opportunity statement
- Critical assumptions and constraints
- Analysis of options and recommendation
- Preliminary project requirements
- Budget estimate and financial analysis
- Schedule estimate
- Potential risks
- Exhibits

Since this project is relatively small and is for an internal sponsor, the business case is not as long as many other business cases. Erica reviewed the business case with Joe, and he agreed that the project was definitely worth pursuing. He was quite pleased to see that payback was estimated within a year, and the return on investment was projected to be 112 percent. He told Erica to proceed with the formal initiation tasks for this project, as described in the next section.

1.0 Introduction/Background

JWD Consulting's core business goal is to provide world-class project management consulting services to various organizations. The CEO, Joe Fleming, believes the firm can streamline operations and increase business by providing information related to project management on its intranet site, making some information and services accessible to current and potential clients.

2.0 Business Objective

JWD Consulting's strategic goals include continuing growth and profitability. The Project Management Intranet Site Project will support these goals by increasing visibility of the firm's expertise to current and potential clients by allowing client and public access to some sections of the intranet. It will also improve profitability by reducing internal costs by providing standard tools, techniques, templates, and project management knowledge to all internal consultants. Since JWD Consulting focuses on identifying profitable projects and measuring their value after completion, this project must meet those criteria.

3.0 Current Situation and Problem/Opportunity Statement

JWD Consulting has a corporate Web site as well as an intranet. The firm currently uses the Web site for marketing information. The primary use of the intranet is for human resource information, such as where consultants enter their hours on various projects, change and view their benefits information, access an online directory and Web-based e-mail system, and so on. The firm also uses an enterprise-wide project management system to track all project information, focusing on the status of deliverables and meeting scope, time, and cost goals. There is an opportunity to provide a new section on the intranet dedicated to sharing consultants' project management knowledge across the organization. JWD Consulting only hires experienced consultants and gives them freedom to manage projects as they see fit. However, as the business grows and projects become more complex, even experienced project managers are looking for suggestions on how to work more effectively.

4.0 Critical Assumption and Constraints

The proposed intranet site must be a valuable asset for JWD Consulting. Current consultants and clients must actively support the project, and it must pay for itself within one year by reducing internal operating costs and generating new business. The Project Management Office manager must lead the effort, and the project team must include participants from several parts of the company, as well as current client organizations. The new system must run on existing hardware and software, and it should require minimal technical support. It must be easily accessible by consultants and clients and be secure from unauthorized users.

5.0 Analysis of Options and Recommendation

There are three options for addressing this opportunity:

1. Do nothing. The business is doing well, and we can continue to operate without this new project.
2. Purchase access to specialized software to support this new capability with little in-house development.

(continued)

TABLE 3-2 JWD Consulting's business case (*continued*)

3. Design and implement the new intranet capabilities in-house using mostly existing hardware and software.

Based on discussions with stakeholders, we believe that option 3 is the best option.

6.0 Preliminary Project Requirements

The main features of the project management intranet site include the following:

1. Access to several project management templates and tools. Users must be able to search for templates and tools, read instructions on using these templates and tools, and see examples of how to apply them to real projects. Users must also be able to submit new templates and tools, which should be first screened or edited by the Project Management Office.
2. Access to relevant project management articles. Many consultants and clients feel as though there is an information overload when they research project management information. They often waste time they should be spending with their clients. The new intranet should include access to several important articles on various project management topics, which are searchable by topic, and allow users to request the Project Management Office staff to find additional articles to meet their needs.
3. Links to other, up-to-date Web sites, with brief descriptions of the main features of the external site.
4. An "Ask the Expert" feature to help build relationships with current and future clients and share knowledge with internal consultants.
5. Appropriate security to make the entire intranet site accessible to internal consultants and certain sections accessible to others.
6. The ability to charge money for access to some information. Some of the information and features of the intranet site should prompt external users to pay for the information or service. Payment options should include a credit card option or similar online payment transactions. After the system verifies payment, the user should be able to access or download the desired information.
7. Other features suggested by users, if they add value to the business.

7.0 Budget Estimate and Financial Analysis

A preliminary estimate of costs for the entire project is \$140,000. This estimate is based on the project manager working about 20 hours per week for six months and other internal staff working a total of about 60 hours per week for six months. The customer representatives would not be paid for their assistance. A staff project manager would earn \$50 per hour. The hourly rate for the other project team members would be \$70 per hour, since some hours normally billed to clients may be needed for this project. The initial cost estimate also includes \$10,000 for purchasing software and services from suppliers. After the project is completed, maintenance costs of \$40,000 are included for each year, primarily to update the information and coordinate the "Ask the Expert" feature and online articles.

Projected benefits are based on a reduction in hours consultants spend researching project management information, appropriate tools and templates, and so on. Projected benefits are also based on a small increase in profits due to new business generated by this project. If each of more than 400 consultants saved just 40 hours each year (less than one hour per week) and could bill that time to other projects that generate a conservative estimate of \$10 per hour in *profits*, then the projected benefit would be \$160,000 per year. If the new intranet increased business by just 1 percent, using past profit information,

TABLE 3-2 JWD Consulting's business case (continued)

increased profits due to new business would be at least \$40,000 each year. Total projected benefits, therefore, are about \$200,000 per year.

Exhibit A summarizes the projected costs and benefits and shows the estimated net present value (NPV), return on investment (ROI), and year in which payback occurs. It also lists assumptions made in performing this preliminary financial analysis. All of the financial estimates are very encouraging. The estimated payback is within one year, as requested by the sponsor. The NPV is \$272,800, and the discounted ROI based on a three-year system life is excellent at 112 percent.

8.0 Schedule Estimate

The sponsor would like to see the project completed within six months, but there is some flexibility in the schedule. We also assume that the new system will have a useful life of at least three years.

9.0 Potential Risks

There are several risks involved with this project. The foremost risk is a lack of interest in the new system by our internal consultants and external clients. User inputs are crucial for populating information into this system and realizing the potential benefits from using the system. There are some technical risks in choosing the type of software used to search the system, check security, process payments, and so on, but the features of this system all use proven technologies. The main business risk is investing the time and money into this project and not realizing the projected benefits.

10.0 Exhibits

Exhibit A: Financial Analysis for Project Management Intranet Site Project

Discount rate	8%				
Assume the project is done in about 6 months	Year				
	0	1	2	3	Total
Costs	140,000	40,000	40,000	40,000	
Discount factor	1	0.93	0.86	0.79	
Discounted costs	140,000	37,037	34,294	31,753	243,084
Benefits	0	200,000	200,000	200,000	
Discount factor	1	0.93	0.86	0.79	
Discounted benefits	0	186,185	171,468	158,766	515,419
Discounted benefits - costs	(140,000)	148,148	137,174	127,013	
Cumulative benefits - costs	(140,000)	8,148	145,322	272,336	← NPV
	Payback in Year 1				
Discounted life cycle ROI----->	112%				
Assumptions					
Costs	# hours				
PM (500 hours, \$50/hour)	25,000				
Staff (1500 hours, \$70/hour)	105,000				
Outsourced software and services	10,000				
Total project costs (all applied in year 0)	140,000				
Benefits					
# consultants	400				
Hours saved	40				
\$/hour profit	10				
Benefits from saving time	160,000				
Benefits from 1% increase in profits	40,000				
Total annual projected benefits	200,000				

Initiating

To officially initiate the Project Management Intranet Site project, Erica knew that main tasks were to identify all of the project stakeholders and to develop the project charter. Table 3-3 shows these processes and their outputs, based on the *PMBOK® Guide Fourth Edition*. The main outputs are a project charter, stakeholder register, and stakeholder management strategy. Another output that Erica found very useful for initiating projects was a formal project kick-off meeting. Descriptions of how these outputs were created and sample documents related to each of them are provided for this particular project. Recall that every project and every organization is unique, so not all project charters, stakeholder registers, etc. will look the same. You will see examples of several of these documents in later chapters.

TABLE 3-3 Project initiation knowledge areas, processes, and outputs

Knowledge Area	Initiating Process	Outputs
<i>Project Integration Management</i>	Develop project charter	Project charter
<i>Project Communications Management</i>	Identify stakeholders	Stakeholder register Stakeholder management strategy

Identifying Project Stakeholders

Erica met with Joe Fleming, the project's sponsor, to help identify key stakeholders for this project. Recall from Chapter 1 that stakeholders are people involved in or affected by project activities and include the project sponsor, project team, support staff, customers, users, suppliers, and even opponents to the project. Joe, the project sponsor, knew it would be important to assemble a strong project team, and he was very confident in Erica's ability to lead that team. They decided that key team members should include one of their full-time consultants with an outstanding record, Michael Chen, one part-time consultant, Jessie Faue, who was new to the company and supported the Project Management Office, and two members of the Information Technology (IT) department who supported the current intranet, Kevin Dodge and Cindy Dawson. They also knew that client inputs would be important for this project, so Joe agreed to call the CEOs of two of the firm's largest clients to see if they would be willing to provide representatives to work on this project at their own expense. All of the internal staff Joe and Erica recommended agreed to work on the project, and the two client representatives would be Kim Phuong and Page Miller. Since many other people would be affected by this project as future users of the new intranet, they also identified other key stakeholders including their directors of IT, Human Resources (HR), and Public Relations (PR), as well as Erica's administrative assistant.

After Joe and Erica made the preliminary contacts, Erica documented the stakeholders' roles, names, organizations, and contact information in a **stakeholder register**, a document that includes details related to the identified project stakeholders. Table 3-4 provides an example of part of the initial stakeholder register. Since this document would be public, Erica was careful not to include information that might be sensitive, such as how strongly the stakeholder supported the project, potential influence on the project, requirements and

TABLE 3-4 Stakeholder register

Name	Position	Internal/ External	Project Role	Contact Information
Joe Fleming	CEO	Internal	Sponsor	joe_fleming@jwdconsulting.com
Erica Bell	PMO Director	Internal	Project manager	erica_bell@jwdconsulting.com
Michael Chen	Team member	Internal	Team member	michael_chen@jwdconsulting.com
Kim Phuong	Business analyst	External	Advisor	kim_phuong@client1.com
Louise Mills	PR Director	Internal	Advisor	louise_mills@jwdconsulting.com

expectations, etc. She would keep these issues in mind discretely and use them in developing the stakeholder management strategy.

A stakeholder management strategy is an approach to help increase the support of stakeholders throughout the project. It includes basic information such as stakeholder names, level of interest in the project, level of influence on the project, and potential management strategies for gaining support or reducing obstacles from that particular stakeholder. Since much of this information can be sensitive, it should be considered confidential. Some project managers do not even write down this information, but they do consider it since stakeholder management is a crucial part of their jobs. Table 3-5 provides an example of part of Erica's stakeholder management strategy for the Project Management Intranet Site project. You will see other examples of documenting stakeholder information in later chapters.

TABLE 3-5 Stakeholder management strategy

Name	Level of Interest	Level of Influence	Potential Management Strategies
Joe Fleming	High	High	Joe likes to stay on top of key projects and make money. Have a lot of short, face-to-face meetings and focus on achieving the financial benefits of the project.
Louise Mills	Low	High	Louise has a lot of things on her plate, and she does not seem excited about this project. She may be looking at other job opportunities. Show her how this project will help the company and her resume.

Drafting the Project Charter

Erica drafted a project charter and had the project team members review it before showing it to Joe. Joe made a few minor changes, which Erica incorporated. Table 3-6 shows the final project charter (see Chapter 4 for more information on project charters). Note the items included on the project charter and its short length. JWD Consulting believes that project charters should preferably be one or two pages long, and they may refer to other documents, such as a business case, as needed. Erica felt the most important parts of the project charter were the signatures of key stakeholders (not included for brevity) and their individual comments. It is hard to get stakeholders to agree on even a one-page project charter, so everyone has a chance to make their concerns known in the comments section. Note that Michael Chen, the senior consultant asked to work on the project, was concerned about working on this project when he felt that his other assignments with external clients might have a higher priority. He offered to have an assistant help as needed. The information technology staff members mentioned their concerns about testing and security issues. Erica knew that she would have to consider these concerns when managing the project.

TABLE 3-6 Project charter

Project Title: Project Management Intranet Site Project	
Project Start Date: May 2	Projected Finish Date: November 4
Budget Information: The firm has allocated \$140,000 for this project. The majority of costs for this project will be internal labor. An initial estimate provides a total of 80 hours per week.	
Project Manager: Erica Bell, (310) 555-5896, erica_bell@jwdconsulting.com	
Project Objectives: Develop a new capability accessible on JWD Consulting’s intranet site to help internal consultants and external customers manage projects more effectively. The intranet site will include several templates and tools that users can download, examples of completed templates and related project management documents used on real projects, important articles related to recent project management topics, an article retrieval service, links to other sites with useful information, and an “Ask the Expert” feature, where users can post questions they have about their projects and receive advice from experts in the field. Some parts of the intranet site will be accessible free to the public, other parts will only be accessible to current customers and/or internal consultants, and other parts of the intranet site will be accessible for a fee.	
Main Project Success Criteria: The project should pay for itself within one year of completion.	
Approach:	
<ul style="list-style-type: none"> • Develop a survey to determine critical features of the new intranet site and solicit input from consultants and customers. • Review internal and external templates and examples of project management documents. • Research software to provide security, manage user inputs, and facilitate the article retrieval and “Ask the Expert” features. • Develop the intranet site using an iterative approach, soliciting a great deal of user feedback. 	

TABLE 3-6 Project charter (*continued*)

ROLES AND RESPONSIBILITIES			
Name	Role	Position	Contact Information
Joe Fleming	Sponsor	JWD Consulting, CEO	joe_fleming@jwdconsulting.com
Erica Bell	Project Manager	JWD Consulting, manager	erica_bell@jwdconsulting.com
Michael Chen	Team Member	JWD Consulting, senior consultant	michael_chen@jwdconsulting.com
Jessie Faue	Team Member	JWD Consulting, consultant	jessie_faue@jwdconsulting.com
Kevin Dodge	Team Member	JWD Consulting, IT department	kevin_dodge@jwdconsulting.com
Cindy Dawson	Team Member	JWD Consulting, IT department	cindy_dawson@jwdconsulting.com
Kim Phuong	Advisor	Client representative	kim_phuong@client1.com
Page Miller	Advisor	Client representative	page_miller@client2.com
<p>Sign-Off: (Signatures of all the above stakeholders)</p> <p>Comments: (Handwritten or typed comments from above stakeholders, if applicable)</p> <p><i>"I will support this project as time allows, but I believe my client projects take priority. I will have one of my assistants support the project as needed."</i> —Michael Chen</p> <p>"We need to be extremely careful testing this new system, especially the security in giving access to parts of the intranet site to the public and clients." —Kevin Dodge and Cindy Dawson</p>			

Holding a Project Kick-off Meeting

Experienced project managers like Erica know that it is crucial to get projects off to a great start. Holding a good kick-off meeting is an excellent way to do this. A **kick-off meeting** is a meeting held at the beginning of a project so that stakeholders can meet each other, review the goals of the project, and discuss future plans. The kick-off meeting is often held after the business case and project charter are completed, but it could be held sooner, as needed. Even if some or even all project stakeholders must meet virtually, it is still important to have a kick-off meeting.

Erica also knows that all project meetings with major stakeholders should include an agenda. Figure 3-2 shows the agenda that Erica provided for the Project Management Intranet Site project kick-off meeting. Notice the main topics in an agenda:

- Meeting objective
- Agenda (lists in order the topics to be discussed)

- A section for documenting action items, who they are assigned to, and when each person will complete the action
- A section to document the date and time of the next meeting

Kick-Off Meeting
[Date of Meeting]

Project Name: Project Management Intranet Site Project

Meeting Objective: Get the project off to an effective start by introducing key stakeholders, reviewing project goals, and discussing future plans

Agenda:

- Introductions of attendees
- Review of the project background
- Review of project-related documents (i.e., business case, project charter)
- Discussion of project organizational structure
- Discussion of project scope, time, and cost goals
- Discussion of other important topics
- List of action items from meeting

Action Item	Assigned To	Due Date

Date and time of next meeting:

FIGURE 3-2 Kick-off meeting agenda

It is good practice to focus on results of meetings, and having sections for documenting action items and deciding on the next meeting date and time on the agenda helps to do so. It is also good practice to document meeting minutes, focusing on key decisions and action items. Erica planned to send the meeting minutes to all meeting participants and other appropriate stakeholders within a day or two of the meeting.

Project Planning

Planning is often the most difficult and unappreciated process in project management. Because planning is not always used to facilitate action, many people view planning negatively. The main purpose of project plans, however, is to *guide project execution*. To guide execution, plans must be realistic and useful, so a fair amount of time and effort must go into the planning process; people knowledgeable with the work need to plan the work.

Chapter 4, Project Integration Management, provides detailed information on preparing a project management plan, and Chapters 5 through 12 describe planning processes for each of the other knowledge areas.

Table 3-7 lists the project management knowledge areas, processes, and outputs of project planning according to the *PMBOK® Guide, Fourth Edition*. There are many potential outputs from the planning process group, and every knowledge area is included. Just a few planning documents from JWD Consulting's Project Management Intranet Site Project are provided in this chapter as examples, and later chapters include many more examples. Recall that the *PMBOK® Guide* is only a guide, so many organizations may have different planning outputs based on their particular needs, as is the case in this example. There are many templates related to planning as well, with several listed in the last section of this chapter.

TABLE 3-7 Planning processes and outputs

Knowledge Area	Planning Process	Outputs
<i>Project Integration Management</i>	Develop project management plan	Project management plan
<i>Project Scope Management</i>	Collect requirements	Requirements documents Requirements management plan Requirements traceability matrix
	Define scope	Project scope statement Project document updates
	Create WBS	WBS WBS dictionary Scope baseline Project document updates
<i>Project Time Management</i>	Define activities	Activity list Activity attributes Milestone list
	Sequence activities	Project schedule network diagrams Project document updates
	Estimate activity resources	Activity resource requirements Resource breakdown structure Project document updates
	Estimate activity durations	Activity duration estimates Project document updates
	Develop schedule	Project schedule Schedule baseline

(continued)

TABLE 3-7 Planning processes and outputs (*continued*)

Knowledge Area	Planning Process	Outputs
		Schedule data Project document updates
Project Cost Management	Estimate costs	Activity cost estimates Basis of estimates Project document updates
	Determine budget	Cost performance baseline Project funding requirements Project document updates
Project Quality Management	Plan quality	Quality management plan Quality metrics Quality checklists Process improvement plan Project document updates
Project Human Resource Management	Develop human resource plan	Human resource plan
Project Communications Management	Plan communications	Communications management plan Project document updates
Project Risk Management	Plan risk management	Risk management plan
	Identify risks	Risk register
	Perform qualitative risk analysis	Risk register updates
	Perform quantitative risk analysis	Risk register updates
	Plan risk responses	Risk register updates Project management plan updates Risk related contract decisions Project document updates
Project Procurement Management	Plan procurements	Procurement management plan Procurement statement of work Make-or-buy decisions Procurement documents Source selection criteria Change requests

Since the Project Management Intranet Site project is relatively small, Erica believes some of the most important planning documents to focus on are the following:

- A team contract (not listed in Table 3-7, which is based only on the *PMBOK® Guide*)
- A project scope statement
- A work breakdown structure (WBS)
- A project schedule, in the form of a Gantt chart with all dependencies and resources entered
- A list of prioritized risks (part of a risk register)

All of these documents, as well as other project-related information, will be available to all team members on a project Web site. JWD Consulting has used project Web sites for several years, and has found that they really help facilitate communications and document project information. For larger projects, JWD Consulting also creates many of the other outputs listed in Table 3-7. (You will learn more about these documents by knowledge area in the following chapters.)

Soon after the project team signed the project charter, Erica organized a team-building meeting for the Project Management Intranet Site Project. An important part of the meeting was helping the project team get to know each other. Erica had met and talked to each member separately, but this was the first time the project team would spend much time together. Jessie Faue worked in the Project Management Office with Erica, so they knew each other well, but Jessie was new to the company and did not know any of the other team members. Michael Chen was a senior consultant and often worked on the highest priority projects for external clients. He attended the meeting with his assistant, Jill Anderson, who would also support the project when Michael was too busy. Everyone valued Michael's expertise, and he was extremely straightforward in dealing with people. He also knew both of the client representatives from past projects. Kevin Dodge was JWD Consulting's intranet guru who tended to focus on technical details. Cindy Dawson was also from the Information Technology department and had experience working as a business consultant and negotiating with outside suppliers. Kim Phuong and Page Miller, the two client representatives, were excited about the project, but they were wary of sharing sensitive information about their company.

Erica had everyone introduce him or herself, and then she facilitated an icebreaker activity so everyone would be more relaxed. She asked everyone to describe his or her dream vacation, assuming cost was no issue. This activity helped everyone get to know each other and show different aspects of their personalities. Erica knew that it was important to build a strong team and have everyone work well together.

Erica then explained the importance of the project, again reviewing the signed project charter. She explained that an important tool to help a project team work together was to have members develop a team contract that everyone felt comfortable signing. JWD Consulting believed in using team contracts for all projects to help promote teamwork and clarify team communications. She explained the main topics covered in a team contract and showed them a team contract template. She then had the team members form two smaller groups, with one consultant, one Information Technology department member, and one client representative in each group. These smaller groups made it easier for everyone to contribute ideas. Each group shared their ideas for what should go into the contract, and then they worked together to form one project team contract. Table 3-8 shows the resulting team contract, which took about 90 minutes to create. Erica could see that

TABLE 3-8 Team contract

Code of Conduct: As a project team, we will:

- Work proactively, anticipating potential problems and working to prevent them.
- Keep other team members informed of information related to the project.
- Focus on what is best for the entire project team.

Participation: We will:

- Be honest and open during all project activities.
- Encourage diversity in team work.
- Provide the opportunity for equal participation.
- Be open to new approaches and consider new ideas.
- Have one discussion at a time.
- Let the project manager know well in advance if a team member has to miss a meeting or may have trouble meeting a deadline for a given task.

Communication: We will:

- Decide as a team on the best way to communicate. Since a few team members cannot meet often for face-to-face meetings, we will use e-mail, a project Web site, and other technology to assist in communicating.
- Have the project manager facilitate all meetings and arrange for phone and video conferences, as needed.
- Work together to create the project schedule and enter actuals into our enterprise-wide project management system by 4 p.m. every Friday.
- Present ideas clearly and concisely.
- Keep discussions on track.

Problem Solving: We will:

- Encourage everyone to participate in solving problems.
- Only use constructive criticism and focus on solving problems, not blaming people.
- Strive to build on each other's ideas.

Meeting Guidelines: We will:

- Plan to have a face-to-face meeting the first and third Tuesday morning of every month.
- Meet more frequently the first month.
- Arrange for telephone or videoconferencing for participants as needed.
- Hold other meetings as needed.
- Record meeting minutes and send them out via e-mail within 24 hours of all project meetings, focusing on decisions made and action items from each meeting.

there were different personalities on this team, but she felt they all could work together well.

Erica wanted to keep their meeting to its two-hour time limit. Their next task would be to clarify the scope of the project by developing a project scope statement and WBS. She knew it took time to develop these documents, but she wanted to get a feel for what everyone thought were the main deliverables for this project, their roles in producing those deliverables, and what areas of the project scope needed clarification. She reminded everyone what their budget and schedule goals were so they would keep that in mind as they discussed the scope of the project. She also asked each person to provide the number of hours he or she would be available to work on this project each month for the next six months. She then had each person write down his or her answers to the following questions:

1. List one item that is most unclear to you about the scope of this project.
2. What other questions do you have or issues do you foresee about the scope of the project?
3. List what you believe to be the main deliverables for this project.
4. Which deliverables do you think you will help create or review?

Erica collected everyone's inputs. She explained that she would take this information and work with Jessie to develop the first draft of the scope statement that she would e-mail to everyone by the end of the week. She also suggested that they all meet again in one week to develop the scope statement further and to start creating the WBS for the project.

Erica and Jessie reviewed all the information and created the first draft of the scope statement. At their next team meeting, they discussed the scope statement and got a good start on the WBS. Table 3-9 shows a portion of the scope statement that Erica created after a few more e-mails and another team meeting. Note that the scope statement lists the product characteristics and requirements, summarizes the deliverables, and describes project success criteria in detail.

TABLE 3-9 Scope statement (draft version)

<p>Project Title: Project Management Intranet Site Project Date: May 18 Prepared by: Erica Bell, Project Manager, erica_bell@jwdconsulting.com</p>
<p>Project Summary and Justification: Joe Fleming, CEO of JWD Consulting, requested this project to assist the company in meeting its strategic goals. The new intranet site will increase visibility of the company's expertise to current and potential clients. It will also help reduce internal costs and improve profitability by providing standard tools, techniques, templates, and project management knowledge to all internal consultants. The budget for the project is \$140,000. An additional \$40,000 per year will be required for operational expenses after the project is completed. Estimated benefits are \$200,000 each year. It is important to focus on the system paying for itself within one year of its completion.</p>
<p>Product Characteristics and Requirements:</p> <ol style="list-style-type: none"> 1. Templates and tools: The intranet site will allow authorized users to download files they can use to create project management documents and to help them use project

(continued)

TABLE 3-9 Scope statement (draft version) (*continued*)

- management tools. These files will be in Microsoft Word, Excel, Access, Project, or in HTML or PDF format, as appropriate.
2. User submissions: Users will be encouraged to e-mail files with sample templates and tools to the Webmaster. The Webmaster will forward the files to the appropriate person for review and then post the files to the intranet site, if desired.
 3. Articles: Articles posted on the intranet site will have appropriate copyright permission. The preferred format for articles will be PDF. The project manager may approve other formats.
 4. Requests for articles: The intranet site will include a section for users to request someone from the Project Management Office (PMO) at JWD Consulting to research appropriate articles for them. The PMO manager must first approve the request and negotiate payments, if appropriate.
 5. Links: All links to external sites will be tested on a weekly basis. Broken links will be fixed or removed within five working days of discovery.
 6. The “Ask the Expert” feature must be user-friendly and capable of soliciting questions and immediately acknowledging that the question has been received in the proper format. The feature must also be capable of forwarding the question to the appropriate expert (as maintained in the system’s expert database) and capable of providing the status of questions that are answered. The system must also allow for payment for advice, if appropriate.
 7. Security: The intranet site must provide several levels of security. All internal employees will have access to the entire intranet site when they enter their security information to access the main, corporate intranet. Part of the intranet will be available to the public from the corporate Web site. Other portions of the intranet will be available to current clients based on verification with the current client database. Other portions of the intranet will be available after negotiating a fee or entering a fixed payment using pre-authorized payment methods.
 8. Search feature: The intranet site must include a search feature for users to search by topic, key words, etc.
 9. The intranet site must be accessible using a standard Internet browser. Users must have appropriate application software to open several of the templates and tools.
 10. The intranet site must be available 24 hours a day, 7 days a week, with one hour per week for system maintenance and other periodic maintenance, as appropriate.

Summary of Project Deliverables

Project management-related deliverables: Business case, charter, team contract, scope statement, WBS, schedule, cost baseline, progress reports, final project presentation, final project report, lessons-learned report, and any other documents required to manage the project.

Product-related deliverables:

1. Survey: Survey current consultants and clients to help determine desired content and features for the intranet site.
2. Files for templates: The intranet site will include templates for at least 20 documents when the system is first implemented, and it will have the capacity to store up to 100 documents. The project team will decide on the initial 20 templates based on survey results.
3. Examples of completed templates: The intranet site will include examples of projects that have used the templates available on the intranet site. For example, if there is a

TABLE 3-9 Scope statement (draft version) (*continued*)

template for a business case, there will also be an example of a real business case that uses the template.

4. Instructions for using project management tools: The intranet site will include information on how to use several project management tools, including the following as a minimum: work breakdown structures, Gantt charts, network diagrams, cost estimates, and earned value management. Where appropriate, sample files will be provided in the application software appropriate for the tool. For example, Microsoft Project files will be available to show sample work breakdown structures, Gantt charts, network diagrams, cost estimates, and applications of earned value management. Excel files will be available for sample cost estimates and earned value management charts.
5. Example applications of tools: The intranet site will include examples of real projects that have applied the tools listed in number 4 above.
6. Articles: The intranet site will include at least 10 useful articles about relevant topics in project management. The intranet site will have the capacity to store at least 1,000 articles in PDF format with an average length of 10 pages each.
7. Links: The intranet site will include links with brief descriptions for at least 20 useful sites. The links will be categorized into meaningful groups.
8. Expert database: In order to deliver an “Ask the Expert” feature, the system must include and access a database of approved experts and their contact information. Users will be able to search for experts by pre-defined topics.
9. User Requests feature: The intranet site will include an application to solicit and process requests from users.
10. Intranet site design: An initial design of the new intranet site will include a site map, suggested formats, appropriate graphics, etc. The final design will incorporate comments from users on the initial design.
11. Intranet site content: The intranet site will include content for the templates and tools section, articles section, article retrieval section, links section, “Ask the Expert” section, User Requests feature, security, and payment features.
12. Test plan: The test plan will document how the intranet site will be tested, who will do the testing, and how bugs will be reported.
13. Promotion: A plan for promoting the intranet site will describe various approaches for soliciting inputs during design. The promotion plan will also announce the availability of the new intranet site.
14. Project benefit measurement plan: A project benefit plan will measure the financial value of the intranet site.

Project Success Criteria: Our goal is to complete this project within six months for no more than \$140,000. The project sponsor, Joe Fleming, has emphasized the importance of the project paying for itself within one year after the intranet site is complete. To meet this financial goal, the intranet site must have strong user inputs. We must also develop a method for capturing the benefits while the intranet site is being developed and tested, and after it is rolled out. If the project takes a little longer to complete or costs a little more than planned, the firm will still view it as a success if it has a good payback and helps promote the firm’s image as an excellent consulting organization.

As the project team worked on the scope statement, they also developed the work breakdown structure (WBS) for the project. The WBS is a very important tool in project management because it provides the basis for deciding how to do the work. The WBS also provides a basis for creating the project schedule and performing earned value management for measuring and forecasting project performance. Erica and her team decided to use the project management process groups as the main categories for the WBS, as shown in Figure 3-3. They included completed work from the initiating process to provide a complete picture of the project's scope. The group also wanted to list several milestones on their schedule, such as the completion of key deliverables, so they prepared a separate list of milestones that they would include on the Gantt chart. You will learn more about creating a WBS in Chapter 5, Project Scope Management.

After preparing the WBS, the project team held another face-to-face meeting to develop the project schedule, following the steps outlined in section 2.5 of the WBS. Several of the project schedule tasks are dependent on one another. For example, the intranet site testing was dependent on the construction and completion of the content tasks. Everyone participated in the development of the schedule, especially the tasks on which each would be working. Some of the tasks were broken down further so the team members had a better understanding of what they had to do and when. They also kept their workloads and cost constraints in mind when developing the duration estimates. For example, Erica was scheduled to work 20 hours per week on this project, and the other project team members combined should not spend more than 60 hours per week on average for the project. As team members provided duration estimates, they also estimated how many work hours they would spend on each task.

After the meeting, Erica worked with Jessie to enter all of the information into Microsoft Project. Erica was using the intranet site project to train Jessie in applying several project management tools and templates. They entered all of the tasks, duration estimates, and dependencies to develop the Gantt chart. Erica decided to enter the resource and cost information after reviewing the schedule. Their initial inputs resulted in a completion date a few weeks later than planned. Erica and Jessie reviewed the critical path for the project, and Erica had to shorten the duration estimates for a few critical tasks in order to meet their schedule goal of completing the project within six months. She talked to the team members working on those tasks, and they agreed that they could plan to work more hours each week on those tasks, if required, in order to complete them on time. Figure 3-4 shows the resulting Gantt chart created in Microsoft Project. Only the executing tasks are expanded to show the subtasks under that category. (You will learn how to use Project 2007 in Appendix A. Chapter 6, Project Time Management, explains Gantt charts and other time management tools.) The baseline schedule projects a completion date of November 1. The project charter had a planned completion date of November 4. Erica wanted to complete the project on time, and although three extra days was not much of a buffer, she felt the baseline schedule was very realistic. She would do her best to help everyone meet their deadlines.

The majority of the costs for this project were internal labor, and the team kept their labor hour constraints in mind when developing task duration estimates. Erica and Jessie entered each project team member's name and labor rate in the resource sheet for their Microsoft Project file. The client representatives were not being paid for their time, so she left their labor rates at the default value of zero. Erica had also included \$10,000 for procurement in the financial analysis she prepared for the business case, and she showed Jessie how to enter that amount as a fixed cost split equally between the "Ask the Expert" and User Requests features,

- 1.0 Initiating
 - 1.1 Identify key stakeholders
 - 1.2 Prepare project charter
 - 1.3 Hold project kick-off meeting
- 2.0 Planning
 - 2.1 Hold team planning meeting
 - 2.2 Prepare team contract
 - 2.3 Prepare scope statement
 - 2.4 Prepare WBS
 - 2.5 Prepare schedule and cost baseline
 - 2.5.1 Determine task resources
 - 2.5.2 Determine task durations
 - 2.5.3 Determine task dependencies
 - 2.5.4 Create draft Gantt chart
 - 2.5.5 Review and finalize Gantt chart
 - 2.6 Identify, discuss, and prioritize risks
- 3.0 Executing
 - 3.1 Survey
 - 3.2 User inputs
 - 3.3 Intranet site content
 - 3.3.1 Templates and tools
 - 3.3.2 Articles
 - 3.3.3 Links
 - 3.3.4 Ask the Expert
 - 3.3.5 User requests feature
 - 3.4 Intranet site design
 - 3.5 Intranet site construction
 - 3.6 Intranet site testing
 - 3.7 Intranet site promotion
 - 3.8 Intranet site roll-out
 - 3.9 Project benefits measurement
- 4.0 Monitoring and Controlling
 - 4.1 Progress reports
- 5.0 Closing
 - 5.1 Prepare final project report
 - 5.2 Prepare final project presentation
 - 5.3 Lessons learned

FIGURE 3-3 JWD Consulting intranet project work breakdown structure (WBS)

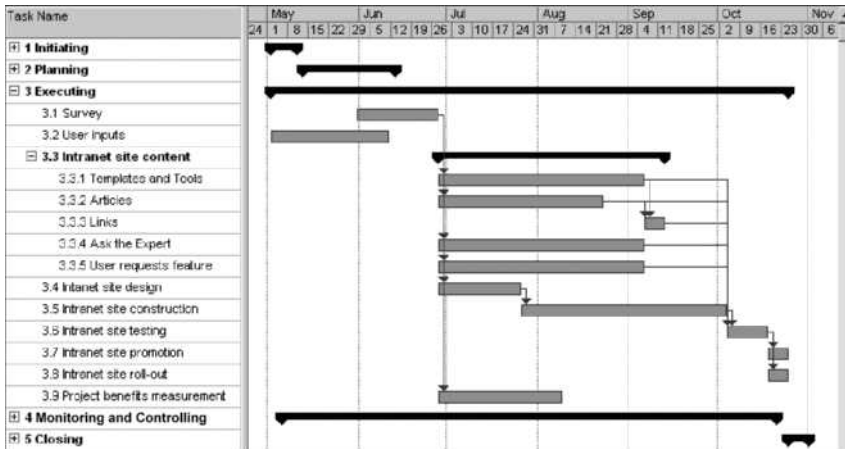


FIGURE 3-4 JWD Consulting intranet site project baseline Gantt chart

where she thought they would have to purchase some external software and/or services. Erica then helped Jessie assign resources to tasks, entering the projected number of hours everyone planned to work each week on each task. They then ran several cost reports and made a few minor adjustments to resource assignments to make their planned total cost meet their budget constraints. Their cost baseline was very close to their planned budget of \$140,000.

The last deliverable her team needed to create within the planning process group was a list of prioritized risks. This information will be updated and expanded as the project progresses in a risk register, which also includes information on root causes of the risks, warning signs that potential risks might occur, and response strategies for the risks. (See Chapter 12, Project Risk Management, for more information on risk registers.) Erica reviewed the risks she had mentioned in the business case as well as the comments team members made on the project charter and in their team meetings. She held a special meeting for everyone to brainstorm and discuss potential risks. They posted all of the risks they identified on a probability/impact matrix, and then they grouped some of the ideas. There was only one risk in the high probability and high impact category, and several with medium impact in one or both categories. They chose not to list the low probability and low impact risks. After some discussion, the team developed the list of prioritized risks shown in Table 3-10.

Project Execution

Executing the project involves taking the actions necessary to ensure that activities in the project plan are completed. It also includes work required to introduce any new hardware, software, and procedures into normal operations. The products of the project are produced during project execution, and it usually takes the most resources to accomplish this process.

Table 3-11 lists the knowledge areas, executing processes, and outputs of project execution listed in the *PMBOK® Guide, Fourth Edition*. Many project sponsors and customers focus on deliverables related to providing the products, services, or results desired from the project. It is also important to document change requests and prepare updates to planning documents as part of execution. Templates related to this process group are also listed later in this chapter.

TABLE 3-10 List of prioritized risks

Ranking	Potential Risk
1	Lack of inputs from internal consultants
2	Lack of inputs from client representatives
3	Security of new system
4	Outsourcing/purchasing for the article retrieval and “Ask the Expert” features
5	Outsourcing/purchasing for processing online payment transactions
6	Organizing the templates and examples in a useful fashion
7	Providing an efficient search feature
8	Getting good feedback from Michael Chen and other senior consultants
9	Effectively promoting the new system
10	Realizing the benefits of the new system within one year

For this relatively small project, Erica would work closely with all the team members to make sure they were producing the desired work results. She also used her networking skills to get input from other people in the firm and from external sources at no additional cost to the project. She made sure that everyone who would use the resulting intranet application also understood what they were producing as part of the project and how it would help them in the future. She knew that providing strong leadership and using good communication skills were crucial to good project execution. The firm did have a formal change request form, but primarily used it for external projects. The firm also had contract specialists and templates for several procurement documents that the project team would use for the portions of the project they planned to outsource.

As mentioned earlier, Erica knew that Joe, the CEO and project sponsor, liked to see progress on projects through milestone reports. He also wanted Erica to alert him to any potential issues or problems. Table 3-12 shows a sample of a milestone report for the Project Management Intranet Site Project that Erica reviewed with Joe in mid-June. Erica met with most of her project team members often, and she talked to Joe about once a week to review progress on completing milestones and to discuss any other project issues. Although Erica could have used project management software to create milestone reports, she used word processing software instead because this project was small and she could more easily manipulate the report format.

Human resource issues often occur during project execution, especially conflicts. At several of the team meetings, Erica could see that Michael seemed to be bored and often left the room to make phone calls to clients. She talked to Michael about the situation, and she discovered that Michael was supportive of the project, but he knew he could only spend a minimal amount of time on it. He was much more productive outside of meetings, so Erica agreed to have Michael attend a minimal amount of project team meetings. She could see

TABLE 3-11 Executing processes and outputs

Knowledge Area	Executing Process	Outputs
<i>Project Integration Management</i>	Direct and manage project execution	Deliverables Work performance information Change requests Project management plan updates Project document updates
<i>Project Quality Management</i>	Perform quality assurance	Organizational process asset updates Change requests Project management plan updates Project document updates
<i>Project Human Resource Management</i>	Acquire project team Develop project team Manage project team	Project staff assignments Resource calendars Project management plan updates Team performance assessment Enterprise environmental factor updates Enterprise environmental factors updates Organizational process assets updates Project management plan updates Change requests
<i>Project Communications Management</i>	Distribute information Manage stake-holders expectations	Organizational process assets updates Organizational process assets updates Change requests Project management plan updates Project document updates
<i>Project Procurement Management</i>	Conduct procurements	Selected sellers Procurement contract award Resource calendars Change requests Project management plan updates Project documents updates

that Michael was contributing to the team by the feedback he provided and his leadership on the “Ask the Expert” feature for the intranet site. Erica adjusted her communication style to meet his specific needs.

Another problem occurred when Cindy was contacting potential suppliers for software to help with the “Ask the Expert” and User Requests features. Kevin wanted to write all of the software for the project himself, but Cindy knew it made better business sense to

TABLE 3-12 Milestone Report as of June 17

Milestone	Date	Status	Responsible	Issues/ Comments
Initiating				
Stakeholders identified	May 2	Completed	Erica and Joe	
Project charter signed	May 10	Completed	Erica	
Project kick-off meeting held	May 13	Completed	Erica	Went very well
Planning				
Team contract signed	May 13	Completed	Erica	
Scope statement completed	May 27	Completed	Erica	
WBS completed	May 31	Completed	Erica	
List of prioritized risks completed	June 3	Completed	Erica	Reviewed with sponsor and team
Schedule and cost baseline completed	June 13	Completed	Erica	
Executing				
Survey completed	June 28		Erica	Poor response so far!
Intranet site design completed	July 26		Kevin	
Project benefits measurement completed	August 9		Erica	
User inputs collected	August 9		Jessie	
Articles completed	August 23		Jessie	
Templates and tools completed	September 6		Erica	
Ask the Expert completed	September 6		Michael	
User Requests feature completed	September 6		Cindy	
Links completed	September 13		Kevin	

(continued)

TABLE 3-12 Milestone Report as of June 17 (*continued*)

Milestone	Date	Status	Responsible	Issues/ Comments
Intranet site construction completed	October 4		Kevin	
Intranet site testing completed	October 18		Cindy	
Intranet site promotion completed	October 25		Erica	
Intranet site roll-out completed	October 25		Kevin	
<i>Monitoring and Controlling</i>				
Progress reports	Every Friday		All	
<i>Closing</i>				
Final project presentation completed	October 27		Erica	
Sponsor sign-off on project completed	October 27		Joe	
Final project report completed	October 28		Erica	
Lessons-learned reports submitted	November 1		All	

purchase these new software capabilities from a reliable source. Cindy had to convince Kevin that it was worth buying some software from other sources.

Cindy also discovered that their estimate of \$10,000 was only about half the amount they needed. She discussed the problem with Erica, explaining the need for some custom development no matter which supplier they chose. Erica agreed that they should go with an outside source, and she asked their sponsor to approve the additional funds. Joe agreed, but he stressed the importance of still having the system pay for itself within a year.

Erica also had to ask Joe for help when the project team received a low response rate to their survey and requests for user inputs. Joe sent out an e-mail to all of JWD Consulting's consultants describing the importance of the project. He also offered five extra vacation days to the person who provided the best examples of how they used tools and templates to manage their projects. Erica then received informative input from the consultants. Having effective communication skills and strong top management support are essential to good project execution.



BEST PRACTICE

One way to learn about best practices in project management is by studying recipients of PMI’s Project of the Year award. The Quartier International de Montréal (QIM), Montreal’s international district, was a 66-acre urban revitalization project in the heart of downtown Montreal. This \$90 million, five-year project turned a once unpopular area into a thriving section of the city with a booming real estate market and has generated \$770 million in related construction. Clement Demers, PMP, was the director general for the QIM project. He said the team “took a unique project execution approach by dividing work into packages that allowed for smaller-scale testing of management techniques and contract awards. Benefiting from experience gained in each stage, managers could then adjust future work segments and management styles accordingly.”⁸

Other strategies that helped the team succeed included the following:

- The team identified champions in each stakeholder group to help inspire others to achieve project goals.
- The team’s communications plan included a Web site dedicated to public concerns.
- There were two-day reviews at the beginning of each project phase to discuss problems and develop solutions to prevent conflict.
- Financial investors were asked for input to increase their stake in the project.
- The team recognized the cost value of hiring high-quality experts, such as architects, engineers, lawyers, and urban planners. They paid all professionals a fixed price for their services and paid their fees quickly.

Project Monitoring and Controlling

Monitoring and controlling is the process of measuring progress toward project objectives, monitoring deviation from the plan, and taking corrective action to match progress with the plan. Monitoring and controlling is done throughout the life of a project. It also involves eight of the nine project management knowledge areas. Table 3-13 lists the knowledge areas, monitoring and controlling processes, and outputs, according to the *PMBOK® Guide, Fourth Edition*. Templates related to this process group are listed later in this chapter.

TABLE 3-13 Monitoring and controlling processes and outputs

Knowledge Area	Monitoring and Controlling Process	Outputs
Project Integration Management	Monitor and control project work	Change requests Project management plan updates Project document updates
	Perform integrated change control	Change request status updates Project management plan updates Project document updates
Project Scope Management	Verify scope	Accepted deliverables Change requests Project document updates

TABLE 3-13 Monitoring and controlling processes and outputs (*continued*)

Knowledge Area	Monitoring and Controlling Process	Outputs
	Control scope	Work performance measurements Organizational process assets updates Change requests Project management plan updates Project document updates
<i>Project Time Management</i>	Control schedule	Work performance measurements Organizational process assets updates Change requests Project management plan updates Project document updates
<i>Project Cost Management</i>	Control cost	Work performance measurements Budget forecasts Organizational process assets updates Change requests Project management plan updates Project document updates
<i>Project Quality Management</i>	Perform quality control	Quality control measurements Validated deliverables Organizational process assets updates Change requests Project management plan updates Project document updates
<i>Project Communications Management</i>	Report performance	Performance reports Organizational process assets updates Change requests
<i>Project Risk Management</i>	Monitor and control risks	Risk register updates Organizational process assets updates Change requests Project management plan updates Project document updates
<i>Project Procurement Management</i>	Administer procurements	Procurement documentation Organizational process assets updates Change requests Project management plan updates

On the Project Management Intranet Site Project, there were several updates to the project management plan to reflect changes made to the project scope, schedule, and budget. Erica and other project team members took corrective action when necessary. For example, when they were not getting many responses to their survey, Erica asked Joe for help. When Cindy had trouble negotiating with a supplier, she got help from another senior consultant who had worked with that supplier in the past. Erica also had to request more funds for that part of the project.

Project team members submitted a brief progress report every Friday. They were originally using a company template for progress reports, but Erica found that by modifying the old template, she received better information to help her team work more effectively. She wanted team members not only to report what they did but also to focus on what was going well or not going well and why. This extra information helped team members reflect on the project's progress and identify areas in need of improvement. Table 3-14 is an example of one of Cindy's progress reports.

TABLE 3-14 Sample weekly progress report

Project Name: Project Management Intranet Project

Team Member Name: Cindy Dawson, cindy_dawson@jwdconsulting.com

Date: August 5

Work completed this week:

- Worked with Kevin to start the intranet site construction
- Organized all the content files
- Started developing a file naming scheme for content files
- Continued work on "Ask the Expert" and User Requests features
- Met with preferred supplier
- Verified that their software would meet our needs
- Discovered the need for some customization

Work to complete next week:

- Continue work on intranet site construction
- Prepare draft contract for preferred supplier
- Develop new cost estimate for outsourced work

What's going well and why:

The intranet site construction started well. The design was very clear and easy to follow. Kevin really knows what he's doing.

What's not going well and why:

It is difficult to decide how to organize the templates and examples. Need more input from senior consultants and clients.

Suggestions/Issues:

- Hold a special meeting to decide how to organize the templates and examples on the intranet site.
- Get some sample contracts and help in negotiating with the preferred supplier.

(continued)

TABLE 3-14 Sample weekly progress report (*continued*)

Project changes:

I think we can stay on schedule, but it looks like we'll need about \$10,000 more for outsourcing. That's doubling our budget in that area.

In addition to progress reports, an important tool for monitoring and controlling the project was using project management software. Each team member submitted his or her actual hours worked on tasks each Friday afternoon by 4 p.m. via the firm's enterprise-wide project management software. They were using the enterprise version of Microsoft Project 2007, so they could easily update their task information via the Web. Erica worked with Jessie to analyze the information, paying special attention to the critical path and earned value data. (See Chapter 6 on Project Time Management for more information on critical path analysis; Chapter 7 on Project Cost Management for a description of earned value management; and Appendix A for more information on using Project 2007 to help control projects.) Erica wanted to finish the project on time, even if it meant spending more money. Joe agreed with that approach, and approved the additional funding Erica projected they would need based on the earned value projections and the need to make up a little time on critical tasks.

Joe again emphasized the importance of the new system paying for itself within a year. Erica was confident that they could exceed the projected financial benefits, and she decided to begin capturing benefits as soon as the project team began testing the system. When she was not working on this project, Erica was managing JWD Consulting's Project Management Office (PMO), and she could already see how the intranet site would help her staff save time and make their consultants more productive. One of her staff members wanted to move into the consulting group, and she believed the PMO could continue to provide its current services with one less person due to this new system—a benefit she had not considered before. Several of the firm's client contracts were based on performance and not hours billed, so she was excited to start measuring the value of the new intranet site to their consultants as well.

Project Closing

The closing process involves gaining stakeholder and customer acceptance of the final products and services and bringing the project, or project phase, to an orderly end. It includes verifying that all of the deliverables are complete, and it often includes a final project report and presentation. Even though many information technology projects are canceled before completion, it is still important to formally close any project and reflect on what can be learned to improve future projects. As philosopher George Santayana said, "Those who cannot remember the past are condemned to repeat it."

It is also important to plan for and execute a smooth transition of the project into the normal operations of the company. Most projects produce results that are integrated into the existing organizational structure. For example, JWD Consulting's Project Management Intranet Site Project will require staff to support the intranet site after it is operational. Erica included support costs of \$40,000 per year for the projected three-year life of the new system. She also created a transition plan as part of the final report to provide for a smooth transition of the system into the firm's operations. The plan included a list of issues that had to be resolved before the firm could put the new intranet site into production. For example,

Michael Chen would not be available to work on the intranet site after the six-month project was complete, so they had to know who would support the “Ask the Expert” feature and plan some time for Michael to work with him or her.

Table 3-15 lists the knowledge areas, processes, and outputs of project closing based on the *PMBOK® Guide, Fourth Edition*. During the closing processes of any project, project team members must deliver the final product, service, or result of the project, and update organizational process assets, such as project files and a lessons-learned report. If the project team procured items during the project, they must formally complete or close out all contracts. Templates related to project closing are listed later in this chapter.

TABLE 3-15 Closing processes and output

Knowledge Area	Closing Process	Outputs
<i>Project Integration Management</i>	Close project or phase	Final product, service, or result transition Organizational process assets updates
<i>Project Procurement Management</i>	Close procurements	Closed procurements Organizational process assets updates

Erica and her team prepared a final report, final presentation, contract files, and lessons-learned report in closing the project. Erica reviewed the confidential, individual lessons-learned report from each team member and wrote one summary lessons-learned report to include in the final documentation, part of which is provided in Table 3-16. Notice the bulleted items in the fourth question, such as the importance of having a good kick-off meeting, working together to develop a team contract, using project management software, and communicating well with the project team and sponsor.

TABLE 3-16 Lessons-learned report (abbreviated)

Project Name:	JWD Consulting Project Management Intranet Site Project
Project Sponsor:	Joe Fleming
Project Manager:	Erica Bell
Project Dates:	May 2 – November 4
Final Budget:	\$150,000
1.	Did the project meet scope, time, and cost goals? <i>We did meet scope and time goals, but we had to request an additional \$10,000, which the sponsor did approve.</i>

(continued)

TABLE 3-16 Lessons-learned report (abbreviated) (continued)

2. What were the success criteria listed in the project scope statement?
*Below is what we put in our project scope statement under project success criteria:
“Our goal is to complete this project within six months for no more than \$140,000. The project sponsor, Joe Fleming, has emphasized the importance of the project paying for itself within one year after the intranet site is complete. To meet this financial goal, the intranet site must have strong user input. We must also develop a method for capturing the benefits while the intranet site is being developed and tested, and after it is rolled out. If the project takes a little longer to complete or costs a little more than planned, the firm will still view it as a success if it has a good payback and helps promote the firm’s image as an excellent consulting organization.”*
3. Reflect on whether or not you met the project success criteria.
As stated above, the sponsor was not too concerned about going over budget as long as the system would have a good payback period and help promote our firm’s image. We have already documented some financial and image benefits of the new intranet site. For example, we have decided that we can staff the PMO with one less person, resulting in substantial cost savings. We have also received excellent feedback from several of our clients about the new intranet site.
4. In terms of managing the project, what were the main lessons your team learned from this project?
The main lessons we learned include the following:
 - *Having a good project sponsor was instrumental to project success. We ran into a couple of difficult situations, and Joe was very creative in helping us solve problems.*
 - *Teamwork was essential. It really helped to take time for everyone to get to know each other at the kick-off meeting. It was also helpful to develop and follow a team contract.*
 - *Good planning paid off in execution. We spent a fair amount of time developing a good project charter, scope statement, WBS, schedules, and so on. Everyone worked together to develop these planning documents, and there was strong buy-in.*
 - *Project management software was very helpful throughout the project.*
5. Describe one example of what went right on this project.
6. Describe one example of what went wrong on this project.
7. What will you do differently on the next project based on your experience working on this project?

Erica also had Joe sign a client acceptance form, one of the sample templates on the new intranet site that the project team suggested all consultants use when closing their projects. (You can find this and other templates on the companion Web site for this text.)

Table 3-17 provides the table of contents for the final project report. The cover page included the project title, date, and team member names. Notice the inclusion of a

TABLE 3-17 Final project report table of contents

1. Project Objectives
2. Summary of Project Results
3. Original and Actual Start and End Dates
4. Original and Actual Budget
5. Project Assessment (Why did you do this project? What did you produce? Was the project a success? What went right and wrong on the project?)
6. Transition Plan
7. Annual Project Benefits Measurement Approach

Attachments:

A. Project Management Documentation

- Business case
- Project charter
- Team contract
- Scope statement
- WBS and WBS dictionary
- Baseline and actual Gantt chart
- List of prioritized risks
- Milestone reports
- Progress reports
- Contract files
- Lessons-learned reports
- Final presentation
- Client acceptance form

B. Product-Related Documentation

- Survey and results
- Summary of user inputs
- Intranet site content
- Intranet site design documents
- Test plans and reports
- Intranet site promotion information
- Intranet site roll-out information
- Project benefits measurement information

transition plan and a plan to analyze the benefits of the system each year in the final report. Also, notice that the final report includes attachments for all the project management and product-related documents. Erica knew how important it was to provide good final documentation on projects. The project team produced a hard copy of the final documentation and an electronic copy to store on the new intranet site for other consultants to use as desired.

Erica also organized a project closure luncheon for the project team right after their final project presentation. She used the luncheon to share lessons learned and celebrate a job well done!

As you can see, there are many documents that project teams prepare throughout the life of a project. Many people use templates as a standard format for preparing those documents. Table 3-18 lists templates used in this text for preparing the documents

TABLE 3-18 Templates by process group

Template Name	Process Group	Chapter(s) Where Used	Application Software	File Name
Business Case	Pre-initiating	3	Word	business_case.doc
Business Case Financial Analysis	Pre-initiating	3, 4	Excel	business_case_financials.xls
Stakeholder Register	Initiating	3, 10	Word	stakeholder_register.doc
Stakeholder Management Strategy	Initiating	3, 10	Word	stakeholder_strategy.doc
Kick-off Meeting	Initiating	3	Word	kick-off_meeting.doc
Payback Chart	Initiating	4	Excel	payback.xls
Weighted Decision Matrix	Initiating	4, 12	Excel	wtd_decision_matrix.xls
Project Charter	Initiating	3, 4, 5	Word	charter.doc
Team Contract	Planning	3	Word	team_contract.doc
Requirements Traceability Matrix	Planning	5	Word	reqs_matrix.xls
Scope Statement	Planning	3, 4, 5	Word	scope_statement.doc
Statement of Work	Planning	12	Word	statement_of_work.doc

TABLE 3-18 Templates by process group (*continued*)

Template Name	Process Group	Chapter(s) Where Used	Application Software	File Name
Request for Proposal	Planning	12	Word	rfp_outline.doc
Software Project Management Plan	Planning	4	Word	sw_project_mgt_plan.doc
Work Breakdown Structure	Planning	3, 5, 6	Word	wbs.doc
Gantt Chart	Planning, Executing	3, 5, 6	Project	Gantt_chart.mpp
Network Diagram	Planning, Executing	3, 6	Project	network_diagram.mpp
Project Cost Estimate	Planning	7	Excel	cost_estimate.xls
Earned Value Data and Chart	Monitoring and Controlling	7	Excel	earned_value.xls
Quality Assurance Plan	Executing	8	Word	quality_assurance_plan.doc
Pareto Chart	Monitoring and Controlling	8	Excel	pareto_chart.xls
Project Organizational Chart	Planning, Executing	9	PowerPoint	project_org_chart.ppt
Responsibility Assignment Matrix	Planning, Executing	9	Excel	ram.xls
Resource Histogram	Planning, Executing	9	Excel	resource_histogram.xls
Communications Management Plan	Planning	10	Word	comm_plan.doc

(continued)

TABLE 3-18 Templates by process group (*continued*)

Template Name	Process Group	Chapter(s) Where Used	Application Software	File Name
Project Description (text)	Planning	10	Word	project_desc_text.doc
Project Description (Gantt chart)	Planning	10	Project	project_desc_Gantt.mpp
Milestone Report	Executing	3, 6	Word	milestone_report.doc
Change Request Form	Planning, Monitoring and Controlling	4	Word	change_request.doc
Progress Report	Monitoring and Controlling	3, 10	Word	progress_report.doc
Expectations Management Matrix	Monitoring and Controlling	10	Word	expectations.doc
Issue Log	Monitoring and Controlling	10	Word	issue_log.doc
Probability/Impact Matrix	Planning, Executing, Monitoring and Controlling	11	PowerPoint	prob_impact_matrix.ppt
List of Prioritized Risks	Planning, Executing, Monitoring and Controlling	3, 11	Word	list_of_risks.doc
Risk Register	Planning, Monitoring and Controlling	11	Excel	risk_register.xls

TABLE 3-18 Templates by process group (*continued*)

Template Name	Process Group	Chapter(s) Where Used	Application Software	File Name
Top 10 Risk Item Tracking	Planning, Monitoring and Controlling	11	Excel	top_10.xls
Breakeven/Sensitivity Analysis	Planning	11	Excel	breakeven.xls
Client Acceptance Form	Closing	3, 10	Word	client_acceptance.doc
Lessons-Learned Report	Closing	3, 10	Word	lessons_learned_report.doc
Final Project Documentation	Closing	3, 10	Word	final_documentation.doc

shown in this chapter and in later chapters. It lists the template name, chapter number, process group(s) where you normally use the template, application software used to create it, and the file name for the template. You can download all of these files in one compressed file from the companion Web site for this text or from the author's Web site at www.kathyschwalbe.com. Note that the templates were saved in Office 2003 and 2007 format to allow for easier compatibility. Feel free to modify the templates to meet your needs.

The project management process groups—initiating, planning, executing, monitoring and controlling, and closing—provide a useful framework for understanding project management. They apply to most projects (information technology and non-information technology) and, along with the project management knowledge areas, help project managers see the big picture of managing a project in their particular organization.

CASE WRAP-UP

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Erica Bell and her team finished the Project Management Intranet Site Project on November 4, as planned in their project charter. They did go over budget, however, but Joe had approved Erica's request for additional funds, primarily for purchasing external software and customization. Like any project, they had a few challenges, but they worked together as a team and used good project management to meet their sponsor's and users' needs. They received positive initial feedback from internal consultants and some of their clients on the new intranet site. People were asking for templates, examples, and expert advice even before the system was ready. About a year after the project was completed, Erica worked with a member of the Finance department to review the benefits of the new system. The Project Management Office did lose one of its staff members, but it did not request a replacement since the new system helped reduce the PMO's workload. This saved the firm about \$70,000 a year for the salary and benefits of that staff position. They also had data to show that the firm saved more than \$180,000 on contracts with clients due to the new system, while they had projected just \$160,000. The firm was breaking even with the "Ask the Expert" feature the first year, and Erica estimated that the system provided \$30,000 in additional profits the first year by generating new business, not the \$40,000 they had projected. However, savings from the PMO staff position salary and the extra savings on contracts more than made up for the \$10,000 difference. Joe was proud of the project team and the system they produced to help make JWD Consulting a world-class organization.

Chapter Summary

Project management involves a number of interlinked processes. The five project management process groups are initiating, planning, executing, monitoring and controlling, and closing. These processes occur at varying levels of intensity throughout each phase of a project, and specific outcomes are produced as a result of each process. Normally the executing processes require the most resources and time, followed by the planning processes.

Mapping the main activities of each project management process group into the nine project management knowledge areas provides a big picture of what activities are involved in project management.

Some organizations develop their own information technology project management methodologies, often using the standards found in the *PMBOK® Guide* as a foundation. It is important to tailor project management methodologies to meet the organization's particular needs. Popular methodologies like PRINCE2, agile methodologies, RUP, and Six Sigma include project management processes.

The JWD Consulting case study demonstrates how one organization managed an information technology project from its initiation through its closure. The case study provides several samples of outputs produced for initiating (including pre-initiating), planning, executing, monitoring and controlling, and closing as follows:

- Business case
- Stakeholder register
- Stakeholder management strategy
- Project charter
- Kick-off meeting agenda
- Team contract
- Work breakdown structure
- Gantt chart
- List of prioritized risks
- Milestone report
- Progress report
- Lessons-learned report
- Final project report

Later chapters in this text provide detailed information on creating these and other project management documents and using several of the tools and techniques described in this case study.

Quick Quiz

1. A _____ is a series of actions directed toward a particular result.
 - a. goal
 - b. process
 - c. plan
 - d. project

2. _____ processes include coordinating people and other resources to carry out the project plans and produce the products, services, or results of the project or phase.
 - a. Initiating
 - b. Planning
 - c. Executing
 - d. Monitoring and controlling
 - e. Closing
3. Which process group normally requires the most resources and time?
 - a. Initiating
 - b. Planning
 - c. Executing
 - d. Monitoring and controlling
 - e. Closing
4. What methodology was developed in the U.K., defines 45 separate subprocesses, and organizes these into eight process groups?
 - a. Six Sigma
 - b. RUP
 - c. *PMBOK® Guide*
 - d. PRINCE2
5. Which of the following outputs is often completed before initiating a project?
 - a. stakeholder register
 - b. business case
 - c. project charter
 - d. kick-off meeting
6. A work breakdown structure, project schedule, and cost estimates are outputs of the _____ process.
 - a. initiating
 - b. planning
 - c. executing
 - d. monitoring and controlling
 - e. closing
7. Initiating involves developing a project charter, which is part of the project _____ management knowledge area.
 - a. integration
 - b. scope
 - c. communications
 - d. risk

8. _____ involves measuring progress toward project objectives and taking corrective actions.
 - a. Initiating
 - b. Planning
 - c. Executing
 - d. Monitoring and controlling
 - e. Closing
9. What type of report do project teams create to reflect on what went right and what went wrong with the project?
 - a. lessons-learned report
 - b. progress report
 - c. final project report
 - d. business case
10. Many people use _____ to have a standard format for preparing various project management documents.
 - a. methodologies
 - b. templates
 - c. project management software
 - d. standards

Quick Quiz Answers

1. b; 2. c; 3. c; 4. d; 5. b; 6. b; 7. a; 8. d; 9. a; 10. b

Discussion Questions

1. Briefly describe what happens in each of the five project management process groups (initiating, planning, executing, monitoring and controlling, and closing). What types of activities are done before initiating a project?
2. Approximately how much time do good project managers spend on each process group and why?
3. Why do organizations need to tailor project management concepts, such as those found in the *PMBOK® Guide*, to create their own methodologies?
4. What are some of the key outputs of each process group?
5. What are some of the typical challenges project teams face during each of the five process groups?

Exercises

1. Study the WBS and Gantt charts provided in Figures 3-3 and 3-4. Enter the WBS into Project 2007, indenting tasks as shown to create the WBS hierarchy. Do not enter durations or dependencies. Print the resulting Gantt chart. See the scope management section of Appendix A for help using Project 2007.

2. Read the article by William Munroe regarding BlueCross BlueShield of Michigan's information technology project management methodology (available on the companion Web site for this text under Chapter 3). Or, research another methodology, such as PRINCE2, an agile methodology, RUP, or Six Sigma, and how organizations use it, citing at least two references. Why do you think organizations spend time and money tailoring a methodology to their environment? Write a two-page summary of your findings and your opinion on the topic.
3. Read the "ResNet Case Study" (available from the companion Web site for this text under Chapter 3). This real case study about Northwest Airlines' reservation system illustrates another application of the project management process groups. Write a three-page paper summarizing the main outputs produced during each project process group in this case. Also, include your opinion of whether or not Peeter Kivestu was an effective project manager. If you prefer, find another well-documented project and summarize it instead.
4. JWD Consulting wrote a business case before officially initiating the Project Management Intranet Site project. Review the contents of this document (Table 3-2) and find two articles describing the need to justify investing in IT projects. In addition, describe whether you think most projects should include a business case before the project sponsors officially approve the project. Write a two-page paper summarizing your findings and opinions.
5. Read an article about a recipient of PMI's Project of the Year award. Past winners include Fluor Corporation's Fernald Closure Project, Kaiser-Hill's Rocky Flats Nuclear Plant Closing, the Quartier International de Montréal district revitalization project, Saudi Aramco Haradh Gas Plant, and the Winter Olympics Salt Lake Organizing Committee. Write a one-page paper summarizing the project, focusing on how the project manager and team used good project management practices.
6. Download the template files used in this text from the companion Web site or from www.kathyschwalbe.com. Review several of them, and look at examples of how they are used in this text. Also search the Internet for other template files. Summarize what you think about using templates and how you think they can help project managers and their teams in a two-page paper. Also discuss potential problems with using templates.

Companion Web Site

Visit the companion Web site for this text at www.cengage.com/mis/schwalbe to access:

- References cited in the text and additional suggested readings for each chapter
- Template files
- Lecture notes
- Interactive quizzes
- Podcasts
- Links to general project management Web sites
- And more

See the Preface of this text for more information on accessing the companion Web site.

Key Terms

- closing processes** — formalizing acceptance of the project or project phase and ending it efficiently
- executing processes** — coordinating people and other resources to carry out the project plans and produce the products, services, or results of the project or project phase
- initiating processes** — defining and authorizing a project or project phase
- kick-off meeting** — a meeting held at the beginning of a project so that stakeholders can meet each other, review the goals of the project, and discuss future plans
- methodology** — describes *how* things should be done
- monitoring and controlling processes** — regularly measuring and monitoring progress to ensure that the project team meets the project objectives
- planning processes** — devising and maintaining a workable scheme to ensure that the project addresses the organization's needs
- process** — a series of actions directed toward a particular result
- project management process groups** — the progression of project activities from initiation to planning, executing, monitoring and controlling, and closing
- Projects IN Controlled Environments (PRINCE2)** — a project management methodology developed in the U.K. that defines 45 separate sub-processes and organizes these into eight process groups
- Rational Unified Process (RUP)** — an iterative software development process that focuses on team productivity and delivers software best practices to all team members
- Six Sigma methodologies** — DMAIC (Define, Measure, Analyze, Improve, and Control) is used to improve an existing business process and DMADV (Define, Measure, Analyze, Design, and Verify) is used to create new product or process designs
- stakeholder register** — a document that includes details related to the identified project stakeholders
- standard** — describes best practices for *what* should be done

End Notes

- ¹ Andy Crowe, *Alpha Project Managers: What the Top 2% Know That Everyone Else Does Not*, Velociteach Press, Atlanta, GA, (2006).
- ² Phillip A. Pell, Comments posted at Elaine Varron, “No Easy IT Fix for IRS [formerly “For the IRS, There’s No EZ Fix”], *CIO.com* (April 1, 2004).
- ³ Grant Gross, “Report: IRS information security still poor,” *InfoWorld* (January 8, 2008).
- ⁴ PCI Group, “PM Best Practices Report,” (October 2001).
- ⁵ Brian Jacks, “Lord of the Rings: The Two Towers Extended Edition (New Line),” *Underground Online (UGO.com)* (accessed August 4, 2004).
- ⁶ Bill Cottrell, “Standards, compliance, and Rational Unified Process, Part I: Integrating RUP and the PMBOK,” IBM Developerworks (May 10, 2004).
- ⁷ Sarah Fister Gale, “Outstanding Organizations 2007,” *PM Network*, (October 2007), p. 5.
- ⁸ Libby Elis, “Urban Inspiration,” *PM Network*, (January 2006), p. 30.

